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SENATE—*Monday, July 16, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL T. HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer.

Let us pray:

God of our fathers and our God, in Thee we put our trust generation after generation, through happy days and in times of trouble. We thank Thee for every patriot whose life has blessed the Nation, for all who have served and all who now serve the Nation with competence and character. When new directions, new exertions and new disciplines are required, wilt Thou show us the way with a clarity transcending our highest human insight?

O Lord keep us close to Thee, for Thy presence is the answer to every prayer. Unite the Congress with the President to serve with such purity of purpose and singleness of devotion as befits service in Thy kingdom. May goodness and mercy and justice follow us through changing scenes.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 16, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL T. HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRESIDENT CARTER'S SPEECH

Mr. ROBERT C. BYRD. Mr. President, last night President Carter addressed the people of our Nation. He reminded the Nation of who we were, what we have become, and what we can be again.

He asked us to look inward, to reexamine our values. He asked us to be strong. He asked us to make sacrifices.

It is my hope that he struck the raw nerves of our Nation.

Time will be the measure, as President Carter further outlines his energy and inflation plans.

In any event, the President captured the attention of the Nation. He had the ear of the people. It is my hope that now he can reach out to their hearts and minds.

His speech was a recognition that the malaise of the spirit is not incurable, but can be swept away with the right kind of leadership. He asked for our cooperation, and we will give it.

But Congress has not been on the sidelines all of these weeks. Congress is already well ahead in its development of most of the legislation to which he referred.

For example, the National Energy Mobilization Board is included in the legislation which Senator JACKSON and the Energy Committee will be reporting to the Senate, perhaps as early as next week.

The synthetic fuels program is included in that legislation.

The House has passed legislation dealing with an accelerated synthetic fuels program. That legislation will be coming to the Senate within a week or 10 days.

The windfall profits tax is already in the works. The House has acted in that regard. The Senate Committee on Finance is proceeding, and my meetings with Senator LONG, Mr. ULLMAN, and others have indicated to me that the Senate will be moving along. The House legislation, of course, must be passed first by virtue of the constitutional requirement, and the Senate will be acting on the tax in due time.

As to the creation of a solar bank, the administration has talked about sending up such legislation but it has not yet done so. In the past, some form of solar bank legislation has been introduced in the Senate. It is an idea that has been floating around for a while and will be considered thoroughly.

As to the import quotas, the President has the authority to impose them. He has said he will use that authority. It is a matter that will be left up to his leadership.

In order to mandate utilities, by law, to cut oil consumption by 50 percent within the next decade and switch to coal, an amendment to the Fuel Use Act will be necessary.

But, in the main, I think I need only say, as I have said before, that Congress is ahead of the game.

As to its performance in this area, I am sure Congress is going to do its part and is going to cooperate. Congress has already indicated that kind of leadership in the recent past, as well as over the many years in which it has enacted a great deal of energy legislation.

The Senate gave the President standby authority to ration gasoline. The other body did not go along. But I believe that some legislation along that line will be enacted.

I still think the President ought to send up a plan, rather than wait for a plan to be developed in the Congress, but I am not hardnosed about it. I think the important thing is that the country have a standby gasoline rationing plan, hope-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

fully one that would never have to be used.

As to the massive energy program that we are talking about, particularly the reduction in imports of foreign oil, I am glad to see the President taking a strong position on this matter.

He has said that this country will not import any more oil than was imported in 1977. Of course, that is the year in which the highest imports occurred. It gives him a little flexibility and elbow room. I hope the President will pursue the course he has set out upon. He can do it. He certainly stated with emphasis last night his intention to do it. I believe the American people will support that kind of determination.

I commend President Carter for his accurate and forceful speech. The real world is not the world in which we have been attempting to live, as he has indicated. But we have the spirit and the fortitude to mold our Nation to fit the realities of the day, and we will be a better people.

Mr. President, I yield the remainder of my time to the Senator from California (Mr. CRANSTON).

Mr. CRANSTON. I appreciate that very much.

Mr. President, I concur very strongly in the statement of the majority leader on the President's speech and his recognition of the legislation that has already been enacted or is in movement in the Congress that would fulfill significant portions of what the President talked about.

President Carter spoke out as a leader last night, forcefully, clearly, eloquently. The energy program he set forth is sound and strong and in keeping with America's size and strength.

The test will be the President's ability to lead Congress and the Nation now. His success will be our success. His failure will be our failure.

I believe that all of us together will be successful. I will do what I can do help the President.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

PRESIDENT CARTER'S SPEECH

Mr. BAKER. Mr. President, I watched the President's address last night, as I am sure most Americans did.

I was struck by his sincerity, his desire to publish the urgency of the moment, and his formula for solution to an anxious Nation.

I commend the President for making the address. I think, by and large, he succeeded in conveying his concerns and anxieties. I believe his call for national support for his energy initiatives will be widely accepted.

For my part, while I do not agree with every aspect of the President's proposal, and while I disagree with some parts of it, it occurs to me—and I represent—that today is not the day for perfection, which is often the enemy of the merely good but, rather, a day to try to formulate a policy that we can all support.

The President is right, beyond a shadow of a doubt, in saying that we have an energy crisis to contend with. So, while we may not—indeed, we do not—agree on every aspect of his proposals heretofore made or those suggested or intimated in his speech last night, I am prepared to say and I do now say that, for my part, and I believe I speak on behalf of all or virtually all Republicans in this body, we are willing to start from scratch. We are willing to begin anew. We are willing to consider together the formulation of a plan that will lead this country to better times.

It is not an easy job, and I place no preconditions on my effort at cooperation, but I earnestly hope that the President and his advisers will take account of the views that we express on our side of the aisle here, in the other body, and throughout the country, and try to synthesize a broad-based, genuine bipartisan policy. I am willing to do that, and I hope the President is willing to do that.

I am willing to consider and to adopt programs and proposals about which I may not be wholly enthusiastic, in deference to the need to do something. I am willing to lay aside apprehensions and concerns I might have about some programs, provided they lead to a coherent, combined energy program, with reasonable prospects of success.

What we do today and in the weeks and months remaining of this session almost surely is not the last word that will be spoken on energy in the Government and it is not necessary that we achieve absolute perfection in our efforts. So I am declaring, Mr. President, on my own behalf and I hope on behalf of our many, I believe most, Republicans in the Senate, that we are willing to start from scratch and try to enact a worthwhile program for America.

I do not abdicate my right to criticize and critique, suggest alternatives, to disagree and disavow any parts of such a program that are clearly anathema to my principles and beliefs, but I am willing to start from scratch, to lay aside the animosities and conflicts that have characterized this debate in the past and try anew.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, I commend the distinguished minority leader on the broad and objective approach that he has outlined as far as the minority is concerned. He has recognized that this is an American problem, that it is not one in which there should be partisanship, and I think this is statesmanship as he has expressed it.

For my part, let me say that the minority in the Senate has, all along, as we have dealt with energy issues, made its share of the contributions, has given its support. There have been differences on that side of the aisle, just as my own side of the aisle has been divided on energy matters. Energy is one of the most divisive, contentious subjects that I think I have ever seen come before the Senate. But the minority has not taken a partisan viewpoint on this, in my estimation, over the years, and has joined those on the other side of the aisle who could see the issue as those on my side of the aisle could see it in order to produce the majorities necessary to pass important energy legislation. It was not all done by the Democrats. We had to have some Republican support, and I have maintained this consistently in my advice to the White House.

It was at my request that Senators STEVENS, DOMENICI, HATFIELD, and BELLMON went to Camp David. I mentioned those only because they are the leaders—not all the leaders, but at least, they are leaders on the Energy Committee and on the Budget Committee.

I have stated from the beginning that any program dealing with energy has to have broad support, has to have bipartisan support. I have seen it manifested in the Senate; I know that it pays. It is the only way to reach consensus, to have members of both parties join in working out a solution.

So, as far as the Senate is concerned, I want to say that I am proud of the demonstration of cooperation and nonpartisanship on the part of the minority in dealing with energy issues. I know that the minority leader is to be congratulated on what he has just stated and I am satisfied that that reflects the opinion of the minority as we approach this common problem, because we are going to have to manifest statesmanship in dealing with the problem that is of such vital interest to the American people, and that so vitally affects the economy and our own national security. I hope we can join in supporting the President whenever we feel that we can support him. He needs the help of the people, and I think, in this moment of common concern, we should show that common understanding and support that the President needs, and that the Nation needs.

I commend the minority leader, and I commend those Members of the minority who have demonstrated this kind of statesmanship all along on energy matters.

I do not complain about those who disagree on either side with the legislation we have passed. Where they have disagreed, it has not been in the spirit of partisanship, but simply because they did not see eye-to-eye with the majority as the matter was molded together on both sides of the aisle in passing legislation.

So I am encouraged. But the minority leader did not need to say what he said so far as I am concerned, because I have seen that kind of cooperation all along in energy matters. I have no doubt, and had no doubt, that it would be forthcoming in the future as well on this subject.

Mr. BAKER. Mr. President, I thank the majority leader. I add only this:

I never dreamt for a second that I needed to make these representations to the majority leader. I have never known a man who had a better and clearer understanding of the essence of this institution and the necessity for bipartisan cooperation. As we often have expressed to each other on this floor, the matter of leadership in the Senate is a joint undertaking. While he, as the majority leader, has the primary responsibility, I recognize that I, too, have the responsibility; and so it is with major issues.

Mr. President, my remarks today were directed to the White House, primarily. When I expressed the view that, notwithstanding our disagreement and failure of cooperation in the past, I am willing to start from scratch, I was in no way referring to the majority leader but, rather, to those in the executive department.

Mr. President, if I have any time remaining, I yield it to the distinguished Senator from Kansas.

The ACTING PRESIDENT pro tempore. The Senator from Kansas has 3 minutes remaining.

Mr. DOLE. Mr. President, I have listened with interest, in my office, to the distinguished minority leader and the majority leader.

As the ranking Republican on the Senate Finance Committee, in which we are dealing with some of the issues and some of the problems enunciated by the President, and as the chairman of the Energy Committee of the Policy Committee, I also indicate a willingness to cooperate.

I think the one disturbing factor in the President's remarks last night was that every program he mentioned calls for more Government action. I hope that today, in Kansas City, we will hear the President of the United States talk about the private sector.

He talked about the greatness of America and the crisis of confidence. It seems to me that one thing that needs to be underscored is that we will solve this problem not with more Government programs, necessarily, but with a rededication of the private sector.

I noted that there was almost a complete lack of reference to what we could do in the private sector so far as short-term production is concerned. There are a number of things that can be done in the short term, through the private sector, that will insure increased domestic supplies of oil and gas. It is my hope that the President will address these matters today in Kansas City and Detroit.

Certainly, Congress is cooperating; the minority leader is cooperating and is willing to cooperate. Right now, in the Finance Committee, we are working on the windfall profits tax. Nearly every other program mentioned by the President last night is either in the mill in Congress or can be done without legislative action.

My point is that the key word should be "production"—production through the private sector. I hope that in the weeks and months ahead, Congress and the President will understand the need to turn to the private sector for a more complete energy program.

I thank the distinguished minority leader for yielding.

(The following proceedings occurred later in the day and are printed at this point in the RECORD by unanimous consent.)

Mr. RANDOLPH. Mr. President, I ask unanimous consent to set aside the Pastore rule to give me the opportunity to make a very brief statement, which I released last night, per the request of certain media sources in West Virginia, following the address of the President.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMENT ON THE PRESIDENT'S SPEECH

Mr. RANDOLPH. Mr. President, our President spoke as a Commander in Chief should speak. His words were forceful and challenging. He pleaded with loyal Americans to join with him in a purpose that we have demonstrated in other words.

Overseas suppliers of oil heard Jimmy Carter say "this far—no more." Coal was first in his list of needed alternatives to petroleum. He emphasized coal as our most abundant fuel. President Carter correctly urged conservation.

He is in troubled waters, but he gave us the promise he would hold the rudder with a strong and steady hand. His call for unity, understanding, hard work and sacrifice will, I believe, mobilize the American people. This address was, in my judgment, his most forthright and effective message since he became President.

RECOGNITION OF SENATOR WEICKER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Connecticut is recognized for not to exceed 15 minutes.

THE PRESIDENT'S SPEECH

Mr. WEICKER. Mr. President, last night, a President of the United States, who had run out of gas politically, intellectually and emotionally, asked the American people to push him back on the track for 1980. It is my contention this morning that what crisis of confidence exists, exists not with the American people but among the lightweights that are the President and his White House coterie.

I suggest that instead of the "I goofed but you pay" approach, President Carter pay the price of accountability by removing himself as a candidate for reelection thus freeing himself to do the politically unpopular so necssary to any substantive resolution of the country's energy problems. Such acts, all of which have my unqualified support, should be:

First. Immediate mandatory gasoline rationing by coupon.

Second. Immediate ban on all credit card purchases of gasoline.

Third. Immediate decontrol and deregulation of all oil and gas.

Fourth. The Highway Trust Fund be made available to all forms of transportation.

Fifth. Nationalization of all rail passenger service with massive funding being directed toward capital investments in track, cars, and engines.

Sixth. Imposition of a tax on oil and gas producers which resultant funds will be used for Government-assisted development of alternate forms of energy. All discoveries to be in the public domain.

Seventh. An import curb on oil of 1 percent less per month than the preceding month—commencing August, 1979.

Eighth. An energy stamp program to assist the Nation's poor and elderly in the payment of their utility and transportation bills.

These are the nutcrackers that circumstances demanded of last night's performer and today's Nation.

Until they substantially come to pass, deception rather than conservation, deception rather than production, and deception rather than innovation remains the cornerstone of U.S. energy policy. To this extent, Congress and both political parties can share goat's horns with the President.

The American people want the truth both as to situation and response. For the last 5 years and that includes last night, they have been given little of either.

If fewer of us thought about hanging on to our jobs, maybe more of our constituents could remain in theirs.

I yield back the remainder of my time.

NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 562, which will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 562) to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works with an amendment to strike all after the enacting clause and insert the following:

TITLE I

SECTION 101. (a) There is hereby authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, for the fiscal year 1980 the sum of $373,300,000, to remain available until expended. Of such total amount authorized to be appropriated:

(1) not more than $57,040,000 may be used for "Nuclear Reactor Regulation";

(2) not more than $41,200,000 may be used for "Inspection and Enforcement"; of the total amount appropriated for this purpose, $4,684,000 shall be available for support for 146 additional inspectors for the Resident Inspector program;

(3) not more than $14,270,000 may be used for "Standard Development";

(4) not more than $29,605,000 may be used for "Nuclear Material Safety and Safeguards"; of the total amount appropriated for this purpose, $9,675,000 shall be available for Nuclear Waste Disposal and Man-

agement activities, including support for five additional positions in the Division of Waste Management for implementation of the Uranium Mill Tailings Radiation Control Act (Public Law 95–604, 42 U.S.C. 7901 et seq);

(5) not more than $185,570,000 may be used for "Nuclear Regulatory Research"; of the total amount appropriated for this purpose, $4,400,000 shall be available for implementation of the Improved Safety Systems Research plan required by section 205(f) of the Energy Reorganization Act of 1974, as amended, and $6,700,000 shall be available for Nuclear Waste Research activities;

(6) not more than $14,925,000 may be used for "Program Technical Support"; of the total amount appropriated for this purpose, $4,238,000 shall be available to the Office of State Programs, including support for eight additional positions for training and assistance to State and local governments in radiological emergency response planning and operations and for review of State plans; and

(7) not more than $30,690,000 may be used for "Program Direction and Administration"; of the total amount appropriated for this purpose, $400,000 shall be available for support of eight additional positions in the Division of Contracts, Office of Administration.

(b) No amount appropriated to the Commission pursuant to subsection (a) may be used for any purpose in excess of the amount expressly authorized to be appropriated therefor by paragraphs (1) through (7) of such subsection, if such excess amount is greater than $500,000, nor may the amount available from any appropriation for any purpose specified in such paragraphs be reduced more than $500,000, unless.

(1) a period of forty-five calendar days (not including any day in which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain or an adjournment sine die) has passed after the receipt by the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Environment and Public Works of the Senate of notice given by the Commission containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or

(2) each such Committee before the expiration of such period has transmitted to the Commission a written notification that there is no objection to the proposed action:

Provided, however, That no addition to or reduction from the amount expressly authorized to be appropriated for any purpose in accordance with this subsection shall reduce the amounts available for the Resident Inspector program, Nuclear Waste Disposal and Management, Improved Safety Systems Research, Nuclear Waste Research, the Office of State Programs, and the Office of Administration specified in paragraphs (1) through (7) of subsection (a).

(c) No amount authorized to be appropriated by this Act may be used by the Commission to

(1) place any new work or substantial modification to existing work with another Federal agency, or

(2) contract for research services or modify such a contract

in an amount greater than $500,000, unless such placement of work, contract, or modification is approved by a Senior Contract Review Board, to be appointed by the Commission within 60 days of the date of enactment of this Act. Such Board shall be accountable to and under the direction of the Commission. If the amount of such placement contract, or modification is $1,000,000 or more, approval thereof shall be by majority vote of the Commission. Prior to affording any approval in accordance with this subsection, the reviewing body designated hereunder shall determine that the placement, contract, or modification contains a detailed description of work to be performed, and that alternative methods of obtaining performance, including competitive procurement, have been considered.

Sec. 102. Monies received by the Commission for the cooperative nuclear research programs may be retained and used for salaries and expenses associated with those programs, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended.

Sec. 103. Transfers of sums from salaries and expenses may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

Sec. 104. Notwithstanding any other provision of this Act, no authority to make payments hereunder shall be effective except to such extent or in such amounts as are provided in advance in appropriations Acts.

Sec. 105. The first sentence of section 234 a. of the Atomic Energy Act of 1954, as amended, is amended by striking all that follows "exceed" the first time it appears and inserting in lieu thereof the following: "$100,000 for each such violation."

Sec. 106. The Commission is authorized and directed to enter into a contract for an independent review of the Commission's management structure, processes, procedures, and operations. The review shall include an assessment of the effectiveness of all levels of agency management in carrying out the Commission's statutory responsibilities, in developing and implementing policies and programs, and in using the personnel and funding available to it. The contract shall provide for submission of a report of the findings and recommendations of the review to the Commission not later than one year from the date of enactment of this Act, and the Commission shall immediately transmit such report to the Congress.

TITLE II

Sec. 201. As used in this title—

(1) the term "the Act" shall mean the Atomic Energy Act of 1954, as amended;

(2) the term "extraordinary nuclear occurrence" shall have the meaning provided therefor by section 11 j. of the act; and

(3) the term "utilization facility" shall mean a facility described by section 11 cc. of the Act which is licensed to operate under section 103 or 104 b. thereof.

Sec. 202. (a) Section 103 of the Act is amended by adding at the end thereof the following new subsection:

"e. As part of each application for an operating license for a utilization facility submitted under this section, the applicant shall provide the plan of the State of situs for emergency response to an extraordinary nuclear occurrence, and to an event or sequence of events which significantly increases the likelihood thereof, at each utilization facility, including the subject facility, licensed to operate within such State under this section or section 104 b. of the act. No such license shall be issued unless the Commission is satisfied that such plan adequately protects the public health and safety."

(b) As soon as practicable, each State wherein a utilization facility has been licensed to operate as of the date of enactment of this act shall submit to the Commission a plan for emergency response to an extraordinary nuclear occurrence, and to an event or sequence of events which significantly increases the likelihood thereof, at each such facility within the State. The Commission shall review each plan for compliance with the guidelines employed prior to the enactment of this section in affording or withholding concurrence in State radiological emergency response plans. In the event the Commission determines that any such plan does not comply with such guidelines and the State fails to correct such noncompliance within six months of the date of enactment of this section, the Commission shall cause such determination to be published in the newspaper of greatest circulation in such State, and shall order each such facility to terminate operations until a plan is submitted which the Commission determines to be in compliance with such guidelines.

(c) As soon as practicable, but not later than six months from the date of enactment of this section, the Commission shall by rule promulgate minimum requirements for State plans for emergency response to an extraordinary nuclear occurrence, and to an event or sequence of events which significantly increases the likelihood thereof, at each utilization facility licensed to operate within the State. Such requirements shall assure protection of the public health and safety to the maximum extent practicable. In the promulgation required hereunder, the Commission shall specify a period for expeditious compliance with such requirements. Pending the promulgation required hereunder, the Commission shall determine plan adequacy as required by section 103 e. of the act on the basis of the guidelines employed prior to the enactment of this section in affording or withholding concurrence in State radiological emergency response plans.

Sec. 203. Within six months of the date of enactment of this section, the Commission shall by rule promulgate a plan for agency response to an extraordinary nuclear occurrence, and to an event or sequence of events which significantly increases the likelihood thereof, at a utilization facility licensed under section 103 or 104 b. of the Act which at a minimum provides for effective and expeditious procedures for—

(1) notification by the licensee of any event or sequence of events at such a facility which may significantly increase the likelihood of such an occurrence;

(2) determination of the existence of such an event, sequence of events, or occurrence;

(3) representation at the facility site vested with the authority to act on behalf of the Commission;

(4) communication among Commission headquarters, the Commission regional office, Commission representatives at the facility site, the Governor of the State of situs and other appropriate State officials, and senior management officers and operator personnel of the licensee;

(5) comprehensive and definitive monitoring of radiation levels within the boundaries of the facility site.

(6) function of the Chairman as spokesman for the Commission in accordance with section 201(a)(1) of the Energy Reorganization Act of 1974, as amended;

(7) making recommendations on evacuation; and

(8) acquiring facility design and construction information, equipment, and technical expertise.

In the promulgation required hereunder, the Commission shall specifically determine which procedures shall be implemented by majority vote of the Commission, and which shall be implemented through delegation of authority.

Sec. 204. (a) Section 170 of the Atomic

Energy Act of 1954, as amended is amended by changing the caption thereof to "Indemnification, Financial Protection, Limitation of Liability, and Emergency Response.", and by adding at the end a new subsection q. as follows:

"q. Within 120 days of the date of enactment of this subsection, the President shall prepare and publish a National Contingency Plan to provide for expeditious, efficient, and coordinated action to protect the public health and safety in case of an extraordinary nuclear occurrence, or an event or sequence of events which significantly increases the likelihood thereof, at a utilization facility licensed under section 103 or 104 b. Such Plan shall include, but not be limited to—

"(1) designation of an interagency task force, including but not limited to the Commission, which shall be the lead agency, the Federal Emergency Management Agency, the Environmental Protection Agency, the Department of Health, Education, and Welfare, the Department of Defense, and the Department of Energy, and consisting of personnel who are trained, prepared, and available to provide necessary services to carry out the Plan;

"(2) assignment of duties and responsibilities among Federal departments and agencies: *Provided, however*, That the Environmental Protection Agency shall have the responsibility for radiation monitoring outside the boundaries of the facility;

"(3) identification of an official of the lead agency as task force coordinator at the facility site;

"(4) establishment of a national center to provide coordination and direction in Plan implementation; and

"(5) identification, procurement, maintenance and storage of equipment and supplies.

The President shall incorporate in the Plan required hereunder the provisions of the plan of the Nuclear Regulatory Commission promulgated pursuant to section 203 of the Nuclear Regulatory Commission Authorization Act for Fiscal Year 1980. To the maximum extent possible, the Federal response to an extraordinary nuclear occurrence, or to an event or sequence of events which significantly increases the likelihood thereof, at a utilization facility licensed under section 103 or 104 b., shall conform to the Plan promulgated hereunder. The President may periodically revise such Plan.".

(b) The analysis of chapter 14 of the Atomic Energy Act of 1954, as amended, is amended by deleting:

"Sec. 170. Indemnification and limitation of liability."

and inserting in lieu thereof:

"Sec. 170. Indemnification, financial protection, limitation of liability, and emergency response."

SEC. 205. (a) Section 103 of the Act is amended by adding at the end thereof the following new subsection f.:

"f. Each license issued under this section for a utilization facility shall require as a condition thereof that in case of any event or sequence of events at such facility which may significantly increase the likelihood of an extraordinary nuclear occurrence, the licensee shall immediately so notify the Commission. Violation of the condition prescribed by this subsection may in the Commission's discretion constitute grounds for license revocation. In accordance with section 187 of this Act, the Commission shall immediately amend each license for a utilization facility issued under this section or section 104 b. which is in effect on the date of enactment of this section to insert the provisions required hereunder.".

(b) As expeditiously as practicable, the Commission shall establish a mechanism for instantaneous and uninterrupted verbal communication between each utilization facility licensed to operate on the date of enactment of this Act, or thereafter, and

(1) Commission headquarters, and

(2) the appropriate Commission regional office.

(c) Within ninety days of the date of enactment of this Act, the Commission shall prepare and transmit to the Congress a plan for remote and instantaneous monitoring of each principal component system of a utilization facility which is designed to prevent substantial health or safety hazards or to measure radioactive releases to the atmosphere.

SEC. 206. (a) The Commission is authorized and directed to undertake a comprehensive investigation and study of the impediments to expeditious and reliable communication among Commission headquarters, the Commission regional office, Commission representatives at the facility site, senior management officials and operator personnel of the licensee, and the Governor of Pennsylvania and other State officials, in the thirty day period immediately following the accident of March 28, 1979, at unit two of the Three Mile Island Nuclear Station in Pennsylvania. Such investigation and study shall include, but not be limited to, a determination of the need for improved communications procedures and the need for advanced communications technology.

(b) The Commission shall report to the Congress by January 1, 1980, on the findings of the investigation and study required by the preceding subsection, including recommendations on administrative or legislative measures necessary to facilitate expeditious and reliable communications in case of an extraordinary nuclear occurrence, or an event, or sequence of events which significantly increases the likelihood thereof, at a utilization facility. The Commission shall implement as soon as practicable each such recommendation not requiring legislative enactment, and shall incorporate the recommendation in the plan for agency response promulgated pursuant to section 203 of this Act.

SEC. 207. (a) The Commission is authorized and directed to prepare a plan for improving the technical capability of licensee personnel to safely operate utilization facilities. Such plan shall include specific criteria for more intensive training and retraining of operator personnel licensed under section 107 of the Act, and for the licensing of such personnel, to assure—

(1) conformity with all conditions and requirements of the operating license;

(2) early identification of events or event sequences which may significantly increase the likelihood of an extraordinary nuclear occurrence; and

(3) effective response to any such event or sequence.

The Commission shall transmit to the Congress the plan required by this subsection within six months of the date of enactment of this Act, and shall implement as expeditiously as practicable each element thereof not requiring legislative enactment.

(b) The Commission is authorized and directed to undertake a study of the feasibility and value of licensing under section 107 of the Act plant managers of utilization facilities and senior licensee officers responsible for operation of such facilities. The Commission shall report to the Congress within six months of the date of enactment of this Act on the findings and recommendations of the study required by this subsection, and shall expeditiously implement each such recommendation not requiring legislative enactment.

SEC. 208. (a) In the conduct of the study required by section 5(d) of the Nuclear Regulatory Commission Authorization Act for Fiscal Year 1979 (Public Law 95-601), the Commission and the Environmental Protection Agency, in consultation with the Secretary of Health, Education, and Welfare, shall evaluate the feasibility of epidemiological research on the health effects of low-level ionizing radiation exposure to licensee, contractor, and subcontractor employees as a result of—

(1) the accident of March 28, 1979, at unit two of the Three Mile Island Nuclear Station in Pennsylvania;

(2) efforts to stabilize such facility or reduce or prevent radioactive releases therefrom; or

(3) efforts to decontaminate, decommission, or repair such facility.

The report required by such section shall include the results of the evaluation required hereunder.

(b) Section 5(d) of the Nuclear Regulatory Commission Authorization Act for Fiscal Year 1979 (Public Law 95-601), is amended by striking "September 30, 1979" and inserting in lieu thereof "March 1, 1980".

The ACTING PRESIDENT pro tempore. Debate on this bill is limited to 1 hour, to be equally divided between and controlled by the Senator from Colorado and the Senator from Wyoming, with 30 minutes on any amendment in the first degree, except a McGovern amendment on State veto of nuclear waste, on which there shall be a 1-hour limit; a Kennedy amendment on review of construction permits, on which there shall be 1 hour; a DeConcini amendment on special powers of NRC in certain cases, on which there shall be 1 hour; a Hart-Simpson amendment, on which there shall be 1 hour; a Johnston amendment on moratorium excavation plans, on which there shall be 40 minutes; and two Dole amendments, on which there shall be 30 minutes each, with 20 minutes on any amendment in the second degree, except a Bumpers amendment to the McGovern amendment, on which there shall be 40 minutes, a Hart amendment to the Kennedy amendment, on which there shall be 40 minutes, and a possible Johnston amendment to the McGovern amendment, on which there shall be 40 minutes; with 10 minutes on any debatable motion, appeal, or point of order.

Who yields time?

Mr. BAKER. Mr. President, I note that the distinguished Senator from Colorado (Mr. HART) has not yet reached the Chamber. I believe he is on his way. Since there is fairly short time for debate on the bill, I am going to ask unanimous consent that it be in order to suggest the absence of a quorum without charging that time to either side.

Mr. President, I make that request at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Environment and Public Works be afforded the privilege of the floor during the consideration of and all votes on S. 562:

John Yago, Philip Cummings, Larry Roth, Paul Leventhal, John Austin, Kevin Phelps, Bill Donovan, Bailey Guard, James Asselstine, James Range, Jean Schrag, and Keith Glaser, as well as Sam Ratick of Senator MOYNIHAN's staff; Peter Gold of my staff; and Jim Cubie and David Moulton of Senator KENNEDY's staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HART. I thank the Chair.

Mr. DOMENICI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HART. Yes.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Charles Trabandt, Will Smith, and Ben Cooper of the Energy and Natural Resources Committee staff; Rick Richards of Senator JOHNSTON's staff, Paul Gillman, Steve Bell, and George Ramonas of my staff be granted floor privileges during the discussion and votes on this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Senator from Colorado.

Mr. HART. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. HART. What is the pending business before the Senate?

The ACTING PRESIDENT pro tempore. S. 562.

Mr. HART. I thank the Chair.

Mr. President, as chairman of the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works, I am pleased to present for Senate consideration S. 562, as amended, authorizing appropriations for the Nuclear Regulatory Commission for fiscal year 1980. The NRC authorization bill represents a major element in our oversight of the Commission.

The Nuclear Regulatory Commission sent to Congress a proposed budget of $373.3 million, a 13-percent increase over the estimated obligations for fiscal year 1979 of $326.6 million. The committee accepted the Nuclear Regulatory Commission's total request, although it reallocated some funds within the total to meet certain priority needs.

Mr. President, the NRC authorization bill comes to the Senate in the wake of Three Mile Island, the most serious nuclear accident in the history of the civil nuclear power program. Prior to Three Mile Island, the committee had considered reducing the Nuclear Regulatory Commission's proposed budget increase. In the aftermath of Three Mile Island, however, we recognized the urgency of providing additional resources to meet the substantial responsibilities arising out of the accident. The Three Mile Island accident has triggered an exhaustive reappraisal of our reliance on nuclear power. The results of the committee's special Senate-authorized investigation, and of other investigations, should reveal whether in the past we have too blithely underestimated the potential risks of nuclear power and too blindly ignored the potential benefits of energy alternatives. At the least, these investigations should help point the way to better regulation and control of civilian nuclear power.

The proposed fiscal 1980 authorization for NRC reflects the committee's response to remedying the weaknesses in our nuclear regulatory structure. Exposed by the Three Mile Island accident. For example, the accident caused us to question the adequacy of the Nuclear Regulatory Commission's program for inspecting operating reactors. In fiscal year 1977, the Commission initiated a resident inspection program that would station 83 inspectors at selected sites to monitor the daily operations of the reactors. Prior to Three Mile Island, the Commission had planned to hire only 27 additional resident inspectors during fiscal year 1980. Today's authorization bill, however, mandates that the Commission drastically expand its program by hiring 146 additional resident inspectors.

The committee expects the resident inspector program will improve the effectiveness of NRC by: First, providing more opportunities to observe licensed activities; and, second, giving the inspector greater knowledge of the plant, enhancing his ability to make prompt and accurate technical judgment.

In addition, the bill directs GAO to conduct a study comparing the advantages and disadvantages of the new resident inspector program with the existing regional inspection program. Thus, this portion of the authorization bill begins to grapple with the traditional assumption which underlies the NRC's regulatory philosophy: That the commercial utility companies, and not the Nuclear Regulatory Commission, should have the principal responsibility for insuring that licensed activities comply with NRC regulations.

The committee's preliminary investigation of the accident also revealed that reactor control room personnel, when confronted by serious problems, failed to respond appropriately during the initial sequence of events leading to the crisis. Deficiencies in operator performance included: A lack of vigilance in assuring that the plant was operating in compliance with its license requirements, a failure to understand properly the reactor condition, and a failure to respond promptly and adequately to the emergency situation.

Therefore, the committee, in this bill, directs the Nuclear Regulatory Commission to prepare a plan for improved training, retraining, and licensing of reactor operators. The plan will specifically address the problems of emergency response training. The Commission will also study the feasibility of licensing plant managers and other personnel not now subject to NRC licensing, who have authority to make decisions affecting the operation of a plant.

The Three Mile Island accident also underscored the immediate need for a national contingency plan which insures coordinated Federal response to future emergencies at nuclear powerplants. The authorization bill requires the President to promulgate such a plan, setting up a Federal interagency task force with the NRC as lead agency to facilitate coordination.

The NRC's response to the Three Mile Island crisis disclosed a disconcerting lack of preparation for such an emergency. There was a delay in the arrival of NRC's principal technical experts on site. There was a delay in the availability and coordination of support services. The NRC was unable to obtain and relay accurate and timely information. Certain actions of the utility were unanticipated and unapproved by the NRC.

In response to this set of circumstances, the authorization bill requires the NRC to promulgate a plan for responding to nuclear emergency. The plan will insure prompt notification of an emergency by a plant operator, prompt dispatch of NRC emergency response team to the plant site, swift and accurate communication within the NRC and between the NRC and responsible Federal, State and utility officials, and accurate monitoring of radiation levels on site.

Perhaps the most significant remedial legislative measure spawned by Three Mile Island is the amendment to section 202 in the printed bill which my distinguished colleague, the Senator from Wyoming (Mr. SIMPSON) and I offer in the form of a perfecting amendment. The amendment would require each State without an already concurred-in plan to submit an emergency response plan. New operating licenses could not be issued by NRC to plants in States without an approved plan during this period. States whose plans fail to receive NRC approval for specific plants within 9 months of enactment will face a shutdown of those plants within their borders.

To facilitate the Commission's review of these State emergency response plans, S. 562 authorizes $4,238,000 for the Office of State Programs, an increase of nearly $1.55 million and eight positions over the Commission's original request. New, upgraded emergency plan regulations would be issued by the NRC by the end of this 9-month review period. Our best information from the NRC is that it can do the job in the specified time and that our amendment will serve as an action-forcing mechanism but not force the shutdown of any nuclear powerplants.

Mr. President, as we look into our crystal balls and attempt to divine the future for nuclear energy in this country, we must seek solutions to problems based not on emotionally-charged rhetoric but on dispassionate, reasoned analysis. This the committee, through its investigation, will strive to do. Last month the Senate authorized $401,700 for our committee's special 1-year investigation into the Three Mile Island accident, an investigation that should help the Senate attain this objective with respect to future regulation and control of civilian atomic energy program.

Mr. President, I personally believe that it is unrealistic and simplistic to suggest that we can immediately terminate nuclear power. There are currently 70 reactors licensed to operate in the United States. An additional 125 reactors are under construction or are planned. Electricity generated by nuclear powerplants satisfies fully 14 percent of this country's electricity requirements. In some areas of the country, particularly the East and Midwest, nuclear power supplies between 30 and 40 percent of the total electrical output. Thus, although the future of nuclear energy is at the present time at least hazy, it is clear that nuclear energy, safely controlled, should have a future, and that these reactors, safely operated, can significantly contribute to electrical power generation in the years ahead.

This authorization bill can only respond to the most immediate problems. Of course, much work remains to be done. There are no easy answers to the complex problems surrounding this source of energy. But if we are to protect the health and safety of a public growing both increasingly dependent on and anxious about nuclear power, we must search all the harder for the answers.

This authorization bill represents an essential part of our Nation's effort to insure that nuclear power is a safe energy source for as long as we need it. I recommend that the Senate approve this bill as reported and perfected by the committee.

Mr. President, last night I heard the President of the United States address the Nation on the critical problem of our energy supplies and the role that they play in restoring this Nation's selfconfidence. The President chose not to address the complex issue of nuclear power. Perhaps he will do so today or tomorrow, or in the coming days; but it seems to this Senator, having spent almost 3 years on the very difficult issues related to the future of nuclear power in America, that we cannot address the energy future of America without thoughtful consideration of the role nuclear power will play. We cannot address the future role that nuclear power will play without, addressing at the same time, the very difficult problems that the Three Mile Island accident represents, and the very complex issues of safety, proper inspection and regulation that surround the nuclear power industry itself.

That accident, which occurred just 3 months ago, was a rude shock, particularly to those who have felt for the last two or three decades that nuclear power was one of the answers if not the answer to the future role of this country and its energy needs. That situation has changed dramatically, Mr. President, in the last few weeks.

We have not solved the problems created by that accident; we have only begun to consider them. This bill is an initial attempt to address those problems and the new problems which will hereafter be faced by the Government agencies and committees that have responsibility for regulating and controlling nuclear power.

Mr. President, I do not think we will solve this country's energy needs in the abstract, or without addressing the difficulties of nuclear power. Today, with this bill, the Senate begins that process, and I hope begins it wisely.

I ask unanimous consent that a summary of the bill prepared by the committee staff be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF NUCLEAR REGULATORY COMMISSION FISCAL YEAR 1980 AUTHORIZATION

NUCLEAR REACTOR REGULATION (SECTION 101 (a) (1))

The bill includes an authorization of $57,040,000, which is equivalent to the Commission's request.

The Commission requested $57,040,000 for Nuclear Reactor Regulation, which is an increase of $9,526,000 over fiscal year 1979. The request also provides for 716 people, which is an increase of 85 over fiscal year 1979.

The primary objective of this program is the assurance of adequate safety, environmental protection and safeguards in the issuance of construction permits, and operating licenses for nuclear power plants. The significant increase in funding and staff positions will support greater focus on such program elements as Operation Reactors, Casework, and Technical Projects.

The 85 new positions for this office will provide additional effort to reduce the backlog of operating reactor amendment/licensing actions. NRC's overall licensing caseload, including operation license applications, limited work authorizations, standardized design reviews, and amendments to operating licenses, has been growing. There has been a growing backlog of license amendment applications (an increase of 400 in calendar year 1978 alone). A total of 1,695 generic actions and 2,294 plant specific actions are currently now outstanding for operating reactors which may be reduced by 1,000 by fiscal year 1980.

INSPECTION AND ENFORCEMENT (SECTION 101 (a) (2))

The bill includes an authorization of $41,200,000, which is equivalent to the Commission's request. Of this total amount, $4,684,000 is to be allocated from within Inspection and Enforcement to support 146 additional Resident Inspectors.

The Commission requested an authorization of $41,200,000, for Inspection and Enforcement in fiscal year 1980, which is an increase of $2,274,000 over fiscal year 1979. The request includes support for 9 additional people.

The primary objective for this activity is to assure, through field inspection and investigation, that nuclear reactors, fuel cycle facilities and materials are used in a safe manner and in full compliance with NRC licenses, rules and regulations. The purpose of the funding and personnel increases for this office is the support of the second full year of the NRC's on-site inspection program.

STANDARDS DEVELOPMENT (SECTION 101 (a) (3))

The bill includes an authorization of $14,270,000, which is equivalent to the Commission's request.

The Commission requested authorization of $14,270,000 for Standards Development in fiscal year 1980, which is a decrease of $107,000 from fiscal year 1979. The request includes support of 157 people, equivalent to the staffing level for fiscal year 1979.

This program develops standards which NRC needs to regulate nuclear facilities and materials from the standpoint of safety, safeguards, and protection of public health and the environment. The decrease in funding for fiscal year 1980 reflects the completion in fiscal year 1980 of the epidemiology feasibility planning study (required under Public Law 95–601) and completion of some technical assistance contracts for environmental standards.

NUCLEAR MATERIAL SAFETY AND SAFEGUARDS (SECTION 101 (a) (4))

The bill includes an authorization of $29,605,000, which is equivalent to the Commission's request. Of the total, $9,675,000 is for nuclear waste management including activities to implement the Uranium Mill Tailings Radiation Control Act of 1978 P.L. 95–604. To cover these activities fully, an additional $700,000 is to be reallocated from within the program.

The Commission requested authorization of $29,605,000 for Nuclear Material, Safety and Safeguards, which is an increase of $3,326,000 over fiscal year 1979. The request provides for 297 people which is an increase of 3 positions over fiscal year 1979.

This program provides for NRC licensing and regulation of all commercial nuclear materials and facilities except reactors, including safeguarding material from sabotage, theft or diversion. This program additionally represents the Commission's main focus for efforts in spent fuel storage and nuclear waste management.

NUCLEAR REGULATORY RESEARCH (SECTION 101 (A) (5))

The bill includes an authorization of $185,570,000, which is equivalent to the Commission's request. Of the total, $4,400,000 is for Improved Safety Systems Research, and $6,700,000 is for nuclear waste research. To cover these activities fully, an additional $3,400,000 is to be reallocated from within the program. The bill prohibits reduction of funds for these purposes through the reprogramming mechanism.

The Commission requested authorization of $185,570,000 for Nuclear Regulatory Research, which is an increase of $25,270,000 over fiscal year 1979. The request provides for 159 people, equivalent to the staffing level for fiscal year 1979.

This program, which accounts for more than half of the Commission's total budget, consists of six major elements, the largest of which is Reactor Safety Research. With an authorization request of $142,000,000, this program is developing analytical methods that can be used to assess the safety of nuclear power reactors, primary conventional light water reactors. The fiscal year 1980 request for this program is $21,820,000 larger than that of fiscal year 1979, and accounts for increased costs associated with the Loss-of-Fluid Test Facility (LOFT). This facility is designed to investigate the behavior of engineered safety features under a number of postulated accident conditions.

Improved Reactor Safety Research, a program element initiated in fiscal year 1979, is authorized at $3,400,000 over the Commission's $1,000,000 request. This will allow NRC to proceed with the three-year Improved Safety Systems Research program submitted to Congress in fiscal year 1978.

PROGRAM TECHNICAL SUPPORT (SECTION 101 (a) (6))

The bill includes $14,925,000, which is equivalent to the Commission's request. Of the total, $4,238,000 is for the Office of State Programs, including support for eight additional positions for training and assistance to State and local governments in radiological emergency response planning and operations, and for review of State plans submitted pursuant to section 202.

To cover these activities, an additional $1,485,000 is to be allocated from within the amount designated for this purpose.

The Commission requested authorization of $14,925,000 for Program Technical Support, which is an increase of $903,000 over fiscal year 1979. The request provides for 246 people, an increase of seven positions over fiscal year 1979.

PROGRAM DIRECTION AND ADMINISTRATION (SECTION 101(a)(7))

The bill includes an authorization of $30,690,000, which is equivalent to the Commission's request. Of the total, $400,000 is to provide support of eight additional positions in the Office of Administration, Division of Contracts. This will require reallocation of $400,000 from within Program Direction and Administration.

The Commission requested $30,690,000 for Program Direction and Administration, which is an increase of $702,000 over fiscal year 1979.

The request provides for 597 positions, an increase of 4 over fiscal year 1979.

TWO-YEAR AUTHORIZATION

The committee dropped title II, the 2-year authorization from the Commission's budget proposal, and included authorizations only for fiscal year 1980.

The Commission's proposal would have authorized such sums as may be necessary for fiscal year 1981. However, detailed budget proposals were submitted only for fiscal year 1980. Without the benefit of comprehensive budget justification for multi-year authorizations, the committee continues to support annual authorizations.

SECTION 101(b)—REPROGRAMMING

The committee has provided a reprogramming mechanism which applies to any reallocation between program offices specified in paragraphs (1) through (7) of section 1(a) resulting in increasing the amount allowed for an office by more than $500,000 or in decreasing the amount by more than that sum. If such a reallocation is contemplated, the Commission is required to notify the House Committees on Interior and Insular Affairs and Interstate and Foreign Commerce, and the Senate Environment and Public Works Committee. Notification must include support for the action intended. If 45 calendar days from receipt of this notification expires, or the Commission receives written assent from each committee prior to the expiration of this period, the Commission may proceed with the reallocation.

CONTRACT MANAGEMENT (SECTION 101(C))

The bill provides for an additional authorization of $400,000, to be used for eight additional positions in the Division of Contracts, Office of Administration, to address contract monitoring and contract close out deficiencies at NRC. This additional funding would be reallocated from within the amount provided for the purpose of Program Direction and Administration.

The bill also requires the establishment of a Senior Contracts Review Board which will review and approve all arrangements with other Federal agencies and all contracts for research services, and modifications to existing contracts and arrangements, in amounts greater than $500,000. The Commission itself is required to approve such contracts and arrangements and modifications in amounts greater than $1,000,000. In either case, the approving entity must determine that there exists a detailed description of the work to be performed and that alternative methods for obtaining performance of the work have been considered.

INCREASE OF CIVIL PENALTIES (SECTION 105)

The bill amends section 234 of the Atomic Energy Act of 1954(1) by increasing the limit on the amount of civil penalty which may be imposed for a single violation to $100,000 from the present level of $5,000; and (2) by eliminating the ceiling on the amount of penalty which may be assessed for continuing violations. Present law provides for a maximum penalty of $25,000 for continuing violations within any 30 day period.

NRC MANAGEMENT STUDY (SECTION 106)

The bill requires the Commission to enter into a contract for an independent study of NRC's management structure, process, procedures, and operation. A report of the findings of the study is to be transmitted to the Commission within 1 year of the date of enactment of the act, and immediately thereafter, submitted to Congress by the NRC.

The Committee has identified a number of concerns regarding the effectiveness of NRC's management structure, process, procedures and operation. These concerns focus on the efficiency with which NRC manages its resources; the strength of its contracts and procurement management; the agency capability for crisis management; the need for improvement in coordination and communication given the agency's statutory structure; and the effectiveness of NRC's personnel management, particularly with regard to equal employment opportunity policies.

STATE EMERGENCY RESPONSE PLANS (SECTION 202)

Effective upon enactment, this provision prohibits the issuance of a license for a new nuclear generating facility unless the Commission is satisfied that the State emergency response plan for that facility as well as for each other facility licensed to operate within the State adequately protects the public health and safety. Further, each State where such a facility is currently licensed to operate is afforded a period of up to six months from the date of enactment to obtain Commission approval of its plan for responding to an emergency at each facility within the State, or face a Commission order directing the shut-down of plants within the State.

The Commission is directed to promulgate minimum requirements for State plans within 6 months of the date of enactment. Pending promulgation of the minimum requirements, the Commission is directed to rely on the guidelines employed in the voluntary concurrence program in assessing the adequacy of State plans. In promulgating these requirements, the Commission is required to specify a period for expeditious compliance by the States in meeting those requirements.

NRC EMERGENCY RESPONSE PLAN (SECTION 203)

NRC is directed, within six months of the date of enactment of the bill, to promulgate, by rule, a plan for responding to an "extraordinary nuclear occurrence," as defined in the Atomic Energy Act. This plan will establish procedures for facilitation notification, information-gathering and communications; for operating an NRC emergency command center and for dispatching high-level NRC representatives to the site of the damaged reactor; for making recommendations on evacuation; for formal votes by the Commission on key emergency decisions; for defining the role of the NRC Chairman as spokesman for the Commission during an emergency; for mobilizing expert assistance from government and non-government sectors; for maintaining key facility design, construction, and other information on nuclear power plants and for maintaining a list of equipment and technical experience that may be required during an emergency.

NATIONAL CONTINGENCY PLAN (SECTION 204)

The provision requires the President to prepare and publish a national contingency plan. This plan, which the President could periodically revise, would include designation of an interagency task force headed by the Commission and including at a minimum the Federal Emergency Management Agency, the Environmental Protection Agency, the Department of Defense, the Department of Energy, and the Department of Health, Education, and Welfare. The plan would also assign agency responsibilities, with the Environmental Protection Agency to provide comprehensive and definitive monitoring outside the facility boundaries. The assignment of Agency responsibilities in plan implementation is not intended to add to or detract from existing statutory authorities. Finally, the plan would identify a lead agency official as task force coordinator, establish a national center for plan implementation, and insure the availability of needed equipment and supplies.

Implementation of this plan shall be triggered by a determination by the Commission of a possible or actual extraordinary nuclear occurrence, pursuant to Section 203(2). Such a determination, which would also trigger NRC's own plan, is to be regarded as conclusive.

The President shall incorporate into the national plan the emergency response plan of the Commission promulgated under section 203. The Federal response to an accident at a nuclear generating facility is required to conform to the national plan to the maximum possible extent.

EMERGENCY NOTIFICATION, COMMUNICATION, AND MONITORING (SECTION 205)

The bill amends the licensing requirements of the Atomic Energy Act to further require immediate notification of the NRC by a plant operator in the event or the likelihood of a "extraordinary nuclear occurrence." Failure to provide such notification could result in revocation of an operating license.

The Commission is also directed to establish a means for instantaneous and uninterrupted verbal communication bewteen a nuclear power plant and the NRC during an emergency.

The Commission is also directed within 90 days of enactment of the bill to prepare and transmit to Congress a plan for remote and instantaneous monitoring by the NRC of the principal safety instruments and radiation monitors at all nuclear power plants.

EMERGENCY COMMUNICATIONS REPORT (SECTION 206)

The comprehensive investigation and study mandated by this provision will explore the serious deficencies in communcations encountered by the various Commission officials, license officers and personnel, and the Governor and other State officials in the 30-day period following the accident of March 28, 1979, at the Three Mile Island unit two nuclear generating facility in Pennsylvania. The investigation and study must include a determination of the need for improved procedures and for advanced technology.

A report to the Congress on the findings of this investigation and study is due by January 1, 1980. The report is to include recommendations on any measures necessary to provide for expenditious and reliable communications in the event of a future accident at a nuclear generating facility. Each recommendation contained in the report that does not require new legislation is to be implemented as soon as practicable as well as included in the emergency response plan of the Commission promulgated pursuant to section 203.

OPERATOR TRAINING, RETRAINING, AND LICENSING (SECTION 207)

NRC is directed to prepare a plan including criteria for improved training, retraining, and licensing programs for reactor operators.

These programs are to emphasize emergency response training and to direct attention to assuring that the plant is operating in accordance with the requirements of the plant license. At the same time, NRC is directed to study the feasibily of licensing plant managers and other utility personnel not now subject to NRC licensing who have authority to make operating decisions affecting the plant. NRC is to report back to Congress in both areas within 6 months after the bill is enacted.

LOW-LEVEL RADIATION (SECTION 208)

The bill amends 95-601, the NRC Authorization Act for fiscal year 1979, to require NRC and the Environmental Protection Agency (EPA), in consultation with the Secretary of Health, Education, and Welfare to expand the feasibility study of epidemiological research to include populations exposed to low levels of radiation during and after the Three Mile Island Unit 2 accident. Individuals exposed during ultimate decontamination, decommissioning or repair of the facility would also be included in this broader study. Public Law 95-601 is also amended to extend the final reporting date of the feasibility study from September 30, 1979 to March 1, 1980.

EQUAL EMPLOYMENT OPPORTUNITY

Public Law 95-601, the NRC authorization bill for fiscal year 1979, authorized $225,000 for the Commission's Equal Employment Opportunity (EEO) program. This included $125,000 over the Commission's budget request, to support, among other things, the addition of one full-time permanent position. Public Law 95-601 also directed the Executive Director for Operations to report to the Commission at semiannual public meetings on the problems, progress and status of the Commission's program.

The committee is concerned that no additional staff has been allocated during the fiscal year 1979 to the EEO program. However, support for such an additional staff position has been included in NRC's fiscal year 1980 budget request. The committee expects that this additional staff assistance will facilitate the improvement of NRC's EEO performance.

ATOMIC SAFETY AND LICENSING BOARDS

The NRC Authorization Act for fiscal year 1979 (Public Law 95-601) required the Commission to undertake a comprehensive review of procedures for selection and training of Atomic Safety and Licensing Board members. On the basis of this report, the Commission was directed to revise its selection and training procedures, where appropriate.

The Atomic Safety and Licensing Boards play an extremely important role in the nuclear licensing process, and appropriate selection and training of Board members is essential. The committee was impressed by the thoroughness of this report, and wishes to be kept informed of NRC's actions to respond to recommendations outlined in the study.

ALTERNATE FUEL CYCLE EVALUATION

The NRC Authorization Act for fiscal year 1979 (Public Law 95-601) authorized $1 million, to be allocated from within the Commission's total authorization for alternate fuel cycle activities. These activities include participation in the Federal Nonproliferation Alternative Systems Assessment Program (NASAP) and the International Fuel Cycle Evaluation (INFCE) program. In addition, NRC was required to report to Congress on the progress of domestic and international fuel cycle evaluations, including health, safety, and safeguards implications of the leading fuel cycle technologies.

NRC intends to fund these activities with $800,000 in fiscal year 1979, and to further reduce its effort because of the termination of NASAP and INFCE in fiscal year 1980. The committee has an ongoing interest in the Commission's continued participation in the evaluation of alternate fuel cycle and reactor technologies. As an independent regulatory agency with responsibilities for public health and safety, and common defense and security the NRC plays an important consultative role in the selection and pursuit of alternate fuel cycle technologies.

NUCLEAR REGULATORY COMMISSION, OBLIGATIONS BY PROGRAM

[Millions of dollars; fiscal years]

	1979 estimate	1980 request	Change, 1979 to 1980	Committee recommendation	Change from 1980 request	Comments
Nuclear reactor regulation	47.5	57.0	+9.5	57.0	0	Includes $4,000,000 to process backlog of operating license amendments and construction and operating permits.
Standards development	14.4	14.3	−.1	14.3		
Inspection and enforcement	38.9	41.2	+2.3	41.2	0	Provides for expansion and implementation of nuclear plant resident inspector program.
Nuclear materials safety and safeguards	86.3	29.6	+3.3	29.6	0	Reflects new initiatives in nuclear waste management.
Nuclear regulatory research	160.3	185.6	+25.3	185.6	0	Includes $19,600,000 for full year costs of transfer of loss-of-fluid test facility from DOE to NRC.
Program technical support	14.0	14.9	+.9	14.9	0	
Program direction administration	30.0	30.7	+.7	30.7	0	
Total	[1] 331.4	373.3	+41.9	373.3	0	

[1] Includes $4,300,000 for proposed fiscal vear 1979 pay raise supplemental.

Note: NRC 5-year projections—fiscal year 1980, $373,000,000; fiscal year 1981, $409,000,000; fiscal year 1982, $426,000,000; fiscal year 1983, $449,000,000; fiscal year 1984, $475,000,000.

Mr. HART. I yield to the Senator from Wyoming.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, I am very pleased to assist in the floor management and support of this nuclear regulatory authorization bill for fiscal year 1980. I am very pleased to have enjoyed the opportunity of working closely with Gary Hart, the chairman of the subcommittee, and to have had the support and the assistance of the full committee chairman, Jennings Randolph, and the ranking Republican member, Bob Stafford. All of them have been most helpful to this freshman Senator in his early days on this important issue.

I especially commend Senator Hart. There was every opportunity, in this instance, to parlay Three Mile Island into an extravaganza or a grand circus. It was high drama indeed. He did not do so. I commend him for his sense of balance and restraint; I think they are to be admired. I have enjoyed his counsel and support, and that of his staff.

The authorization bill, as reported by the Senate Environment and Public Works Committee, authorizes $373,300,000 for activities of the Commission during fiscal year 1980. This was the NRC's request to the committee and is a 13-percent increase over the estimated fiscal year 1979 obligations.

The committee's consideration of NRC's fiscal year 1980 authorization was, of course, very much affected by the events at Three Mile Island on March 28, 1979. The authorization bill includes a number of provisions which specifically address concerns raised by Three Mile Island. Before I discuss those, however, I would like to address other ongoing initiatives of the Nuclear Regulatory Commission.

The Subcommittee on Nuclear Regulation held a number of hearings on the Nuclear Regulatory Commission's budget request for fiscal year 1980 and received testimony from agency representatives from several of NRC's major programs.

Special attention was focused on NRC's nuclear reactor licensing and safety program, which accounted for a large portion of the increase over last year's budget. NRC requested this increase for the purpose of reducing the growing backlog of reactor licensing amendments. The committee believes that this increase in money and personnel is well warranted because of the impact that licensing amendments have on the safe operation of reactors.

Several other important initiatives and areas needing increased effort were also identified by testimony presented at our hearings. These include additional resident inspectors for the inspection and enforcement program; resources to implement the Uranium Mill Tailings Radiation Control Act of 1978; improved safety systems research; and additional support for the Office of State Programs in the area of radiological emergency response planning.

In addition, the committee has directed the Commission to improve practices and procedures in its use of contractors by establishing a Senior Contracts Review Board to review and approve all contracts and arrangements of more than $500,000.

The committee has also increased the limit of the amount of civil penalty which can be imposed for a violation from $5,000 to $100,000 and has eliminated the ceiling which can be imposed for continuing violations.

Finally, S. 562 requires the Commission to enter into a contract for an independent study of NRC's overall management structure. I believe this type of review is particularly and critically important in light of the scenario of occurrences during the Three Mile Island accident.

This brings me then to those provisions which directly resulted from the events at Three Mile Island. There were a number of actions that the committee believed could be taken immediately with a sense of some urgency—to address the concerns raised by the accident.

First, the committee was concerned about NRC's capabilities to respond immediately and effectively to an emergency situation such as Three Mile Island. We have directed the Commission to formulate an emergency response plan to respond to an "extraordinary nuclear occurrence" within 6 months after this bill becomes law. The purpose of the plan is to facilitate communications, coordinate resources, and delineate lines of responsibility.

To complement NRC's emergency response plan, the President is required to prepare a national contingency plan which would assign specific responsibilities to several agencies comprising an interagency task force. Responsibilities assigned to the agencies would include off-site monitoring and coordination of equipment.

The committee found credible evidence of serious communications breakdown during the Three Mile Island accident. We believe it is essential to immediately correct this deficiency. We have directed the Commission to establish a means for maintaining constant verbal communication between a nuclear powerplant and NRC during an emergency. The plant operator is also required to notify NRC immediately in the event or likelihood of an extraordinary nuclear occurrence. NRC is currently exploring several alternatives which would allow them to remotely monitor certain instruments at all nuclear powerplants. The committee believes it is important to carefully explore this capability since we believe it has much merit.

Based on the committee's preliminary examination of the events at Three Mile Island, valid and serious questions have been raised concerning the operators' performance. Nuclear plant operators—of course—do receive a period of intensive training and they must meet certain experience requirements. However, we believe there is clear justification to reexamine the adequacy and content of this training, particularly in the areas of emergency response and assuring that the plant is operating within the requirements of its license. NRC is directed to report back to Congress with a plan for improving the training of operators, and is to conduct a study of the feasibility of also certifying plant managers or other utility personnel in high decisionmaking positions.

I feel the committee has acted expeditiously and responsibly in addressing a number of the immediate and serious concerns raised by Three Mile Island.

The areas I have just reviewed are those which deserve immediate attention, and are also areas where I believe that we do have adequate information to move ahead quickly—hopefully with effective solutions. Indeed, there are other areas which deserve further attention and will require a good deal of further study. There will be an ongoing national examination of the lessons we have learned from Three Mile Island. Much of this examination on the congressional level will be accomplished through the investigation the Committee on Environment and Public Works is currently conducting.

Finally, since Three Mile Island there has been much discussion surrounding the issue of the adequacy of State emergency planning. The committee wholly concurred that this was an area requiring prompt attention. There was some rather spirited division within the committee over the particular approach to be followed in order to assure effective State emergency plans. These differences have been resolved, and the chairman of the subcommittee, Senator HART, and I intend to offer a perfecting amendment on this subject.

Mr. President, I have appreciated your attention and, with that perfecting amendment, I strongly support the measure and urge its passage.

Mr. DOMENICI. Mr. President, will the Senator yield me 5 minutes on the bill to comment on his opening remarks?

Mr. HART. Will the Senator withhold for a moment?

Mr. DOMENICI. I will be pleased to withhold.

The PRESIDING OFFICER (Mr. DECONCINI). The Senator from Colorado.

Mr. HART. First of all, let me thank my colleague from Wyoming for his kind remarks. There was a great deal of responsibility, I believe, demonstrated by almost every Member of this Senate who was involved in the handling of that accident, including by the Senator from Wyoming. Although I appreciate his remarks, I do not think any individual, including myself, should be singled out for any particular awards.

I think our new Member of the Senate from Wyoming played an extremely important role in this matter, and has been very critical as well.

MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT

Mr. President, the leadership has worked very carefully in developing a fine-tuned time agreement. Through inadvertence, an amendment by the Senator from New Mexico, relating to the overall question of waste disposal policy, was not included in that agreement.

With the understanding and acceptance of the leadership on both sides of the aisle, I ask unanimous consent at this time to amend the time agreement to include 1 hour on the pending amendment by the Senator from New Mexico, amendment No. 264, 1 hour to be equally divided. I wish to add that to the time agreement already arrived at.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, will the Senator yield me 5 minutes from the minority time on the bill?

Mr. SIMPSON. I yield.

Mr. DOMENICI. Mr. President, I, too, commend the chairman, Senator HART, for his diligent efforts to bring a bill here in the wake of the accident. It certainly would have been easy to overplay the situation and have a much different bill before the Senate.

I commend the distinguished Senator from Wyoming for his tremendous efforts, for his diligent work. Certainly, I thank both of them for assisting me this morning in seeing to it that a printed amendment on State concurrence which has been pending for some time will be considered here today.

I would like to make it clear that I do not think this is the bill to attach a State concurrence policy for America or a State veto policy or a Federal override policy with reference to nuclear waste disposal. I think they are issues of such magnitude that they are appropriately pending before substantive committees of the Senate.

Certainly, this issue will be joined and reported by the Energy and Natural Resources Committee and perhaps other committees which have been interested in this issue.

I do not offer my amendment in an effort to change the law of our land here on the floor of the Senate with reference to the power, the rights, and the privileges of our States with reference to nuclear waste. I am a staunch advocate of State participation in decisionmaking. This has come out as meaning concurrence by the States' agreement, voluntarily entered into by the States and the Federal Government.

There is no State in a position such as my State. My State has been promised concurrence. My State has been promised by the National Government that it can play a vital role in determining the propriety of a geological deposit of low-level nuclear waste.

We have, relying upon that issue, passed a State statute which will set this concurrence in motion. I want everyone in the Senate to know that our State has been most reasonable. I think it would be unfortunate if here, on the floor of the Senate, by way of amendment, we wipe out all of that good work that has been done, which is now becoming a reality.

The participants under a State statute are meeting with the Federal Government to establish a concurrence mechanism for the State to be intimately involved prior to anything occurring of an irreparable nature. It is for that purpose that I stand early to remind my friends in the Senate of our State's need to have a workable concurrence statute which will recognize my State's progressiveness in passing State law to permit concurrence.

It was in that spirit that my statute was introduced. It is pending before the Energy Committee, and I hope that, ultimately, it will become the law of the land. I think it is tough to do that on the floor, but I want mine pending if others are going to be pending, because I think it is the most workable process submitted. It is the result of true field work being tested monthly out there in the field. It has been tested by a State legislature, which has made its judgment and passed a procedure for concurrence.

If I have any remaining time, I yield it at this point and thank both my friends, the Senators from Colorado and

Wyoming, for yielding me 5 minutes and for amending the unanimous-consent chronology to permit 1 hour on my amendment.

I thank the distinguished Senator for yielding time.

Mr. HART. Mr. President, I yield 5 minutes to the distinguished Senator from West Virginia, the chairman of the Committee on Environment and Public Works.

Mr. RANDOLPH. Mr. President, I speak on behalf of S. 562, the proposed Nuclear Regulatory Commission Authorization Act for fiscal year 1980. In this year of the Three Mile Island accident, it has been a difficult task for the Subcommittee on Nuclear Regulation, as well as for the full committee on Environment and Public Works, to formulate this legislation now pending. I particularly commend Senators GARY HART and ALAN SIMPSON, the subcommittee chairman and ranking minority member for their tireless and responsible approach in preparation of this bill.

The accident at Three Mile Island poses serious questions for virtually every area of the current regulatory program. It has fallen to the members of our subcommittee and full committee to determine which of these questions can be usefully addressed in the near term and which must await the considerations and recommendations of the various investigations and studies now underway. I am gratified to report to this body that the Environment and Public Works Committee's own investigation is off to a most encouraging start.

The area of State emergency planning is a case in point where the time is ripe for legislation. Under existing law, there is no requirement that an acceptable State plan be in place before the Nuclear Regulatory Commission licenses a new nuclear generating facility. At this time, only 12 States have voluntarily secured the Commission's concurrence in their emergency plans. The Commonwealth of Pennsylvania is only one among 16 States where nuclear facilities are licensed to operate without such a plan.

Closely related to State emergency planning is the question of facility siting. The siting requirements currently in force were issued as interim regulations 17 years ago. Surely the wealth of operating experience in the period since that time allows for refining these regulations, particularly as they relate to the population density in the area surrounding the nuclear plant site.

We have proceeded on a number of other Three Mile Island-related fronts, including accelerating and expanding the resident inspector program, requiring both a Nuclear Regulatory Commission and an interagency response plan for serious incidents, providing more effective procedures for Commission monitoring and communications and for emergency notification by the licensee, and directing improved operator training and licensing. But Three Mile Island should not distract us from a number of regulatory improvements effected in S 562 which are only marginally related to the accident.

For example, the bill bars the Commission from reallocating sums to detract from areas of congressional priority. One such area identified by the bill is improved safety systems research. Although this program has been exploring technical improvements to a number of systems and concepts which may have contributed to the accident at Three Mile Island, its funding had been severely curtailed in the budget submitted by the administration. Those funds have been fully restored in S. 562.

This measure also provides the Commission with a credible enforcement tool for the first time. It increases the maximum civil penalty from $5,000 to $100,000, and removes the limit of $25,000 for continuing violations within a 30-day period.

These are only the highlights of Senate 562. This is both a balanced and a responsible bill. While it would be premature to go much beyond the scope that is envisaged in this bill, it would certainly be derelict for the Congress to do less.

In closing, I reiterate that speedy resolution of the waste management problem is absolutely essential to the future viability of commercial nuclear power in this country. While S. 562 does not address this problem, I am today introducing a comprehensive waste bill which provides a framework for a coordinated and effective Federal response to the variety of issues presented by nuclear waste management. It is inexcusable that this Government has, for 20 years, permitted the commercial generation of these extremely hazardous and long-lived substances on the basis of a waste policy consisting of no more than bland and simplistic assurances that safe disposal is feasible.

We must first determine whether, in fact, safe disposal is feasible. If so, we must assure a meaningful and dispositive voice for the State or States where a site is proposed, as well as assure licensing and related regulation of any disposal facility to effective standards by the Nuclear Regulatory Commission. Finally, we must provide a timetable for expeditious action in implementing a waste management program.

Mr. HART. Mr. President, I suggest the absence of a quorum, the time to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 349

Mr. JOHNSTON. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON), for himself and Mr. MCCLURE, proposes an unprinted amendment numbered 349.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 7, strike all after "within" through the period on line 12, and insert in lieu thereof, "twelve months of the date of enactment of this section, the Commission, in consultation with the Director of the Federal Emergency Management Agency and the Governor of the State, shall immediately establish an interim emergency plan for each such facility which complies with such guidelines. Any such plan established by the Commission shall be extended at ninety day intervals, until the Commission concurs in a State plan."

On page 12, at the end of line 3, add, "In the event the Commission withholds such concurrence for any state emergency plan under this subsection, the Commission, in consultation with the Director of the Federal Emergency Management Agency and the Governor of the state, shall immediately establish an interim emergency plan for any such facility which complies with the guidelines. Any such plan established by the Commission shall be extended at ninety day intervals, until the Commission concurs in a State plan."

On page 10, line 7, strike subsection (a) through line 19 and redesignate following subsections accordingly; and on page 11, line 25 strike all after "adequacy" on such line.

Mr. JOHNSTON. Mr. President, this amendment is simplicity itself. It differs not at all from the bill proposed by the committee and, indeed, from the end result requested by the distinguished Senator from Colorado (Mr. HART) and the distinguished Senator from Wyoming (Mr. SIMPSON), save in one important detail. That difference is that under my amendment an evacuation plan is submitted, as under the Hart-Simpson bill, but when the process breaks down under my amendment the NRC proposes an interim plan, whereas under the Hart-Simpson approach the nuclear plant shuts down.

It is just as simple as that, Mr. President. There is no difference in our desire to have evacuation plans for nuclear plants. There is no difference, as far as I know, in the procedures under which the plan is perfected.

Under the amendment, however, when the process breaks down, then the NRC simply proposes a plan.

Mr. President, I believe in States rights, and that is why under this amendment it is the responsibility of the State to come up with its initial plan.

However, I know that there are some Governors in this country who do not want nuclear plants to operate within their States. Just last night, following the President's address, Governor Jerry Brown of California reiterated his desire not to have any nuclear plants, not only in California, but in the United States.

So, if anything is clear, Mr. President, it is the intention of one Governor, at least, not to allow, so far as he can help it, nuclear plants to operate in his State.

Mr. President, this Congress in past years has made it clear that nuclear plants licensing is a Federal responsibility. For that reason, we set up the Nuclear Regulatory Commission.

It is not the duty, the right, of a Governor of one State to stand in the way of that nuclear license to operate—any Governor, including the Governor of California, who has already made it entirely clear he is not going to allow nuclear plants, so far as he has anything to do with it.

I do not believe, Mr. President, that the Governor ought to have that power. Hence, under this amendment, should he fail to submit a plan, should he fail to make a good-faith effort to submit a plan and, therefore, submit one that is obviously and clearly deficient, then under my amendment the NRC submits the plan, and puts it into effect. Under the Hart-Simpson approach, the plant shuts down.

Mr. President, that is simply unacceptable in a country that is energy short, to make the people of a State pay the price for the disagreement between two sets of bureaucrats.

Mr. President, I reserve the remainder of my time.

Mr. HART. Mr. President, this is the issue of the preparation of emergency response plans for reactors around the country. It was an issue that occupied a considerable amount of time in our subcommittee and full committee deliberations. It was the subject of considerable debate and disagreement. Section 202 of our bill is the result of the actions taken by the committee.

Since that time, however, the members of the committee have spend additional time studying the question of who should prepare emergency evacuation response plans, when they should be approved, who should have the responsibility for approving them, in what time period, and most importantly what penalty should be available in the law for failure to have such a plan.

One of the many things we learned in the Three Mile Island accident was that a great number of States have no plan at all, and, certainly, no plan approved, as required by law, by the NRC for evacuating people in case of an emergency, or reactor meltdown, or any serious nuclear incident.

That seemed to me and other members of the committee to be a deplorable situation. It is unthinkable that we could have had in this country for two or three decades a full-blown domestic nuclear energy industry and yet not had preparations in the State of Pennsylvania, or in a variety of other States, for handling emergency situations, for protecting public health and safety.

Traditionally, this has been a responsibility of the States. Some States have acted and some States have not. Unfortunately, those who have not far outnumber those who have.

Mr. President, it seems to me, intolerable that we should have reactors operating in this country, 3 months after the Three Mile Island accident, where there is no preparation whatsoever for moving people or handling the emergency that may be occasioned by an accident at that reactor.

Consequently, our committee did address the issue. We have refined our efforts to address this issue and that amendment will be offered by myself and the distinguished Senator from Wyoming.

It is a very carefully constructed proposal which, unlike that of the Senator from Louisiana, keeps the sole responsibility for emergency and civil defense planning with the States, limits the NRC and the Federal Government to an approval role and not a planning role, and which, most important, keeps a realistic time frame in which these emergency plans have to be developed.

I think the people of this country would be shocked and dismayed to learn that this planning has not been done. I think they would be even more shocked and dismayed, after the Three Mile Island accident, if we were to take the step proposed by the Senator from Louisiana to provide even more delay, even more than is necessary and more than most States agree is necessary, and further delay the very important and immediate need to protect public health and safety in the case of an accident.

I think the amendment of the Senator from Louisiana is defective in all these regards, particularly in the amount of time it provides for carrying out this activity. It is a proposal which this Senator cannot accept.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. HART. On the Senator's time.

Mr. JOHNSTON. Yes.

On the question on time, frankly, I wanted to accommodate it to the study of the subcommittee, on the question of these plans. I would be willing to amend this amendment to conform to whatever time schedule the Senator thinks is proper and appropriate.

It was somewhat of a moving target, as the Senator knows, in his subcommittee, because the time schedules have been changed. But if that would solve at least part of the Senator's objection, I would be glad to change the time schedule to whatever the Senator thinks is sufficient time to come up with a plan.

Mr. HART. That would be one accommodation that would be necessary for us to accept it.

Mr. JOHNSTON. What time schedule?

Mr. HART. I say to the Senator that I think we will be offering our own proposal, which has several features different from the Senator's amendment. Time is only one.

Mr. JOHNSTON. That was the principal one I heard.

Mr. HART. The principal one from my point of view. But it certainly would not sufficiently correct the amendment of the Senator from Louisiana for this Senator to support it.

Mr. JOHNSTON. I understand that. I do want to try to accommodate this amendment to whatever the Senator from Colorado thinks is the proper time schedule. I understand that the Senator is not going to support it, but I want to get together as closely as we can. The Senator from Colorado would prefer 6 months?

Mr. HART. Section 202 of the bill requires a 6-month planning period. Because the guidelines of the emergency evacuation planning are being revised, the NRC has asked for an additional 3 months; and with the additional personnel we are offering, they feel that is sufficient.

Mr. JOHNSTON. So, in lieu of 12, if I put in 9, it would conform to the amendment the Senator from Colorado intends to submit. Is that correct?

Mr. HART. In a certain rough degree. There is very specific language in which these time periods are cast, so it is not just the gross time period. It is what goes on in that time period, also.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. JOHNSTON. Mr. President, can we make clear on whose time we are?

The PRESIDING OFFICER. On the time of the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I ask that the word "twelve," which appears in the second line of my amendment, be stricken and that, in lieu thereof, the word "nine" be inserted.

The PRESIDING OFFICER. Is that a unanimous-consent request?

Mr. JOHNSTON. I ask unanimous consent that that be done.

Mr. HART. Mr. President, reserving the right to object, a parliamentary inquiry: If the Senator is permitted to amend his amendment, would that preclude another amendment to his amendment in the nature of a substitute?

The PRESIDING OFFICER. The Senator is attempting to modify his amendment. This would not preclude a subsequent amendment to his amendment.

Mr. HART. Then, I will not object.

Mr. JOHNSTON. In that case, Mr. President, I ask that "12" be changed to "9".

The PRESIDING OFFICER. Without objection, the amendment is modified accordingly.

Mr. JOHNSTON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 13 minutes remaining.

Mr. JOHNSTON. Mr. President, I should like to make clear that there is only one real distinction between the approach of the Senator from Colorado and mine, and that is the question of what happens if you do not get an approved plan.

Under the approach of the Senator from Colorado, you shut down the plant. The people of the area have no electricity. How that is more desirable than having a plan put in by the Nuclear Regulatory Commission, I do not know and I do not understand.

The only thing I contend is that those who wish to have a moratorium, in whole or in part, on nuclear plants certainly would oppose my approach, because my approach does not involve moratoria on plants.

Mr. President, the energy crisis, the energy need in this country is much too serious to let it get bogged down in fights between Governors of States who want no nuclear energy and the Nuclear Regulatory Commission. That matter should be resolved, and it should be resolved in a manner that gives the maximum amount of predictability by allowing the plant to continue and having the plan put in by the Nuclear Regulatory Commission.

I hope the Senator will understand that my plan, just as does the committee plan, provides for an evacuation plan confected in the first instance by the States, and it is expected that the State plan will be approved under guidelines declared by the Nuclear Regulatory Commission. The only difference is what happens if it is not approved. In my case, you do not shut down the plant. In the case of the committee's bill you do shut down the plant. It is as simple as that.

Mr. HART. I yield myself 2 minutes on the amendment.

Mr. President, first of all, the proposal of the committee and the substitute that will be offered shortly by my colleague from Wyoming is not a moratorium amendment, and it is not offered in the disguise of a moratorium. It is important that we have electricity and that we have energy in this country. There is no question about it. It is also important that we do not kill people or radiate them in the process.

That is the real issue here—whether we should permit a nuclear reactor to operate in this country if, after 6 or 9 months, there is no plan whatsoever to evacuate the people in the case of an accident. That is the issue.

I believe, and I think it is the belief of the Senator from Wyoming and the majority of our committee, that that plant should not operate unless that plan is in effect.

The Senator from Louisiana seems to be concerned that some Governors will use this as a device to shut down plants in their States. If he has in mind the Senator from California, the State of California has been more advanced in preparing its evacuation and emergency response plans than any other State, in terms of getting its plans prepared, having them in detail, and getting them approved. If he has a fear about that State, it is not well founded.

I believe the amendment of the Senator from Louisiana is a giant step in the direction of putting the Federal Government in the civil defense preparedness area—where it has not played a great role in the past—and in imposing plans on States. If people are concerned about States' rights, I do not think they will want to go along with the Senator from Louisiana.

I yield to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, in his amendment, the Senator from Louisiana raised an issue which has recently occupied a great amount of my time and attention, as the ranking minority member of the Nuclear Regulatory Subcommittee, while working on this piece of legislation

The possibility that an operating nuclear plant can have its license suspended or that a plant under construction could have its permit terminated because the State where it is sited has failed to form a plan or to obtain concurrence by the NRC in its emergency response plan surely is not a matter to which we should give only cursory attention. It has deeply concerned me.

Within the amendment which is presented on this subject, there is the possibility, remote as it is, that any faction opposed to nuclear power could use the mandatory planning requirements spelled out in this bill to arbitrarily shut down the operation or construction of a nuclear powerplant.

I feel that we have effectively alleviated that issue by what we have done and what we are suggesting—extending the period for NRC review of State plans, making concurrence with the plan site specific, using existing and not new guidelines as the standard for initial concurrence, and waiving the need to reexamine the existing voluntary State plans which the NRC has concurred in previously.

To propose that Congress now authorize the NRC to invade an area of traditional State authority in providing for the planning of the evacuation and sheltering of its citizens during times of natural or man-made disaster is against my sense of inherent distinction between State and Federal Governments.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question on my time?

Mr. SIMPSON. I yield on that question with the Senator's time.

Mr. JOHNSTON. I thank the Senator. The Senator is aware that Gov. Jerry Brown of California has called a press conference and stated that as to the Diablo plant, which has been completed but which has not yet been issued an operating license, as I understand it, he is going to do everything he can to keep that plant from operating.

Now, as I understand it, there is no evacuation plan yet approved for the Diablo plant. Am I correct in that?

Mr. SIMPSON. I am not aware of that.

Mr. JOHNSTON. If that is so and if the Governor as late as last night stated that he was going to do all he could to oppose nuclear energy not only at the Diablo plant, not only in California, but nationwide, is it not reasonable to expect that there is a possibility that the Governor could use the power under the Senator's amendment simply not to submit an evacuation plan or to submit one that he knew would not be acceptable and thereby effect a moratorium on the operation of the Diablo plant or any other plant for which an evacuation plan would be required to be submitted by him? Is that not so?

Mr. SIMPSON. Mr. President, I am not aware of that fine distinction. We already have issues of State concurrence. We already have issues of the careful NRC approval requirements. The NRC presently requires a certain modicum of State emergency planning. It is felt through our investigation that that type of State emergency planning is not adequate. For that reason we are requesting the States to prepare their own. When we are now into a deviation where we are allowing the Federal Government to intrude into this area, we are actually in the most sensitive of areas because we are saying to the States, "You cannot do your own State land-use planning."

I think that is a very important issue here and that is where we are.

Mr. HART. Mr. President, will the Senator yield?

Mr. JOHNSTON. If the Senator will yield——

Mr. HART. Mr. President, I think I can answer the Senator's question.

Mr. JOHNSTON. Very well.

The PRESIDING OFFICER. The time is running against the time of the Senator from Louisiana.

Mr. HART. The State of California, as has been indicated, does have an approved emergency response plan that covers each and every site in the State. Their Diablo plant will be covered. If the Senator from Louisiana is concerned about the policy of the Governor of California with regard to nuclear power——

Mr. JOHNSTON. I am indeed.

Mr. HART. Then I think the best remedy would not be to pass this amendment but to guarantee that the Governor of California does not achieve his long-range political goal.

Mr. JOHNSTON. I am concerned about any Governor who wants to put a moratorium on anyone who even in good faith simply fails to dot an "i" or cross a "t." I think there should be a period of consultation between the States and the NRC so that the plant is not shut down. It seems to me a very inappropriate remedy to shut down the plant.

I thank the Senator from Wyoming for yielding.

Mr. SIMPSON. Mr. President, I will continue my remarks in opposition to the amendment and cite with a little more definition the fact that in my own State where we have grappled with heavy issues such as statewide land-use planning, a highly emotional type of situation which is often referred to in some circles as the grand Communist plot, land use planning is a very difficult thing to deal with. The only way you deal with it is with local control with local people at the local level with perhaps State observation and in that situation it will work. If at any time there is an intrusion of the Federal Government, it will not work.

I think here the power to even develop and later if necessary to implement the Federal interim plan on behalf of a sovereign State for responding to an emergency is just too extreme a measure for me and could only provide, I think, a future vehicle in a rationale for continual encroachment on vital State prerogatives in other areas where State efforts do not pass the Federal muster.

Emergency planning in the State is really land-use planning plus, with oak leaf clusters. It consists of evacuation zones, shelters, highway usage and much, much more.

It is my sincere feeling that the concern that prompted this amendment has been laid to rest by this new proposal and that the additional measures of the Senator from Louisiana and others, I think, can and should be taken during the formal review-making process which will occur after the initial 9-month review.

I might add, Mr. President, this rulemaking will also be able to incorporate all of the findings of the investigations now being undertaken by the Presidential commission, the electric utility industry, the senatorial investigation being conducted by our committee and the House of Representatives' investigation.

Mr. RANDOLPH. Mr. President, will the able Senator yield to me?

Mr. SIMPSON. I yield.

Mr. RANDOLPH. Is it not true that the Senator from Wyoming, in mentioning the opposition from some sources to realistic planning, himself last week voted for increased sums for planning because he felt it was important in connection with housing that an adequate plan be carried forward? I think that his argument today on this issue squares with his vote and his feeling of last week. Am I correct on that matter?

Mr. SIMPSON. Mr. President, that is correct. I spoke and supported the issue of the regional concept of local government planning done on the local level in the local areas without Federal intervention, and that is what we were speaking on in connection with housing at that time.

Mr. RANDOLPH. That is very correct.

Is there not a cooperative approach written into the measure as now drafted that really should cause no discomfort to the Governor from California? What is the Senator's feeling on that?

Mr. SIMPSON. I think he is an obstructionist with regard to nuclear power and will do all in his province to destroy the use of nuclear power in the State of California, and with that foreknowledge we will deal with him accordingly.

Mr. RANDOLPH. Mr. President, I ask the Senator to yield further.

Mr. SIMPSON. I yield.

Mr. RANDOLPH. Certainly, I have been very careful not to polarize coal as against nuclear power or nuclear power as against coal. I am sure there is no greater advocate of the use of coal in this body or on Capitol Hill than the Senator now speaking. I do believe, however, that we have to be very careful to consider all the possibilities to meet the energy crisis of the United States. Further, I must oppose the efforts to thwart careful planning that I read in the amendment offered by the Senator from Louisiana, because I do feel that he bases his case on the opposition of the Governor of California to the plan envisaged in this bill. Am I correct on that?

Mr. JOHNSTON. The Senator is not correct. What I have done, if the distinguished chairman will yield, is to take the committee bill and adopt all of the procedures up to the point where the State has failed after the requisite period of time to submit a plan.

Under the committee bill you shut the nuclear plant down so you have neither plan nor electricity. Under my amendment at that point, the point where they can agree, then the NRC puts in its own interim plan and thereafter works with the State to get the State to come up with its own plan. So, in substance, the only difference is under the Johnston amendment you have a plan and electricity. Under the committee bill you have no plan and no electricity.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. RANDOLPH. I have a very genuine respect for any amendment that is offered by the Senator from Louisiana and he knows that to be true.

I do feel, however, what I have said is valid in reference to the Governor of California and other Governors who might attempt to use the amendment offered here today as the backdrop of their absolute opposition to nuclear power. That is the point I made, and I believe it is valid.

Mr. JOHNSTON. I agree with the distinguished Senator.

Mr. SIMPSON. Mr. President, at this time I would wish to present on behalf of myself and the subcommittee chairman, Senator HART, what is known as a substitute amendment to that portion of the bill which addresses State emergency plans in section 202. I sent that amendment to the desk and I ask unanimous consent that it be read.

The PRESIDING OFFICER. The amendment is not in order until all time is used on the first degree amendment. The Senator could ask unanimous consent to present the amendment at this time.

Mr. SIMPSON. As I understand the request of Senator HART at the time he requested a parliamentary inquiry, this was an appropriate amendment at that time. That was previously asked by Senator HART.

Mr. HART. Mr. President, how much time is remaining on the amendment of the Senator from Louisiana.

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. HART. How much on the opposition side?

The PRESIDING OFFICER. Five minutes.

Mr. HART. We are prepared to ask unanimous consent or yield back the time.

Mr. JOHNSTON. This is a substitute for what?

Mr. SIMPSON. For your amendment, it would be a substitute for your amendment.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that it not count against the time for either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, we have worked out an accommodation between the distinguished Senator from Colorado, the distinguished Senator from Wyoming, and myself for handling the present parliamentary situation we are in.

The amendment which I have introduced cannot be amended by the proposed amendment of the Senators from Wyoming and Colorado. For that reason, I am willing to withdraw my amendment at this point and put my amendment in as an amendment in the second degree to the amendment proposed to be offered by the Senator from Wyoming.

So, Mr. President, I ask unanimous consent that I be permitted to withdraw my amendment and to offer it as an amendment in the second degree to the amendment proposed to be offered by the Senator from Wyoming (Mr. SIMPSON) and the Senator from Colorado (Mr. HART).

The PRESIDING OFFICER (Mr. NELSON). The Senator needs unanimous consent only to withdraw his amendment. The rest is a matter of right.

Mr. JOHNSTON. Mr. President, I assume the same time limitations——

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. JOHNSTON. Very well. Mr. President, I assume the same time limitations apply.

The PRESIDING OFFICER. The Senator is correct.

UP AMENDMENT NO. 350

Mr. SIMPSON. Mr. President, I call up an amendment which I have at the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from Wyoming (Mr. SIMPSON), for himself and Mr. HART, offers an unprinted amendment numbered 350.

Mr. SIMPSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 350

Beginning of Page 10, line 7, strike section 202 and insert in lieu thereof the following:

SEC. 202. (a) Section 103 of the Act is amended by adding at the end thereof the following new subsection:

"e. As part of each application for an operating license for a utilization facility submitted under this section, the applicant shall provide the plan of the State of situs for responding to accidents or unanticipated events at each utilization facility, including the subject facility, license to operate within such State under this section or section 104 b. of the Act, which accidents or unanticipated events, due to the existence or the imminent possibility of off-site releases of radioactivity, create the need for action to protect the public health and safety. No such license shall be issued unless the Commission is satisfied that such plan, as it applies to the subject facility only, adequately protects the public health and safety."

(b) As soon as practicable, each State wherein a utilization facility has been licensed to operate as of the date of enactment of this Act which has not obtained the Commission's concurrence in its State radiological emergency response plan, shall submit to the Commission and the Director of the Federal Emergency Management Agency a plan for responding to accidents or unanticipated events at each such facility within the State, which accidents or unanticipated events, due to the existence or the imminent possibility of off-site releases of radioactivity, create the need for action to protect the public health and safety. The Commission, in consultation with the Director of the Federal Emergency Management Agency, shall review each plan for compliance with the guidelines employed by the Commission in affording or withholding concurrence in State radiological emergency response plans which were in effect on July 16, 1979, and shall specifically consider the findings of the Director of the Federal Emergency Management Agency on such compliance. In the event the Commission determines that any such plan, as it applies to each specific facility, does not comply with such guidelines and the State fails to correct such noncompliance within nine months of the date of enactment of this section, the Commission shall cause such determination to be published in the newspaper of greatest circulation in such State, and shall order each such facility with respect to which the plan does not comply to terminate operations until a plan is submitted which the Commission determines to be in compliance with such guidelines as it applies to the facility.

(c) As soon as practicable, but not later than six months from the date of enactment of this section, the Commission shall by rule promulgate minimum requirements for State plans for responding to accidents or unanticipated events at each utilization facility licensed to operate within the State, which accidents or unanticipated events, due to the existence or the imminent possibility of off-site releases of radioactivity, create the need for action to protect the public health and safety. In the promulgation required hereunder, the Commission shall specify a period for expeditious compliance with such requirements. Prior to promulgating the rule required by this subsection, the Commission shall consult with the Director of the Federal Emergency Management Agency. Pending the promulgation required hereunder, the Commission shall determine plan adequacy as required by section 103 e. of the Act on the basis of the guidelines employed by the Commission in affording or withholding concurrence in State radiological emergency response plans, which were in effect on July 16, 1979, and any plan which had received the Commission's concurrence prior to enactment of this Act shall be deemed adequate for the purposes of that section.

(d) The minimum requirements to be promulgated under subsection (c) shall assure protection of the public health and safety to the maximum extent practicable, and shall at a minimum provide for:

(1) Designation of appropriate planning zones surrounding each facility on the basis of such factors as reactor size, probable release patterns from possible accident sequences, and demographic and land use patterns;

(2) Capability to quickly and safely implement protective measures such as evacuation and sheltering;

(3) Initial and periodic testing of plan feasibility in actual drills of State and local organizations which are assigned responsibilities to carry out portions of the plan;

(4) Vesting of responsibility for the development and revision of the plan in a single agency;

(5) Participation of facility licensees, local governments, and appropriate State agencies in that development and revision;

(6) Delineation of respective organizational roles in implementation of the plan; and

(7) Identification of procedures for expeditious and reliable notification and communication.

(e) Any person may bring a proceeding in the United States District Court for the District of Columbia to require the Commission to promulgate the rule required in subsection (c) of this section if the Commission has not promulgated such rule within the time period specified therein.

Mr. SIMPSON. Mr. President, at this time I offer, on behalf of myself and the subcommittee chairman (Mr. HART), this amendment to that portion of the bill which addresses State emergency plans in section 202.

The committee unanimously reported this bill to the floor although some serious division had existed on the particular approach adopted in section 202 toward State emergency plans. These differences have now been reconciled and my amendment will effect five specific changes in the following areas related to State emergency plans:

First. The period in which the nuclear regulatory commission will review State emergency plans for responding to nuclear reactor accidents or other events which result either in the actual release of offsite radioactivity or the imminent possibility that such release could result, is extended from 6 to 9 months. The NRC has stated that using existing guidelines, they can concur in all State plans within 8 months of enacting this legislation.

Second. The standard which NRC will employ in determining whether a State emergency plan would receive concurrence during the initial 9-month review period would be set by those guidelines presently being used rather than those which may be adopted in the interim period after passage and prior to enactment of this bill. This change will have the practical effect of eliminating the necessity for NRC to thoroughly reexamine plans for those 12 States which have secured concurrence for the 30 power plants licensed to operate in those States.

These States are: Alabama, Arkansas, California, Connecticut, Delaware, Florida, Iowa, Kansas, New Jersey, New York, South Carolina, and Washington.

Specific language is added to clarify the interpretation of the terms "compliance" and "adequate plan" to mean that existing concurrences satisfy the requirement of this section.

Third. The decision to concur with a State emergency plan will be made upon "site-specific" review for each operating nuclear powerplant in the State concerned. The purpose of this modification is to insure that existing nuclear powerplants which have satisfactory emergency response plans cannot have their operating licenses suspended due to possible inadequacies in emergency plans in for other facilities sited in their State.

Fourth. New language is substituted to define the type of nuclear reactor safety problem for which a mandatory State emergency plan is now required. The committee's earlier proposal had incorporated by reference the "extraordinary nuclear occurrence" phraseology of the Price-Anderson Act to define such events. It is now our position that it is improper to link State emergency planning with financial indemnification by using such wording The substitute language uses the more descriptive, if not lengthy definition. "Accidents or events which, due to the existence or imminent possibility of offsite releases of radioactivity, create the need for action to protect public health and safety" as a separate definition for describing the scope of State emergency plans.

Fifth. I concur in the desirability for specifically making NRC's duty to propose rules and regulations for State emergency response plans subject mandamus proceedings. Therefore, I have included in my amendment language which provides that any person may bring a mandamus proceeding in the U.S. District Court for the District of Columbia to require that the Nuclear Regulatory Commission promulgates the rules required under subsection C, if the NRC has not engaged in such rulemaking within the specified time period.

Finally, Mr. President, this amendment includes two revisions suggested by the chairman of the full committee, Senator RANDOLPH. These additions involve the designation of minimum requirements which the Nuclear Regulatory Commission must address when they propose formal regulations for mandatory State emergency response plans and also the specific authorization for the Federal Emergency Management Agency (FEMA) to review State plans in consultation with the NRC before concurrence with those plans is obtained.

The specific standards are:

Delineation of emergency planning zones around reactors.

The ability to implement timely evacuation and sheltering.

Drills and testing.

Participation by utilities, States, and local agencies, et cetera in the initial planning and later revisions of the plan.

Delineation for emergency responsibilities.

Expeditious communication procedures.

The periodic revisions of emergency plans.

I wish to extend my appreciation to the distinguished Senator from West Virginia (Mr. RANDOLPH), the delightful and courteous committee chairman, and the distinguished Senator from Colorado (Mr. HART), the very effective chairman of the subcommittee, as well as their staffs who assisted in the preparation and formulation of this amendment, for the spirit of cooperation they have shown.

Mr. President, this is the sum and substance of the Hart-Simpson amendment: I believe that we have been able to evolve a mechanism for State emergency planning that is responsive to the need identified in the wake of Three Mile Island and which is fundamentally fair in the manner in which it will be applied to the States and utility companies now engaged in the construction and operation of nuclear powerplants.

Mr. HART. Mr. President, as I indicated in my opening remarks——

The PRESIDING OFFICER. Who yields time? Since the Senator from Colorado does not have the opposition time, it would be the sponsor of the amendment.

Mr. HART. The amendment is offered by the Senator from Wyoming on behalf of himself and the Senator from Colorado. Does the Senator from Wyoming yield me time?

Mr. SIMPSON. He certainly does, Mr. President.

The PRESIDING OFFICER. How much time is yielded?

Mr. HART. Five minutes?

Mr. SIMPSON. Any time you wish.

Mr. HART. I think 5 minutes will be sufficient.

Mr. President, as I indicated in my opening remarks, the issue of how to get the States to prepare emergency response plans to reactor accidents is one of the most difficult that our committee faces. We have in our bill at the present time section 202, which addresses the issue and was offered by the Senator from Colorado. It would have required the States to have plans prepared and approved within 6 months after the enactment of this law, or have the reactors in those States shut down.

As a result of extensive consultations with the Nuclear Regulatory Commission, the amendment which the Senator from Wyoming has offered on behalf of both himself and the Senator from Colorado seeks to perfect the procedures established in that section 202, and refine them.

This is a very difficult and very complex area. Consequently, the Senator from Colorado resists the amendment which has been offered by the Senator from Louisiana. It does require State and Federal cooperation. It does accomplish the refined purpose of making the planning site specific so that every reactor in the State is not closed down if plans are not available for only one of them.

It does expand the time 3 more months, because the Nuclear Regulatory Commission says that that was necessary to establish its approval mechanism.

It does provide, I believe, implicitly and explicitly, pressure upon the States to act, because of their need for electricity generated by the reactor. Citizens who believe that their Governor or State leaderships are not moving on this have plenty of opportunity to express their wishes and feelings on the matter.

It also provides through the established oversight mechanisms plenty of opportunity for the Congress to bring pressure to bear on the NRC to approve the plans in a timely manner.

There are two fundamental issues involved here, Mr. President. One is whether we learned anything from the Three Mile Island accident. For myself, I learned that we should not have reactors operating in this country, certainly no longer than 9 months after the enactment of this bill, that do not have fundamental plans made to accommodate an accident and to protect the lives, the safety, and the health of the people in the area. That is a fundamental issue.

The proposal of the Senator from Louisiana would not guarantee that protection. That is the issue here.

The second is whether the planning should be done by Federal or State agencies.

What is contemplated here by the Senator from Louisiana, who will offer an alternative to this carefully crafted proposal, is a fundamental shift in governmental authority. It is a fundamental tampering with the Federal system. It would give some authority to the Federal Government which has never before been obtained by the Federal Government in this area. I think Senators who vote on this should understand that. It is a very, very fundamental political point.

For myself, and I think other members of our committee, we came down in terms of protecting the system as it presently exists; namely, planning done by the States, approved by the appropriate Federal agency, in this case the Nuclear Regulatory Commission, with an action-enforcing mechanism; namely, if States have not done that planning, if the NRC has not approved it, then the reactor that has not been planned for, where plans have not been made to protect public health and safety, would be shut down.

Under the proposal to be offered by the Senator from Louisiana there is no action-enforcing mechanism. This procedure could go on relatively indefinitely with no concrete plan available in the case of an accident such as Three Mile Island.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I would like to make it very clear that I am not in opposition to the Hart-Simpson amendment. It is indeed a very carefully crafted amendment. It is indeed an amendment which provides a detailed proceeding for the issuance of guidelines by the NRC, for the cooperative work between the NRC and the State in coming up with a plan.

The Johnston-McClure perfecting amendment, which will very shortly be proposed, differs with the Hart-Simpson amendment in a very narrow way which in no way upsets the carefully crafted procedures as provided in Hart-Simpson.

What we do is provide that if the emergency plan proposed by the State under the procedures they outline is not accepted by the NRC, then the NRC shall simply establish an interim plan.

The NRC establishes an interim plan in lieu of shutting down the plant. The plant remains in effect for continuing intervals of 90 days until a State emergency plan is accepted.

Consequently, once the deadline occurs there will always be an acceptable plan and there will always be assured electricity. This will be clearly predictable now and in the future.

Mr. President, this does not upset any careful crafting of amendments or any carefully thought out scheme of the committee. Indeed, they have put in a great deal of very effective work on this matter. The issue is narrow; the issue is clear. Do you want a moratorium on a plant where a State either refuses, as in the probable case of California, or, through inadvertence or through honest mistake or through whatever reason, fails properly to submit a workable plan within the deadline?

The whole question then becomes what do you want to do? Do you want to let the plant operate with the NRC having submitted a proper interim plan, or do you want to shut it down? It is as simple and clear as that.

Mr. President, my drafters will soon be here with the amendment. I do not have it at this point. Unless the distinguished Senator from Wyoming or another Senator would wish to speak at this time, I will suggest——

Mr. SIMPSON. Mr. President, I will come back to the theme I previously stressed, that is that I think generally I certainly concur with what Senator JOHNSTON is doing with relation to assuring that there will be continuous operation of nuclear power plants. But the issue here to me is much more fundamental. That is by doing what his amendment will do, we are intruding upon an inherently State function.

I know that that bit of hysteria has been bandied about the Chamber for many years, and I do not bring it out in that form. I say that the reality of it is who will know better what to do with emergency State planning, which again I refer to as a form of land use in its highly emotional form. Who will be better able to determine which agency of the State government can perform, who more than the Governor and the elected officials of that State, the legislature of that State? Who will determine who is best able to determine which hospitals will be used in the evacuation procedure in the event of an onsite release? Who better than the Governor will know better when to order the evacuations? The burden is one the State government, exactly where it should be.

The final critical thing is civil defense officials cannot be nationalized and galvanized into action. Civil defense officials are part of the State organizations for emergency planning. They conduct their drills and their training efforts in local communities daily, although they get a good deal of high levity as they conduct their efforts because the people of America are not serious about civil defense. Nevertheless, those civil defense officials cannot be nationalized.

All these things cause me great concern, and I see no way but to see the diminution of the rights of the Governor, the State leigslature, and the State elected officials if we allow an intrusion by the Federal Government to come into this issue. It will come because there will be serious things which will be grappled with by the States, serious things that will have public hearings, serious things that will have a great deal of public debate. These are my reasons for resisting the amendment in total.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. SIMPSON. I yield for a question on the Senator's time.

Mr. JOHNSTON. Does the Senator not see a problem in the Federal Government intruding into the affairs of the State by shutting off its resources, such as electricity?

Mr. SIMPSON. Mr. President, I do not see that that is an intrusion. The area we are discussing is more critical than that. That is we must have State emergency plans in America. We saw that from our investigation of Three Mile Island, that we must have plans.

Mr. JOHNSTON. I agree with the Senator. There is absolutely no disagreement in the approach of the Senator's amendment or with my perfecting amendment. There is no difference in the initial approach of allowing the State or the State civil defense people working to put together their own plans.

The only question relates to the sanction. To say we are talking about States' rights in an area where we are getting ready to legislate a shutdown of a plant, it seems to me, is beside the point. We have already taken over the area of nuclear energy; indeed, this very statute concerns Federal control of nuclear energy.

The whole question is one of moratorium, or of shutdown of the plant. The whole question is one of a sanction as to what happens if we do not get an agreed plan put together by the State.

Mr. HART. Will the Senator from Wyoming yield to me?

Mr. SIMPSON. I yield to the Senator from Colorado.

Mr. HART. Mr. President, I wish the issue were as simple as the Senator from Louisiana suggests. I think it is much more profound, however.

Let me hypothesize a situation, a worst case, that concerns the Senator from Louisiana, a State which, in one way or another, fails to prepare a plan or prepares an inadequate plan. The Senator proposes that that undertaking then becomes the responsibility of the Federal Government.

Mr. JOHNSTON. As an interim plan.

Mr. HART. Well, interim until what?

Mr. JOHNSTON Interim in 3-month increments until the State does present its own plan which is acceptable.

Mr. HART. I shall come back to that, because the problem is a continuing one. If what the Senator from Louisiana is concerned about is the so-called recalcitrant Governor, who may just be antinuclear, that 3-month period is going to keep going on until that Governor is replaced, which could be up to 4 years. The profound problems are these: What happens if the Federal Government imposes a plan on a State which may not have the resources to carry that plan out? What guarantee does the Senator from Louisiana have that a plan imposed on a State can be implemented? It may not have State acts. It may involve activities that that State has no resources to accommodate, may not even have the budget to carry out.

Furthermore, even more profoundly, the Senator's proposal may, in fact, even be unconstitutional. What he contemplates is the Federal Government imposing some burden on the State which the State may be legally incapable of carrying out under its constitution or under its laws.

The Senator's suggestion borders on very serious tampering, I think, with State police powers and other responsibilities of that sort. That is why I said earlier that this is a very profound question of federalism here. I do not think the Senator from Louisiana really wants to venture into this thicket, because it is a very, very difficult one.

Mr. JOHNSTON. Mr. President, if the Senator will yield, the question of venturing into the area of federalism and States rights is really a red herring. What we have here is a carefully crafted amendment by the committee, where they put out guidelines so we know essentially what the major framework for an evacuation plan is. That is already decided upon and mandated by the guidelines provided in the amendment, which I not only do not object to, but certainly approve of.

Then we have this process, under the amendment of the Senator from Colorado, where the NRC works with the State and with the civil defense people coming out with a State plan, so that, by the time we get to the NRC, by the time the plan is turned down, there have been consultations, there have been guidelines, there has been examination of the State plan.

We are not talking about substituting wholesale a Federal plan with Federal marshals for that of the State or of requiring States to do things that are impossible to do.

Mr. HART. If the Senator will yield, it seems to me the reason he has proposed his amendment is that he fears the States, or a particular State or particular Governor will not work with the NRC. Is that not the reason he is proposing the amendment?

Mr. JOHNSTON. That is one of the principal reasons, because it may be, in effect, killed by the Governor. Jerry Brown is a perfect example, because he said as late as last night that he opposes nuclear energy in any form and wants to do away with existing plants.

Mr. HART. Even though his State, as I have indicated, has a very workable and progressive emergency evacuation plan.

Mr. JOHNSTON. It may have at this point, but understand, the issue of his killing nuclear plants or an evacuation plan would not have been available to him but for the amendment of the Senator from Colorado. The amendment of the Senator from Colorado, if it passes, gives him a weapon with which to kill, if you will, the Diablo plant.

Mr. HART. That is not the case at all. The States have always had, since the nuclear power industry was developed, the responsibility for preparing these plans. The problem was that there was nothing to force them to do it. They just have not done it. What that means is that, because of that delay and because there are no teeth in the law, there are an awful lot of citizens whose lives, in my judgment, are in jeopardy. Unless we have some mechanism to force States to do that, that situation is going to continue. The mechanism suggested by the Senator from Louisiana is not only inadequate in that regard, but also creates a host of other problems of the Federal Government imposing some responsibilities on States that they may not be capable of carrying out.

I ask the Senator from Louisiana to contemplate the situation, if we are talking about worst cases, of a runaway Nuclear Regulatory Commission that is totally unmindful of the resources of a particular State, suggesting to that State that it has to have all sorts of transportation devices and facilities, all sorts of police capabilities and powers that may not even be accommodated with some constitution or laws and, in fact, may even be contrary to its constitution or laws.

Mr. JOHNSTON. I have stated that I have not substituted my mechanism for that of the Senator from Colorado but, to the contrary, have adopted his mechanisms and changed only the sanction, the sanction being the NRC's plan in my case; the sanction in his case being a shutdown of the nuclear plant.

To sum it up, my bill provides for electricity with an evacuation plan. The amendment of the Senators from Colorado and Wyoming provides, in the case of no plan, for no electricity, either. I think that is an inappropriate sanction.

Mr. SIMPSON. Will the Senator yield for one moment?

Mr. JOHNSTON. Yes.

Mr. SIMPSON. I have one further distinguishing point, I think, which I think is the most serious flaw in what the Senator's amendment proposes. Actually, under the language of his amendment, we have the interim period of time, which is set for 90 days. Then we also have additional extensions of the 90-day period, which is a subversive type of intrusion, which can continue on and on. I think that should be carefully pointed out before we get to a result on this.

What it really means is that everything could stay interim for many, many months until the Federal Government finally makes the State do it the way they wanted them to do it in the first place, intruding in their particular inherent State obligations. They will hammer at the interim plan and we will get a 90-day extension, and the State will not respond and we will have another 90-day extension. We shall have much less of a red herring and more of a cold turkey in that situation. I think that is the difference.

UP AMENDMENT NO. 351

Mr. JOHNSTON. Mr. President, I now have my amendment prepared. If the Senators are ready at this time, I am ready to introduce the amendment and, as a matter of fact, have it voted on. It seems to me the amendment has been adequately discussed, unless the Senators desire further discussion.

The PRESIDING OFFICER. The amendment is not in order until the time on the pending amendment is yielded back or used. Do the Senators yield back their time?

Mr. SIMPSON. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Wyoming has 17 minutes. On this amendment, there will be 10 minutes on each side; that is, on the amendment proposed by the Senator from Louisiana.

Mr. SIMPSON. Mr. President, I yield back my time on the amendment.

The PRESIDING OFFICER. All time is yielded back. The amendment is in order. The Clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON), for himself and Mr. McCLURE, proposes an unprinted amendment numbered 351.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amendment No. 351

In the last sentence of subsection (b) of section 202 strike all after the phrase "greatest circulation in such State" and insert in lieu thereof, "and, in consultation with the Director of the Federal Emergency Management Agency and the Governor of the State, shall immediately establish an interim emergency plan for each such facility which complies with such guidelines. Any such plan established by the Commission shall be extended at ninety day intervals, until the Commission concurs in a State plan."

In the last sentence of subsection (c) strike the phrase "as required by section 103 e. of the Act" and add at the end of subsection (c) the following new sentence: "In the event the Commission withholds such concurrence for any state emergency plan under this subsection, the Commission, in consultation with the Director of the Federal Emergency Management Agency and the Governor of the state, shall immediately establish an interim emergency plan for any such facility which complies with the guidelines. Any such plan established by the Commission shall be extended at ninety day intervals, until the Commission concurs in a State plan."

Strike new subsection 202(a) and redesignate following subsections accordingly:

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the time on this amendment be shortened to 2 minutes on each side.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. JOHNSTON. Mr. President, I have previously discussed this amendment. I think it is very clear. It is just a question of the choice on the sanction. In my amendment, the sanction is for no plan, for the NRC to come up with an interim plan for 90 days. On the question of the pending amendment, it will be the shutdown of the plant.

I reserve the remainder of my time.

Mr. HART. Mr. President, as I understand, on a brief reading of the amendment by the Senator from Louisiana, it has, in addition to the defects that have been already pointed out, an additional one which is a substantial divergence of the proposal of the committee. That is, it decouples the preparation of emergency response plans from the licensing of new plants as well, which is an important feature of the committee proposal.

In our amendment, we attempted throughout committee deliberations, to continue not only the conditional operation of reactors in existence on the acceptance of an emergency evacuation plan, but also the issuance of operating licenses to future plants under construction.

What this means is that if the Senate adopts the amendment of the Senator from Louisiana, plants presently under construction for which an operating license will be sought can go into operation without the approval of an emergency evacuation plan.

In my judgment, Mr. President, in addition to all the other objections, this is an intolerable situation. We have either, as I said before, learned something from Three Mile Island, or we have not.

In this case, it is not a question of whether we will continue to use electricity being generated by existing plants. In addition, it is a question of whether we will permit new plants to be licensed to operate where there is no plan available to protect the people in the area in case of an accident.

That is a serious divergence in the case of the proposal by the Senator from Louisiana from that of the committee approach, and I think it is a fatal one.

We will either look after the protection of citizens in the areas of reactors presently operating, or not.

We are additionally going to look after the protection of people living in the area of reactors which have not been licensed, or we are not.

In the case of the committee proposal, we contemplate doing both, and without imposing by the Federal Government, or even permitting the case to arise, a situation where the Federal Government could impose——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HART. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. How much time was there on the amendment?

The PRESIDING OFFICER. Two minutes to a side.

Mr. HART. I thank the Chair.

Mr. JOHNSTON. Mr. President, under our amendment, a newly licensed plant, or a plant just coming on line, would have to have an approved plan, an approved evacuation plan. It is decoupled only in the sense that it is not brought into the licensing process.

So it is no ground to withhold an operating license to have this plan in effect.

However, it may not go into effect, the plant may not operate without a proper evacuation plan.

Mr. President, the issue is very clear. We both want maximum protection. We want an approved evacuation plan.

Under my amendment, we get both an evacuation plan and electricity.

Mr. President, I yield back the remainder of my time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment (UP No. 351) of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. Burdick), the Senator from Florida (Mr. Chiles), the Senator from New Hampshire (Mr. Durkin), the Senator from Nebraska (Mr. Exon), the Senator from Hawaii (Mr. Matsunaga), the Senator from Maine (Mr. Muskie), the Senator from Connecticut (Mr. Ribicoff), the Senator from Illinois (Mr. Stevenson), and the Senator from Massachusetts (Mr. Tsongas) are necessarily absent.

I further announce that the Senator from Montana (Mr. Baucus), the Senator from Oklahoma (Mr. Boren), the Senator from New Jersey (Mr. Bradley), the Senator from Missouri (Mr. Eagleton), the Senator from Michigan (Mr. Levin), the Senator from Louisiana (Mr. Long), the Senator from Arkansas (Mr. Pryor), and the Senator from Michigan (Mr. Riegle) are absent on official business.

I further announce that, if present and voting, the Senator from Michigan (Mr. Levin), and the Senator from New Jersey (Mr. Bradley) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from Tennessee (Mr. Baker), the Senator from Missouri (Mr. Danforth), the Senator from Nevada (Mr. Laxalt), the Senator from Idaho (Mr. McClure), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 37, nays 40, as follows:

[Rollcall Vote No. 170 Leg.]

YEAS—37

Bellmon
Bentsen
Byrd, Harry F., Jr.
Church
Cohen
Domenici
Hatch
Hatfield
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Magnuson
Metzenbaum
Morgan
Nunn
Pell
Percy
Sasser
Schmitt
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Warner
Weicker
Young
Zorinsky

NAYS—40

Bayh
Biden
Boschwitz
Bumpers
Byrd, Robert C.
Cannon
Chafee
Cochran
Cranston
Culver
DeConcini
Dole
Durenberger
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Heinz
Inouye
Javits
Kennedy
Leahy
Lugar
Mathias
McGovern
Melcher
Moynihan
Nelson
Packwood
Pressler
Proxmire
Randolph
Roth
Sarbanes
Schweiker
Simpson
Stafford
Williams

NOT VOTING—23

Armstrong
Baker
Baucus
Boren
Bradley
Burdick
Chiles
Danforth
Durkin
Eagleton
Exon
Laxalt
Levin
Long
Matsunaga
McClure
Muskie
Pryor
Ribicoff
Riegle
Stevenson
Tsongas
Wallop

So Mr. Johnston's amendment (UP 351) was rejected.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question now occurs on agreeing to the amendment of the Senator from Wyoming.

UP AMENDMENT NO. 352

Mr. GLENN. Mr. President, I send to the desk a substitute amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I view the amendment I send to the desk as being between the two positions that have been debated here this morning.

I think we need to remember that shutting down a nuclear-powered electric generating plant in most areas of this country——

The PRESIDING OFFICER. The Chair calls to the attention of the Senator from Ohio that the Parliamentarian advises the Chair that the substitute is not properly drafted as a substitute.

Are there any further amendments to be proposed?

Mr. HART. Mr. President, I ask for the yeas and nays on the committee amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk called the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

Mr. GLENN. Mr. President, I send to the desk an amendment to the Simpson amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

UP AMENDMENT NO. 352

At the end of section 202(a) insert the following: *Provided, however*, That until July 1, 1980, such licenses may be issued in the absence of a State plan concurred in pursuant to Commission guidelines employed prior to the enactment of this section in affording or withholding concurrence in State radiological emergency response plans, if, upon issuing such license, the Commission implements compensatory measures to safeguard the public health and safety."

In lieu of subsection "202(b)" as written, insert the following subsections:

(b) Within sixty days from the enactment of this section, the Commission shall implement compensatory measures to safeguard the public health and safety against the risks associated with the operation of any utilization facility for which the Commission has issued an operating license and with respect to which existing State radiological emergency response plans do not conform to Commission guidelines employed prior to the enactment of this section in affording or withholding concurrence in such plans.

(c) On July 1, 1980, the Commission shall suspend the operating license of any utilization facility for which there exists no State radiological emergency response plan concurred in by the Commission pursuant to guidelines employed prior to the enactment of this section. Such suspension shall remain in effect until a plan is submitted which the Commission determines to be in compliance with such guidelines.

In section 202(c), delete "(c)", insert "(d)".

Mr. HART. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. Is the amendment offered in the nature of a substitute or a perfecting amendment?

The PRESIDING OFFICER. The amendment is offered as a perfecting amendment.

Mr. HART. I thank the Chair.

The PRESIDING OFFICER. It is an amendment in the second degree, and there will be 10 minutes for each side.

Mr. GLENN. Mr. President, the amendment I propose to offer has a threefold purpose: to insure the development of optimum State plans for radiological emergency response; to provide for measures to compensate for the interim deficiencies in those plans; and to avoid unnecessary curtailment of significant energy sources.

Mr. President, rarely has the need for expanded and intensified protection of the public been as clear as in the area of emergency planning around nuclear powerplants. This type of emergency planning is largely a State function; but, until the accident at Three Mile Island, the idea of standardizing, overseeing, and approving State efforts received scant attention. Now we realize that the certification of such plans must become an integral part of the Federal regulatory process.

But we must also realize several other things: First, we do not have a full set of acceptable plans right now. Second, we cannot stop the clock—or the country's need for energy—while the States perfect their plans. And finally, we should not deny the Nuclear Regulatory Commission a certain amount of flexibility in dealing with States plans that are at different stages of development.

The public needs adequate safeguards, both before and after all the State plans are approved. It does not need a rush to shutdowns or unnecessary denials of operating licenses for new plants to achieve that measure of safety.

I am therefore proposing that the NRC be required to implement compensatory measures—that is, measures that will temporarily fill in the gaps in State planning—in two types of situations. The first involves operating plants in States that do not yet have approved emergency plans, and the second involves new plants in that same category of States.

I propose that until July 1, 1980, such plants be permitted to maintain or begin operations if the NRC implements measures to compensate for the inadequacies in existing State emergency plans. Such measures would have to safeguard the public health and safety in accordance with the NRC's statutory mandate.

These measures could include derating a plant—that is, operating it at partial power; increasing the number of NRC inspectors, the frequency of their inspections, or both; temporarily increasing the number of certain types of personnel employed by the licensee; and, in extreme cases, shutting down the plant altogether.

Other measures might aim at improving offsite preparedness in order to alleviate the consequences of a potential accident. The NRC could loan equipment such as radiation monitors, telephone lines, hookups and emergency warning systems; it could order a licensee to contribute to the cost of such hardware. NRC could support increased testing of emergency plants; again, it might order its licensees to help out. The Commission might order a licensee to establish a temporary offsite emergency center. It could, in coordination with the new Federal Emergency Management Agency, concentrate the capabilities of Federal emergency response personnel in vicinities where State plans have been found wanting.

Mr. President, the Commission can insure via these types of action that the public is as safe as it would be if all State plans had been approved. With such measures in place, therefore, there is no immediate need to shut down operating plants or to withhold licenses that would allow new plants to begin operating. I emphasize, of course, that these measures should not continue ad infinitum. At a certain point the Commission must impose its toughest sanction—plant shutdown. I propose that the NRC not be forced to confront that situation until July 1, 1980. It is my understanding that they will very likely not have to confront it at all, because NRC officials foresee all State emergency plans being in conformity with current guidelines by May 15, 1980. And in the interim, a number of avenues exist by which the public can be protected in accordance with the Commission's own standards without forfeiting major and much-needed sources of energy.

I would add to my statement, Mr. President, that it is a rare electrical generating plant in this country that does not furnish electrical power across State lines. Therefore, the deficiencies of a plan in a particular State, and the shutdown of a plant there, will affect not only that particular State, but other States around its area.

There might be very little need to shut down if the plant is operating satisfactorily, particularly if the NRC can come in with compensatory measures to allow that plant to keep operating and help supply some of the 13 percent of this Nation's electrical power that is now supplied by nuclear generating plants across this country.

Mr. President, I reserve the remainder of my time.

Mr. HART. Mr. President, first let me assure the Senator from Ohio that the Committee on Environment and Public

Works is not rushing to shut down reactors. The bill we have before us and certainly the clarifying amendment offered by the ranking minority member of the subcommittee (Mr. SIMPSON) and myself represent a very considered, very carefully calibrated, very well worked out effort to respond to what is a deplorable and unacceptable situation; namely, that there are dozens and dozens of reactors operating in this country without acceptable emergency response plans to protect the safety and health of the people in the area of those reactors.

The Senator seeks to extend this period of time, among other things, for 3 months beyond the 9 months which our amendment would suggest. We did not pick 9 months out of the air. That was a length of time that was arrived at after very careful consultation with the Nuclear Regulatory Commission and other officials and responsible individuals knowledgeable in this area.

It is my thought, having seen what has gone on here this morning, that if our committee had proposed 15 or 18 months, someone would have come in with an amendment to make it 24 or 30 months; that is, any period of time our committee, having taken testimony and held hearings, had come up with, I feel perhaps there would have been those in the industry who felt it was not enough. Nine months, I repeat, is not a rabbit picked out of a hat.

The Senator from Ohio proposes some very detailed compensatory measures. It seemed to me, in listening to those, that if a State or operating utility can put into place those very complex so-called compensatory measures, there is no reason in the world why that State could not come up with the kind of emergency response plan outlined in existing regulations. It seems to the committee that the kind of technical and administrative complexities involved in these compensatory measures would be more difficult to put in place than the kind of emergency response plan that 10 States already have in existence.

With regard to the Senator's so-called downrating proposal, in our investigation of the Babcock and Wilcox reactors in the light of or in the aftermath of the Three Mile Island accident, our committee was told that downrating a plant does not protect the people in the area. It is not a sufficient technical or administrative remedy for the absence of emergency planning.

Finally, Mr. President, the amendment presently before the Senate contains many of the same defects contained in the amendment of the Senator from Louisiana which the Senate has just rejected. There is no final action, just a mechanism in the amendment, nothing that really gives the message to the States that this is a fundamental priority the States must carry out and get done in a reasonable period of time.

Finally, the Senate has already rejected the idea of the Federal Government imposing its will on the States in the area of emergency planning. This is an area traditionally set aside for the States. It is an area the States can carry out, as 10 or 12 States have already done, and it is something the Federal Government has a responsibility of ordering or getting the States to do in a timely manner.

The amendment offered by the Senator from Wyoming and myself does that, and for that reason I think the committee would be forced to resist the amendment offered by the Senator from Ohio.

Mr. SIMPSON. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. HART. I yield such time as I have remaining to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I would simply add, in accord with the Senator from Colorado (Mr. HART), that I firmly believe that the figure of 9 months is realistic. It is something that can be lived with by the NRC, with whom we have checked thoroughly on this issue.

They feel that within 8 months the plans will be made, the various State emergency plans, and we are allowing 1 more month under this proposal.

I believe I would get back to the real issue in the entire debate. It is the critical surprise that this committee was faced with when we found out that various States had not prepared State emergency plans. They will do so now. There is no question but that they will. I see no need to extend the time. I think the impetus is here. I hope we can keep moving with this time limit of 9 months, because I think that extending the time will reduce the incentive.

Then I feel my other very real concern, that relation of compensatory measures. I know not what that can be. But I can assure you, Mr. President, that if there are compensatory measures now in the bill with regard to NRC's administrative procedures, they will be using them. I think that is the critical thing for us to recall.

There are compensatory measures that the NRC can use now and we may be assured that they are doing so.

I have a grave concern about the definition in this amendment as to the lack of perfection of the term compensatory measure.

I hope we might defeat the amendment.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I feel the amendment I have proposed does provide additional safety under the existing language for this reason: In the existing amendment that I am attempting to change, there is nothing that gives any authority to NRC to go out and do anything except shut down at the end of that 9-month period.

The amendment I am proposing would mean that within 60 days after passage of this legislation, NRC would be able to take these compensatory measures, additional inspections, immediately, and cover these plants with additional safety over the next 9 months while these safety plans are worked out.

So I would submit that rather than waiting until the end of that period, making a cutoff and using that as the enforcing measure, we would be providing additional safety in the interim period while these plans are worked out. I feel it would be better protection for the American public and for anyone living near one of these generating plants. I would hope that the floor managers would reconsider and accept this provision for the bill.

Mr. HART. If the Senator will yield on my time, I would agree with what he has said. I think it is a good idea to spell out what the compensatory features are. That feature of the Senator's amendment would be completely acceptable to the committee. But lifting the sanction, in the absence of the plan, is not one that the committee is capable of accepting. The other feature would be acceptable to the committee.

Mr. GLENN. Mr. President, we do have plant shutdown under my amendment at the end of this year, July 1, 1980, which would be 9 months into the new fiscal year. So we do not eliminate that enforcing mechanism of keeping their feet to the fire. I reserve the remainder of my time.

Mr. HART. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Colorado has 2 minutes 25 seconds and the Senator from Ohio has 4 minutes 33 seconds.

Mr. HART. How much time remains on the bill?

The PRESIDING OFFICER. The Senator from Colorado has 6 minutes remaining on the bill and the Senator from Wyoming has 7 minutes remaining.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HART. Mr. President, I ask unanimous consent that a quorum call be in order with the time to be charged to neither side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRFSIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 352 (AS MODIFIED)

Mr. GLENN. Mr. President, I send to the desk a modification to my amendment previously submitted and ask for its consideration.

The PRESIDING OFFICER. Is there objection to modifying the amendment?

Mr. HART. Mr. President, reserving the right to object, can we find out the specifics of it before the unanimous consent is entered into so we all agree as to what is being offered?

All right.

Mr. McCLURE. Mr. President, reserving the right to object, I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. If there is a modification to the Glenn amendment will the modification then be subject to the time remaining on the original Glenn amendment, or will it be treated as a new amendment with a new time limit?

The PRESIDING OFFICER. The modification will be considered as the old amendment so it will be the old time limit.

Mr. McCLURE. Mr. President, further reserving the right to object, if the Senator from Ohio withdrew his original amendment and submitted another one, would it then be a new amendment subject to a new time limit?

The PRESIDING OFFICER. It would.

Mr. McCLURE. Mr. President, I wonder if the managers of the bill or the Senator from Ohio would have objection to doing it in that manner so we would have an opportunity to discuss and understand what is in the new amendment?

Mr. HART. Mr. President, as the Senator from Idaho knows, we have been involved here 45 minutes or more in negotiations on this. It is my understanding it is acceptable to the committee. If the Senator wishes to debate it some more, I guess we can.

Mr. McCLURE. I wish to understand it and I understood the Senator from Colorado is indicating that, in spite of the 45 minutes of discussion, he wishes to understand it also.

Mr. HART. The Senator from Colorado is assured that it is the agreement that is entered into. But the Senator, of course, can protect his own rights.

Mr. McCLURE. Does the Senator from Ohio object to withdrawing his earlier amendment and submitting this modification as a new amendment?

Mr. GLENN. I will not object. I think I can explain it in about 1 minute. If the Senator from Idaho wishes to discuss it, I would be happy to accommodate him.

Mr. McCLURE. Under the time constraints there is very little time remaining, and I do not know if it will take all the time, but at least I think it affords all the Members of the Senate a little greater protection in trying to understand what is in the modified Glenn amendment.

Mr. HART. Mr. President, the Glenn amendment was debated almost to the limits of the allotted time. These changes I understand to be rather minor.

I ask unanimous consent that there be 10 minutes allocated to the modified amendment, equally divided.

Mr. McCLURE. Five minutes on each side, is that correct?

Mr. HART. That is 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is so modified.

The modified amendment is as follows:

Following subsection 202(e) insert the following subsection:

(f) Within sixty days from the enactment of this section, the Commission shall implement compensatory measures to safeguard the public health and safety against risks associated with the operation of any utilization facility for which the Commission has issued an operating license and with respect to which existing State radiological emergency response plans do not conform to Commission guidelines employed prior tc the enactment of this section in affording or withholding concurrence in such plans.

In section 202(b) strike "within nine months of the date of this section," and insert in lieu thereof "before June 1, 1980,".

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield myself such time as I may require.

This modification requires compensatory measures starting in 60 days for plants operating with a deficient State plan. It also extends to June 1, 1980, the deadline for shutting down plants where State plans are not yet approved, and it agrees with the original amendment in providing that no new plants will open until a satisfactory State emergency plan is in effect.

I ask the distinguished floor manager of the bill, as I just outlined it, is that his understanding of the agreement?

Mr. HART. The Senator is correct.

Mr. GLENN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. Mr. President, I yield such time as necessary to the Senator from Idaho if he wishes to speak.

Mr. McCLURE. Mr. President, I thank the Senator from Ohio for yielding.

As I understand the essential difference in the Glenn perfecting amendment, as modified, it changes the original Hart-Simpson language only to the extent that it says for old operating plants compensatory measures will be undertaken immediately for all plants where there is no approved State emergency plan.

Mr. GLENN. If the NRC agrees, though, that such compensatory measures will add to the safety of operating those plants. The Senator is correct.

Mr. McCLURE. And rather than the time limits specified in the Hart-Simpson language, the closed-down order, where there was no State-approved plan in place, would occur on July 1, 1980, but not before; is that correct?

Mr. GLENN. June 1, 1980.

Mr. McCLURE. June 1, 1980. Then the Hart-Simpson language is tied to the passage of this legislation. And if as a matter of fact the legislation is not passed until sometime toward the end of October the time is virtually the same under the two?

Mr. GLENN. That is correct.

Mr. McCLURE. Mr. President, I have had some discussion with the Senator from Wyoming concerning the constraints-of-time problems where the State legislatures are not now in session and the Governor does not now have the authority under existing State law to promulgate such a plan, and in most of those instances the State legislature would not be in session until the 1st of January. So we have essentially 5 months next year in those instances for a State administration, a State legislature, and the NRC to come to an agreement upon a very, very complex and difficult question of the emergency measures to take.

Mr. President, I think that timeframe is so constrained that it becomes almost impossible for them to comply.

Second, under either language of the Hart-Simpson or the Glenn-perfecting amendment, the NRC has an alternative choice, and that is all they have. They have the choice to accept a defective State plan or close down the nuclear plan in question within that State. They have no balancing that they are permitted to do of a social or economic value of closure or continuation. It becomes an absolute: approve the plan or shut them down.

And that would be true as of June 1 next year under the Glenn amendment as well. Am I not correct?

Mr. GLENN. That is what we were trying to avoid with the original version of this and what still is a possibility, as the Senator has outlined it, under the way this is going to be passed. NRC, however, has advised us they expect all plans to be in compliance with current guidelines by next May.

Mr. McCLURE. Mr. President, if the Senator will yield further, I am advised that that is making three very favorable assumptions in order to come to that conclusion. If any of those three very favorable assumptions fail, then the assurance will not materialize and we will be up against that very Draconian choice in which the NRC again has no option. They cannot balance the benefits or risks of closure against the benefits or risks of continuation of operation of the plant. They must order the plant closed.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. McCLURE. I do not have the time.

The PRESIDING OFFICER (Mr. RANDOLPH). The time that the Senator from Ohio then yielded to the Senator from Idaho has expired.

There are 5 minutes remaining as the Senator from Colorado (Mr. HART) knows. He can move from that point.

Mr. HART. As I understand the question, or objection that the Senator from Idaho has, has to do with the role of State legislatures and the problem of them not being in session. Is that correct?

Mr. McCLURE. Yes; in essence, I have two objections. One is the time it takes for the State legislatures to act if, as a matter of fact, State law requires their involvement.

Mr. HART. That is exactly my question. Does the Senator know how many States of that sort there are and whether any of those States in fact are the States involved in this problem?

Mr. McCLURE. I cannot tell the Senator from Colorado whether that is a fact or not, whether it would affect any of the material plants in question or not since the scope of the Glenn amendment has been narrowed to exclude those which are not now licensed for operation.

Mr. HART. Does the Senator know of any State where an emergency response or evacuation plan with regard to the operation of a nuclear plant requires the approval of the State legislature?

Mr. McCLURE. Mr. President, I know if there is to be the testing which is required under the proposed amendment of the Senator from Colorado and the Senator from Wyoming it would require an affirmative action of the State legislature to fund and to provide the mechanism for the implementation of the plan. It could not be done until after State approval. That would be true of every State so far as this Senator knows.

Mr. HART. Well, Mr. President, having laboriously negotiated this perfecting amendment of the Senator from Ohio, I can say on behalf of the majority side of the committee that we find the proposal put forward by the Senator from Ohio acceptable to us. In some regard at least it strengthens the amendment of the Senator from Colorado and the Senator from Wyoming, and would be acceptable to this side of the aisle.

Mr. SIMPSON. Mr. President, if I might inquire of Senator HART just a little comment of understanding——

The PRESIDING OFFICER. Did the Senator yield to the Senator from Wyoming?

Mr. HART. Yes.

Mr. SIMPSON. Would it be your understanding that if we should get into a procedure with the conference committee that it is the intention of yourself and myself, as the ranking minority member, that we do have at least 9 months to bring these plants into fruition; is that correct?

Mr. HART. That is the intention of the Senator from Colorado and, I think, the committee; it is based, I believe, on all the contacts and information we have had with the NRC.

Mr. SIMPSON. I thank the Senator very much.

Mr. HART. Mr. President, I move the adoption of the perfecting amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. McCLURE. Mr. President, is the amendment the Glenn amendment?

The PRESIDING OFFICER. That is correct.

The amendment, as modified, was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 353

Mr. McCLURE. Mr. President, I have a substitute which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Idaho (Mr. McCLURE) proposes an unprinted amendment numbered 353 in the nature of a substitute.

Mr. McCLURE. Mr. President, I ask unanimous consent that further reading of the substitute amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 7, in lieu of the language of the pending amendment UP 350 insert the following:

202(a) As soon as practicable, each State wherein a utilization facility has been licensed to operate as of the date of enactment of this Act which has not obtained the Commission's concurrence in its State radiological emergency response plan, shall submit to the Commission and the Director of the Federal Emergency Management Agency a plan for responding to accidents or unanticipated events at each such facility within the State, which accidents or unanticipated events, due to the existence or the imminent possibility of off-site releases of radioactivity, create the need for action to protect the public health and safety. The Commission, in consultation with the Director of the Federal Emergency Management Agency, shall review each plan for compliance with the guidelines employed by the Commission in affording or withholding concurrence in State radiological emergency response plans which were in effect on July 16, 1979 and shall specifically consider the findings of the Director of the Federal Emergency Management Agency. In the event the Commission determines that any such plan, as it applies to each specific facility, does not comply with such guidelines and the State fails to correct such noncompliance within nine months of the date of enactment of this section, the Ccmmission shall cause such determination to be published in the newspaper of greatest circulation in such State, and, in consultation with the Director of the Federal Emergency Management Agency and the Governor of the State, shall immediately establish an interim emergency plan for each such facility which complies with such guidelines. Any such plan established by the Commission shall be extended at ninety day intervals, until the Commission concurs in a State plan.

(b) As soon as practicable, but not later than six months from the date of enactment of this section, the Commission shall by rule promulgate minimum requirements for State plans for responding to accidents or unanticipated events at each utilization facility licensed to operate within the State, which accidents or unanticipated events, due to the existence or the imminent possibility of off-site releases of radioactivity, create the need for action to protect the public health and safety. In the promulgation required hereunder, the Commission shall specify a period for expeditious compliance with such requirements. Prior to promulgating the rule required by this subsection, the Commission shall consult with the Director of the Federal Emergency Management Agency. Pending the promulgation required hereunder, the Commission shall determine plan adequacy on the basis of the guidelines employed by the Commission in affording or withholding concurrence in State radiological emergency response plans, which were in effect on July 16, 1979, and any plan which had received the Commission's concurrence prior to enactment of this Act shall be deemed adequate for the purposes of that section.

"In the event the Commission withholds such concurrence for any state emergency plan under this subsection, the Commission, in consultation with the Director of the Federal Emergency Management Agency and the Governor of the state, shall immediately establish an interim emergency plan for any such facility which complies with the guidelines. Any such plan established by the Commission shall be extended at ninety day intervals, until the Commission concurs in a State plan."

(c) The minimum requirements to be promulgated under subsection (c) shall assure protection of the public health and safety to the maximum extent practicable, and shall at a minimum provide for:

(1) Designation of appropriate planning zones surrounding each facility on the basis of such factors as reactor size, probable release patterns from possible accident sequences, and demographic and land use patterns;

(2) Capability to quickly and safely implement protective measures such as evacuation and sheltering;

(3) Initial and periodic testing of plan feasibility in actual drills of State and local organizations which are assigned responsibilities to carry out portions of the plan;

(4) Vesting of responsibility for the development and revision of the plan in a single agency;

(5) Participation of facility licensees, local governments, and appropriate State agencies in that development and revision;

(6) Delineation of respective organizational roles in implementation of the plan; and

(7) Identification of procedures for expeditious and reliable notification and communication.

(d) Any person may bring a proceeding in the United States District Court for the District of Columbia to require the Commission to promulgate the rule required in subsection (c) of this section if the Commission has not promulgated such rule within the time period specified therein.

The PRESIDING OFFICER. Twenty minutes on the amendment; is that correct?

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. I assume from the parliamentary point of view the amendment is in order as a substitute?

The PRESIDING OFFICER. It is in order drafted as a substitute for the pending amendment.

Mr. McCLURE. Mr. President, I am disturbed that the Senate earlier today in turning down the Johnson-McClure amendment may well not have understood some of the ramifications of that action. I did not oppose the perfecting amendment of the Senator from Ohio because I think it is a measured improvement over the Hart-Simpson language.

But, Mr. President, I think there is still the choice I outlined just a moment ago, which is not closure of a plant, Mr. President, it seems to me that there ought to be better ways to assure the safety of the American people by assuring that the plant continues, but continues under safe conditions.

The substitute which I have offered is essentially the original language offered by the Senator from Louisiana on his and my behalf that was subject to the very close vote taken earlier.

When I was talking with the Senator from Louisiana last week about the amendment which was to be offered today, it was my understanding that that amendment would not be voted on until last in the day. I had made arrangements to be in Idaho yesterday giving a speech to a group of high school students last evening, and I was able, by flying all night, to be back here today to participate in the debate and discussion of that amendment, only to arrive here and find that rather than coming up late in the day it had come up as the first item of business virtually, and had been voted on.

That was somewhat distressing to the Senator from Idaho—and I say that not with any particular unhappiness directed toward any individual but as just the unhappiness about the course of events that made that possible.

The vote was very close. I have consulted with the Parliamentarian to make certain this could be offered as a substitute, and I have been advised by the Parliamentarian that indeed it can be offered as a substitute since the original language was offered as an amendment perfecting the language of the Hart-Simpson amendment.

This has been redrafted. It contains additional provisions that were not in the Johnston-McClure amendment in the first instance, picking up upon the Hart-Simpson amendment in some of its essential provisions.

Mr. President, I think this is a good way to try to resolve the question as far as this Senator is concerned in that certainly if the Johnston-McClure amendment or the now McClure substitute is not adopted, we fall back on the Hart-Simpson amendment as perfected by the Glenn amendment which, I think, presents the issue and the opportunity for a choice.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. HART. Mr. President, a parliamentary inquiry so that I understand the situation we find ourselves in.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. The last vote that occurred in the Senate was on the Johnston amendment which, I understand, was defeated. Do I understand we now have an amendment which is essentially the same amendment that is now being offered as a substitute?

The PRESIDING OFFICER. The Chair advises the Senator from Colorado that this amendment is different in several respects from the Johnston amendment and, therefore, would be in order.

Mr. HART. Hopefully the Senator from Idaho will tell us what those differences are at some point in the debate, since we have already litigated, if you will, the Johnston amendment. I am not quite sure what is going to be gained from first redebating it and second voting on it again.

I suppose we could plow the same old ground that we plowed an hour or an hour and a half ago at some length. But so far I have heard nothing in the presentation of this amendment that is really new or adds to the edification of the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. McCLURE. Mr. President, I will respond—not to prolong the debate because I think the essential understanding of the Senate on the issue will be the same—but I am careful in how I say that because I do not want to indicate that the amendment is identical to the one amendment that was defeated, because it is not. But it picks up the language, a portion of the language, of the Hart-Simpson amendment as well as the language contained in the Johnston-McClure amendment.

Mr. HART. Mr. President, if the Senator will yield, the amendment is either the same or, if it is not, we can proceed further. If it is the same, we have already voted on it. If it is not, we ought to know what the differences are.

Mr. McCLURE. We run into the difficulty, and the Senator understands, of some of the legalisms that are involved, and it is a different amendment in a technical sense.

Mr. HART. But substantively the same.

Mr. McCLURE. I will not say substantively the same because if I say that, the Senator might well then attempt to raise a point of order, and I must insist that this is a different amendment, as indeed it is.

Mr. HART. What is it in this amendment that the Senator wishes to use to justify another vote? We can vote on the same amendment all night long by just making changes in commas and in apostrophes. This is either a different amendment from the Johnston amendment, which the Senate just defeated, or it is not.

Mr. McCLURE. If the Senator desires, I could withdraw my request that the reading of the amendment be dispensed with, and the Senator can have it read if he wishes.

Mr. HART. I do not want to have it read. I want the Senator to tell me the difference between the Johnston amendment and the Senator's substitute which justifies its consideration by the Senate.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. HART. Yes.

Mr. SIMPSON. I, as one of the floor leaders of the bill, would very much appreciate having a copy of the amendment, because I am certainly not going to concur until I do.

The PRESIDING OFFICER. Time is running on the amendment.

Mr. HART. Mr. President, being completely in the dark as to whether this amendment is different from the one the Senate just defeated, and not apparently having the proponent of the amendment prepared to argue it on its merits, I am afraid I will be forced to move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. The time must be used or yielded back before such a motion is in order.

Mr. HART. I am prepared to yield back the remainder of my time.

Mr. McCLURE. I yield back the remainder of my time.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment (No. UP-353) of the Senator from Idaho. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from New Hampshire (Mr. DURKIN), the Senator from Nebraska (Mr. EXON), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that the Senator from Montana (Mr. BAUCUS), the Senator from Missouri (Mr. EAGLETON), the Senator from Michigan (Mr. LEVIN), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. PRYOR), the Senator from Michigan (Mr. RIEGLE), the Senator from Oklahoma (Mr. BOREN), the Senator from New Jersey (Mr. BRADLEY), and the Senator from North Carolina (Mr. MORGAN) are absent on official business.

On this vote, the Senator from Michigan (Mr. LEVIN) is paired with the Senator from North Carolina (Mr. MORGAN).

If present and voting, the Senator from Michigan would vote "yea" and the Senator from North Carolina would vote "nay."

Mr. TOWER. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Missouri (Mr. DANFORTH), the Senator from Nevada (Mr. LAXALT), the Senator from Alaska (Mr. STEVENS), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

Mr. HART. Regular order, Mr. President.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who has not voted?

Several Senators voted.

Mr. HART. Mr. President, regular order.

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there any Senator in the Chamber who has not voted? If so, let them make their votes known.

Additional Senators voted.

Mr. HART. Regular order.

The PRESIDING OFFICER. The regular order is being followed. Are there Senators who have not voted? If so, will they do so now? If not, the clerk will tally the vote.

Additional Senators voted.

Mr. HART. Mr. President, regular order.

The PRESIDING OFFICER. The clerk is tallying the vote.

The result was announced—yeas 41, nays 40, as follows:

[Rollcall Vote No. 171 Leg.]

YEAS—41

Bayh
Biden
Boschwitz
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Cochran
Cranston
Culver
DeConcini
Durenberger
Ford
Gravel
Hart
Hatfield
Heinz
Inouye
Javits
Kennedy
Leahy
Mathias
Matsunaga
McGovern
Melcher
Moynihan
Muskie
Nelson
Packwood
Pell
Pressler
Proxmire
Randolph
Roth
Sarbanes
Schweiker
Simpson
Stafford
Weicker
Williams

NAYS—40

Armstrong
Bellmon
Bentsen
Byrd,
  Harry F., Jr.
Church
Cohen
Dole
Domenici
Garn
Glenn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Lugar
Magnuson
McClure
Metzenbaum
Nunn
Percy
Sasser
Schmitt
Stennis
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Warner
Young
Zorinsky

NOT VOTING—19

Baker
Baucus
Boren
Bradley
Chiles
Danforth
Durkin
Eagleton
Exon
Laxalt
Levin
Long
Morgan
Pryor
Ribicoff
Riegle
Stevens
Tsongas
Wallop

So the motion to lay on the table UP amendment No. 353 was agreed to.

Several Senators addressed the Chair.

Mr. HART. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. McCLURE. Mr. President, I ask for the yeas and nays.

Mr. SIMPSON. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. Is there a sufficient second for the yeas and nays on a motion to reconsider?

There is a sufficient second.

Mr. SIMPSON. I ask for the yeas and nays on my motion to table.

The PRESIDING OFFICER. A motion to lay on the table has been made.

Is there a sufficient second on the motion to table?

There is a sufficient second. The yeas and nays are ordered.

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. What is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is the motion to table.

Let me restate that: The pending motion is the motion to lay on the table the motion to reconsider the vote by which the McClure amendment was laid on the table.

The yeas and nays have been ordered. No debate is in order. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. DURKIN), the Senator from Nebraska (Mr. EXON), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Florida (Mr. CHILES) are necessarily absent.

I further announce that the Senator from Montana (Mr. BAUCUS), the Senator from Oklahoma (Mr. BOREN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Missouri (Mr. EAGLETON), the Senator from Michigan (Mr. LEVIN), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. PRYOR), and the Senator from Michigan (Mr. RIEGLE) are absent on official business.

I further announce that, if present and voting, the Senator from Michigan (Mr. LEVIN), would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Mississippi (Mr. COCHRAN), the Senator from Missouri (Mr. DANFORTH), the Senator from Nevada (Mr. LAXALT), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber who has not voted?

The result was announced—yeas 43, nays 39, as follows:

[Rollcall Vote No. 172 Leg.]

YEAS—43

Bayh
Biden
Boschwitz
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Cranston
Culver
DeConcini
Durenberger
Ford
Glenn
Gravel
Hart
Hatfield
Heinz
Inouye
Javits
Kennedy
Leahy
Mathias
Matsunaga
McGovern
Melcher
Moynihan
Muskie
Nelson
Nunn
Pell
Pressler
Proxmire
Randolph
Roth
Sarbanes
Sasser
Schweiker
Simpson
Stafford
Talmadge
Weicker
Williams

NAYS—39

Armstrong
Bellmon
Bentsen
Byrd, Harry F., Jr.
Church
Cohen
Dole
Domenici
Garn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Lugar
Magnuson
McClure
Metzenbaum
Morgan
Packwood
Percy
Schmitt
Stennis
Stevens
Stevenson
Stewart
Stone
Thurmond
Tower
Warner
Young
Zorinsky

NOT VOTING—18

Baker
Baucus
Boren
Bradley
Chiles
Cochran
Danforth
Durkin
Eagleton
Exon
Laxalt
Levin
Long
Pryor
Ribicoff
Riegle
Tsongas
Wallop

So the motion to lay on the table the motion to reconsider was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the motion was agreed to.

The PRESIDING OFFICER. A motion to reconsider the vote on a motion to table a motion to reconsider is not in order.

The question occurs on unprinted amendment numbered 350, as amended. The yeas and nays have been ordered.

The Senator from Colorado.

Mr. HART. Mr. President, I ask unanimous consent to vitiate the order for the yeas and nays.

Mr. McCLURE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Florida (Mr. CHILES), the Senator from New Hampshire (Mr. DURKIN), the Senator from Nebraska (Mr. EXON), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that the Senator from Montana (Mr. BAUCUS), the Senator from Oklahoma (Mr. BOREN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Missouri (Mr. EAGLETON), the Senator from Michigan (Mr. LEVIN), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. PRYOR), and the Senator from Michigan (Mr. RIEGLE) are absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. BRADLEY) and the Senator from Michigan (Mr. LEVIN) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Missouri (Mr. DANFORTH), the Senator from Nevada (Mr. LAXALT), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

The PRESIDING OFFICER (Mr. CULVER). Are there any Senators now in the Chamber who have not yet been recorded on this vote?

The result was announced—-yeas 64, nays 19, as follows:

[Rollcall Vote No. 173 Leg.]

YEAS—64

Armstrong
Bayh
Biden
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Church
Cochran
Cohen
Cranston
Culver
DeConcini
Dole
Domenici
Durenberger
Ford
Garn
Glenn
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Huddleston
Humphrey
Inouye
Javits
Jepsen
Kennedy
Leahy
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Randolph
Roth
Sarbanes
Sasser
Schweiker
Simpson
Stafford
Stevenson
Stewart
Stone
Talmadge
Warner
Weicker
Williams
Zorinsky

NAYS—19

Bellmon
Bentsen
Goldwater
Hayakawa
Helms
Hollings
Jackson
Johnston
Kassebaum
Lugar
Magnuson
McClure
Morgan
Schmitt
Stennis
Stevens
Thurmond
Tower
Young

NOT VOTING—17

Baker
Baucus
Boren
Bradley
Chiles
Danforth
Durkin
Eagleton
Exon
Laxalt
Levin
Long
Pryor
Ribicoff
Riegle
Tsongas
Wallop

So Mr. SIMPSON's amendment (UP 350, as amended) was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following proceedings occurred later:)

Mr. STONE. Mr. President, I ask unanimous consent that my rollcall vote on the previous rollcall be changed from nav to yea. It does not change the result of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing rollcall vote has been changed to reflect the above order.)

UP AMENDMENT NO. 354

Mr. DOMENICI. Mr. President, I have an uprinted amendment that has to do with mill tailings that I send to the desk, and I offer it on behalf of myself and the Senator from Colorado (Mr. HART).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New Mexico (Mr. DOMENICI), for himself and Mr. HART, proposes an unprinted amendment No. 354.

Mr. DOMENICI. Mr. President, I ask

unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, after line 16, insert the following:

SEC. 209.(a) Section 204(h) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended by adding at the end thereof a new paragraph to read as follows:

"(3). Notwithstanding any other provision of this title, where a State assumes or has assumed, pursuant to an agreement entered into under section 274.b of the Atomic Energy Act of 1954, authority over any activity which results in the production of byproduct material as defined in section 11.e (2) of that Act, the Commission shall not, until the date three years after the date of enactment of this Act, have licensing authority over such byproduct material produced in any activity covered by such agreement, unless the agreement is terminated. If, upon expiration of the three-year interim, a State has not entered into such an agreement with respect to byproduct material as defined in section 11.e (2) of the Atomic Energy Act of 1954, the Commission shall have authority over such byproduct material."

(b) Section 204(h)(1) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended to read:

"Sec. 204(h)(1). On or before the date three years after the date of enactment of this Act, notwithstanding any provision of this title, any State may exercise any authority under State law (including authority exercised pursuant to an agreement entered into pursuant to Section 274 of the Atomic Energy Act of 1954, as amended) respecting (a) byproduct material, as defined in section 11 e.(2) of the Atomic Energy Act of 1954, or (b) any activity which results in the production of byproduct material as so defined, in the same manner and to the same extent as permitted before the enactment of this Act; provided, however, that nothing in this section shall be construed to preclude the Commission or the Administrator of the Environmental Protection Agency from taking such action under section 275 of the Atomic Energy Act of 1954 as may be necessary to implement title I of this Act."

(c) The last sentence of section 83a. of the Atomic Energy Act of 1954, as amended, is amended to read:

"Any license in effect on the effective date of this section and subsequently terminated without renewal shall comply with paragraphs (1) and (2) upon termination."

(d) Section 204(e) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended by adding at the end thereof a new paragraph to read as follows:

"(2) This subsection shall be effective on the date three years after the date of enactment of this Act.".

(e) Section 83(b)(1)(A) of the Atomic Energy Act of 1954, as amended, is amended by—

(1) striking all that follows "transferred to—" down through "Unless" and inserting in lieu thereof the following:

"(i) the United States, or

"(ii) the State in which such land is located, at the option of such State, unless", and

(2) striking "section 84b." and inserting in lieu thereof "section 81 of this Act".

Mr. HART. Mr. President, I ask unanimous consent that the chairman of the Public Works Committee, Senator RANDOLPH, be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I offer this amendment which would make certain technical changes in Public Law 95-604, the Uranium Mill Tailings Radiation Control Act of 1978.

These changes are to title 2 of that act as title 2 addresses the authority of the Nuclear Regulatory Commission and the Agreement States to license and regulate uranium mills and mill tailings. Specifically, NRC was given immediate authority to regulate uranium mill tailings in States which do not elect to regulate uranium mills and mill tailings under the Agreement States program. Significant new substantive and procedural requirements were also imposed on the Agreement States by that act. In recognition of that fact, the Agreement States were given a period of 3 years to impose their regulatory programs to meet the new requirements. At the end of the period, an Agreement State which failed to fully satisfy the new requirements would lose its regulatory authority and NRC would assume licensing responsibility.

Mr. President, on April 26 of this year, the principal authors of the regulatory portion of the Uranium Mill Tailings Radiation Control Act wrote the Nuclear Regulatory Commission on this subject. That letter expressed their concern that certain possible ambiguities in the wording of the statute might be interpreted to conflict with the statutory intent which I have described. On May 30, the Commission advised the Subcommittee on Nuclear Regulation that in the view of a majority of the Commission, the Mill Tailings Act, as presently written, could not be interpreted to meet this intent. At the same time, the Commission proposed legislation to correct these ambiguities and to bring the language of the statute into accord with our intent. Those proposed changes, which are supported by the full Commission, are incorporated into my amendment.

Mr. President, unless these changes are enacted swiftly, the Commission will be required to exercise dual licensing jurisdiction in the Agreement States for the 3-year interim period. This would result in needless and costly duplication, and would be disruptive of the spirit of cooperation and support which has been carefully developed between NRC and the Agreement States. This amendment would eliminate that problem and insure that the implementation of the act's important improvements will proceed in an orderly and expeditious manner.

I urge the adoption of the amendment.

Mr. President, I ask unanimous consent that the April 26 letter from the principal authors of the legislation to NRC, the May 30 letter from NRC to the Nuclear Regulation Subcommittee, and a section-by-section analysis of the amendment be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
Washington, D.C., April 26, 1979.

Hon. JOSEPH HENDRIE,
Chairman, Nuclear Regulatory Commission,
Washington, D.C.

DEAR CHAIRMAN HENDRIE: During your testimony last monht on the NRC fiscal year 1980 budget request before the Senate Environment and Public Works Committee and the House Interior and Insular Affairs and Interstate and Foreign Commerce Committees, you referred to potential problems in implementing Public Law 95-604, the Uranium Mill Tailings Radiation Control Act of 1978.

Specifically, you mentioned that there may exist some uncertainty based upon the language of the statute regarding the date by which the Agreement States must meet the new requirements in the statute and the need for the Commission to exercise within the Agreement States its new licensing authority for uranium mill tailings. At that time, you indicated the Commission's continued support for the three year grace period in making these requirements effective, but expressed the view that any interpretation of the present statutory language on these points would likely lead to litigation.

It is our view that these questions should be resolved promptly, in accordance with the intent of the Congress, and in a manner which will not cause disruptions in the ongoing regulatory programs and activities of NRC and the Agreement States. In that regard, we are concerned that the statute might be interpreted to require the Agreement States to immediately meet the new requirement of the Act in all cases or to require the duplicate licensing by NRC of all uranium mills and mill tailings in the Agreement States. Such interpretations, in our view, would be contrary to the intent of Congress and would discourage rather than encourage the Agreement States from making every effort to meet the new requirements of the Act as early as possible.

As the principal authors of the legislation in the House and the Senate, we are confident the Congress intended for NRC to exercise authority over mill tailings in the Non-Agreement States immediately, and intended to provide for a period of up to three years for Agreement States which license uranium milling operations or mill tailings to meet the new requirements of the statute. During this three year period, an Agreement State could continue its licensing activities under previously existing authority. New standards and requirements would be applicable to the maximum extent practicable, and NRC is expected to make every effort to encourage and assist the States in upgrading their licensing programs to meet the new requirements as early as possible.

The Congress did not intend for NRC to immediately exercise licensing authority within Agreement States which were exercising authority over uranium milling operations or mill tailings on the date of enactment. At the expiration of the three year interim period. however, NRC would exercise its authority in any State which did not then have in effect a licensing program satisfying all of the applicable new standards and requirements.

If the Commission would benefit in future enforcement of this intent and interpretation from clarifying legislation, we would be happy to provide our assistance.

Truly,

Senator JENNINGS RANDOLPH.
Senator GARY HART.
Senator PETE DOMENICI.
Congressman JOHN D. DINGELL.
Congressman MORRIS K. UDALL.
Congressman ROBERT E. BAUMAN.

NUCLEAR REGULATORY COMMISSION,
Washington, D.C., May 30, 1979.
Hon. GARY HART,
Chairman, Subcommittee on Nuclear Regulation, Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Nuclear Regulatory Commission would like to request your support for legislation to resolve questions arising from the effective date provisions of the Uranium Mill Tailings Radiation Control Act of 1978 enacted by the last Congress. The Commission received a letter dated April 26, 1979 and signed by the principal authors of this legislation in both the Senate and House of Representatives which expressed the intent of the drafters regarding the date on which licensing authority and procedural requirements under the Act would become effective with respect to the Commission and affected State governments. The letter supports the position that existing authority of Agreement States to license uranium mills and to control mill tailings should not be disrupted during the three-year interim period following enactment and that during this period the NRC should not be required to exert concurrent licensing authority over tailings produced in milling activities regulated by the Agreement States.

The Commission is mindful of and sympathetic with these views. Nonetheless, after a careful analysis of the language of the 1978 Act, a majority of Commissioners have concluded that without amendments to the Act the NRC is required to license tailings at Agreement State-regulated uranium mills during the three-year period before the Act permits renegotiated agreements to become effective. Pursuant to this decision as to the meaning of the Act, implementing regulations and associated arrangements are now being prepared.

Enclosed with this letter is a draft of statutory language and a section-by-section analysis which would accomplish the intent of the principal authors of the legislation, as expressed in the April 26, 1979 letter. All Commissioners agree that such clarifying language is desirable. Some additional clarification which the Commission believes necessary are also included and are described in the section-by-section analysis. The Commission believes that prompt enactment of this legislation is necessary to assure that the intent expressed by the authors of the Act may be carried out during the remainder of the three-year interim period.

Sincerely,
JOSEPH M. HENDRIE.

Enclosures:
1. Draft Legislation.
2. Analysis.
cc: The Honorable Alan Simpson.
The Honorable Jennings Randolph.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 204(h) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended by adding at the end thereof a new paragraph to read as follows:

"(3). Notwithstanding any other provision of this title, where a State assumes or has assumed, pursuant to an agreement entered into under section 274b of the Atomic Energy Act of 1954, authority over any activity which results in the production of byproduct material as defined in section 11e.(2) of that Act, the Commission shall not, until the date three years after the date of enactment of this Act, have licensing authority over such byproduct material produced in any activity covered by such agreement, unless the agreement is terminated. If, upon expiration of the three-year interim, a State has not entered into such an agreement with respect to byproduct material as defined in section 11e.(2) of the Atomic Energy Act of 1954, the Commission shall have authority over such byproduct material."

SEC. 2. Section 204(h)(1) of the Uranium Mill Tailings Radiation Control Act is amended to read:

SEC. 204(h)(1). On or before the date three years after the date of enactment of this Act, notwithstanding any provision of this title, any State may exercise any authority under State law (including authority exercised pursuant to an agreement entered into pursuant to Section 274 of the Atomic Energy Act of 1954, as amended) respecting (a) byproduct material, as defined in section 11e.(2) of the Atomic Energy Act of 1954, or (b) any activity which results in the production of byproduct material as so defined, in the same manner and to the same extent as permitted before the enactment of this Act: *Provided, however,* That nothing in this section shall be construed to preclude the Commission or the Administrator of the Environmental Protection Agency from taking such action under section 275 of the Atomic Energy Act of 1954 as may be necessary to implement title I of this Act."

SEC. 3. The last sentence of section 83a. of the Atomic Energy Act of 1954 is amended to read:

"Any license in effect on the effective date of this section and subsequently terminated without renewal shall comply with paragraphs (1) and (2) upon termination."

SEC. 4. Section 204(e) is amended by adding at the end thereof a new paragraph to read as follows:

"(2) This subsection shall be effective on the date three years after the date of enactment of this Act.".

SECTION-BY-SECTION ANALYSIS

The Uranium Mill Tailings Radiation Control Act of 1978 contains certain provisions regarding dates of effectiveness which, if left to stand, may be subject to differing legal interpretation. Specifically, two questions of immediate concern have arisen regarding the timing of State and NRC implementation of title II of the Act:

(1) Do both the States and the Federal Government have authority to license uranium mill tailings (i.e., exercise concurrent licensing jurisdiction) for the three years following enactment of the Uranium Mill Tailings Radiation Control Act?

(2) Are the requirements of new section 374o of the Atomic Energy Act pertaining to procedures to be followed by Agreement States in issuing source material licenses for uranium mills immediately effective?

These questions have arisen because one section of the Uranium Mill Tailings Radiation Control Act (section 208) makes the provisions of the regulatory program in title II of the Act immediately effective unless otherwise specified, and another section of the Act (section 204(h)(1)) delays the effectiveness of certain provisions of the Act regarding State authorities for three years after the date of enactment. Accordingly, the Nuclear Regulatory Commission has proposed amendments to clarify the effective dates of title II.

These amendments generally provide a three-year interim period before the requirements in title II of the Uranium Mill Tailings Radiation Control Act (Mill Tailings Act) apply to milling operations and tailings licensed by Agreement States.

In non-Agreement States, the NRC would have immediate authority to implement the regulatory program in title II. Although section 204(h)(1) preserves prior State authority for three years, in case of conflict between Federal and State law, the Federal would prevail.

One of the provisions in title II (section 206) adds a new section 275 to the Atomic Energy Act of 1954. Section 275 authorizes certain Environmental Protection Agency standards which are, under section 108(a)(2) of the Mill Tailings Act, a prerequisite to the remedial actions authorized in title I. Thus it is stressed that these clarifying amendments are not intended to prevent the Administrator of the Environmental Protection Agency or the Nuclear Regulatory Commission from taking such action under section 275 of the Atomic Energy Act as may be necessary to implement title I of the Mill Tailings Act.

Sec. 209. (a) During the three years following enactment of the Mill Tailings Act, this section prohibits the NRC from exercising duplicative authority over tailings produced in activities licensed by Agreement States unless the agreement is terminated within that period. The EPA and NRC may, however, take such action under 275 of the Atomic Energy Act as may be necessary to implement title I of the Mill Tailings Act.

Sec. 209. (b) This section makes the provision in section 204(h)(1) of the Mill Tailings Act preserving State authority over tailings and wastes for the three-year interim conform to the new requirements of the Mill Tailings Act which apply to *both* byproduct material *and* milling operations that result in the tailings and wastes now defined as byproduct material. As enacted, section 204(h)(1) mentions only byproduct material specifically, although the regulatory program generally covers both milling and tailings. As amended, this section explicitly covers both byproduct material and milling operations and applies also to States that enter into agreements during the three-year interim.

Further provision is made so that EPA and NRC may take such action under section 275 of the Atomic Energy Act of 1954 (as added by the Mill Tailings Act) as may be necessary to implement the remedial action program in title I of the Mill Tailings Act immediately.

Sec. 209. (c) As originally enacted, section 83 of the Atomic Energy Act of 1954 may be subject to various interpretations regarding its timing. Its provisions are not, under section 202(b) of the Mill Tailings Act, to become effective until three years from their date of enactment. Nonetheless, section 83a (as added by section 202 of the Mill Tailings Act) states that licenses in effect on the date of enactment of this section must comply with 83a (1) and (2) upon their renewal or termination, which first occurs. Conceivably this renewal or termination could take place during the three-year period in which section 83 is not supposed to be effective. The sentence as amended applies section 83a only to licenses that are renewed or terminated after the effective date of section 83.

Moreover, it might be argued that a loophole was left for licenses issued after the date of enactment but before the effective date of section 83. It could be argued that such licenses would not be covered by section 83a. As amended, the section applies the requirements of section 83a to any license in effect on the effective date of section 83.

Sec. 209. (d) This section amends section 204(e) of the Mill Tailings Act to make it clear that the new Agreement State responsibilities regarding tailings and milling operations in new section 274o of the Atomic Energy Act are not effective until three years after the enactment of the Mill Tailings Act. The States are, however, encouraged to implement the new standards and requirements of the Mill Tailings Act to the maximum extent practicable.

Sec. 209. (e) This section makes a technical amendment to section 83 (b)(1)(A) of the Atomic Energy Act, as amended, to include the correct reference to the licensing provision of the Act and to make other wording of the Act and to make other wording corrections in the section.

Section-by-Section Analysis

A product of the hectic final days of the 95th Congress, the Uranium Mill Tailings Radiation Control Act of 1978 contains certain provisions regarding dates of effectiveness which, if left to stand, may be subject to differing legal interpretation. Specifically, two questions of immediate concern have arisen regarding the timing of State and NRC implementation of title II of the Act:

(1) Do both the States and the Federal Government have authority to license uranium mill tailings (i.e., exercise concurrent licensing jurisdiction) for the three years following enactment of the Uranium Mill Tailings Radiation Control Act?

(2) Are the requirements of new section 274o of the Atomic Energy Act pertaining to procedures to be followed by Agreement States in issuing source material licenses for uranium mills immediately effective?

These questions have arisen because one section of the Uranium Mill Tailings Radiation Control Act (section 208) makes the provisons of the regulatory program in title II of the Act immediately effective unless otherwise specified, and another section of the Act (section 204(h)(1)) delays the effectiveness of certain provisions of the Act regarding State authorities for three years after the date of enactment. Accordingly, the Nuclear Regulatory Commission has proposed amendments to clarify the effective dates of title II.

These amendments generally provided a three-year interim period before the requirements in title II of the Uranium Mill Tailings Radiation Control Act (Mill Tailings Act) apply to milling operations and tailings licensed by Agreement States.

In non-Agreement States, the NRC would have immediate authority to implement the regulatory program in title II. Although section 204(h)(1) preserves prior State authority for three years, in case of conflict between Federal and State law, the Federal would prevail.

One of the provisions in title II (section 206) adds a new section 275 to the Atomic Energy Act of 1954. Section 275 authorizes certain Environmental Protection Agency standards which are, under section 108(a)(2) of the Mill Tailings Act, a prerequisite to the remedial actions authorized in title I. Thus it is stressed that these clarifying amendments are not intended to prevent the Administrator of the Environmental Protection Agency or the Nuclear Regulatory Commission from taking such action under section 275 of the Atomic Energy Act as may be necessary to implement title I of the Mill Tailings Act.

Sec. 1. During the three years following enactment of the Mill Tailings Act, section 1 prohibits the NRC from exercising duplicative authority over tailings produced in activities licensed by Agreement States unless the agreement is terminated within that period. The EPA and NRC may, however, take such action under 275 of the Atomic Energy Act as may be necessary to implement title I of the Mill Tailings Act.

Sec. 2. This section makes the provision in section 204(h)(1) of the Mill Tailings Act preserving State authority over tailings and wastes for the three-year interim conform to the new requirements of the Mill Tailings Act which apply to *both* byproduct material *and* milling operations that result in the tailings and wastes now defined as byproduct material. As enacted, section 204(h)(1) mentions only byproduct material specifically, although the regulatory program generally covers both milling and tailings. As amended, this section explicitly covers both byproduct material and milling operations and applies also to States that enter into agreements during the three-year interim.

Further provision is made so that EPA and NRC may take such action under section 275 of the Atomic Energy Act of 1954 (as added by the Mill Tailings Act) as may be necessary to implement the remedial action program in title I of the Mill Tailings Act immediately.

Sec. 3. As originally enacted, section 83 of the Atomic Energy Act of 1954 may be subject to various interpretations regarding its timing. Its provisions are not, under section 202(b) of the Mill Tailings Act, to become effective until three years from their date of enactment. Nonetheless, section 83a (as added by section 202 of the Mill Tailings Act) states that licenses in effect on the date of enactment of this section must comply with 83a (1) and (2) upon their renewal or termination, whichever first occurs. Conceivably this renewal or termination could take place during the three-year period in which section 83 is not supposed to be effective. The sentence as amended applies section 83a only to licenses that are renewed or terminated after the effective date of section 83.

Moreover, it might be argued that a loophole was left for licenses issued after the date of enactment but before the effective date of section 83. It could be argued that such licenses would not be covered by section 83a. As amended, the section applies the requirements of section 83a to any license in effect on the effective date of section 83.

Sec. 4. This section amends section 204(e) of the Mill Tailings Act to make it clear that the new Agreement State responsibilities regarding tailings and milling operations in new section 274o of the Atomic Energy Act are not effective until three years after the enactment of the Mill Tailings Act. The States are, however, encouraged to implement the new standards and requirements of the Mill Tailings Act to the maximum extent practicable.

Mr. DOMENICI. Mr. President, I simply wish to call a couple of matters to the attention of the Senate.

Included in the subject matter that I have made part of the Record by unanimous consent is a letter from Senator Jennings Randolph, Senator Hart, myself, Chairman Dingell of the House committee, Chairman Udall, and Congressman Bauman. This letter is dated April 26, 1979, to the Chairman of the Nuclear Regulatory Commission and sets forth the perfecting amendment clarifying the language that the principal sponsors of this bill think is necessary.

On May 30, 1979, we received a response from the Nuclear Regulatory Commission indicating that they, too, felt the dual jurisdiction during the first 3 years of the implementation of this law needed clarifying and specifically stated how.

The State of New Mexico which has this problem confronting it now as to the dual regulatory scheme during the first 3 years of this new national law has also under date of June 8, 1979, in a letter from Gov. Bruce King to me set out in detail the problems they are having with dual control indicating that they would like a clarification also in the State of New Mexico.

Mr. President, I ask unanimous consent that that letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

June 8, 1979.

Re Certain Requirements of the Uranium Mill Tailings Radiation Control Act of 1978 (UMTRCA).

Hon. Pete Domenici,
U.S. Senate, Russell Senate Office Building, Washington, D.C.

Dear Senator Pete Domenici: The State of New Mexico needs your assistance in a matter of utmost importance concerning the status of New Mexico's uranium mill licensing program as an Agreement State under Section 274 of the Atomic Energy Act of 1954, as amended, for the following reasons:

(a) On May 17, 1979, the NRC Commissioners, by a 3 to 2 vote interpreted the language of the UMTRCA of 1978 as authority to assume immediately licensing of uranium mill tailings in all states and to issue a general license for existing mill tailings in all states. These general licensees would be subject to remedial action orders of the Commission, if the Commission decides such orders are needed.

(b) The split Commission vote indicates confusion in interpreting the UMTRCA of November 8, 1978. The Commission's decision ignores the language of Section 204(h)(1) which states:

"On or before the date three years after the date of the enactment of this Act, notwithstanding any amendment made by this title, any State may exercise any authority under State law respecting byproduct material, as defined in section 11e(2) of the Atomic Energy Act of 1954, *in the same manner and to the same extent, as permitted before the enactment of this Act.*" (Emphasis added.)

New Mexico, under the 1954 Atomic Energy Act and the State's Radiation Protection Act, has exercised complete and sole authority in the issuing of licenses for uranium mills and their tailings since May 1, 1974. The decision of the NRC to impose dual jurisdiction immediately over the licensing of uranium mill tailings is not in accordance with the UMTRCA provision quoted above, the UMTRCA as a whole, or the 1954 Atomic Energy Act.

(c) The May 17, 1979, Commission decision also runs counter to the intent of UMTRCA's primary Congressional sponsors as indicated by the attached letter signed by Senators Randolph, Hart and Domenici and Congressmen Dingell, Udall and Bauman.

(d) The Commission has not adopted a formal order, rule, or regulation concerning this matter. In other words, the Commission has not taken any formal action pursuant to procedures which allow public comment and a clear route of appeal through the courts.

(e) Since May 17th, the NRC staff has been actively putting into operation the "interim" policy of "a." above, by contacting a New Mexico mill applicant and instructing the applicant to forward its New Mexico application to Oak Ridge National Laboratory (ORNL) so that ORNL can prepare an Environmental Impact Statement.

In view of the above activity on the part of NRC, we are now faced with an unworkable situation in attempting to operate an efficient and effective mill licensing program in New Mexico. New Mexico has always considered the mill and tailings as inseparable and therefore issues one license for both activities as a prudent regulatory control of radioactive material. The State's concern with regulatory overlap caused by concurrent licensing over uranium mill tailings include the following:

(a) Dual licensing by both NRC and New Mexico of mill tailings will be unworkable since no one will be in control and the applicant will be caught in an impossible situation. Only one regulatory body can be responsible for efficient and effective regulation.

(b) Dual licensing by regulatory bodies is contrary to Congressional and Administration policies for non-duplication of regulatory activities and is an unnecessary cost to the taxpayers.

(c) Interference with and encroachment on the regulatory program of New Mexico by NRC may weaken the Agreement State Program which in the past has been exemplary example of Federal-State cooperation.

(d) Preparation of an Environmental Impact Statement by the NRC (actually done by a national lab) is a long and expensive process and will delay even further the licensing process. This is counter to the Administration's policy of expediting regulatory reviews; and in practice offers no substantial improvement over the environmental review conducted currently by New Mexico.

To prevent further encroachment on the regulatory program of the State of New Mexico, and mitigate the untoward effects that stem from the recent Commission action, I urge your assistance in swift passage of remedial legislation designed to correct this intolerable situation.

I would also like to explore with you any other methods you may suggest to resolve this pressing issue.

Sincerely,

BRUCE KING,
Governor.

Mr. DOMENICI. Mr. President, as I understand it, the chairman and ranking minority member agree with the technical changes of a clarifying nature, dispelling any ambiguity as to who has control over the first 3 years, and they concur with this amendment.

Since that is the case, I reserve the remainder of my time.

Mr. HART. Mr. President, the Senator from New Mexico is correct. The Senator from Colorado joined him and others as Senate sponsors in addressing a letter to the Nuclear Regulatory Commission in April. The fundamental purpose of that letter was to clarify the situation which the Senator from New Mexico presently described: The role of the NRC's licensing authority in an interim 3-year period over uranium milling operations or mill tailings. I think the amendment offered by the Senator from New Mexico complies with that letter and with the intent of the original sponsors of the legislation. As manager of the bill, I find the amendment acceptable.

Mr. SIMPSON. Mr. President, I certainly concur in that and I find the work of the Senator from New Mexico (Mr. DOMENICI) to be very appropriate, and I urge its passage and adoption.

Mr. DOMENICI. Mr. President, I want to say that last year I believe Senator Hart and the Senate took a very significant step forward when the Senate passed the bill that became law, the subject matter of this technical clarifying amendment.

However, at the close of the year and with conferences and other matters all kind of pushing together in the waning moments, it seems we left out a few words here and there, and the construction is kind of cloudy.

We certainly never intended, as we understood it, and I think my good friend from Colorado agrees, that during the interim period to have both State and Federal jurisdiction in the mill tailings area.

This will in no way diminish the protection, but will clarify what a State has to do in order to remain in control and prevent the Federal Government from being there at the same time kind of looking over its shoulder.

Having said that, I yield the remainder of my time and ask the Senate to adopt this amendment.

The PRESIDING OFFICER. Does the Senator from Wyoming yield back the remainder of his time?

Mr. SIMPSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back on the amendment, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 355

(Purpose: To provide emergency authority for the Nuclear Regulatory Commission)

Mr. DeCONCINI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposed an unprinted amendment numbered 355.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At an appropriate place, insert the following:

42 U.S.C. Sec. 2021 is amended by renumbering subparagraph (j) as new subparagraph (j)(1), and adding a new subparagraph (j)(2):

"(j)(2) The Commission, upon its own motion or upon request of the governor, may temporarily suspend all or part of its agreement with the State without notice or hearing if, in the judgment of the commission:

(a) an emergency situation exists creating danger to the health or safety of persons in the State or an area within the State, and

(b) the State has failed to take steps necessary to contain or eliminate the cause of the danger within a reasonable time after the situation arose;

provided, however, that a temporary suspension under this subparagraph shall authorize the Commission to exercise its authority only to the extent necessary to contain or eliminate the danger, and only for such time as the emergency situation exists."

The PRESIDING OFFICER. Will the Senator from Arizona yield at this point?

Mr. DeCONCINI. I yield.

The PRESIDING OFFICER. Is this the amendment the Senator requested 1 hour's time on?

Mr. DeCONCINI. That is correct. I do not intend or anticipate the hour having to be used on this amendment.

Mr. President, My amendment to S. 562 is designed to correct a dangerous loophole in existing law, a loophole that has resulted in tragic consequences for residents of my state. As I am sure my colleagues know from accounts in the national press, residents of Tucson living near the American atomics plant have been exposed to unsafe levels of tritium, a radioactive material used by the company to manufacture digital watch faces. The emissions from the plant have contaminated the food in school cafeterias in Tucson Unified School District, the water in the swimming pool of St. Ambrose School, and the general environment of the neighborhood.

A high level of tritium, over four times the level now considered safe, was found in the urine sample of a young boy who lives near the plant. The swimming pool of one area resident was found to contain 20 times the safe level. Incredibly, the State Atomic Energy Commission allowed the plant to continue operations at a reduced level even after early test results showed possible contamination of the school cafeteria food. The school district cafeteria processing center, as well as the St. Ambrose pool, a cafeteria in a neighborhood service center for the aged, and other local activities closed down in fear of contamination while the plant continued to operate. I personally asked the owner of the plant to voluntarily close, and asked the NRC to step in and shut down the plant. My requests were not acted upon. Finally under tremendous political pressure, the Arizona Atomic Energy Commission closed the plant down on June 15, more than 2 weeks after the Nuclear Regulatory Commission suggested to the Arizona Commission that the plant be closed.

Mr. President, the ties of the State commission to the nuclear industry in Arizona have been well publicized in the press. A former State commissioner was an officer of the American atomics plant, and in the past had accompanied State inspectors when they toured the site. The current commission's failure to act highlights the serious problem with existing law.

The Atomic Energy Act of 1954, as amended, provides that the NRC can agree to allow a State to regulate certain uses of nuclear materials in the State. Such an agreement is in effect in Arizona; 42 U.S.C. section 2021(j) further provides that the NRC may suspend all of part of an agreement and assume regulatory control upon request of the Governor or by its own motion. However, this can take place only after notice and hearing.

Mr. President, notice and a hearing take time. A nuclear accident such as Three Mile Island, or a nuclear health threat such as American atomics requires swift action.

My amendment provides the NRC with the ability to take swift action. Where an emergency exists that threatens the health or safety of persons in an area, and the State fails to take the steps necessary to eliminate or contain the danger in a reasonable time, my amendment would allow the NRC to step in and assume control without notice or hearing.

Mr. President, I am not an advocate of Federal control over the details of our daily lives. I frankly dislike having to author such an amendment. However, despite my dislike of Federal regulation, the great potential for harm posed by the use of radioactive materials and the demonstrated failure of a State agency to act responsibly to contain that harm lead me to conclude that there must be a provision for emergency Federal authority. I have drafted this provision so that the Federal authority would be limited and temporary. Upon its termination the State authority would resume unimpaired.

Mr. President, if this amendment had been existing law, the residents of my State living near American atomics would have been spared 2 weeks additional exposure to low-level radioactive contamination. We have no way of ascertaining what damage has been done to those people during those 2 weeks. We have no way of knowing what the life of that 6-year-old boy will be like in 20 or 30 years. We have no way of telling him whether his children and grandchildren will be normal and healthy or crippled and deformed. We simply do not know. I hope that a situtation like American atomics nevers occurs again, and that the authority this amendment provides is never needed. But, Mr. President, we owe it to the citizens of this country to enact this amendment.

Mr. HART. Mr. President, I commend the Senator from Arizona for his attention to a very important matter. His amendment addresses the issue of what the Nuclear Regulatory Commission's authority should be in emergency situations, and I think it strengthens the regulatory program as it relates to the so-called agreement States and, therefore, for the majority side of the bill I accept the amendment and recommend it be adopted.

Mr. SIMPSON. Mr. President, will the Senator yield?

Mr. DeCONCINI. I yield.

Mr. SIMPSON. Mr. President, I just have a question or two of the sponsor of the amendment and would inquire of the Senator from Arizona these questions.

The amendment speaks in terms of emergency situations. Is it the Senator's intention that the authority given to the Commission under this provision would be strictly limited to those situations in which a true emergency exists which poses an imminent and serious risk to the public health and safety?

Mr. DeCONCINI. The Senator is correct. The provision would require an express determination that such an emergency exists and that the State has failed to act to correct the emergency. Even then, the Commission's authority would continue only so long as necessary to remedy the risk posed by the emergency.

Mr. SIMPSON. I might ask and inquire of the Senator, as I understand, the agreement State program permits those States with compatible programs to regulate certain nuclear activities in lieu of Federal regulations. This amendment would, for the first time, permit the Federal Government to reassume regulatory control on a case-by-case basis. I just wish to clarify that the Senator's intention is not to disrupt the agreement States program by permitting NRC to substitute its judgment for that of the State on regulatory matters on a routine basis.

Mr. DeCONCINI. The Senator is correct. The intent of the provision is to provide only a very limited authority for the Commission to act on a case-by-case basis. Only when it makes the stringent emergency findings in the provision could the Commission exercise authority. This should not disrupt the beneficial arrangements under the agreement State program.

Mr. SIMPSON. Mr. President, I appreciate the work of the Senator from Arizona, and I find his amendment quite acceptable and I urge its adoption.

Mr. DeCONCINI. Mr. President, I thank the Senators from Colorado and Wyoming for their assistance and for their keen awareness of the necessity to protect the rights of the States involved in the agreement.

Mr. President, I ask unanimous consent that the senior Senator from Arkansas be named as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DeCONCINI. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Wyoming yield back the remainder of his time?

Mr. SIMPSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back on the amendment, the question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. DeCONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 356

Mr. METZENBAUM. Mr. President, I now call up my amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) proposes an unprinted amendment numbered 356.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following:

The Nuclear Regulatory Commission shall by October 1, 1979, promulgate regulations providing for timely notification to state and insular areas prior to the transport of nuclear waste, including spent nuclear fuel, to, through, or across the boundaries of the state or insular area. Provided, however, that such notification requirements shall not apply to nuclear wastes in such quantities and of such types as the commission specifically determines do not pose a potentially significant hazard to the health and safety of the public.

Mr. METZENBAUM. Mr. President, this amendment requires the Nuclear Regulatory Commission to notify State authorities when it intends to transport shipments of nuclear waste across State lines. The committee has proposed modifying language that would allow the Commission to exempt from these notification procedures the small quantities of medical, laboratory, and other wastes that are specifically considered and deemed not to present a risk to the population. I concur with that language, and I understand that my amendment as modified is acceptable to both the committee majority and minority.

Mr. President, State officials and local citizens are becoming increasingly concerned with the nuclear waste that is being shipped through their States. Just last week, on July 10, 1979, the Governors of three States—Washington, Nevada, and South Carolina—which now accept nuclear waste sent a letter to the Federal Government charging that NRC and the Department of Transportation have shown a "serious and repeated" disregard of existing regulations that control the shipments of nuclear waste. Many shipments of nuclear waste are coming into their States in a badly damaged condition, exposing local populations to unnecessary risk from waste radiation. The Governors added that they will prohibit the disposal of nuclear waste in their three States, which now accept 80 percent of the country's nuclear waste, unless those transportation procedures are improved.

This amendment will help alleviate many of the problems that States are having with nuclear waste shipments. When States are given advance notification of such shipments, as required by this amendment, they can take the precaution of inspecting the shipments, routing the shipments through population centers during off-peak hours, or require shipments to have a police escort across the State. I should point out that this problem first came to my attention when Ohio officials learned much to their surprise that waste from the Three Mile Island reactor was being shipped on the Ohio Turnpike through populous regions of the State without prior notification.

Mr. President, this amendment has been approved by both the House Commerce and House Interior Committees. I urge my colleagues to accept it. I also ask unanimous consent to print an article from the July 11 Washington Post into the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

United States Gets Ultimatum on Nuclear Waste

(By David S. Broder)

Louisville, July 10.—The governors of the only three states now accepting low-level nuclear wastes today gave the federal government three weeks to tighten the enforcement of safety rules on waste shipment, saying that controls must be "drastically improved" if their states are to continue receiving the radioactive materials.

Govs. Dixie Lee Ray of Washington, Richard Riley of South Carolina and Robert List of Nevada, in a letter to the Nuclear Regulatory Commission and the Department of Transportation, said they were acting jointly because of "the serious and repeated disregard" of existing regulations.

The three governors said a blueprint for tightened safety practices must be delivered to them by Aug. 1, to be put in effect a month later, or they will move on their own to "protect the health and safety of our citizens."

The letter did not spell out what actions the governors might take, but Riley noted that he had cut off shipments from the stricken Three Mile Island plant and that List had imposed a temporary blockade on shipments to his state.

Riley, Ray and List issued their ultimatum as the National Governors Association wound up its meeting here with a spirited battle over energy tax policy. After heated debate, the governors said that proceeds of the Carter administration's proposed oil company "windfall profits" tax should be used for conservation practices and relief to hard-hit homeowners, as well for development of new energy sources.

The resolution was approved by 19 of the 28 governors remaining at the end of the three-day session—the bare two-thirds needed for adopting a policy resolution. Earlier, a move to ask Congress to let the oil companies escape the tax by plowing all their earnings into exploration failed by a 14-to-12 vote.

In a preview of the coming congressional debate, Republicans and some oil-state Democrats argued that the profits resulting from decontrol of domestic oil prices should be devoted to expanded energy production, either by allowing the oil companies to retain reinvested profits or by financing government energy efforts from a tax on the profits.

"I concede there is a humanitarian side to the issue," Texas Republican William Clements said, "but relief for the homeowners is a completely separate question."

However, Arizona Democrat Bruce Babbitt said that the oil companies would use the extra profits to "buy up clothing stores and circuses," not to develop new energy sources.

The resolution, as approved, puts the governors on record as supporting the Carter administration's proposal for phased decontrol of oil and endorsing a plowback credit for the oil companies, but includes as beneficiaries of the windfall profits tax energy conservation and "energy emergency impact assistance programs" for hard-hit users of fuel oil.

In another action today, the governors asked Congress for a law setting an 80-ton load limit and 60-foot maximum length for trucks on interstate highways—effectively raising the limits in 11 states. The administration is seeking temporary higher limits as part of the compromise that ended an independent truckers' strike, but the governors said the limits should be lifted permanently as an energy conservation measure.

In their letter to the NRC and Transportation Department, Ray, Riley and List complained about "the total lack of corrective measures" to reduce the hazards involved in the shipment of nuclear wastes.

Riley said in an interview that he and his colleagues were "out of patience" with federal officials and had decided on the joint letter as "the only way to force some action."

They said the plan to be delivered by Aug. 1 must include the dispatch of teams of inspectors to the producers and collectors of nuclear wastes and "the consistent and uncompromising enforcement of sanctions imposed whenever violations are discovered."

For the longer term, the three governors also called for a plan for regional waste-disposal centers. Riley said 80 percent of the nation's nuclear wastes are being dumped or shipped within his state's borders, and he complained that the federal government has taken no effective steps to force states generating nuclear wastes to provide for disposal.

The disposal of low-level radioactive material has become a major point in the broader national debate over the future of nuclear power.

Mr. HART. Mr. President, I share the legitimate, very legitimate, concern of the Senator from Ohio as to the right of the States to be informed of pending shipments of hazardous material, particularly radioactive wastes, through those States so that appropriate officials can monitor the transportation of these materials and can exercise whatever surveillance is necessary when those materials are within their borders.

Of course, there is an increasing volume of radioactive materials in transit and, consequently, it is incumbent, I think, on all of us to insure that appropriate surveillance by every level of government is undertaken.

With the modification of the amendment in accordance with the desires of the committee, I am prepared to support the Senator in this effort and I would urge the adoption of the amendment.

Mr. METZENBAUM. I thank the Senator from Colorado.

Mr. SIMPSON. Mr. President, I certainly concur in the substance of the amendment of the Senator from Ohio. We have also become aware of such transportation activities across my own State. I think if we begin to take the opportunity, here, to give fair warning and notification, we will eventually have better methods of transporting and disposal, certainly after the lessons of Three Mile Island and with a clearer public knowledge of what is happening.

I concur in the amendment.

Mr. METZENBAUM. I appreciate the cooperation of the Senator from Wyoming as well as his helpfulness in suggesting amendatory language to the amendment as originally offered.

I yield back the remainder of my time.

Mr. HART. I yield back the remainder of my time.

Mr. SIMPSON. Mr. President, allowing for the opportunity for Senator Boschwitz to distract me, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. I thank the Senator from Colorado and the Senator from Wyoming.

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, on whose time?

Mr. HART. Mr. President, I ask unanimous consent that it be in order to have a quorum call without the time being charged to either side.

Mr. DOMENICI. Reserving the right to object, I will not object as long as——

The PRESIDING OFFICER. The Senators are advised that a quorum call is now in progress.

Mr. HART. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Now, Mr. President, I ask unanimous consent that it be in order to suggest the absence of a quorum without the time for the quorum call being charged to either side.

Mr. DOMENICI. Mr. President, reserving the right to object, I personally want to complete this bill this evening, because of plans that I have as I have told the managers of the bill. So I will not agree unless we state that it will not take longer than 10 minutes before this quorum call will be called off. I think we have to notify Senators, but I think we have to set some limit on the time.

The PRESIDING OFFICER. You cannot impose a time limit on a quorum call.

Mr. DOMENICI. He is asking unanimous consent that the time be charged to neither side, and I would object unless it be no longer than 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. That is the objection. I object.

The PRESIDING OFFICER. Objection is heard.

If neither side yields time, the time will be charged equally to both sides.

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. What is the parliamentary situation?

The PRESIDING OFFICER. The time is being charged equally against both sides.

Mr. HART. I ask unanimous consent that it be in order to suggest the absence of a quorum without the time being charged to either side.

Mr. DOMENICI. Mr. President, I have heretofore objected, but I will not. It is not my intention that the chairman and the ranking minority member——

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT 357

Mr. WEICKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Connecticut (Mr. WEICKER) proposes an unprinted amendment numbered 357.
>
> On page 19, immediately after line 16, insert the following:
>
> SEC. 209. No funds appropriated under this Act may be used for the purpose of providing for the disposal of nuclear wastes in the oceans.

Mr. WEICKER. I ask unanimous consent that Mr. Al Stayman of my staff be granted the privileges of the floor during the debate on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, the amendment you have before you would put a moratorium on the ocean dumping of all nuclear wastes.

The amendment I am now offering will serve to protect the oceans from pollution by radioactive wastes. I am deeply concerned that in the search for new disposal sites for the Nation's nuclear waste we may be tempted to turn to the oceans before we are aware of the dangers of such an action. Now is the time to assess the dangers of such action before there is a critical need.

Currently, title I of the Marine Protection, Research and Sanctuaries Act prohibits ocean dumping of "high-level radioactive waste." However, the definition of "high-level" given in the law does not include many potentially dangerous wastes.

The classification of radioactive waste is extremely complicated.

In addition to the radiation level there are many other factors that must be considered, such as the concentration of particularly hazardous or long-lived isotopes and the chemical state of the waste; for instance, is the waste a stable solid or a corrosive liquid,

Currently, classification as "high-level" and "low-level" is recognized as oversimplistic. The NRC is making an effort to better classify radioactive wastes but still many "grey areas" exist. An excellent example of one of these poorly defined categories is the radioactive water now flooding the Three Mile Island Nuclear Reactor containment building.

The oceans are one of the greatest resources of this Nation, and indeed, this planet. I believe it is an essential precaution to call a moratorium on the dumping of any radioactive wastes in the ocean until they are better classified and studies show that they pose no threat to the seas. Because the United States has not dumped any radioactive wastes in the oceans since 1962, this moratorium should have no immediate impact. However, as pressure increases to find new waste dump sites in the future this amendment will have provided us with foreknowledge of any dangers and will help us to avoid regrettable decisions made in haste.

I urge adoption of the amendment.

Mr. HART. Mr. President, I am extremely sympathetic with the amendment offered by the Senator from Connecticut. I understand and appreciate, and generally agree, with his motives and intentions in offering this amendment. I must say, however, I have several concerns in the way the amendment is drafted in that on the one hand to a certain degree it does tend to duplicate or overlap prohibitions already in the Clean Water Act and Marine Protection Act. Further, it does prohibit funds from being used by the NRC for increased or enhanced research into the whole waste disposal question, including deep-ocean disposal, research which may be necessary to dispose of the arguments of those who favor this.

In other words, I think what the Senator may be doing in this amendment or potentially could be doing, is preventing the kind of definitive scientific evidence from being accumulated which would, in fact, lead to the conclusion which he wishes. That concerns me to a certain degree. For example, the NRC in developing its waste disposal regulations and guidelines may want to draft guidelines or regulations in such a way that, in fact, ocean disposal is prohibited.

In the narrowest construction, this amendment would prohibit that, since no funds could be used. I do not think that is exactly what the Senator wishes to accomplish.

What I would strongly prefer at this point, unless some accommodation can be worked out here, is for the Senator to continue to work with the committee on a comprehensive waste disposal program, which I suppose, on the one hand, keeps options open but, on the other hand, permits funds to be used or included, in a way that would prevent disposal of nuclear wastes in the ocean, if that is the scientific judgment.

Again, I sympathize and support that idea, but we do not have the hearings completed yet. We do not have the best scientific and technical information yet that would support the conclusion that I think this amendment seeks to achieve.

Mr. WEICKER. Mr. President, I say to my distinguished colleague (Mr. HART) that, in a conversation with the ranking minority member of the committee, the language has been suggested that the amendment read:

> No funds appropriated under this Act may be used for the purpose of providing for the—

then add:

> licensing and approval of any disposal of nuclear wastes in the oceans.

I think that will satisfy the point the Senator raises, which is valid, that investigation of the consequences of such an act should certainly continue. At the same time, the point I am trying to raise is that I do not want somebody willy-nilly dumping in the oceans. What bothers me is that we are protected under the present law insofar as highly radioactive waste is concerned, but low-level radioactive waste is not covered. I think my amendment with new language would do it and cover both points. I should be glad to modify my amendment to include that language.

Mr. SIMPSON. Mr. President, I appreciate the willingness of the sponsor of the amendment to include language which I think does remove one of my principal concerns, the language, "licensing or approval of any disposal of nuclear waste in the oceans."

It is a real concern that high- and low-level waste disposal is one of the real issues of the day that we are going to have to address in the Senate, especially during and after the investigations.

I had another concern, but perhaps that is fleeting, the one that nuclear plants, of course, sometimes have minor very low-level radioactivity discharges that go into water courses through the cooling apparatus. I think that with the Senator's oral clarification that this does not address that, the amendment would be acceptable.

Mr. WEICKER. Mr. President, I certainly do agree in the construction of the legislative history of the comments made by the distinguished Senator from Wyoming. I ask unanimous consent at this time that my amendment be so modified as to include the words "licensing or approval of any" between the words "the" and "disposal."

The PRESIDING OFFICER. The Senator has the right to modify his amendment. Is there objection? Without objection, it is so ordered.

The amendment was modified.

The PRESIDING OFFICER. Is there any other modification of the amendment that the Senator from Connecticut wishes to offer at this point?

Mr. WEICKER. I do not have any further modification, Mr. President. It seems to me that fairly well clarifies the points that have been raised on all sides of the issue, unless somebody else has a suggestion. I do not want to foreclose that.

Mr. HART. Mr. President, the modification is a substantial improvement and, I think, responds to a couple of the observations that the Senator from Colorado is making. Once again, the only hesitation I have is that, while we are in the very delicate process of trying to arrive at what the best nuclear waste disposal sites are, there is the very slim possibility that, under some peculiar geological circumstances, deep-ocean disposal that is hedged about with all sorts of protection might conceivably turn out to be one option, a safer option than even land disposal.

It is that narrow possibility that is of concern. Understanding that this amendment is to the fiscal 1980 authorization bill and that it would have the time constraints of that bill, I am inclined to accept it.

Mr. WEICKER. I thank my distinguished colleagues.

Mr. President, I yield back the remainder of my time.

Mr. HART. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. WEICKER. I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. Mr. President, I ask unanimous consent that it be in order to call a quorum with the time not being charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HART. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McGOVERN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT NO. 358

(Subsequently numbered amendment No. 334.)

Mr. McGOVERN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN) proposes unprinted amendment numbered 358, in the nature of a substitute.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 19, insert the following after line 16:

SEC. 208. Chapter 19 of the Atomic Energy Act of 1954 is amended by inserting the following new section after section 241:

"SEC. 242. Notice to States With Regard to Disposal of Nuclear Waste.—

"a. Except as may otherwise be provided, the Chairman shall notify (and publish such notice in the Federal Register) the Governor, the presiding officers of the various chambers, where applicable, of a State legislature, and where applicable, the Tribal Council of any affected Indian tribe, of its intent to explore a site in such State, or within an Indian reservation, for the purpose of establishing, evaluating, or contracting for construction of facilities intended for the storage or disposal of radioactive materials.

"b. Except as may otherwise be provided, the Chairman shall, after making the notification required by subsection a., and upon the request of the Governor of an affected State or an affected Tribal Council, establish a Federal and State Radioactive Materials Management Commission (hereinafter in this section referred to as the 'Commission') for the purpose of achieving, in an expeditious manner, substantial concurrence between the State, the affected Indian tribe, and the Department of Energy for each proposal made by the Department of Energy regarding site selection, evaluation, contracting, or construction of facilities intended for the management and storage of radioactive materials including high-level defense waste, spent fuel reactor assemblies, transuranic materials and other mid- and high-level radioactive materials.

"c. The membership and procedures of the Commission shall be determined by the Secretary of Energy and the affected State provided that representatives of any affected Tribal Council or affected local governments are included in the Commission.

"d. (1) No Federal agency or its representative shall proceed with exploration for, siting, or construction of a facility for the geologic storage or disposal including test disposal, of high level radioactive wastes, non-high level radioactive wastes including transuranium contaminated wastes, or irradiated nuclear reactor fuel, until such agency has been notified by the Governor of such State that the affected State has determined that concurrence has been achieved.

"(2) Any affected State may by joint or concurrent resolution, or by law, or in those States with a unicameral legislature, by single resolution, or by any other powers subject to each State's constitution, in accordance with the procedures of consultation and concurrence established in the affected State, determine whether a facility for the storage or disposal of radioactive materials may be sited or constructed within that State.

"e. The provisions of this section shall not apply to any affected State that is pursuing a consultation and concurrence process that has been approved by the Secretary of Energy prior to the date of enactment of this section.".

Mr. McGOVERN. Mr. President, first of all, I wish to say that this is not a substitute amendment. It is simply a modification of an amendment that I had introduced earlier.

The amendment does not change my original printed amendment except that one new clause is added which protects and preserves the existing consultation and concurrence procedures that are being pursued and have been approved by the Secretary of Energy in certain States.

Mr. President, there has been growing concern over State acceptance of locating federally proposed nuclear waste repositories. I think all Senators have become aware of the sensitivity that our constituents feel on this question of having a particular State or particular part of a State being selected by a Federal agency for the depository of highly radioactive nuclear materials without at least having some voice in that selection, and if agreement cannot be reached, then in the final analysis having the right as a State to reject a particular site.

Over half of the States in our Nation have already introduced and have pending or passed legislation placing controls and restrictions on Federal waste facility siting and transportation. Their actions have been a justified response to the Federal Government's refusal to provide them with a full partnership role in these important decisions.

Mr. President, no one can argue that the disposal of high and midlevel nuclear waste presents an immense problem in this country. The history of nuclear waste disposal is indeed a rather sorry picture. Industry and Government have constantly tossed this issue back and forth with no clear resolution in sight.

The 500,000-gallon accident, comprised of more than 20,000 separate leaks at the Hanford reservation, the 700-gallon leak of high-level waste at the Savannah plant, and other problems all point to the truth in a 1966 National Academy of Science report on nuclear waste that said:

> Considerations of long-range safety are in some instances subordinate to regard for the economy of operation.

More recently, the President's own task force on nuclear wastes reported that the technical feasibility of radioactive disposal has been overestimated. So our Nation is in desperate need of an affirmative nuclear waste disposal program.

I am greatly encouraged by the renewed efforts of at least three Senate committees that are now coming to grips with this critical problem. Some of my colleagues have asked me to delay Senate consideration of this amendment in light of ongoing Senate committee hearings.

I must say, Mr. President, I respect all of these Senators enormously who have spoken to me in that vein. Yet my proposal in no way duplicates or usurps the admirable efforts that are being made by other Senators. In point of fact, the amendment we are considering today has little to do with the establishment of a comprehensive nuclear waste disposal policy. That is another and larger question we will have to deal with at considerably more length than we will here today.

This amendment simply guarantees the States a voice in the councils of Federal energy decisionmaking. It does nothing more and nothing less than allow those people who are most directly affected by such far-reaching proposals to exert minimal control over decisions affecting their lives.

When I first offered a similar amendment on the Senate floor 2 years ago some of my colleagues effectively argued that sufficient hearings on State participation had not been held. They expressed considerable concern that a process of State participation be established prior to providing States with the power to reject or approve Federal nuclear waste disposal sites, and those arguments were not without merit.

Today, however, scores of hearings in both Houses of Congress have now been held. The final report of an impressive Presidential interagency task force has been published, and we are not anywhere closer to legislatively affirming a strong State role.

The premise, and much of the text, of my amendment can be found in the testimony that has been offered at previous hearings as well as in the interagency task force report.

The administration and the Department of Energy have already begun to implement a policy of consultation and concurrence with States they are considering for nuclear waste depositories. This amendment simply legislatively authorizes and affirms this policy.

Although some of our colleagues believe that any State role must be part of a comprehensive nuclear waste package, I am convinced we cannot afford to wait any longer. The history of State participation in Federal waste depository siting has been a series of broken promises. If we do not take action now to affirm these promises, we may never have the States' cooperation.

In 1975 the Energy Research and Development Administration inherited the responsibility of recommending and carrying out the Nation's waste management policies. In December of 1976 this agency announced that nuclear waste program efforts would include substantial consultation with State and local governments during each phase of the decisionmaking process.

ERDA then carefully outlined State and local inclusion in the procedure for site selection, establishing reasonable levels of coordination with the States during the ERDA information-gathering phases.

But the final statement, directed at the third phase of the procedure, only stated, and I quote:

> ERDA will make a decision regarding the location of a repository.

This has been the theme of almost all nuclear waste facility planning in the years since.

Although Federal agencies have given Governors verbal assurance that States will have some say in the final decision, why can we not give them formal recognition of that assurance? Because we have not made this affirmation, an increasing number of States are taking legislative action to restrict Federal nuclear waste and transportation within their borders.

As I mentioned earlier, the President's interagency task force has also supported that assurance. Their report, which was issued in March of this year, stated, and I quote:

> The IRG does not believe that a policy of preference for either exclusive Federal supremacy or state veto is appropriate at this time. The IRG does believe, however, and recommends that the consultation and concurrence approach should be adopted. Under this approach the state has the continuing ability to participate in all activities at all points throughout the course of activity and if it deems it appropriate to prevent the continuance of Federal activities.

This amendment is entirely consistent with the policy objectives stressed by the IRG report. The Department of Energy has already gone on record that they are pursuing this policy.

Unfortunately, the U.S. General Accounting Office has issued an opinion that the Department does not have the authority to actually negotiate State agreements without congressional action. Mr. President, I ask unanimous consent that a letter from the GAO to Congressman DINGELL, the distinguished chairman of the Subcommittee on Energy and Power, be printed in the RECORD. This letter specifically states that the Department of Energy does not have the power to negotiate such agreements without new authority.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C. June 19, 1978.

Hon. JOHN D. DINGELL,
Chairman, Subcommittee on Energy and Power, Committee on Interstate and Foreign Commerce, House of Representatives.

DEAR MR. CHAIRMAN: You recently requested our views on statements made by the Department of Energy (DOE) to State officials regarding the establishment of nuclear waste repositories. In your letter, you express the belief that DOE may have exceeded its authority in giving certain States a "veto" over the establishment of nuclear waste repositories, as you are unaware of any statutory provision authorizing DOE to share decision-making responsibilities with the States. Accordingly, you request our opinion concerning the legal basis for these statements, particularly to the State of Louisiana.

A document entitled "Principles of Understanding," dated February 27, 1978, was signed by the Governor of Louisiana and by the Deputy Secretary of DOE. In it—

"* * * the parties * * * agree that to the extent permitted by law, they will use their best efforts to adhere to the following policies and practices * * *:

"8. *Nuclear Storage*—All Federal Government studies relating to nuclear waste disposal in the Vacherie Salt Dome in Webster Parish and the Rayburn's Salt Dome in Bienville Parish will be subject to this stipulation: *the Department of Energy will not construct any nuclear waste repository for long-term disposal in Louisiana if the State objects.* Studies of possible areas in Louisiana as well as is other states would continue with some test drilling which will always be preceded by complete discussions with state officials." (Emphasis added.)

Included with your letter were copies of correspondence with New York and New Mexico State officials. The March 22, 1978 letter from the DOE Deputy Secretary to the Governor of New York had the stated purpose of clarifying DOE's position on State participation in establishing nuclear waste repositories. The letter said:

"Let me reaffirm our conversation of last week that it is Secretary Schlesinger's view that the proposed location of nuclear waste geologic disposal facilities will be subject to State concurrence. We have not yet formulated specific views on the most appropriate procedures for implementation of this assurance. At the appropriate time this question would be approached initially through discussions between DOE and State officials. * * *"

In a letter to the New Mexico Attorney General, and in a separate letter to the Lieutenant Governor of New Mexico, both dated March 15, 1978, the Deputy Secretary gave similar assurances.

The Department of Energy Organization Act of August 4, 1977, 91 Stat. 565, Pub. L. No. 95-91, established DOE in the executive branch by the reorganization of energy functions within the Federal Government. Section 301(a) of the Act included, generally, the transfer to the Secretary of Energy of all functions formerly vested by law in the Administrator of Energy Research and Development, in the Energy Research and Development Administration (ERDA), and in officers and components thereof.

DOE, as successor to ERDA, is responsible for nuclear waste management, including the establishment of facilities for the storage and ultimate disposal of nuclear wastes (other than those limited categories covered by NRC-State agreements under section 274 of the Atomic Energy Act of 1954). In accordance with sections 102 and 103 of the DOE Organization Act, *supra*, it is to provide for public participation and cooperation with State and local governments in the development of national energy policies and programs and to give due consideration to the needs of a State where a proposed action conflicts with the State's energy plan. However, we are not aware of any statutory authority which extends the State's participation in the process of establishing nuclear waste facilities to the exercise of a right of nonconcurrence or "veto" power so as to prevent the selection of a particular site as a nuclear waste repository. Specific statutory authority would appear necessary for this purpose since the vesting of authority in DOE by the 1977 Act does not include the right to redelegate or share the nuclear waste disposal site selection authority with the States.

The lack of such authority, before the enactment of the DOE Organization Act, was recognized in Senate debate on the 1978 ERDA authorization bill. Senator McGovern offered an amendment to the bill which would have amended the Energy Reorganization Act of 1974 to prohibit contracting for or construction of a radioactive waste storage facility in the event a State legislature by resolution or law, or a State-wide referendum, disapproves of the use of particular site in the State. After a colloquy regarding the advisability of adopting the amendment, a majority of the Senate voted to "lay it on the table" (123 Cong. Rec., pp. 22366-22372 (July 12, 1977)) and it was not subsequently acted upon. We find nothing in the DOE Organization Act, enacted thereafter, which would support a conclusion that the States could be given a "veto" power by DOE.

Pursuant to the request contained in your letter of April 21, 1978, to the Secretary of Energy, we were furnished with copies of DOE documents relating to the establishment of permanent nuclear waste repositories. Included was a memorandum prepared in the Department's Office of General Counsel on March 13, 1978, which we are informed represents that Office's current legal opinion. The memorandum concluded that the Secretary of Energy under existing law does not have the legal authority to enter into a binding agreement with a State pursuant to which the State would have the power to veto or forbid the establishment of a proposed nuclear waste repository in the State.

We agree with this view. In the absence of statutory authority permitting such action, we believe that any agreement by the Secretary of Energy, or any of his subordinates, with a State to make DOE's choice of a nuclear waste repository subject to rejection or disapproval by the State, is legally unenforceable.

In our view, however, the Secretary has not attempted to enter into a legally binding agreement with the State of Louisiana. The "Principles of Understanding," signed by DOE and the Governor of Louisiana, are described therein as "policies and practices," which will be followed "to the extent permitted by law." This is the kind of language typically used to set forth a mutual code of behavior which remains in force only so long as the parties agree to adhere to it. In basic contract hornbook law, it would be described as a "statement of intention," as opposed to an offer and acceptance with mutual obligation, or even a unilateral agreement on which the second party had a right to rely. In view of the carefully worded preamble to the DOE-Louisiana document, we do not believe that it could be considered by the parties to be a legally binding agreement. (These comments are, of course, equally applicable to any agreements with other States of similar tenor.)

In reply to your letter of April 21, 1978, the Deputy Secretary of Energy, on May 11, 1978, stated as follows:

"While we are continuing to improve our understanding of the technical issues that will have to be resolved with the Nuclear Regulatory Commission, the identification of potentially-suitable sites is a prime concern. This is a national issue with substantial local impact and we believe we should, as a matter of policy, act in a manner consistent with the desires of the state in which these facilities will be located. This issue was, as you know, discussed on the floor of the Senate last year and we recognize that the question of state participation in the siting process is a subject of pending Congressional proposals.

"In this connection we recognize that

Congress has placed responsibility for final siting decisions upon the Department. Therefore, what we have done is to advise the states that the Department would not make a final decision to proceed with construction of a facility within a state if that state had indicated that it did not concur. In the course of my recent trip to New Mexico, I drew the distinction between the policy of respecting a state's non-concurrence and delegating to the state the final decision making authority in the form of a legally binding state veto over the siting decision, noting that I could not offer the latter."

From the foregoing, it appears that DOE's current policy is that of "respecting a state's non-concurrence." We understand this to mean that if, during DOE's consideration of a particular repository site, a State (through its Governor or otherwise) expresses disapproval of the proposed siting choice, the Department will not as a matter of policy choose the location in question, even though there is no legal requirement to abide by the State's wishes. While such a policy stance is not legally objectionable, the same considerations raised by Senator Church in reference to Senator McGovern's proposed amendment of the Energy Reorganization Act of 1974 to afford the States veto power over repository site selection, appear applicable:

"* * * for years now we have been trying to find a permanent depository for the wastes we have already created. As yet, we have not found a State government that has been willing to accept that depository. I think that it is a suggestion of what lies in store for the country if we adopt this amendment in its present form. The problems we face would become unsolvable." (123 Cong. Rec., p. 22371 (July 12, 1977).)

Apparently, there are only a limited number of sites in a few States which are suitable for a permanent repository. Under the above-stated DOE policy it appears that if each of the States were to object to any site selected in that State, none would be available for establishment of the repository. In such circumstances, if DOE is to exercise its authority to establish waste storage facilities, it would have to abandon its policy and choose a location without regard to the State's objection (as it is legally free to do). Failure by DOE to so act would mean, in effect, that the site selection decision would have to be made by the Congress.

Sincerely yours,

R. F. Keller,
Acting Comptroller General of the United States

Mr. McGOVERN. My amendment would simply provide the Department with this much needed authority.

In sum, Mr. President, there are several compelling arguments in favor of this amendment. First, the consultation and concurrence process implies that any final State decision will follow—not precede—a full presentation of technical, engineering and environmental information associated with the project. The process guarantees that States will have the benefit of factual data on which to base their decision.

Second, the authority to say "no" allows States to negotiate with the Federal Government from a position of strength. Many States may have site specific characteristics to which Federal officials have been insensitive. For them, a veto power may prove essential in negotiating proper site standards and equity compensation measures.

I am reminded of former governor Mike O'Callaghan of Nevada who endorsed consideration of his State as a waste storage site but went on to say:

The State must have authority to veto the use of storage and transportation facilities or other items that may amount to a poor use of state resources or represent a real threat to the health, welfare and safety of state residents. Without this power I would never agree to voluntary location of a facility within this state.

Mr. President, I ask unanimous consent to have printed in the Record at the conclusion of my remarks an article written by the former Governor of Nevada discussing this subject of State participation.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McGOVERN. We are now long overdue in defining a States role in the waste facility siting process. It is unconscionable that we have denied them a partnership in decisionmaking that will affect their very lives. I have every confidence in the ability of States to use such power wisely and in the best interest of their citizens of the Nation.

Without this authority, we have not only denied them basic rights—but we will also have dangerously jeopardized any hope for a safe and publicly accepted waste disposal program.

Mr. President, let me say that I have expressed very strongly to the distinguished manager of the bill, my friend and colleague, the Senator from Colorado (Mr. Hart), who has done such splendid work in this whole field of energy and environmental matters, that I would hope the vote on this amendment would not have to come today. A number of cosponsors of the amendment, comprising some 18 Members of the Senate on both sides of the aisle, are necessarily absent today, the Senator from Nevada (Mr. Laxalt), who was the first cosponsor of the amendment with me, among them.

So, while I have been more than happy to accommodate the managers of the bill in leaving the SALT hearings to make my presentation today, and perhaps even to complete the debate today, I would hope the vote could go over until tomorrow.

I have discussed this matter also with the distinguished majority leader (Mr. Robert C. Byrd), who said he hoped the leadership would be cooperative in this concern.

Mr. President, I reserve the remainder of my time.

Exhibit 1

State Input Into the Decisionmaking Process

(By Gov. Mike O'Callaghan)

The course and direction of this Nation's future development is going to be shaped by the energy policy decisions made during the next several months. Right now we have the opportunity to address the situation affirmatively and to make decisions based on the best information available to us—or we can allow statistics to make the decisions for us, and wait so long that there are no policy decisions left.

A review of this Nation's energy situation is frightening. Our energy supplies have been outstripped by demand. The ownership of a majority of our energy resources are in the hands of a few corporate giants. Public reaction against apparent vertical integration in the production and distribution of petroleum products is developing. The oil and natural gas industry has surpassed ownership of coal companies, oil shale, geothermal. and coal leases.

The lack of a defined national energy policy has left the formulation of energy priorities in the hands of private enterprise and of increasingly hostile foreign energy suppliers. The legislative and executive branches of the federal government must address the formulation of a national energy policy in a forthright, open, and expeditious manner. In addition, Congress should consider investigating the hold private enterprise has on the ownership and development of our present and projected energy resources. A Nation with the greatest natural, technological, and human resources in this world need not stand still for domestic or foreign extortion. But that is where we are headed with the present hodge-podge of conflicting, disconnected federal energy programs and proposals.

I believe this Nation possesses the capacity to resolve our energy problems if we address them now. Delaying formulation of an integrated energy policy will eliminate some alternatives, and may greatly alter or destroy both the quality and style of American life in the future.

The development of nuclear energy is a perfect example of the need for direction in our effort to define energy alternatives. The benefits and risks involved in nuclear development are equally high, but a carefully deliberated decision regarding the advisability or necessary of actively expanding nuclear usage for electrical generation has never been made.

The course of nuclear development has been formulated by interested groups, who may or may not have predicated their decision on a realistic analysis of all the costs and benefits of nuclear energy.

In the past, Congress and the Atomic Energy Commission may have felt the available data was insufficient to draw valid conclusions. That is no longer the case. Through the years, probability studies have probed the possibility of nuclear accidents. Today, 15 years of nuclear powerplant operation give a firm base for comparison and study. Hundreds of shipments of nuclear fuels have taken place, millions of gallons of nuclear wastes have been stored, and the actual and possible effects of radiation exposure have been the subject of widespread research. Hard information is now available upon which decisions can be made.

It is time for us, individually and collectively, to demand an outline of our energy alternatives and formulation of a national energy policy. Other countries have made this decision and commitment. We must do the same. The decision is needed to form a vantage point from which we can evaluate where we are and where we are going.

NEVADA'S EXPERIENCE WITH NUCLEAR WASTE

I think this consideration is an appropriate opening to any discussion of energy development. Whatever course the development of nuclear energy takes, the transportation, storage, and disposal of nuclear materials is one of the most serious and challenging issues of our time.

It is essential that we address transportation, storage, and disposal of radioactive wastes as a single issue. Unsafe storage with safe transportation is unacceptable, as is safe storage without an aggressive, well-financed effort to develop or locate suitable disposal sites. This is an area where the guarantees have to be up front and clear, not simply implied through hollow promises.

The State of Nevada recently had an opportunity to venture into this field in review and analysis of the environmental statement regarding management of commercial high-level and transuranium radioactive wastes. I would like to highlight some of the areas that our experience indicated need immediate clarification or reform.

There must be an immediate reexamination of federal-state interaction regarding regulation and control of nuclear development. With the exception of the licensing and control of a few low-level storage facilities, this field has been preempted by the federal government, for obvious reasons.

The hazards posed by the transportation, storage, and disposal of nuclear materials are such that local residents want and are entitled to the control of such activities, by authorities based more closely to home.

Assurance coming from a federal government which many feel is unresponsive to local feedback is not going to convince the American public that a particular proposal is safe. I believe the AEC now recognizes this problem.

State government must be involved in decisions regarding the development of nuclear programs and proposals. Without the involvement and subsequent support in those cases where it is appropriate, this Nation's nuclear effort will flounder.

Transportation of waste materials must be closely regulated with real cooperation between federal, state, and local government.

There are questions which must be answered at the outset. Questions such as: What types of transportation will be utilized? Who will own and inspect the transportation facilities? How will routes and times of transit be scheduled? What special training will drivers or engineers transporting the products be required to take? And, most importantly, How do we insure the enforcement of those rules and regulations which are adopted?

Transportation of radioactive materials through isolated areas with limited road facilities, and through high-density population areas, presents problems that must be addressed now.

In the event of an accident, who pays? State government cannot afford the monumental costs that could stem from a radioactive cleanup operation. It is essential that the Price-Anderson Act be extended and consideration be given to applying it to all operations involving the use or transportation of radioactive materials.

STATE-FEDERAL COOPERATION NECESSARY

The lack of meaningful cooperation between federal and state government was indicated by the AEC's waste storage proposal. Instead of having participated in the development of that proposal, or even having been supplied with detailed information prior to the release of the draft statement, Nevada was confronted with a 45-day period within which to evaluate a 600-page proposal that could have an overwhelming emotional and economic impact on this State. I had 45 days in which to form a committee to review the proposal, to solicit recommendations from that committee, and to evaluate those recommendations and transmit comments. We were given 45 days to evaluate a document that had taken several years to prepare.

State and local government must be authorized to participate on a co-equal basis in developing, regulating, and monitoring nuclear storage facilities within individual jurisdictions. The day of allowing the federal government to present us with an imposed decision is gone. All federal agencies planning non-military nuclear projects should now be required by law to advise the State or States involved of the proposed project. State feedback in the decision-making process should be sought. This will at least advise both parties of what to prepare for.

In addition, the time period for formal comment on federal proposals involving the complex issues raised by nuclear development should be a minimum of six months. Hearings in these matters must voluntarily be located near or in those areas that are going to be directly affected.

I am pleased the AEC hearing has been continued with a session in Salt Lake City. But how the AEC justified the initial plan of holding a hearing regarding the States of Washington, Idaho, and Nevada only in Germantown, Maryland, is beyond me. The geographic locale of the hearing place itself tended to curb comments that the AEC was seeking. I am certain that AEC representatives in Nevada, New Mexico, California, Washington, and Idaho would have been very willing to host the hearings.

Once a nuclear energy facility proposal is released, the sponsoring agency must hold hearings in the population centers of the areas involved. Public explanation, information and disclosure must be aggressively practiced prior to the deadline for public comment. Holding hearings after the time for public comment has passed, or prior to the site-specific statement, is beside the point.

After a specific location is chosen, state and local government must be involved in preparation and development of the site-specific environmental impact statement. At this point, preparation of such a statement by a federal agency without state and local input is nonsense. Factors such as soil erosion, local flora and fauna, and meteorological, hydrological, and seismological patterns are particularly within the expertise of state and local—not federal—agencies.

Furthermore, all construction should be subject to inspection by an appropriate state agency. There must be a guarantee—and I emphasize guarantee—that construction correspond to the technical specifications. Joint inspection is the best single way to accomplish that objective.

After construction is completed, off-site monitoring should be a joint operation. The experience of Washington and Colorado at Hanford and Rocky Flats, respectively, indicates that there is a need for outside monitoring. State monitoring could coincide with existing or proposed federal monitoring within the jurisdiction, if actual participation in the monitoring process is authorized. Otherwise, a separate state monitoring facility would be a necessity.

A basic question in the area of state involvement is funding. The development, construction, regulation, and monitoring of waste and disposal facilities is one area where the federal government should use the proceeds from such facilities to fund state participation. The State or States that become storage or disposal sites will be providing a service to the entire Nation. They should not be forced to accept a long-term economic burden of assuring the safety of its residents from any danger associated with the facility.

All of these conditions, and the necessary rules and regulations pertaining to them, must be set forth in a formal, written agreement. Informal agreements or understandings are not enough. Possible changes in federal or state government leadership, or changes in policy or attitudes, make informal agreement or understandings impractical.

A chief executive of a State who bows to development of a nuclear storage facility without demanding and insuring that all understandings are written would do a disservice to his State. He has a right to the knowledge that citizens of his State have been afforded opportunity for full and open discussion of the proposal through extensive public hearings throughout his State. In Nevada, such a process would require at least 10 such hearings.

STATE VETO POWER ESSENTIAL

In addition, the chief executive of the State where such facilities are to be located must be given the power to veto specific site locations, or to terminate further consideration of the State as a site for such a facility. I firmly believe that the veto power is essential.

Let me cite some specific instances based on Nevada's review of the proposal to locate a storage facility in this State.

I endorsed the finding that Nevada should continue to be considered as a site for waste storage if air cooling is utilized; rail transportation avoiding population centers is established; state and local authorities are allowed to cooperate in and contribute to a site-specific environmental impact statement; adequate radiation safeguards for storage and transportation can be developed and will be implemented; and, finally, if hearings are held throughout Nevada.

However, if it were decided the Nevada Test Site should be used, but a water-cooled system were proposed, I would withdraw any endorsement. Diverting the quantity of water required to cool the nuclear wastes from other uses in an arid area where every drop of water is valuable and with the increased probability of supply disruptions with its attendant dangers, is a course of action that we would have to fight with every legal and political tool at our disposal.

Or, if the proposed transportation method included a rail-to-truck transfer, or rail transportation that intersected a populated area, I would oppose the plan. Given the limited road system in this State, the increase in accident probability in transferring from rail to truck is too great to allow approval of truck transportation. Likewise, rail transportation through metropolitan Las Vegas would be unacceptable.

Should information come to light indicating that the radiation safeguards were going to be inadequate, that Price-Anderson was not going to be extended, that local participation was to be foregone, that the wastes were to be stored in liquid form, or other measures that eroded the safety measures that are necessary to protect humanity and environment, Nevada must have recourse to an expeditious method of terminating planning involving land within the boundaries of this State.

The State must have authority to veto the use of storage and transportation facilities or other items that may amount to a poor use of state resources or represent a real threat to the health, welfare, and safety of state residents. Without this power, I would never agree to voluntary location of a facility within this State. Without state cooperation, the federal government would have to force-feed the proposal, a method none of us should consider.

What assurance does a State that accommodates a storage facility have that a permanent disposal site will be developed in the time indicated by the AEC in the environmental statement? Before a retrievable surface storage facility is located in any State, an independent group should undertake a technical analysis of the status of permanent disposal systems. If that technical survey failed to support the proposition that a suitable disposal facility can be developed with present technology, I would not endorse location of a control storage unit in this State.

The issue of radioactive waste disposal must be addressed now by all parties if the development of nuclear energy is going to proceed in a manner that affords protection of the public interest. I trust these remarks will help serve as a framework within which the major questions concerning the transportation, storage, and disposal of nuclear wastes can be analyzed.

Mr. HART. Mr. President, I could not agree more with the Senator from South Dakota that the preeminent scandal in the evolution of this country's nuclear power industry is the failure on the part of that industry, Government agencies, and others to resolve the issue of the disposal of nuclear wastes produced by that program.

But, Mr. President, I must oppose the amendment offered by the Senator from South Dakota, because I think it is premature and inappropriate. Congress is presently considering, and I think even more quickly than the administration, the issue of long-term disposal of nuclear wastes. To take a step such as the step which the Senator from South Dakota proposes today—providing an absolute veto to each State—would in my judgment seriously cripple and hinder those deliberations in a variety of ways.

What is needed, Mr. President, is a comprehensive nuclear waste management program, and we have only begun to develop such a program both in Congress and in the executive branch. A procedural decision of the sort we are being called on to make today would seriously preclude a variety of options open to us. I believe one of the most serious waste problems that our society faces, or any society has ever faced, is what to do with the highly toxic, highly radioactive waste produced by the nuclear energy program. It is of the utmost consequence to ourselves, to our children, to their children, and to every future generation.

We, along with the best technical minds of the country, are exploring the varieties of technologies available to us to dispose of this waste. To offer each State in the Union the option of precluding the disposal of that waste in that State, regardless of the geology, the physical environment, or the opportunities available in any State would, I think, seriously hamper the search for a final solution.

This is a national problem, Mr. President, and it requires a national solution. It cannot be solved by 50 individual States making their own determinations as to whether they are willing or not willing to accept this waste.

Practically everyone in this country, directly or indirectly, benefits from nuclear power—many directly by the electricity they receive from nuclear powerplants in their States, many indirectly because of the energy that those plants free for use elsewhere.

Because of that, Mr. President, I think it would be very unwise public policy to permit a State to take advantage, directly or indirectly, of the benefits of nuclear power, and at the same time turn its back on the consequences and the costs. The costs are serious in terms of public health and safety, and they are serious in terms of straight economic and fiscal impact. I do not think it behooves any State in the Union to take advantage of the benefits of nuclear power, which I have indicated that every State, in one way or another, has, and then decide it does not want to participate in paying the price.

I repeat, this is a national problem, and the solution requires a precise balance of national and State interests. Suppose our society were to decide that a particular site in a particular State was the best place, far superior to any other site in this country, for waste disposal, and yet that site cannot be utilized because the State decided it did not want those wastes deposited in that State, even though the citizens of that State may have received direct benefits from the nuclear reactor. That kind of stand, I believe, is unfair and unjust to all the citizens of this country.

I completely agree with the Senator from South Dakota that the States should participate in the decisions. But these are not decisions that the States should unilaterally make. They will affect the lives of citizens throughout this country. Nor can we take these decisions exclusively unto ourselves. The States should be involved, and there should be mechanisms to guarantee that Governors, State legislators, and citizens of the States alike are equally involved. But to guarantee a flat veto to the States in these circumstances, goes well beyond involving the States in the difficult decisions. It gives them the power of ultimate decision over what should be done with these wastes.

Finally, Mr. President, I think we have to consider the situation where perhaps a site on Federal property, turns out to be the best place to locate the disposal of nuclear wastes. As the Senator from South Dakota well knows, many States, particularly in the West, are public land States, that is to say there are vast areas in those States, in some cases more than a majority of the acreage in the State, owned by the Federal Government. Would the amendment of the Senator from South Dakota deny the Federal Government the right to use those lands for the disposal of these wastes?

Mr. President, these are very serious and important issues. I could not agree more with the purpose and motive of the Senator from South Dakota in trying to facilitate and accelerate the pace at which this decision is made. It must be made. These wastes are accumulating. It is estimated that in the next 10 years or so they will quadruple in volume. They obviously will increase in toxicity and in danger.

Consequently, in my judgment, and I think on the part of many in our committee, we feel this is one of the most important issues that this Congress and future Congresses and the country will have to face. In comparison to other dangers, the consequences could not be more long lasting.

I would hope that the Senator from South Dakota and other Senators would withhold a decision on this matter, a decision that well could tilt the equation in the wrong direction and deny us the very solutions that I think the Senator from South Dakota and many other Senators wish to have.

I reserve the remainder of my time.

Mr. COCHRAN. Will the Senator yield me 5 minutes?

Mr. McGOVERN. I yield.

Mr. COCHRAN. Mr. President, I am pleased to rise in support of the amendment by my distinguished colleague from South Dakota.

Essentially, the issue involved in this amendment is whether the States should be allowed to participate in the determination of whether nuclear wastes are to be deposited and stored within their boundaries, or whether the Federal Government should have sole power to make that determination for them. I believe that the States have a legitimate interest in this question. That ought to be recognized by the law.

I am aware of Energy Secretary Schlesinger's announcement that no waste is to be buried without the approval of the subject State's government. However, he has not satisfied me as to how that approval might be gained, and, consistency at DOE being in as short supply as gas these days, who knows how long that policy might continue to be followed?

A number of States have enacted legislation purporting to give themselves some control over either the storage or transportation of nuclear wastes within their borders. Mr. President, I ask unanimous consent that a list of those States be printed in the Record at this point.

There being no objection, the information was ordered to be printed in the Record, as follows:

State Laws Affecting Storage or Transportation of Nuclear Wastes

Alaska—S-45.—A general amendatory bill relating to radiation control in the Department of Health and Social Services. Adds a new section "Facilities Siting Permit Required" which prohibits construction of a nuclear fuel production facility, utilization facility, reprocessing facility, or nuclear waste disposal facility in the State unless a permit is obtained from the Department of Environmental Conservation. No permit can be issued unless the legislature, local government and governor have approved the permit. (Approved 7-17-78)

California—A-1593.—Revises the State Code to require that the State Department of Health issue regulations and permits governing the transport, handling, processing, storage or disposal of hazardous wastes. (Signed by governor 9-22-77)

Colorado—SM-3.—Memorializes the U.S. Congress, the president and ERDA to exclude Colorado from consideration as a potential site for a high-level radioactive waste repository. (6-3-77)

Delaware—H.R. 124.—This House Resolution requests the Delaware Congressional delegation to support S. 2761 which gives the states veto power over waste repositories. (4-14-78)

Hawaii—SR-68.—Expresses concern over the proposed disposal of radioactive wastes in the Pacific Ocean 600 miles north of Hawaii. Requests the U.S. Environmental Protection Agency to halt any plans for undersea disposal until their safety is "proven beyond any shadow of doubt."' (4-5-76)

Louisiana—H-14.—Prohibits the use of salt domes in Louisiana as temporary or permanent disposal sites for radioactive wastes. Requires prior notification of the House and Senate Natural Resources Committees and the Department of Natural Resources for suitability testing of salt domes and subsequent notification of results of the studies so they can "determine the advisability of removing, continuing, or extending the prohibitions and limitations." (7-5-77)

Michigan—S-144.—States that "Radioactive waste may not be deposited or stored in this state." The ban does not apply to: facilities at educational institutions, spent storage pools at nuclear power plants, mill tailings from uranium mining within the state, medical uses of radioactive material, temporary storage of low-level waste for not more than 6 months or the storage of waste which was being stored before January 1, 1970. (4-14-78)

Minnesota—H-1215.—Prohibits the construction or operation of a "radioactive waste management facility" within Minnesota unless authorized by the legislature. (June 2, 1977)

Montana—H-254.—Prohibits the disposal in Montana of large amounts of radioactive materials produced in other states. (March 21, 1977)

New Mexico—H-106, 360, 500 and 527.—No person can store or dispose of radioactive waste until the state has concurred in the creation of the disposal facility. Creates a radioactive consultation task force to negotiate with the federal government in all areas relating to the siting, licensing and operation of disposal facilities for high, low and transuranic waste. Creates a joint interim legislative committee to make recommendations on the consultation and concurrence process, including procedures, methods and times to the next session of the legislature. The committee is to consider the applicability of Price-Anderson, the transport of the material, compliance with NEPA and other things. (April 6, 1979).

North Dakota—S-2168.—Bans the disposal of radioactive waste which has been brought into the state for that purpose in North Dakota unless prior approval granted by legislature. (March 8, 1979)

Oregon—S-272.—Bans the establishment or operation of radioactive material waste disposal sites within the state. The previous ban would have expired January 1, 1978. (July 27, 1977)

South Dakota—H-822.—Bans the "containment, disposal or deposit of high-level nuclear wastes, radioactive substances or radioactively contaminated materials or the processing of high-level nuclear wastes" within the state unless prior approval is granted by the legislature. Exempts uranium ore and mill tailings from the provisions of the act. (April 16, 1977)

Utah—HJR-15.—Memorializes the president, U.S. Congress and ERDA "to immediately take all necessary actions . . . to totally fund and implement a program to insure (sic) immediate firm action, for the removal of radioactive tailings at the now defunct Vitro Chemical Company plant. . . ." (January 26, 1978)

Vermont—H-261.—Bans the construction or establishment of a high-level radioactive waste repository within Vermont unless the General Assembly approves it, through either a bill or joint resolution. (April 26, 1977)

The following states have enacted laws governing the transportation of radioactive waste materials:

Arkansas—Advance notification; regulatory authority.

California—Permit required.

Connecticut—Permit required.

Florida—Advance notification.

Illinois—Regulatory authority.

Kansas—Regulatory authority.

Louisiana—Spent fuel and high-level waste shipment banned.

Maryland—Bond and permit required.

Massachusetts—No travel permitted on Massachusetts Turnpike.

Minnesota—Advance notification.

Nebraska—Regulatory authority, insurance requirements.

New Jersey—Permit required.

New Mexico—Regulatory authority, route restrictions.

New York—Regulatory authority.

North Carolina—Advance notice of shipments of spent fuel.

Oregon—Advance notification.

Rhode Island—Permit required.

Vermont—Advance notification.

Virginia—Advance notification and monitoring.

The following localities have enacted ordinances governing the transportation of radioactive waste materials:

New London, Connecticut—Spent fuel shipments banned.

Miami, Florida—All radioactive shipments through Port banned.

Chicago, Illinois—High enriched uranium and plutonium banned from O'Hare airport.

Wichita, Kansas—Routing around city recommended.

Plymouth, Massachusetts—All shipments banned.

Wendell, Massachusetts—Certain shipments banned.

Carteret, New Jersey—Waste shipments banned.

New York, New York—Spent fuel shipments banned.

Suffolk County, New York—Prior notice required.

Beachwood, Brooklyn, Euclid, Lakewood, Mayfield Village, Olmstead Falls, Richmond Heights, Shaker Heights and South Euclid, Ohio—Spent fuel shipments banned.

Mr. COCHRAN. Serious questions exist as to whether the Federal statutes and regulations governing nuclear waste management preempt State laws in these areas.[1] GAO has recently expressed its opinion that congressional action is necessary to authorize State participation in this issue area. I believe that we should give the States express authority to participate in the decisionmaking process and thereby help settle the question of preemption.

Mr. President, the Federal Government has been aware of the problem of militarily produced nuclear waste storage for over 30 years, and for over 20 years the Federal Government has been trying to solve the problem of commercially produced wastes. Last year, a DOE report stated that it would probably be anywhere from 1988 to 1993 before permanent solutions to these problems could be found. In my view, this uncertainty and difficulty underscore the reasonableness of the amendment we are considering.

The Federal Government has been searching for stable geologic formations that are suitable for nuclear waste storage in more than 40 States. I have been following closely NRC studies of proposed storage sites in saltdome formations in south Mississippi. A recent Interagency Review Group report on Nuclear Waste Management in March, however, indicates that saltdomes, are far from perfect as waste sites. I believe one statement in the report best summarizes why I support this amendment. In the discussion of potential repository sites, after stating that we do have the technology to identify potential sites "for further investigation," the report goes on to say:

> Reliance on conservative engineering practices and multiple independent barriers can reduce some risks and compensate for some uncertainties. However, even at the time of decommissioning, some uncertainty about repository performance will still exist. Thus, in addition to technical evaluation, a societal judgment that considers the level of risk and the associated uncertainty will be necessary. (p. 42)

To repeat, "a societal judgment * * * will be necessary." That is what this amendment provides.[2]

The people have a right, Mr. President, to have a direct voice in this issue. The question of nuclear waste storage is too sensitive, too fraught with uncertainties and risks, to be left solely up to bureaucrats and scientists. I do not believe they are the sole repositories of wisdom here. The people who live around these selected sites and the generations that follow them are the ones who will have to live with the rightness or wrongness of any decision made. It is only fair that they be given the right to particiapte in making the decision.

I thank the Senator from South Dakota for yielding.

Mr. McGOVERN. I thank the Senator for his remarks.

The PRESIDING OFFICER Mr. HEFLIN). The Senator from Wyoming.

Mr. THURMOND. Will the Senator yield?

Mr. SIMPSON. Yes, I yield.

Mr. THURMOND. **Mr. President,** I would like to express my opposition to the amendment to S. 562, the Nuclear Regulatory Commission authorization bill, offered by my colleague from South Dakota. His amendment would give each State an absolute veto over the siting of a nuclear waste repository within its boundaries. There is language in this amendment of which I approve, regarding the establishment of a task force of Federal, State, and local officials and regarding the objective of State concurrence; however, the bottom line of the McGovern proposal is that the Federal Government cannot proceed with any project for storage and disposal of nuclear waste materials unless the repository State has detemined that its objections, if any, have been resolved.

Mr. President, I strongly sympathize with the basic objective of the McGovern amendment. I firmly believe that the role of State and local officials in decisions of this type must be formalized by legislation and significantly strengthened. Public acceptance of and confidence in such waste facilities can never be achieved in the absence of an open decisionmaking process involving Federal, State, and local governments. I do not, however, support giving to each State an absolute veto over the siting of nuclear waste facilities because I do not believe that the ultimate choice should rest with the States alone. Nuclear waste storage is clearly a matter of national concern.

The final decision with regard to the location of nuclear waste repositories should rest at the Federal level after extensive, formal participation by State and local officials. My concern is that giving such power to State officials alone could result in an exercise of that power in a manner contrary to our best national interests because of the tremendous political pressures involved.

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[1] Preemption rests upon the Supremacy Clause of the Constitution: art. VI, cl. 2.

[2] FYI—The IRG report specifically recommends against "state veto," characterizing it as counter to a desired "ongoing dialogue and cooperative relationship between the federal government State authorities." The IRG report supports "consultation and concurrence"—"Under this approach the State effectively has a continuing ability to participate in activities at all points throughout the course of the activity and, if it deems appropriate, to prevent the continuance of Federal activities. (p. 95)

Mr. President, there are very few issues of greater concern to my constituents in South Carolina than the appropriate resolution of this Nation's nuclear waste problems. My State is presently the Nation's principal storage center for nuclear waste. Approximately one-third of all high-level waste and one-half of all low-level waste material are presently being stored within South Carolina's borders.

The people of my State are very concerned about this situation. They resent the lack of input which they have had in decisions to place such waste there and feel that South Carolina has done far more than most States to further our Nation's nuclear energy program. While I share their feelings and concern, I remain firm in my belief that the decision on the siting of nuclear waste repositories should not be committed to the States alone.

Gov. Richard Riley of our State, who has continually expressed his concerns about the role of the States in nuclear power decisionmaking and about the large amount of nuclear waste already stored in our State, does not favor an absolute State veto in this regard and has so stated to the members of the South Carolina legislative delegation.

Finally, I would like to point out that extensive hearings will be held later this month in both the Government Affairs Committee and the Energy and Natural Resources Committee on the very issues which are now being discussed. I would urge my colleagues to vote against the McGovern amendment at this time and to let the legislative process take its course. I believe that we should have the benefit of the testimony presented at these hearings and careful consideration of the issue by these committees, rather than precipitously attaching an amendment of this nature to the Nuclear Regulatory Commission authorization bill.

Mr. SIMPSON. Mr. President, I admire the Senator from South Dakota for his long commitment to this issue. I rise to oppose the amendment. State participation in the permanent storage and disposal of nuclear waste is an issue that will shortly be considered by three Senate committees—the Committee on Environment and Public Works, the Committee on Energy and Natural Resources, and the Governmental Affairs Committee. Each of these committees will be examining comprehensive nuclear waste legislation during the next 3 months. It is certainly one of my most serious personal concerns with regard to the use of nuclear energy. I have stated that publicly and I believe that that is the issue we must address.

One aspect, of course, of the waste question is the role States will play in the process. How the States should participate in this process is, indeed, a most complex question.

It is evident today that there are many differing opinions on the role of the State and how that role should be exercised. We have no less than four different approaches which were presented for our consideration just this day. I believe there are several sources of information which should be considered before a credible approach is decided upon.

First, the NRC's Office of State Programs held workshops and received extensive comments from the States on the role they should play. A final report has been issued but needs to be carefully examined by us.

Second, we have not yet received the administration's comments on State participation. The President is in the process of reviewing the report of the interagency review group on nuclear waste management, and he and we should have those recommendations soon.

Finally, the National Governors Association, which represents the concerns of the States, has not yet had an opportunity to make its recommendations.

I feel the question of State participation should be considered as part of compresensive waste legislation, as does Senator THURMOND, and it should be the subject of thorough hearings before a final decision is reached.

As I stated earlier, Mr. President, the Committee on Environment and Public Works, of which Mr. HART and I are members, will be considering such legislation during this session of Congress. I assure the Senate that I am willing to make a commitment now to my colleagues that I shall do everything in my power to report comprehensive waste legislation, including a provision on State participation, during this session of Congress.

I make that commitment. If that is not possible, I shall work diligently to see that specific legislation is reported on State concurrence this session, because this amendment offered by Senator McGOVERN raises several real concerns in my mind.

First, the proposal establishes a rather cumbersome process for resolving differences between Federal and State officials. Second, because the structure for State participation in the process is so definitively outlined, it provides absolutely no discretion at all to work out arrangements on a State-by-State basis in order that unique situations can be addressed. Third, there is no flexibility in the means for concurrence. The only option is an absolute State veto, regardless of whether it is really in the best interest of the State or the Federal Government.

For those reasons, I recommend that the amendment be rejected.

I reserve the reminder of my time.

Mr. DOMENICI. Will the Senator from Wyoming yield 5 minutes to the Senator from New Mexico?

Mr. SIMPSON. Mr. President, I do yield such time.

Mr. DOMENICI. Mr. President, while every Senator here has some kind of experience within his State with some kind of nuclear energy and some activity on the part of the national Government with reference to nuclear energy, the Senator from New Mexico has what I understand to be the most significant evaluation by the Federal Government, ongoing and in depth, of a potential geological depository, salt. At this point, it is contemplated that if everything is feasible, they would deposit low-level transuranic military waste. For my discussion here, so everyone will understand, those on committees know of that project as WIPP—waste isolation pilot project.

Five years ago or so, the military authorizing committees of both the House and the Senate started this proposal to do this evaluating.

Mr. President, I want to say, first, that Senator McGOVERN's approach, in this Senator's opinion, is an excellent approach. It has some things in it that I believe justify our putting it over, but I do not believe it ought to be considered to be this universal State veto that people are talking about because, as a matter of fact, I believe if we went through his process and failed, Congress always has the inherent authority to come along and say, "Well, in the national interest, we must do it." In that context, it is a good consultative process.

However, I do believe that with three committees hearing various bills, including one in the Energy Committee, Senate bill 685 which will also consider Senator McGOVERN's bill and the Domenici bill which I am going to explain in a moment to be just slightly different from his, but enough different to establish an excellent working arrangement with our States. I think that, in light of that, we ought to put his amendment over, recognizing that he has come closer than anyone in his approach to providing true opportunity for consultation with the States without denying the National Government its national interest.

Now, so that everyone will know that mine is a real situation, I want everyone in this Chamber, Senators who are concerned and Senators who understand commitments of the National Government to States and to delegations—Senators and Representatives—to know that we have in New Mexico a situation where, since February 1978, the Secretary of Energy openly and publicly said to the delegation, to Senators and the Representatives, and then to the people of the State, "You will have the right to say yes or no on whether we continue this depository in your State." That was said once. Then the Assistant Secretaries testified before two committees here and again repeated publicly, "We are analyzing what our Governors and what the task force think is an appropriate consultation approach"—concurrence and consultation, say they, not veto but, nonetheless, a real opportunity to say yes, yes, yes, and, I assume, at some point to say no. When yeses stop being yeses, consultation turns into no. I assume they meant that. They said that.

In order to make sure that they live up to it, the military authorization bill out of this Senate, the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1980—already approved here—recognizes that, in the State of New Mexico, the legislature has passed a format for consultation, the creation of a professional committee and a legislative policy group.

They are now sitting down negotiating—not on the site. I will distinguish it right here with my good friend (Mr. McGovern) in his approach. They are negotiating the process by which they will determine how they agree and disagree. We need to make sure, as this military authorization bill did, that that authority is kept intact, that commitment is lived up to. If, at some point, they can agree or disagree, they will be agreeing in advance or disagreeing, but in advance, how they will agree and how they will disagree. That is a very important distinction.

Then the Congress will know that and the President will know that, in advance, they are going to agree in the following manner and, in that, provide for disagreement, if any.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. SIMPSON. I yield an additional 3 minutes.

Mr. DOMENICI. I think that is exactly the process that the Governors of the United States are going to end up saying they want. We do not have to talk about whether the national interest is paramount or not. We talk about that process being paramount. Let them agree to agree and to disagree and set up the mechanism. If we find that no States can do that, we have ample opportunity to bring the issue back here.

Now, having said that, as I indicated, Senator McGovern's approach comes close, except that in his he dictates that through the chairman of the Nuclear Regulatory Commission they will force the State to agree on the composition of the Commission, which will be the consultor and the concurrer.

I do not believe we ought to be that restrictive on our States. My State, for instance, I believe has been the most progressive. They are not willing to say "yes" right now. They are not willing to say "no" right now.

They have set up by legislation a consultive process which will end up agreeing or disagreeing on the modus operandi for the Government to concur or not concur. A very good approach, as I understand it, in terms of what the Governors would like, and of not having to do the following, which I really believe is a mistake.

I do not think we can say to the States, "We want you to concur, to agree, we want to be grown-up partners," and at the same time say, "However, when you stop doing that, we'll have the authority to overrule you and override you." The so-called national interest override.

I think that is a mistake, unless we want to hold it as an inherent power, which we have anyway.

Why say, "States concur, States agree, but do not forget we have an amendment here we are passing that says"—and I am not saying this is Senator McGovern's, but it is kind of pending in the wings here—"When you fail to agree, we have a national interest that will overrule and override you."

I think that does away with concurrence, and I do not believe that is what we ought to do to resolve the bill.

Mr. McGOVERN. Will the Senator yield on that point?

Mr. DOMENICI. Yes, on the Senator's time.

Mr. McGOVERN. That is fine.

I hope the Senator will underscore the fact that there is no such override in my legislation. It may be that some Senator would offer such an amendment.

However, I am sure the Senator from New Mexico would also agree that after a couple of years of operation under the language of the amendment now pending, if it should pass, obviously the Congress can always change the policy, if it sees fit. Anything we do can always be changed.

I was tempted to say when Senator Hart was making his remarks here a while ago that if we have an absolute turndown all across the board, on all 50 States, and we were confronted with a national emergency situation, the Congress might wish to deal with that. But there is nothing in this bill that provides for a congressional override.

We simply do have a constitutional system under which that is always possible on any bill.

I thank the Senator for yielding to me and also for his generous remarks about the contents of my amendment.

Mr. DOMENICI. Mr. President, having said that, I agree that the Senator has properly stated his bill, and I had already said his does not have that gun to the head of the Senator that we asked to consult. It is not in his bill.

But I still say this concurrence process, to be distinguished from veto, this concurrence process is, in my opinion, the keystone to a successful national State policy on nuclear disposal and nuclear waste. The keystone is the concurrence and is the kind of authority, do we give the States or validate——

The ACTING PRESIDENT pro tempore. The time has expired that was further yielded.

Mr. SIMPSON. What is the time situation, Mr. President?

The ACTING PRESIDENT pro tempore. The opponents of the amendment have 7 minutes remaining.

Mr. DOMENICI. Mr. President, I ask unanimous consent I have 2 additional minutes and it be charged to neither side.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I think the Members of the Senate know I am deeply involved in this. I have talked on it for a couple of years. I would like to make the balance of my points, and if anyone has any questions I will be pleased to answer them.

I was saying, this is, indeed, the keystone, the cornerstone, to a real concurrence policy, a policy of the type that is, in this Senator's opinion, required or we are not going to get any Senator to accept it.

When we talk about this as a national program, we seem to forget there are roads in a State, that there are railroads in a State, that there are safety precautions required, and they will not get one of these major problems in a State that does not want to confirm we have national override, but we will have an unadulterated political mess in a State where we try to do this.

So I think concurrence is what we ought to do, and we ought to do it and legitimize it both for the State negotiating and the Federal agent negotiating with them, make it legitimate and valid for them to do that.

That is the approach I have in my amendment that is also pending, that I will not call up in the event Senator McGovern's amendment is tabled. I will not call mine up. I will leave it to one of the three committees. I have assurance that the Energy Committee will complete hearings on Senate bill 685, the McGovern amendment, the Domenici amendment, and report out a bill, a generic waste bill.

Other committees are also at various stages, and I think they will expedite it. I think that is what we need to do.

But in closing, since I am going to support a tabling of this, I want it understood by my fellow Senators that I believe we are going to have to face up to concurrence and do it in an understandable, organized manner. We cannot give it and take it away in the same breath. We either give it or we do not. If we do not want to, we ought to leave it up to the National Government, take our chances, and, in my opinion, we will not get an "anything" bill.

I thank the Senators. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. McGOVERN. Mr. President, I yield myself 2 minutes.

Mr. President, I want to make three quick points.

Two arguments have been made against this legislation. One principal argument is that more hearings are needed.

Mr. President, that is precisely the argument we heard 2 years ago, back in July 1977, against this proposal when I brought it up to a vote then.

It was a different Senator floor managing the bill, but it was the same argument, that we need hearings.

Meanwhile, 2 years have passed, 4,000 pages of public hearings have been spread on the record on this issue in both the House and the Senate.

I say very respectfully to my colleagues, I think the time has come now to stand up and answer "yes" or "no" on this question.

The second argument that was raised 2 years ago is that it was a straight out, absolute veto proposal without adequate procedures for securing concurrence.

We have taken care of that. Even some of the critics have said here today, and my friend from New Mexico (Mr. Domenici), that I have come closer than anyone else in working out procedures that are fair both to the States and the national interest.

There is a procedure for achieving concurrence, if that is reasonable, but it does involve some voice on the part of the States.

So I would hope, these arguments having been addressed very carefully in this legislation, that we would not have to go through the same concerns again that were expressed 2 years ago.

I do not see where this at all disturbs the hearings that are planned by the other three committees on the whole question of the nuclear problem. But I think the time has come for the Senate to act on this matter that is so important to our States.

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 3 minutes without the time being charged.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I take the floor to ascertain what the prospects are, looking ahead, as we have some other amendments to be taken up and voted on, as well as final passage.

I have said to my colleagues on numerous occasions this year that we would try to avoid keeping the Senate beyond 6 or 6:30 on Monday nights, barring emergencies. We have about reached the point where we need to make some decisions.

I understand that Mr. McGovern wants a vote on his amendment tomorrow.

Mr. McGOVERN. Yes.

If the distinguished majority leader will yield, I do not know what time we are coming in tomorrow. Has that been decided as yet?

Mr. ROBERT C. BYRD. It has not.

Mr. McGOVERN. Will we be in in the morning?

Mr. ROBERT C. BYRD. Yes, we will be in in the morning.

Mr. McGOVERN. It would be my hope that the vote would come the first thing tomorrow morning, after whatever other business needs to be transacted. We have almost completed the allotted 1 hour of debate on this amendment.

I have also discussed this matter with Senator Domenici, who has a special interest in it, and he raised the possibility of a 9:30 vote tomorrow. I do not know whether that meets with the leadership's schedule. If it does, I would make a request that we vote at that time.

Mr. ROBERT C. BYRD. I hope the Senator will not make the request. Let me explore this.

I had hoped—and my hope may not be achievable because all Senators have to be concerned. This viewpoint of mine might not accommodate Senators. I had hoped that we might be able to utilize debate on the various amendments and then, say, about 3 o'clock tomorrow afternoon vote on those amendments, back-to-back, and on final passage.

The only reason I make this suggestion is that some Senators will be out in the morning and will not be back until about 3 p.m. This may discommode other Senators, but this was about to be my suggestion—not my request, but my suggestion—just to see what we could get.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. DOMENICI. So that in the Senator's consideration of some agreement proposal he might understand the problem I have, I have planned for a long time to leave tomorrow at 2 o'clock in the afternoon. I had planned to miss 1 day. I knew what I would be missing, and I planned to miss 1 day.

As the Senator knows, this particular amendment and any amendments dealing with concurrence or veto are vital to me. In my State, the most serious investigating of a depository is taking place right now.

I had hoped we would dispose of Senator McGovern's amendment. If it was tabled, we would be finished. If not, I have a substitute or an amendment, and I understand that Senator Percy has an amendment or some amendments in that vein. Is that correct?

Mr. PERCY. Mr. President, if the distinguished majority leader will yield, it is my intention to move to table the McGovern amendment whenever debate has been completed, and I have so notified Senator McGovern.

The Senator from Illinois is prepared to vote tonight, tomorrow, at any time. I will not offer the Percy-Glenn amendment to the present bill if the McGovern amendment is tabled.

Mr. ROBERT C. BYRD. Mr. President, how much time remains on the amendment by Mr. McGovern?

The ACTING PRESIDENT pro tempore. The Senator from South Dakota has 8 minutes remaining. The manager of the bill has 7 minutes.

Mr. ROBERT C. BYRD. So within 15 minutes the time will have expired, and the Senator can make his motion, and there is no debate on that motion, which means——

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McGOVERN. That, of course, frustrates the purpose of my request to the majority leader yesterday that we not vote on my amendment today.

Seven or eight Senators who are cosponsors of this amendment are gone. So I had hoped there would be neither a tabling motion nor an up and down vote on my amendment until tomorrow. I am willing to vote any time tomorrow, from dawn until dusk.

Mr. ROBERT C. BYRD. What I am saying is for the Record, so that those Senators who are not in the Chamber may understand that if things take their normal course, under the rules, within 15 minutes, Mr. Percy could make his motion to table. There would be no debate on that motion, and the Senate would then have to vote up or down on the tabling motion or go out and have that vote in the morning. What I am saying is for the Record so that Senators who are not here this evening will know there is no way that the leadership can postpone this vote on the prospective motion to table by Mr. Percy, except by unanimous consent.

Mr. McGOVERN. I appeal to the Senator from Illinois, just on humanitarian grounds, not to press this parliamentary situation.

Mr. PERCY. It is a persuasive appeal from a humanist to a hopeful humanist.

Mr. McGOVERN. I have no objection to the tabling motion tomorrow.

Mr. PERCY. I am glad to accommodate my colleagues who are cosponsors of the pending amendment and who are not here tonight. It is just a matter of working it out. I have it in the able hands of the distinguished majority leader.

Mr. ROBERT C. BYRD. Before I yield to the distinguished Senator from Colorado, who is the manager of the bill, to get his observations, if I correctly understand the distinguished Senator from New Mexico (Mr. Domenici), he cannot be here on tomorrow after——

Mr. DOMENICI. I cannot be here after 1:30. There is no way I can do that.

Mr. ROBERT C. BYRD. This is a friendly question, and the answer will be a friendly one. I will understand that.

If I were to propose that the votes be put off until, say, 3 o'clock tomorrow, what am I to assume with respect to the Senator from New Mexico?

Mr. DOMENICI. The Senator is to assume that, in a humanitarian spirit, I must object.

Mr. ROBERT C. BYRD. And friendliness.

Mr. DOMENICI. And friendliness.

Mr. ROBERT C. BYRD. That takes care of that matter. [Laughter.]

I ask the distinguished Senator from Colorado what additional amendments he knows about.

Mr. HART. I thank the majority leader.

For the purpose of scheduling in this very intricate matter, I inform the majority leader that there is a time agreement for a 1-hour amendment offered by Senator Kennedy and myself; 30 minutes each on amendments which may be offered by Senator Schweiker, by Senator Church, by Senator Matsunaga, and by Senator Dole.

It is our understanding that each of those amendments can probably be resolved in much shorter time and probably without votes.

The only other amendments that might require votes are those in the nature of a substitute to the McGovern amendment, by Senator Domenici or Senator Percy and Senator Glenn.

Mr. ROBERT C. BYRD. So I am to understand that there would be objection to delaying any vote until after 1:30 p.m. tomorrow?

Mr. DOMENICI. Delaying votes on this amendment and any matters related to it. The bill does not have to be finished, and all the rest of those do not have to be considered. Just so this issue is disposed of by 1:30 or tonight.

Mr. ROBERT C. BYRD. It would be my suggestion to Senators, then, that the Senate might complete its action today and stand in recess.

Mr. President, are there any orders for the recognition of Senators?

The ACTING PRESIDENT pro tempore. There are none.

Mr. ROBERT C. BYRD. I thank the Chair.

The Senate would come in at, say, 9:30 or 9:45. Then, at 10 o'clock we would resume consideration of the bill. Then the Senator's motion to table could be voted on at that time, if we could reach that agreement. So the vote on the motion to table would occur around 10 o'clock.

Mr. DOMENICI. I hardly ever find myself in this position. I did not tell the Senator the whole truth.

I have to be out from 10 to 10:30 in the morning with respect to a synthetic fuel bill. Senator RANDOLPH and I have agreed to testify before Senator RIBICOFF's committee at 10 o'clock in the morning.

Mr. ROBERT C. BYRD. The Senate will go out this evening and convene in the morning at 10 and resume action on the pending bill at 10:30.

If Senators want to reserve their 15 minutes until that time——

Mr. HART. Or 10:15?

Mr. ROBERT C. BYRD. Why do we not discuss the amendment for another 15 minutes and then have the tabling motion go over until the morning? The Senator can make the motion tonight, if he wishes, with the understanding that the vote will occur tomorrow.

Mr. McGOVERN. We have only 15 minutes remaining.

Mr. ROBERT C. BYRD. The time I have been taking is not taken out.

Mr. McGOVERN. How much time do I have?

The ACTING PRESIDENT pro tempore. Eight minutes.

Mr. McGOVERN. I would prefer to hold that until the morning. The time for the vote is fine.

Mr. DOMENICI. Before I agree to forbear on the tabling motion tonight and 15 minutes from now, let me make this point:

It does me no good to have a vote at 10:30 on tabling Senator MCGOVERN's amendment if we are still debating concurrence or veto amendments after 1:30 tomorrow afternoon. That is the reason that I am here. I want to make sure we have also agreed that by 1:30 p.m. we will have completed the Domenici amendment and the Percy amendment in the event Senator MCGOVERN's amendment is tabled. I think we would because the time is an hour maximum. And how much on Senator PERCY's amendment?

Mr. PERCY. One hour is adequate.

Mr. DOMENICI. So we could agree they would follow right after that if it is not tabled, and then we would be through.

Mr. ROBERT C. BYRD. All right.

Is that agreeable with the manager of the bill?

Mr. HART. Yes.

I was just checking on the time agreement as to what the order provides for Domenici or the Percy-Glenn amendment.

Mr. DOMENICI. It does not. It comes in under the 30-minute rule, and I had an hour reserved this morning.

Mr. HART. That is correct.

Mr. DOMENICI. The Senator and I had agreed to that with the leader's approval.

Mr. HART. I would hope those would not take an hour.

Mr. ROBERT C. BYRD. So the Senator wants those to follow the tabling motion?

Mr. HART. Yes.

Mr. DOMENICI. That is fine with me.

Mr. HART. If the motion fails.

Mr. ROBERT C. BYRD. If the motion fails.

Mr. PERCY. If the motion fails, would it be understood then the Percy-Glenn amendment would be the next pending order of business and would have an hour, each hour equally divided, and would be followed by the Domenici amendment?

Mr. DOMENICI. No. I think we had agreed to reserve.

Mr. PERCY. Who agreed?

Mr. DOMENICI. We were discussing the reservation while the Senator from Illinois was over there talking. We agreed, but the Senator did not agree.

Mr. ROBERT C. BYRD. What is the situation?

Mr. DOMENICI. Because of the nature of the amendments I thought that mine would follow Senator MCGOVERN's. I have an hour. I understand Senator PERCY has an hour—or is it 30 minutes?

Mr. HART. Thirty minutes, I believe.

The ACTING PRESIDENT pro tempore. The Senator's amendment would be a regular amendment of 30 minutes, equally divided.

Mr. DOMENICI. I will cut mine to 30 minutes. I do not need that.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—let us see if this is agreeable now to everyone—I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock a.m. tomorrow and that at 10:30 a.m. the Senate resume consideration of the pending business, at which time there be 15 minutes to be equally divided between Mr. MCGOVERN and Mr. HART on the amendment by Mr. MCGOVERN, it being understood that at the expiration of that time or upon its being yielded back Mr. PERCY will move to table that amendment. If the amendment is not tabled, then I ask unanimous consent that an amendment by Mr. DOMENICI be in order on which there be a 30-minute time limitation, equally divided in accordance with the usual form; upon the disposition of that amendment, the amendment by Mr. PERCY be called up and I believe there is already a 30-minute time limitation on that amendment.

Mr. PERCY. Mr. President, reserving the right to object, is there any particular reason why the McGovern amendment cannot be completed tonight and the motion to table voted on tonight? Both of us probably should be in the SALT hearings tomorrow morning; otherwise, we would be forced to leave those hearings to come to the floor.

Mr. McGOVERN. The only point I make to the Senator from Illinois is we are only talking about 7½ minutes on each side and a number of the cosponsors who were not here today have asked me if they could be heard. I was protecting them rather than myself. I have nothing more to say on it, frankly. I did feel we should preserve 7 or 8 minutes to the others because they did not get a chance to speak today.

Mr. PERCY. I have a second parliamentary inquiry with regards to the Percy-Glenn amendment. If the Domenici amendment passes, will there be an opportunity to present the Percy-Glenn amendment and have a vote occur on that amendment?

Mr. DOMENICI. I say to Senator PERCY he knows I have no intention of doing anything here tonight that will deny him that. But in the event my amendment passes I cannot assure the Senator that I would not object to his amendment. A part of it obviously belongs here because he is inconsistent in that he wants an override and mine does not provide for one. I cannot deny him a vote on that. But as far as his whole amendment being a substitute for mine I cannot agree parliamentarily that I make it so. I do not know whether it will or will not. It probably will be relevant and not subject to a point of order, but I do not want to agree to that in advance.

Mr. ROBERT C. BYRD. Mr. President, I know nothing about the content of the amendment so, therefore, I better ask the Chair if there is any problem in the way the request was worded which by virtue of its verbiage will allow Mr. PERCY to come in after the disposition of the amendment by Mr. DOMENICI? Is there anything inconsistent in it?

The ACTING PRESIDENT pro tempore. If the amendment by the Senator from Illinois is a substitute to the amendment of the Senator from New Mexico it would be an amendment in the third degree and would not be in order.

Mr. ROBERT C. BYRD. Then I withdraw that part of my request. Let me just renew the request in this way:

I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow morning and at 10:30 a.m. the Senate resume consideration of the pending business, that there be 15 minutes equally divided on the amendment of Mr. MCGOVERN between Mr. MCGOVERN and Mr. HART and if that amendment is tabled—well, whether or not it is tabled, I assume——

Mr. PERCY. If it is tabled.

Mr. DOMENICI. No.

Mr. ROBERT C. BYRD. If it is tabled, then Mr. DOMENICI be recognized to call up his amendment.

Mr. DOMENICI. I will not call it up if it is tabled. I will not.

Mr. ROBERT C. BYRD. If it is not tabled?

Mr. DOMENICI. Correct; if it is not tabled, I will.

Mr. ROBERT C. BYRD. He will call up his amendment and there be a 30-minute time limitation on that amendment.

Mr. PERCY. Mr. President, reserving the right to object, on the Percy amendment, that is why I made the inquiry on behalf of Senator GLENN and myself and those who support the concept that there should be an override by Congress——

Mr. DOMENICI. I understand.

Mr. PERCY (continuing). On the State's objection to having nuclear waste; otherwise it is going to be a political football, and we would not be able to put this waste any place.

It is our intention to try to resolve that issue by proposing that there be an ultimate override by Congress.

Mr. DOMENICI. Let me say that the substance of our argument is that "We retain the inherent power to override," and to say to the States, "You can concur but at the same time we hold a gun to your head; if you do not we override you" is absolutely foolhardy. We would not get concurrence. So we disagree.

I believe if my amendment were to pass with a substitute, and I am not telling the Senator what to do parliamentarily, but I think he can amend it with an overrider provision. One cannot substitute for it. But I mean I will agree to that if that is what he wants to vote on, to amend mine to include his override. I have no objection to that.

Mr. ROBERT C. BYRD. Mr. President, let me withdraw that request.

The ACTING PRESIDENT pro tempore. I wish to clarify. We have stated that the amendment of the Senator from Illinois would be given 30 minutes equally divided. I am advised that is incorrect. It would be given 20 minutes.

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request.

I ask unanimous consent that when the Senate completes its business today it stand in recess until 10 a.m. tomorrow morning and at 10:30 a.m. tomorrow the Senate resume consideration of the amendment by Mr. McGovern on which there be a 15-minute time limitation to be equally divided between Mr. McGovern and Mr. Hart and that, of course, Senator Percy does not waive his right to move to table at that time.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DOMENICI. Mr. President, reserving the right to object, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. ROBERT C. BYRD. Just dispose of this amendment. Otherwise we have to dispose of it tonight.

Mr. DOMENICI. I must object because I cannot agree this go over tonight unless we have agreed here tonight that no further amendment on veto or concurrence will occur beyond 1:30 tomorrow afternoon. We have not agreed to that. So I object.

Mr. PERCY. Mr. President, Senator Domenici, in an effort to be accommodating, has made a suggestion which we should refer to the Chair to see whether there could be the possibility that the Domenici amendment could be amended to provide for congressional override.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not run against the McGovern amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The purpose is to see if we cannot work out some resolution.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to set aside temporarily the amendment by Mr. McGovern so as to allow Mr. Kennedy to bring up another amendment at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I would be glad to yield to the distinguished floor manager of the bill who will present the amendment.

UP AMENDMENT NO. 359

(Subsequently printed amendment numbered 335)

Mr. HART. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. Hart), for himself and Mr. Kennedy, proposes an unprinted amendment numbered 359.

Mr. HART. Mr. President, I ask unanconsent that further reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 9, insert after line 19 the following:

Sec. 107. (a) No amount authorized to be appropriated under this Act may be expanded by the Nuclear Regulatory Commission for the issuance of a construction permit for any commercial nuclear powerplant during the first 6 months of fiscal year 1980. The preceding sentence shall not apply to any commercial nuclear powerplant for which a construction permit, or operating license, has been issued before the commencement of fiscal year 1980.

(b) Within the time period provided by subsection (a) of this section, the Commission shall by rule, after notice and opportunity for hearing in accordance with section 553 of Title 5 of the United States Code, promulgate demographic requirements for the siting of utilization facilities in connection with construction permit review under section 185 of the Act. Such requirements shall provide for review of construction permit applications pursuant to section 185 of the Act, and shall specify to the maximum extent practicable the following:

(A) the extent and maximum population density of the low population zone immediately surrounding the site, including consideration of permissible radiation exposure;

(B) acceptable means of assuring such maximum population density is not exceeded during the useful life of the facility;

(C) the minimum distance from the site to the nearest boundary of any densely populated area; and

(D) the minimum fission-product release into the containment structure assumed for dose calculation.

In the promulgation required hereunder, the Commission shall specifically consider the possibility of multiple-unit siting and the feasibility of evacuation in case of an extraordinary nuclear occurrence, or an event or sequence of events which significantly increase the likelihood thereof.

(c) Any person may bring a proceeding on the United States District Court for the District of Columbia to require the Commission to promulgate the rule required in subsection (b) of this section if the Commission has not promulgated such rule within the time period provided by subsection (a) of this section.

Mr. HART. Mr. President, I offer, on behalf of myself and Senators Kennedy, Cranston, Levin, McGovern, Riegle, Tsongas, Hatfield, Percy, and Metzenbaum, an amendment that would defer the issuance of any new construction permits for new nuclear powerplants during the first 6 months of fiscal 1980. The amendment requires the Commission during the 6-month period to promulgate new regulations that specify population density and distribution requirements for the siting of new nuclear powerplants.

This amendment supersedes an earlier amendment that would have provided only for a 6-month moratorium on new construction permits to await generally the implementation of safety improvements arising from the several investigations of the Three Mile Island accident. The provisions of this revised amendment are intended to deal promptly with one of the principal issues arising from the Three Mile Island accident—how close nuclear power reactors should be located to population centers—while also awaiting other safety improvements that may be recommended.

In the aftermath of Three Mile Island, much attention has been given to emergency planning, including the possible need for evacuation. This is rightfully so, and in the bill we are considering today—and, of course, after many votes earlier today—I think we have it resolved. At the same time, we should be aware of the fact that early in the first morning of the Three Mile Island accident, about 6 a.m., March 28 of this year, the Three Mile Island plant was out of control. Substantial damage was occurring in the core with releases of large quantities of radioactive materials into the containment. And there was great uncertainty as to what was happening and how to regain control of the plant. These conditions persisted for 14 more hours.

According to Nuclear Regulatory Commission transcripts of meetings on the accident, 2 days passed before NRC and the designer of the Three Mile Island reactor agreed that unprecedented damage to the nuclear core had occurred on Wednesday. While discussions of evacuation were appropriate on Friday, March 30, and the days following, such discussions should have taken place on Wednesday morning, March 28. Yet, there apparently were none because the severity of core damage was not known at the time.

The time for possible evacuation came and went before those in authority were fully aware of the unfolding events at the stricken reactor. This is not unusual in complex nuclear emergencies like Three Mile Island. While emergency response plans are clearly essential, I believe comparable attention should be given to more direct mitigative measures (somewhat akin to preventive medicine versus emergency medicine), particularly to more stringent siting standards with respect to population distribution and density. This amendment seeks to accomplish that objective.

The Nuclear Regulatory Commission rules now contain reactor-siting criteria that generally address demographic features. However, the principal rules were published as "an interim guide" in April, 1962—at a time long before accidents such as at Three Mile Island were seriously contemplated and at a time when nuclear reactors were much smaller in size and much less complex than the plants now being built. The time has come to take a comprehensive look at siting policy with respect to population density before additional sites are committed.

Mr. President, I am not suggesting that the regulators of nuclear power have sat still since 1962 on siting policy. The Atomic Energy Commission issued some "guidelines" in 1973 addressing population densities, but these guides are not mandatory. The Nuclear Regulatory Commission has since its inception in 1975 considered from time to time various aspects of siting of nuclear reactors, but the Commission has yet to articulate a comprehensive policy regarding siting of nuclear reactors in the vicinity of population centers.

Why is there a need to defer new construction permits pending a comprehensive siting review? While new engineered safety features can be added to an existing plant on an as needed basis to improve safety, once construction has begun, the site as a practical matter is irrevocably committed.

Thus, new sites should not be committed until completion of a long-overdue review of siting policy. Furthermore, for those sites with reactors already operating or under construction, new reactors should not be committed to those sites until the site has been rereviewed in light of the new siting regulations called for in this amendment.

Mr. President, the Nuclear Regulatory Commission is well along the way to a comprehensive siting review. It established a siting policy task force almost a year ago and my subcommittee staff informs me that this group is about to submit its recommendations to the Commission. It is noteworthy that the task force has emphasized the need for stricter population density and distribution criteria in view of the fact that current regulations, which were issued in 1962, do not account for the larger size of new nuclear powerplants and the potentially larger offsite consequences of a nuclear accident.

Given the importance of this matter and in order to insure expeditious action on siting policy, this amendment requires the Commission to promulgate new siting regulations addressing population densities within the first 6 months of fiscal 1980.

To help insure that the rulemaking does not drag beyond the 6-month time provision, the amendment incorporates a mandamus provision whereby any person may petition the Nuclear Regulatory Commission to meet its mandated time provision.

The amendment is not intended to unduly delay issuance of construction permits. In reviewing the estimated population statistics for the year 2000 in the vicinity of proposed sites for pending construction permits, I note several of what I call relatively superior sites from a demographic viewpoint, including the proposed Pebble Springs site in Oregon which has a year 2000 projected population of about 1,400 people within 20 miles of the proposed reactors. This is in contrast to comparable projections for some reactor sites of over 900,000 persons in the vicinity of the reactor. Thus, based on demographic considerations only, I would see no reason to defer for demographic reasons the Pebble Springs construction permit once new siting regulations are issued after the 6-month review period. Under the amendment, the Commission could, after 6 months, issue at least interim regulations permitting issuance of a construction permit upon a finding that a site is clearly superior from a demographic viewpoint.

Mr. President, it is true that a 6-month deferral of new construction permits would entail some additional costs for constructing new plants. However, these costs would be small relative to the total cost of the plant. These costs would be viewed as a form of insurance that nuclear reactors are not being located too near to population centers.

Mr. President, I wish to emphasize that this amendment would not call for the shutdown or any other adverse action with respect to the 70 reactors that already have a license to operate, nor the 92 reactors that already have a construction permit.

Rather, Mr. President, it is contemplated that this amendment would affect the issuance of permits for the construction of new plants that have not already issued, and that those permits would be based upon a very important consideration—a consideration that has not been given due notice in the past 20 years of this industry—the location of the facility with respect to substantial population proximity.

Once again, Mr. President, we have to learn from our mistakes. If the Three Mile Island accident represents a mistake, I believe we should learn from it. One of the things we should learn is not to locate very large reactors near large population centers.

I urge the adoption of the amendment, and I yield to the Senator from Massachusetts.

Mr. KENNEDY. I thank the Senator from Colorado, and I welcome the opportunity to join with the Senator from Colorado on an issue which is really not a strange issue to this body, and an issue which has been raised in the House of Representatives by a colleague of mine from Massachusetts, Representative MARKEY.

I welcome the opportunity to join with the Senator from Colorado in the presentation of this amendment to the Senate. I am extremely hopeful that the Senate will accept it.

Mr. President, I join with the chairman of the subcommittee in offering this amendment which provides that no construction permits be issued for new nuclear powerplants during the first 6 months of fiscal year 1980.

This amendment does not call for the shutdown of any of the 70 reactors that already have a license to operate, nor the 92 reactors that already have a construction permit. But it does clearly reject a "business-as-usual" approach to the Nuclear Regulatory Commission. We cannot pretend that the Three Mile accident did not happen. It did and we must learn from it.

I am pleased that the chairman of the Nuclear Regulation Subcommittee and I have been able to join forces on this amendment.

At his suggestion I have included in my amendment language requiring that the NRC adopt binding regulations establishing firm guidelines for population density around reactors. This action is long overdue.

It would be our hope that were this amendment to be accepted, the safety guidelines established and the population controls implemented, that then there would be a review, site by site, reactor by reactor, to review the appropriate safety factors to be implemented for each of the existing reactors that currently operate, or those that already have construction permits.

I think it is important for our colleagues to understand what we are trying to do and what this amendment will not do.

This amendment defers for a short time reactors that are in the planning stage—6 to 10 years away from commercial use—so that we may all reap the benefits of an unprecedented number of major investigations now underway.

In the words of a spokesman for the Bank of America in announcing a suspension of new nuclear loans in light of Three Mile Island, "It would be imprudent to go forward with such lending at a time when the industry itself is reviewing such lessons as may be learned from the accident." In addition to the financial community and the industry, the President's Kemeny Commission, the NRC, the Senate Nuclear Regulation Subcommittee, and the House Interior Committee are all reappraising our current system of nuclear regulation.

I know there are those who will say, "Why don't we move ahead? We can move ahead with the construction permits, and then make the changes and alterations in construction as time goes along."

We have seen, over the history of the past, that as these reactors approached completion, a number of safety recommendations were considered to be too extraordinary or too expensive to be implemented. This has a way of being a self-fulfilling prophesy; once the construction begins, if there are recommendations and suggestions from a safety point of view, it becomes too late or too expensive to move ahead. Then we hear the argument, "Well, if we delay now we will be costing the consumers in the various areas which are considering the construction of plants perhaps millions of dollars or tens of millions of dollars over a period of restraint."

But we will find out that once plants are in the process of construction and delay occurs, because of the amount of interest on the funds invested in these plants under construction, it usually means that the consumers spend even more, and it is more costly to the consumers, than if delay occurred before the plant was built. If the plants are actually completed and we go through a period of shutdown, it will cost the consumers generally more than it would have cost to delay the plant before construction began.

So, in a very real sense, this is a wise policy for protecting the consumers of this country. All we really have to do is look at the immediate past record of the closing down of various plants and the pauses that have taken place in the construction of various plants, and that is borne out time and time again.

So from an economic point of view, Mr. President, this is a wise action. But quite clearly the most important consideration has to be from a safety point of view. There are numerous studies of the Three Mile Island accident taking place.

Most of the results and recommendations of these numerous reappraisals will become available for congressional and public analysis during the first 6 months of fiscal year 1980. This is the time to pause, when the cost of delay is at its lowest for the affected plants and the opportunity for meaningful reform is at its height. By next March Congress will have the benefit of the recommendations of the Commission itself, and the population recommendations which the Senator from Colorado has proposed.

The accident at Three Mile Island has sent a clear message to Congress—if the Government considers licensing additional nuclear powerplants, it must do the job right, or not do it at all. A vote for this amendment is a vote for the only responsible choice—to do the job right, by taking full advantage of the findings and recommendations that will be forthcoming in the near future.

For too long, the NRC has refused to face safety issues before reactors are built. This head-in-the-sand attitude has been costly to the consumers and to the nuclear industry.

Consumers have paid hundreds of millions of dollars for replacement power because 14 reactors had to be shut down in the last 4 months. If the nuclear safety licensing process had been working, these safety defects would have been discovered before the reactors were built.

The failure to solve safety problems before reactors are built has been costly to the nuclear industry.

One safety system, now required on reactors, was not required on the Three Mile Island reactor because it was already under construction. The NRC routinely grandfathers such reactors. It would have been costly to delay and backfit that safety system. But failure to retrofit that system may have significantly contributed to the utilities failure to control that accident. And now general public utilities is on the verge of bankruptcy.

So let us tell the NRC to learn the lessons of Three Mile Island and incorporate changes before reactors are built.

Let us leave ourselves 3 months of the next session so that our oversight committees can insure that the NRC is doing its job right.

So that my colleagues will know whether their States are affected by this action, let me name the 10 reactors that are affected by this amendment—Palo Verde IV and V (Arizona), Pebble Springs I and II (Oregon), Pilgrim II (Massachusetts), Perkins 1 and 3 (South Carolina), Black Fox 1 and 2 (Oklahoma), and Allens Creek (Texas).

Given delays, probably only five of these reactors will be affected.

I think it is important to understand that both of the Senators from Massachusetts and the senior Senator from Oregon in which the two Pebble Springs reactors are located, are cosponsors of this amendment.

In sum, Mr. President, through this amendment we are letting the American people know that the U.S. Senate puts safety first—that "a business-as-usual" licensing should not continue—and that we should learn and implement the lesson of Three Mile Island before more reactors are built.

I might ask my colleague from Colorado, with regard to the population site regulations, we have seen a situation in my own State of Massachusetts, for example, where we do have a nuclear plant that is operating. It has been accepted within the community and it is functioning. There have been different times when it has had to pause for safety reasons.

Now what has happened is because of the impact on the tax base, it has become an enormously desirable place for people to move to. Besides Plymouth is one of the loveliest communities in our Commonwealth of Massachusetts. It has a wide range of different assets in terms of quality of life, it also has one of the lower tax rates.

It is also contemplated that there will be a second nuclear plant built within that community.

We now find ourselves in a situation where the growth in the size of the population is increasing rather dramatically in one rather small geographical area, primarily because of lower taxes.

On this issue of population guidelines, as I understand it, there have been guidelines which have been established at the staff level, but there are no population regulations which are insisted upon and which are followed as a matter of obligation. I am wondering if the Senator would make what comment he would on this point.

Mr. HART. It is the understanding of the Senator from Colorado that what the Senator from Massachusetts has just said is accurate. In the past, according to the staff's review of siting proposals and applications for construction permits, population density has been taken into consideration, but without any requirement in law or regulation that it be a definitive guideline.

As the Senator well knows, in the case of the reactor which he referred to in his own State, projected population within a 20-mile radius of that reactor by the year 2000 will be about 300,000 people. Of course, that is a very large number of people to be that close to a reactor.

We saw the situation recently of Three Mile Island, where it was contemplated that an evacuation might take place in a 5-mile radius and even for perhaps 20 miles as a matter of safety. If that were to occur in a population of 20 miles, to which the Senator was referring, he would be talking about 300,000 people at the very least.

Mr. KENNEDY. In terms of the current population guidelines, can the Senator establish for the record what is insisted upon by the Regulatory Commission now in terms of population requirements? As I understand, there are staff recommendations but there are no fixed guidelines. I am just wondering if the chairman of the committee would make whatever comment he would on that subject.

Mr. HART. Well, the population density figures are incorporated in the Nuclear Regulatory Commission standards which they use in issuing construction permits. There is general language about the population in the area, but it is vague and very amorphous and does not have specific density or demographic figures attached to it.

Mr. KENNEDY. Would it also be the hope of the chairman of the subcommittee that this pause would give us an opportunity to consider other health and safety considerations that would result from the President's Commission on making such recommendations and to give the opportunity both to the Commission itself as well as to the Congress to consider what additional health and safety recommendations we should be willing to accept, or at least how we might be able to dispose of them, keeping an open mind as to how we will consider them? At least it would give us an opportunity to evaluate those recommendations, and then this amendment will at least permit that opportunity for the future.

Mr. HART. The principal purpose of the Senator from Colorado supporting this amendment and helping to propose it with the Senator from Massachusetts is to incorporate this siting criteria. But as that protection is guaranteed, it would additionally give us time before new construction permits were issued to take into consideration some of the other lessons that we are learning in our investigations, including the one being conducted by our subcommittee. So there would be that added benefit. That is correct.

I think the principal point here which needs to be made so that people understand is that when reactors were starting to be built in the fifties and sixties, they were relatively small in output, but over a period of time the wattage went up, the productivity of those plants went up, and now they are very, very large compared to the original reactors.

The same siting criteria were used during that period on many reactors, without much projection as to population growth, so that we now have large reactors located in very dense urban areas. It is not a very happy situation based on what we have learned could happen at Three Mile Island.

Mr. KENNEDY. I thank the Senator.

Mr. SIMPSON. If the Senator will yield, let me briefly comment on the remarks of the Senator from Massachusetts and the Senator from Colorado for one moment.

Mr. ROBERT C. BYRD. Will the Senator yield for a moment?

Mr. SIMPSON. Indeed I do.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays at any time on the motion that Mr. PERCY will make to table the amendment by Mr. MCGOVERN.

The PRESIDING OFFICER (Mr. ZORINSKY). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I assume Mr. PERCY wants the yeas and nays ordered. If he does, this would be a good time to order them.

Mr. BAKER. Mr. President, I am prepared to represent on behalf of Senator PERCY that he does, and I am happy, if the majority leader wishes, to make that request at this time.

Mr. ROBERT C. BYRD. Very well.

Mr. BAKER. I make that request, Mr. President. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. I understand there is a request by Mr. HART that the Kennedy amendment go over until tomorrow.

Mr. KENNEDY. I wonder if it would be possible to set a time. This is an important amendment and we want to accommodate the leadership if at all possible. Would the leader be willing to give us a time or to make a recommendation in that regard so we could let our associates know?

Mr. ROBERT C. BYRD. May I say to the distinguished Senator from Massachusetts that it appears to be agreeable that a vote occur on the amendment by the Senator from Massachusetts following the disposition of the amendment by Mr. DOMENICI, if he offers his amendment.

Mr. DOMENICI. And the Percy amendment thereto.

Mr. ROBERT C. BYRD. And the Percy amendment thereto.

Mr. DOMENICI. If we can agree that it is in order.

Mr. ROBERT C. BYRD. If we can agree on the Percy amendment thereto.

Mr. DOMENICI. I will say to the leader, since we are now agreed to go from the concurrence and veto consideration to a different subject matter, I would hope that before we leave this evening we could agree that with the disposition of the Percy amendment, if in order, there would be no other veto-concurrence amendment. That is what we are supposed to be doing.

Mr. ROBERT C. BYRD. Does any Senator know of any such amendment?

If no Senator knows of any such amendment, will the Senator from Colorado, who is managing the bill, think it might be possible to agree that no such amendment be in order, then?

Mr. BAKER. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I understand what the distinguished Senator from New Mexico is proposing and I agree that it would be desirable. As the majority leader knows, I have not agreed to such requests in the past without first making a thorough check of the Members on this side. If, in fact, the majority leader wishes to pursue that course, I shall need a little time to check this side.

Mr. ROBERT C. BYRD. Of course.

Mr. DOMENICI. Let me say to Senator BAKER that the majority leader is doing this because I am agreeing not to vote tonight on tabling on the condition that, after 2 o'clock tomorrow, we shall not have veto-concurrence amendments on the floor. Else I shall insist that we vote tonight at the conclusion of the 15 minutes remaining.

Mr. BAKER. If the Senator will yield to me, I understand that. I have no desire to interfere with the Senator's plans, but I have a special obligation to Members on this side to check before I agree to unanimous-consent requests to cut off their rights to offer amendments on that portion of the bill. I understand and I am sympathetic, but I cannot agree with that without checking first.

Mr. ROBERT C. BYRD. Mr. President, I withdraw that request.

Could we agree that a vote on Mr. KENNEDY'S amendment would occur 15 minutes after the disposition of the amendment by Mr. DOMENICI and the amendment by Mr. PERCY if, indeed, that amendment is in order?

Mr. DOMENICI. I have no objection.

Mr. KENNEDY. And that the time be evenly divided?

Mr. ROBERT C. BYRD. Yes; and that we have that 15 minutes evenly divided between Mr. KENNEDY and Mr. SIMPSON?

Mr. KENNEDY. It would be between Senator HART and Senator SIMPSON.

Mr. ROBERT C. BYRD. All right, evenly divided between Mr. HART and Mr. SIMPSON.

I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And there will be no more rollcall votes tonight.

Perhaps the Senator from Massachusetts would like to get that order for the rollcall.

Mr. KENNEDY. Yes, Mr. President, I ask for the yeas and nays on the Hart-Kennedy amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest that Senators might be advised that there may yet be a rollcall vote tonight, contrary to what I said a moment ago. I am further educated than I was 3 or 4 minutes ago.

Was an order entered putting over the vote on the tabling of the amendment by Mr. MCGOVERN until tomorrow?

The PRESIDING OFFICER. No; it has not been.

Mr. ROBERT C. BYRD. I am advised by Mr. DOMENICI that he would have to object for reasons of his own to putting that vote over until tomorrow.

Is Mr. MCGOVERN still here?

Mr. McGOVERN. Yes, I am here.

Mr. DOMENICI. I might say, since we participated openly here for 15 minutes trying to arrive at the agreement, I can agree to put it over and agree that my amendment will follow it. However, there will be objection to that by Senator PERCY, because he cannot get Senator GLENN, the cosponsor, to agree to the sequence that will follow that.

That being the case, Mr. President, I think we ought to vote on the tabling tonight. Then we shall know where we are.

Mr. McGOVERN. Mr. President, I can only say that this does violence to everything we have been trying to accomplish here for the last hour, which is to accommodate a group of Senators who are necessarily absent today, who are vitally interested in this amendment.

I know the Senator from New Mexico is interested in it, but he is not the only Senator who is interested in the matter of nuclear siting. That is an issue of vital interest to everyone in the Senate. At least seven or eight different Senators have spoken to me personally about not having a vote on this matter today. I discussed it with the majority leader on yesterday, and the manager of the bill. While there was not any unanimous-consent request propounded, I hope that the Senator, just as a courtesy to other Senators, would be as deferential to them as we have tried to be to him today.

Mr. DOMENICI. May I say to the Senator, Mr. President, that I have been most deferential. It is not my custom in this body not to be considerate, but we are supposed to vote, under the previous order, on tabling tonight. I am willing to put it over, but I would like to know what is going to happen to my amendment if we put it over.

Mr. McGOVERN. I might say I was heavily involved in the SALT hearings today. I got a call from the leadership asking if I would come to the floor and offer my amendment today. I did that as a matter of accommodating the managers of the bill and the leader so there would be some action here, on the floor. It was not done to accommodate me. I was trying to be accommodating to the leadership and to Senator HART and others who are handling this bill. I could have stayed over in the SALT hearings and refused to come to the floor.

Mr. HART. Mr. President, I hope that the Senator from New Mexico, in the interest of moving along a very important piece of legislation, will accommodate the request, which I think is a reasonable one, of the Senator from South Dakota and work out whatever difficulties he has with other colleagues similarly interested.

Mr. ROBERT C. BYRD. Mr. President, I want to express that same hope, because Mr. McGovern certainly is entitled to have his vote go over until tomorrow. It would not make any difference, as I see it, insofar as the position of the Senator from New Mexico is concerned. It would not be prejudicial to his position to have the vote on Mr. McGovern's amendment go over until the first thing in the morning, any more than it would be to have it be the last thing tonight.

Mr. DOMENICI. Let me say this, Mr. President, so that the Senator from Colorado and Senator McGovern will understand how important this issue is and what has happened to me. I would not have agreed to a time limitation on this bill at all; it is that important. Through inadvertence, a mistake, and a few things, I had to come to the floor this morning and proceed as best I could to get an amendment of mine included. Now, tonight, I am agreeing that a tabling motion, that was going to happen under the order of the Senate, be put over when I know and the leadership knows that I cannot be here after 2 o'clock tomorrow.

I do not intend to hold everyone up. If we could agree, if nothing more, that by 2 o'clock, we will finish concurrence and veto votes, I shall agree right now.

Mr. McGOVERN. The Senator from New Mexico is asking for something I am agreeing to. I am willing to accommodate him.

Mr. DOMENICI. I agree. How about that? Can we put it over, Mr. President? I shall agree right now that we can do just what we want if the leader will propound a request putting it over in the sequence he talked about, but that concurrence and/or veto amendments will have been voted on by 2 o'clock tomorrow on this bill.

Mr. ROBERT C. BYRD. That is all right with me, but I think the minority leader has some difficulty with that.

Mr. BAKER. That is a slightly different request than what I heard before, Mr. President. I think we agreed on the amendments dealing with veto matters. I am not averse to putting a deadline of 2 o'clock tomorrow on, provided that it is clearly understood and we have a good-faith agreement on both sides that if there are other amendments, we will not be blocked in.

Mr. DOMENICI. So long as we are ready to vote and voting by 2 o'clock.

Mr. ROBERT C. BYRD. The agreement is all right with me, Mr. President. I doubt that it will occur, but there might be more amendments on that subject than can be accommodated in that period of time.

Mr. BAKER. That is true, Mr. President, and if the majority leader will yield to me, I am willing to take that risk. Just as a matter of principle, I was not ready to agree to a unanimous-consent request that there will be no further amendments on this subject. By this colloquy and otherwise, people should be on notice that if there are other amendments—by the way, we do not know if there are. If there are, somebody ought to let us know so we can try to schedule them as soon as possible.

If I have the assurance of the majority leader that he will cooperate in trying to make room for such matters and schedule them tomorrow, I am ready to agree to a time certain on this subject.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Wyoming yield?

Mr. SIMPSON. I yield to the Senator.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 o'clock tomorrow morning, that at 9:30 the Senate resume consideration of the amendment by Mr. Kennedy, that a vote occur on that amendment at 10 o'clock, and that upon the disposition of that amendment the Senate then resume consideration of the amendment by Mr. McGovern, at which time there be 15 minutes remaining for debate to be equally divided between Mr. McGovern and Mr. Hart.

It would make it possible then for the vote on the tabling motion to occur at 10:30.

Mr. DOMENICI. I am not going to disagree, to put it all over. I hate to be obstreperous, but could the Senator move it all 15 minutes up? That is all. I will take my chances. And then vote 15 minutes later than the Senator provided.

Mr. ROBERT C. BYRD. Instead of 10:30, 10:45?

Mr. DOMENICI. Yes. I am the one taking the chance of getting my amendment in on time.

Mr. ROBERT C. BYRD. It could mean then that the vote on the amendment by Mr. Kennedy would occur at 10:15.

Mr. KENNEDY. That is fine.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:15 tomorrow morning, that at the hour of 9:45 the Senate resume consideration of the amendment by Mr. Kennedy, with a vote to occur thereon at 10:15, and that upon the disposition of that amendment there be 15 minutes on the amendment by Mr. McGovern, equally divided, in accordance with the earlier statement.

Mr. BAKER. Reserving the right to object, Mr. President, just for a moment, within the framework of this request there is no limitation on amendments that might be offered at any time with respect to veto.

Mr. DOMENICI. I thought the leader was not going to dispose of any additional amendments, but was going to add that we will have considered all amendments on the subject of concurrence or veto by 2 o'clock p.m. tomorrow afternoon?

Mr. ROBERT C. BYRD. I think I would take it that is the quid pro quo we are operating on, so I include that in my request.

Mr. DOMENICI. It is not the——

Mr. ROBERT C. BYRD. Sine qua non.

Mr. DOMENICI. It is the best I can get.

Mr. BAKER. Reserving the right to object, another caveat is the proposition I put to the majority leader a moment ago, that is, that he will assure me we will try to make room for other amendments if, in fact, they occur.

Mr. ROBERT C. BYRD. Yes.

Mr. DOMENICI. Reserving the right to object, I want to say to Senator McGovern that I appreciate his hospitality and the way he treated me. He tried to work this out as best he could. I hope it works out to his satisfaction. I thank him for his kindness.

Mr. McGOVERN. The Senator is welcome.

The PRESIDING OFFICER. Would the Senator from West Virginia indicate whether he wants the time evenly divided on the Kennedy-Hart amendment?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. Without objection, the previous request is agreed to.

Mr. ROBERT C. BYRD. I believe under the order I was just about to enter, the Senator has not yet agreed to it, there would be 30 minutes to be equally divided on the amendment by Mr. Kennedy tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITATION ON LEADERSHIP TIME TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if the distinguished minority leader is agreeable, I ask unanimous consent that the time of the two leaders on tomorrow be limited to 1 minute each.

Mr. BAKER. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the debate on the amendment by Mr. Kennedy resume at 9:35 a.m. tomorrow, with 10 minutes under the control of Mr. Hart, 30 minutes under the control of Mr. Simpson, and that the vote on the amendment by Mr. Kennedy occur then at 10:15.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. So that allows 40 minutes for debate on the amendment.

Mr. BAKER. Will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, can the majority leader advise as to whether or not he expects any more rollcall votes this afternoon?

Mr. ROBERT C. BYRD. No, I do not.

Mr. BAKER. I thank the majority leader.

Mr. HART. Mr. President, I wish to thank the majority leader for his fine cooperation, as usual, in arranging this difficult schedule.

Mr. ROBERT C. BYRD. The Senator is most generous. I thank him for his fine cooperation and courtesy, which are always characteristic of him.

Mr. SIMPSON. Mr. President, I want to say I very much appreciate the courtesies to me. The Senator has been very kind to me in my first months here. It is most appreciated. He has taken care of the issues I suggested and the time limitations that were to be observed, in fairness.

Mr. ROBERT C. BYRD. The Senator is most generous, and I am most appreciative.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, for not to exceed 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY

Mr. BELLMON. Mr. President, the Carter administration's long-awaited energy program has some elements which can prove helpful in solving the Nation's energy problem, but in my judgment it was deficient in the one area where maximum emphasis needs to be placed.

The truth is that there is no excuse for a nation so richly endowed with energy resources to be in the current state of apprehension about a secure energy supply. The President was quite right in pointing out that the United States has far more energy resources than all the Middle East countries put together, but he failed to show the country what needs to be done to bring these resources into production.

Basically four things are needed to produce any commodity. First is the raw material. Second is the technology. Third is the capital, and fourth is the incentive or will to produce.

So far as energy is concerned there is no question as to our resource base. The United States has enough coal, oil shale, uranium, oil and gas in the ground to last the country over 500 years at current rates of consumption. While technology can and undoubtedly will be improved, there is no question that the ability to produce synthetic oil from coal and shale is well proven. The missing elements in the Nation's energy matrix are access to capital and the incentive to produce. Here Government is the villain.

During the last decade, the Federal Government has taken one action after another which has reduced access of the private sector to the capital needed to expand American energy output. The repeal of the depletion allowance on oil and gas, our scarcest commodities, while leaving the depletion allowance on some 90 other minerals was a shortsighted, punitive action against the petroleum industry that cut the country's energy supply. So far as I know, no oil company executive's salary was cut. What was cut was the capital industry needs to invest in expanded production.

The imposition of price controls on crude oil can best be described as another effort to punish the industry but again it was the country which suffered. Wasteful use of crude oil products continued, funds for expanding production were cut and the country's energy dependence grew worse.

The imposition of Federal price controls on all natural gas was another action which damaged the Nation's fuel supply. True, a bubble of gas which had been backed up in the uncontrolled intrastate market is now available for interstate sale, but at the same time some 250 to 300 rigs which were hard at work drilling for oil and gas are shut down largely due to the red tape and uncertainty which were exacerbated by passage of the Natural Gas Act of 1978.

The threat of an "excess profits tax" which in reailty is an excess income tax has further withered the incentives and threatens to reduce the capital needed for expanding U.S. energy production. President Carter's announced plan to siphon off billions of dollars from the private sector and turn these funds over to the equivalent of a "post office of oil and gas" will only delay an expansion of U.S. energy production.

If evidence of this fact is needed, it can be easily found currently in the 15 dry holes drilled by government bureaucrats in Petroleum Reserve No. 4. The cost of this project so far has been $200 million. Not one drop of oil will be forthcoming from these taxpayer supported dry holes. The holes are dry yet the bureaucrats are working for more money to drill more and more. So long as taxpayers foot the bill, the bureaucrats feel no pain. It will be the same in any governmentally supported energy corporation.

Mr. President, there is a role for Government in the energy area. That role is to: No. 1, attempt to assure fairness and equity in American citizens' access to available energy supplies, No. 2, to ameliorate the impact of high energy costs upon those least able to adjust, No. 3, to provide basic research funds in areas where the private sector cannot logically venture, and No. 4, to provide the climate for the private sector to produce without undue deleterious effect to the environment.

Mr. President, to sum up, Government should govern and the private sector should produce. This country has become great by following those precepts. The launching of an Energy Security Corporation is a threat to this historic arrangement. Fundamentally, following such a path means taking needed capital away from the private sector and turning it over to the bureaucracy to invest in whatever schemes the bureaucrats conjure up. If past experience is any guide, such a program is doomed to fail.

Mr. President, President Carter's plan for creating an Energy Mobilization Board makes considerable sense provided that the members of such a board are granted sufficient authority to cut through the red tape and remove the roadblocks which recent legislation has placed in the way of energy production. Most of the rest of what President Carter has recommended will follow naturally if the market system is allowed to operate.

Looking for a whipping boy is futile. The members of OPEC will not be deterred from setting whatever price they feel the market will bear until alternate sources of fuel are brought into production. The job of Congress and the administration is to remove disincentives which have hampered production and to lessen economic injury of higher energy prices on those least able to adjust.

REVERSING THE NUCLEAR ARMS RACE

Mr. McGOVERN. Mr. President, over the weekend, I have reflected on the testimony presented to the Senate Foreign Relations Committee last week. I am more inclined now than a week ago to the view that the SALT II Treaty combined with the ratification process may be a formula for escalating rather than reversing the arms race.

Perhaps General Jones, chairman of the Joint Chiefs of Staff, a man whom I value as a personal friend, summarized most clearly where we are heading when he said that the SALT II Treaty is "a modest but useful step" provided we embark on substantial new nuclear spending to modernize our present strategic force.

It is the proviso that worries me. I have heard the same statement around the committee table. The message seems to be: we will take the treaty as long as we also get another costly round of nuclear weapons. I notice that even some Senators who originally appeared to oppose the treaty are now hinting that they might support it if firm commitments to new weapon systems are attached. Senator MUSKIE spoke last week of his "gut instinct." My gut instinct is that this treaty will be ratified when enough Senators are convinced that it does not impede any weapons system that "the best and the brightest" at the Pentagon are planning for us in the 1980's. SALT II will help us eliminate the second-rate killers so that we can concentrate on the high quality that comes from refined devices like the MX. SALT II is so much finer than SALT I that one can scarcely wait for SALT III. And who can even imagine what lovely devices will emerge in SALT IV or V? The probability, based on the record, is that the weapons which the Kremlin and the Pentagon regard as the most destructive will be preserved while lesser systems are weeded out in the name of arms limitation.

Thus, one alternative that is emerging is treaty ratification conditioned on a new generation of nuclear weapons more deadly, costly and destabilizing than the status quo. Such a conclusion, ironically, undermines the very goals of the treaty—to reduce the arms burden and the danger of nuclear conflagration. Perhaps the same process is going on in the Kremlin.

Paradoxically, a second alternative is emerging, embracing a broad spectrum of Americans, which holds that the treaty is seriously flawed because it fails to produce substantial arms reductions. I cannot recall a major witness, including treaty proponents and opponents, military and civilian, hawk and dove, who did not express regret that this treaty does not provide deeper arms reduction. Some have argued that the treaty should be modified or rejected to require such arms reductions by both sides.

The paradox of these hearings so far is that everyone favors arms reductions; yet, we move relentlessly toward more arms.

If this paradox is not overcome, we will be doomed to a new arms race whether SALT II is ratified or rejected. This means not only great physical danger to the world. But as Prof. Seymour Melman has long warned us, it also means that we will continue to suffer from inflation and the loss of civilian industrial productivity while we pour our dollars, science and technology into surplus weapons. It means also that we will postpone a major national energy policy while we plot new devices for human destruction. With all due respect to the President's earnest speech last night, we are not rich enough to finance both a continuing arms race and the transition to renewable sources of energy without unacceptable inflation.

Our challenge is to secure a treaty or a process that reduces nuclear armaments rather than increasing them. Present approaches to arms control cannot break free from the trap of negotiation followed by escalation.

Allowing upward expansion to ceilings above the arsenals of either side; allowing new types of weapons; development of "bargaining chips"; shifting the arms race from quantitative to qualitative competition—all of these will lead only to a deadlier rivalry at higher and more dangerous levels.

The fact is that the very modest steps which this treaty represents are no longer viable—militarily, economically or politically. Arms controllers can no longer afford timid, long-drawn-out struggles while new weapons technology is boldly sprinting ahead.

Clearly, we need a new strategy. It is no longer enough to be for reductions in the abstract. The real issue is how are we going to achieve genuine reductions.

To meet the need for a new approach, I am today announcing my intention to propose "arms reduction" legislation to the Resolution of Ratification which would mandate our negotiators to undertake immediately upon the acceptance or rejection of SALT II to freeze and then reduce nuclear weapons arsenals on both sides.

The legislation I will introduce will call for immediate negotiations for SALT III to:

First, establish an immediate freeze or moratorium for 1 year on development or deployment of additional strategic nuclear delivery vehicles and warheads;

Second, to mandate annual reductions of at least 10 percent in the arsenals of both sides for each of the following 3 years;

Third, a summit meeting after 3 years to reconsider whether the percentage reductions should continue and if so, at what level.

Such a resolution would permit our negotiators to devise a freeze and reduction proposal which is verifiable and equitable. In the Senate, we should focus on the major policy issues of national security and world peace. We need to send a message of common sense that will cut through the madness of the global arms rivalry.

I realize that many of the same problems of defining equitable reductions which have plagued the SALT talks may crop up again. But at least we would shift the terms of the debate from defining equitable increases in new missiles and warheads to defining equitable reductions. That is what the SALT process should be about according to a wide range of Senators from the most conservative to the most liberal.

Arms reduction legislation is necessary whether or not SALT II is approved. It is generally agreed that Soviet and U.S. nuclear arsenals are roughly equal now. If that is the case, let us freeze the present level and try to reduce rather than exercising our options under SALT II to achieve parity at ever higher levels of nuclear weapons. SALT II gives each nation the right to build up in certain categories. If instead we can freeze the arms race, then the arguments about which side gains the most from SALT II would largely disappear. A freeze followed by mutual arms reduction would enable both sides to avoid the risks of amendment or rejection of SALT II while realizing the benefits of the genuine arms reductions which supporters and critics of the treaty all seem to favor.

The danger of moving to SALT III without a freeze is that SALT II allows an expansion in launchers, warheads and destructiveness. Therefore, even if SALT III reduced the levels in SALT II, the end result could still be bigger arsenals of nuclear overkill than either side possesses today. These would be bogus reductions.

During these hearings and in other forums, I have heard my name invoked by people who generally do not agree with me at all. Some of the most hard-line opponents of SALT II now often say: "We agree with Senator McGovern that this treaty does not go far enough to reduce armaments." I have listened to these comments without challenging the sincerity of the speakers.

So today I call on those who agree with me in theory about reversing the arms race to join in practice to devise a new strategy of genuine arms reduction. Otherwise, I must object to my name being worn as sheep's clothing by cold war wolves whose real purpose is to invoke the dreams of arms reduction to sustain the nightmare of nuclear overkill.

President Carter, Secretary Vance, Secretary Brown, the Joint Chiefs of Staff, Senators Jackson, Garn, and Helms, critics Paul Nitze and General Rowny, as well as our arms negotiators Mr. Smith, Mr. Johnson, Mr. Warnke, and General Seignious have said they are disappointed that the SALT II Treaty has not provided for deeper nuclear reductions. I invite all of these spokesmen and all others who seek to reduce the arms race to join in supporting negotiations to first freeze and then systematically scale down the nuclear race that now threatens to destroy our civilization.

Let me conclude by summarizing the two alternatives I see emerging before the Senate Foreign Relations Committee. First, we can create the illusion of arms control but the fact of arms escalation by ratifying this treaty and then proceeding to build the MX and other nuclear monstrosities; or second, we can accompany the treaty with a resolution calling on the United States and the Soviet Union to freeze and then reduce the nuclear accumulation. I cannot support SALT II as presently constituted without some such accompanying resolution based on what I believe is the emerging consensus of both "hard-liners" and longtime advocates of arms limitation. I choose the alternative of arms reduction and I urge the numerous advocates of this position to join with me. Let us have the courage and the will to force both ourselves and the Soviet Union to accept the realities of the nuclear age. We may or may not succeed in confronting that reality—either of our own addiction to the arms race or because of Soviet addiction. But better the pursuit of reality than surrender to an illusion.

THE IMPORTANCE OF THE CONNALLY RESERVATION TO THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention to date remains unratified. This subject has been given a great deal of careful consideration by the Senate. It deserves to be ratified and it is difficult to understand why such action has not yet been taken.

Opponents of the Genocide Convention are very concerned with the jurisdiction of the International Court of World Justice involving cases of "genocide."

Opponents have raised the objection that the United States would be at the mercy of the International Court of World Justice if the Court decided that it had jurisdiction concerning U.S. compliance to the Genocide Convention.

This is just not the case.

If the Senate ratified the Genocide Convention today, the United States would not suffer any limitation of its sovereignty.

The United States is clearly protected by the Connally reservation on the matter of sovereignty.

This reservation clarifies and settles the question of jurisdiction. It specifically provides that the jurisdiction of the International Court of World Justice "shall not apply to disputes with regard to matters which are essentially within the jurisdiction of the United States as determined by the United States of America." The intent as well as the meaning of the Connally reservation cannot be misconstrued. U.S. sovereignty is without a doubt protected.

It is also important to point out that the Connally reservation is similar to reservations made to numerous other treaties including the Convention on the Privileges and Immunities of the United Nations of 1946 and the Statute of the International Atomic Energy Agency of 1956.

It is obvious then that the United States is not likely to be at the mercy of the International Court of World Justice concerning charges of "genocide" against the United States.

The U.S. Senate is long overdue to take positive action on the Genocide Convention. I strongly urge my distinguished colleagues to give their immediate and unreserved support to the Genocide Convention.

OMAHA WORLD-HERALD SPEAKS OUT ON ALASKA LANDS

Mr. STEVENS. Mr. President, the final disposition of Alaska's lands will have a tremendous impact on the entire United States, not just Alaskans. It has always been my position that a bill can be passed which allows for the reasonable development of Alaska's resources while providing for the preservation of Alaska's scenic and wildlife values and I continue to hope that this is possible.

However, many Alaskans doubt that the Federal Government can be reasonable about this legislation. This feeling is understandable in view of past actions in Alaska. As a recent editorial in the Omaha World-Herald points out, there is some question as to whether those in Washington are treating Alaska as a sovereign State or, if, even after two decades, Alaska is being treated as a possession.

Although the State of Alaska was entitled to choose 104 million acres under the Statehood Act, there are some serious misconceptions regarding those selections. Proponents of H.R. 39 continually assert that Alaska's 104 million acres permitted it to choose the finest resource lands in Alaska and, therefore, the Federal Government can afford to withdraw millions of acres without adverse effects. In reality our State has never been able to freely select its land, it has been hampered by administrative edicts and laws to block land selections and the State has neither selected the full entitlement nor received title to the lands it has selected.

Mr. President, I think the editorial reflects the frustration felt by many Alaskans and I ask unanimous consent that it be included in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Are We Treating Alaska as State or Possession?

Alaska, a state bountifully blessed with natural resources, undeveloped land and beauty, now feels it is the subject of unkept promises and federal domination.

Remember the Alaska Statehood Act of 1958. Wayne Aspinall of Colorado, then chairman of the House Interior and Insular Affairs Committee, which was most influential in passing that act, said recently:

"It was our intention to give Alaska as much land as it needed to support statehood." He also said: "The statehood resolution will enable Alaska to achieve full equality with existing states, not only in the technical judicial sense, but in practical economic terms as well. It does this by making the state master in fact of most of the natural resources within its boundaries."

The act granted Alaska the right to select, over a 25-year period, 104.5 million of the 367 million acres that make up the land mass of the state.

So what has happened? Twenty years later, Alaska still has received less than a fifth of the promise. Meanwhile, the federal government has been setting aside land in blocks larger than many states, thereby reducing the pool of acres from which the state can draw.

Alaska is a vast state, more than double the size of Texas and 7½ times larger than Nebraska. Its population is about that of Omaha's and it has to support state, county, school and local taxes over a broad territory. Prior to statehood, more than 99 percent of the land was federally-controlled.

Because so little was known about so much of the land and resources and because it had a long grace period, Alaska didn't rush to grab up land. It based selections on these needs: future settlement, encouragement of commercial and economic stability, recreation, wildlife protection, lifestyle preservation and sensible management relations with federal land controls.

Alaska selected the last of its 104.5 million acres in 1968. But Congress, which has to grant approval, has held back time after time in the face of increasing environmental and federal agency pressures. Less than 21 million acres have been approved in 20 years.

Last fall after two years of debate, an ad hoc House-Senate committee apparently had worked out a compromise that also was approved by the Carter administration. But it was killed in the waning moments of the last session of Congress. Then in December came another blow. President Carter, acting under the 1906 Antiquities Act, proclaimed 55 million acres be set aside for new and improved national monuments.

A new House bill along the same lines as last year's compromise was approved March 1 by the House Interior and Insular Affairs Committee. It would grant the rest of the 104.5 million acres promised Alaska and also would set aside 99.6 million acres in conservation units.

But now comes another threat to the efforts of Alaska's legislators and Gov. Jay S. Hammond. It is a new bill introduced by Committee Chairman Mo Udall, D-Ariz., and backed by vocal conservation groups and the administration, which said it no longer approves of the compromise.

The Udall bill would set aside 140 million acres (about the size of California) as wilderness areas, including: 20.5 million acres (larger than Maine) for national parks, 44.9 million acres (larger than Missouri) for refuges, 21.6 million acres (about the size of Indiana) for park preserves and 4.8 million acres (about the size of New Jersey) for recreation.

Some of this land involves territory for which the state already had made requests.

Former Rep. Leo W. O'Brien said recently that because the statehood bill bears his name he felt compelled to note that "there are some in Washington who seek to treat Alaska, even after two decades, as a possession rather than a sovereign state." He added: "The statehood bill was a solemn pledge by Congress to the new state."

In a letter to former Alaska Gov. H. A. Boucher, Aspinall said: "The new state has a great future. I hope Congress doesn't ruin it."

It is past time to honor the promise to Alaska by entrusting it with the rest of its 104.5 million acres. Alaska is no longer a child.

On other land issues, it also seems as if there could be reasonable compromise—somewhere between those who say Alaska "represents our last chance to preserve vast areas of wildness" and those who fear "a lock-up of the national resources storehouse while we depend on foreign sources for energy and minerals." Congress ought to get on with the job of settling things to the benefit of a majority of Americans and Alaskans.

ELIZABETH JANEWAY

Mr. PRESSLER. Mr. President, every now and then, we are blessed with an insight into a personality we can eagerly like. I believe the New York Times hit the nail on the head when on July 7, 1979, it ran a feature story on Elizabeth Janeway.

Elizabeth Janeway, your philosophy inspires, because it is so sound. Let me congratulate you, Mrs. Janeway, in this 25th anniversary year for the Elizabeth Janeway Prize for Prose Writing at your alma mater, Barnard College.

For these and other reasons, I ask unanimous consent to have the New York Times story printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Elizabeth Janeway: Writing for Her Life

(By Nan Robertson)

"I get tired of people who say, 'I've always been a feminist,'" says Elizabeth Janeway. But that is what she has always been, and now, at the age of 65, crowned with a full and satisfying life as a novelist, nonfiction writer, critic, encourager of young writers, wife and mother, she has become an unruffled elder stateswoman of the movement.

As a reviewer of one of her books put it, she pursues her arguments with a placid logic and inexorable good will; she lacks resentment, "and that sets her work aside from the mass of the women's movement writing where harnessed rage lends both the frisson of threat and the rhetoric of muddle and instability."

Mrs. Janeway is articulate on the printed page, but her least favorite subject seems to be herself. Nonetheless she was encouraged to speak up about it the other day. It is the 25th year of the Elizabeth Janeway Prize for Prose Writing, a coveted award for students at Barnard College, of which Mrs. Janeway is a trustee and just-named Distinguished Alumna.

The first winner of the writing award, in 1955, was Arlene Croce, now dance critic for The New Yorker magazine; the latest is Margaret Thompson. The three judges were Mary Gordon ("Final Payments"), Janet Burroway ("Raw Silk") and Jane DeLynn ("Some Do"), all previous Barnard literary winners. Earlier judges have ranged from Donald Barthelme and John Cheever to Francine du Plessix Gray, Shirley Hazzard, Erica Jong, Bernard Malamud, John Hersey, Toni Morrison, Joyce Carol Oates and Alfred Kazin.

The woman behind the prize is small and neat and controlled, with a calm, pale face and deep hazel eyes, her white hair pulled straight to the back with combs.

She works in a huge room on the third floor of a stone town house on the Upper East Side that she shares with her husband, Eliot Janeway, the economist, and a staff of 14 who help him put out his books and newsletters. Mr. Janeway works on the fourth floor.

Mrs. Janeway's study has been turned into a fantastic landscape by 75-year-old wallpaper that covers every inch of the walls, a riot of deep red, flowering trees, peacocks and urns against a background that has acquired a deep golden patina.

Mrs. Janeway was born Elizabeth Hall in 1913 in Brooklyn into a family for whom writing was part of life. Her father's father, a powerful preacher of the Victorian era, published volumes of sermons and books on the Gospels. Her father, a naval architect, wrote on seamanship and was editor of Yachting magazine for many years. Her aunt and sister, older than she by 10 years, also wrote.

WROTE ADVERTISING COPY

Elizabeth Hall began her writing career by turning out advertising copy for Abraham & Straus's basement, dropping out of Barnard for a year in 1933 when the family fell victim to the Depression.

Mrs. Janeway remembers this as "one of the luckiest of the many pieces of luck that have blessed me."

"I learned more working," she said, "than I would have in an equivalent year of college, met a greater variety of people and discovered I could stand on my own feet at a reasonably early age.

"There was a tradition in my family. They expected you to pick up a pen and write in time of need. My family also had a continuing expectancy that a woman would manage by herself. They got my sister and me through college, and they expected we'd earn our living. Also, when I was at Barnard, there were plenty of people there who didn't have the faintest expectation of getting married. We were treated as serious people."

Back at college after her A & S stint, Elizabeth Hall got her first true acclaim as a writer when, as a senior, she won the Story Magazine Intercollegiate Prize. "It meant a great deal to me," she said. "If professionals thought I could write, I wasn't kidding myself too badly."

Soon after being graduated from Barnard in 1935, she met Eliot Janeway at a party, something went "click," and "we fell to living together rather quickly but didn't get on to marrying until 1938." He was writing for The Nation, Life, and Fortune. "In 1938 he went to Time as business editor," Mrs. Janeway said, "and I was scrabbling along at the Book-of-the-Month. That seemed to suggest we could count on having enough income to have children. So, we got ourselves properly hitched."

Meantime she wrote, rewrote and twice scrapped her first novel, which was finally published in 1943 when she was 30. "I wasn't just writing and being nagged by Eliot to go on with it," she said. "I had my babies, Michael in 1940 and Bill in 1943, just after 'The Walsh Girls came out."

She went on: "I should say once and for all that my husband has been the greatest force in my life, encouraging me to write, to respect and take seriously whatever talent I have and to live up to my potential for action and for thought. I've been told and I've read that some women with careers have husbands who are made uneasy and jealous by a wife's success. My husband would regard any failure to do my best at all times as unworthy."

The minute they could afford household help to free them, they had it by joint decision. They now have a staff of three: cook, housekeeper and handyman.

Mrs. Janeway has written, in all, six novels, four children's books and two books on social change, as revealed and explained by the women's movement: "Man's World, Woman's Place," published in 1971 in the early stages of resurgent consciousness (about which the word most frequently used was "wise") and "Between Myth and Morning: Women Awakening," in 1974.

She has just finished a third book, "Powers of the Weak," which Knopf will bring out next year. In this she explores, among other things, "the largest, the oldest, the most central group in the category of the weak—women."

DEVOTED TO BARNARD

She believes in women's colleges and is devoted to Barnard. "When we have 50 women U.S. Senators, I won't care anymore whether there's an option about going to a woman's college," she said. "I think it's important that places like Barnard exist—good places where women can have an education that isn't male-oriented. They exist because of the difference between the accomplishments of women who graduate from single-sex colleges and those who went to coed schools. In the last two generations, women's colleges have turned out, percentage-wise, twice as many women with doctorates, to take something you can measure easily. It's made a difference in aspiration and the ability to get there."

She is an exemplar. The forces that have molded Elizabeth Janeway include her family, her school and her husband, all of whom freed her to become her own woman. "Most women don't have that luck, and I know it," she said.

INFLATION DESTROYS THE MARKETPLACE

Mr. HELMS. Mr. President, the spring issue of the Intercollegiate Review contains one of the most impressive articles on inflation that I have seen in some time. It was authored by Prof. Robert Higgs.

At this time, when too many individuals still hold the naive belief that wage and price controls can work, it is important to note the kind of commonsense that Dr. Higgs provides.

What is particularly striking is that the phenomenon of inflation not only distorts the marketplace and cripples the production of goods and services—it also destroys the vital institutions of a free society.

Mr. President, I ask unanimous consent that Professor Higgs' article and the accompanying footnotes be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INFLATION AND THE DESTRUCTION OF THE FREE MARKET ECONOMY

(By Robert Higgs)

Since 1933 the overall price level in the United States has increased with virtually uninterrupted regularity. In some years it has risen faster than in others, of course, but almost always it has risen. The level of prices now stands at more than five times the level of 1933 or—should 1933 be considered an inappropriate base year—about four times the level of 1929. In other words, the purchasing power of money is only about one-fourth what it was 50 years ago. During the past decade alone, the value of the dollar has fallen by about one-half. As we all know, it is currently continuing to fall rapidly as inflation proceeds at a rate near ten percent per year.

Some people, including some well-known and highly-regarded economists, do not consider inflation a very serious problem. It is, they think, merely an ongoing devaluation of the economy's unit of account that entails few if any significant real effects. This view is mistaken. In fact, inflation produces a variety of significant harmful effects. Most important for those who value liberty, inflation is, in at least four distinct ways, destroying the free market economy.

INVISIBLE CONFISCATION OF PRIVATE WEALTH

Imagine, if you can, a scheme in which agents of the Internal Revenue Service, surreptitiously and arbitrarily, steal billions of dollars worth of privately owned wealth from American citizens. What enormous social and political repercussions would certainly ensue. It strains the imagination very little to suppose that the government responsible for such pillage would be abruptly and perhaps violently overthrown. Wanton confiscation of private wealth flies in the face of a Constitution that promises: "No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

Yet inflation has in effect confiscated far more private wealth with scarcely a murmur against the responsible government. Inflation, as economists conceive of it, is equivalent to a tax on all monetary claims. Taking away one of every ten dollars of constant purchasing power—an explicit tax or confiscation—is equivalent to an inflation of ten percent. In either case the citizen loses one-tenth of his original purchasing power, his command over goods and services. Inflation taxes not just money balances; it taxes equally all claims denominated in units of money. The real value of bonds, mortgages, insurance policies, pensions, and similar financial claims depreciates equally with the real value of currency and bank account balances.

The magnitude of the current inflationary tax boggles the mind. In 1976, there was $2,343 billion of life insurance in force in the United States. Public and private debt totaled $3,355 billion. The money stock (currency plus checking and savings accounts) reached $1,237 billion.[1] The total of these monetary claims was $6,935 billion. During the two years, 1976–1978, the price level rose approximately 15 percent. Therefore, these claims depreciated by about $1,040 billion in 1976 purchasing power. The incredible sum of over a trillion dollars was taken by the inflationary tax in just two years. This sum, which equals well over half the U.S. gross national product in 1976, is probably the largest tax levy in human history. It amounts to almost $5,000 for every man, woman, and child in the United States! Astonishingly, this vast confiscation of private property occurred without explicit governmental deliberation or approval, without compensation, without due process of law. In view of these legal and moral defects, it seems somewhat inappropriate to call it a tax. Theft is more accurate and more appropriate. To make matters worse, inflation does not simply exact its tribute once and for all. Rather, it continues erratically, day after day after day, with no end in sight.

But keep calm, certain economists exhort us. Although monetary creditors suffer from unanticipated inflation, monetary debtors benefit. We experience, as it were, windfall losses from our right pocket and equivalent windfall gains in our left one. It all balances: only the unit of account changes, as everyone pays more for goods and service purchased but receives more for goods and services sold. Unfortunately, however, the pockets experiencing windfall gains and those sustaining equivalent windfall losses seldom belong to the same pants. In fact, during an adjustment period that lasts for decades and may never be fully completed, net monetary creditors lose and net monetary debtors gain, and almost no one maintains a neutral position. (Eventually, as we shall see, almost everyone will probably lose.)

If everyone had equal ability to forecast correctly the future course of inflation, equal understanding of how to rearrange economic commitments to forestall its ravages, and equal capacity to carry out these rearrangements, then inflation would affect everyone in the same way. In reality, individuals differ enormously in these respects. Many have little understanding of what is happening

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to them; all they know is that "things cost more than they used to." Others, some of whom appreciate the situation and understand how they could attempt to insulate their economic affairs from inflation, have little or no capacity to carry out these rearrangements. This is so especially for private pensioners, who receive fixed money annuities and cannot renegotiate with their pension plans after retirement. Savings account depositors would like to receive higher interest to protect the real value of their deposits, and savings banks might be willing to offer higher interest rates in order to attract deposits, but legal restrictions hold down the allowable interest rates. Many ordinary citizens know little or nothing about alternative outlets for personal savings and therefore retain their savings account balances at banks. In recent years these depositors have earned in interest less than they have lost by inflation. Not only have they failed to earn any real interest, but they have lost real principal. (In November 1978 the Associated Press published a photograph of an elderly woman demonstrating against low interest rates outside a bank in San Francisco. In grim humor, her placard read: "savings deposits may be dangerous to your wealth.") Nor is such financial decay confined to widows and orphans. About half the major corporations are net monetary creditors, and evidence on their stock values during inflationary epochs shows that they have failed to evade the inflationary tax.[2] "The American public," as Arthur Okun has observed, "cannot readily speculate hedge, or arbitrage on inflation."[3] Without doubt, perfectly anticipated inflation exists only in the frenzied dreams of certain macroeconomic theorists; "evidence has never been presented that any inflation was accurately anticipated—even on balance."[4] In the real world, gainers and losers are legion.

The social wounds inflicted by inflationary redistributions cut deeper than accountants can measure. Recalling the German inflation of the early 1920s, Thomas Mann declared that—

"There is neither system nor justice in the expropriation and redistribution of property resulting from inflation. A cynical "each man for himself" becomes the rule of life. But only the most powerful, the most resourceful and unscrupulous, the hyenas of economic life, can come through unscathed. The great mass of those who put their trust in the traditional order, the innocent and unworldly, all those who do productive and useful work, but don't know how to manipulate money, the elderly who hoped to live on what they earned in the past—all these are doomed to suffer. An experience of this kind poisons the morale of a nation . . . Inflation is a tragedy that makes a whole people cynical, hard-hearted, and indifferent."[5]

Although the United States has not yet experienced a hyperinflation comparable to the German catastrophe of 1923, the same moral effects are now becoming visible. As Paul McCracken has said, "it is the capriciousness of these [recent inflationary] gains and losses that makes them so destructive of that broad consensus so essential for our free institutions to flourish."[6]

Through the welter of redistribution, however, one persistent gainer marches stoutly onward: the federal government. It is, as everyone knows, a gargantuan net monetary debtor; the national debt now stands in the neighborhood of $800 billion. As inflation proceeds, the real value of this debt steadily declines. When its bonds mature, the government repays, in command over goods and services, much less than in borrowed, much less than it implicitly promised to pay those who initially purchased the bonds and thereby transferred their command over goods and services to the government.

One naturally imagines that the spectacle of this gigantic public dishonesty would strike a deadly blow at the legitimacy of the federal government, inasmuch as the responsibility for the inflation itself rests squarely on the shoulders of the government. After all, excessive creation of money, for which only the government can be held accountable, is a necessary condition for inflation. Yet so successfully have politicians and governmental authorities shifted the blame for inflation onto the private sector—big corporations and labor unions, it is alleged, effectively conspire to raise prices and wages excessively—that the public stands largely mute while the holders of U.S. government "securities" are progressively defrauded.

Again, some assert that it all balances: what the bondholders lose, the taxpayers gain. But the two groups do not have equivalent membership, and hence real economic effects result from the actual redistribution of wealth. Moreover, the argument will not wash in a moral sense. Robin Hood was no less a thief because he gave some of the loot to the poor. And in the case of the government's systematic defrauding of its bondholders, it is by no means clear that the poor are the chief beneficiaries. In any event, the identity of the beneficiaries is irrelevant; the fundamental dishonesty, the profound corruption of public morality, remains. A former chairman of the President's Council of Economic Advisers, who ought to know, has recently confessed that "one of the worst evils of inflation is the accompanying deterioration of the level of public discourse."[7] In plain language, inflation encourages the leaders of government to lie about what they are doing and why they are doing it. Such behavior does not augur well for the future of our republican form of government.

There is, in short, a clear process whereby the federal government systematically shifts control over the economy's real resources from private hands to the government. It borrows to cover its budget deficits, thereby acquiring control over currently available real resources through voluntary contracts with its bond purchasers, who expect to be fully compensated by fixed interest payments and an eventual return of their principal sums. At the same time, however, the government, through the actions of its monetary authorities, "facilitates" the sale of its bonds by flooding the economy with more money than the public desires to hold under existing economic conditions. The public adjusts to this excess supply of money by exchanging some of the new money for bonds and some for currently produced goods and services until the prices of bonds and the rate of money income rise to levels at which the public is willing to hold the additional money. When the economy is already operating near full capacity, one result of this portfolio adjustment process is inflation. And with inflation, the government's promise to its bond purchasers is broken and resources permanently shifted from private hands to government control.

Some will object that this government capture of real resources through inflation cannot continue indefinitely. Surely people will catch on. History provides the conclusive refutation of this objection. The confidence game of inflationary finance has continued for decades in the United States; and during the 1970s, with the sharp acceleration of inflation, more unsuspecting victims have been fleeced than ever before in peacetime. This is not merely because "there's a sucker born every minute," some of whom are foolish enough to believe the government can be trusted. It is also because the difficulties of forecasting correctly the rate of inflation are great—people are almost always surprised by an acceleration in the rate of inflation—and the financial markets are so hamstrung by governmental controls (*e.g.*, interest ceilings on savings accounts) that the adjustment process is highly imperfect, cumbersome, and painfully slow. Meanwhile, as private citizens struggle to protect their property from the invisible tax, the government's command over real resources grows steadily larger.

TAXATION OF PHANTOM GAINS

The invisible inflationary tax on monetary claims would shift control over resources away from the private sector even if the government levied no explicit taxes. In reality, of course, the government levies many explicit taxes, including those on personal incomes, gifts, estates, corporate profits, and capital gains. Moreover, each of these taxes has a progressive rate structure linked to a taxable base denominated in units of money. If the tax rate schedules remain fixed, then even without inflation the progressivity of the rates insures that more and more real income, both absolutely and relatively, will be transferred to the government as economic growth takes place. If there is inflation without real economic growth, "stagflation" as the current unlovely expression has it, then the private sector will find itself with not only less real income relative to the government but less real income absolutely. No matter what the rate of real economic growth, the modern tax system operates to diminish the private economy. During inflationary epochs it also penalizes the maintenance of the real stock of productive capital, discourages real investment, and therefore retards real economic growth. Overall, the effect is systematically to shift resources to less productive (sometimes anti-productive) uses. When all this is well under way, self-appointed sages arise to tell us that the free market economy doesn't work any more.

Most of us fully appreciate the relation of inflation to our personal income tax liabilities. It has been calculated that a typical family of four paid just over nine percent of its $15,000 income in federal income taxes in 1977. If this family's income should continue to increase by seven percent annually, and if inflation should proceed at the same rate, in ten years the family would have the same real gross income, but it would have to pay almost 18 percent of its income in federal income taxes; its real tax liability would approximately double.[8] A similar calculation for a typical California family, taking into account all income and social security taxes and projecting 6.5 percent annual inflation with no gains in real income, deduced that in about eight years the family would be subject to a tax rate of 50 percent on any additional income.[9]

Even more drastic are the effects of inflation on the real returns to investment. Martin Feldstein has recently testified before the Joint Economic Committee of Congress that—

"During the past decade, effective tax rates have increased dramatically on capital gains, on interest income and on direct returns to investment in plant and equipment. Investors in stocks and bonds now pay tax rates of nearly 100 percent—and in many cases more than 100 percent—on their real returns.

". . . Our tax system was designed for an economy with little or no inflation. But if current rates of inflation persist, the existing tax laws will continue to impose effective tax rates of more than 100 percent on investment incomes. To make matters even worse, the current tax laws imply that future tax rates will depend haphazardly on future rates of inflation and therefore cannot be predicted at the time that investment decisions are being made.

". . . [I]n 1973 individuals paid capital gains tax on $4.6 billion of nominal capital

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gains on corporate stock. When the costs of these shares are adjusted for the increase in the consumer price level since they were purchased, this gain becomes a loss of nearly $1 billion.

". . . Inflation not only raises the effective tax rate, but also makes the taxation of capital gains arbitrary and capricious. Individuals who face the same statutory rates have their real capital gains taxed at very different rates because of differences in holding periods." [10]

Naturally, all this has had a chilling effect on businessmen's willingness to invest. Those who are puzzled by the ten-year slump of the stock markets or by the recent failure of real investment in plant and equipment to expand and push up labor productivity at historic rates need look no further for an answer.[11]

Unfortunately, however, there is more. Inflation has further penalized investment through its effect on depreciation allowances computed for tax purposes. The tax laws provide that part of a firm's gross income may be set aside for the maintenance of its plant and equipment as they wear out or become obsolete; that is, part of the gross income may be treated as what it is, a cost of doing business rather than a net return. However, the tax laws require that the depreciation allowances be based on the original dollar cost of the capital being replaced. As inflation proceeds, such allowances become more and more insufficient to cover the increased dollar costs of replacements. Feldstein concludes:

"This reduction in the real value of depreciation that is caused by the historic cost method of depreciation is equivalent to a substantial increase in the rate of tax on corporate and other investment income.

"In 1977, the historic cost method of tax depreciation caused corporate depreciation to be understated by more than $30 billion. This understatement increased corporate tax liabilities by $15 billion, a 25 percent increase in corporate taxes. This extra inflation tax reduced net profits by 28 percent of the total 1977 net profits of $53 billion. This is the single most important adverse effect of inflation on capital formation." [12]

The most devoted enemy of America's free market economy could scarcely devise a more devastating instrument for its destruction than the combination of our tax laws and inflation. Together they have so vastly reduced the real returns on investment in plant and equipment that there remains little incentive to invest. Along with the historically subnormal rates of investment during the past decade, we have, not surprisingly, also experienced historically subnormal rates of real productivity growth. At the same time, however, the public sector has grown apace, its expansion fed by the invisible taxation of money via inflationary financing of its budget deficits and by explicit taxation of phantom gains in the private sector.

HEIGHTENED ECONOMIC UNCERTAINTY

Economists can, and usually do, easily overlook the distributional effects of inflation. In the standard textbook macroeconomic models the variables are so few and so highly aggregated that such effects cannot be represented. In these models there are no pensioners to be impoverished. Indeed, except for "the" real wage, there are not even any relative prices. With a single output and a single price of output, these models in effect reduce the analysis of inflation to a matter of numeraire, of mere notation. If all prices change by the same proportion (the single price assumption is defended on the grounds that it is analytically equivalent to the assumption that all implicit relative prices remain constant), then no real effects are supposed to ensue; the dollar serves only as a unit of account and its real "value" has no particular significance. Economists actually consider this abstraction from relative prices a virtue. After all, the greatest sin for a professional economist is to confuse nominal (absolute) and real (relative) prices; and what better way to forestall confusion than explicitly to assume the structure of relative prices fixed while analyzing the overall absolute price level.

Of course, every economist knows that relative prices do change during the course of inflation, that there are gainers and losers, and that the consequent shifts in the personal and group distributions of wealth may set in motion social conflicts. But so what? The economists correctly note that relative price changes and consequent distributional effects would occur even if the overall price level were constant. Therefore, they insist, to attribute the distributional effects that occur during an inflationary epoch to the inflation itself is simply to confuse once again absolute and relative prices. There is some virtue in this position, but not much. It completely overlooks the transfer of command over real resources to the public sector, as explained above. Moreover, the economist goes too far when he insists that the rate of inflation and the relative price structure are independent.

Because such independence does not exist, inflation cannot be understood fully as a "zero-sum game" played between net monetary creditors and net monetary debtors, where one group's gains exactly offset the other's losses. This approach takes too narrow a view. Not only does it abstract from the role of the tax system and from the effects of inflation on the structure of relative prices, but it also ignores the effects of inflation on the perceived legitimacy of the free market economy and hence on the institutional stability of the socioeconomic system. It is unlikely that people (especially politicians) will forever stand quietly aside and respect the rules of the alleged zero-sum game of inflation.

Empirical evidence indicates that as inflation becomes more rapid it also becomes more variable.[13] Not only is more rapid inflation itself an evil; it is an even greater evil because it is more difficult to forecast just *how* rapid it will be next month or next year. This uncertainty creates problems in the credit markets, because it makes consensus more difficult to reach between borrowers and lenders with respect to the expected rate of inflation. But the difficulties extend much more widely. As Milton Friedman has observed, "The more volatile the rate of general inflation, the harder it becomes to extract the signal about relative prices from the absolute prices." [14]

Two recent statistical studies have established that inflation and the structure of relative prices are not independent; rather, their variances are positively related. Examining annual data for the United States, 1947–1974, Daniel Vining and Thomas Elwertowski have shown that "as the general price level becomes more unstable or less predictable relative to its trend value . . . the dispersion in relative prices increases." They comment on their findings.

"If general price change instability is highly correlated with and accompanied by price inflation, and if dispersion in individual price changes widens in such periods. . . . then a general atmosphere of higher risk and insecurity is the result. . . . Indeed, one would hardly expect general price level instability to be the public policy problem that it manifestly is if it didn't have some systematic and predictable effect on the prices that are important to the individual, i.e., the prices of goods that he sells relative to those of the goods that he buys." [15]

In a similar but somewhat more sophisticated study, Richard W. Parks, using annual data for the United States, 1929–1975, has shown that "unanticipated changes in the rate of inflation have a significant effect on the amount of relative price change in the economy and result in nonneutral real effects." [16]

Heightened economic uncertainty is never good for a free market economy. Inflation creates greater uncertainty because it enlarges the random element in all markets. As inflation becomes more rapid, this effect is magnified more than proportionately. Coping with greater uncertainty requires higher real costs and therefore reduces the efficiency of the free market economy. As Ackley has noted, "because long-term contracts of all kinds involve more risk in inflationary periods and places, people refuse to enter upon them, sacrificing the many real production efficiencies and economies which are made possible by such contracts, as well as wasting resources in more frequent negotiation." [17]

Most serious of all, enlarged randomness in the market process threatens the institutional legitimacy of the free market system. When the links between effort and reward grow more tenuous, when the "poker-game aspects of capitalism come to the fore,"[18] when the winners in the race for wealth are increasingly viewed as the recipients of windfall gains, lucky rather than able or hardworking, then people perceive less fairness in the market distributions of income and wealth. In the long run, nothing can undermine the free market economy more surely than a widespread deterioration of belief in its basic equity. As Kenneth Boulding has said, "the dynamics of legitimacy . . . really determine the future of the world." [19] With a stable price level, "the old-fashioned virtues of hard work, thrift, honesty, and so on come into their own." [20] Needless to say, these are precisely the sorts of virtues that have helped to make America's free market economy so productive and progressive historically. If they disappear, the future will be grim. It may be grim anyhow, because the diminishing legitimacy of the free market economy, which inflation is doing so much to accelerate, is creating not only a readier acceptance of governmental controls but a positive demand for them.

PRICE CONTROLS

During both world wars and the Korean conflict and again under Nixon, the federal government has undertaken to supplant extensively the market determination of prices and to hold many prices below market-clearing levels while simultaneously stimulating aggregate demand to a high degree. The recurrence of these episodes suggests strongly that people do not learn from history. Although almost everyone recognizes that price controls "did not work" the last time, many support their reimposition. And indeed, in the brief afterglow of their reintroduction, they enjoy high popularity. This dissipates as the inevitable distortions, inequities, and absurdities induced by the controls become more evident. Eventually, almost everyone begs for termination of the program. Like epidemic diseases, price controls tend to rise and fall in accordance with their own internal logic.[21] Unfortunately, a full-fledged episode of price controls usually deposits a permanent residue of less comprehensive but more permanent controls, such as the energy price controls that persisted after Nixon's infamous Phases had passed away.

Joseph Schumpeter placed great emphasis on the role of price controls in facilitating the "march into socialism." They could, he warned, *result in a surrender of private enterprise to public authority.*

". . . Perennial inflationary pressure can play an important part in the eventual conquest of the private-enterprise system by the bureaucracy—the resultant frictions and deadlocks being attributed to private enterprise and used as arguments for further restrictions and regulations."

He noted in passing that "they will cer-

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tainly not call it Socialism or Communism."[22]

For the politician, especially for the President, price controls serve a vital purpose: with great fanfare, they decisively shift the blame for inflation onto the private sector. Perhaps this is the sense in which one can say that "they work." No matter how many times excessive expansion of the money stock is shown to be the necessary condition for inflation,[23] the public stands perpetually prepared to swallow cost-push, administered-price, and other superficial theories of inflation. Politicians know this. They know, too, that well-known economists can be enlisted to support at public forums each of these competing theories. The ensuing Tower-of-Babel exhibitions (*e.g.*, President Ford's inflation "summit meeting") in effect communicate to the public the message that "no one really understands our present inflation." Amid the confusion, the politicians wriggle off the hook. After all, how can the ordinary citizens really be sure that excessive creation of money to facilitate the financing of huge budget deficits is the true cause of inflation? Why, even the economists can't agree.

At the end of 1978 we had again come full circle. With inflation accelerating toward double-digit rates and the previous episode of price controls almost five years behind us, the President announced a brave new program to cage the beast of inflation and, over many years, to tame it. His program of "voluntary" wage and price constraints displayed all the absurdities of its predecessors. As the program lacked Congressional authorization, firms were merely invited to comply voluntarily with the guidelines; but if they declined the invitation, the government would use its procurement powers to punish them. It would also provoke the consuming public to ferret out offending firms and withdraw patronage from them. Profits as well as prices would be subject to allowable ceilings. Senseless distinctions were made between different fringe-benefit costs to employers. Ridiculous exemptions were granted to agricultural, fishery, and mineral products because their "prices are determined purely by supply and demand factors"[21]—as if other prices were determined by gnomes and gremlins. But what could one expect from a Council on Wage and Price Stability whose chairman, Alfred Kahn, was reported to have said that an "excessive" increase in the salaries of Chicago aldermen would "seriously undermine our efforts to bring inflation under control."[25] Economic balderdash of this caliber would have been slightly humorous if it had emanated from a less threatening source.

Many merely scoffed at the President's program, secure in the conviction that the "voluntary" controls would prove impotent. But such extreme confidence was unwarranted. In fact, many large enterprises would comply, at least for a while. As the Wall Street Journal's editors quickly noted, "The great corporations have fallen pusillanimously in line."[26] George Meany, on the other hand, blasted the program as "unfair and inequitable" and warned that it would lead to "public scapegoating." So far, so good. Meany, however, reasoning as if a vast extension of a limited evil would somehow make it virtuous, called for a more comprehensive and mandatory control program.[27]

Here, indeed, lies the gravest danger of the guidelines program. As Herbert Stein has observed:

"Such weak interference is frequently the prelude to stronger interference. It feeds the belief which still exists in some quarters that such intervention is the way to control inflation, and creates a demand and temptation for the President to do more of it when the weaker measures are seen not to have worked."[28]

Somewhere in the Valhalla of great economists, Schumpeter must be smiling sadly.

CONCLUSIONS

For decades inflation has been contributing significantly to the ill-being of America's free market economy, and during the most recent decade its virulence has increased. The effects are multiple and interactive. Financing of the government's huge budget deficits by the invisible tax on monetary claims—the modern counterpart of taxation without representation—shifts real wealth from the private sector to the control of government, defrauding public bondholders in the process. The combination of our tax laws and inflation creates disincentives for investment. The consequent slowdown of productivity increase is then widely attributed to inadequacies in the free market economy. Inflation heightens the uncertainty surrounding all economic transactions: higher inflation tends to be more variable; and more variable inflation goes hand in hand with more variable relative prices. Enlarged randomness in the price mechanism attenuates the links between effort and reward; windfalls proliferate. The increased role of luck and the decreased role of thrift and hard work diminish the legitimacy of market-determined rewards; hence, there arises an increased acceptance of and a positive demand for controls of the market mechanism. Wage and price guidelines respond to these demands. The weak and vacillating guidelines themselves do relatively little harm, but they can easily evolve into comprehensive and mandatory controls of wages, prices, and profits. If they do, the free market economy will be gone. It has been lost before, and at least partially recovered. No one knows how many times we can play this dangerous game before all our economic freedoms are lost irretrievably and hence our other freedoms placed in greater jeopardy.

Ironically, the most accurate and complete brief statement I have found of the relations between inflation and the destruction of the free market economy appears in an early work by the economist who would subsequently do more than anyone else to provide a theoretical justification for the universal adoption of inflationary fiscal-monetary policies in the western nations. In his Economic Consequences of the Peace, written in 1919, however, John Maynard Keynes saw clearly what the effects of inflation already had been in postwar Europe, and he feared for the future. He wrote:

"Lenin is said to have declared that the best way to destroy the Capitalist System was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and, while the process impoverishes many, it actually enriches some. The sight of this arbitrary rearrangement of riches strikes not only at security, but at confidence in the equity of the existing distribution of wealth. Those to whom the system brings windfalls, beyond their deserts and even beyond their expectations or desires, become "profiteers," who are the object of the hatred of the bourgeoisie, whom the inflation has impoverished, not less than of the proletariat. As the inflation proceeds and the real value of the currency fluctuates wildly from month to month all permanent relations between debtors and creditors, which form the ultimate foundation of capitalism, become so utterly disordered as to be almost meaningless; and the process of wealth-getting degenerates into a gamble and a lottery.

"Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose.[29]

After sixty years, the validity of this analysis remains unimpaired.

FOOTNOTES

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[3] Arthur M. Okun, "Efficient Disinflationary Policies," American Economic Review 68 (May 1978): 349.

[4] Gardner Ackley, "The Costs of Inflation," ibid., p. 149, emphasis in original. See also Henry C. Wallich, "Stabilization Goals: Balancing Inflation and Unemployment," ibid., p. 161.

[5] Thomas Mann, "The Witches' Sabbath," in Michael Jefferson and others, Inflation (London: John Calder, 1977), p. 166.

[6] Paul W. McCracken, "Towards Full Employment and Price Stability," Nebraska Journal of Economics and Business 17 (Autumn 1978): 7.

[7] Ackley, "Costs of Inflation," p. 153.

[8] John Pierson, "Is It Time to Index Taxes?" Wall Street Journal (Aug. 9, 1978).

[9] "Squeezing the Average Family," Fortune 97 (Feb. 13, 1978): 66.

[10] Martin Feldstein, "Inflation and Capital Formation," Wall Street Journal (July 27, 1978). See also Richard W. Kopcke, "The Decline in Corporate Profitability," New England Economic Review (May-June 1978): 36–60.

[11] Charles R. Nelson, "Inflation and Rates of Return on Common Stocks," Journal of Finance 31 (May 1976): 471; Peter K. Clark, "Capital Formation and the Recent Productivity Slowdown," ibid. 33 (June 1978): 956–975.

[12] Feldstein, "Inflation and Capital Formation."

[13] Dennis E. Logue and Thomas D. Willett, "A Note on the Relation Between the Rate and Varliability of Inflation," Economica 43 (May 1976): 151–158.

[14] Milton Friedman, "Nobel Lecture: Inflation and Unemployment," Journal of Political Economy 85 (June 1977): 467.

[15] Daniel R. Vining, Jr., and Thomas C. Elwertowski, "The Relationship between Relative Prices and the General Price Level," American Economic Review 66 (Sept. 1976): 701,705,706.

[16] Richard W. Parks, "Inflation and Relative Price Variability," Journal of Political Economy 86 (Feb. 1978): 81.

[17] Ackley, "Costs of Inflation," p. 153, emphasis added. See also Okun, "Efficient Disinflationary Policies," p. 349; and Wallich, "Stabilization Goals," p. 161.

[18] Kenneth E. Boulding, Beyond Economics: Essays on Society, Religion, and Ethics (Ann Arbor: University of Michigan Press, 1968), p. 206.

[19] Ibid., p. 52.

[20] Ibid., p. 208. See also Wallich, "Stabilization Goals," p. 163.

[21] George P. Schultz and Kenneth W. Dam, "The Life Cycle of Wage and Price Controls," in Economic Policy Beyond the Headlines (New York: W. W. Norton, 1977), pp. 65–85.

[22] Joseph A. Schumpeter, "The March into Socialism," in Capitalism, Socialism, and Democracy, 3rd ed. (New York: Harper and Row, 1950), p. 424.

[23] Milton Friedman and Anna Jacobson Schwartz, A Monetary History of the United States, 1867–1960 (Princeton: Princeton

University Press, 1963); and Peter I. Berman, Inflation and the Money Supply in the United States, 1956–1977 (Lexington: Heath, Lexington Books, 1978).

[24] "Some Wage and Price Standards are Altered, But Thrust of Inflation Plan is Unchanged," Wall Street Journal (Dec. 14, 1978).

[25] "Chicago Aldermen Bow to Carter, Cut Pay Raise," Wall Street Journal (Dec. 14, 1978).

[26] "The Imperial Presidency" [editorial], Wall Street Journal (Dec. 11, 1978).

[27] "Mandatory Wage, Price Controls Urged by AFL–CIO; Voluntary Plan Assailed," Wall Street Journal (Nov. 1, 1978).

[28] Herbert Stein, "Is Government Our Partner?" Wall Street Journal (Jan. 30, 1978).

[29] John Maynard Keynes, "The Economic Consequences of the Peace (New York: Harcourt, Brace, and Howe, 1920), pp. 235–236. See also Ackley, "Costs of Inflation," p. 151 and the remarks by Mann cited above.

GOLD CLAUSE IN UNION CONTRACTS?

Mr. HELMS. Mr. President, back in June, The Washington Post published an interesting article concerning contract negotiations being conducted between the Professional Employees Federation and New York State.

In 1976 I introduced a bill which would legalize for the first time in 40 some years contracts between individuals denominated in gold.

I suggested at that time that if the United States continued to corrupt the dollar, and make it less and less practical as a medium of exchange, citizens should have the freedom to use alternative media such as gold.

The Professional Employees Federation has made precisely that proposal to New York State, stating in effect that the U.S. dollar cannot be trusted. They are unfortunately correct in that judgment.

Mr. President, I ask unanimous consent that the article entitled, "N.Y. Union Proposes to Dump Dollar," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

New York Union Proposes to Dump Dollar

(By Lee Lescaze)

New York, June 22.—The dollar has taken some hard knocks recently and now a New York union has proposed that its members be paid in something of more durable value.

"Recognizing the possibility of uncontrollable inflation and the serious loss of credibility and purchasing power of [the dollar], the employer upon union's demand, will probably remunerate employes in mediums of exchange other than the presently used U.S. Federal Reserve dollar," the Professional Employes Federation has proposed in its negotiations with New York state.

"Such alternate mediums of exchange include, but are not limited to, gold, silver, platinum, bullion and coin, and/or one or more foreign currencies," the union contract proposal states.

If the union's idea catches on, the trend could affect television programming. Americans could be watching "Bowling for Yen" and goldbugs could compete on "The 228.57 Ounce Question."

Christine Grosse, public relations director of the union, said the proposal is serious. "Every proposal we put on the table is serious or we wouldn't put it on the table," she said. The union has a number of economists among the 48,300 state workers for whom it bargains and they helped formulate the unique bargaining approach, Grosse added.

"We're not suggesting that the governor pan gold in Colorado and pay us in gold dust," she said. "We want to be paid in the value of gold or silver or another index of value."

She was asked what the state's reaction had been.

"They laughed at it. We said, 'Hey, this is serious. Is this an indicator of how you're going to treat our association?' "

As far as the Professional Employes Federation (which represents doctors, nurses, engineers and accountants among 2,700 job titles) knows, its proposal is the first of its kind in the nation.

It wants to demonstrate to Gov. Hugh Carey and the state Department of Employe Relations that the 7 percent annual wage guideline Carey insist on following is too low in light of continuing inflation and other labor settlements in the nation.

So far, negotiations are not going well, both sides agree. They are close to calling for a mediator and there is more than the medium of payment dividing them.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–369. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Banking, Housing, and Urban Affairs:

"Resolution

"Whereas, American shoe manufacturers, who recently began to rebound from the flood of cheap imported footwear, now find themselves shod with a potentially more crippling problem, the steadily increasing prices for a shrinking supply of domestic cattlehides; and

"Whereas, the price of American cattlehides has more than tripled in the past 17 months, and hide prices have risen by more than 68 percent since January, from 59.3 cents per pound to one dollar per pound as of last month; and

"Whereas, the impact of such increases on consumers will probably be felt next year, and at least two of New England's major shoe firms fear continued higher prices could lead to layoffs and possibly shutdowns in leather-related industries; and

"Whereas, primarily because of Taiwanese and Korean imports, the footwear industry currently employs 14,000 workers in Massachusetts as opposed to an employment figure of more than 20,000 eight years ago, but the hide market situation may prove a more serious aggravation, hitting the industry from the inside; and

"Whereas, as the United States provides 75 percent of the world's commerce in hides yet accounts for only 15 percent of the supply, the main reason for the bleak outlook is that most of the domestic hides are being exported to nations which capitalize on the devalued dollar, where they fetch a higher price than if they were sold to American tanneries and leather processors; and

"Whereas, the high amount of exports combined with a steadily declining slaughter rate have resulted in scarce supplies at inflated prices of raw materials needed by producers of shoes, handbags, belts and other leather goods, so that increased hide prices could cost consumers from 1 to 2 billion dollars; therefore be it

"Resolved, that the Massachusetts House of Representatives hereby urges the President and the Congress of the United States to pass legislation whereby a limit shall be placed on the number of hides which may be exported from the United States; and be it further

"Resolved, that the President's special trade advisor, Robert Strauss, be exhorted to convince Brazil and Argentina to cease and desist from restricting the export of their own hide supplies, which would relieve some of the demand in foreign quarters on the purchase of material from the United States; and be it further

"Resolved, that copies of these resolutions be forwarded by the clerk of the House of Representatives to the President of the United States, Special Trade Advisor Robert Strauss, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM–370. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"Resolution

"Whereas, the citizens of the Commonwealth are being subjected to an inflationary price spiral for both gasoline and heating fuel; and

"Whereas, these excessive prices have reached the point of bringing about the destruction of the American quality of life and a slow down of our economic growth; and

"Whereas, those items basic to life, itself, food and adequate heat, will be beyond the financial reach of our citizens; and

"Whereas, the current crisis is aggravated by the individual United States companies bidding against each other for the right to bring oil to our American market; and

"Whereas, the critical conditions existing in our country today resulting from these spiraling cost of oil can best be slowed if the United States government acted as the sole bargaining agent for the purchase of oil imported into our country; and

"Whereas, there is pending in the Congress of the United States, a House Bill, numbered 2156, which provides that the Federal government shall act as the sole bargaining agent for the purchase of oil imported into our country; therefore be it

"Resolved, that the Massachusetts House of Representatives hereby respectfully urges the Congress of the United States to pass said House Bill 2156; and be it further

"Resolved, that copies of these resolutions be forwarded by the clerk of the House of Representatives to the President of the United States, the presiding officers of each branch of the Congress, and to the members thereof from this Commonwealth."

POM–371. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTION

"Whereas, persistent shortages of diesel fuel are hindering the continued operation of trucks delivering foodstuffs and other products essential to the safety and well-being of the people of the Commonwealth; and

"Whereas, skyrocketing costs for these same fuels are imposing severe hardships on the operators of said trucks making it extremely difficult for them to continue their operations; and

"Whereas, tangled Federal regulation of the trucking industry has created a climate which obstructs the industry from carrying out their function in a manner most consistent with the needs of the consumers of the Commonwealth; and

"Whereas, continued transport by truck is vital to the health and economic prosperity of our state; therefore be it

"Resolved, that the Massachusetts House of Representatives recognizing the difficulty faced by the trucking industry and the importance of the trucking industry to the Commonwealth, respectfully urges the President and the Congress of the United States to take necessary action to alleviate the shortage and reduce the cost of diesel fuel to the trucking industry; and be it further

"Resolved, that copies of these resolutions be forwarded by the clerk of the House of Representatives to the President of the United States, to the presiding officer of each branch of the Congress and to the members thereof from this Commonwealth."

POM-372. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"ASSEMBLY JOINT RESOLUTION NO. 7

"Whereas, It is a reprehensible policy that would assume that the moral obligation for the mass murder of over 11,000,000 innocent victims of the "Holocaust" can be eliminated by the passage of time; and

"Whereas, The statute of limitations of the German Federal Republic relating to Nazi war criminals is scheduled to expire on December 31, 1979; and

"Whereas, If such statute of limitations does expire, no investigation of murder, including genocide, committed by Nazi war criminals can be initiated after that date; and

"Whereas, If such statute of limitations does expire, thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice; and

"Whereas, Crimes of lessor horror than mass murder and genocide are subject to no statute of limitations either in California or in numerous other jurisdictions; and

"Whereas, It is in the interest of all free people that new generations not be allowed to forget the dangers and consequences of the crime of genocide; and

"Whereas, An international campaign to convince the German Federal Republic to eliminate or extend the current statute of limitations has been initiated by a broad base of concerned organizations and individuals; now, therefore, be it

***"Resolved by the Assembly and the Senate of the State of California, jointly,* That the Government of the United States urge the German Federal Republic and the legislators of that nation to abolish or extend the statute of limitations relating to Nazi war crimes; and be it further**

***"Resolved,* That the Legislature requests that the President and Secretary of State of the United States communicate the contents of this resolution on behalf of the people of California to the following officials of the German Federal Republic: the President, the Chancellor, the Ambassador to the United States, Chief Justice of the Supreme Court, and the national legislators; and be it further**

***"Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President of the United States, to the Secretary of State, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to the Chairman, Senate Foreign Relations Committee, to the National Security Council members, and to each Senator and Representative from California in the Congress of the United States."**

POM-373. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION NO. 35

"Whereas, the United States Congress has shown by its enactment of Section 125 of the Clean Air Act Amendments of 1977 that it recognizes regional energy distinctions in its continuing effort to maintain and to improve the environment; and

"Whereas, the peoples of the United States and the state of Louisiana have spent vast sums of money to provide for improvements in the environment of the state of Louisiana; and

"Whereas, Section 125 of the Clean Air Act Amendments of 1977 now provides that the president acting alone, or the president in mutual agreement with the governor of a state, may by rule or order prohibit any existing or new major fuel burning stationary source which is not in compliance with the air quality implementation plan or which is prohibited from burning oil or natural gas from using fuels other than locally or regionally available coal or coal derivatives if it is determined that economic disruption or unemployment would otherwise result; and

"Whereas, the governor or the administrator of the Environmental Protection Agency shall require by rule or order each such source to enter into long-term contracts for supplies of regionally available coal as well as contracts to acquire necessary additional means of pollution abatement and to follow compliance schedules to meet air quality standards; and

"Whereas, the decision to require use of coal regionally or locally available shall take into account final costs to the consumers thus adding to inflation woes; and

"Whereas, natural gas accounts for ninety percent of the total energy consumption in the industrial and electrical generation sectors in Louisiana; and

"Whereas, even the use of fuel oil by utilities, excluding conversion costs, would more than double electricity bills to consumers; and

"Whereas, conversion from natural gas to coal would require the construction of new boilers for electrical generation at a cost exceeding current total plant investment, the estimated total conversion cost to be $6 billion for the twelve operating plants in Louisiana; and

"Whereas, conversion costs for boilers for industrial use would average $8.4 billion, a large portion of which sum includes capital expenditures required to install pollution control devices to meet air quality implementation plans; and

"Whereas, the aggregate conversion investment for both utilities and industry in Louisiana has been calculated to average $14.4 billion, not including the investment associated with rail, pipeline, or barge transportation of coal; and

"Whereas, the transportation of coal by rail and by barge will result in pollution of the environment as coal dust is released into the atmosphere; and

"Whereas, environmental protection officials have stated that many cities are on the borderline between meeting and not meeting air quality standards and that a large-scale shift to coal could cause environmental deterioration or significant deterioration of air quality of Louisiana; and

"Whereas, industry in Louisiana has indicated that conversion from natural gas to coal will impose on them a great burden and that abandonment of plants might be an alternative to conversion; and

"Whereas, unemployment of Louisiana citizens would be a sad result of plant closures.

"Therefore be it resolved, that the Senate of the Legislature of the State of Louisiana, the House of Representatives thereof concurring, hereby memorializes the Congress of the United States to amend Section 125 of the Clean Air Act Amendments of 1977 to provide that states shall use fuels indigenous to their region if use of alternative fuels would cause environmental deterioration or significant deterioration, economic disruption, or unemployment.

"Be it further resolved that a copy of this Resolution shall be transmitted without delay to the vice president of the United States, as the presiding officer of the United States Senate, to the speaker of the United States House of Representatives, and to each member of the Louisiana delegation in the Congress."

POM-374. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Energy and Natural Resources:

"SENATE CONCURRENT RESOLUTION NO. 36

"Whereas, the Natural Gas Policy Act purports to eliminate the disparity between regulated interstate sales of natural gas and unregulated intrastate supplies of natural gas by establishing prices applicable to both systems; and

"Whereas, even many of the authors of the Natural Gas Policy Act acknowledge that the unregulated intrastate system has resulted in surpluses of natural gas in the intrastate market; and

"Whereas, the regulated interstate system has had declining supplies of natural gas resulting in subsequent increased oil imports; and

"Whereas, the Natural Gas Policy Act will subject intrastate sales to regulation such as has caused declining supplies of natural gas in the interstate market in the past; and

"Whereas, pricing provisions which curb free market prices will only serve as a disincentive to many producers, thus depriving the public of gas supplies that would accrue to and be available for consumption under free market prices which exceed federal price ceilings, thereby contributing to the premature demise of a valuable natural energy resource; and

"Whereas, an immense capital investment is required in the development, exploration, and production of oil and natural gas; and

"Whereas, a decline in exploration and production will not only deprive Americans of a desperately needed fuel source but will also severely impact the economy of Louisiana which derives millions of dollars in revenues from severance taxes and royalty interests, revenues which are used to provide vital services to Louisiana citizens; and

"Whereas, the pricing provisions of the Natural Gas Policy Act will also have the effect of diverting Louisiana natural gas from the intrastate to the interstate market since both markets will be subjected to regulated, maximum ceiling prices, the effect being that intrastate producers will no longer benefit by free market prices which in Louisiana have been higher than interstate regulated prices, which situation had been an incentive to producers to engage in exploration and development and to market their gas in Louisiana so that Louisiana citizens would be provided a supply of vital natural gas; and

"Whereas, diversion to the interstate market is further exacerbated by the fact that under interstate rollover contracts a producer may receive higher prices than he would under an intrastate rollover contract, the consequence being enticement of Louisiana natural gas out of the state so that numerous Louisiana customers will be without a source of supply of natural gas following the expiration of current contracts; and

"Whereas, other provisions to the benefit of interstate consumers are made so that a customer of interstate gas committed or dedicated prior to November 9, 1978, shall be given the right of first refusal to any subsequent sale of gas following the expiration of the current contract, thereby giving interstate customers opportunities to negotiate for that gas, although this right is not provided to intrastate customers; and

"Whereas, diversion to the interstate market is additionally suggested by emergency provisions of the Natural Gas Policy Act which provide that the president under emergency situations may authorize interstate pipeline and distributors to make emergency purchases of natural gas from intrastate lines in order to provide natural gas for high-priority users such as residences, small commercial establishments, schools, hospitals, and similar institutions to the possible detriment of Louisiana consumers; and

"Whereas, the president has the further authority to allocate for emergency needs that natural gas being used as boiler fuel; and

"Whereas, in Louisiana twenty-seven percent of the total intrastate natural gas supply was used in 1977 by electrical generating plants as boiler fuel to provide electricity to Louisiana high-priority users—residences, commercial establishments, schools, hospitals, and similar institutions; and

"Whereas, this high-priority use of natural gas as boiler fuel would be subject to allocation to interstate homes, businesses, and institutions which utilize natural gas, while depriving Louisiana citizens of crucial electrical supplies to heat, cool, and light their dwellings and institutions; and

"Whereas, curtailment provisions ensure the availability of natural gas for high-priority users as defined above, including residences, but would eliminate the use of boiler fuel to produce electricity in Louisiana because boiler fuel use of natural gas is a low-priority and is in fact prohibited from use in existing electrical generating plants by 1990 and in any newly constructed utility generation facility; and

"Whereas, this prohibition on the use of natural gas by utilities will force a conversion to alternate fuel, principally coal; and

"Whereas, in the utility sector alone conversion from natural gas to coal would require the construction of new boilers for electrical generation at a cost in excess of total current plan investment which has been estimated at $6 billion, the expense to be borne by Louisiana electrical customers; and

"Whereas, in addition to boiler fuel use of natural gas in electrical generating plants, twenty-eight percent of total intrastate natural gas is used as a boiler fuel in Louisiana industry and would suffer under the same mandatory emergency purchase and allocation provisions as well as prohibitions against utilization of natural gas as have been described previously relative to utilities; and

"Whereas, conversion costs for boilers for industrial use average $8.4 billion, including capital expenditures necessary to install pollution abatement devices; and

"Whereas, in many cases, conversion is technologically unfeasible and replacement of facilities would require tremendous capital investment; and

"Whereas, the conversion and/or replacement of facilities might prompt some Louisiana industries to relocate closer to sources of coal fuel, thereby creating an unemployment situation in our state, or otherwise make Louisiana industries non-competitive with similar industries located in closer proximity to coal supplies.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the Congress of the United States and the Louisiana Congressional delegation are hereby memorialized to recognize the inequities of the Natural Gas Policy Act to Louisiana.

"Be it further resolved that a copy of this Resolution shall be transmitted without delay to the president of the United States, the vice president of the United States, as the presiding officer of the United States Senate, to the speaker of the United States House of Representatives, and to each member of the Louisiana delegation to the Congress."

POM-375. A resolution adopted by the Ventura Avenue Sanitary District, Ventura, California, regarding construction grant funding for water reclamation projects; to the Committee on Environment and Public Works.

POM-376. A resolution adopted by the Board of Chosen Freeholders, Morris County, New Jersey, reminding the Congress of the United States of its responsibilities to enact all legislation necessary to make whole all citizens threatened with economic hardships caused by nuclear accidents; to the Committee on Energy and Natural Resources.

POM-377. A resolution adopted by the City Council of Mountain Iron, Minnesota, opposing the transfer of the St. Paul Office of the Corps of Engineers authority concerning the Western Lake Superior Drainage Basin to the Detroit, Michigan Office; to the Committee on Environment and Public Works.

POM-378. A petition from a private citizen, calling for a national policy referendum to advise the government regarding ratification of the SALT II Treaty and other matters of critical national importance; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, without amendment:

S. 585. A bill to authorize the Secretary of the Interior to engage in a feasibility study of the Yakima River Basin Water Enhancement Project (Rept. No. 96-248).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CRANSTON (by request):

S. 1518. A bill to amend title 38 of the United States Code to permit disclosure of names and addresses and other information maintained by the Veterans' Administration to a consumer reporting agency for certain debt collection purposes; to the Committee on Veterans' Affairs.

By Mr. BUMPERS:

S. 1519. A bill to authorize and direct the Secretary of Energy to deter repayment of certain reimbursable costs incurred by the Southwestern Power Administration, to waive certain costs, and to amend section 5 of the Flood Control Act of 1944; to the Committee on Energy and Natural Resources.

By Mr. BAYH:

S. 1520. A bill to amend the Internal Revenue Code of 1954 to make certain technical corrections with respect to the treatment of gasoline mixed with alcohol; to the Committee on Finance.

By Mr. RANDOLPH:

S. 1521. A bill to expand the licensing and related regulatory authority of the Nuclear Regulatory Commission over storage and disposal facilities for nuclear waste, to provide for meaningful State participation in the licensing of such facilities, and to establish a schedule for implementation of waste management planning; to the Committee on Environment and Public Works.

By Mr. HARRY F. BYRD, JR. (for himself and Mr. WARNER):

S. 1522. A bill to amend title 18 of the United States Code to prohibit the injury or destruction of a nuclear facility; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1523. A bill to amend title 38, United States Code, to establish demonstration centers of geriatric research, education, and clinical operations within the Veterans' Administration; to the Committee on Veterans' Affairs.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON (by request):

S. 1518. A bill to amend title 38 of the United States Code to permit disclosure of names and addresses and other information maintained by the Veterans' Administration to a consumer reporting agency for certain debt collection purposes; to the Committee on Veterans' Affairs.

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 1518, a bill to amend title 38 of the United States Code to permit disclosure of names and addresses and other information maintained by the Veterans' Administration to a consumer reporting agency for certain debt collection purposes. I will very shortly schedule a Veterans' Affairs Committee hearing on this bill.

I ask unanimous consent that the letter of transmittal and the text of the bill, together with an illustration prepared by committee staff showing the changes in existing law, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3301 of title 38, United States Code, is amended:

(a) by striking "or" at the end of paragraph (1) of subsection (f), changing the period after the word "law" in paragraph (2) to a comma, and inserting the following after the comma: "or (3) to a consumer reporting agency, as that term is defined by Public Law No. 91-508, title VI, section 603(f) (15 U.S.C. section 1681a(f)), when any such person is administratively determined to be indebted to the Veterans' Administration by virtue of participation in any Veterans' Administration benefits program, for the purposes of locating any such person. When the Administrator of Veterans' Affairs determines that such person has failed to respond to administrative efforts to collect such moneys, the Administrator may disclose such information to a consumer reporting agency. However, such disclosure shall be made only for the purpose of obtaining consumer reports in order to assess such person's ability to repay the debt and to give notice of the outstanding obligation. Disclosure which gives notice of the outstanding obligation shall be made only after 30 calendar days have elapsed after completion of reasonable efforts to notify the person of the Administrator's intention to disclose debt information. When the person disputes the accuracy of the information held by the Administrator or alleges a valid defense to paying the debt, release of information shall not be made by the Administrator until the accuracy of the information can be determined or until the Administrator has reviewed the defense raised by that person. Records disclosed to the consumer reporting agency pursuant to paragraph (3) of this subsection shall not be subject to 5 U.S.C. section 552a. Such records shall not be used for any purpose other than those provided in this subsection. The Administrator of Veterans' Affairs may also disclose such names and addresses for use in connection with civil proceedings for collection of such indebtedness.";

(b) by striking the phrase "the preceding sentence" in the last sentence of subsection (f) and inserting in lieu thereof "this subsection"; and

(c) by striking the phrase "such sentence" in the last sentence of subsection (f) and inserting in lieu thereof "this subsection".

Veterans Administration,
Washington, D.C., July 10, 1979.
Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: We are transmitting with this letter a draft bill "To amend title 38 of the United States Code to permit disclosure of names and addresses and other information maintained by the Veterans' Administration to a consumer reporting agency for certain debt collection purposes." This amendment is necessary in order for the Veterans Administration to pursue additional methods of locating veterans' benefits debtors, and in appropriate cases, to affect their credit standing if they fail to cooperate with agency debt collection, compromise or waiver procedures.

As you are aware, there is a great interest concerning the willingness and ability of the Federal Government to collect the sizeable debts owed to it. This has been reflected by the President and is in evidence in the Congress, and amongst the public generally. The Veterans Administration is very concerned with this problem, as it pertains to VA programs, and is very interested in obtaining authority to pursue collection or other resolution of these debts in as effective a manner as is reasonably possible. We have examined and implemented new methods to reduce the amount of indebtedness created and to achieve increased collection effectiveness on debts which may continue to arise. We are also working on other initiatives which will permit greater utilization of existing Federal resources to locate debtors and administratively recover monies owed to this agency. Currently, we are referring administratively uncollectable debts in excess of $600 to the Department of Justice for further collection efforts, including civil proceedings. We are working closely with Justice in an effort to assist U.S. Attorneys pursuing these debtors, and we believe that this method of debt collection should increase our collections in this area. However, the number of debtors and the costly, time-consuming process of bringing a civil proceeding is a burdensome method of collecting debts. Moreover, many debts cannot be referred in this manner because the amount owed is less than $600 or because of other factors which decrease the likelihood of successfully obtaining a civil judgment. Debts of less than $600 are not referred to the Department of Justice because regulations issued jointly by GAO and the Department of Justice limit referrals to those cases in excess of $600 due to cost effectiveness considerations. 4 C.F.R. Section 105.6.

We have been studying additional avenues of affecting increased debt collection. The legislation which we are now proposing will permit this agency to test two new approaches to dealing with specific problems in our debt collection efforts. They are now routinely used in private sector debt collection. This letter will address each of these separately. We would like to emphasize at the outset, however, that the Veterans Administration, as a matter of cost effectiveness and personal privacy policy, will utilize Federal resources, as opposed to private sector resources, whenever possible in attempting to collect monies owed to this agency. Moreover, it should be clear that individuals who avail themselves of existing agency debt resolution procedures, including waiver and compromise procedures, would not be subject to any possible use by the Veterans Administration of private sector debt collection resources.

Effective debt collection is dependent on correct information as to a debtor's location. Frequently, addresses given by beneficiaries of programs administered by this agency become outdated. The Veterans Administration has established the practice of obtaining the last known address maintained by the Internal Revenue Service (IRS). However, this information proves to be inadequate to locate a debtor in many cases, either because the debtor has moved, or because the current IRS law prevents the VA from using the address in the manner necessary for debt collection purposes. In these situations, we believe that a consumer reporting agency locator service may be able to provide us with the necessary current address information. As it is normally necessary to furnish individually identifying information, including name and last known address, in order to obtain address information from these sources, our proposed amendment would authorize disclosure for the purpose of locating any person who "is administratively determined to be indebted to the Veterans' Administration by virtue of participation in any Veterans' Administration benefits program."

Despite the concerted administrative efforts by the Veterans Administration to promptly and repeatedly notify each located debtor of his or her debt obligation and of agency debt resolution procedures, in a significant number of classes, primarily regarding education benefits overpayments and education loan defaults, we have been unable to elicit any response whatsoever. We are very concerned by this pattern of refusal to acknowledge even the apparent existence of a debt, and to work with the agency to resolve it. Where this pattern is present, we believe that a recovery option, effective even for debts under $600, and not involving the delays and extra Federal costs of debt collection litigation, should be authorized for study and possible use by the Veterans Administration. This option, to be used after all administrative efforts have been ignored, and the debtor has been placed on notice, would be that the Veterans Administration could refer information to a consumer reporting agency. We believe that it is quite possible that the potential adverse effect on the debtor's ability to obtain credit would encourage the debtor to utilize agency debt resolution procedures.

In addition to these disclosures which are designed to improve the effectiveness of our collection efforts, the draft bill would also permit disclosures in two other circumstances. The first situation arises where the Veterans Administration must determine that the debtor is able to repay the debt before referring collection of the debt to the Department of Justice or the General Accounting Office. At the present time, we employ a contractor to obtain asset and income information in order to comply with regulations issued jointly by GAO and the Department of Justice which require submission of such information. These regulations are intended to ensure that the Government does not pursue collection of a debt where the individual has no means of repaying it. The use of a consumer report prepared by a commercial consumer reporting agency to assess the debtor's ability to repay will accomplish the same purpose which is presently being accomplished by the agency's contractor. The second situation may arise where the Veterans Administration or the Department of Justice brings a civil action to collect debts owed to this agency. Disclosure may be necessary other than directly to attorneys from this agency or the Department of Justice. Accordingly, where a civil proceeding is contemplated, our proposed amendment would authorize disclosure of names and addresses for use in connection with the civil proceeding.

In order to carry out these initiatives, an amendment of existing VA law is necessary. Records of the Veterans Administration pertaining to a claim for benefits are confidential, and except for limited disclosures in court proceedings and to other Federal agencies, disclosure to third parties of a VA claimant's name and address is restricted by 38 U.S.C. section 3301(f). That provision allows disclosure only to nonprofit organizations in certain circumstances or to law enforcement authorities charged with the protection of the public health or safety. As a result of this restriction, the Veterans Administration may not, under existing authority, disclose individually identifying information about debtors for the purpose of locating delinquent debtors or affecting their credit standing, even on a test basis. Therefore, the legislative proposal is a prerequisite to any further action by this agency in this area. Even if a contractor consumer reporting agency was employed to furnish current address information, it would be unable to redisclose the VA name and address to third parties in order to obtain more current information, since the contractor's authority to disclose information is also governed by 38 U.S.C. section 3301(f). Similarly, with regard to affecting credit standing, disclosure of individual identifying information is a prerequisite.

We recognize that disclosure of names and addresses for the purposes mentioned above requires safeguards against potential misuse of such information. Subsection (f) of 38 U.S.C. section 3301, which is presently applicable to non-profit or law enforcement organizations which obtain VA names and addresses under certain circumstances, would also be applicable to redisclosures by the consumer reporting agency. This subsection prohibits the use of VA names and addresses for any purpose other than the purposes specified in section 3301(f). The effect of that provision under this amendment would be to permit VA contractors to use VA name and address lists only for the purposes indicated in the bill. For any other use, the subsection provides for a fine of up to $5,000 for the first offense and up to $20,000 for each subsequent offense. Appropriate sanctions, such as termination of the contract or referral to the Department of Justice for criminal prosecution, will be applied if violations occur.

We also plan to require certification by the consumer reporting agency of its compliance with the Fair Credit Reporting Act. With regard to the accuracy of information disclosed by the VA, we plan to institute new procedures to verify that the VA's debt records are accurate and complete. The debtor will be given ample opportunity to challenge the accuracy of the information, and where disputes arise, the bill requires the VA to resolve the dispute prior to referral of information to a consumer reporting agency. Other safeguards will be implemented through contractual provisions, and as indicated, regulations when necessary to avoid unfair or questionable practices.

The draft bill specifically excludes application of the Privacy Act, 5 U.S.C. section 552a, to information disclosed to consumer reporting agencies pursuant to the provisions of paragraph (3) of the proposed subsection. Subsection (m), where applicable, requires that records maintained by a contractor for an agency be maintained in accordance with the Act's provisions. If the Act were to be applied, it would establish rights, such as the right of direct access to an individual's own file, opportunity to amend and to bring a civil action for violation of any of the Act's provisions, and duties, such as limiting the disclosure of information, accounting for each disclosure, and the duty to maintain records in accordance with the Act's standards, which are not presently applicable to consumer reporting agencies. However, consumer reporting agencies presently must comply with the Fair Credit Reporting Act, which does provide other substantial rights to the individual who is the subject of information conveyed by the VA to a consumer reporting agency, including the right to challenge the accuracy of a consumer report and to require deletion of outdated or unverifiable information. If requirements such as those of the Privacy Act are to be imposed on consumer reporting agencies, we believe it would be preferable to do so on an industry-wide basis rather than only on those agencies which cooperate with and accept information from the Veterans Administration. As a practical matter, we are unsure whether a contractor consumer reporting agency would cooperate with the VA if it was required to conform its operation to provisions more stringent than the Fair Credit Reporting Act.

For the foregoing reasons, we urge the Congress to take immediate action on this proposal.

There will not be any significant additional cost if this proposal is enacted. Advice has been received from the Office of Management and Budget that there is no objection to the submission of the draft legislation and its enactment would be consistent with the Administration's objectives.

Sincerely,

MAX CLELAND,
Administrator.

CHANGES IN EXISTING LAW MADE BY S. 1518 AS REPORTED

In accordance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—UNITED STATES CODE

* * * * *

PART IV—GENERAL ADMINISTRATIVE PROVISIONS

* * * * *

Chapter 57—RECORDS AND INVESTIGATIONS

SUBCHAPTER I—RECORDS

Sec.
3301. Confidential nature of claims.
3302. Furnishing of records.
3303. Certification of records of District of Columbia.
3304. Transcript of trial records.

SUBCHAPTER II—INVESTIGATIONS

3311. Authority to issue subpenas.
3312. Validity of affidavits.
3313. Disobedience to supena.

Subchapter I—Records

§ 3301. Confidential nature of claims

(a)

* * * * *

(f) The Administrator may, pursuant to regulations the Administrator shall prescribe, release the names or addresses, or both, of any present or former members of the Armed Forces, and/or their dependents, (1) to any nonprofit organization if the release is directly connected with the conduct of programs and the utilization of benefits under this title, [or] (2) to any criminal or civil law enforcement governmental agency or instrumentality charged under applicable law with the protection of the public health or safety if a qualified representative of such agency or instrumentality has made a written request that such names or addresses be provided for a purpose authorized by law[.], or (3) *to a consumer reporting agency, as that term is defined by Pub. L. No. 91–508, Title VI, § 633(f) (15 U.S.C. § 1681a(f)), when any such person is administratively determined to be indebted to the Veterans' Administration by virtue of participation in any Veterans' Administration benefits program, for the purpose of locating such person. When the Administrator of Veterans' Affairs determines that such person has failed to respond to administrative efforts to collect such monies, the Administrator may disclose such information to a consumer reporting agency. However, such disclosure shall be made only for the purpose of obtaining consumer reports in order to assess such person's ability to repay the debt and to give notice of the outstanding obligation. Disclosure which gives notice of the outstanding obligation shall be made only after 30 calendar days have elapsed after completion of reasonable efforts to notify the person of the Administrator's intention to disclose debt information. When the person disputes the accuracy of the information held by the Administrator or alleges a valid defense to paying the debt, release of information shall not be made by the Administrator until the accuracy of the information can be determined or until the Administrator has reviewed the defense raised by that person. Records disclosed to the consumer reporting agency pursuant to paragraph (3) of this subsection shall not be subject to 5 U.S.C. § 552a. Such records shall not be used for any purpose other than those provided in this subsection. The Administrator of Veterans' Affairs may also disclose such names and addresses for use in connection with civil proceedings for collection of such indebtedness.*

Any organization or member thereof or other person who, knowing that the use of any name or address released by the Administrator pursuant to [the preceding sentence] *this subsection* is limited to the purpose specified in [such sentence] *this subsection*, willfully uses such name or address for a purpose other than those so specified, shall be guilty of a misdemeanor and be fined not more than $5,000 in the case of a first offense and not more than $20,000 in the case of any subsequent offense.

* * * * *

By Mr. BUMPERS:

S. 1519. A bill to authorize and direct the Secretary of Energy to defer repayment of certain reimbursable costs incurred by the Southwestern Power Administration, to waive certain costs, and to amend section 5 of the Flood Control Act of 1944; to the Committee on Energy and Natural Resources.

● Mr. BUMPERS. Mr. President, I am introducing a bill which authorizes the Secretary of Energy to redress the capital repayment problems of the Southwestern Power Administration without unduly burdening current ratepayers.

Section 5 of the Flood Control Act of 1944 requires the Secretary of the Army to deliver surplus power from Government dams to the Secretary of the Interior who, in turn, is obliged to dispose of the power "in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles." The rate schedules must recover the capital costs associated with producing the power "including the amortization of the capital investment allocated to power over a reasonable period of years." The rate schedules must be approved by the Secretary of Energy through the Federal Energy Regulatory Commission.

For nearly two decades following its inception, the SPA failed to recover those capital costs. In fact, during that period, it lost $18,300,000, especially in its early years when it purchased expensive power in order to meet its supply obligations and when it supported the Korean war effort by selling low-cost power under contract No. Ispa–514 destined for an aluminum processor.

In recent years, SPA has acted to rectify this situation, filing rate changes with the FERC and its predecessor the Federal Power Commission. The new rates were designed to recover capital costs within a 50-year period calculated to have begun when SPA's dams began operating. Since nearly that period had elapsed before the new rates were proposed, the time for recovery had been severely compressed. Consequently, the rate increases necessary to recover the costs in that compressed time were exceedingly high. In some cases, the rates were nearly doubled.

I certainly do not object to the principle recognized by section 5 of the Flood Control Act that costs associated with producing power be paid by those who receive the power. The difficulty here is that SPA has failed for so long to recover its costs that the ratepayers who will be required to pay these higher rates may well be different from those ratepayers who enjoyed the previous insufficient rates. This disparity, coupled with the severity of the increase, has invited numerous utilities to engage the Departments of Interior and Energy in extensive litigation. These rate increases can be softened, while honoring the cost-recovery principle, to ease the blow to the ratepayers and to reduce the litigation.

My proposal would do that. First, it would simply define the recovery period as 60 years. Currently, that period has been fixed at 50 years. Although that number has only resulted from traditional practice, not from specific statutory language or identifiable legislative history, the Department of Interior is convinced that legislative action is necessary to extend the cost-recovery period beyond 50 years. My proposal answers that need, so that the rate increases can be moderated somewhat and still recover costs.

Similarly, my proposal recognizes that

the failure to recover costs attributable to contract No. Ispa-514 resulted from overriding public policy considerations and that current ratepayers should not now be burdened with rate increases designed to recover those costs, from which they received no discernable benefit. It defers payment of those costs until SPA's other costs have been recovered in the 60-year period. Thus the current rate increases can be moderated. Finally, my proposal would direct the Secretary to waive the payment of interest attributable to the failure to recover the costs associated with contract No. Ispa-514. This waiver recognizes that the expenditures were motivated by national security considerations and thus that the ratepayers alone should not have to bear the related interest charges.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Energy, hereinafter referred to as the Secretary, is authorized and directed to adjust the power system average rate and repayment schedule of the Southwestern Power Administration System to defer for repayment until all other reimbursable costs of said system have been returned to the Treasury, an amount representing the difference in revenue realized from past and future sales of power and energy to the Arkansas Power and Light Company, an Arkansas corporation, pursuant to contract numbered Ispa–514, dated January 29, 1952, and the revenues that would have been or would be received from sales of an equal amount of power and energy marketed under established system rate schedules.

SEC. 2. The Secretary is further authorized and directed to waive all interest charges heretofore or hereinafter incurred on such amounts the repayment of which is authorized and directed to be deferred by this Act.

SEC. 3. Section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s) is amended by removing the period at the end of the second sentence, and inserting a comma in its place and adding the phrase "and, in the case of the Southwestern Power Administration, that period shall not exceed sixty years.'' ●

By Mr. BAYH:

S. 1520. A bill to amend the Internal Revenue Code of 1954 to make certain technical corrections with respect to the treatment of gasoline mixed with alcohol; to the Committee on Finance.

● Mr. BAYH. Mr. President, the 1978 Energy Act included a provision to exempt gasoline used to produce gasohol from the 4-cent excise tax on gasoline. The exemption went into effect on December 31, 1978 and is to last 4 years in order to encourage the production and use of gasohol. However, the Internal Revenue Service was slow to promulgate regulations to implement this provision, and mass confusion reigned for several months over how to qualify for the exemption. On April 10, 1979, I wrote to Commissioner Jerome Kurtz to request clarification on this matter. I was encouraged when he replied on May 14 that he was going to give this matter his personal immediate attention. Consequently, interim regulations were issued on June 19 which have helped to ease the situation. However, one problem has arisen which needs the immediate attention of this Congress.

The Internal Revenue Service contends that no provision exists in current law to enable the Government to refund money paid by purchasers of gasoline for gasohol between January 1 and June 19, when the interim regulations were issued. However, I know first hand that Treasury Department staff advised persons unsure of what procedure to follow during this period that they had the option of paying the excise tax and then applying for a refund when the regulations were finalized. After the fact, the Department is saying "Sorry—but you cannot have the money you were forced to pay" even if it is due to their failure to issue regulations.

I believe that persons who acted in good faith during this period of time and paid the tax, expecting the Government to reimburse them, should not be penalized. I do not think it a bit unreasonable that this Congress provide legislative relief on this facet of a provision we so enthusiastically supported last year. It was the original intent of the 1978 Energy Act that no individual would pay this 4-cent excise tax on gasohol after January 1, 1979. My bill will enable persons who trusted the Government on this to regain that trust.

Many farmers, small businesses, and cooperatives will lose a substantial amount of money if this situation is not corrected. The use of alcohol fuel may be one of the solutions to our dependence on foreign oil imports and America's monopolistic oil companies. We should be doing all we can to encourage these small business enterprises rather than discouraging their interest in gasohol by allowing such action to occur.

The bill I am introducing today would give the Treasury Department the needed legislative authority to refund money paid by purchasers of gasoline used to produce gasohol by amending the Internal Revenue Code of 1954. It is my understanding that Treasury Department and IRS officials have no objection to enactment of this measure. Therefore, I think Congress should act quickly on this legislation.

I ask unanimous consent that the bill, my letter to Commissioner Kurtz, his reply, and the interim regulations be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1520

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph (H) of section 6416(b)(2) of the Internal Revenue Code of 1954 (relating to specified uses and resales) is amended by inserting "or in a mixture described in section 4081(c)" after "section 4041".

(b) Paragraph (2) of section 4081(c) of such Code (relating to later separation of gasoline) is amended by inserting "(or with respect to which credit or refund was allowed or made by reason of section 6416(b)(2)(H)" after "this subsection".

(c) Any amendment made by this Act shall take effect as if included in the provision of the Energy Tax Act of 1978 to which such amendment relates.

U.S. SENATE,
Washington, D.C., April 10, 1979.

Hon. JEROME KURTZ,
Commissioner, Internal Revenue Service, Washington, D.C.

DEAR COMMISSIONER KURTZ: The 1978 Energy Act included a provision to exempt gasohol from the 4 cent excise tax on gasoline. This exemption went into law on December 31, 1978. However, no regulations implementing this provision have been promulgated and confusion reigns throughout the gasohol industry as to how to take advantage of this exemption.

America's dependence on foreign oil is of great concern to me. A liquid fuels shortage sometime in the 1980's seems inevitable if we continue on our present course. Administration estimates of future world petroleum production and demand and supply of petroleum products of 3 to 8 million barrels of oil a day by 1985.

As we look to the future, I think it is clear to most of us that there is not going to be one answer to our energy problems, but that future supplies will come from a number of diverse sources. It is my belief that the use of alcohol blended with gasoline is one such alternative source that offers a solution to our complex problem of fuel resources.

The four cent exemption to the excise tax is one way to encourage production and use of gasohol. The Congressional intent behind this exemption was to make gasohol prices competitive with gasoline in order to encourage consumers to use gasohol.

Due to the lack of regulations, producers, distributors and retail marketers interested in bringing this product to the public lack specific direction as to the correct procedures to follow in order to be exempted from payment of the excise tax. They have been instructed to file IRS Form No. 637, and in some cases No. 720, but, because no regulations are in effect, suppliers will not necessarily honor this registration.

Congress intended for this exemption to go into effect as of December 31, 1978, and not to be dragged on indefinitely. It is now three months since the effective date of this exemption and the IRS has not even begun working on these regulations.

I am aware that the Internal Revenue Service has many regulations to promulgate. However, Congress provided that this exemption be in effect for only a limited time, a period of four years. In order to give this industry a boost and to begin to lessen our dependence on foreign oil, it is important that the Department of Treasury move ahead as quickly as possible to develop these regulations.

I look forward to your timely response. In particular, it would be helpful if you could address the following questions:

1. Exactly what procedure should be followed to qualify for exemption from the four cent gasoline excise tax? (Please specify what forms and who must fill them out.) After a person has complied with these instructions, how is he or she assured that the supplier will honor the exemption?

2. What is the projected timetable for promulgation of the needed regulations? What type of procedure do you anticipate will be used at that time?

3. Several persons were told to pay the excise tax and then apply for a refund. Can you please specify what the procedure is to obtain a refund on gasoline that was ultimately used for gasohol?

Thank you for your help on this matter.

Sincerely,

BIRCH BAYH,
U.S. Senator.

COMMISSIONER OF INTERNAL REVENUE,
Washington, D.C. May 14, 1979.
Hon. BIRCH BAYH,
U.S. Senate, Washington, D.C.

DEAR SENATOR BAYH: This is in response to your letter of April 10, 1979, in which you discuss the use of gasohol as an alternative source that offers a solution to our Nation's problem of fuel resources. You also raise several questions as to the tax treatment of gasohol that arise under the 1978 Energy Act.

Your first question relates to the procedures to be followed to qualify for the exemption from the excise tax on gasoline. A News Release, IR-2099, a copy of which is enclosed, was issued by the Internal Revenue Service on February 22, 1979, informing the public of the procedures to be followed to purchase gasoline free of the excise tax for the purpose of producing a qualifying mixture of gasoline and alcohol (gasohol). Although no regulations have yet been issued with respect to gasohol, the news release provides guidance to the public as to the procedures to be followed pending the issuance of the regulations.

Under the indicated procedure, generally a person wishing to purchase gasoline free of the excise tax must register with their IRS District Director. A person registers by filling out Form 637, Registration for Tax-Free Transactions Under Chapter 32 of the Internal Revenue Code, and by filing it with their IRS District Director. The seller (producer) of the gasoline must also be registered with the IRS in order to sell the gasoline free of the excise tax. After the District Director approves the application, the purchaser of the gasoline is issued a Certificate of Registry with an identifying number. When he wishes to purchase gasoline tax free, the purchaser gives the seller of the gasoline the identifying number and the purpose for the purchase.

The seller of the gasoline, if registered, may then sell the gasoline to the purchaser tax free. However, under the provisions of the Code and regulations that presently apply in the case of other tax-exempt sales, the seller is not relieved of liability for the tax if reasonable diligence is not exercised in determining that a tax-free sale is warranted. These provisions also require that the purchaser must furnish to the seller, in writing, the identifying number and the purpose for purchase. It will be necessary to cover these issues in developing regulations relating to gasohol. Further details will be covered in the regulations which are being prepared.

Your second question relates to a timetable for the issuance of regulations and the types of procedures to be used. I will give this matter my personal attention with a view to publishing temporary regulations on an expedited basis. I will be meeting with our people next week to move the project on an urgent basis.

Your final question concerns persons who were advised to pay the excise tax and then apply for a refund or credit. You asked what procedures are to be followed to obtain a refund or credit. At present, there are no provisions in the law that permit a refund of the excise tax paid on gasoline to be used in producing qualifying gasohol. This is a matter that is currently under consideration by the Congress. Specifically, section 108(c)(2) of the Technical Corrections Bill of 1979 (H.R. 2797) contains a proposed amendment to subparagraph (H) of section 6416(b)(2) of the Code, which would allow the person who paid the tax on the gasoline (the producer of the gasoline) to file a claim for refund or credit. If adopted, this would make applicable the requirements of Code section 6416(a) that relate to conditions for allowance of a refund or credit.

I hope that the above information is responsive to your concerns. Also, please be assured that I share with you your concern for the lack of regulations on this subject, and I have issued instructions that work on them proceed on an urgent basis.

With kind regards,
Sincerely,
JEROME KURTZ.

TEMPORARY REGULATIONS

SUMMARY

This document provides temporary regulations relating to exemption from motor fuels excise taxes for certain alcohol fuels. Changes in the applicable tax law were made by the Energy Tax Act of 1978. These regulations affect producers and sellers of motor fuels and provide them with the guidance needed to comply with the law.

DATES

These regulations apply generally to sales after December 31, 1978, and prior to October 1, 1984.

FOR FURTHER INFORMATION CONTACT

Robert H. Waltuch of the Legislation and Regulations Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, D.C. 20224 Attention: CC:LR:T 202-566-3328, not a toll-free call.

SUPPLEMENTARY INFORMATION

Background

This document contains temporary regulations relating to the exemption from motor fuels excise taxes for certain alcohol fuels (gasohol) under section 221 of the Energy Tax Act of 1978 (Pub. L. 95-618, 92 Stat. 3185) ("Act"). The temporary regulations provided by this document will remain in effect until superseded by final regulations on this subject. A notice of proposed rulemaking with respect to final regulations appears elsewhere in this issue of the Federal Register.

Section 221 of the Act amended section 4081 and 4041 of the Internal Revenue Code of 1954 (Code) relating to excise taxes on motor fuels. Under section 4081 a 4 cent a gallon tax is imposed upon gasoline sold by a producer or importer. Under section 4041 a 4 cent a gallon tax is imposed on the retail sale or use of diesel and special motor fuels. Noncommercial aviation fuel is taxed at the rate of 7 cents a gallon on any liquid other than gasoline and 3 cents a gallon on gasoline (in addition to the 4 cents imposed under section 4081).

Section 221 of the Act added a new subsection (c) to section 4081 and a new subsection (k) to section 4041 of the Code. Under these amendments the excise taxes on motor fuels do not apply generally to certain sales of qualifying mixtures of motor fuels and alcohol (gasohol) or to the sale of motor fuels for the purpose of producing gasohol.

On February 22, 1979, the Internal Revenue Service issued IR-2099 which provided interim guidance to those wishing to take advantage of the exemption. Producers of qualifying mixtures of gasoline and alcohol, as defined in the Act, may register to purchase gasoline free of the federal excise tax. Producers were directed to register by filing Form 637, Registration for Tax-Free Transactions Under Chapter 32 of the Internal Revenue Code, with their Internal Revenue Service District Director. Any person who in the ordinary course of a trade or business regularly purchases gasoline and alcohol in bulk quantities for mixing could be considered a producer for this purpose.

These regulations supersede the interim guidance given in IR-2099 and provide additional rules to clarify the scope and application of the exemption relating to gasohol.

Refunds or credits

There is no provision in the Code that provides for a refund or credit with respect to tax-paid gasoline used in producing gasohol. Congress is presently considering amending the Code to allow such a refund in section 108(c)(2) of the Technical Corrections Bill of 1979 (H.R. 2797). For refund or credit provisions relating to diesel, special motor and noncommercial aviation fuels, see § 138.4081(c)-1(f).

Waiver of procedural requirements of Treasury directive

There is need for expeditious adoption of the provisions contained in this document because of the need for immediate guidance to persons wishing to produce or sell gasohol. For this reason, Jerome Kurtz, Commissioner of Internal Revenue, has determined that the provisions of paragraphs 8 through 14 of the Treasury Department directive implementing Executive Order 12044 must be waived.

Drafting information

The principal author of this regulation is Robert H. Waltuch of the Legislation and Regulations Division of the Office of Chief Counsel, Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and Treasury Department participated in developing the regulations, both on matters of substance and style.

Adoption of amendments to the regulations

Title 26 of the Code of Federal Regulations, Part 138 is amended by inserting in the appropriate place the following new sections 138.4041(k)-1 and 138.4081(c)-1:

§ 138.4041(k)-1 Fuels containing alcohol.

Under section 4041(k) the tax imposed under section 4041 does not apply to the sale or use of any liquid fuel at least 10 percent of which consists of alcohol. Except where a different rule has been expressly provided, purchasers and sellers of liquids under section 4041(k) are subject to the same requirements and limitations as are imposed on purchasers and sellers of gasoline under section 4081(c). See, § 138.4081(c)-1.

§ 138.4081(c)-1 Gasoline mixed with alcohol.

(a) In general. Under section 4081(c) the tax imposed by section 4081 on the sale of gasoline does not apply to the sale of qualifying gasohol or to the sale of gasoline for the purpose of producing qualifying gasohol if the requirements of this section are met. Qualifying gasohol is referred to in this section as gasohol. Gasohol is a blend of gasoline and alcohol (whether domestic or imported alcohol) in a mixture at least 10 percent of which contains alcohol made from any product other than petroleum, natural gas, or coal. In determining whether the 10 percent alcohol requirement has been met, alcohol that is 95 or more percent pure (190 degrees or more of proof) will be considered pure if no part of the impurity is gasoline. To the extent that the alcohol is less than 95 percent pure or to the extent that any part of the impurity is gasoline, a corresponding increase in the amount of alcohol is required to meet the 10 percent requirement. For certain requirements imposed on producers of alcohol (ethanol) under chapter 51 of the Code relating to distilled spirits, see 27 CFR Part 201. For certain requirements imposed on purchasers of specially denatured alcohol (ethanol), see 27 CFR Part 211.

(b) Sale of gasoline to produce gasohol. Under section 4081(c) the sale of gasoline for the purpose of producing gasohol is not exempt unless the sale is in bulk quantities for delivery into a bulk storage tank of a producer who meets the requirements of this section. For purposes of section 4081(c), the term "producer" means any person who in the ordinary course of its trade or business regularly buys gasoline and alcohol in bulk quantities for blending for use in its trade or business or for resale. Thus, the mere purchase of gasoline for blending into gasohol does not qualify a person as a producer. A person is not a producer for purposes of section 4082 merely because such a person is a producer of gasohol as defined in this section. Thus, the provisions of section 4083 (relating to certain exempt sales to producers) do not necessarily apply.

(c) Requirements for gasohol producers purchasing tax free. (1) Certificate of Registry. A person qualifying as a producer who wishes to purchase gasoline tax free for the purpose of producing gasohol must be registered with the district director for the district in which its principal place of business is located, unless exempt from registration requirements under section 4222(b). A person registers, if not previously registered, by completing and filing Form 637, Registration for Tax-Free Transactions Under Chapter 32 of the Internal Revenue Code, in duplicate, in accordance with its instructions. Copies of Form 637 may be obtained from any district director. Upon approval a registry number is assigned and a Certificate of Registry is issued. At the time of purchase, a registered producer must furnish to the seller in writing its registry number together with its signed statement of the exempt purpose of the purchase. Persons not required to be registered under section 4222(b) may purchase tax free by following the procedure that applies to them in the case of other tax-free sales. See § 48.4222(b)-1.

(2) Revocation or suspension of registration. The district director is authorized to revoke or temporarily suspend, upon written notice, the registration of any person and the right of such a person to purchase gasoline tax free under section 4081(c) in any case in which the district director finds that—

(i) The registrant is not a bona fide producer of gasohol;

(ii) The registrant failed to comply with the requirements of paragraph (c)(1) of this section, relating to the evidence required to support a tax-free sale;

(iii) The registrant has used its registration to avoid the payment of any tax imposed by chapter 31 or 32 of the Code, or to postpone or interfere in any manner with the collection of such a tax;

(iv) The revocation or suspension is necessary to protect the revenue; or

(v) The registrant is for some other reason not eligible under this section to retain a Certificate of Registry.

The revocation or suspension of registration is in addition to any other penalty that may apply under the law for any act or failure to act.

(d) Seller not relieved of liability in certain cases. The seller of the gasoline remains liable for the tax imposed under section 4081 if at the time of the sale the seller of the gasoline has reason to believe that all the gasoline sold by it to the purchaser is not intended for blending into gasohol or that the purchaser has failed to register or that its registration has been revoked or suspended.

(e) Special rules—(1) Limitation on tax-free sales. The exemption from the excise tax under section 4081(c) applies to the sale of gasoline only for use in producing gasohol. Therefore, unless the sale is exempt under another provision of the Code, the seller of the gasoline may sell tax free only that portion of the gasoline that is intended for use in producing gasohol.

(2) Credit sales to exempt users. Under section 6416 of the Code, the producer of gasoline is entitled to a refund or credit if tax-paid gasoline is ultimately sold to tax-exempt users in a case to which section 6416(b)(2)(A), (B), (C), (D), or (H) applies. To determine the amount of overpayment, the producer of gasoline, among other things, must be able to establish the amount of tax-paid gasoline that was sold by the ultimate vendor to tax-exempt users. Therefore, if the ultimate vendor sells both tax-paid gasoline and gasohol on credit and the sales of the two kinds of fuels are not clearly distinguished, the producer of the gasoline will not be entitled to a credit or refund with respect to the tax-paid gasoline if it can not establish the amount of the tax-paid gasoline sold by the ultimate vendor to tax-exempt users.

(f) Refunds and credits—(1) Gasoline. Except as provided in paragraph (f)(2) of this section, there is no provision in the Code that allows a refund or credit with respect to tax-paid gasoline used in producing gasohol.

(2) Mixture of gasoline and alcohol containing more than 40 percent alcohol. If a purchaser buys gasoline tax paid for blending a mixture of gasoline and alcohol containing more than 40 percent alcohol, that mixture will be treated as a special fuel under section 4041 and the refund provisions in section 6416 and the regulations under that section apply.

(3) Diesel, special motor, and noncommercial aviation fuels. If a producer (as defined in paragraph (b) of this section) buys diesel, special motor, or noncommercial aviation fuels tax paid and uses the fuel in producing exempt gasohol, then the refund provisions in section 6427 of the Code and the regulations under that section apply.

(g) Later separation and failure to blend—(1) Gasoline. If any person fails to blend gasoline purchased tax free under section 4081(c) with alcohol to make gasohol, or later separates the tax-free gasoline from the alcohol, that person is treated as a producer of gasoline as defined in section 4082 and the provisions of section 4081 relating to the sale of gasoline by a producer apply. If gasoline has been purchased tax free for the purpose of producing gasohol in excess of the amount of gasoline that the purchaser is able to establish has actually been used to produce gasohol by the records required under paragraph (h)(3) of this section, the purchaser is treated as having failed to blend the excess gasoline, and the provisions of this paragraph apply. In such case, any of the excess gasoline that is not in the purchaser's possession is treated as having been disposed of by sale or by a use that is treated as a sale under section 4082(c). See section 7201 for criminal penalties relating to a willful attempt to evade or defeat tax, and sections 6651 and 6653 for additions to tax for failure to file a return or pay tax and for negligence and fraud.

(2) Diesel, special, and noncommercial aviation fuels. If any person separates the diesel, special, or noncommercial aviation fuel purchased tax free under section 4041(k) from the alcohol, the separation is treated as a sale of the fuel for purposes of section 4041.

(h) Information; records—(1) Information to be furnished to purchaser. A producer of gasoline who sells gasoline tax free under section 4081(c) shall indicate to the purchaser that the purchaser is obtaining gasoline tax free for making gasohol. The producer may transmit this information by any convenient means, such as coding of sales invoices, provided that the information is presented with sufficient particularity so that the purchaser is informed that he has obtained the gasoline tax free and the purchaser can compute and remit the tax due if the gasoline is diverted to a taxable use.

(2) Records of seller. Every person who, but for this section would be liable for the excise tax on the sale of the gasoline, shall maintain in its records—

(i) The identity of the purchaser,

(ii) The written statement required to be given to the seller under paragraph (c) of this section, and

(iii) The quantity of gasoline sold tax free to each purchaser.

(3) Records of producer of gasohol. Any person purchasing gasoline tax free for the purpose of producing gasohol must maintain sufficient records to establish that the gasoline purchased tax free for the purpose of producing gasohol has actually been used for that purpose. Such a person must maintain records sufficient to establish to the satisfaction of the district director that alcohol, of the requisite kind, has actually been obtained by it in a quantity sufficient to have enabled it to have produced the full amount of gasohol that could have been produced from the quantity of gasoline it has acquired tax free for the purpose of producing gasohol.

(i) Effective dates. Section 4081(c) (relating to gasoline mixed with alcohol) applies to sales after December 31, 1978, and before October 1, 1984. Gasoline sold prior to January 1, 1979, and which is blended into gasohol after that date is not exempt from the tax under section 4081(c) of the Code. Section 4041(k) (relating to fuels other than gasoline) applies to sales or use after December 31, 1978, and before October 1, 1984. Where the special fuels have been blended into gasohol and have been put into the tank of a vehicle prior to January 1, 1979, the fuels are considered used prior to that date. The recordkeeping requirements under this section apply to sales or uses that occur after July 19, 1979.

There is a need for immediate guidance with respect to the provisions contained in this Treasury decision. For this reason, it is found impracticable to issue it with notice and public procedure under subsection (b) of section 553 of Title 5 of the United States Code or subject to the effective date limitation of subsection (d) of that section.

(Sec. 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805); secs. 4041(k), 4081(c) of the Code)

JEROME KURTZ,
Commissioner of Internal Revenue.●

By Mr. RANDOLPH:

S. 1521. A bill to expand the licensings and related regulatory authority of the Nuclear Regulatory Commission over storage and disposal facilities for nuclear waste, to provide for meaningful State participation in the licensing of such facilities, and to establish a schedule for implementation of waste management plannings; to the Committee on Environment and Public Works.

NUCLEAR WASTE REGULATION ACT OF 1979

● Mr. RANDOLPH. Mr. President, I introduce a bill to provide a comprehensive approach to the regulation of nuclear waste. There is simply no justification for the absence of definitive Federal guidance in this area 20 years after this Government permitted the first commercial facility to begin generating nuclear waste. It is unconscionable to continue to multiply the volume of this waste while arrangements for protection of the public health and safety from these highly toxic and long-lived substances are at best rudimentary.

In the last several years, there has been a growing awareness of this problem. Too often, however, we have tended to focus on isolation details of the overall picture. For example, there has been a recent flurry of activity on affording the States a definitive voice, on the siting of nuclear waste facilities within their borders, admittedly a key concern.

I submit, however, that the gravity of the subject matter demands no less than a measure which addresses all of issues presented.

First, this bill provides a comprehensive licensing and regulatory framework for all of Department of Energy nuclear waste facilities. To be licensed, new storage or disposal facilities must meet the substantive health and technology standards provided. The facility would have to be sited in the best possible medium, incorporate the best available technology, and present no substantial probability of death serious injury or disease, or genetic damage.

For existing waste facilities of the Department of Energy, such as the tanks at Hanford, Wash., which have experienced numerous leaks over the years, the Nuclear Regulatory Commission would issue a conditional license requiring the implementation of any necessary remedial measures. In extreme cases, where the Commission determines that an existing facility cannot be made to meet the basic health standard through remedial measures, operations would be terminated and the facility decontaminated. For each Department of Energy facility which generates a significant volume of nuclear waste but is not used for storage or disposal, the Commission would periodically review and concur in the Departments waste management plan.

Second, this measure for the first time provides a meaningful State role in the decisionmaking process on locating a storage or disposal facility within its borders. Before a construction permit or operating license for a facility could take effect, the State would have 90 days to approve or disapprove. This right could be exercised by the Governor or by whatever procedure the State legislature has provided. The same compelling logic which supports vesting the States with this substantive right supports allowing the State to define the procedure for its exercise.

Third, to expedite the development of disposal technology and the deployment of disposal capacity, or to seek an early decision on whether nuclear wastes can ever be safely disposed of, the bill establishes certain deadlines. The Nuclear Regulatory Commission and the Environmental Protection Agency are required to report to the Congress by December 31, 1983, on whether a technology exists for waste disposal consistent with the basic health standard. If these agencies find in the negative, the Commission would stop issuing construction permits and operating licenses for nuclear power plants until a positive determination could be made.

The bill further requires the Commission to report to the Congress by January 15, 1987, on whether adequate disposal capacity will exist by December 31, 1990, for the volume of certain wastes projected for that date. If the finding is negative, the Commission would order the suspension of any further commercial generation of these wastes until an affirmative finding could be made.

Finally, the measure prohibits the Nuclear Regulatory Commission from licensing any facility of the Department of Energy for the storage of commercially generated spent nuclear reactor fuel unless the license bars the Secretary of Energy from assuming title to spent fuel and from assuming responsibility for its permanent disposal until a permanent disposal facility is licensed by the Commission. It would be highly irresponsible to allow this Government to subject itself to potentially enormous liability before we even know whether nuclear waste can be safely and permanently disposed of.

This bill, I repeat, represents a comprehensive approach to a most difficult issue. It provides for effective protection of the public health and safety, while balancing the concern for expeditious action and the fear of stampeding officials into ill-advised decisions. This measure, I believe, deserves the reasoned support of Members of the Senate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1521

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Waste Regulation Act of 1979".

SEC. 2. Section 202 of the Energy Reorganization Act of 1974 is amended to read as follows:

"SEC. 202. (a) Notwithstanding the exclusions provided for in Section 110 a. or any other provisions of the Atomic Energy Act of 1954, as amended, the Nuclear Regulatory Commission shall, except as otherwise specifically provided by section 110 b. of such Act, have licensing and related regulatory authority pursuant to chapters 6, 7, 8 and 10 of such Act as to facilities of the Department of Energy, for the storage or disposal of low or high level radioactive wastes, including irradiated nuclear reactor fuel, non-high level transuranium contaminated waste, radioactive gas, and decommissioned facilities, and including such materials generated by activities in foreign countries or by activities which are part of research and development or defense programs.

"(b) Prior to license issuance under the preceding subsection, the Commission shall determine that the facility—

"(1) presents no substantial probability to one or more individuals or the general population of death, serious injury or disease, or mutagenic consequences, during the toxic life of the waste to be stored or disposed therein;

"(2) presents to any individual in the general population in any year waste is to be stored or disposed therein radiation from planned and unplanned emissions and effluents which in the aggregate does not exceed ten per centum of the annual exposure standard for the uranium fuel cycle promulgated by the Administrator of the Environmental Protection Agency.

"(3) incorporates the best available technology for the isolation and containment of such waste; and

"(4) is situated in the best possible medium for the duration of storage or disposal of such waste for which the facility is designed: *Provided, however,* That the determination prescribed by this paragraph need not be made for facilities intended to demonstrate the existence of a safe and practical technology for permanent disposal, or to assess the characteristics of a particular site or medium.

"(c) For each facility, or portion thereof, of a type described in subsection (a) of this section which is in use on the date of enactment of this subsection, the Secretary of Energy shall file with the Commission within nine months of such date a report setting forth in detail environmental and safety data, including, but not limited to evidence of waste migration, instances of failure of containment, contamination of surface or ground waters, and corrective measures employed. Within one year of the submission of each such report, the Commission, in consultation with the Department of Energy, shall require such remedial measures, if any, as are necessary to assure the facility presents no substantial probability to one or more individuals or the general population of death, serious injury or disease, or mutagenic consequences. Within one year of receipt of such requirements, the Secretary fo Energy shall submit to the Commission for concurrence plans for the implementation of such requirements, including a specific schedule of compliance with any interim requirements and specific attainment dates for interim and final requirements. Upon concurrence by the Commission, such plans, compliance schedule, and attainment dates shall be a condition of the license issued for such a facility or portion thereof. In any case where the Commission determines that it would be impracticable to employ remedial measures to enable a particular facility, or portion thereof, to fully meet the public health standard provided by this subsection, the Commission shall prescribe such conditions and requirements as are necessary to protect public health and safety and the environment while facility operations are terminated and decommissioned, and specify a schedule for compliance with such conditions and requirements.

"(d) For each facility of the Department of Energy which generates a significant quantity of any of the wastes enumerated in subsection (a) of this section, the Secretary of Energy shall submit to the Commission for concurrence a report setting forth detailed plans for the management of such waste and for its ultimate disposal. The Secretary shall submit such a report for concurrence within one year of the date of enactment of this subsection, every third year thereafter, and whenever revision of such plans is contemplated. The Commission shall recommend such changes, if any, as are necessary to protect the public health and safety and the environment, and shall be satisfied that such recommendations have been implemented before affording its concurrence."

SEC. 3. (a) In addition to any requirement imposed by the National Environmental Policy Act of 1969, as amended, each license application submitted under section 202(a) of the Energy Reorganization Act of 1974, as amended, shall identify alternative sites for the facility. The applicant shall provide such data as the Nuclear Regulatory Commission deems sufficient for each such site. Except as may be required by the provisions of the National Environmental Policy Act of 1969, as amended, the Commission is authorized to waive or modify the alternative site requirement of this subsection if the subject facility is intended to demonstrate the existence of a safe and practical technology for permanent disposal or to assess the characteristics of a particular site or medium.

(b) The Commission shall develop criteria and procedures for the evaluation of alternative sites identified under subsection (a) of this section within eighteen months of the date of enactment of this section.

SEC. 4. (a) Not later than twelve months prior to filing with the Commission a construction permit application for a storage or disposal facility for high level radioactive waste, non-high level transuranium contaminated waste, or irradiated nuclear reactor fuel, the prospective applicant shall notify the Governor of the State of proposed situs of an intent to file, and shall make available to the designated state representative on a continuing basis all data relevant to the intended application. The designated state representative shall be afforded a reasonable opportunity for meaningful participation at every stage of the proceedings for construction permit and license issuance.

(b) Any construction permit or license issued by the Commission for a facility of a type described in subsection (a) of this section shall be without force and effect for a period not to exceed 90 days from issuance. The State may approve or disapprove such construction permit or a license within this period by action of the Governor or by whatever procedure the State legislature has prescribed. Should the State approve, such a construction permit or license shall become immediately effective. Should the State disapprove, such license shall be voided. Should the State fail to take either action in timely fashion, such construction permit or license shall take effect on the expiration of the 90 day period.

Sec. 5. (a) The Nuclear Regulatory Commission and the Environmental Protection Agency are authorized and directed to investigate and determine:

(1) Whether a technology exists for the preparation of high level radioactive waste, non-high level transuranium contaminated waste, and irradiated nuclear reactor fuel, and for the isolation and containment of such wastes once prepared in an appropriate medium, which would permit ultimate disposal of such wastes without presenting during the toxic life thereof, a substantial probability to one or more individuals or the general population of death, serious injury or disease, or mutagenic consequences; and

(2) What issues, if any, remain to be resolved before an affirmative determination may be made pursuant to the preceding paragraph.

(b) To make the determinations required by subsection (a) of this section, the Nuclear Regulatory Commission and the Environmental Protection Agency shall conduct a public proceeding in accordance with sections 554, 555, and 556 of the Administrative Procedure Act, as amended. The Department of Energy, the United States Geological Survey, and the National Academy of Sciences shall be parties to such proceeding, and any other person whose interest might be affected shall be permitted to intervene. The Nuclear Regulatory Commission and the Environmental Protection Agency shall report their findings and determinations to the Congress and the President on or before December 31, 1982.

(c) If the report required by the preceding subsection contains a negative determination on the question presented by subsection (a)(1) of this section, the Nuclear Regulatory Commission shall—

(1) jointly, with the Environmental Protection Agency, report to the Congress and the President thereon every second year from the initial reporting date, and

(2) suspend issuance of construction permits and operating licenses for nuclear generating facilities, and approval of construction thereon pending construction permit issuance, as of December 31, 1982, until such time as the Nuclear Regulatory Commission and the Environmental Protection Agency shall report to the Congress and the President an affirmative determination pursuant to subsection (a)(1) of this section: *Provided, however,* That an operating license may be issued for such a facility after December 31, 1982, notwithstanding a suspension pursuant to paragraph (2) of this subsection if an application for a construction permit therefor was submitted prior to January 15, 1979, and the construction permit was obtained and substantial construction was accomplished thereunder prior to December 31, 1982.

Sec. 6. On or before January 15, 1987, the Nuclear Regulatory Commission, in consultation with the Department of Energy, shall report to the Congress and the President on whether adequate permanent disposal capacity as defined in section 6(a)(1) of this Act will exist on or before December 31, 1990 for the volume of high level radioactive waste, non-high level transuranium contaminated waste, and irradiated nuclear reactor fuel, from whatever source, which is projected to require such disposal within the United States on such date. If a negative determination is made, the Commission shall:

(a) report to the Congress and the President every third year from the initial reporting date, and

(b) order the suspension of further commercial generation of the wastes enumerated in this section,

until such time as the Commission shall report to the Congress that adequate permanent disposal capacity exists for the volume of such wastes, from whatever source, which requires such disposal within the United States at the time of such report.

Sec. 7. The Nuclear Regulatory Commission shall not license any facility of the Department of Energy for the storage of commercially generated irradiated nuclear reactor fuel pursuant to section 202(a) of the Energy Reorganization Act of 1974, as amended, unless such license prohibits the Secretary of Energy from entering into contracts to assume title to such waste or responsibility for the permanent disposal thereof until such time as a facility for the permanent disposal of such waste licensed by the Commission is in operation.●

By Mr. HARRY F. BYRD, JR. (for himself and Mr. Warner):

S. 1522. A bill to amend title 18 of the United States Code to prohibit the injury or destruction of a nuclear facility; to the Committee on the Judiciary.

PROSECUTION OF PERSONS CONVICTED OF DAMAGING A CIVILIAN NUCLEAR FACILITY

Mr. HARRY F. BYRD, JR. Mr. President, my colleagues may recall the alleged nuclear fuel rod damaging incident at the Surry nuclear facility in Virginia, on May 7.

As a result of that incident and the subsequent investigation, I learned of a statutory inadequacy which would inhibit prompt and full investigation of such incidents. Further, it has been learned that this statutory shortcoming may inhibit the prosecution of individuals who have been accused of damaging a nuclear facility.

In light of this recent experience, I thought it prudent to bring this matter to the attention of the Senate in the form of legislation designed to clear up any ambiguities in Federal law or regulations which might impede either the investigation of an alleged sabotage of a nuclear facility or the prosecution of any person charged with such a crime.

The nature of the legislation is limited in scope, but it addresses a type of problem which could affect all other civilian nuclear facilities throughout the United States.

I have also brought this matter to the attention of the U.S. Department of Justice. I have been informed that the Department is working closely with the Nuclear Regulatory Commission in considering the inadequacies in the law relating to prosecution of nuclear facility damage cases.

I would hope that the committee of jurisdiction will quickly look into this important matter and schedule hearings thereon, in order that a new law could serve as a deterrent to the type of criminal action experienced in Virginia.

My distinguished colleague from Virginia, Senator Warner, has joined me in sponsoring this bill.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1522

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 65 of title 18, United States Code is amended by adding at the end thereof the following new section:

"§ 1365. Nuclear facilities

"(a) Whoever willfully or maliciously injures or destroys any of the works, property, building, machinery, or material of any nuclear utilization or production facility, operated or controlled by the United States, or licensed by the United States, whether constructed or in the process of construction, or willfully or maliciously interferes in any way with the working or use of any such facility, or willfully or maliciously obstructs, hinders, or delays the production, utilization, or transmission of energy from such facility, shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(b) An alleged violation of this section shall be investigated by the Federal Bureau of Investigation. Whenever Federal investigative or prosecutive jurisdiction is asserted for a violation of this section, the exercise of jurisdiction by any State or local law enforcement authority shall be suspended until Federal investigation or prosecution is terminated.

"(c) For the purposes of this section, the terms 'utilization facility' and 'production facility' have the same meaning as in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014).".

(b) The table of sections for chapter 65 of that title is amended by adding at the end thereof the following new item:

"1365. Nuclear facilities.".

By Mr. THURMOND:

S. 1523. A bill to amend title 38, United States Code, to establish demonstration centers of geriatric research, education, and clinical operations within the Veterans' Administration; to the Committee on Veterans Affairs.

VETERANS SENIOR CITIZEN HEALTH CARE ACT OF 1979

Mr. THURMOND. Mr. President, today I am introducing the Veterans

Senior Citizens Health Care Act of 1979. This legislation, which was introduced in the House by Congresswoman HECKLER and cosponsored by the chairman of the House Select Committee on Aging, Mr. PEPPER, as well as the chairman and ranking minority member of the House Veterans' Affairs Committee, Messrs. ROBERTS and HAMMERSCHMIDT, along with many others, passed that body on June 5, 1979, by a recorded vote of 406 to 0.

The purpose of this act is to meet the needs of our Nation's aging veterans population by elevating geriatric medicine into a position of higher visibility and priority within the Department of Medicine and Surgery of the Veterans' Administration. There are presently 6 million U.S. veterans aged 60 and older. By 1985, this number will increase to 9 million and will eventually reach 11 million by 1995.

The Veterans Senior Citizens Health Care Act of 1979 will address the problem presented by the phenomenon of the aging veteran by authorizing the institution of a pervasive and intensive program within the Veterans' Administration's Department of Medicine and Surgery to study and to do research in the field of geriatrics. Specificially, this legislation would authorize the Administrator of Veterans' Affairs to designate 15 VA hospitals as locations for demonstration centers of research, education, and clinical operations in the field of geriatrics.

The bill would also authorize the Administrator to designate not more than five additional VA hospitals as locations for such demonstration centers within the constraints of existing hospital resources and funding by the Congress. These hospital demonstration centers, which would carry out geriatric research, education, and clinical functions in connection with affiliated medical schools, would operate for a period of 4 years. Coordinating the entire program would be the responsibility of the office of the newly created position of Assistant Chief Medical Director for Geriatrics and Extended Care within the VA's Department of Medicine and Surgery.

The bill also would authorize the establishment of a geriatrics and extended care task force. The function of the task force would be to establish administrative and management methods, to set goals and fix responsibilities for the implementation of geriatric research, education of medical personnel, and clinical operations at the demonstration centers. After 18 months, the task force would issue an interim report on the operations of the demonstration centers. At the end of the 4-year authorization, the task force would issue a final report on the integration of the operation of the programs of the demonstration centers into the mainstream of the entire VA hospital system.

The Congressional Budget Office has submitted the following cost estimate on this legislation:

Estimated budget authority

Fiscal year:	*Millions*
1980	$15
1981	20
1982	25
1983	25
1984	0

Estimated outlays

Fiscal year:	*Millions*
1980	$12.5
1981	19.3
1982	24.1
1983	24.9
1984	4.2

Mr. President, the Veterans Senior Citizens Health Care Act of 1979 would significantly enhance the quality of geriatric care now provided in VA hospital facilities and, ultimately, would provide a meaningful effort by our Government to address the needs of the 32 million elderly persons who will live in this country by the year 2000. This act will substantially upgrade the embryonic program of the VA launched in 1973, the purpose of which was to improve the quality of geriatric care in VA hospital facilities. This important legislative initiative has the strong support of the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, Amvets, Veterans of World War I, the Blinded Veterans Association, as well as the strong endorsement of leading geriatricians throughout the Nation. The Veterans Senior Citizens Health Care Act of 1979 is an important legislative proposal. It is far reaching and proposes to address a future problem with a view to finding viable solutions now. I strongly support it and urge my colleagues to do likewise.

ADDITIONAL COSPONSORS

S. 689

At the request of Mr. TALMADGE, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 689, the Veterans' Disability Compensation and Survivor Benefits Act of 1979.

S. 736

At the request of Mr. DOLE, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 736, a bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes.

S. 1165

At the request of Mr. BELLMON, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1165, a bill to amend chapter 105 of title 10, United States Code, to provide for increases in the amounts of the monthly stipend paid to participants in the Armed Forces health professions scholarship program.

S. 1166

At the request of Mr. BELLMON, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1166, a bill to provide a permanent extension for the exclusion from gross income of certain amounts received under certain education programs for members of the uniformed services.

S. 1211

At the request of Mr. CRANSTON, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1211, a bill to amend the Social Security Act to extend medicaid eligibility to certain low-income pregnant women.

S. 1275

At the request of Mr. BAYH, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 1275, the cold-finish steel bar tariff reclassification legislation.

S. 1428

At the request of Mr. CRANSTON, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 1428, a bill to amend the Internal Revenue Code of 1954 to allow certain individuals who are participants in employer pension plans a deduction for their contributions to such plans or for their contributions to individual retirement savings plans.

S. 1433

At the request of Mr. PACKWOOD, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1433, a bill to improve the airplane certification process.

SENATE JOINT RESOLUTION 84

At the request of Mr. PROXMIRE, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of Senate Joint Resolution 84, designating August 1980 as "National Sport Aviation Month."

AMENDMENT NO. 210

At the request of Mr. SASSER, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of amendment No. 210 intended to be proposed to S. 712, the Rail Passenger Service authorization bill.

AMENDMENT NO. 212

At the request of Mr. SCHMITT, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of amendment No. 212 intended to be proposed to S. 1020, the Federal Trade Commission authorization bill.

SENATE RESOLUTION 197—SUBMISSION OF A RESOLUTION DIRECTING A STUDY OF THE ADVISABILITY AND FEASIBILITY OF INSTITUTING A BIENNIAL FISCAL PERIOD

Mr. BUMPERS submitted the following resolution, which was referred to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977:

S. RES. 197

Resolved, That (a) the Committee on the Budget and the Committee on Governmental Affairs are authorized and directed to study the advisability and feasibility—

(1) of conducting the fiscal affairs of the United States Government on a 2-year fiscal period or, in the alternative, of having the Budget submitted and new budget authority enacted for two fiscal years at a time; and

> (b) Such committees may conduct such study jointly or separately and shall submit their joint report or separate reports, together with their recommendations, to the Senate as soon as practicable, but not later than February 29, 1980.

● Mr. BUMPERS. Mr. President, I am submitting a resolution today which will direct the Senate Committees on the Budget and Governmental Affairs to study the advisability of conducting the fiscal affairs of the U.S. Government on a biennial basis. Under this resolution, the committees will be required to submit their recommendations to the Senate by February 29, 1980.

The annual budget cycle poses a dilemma for Congress. On one hand, annual review of authorizations and appropriations provides Congress with an opportunity to influence programs and policies, in addition to performing the oversight function. On the other hand, as annual authorizations and appropriations increase the workload of Congress, the quality of congressional oversight has diminished.

The increase in annual authorizations has made it difficult for the legislative and the Appropriations Committees to pass their legislation on time. Legislative committees complain that the May 15 deadline for reporting authorizing legislation does not leave enough time to act, while the Appropriations Committees complain that they cannot meet their deadlines because the authorizing committees act too slowly.

Before World War II authorizations were usually permanent. It has been estimated that at the end of World War II 95 percent of Federal spending, exclusive of one-time projects, was under permanent authorization. Since the war, Congress has sought to exert greater control over the Federal budget by enacting more annual authorizations, and by converting existing permanent authorizations to annual status. It has been estimated that 15 percent of the Federal budget is accounted for by annual authorizations.

Biennial authorizations would help to relieve Congress' heavy workload each year by eliminating the problem of considering annual authorizations. During hearings held in the 95th Congress on congressional procedure, a number of witnesses stated that a major problem in the House is finding time to give full consideration to measures in committee and on the House floor. Frequently, because of the workload, important measures were seen to have received only perfunctory consideration.

By relieving the heavy congressional workload, biennial authorizations would permit more time for oversight activities. A complaint common to Congress is that committees lack the time to perform this function. A 2-year authorization cycle, would allow the legislative committees to review programs more systematically and would result in better planning by Congress and the agencies. The time for more thorough oversight would be available because authorizing legislation would have to be enacted every 2 years rather than annually.

Biennial authorizations would encourage the orderly consideration of authorizations and appropriations and relieve the scheduling problems caused when authorizations are not enacted on time. Observers of the congressional budget process cite the growth in annual authorizations and the resulting backlog of legislation as the main reason for delay in the enactment of appropriations bills.

The orderly consideration of authorizations is provided for in section 607 of the Congressional Budget and Impoundment Control Act of 1974. This section encourages the use of 2-year authorizations. Section 607 reads:

> In the case of a request for the enactment of legislation authorizing the enactment of new budget authority for a new program or activity which is to continue for more than one fiscal year, such request shall be submitted for at least the first 2 fiscal years.

The manager's statement to the conference report accompanying H.R. 7130, the Budget and Impoundment Control Act of 1973, discusses advance authorizations:

> The managers believe that in the future it will be necessary to authorize programs a year or more in advance of the period for which appropriations are to be made. When this is done, Congress will have adequate time for considering budget-related legislation within the timetable of the Congressional budget process. The managers call attention to section 607 which requires advance submission of proposed authorizing legislation, and to the expectation that Congress will develop a pattern of advance authorizations for programs now authorized on an annual or multiyear basis.

The recent House debate on the State Department authorization bill (H.R. 3363), underscores the arguments advanced for biennial authorizations. In support of a 2-year authorization for the State Department, Representatives ZABLOCKI, GIAIMO, and FASCELL asserted that a 2-year authorization supports section 607 of the Congressional Budget Act, and is well suited for stable and predictable programs. In addition, they argued that 2-year authorizations provide for better oversight, Mr. GIAIMO declared:

> Multiyear authorizations can mean major reductions in the time spent in hearings, markup, floor debate and conference. They can assure that the authorizing committee reports the bill, and floor action occurs in time for the Appropriations Committee to devote adequate time to its consideration. And it can free the authorizing committee for a much neglected activity in the Congress—that of program oversight.

A second facet of biennial budgeting involves the appropriations process. Some persons regard the appropriations process as the most effective form of congressional oversight. In "Congressional Control of Administration," Joseph P. Harris declares that, "the appropriations process is perhaps the most important single control over the departments."

In an effort to exert more control over the budget, Congress has always encouraged the use of annual appropriations. The Permanent Appropriation Repeal Act of 1934 made a number of programs that had been permanently funded subject to annual consideration by Congress. Section 139 of the Legislative Reorganization Act of 1946 ordered the Appropriations Committees to study existing permanent appropriations "with a view to limiting the number of permanent appropriations and to recommend to their respective House what permanent appropriations, if any, should be discontinued." In 1966, the Joint Committee on the Organization of the Congress declared:

> We strongly believe that an annual appropriations review is the best means of insuring that Federal spending received adequate congressional attention.

Section 253 of the Legislative Reorganization Act of 1970 (Public Law 91-510) encourages Congress to insure that appropriations for continuing programs are made annually, and section 402 of the Congressional Budget Act directs the committees of both Houses to study permanent appropriations and to recommend terminations or modifications.

However, annual appropriations increase the congressional workload to the detriment of the oversight function. In addition, annual appropriations reduce the time that the Appropriations Committees have to consider the advice of authorizing committees. In short, annual appropriations mean tighter deadlines and less time for planning and the consideration of major policy issues. Allen Schick of the Congressional Research Service has stated:

> Annual appropriations might convey the appearance of potent congressional command over expenditures but the reality might be a legislative body too harried to evaluate any portion effectively.

Biennial appropriations may provide more time for oversight and effective planning as well as dispersing the congressional workload.

Two-year appropriations are also discussed in a recent report by the Congressional Budget Office (CBO). The purpose of the report is to consider whether the controllable portion of the budget should be funded in advance. That is, should the decisions involving the budget be made at least 12 months before the start of the next fiscal year? CBO recommended that the Appropriations Committees establish standards under which programs could be included in a 2-year appropriations cycle.

CBO concluded that 2-year appropriations would help relieve the workload of Congress and improve the quality of budget decisions. The report also noted the benefits of 2-year appropriations on State and local government planning. Biennial appropriations would relieve the uncertainty associated with annual appropriations and permit the State and local governments to plan farther into the future.

In studying the biennial authorization and appropriations process, the committees should also review the possibility of changing to a 2-year budget resolution. Congress is increasingly concerned with the problems of workload, floor scheduling and the timely enactment of authorizations and appropriations. In addressing these problems Congress has considered the benefits of advance budgeting. The Congressional Budget Act includes a number of provisions that encourage the Budget Committees and Congress to look beyond the immediate fiscal year. Some of these provisions are:

First. The Congressional Budget Office must project the 5-year impact for every spending bill reported by the House and Senate committees;

Second. At the beginning of each fiscal year CBO must report to Congress on spending, revenue, surplus or deficit, public debt, and tax expenditures for the coming 5 years; and

Third. The President must project the effects of his annual budget proposals over 5 years.

In addition, on April 2, the President signed the Public Debt Limit Act (Public Law 96–5) that directs the Budget Committees to submit two alternative multiyear budget plans. The report of the Senate Budget Committee read:

> The dynamism of multiyear budgeting is a dramatic advancement over the static limits of single-year planning. Multi-year planning alone can allow Congress to exert firm control over spending, revenues, and the size of a deficit or surplus.

Two-year budget resolutions would provide Congress with budget control by permitting planning and the flexibility to adjust to changing economic conditions. Congress could enact 2-year budget resolutions and retain annual appropriations, while enacting 2-year appropriations on a selective basis. A multiyear budget is recommended by OMB:

> Both the President and Congress will reap significantly greater benefits from this multiyear budgeting approach than would be possible through advance appropriations.

The selective use of biennial appropriations with 2-year budget resolutions offers Congress the opportunity to study the effectiveness of a 2-year budget cycle without sacrificing much short-term control of the budget. It might also be useful in determining how congressional workload and floor scheduling would be affected by a change to the 2-year cycle, as well as whether a decrease in workload would encourage greater oversight.●

AMENDMENTS SUBMITTED FOR PRINTING

KENNEDY CENTER AUTHORIZATIONS—S. 1142

AMENDMENT NO. 331

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to S. 1142, a bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperformance arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

● Mr. DOMENICI. Mr. President, I send to the desk an amendment intended to enhance the financial status of the John F. Kennedy Center for the Performing Arts. My amendment would establish clear rules under which the Center may give away or provide reduced-priced tickets to its performances. This amendment would increase the Center's income by at least $200,000 yearly since each of those free tickets given free to the White House and to the chairman of the Center's Board of Trustees has a value of about $15, and some 40 such free tickets are provided daily. This legislation is similar of S. 558, which I introduced earlier this year.

Mr. President, I am convinced that too many tickets are now being given free to the staffs of the White House, the Congress, as well as to Members of the Congress and the Cabinet. Frankly, I do not believe we should ask the American taxpayer to underwrite the costs of the Kennedy Center, when we are giving tickets free to a few favored people.

Mr. President, I ask unanimous consent that the text of the amendment, together with the individual views I included with the report on S. 1142 be printed at this point in the RECORD.

There being no objection, the amendment and views were ordered to be printed in the RECORD, as follows:

S. 1142

On page 2, after line 5, insert the following:

"SEC. 2. The John F. Kennedy Center Act (Public Law 85–874, as amended; 20 U.S.C. 761) is amended further by adding at the end thereof the following new section, to be numbered accordingly:

" 'SEC. (a) No tickets for events for which a specific schedule of charges is provided to the public may be distributed without compensation in accordance with such schedule, except tickets may be distributed:

" '(1) at reduced rates to persons aged sixty-five years or older;

" '(2) at reduced rates to assure access to the performing arts for persons who otherwise could not afford to attend such events;

" '(3) at reduced rates, or without compensation, when it is determined, no more than twenty-four hours before a particular performance, that those tickets to be distributed without compensation or at reduced rates could not reasonably be expected to be sold in accordance with the schedule of charges;

" '(4) without compensation to accredited members of the press whose purpose is to review that performance, or,

" '(5) without compensation to the President of the United States and his party when the President attends a particular performance at the Center.

" '(b) For the purpose of this section the term "schedule of charges" shall mean any list of ticket prices contained in an advertisement or display for an event.

" '(c) Any official of the Center violating this section shall be liable to a fine of no more than $100.'."

ADDITIONAL VIEWS OF MR. DOMENICI

I am pleased that the Committee on Environment and Public Works has agreed to address the many issues relating to the financing of the Kennedy Center for the Performing Arts before the Senate considers this legislation on the floor. Resolution of the parking-bonds debt and other aspects of the Center's finances must logically be considered before additional tax dollars are authorized for the Center.

Parking Bonds.—In addition to $23,000,000 in direct appropriations provided for the Center in the 1960's, the Congress authorized $20,400,000 in parking bonds for the Center. These bonds are due to be redeemed in the years 2017–2019. According to the General Accounting Office: "The bonds state that the interest and principal are to be paid from parking revenues. However, the Center has not set aside any funds or made any provision to pay the interest or amortize the principal of the bonds."

By the original agreement with the Treasury Department, interest on the bonds was deferred until December 31, 1978. The Kennedy Center has since had that date extended to December 31, 1979. By the end of this year, the Center will owe the Treasury Department some $17 million in back interest (not counting principal). It disturbs me that the Center has been unwilling to set aside even a dime towards the bonds or the accumlated interest. It is rather like a homeowner who spends to the limit of his paycheck, then refuses to pay anything on the mortgage of his home. Citizens can't get away with this; apparently the managers of the Kennedy Center can.

The problem goes back to the period before the Center was completed. The Center was running out of cash for construction work. So, rather than go to private contributors or to the Congress, it borrowed $3.5 million from the company that obtained the concession on the parking garage. The money was used to complete construction on the theaters. To obtain the loan, the Center pledged the use of its parking revenues, those same revenues that were to go to pay the parking bonds. Says GAO: "The (parking) company's proposal to provide this advance * * * was an important factor in its selection to manage the Kennedy Center's parking facility."

Currently, the Center charges $2.50 for every car that uses the three-level, 1,408-car parking garage in the evening, plus hourly charges during the day. This brings in some $1.5 million yearly. Of these revenues, 5 percent off the top goes to the parking company as a "management fee." Next, the parking company is paid for all its operating and maintenance costs. Next, a payment of about $400,000 is made yearly to the parking company toward the principal and interest on the $3.5 million, 15-year loan. Then, and only then, does the Kennedy Center receive any revenues from the garage—50 percent of the residue. (The split becomes 70 percent Kennedy Center, 30 percent to the parking company once the loan is paid off, with an 80–20 split on revenues exceeding $1.5 million.)

From 1972 through 1978, the parking garage received total revenues of $8,716,426. Of that sum, the concessionaire received $7,253,939, while the Center received $1,462,487. And those parking revenues received by the Center were used for theater operations, according to the General Accounting Office.

As early as 1975, the Committee on Environment and Public Works made the following observation:

> The Committee is greatly concerned over indications from the recent General Accounting Office report and hearings on this bill

that the Center may be unable to meet its accumulated debt and to make necessary repairs, both outside the memorial aspects of the Center. This question will come into focus by 1978 when unpaid debts on the parking garage bonds fall due; the interest due in 1978 is estimated at $14.6 million.

The Committee urges that the Center and the Department of the Interior recognize what might be termed the precarious financial position of the Center and report, within one year, to the Congress on what efforts are and will be made by the Center to raise the funds needed to meet this debt, as well as to meet any costs of major repairs that may be necessary. Such a report should contain a detailed analysis of the Center's efforts to raise additional capital funds to cover such debts in order that the taxpayers will not be forced to assume the burden of such added and unnecessary costs.

A year later, the committee expanded on this view:

During the 1976 hearings before the Committee, representatives of the Kennedy Center alluded to Treasury Bonds issued to finance construction of the parking garage at the Center. Payment of interest on the $20.4 million in bonds may be deferred by the Center until December 31, 1978. At that time $14.6 million in accrued interest will be due. Officials of the Center stated that existing revenue sources, because of the manner the funds are committed, are unlikely to yield sufficient funds to pay the interest. While no specific request for Federal assistance wa made, the testimony indicated that the Kennedy Center would be seeking relief from its obligations in the future.

Members of the Committee, during consideration of H.R. 14360 in the last Congress, expressed opposition to granting such relief. The Committee believes there is need for better information on the Center's overall financial needs and operations, and perhaps also to establish clearer lines of responsibility for the Center's disparate functions; the center for the performing arts, and the national monument and major tourist attraction. The Committee plans to review these matters, and may propose changes in the division of responsibilities between the Kennedy Center Board and the Federal Government. The interest of the Federal Government in the Center in this legislation is limited to providing effective oversight of the building's structural integrity in order to assure that adequate maintenance and rehabilitative measures needed to maintain its functional and aesthetic qualities are carried out.

It should be noted that the amended bill and the parking bonanza are not the only on-going Federal supports provided to the Center. Because of shabby construction work. the Congress has appropriated $4.5 million to repair leaks in the roof and in the driveway. And more work is needed inside. According to the Park Service, the Opera House needs $1,000,000 in work (carpet, wall coverings), the Concert Hall needs $300,000 (carpet, broken seats), the Eisenhower Theater needs $400,000 (carpet, ceiling fabric). and there is a need to spend $700,000 to reinsulate the garage. The total: $3.5 million, including contingencies.

And the list of taxpayer supporters goes on. While the National Endowment for the Arts gives no money directly to the Kennedy Center, the Center is still the beneficiary, both directly and indirectly, of large sums provided yearly by the Endowments. One of the Endowments' programs is its dance touring program, which provided $3,886,000 nationally in fiscal year 1978 to pick up about a third of the costs of touring dance companies. Of that sum, the Kennedy Center re ceived $253,500 to finance a total of 9 weeks of performances by the American Ballet Theater and the New York City Ballet. The Endowment provides $3,000,000 yearly to the American Film Institute, money which indirectly enables the Institute to rent its theater in the Center.

The public has a right to know exactly how much the Center receives from the taxpayers in order to make a proper analysis of future requests, such as relief of the parking bonds.

Tickets.—An issue related to the millions of taxpayer dollars provided yearly to the Center involves free tickets. I have introduced legislation (S. 558) that would limit the Center's ability to hand out free tickets to those who can easily afford to pay, while the Center continues to come to the taxpayers for this smorgasbord of financial supports. The Center provides approximately $500 daily in free tickets (the most choice of seats) to the White House and to the Center's chairman, Roger Stevens. The White House tickets are normally used by the staff of the White House and the Congress, while the Stevens tickets are used by a variety of people, including persons being lobbied on wildlife protection issues.

The annual value of these tickets is some $175,000 yearly. While this sum certainly will not retire the Center's debt, the principle of giving freebies to those who can afford to pay, while begging for more tax dollars is simply wrong.

I applaud the Committee for its decision to confront the various issue relating to the finances of the Center, and I agree that this must be done before this legislation is considered on the floor.●

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS—H.R. 4388

AMENDMENT NO. 332

(Ordered to be printed and to lie on the table.)

Mr. COHEN submitted an amendment intended to be proposed by him to H.R. 4388, an act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS—S. 562

AMENDMENT NO. 333

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to S. 562, a bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

AMENDMENT NO. 334

(Ordered to be printed.)

Mr. McGOVERN proposed an amendment to S. 562, supra.

AMENDMENT NO. 335

(Ordered to be printed.)

Mr. HART proposed an amendment to S. 562, supra.

WINDFALL PROFITS TAX—H.R. 3919

AMENDMENT NO. 336

(Ordered to be printed and referred to the Committee on Finance.)

Mr. BENTSEN (for himself, Mr. DOLE, Mr. BAUCUS, Mr. BELLMON, Mr. BOREN, and Mr. GRAVEL) submitted an amendment intended to be proposed by them, jointly, to H.R. 3919, an act to impose a windfall profit tax on domestic crude oil.

● Mr. BENTSEN. Mr. President, not since the Second World War has the security and future of the United States been so threatened as it is today. In the past decade the leaders of our Nation have pursued energy policies that have restrained domestic energy production and subsidized foreign imports. We are now beginning to pay the full price for these ill-conceived policies. The OPEC nations repeatedly have demonstrated their ability and willingness to demand ever-increasing prices for their oil. According to the best estimates available the recent OPEC price increase will force inflation 2 percent higher in the United States next year and throw a million U.S. workers out of their jobs.

Our dependence on unreliable and increasingly costly foreign oil has doubled since the 1973 embargo while domestic production in the lower 48 States is in its 9th year of decline. It would be a tragic miscalculation for Congress to take action that would add to this decline. We need greater energy independence not more dependence.

For this reason, I intend to sponsor an amendment to H.R. 3919 which will exempt from the windfall profits tax the first 3,000 barrels of daily production by independent producers. This amendment would provide the capital requirements and drilling incentives needed by that segment of the petroleum industry which does nearly 90 percent of the Nation's exploratory drilling and accounts for 75 percent of the recently discovered oil and gasfields.

By exempting most independents from the tax, we can be assured that their increased earnings will be plowed back directly into exploration for additional domestic energy resources. Over the past 5 years, independents have received gross revenues of $33.3 billion but have spent $34.9 billion for drilling and exploration. The evidence is clear that independent producers are reinvesting everything they earn and then borrowing more money on top of that to explore for oil and gas. If we permit the independent producer to keep these tax dollars rather than the Government, he will use it to do what he does best—produce more energy.

Without this type of exemption I am concerned that the windfall tax will continue to erode the number of independent producers who can successfully compete with the major oil companies in the risky and increasingly technical business of oil exploration. Since the mid-1950's, the ranks of independents have been slashed in half from over 20,000 to 10,000 today. Because independents derive income only from the discovery and production of oil, they will be much harder hit by this tax than the major oil companies which also earn income from refining, marketing, transportation, and overseas operations.

Although there remain approximately 10,000 active independents in the petroleum business, most of our domestic oil reserves are held by the slightly more than 30 major integrated companies. Preliminary estimates indicate that this amendment will release only 15 percent of the oil subject to the windfall tax, but it will exempt greater than 99 percent of the producers from the need to comply with paperwork and redtape burdens of the tax.

Because I am deeply concerned that imposing the House version of the windfall tax on independent producers might discourage desperately needed new exploration, I am offering this amendment to exempt from the tax the first 3,000 barrels a day that the independent produces. I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 336

On page 2, line 14, after "TAX" insert "; EXEMPTION FOR INDEPENDENT PRODUCTION".

On page 3, between lines 10 and 11, insert the following new subsection:

"(d) Exemption for Independent Oil Production.—

"(1) General rule.—There shall be exempt from the tax imposed by section 4987 so much of the production for the taxable period as does not exceed the product of—

"(A) 3,000 barrels, multiplied by

"(B) the number of days in the taxable period.

"(2) Rules for determining ownership shares.—

"(A) In the case of a taxpayer holding a partial interest in the production from a property, including an interest in a partnership, the taxpayer's production shall be an amount which bears the same ratio to the total production of the property for the taxable period as the taxpayer's participation in the revenue from the property bears to the total revenue from the property for the taxable period.

"(B) For the purpose of applying paragraph (1) to a business under common control, the Secretary shall prescribe rules similar to the rules under section 613A(c) (8).

"(C) In the case of a partnership, the amount of the exemption under paragraph (1) shall be computed separately by each of the partners, under rules similar to the rules under section 613A(c) (7) (D), and not by the partnership.

"(D) In the case of a transfer of an interest (including an interest in a partnership or trust), paragraph (1) shall be applied in accordance with rules similar to the rules under section 613A(c) (9).

"(3) Ordering rule where production exceeds exemption.—If the amount of a taxpayer's production for a taxable period exceeds the amount of the taxpayer's exemption for that period under paragraph (1), the excess shall be attributed to that part of the taxpayer's production for which the removal price per barrel is lowest.

"(4) Retailers and refiners excluded.—This subsection shall not apply in the case of a taxpayer who is excluded from the application of section 613A(c) under paragraph (2) or (4) of section 613A(d).●

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will hold a hearing to evaluate the financial impact on Wisconsin and the upper Midwest in the event the Milwaukee Railroad were liquidated.

The hearing will be held in Milwaukee, Wis., in courtroom 390 of the Federal Building, 517 East Wisconsin Avenue, on Friday, July 20, 1979, beginning at 9 a.m.

Further information on the hearing is available from the committee staff on 224-5175. ●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I would like to announce that the time of the nomination hearing to be held by the Committee on Labor and Human Resources on Wednesday, July 18, has been changed from 2:30 p.m. to 4:30 p.m., in room 4232 Dirksen Senate Office Building. The purpose of the hearing is to consider the nominations of Leroy D. Clark to be General Counsel of the Equal Employment Opportunity Commission; Charles J. Chamberlain to be a member of the Railroad Retirement Board; and Mrs. Frankie Muse Freeman to be Inspector General of the Community Services Administration.●

SUBCOMMITTEE ON THE CONSTITUTION

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution, Committee on the Judiciary, will hold a hearing on the proposed constitutional amendment providing that the term of office of Members of the U.S. House of Representatives shall be extended to 4 years (S.J. Res. 34).

The hearing will commence on July 26, 1979, at 9:30 a.m. in room 5110, Dirksen Senate Office Building. Anyone wishing to submit testimony for the hearing record should send their statement to or contact Mary K. Jolly, Subcommittee on the Constitution, 102B Russell Senate Office Building, Washington, D.C. 20510.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, the Subcommittee on Housing and Urban Affairs, which I chair, will hold a hearing on Wednesday, July 18, 1979 at 1:30 p.m. in room 5302 Dirksen Senate Office Building. The hearing will focus on the role of public transportation in meeting our Nation's energy problems. The only witness at this hearing will be Secretary of Transportation Brock Adams.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, on July 25 and 26, the Senate Select Committee on Small Business will participate with the Senate Agriculture Committee, Subcommittee on Research and General Legislation, in hearings on the effect of Federal agricultural research and extension policy on the structure of farming. The hearings will begin both days at 10 a.m. in room 322 of the Russell Senate Office Building. Persons with questions concerning the hearings should contact the committee staff at 224-5175 or the staff of the Agriculture Committee at 224-2035.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, the Committee on Labor and Human Resources will have hearings on S. 1486, a bill to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970. The hearings will be held on Tuesday and Wednesday, September 18 and 19, 1979, commencing on each date at 9:30 a.m. The hearings will be held in room 4232 of the Dirksen Senate Office Building.

Anyone wishing to testify at these hearings, or desiring additional information should contact Mike Goldberg of the committee staff, room 4230, Dirksen Senate Office Building, Washington, D.C. 20510. Telephone (202) 224-3674.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

Mr. HART. Mr. President, I ask unanimous consent that the Energy Resources and Materials Production Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, July 18, 1979, beginning at 2 to hold a hearing on S. 1388, the Omnibus Geothermal Commercialization Act and S. 1330, the Geothermal Energy Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. HART. Mr. President, I ask unanimous consent that the Energy Research and Development Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate today and Tuesday, July 17, 1979, beginning at 2 to hold hearings on title 3 of S. 1308, the Energy Supply Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that the Energy Research and Development Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 19, 1979, beginning at 2 to hold a hearing on title 8 of S. 1308, the Energy Supply Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RHODESIAN SANCTIONS

● Mr. HARRY F. BYRD, JR. Mr. President, on July 11, last week, the President met with Bishop Abel Muzorewa, Prime Minister of Zimbabwe-Rhodesia. This meeting by the President with the new Rhodesian head of state was a heartening development and has raised hope that the administration will turn from its unjustified and unjust policies toward the new black majority regime in Rhodesia.

But, Mr. President, trade sanctions against Zimbabwe-Rhodesia nevertheless continue. And each day sanctions are continued is a day in which the administration must be held to account for a program of de facto support for pro-Communist terrorists operating against the popularly elected Muzorewa government.

Mr. President, I ask that a Wall Street Journal editorial entitled "Selective Intervention" be printed in the Record. This editorial was published on July 12, and it exposes in plain terms the bankrupt and, indeed, sordid administration plan for Zimbabwe-Rhodesia and for other pro-Western nations in Africa and elsewhere.

The editorial follows:

Selective Intervention

Prime Minister Abel Muzorewa of Rhodesia was granted a Camp David audience yesterday to hear, once again, how the U.S. wants him to run Rhodesia. Not bad for an administration that has espoused a policy of not interfering unduly in the internal affairs of other nations.

It would be hard to imagine a more active intervention, short of sending the Marines to Rhodesia to overthrow the elected black majority government and install either Robert Mugabe or Joshua Nkomo as chief. With the British Commonwealth meeting imminent and in the face of a clear British intent to recognize the new Rhodesian government, Secretary Vance last week persuaded Australia to join in his pressure tactics. That was a brilliant exercise of personal diplomacy, but to what end? Margaret Thatcher is not likely to thank him for making the commonwealth meeting even stickier than necessary.

The State Department objects to the features of the Rhodesian constitution that provide minority protection—the very features which brought about the internal solution and the peaceful transition to majority rule.

Perhaps protecting the Rhodesian white minority amounts to special treatment, but the principle of special treatment for minorities is certainly not absent from U.S. domestic policies. The fact that in one country it is a white minority and in the other a black minority doesn't change the principle in any way.

Not only is the U.S. attitude towards minority rights selective, but so is its attitude towards intervention. It has not chosen to intervene in Angola, where East Germans are helping the government set up concentration camps to house any black rebels who can be caught by Cuban troops.

The focus instead is on Rhodesia, and it is a focus that promotes, rather than reduces, racial divisiveness. There is every reason to fear that it is being done mainly as an adjunct to racial politics here at home. While this may sit well with some black leaders it does not please them all. One of the strongest criticisms of the administration's Rhodesian policies has come from longtime civil rights leader Bayard Rustin. In an article in the current Commentary he shows the cost to African democracy of undercutting moderate blacks like Bishop Muzorewa.

An even greater cost may well be borne by future American Presidents. It has cost the U.S. a great deal to deliver gratuitously a political setback to the British Prime Minister at a time when our European allies are losing faith in us. So has making it clear that the American policy of nonintervention applies to Cuba and Angola but not to Rhodesia. The message is clear to anyone contemplating seizing power or holding on to it: first align yourself with the Communists.

Nonintervention has its own problems, but they are preferable to preaching nonintervention and practicing selective intervention.●

THE CHANGING ROLE OF CONGRESS IN THE NATIONAL DEFENSE DEBATE

● Mr. HOLLINGS. Mr. President, recently the distinguished Director of the Congressional Budget Office, Alice Rivlin, delivered a very meritorious address on "The Changing Role of Congress in the National Defense Debate" to the U.S. Military Academy Senior Conference.

Not only is this recommended reading for the military services and those involved in budgeting for the military here in Congress, but it is also invaluable to all my colleagues as an insight into the approach of the Congressional Budget Office to military budgeting amidst the trends it sees in the years immediately ahead. Director Rivlin's remarks are particularly interesting as they cover the constraints which Congress, and the country, will face in upcoming years. Vital defense decisions are called for in the wake of the Soviet military buildup, and these decisions are inevitably made in a shifting environment involving not just Soviet activity, but also American perceptions and congressional constraints. My own conviction that we need to be doing more in the area of defense in light of Soviet activity is hardened as a result of my reading this paper. But whatever a Senator's conclusions on defense spending, those conclusions will be better informed as a result of perusing Alice Rivlin's presentation. Defense budgeting is considerably different today from what it was just 4 to 5 years ago, and everybody concerned with it needs to understand the new and wider and more demanding context in which those budgeting and spending decisions are taken.

Mr. President, I ask that these remarks of our very able CBO Director be printed in today's edition of the Record and I commend Alice on this contribution to our continuing Defense discussions.

The remarks follow:

The Changing Role of Congress in the National Defense Debate

(By Alice M. Rivlin)

This conference has been convened to discuss "The Role of the Military in National Security Policy Formulation in the 1980s." General Goodpaster, in his invitation, cast the central question in a broader context, raising questions not only about the posture of the military profession but also about changes in the environment in which national security decisions are made. My comments today will focus on tendencies and new procedures that affect a major part of this environment—budget decisionmaking in the Congress.

My perspective on this question is that of an economist and Director of the Congressional Budget Office. The CBO is a staff agency of the Congress with nonpartisan responsibilities that lie mainly in support of the new Congressional budget process, created by the Budget Impoundment and Control Act of 1974. Among the CBO's responsibilities are the preparation of economic forecasts, five-year projections of federal spending under current policies, and nonpartisan analyses of alternative fiscal and programmatic policies with significant budgetary impact. From our perspective, it is possible to identify several factors that will help shape the defense budget debates of the 1980s.

One of these factors is the general performance of the economy. Projecting the performance of the economy several years into the future is, of course, a most uncertain business. The important determinants of growth, such as longer-term trends in productivity, are not well understood. Taking a relatively optimistic stand, CBO has assumed that there will be significant growth in real output over the next five years.

Whether the federal or defense sectors of the economy will experience real growth is uncertain. The public mood today presents the Congress with conflicting directives. It is clear that there is a strong demand for a reduction in the size and scope of government. But there is also substantial resistance to cutting back social programs already on the books. Moreover, the Congress is increasingly concerned about the adequacy of U.S. defense spending in the light of growing Soviet military capabilities.

In resolving these conflicts, the Congress relies not only on the long-established processes of authorization and appropriation of funds, but also on the budget process enacted in 1974. The budget process adds a new dimension to the Congressional debate by providing a framework for assessing the larger implications of the numerous budget decisions made by the authorizing and appropriating committees. This has made the budget process a focal point for debates on how to balance the competing desires for reduced federal expenditures and taxes on the one hand with measures for increased spending on defense and other important areas on the other hand.

The new budget process also highlights the need to take a longer view of issues than the one afforded by the year-to-year appropriations process. This longer view is especially important in defense, where any substantial policy change requires a perspective of several years.

Let me turn now to a more detailed consideration of the defense budgeting environment, to the new budget process, and finally, the role that the military profession may be able to play in the budget process.

ENVIRONMENT FOR DEFENSE BUDGETING

Underlying economic trends

The Congressional Budget Act of 1974 requires the Congressional Budget Office to make periodic analyses and forecasts of economic trends. Our January 1979 forecast of the economy predicted an economic slowdown in 1979, perhaps turning into a recession during the second half and followed by a moderate recovery of real growth in 1980.

Inflation will remain a major problem, particularly in its unequal impact on different economic groups and its adverse effect on overall national efficiency and on our competitiveness in some foreign markets.

Beyond 1980, CBO projections assume the economy will grow at a rate of 4.5 percent a year in real terms, which is consistent with the growth needed to achieve a 5.5 percent unemployment rate in 1984. Along this path, inflationary pressures should decrease; the annual rise in the consumer price index can be expected to decline to about 6 percent by 1984. These projections are, of course, subject to substantial change, depending upon the performance of the economy and upon unforeseen developments such as interruptions of energy supplies, a crop failure, or continued weakness in productivity growth.

This economic scenario suggests certain changes in federal spending patterns. If current national policies remain the same, economic growth would mean that the federal government's share of the gross national product would decline from about 22 percent at present to about 20.8 percent in fiscal year 1982 and to about 19.5 percent in fiscal year 1984. National defense outlays, as a share of GNP, would decline from 5.1 percent in 1978 to about 4.8 percent in 1982 and to about 4.5 percent in 1984. These projections assume no changes in law or policy; they allow only for inflation in prices and changes in numbers of beneficiaries in entitlement programs such as social security and military retirement. Thus, the real meaning of these estimates is that, if the economy grows at a healthy pace, the Congress will have room to increase spending without increasing the federal government's share of GNP.

What the Congress does will depend in part on its concern with the problems of inflation and unemployment, since government spending may affect both. The Congress could decide to reduce spending in order to hold down inflation. CBO has estimated, for example, that a cut of $15 billion to $25 billion in federal spending initiated in 1980 might reduce the inflation rate in 1984 by nearly 2 percentage points, although it would increase the unemployment rate by about 1½ percentage points. On the other hand, the Congress could decide to increase spending in order to meet the needs of defense and other programs, as well as to lower the unemployment rate. CBO has estimated that a spending program designed to lower the unemployment rate to 4 percent by 1984 as mandated in the Humphrey-Hawkins Act would increase the rate of inflation 3 percentage points by 1984. Prices would continue to accelerate as long as the attempt to hold unemployment down to 4 percent continued.

What the Congress decides to do in these matters, particularly in the field of defense, will depend not only on its concern with inflation and unemployment. It will also depend on a reading of conflicting moods among the American public.

Antigovernment mood

Today this country seems to be in an antigovernment, anti-spending mood. The mood seems to express a desire for a smaller, more efficient government that will be a smaller burden on citizens and interfere less in their lives. Public opinion polls show a declining trust in all government institutions. Voters in several states and localities have passed amendments like California's Proposition 13 requiring their governments to cut taxes or to limit expenditures. And some 30 states have now called for a constitutional amendment to balance the federal budget.

The public's mood has been strongly reflected in the Congress, and nowhere more clearly than in the drive to balance the federal budget. Passage of a bill to raise the limit on the public debt—in the past, often a routine matter—was prolonged this year while the House and Senate debated different approaches to balancing the federal budget. The resulting Public Debt Limit Act of 1979 requires the President to submit a balanced budget alternative in any year he chooses to ask for a budget in deficit. The same law directed the Senate and House Budget Committees to demonstrate, in their reports on the fiscal year 1980 budget, how to achieve balanced budgets in fiscal years 1981 and 1982. In carrying out this mandate, the Senate went farther than the House, adopting specific budget targets for 1981 and 1982 for all major spending functions and for revenues. If the Congress follows the Senate path, the result will be a significant decline in the federal government's share of gross national product over the next several years.

While this antigovernment mood is not focused on defense spending, it is likely to be felt in some aspects of the defense debate. Proposed increases in defense spending will be harder to sell to the Congress; cuts may be asked for more often in some defense programs in order to pay for increases in others; demands for efficient management of resources will increase. One may expect more than the old debate over "how much is enough," although that question will continue to be raised in the Congress. Something new has been added. Under the new budget process, defense spending must compete explicitly with nondefense spending for its share of a tighter budget.

In the short run, defense may be handicapped in this competition. Increases in defense spending may be harder to achieve than in the past. Legislators may feel it politically easier to reduce federal spending by across-the-board cuts rather than by restructuring priorities among competing programs. Moreover, the defense budget contains a disproportionate share of "discretionary" spending—meaning spending that is determined by the annual appropriations process, such as federal salaries and purchases, and can thus be controlled more easily by the Congress. This contrasts with spending that is mandated by law, such as pensions and other entitlements, or spending that is a consequence of appropriations enacted in prior years. On this basis, the House Budget Committee this year estimated that the national defense budget function for fiscal year 1980 will contain 56 percent of the discretionary, or so-called "controllable," outlays in the federal budget.

Concern over U.S. defense capabilities

Despite these vulnerabilities, the President's defense budget for fiscal year 1980 contained some real growth, in contrast to most budget functions, which remained constant or declined. The Congress, during its final deliberations on the First Concurrent Resolution on the Budget, has not made major changes in those priorities.

What has protected defense? The answer is that the Congress is clearly concerned with the implications for U.S. security of the steady increase in Soviet military power. In 1971, according to CIA estimates, the Soviet and U.S. defense budgets had approximately equal purchasing power. Since then, CIA methodology shows that the Soviet defense effort has increased by about 25 percent while U.S. defense outlays, measured in constant dollars, have decreased by 16 percent. Insofar as the CIA can tell, Soviet spending continues to rise at between 4 percent and 5 percent a year, maintaining a constant share of Soviet GNP.

A great deal of this spending appears to have been concentrated on forces that directly threaten the United States and its principal allies in Western Europe and the Far East. Categories of Soviet forces that have undergone both major modernization and overall increases in capability include intercontinental strategic offensive forces, theater nuclear forces, conventional ground and tactical air forces, and naval forces. Measured in absolute terms, the range and striking power of Soviet armed forces have increased significantly.

There is increasing apprehension in the Congress that the relative balance of forces is shifting against the West. In particular, a number of possible deficiencies in the U.S. defense posture have been identifed by members of Congress as areas of concern.

During the 1970s, the number of U.S. Navy ships declined by almost 50 percent as many older ships were retired from the fleet without replacement. New ships were larger, but total tonnage fell. Now, with fewer ships, the Navy faces demands for increased overseas deployments in the aftermath of the revolution in Iran.

Advances in the firepower and accuracy of Soviet strategic offensive forces have raised important questions about the vulnerability of our land-based "Minuteman" ICBM force. The Secretary of Defense predicts that, by the early 1980s, a "substantial threat" to the Minuteman will exist. The best response to this situation is still being hotly debated, but it is likely to add to costs at whatever level of strategic capability the Congress chooses.

The manned strategic bomber force is aging, and eventually its aircraft may have to be rebuilt or replaced.

CBO studies of NATO's posture in Central Europe have identified shortcomings stemming from a lack of sufficient pre-positioned equipment, a shortage of war reserve stocks, and insufficient readiness among reserve forces.

The deployment by the Soviet Union of the SS–20 medium-range ballistic missile and the Backfire bomber has raised concern in the Congress and among our allies about the adequacy of NATO's theater nuclear posture.

These points are not intended as an overall assessment of the strategic or conventional balance between the United States and its potential adversaries. Such an assessment is beyond the scope of this paper. But they do indicate reason for concern over our defense capability.

Other areas of concern

Defense, however, is not the only area in which budgetary needs have been noted. Others include welfare, education, manpower, and health care. Our patchwork of federal and state welfare laws is widely recognized as inequitable and inefficient. Some observers argue that the current system provides inadequate benefits for needy families, while others argue that benefits are too high to encourage work. Welfare reform proposals that seek to address these concerns are currently before the Congress. If adopted, they could add $3 billion to $4 billion a year to present federal costs. The Congress recently extended higher education benefits for middle income families. If fully funded, these could add $1 billion to $2 billion a year to the budget. It has been proposed that the Congress increase tax incentives to private employers to hire untrained persons who would otherwise not find work. Similar incentives might also be used to encourage businesses to locate in economically distressed areas. Altogether, such incentives could cost $500 million a year in lower revenues. Finally, of course, there is National Health Insurance in its various proposed forms, with costs ranging upward from $5 billion a year.

These deficiencies in defense and other areas, taken together with the national antispending mood and the Congress' desire to cut overall federal spending, are fraught with political and fiscal conflict. The three-year spending plan devised by the Senate Budget Committee and approved by the Senate suggests one possible solution to this conflict. It envisages federal outlays falling from 22.1 percent of GNP in fiscal year 1978 to 19.3 percent by 1982. The same projection shows defense spending falling from 5.1 percent of GNP in 1978 to about 4.6 percent by 1982—well below the path necessary to maintain the 3 percent real growth in defense spending sought by the Administration. But the plan applies even greater restraint to nondefense spending, resulting in a slight increase in defense's share of the total budget.

THE CONGRESSIONAL BUDGET PROCESS: A NEW FORUM

I have tried to show how the national antigovernment, antispending mood is leading the Congress to seek ways to reduce federal spending, while at the same time concern over our national defense leads some to argue for higher defense spending. This conflict promises much debate and difficult choices over the next few years. The Congressional budget process provides a new forum for this debate, particularly the parts of the debate dealing with overall federal policy.

The present Congressional budget procedures, first exercised in 1975, were established by the Congressional Budget and Impoundment Control Act of 1974. That act created a framework for Congressional review of the federal budget. Before 1975, the Congress was unable to deal with overall expenditures and revenues in terms of a coherent set of economic goals and spending priorities. Instead, it engaged in what might be called "particle budgeting," with many subcommittees considering separate parts of the budget. For example, the activities in the President's budget under the heading of national defense were broken down in both the House and Senate into at least nine separate pieces of legislation, each considered by a different subcommittee. No committee was responsible for adding up the pieces and estimating the consequences for the economy. Nor could the Congress regularly meet budget deadlines. Often during the 1970s the defense appropriations bill was not passed until half the budget year was over.

The new budget act attempts to speed consideration and supply a framework for overall budget debate by requiring that the Congress adopt budget resolutions by specific dates. Initial spending targets are set in the First Concurrent Resolution, to be adopted by May 15. These targets are not legally binding, but they do have political force during debates on specific bills. If a bill breaches one of the targets, and there is no offsetting reduction elsewhere, the overall goal obviously will not be reached. A Second Concurrent Resolution, to be adopted by September 15, sets binding totals that can be overturned only by a subsequent Congressional vote to revise the ceiling imposed by that resolution. Moreover, all regular appropriations bills must be enacted and reconciled with the budget resolution before October 1, the beginning of the federal fiscal year.

To implement this reform, the Congressional Budget Act created three Congressional institutions. Two of these bodies are standing committees of the Congress—the House and Senate Committees on the Budget. The third is the Congressional Budget Office, which provides analytic support to both branches of the Congress. The Congressional Budget Act did not change the existing duties of the authorizing and appropriating committees. After decisions have been reached on overall levels of revenues and spending, these committees still have the major task of detailed review.

This new process, then, creates a forum for debate on desired levels of overall federal spending and revenues, as well as on spending in each of 19 functional areas. So far, the debate on overall fiscal policy has been the most satisfying, perhaps because the Budget Committees have clear jurisdiction in this area and the issues are more susceptible to analysis. With regard to tradeoffs in spending between defense and other areas, the debates have sometimes focused on broad policy, but often they have concentrated on selected details instead. Nonetheless, the Congress has arrived at revenue targets and spending targets for each of the 19 functional categories in each year since 1974.

TABLE 1.—*Results of first concurrent resolution on the budget for fiscal year 1980: In billions of 1980 dollars*

	Budget Authority [a]	Outlays
Spending:		
National Defense	136.6	124.2
International Affairs	12.6	7.9
General Science, Space, and Technology	5.7	5.5
Energy	18.8	6.8
Natural Resources and Environment	12.6	11.7
Agriculture	5.0	5.4
Commerce and Housing Credit	6.9	3.2
Transportation	19.5	18.2
Community and Regional Development	8.9	8.1
Education, Training, Employment, and Social Services	30.9	30.5
Health	58.1	53.6
Income Security	214.8	183.3
Veterans Benefits and Services	21.2	20.6
Administration of justice	4.2	4.4
General Government	4.4	4.3
General Purpose Fiscal Assistance	8.1	8.1
Interest	56.0	56.0
Allowances	—0.1	—0.1
Undistributed Offsetting Receipts	—19.7	—19.7
Total	604.4	532.0
Revenues		509.0
Deficit		23.0
Public debt level		887.2

[a] Column does not add due to rounding.

Table 1 shows the functions considered during the spending debate and the levels of revenue and spending established by this year's First Concurrent Resolution on the budget.

Effects on the defense debate

Overall consideration of the federal budget, coordinated by the Office of Management and the Budget, has long been a part of Presidential policymaking. But the Congress has had such an opportunity only since passage of the Budget Act. The new process has not altered the traditional review of the defense budget, nor was it meant to. The detailed review of weapons systems and other defense matters is still made by the Committees on Armed Services and Appropriations. Now, however, the Congress is afforded an overall review of defense and other spending levels that provides a forum for setting overall priorities before the detailed review begins. In addition, the budget process has had other important effects on the defense debate.

One major effect has been to bring new actors into the debate. Members of the House and Senate Budget Committees have the responsibility for deciding upon overall defense budget levels. They have the opportunity to educate themselves on defense issues by holding hearings and questioning witnesses. Each committee has several staff members who devote full time to analyzing defense issues, preparing budget-markup materials, and monitoring compliance with the defense budget targets.

With new actors have come perspectives. The interests of many of these members have centered on long-term budget problems and overall priorities, rather than being focused primarily on defense. This has led members to raise long-term budgetary implications as a consideration during debate on defense issues. In recent years, budget committee members have, for example, expressed concern about hidden or long-run costs on issues such as Navy ship leasing and military survivor benefits.

Because they play a different role, the Budget Committees tend to avoid the detailed, item-by-item approach undertaken by the Committees on Armed Services and Appropriations. They have concentrated instead on more general budgetary and policy issues. The Senate Budget Committee, in particular, has directed its attention to missions within each budget function in an effort to identify tradeoffs among and within these missions. In the national defense budget, for example, the committee this year considered alternating paths for strategic force levels and modernization, as well as alternative approaches to funding for tactical warfare. Some of the strategic tradeoffs it considered were different mixes of mobile MX missiles and sea-based Trident forces. Tactical warfare options included greater or lesser emphasis on NATO forces relative to forces oriented to missions outside the NATO Central Region. Not only tradeoffs, but also different budget levels, were considered and debated.

Given the constant need to accommodate a large variety of competing objectives within a given federal budget, both of the Budget Committees have made special efforts to identify efficiencies in federal spending. In the case of defense, this has resulted in a detailed scrutiny of manpower management and compensation issues. These efforts may focus more attention in the Congress on legislation that would eventually reduce costs. The House Budget Committee, in its report on the First Concurrent Resolution for Fiscal Year 1980, noted that its budget targets in the federal government as a whole assumed savings of $6 billion through enactment of cost-reducing legislation. Major targets for legislated savings were hospital cost containment and the states' share of the general revenue sharing program. Other reductions were assumed in the wage board salary structure; in cost-of-living adjustments for federal retirees; in operating subsidies for U.S. flag vessels; in Medicare and Medicaid, food stamps, Aid to Families with Dependent Children, Supplemental Security Income, social security disability, and child nutrition programs; and in several veterans' benefits. Reflecting its sincere interest in pursuing these legislative savings, the House Budget Committee has established a Legislative Savings Task Force to monitor the progress of such legislation.

The most important effect of the budget process on the defense debate may be its addition of a long-run perspective. The results of many economic policy and budgetary choices are not manifest until after two, three, or even more years; the new budget process tends to focus attention on these long-run effects. Although the Congress still makes budget decisions one year at a time, tangible progress has been made this year toward multiyear budgeting. The Public Debt Limit Act of 1979, as I noted previously, required the House and Senate Budget Committees to lay out budgets that would reach a balance in fiscal year 1981 or fiscal year 1982. The Act further directed the committees to describe the consequences of balancing the budget on employment, inflation, and national priorities, explicitly including the effects on national security. Both committees reported such long-run budgets this year. The Senate actually adopted three-year spending and revenue targets; the approach of the House differed, however, and these differences were not fully resolved. But multiyear budgeting seems likely to gain adherents over the next few years. It certainly has my wholehearted support.

This increasing focus on the long-term effects of budgetary decisions can be helpful to defense. A long-range perspective tends to relieve pressure on budget functions, such as defense, that have a high percentage of "discretionary" or "controllable" outlays. Also, major changes in the nation's defense posture take time to accomplish, and the long-run focus forces the Congress to concentrate on such issues. Indeed, emphasis on multiyear budgeting should bring Congressional procedures more into line with those in the Department of Defense, which has long emphasized five-year budgeting.

Problems in the budget process

The new budget process is not without problems. A tension inevitably exists between the general and the particular in any budget debate. The traditional decisionmaking approach followed by the Committees on Armed Services and Appropriations stresses particular line items. The Budget Committees, tasked with setting overall revenue and spending targets rather than with detailed review, necessarily work at a higher level of aggregation. But they must also, inevitably, justify their decisions by considering particulars. The Senate Budget Committee has tried to solve this problem by adopting a mission budget approach, as I have already mentioned. Both Budget Committees have been attracted to defense issues—such as manpower—that are easier to understand and analyze than more complex questions of force structure.

While these are reasonable approaches, more must be done. We need better aggregate measures of defense capability and better ways of displaying the defense budget in a small number of categories that still highlight the broad issues. These improvements will require the assistance of the Department of Defense. Such assistance, in addition to helping the Budget Committees, could improve the defense debate in an arena that may be important in shaping the size of defense spending over the next few years.

Timing is also a problem for the budget process. Even with a long-run perspective, it is difficult to master the complexities of budget decisions in a few days or weeks. The Congress, which receives the President's proposals in late January, must make its decisions on the First Concurrent Resolution by May 15. Given a month for floor debate and the resolution of House-Senate differences, this means that the Budget Committees have to act by April 15. For all practical purposes, analysis of major policy issues raised by the President, and development of alternatives, must be completed by March 15, less than two months after submission of the Administration's budget.

An informed budget debate requires an informed membership and staff. The Administration must continue, and perhaps enhance, its efforts to make available to staff and members of Congress the major policy issues and also the supporting detail in time for consideration in the Budget Committee deliberations.

A third source of conflict in the budget process is the tension between long-range planning and short-run problems. Concentration on the current budget year undermines the ability of the Congress to affect much of the federal budget, since in any one year most of the budget has been determined by decisions in past Congresses. By failing to look ahead, the Congress loses the chance to make fundamental, long-run changes. The current political mood, with its focus on setting limits to federal spending and taxing, demands that the Congress make major changes that require a longer view. At the same time, however, the natural tendency of many members of Congress—who must face elections every two years—is to concentrate on decisions that affect the current budget year. Thus, the Budget Committees are likely to face a continuing conflict between short-term concerns and the need for long-range planning.

These problems will not go away. But they can be partially met through increased assistance from the Administration, including the civilian and military personnel in the Department of Defense. To the extent the new budget process continues to play an important role in the defense debate, these efforts will serve the nation well.

The role of the military services

Finally, I would like to comment briefly on the implications of the new Congressional budget process for the military services by offering a few ideas that flow from the preceding discussion.

Both the political mood, with its emphasis on fiscal austerity, and the budget process, with its emphasis on identifying tradeoffs and efficiencies, pose a new challenge to all government institutions. In some ways, this challenge offers the military services an opportunity to strengthen their role in the budget process. Their unmatched, detailed knowledge allows them to identify possible efficiencies and tradeoffs and to formulate alternative policy solutions to national security problems. The services have already, in particular cases, offered welcome assistance to the Congressional Budget Office in its studies of national defense budget issues. Furthermore, the Congress is anxious to obtain their advice and to encourage their role in the development of defense plans and programs.

The trends that I have discussed today will, however, lead to greater emphasis on funding new programs by decreasing expenditures on existing programs. In the case of defense, these changes may involve decreases in one Service's programs to pay for those of another, or shifts among defense and nondefense expenditures. To the extent that the military intends to play a greater role in this budget debate, I believe it will have to pay closer attention to such budgetary implications than it has in the past, and present a wider range of options with its military assessments. While it is helpful to point out the increased military risks inherent in a budget that restrains growth in military spending, military professionals must now help answer broader, more difficult questions. Are there innovative ways to meet our military needs at less cost, even if these new methods cut across traditional Service lines? Which programs are critical, both in terms of military necessity and of urgency? Can other Service programs be trimmed to offset cost increases of critical new programs?

The military's advice on these difficult topics will receive careful scrutiny. Along with other professionals from doctors to economists, military professionals today confront a better educated electorate, and a Congress with new players and broader concerns. These groups will require plausible, understandable arguments for the advice that the military offers.

The challenge of supplying convincing advice on broad topics does not necessarily call for new institutions. Opportunities for the military to express itself are here, or can be created, within existing institutions. As an example, the military could utilize some of its planning documents to provide information helpful to the Congress in deciding on a tightly constrained budget. The military could also choose difficult issues that confront the Congress and propose solutions of its own; assisting the Congress in grappling with the difficult topic of changes in the military compensation system might be one such opportunity.

CONCLUSION

In some ways I have painted a gloomy picture, particularly for those involved in determining the federal budget. We face a period of deep concern over inflation. If, in our effort to curb inflation, we allow unemployment to rise, that too will cause serious concern. It is clear that we face a period of tight federal budgets. Fewer new programs will be initiated, and most new programs—however urgent—will have to be funded through decreases in existing efforts. In the general antigovernment mood of today, these formidable problems of inflation, unemployment, and limits on federal spending promise difficult and contentions debates over the federal budget.

But I also see reason for optimism. Over the past several years, the Congress has developed a process to help deal with these difficult problems. The new budget process offers a forum for a meaningful debate on spending priorities. It also offers the promise of improvements in budget making, particularly a longer-run view that is imperative if we are to restrain the growth in federal spending without devastating important defense and social programs.

Moreover, the Congress has made this process work. It has proved that it can meet the taut deadlines ordered by the 1974 legislation, that it can set detailed and overall targets for revenues and spending, that it can remain within those targets or adjust them as the nation's needs require, that it can establish an explicit fiscal policy goal, and that it can shape its particular decisions in light of the fiscal policy it has decided upon. In a time when public institutions are widely accused of inefficiency and inflexibility, the new budget process is a refreshing success.

Of course, the existence of a process does not itself resolve the difficult issues. But it provides an opportunity. If those involved in the process—military and civilian together—seize this opportunity, I believe that our budget problems can be managed successfully.

S. 344: MORE BROAD SUPPORT FOR FEDERAL DECONTROL

● Mr. STAFFORD. Mr. President, hearings begin tomorrow on the issue of S. 344 and billboard control generally. This bill has significance beyond the question of whether or not we like billboards. It has significance, because it is a test of the Congress, to see if we are capable of admitting failure and our inability to regulate such a program reasonably. It has significance, too, for this law now poses a major infringement on the power of State and local government to zone land as they see fit.

While I realize there are other hearings and issues that are more pressing to our Nation, I believe the billboard issue carries a symbolism. It will be symbolic of our ability to extract ourselves from public control, when that control runs awry.

Mr. President, I continue to receive a variety of letters and communications on this issue. I ask that the following items be printed in the RECORD.

Letters from the Governors of Kentucky and Illinois, and an analysis of the Federal billboard law by the State of California; letters from the California and the South Dakota Chambers of Commerce, a letter from a billboard user, two articles from Seattle newspapers, and an analysis of the situation in Maine by the Maine Department of Conservation.

The material follows:

OFFICE OF THE GOVERNOR,
Frankfort, Ky., June 11, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR STAFFORD: Thank you for your letter of March 27, 1979, forwarding me a copy of your Senate Bill 344. My staff and the Kentucky Department of Transportation have reviewed this legislation along with a companion Bill, H.R. 3624, introduced by Congressman Donald J. Mitchell from New York. We are very much in favor of both of these pieces of legislation since it would offer, as you have expressed, the flexibility to the states on the participation in the various beautification programs.

Secretary Calvin Grayson has written the Kentucky Congressional Delegation expressing a favorable view towards both of these pieces of legislation. Please rest assured that I will do everything within my power to cause a favorable outcome to your proposed legislation.

Sincerely,

JULIAN M. CARROLL.

SPRINGFIELD, ILL.
June 4, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senator, Committee on Environment and Public Works, Washington, D.C.

DEAR SENATOR STAFFORD: Thank you for your letter of March 27, 1979, offering us the opportunity to comment on Senate Bill 344 and the amendment in the Surface Transportation Act of 1978 concerning compensation for signs removed.

We are in general agreement with your opinion of the 1978 amendment requiring compensation for all signs removed along interstate and primary highways. When the State caused the removal of nonconforming signs, we feel that the State should pay for them; however, when signs that are conforming under our State law are removed by local zoning ordinances or some other cause, we feel that it is improper to require the State to pay for such signs.

Normally, we support the concept of voluntary State programs, however, we cannot support Senate Bill 344 due to the circumstances in which we find ourselves. Because the outdoor advertising control program was compulsory, the State of Illinois became active in 1972 and has spent a total of approximately $10 million. With this expenditure of funds, we have removed approximately 91% (32,000) of the signs which must be removed for compliance. These removals were accomplished almost entirely by negotiated agreements based on an understanding with the owners that all illegal and nonconforming signs would be removed during a period of approximately six years. In fairness to the sign owners who sold their signs and the businesses that have lost their signs, the program should be completed. The original objective of the program, to protect the taxpayers' investment and to provide more scenic highways throughout the country, is still valid and we are in favor of uniform signboard controls throughout the nation.

It does not seem consistent in Senate Bill 344 to make signboard control voluntary and to then make specific information signs on the right of way under subsection (d) mandatory. Such signing may be appropriate in states that are heavily tourist oriented and those with relatively low traffic volumes, widely spaced interchanges, and predominantly non-urban development. In a State such as Illinois, the expense and confusion that would be caused by the extensive use of specific service signing is not justified by the limited usefulness of the signs.

Subsection (e) allows "systems" for providing travel information and implies that there will be Federal participation in the cost. This should be revised to more clearly state that Federal participation is available for all parts of a travel information system including maps and brochures developed by the states.

In summary, we are not opposed to outdoor advertising but feel it should be controlled uniformly throughout the nation in accordance with Federal law and regulations. We are opposed to the almost continuous changing of the Federal law which seems always to provide additional loopholes, a weakening of objectives and more costly administration. We are opposed to mandatory regulations requiring specific service signs (logos) on the right of way.

Thank you again for the opportunity to comment on Senate Bill 344. If we can be of other service, please let us know.

Sincerely,

JAMES R. THOMPSON,
Governor.

SACRAMENTO, CALIF.,
April 6, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STAFFORD: In accordance with your request, attached is a history of the effect of local amortization provisions on payment for the removal of nonconforming outdoor advertising signs, with California's position on the subject.

If you desire any additional information, please let me know.

Sincerely,

PETER R. OSWALD,
Assistant Director, Legislative Affairs.

Attachment.

HISTORY

The Federal "Beautification Act,*" passed on October 22, 1965, contains provisions that require payment for the removal of signs that are nonconforming to provisions in the Act (nonconforming billboards). These nonconforming billboards may also be subject to removal without compensation pursuant to a local ordinance, usually after a three to seven year "wear out" or amortization period.

For discussion purposes, nonconforming signs affected by local ordinances will be broken into the following three time periods:

1. From 1972 (The inception of the Billboard Removal Program in California) to February 1977 (when a copy of the legal memorandum by the Office of Chief Council, FHWA, dated 3/12/76, was obtained by the Caltrans Legal Division).
2. From February 1977 to November 6, 1978 (the date the 1978 Federal "Surface Transportation Assistance Act of 1978" became effective).
3. From November 6, 1978, to the present time.

Period No. 1.—1972 to February 1977:

During this period California's policy was:

(1) Payment was not authorized for the removal of signs in this category when a local agency (City or County) had filed a suit for sign removal or a suit was anticipated in the near future, (2) except when a local ordinance was held invalid by court action, or the local agency had not been successful in having signs removed under the ordinance after a reasonable period of time.

Period No. 2.—February 1977 to November 6, 1978:

During this period, compensation for the removal of signs in this category was not authorized based upon (1) the memorandum adopted by the Office of Chief Council, Federal Highway Administration dated March 12, 1976 (which concluded that compensation need not be paid for displays removed pursuant to local zoning ordinances); (2) and the provisions of California law which provides that compensation be paid only "if Federal law requires the States to pay just compensation."

Period No. 3.—November 6, 1978 to the present time:

Compensation must now be paid for the removal of all nonconforming billboards whether or not they are in violation of local ordinances, so long as such displays were in compliance with all laws when placed (pursuant to the 1978 Surface Transportation Assistance Act of 1978).

California's position:

Each State should have the latitude to determine whether or not compensation should be paid for the removal of nonconforming billboards when they are subject to removal without compensation pursuant to a local zoning ordinance. This should be the case under existing beautification legislation which contains penalty provisions for noncompliance and any subsequent legislation that would allow States to voluntarily establish billboard controls including compensation provisions.

Prior to the enactment of the Surface Transportation Assistance Act of 1978, the following provision was contained in Subdivision (k), Section 131 of Title 23, United States Code:

"Nothing in this section shall prohibit a State from establishing standards imposing stricter limitations with respect to signs, displays, and devices on the Federal-aid highway systems than those established under this section."

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*Section 131 of Title 23, United States Code.

The recent amendment to Section 131, Title 23 Subdivision (g) requires that compensation be paid for the removal of all nonconforming billboards whether or not they are in violation of local ordinances (so long as such displays were in compliance with all laws when placed). In addition, another more difficult problem has been created by the amendment. Under the revised language of Subdivision (g), payment must also be made when displays that are fully conforming to all Federal and State criteria are removed. The number of displays subject to compensation could be expanded at any time through action of local officials (by removal of signs persuant to an ordinance). The State has no control over such actions.

The 1978 amendments depart completely from the basic purpose of the original billboard law. The original law was intended solely to establish very minimum billboard controls by the Federal Government. The States and Local Agencies were to continue to have a free hand in using conventional zoning techniques to enhance their local environment beyond the minimum controls established by the Federal Government. There is no valid reason for extending the unique federal compensation requirements to billboards that are not prohibited by the minimum federal criteria.

Without the latitude for a State to be able to determine whether or not compensation should be paid for the removal of nonconforming billboards which are also subject to removal without compensation pursuant to a local zoning ordinance, the Federal government will impose an unprecedented extension of Federal involvement in local zoning regulations.

May 9, 1979.

Hon. Robert T. Stafford,
U.S. Senate,
Washington, D.C.

Dear Senator Stafford: This is to advise you of the California Chamber of Commerce's support for your bill, S. 344.

We in California have had our share of difficulties with the Highway Beautification Act, particularly in our resort and tourist areas. Now that all funds for sign removal have been deleted from the President's Budget, your measure returning control over this program back to the states seems even more appropriate.

Sincerely,

John T. Hay,
Executive Vice President.

[Sent to all State Chambers of Commerce]

April 30, 1979.

Dear ———: I'm sure you have had the same basic problems with the Lady Bird Johnson Highway Beautification Act as we in South Dakota have had over the years. Our fight may have gone a little further than most states in opposition to Federal control of billboards through national legislation. But, nevertheless, it has been a problem for each of us.

Now, after many hard fights, comes Senate Bill 344, authored by Vermont Senator Robert Stafford. The bill was introduced to put the decisions with regard to billboards and highway beautification policies in the hands of the states and cities, not only for policy purposes, but for enforcement. I've seen that President Carter has eliminated all funds for sign removal from his proposed 1980 budget. Senator Stafford's bill is rather timely.

I'm writing to you at this time to ask for your support in this effort—giving a bit of home rule back to the states and localities. Your support on this particular issue would be very helpful.

Please write your senators asking for their support of SB 344 as it moves through the Senate hearing process.

Your help in this most important matter is greatly appreciated by your colleagues from South Dakota.

Your truly,

Dave McNeil,
Executive Vice President.

May 23, 1979.

Re Senate Bill 344.
Senator Robert Stafford,
U.S. Senate, Dirksen Building,
Washington, D.C.

Dear Senator Stafford: Thank you for introducing a bill last month that would let states and cities enforce their own beautification policies.

The highway beautification program has been a very expensive and annoying law for the motel and campground business and we in particular have been very seriously damaged by the law.

All of our signs on the highway I-29 from our motel to Kansas City, Missouri, have been removed (one without notice to us by the sign company) and there are no available new locations.

To the north we now have legal action against the State of Missouri trying to keep them from removing two signs on I-29 towards St. Joseph, Missouri, which are on property we own, (very attractive signs), but Missouri highway department doesn't feel they comply with the law.

If we have to remove those signs, we might as well go out of business because no one will know where to exit for our motel.

We urge you to continue to do all in your power to change the "Lady Bird Bill" so that independent businesses are no longer punished and only large companies who can afford the humongous signs that are now required to be seen 660 feet away from the highways will be able to advertise their businesses.

Thanking you for your interest in this matter.

Sincerely,

Don and Betty Soper,
Owners.

BILLBOARD BAN

The outright ban on new billboards by the Seattle City Council Monday is the strongest and boldest stand the city has taken in the years-long billboard war.

In 1973, the City Council considered such a ban on billboards. But council members wavered and finally submitted the matter to the city's voters.

A majority rejected the ban, apparently lulled by the billboard industry campaign promises to work for regulation. The catchy phrase was "regulate, don't eliminate."

Since then, not one billboard has been taken down as the result of regulation. In fact, the city's major billboard company, Ackerley Communications, has filed suit against Seattle over city attempts to legislate removal of signboards from scenic Seattle routes.

After the 1973 skirmish, the billboards industry lobbied legislators and secured passage of a state law that requires compensation for any billboards removed as the result of municipal regulations. That suit now is pending in court, along with related suits against the City of Seattle.

The latest incident in the billboard battle was discovery of a "tree trimming episode," in which 216 city trees along Aurora and Rainier avenues were pruned illegally. The pruning gave passersby a better view of the billboards. It also stirred civic anger.

The council's ban on any more signboards other than off-premise directional signs for businesses located in Seattle was led by Councilman Paul Kraabel. In his arguments, Kraabel said the visual quality of the city would be preserved by the ban. In other words, thanks to Kraabel and six of his collegaues on a clear day, we can continue to see.

COMPENSATION LAWS PROTECT BILLBOARDS

(By Herb Robinson)

When the City Council voted last week to ban erection of new billboards in Seattle (the ordinance does not affect signs already in place), only one member dissented.

Invoking memories of a tough political skirmish here six years ago, Councilman George Benson said the new ordinance ignores the mandate of voters who, in 1973, rejected an initiative measure that sponsors said would effectively "turn off" virtually every outdoor-advertising display in the city.

Inspired by a lavishly financed advertising campaign in which the sign industry said it favored "regulation but not elimination" of billboards, the voters defeated the initiative by a margin of 62 per cent.

Just as well. The measure was indeed a meat-ax solution to the problem of sign clutter here, and the climate of public opinion at the time seemed favorable to a more realistic set of controls on outdoor advertising.

Ordinarily, an argument to keep faith with a previously expressed voter mandate is almost unassailable. But Benson's ringing declaration last week ("The voters told us what they wanted," etc.) overlooked some more recent history on developments affecting sign regulation in two other legislative bodies—this state's Legislature and the United States Congress.

Environmentally conscious laws to limit outdoor advertising along interstate highways (except when passing through industrial and business districts) and on designated scenic routes were popular in the mid-1960's.

Part of what was called the "highway-beautification crusade" was led by Mrs. Lyndon B. (Lady Bird) Johnson.

In more recent years, though, both federal and state programs to reduce roadside clutter have fallen into disarray in many parts of the country.

Some say the "Lady Bird" crusade has simply flopped.

"It's time we admit," Vermont Senator Robert Stafford told a Newsweek reporter the other day, "that the Highway Beautification Act is a failure. We should seek its repeal."

If billboards control is indeed a lost cause, it is not hard to identify the principal reason.

Thanks to heavy industry lobbying, Congress and several state legislatures (including our own) have enacted laws requiring cash payments to owners whose signs are declared illegal under local control ordinances.

Those laws effectively undercut previously enunciated policies; in which the "compensation" to sign owners was simply to let offending billboards remain standing until owners could recapture their investments. And the laws confronted federal, state and local treasuries with potential cost burdens running into the millions of dollars.

Not long after the 1977 Legislature had passed a cash-compensation law (regarded widely as one of the worst bills of the session), Seattle's City Council voted a one-year moratorium on new billboards, to allow time for settling several complicated questions.

Not the least of these is whether the cash-payment law is constitutional, a question still to be decided in the appellate courts.

Meantime, another change was taking place in the sign industry here. The sale of Foster & Kleiser's Seattle operations to the Ackerley Communications Co. brought new faces to the scene, including people with no binding commitment to the 1973 industry pledges to "regulate, not eliminate" billboards.

The city and the Ackerley firm are engaged in several legal disputes, and the company complained some months back that the city had been going out of its way to plant street trees on city-owned property in such a way as to block public views of Ackerley billboards. When a number of street trees were pruned back without city authorization a couple of weeks ago, apparently to improve those views, city officials said the job was done by someone hired by the sign company.

That incident, a major public-relations boner, helped embolden the Council into last week's vote.

Yet some kind of action probably would have occurred even without the much-publicized tree-trimming episode.

That is because the sign-control issue (George Benson's polemic notwithstanding) has changed significantly since the 1973 initiative was on the ballot in Seattle.

As long as existing laws make it virtually impossible to get rid of many existing signs (there simply is not enough money available to pay for them), the Council would be foolish to open the door to the erection of still more billboards representing still greater cost obligations in the future.

If the courts uphold the cash-compensation legislation, sign-control advocates may be tempted to follow through on an idea suggested a couple of years ago by Secretary of State Bruce Chapman.

Chapman's idea is that local governments could levy a "blight tax" on all outdoor signs, legal and otherwise. The revenues from the tax would be earmarked for buying up signs that violate sign-control codes.

How It All Began

A 1965 White House Conference on Natural Beauty recommended to President Johnson control of outdoor advertising on the entire Interstate and Primary Highway Systems without exceptions. The President, however, sent a bill to Congress which exempted from control signs located in commercial and industrial areas. The bill, which became known as the Highway Beautification Act, left the manner of enforcement up to the states and penalized those states which refused to comply by reducing their federal-aid highway funds by 10%. In the effort to pass the bill, which lacked the support of conservation, planning, architectural and beautification groups, the White House agreed to two additional amendments which (1) required payment to the sign owners and land owners for removal of non-conforming signs and (2) added to the purposes of the Act a phrase which referred to the orderly and effective promotion of outdoor advertising displays. The outdoor sign industry lobbied the bill heavily. They sought passage of a law which would create the illusion of billboard control but which, in fact, served to strengthen their hold on the Nation's highways.

The purposes of the Beauty Act include an expression of Congress's desire to protect the public investment in the highways, to promote safety and the recreational value of public travel, and to preserve natural beauty. By having a reference added calling for the "reasonably orderly and effective display of outdoor advertising," the sign industry gained a sense of permanent legitimacy for billboards that legally they do not possess. Since the signs have little value in and of themselves, their value depends on the use of the public highways. Thus, many states, including Maine, only permit off-premise signs through a temporary license which must be renewed annually. Indeed, two states, Hawaii and Vermont, do not consider this use of their public highways as being in the public interest and thus prohibit billboards entirely. The spector of other states banishing billboards hangs heavy over the industry's head. For this reason, the injection of the idea that it had somehow become national policy to promote the effective display of billboards, along roadsides was relished by the outdoor sign industry.

A MAJOR LOOPHOLE CREATED

One of the most crippling provisions of the Act involves the type of land use deemed suitable for off-premise signs. Zoned and unzoned commercial and industrial areas were excluded from the places where the states were directed to impose "effective control" on signs. In these areas, the states would be allowed to place limitations on size and spacing of signs providing such restrictions were "consistent with customary use" in the local billboard industry. The Billboard Lobby in Washington thus ensured that their colleagues at the state level would have the opportunity to obtain state legislation which suited them since each state would have to pass legislation which complied with the federal law or lose 10% of their federal highway funds.

PAYING FOR BILLBOARDS

The "required compensation" provision of the law has proven to be a major problem in some states. In fact, most people agree that by convincing Congress that the taxpayers must pay cash for the removal of non-conforming signs, the sign lobbyists scored their biggest victory. Before passage of the Highway Beautification Act, 23 states had laws granting sign owners compensatory rental time (amortization) for the removal of non-conforming signs rather than cash. The Beauty Act disrupted this well established system. In some states, where hundreds of thousands of signs became non-conforming, ongoing removal programs based on amortization were brought to a standstill. In California, for example, legislation is currently being considered which would allow the state to pay for some 296,300 non-conforming signs by amortization rather than cash as required by the Beauty Act. It is estimated that the cost of buying those signs according to the dictates of the federal law would be close to $600,000,000!

In Maine, the required compensation provision has caused few problems for our Department of Transportation. $1,682,000 has been programmed, approved, and appropriated on a 75% federal 25% state basis for the purchase of about 1,500 signs. Maine taxpayers can expect to pay about $420,500 for the actual purchase of the signs plus all the administrative costs involved.

With the exception of about 305 signs owned by the National Advertising Company, the removal phase of the Highway Beautification Act in Maine is nearing completion. Those 305 signs are the subject of a current court case. Erected at a time when federal funds were unavailable for their removal, the signs have been amortized according to Maine law. Although the five year amortization period ended October 1, 1974, the signs remain in place.

MAINE COMPLIES WITH THE FEDERAL LAW

In 1969, the legislature passed our current Outdoor Advertising Law bringing Maine into compliance with the dictates of the federal Highway Beautification Act. While the new state law represented an improvement over previous sign regulations, it did not solve a major problem forseen by former Commissioner of Transportation David Stevens. "We see real difficulty on the Primary System," he said in 1966, "of allowing outdoor advertising devices to be erected in the unzoned areas which are supposedly being used for commercial and industrial purposes and in areas zoned as commercial and industrial. . . . It is our suggestion that on the Primary System outdoor advertising devices not be allowed except for on-premise signs or areas zoned commercial and industrial and then only if such areas are actually being used for commercial and industrial purposes. We do not believe that outdoor advertising devices should be allowed to precede the actual establishment of commercial and industrial activity in these zones." Furthermore, Commissioner Stevens indicated that he felt the sign interests should "prove their case to the extent they secure from local government a zoning ordinance." Unfortunately, Mr. Stevens' suggestion that Maine communities be given the right of approval was ignored and the outdoor advertising devices to which the Commissioner referred to are today coming home to roost in towns all over the State of Maine.

TOTAL NUMBER OF BILLBOARDS REACHES ALL TIME LOW IN 1975

In 1967, 4,832 off-premise signs were located along Maine's highways, more than at any other time. Eight years later, in 1975, 3,117 remained along our roads, a decline of about 35 percent. Much of this reduction in total numbers has been the result of the Highway Beautification Act. Unfortunately, with the completion last year of the sign removal phase of the law, the number of signs can now be expected to increase rapidly.

RATE OF INCREASE OF SIGNS DOUBLES

While non-conforming signs are being removed, other signs are being erected in conforming locations. During the period between January 1, 1974 and July 1, 1975, 290 new signs were put up. This is an average of 16 signs per month. If we compare the growth rate of off-premise signs for similar 18 month periods in 1954–55 and 1964–65, we find rates of increase of less than seven signs and two signs per month respectively. During the entire 21 year period from 1948 to 1969, the year Maine complied with the federal Highway Beautification Act, the growth rate of new signs averaged about 6 per month. It is clear that the Beautification Act has not slowed the rate at which new signs are being erected in Maine. In fact, the rate of increase during the study period is more than twice that existing during comparable time periods before enactment of the new law.

BEAUTY ACT HAS LITTLE EFFECT ON BILLBOARD COMPANIES

In terms of total numbers of signs, the Beautification Act appears to have had little effect on the three major outdoor advertising companies operating in Maine. These companies own over half of all off-premise signs in existence. The net effect of the Beautification Act removal program has been to reduce the total number of company owned signs by only 97. This fact suggests that the Highway Beautification Act has favored the advertising companies over individual local business. The sign companies are constantly searching for new sites in prime locations throughout the state. Conforming locations go to the highest bidder and control over a choice location has been known to bring as much as $1,000. On the other hand, the local businessman is primarily interested in having a sign in his immediate area. This means that fewer legal sites are open to him at the time he wants to erect a sign. For these reasons, it seems likely that over a period of time, the Beautification Act will lead to an increase in the proportion of legal outdoor advertising sites controlled by sign companies as compared to local businesses.

WHO'S PUTTING UP THE SIGNS?

[In percent]

Owner	Number of signs	Total Sign Size (square feet)
Private Individuals & Organizations	181 (62)	9,301 (29)
Commercial Outdoor Advertising Co.'s	109 (38)	23,301 (71)
	290	

Four commercial outdoor advertising companies (National Advertising, John Donnelly, United Advertising, and Shelter-All) erected about 39 percent of all off-premise signs during the 18 months studied. Significantly, these four companies accounted for 71 percent of the total sign area erected. The average size of commercial signs was 211 square feet while privately owned outdoor advertising signs averaged 52 square feet. One company, National Advertising, with headquarters in Maryland accounted for 16 percent of all signs erected, more than any other individual or organization.

Motels and Inns (15 percent), camping areas (10 percent), and restaurants (8 percent), respectively, erected the most privately owned signs. Antique and gift shops, welcome signs and service clubs, and realtors together accounted for another 13 percent. 10 percent or 29 signs were "one of a kind" and advertised a variety of things such as flying services, fence companies, and shoe stores.

MOST BILLBOARDS PLACED IN RURAL AREAS

The preservation of natural beauty is a stated objective of the Highway Beautification Act, a goal which could easily be achieved by limiting bilboards to urban areas. During the study period, however, 78 percent of all signs were placed in rural areas. Even Maine's officially designated Scenic Highways are not immune from billboards and two signs were erected along such roadways during the study period.

PRIMARY HIGHWAYS MAGNET FOR BILLBOARDS

Roads are designed as primary or secondary by the Maine Department of Transportation. The criteria for classification includes consideration of the amount of traffic using the highway. While roads supporting high traffic volumes attract off-premise signs for obvious reasons, lesser traveled primaries and secondaries also draw billboards. Frequently, these signs are functionally directional in nature and could achieve their purpose in a way which would not be aesthetically undesirable. Unfortunately, their owners often capitalize on the liberal provisions of the State Outdoor Advertising Law with respect to size, height, and location. When one motel owner erects a sign of maximum size, competing motel owners feel compelled to respond in kind, *even though they may not wish to use billboard advertising at all*. In this way, present state policy encourages more and bigger signs as businesses are locked into advertising duels with competitors. In the final analysis, the only winners in this attempt to catch the eye of the travelling public are the sign makers or the commercial billboard companies which control select advertising locations.

Directional signing for local businesses as opposed to general outdoor advertising is recognized as a legitimate need. However, this purpose can be achieved without visual blight which ultimately has a negative effect on the businesses using outdoor advertising, namely tourist facilities and services.

The primary highway is clearly the type of highway preferred by outdoor advertisers in Maine. 83 percent of all signs were erected on such roads while 17 percent were placed on secondary roads. The commercial sign companies concentrate their activities on the primary system with 88 percent of their signs so located during the study period.

Off-premise signs were erected on 43 different routes in 122 Maine towns and cities. Primary roads are being used as sign sites in many areas. These signs are frequently erected by local businesses who wish to provide directional information to travelers.

DISTRIBUTION OF SIGNS BY ROUTE NUMBER

Route	5 or more signs		Under 5 signs	
	Number of signs	Percent	Route	Route
1	92	32	1A	114
2	27	9	161	202
201	27	9	165	85
302	18	6	229	SA2
4	11	4	15	16
5	10	3	172	117
25	9	3	198	118
100	9	3	32	7
11	7	2	9	9
26	7	2	193	196
3	6	2	111	121
27	6	2	98	1
17	5	2	109	6
			15	157
			159	150

Nearly one-third of the new signs were placed on Route 1. Travelers using this principal tourist route will find few areas free of signs between Kittery and Fort Kent. Some towns, such as Woolwich and West Bath, have prohibited off-premise signs along Route 1 but these relatively sign free sections are the exception.

UNZONED AREAS MOST VULNERABLE TO BILLBOARDS

Land use at the locations of 225 new signs was checked. Signs may be erected on secondary roads without regard to land use. For this reason, land use information was not available for all 290 signs erected during the study period.

Type of land use	Number of signs	Percent
Zoned commercial	18	8
Zoned industrial	5	2
Unzoned commercial	202	90
Unzoned industrial	0	
Total	225	

Maine's outdoor advertising law currently allows billboards within 750 feet either side of one commercial or industrial activity on primary and scenic roads. This provision means that a single commercial or industrial activity with the exception of such things as temporary vegetable stands, creates a zone over a quarter of a mile long in which billboards may be located. For example, a new gravel pit on a primary or scenic highway creates a legal billboard strip over a quarter mile in length.

A MAJOR WEAKNESS

The rationale for this provision is that since an industrial or commercial zone has been created by an existing use, billboards should be permitted. Two points should be made in this regard. First, a single commercial activity hardly creates a "zone" predominantly used for commerce or industry. An earlier set of regulations from the Federal Highway Administration required states to require two or more commercial activities not more than 300 feet apart. Washington state now requires that three businesses be present on either side of the highway within 500 feet of each other before an unzoned commercial area is created. In Colorado and Oregon, billboards are not allowed in unzoned areas, and Oregon passed legislation in 1975 which prohibits their Highway Department from issuing any new permits for billboards anywhere. Secondly, the 750 foot strip allowed on either side of one commercial or industrial activity is overly generous to the outdoor advertising industry. Here again, the original Highway Beautification Act rules and regulations said in "no case shall this distance exceed 500 feet." If the reasons for the discrepancy are in doubt, the results are not. The "unzoned commercial/industrial area" provision is the weakest point in the state law and outdoor advertisers are taking full advantage of it. 90% of the 225 signs were erected in these so-called unzoned commercial areas.

VISUAL IMPACT OF NEWLY ERECTED OFF-PREMISE OUTDOOR SIGNS

County	Total public highway mileage	Miles/ new sign	Visual impact index
Lincoln	780	29	1
Washington	1, 198	44	2
Somerset	1, 427	47	3
Waldo	1, 100	57	4
Kennebec	1, 585	63	5
Cumberland	2, 068	65	6
Androscoggin	1, 089	69	7
Hancock	1, 223	71	8
York	1, 989	76	9
Penobscot	2, 247	97	10
Franklin	922	102	11
Oxford	1, 626	108	12
Aroostook	2, 394	140	13
Sagadahoc	461	153	14
Knox	667	333	15
Piscataquis	779	389	16
Total	21, 564		

The relative visual impact of new off-premise outdoor signs was determined by dividing the total public highway mileage in each county by the number of new signs. This resulted in miles of highway per new sign which is a rough measure of the saturation or density of new signs. Density is one measure of the degree of visual pollution created by outdoor advertising. It should be noted, however, that this index does not consider sign size. In addition, signs are generally not uniformly distributed within counties, so that some towns may escape sign blight entirely, while others suffer disproportionately. For example, Lincoln County has the highest density of new signs, 1 per 29 miles of public highway. However, 55 percent of the signs were located in just 2 towns, Damariscotta and Wiscasset. Furthermore, all but two of the signs are located along Route 1, the most visually polluted highway in Maine. Ironically, the lure attracting multitudes of tourists to this road is scenic beauty while the tourists themselves are the lure of the billboards.

The sign which welcomes you to Wiscasset says that it's "the prettiest village in Maine," and indeed the business district is visually pleasing. Those who erect signs in this section of town must obtain approval from the Selectmen who encourage the use of a well designed standard sign. Beyond this rather small oasis from billboards, however, the town has put its trust in the Highway Beautification Act and state law. Outside of the village, Wiscasset lacks a local sign ordinance and it's obvious that the sign laws made in Washington and Augusta have failed to protect Wiscasset's inherent beauty. In fact, Wiscasset had more signs erected within its borders during the 18 month study period than any other town in Maine. In late August, there were about 20 off-premise signs in Wiscasset and the bridge to Edgecomb. Over half of the signs advertised businesses located outside of Wiscasset. Wiscasset reaps the visual pollution while the tourist dollar is directed to businesses located in other towns.

CONCLUSIONS

1. At a cost of $1,682,000 tax dollars, the number of Maine off-premise billboards has been reduced to an all time low.

2. The rate of increase of billboards between January 1, 1974 and July 1, 1975 (after the Highway Beautification Act) was more than twice the rate of increase existing during comparable time periods prior to the act.

3. The Highway Beautification Act favors the sign companies and large national firms over local businesses.

4. Sign companies put up fewer, larger signs than individual businesses.

5. Most billboards are placed on primary roads in rural areas.

6. Nearly a third of all billboards erected during the study period went upon Route 1.

7. 90 percent of the billboards erected were in unzoned commercial areas.

RECOMMENDATIONS

A range of options are available in dealing with the problem of outdoor sign proliferation including:

1. Adopt a Vermont type law which would replace off-premise signs with a state administered uniform directional sign system. Existing off-premise signs could be grandfathered, amortized, or removed by compensation. On-premise signs would be regulated.

2. Improve controls on those highways designated as scenic. Limit off-premise signs to standardized directional signs. Enable towns and unorganized territories to work in concert to control both on-premise and off-premise signs. Provide state assistance in the establishment of information plazas on the highways.

3. Treat all state highways the same with the exception of scenic highways and the Interstate system.

4. Improve control of the so-called unzoned commercial and industrial zone by reducing its size and increasing the number of activities which must be present before the zone is recognized; or,

5. Limit off-premise signs to areas zoned commercial and industrial and used for such purposes.

6. Develop a standardized directional sign system for local businesses.

7. Strengthen on-premise sign controls outside of compact zones by enacting an overall maximum on allowable sign area.

Additional recommendations which do not entail amendments to the Outdoor Advertising Law:

8. Continue to encourage towns and cities to enact sign control ordinances. The recent court decision in Boothbay clearly establishes a town's right to prohibit billboards and to remove those standing by amortization.

9. Improve the public's understanding of outdoor signing. There is a need to demonstrate the value of high quality graphics to roadside businesses. Conversely, the tourist industry must be shown that sign blight is bad for business.

There is widespread recognition of the shortcomings of the present regulatory scheme. In 1974, the consulting firms of Northeast Markets and Arthur D. Little prepared a report entitled "Tourism in Maine: Analysis and Recommendations." Addressing the issue of outdoor advertising, the report had the following comments.

"There is room for new state responsiveness to maintain the aesthetic integrity of the state. Toward this end, there is a need for controls on signs on Maine's highways. Although it is true that a honky-tonk atmosphere created by fast-food establishments is not, in many cases, related to tourism, critics of tourism focus on those that are. Controls of this sort could be imposed at the state level, or state assistance could be provided to communities to create workable policies at the local level. In general, it can be observed that the private sector seeks fair and equal treatment; a sign control policy would only be effective if it were rigidly enforced so no one had an advantage over his competitor. No one likes the visual pollution that proliferates without controls."

"It is recommended that the state establish air and equal sign-control policies as a means to limit visual pollution." ●

BURTON LEVINSON TO HEAD NATIONAL CONFERENCE ON SOVIET JEWRY

● Mr. CRANSTON. Mr. President, on June 10, a prominent Los Angeles attorney, Burton Levinson, was elected chairman of the National Conference on Soviet Jewry (NCSJ). Burton Levinson, who succeeds Eugene Gold, has long been active in the concerns of Soviet Jewry having served as vice president of the NCSJ and chairman of the Commission on Soviet Jewry of the Jewish Federation Council of Greater Los Angeles. As the new head of the NCSJ, he plans to continue the successful work of the NCSJ and will implement new programs to increase community participation.

In October 1974, he traveled to Moscow and became one of only two lawyers from the Western World to view a political trial in over 30 years. Commenting on the recent increases in Soviet Jewish emigration, Levinson remarked:

> We must now sow the seeds this year so that we can reap the benefits—such as free emigration—in tme future.

I want to congratulate Burton Levinson on his new post and wish him every success.●

WARC—A CONTINUED LOOK

● Mr. SCHMITT. Mr. President, in January, Senator GOLDWATER and I requested the Congressional Research Service to prepare a report on U.S. preparations for the World Administrative Radio Conference (WARC) to be convened in Geneva beginning in September.

Magazine articles, newspaper reports, speeches by concerned participants, testimony before the Congress, and discussions with the principal U.S. policymakers and heads of private industry, made it clear to us that the United States could be entering this important Conference inadequately prepared. In addition, the treaty resulting from the Conference will require the advice and consent of the Senate. This combination of factors caused us to request CRS to assess U.S. preparatory efforts, analyze and evaluate the U.S. positions, and review the policy positions of foreign countries, with special emphasis on the developing countries. That report has now been completed.

Unfortunately, it confirms some of the fears that I expressed on many occasions, particularly with respect to the possible politicization of the Conference by the lesser developed countries. The report describes the official U.S. position as one of cautious apprehension. This is in sharp contrast to the optimistic on-the-record comments that U.S. officials have been expressing.

In my view, this change of attitude is a positive step. Apparently, our policymakers are now realistically assessing our chances for achieving U.S. objectives at WARC. The report makes clear that the United States no longer operates in a virtual vacuum in the international telecommunications arena and that U.S. policies require careful coordination with the entire world. I will continue to join my colleagues in urging that our efforts at WARC be coordinated with other foreign policy objectives.

This important point was also emphasized in a similar context in a recent article by John Eger, former Director of the Office of Telecommunications Policy. I ask that Mr. Eger's article be printed in the RECORD.

The article follows:

A TIME OF DECISION

(By John M. Eger)

We can foresee a future in which we study, work, vote, shop, pay bills, get paid, receive or send our mail, visit the doctor, meet with friends—all through microwave satellite links to the home. Or, there will conceivably come a time when, via a wristwatch communication terminal, we can plug into a data bank of all the world's knowledge, or turn on the oven, take our messages, and otherwise help organize our daily lives.

But these personal services alone won't characterize the Information Age into which we are now moving. And they don't add up to what we mean when we talk about the communications revolution in which we are now living. Something much more important, much more significant for all of us is happening. For as we are moving into a future rich in innovation and in social change, we are also moving into a storm center of new world problems.

For here is a technology that knows no barriers, no national boundaries, and does not of itself recognize any of the essentially artifical divisions between the different people and the different places of our world. Here is a technology that does not recognize color, creed, race, or nationality but is rather supranational, acultural, and alingual. Here is a technology of sound and images and binary data bits that can indeed saturate the world.

It is a technology that creates simply by providing the means, a flow of information and ideas—a force for change throughout the world that simply will not be stopped, no matter how it is resisted.

What we are dealing with here is a technology that forces social change—something technology has always done—but on a scale and at a speed never before experienced by human beings or their institutions. And so we find ourselves suddenly immersed in an age of vast change, propelled by technology toward the revolutionary idea that we are indeed one people on this planet earth, one family living in one home, a family with common problems that must and can be solved—solved with the same telecommunications technology that has made us aware of them.

Are we ready for the consequences of this change? Are we prepared to consider the profound social, legal, economic, and political effects of technology around the world? Already there are those now holding up their hands to say we are not, in the United Nations, UNESCO, the Organization for Economic Cooperation and Development (OECD), and lesser forums—in Paris, in Geneva, in capitals and other cities throughout the world, and they are holding up their hands to block the technology, to stay or to spoil or somehow halt its irresistible flow of new ideas, to turn aside or weaken this wave of change.

Finally, are we prepared to admit that technology can be misused? That it can be misused by the very people who created it? That the world fears that the possessors of technology can electronically colonize and homogenize the rest of the world which is without it? These are the major challenges presented by the telecommunications revolution.

For the United States the Information Age presents challenges to the very political, religious, and moral beliefs upon which the country was founded.

The first challenge is for the United States to see itself as the world does—particularly as the developing nations do—with the technological capabilities to change their lives, to swamp their separate and distinct identities, cultures, languages, and religious, moral, and political beliefs.

The U.S. must recognize that a second consequence of this revolution is that it is forcing the developing nations of the world—as nothing else is forcing them—to come together, to act in concert on this issue, to protest almost in unison against the U.S. power, and to express their common fear that it will be misused.

Both the U.S. and the rest of the world must perceive the weakness, the obsolescence of existing laws in the face of the new technology. And finally the world must recognize and acknowledge the fact that, as history (recent and otherwise) has shown, there has never been any real nation defense, not even with the strictest form of censorship, against the flow of information and ideas.

Information and ideas will flow, will permeate the world. And this is the heart of the problem. It is the problem of finding a way to make the maximum use of telecommunications technology without homogenizing people, without overriding what may be the very necessary borders into which the world has been subdivided, without engulfing and diluting other value systems.

But to achieve that goal, the world must be prepared to deal with some hard questions.

If the computer-satellite-TV-microwave link that is now the essence of our telecommunications technology is to be used on a global scale, can it be used objectively, without ideological, cultural, or national bias? And should that prove an impossible goal, who will determine what the ideological, or cultural, or other bias will be? To determine this alone may be as difficult as it is to determine what is normal in the world. And yet it must be done.

If the computer-satellite-TV-microwave link is to be used to study earth, search for resources, protect crops, predict weather, warn against natural disasters and perform other services to protect and improve the quality of human life, on what basis will that protection and improvement be offered or withheld?

In terms of defense, or national security, and the rights of sovereign states to conduct their own national affairs, what are the limitations that must be placed on surveillance from space—or "electronic invasion" of national borders?

If technology is to supplant conventional devices, providing electronic mail, electronic banking, electronic newspapers, electronic educational facilities as well as electronic theatre, shopping, and other social services, who will determine the terms and conditions under which these services will be exchanged?

If the computer-satellite-TV-microwave link is to collect, store, and make use of personal data—medical, academic, professional, credit, and other information about the people it serves—customers, subscribers, believers and non-believers, citizens law-abiding and otherwise, voters and non-voters, native and foreign born, conservative and liberal, young and old—must there not be restrictions on the uses to which this personal information can be put?

Clearly, these and other related problems call for a better integration of information, computer, and communications policies.

These problems call for a whole new body of international law, a whole new round of international meetings, and agreements or treaties to form and to codify these laws. And then there must be international agreements to see that the laws, once formed and codified, are equitably enforced.

Already this process has begun, in the United Nations working group on direct broadcasting satellites, in the UNESCO subcommittee on the mass media, in the International Telecommunications Union Conferences on allocations of frequency spectrum, and in the newly created OECD policy unit on information, computers, and communications. Progress, however, is slow, agonizing, and uncertain; and the undercurrent of negotiation is permeated by fear, distrust, and perhaps ignorance of others' intentions. In addition to agreements establishing a legal framework, other agreements should look toward multinational ventures to pool and transfer technology, to predict weather, to protect crops, to guard against international tensions, and the like.

The most significant international application of technology thus far is probably the ATS–6 communications satellite launched in 1974. ATS–6 involves both the U.S. and agencies in other countries who made use of the system to meet their own internal needs. In India, for example, the Indian Space Research Organization and other national agencies built and maintained their own TV receivers, built and maintained their own earth stations and antenna, and programmed their own material on subjects of their own choosing.

There was much more involved here than the transfer of technology needed to make this possible. India, like other countries involved—Kenya, Morocco, Pakistan, to name a few leapfrogged centuries in weeks, effectively bringing to thousands of men, women, and children in 2,400 villages new ideas for agriculture, health, nutrition, family planning—effectively bringing, it should be added, self-determination programs of information to both broaden the horizons and improve the lives of their own people.[*] Working out similar agreements will be an increasingly major concern of foreign policy for years to come.●

POLARIS SUBMARINE LIFE EXTENSION

● **Mr. BENTSEN.** Mr. President, all of our defense experts are now well aware of the increasing vulnerability of our Minuteman intercontinental ballistic missiles (ICBM's) to a counterforce, first strike from Soviet ICBM's. The threat is clear and indisputable. By as early as next year, 1980, a serious threat window to all our ICBM's will open, and Minuteman vulnerability will last well beyond 1985. This Soviet threat to the single most reliable and cost-effective element of our strategic triad will clearly degrade the credibility of our retaliatory, deterrent posture. While few experts seriously fear that the Soviets will ever actually attack us with their strategic nuclear forces, some of our most experienced experts believe that this Soviet first strike threat to our ICBM's will have profound and dangerous geopolitical consequences. Because of this Soviet counterforce threat, U.S. foreign policy could be on the defensive all over the world in the 1980's. It seems clear that such a Soviet capability and challenge to us could also disrupt our foreign trade relationships, foreign investments, and alliances. Eventually, our entire domestic economic structure and the free world's economy could be affected.

It will take until 1985 before sufficient Trident submarines and air-launched cruise missiles are available to bolster the other two air and sea mobile elements of our deterrent triad. A direct solution to the Minuteman vulnerability problem is not envisioned until after 1986, which is the earliest date according to present schedules that the new MX ICBM could be operational in a survivable land-mobile basing mode. In seeking a way to minimize that opening window of our vulnerability, there seems to be neither the national will, capacity, nor the funds to accelerate any of our new strategic modernization programs.

The grave danger of Minuteman vulnerability clearly requires makeshift, nonoptimal, emergency measures. One relatively inexpensive and immediate way to bolster our deterrent posture during the period of maximum danger between 1980 and 1985 is to delay the Navy's plan to deactivate our 10 Polaris submarines which carry 160 submarine launched ballistic missiles (SLBM's). I believe that deactivation of Polaris during this high threat period is premature and a dangerous mistake. The Polaris subs still have at least 5 years of effective life left in them.

We have additional strategic problems compounding the seriousness of impending Minuteman vulnerability. The Trident submarine program is intended to provide a replacement for our old Polaris subs, but long technical and industrial slippages have delayed Trident submarine construction. Moreover, while the necessary retrofit of our existing submarines with Trident I SLBM's is underway, this ongoing missile replacement program keeps many of these subs in an undeployable status each year.

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[*] *Editors' note:* A *Journal* symposium on the Indian satellite experiments will appear in a forthcoming issue.

Thus the combination of premature Polaris deactivation, Trident delays, and missile replacement all occurring concurrently in the early 1980's will severely reduce the number of our deployable retaliatory SLBM's from 650 to less than about 400. This alarming SLBM drawdown in the early 1980's will occur precisely when the threat to our ICBM's is at its highest peak ever, and when we will most need our sub based, survivable deterrent. Far fewer than even these minimal 400 SLBM's will ever be at sea at any one time, giving us a very thin deterrent indeed. The fact that in the early 1980's there will be such a severe reduction in our sea-based missile and sea-based warhead numbers, at this worst possible time, is indisputable and is recognized by the Navy. An international perception of further declining U.S. strength will inevitably result from the unilateral deactivation of our Polaris SLBM's during a period of growing vulnerability.

For these reasons, the Senate recently approved my Polaris amendment to the defense authorization bill for fiscal year 1980. My amendment will prohibit deactivation of Polaris until there has been a full and thorough study of the feasibility and cost of various options for extending the operational life of our 10 Polaris submarines through 1985.

Our options are to keep Polaris fully operational or to put them on a unique standby, reduced operational status. We could also modify them to perform new functions, such as to carry submarine launched cruise missiles (SLCM's), or 12 Trident I SLBM's each, or to be attack submarines. Further, we could deactivate them or dismantle them. Dismantling costs under SALT procedures are significant, but have not yet been fully considered by either the Navy or the Defense Department. The required study of our Polaris options may conclude that it could be prudent and cost effective to keep Polaris subs fully operational through 1985, or at least in a standby status minimizing crew and maintenance costs. The SLCM option seems particularly attractive for thorough study. In this time of growing danger to our national security, we simply cannot afford to discard costly weapon systems well before their useful life has expired. There are many good reasons for supporting this vital amendment to study extending Polaris life:

By bolstering our deterrent posture, keeping Polaris would effectively help compensate for the threat to Minuteman while we are waiting for our urgently needed air-launched cruise missile, Trident submarine, and MX programs to become operational in the 1981–86 period. Keeping Polaris will help buy time to modernize our other strategic forces.

The Polaris force is itself a significant military force. The 10 subs carry 160 missiles, each equipped with our most powerful sea-based warheads. Each Polaris clustered warhead is several times more powerful in nuclear explosive capability than each Poseidon warhead.

The Polaris fleet is larger than the entire strategic force of either the British or the French, making it important also in terms of strategic perceptions.

We have already purchased almost 20 years of security and deterrence for the approximately $10 billion invested in Polaris, a significant investment we would be wise to maintain. The required study would determine whether we can buy another 5 years of vitally needed deterrence for a tolerable cost. Preliminary estimates by the Navy suggest that it would cost about $1.9 billion to keep Polaris operational through 1985, an average yearly cost of $380 million.

The key question is whether the cost of keeping Polaris is acceptable in addition to the costs of our other strategic modernization programs. The Secretary of Defense himself states that with or without SALT II, our spending for strategic forces will have to be increased significantly each year through 1985. In fact, administration budget estimates call for increases in strategic spending over the fiscal year 1980 level of $10.8 billion of $0.5 billion in fiscal year 1981 and $1.3 billion in fiscal year 1982. These planned increases may not be enough, however. The Soviets have been spending roughly $10 billion more than us on strategic forces each year since 1969, an estimated 10-year total of about $100 billion. The Soviets have used most of this extra $100 billion for new missiles and submarines, and it is estimated that their high investment level in strategic forces will continue to grow under SALT II. Compared to the small planned U.S. increases and the huge past and future Soviet investments in new strategic forces, spending about $380 milion a year to extend Polaris life seems reasonable.

Several whole classes of old Soviet strategic submarines with ages comparable to Polaris are also being extended in service, and these Soviet subs will probably still be operational well beyond 1985.

The high costs of new strategic weapons are already forcing us to extend the life of our existing strategic weapons, and this extension concept could also apply to Polaris. Most of our B–52 bomber force is even older than Polaris, yet it will have to remain operational well beyond 1990. Our old Titan II ICBM's, deployed at about the same time as Polaris, are being extended in service at least through 1985 and may also be extended to 1990. Both Polaris and Poseidon subs are believed to have a useful life of 25 years. Since the oldest Polaris sub will be 20 years old in 1980, this 25 year useful life would allow Polaris to be extended through 1985. It already seems clear that our Poseidon subs will also have to last 25 years, through 1990.

While full operational status for Polaris may be most desirable, standby operation status has proven to be feasible in the short term. Two Polaris subs are already being maintained this way. Moreover, it is analogous to the way the Soviets have always maintained the largest proportion of their strategic subs fleet. Most Soviet subs are kept in standby operational status in their home ports.

At present, the Soviets are reportedly at least two submarines above their already superior SALT I levels of 62 modern submarines and 950 missiles. In comparison, the United States has only 41 subs with 656 missiles now. The Soviets reportedly also have a new "Typhoon" class of submarines under construction, comparable to our new Trident subs. But because of this original and growing disparity codified 7 years ago in SALT I, the United States should not be reducing our levels of 41 and 656. While eventually we do intend to have about 750 SLBM's by the late 1980's, there is no reason to drop below 656 until then. We should not trade existing SLBM's for planned ones available only in the future.

Most significantly, extending Polaris is fully consistent with all aspects of the SALT II Treaty. We could even keep Polaris and still add about 190 new delivery vehicles. On the other hand, one of the main administration arguments for the SALT II Treaty is that it requires the Soviets to deactivate by late 1981 about 250 delivery vehicles comparable in age to our Polaris. But United State unilateral deactivation of our 160 Polaris missiles even before the Soviet reduction diminishes the significance of the required Soviet reduction.

Additionally, keeping Polaris would provide us a cheap but valuable "bargaining chip" for negotiating the bilateral reductions projected for SALT III. One of our strategic problems is that historically we have voluntarily given up our strategic power. We should avoid deactivating our old weapons unilaterally without any quid pro quo in Soviet reductions. In the early 1960's we voluntarily deactivated our first generation ICBM's, our only IRBM's, our entire force of medium bombers, and our oldest B–52's. The Soviets meanwhile maintained their own comparable systems, and most of them are still operational even today. During the SALT II negotiating period of 1972–79, we similarly reduced our number of planned anti-ballistic missile (ABM) complexes from 4 to 1, and then even deactivated voluntarily our only allowed ABM complex. During SALT II, we also deactivated 100 additional B–52's, and canceled our B–1 bomber program. These unilateral reductions all occurred without any Soviet reciprocity whatsoever, and without even attempts to negotiate reciprocal Soviet reductions.

Experience should show that we must try to coordinate our force structure and arms control policies more closely, so that bargaining leverage for negotiated bilateral reductions can be maintained. The Soviets clearly coordinate their own strategic force planning and arms control policies very carefully. The present Navy plan entails unilaterally deactivating Polaris, yet keeping all 160 SLBM launchers accountable under our SALT II force ceilings, giving us neither military benefit nor arms control bargaining leverage. Keeping Polaris could thus be a bargaining lever for mutual reductions.

Alternatively, Polaris subs could eventually be used as launch platforms for the submarine-launched cruise missiles (SLCM's) we are now developing and could deploy when the SALT II Protocol expires in 1981. Keeping Polaris could serve as another kind of a bargaining lever, to help keep open our SLCM deployment option. Keeping Polaris for SLCM deployment was proposed as early as 1972, and this option should be studied.

Finally, keeping Polaris provides a useful hedge in case SALT II is not ratified or in case the Soviets try to abrogate or breakout of SALT II suddenly sometime in the future.

During the early 1980's our national security will be severely challenged by the Soviet counterforce threat. Our very national survival is at stake. My prudent amendment requiring a study of the feasibility of retaining Polaris may provide an inexpensive and effective way to bolster our deterrent posture during the dangerous period of Minuteman vulnerability lasting through 1985. We must take at least this first modest step to reverse our long strategic decline in number of missiles and bombers. America can never allow itself to become No. 2 in effective military capability to the Soviet Union. Our security demands that we strive to preserve an overall military balance with the U.S.S.R., through SALT negotiations if possible, but also through unilateral defense efforts that are necessary.●

CAPTIVE NATIONS WEEK

● Mr. DOLE. Mr. President, while the recent release of five dissidents from the Soviet Union has been a happy development in which the free world has rejoiced, it should not overshadow the fact that oppression and repression continue to take place within the Communist dominated nations of the world. The arrest of 10 members of the Charter 77 Group in Czechoslovakia on May 29, even though it went practically unnoticed in the U.S. press, served to remind us that violations of human rights are a daily occurrence in the lives of the citizens of satellite countries.

Captive Nations Week has become an important landmark on our calendars in that it serves to focus attention on the plight of nations who are pursuing their dream of freedom in a daily struggle for human rights and self-determination, strengthened by indomitable courage and sustained by undaunted hope.

It is only in nations where citizens participate in the decisions that affect their daily lives, by being full partners in their governmental system, that a people's own destiny and the guarantee that its human rights will be observed can be accomplished. In nations where man is the servant of the state, human rights become an irrelevant issue and the "pursuit of happiness" that is integrated in our own Constitution a futile chimera—an unreachable illusion of the mind.

The Russian people hoped that a revolution, in 1917, would lead to a more just society. That dream was shattered by the realities of the Bolshevik regime which imposed a new form of autocratic rule from that which the Russians had attempted to obliterate. The formation of the Union of Soviet Socialist Republics in the 1920's marked the beginning of a new brand of Russian imperialism based on ruthless repression of individual, religious, and national rights. Ukraine, Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, Turkestan, and Mongolia are all nations which fell victims to Communist expansion. The United States has never recognized the forced Soviet incorporation of the Baltic Republics of Estonia, Latvia, and Lithuania which followed their invasion by the Soviet forces after Hitler and Stalin reached an understanding concerning spheres of influence in Eastern Europe.

The imperialistic pursuits of the Soviet Union continued with the annexation of Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Rumania, and Yugoslavia who, rendered helpless by the invaders, were forced to submit to a Communist regime. The pattern of Communist domination was to be repeated in Asia and in Africa.

That those who live under Communist domination rebelled time and again, from East Germany in 1953, Poland and Hungary in 1956, to Czechoslovakia in 1968, is a demonstration of man's inherent need for freedom and a tribute to man's courage and tenacity in pursuing the fight for justice and human rights.

The Helsinki Final Act in 1975, offered new hope to those trying to free themselves of their Communist yoke. Ways to implement expectations into realities have yet to be devised. Will Madrid in 1980 complete the task begun in Belgrade in 1977?

Pope John Paul II's visit to his native Poland focused attention on religious freedom and on the commitment of Eastern European citizens to the spiritual values of the Catholic Church. The enthusiasm of the crowds demonstrated that their religious aspirations were alive and well, in spite of the barriers erected against them.

Privileged as we are in living in a democratic society, we tend to take for granted the freedom of speech, of thought and of worship that we enjoy. The 20th anniversary Captive Nations Week is a reminder that some of our fellowmen are still struggling to gain access to those same freedoms that to us are simply a given right. In observing that anniversary, let us pledge our continuing support of the countless prisoners of conscience, of the dissidents who persevere against all odds in shaking the foundations of regimes built on the destruction of the spirit of independence.●

NATIONAL GOVERNORS' ASSOCIATION SUPPORTS URGENT ACTION FOR REFUGEES

● Mr. KENNEDY. Mr. President, this past week the National Governors' Association voted to support a series of recommendations calling for urgent action to help meet the refugee crisis in Southeast Asia today.

Based upon the work of the association's committee on international trade and foreign relations—composed of Gov. Robert Ray, Gov. William Milliken, and Gov. Brendan Byrne—the Governors commended "President Carter for his decision to increase the number of refugees to be admitted into the United States over the next 12 to 24 months."

The Governors also urged continued support by Congress of State and local refugee resettlement programs—including assistance beyond 2 years—to assist the refugees in normalizing their lives in their adopted communities.

I fully share the concerns of the National Governors' Association, and I welcome their positive action and thoughtful recommendations. This week, the Judiciary Committee voted unanimously to report out the Refugee Act of 1979 (S. 643), which goes a long way in responding to the Governor's recommendations. And we shall value their comments as the full Senate considers this legislation in the days ahead.

Mr. President, I commend to the attention of the Senate the important recommendations adopted by the National Governors' Association Conference in Louisville, Ky. and July 9, and I ask that they be printed in the RECORD.

The recommendations follow:

POLICY POSITIONS: INDOCHINESE REFUGEE POLICY

Recent reports from Southeast Asia indicated that governments there will refuse entry to new refugees escaping from Indochina and will begin to forcibly repatriate many of the 276,000 refugees located in camps on their soil. Such a policy portends great possibility for further tragedy beyond the thousands that have already died while attempting to escape to freedom.

In realization of the critical situation of the Boat People refugees which pertains in Southeast Asia in the Summer of 1979, and in order to prevent the further loss of innocent lives, the National Governors' Association proposes the following policy recommendations regarding the international refugee crisis:

1. We urge Malaysia, Thailand and other countries of first asylum in Southeast Asia to halt the forced repatriation of refugees and to continue to grant temporary shelter to all refugees reaching their shores.

2. We call upon all countries in the free world to join in a collective effort to alleviate this tragic plight of these refugees. The United States cannot solve this problem alone. Rather it must be met by a genuine international effort aimed at spreading the resettlement burden as equitably as possible. To this end, we strongly endorse the concept of an international conference to address this issue and recommend participation by state government officials in the U.S. delegation.

3. As part of an expanded international

effort, we commend President Carter for his decision to increase the number of refugees to be admitted into the U.S. over the next 12–24 months.

4. To facilitate refugee resettlement and assistance, we state our support for the omnibus refugee legislation now pending before Congress. However, to maintain a hospitable climate for this additional refugee resettlement in the U.S., we urge the Congress to delete the two-year limitation on full reimbursement to the states for cash and medical assistance expenses for the refugees. We also urge the Congress to appropriate funds to provide direct payments of $450 to local school districts for each refugee child enrolled to defray costs for special English language programs.

Task Force on Indochinese Refugees: Task Force Report

THE CURRENT SITUATION

The recent decisions by the Thai and Malaysian governments to forcibly repatriate refugees to Cambodia and to force Indochinese refugees back out to sea and to dissuade new "refugees" from landing by shooting at them, has once again dramatically placed the issue of the "Boat People" squarely before us.

The flow of human beings out of Indochina is staggering. Close to a million people have fled Viet Nam, Cambodia and Laos since the imposition of Communist governments in 1975.

Currently over 300,000 refugees are in camps in non-communist countries of Southeast Asia. An estimated 200,000 ethnic Chinese refugees from Viet Nam have made their way to China. Another 300,000 have already been resettled in the United States and other free world countries. But still the hemorrhage continues as anywhere from 10 to 20 thousand new refugees escape each month.

Already hundreds, if not thousands of people—the majority women and children have perished. Given the apparent harsh new policies of some governments in Southeast Asia in refusing entry to new refugees it would seem certain that many more will die unless action is taken soon.

TASK FORCE ACTIONS

Since its inception four months ago, the members of the Task Force have reviewed both the international and domestic aspects of this problem to determine what actions they might take individually and what policy positions they might recommend to alleviate the tragic humanitarian plight of these people. Among their activities were the following:

On March 22, Governor Milliken wrote to the President indicating that Michigan would inagurate its own state government resettlement program to augment the efforts of voluntary agencies in that state.

On April 29, the first segment of the 1500 refugees to be resettled under the Iowa state program in 1979 arrived in Des Moines.

On May 22, Governor Byrne, Governor Milliken and Governor Ray sent a message to the leadership of both Houses of Congress urging rapid passage of supplemental funds for the State Department Refugee Program, which was grinding to a halt because its budget was exhausted. At that time—only one month before the drastic Thai and Malaysian actions—they warned that even a temporary moratorium in the U.S. refugee program could "lead to further backlogs in camps in Malaysia and Thailand . . . (which) . . . in turn could cause local officials to push refugees back out to sea with further tragic loss of innocent lives."

On May 24, Governors Milliken and Ray submitted testimony to the Subcommittee on Immigration, Refugees and International Law of the House Judiciary Committee on the new omnibus refugee bill being considered by the Congress.

On May 24, Governor Ray also met with Senator Edward Kennedy, Chairman of the Senate Judiciary Committee, to review these same points concerning the legislation.

THE NEED FOR FURTHER ACTION

The United States has already done much to try to solve the refugee problem. The Federal Government and the 50 states have received and resettled well over 220,000 refugees in the past four years. The Administration had authorized a monthly intake of 7,000 refugees per month for the remainder of the year. Other countries such as France, Australia and Canada have taken close to 100,000 all together. Yet it is clear that despite all of these actions, the problem is worsening and additional steps are necessary to save lives.

INTERNATIONAL

The members of the Task Force have identified several steps they believe could contribute to easing the situation in Southeast Asia and preventing the further tragic loss of life. Actions to ease the international situation would include:

An urgent appeal to the leaders of countries in Southeast Asia urging them to continue to allow refugees to land and not force them back out to sea.

A call for a combined international effort to address this problem.

As part of this international effort, an increase in the number of refugees to be admitted to the U.S. over the next 12–24 months. (On June 28, President Carter announced the U.S. will double its monthly quota from 7,000 to 14,000 refugees.)

DOMESTIC

There are also steps to be taken in the country to facilitate the resettlement of additional people. Within the United States the resettlement program has gone well. The most comprehensive study to date of this issue by Professor Daniel Monterro of the University of Maryland indicates that the Indochinese refugees are being assimilated into the American way of life at a surprisingly rapid rate. Well over 90 percent of all heads of households are employed and fewer than one third of these families receive any type of public assistance.

Despite this record, there are at least two problem areas which require continued attention: the need for special English training for the refugees and financial arrangements for those refugees that still require some cash or medical assistance

The Administration has proposed a new omnibus refugee bill that inter alia would ease the admission process for refugees in the future and provide some funding for English instruction for school children. Most of the provisions of the bill are constructive changes warranting the full support of the Governors. At the same time the new law would limit to two years the period during which the federal government would provide full reimbursement to the states for medical and cash assistance provided to the refugees under programs authorized by the Social Security Act.

It is the view of the Task Force that such a change would run the risk of adversely affecting the hospitable climate that now exists in most states for receiving new refugees. Any perception of increases in highly visible local taxes or "new" local spending programs to assist refugees could cause a significant reduction in the support the program has with the general public and elected officials.

Moreover, such a change would place an unfair burden on a few states. While initial resettlement efforts dispersed the refugees all over the country, they have tended to relocate in the warmer climates of California and Texas causing those states to shoulder a disproportionate share of what is supposed to be a national resettlement program. In order to ensure an equitable distribution of the costs of this program and maintain a receptive climate for new refugees, the Task Force believes the Federal Government should continue to provide full reimbursement for cash and medical assistance for the refugees.

A second area involves funding for special English language instruction for refugee children. Given their very tight financial situations, local school districts in areas of high refugee concentration have been hard pressed to fund such English language tutoring programs. Federal per capita grants to aid these districts were discontinued after 1977, Congress has authorized payments to the schools of $450.00 per refugee student to help defray these costs but the Administration has not supported making these funds available. The Task Force recommends that Congress now appropriate these funds to ease the pressure on impacted school districts and to ensure that refugee children receive the assistance they need to enter the mainstream of American life.

RECOMMENDED POLICY POSITIONS

Attached for consideration are four policy resolutions which address the above problems. The members of the Task Force unanimously urged they be adopted by the Full Committee. Due to the critical nature of the problems confronting these refugees and the risk of further loss of life, we also recommend that these positions be brought before the plenary session of the National Governor's Conference, under a special suspension of the rules, for immediate consideration.●

TESTIMONY OF CHARLES H. BREECHER ON H.R. 1716

● Mr. ROTH. Mr. President, my constituent, Mr. Charles H. Breecher, had hoped to testify before the Senate Armed Services Committee regarding the legislation implementing the Panama Canal Treaty of 1977. In his testimony, Mr. Breecher would have addressed a number of constitutional issues which have so far been largely neglected in debate on this legislation. Mr. Breecher previously testified before the Panama Canal Subcommittee of the House Merchant Marine and Fisheries Committee.

So that Mr. Breecher's perspective is available to the Members of the Senate. I ask that the testimony he would have delivered be printed in the Record.

The testimony follows:

Draft Testimony of Charles H. Breecher on H.R. 1716

Mr. Chairman, I greatly appreciate this opportunity and privilege to testify before this Committee. My testimony concerns one point only, but a point of fundamental importance: that the U.S. Constitution does not allow setting up the Panama Canal Commission, a United States Government Agency, in the manner proposed in the implementing legislation pursuant to the Panama Canal Treaty of 1977. There is no way to pass implementing legislation setting up this Commission as ordained in the Treaty without violating the U.S. Constitution on five major issues.

Mr. Chairman, showing the unconstitutionality of H.R. 1716 is a simple, straightforward matter. The Panama Canal Commission is a United States Government Agency. Accordingly, all its nine members including the four Panamanian nationals are civil officers of the United States, exercising significant authority of the U.S. Government. For easy reference, I have attached the text of Sec. 205(a) of H.R. 1716 and also the text of Art. III, par. 3, of the Panama Canal Treaty of 1977 at the end of my statement, the latter being essential to ascertain what's in the implementing legislation.

Enacted as U.S. law, H.R. 1716 would violate the U.S. Constitution as follows:

1. It would limit the President's appointive power to a ministerial function, giving him no choice whatever but to appoint the nominees or nominee of the Panamanian Government in a timely manner.

This is excluded by the Supreme Court decision in *Buckley* v. *Valeo,* 424 U.S. 1 (1976) stating that the President's appointive power cannot be usurped by any other Agency. Just how far this Presidential power can be narrowed by law is unsettled, but some choice, however small, must be left to the appointing authority according to a report by the Congressional Research Service, 30 January 1978, cited in the Congressional Record, 10303–10304, 17 April 1978.

In the same vein, Chief Justice Taney stated in *United States* v. *Ferreira,* 54 U.S. 40 (1851) that while Congress may create offices, it "could not, by law, designate the persons to fill those offices." And in *Myers* v. *United States,* 272 U.S. 52 (1926), Chief Justice Taft said that Congressional prescriptions of qualifications for United States offices could not "so limit selection and so trench upon Executive choice as to be in effect legislative designation".

In conclusion, restricting the President to naming the Panamanian nominees to office in a timely manner is a violation of the U.S. Constitution as interpreted by the Supreme Court, beyond any possible doubt or argument.

Issue No. 2: The implementing legislation, pursuant to the Panama Canal Treaty of 1977, limits the President's power of removal to a ministerial function, because he must remove at the request of the Panamanian Government and may not remove Panamanians without the consent of that Government.

The removal power has been adjudicated by the Supreme Court in *Myers* v. *United States,* 272 U.S. 52 (1926), known as the Oregon Postmaster's case. It results from this decision, later confirmed in *Morgan* v. *TVA,* 312 U.S. 701 (1941), that the power of the President to remove executive officers, such as the members of the Panama Canal Commission, is absolute and cannot be restricted by law in any manner. Congress may restrict Presidential removal power only for quasi-legislative or quasi-judicial officers. Humphrey's *Executor* v. *United States,* 225 U.S. 602 (1935) and *Wiener* v. *United States,* 357 U.S. 349 (1958). The implementing legislation gives the President the right of removal, at his discretion, for the U.S. members of the Panama Canal Commission, so there is no room for argument that all members of the Panama Canal Commission are not executive officers.

None of the decisions cited nor any other authority known to me lends any support to the thesis contained in H.R. 1716 pursuant to the Treaty that the President's removal power may be restricted to the point where he cannot remove for any reason, except with the consent of a foreign Government. Nor can any basis be found in the U.S. Constitution to lodge the removal power de facto in anyone but the President, least of all in a foreign Government.

In conclusion, the provision in H.R. 1716 restricting the President's removal power for the Panamanian members of the Panama Canal Commission to a ministerial function violates the U.S. Constitution as interpreted by the Supreme Court.

Issue 3: Can the Senate's right to give advice and consent to the appointment of the members of the Panama Canal Commission be abridged?

The sole question here is whether the members of the Commission are "inferior officers," so that their appointment could by law be vested in the President alone, pursuant to Art. II, Sec. 2, cl. 2 of the U.S. Constitution.

While the wording of Art. II leaves it to the judgment of the Congress to decide on an ad hoc basis which officers are "inferior officers," this judgment must be exercised with consistency. There is no precedent known to me that members of a United States Government Agency at the level and with the authority of the Panama Canal Commission have been regarded as "inferior officers."

According to the Panama Canal Treaty of 1977, the Panama Canal Commission is to be set up by U.S. law as an independent U.S. Government Agency, outside the hierarchical control of U.S. cabinet Departments. Its decisions are not subject to Presidential approval according to the Treaty, because the United States can carry out its responsibilities under the Treaty only through the Panama Canal Commission. The President's supervisory powers are limited to his right to remove the U.S. members of the Commission at his discretion. Any restrictions on the rights and responsibilities of the Panama Canal Commission or its individual members by U.S. legislation would of course be valid in U.S. municipal law, but be a breach of the Treaty. If there be any doubt on this point, I might refer to the witness statement of Mr. Herbert J. Hansell, Legal Adviser, Department of State, before the Panama Canal Sub-Committee, Merchant Marine & Fisheries Committee, 15 February 1979, pages 13–15. There is no basis in the text of the Treaty or in the U.S. Constitution to challenge Mr. Hansell on this point that I have been able to discover.

As concerns the level of the members of the Panama Canal Commission, it is that of U.S. Undersecretaries of State. See page 430, Hearings before the Committee on Foreign Relations, United States Senate, 95th Congress, Sep. 26–30, 1977, Part I.

Conclusion: Given the level and the authority of the members of the Panama Canal Commission, and the consistent practice of the U.S. Congress, the members of the Commission cannot, by law, be exempted from Senate confirmation. There is no precedent or authority of any kind to consider them as "inferior officers" who could be exempted.

Issue 4: Can a non-resident alien be made a civil officer of the United States?

The U.S. Constitution prescribes citizenship requirements of varying length for elected officers only (President, Vice-President, Senators, members of the House of Representatives), but is silent on civil officers. Indeed, the U.S. Constitution does not lay down any mandatory qualifications for nonelective public office except indirectly.

The thesis that a non-resident alien owing no allegiance to the Government appointing him, but owing such allegiance to another country, could become an officer of the appointing Government and clothed with a significant part of its authority, is not to my knowledge accepted by any sovereign Government on earth. The makers of the U.S. Constitution, having just emerged from foreign domination, would have been the most unlikely persons to admit that possibility, so one should not be surprised that they did not rule it out explicitly.

However, there are two provisions of the U.S. Constitution which implicitly rule out that non-resident aliens could become civil officers of the U.S. Government.

First, Art. II, Section 4 says that . . . all civil officers of the United States, shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.

How could a non-resident alien commit treason, as defined in the U.S. Constitution? Further, how could the U.S., which has no jurisdiction over nonresident aliens, impeach and convict them for high crimes and misdemeanors? U.S. laws defining bribery, and other high crimes and misdemeanors do not apply to non-resident aliens, so what standards would be used in impeachment proceedings? How could a non-resident alien be tried at all under the due process clause? It seems evident that the makers of the U.S. Constitution did not admit the possibility that non-resident aliens could become civil officers of the United States, when they wrote the impeachment clause. Nor, to my knowledge, is there any case where a non-resident alien has been made a civil officer of the United States.

Second, Art. VI, Section 3, provides that . . . all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation, to support this Constitution. . . .

Here also, it is evident that a non-resident alien could not swear such an oath which might bring him in direct conflict with his duties as a citizen of his own country.

The drafters of the implementing legislation seem to be aware of the problem because the implementing draft says that: "Each director . . . shall take an oath faithfully to discharge the duties of his office". That provision can of course not dispense with the constitutionally required oath for all civil officers of the United States. Further, the draft implementing legislation of 3 March 1978 mentions only "foreign nationals" as directors of the Panama Canal Commission notwithstanding any U.S. law, but not non-resident aliens. It may be possible to contend that a resident alien not owning allegiance to any foreign country might become a civil officer of the United States, since he could probably be impeached and could also probably swear the oath required under Art. VI of the United States Constitution. However, the Panamanian directors would be non-resident aliens.

Conclusion: The U.S. Constitution, by implication, does not allow non-resident aliens owning allegiance to a foreign country and subject to its jurisdiction, to become civil officers of the United States, as the implementing legislation would ordain.

Issue 5: Can foreign nationality be made a mandatory qualification to hold an office under the United States, thereby excluding U.S. citizens from holding the office because of their U.S. citizenship?

If foreign citizenship is made by law a mandatory qualification to hold a U.S. office, this means that U.S. citizenship becomes an absolute bar for holding this office. This type of provision is unprecedented everywhere, and appears to be repugnant to the U.S. Constitution. Specifically, it appears to be ruled out as a violation of the privileges and immunities of the citizens of the United States which are mentioned in the Constitution (14th Amendment, Sec. 1).

The courts have been reluctant to decide cases on the basis of the Privileges and Immunities clause of the Constitution, resorting instead to some other clause, such as the due process or commerce clauses. However, in the Slaughter House Cases (16 Wallace 36, 1873) Justice Miller, delivering the opinion of the Court, specificially included the right not to be excluded from public office because of citizenship among the privileges and immunities of United States citizens guaranteed by the Constitution, saying:

"But lest it should be said that no such privileges and immunities are to be found if those we have been considering are excluded (i.e. property right). we venture to suggest some which owe their existence to the Federal Government, its national character, its Constitution, or its laws.

One of these is well described in the case of *Crandall* v. *Nevada*, 6 Wallace 24 (1868). It is said to be the right of the citizens of this great country, protected by the implied guarantees of its Constitution, "to come to the seat of government to assert any claim he may have upon that government, to transact any business he may have with it, to seek its protection, to share its offices, to engage in administering its functions. * * *"

In the same 1873 case, Justice Field said that the privileges and immunities of U.S. citizens are those which of right belong to the citizens of all free Governments, without other restraints as equally affects all persons. This dictum does define the privileges and immunities of U.S. citizens. However, it expresses the principle which has never been questioned to my knowledge, that whatever rights U.S. citizens may process as citizens, such as the right to vote or to share the offices of the U.S. Government, may not be restricted to citizens alone without the same restraints applying to non-citizens. But this is precisely what the Panama Canal legislation attempts to do: U.S. citizenship becomes a unsurmountable restraint barring from appointment to certain civil offices under the United States whereas Panamanian nationals are exempted from this restraint. This anomalous situation appears incompatible with the U.S. Constitution's implied guarantees of privileges and immunities of U.S. citizens, and also of substantive due process guaranteed by the Constitution.

It might be said that the dicta I have cited are more than 100 years old. Well, the Supreme Court does not seem to have changed its mind since 1868 that the Constitution impliedly guarantees U.S. citizens the right not to be excluded from public office because of their U.S. citizenship. I may quote Chief Justice Burger in *Foley* v. *Connelie*, 98 S.Ct. 1067, March 1978:

"The essence of our holdings to date is that although we extend to (permanent resident) aliens the right to education and public welfare, along with the ability to earn a livelihood and engage in licensed professions, the right to govern is reserved to citizens."

To sum up, there appears to be no precedent or authority to support the exclusion of all 220 Million U.S. citizens from holding certain civil offices under the United States. This thesis also does not appear to be admitted in any truly sovereign country. It is well documented, however, in protectorates and colonies. Morocco and Tunisia prior to 1954 had such arrangements, and I also recall that Marshall K. Rokossovski, a member of the Soviet Politburo, held the job of Polish Defense Minister from 1949 to 1956.

RELATIONSHIP OF IMPLEMENTING LEGISLATION TO TREATIES

Can the implementing legislation be sustained as being necessary and proper to carry out United States obligations under an international agreement? The obvious and decisive answer to this, of course, is that no agreement with a foreign nation can confer power on the Congress, or on any branch of Government, which is free from the restraints of the Constitution. These are not my words, but those of Justice Black in *Reid* v. *Covert* 354 U.S. 1 (1957), delivering the opinion of the Supreme Court.

Throughout the enormous volume of testimony on the Panama Canal Treaties and the implementing legislation, the Executive Branch has sprinkled a great deal of highly misleading pseudo-legal information. The impression this misinformation creates is that all is finished anyway with the Senate vote 18 April 1978, that the Treaties are the law of the land, and that the House of Representatives is merely being called upon to fill in obediently a few blanks left open by the Treaty negotiators. All that is untrue.

Non-self-executing Treaties such as those on the Panama Canal merely impose an obligation in international law on the President to cause to be proposed implementing legislation to the Congress pursuant to the Treaties. That is, provided the Treaties are valid in international law which these most assuredly are not as I shall explain later. And even if that duty exists pursuant to a valid treaty, it must of course always take second place to the President's oath of office to preserve, protect and defend the Constitution of the United States.

Unless the President has reasonable cause to believe that the implementing legislation does not violate the Constitution, he may advocate it and he may not sign it if passed without breaking his oath of office, an impeachable offense. He does not need a certainty, of course, not even a preponderance of evidence; just a reasonable cause to think—even if that later turns out to be erroneous under a new Supreme Court decision—that the legislation is in accordance with the U.S. Constitution. But the President must have a respectable legal case, on every one of the five major constitutional issues I have cited. As an ordinary private citizen, with some knowledge of the Constitution, I am making the flat statement that the record shows he has no such case, unless he wishes to challenge the Supreme Court's decisions and findings.

Since the Panama Canal Treaty of 1977 is not self-executing, it is not—I repeat not—the law of the land, unless and until the Congress enacts its sitpulations into legislation. As far as the Congress is concerned, and the House of Representatives in particular, there is nothing to force it to do so other than a decent respect for the President and for last year's Senate. That rule was laid down 150 years ago by Chief Justice John Marshall, speaking for the Court in *Foster* v. *Nielson*, 2 Pct. 253 (1829), as follows:

"Our Constitution declares a treaty to be the law of the land. It is consequently to be regarded in courts of justice as equivalent to an act of the legislature whenever it operates of itself without the aid of any legislative provisions. But when the terms of the stipulation import a contract, when either of the parties engages to perform a particular act, the treaty addresses itself to the political not the judicial department and the legislature must execute the contract before it can become a rule for the court."

Accordingly, until such time as the essential non-self-executing provisions of the Panama Canal Treaty of 1977 are enacted into law, the Treaties are not the law of the land. Such essential provisions are primarily the establishment of the Panama Canal Commission, without which the U.S. cannot exercise any rights under the Treaty, and the Congressional authorization of all payments to be made to Panama. It would be manifestly absurd to contend that the U.S. and Panama intended to make a Treaty under which the U.S. had no rights at all and Panama would receive no payments whatever, so no self-executing provisions of the Treaties can come separately into effect. Moreover, international law does not recognize a bilateral treaty that is partially valid and partially invalid.

It is noteworthy that a self-executing Treaty, and the implementing legislation of all Treaties, can at any time be abrogated or amended by the Congress, the same as any other law. If there is nothing left to perform under the Treaty, that would of course be an empty gesture. But if something remains to be done under it, the amending law becomes the rule for our courts. The Supreme Court has so held repeatedly: for instance, in *Chae Chan Ping* v. *United States*, 130 U.S. 581 (1889), and in *Fong Yue Teng* v. *United States*, 149 U.S. 698 (1893). These cases involved a prior Treaty with China guaranteeing Chinese laborers the right to re-enter the United States which was abrogated by Federal statute.

If the Treaty is valid in international law, such action by the Congress is not commendable, however legal in U.S. municipal law. It may give the other party the right to seek damages through diplomatic channels or to cancel the treaty. I have referred to these cases only to show that it is quite wrong to put a Treaty on some legal pedestal, untouchable by the Congress. And if a Treaty ordains U.S. legislation that would violate the U.S. Constitution, then Congressional action rejecting such legislation is not only legal in U.S. municipal law, but is the sworn duty of each and every member of the Congress under his oath of office to support the Constitution.

Further, a treaty has no bearing whatever on the constitutionality of subsequent U.S. legislation to implement it, because a Treaty cannot amend the Constitution.

The Supreme Court has laid to rest any unfounded doubts on this matter in Reid v. Covert (1957). Speaking for the Court, Justice Hugo Black, after quoting Art. VI of the Constitution, said:

"There is nothing in this language (meaning in Art. VI) which intimates that treaties and laws enacted pursuant to them do not have to comply with the provisions of the Constitution. . . . It would be manifestly contrary to the objective of those who created the Constitution, as well as those who were responsible for the Bill of Rights—let alone alien to our entire constitutional history and tradition—to construe Article VI as permitting the United States to exercise power under an international agreement without observing constitutional prohibitions. In effect, such construction would permit amendment of that document in a manner not sanctioned by Article V. The provisions of the Constitution were designed to apply to all branches of the National Government and they cannot be nullified by the Executive or by the Executive and Senate combined. . . .

POSITION OF THE EXECUTIVE BRANCH

It appears that the Executive Branch position, or rather positions, with regard to the five constitutional issues I have outlined, are contained in two documents:

1. The Department of State addressed a letter to Delaware's Senior Senator William V. Roth, Jr., on 12 May 1978. The full text is attached to my written witness statement 7 March 1979, before the Panama Canal Sub-Committee, Merchant Marine & Fisheries Committee, House of Representatives.

The text of the letter shows that two of the five major constitutional issues are not addressed at all. State does not mention the President's removal power being restricted to a ministerial function for the four Panamanian directors of the Panama Canal Commission, nor the elimination of the Senate's right to give advice and consent to their appointment as superior civil officers of the United States.

On limiting the President's power to appoint officers of the United States, State notes that it can be restricted by law, citing as an example that the President may not appoint more than a certain number of members of his own party to certain U.S. Government Agencies. How does this admittedly lamentable fact justify restricting the President's appointment power to the point where he has no choice at all and where this power is de facto usurped by the Panamanian Government? Does State challenge *Buckley* v. *Valeo* (1976)?

On appointing Panamanians to U.S. offices created by Congress, State says that the U.S. Government may employ aliens, even nonresident aliens. What does this fact have to do with Presidential appointments to U.S. Federal offices?

On impeachment for Treason, State maintains that the governing standard with regard to the crime of treason would differ if the official were a Panamanian national, but that this poses no constitutional obstacle to the Treaty. Perhaps so, if one assumes that the President promised in the Panama Canal Treaty of 1977 to cause the U.S. Constitution to be amended. Otherwise, the crime of treason is explicitly and exclusively defined in Art. III, Sec. 3, Clause 1 of the U.S. Constitution. Or does State contend that a Treaty can amend the U.S. Constitution, challenging *Reid* v. *Covert*?

On excluding all United States citizens from four positions on a United States Government Agency because of their U.S. citizenship, State says that if we make the unlikely assumption that a protected right of U.S. citizens is involved, the Federal Government may employ classifications based on nationality so long as such action serves to enhance federal interests substantially, citing Hampton v. Mow Sun Wong 426 U.S. 88 (1976). Well, that's at last the citation of a case and I may say it is hilarious also. Mow Sun Wong involved the employment of permanent resident aliens by United States Government Agencies in such positions as janitors and file clerks. These are honorable professions, I've been a clerk myself once, but employing resident aliens in these capacities has nothing to do with appointing non-resident aliens owing loyalty to a foreign Government as civil officers of the United States. And all the Court said in this decision was that under the U.S. Constitution the Civil Service Commission did not have the authority to require U.S. citizenship as a mandatory qualification for all positions in the classified U.S. civil service, the President would have to do it himself. President Ford did so and his 1976 Executive Order has just been upheld. Vergara v. Hampton, 581 F 2nd 1281, certiorari denied April 1979.

It is my contention that State's 12 May letter raises no respectable counterargument to any of the five constitutional issues I have presented. If any member of this Committee disagrees with that conclusion, I respectfully urge him to say so.

2. A second Executive Branch position diametrically opposed to that of State is contained in a Statement by Mr. H. Miles Foy, Attorney-Adviser, Office of Legal Counsel, Department of Justice, submitted to the Panama Canal Sub-Committee on 28 February 1979. The history of this statement is interesting. Last August, Congressman Thomas B. Evans, Jr. (R-De.) wrote the Attorney General to ask for his comments on the constitutional issues I had raised. After reminders, Congressman Evans received a letter from Justice 29 January 1979 which said "Wait till we testify in reply to Mr. Breecher, who we understand has also been requested to testify". The Foy memo is that reply.

The Memo admits that Panamanians owing no loyalty to the United States cannot be permitted by the Congress to become U.S. civil officers. In circular reasoning, it concludes that therefore the four Panamanians on the Commission are not U.S. civil officers whereas the Americans are, and that therefore the four Panamanians are not subject to the provisions of the U.S. Constitution as regards their appointment. In support, Foy offers primarily his reading of the Appointments clause of the Constitution, and also cites the objectives of the Treaty and the Congressional power to turn the Canal over to Panama. He states that this power and the Treaty allow the Congress to give the Panamanians a minority, though not a majority share, in controlling the Panama Canal Commission.

Mr. Chairman, this completely novel thesis challenges the Supreme Court's 1976 definition of U.S. civil officers being persons who exercise a significant amount of U.S. Governmental authority. That authority is obviously possessed in equal degree by each and every member of the 9-man Panama Canal Commission. But the Foy memo can also be challenged by a veritable barriage of constitutional objections, as follows:

(a) Does Congress establish something other than nine U.S. civil officers by creating the Panama Canal Commission, a United State Government Agency? If so, what? Does Congress establish four positions for Panamanian apprentices? From where does Congress derive its constitutional power to create whatever those other offices are supposed to be? Emphatically not from the Treaty which can give the Congress no constitutional power it does not already possess and which moreover specifically and correctly states that the Commission must be established by law.

(b) Can the President appoint persons to be something other than U.S. civil officers? If so, what are these people? Where does the President derive his constitutional authority from to appoint them, if he does not derive it from Art. II Sec. 2? Why is this alleged additional appointment power of the President not subject to the restrictions of the Appointment Clause? Is there any precedent for such appointments?

(c) How can U.S. governmental responsibilities be exercised by persons who are not civil officers of the United States? These four Panamanian directors are surely not without some authority: consider, for instance, the perfectly likely case that for a particular decision or regulation, the four Panamanians join a U.S. minority of one or two on the board. Would that not be a decision of the Panama Canal Commission and the exercise of U.S. governmental power?

(d) Where in the U.S. Constitution or in Supreme Court interpretations thereof, can any basis be found for the fine distinction made in the Foy memorandum that it is alright to give a foreign Government a minority voice in a U.S. Government Agency, but not a majority voice?

(e) On what authority to be found in the Constitution are all 220 Million American citizens excluded from four of the nine positions on a United States Government Agency? Can the U.S. Congress so exclude them, without violating the privileges and immunities of U.S. citizens?

Mr. Chairman, when I saw the Foy Memo, I thought surely there must be some back-up for this startling new thesis. However, a letter I dashed off to the Department of Justice under the Freedom of Information Act brought me a reply dated 2 March 1979, signed by Mary C. Lawton, D/Asst. General, which enclosed another copy of the Foy Memo and said in substance: "That's all there is, we have no further analysis or back-up".

Mr. Chairman, I note of course that the Foy Memo contains the important "admission against interest" that the Congress cannot by law permit persons not owing loyalty to the United States to hold Federal offices, which is the exact contrary of what the Department of State contends in its 12 May 1978 letter to Senator Roth. However, I respectfully, or not so respectfully, wish to state for the record that the Foy Memo's conclusions concerning the alleged constitutionality of H.R. 1716 lack any substantive foundation in constitutional jurisprudence and do not appear to be backed up by any authority other than Mr. Foy himself. And I respectfully request to be told of any reason why this my conclusion might be wrong, in the opinion of any member of this Committee or of Counsel to the Committee.

INVALIDITY OF PANAMA CANAL TREATY OF 1977 IN INTERNATIONAL LAW

If the Congress rejects the implementing legislation, then in U.S. law, nothing has happened: the legislature, in the words of Chief Justice Marshall, has exercised its right to refuse to execute the contract and it therefore does not become a rule for U.S. courts.

It's different in international law which is not concerned with the municipal law of either of the parties, as a general rule. There would be a dispute, to be carried out through diplomatic channels, between the U.S. and Panama. But in that dispute, the U.S. would in my humble opinion, have an overwhelming case, provided only the President makes certain perfectly valid arguments to the Panamanian Government.

The Panamanians would say that the U.S. Constitution is no concern of theirs, and if the U.S. President has made promises in a Treaty which he can't carry out under the U.S. Constitution, that's his problem and Panama is either entitled to immediate full sovereignty over the Canal, with no U.S. rights whatever, or else to compensation in monetary terms, for breach of a Treaty, amounting to a few $billion or more. Panama would cite Article 27 of the 1969 Vienna Convention on Treaties which provides that a party cannot invoke the provisions of its internal law in justification not to perform under a treaty.

The U.S. has signed this Convention, but has not ratified it. However, the Convention is considered to be declaratory of customary international law and the Executive Branch would quite properly consider itself bound by it.

But the President would have very strong arguments to show that the Treaty is invalid, as follows:

1. There has been no ratification because identical ratification documents have not been exchanged, even after 31 March 1979. If one looks closely at the Panamanian instrument of ratification—I refer to the State Department Bulletin of July 1978—one finds that in well camouflaged language the Panamanians have rejected the DeConcini Reservation by adding something to their instrument of ratification which is not in the U.S. instrument of ratification. It is a reference to Art. 18 & 20 of the OAS multilateral Treaty which prohibits the use of force except in self-defense. The DeConcini Reservation would have amended the OAS Treaty on that point in a limited way between the U.S. and Panama, as is perfectly permissible in international law, and the Panamanians have rejected it. Until the U.S. accepts that rejection, or Panama withdraws it, there is no ratification of the Panama Canal Treaty of 1977 and Panama cannot invoke it in international law.

2. Art. 52 of the 1969 Vienna Convention says that a Treaty is void if its conclusion has been procured by the threat or use of force, in violation of the principle of international law embodied in the Charter of the United Nations. It will be remembered that Panama threatened guerrilla warfare and riots if the Senate did not give its consent. That threat was made before the effective date of the exchange of ratification instruments, in other words before the Treaty was concluded, right during the negotiations which last until the exchange of ratification instruments. This Panamanian threat to use force, neither in self-defense nor pursuant to a decision of the UN Security Council, makes the Treaty void.

3. It will be remembered that the Senate was told by the President that the Treaty had to be passed as is, because if it were amended there would have to be a new referendum in Panama under the Panamanian Constitution. Well, the Treaty was amended in many ways by the Senate ratification resolution, because whatever you call it in a bilateral treaty—reservation, condition, understanding or what have you—these are amendments. The Panamanian Government just decided to pass over that Panamanian constitutional point.

However, in international law there would be a very serious question if there was any meeting of the minds between the U.S. & Panama. Did the U.S. and Panama intend to make a Treaty which could not be enforced under their respective Constitutions?

4. It appears to be a peremptory rule of international law, inherent in the right of self-determination, that no Government has the power to place its people under foreign domination, without their consent. A peremptory rule of international law is one that is universally accepted, cannot be changed except by universal consent, and may not be abridged by special arrangement between States.

Now few people would think of it in this way, with the large U.S. and small Panama, but by giving agents of the Panamanian Government, under the full and exclusive control of that Government, significant U.S. Governmental powers, without the consent of the American people directly expressed, the U.S. Government effectively accepts a principle which is ruled out by a peremptory rule of international law. A Treaty containing such a principle is void.

It is interesting to recall that in the Rokossovski case I mentioned both Poland and the Soviet Union were careful to point out that he was born in what is now Poland and possessed dual citizenship. That was a sham of course, but it is nevertheless interesting that of the Soviet Marshalls the one born in Poland was selected by Stalin to serve as the Polish Defense Minister and that some effort was made to stress his alleged Polish citizenship.

So much for the legal consequences in international law if the Congress fails to pass implementing legislation. A quite different situation would arise if the Congress attempted to pass legislation in conformity with the U.S. Constitution on all five issues involving the Panama Canal Commission, that is by stipulating that the nine directors of the Panama Canal Commission should be Americans, appointed, confirmed and removed in accordance with traditional U.S. constitutional processes. That implementing legislation would of course stand up under U.S. law.

But in international law, the Panamanians would have excellent case to say at any time, for example when they did not like some decision by the Panama Canal Commission on tolls or wages: "You have breached the Treaty, now get out of Panama with your so-called Panama Commission and your troops. You have no rights at all under the Panama Canal Treaty of 1977, because these rights were granted to you by Panama as the territorial sovereign, to be executed only through the Panama Canal Commission, constituted as ordained in the Treaty, and by no other body which you are setting up at your convenience depriving us of our Treaty rights."

In international law, and I venture to say with U.S. public opinion also, the U.S. would be in a very difficult spot then. It would scarcely do at that junction for the President to say: "But the whole Treaty was void ab initio in international law," and give the reasons I have cited. That would be eating one's cake and wanting to have it too: The United States first breaks the Treaty on a major point, then recognizes it defacto by complying with the provisions it likes, and when challenged on the breach, claims the whole treaty was void anyway. As a legal case, it might not be without all merit, but it would assuredly be a weak reed to lean on.

CONGRESS AS THE GUARDIAN OF THE CONSTITUTION

In conclusion, Mr. Chairman, let me stress that the Supreme Court is not the only guardian of the Constitution. The Congress is just as much its guardian. Perhaps even more so, because the Supreme Court can act only after the fact and only within certain confines involving genuine litigation and individual rights.

There is one limitation, and only one, on the great and respected power of the elected representatives of the people to vote for whatever legislation they, and only they, might deem appropriate. That limitation almost never comes into play, but it applies in the case before you.

Unless a Congressman or a Senator has reasons satisfactory to himself to show substantively that the legislation he is considering does not violate the U.S. Constitution, he or she is under his oath of office to support the U.S. Constitution, obligated to raise the constitutional issue or issues, and to oppose that legislation.

In the case of the Panama Canal implementing legislation, it makes no difference if any member of the First Branch of our Government should believe, quite erroneously, that a treaty giving the Canal to Panama will go into effect 1 October 1979 regardless of what the Congress may do in the meantime, so that while he himself opposes the Treaty on other than constitutional grounds also, the lesser of two evils would be if the constitutional issue is not raised and the implementing legislation passed, so the U.S. will at least retain some rights.

Nor does it make the slightest difference if a supporter of the treaty thinks the implementing legislation is the most wonderful law ever devised in the U.S. national interest. Unless either legislator is satisfied that a respectable legal case has been made to show that setting up the Panama Canal Commission as ordained in the treaty is permissible under the U.S. Constitution, he must reject the implementing legislation proposed by the Executive Branch, as well as any amendments thereto which do not cure all the constitutional defects. The Constitution comes first.

I have stressed before that of course no certainty is required, not even a very strong case that a proposed piece of legislation is constitutional. The Congress may vote for a law it considers of doubtful constitutionality; one lawyer gives these reasons, another gives what sounds like a plausible counterargument. But if there is no room for a well-founded doubt that the legislation might be constitutional after all, then the case is perfectly clear: each individual member of the Congress must support the Constitution as he sees the Constitution.

This concludes my formal statement. Thank you again, Mr. Chairman, for hearing me on what to me is a very emotional matter, not the Canal, but the U.S. Constitution and the protection it gives to the rights of U.S. citizens. I shall now be happy to answer any questions you, others on the Committee, or the Committee staff might have. Indeed, I would welcome each and every question at such length as you will permit.

ANNEX—WITNESS: CHARLES H. BREECHER

Here, for convenience, is the text of Art. III, par. 3 of the Panama Canal Treaty of 1977:

3. Pursuant to the foregoing grant of rights, the United States of America shall, in accordance with the terms of this Treaty and the provisions of United States law, carry out its responsibilities by means of a United States Government agency called the Panama Canal Commission, which shall be constituted by and in conformity with the Laws of the United States of America.

(a) The Panama Canal Commission shall be supervised by a Board composed of nine members, five of whom shall be nationals of the United States of America, and four of whom shall be Panamanian nationals proposed by the Republic of Panama for appointment to such positions by the United States of America in a timely manner.

(b) Should the Republic of Panama request the United States of America to remove a Panamanian national from membership on the Board, the United States of America shall agree to such a request. In that event, the Republic of Panama shall propose another Panamanian national for appointment by the United States of America to such position in a timely manner. In case of removal of a Panamanian member of the Board at the initiative of the United States of America, both Parties will consult in advance in order to reach agreement concerning such removal, and the Republic of Panama shall propose another Panamanian national for appointment by the United States of America in his stead.

And here is the language of the implementing legislation consistent with the Treaty (Sec. 205, draft legislation dated 3 March 1978): "(a) A board of directors shall manage the affairs of the Panama Canal Commission. The President of the United States shall appoint the members of the board in accordance with paragraph 3 of Article III of the Panama Canal Treaty of 1977, and neither this chapter nor any other law prevents the appointment and service as a director, or as an officer of the Commission, of an officer or employee of the United States, or of a person who is not a national of the United States. Each director so appointed shall, subject to paragraph 3 of article III of the Panama Canal Treaty of 1977, hold office at the pleasure of the President, and, before entering upon his duties, shall take an oath faithfully to discharge the duties of his office".●

DR. FERENC NAGY

● Mr. HARRY F. BYRD, JR. Mr. President, last month a great fighter for freedom died quietly only a few miles from where we meet today, but far from his beloved country.

Dr. Ferenc Nagy rose from a peasant background to become prime minister of Hungary during those mercuric days after World War II. He struggled mightily for a democratic system in that torn land. For these efforts, he reaped persecution and abuse.

Dr. Nagy never became a U.S. citizen, but he was adopted by Virginia as an honored guest.

At his funeral, the eulogy was given by the Honorable John O. Marsh, Jr., who ably represented the Valley of Virginia in Congress for four terms and was later counselor to President Ford. He presented a moving and fitting tribute to this modern-day martyr.

Mr. President, I ask that the text of Mr. Marsh's eulogy be printed in the Record.

The text follows:

TRIBUTE TO THE LATE DR. FERENC NAGY

I spoke with President Ford yesterday in California about the passing of Former Prime Minister Ferenc Nagy. He asked that I read at the services today the telegram of sympathy he had sent to Mrs. Nagy and the family:

"I was deeply saddened to learn of the passing of your husband and father. Prime Minister Nagy was truly a great man and great leader, an example to all who value freedom and the Democratic process. His achievements will be long remembered and his memory greatly honored."

Gerald R. Ford.

Ferenc Nagy in his book, "The Struggle Behind The Iron Curtain," said:

"In the natural order of things, a man must face the loss of those who brought him into the world, guided his first steps, and loved him most unselfishly."

It has been more than three decades since I met the man whose memory we honor this day. It was in Budapest in the summer of 1946.

He was the Prime Minister of his country. Hungary's last freely elected one. I was a young officer in the American Army. A member of the security guard chosen to return to Hungary their gold reserves surrendered in the previous year to the American Army and kept in vaults in Frankfurt, Germany, since the end of World War II.

To mark the return of the valuable gold treasure essential to stabilize the currency, there was an official state dinner. Seated as far down the main table as protocol could put a Second Lieutenant, I remember especially well that 7th of August evening. It was my 20th birthday—and someone told the Prime Minister. When the dinner ended, he sent for me. His warmth and humanity quickly set me at ease. He congratulated me on the day, thanked me for what my country had done, and as a memento of the occasion, penned a greeting across my invitation. We shook hands and he bade me farewell.

But I never forgot him, or his country. I came away from the experience with a certain resolution, a greater sense of purpose.

Sixteen years later, our paths would cross again. But roles and places were reversed. The capital city was Washington. He was an exile. I was a public official. He came by my office in the Cannon Building on Capitol Hill to wish a Freshman Member of Congress from Virginia well.

We reminisced about that evening in Budapest. His warm, easy manner had not changed. I was struck by the circumstance then, and on his subsequent visits when I was a Congressman and later a Counsellor to the President, as to how we had first met. Somehow I wanted to reverse the roles, feeling that he, rather than I, should be in the position of leadership. Although I would only see him infrequently, his example was my silent counsel.

Looking back, I realize my feelings were those of all who knew him. It was respect for a man of unusual intellect, talent and character. A man who stood for something of value.

Ferenc Nagy never became an American citizen. But he did become one of Virginia's adopted sons. It was appropriate that he would select the Old Dominion. He was testimony to the philosophy of Jefferson and the other founders of our great Nation.

Jeffersonian Aristocracy is defined as an aristocracy of talent and virtue. Ferenc Nagy was truly a Jeffersonian Aristocrat. From a peasant background of which he was intensely proud, be became a Prime Minister.

A child of the soil of his native land, he returned to the soil as a way of life in his new home. Although he lived near the banks of the Potomac, his heart still belonged on the Danube. He wrote:

> As I walk the Virginia Furrows, the glowing vision of Hungary in this new world appears.

Dwelling close to the Nation's Capital with its monuments of bronze and stone to those who made the American heritage, he was a living monument to Freedom's real meaning.

The victim of lies, deceit and dishonesty, he remained an honest man.

Visited by disappointment, he never gave up hope.

Persecuted and oppressed, he never lost his sense of justice nor became an oppressor.

Living through embittered years, he never became a bitter man.

Having known both pomp and circumstance, and held the reins of power, he never lost his humility.

He was a platinum rod for other public officials to measure their own performance.

He was a man of quiet valor.

His loss is not just Hungary's loss. It is America's loss. It is Freedom's loss.

Now, nearly one-third of a century since we first met, I join with you to honor one whose life became a symbol. Whose ideals and ideas were never crushed by the Police State nor intimidated by an Iron Curtain. His weapons against tyranny were those qualities of the human spirit of truth, courage and honor.

Living in a foreign land, he still held within his heart the hopes and the aspirations of his people whom he loved.

Let those of us who share his dream of liberty remind ourselves of the cause to which he dedicated his life when he wrote:

By the grace of destiny, democracy shall yet embrace the world.

Ferenc Nagy—a child of faith.

Devoted husband and loving father.

Friend of Man and Freedom's Son.

Peasant of Bisse and Prime Minister of Hungary.

He was a man who had a rendezvous with Destiny.

Surely, in the ancient doctrines of our Presbyterian Church, he was one of God's Elect.●

REMARKS OF WILLIAM A. ANDRES

● Mr. DURENBERGER. Mr. President, Minneapolis recently hosted the annual meeting of the National Conference of State Retail Associations. Retailers and top executives from their 50 State trade associations were in attendance.

The highlight of the 2-day conference was an address by Mr. William Andres, chairman and chief executive officer of the Dayton Hudson Corp.

Dayton's was founded 75 years ago. It became Dayton Hudson in 1969. Today it is the seventh largest retailer in the Nation. Its 600 stores operate in 44 States with sales over $3 billion.

The roots of this American success story can be directly traced to the tradition of family philanthropy begun by company founder George Draper Dayton. His five grandchildren, all of whom are active in Minnesota business and civic affairs today, have contributed substantially to their community for decades. This Dayton family tradition has become their cornerstone of corporate policy.

Quoting Dayton Hudson Executive Committee chairman, Ken Dayton, Andres said:

> We believe that business exists for one purpose only: to serve society. Profit is our reward for serving society well. Put another way, we at Dayton Hudson believe the business of business is serving society—not just making money.

True to this philosophy, Dayton's has for 34 years contributed 5 percent of their profits to the communities in which the corporation operates. Following this example, 45 Minnesota-based companies now do the same.

In an era of criticism, suspicion, and reexamination of large institutions—whether they be business, labor, or government—it is refreshing to point to a major American corporation that believes in making the community in which it operates a better place to live and work.

In introducing Mr. Andres, Wendy Borsheim, president of the Minnesota Retail Merchants Association, said:

> Each of you has a local company that is synonymous with the good things in your state. In Minnesota, that company is Dayton Hudson.

Mr. President, I wholeheartedly concur with this statement and ask that Mr. Andres' keynote address be printed in today's RECORD.

The address follows:

KEYNOTE ADDRESS OF WILLIAM A. ANDRES

I'm honored to share my views on "Retailers and the Public Interest" with the participants of this important national conference of state retail associations. I firmly believe the A.R.F. (and the state associations) are in a strategic position to make a difference, both to consumers and to retailers. And I believe your importance to retailers like myself is growing every day. So I am delighted to accept your invitation to speak.

My purpose here today is three-fold:

First, to give you some background on Dayton Hudson Corporation—and how we approach our relationship with the public and public officials.

Second, to underscore our view that serving the public interest—the consumer—is the crucial element in an effective governmental relations program.

Third, to briefly identify other key elements of a truly successful lobbying program—and the key role you can (and do) play in strengthening that effort.

Let me begin by briefly describing Dayton Hudson Corporation, to give some perspective on how we approach both the public and elected public officials.

Dayton Hudson is a diversified national retail corporation formed 10 years ago by the merger of Dayton's of Minneapolis and Hudson's of Detroit. Through a series of internationally-developed strategies and acquisitions, we have grown to become the seventh largest among the nation's nonfood retailers. In April 1979 our sales passed the $3-billion mark—having reached $2 billion just a year and a half earlier. So our growth has been quite rapid.

Dayton Hudson approaches the customer through four separate and distinct retail strategies. They are: department stores such as Dayton's, Hudsons, Diamonds and John A. Brown; low-margin stores such as Lechmere and Target; specialty stores such as regional fine jewelry stores Shreve's, Caldwell's and Peacock, and our national bookstore chain B. Dalton; and Mervyn's, a softlines chain based in California.

That, in capsule form, is a picture of Dayton Hudson today. But it is a very incomplete picture without some discussion of our corporate philosophy of service—particularly our philosophy of serving the customer. My predecessor as CBO at Dayton Hudson, Kenneth Dayton, who now chairs our Executive Committee, may have said it best:

"At Dayton Hudson Corporation, we believe that business exists for one purpose only: to serve society. Profit is our reward for serving society well."

To put it another way, we believe the business of business is serving society—not just making money. There's a subtle difference.

For our corporation, serving society begins with the way we do business—clean stores, courteous employees, quality merchandise with "satisfaction guaranteed," honest dealings with our suppliers, full disclosure with stockholders and consumers alike. But it doesn't end there. Our sense of social responsibility extends to contributing an amount equal to 5 percent of our federally taxable profits to charitable purposes. Our objective: To enhance the quality of life in the communities where we operate, making them better places in which to live, work and do business. We officially adopted the Five Percent Policy 34 years ago. Now 45 Minnesota-based companies do the same.

Dayton Hudson's approach to serving the community goes beyond philanthropy to a partnership with the community that is perhaps unique to its structure and emphasis. Ours was the nation's first corporation to establish an entire unit devoted to improving the community—our Environmental Development Department. Today, countless other corporations have followed suit—we're happy to say—and such departments are now commonplace. Under the professional management of Wayne Thompson, former city manager of Oakland, California—who heads the department—our legislative program is openly executed and scrupulously bi-partisan. It is done in full cooperation with the Minnesota Retail Merchants Association—under Wendy Borsheim's able leadership. And it has earned Dayton Hudson the respect of both political parties. But the time our corporate executives give to the community and to public affairs is what is outstanding—and for good reason. We make it part of their performance appraisal—with goals, objectives and systematic review. At Dayton Hudson, the fact is: we don't have time for executives who don't have time for their communities.

This philosophy has considerable impact on the way we approach our relationships with public officials. Our public affairs unit sees as its job the mobilization of all our executive resources in dealing with the public decision-making process. In a way, its approach is identical to the retail training operation—whose job is not to *do* the training but to get line retail executives to do the training.

This principle works well in the government relations area, too. The involvement of our executives in our Minnesota legislative program has grown every year, and we are proud of it. At this year's "Box Score Luncheon"—where we report on the session to executives who were involved—there were more than 120 executives on the invitation list. Now we are gradually extending our executive involvement to other states and Washington, D.C. with the Corporate Action Network, which is based on the Minnesota experience. For the most part, we rely on your associations and our national associations. But we are building our direct involvement in other key states and the nation's capital. We have a great deal of work to do before our network is complete—or completely effective. But we have growing evidence of our potential for impact—and we are committed to being informed, being ready, and being available. As we grow and expand, you will hear more from us, see more of us, and be able to depend more on us.

The Dayton Hudson approach is more than structure and strategy—it is substance, as well. Our legislative program includes public interest issues in addition to those that directly affect our "bottom line." We have long made it a practice to lobby in the public interest—funding for the arts, for public housing, and other government commitments essential to the healthy growth of our communities. A few years ago Minnesota business helped wage a campaign to increase state funding for the arts. In one session—in this state which is largely rural and quite populist in attitude—on a unanimous vote in both houses, state funding for the arts increased fourfold.

This past legislative session—in addition to the items of obvious "bottom line" concern to retailers—we supported a number of other legislative proposals we think will contribute to an improved economy for all, including: $800 million in state bonds to help low-and middle-income Minnesotans buy or remodel homes; a further increase in state funding for the arts; $25 million for Shade Tree Disease Control, a severe problem in our metropolitan areas.

Some of our legislative successes have increased our taxes, but all of them increase our earnings—now and for years to come—because they strengthen the quality of life for the people of our communities. In a recent national survey of MBA graduates, Minneapolis-St. Paul ranks No. 1 in the nation for culture—and No. 1 for its schools. We're No. 4 in over-all quality of life. We know that's important in attracting quality executives here—and in keeping them, once they're here. In fact, former Gov. Elmer Andersen—the CEO of Fuller Co.—once said, "Minnesota businesses face two tough problems: first, getting people to come here; second, getting them to leave."

One final point regarding our government relations approach: it has a positive thrust, not just a negative one. We recognize, of course, that opposing bad legislation will always be a necessity. But we feel that proposing positive alternatives is an approach that is essential to our continuing credibility and success, in the long run. An excellent example is Lifeline Utility Rates—where business subsidizes energy costs for the poor and the elderly—which simply drives costs up for everyone, helps some who don't need it, and still doesn't offer much help to those truly in need. Instead, we have proposed a positive alternative: The Lifeline Rate Break Credit under which a direct income subsidy would be given to qualified people in need out of tax revenues. We think it would be a more equitable and more efficient solution to a very urgent problem. And, the important point is, it takes us out of the posture of simply being *against* something.

Focusing on the consumer—the public interest, if you will—is, in my opinion, the most significant single element in a truly effective public affairs programs. That is my central thesis here today—and I'd like to tell you why. The first reason we must put the consumer first is: it's our job. After all, representing the customer is what retailing is all about. The basic job description of a retailer is to serve as the "customer's purchasing agent." It's the very foundation of our business. So it should be a natural role for us in public issues as well.

For example, the basic argument retailers are making in the campaign to reduce tariffs on imported goods is that it's in the customer's long-term best interests. Expanded trade allows us to act as the customer's purchasing agent all over the world—with considerable benefit to customers and retailers alike.

The second reason to focus on the consumer: It's good for business. Looking out for the customer is the only sure-fire way to long-term financial success in retailing that I know of. In annual strategy sessions with our operating companies, we review plans for improving our business: plans for improving gross margins; plans for reducing expenses; plans for increasing merchandise turnover. But we have learned from experience that there is one overriding question that must be answered first: "How can we better serve our customer?" The balance of the questions tend to take care of themselves.

It's a successful merchandising philosophy that I think has stood Dayton's—and Dayton Hudson—in good stead over the years. And I think it applies equally well to the public affairs area.

The simple fact is, as consumers prosper, so does our business. First you have to protect the market before you can begin to protect your market share. So I firmly believe retailers should be at the forefront of the "consumer movement" helping to give it some direction, rather than reacting negatively to it. Frankly, I believe that many businesses—and not just retailers—have been shortsighted in seeing consumerism as a problem with which they must contend, rather than a business-building opportunity available to all.

The third reason retail government relations programs must focus on the customer is: It's the most effective approach. There's no doubt about it, there's a new breed of legislator in Congress these days—and in our state capitols as well. They're generally younger, better educated, more independent, less party-oriented and more constituent-oriented than in the past. For whatever reasons, this "new breed" of legislator is responding less readily to traditional pressures from so-called "special interests"—even from the President or the Governor. Because of this trend, the only way for retailers to have credibility in our dealings with today's legislators is to speak for the consumer—to put our legislative proposals to the ultimate test and ask, "What's in it for the customer?"

A consumer-focus is only the first of several crucial elements of a truly effective governmental relations program. In my opinion, other essential components are these:

To establish priorities

To mount a united front, and

To achieve grassroots participation by retailers.

Because they are so important, I'd like to take a few minutes to discuss them with you.

First, priorities. It would be highly inappropriate for me to stand here and tell you about the multitude of issues that face retailers on the legislative front. You're the experts. You're on the front lines. You don't have to hear that from me. In most states where we do business, we are almost totally dependent upon you and your state retail associations to protect our interests in the state capitols. As our Target operations expand, this fact is becoming more clear every day—and Target is increasingly taking an active role in state associations.

But my point is that because the potential for concern is so vast, it is absolutely essential to establish some legislative priorities—to identify a few key issues that have more relevance to retailers than others and focus the limited staff power in that direction. Otherwise our efforts become so diluted as to be totally ineffective. This is a fact of life that has come home to retailers in recent years, and recent results on the national front indicate that prioritization really pays.

The second element is to mount a united front on those key issues. Business has learned its lesson by watching how organized labor works within the legislative process. I think—especially because of the fine work of the American Retail Federation and the NRMA—concerted efforts have been made in key national issues of concern to business, with highly commendable results. It may be premature to say we've finally gotten "our act together," but it certainly appears that we have made important progress.

What was for years a steady string of legislative victories by organized labor appears finally to have slowed, and a more unified voice of American business is beginning to be heard once again. A united front by business helped defeat many measures that looked good in theory—but which, in practice, would have been actually anti-consumer. In addition, retailers were successful in extending investment tax credits to rehabilitating retail structures, and the new international trade treaty, although not all we would have liked, certainly is *more* to our liking (and more of a benefit to the consumer) than it would have been without a united front.

Another reason for these positive results is participation by retailers at the grassroots level—the final element of an effective campaign. Whether in Washington or St. Paul or Sacramento or Albany, legislators respond to calls, letters and personal contacts from their constituents more readily than to paid lobbyists. Grassroots lobbying is a process that pays dividends both ways. The local retailer—whether a local Target store manager or a CEO like myself—learns more about the legislative process and avoids "surprises." Moreover, business ceases to be a "faceless constituency" to those in positions of power within government, and it becomes more difficult to stereotype business, once we become local individuals—tax-paying voting constituents.

In conclusion, we must give credit where credit is due—and compliment the American Retail Federation for its significant contribution to these new heights of effectiveness. I firmly believe the national federation and the many state retail associations represented here today are playing a strategic role in the improved relations between retailers and government. Your decentralized approach facilitates the participation of retailers like myself. Your groundwork makes it easy for retail executives like me to pick up the telephone, or write a letter, and make a contact with a member of Congress on a specific matter, with a specific message. And I applaud those many instances when your instructions are specific, not vague—because vague pleas for help require more time and are easy to put aside in favor of more pressing matters.

These same strategies that I have outlined today—which I feel have been so effective at the national level—can, and should, be used at the state level to improve our effectiveness there, as well: priorities; a united front; full participation by line retail executives.

More important, if we rededicate ourselves to the most crucial task—representing the consumer's interests, as well as our own more narrow ones—there are no limits to the heights of effectiveness we can achieve. Working together, I am convinced we can continue our progress—and advance the common interests of retailers and consumers alike.

Thank you very much.●

THE TRAVEL INDUSTRY

● Mr. McGOVERN. Mr. President, as a result of a few serious spot shortages of gasoline this summer, our Nation's third largest industry—travel and tourism—has experienced a critical financial decline. Thousands of families across the Nation have altered their plans for vacations and business trips due to the perception that the gasoline shortage is nationwide. The highly publicized shortages on both the east and west coasts have had the effect of warning the American public not to travel anywhere.

I am among the first to admit that this country has a serious energy problem on its hands, and that swift action by the administration and the Congress is essential to move toward energy self-sufficiency. However, I do not think it necessary or wise to tell the American public to stay at home. There are several steps we can and must take to conserve motor fuels, but it is not essential to do this at the expense of family vacations and the tourism industry.

For the most part, South Dakota—which is heavily dependent on tourism—has substantial gasoline supplies. Many other States share this position. Those regions receiving regular influxes of travelers and tourists also receive gasoline allocations higher than other regions. Consequently, this year we have plenty of gasoline but no visitors.

Unfortunately, this perception of a nationwide gasoline shortage has caused tourism levels in South Dakota to decrease by over 40 percent in some cases. Any continued decline could result in bankruptcies and a serious impact on our State's economy.

I believe that the administration, in concert with the affected States, should make an effort to let the public know where gasoline supplies are available. If the tourism industry is allowed to recapture some of its losses for the remainder of the summer, we may be able to avert numerous bankruptcies and in some cases, regional requests for economic disaster aid.

Mr. President, I ask that a letter from one of my constituents, Mr. Jerry Gill of Rapid City, S. Dak., be printed in the RECORD.

The letter follows:

JULY 9, 1979.

Senator GEORGE McGOVERN,
Dirksen Office Building.
Washington, D.C.

DEAR GEORGE: Thank you for meeting with the Black Hills Tourism Industry last Monday, July 2, 1979, in Rapid City.

I am sure you perceived the real truthfully business crisis that our industry is now in the midst, and the very real hardships and unavoidable employee layoffs that are now happening, and the many bankruptcies that may occur by the end of the season and certainly before 1980, if this downturn of travel is not corrected very shortly!

You do know, I am sure, that Mt. Rushmore National Memorial, our state's best barometer of travel, is down 23 percent in 1979 over 1978 for the first six months, down 27 percent in June 1979 over June of 1978, and for the first 8 days of July is down 40 percent over the first 8 days of July 1978. Projections for the balance of the summer through Labor day are just as bleak. As there is now only 8 weeks left of our peak business season, any turn around of this trend must be immediate if we are to avoid the dire circumstances which will surely follow such a debilitating season. Also, very similar trends and figures are the same throughout the traditional summer travel areas in the west and midwest.

During the July 2, 1979, meeting here, you stated you would try to get some of your fellow Senators from Western States to join you in announcing on the Senate Floor that there is gasoline availability in South Dakota and the other Western States, and that tourists can travel without a fear of shortages. That you would do this on a weekly basis now through October. Please follow through on this. We need all the help we can get!

Further, I still believe that you and other Senators from Western States must impress on President Carter and his Department of Energy the very real crisis our industry is now in, that a very positive announcement be made from the White House and the DOE, that gasoline is available in vacation areas, and that all families should take the vacation of their choice.

Further, that daily gasoline reports be given by the national TV and radio media, right along with their weather reports, as a regular segment of their news and weather, a "Gas Map" same as a weather map, truthfully showing areas of problems and areas of no problems. This information is available from AAA sources and other sources. Such urgings from Congressional leaders such as yourself, DOE and President Carter, to the national media people to present such a program would be received favorably I would hope, and continued insistances on such a report would precipitate I believe a favorable cooperation by the media.

George, the time for procrastination, the time for action, has long past. Immediate positive measures must be taken.

Sincerely,

JERRY GILL.●

A NEW OPPORTUNITY FOR HEALTH CARE

● Mr. DURENBERGER. Mr. President, today's New York Times carries an interesting column by Robert Heyssel on the cost of health. Mr. Heyssel is director of Johns Hopkins Hospital. The point of the article is that it would be a mistake to believe that further expansion of the Government's role in health is an appropriate solution to problems of health care cost and delivery.

Mr. Heyssel points to a number of actions which should be taken to correct faults in the existing health system rather than rebuilding the whole structure as some have proposed. The key is competition. Competition to replace the inflationary cost reimbursement procedure which is a major problem with the existing system. The approach suggested by Mr. Heyssel is similar to legislation which I proposed last week, the Health Incentives Reform Act. My proposal is intended to provide effective and efficient care at a reasonable cost. As Mr. Heyssel states, "competition will work and can provide high-quality accessible care."

I would urge my colleagues to read Mr. Heyssel's article which follows:

THE COST OF HEALTH

(By Robert M. Heyssel)

BALTIMORE.—The debate over the medical-care "crisis" and how to solve it may well have reached a crisis of its own.

Out of sheer frustration with the plethora of conflicting facts, polls and proposed solutions, we may find ourselves willing to adopt a "do something—anything" approach in order to put an end to this confusing and exhaustive debate.

It would appear that no problem or issue in American society today can be characterized as other than a "crisis." Perhaps the attention of the citizenry can only be gained by warning it that all or part of the Republic is in danger of imminent collapse.

To ignore the health-care-cost problem or deny that it is of concern to Americans would be wrong.

But to tell the American people that a comprehensive national health insurance program will get them more medical care at no more cost or only slightly more is equally wrong.

To argue that costs will not rise as rapidly with a full-blown system of national health insurance ignores the experience of other nations.

There is a series of problems in American medicine today, not a "crisis." These problems are not peculiar to any of the highly developed countries, nor difficult to understand in a historical context.

The fact is that our problems grow directly out of a broad range of scientific discoveries, of societal change and political decisions.

All of them stem from success: success in biology and physics, and the application of that knowledge to medicine.

While it's popular to blame the doctors, medical schools and the hospitals for the "crisis," one might as well blame the physicists. They, after all, helped put together the framework of understanding and the technology that made possible modern biological investigation.

This, in turn, led to the explosion of medical technology that we have today and the demand of the people that it be made widely available to everyone, a demand responded to by the Government.

Research and technology have changed the product and the results of medical care in the last two decades. We are not paying for iron lungs and orthopedic repair of polio-damaged limbs. Pneumonia does not kill 30 percent of its victims. But we are paying for kidney transplants, total hip replacements, coronary bypass procedures, and radiation treatments, along with sophisticated emergency care of severe trauma patients. A day in a cancer hospital can cost up to $600. Each new medical or scientific breakthrough improves the quality and the outcome of care, but in most instances the cost of care rises proportionately.

Incorporating the latest advances in medical treatment while combating the forces of inflation in supplies, labor and energy is a daily challenge for hospital administrators and others seeking to provide quality care at a reasonable cost.

Solving the health care cost problem may be difficult, but we should capitalize on present strengths and not be crisis-oriented.

Stimulating competition, forcing some changes in the current system where needed, is in the long run a less risky and better alternative than the proposals that seek wholesale change under the legislative and regulatory aegis of the Federal Government.

We should not set out to dismantle the system we've put in place with great effort and at great expense.

First, there is a need to change the way the medical system pays both physicians and hospitals. The customary fee-for-service system for surgeons and physicians is a mechanism constructed to lead to over-use of many available procedures. We have a successful model of one alternative—the health maintenance organization—and we should build on it. There is evidence that competition will work and can provide high-quality accessible care.

Second, we must move away from cost reimbursement for hospitals and toward incentives and pricing policies that create something more akin to a free market.

Third, we need to establish an element of personal choice and responsibility in the payment system. We need to establish a basic but clearly limited set of covered health benefits that all third-party payers must offer. There should be sharp limitation on hospital coverage, based on diagnostic and medical condition, with no or partial payment for purely elective or cosmetic procedures or treatment, and full coverage for necessary or vital care related to disease or illness. Purchase of insurance to cover the elective or cosmetic care must be paid for by the recipient or counted wholly as taxable income if provided as a fringe benefit.

Finally, we need to understand that our way out is not through cutting off research money, maintaining the status quo through regulation, or sliding into a federally dominated system through federally financed and regulated national health insurance.

Rather, relief will come by stimulating new knowledge and new technology and through increased competition brought about by restructuring the incentives and choices for hospitals, physicians, and the consumers of medical care.●

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 1 minute to consider the nominations on the calendar beginning with "New Reports" on page 1 and going through page 2, going through page 3, and omitting Calendar Nos. 250 and 251 on page 4, but proceeding then with the nominations placed on the Secretary's desk in the Air Force, Army, Navy, and Marine Corps.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I reserve only for the purpose of advising the majority leader that the nominations identified by him are cleared on our calendar and we have no objection to proceeding to their consideration and their confirmation.

Mr. ROBERT C. BYRD. I thank the minority leader.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

IN THE ARMY

Sundry nominations in the U.S. Army.

IN THE NAVY

Rear Admiral Kent J. Carrol, U.S. Navy, to be Vice Admiral.

INTERSTATE COMMERCE COMMISSION

Darius W. Gaskins, Jr., of the District of Columbia, to be a member of the Interstate Commerce Commission.

Thomas A. Trantum, of Connecticut, to be a member of the Interstate Commerce Commission.

Marcus Alexis, of Illinois, to be a member of the Interstate Commerce Commission.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY, AND MARINE CORPS

Sundry nominations in the Air Force, Army, Navy, and Marine Corps which had been placed on the Secretary's desk.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the nominations were confirmed en bloc.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

(All nominations today are printed at the end of the Senate proceedings.)

ORDER FOR RECOGNITION OF SENATOR CHURCH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized, each for not to exceed 1 minute, tomorrow morning, Mr. CHURCH be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of the order for the recognition of Mr. CHURCH tomorrow, and no later than 9:35 a.m., the Senate resume consideration of the Nuclear Regulatory Commission authorizations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the order previously entered, that the Senate stand in recess until 9:15 a.m. tomorrow.

The motion was agreed to; and at 6:40 p.m., the Senate recessed until tomorrow, Tuesday, July 17, 1979, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate on July 16, 1979:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Daniel Edward Leach, of Virginia, to be a member of the Equal Employment Opportunity Commission for the term expiring July 1, 1984. (Reappointment)

IN THE COAST GUARD

The following temporary officers of the U.S. Coast Guard for promotion to chief warrant officer, W-2:

John P. Delong
Robert D. Olsen
Paul D. Luppert
Paul R. VonProtz
Theodore G. Roberge
Louis R. Skorupa
Martin L. Phillips

The following temporary chief warrant officers, W-2 of the U.S. Coast Guard to be permanent chief warrant officers:

Paul Mularchuk
Jerry A. Paxton
Robert J. Dinehart, Jr.
Urlich R. Warnat
Thomas E. Dembinsky
Cornelius Howlett
Robert R. Shoop
Bryan J. Norman
David G. Delorme
David T. Powell
Duane K. Herbert
Alvin G. King, Jr.
Jack C. Wilson
Donald C. Roark
Paul M. Short
John A. Kress
Walter L. Carr
Clarence L. Lusk
Raymond A. Morris, Jr.
Norman E. Lemoine
Ottis D. Raybon
Robert C. Feduik
Horace V. Johnson
David R. Demers
Bobby B. Butler
James T. Beckermann
Norbert V. Amano
Rowlin J. Browning
Marsden H. Warren, Jr.
Julio R. Salazar
Lemo B. Rohrig
James W. Long
John C. Simmons
James B. Reynolds, Jr.
Wallace R. Hunter
Resta N. Cauley, Jr.
Ronald A. Perry
Gerald W. Schmer
Raymond C. Sanford
James F. Fromm
Everett P. Clark II
John D. Clark
Claude D. Pendegraph
William G. Wetherington, Jr.
Jerry W. Lemon
Ralph W. Cromley
Harold R. Springsteen
Charles F. Skelly
Leon F. Simmons
Samuel G. Maness
Barry J. Cobaugh
Gerald S. Taylor
John D. Merrill
William E. Mulkern
Robert O. Rucker
George M. Allen
Raymond T. Ulrich
Earl L. Reed
Richard J. McGrew, Jr.
James J. Kohlhepp
Jimmy L. Holbert
Charles L. Gang
Dale L. Walker

Maurice E. Smith
Malcolm O. Bassett
Robert E. Wiseman
Robert N. Gardner
Earl D. Beegle
John P. Camey
Michael W. Dubose
William P. Zazzo
Howard P. Jackson
Thomas J. Reidy
Rafael Rivera
Richard M. Meidt
David D. Bradney
Stephen D. Willmann
Richard S. Argo II
Edward F. Clancy, Jr.
Timothy H. Harris
William R. Johnson
Keith E. Norden
Timothy F. Manry
Joseph H. Hoffman, Jr.
David L. Grant
Braxton L. Holland
Ronald W. Hunt
William C. Kennedy, Jr.
Harry J. Dasher
Guy R. Sorensen
John F. McCaslin
John A. Pellegrini
Joe B. Atterbury
Hubert L. Hood, Jr.
James P. Mackay
Timothy R. Mayer
Alfred P. McNab III
Charles W. Mattoon
James D. Agar
Archie C. Goodwin
Edward D. Huckeba
Jon J. Huff
Norton C. Chastain
John A. Giehl
John C. Blackford
Jesse J. Findley
Robert B. MacKenzie
Leon F. Boland
Alva Cooper
John W. Head
Don A. Mahoney
Michael F. Abbott
John M. Powers
Craig A. Reynolds
Richard E. Spinney
Billy R. Hairgrove
Newman L. Cantrell
Larry A. Everman
Daniel R. Oakley
Donald W. Cowell
Frank G. Dzieciolowski
James D. Caudill
James E. Bradshaw
Robert W. Greiner
Julian R. Cates
Donald E. Pace
Gordon S. Carter
Thomas D. Hetsler
Roger G. Maxwell
Anthony J. Trackerman
Curtis A. Forbes
James H. Crimmins, Jr.
Frank M. Memmesheimer
Richard S. McNair
Kenneth R. Chambers
Robert J. Moynihan, III
Thomas H. Specht
James R. Brown
John H. Marx
Cornelius A. Johnson, Jr.
Carl R. Skinner
John E. Niemi
Maurice W. Gardner
James L. Cropper, Jr.
Charles D. Smith
Robert L. Beauparlant
Charles K. Conner
David S. Stonebrook
James R. McKnight, Jr.
David G. Deabenderfer
Robert J. Campbell
William L. Wagner
Thomas E. Chapman
Harold W. Willis, Jr.
Louis P. Nanni

The following temporary officers of the U.S. Coast Guard for promotion to chief warrant officer, W–3:

James D. Stribling
Robert T. Douville
James W. Gydish

The following temporary chief warrant officers, W–2 of the U.S. Coast Guard to be permanent chief warrant officers W–3:

Charles S. Whitehouse
John A. Tolejko
Gerald D. Johnson
John B. Beasley
Frederick K. Hunke
Rutrell Martin
Clarence L. Wentworth, Jr.
Ceasar A. Paras
Ronnie M. Hudson
James R. Bailey
Charles G. Lacey
William C. Held, Jr.
David E. Eslick
Clifford W. Heideman
James R. Stonelake
Herbert C. Self, Jr.
Robert D. May
Carroll V. Wince
Warren J. Toussaint
Edward E. Schwabe
Faye A. Amundson
Donald K. Robinson
Frederick H. Allen
Billy M. McCullough
William G. Uhrig
Luman E. Hejl
Glenn A. Lewis
John E. Schwartz
Robert L. Buettner
Alva C. Anderson
Harry W. Sites
Raymond Wild, Jr.
Charles E. Hickey, Jr.
Harold E. Walters
Carl T. Goretski
Florencio D. Pascua
William T. Lancaster
James A. Mock
William C. Brizendine
Patrick E. Newman
Larry M. Luzader
Albert J. Becker
Edward R. Pritchett
Robert V. Venables
Carl W. Murry
David M. Johnson
Bruce R. McMahill
Charles A. Teaney
Ronald A. Messura
Robert A. Warbutton
David R. Gay
Peter R. Kelleher
Robert E. Armstrong
Wildon E. Steele
Edward J. Hodgdon
John D. Seaman, Sr.
William H. Aldrich
Ronald G. Walters
James A. Carpenter
Charles F. Maher
Robert L. Couchman
Raymond E. White III
William T. Myers
Timothy P. Riordan
Richard V. White
Armond K. Tennier
Albert J. Klapetzky
Ernest W. Yost
Theodore S. Jones
Wayne H. Carlton
Robert A. Buotte
Richard C. Carr
Ralph W. Willard
Page J. Shaw
Franklin D. Yelton
Troy P. Rhodes
Robert A. Cushing
Frank E. Kopszywa
Wesley G. Shallock
Charles J. Castello
Harry T. Hill
Gary S. Austin
Tommy W. Hancock

The following temporary officers of the U.S. Coast Guard for promotion to chief warrant officer, W–4:

Joseph E. Tamalonis
James W. Amos
Richard A. Kirkman

The following reserve officer in the U.S. Coast Guard to be a permanent commissioned officer in the grade of lieutenant (junior grade):

Elias J. Moukawsher

The following officers of the U.S. Coast Guard for promotion to the grade of lieutenant (junior grade):

Richard Y. AtLee II
Malcolm Z. Pittman
Phillip L. Biedenbender
Karl E. Sanders
Edward A. Blackadar
Scott D. Bair
William S. Asprey
David R. Gomez
Mark E. Allen
Kenneth Miller
Kenneth C. Davis III
Joseph B. Martin
Lional R. Munsey

In the Air Force

The following officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force.

To be captain

Brainerd, Helen A., [redacted]

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with the dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be lieutenant colonel

Marshall, Angus, [redacted]

To be major

Hathaway, Ralph E., [redacted]
Vandersarl, Jules V., [redacted]

To be captain

Charlat, Richard A., [redacted]
Gangitano, John L., [redacted]
Walker, Edgar A., Jr., [redacted]

To be first lieutenant

Lee, Bradford H., [redacted]
Tice, Andrew W., Jr., [redacted]

DENTAL CORPS

To be captain

Houston, Glen D., 446–54–7432.
Wendt, Stanley L., Jr., [redacted]

To be first lieutenant

Lipsinic, Francis E., [redacted]
Murata, Steven M., [redacted]

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, ttile 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be colonel

Blattman, John E., [redacted]
Hansen, Robert W., [redacted]
Huey, James R., Jr. [redacted]

To be lieutenant colonel

Brenner, Harris, [redacted]
Chai, Kyong, Suk, [redacted]
Clark, Max A. [redacted].
Janis, Leon O. [redacted].
Kampfer, Merlin W., [redacted]
Polonsky, Leonard, [redacted]
Ridge, Charles H. [redacted]
Weiss, Gerald N. [redacted]
Zilveti, Carlos B., [redacted]

DENTAL CORPS

To be lieutenant colonel

Eyman, Russell G. [redacted].
Wright, Gordon L. [redacted].

The following person for appointment as Reserve of the Air Force in the grade indicated, under the provisions of section 593, title 10, United States Code.

LINE OF THE AIR FORCE

To be lieutenant colonel

Thomas, James G. [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

MEDICAL CORPS

Lieutenant colonel to colonel

Edinger, Albert G., Jr., [redacted]
Winter, Oliver S., [redacted].

LINE OF THE AIR FORCE

Major to lieutenant colonel

Baker, Robert L, [redacted].
Bridge, James E., [redacted].
Carlson, Myron R., [redacted].
Fischer, Joseph W., [redacted]
Gordon, Massalena M., [redacted]
Hayslett, Hilbert H., Jr., [redacted]
Holder, William W., [redacted].
Leppa, Larry D., [redacted].
Lindeke, Ronald C., [redacted].
McConoughey, Marvin L., [redacted]
McKimmey, Jerry L., [redacted]
Rochester, James S., [redacted]
Snell, Richard D., [redacted].
Sweeting, Gerald W., [redacted].
Wedra, Arthur H. [redacted].

MEDICAL CORPS

Andre, Donald A., [redacted].
Cabebe, Fernando S., [redacted]
Gallardo, Salvador A., [redacted]
Sharp, John R., [redacted].

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of lieutenant colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of temporary lieutenant colonel, in accordance with sections 8442 and 8447, title 10, United States Code.

LINE OF THE AIR FORCE

Asselanis, George K., [redacted].

In the Air Force

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be captain

Abravaya, Ralph I., [redacted].
Absher, Lennol K., [redacted].
Ackland, Charles T., [redacted].
Adamovich, Daniel A., [redacted]
Adams, Alan L., [redacted].
Adams, Rolla C., [redacted].
Adcox, Thomas A., [redacted].
Agin, Ronald W. [redacted].
Agostini, Daniel A., [redacted].
Ahmann, James R., [redacted].
Albertazzie, Thomas E., [redacted]
Albracht, George A., [redacted].
Albright, Robert E., [redacted].
Albright, Robert P., [redacted].
Aldrich, David G., [redacted].
Alexander, Johnny D., [redacted]

Allbritton, Billy J., [redacted].
Allison, Lavoin K., [redacted].
Alston, Howard R., Jr., [redacted].
Alves, Paul J., [redacted].
Ama, Bron T., [redacted].
Amstuz, Terry L., [redacted].
Anderson, Emery D., [redacted].
Anderson, John M., [redacted].
Anderson, Kenneth R., [redacted].
Anderson, Ronald A., [redacted].
Archuleta, James T., [redacted].
Armour, Robert W., [redacted].
Armstrong, George A., III, [redacted].
Arndt, Linda J., [redacted].
Arnold, Paul V., [redacted].
Ashbaugh, John B., [redacted].
Asher, Charles R., [redacted].
Asher, Michael D., [redacted].
Ashing, David W. [redacted].
Ashley, Charles W. [redacted].
Ashton, Caleb B., [redacted].
Avery, Stephen E., [redacted].
Bain, Keith E., [redacted].
Baird, Jay L., [redacted].
Balch, Sammy D., [redacted].
Baldwin, Peter, Jr., [redacted].
Ball, George J., [redacted].
Ballantine, Terry R., [redacted].
Bareither, Van A., [redacted].
Barker, Sheila M., [redacted].
Barnett, William H., Jr., [redacted].
Bartek, George J., [redacted].
Bartsch, Thomas M., [redacted].
Basler, Nicholas J., [redacted].
Bates, Michael D., [redacted].
Bath, Thomas A., [redacted].
Battista, Thomas R., [redacted].
Baughn, Lawrence E. Jr., [redacted].
Bayne, Charles H., [redacted].
Becker, Donald J., [redacted].
Bedor, Wayne M., [redacted].
Bell, Thomas I. [redacted].
Beisner, Christopher C., [redacted].
Belisle, Thomas M., [redacted].
Bell, Dennis R., [redacted].
Bell, Stephen C., [redacted].
Belote, Frank L., Jr [redacted].
Bennett, David T [redacted].
Bennett, Dennis R., [redacted].
Berecek, Emil M., III, [redacted].
Bergquist, Timothy M., [redacted].
Berkland, David E., [redacted].
Berkshire, Ronald A., [redacted].
Bernard, Richard E., [redacted].
Beulke, Linda M., [redacted].
Bickel, Larry E., [redacted].
Bienstock, Steven A., [redacted].
Birchak, Paul K., [redacted].
Bischoff, Mark U., [redacted].
Blackledge, Kenneth R., [redacted].
Bladen, James B., [redacted].
Bloomfield, Richard, [redacted].
Boatwright, James E., III, [redacted].
Boblitt, David W. [redacted].
Boggs, Vollie, Jr., [redacted].
Boller, Richard A., [redacted].
Bollhoefer, Richard L., [redacted].
Bollich, William P., [redacted].
Bonen, Carolyn A., [redacted].
Booker, David L., [redacted].
Booker, Theodore G., [redacted].
Boone, David B., [redacted].
Both, Donald M., [redacted].
Bowen, Craig S., [redacted].
Bowley, James W., [redacted].
Bowman, Gene S. [redacted].
Box, Rickey L., [redacted].
Box, Roy G. [redacted].
Boyer, Stephen P., [redacted].
Brach, David S., [redacted].
Bradley, Paul B., [redacted].
Brandenburg, David W., [redacted].
Brandley, David C. [redacted].
Braun, David W., [redacted].
Braun, Louis D., III, [redacted].
Breitenbach, Richard L., [redacted].
Brennan, William J., [redacted].
Breslin, Paul J., [redacted].
Brewer, Larry H., [redacted].
Brewer, William F., [redacted].
Briganti, Joseph F., [redacted].
Briggs, Randall A., [redacted].
Brown, Charles V. [redacted].
Brown, Dale F., [redacted].
Brown, David L., [redacted].
Brown, Edward E., [redacted].
Brown, James E. [redacted].
Brown, Thomas F., [redacted].
Brown, Thomas W., [redacted].
Brown, William J., [redacted].
Brownlee, Calfort M., [redacted].
Bruce, Robert C., [redacted].
Bruch, George F., Jr., [redacted].
Brunette, Frederic G. S., [redacted].
Brunner, Stephen C., [redacted].
Buchanan, Delbert H., Jr., [redacted].
Buffalo, Edith B., [redacted].
Burgess, Deral W., [redacted].
Burke, Philip W., [redacted].
Burkhart, William R., [redacted].
Burnet, Edwin S., [redacted].
Burns, Daniel L., [redacted].
Burns, Robert, III [redacted].
Bush, Hickman E., [redacted].
Butler, Brett M. [redacted].
Byars, William S., Jr., [redacted].
Bynum, William F., [redacted].
Calle, Maurice W., [redacted].
Camblin, Gregory K., [redacted].
Cameron, Leonard D. [redacted].
Camp, Omer R., Jr., [redacted].
Campbell, Donald W., [redacted].
Campbell, Walter B., III, [redacted].
Caramanica, Nicholas G., [redacted].
Cardinal, Lawrence D., [redacted].
Carpen, Thaddeus R., Jr., [redacted].
Carryer, Roy D., [redacted].
Carter, Ronald D., [redacted].
Carver, William A., [redacted].
Case, Versel T., [redacted].
Casey, Ronald C., [redacted].
Cassidy, Michael D. [redacted].
Cathcart, Terry L., [redacted].
Catullo, Anthony A., [redacted].
Cella, George L. [redacted].
Chace, William L., [redacted].
Chapman, John C. [redacted].
Chase, John S., [redacted].
Chrisman, Kenneth A., [redacted].
Clancy, Vincent F., Jr., [redacted].
Clark, Joanne L., [redacted].
Clark, Larry B., [redacted].
Clarke, Steven A., [redacted].
Clary, Morris D., [redacted].
Clauson, Dale W., [redacted].
Clyde, Edward S., [redacted].
Cole, Everett B., Jr., [redacted].
Coleman, Cranston R., Jr., [redacted].
Coleman, Marvin G., [redacted].
Collinsworth, Ross B., [redacted].
Conner, Robert L., [redacted].
Cooke, Melanie B., [redacted].
Coombs, Robert S., [redacted].
Corr, Brian W. [redacted].
Corradi, Michael E., [redacted].
Coverdale, Scott C. [redacted].
Cox, Donald R., [redacted].
Cox, Donald R., [redacted].
Crane, Royce I., [redacted].
Craw, Marshall W., [redacted].
Crawford, David A. [redacted].
Creamer, David A., [redacted].
Cross, Michael G. [redacted].
Cruise, John A., [redacted].
Cummings, Larry P., [redacted].
Cuneo, James B., [redacted].
Curran, James T. [redacted].
Currier, Walter B., [redacted].
Curry, John R., [redacted].
Daigle, Elliott L., Jr [redacted].
Daniel, James W., Jr., [redacted].
Davis, Robert C. [redacted].
Davis, Roger T., [redacted].
Davy, William R., [redacted].
Daye, Thomas R., [redacted].
Dean, Thomas R., [redacted].
Debellis, David A., [redacted].
Debruin, Larry A., [redacted].
Decker, Paul O., [redacted].
Dee, Bernard E., Jr., [redacted].
Delaney, William M., [redacted].
Demarchi, Daniel, [redacted].
Dennis, Benny W., [redacted].
Denu, John L., [redacted].
Denzer, Raymond D., [redacted].
Depaula, Vincent S., Jr. [redacted].
Deponte, Manuel, Jr., [redacted].
Derenski, Peter A., [redacted].
Devitt, James E., [redacted].
Dill, Charles D., [redacted].
Dilly, Robert L., [redacted].
Dingman, Walter W., [redacted].
Dirks, Jeffrey M., [redacted].
Doan, Henry C. [redacted].
Dominguezyrodas, Gerardo, [redacted].
Doolittle, Edward G., [redacted].
Doty, Lester E. R., [redacted].
Dougherty, Charles M., [redacted].
Dougherty, William J., [redacted].
Drasky, William J., [redacted].
Driggs, Charles H., [redacted].
Drury, Dennis D., [redacted].
Drust, John M [redacted].
Ducharme, Rick P., [redacted].
Duffell, Robert W. [redacted].
Dumas, Windell M., [redacted].
Duncan, Daniel E., [redacted].
Duncan, Lesley R., [redacted].
Dunn, Melvin A., Jr., [redacted].
Duringer, Pierre R., [redacted].
Durnal, Edward L., [redacted].
Dysko, Peter A. [redacted].
Edmund, Robert F., [redacted].
Edwards, William T., [redacted].
Eller, Barry A. [redacted].
Ellingson, Dean A., [redacted].
Ellringer, Robert F., [redacted].
Elrod, Thomas M., [redacted].
Erbacher, Paul J., [redacted].
Ericson, Robin J., [redacted].
Ertle, Kenneth A., [redacted].
Esslinger, Jack H., [redacted].
Everett, Robert H., Jr., [redacted].
Ewing, William B., Jr., [redacted].
Exum, Donnell R., [redacted].
Faber, Peter M. [redacted].
Fagan, Charles J., III. [redacted].
Fakler, Thomas L., [redacted].
Faubion, Ernest R., [redacted].
Fehd, Dale F. [redacted].
Feldman, James K., [redacted].
Ferguson, Dwane L., [redacted].
Fernandez, Alberto F., [redacted].
Ferraro, Michael A., [redacted].
Finan, Gregory K., [redacted].
Finck, Charles F., III, [redacted].
Finn, John G. [redacted].
Finn, Thomas A., III, [redacted].
Fisk, James A. [redacted].
Flanagan, William C., Jr., [redacted].
Fleming, Jerome L., [redacted].
Fleming, Norman D., [redacted].
Flynt, Jack W., II, [redacted].
Fodrey, Gary L. [redacted].
Foley, Louise A. [redacted].
Fondren, James W., Jr., [redacted].
Ford, Norbert J., Jr., [redacted].
Forgiel, Stephen C., [redacted].
Fortune, William F., [redacted].
Foster, Roger A., [redacted].
Frazelle, David R., [redacted].
Freeman, Michael C., [redacted].
Fried, Bruce A., [redacted].
Froebe, Charles F., [redacted].
Fuller, Donald G., [redacted].
Fulton, Jesse B., Jr., [redacted].
Fulton, Phil A., [redacted].
Fus Walter R., Jr., [redacted].
Gardner, Michael C., [redacted].
Garlington, Jerry L., [redacted].
Gasaway, Jimmy D., [redacted].
Gaudreau, Raymond L., [redacted].
Geary, David L., [redacted].
Geneczko, Joseph C., [redacted].
Gentile, Joseph, [redacted].
Geraldson, David A., [redacted].
Gering, John L., Jr., [redacted].
Gibb, Susan M., [redacted].
Gibbons, William P., [redacted].

Gilbert, Norman F., [redacted].
Gilstrap, Jesse W., [redacted].
Goins, Joel S., [redacted].
Gorges, James R., [redacted].
Gosetti, Thomas A., [redacted].
Gosline, Robert M., [redacted].
Grady, Brian D., [redacted].
Graham, David J., [redacted].
Graham, Edward L., [redacted].
Grant, Charles L., [redacted].
Graves, William L., III, [redacted].
Gray, Charles H., [redacted].
Gray, Douglas A., [redacted].
Gray, Jeffrey B., [redacted].
Green, Cameron K., [redacted].
Green, James C., [redacted].
Greer, Joseph W., Jr., [redacted].
Gregg, Larry A., [redacted].
Gresham, Benny R., [redacted].
Griess, Wayne D., [redacted].
Groff, Steven D., [redacted].
Groves, Roger W., [redacted].
Grubb, Jane A., [redacted].
Guebard, Jerry R., [redacted].
Guith, David J., [redacted].
Gustafson, Paul R., [redacted].
Gustafson, Robert H., [redacted].
Hales, Michael D., [redacted].
Haley, Kenneth R., [redacted].
Hall, Casswell S., [redacted].
Hamme, Dennis L., [redacted].
Hammer, Mark S., [redacted].
Hammond, Bruce R., [redacted].
Hanks, Charles E., Jr., [redacted].
Hansen, Marvin R., [redacted].
Hanson, Donald F., [redacted].
Harding, Craig D., [redacted].
Harrison, William J., Jr., [redacted].
Harrop, Alfred, [redacted].
Hart, Louis T., Jr., [redacted].
Hartnett, Francis T., [redacted].
Harvey, Francis M., [redacted].
Harvey, James L., [redacted].
Hasemann, Leonard A., [redacted].
Hastings, Harold L., [redacted].
Hastings, Terry C., [redacted].
Hatfield, Stephan D., [redacted].
Hauk, Richard S., [redacted].
Havens, William E., [redacted].
Hawkins, Samuel M., [redacted].
Hayes, Gary A., [redacted].
Hedlund, Joel R., [redacted].
Hegler, Freddie M., [redacted].
Heikkola, Olin E., [redacted].
Heiser, Paul D., [redacted].
Hemmens, William T., [redacted].
Henderson, Alan J., Jr., [redacted].
Henderson, Keith E., [redacted].
Henderson, Steven L., [redacted].
Hendrickson, Douglas, [redacted].
Henshaw, Roger E., [redacted].
Henson, Donald D., [redacted].
Hergenrather, Michael L., [redacted].
Hermanson, Thomas W., [redacted].
Herrin, Dudley J., Jr., [redacted].
Hertzog, John R., [redacted].
Hesser, Wayne M., [redacted].
Hickson, Robert W., [redacted].
Hill, John M., [redacted].
Hinch, James H., [redacted].
Hlavaty, Charles W., [redacted].
Hodgen, Ronald L., [redacted].
Hodges, Jay V., [redacted].
Hodnett, Collowyn D., [redacted].
Hodnett, Paul S., [redacted].
Hoekstra, Alvin C., [redacted].
Hofmann, Jack J., Jr., [redacted].
Holdcraft, Michael D., [redacted].
Holland, Arthur A., [redacted].
Hollberg, James L., [redacted].
Holleb, Leon, [redacted].
Holleran, John R., [redacted].
Hollowell, Roger L., [redacted].
Holmes, George E., [redacted].
Holve, Bradford D., [redacted].
Homol, Peter A., [redacted].
Hongo, Gary K., [redacted].
Hontz, Jean G., [redacted].
Hoover, Richard L., [redacted].
Horne, Stephen L [redacted].
Houk, Jason H., [redacted].
House, Lawson W., III., [redacted].
Hoverson, Jerry K., [redacted].
Howard, George C., III, [redacted].
Howe, Henry A., III, [redacted].
Howell, George W., [redacted].
Hower, Gary E., [redacted].
Hoyt, Thomas R., [redacted].
Hudson, Ralph E., [redacted].
Huerter, Dennis G., [redacted].
Hughes, Kenneth B., [redacted].
Humphrey, James E., [redacted].
Hutz, Harry L., [redacted].
Hyde, David L., [redacted].
Ilardi, Richard C., [redacted].
Inglis, John C., [redacted].
Irick, William R., [redacted].
Irons, William E., Jr., [redacted].
Isaia, Raymond B., [redacted].
Iwamoto, Lawrence A., [redacted].
Jackson, John S., [redacted].
Jackson, Leonard N., [redacted].
Jacobus, John O., [redacted].
Jaeger, Frederick J., [redacted].
Jagow, James W., [redacted].
Jampole, David J., [redacted].
Jankiewicz, Stefan Z., [redacted].
Jasper, John N., [redacted].
Jaynes, Lawrence W., [redacted].
Jeffcoat, George C., Jr., [redacted].
Jensen, Don C., [redacted].
Jistel, Arthur A., [redacted].
Johnsen, Kevin N., [redacted].
Johnson, Donald L., [redacted].
Johnson, Kenneth P., [redacted].
Johnson, Neal L., [redacted].
Johnson, Randall E., [redacted].
Jolda, Joseph G., [redacted].
Jones, Douglas W., [redacted].
Jones, Gary A., [redacted].
Jones, Michael L., [redacted].
Jones, Stanley P., [redacted].
Jones, Wendel S., [redacted].
Kaminsky, David P., [redacted].
Kaneda, Kenneth G., [redacted].
Karnazes, Nikolaos A., [redacted].
Kathman, Dennis J., [redacted].
Kathman, Norma J., [redacted].
Keck, Vincent W., [redacted].
Keenan, Ronald C., [redacted].
Kelly, Michael J., [redacted].
Kessler, John J., [redacted].
Kielbasa, Patrick J., [redacted].
King, Lonnie H., [redacted].
King, Paul I., [redacted].
Kirk, Precel D., [redacted].
Kirtz, Peter W., [redacted].
Kluk, Donald J., [redacted].
Knapp, Richard L. Jr., [redacted].
Knight, Helen D., [redacted].
Knight, Kirby D., [redacted].
Knudsen, Steven R., [redacted].
Kobernik, Ronald K., [redacted].
Koeck, Nelson R., [redacted].
Kohl, Larry E., [redacted].
Korose, Richard J., [redacted].
Koski, Wayne C., [redacted].
Kozak, John, [redacted].
Kozak, Paul J., [redacted].
Krampitz, Michael T., [redacted].
Kromka, John A., [redacted].
Krummel, John H., [redacted].
Lacey, Richard H., [redacted].
Lacher, Lloyd Lewis III, [redacted].
Laman, Roger E., [redacted].
Lamarca, James E., [redacted].
Landavazo, Don E., [redacted].
Lane, Douglas E., [redacted].
Langsdorf, John E., [redacted].
Lank, David J., [redacted].
Larsen, Dudley A., [redacted].
Latham, Harry L., [redacted].
Laue, Stephen P., [redacted].
Laursen, Glenn J., [redacted].
Lawrence, Gary S., [redacted].
Lawrence, Robert S., [redacted].
Lawson, Joseph L., [redacted].
Lear, John D., [redacted].
Leary, William E., [redacted].
Lee, Clark P., [redacted].
Lee, Maurice E., III, [redacted].
Lehrman, Mark R., [redacted].
Leibundguth, Alan H., [redacted].
Lenz, Thomas R., [redacted].
Leonard, Donald A., [redacted].
Leonard, Victor H., [redacted].
Leslie, Jack V., [redacted].
Lewis, Theodore H., [redacted].
Licence, Edward B., Jr., [redacted].
Lichte, Arthur J., [redacted].
Lincoln, Jimmie L., [redacted].
Lindberg, Patrick B., [redacted].
Linn, Charles T., [redacted].
Liska, Roger J., [redacted].
Littlefield, Ronald D., [redacted].
Lofquest, Charles A., [redacted].
Logan, Darrell L., [redacted].
Looney, Danny B., [redacted].
Lord, Ronald M., [redacted].
Love, Gary A., [redacted].
Lowe, Kenneth P., [redacted].
Lowe, Richard D., [redacted].
Lukash, David A., [redacted].
Luther, Thomas J., [redacted].
Machemehl, Michael G., [redacted].
McIntyre, Bruce M., [redacted].
Macklin, Raleigh H., Jr., [redacted].
MacMillan, Thomas R., [redacted].
Magee, Raymond B., [redacted].
Malaluan, Alfred G., Jr., [redacted].
Maleske, Michael R., [redacted].
Malinay, Ann Marie, [redacted].
Maltby, Harry A., [redacted].
Mangus, William M., [redacted].
Mankin, Edward C., Jr., [redacted].
Marquart, Michael R., [redacted].
Marshall, Ernest V., [redacted].
Martell, Jack L., [redacted].
Martens, James D., [redacted].
Martin, David S., [redacted].
Martin, Joseph A., [redacted].
Martinez, Rudy M., [redacted].
Massey, Thomas C., [redacted].
Mathews, William H., [redacted].
Maxwell, Robert M., [redacted].
Maynard, Robert A., [redacted].
McCaslin, Norman C., [redacted].
McCauley, Terry R., [redacted].
McCoy, Ronald P., [redacted].
McCracken, David R., [redacted].
McCurdy, Marion W., Jr., [redacted].
McDermott, David A., [redacted].
McEntire, Jerry D., [redacted].
McFadden, Jeffry G., [redacted].
McGlothlin, William B., [redacted].
McKenna, Brion R., [redacted].
McLain, Ralph J., Jr., [redacted].
McMurry, Sam J., [redacted].
McNair, Samuel R., [redacted].
McNamee, Earl D., [redacted].
McNew, Oscar H., [redacted].
McRoy, Ronnie G., [redacted].
Meacham, Robert W., [redacted].
Meagher, James J., Jr., [redacted].
Medina, Ignacio, Jr., [redacted].
Meinert, Robert H., [redacted].
Melberg, Glenn M., [redacted].
Merry, William M., [redacted].
Metzler, Daniel D., [redacted].
Meyer, Jan M., [redacted].
Miceli, Eugene R., [redacted].
Michaelis, Thomas O., [redacted].
Miller, Charles N., [redacted].
Miller, George K., Jr., [redacted].
Miller, Harry C., [redacted].
Miller, Randall D., [redacted].
Miller, William E., [redacted].
Minden, Gregory A., [redacted].
Minkler, John D., [redacted].
Mires, Stephen A., [redacted].
Mistrot, Joseph F., Jr., [redacted].
Mitchell, Ronald G., [redacted].
Mittelstaedt, Alan R., [redacted].
Miyatake, Calvin T., [redacted].
Moffitt, Kenneth C., [redacted].
Mokri, John A., [redacted].
Moore, Alton E., [redacted].
Moore, William A., [redacted].
Morecock, Earl R., [redacted].
Moreland, John A., III, [redacted].
Morris, Jerry L., [redacted].

Moseley, Robert M., [redacted]
Moses, Esther L., [redacted]
Mosley, John E., [redacted]
Moudy, Phillip W., [redacted]
Mowbray, Ronald L., [redacted]
Mulcahy, Joseph J., Jr., [redacted]
Muncrief, Denton G., [redacted]
Murdock, Dwight A., [redacted]
Murdock, Hubert D., [redacted]
Murley, J. David, Jr., [redacted]
Murphy, Richard J., [redacted]
Musselman, Thurman T., [redacted]
Myers, Dewey R., [redacted]
Myers, Harold D., II, [redacted]
Nachajko, Gary P., [redacted]
Nagel, Melvin L., [redacted]
Naperkoski, John J., [redacted]
Nash, Kenneth A., [redacted]
Nathanson, Marc R., [redacted]
Naylor, Raymond A., III, [redacted]
Neidrick, Robert T., [redacted]
Newton, Donald W., [redacted]
Nickerson, Alfred A., [redacted]
Nigro, George, [redacted]
Nissing, Ronald H., [redacted]
Norman, James S., [redacted]
Norris, Phillip J., [redacted]
Norwood, Paul E., [redacted]
Nowakowski, Jeffrey R., [redacted]
Oberschmidt, John S., [redacted]
O'Brien, James J., III, [redacted]
Occhuizzo, Gary F., [redacted]
Odette, Jerome P., II, [redacted]
Offredo, Ernest J., Jr., [redacted]
Okouchi, Allen Y., [redacted]
Oliver, Roger A., [redacted]
Olsen, John R., [redacted]
Olshaw, Leon B., [redacted]
Onitsuka, Randolph H., [redacted]
O'Reilly, Edmund [redacted]
Orem, Gary [redacted]
Ortiz, Angel D., [redacted]
Oshiro, Henry T., [redacted]
Osoinach, John K., [redacted]
Osowski, Ronald A., [redacted]
Osteroos, Kimble L., [redacted]
Oti, Enrique A., II [redacted]
Ouderkirk, Stafford W., [redacted]
Owens, Daniel T. [redacted]
Paige, Roger A., [redacted]
Palat, Lester S. [redacted]
Palmer, Thomas M. [redacted]
Paltrineri, Eugene C., [redacted]
Palumbo, Dennis G., [redacted]
Parker, Derrell A. [redacted]
Parker, Jeffrey J., [redacted]
Paul Byron S., III [redacted]
Payne, Donald W. [redacted]
Peabody, Donald G., [redacted]
Pelz, Frank J., Jr. [redacted]
Pemble, Todd D., [redacted]
Pepe, Patric J. [redacted]
Perelli, Layne P., [redacted]
Perenic, Steven J., [redacted]
Peters, David J. [redacted]
Peters, Richard J., [redacted]
Pfahl, Otto W., Jr. [redacted]
Pfeiffer, Gayle H., [redacted]
Phillips, John M., [redacted]
Phillips, Michael R., [redacted]
Picconatto, Alvin H., [redacted]
Pitts, Ross E., Jr. [redacted]
Pitzer, Thomas R., [redacted]
Platt, John G., [redacted]
Poch, Richard C., [redacted]
Poggi, William M. [redacted]
Pohlad, Billy L. [redacted]
Pohle, Louis J. [redacted]
Poling, Donald L., [redacted]
Ponsford, Michael R., [redacted]
Popp, Charles M., [redacted]
Potter, Ronald G., [redacted]
Prasse, Frederick C., Jr. [redacted]
Pratt, Kenneth S., [redacted]
Preach, Timothy P., [redacted]
Preston, Timothy J., [redacted]
Price, Howard J., Jr. [redacted]
Price Theodore B., Jr. [redacted]
Prichard, Michael H. [redacted]
Prior, Charles B., [redacted]
Prochaska, Robert D., [redacted]
Purvis, Richard E. [redacted]
Quakenbush, Timothy L., [redacted]
Queern, John K., [redacted]
Quigley, Lincoln W., [redacted]
Rackley, David W. [redacted]
Ramsey, Cletis E [redacted]
Ranallo, Eugene P. [redacted]
Ratterree, John C. [redacted]
Rawls, Roger W., [redacted]
Ray, Darwin W., [redacted]
Recknor, Wayne A., [redacted]
Reed, Marshall D., [redacted]
Reese, Walter L., [redacted]
Richardson, Daniel J., [redacted]
Richmond, Robert G., [redacted]
Richter, Victor L., [redacted]
Riley, Kevin S., [redacted]
Rizzo, Steven D., [redacted]
Robbins, Dennis C. [redacted]
Robbins, Everett Jr., [redacted]
Robbins, Robert L. [redacted]
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Robinson, Thomas N., [redacted]
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Rodgers, James E. [redacted]
Rodgers, Thomas E. [redacted]
Rodie, William B., [redacted]
Rogers, Thomas P. III, [redacted]
Root, Stephen C., [redacted]
Rose, David M., [redacted]
Roskin, Roger S. [redacted]
Rowe, Gary M., [redacted]
Ruberson, Charles A., [redacted]
Ruehrwein, William R. Jr., [redacted]
Rufty, Toby A., [redacted]
Runyan, Richard S., [redacted]
Rutledge, Joel C., [redacted]
Ryan, Gregory L., [redacted]
Sacksteder, John L., [redacted]
Sadberry, Rickie, [redacted]
Salazar, Joe E., [redacted]
Sawyer, Billie M., [redacted]
Saxon, Charles A. [redacted]
Saylor, Randall B. [redacted]
Scherbinske, Herbert B., [redacted]
Schlagenhauf, Rex E., [redacted]
Schneider, Charles M., [redacted]
Schoenike, Gary A., [redacted]
Schornstein, Richard H., [redacted]
Schulte, Thomas W. [redacted]
Schuttpelz, George S. [redacted]
Scott, Robert W., [redacted]
Sears, Charles E. [redacted]
Sears, Johnny V. [redacted]
Seavers, Carl R. [redacted]
Seeley, Robert L. [redacted]
Seidenberger, Gregory J., [redacted]
Seward, William A. [redacted]
Sharkey, Wayne A. [redacted]
Shaughnessy, William P., Jr., [redacted]
Shaw, Robert D., [redacted]
Sheley, William H. [redacted]
Shelton, Richard A. [redacted]
Shepperd Thomas G., Jr., [redacted]
Sherry James T., [redacted]
Sherwood, David L., [redacted]
Shockley, James W., Jr., [redacted]
Sholtis, Joseph A., Jr., [redacted]
Sholtis, Timothy J., [redacted]
Shub, Stephen M., [redacted]
Shunk, Harry J., Jr. [redacted]
Siler, Marshall, [redacted]
Simpson, Paul W., [redacted]
Sinkular, Larry L., [redacted]
Skelly, Norman W. [redacted]
Skelps, Kenneth M. [redacted]
Skipworth, Judith A. [redacted]
Slaughter, James M., Jr., [redacted]
Small, Walter D., [redacted]
Smith, Aaron W., Jr. [redacted]
Smith, Glenn E., [redacted]
Smith, J.L., III, [redacted]
Smith, Larry M., [redacted]
Smith, Leighton C., II, [redacted]
Smith, Robert A., [redacted]
Smith, Robert M., [redacted]
Smith, Thomas J. [redacted]
Smith, Thomas L. [redacted]
Smith, Warren C. [redacted]
Smither, John W. [redacted]
Solomon, Howard L. [redacted]
Sour, Ben, Jr [redacted]
Spangle, William R., [redacted]
Spaulding, Raymond C., III, [redacted]
Spiess, Craig W., [redacted]
Sprague, Kenneth [redacted]
Spring, Richard C., [redacted]
Sprott, Richard W. [redacted]
Stafford, Max A., [redacted]
Stafford, William H., [redacted]
Staley, Dana R. [redacted]
Standridge, Jerry J., [redacted]
Starling, William P., [redacted]
Stawar, Larry J. [redacted]
Staymates, David G., [redacted]
Stayton, Jack E., [redacted]
Steadman, Howell D. [redacted]
Stefkovich, Michael E., [redacted]
Stehman, John T., [redacted]
Stephany, Stephen H., [redacted]
Stevenson, George W. [redacted]
Stewart, Bruce D., [redacted]
Stewart, Phillip W., [redacted]
Stewart, Robert G. [redacted]
Stewart, Robert J., Jr. [redacted]
Stiklickas, Joseph J., [redacted]
Stiltner, Scott H., [redacted]
Stimpson, David F., [redacted]
Stock, Gary W., Jr., [redacted]
Stoermer, Karl W. [redacted]
Straly, Miles H., [redacted]
Strand, Peter D., [redacted]
Strickland, Michael E. [redacted]
Strojny, Richard J., [redacted]
Studer, James A., [redacted]
Sullivan, Francia K., [redacted]
Sullivan, John D., [redacted]
Summers, James W., [redacted]
Sutherland, Glenn W., [redacted]
Sutter, Edward R., [redacted]
Swenson, John M., [redacted]
Swihart, Mark C., [redacted]
Syphers, Jack E., Jr., [redacted]
Tache, Charles E., [redacted]
Talamo, Anthony R., [redacted]
Tallman, Richard B., Jr., [redacted]
Taylor, David E., [redacted]
Taylor, Judith A. [redacted]
Thaler, Harold D., [redacted]
Thedford, Walter S., Jr., [redacted]
Thomas, Rex B., [redacted]
Thompson, David L., [redacted]
Thompson, Ecmon C., [redacted]
Thompson, Ralph L., [redacted]
Thompson, Russell L., [redacted]
Thurman, Daniel C., [redacted]
Tibodeau, Robert L., [redacted]
Tidd, David I., [redacted]
Tiller, Frank D. [redacted]
Tipton, Jay V., [redacted]
Tirado, Manuel [redacted]
Tomson, William L., Jr., [redacted]
Torres, Billie J. [redacted]
Toula, Thomas K., [redacted]
Townsend, George H., [redacted]
Trevino, Robert L., [redacted]
Trombino, Raymond D., [redacted]
Turner, Billy E., [redacted]
Turner, Dennis D., [redacted]
Tygart, Michael J., [redacted]
Ullom, Robert W., [redacted]
Unruh, Gerald W., [redacted]
Vanderven, Dennis W., [redacted]
Vangilder, John H., [redacted]
Vaughters, Charles C., Jr., [redacted]
Venable, John A. [redacted]
Verdone, Michael A., [redacted]
Vitale Shirley A., [redacted]
Vitello, Ernest G., [redacted]
Vola, John A., [redacted]
Voltz, Wayne A., [redacted]
Vranish, Randolph P., [redacted]
Waltherwerch, Francis J., [redacted]
Walker, Douglas B., [redacted]
Walker, Harvell J. Jr., [redacted]
Walsh, Frank A., [redacted]
Walsh, Margaret A., [redacted]
Walters, Thomas G., [redacted]
Walton, George W., [redacted]
Waltrip, Roger D., [redacted]

Ward, Glenn S., [redacted].
Warga, Karl F., [redacted].
Watson, John D., [redacted].
Waylett, Thomas W., [redacted].
Weaver, Greggory K., [redacted].
Weaver, James L., [redacted].
Weaver, Llewellyn B. Jr., [redacted].
Weber, Gary E., [redacted].
Weber, John J., [redacted].
Weidler, Michael L., [redacted].
Weikel, Gary L., [redacted].
Wein, Rodger H., [redacted].
Weinstein, Ira D., [redacted].
Weise, Fritz A., [redacted].
Weiss, Raymond E., [redacted].
Wertz, Eric P., [redacted].
Whitaker, Harry W. III., [redacted].
White, Gary H., [redacted].
White, Paul C., [redacted].
White, Richard H., [redacted].
White, Wesley M., [redacted].
Whitley, Gary C., [redacted].
Widincamp, Joseph P., Jr., [redacted].
Wiggins, Larry W., [redacted].
Wilder, Hoke S. Jr., [redacted].
Wildner, James G., [redacted].
Wilkerson, Joyce F., [redacted].
Wilkerson, Thomas H. II., [redacted].
Williams, Bruce M., [redacted].
Williams, Charles E. III, [redacted].
Williams, Courtney F., [redacted].
Williams, Donald M. Jr., [redacted].
Williams, Jeffrey B., [redacted].
Williams, John R., [redacted].
Williams, Marcus C., [redacted].
Williams, Robert F. Jr., [redacted].
Williams, Roger W., [redacted].
Willson, David M., [redacted].
Wilt, Robert E., [redacted].
Wishall, Jay B., [redacted].
Wisner, Richard K., [redacted].
Withers, Scott S., [redacted].
Wittkower, Louis D., III, [redacted].
Wolfe, George M., [redacted].
Wood, Walter D., [redacted].
Woolley, Billy A., [redacted].
Wozolek, Gary L., [redacted].
Wright, Robert M., [redacted].
Wynne, William H., Jr., [redacted].
Yancey, Henry R., Jr., [redacted].
Yazel, Jaul B., [redacted].
Yingling, Terry J., [redacted].
York, Jerry D., [redacted].
Young, James E., [redacted].
Young, Patricia M., [redacted].
Youngworth, Terry L., [redacted].
Zayachkowsky, David H., [redacted].
Zdanowicz, Leon, [redacted].
Zdenek, Robert M., [redacted].
Zigment, Leonard A., [redacted].
Zolner, Stephen L., [redacted].
Zuber, John D. [redacted].
Zychalski, Charles A., [redacted].

To be first lieutenant

Abati, David D., [redacted].
Abbot, Gerald W. [redacted].
Abbruscato, James L., [redacted].
Abelman, Joan M., [redacted].
Abernathy, Lynn A., [redacted].
Adams, James A., [redacted].
Adams, Jimmy D., [redacted].
Adams, Ronald G., [redacted].
Addison, Johnny O., [redacted].
Adkisson, Gary L., [redacted].
Agers, Jeffrey C., [redacted].
Aguiar, Lee W., [redacted].
Ahrens, Glenn D. [redacted].
Akis, Billy R., [redacted].
Alanis, Arnulfo S., [redacted].
Albert, David L., [redacted].
Albright, Franklin C., [redacted].
Alderman, Craig A., [redacted].
Alex, Steven V., [redacted].
Allen, David K., [redacted].
Allen, David R., [redacted].
Allen, Gordon V., [redacted].
Allen, Mark R., [redacted].
Allen, Michael E., [redacted].
Allen, Robert W. [redacted].
Allen, Tim M., [redacted].
Alvarez, Daniel A., [redacted].
Alvarez, Hector R., [redacted].
Alwell, Robert J. [redacted].
Amadio, Louis, [redacted].
Amidon, Phillip B., [redacted].
Ammon, Stephen K., [redacted].
Anderson, Albert L., [redacted].
Anderson, Daniel P., [redacted].
Anderson, Jerry D., [redacted].
Anderson, Michael T., [redacted].
Anderson, Robert D., [redacted].
Anderson, William [redacted].
Anderson, William G., Jr., [redacted].
Apel, Larry P. [redacted].
Aponte, Ricardo, [redacted].
Armie, Steven E., [redacted].
Armistead, Gary A., [redacted].
Armstrong, William C., [redacted].
Arnold, Don G., [redacted].
Arrieta, Natividad, Jr., [redacted].
Arseneau, Gary J., [redacted].
Ashworth, Jeffrey C., [redacted].
Aslin, James E., [redacted].
Aten, William G., III, [redacted].
Atzmiller, Paul E., [redacted].
Aubele, James F., [redacted].
Austin, Judith P., [redacted].
Austin, Marion, [redacted].
Austin, William C., [redacted].
Avalos, Mario T., [redacted].
Ayers, Thomas K., [redacted].
Baccarella, Peter C., Jr., [redacted].
Bagley, Jay W., [redacted].
Bahnij, Robert B., [redacted].
Bailey, James A., [redacted].
Bain, Thomas L., [redacted].
Baker, Charles E., [redacted].
Baker, Owen B., Jr., [redacted].
Baker, Thomas E., [redacted].
Baldwin, David A., [redacted].
Baldwin, Gerald L., [redacted].
Ball, Robert L., [redacted].
Ballou, Wesley S., [redacted].
Balogh, Michael J., [redacted].
Barbee, Gary M., [redacted].
Barber, William D., Jr., [redacted].
Barbier, Douglas R., [redacted].
Barbour, Gerry J., [redacted].
Barnes, Michael T., [redacted].
Barnes, Roger W., [redacted].
Barnett, Keith W., [redacted].
Barr, George E., III, [redacted].
Barr, Jay R. [redacted].
Barron, Steve L., [redacted].
Barthold, Bruce R., [redacted].
Bartlett, Randall G., [redacted].
Basham, William L., [redacted].
Bass, Cary A. [redacted].
Bates, Dan R. [redacted].
Betten, Foster I. [redacted].
Bauer, Spencer J., [redacted].
Baum, Christopher, [redacted].
Baumann, Stuart M., [redacted].
Baumgartner, Daniel M., [redacted].
Bauries, Brian W., [redacted].
Baxter, Tim D. [redacted].
Bayliss, Thomas E., [redacted].
Beach, John C. [redacted].
Beam, Thomas R., [redacted].
Bean, Donald W., [redacted].
Bean, Michael D., [redacted].
Beard, Nelson L. [redacted].
Bearden, David K., [redacted].
Beauchamp, Dwight E., [redacted].
Beauchemin, Raymond J., Jr., [redacted].
Beck, Richard A., [redacted].
Becker, Peter J., [redacted].
Beeler, Carlton E. [redacted].
Beem, Ronald D. [redacted].
Behr, Stephen E. [redacted].
Beisel, James, [redacted].
Beitel, Theodore C. [redacted].
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Bell, Robert A. [redacted].
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Benton, Donald F., Jr., [redacted].
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Foster, Jackie L., [redacted].
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Fromknecht, Sandra J., [redacted].
Frost, Dale E., [redacted].
Fryback, Clarence G., [redacted].
Fuller, Francis E., [redacted].
Fuller, Howard T., [redacted].
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Gable, Deborah L., [redacted].
Gackenheimer, Frederick W., [redacted].
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Gant, J. P., Jr., [redacted].
Garcia, Damaso, [redacted].
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Gordon, Clinton R., [redacted].
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Gordon, Scott R., [redacted].
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Julicher, Mark R., [redacted].
Kabel, Thomas D., [redacted].
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Kaplan, William S., [redacted].
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Kash, James S. [redacted].
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Keel, James R., [redacted].
Kegg, Kathryn F., [redacted].
Keifer, James V. [redacted].
Keith, Bill B., [redacted].
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Kochel, Karl M., [redacted].
Konduris, Ana C., [redacted].
Kopack, Daniel A., [redacted].
Kopala, Carole J., [redacted].
Kosiba, Lawrence A., [redacted].
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Kovalek, John [redacted].
Kozumplik, Peter E., [redacted].
Kraby, Jerome O., [redacted].
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Kulp, Allen M. [redacted].
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Kuzo, James C. [redacted].
Kweder, William J., [redacted].
Laatsch, Francis E. [redacted].
Ladewig, Harry W., [redacted].
Lafayette, Steven D. [redacted].
Lafond, Gary C., [redacted].
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Lange, Keith M. [redacted].
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Leclair, Leighton H., Jr., [redacted].
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Legas, Richard C., [redacted].
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Lehr, Frederick F., [redacted].
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Leljedal, Grant D. [redacted].
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Leslie, James A., [redacted].
Lewin, Haldon D., [redacted].
Lewis, Logan M., III, [redacted].
Liller, Philip M., [redacted].
Lindon, Roderick A., [redacted].
Links, Kirk K. [redacted].
Lint, George B., [redacted].
Linwood, James E., [redacted].
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Lipski, Joseph, [redacted].
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Love, Samuel L., Sr., [redacted].
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Major, Keith D. [redacted].
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Nance, Joe W., [redacted]
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Nutting, Craig E., [redacted]
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Osborne, Larry W. W. [redacted]
Ostendorp, Alan R., [redacted]
Ouellette, Roger M., [redacted]
Overstreet, Marvin L., [redacted]
Page David A. [redacted]
Page, Edward J., [redacted]
Page, Howard W. [redacted]
Paladino, Fred [redacted]
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Pali, Christopher C. [redacted]
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Parson, Ralph E. [redacted]
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Quinn, John D., [redacted]
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Radcliffe, William E., Jr., [redacted]
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Rainville, Norman G. [redacted]
Rakers, Don E., [redacted]
Ramsey, John A., [redacted]
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Range, Fritz S., [redacted]
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Rawls, Charles A. [redacted]
Ray, Randall P., [redacted]
Reardon, Douglas B. [redacted]
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Reiter, Jeffrey L., [redacted]

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Repak, Paul L [redacted]
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Ryan, John E. [redacted]
Sabin, Phillip D. [redacted]
Sachs, Sandra L. [redacted]
Sain, Robert D. [redacted]
Salem, Dale S. [redacted]
Saletta, Gaetana M., [redacted]
Salisbury, John E., [redacted]
Samples, Danny G., [redacted]
Sampson, John C., [redacted]
Sato, Steven S. [redacted]
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Suggs, Kenneth D., [redacted].
Sullivan, Dennis L., [redacted].
Sullivan, Timothy B., [redacted].
Sumlin, Otis, Jr., [redacted].
Summers, James H., Jr., [redacted].
Sumner, William H., Jr., [redacted].
Sundell, Charles E., [redacted].
Surles, Norwood L. [redacted].
Surman, Richard D., [redacted].
Sutkus, Carl J., [redacted].
Sutton, Franklin W., Jr., [redacted].
Sutton, John B., [redacted].
Sutton, Leslie W., [redacted].
Svetz, David P., [redacted].
Swain, Michael D., [redacted].
Sweeney, Thomas, [redacted].
Swenson, Daniel G., [redacted].
Swingle, Brad G., [redacted].
Tabor, Ronald D., [redacted].
Tada, Stanley S., [redacted].
Talucci, Gary T., [redacted].
Tamanaha, Morris F., [redacted].
Tarr, Jeffrey E. [redacted].
Tarris, Timothy G., [redacted].
Taylor, Bruce A., [redacted].
Teske, Steven J. [redacted].
Thayer, Paula D., [redacted].
Thiel, Keith D., [redacted].
Thiele, Terry W., [redacted].
Thill, James L. [redacted].
Thomas, Darren R., [redacted].
Thomas, Jules S., [redacted].
Thomas, Raymond L., [redacted].
Thompson, Daniel N., [redacted].
Thompson, Daniel N., [redacted].
Thompson, Jimmy W., [redacted].
Thompson, Lynne C., [redacted].
Thompson, Paul D., [redacted].
Thompson, Stephen A., [redacted].
Thompson, Stewart W., [redacted].
Thompson, Wylie R., [redacted].
Thomson, Timothy J., [redacted].
Tillinghast, Henry S., Jr., [redacted].
Timm, Robert H., [redacted].
Tinnes, Gregory J., [redacted].
Titus, Nathan T., [redacted].
Toft, Lauren L., [redacted].
Tolbert, William A., [redacted].
Toler, Phillip L. [redacted].
Tomas, Richard E., [redacted].
Tonge, Thomas A., Jr., [redacted].
Torelli, Ralph M. [redacted].
Townsend, Shelby M., [redacted].
Townsley, Rueva, [redacted].
Trainor, Wayne E., [redacted].
Trammel, Kenneth E., Jr., [redacted].
Travis, Charles T., [redacted].
Trevett, Wesley E., [redacted].
Trevino, Jose A. [redacted].
Trice, Jerry B. [redacted].
Trotts, Dennis R., [redacted].
Troxel, Donald E., [redacted].
Trumble, John A., [redacted].
Trumbly, John C. [redacted].
Tschorke, Thomas E., [redacted].
Tubbs, Arthur D., [redacted].
Tuck, William C., Jr., [redacted].
Tucker, Jesse R. [redacted].
Tucker, Ronald E., [redacted].
Tucker, Stevie R., [redacted].
Tucker, Thomas R., [redacted].
Turner, Charles R., [redacted].
Turner, Glon D., [redacted].
Turner, Michael F., [redacted].
Turner, William M., Sr., [redacted].
Tutin, Michael B., [redacted].
Tyber, Victor L., [redacted].
Ulmer, Michael J., [redacted].
Unger, David R., [redacted].
Vachon, William H., [redacted].
Valentine, David S., [redacted].
Vallimont, Joseph C., [redacted].
Vance, Dennis O., [redacted].
Vanert, James R., [redacted].
Vano, William J., [redacted].
Vanveghel, Stephen J., [redacted].
Verret, Lionel R. [redacted].
Vice, John E., [redacted].
Vick, Cornelius V., [redacted].
Vick, Randolph N., [redacted].
Viehe, Thomas F., [redacted].
Vigil, George L. [redacted].
Villa, Joseph, [redacted].
Villagran, Armando V., [redacted].
Vitale, Philip F., [redacted].
Vogel, Joseph A. [redacted].
Vogt, Hans J., [redacted].
Voss, Larry B. [redacted].
Vrosh, Michael E., [redacted].
Wade, Regenia P., [redacted].
Wade, Thomas L., [redacted].
Wadsworth, John M., [redacted].
Waggoner, Jay A., [redacted].
Wagner, Richard J., [redacted].
Wagoner, Robert N., [redacted].
Waid, Donald F., [redacted].
Wainwright, Howard T., [redacted].
Wakefield, Lynn W., [redacted].
Walek, Michael A., [redacted].
Walgamott, Cary M., [redacted].
Walke, Thomas J., [redacted].
Walker, Carleton R., [redacted].
Walker, Daniel J., IV, [redacted].
Walker, David H., [redacted].
Walker, James E., [redacted].
Wall, George C., III, [redacted].
Wall, James L., [redacted].
Wallenhorst, Joanne, [redacted].
Walmsley, Albert E., Jr., [redacted].
Walsh, Edward J., [redacted].
Walsh, John V., [redacted].
Walsworth, Stephen D., [redacted].
Walter, Douglas B., [redacted].
Walters, Frank E., [redacted].
Walton, James F., II, [redacted].
Wandel, Lee E., [redacted].
Ward, Robert C., [redacted].
Warner, Craig C., [redacted].
Warren, Oliver H., III, [redacted].
Watford Larry M., [redacted].
Watson, Donald C., [redacted].
Watson, Herman L., [redacted].
Watson, Thomas J., [redacted].
Wax, Steven G [redacted].
Wayne, John H., Jr., [redacted].
Weaser, Michael L., [redacted].
Weaver, Johnny R., [redacted].
Webb, Darrell W., [redacted].
Webb, Douglas G., [redacted].
Weddle, Walter M., Jr., [redacted].
Weeks, William E., Jr., [redacted].
Wegemer, Teresa Y. Y., [redacted].
Weigand, Andreas J., [redacted].
Weinbrenner, Jaul R., [redacted].
Weiss, Joseph B., [redacted].
Welch, Paul C., [redacted].
Wells, Robert L. [redacted].
Welty, Mary K., [redacted].
Wennermark, Charles D., [redacted].
Werner, Kenneth W., [redacted].
West, Stuart L., [redacted].
West, William E., [redacted].
Wheeler, John E., [redacted].
Whitaker, Thomas D., [redacted].
White, Craig S., [redacted].
White, Garold L., [redacted].
White, Hal D., Jr., [redacted].
White, John R., [redacted].

White, Michael A., [redacted]
White, William A., III, [redacted]
White, William J., [redacted]
Whitehouse, Michael D., [redacted]
Whiting, Gregory L., [redacted]
Whitler, Donald H., [redacted]
Whitley, David L., Jr., [redacted]
Whitten, Donald N., [redacted]
Wicke, Robert J., [redacted]
Wiggin, Gary C. [redacted]
Wilbanks, Harry W., [redacted]
Wilcox, Hiram C., [redacted]
Wilder, Lawrence E., [redacted]
Wilkes, Lillie F., [redacted]
Wiley, Danny W., [redacted]
Wilkinson, James E., [redacted]
Wilkinson, Kelly D., [redacted]
Willemsen, Larry J., [redacted]
Williams, Ben C., [redacted]
Williams, Billy G., [redacted]
Williams, David H., [redacted]
Williams, Henry B., [redacted]
Williams, James M., [redacted]
Williams, John L., [redacted]
Williams, Lewis H., [redacted]
Williams, Matthew D., [redacted]
Williams, Steven P., [redacted]
Williams, Walter G., [redacted]
Williamson, William R., Jr., [redacted]
Willing, Richard T. [redacted]
Willis, David W. [redacted]
Willis, William J. [redacted]
Willke, Ronald S., [redacted]
Wilson, Benjamin W., [redacted]
Wilson, Carl R. [redacted]
Wilson, Danny L., [redacted]
Wilson, James F., [redacted]
Wilson, Ricky D. [redacted]
Wilson, Robert D., [redacted]
Wilson, Thomas G. [redacted]
Wiltsee, Christopher B., [redacted]
Wilz, Stephen G. [redacted]
Winczner, Francis A., Jr. [redacted]
Windsor, Carl D., [redacted]
Winningham, Fred R., [redacted]
Winterrowd, Robert C., [redacted]
Wippel, Clifford M., [redacted]
Wisner, Mark E., [redacted]
Witbracht, Ivan L., Jr. [redacted]
Witkowski, David F., [redacted]
Witt, Elsley K., Jr., [redacted]
Wittkamp, Patrick L., [redacted]
Woida, Susan L., [redacted]
Wojcik, Michael P., [redacted]
Wolf, Paul M. [redacted]
Wolz, Gary G. [redacted]
Wood, Daniel E., III, [redacted]
Wood, James K., [redacted]
Wootton, Gregory V., [redacted]
Worth, James N., [redacted]
Woulf, Michael J., [redacted]
Wray, Jack L. [redacted]
Wright, Robert C., [redacted]
Wright, Stephen A. [redacted]
Wroten, Larry D., [redacted]
Wyant, Robert L., Jr., [redacted]
Wyatt, Ivan S. [redacted]
Wyman, Richard A. [redacted]
Wyoscki, Daniel R., [redacted]
Yarger, John M., [redacted]
Yates, Arthur G., III, [redacted]
Yates, Harold G., [redacted]
Yeilding, Raymond E., [redacted]
Yerly, Alan K., [redacted]
Yost, Thomas L., [redacted]
Young, David W., [redacted]
Young, James M., [redacted]
Young, Stephen O., [redacted]
Young, William J., Jr., [redacted]
Youngblood, Elenda S., [redacted]
Zachary, Robert L., [redacted]
Zellers, John C., [redacted]
Zellmer, David A., [redacted]
Zeman, Joseph C., [redacted]
Zenisek, Joseph A., [redacted]
Zevenbergen, Glen J., [redacted]
Ziegler, George R., III., [redacted]
Zimmerman, Richard M., [redacted]
Zuffoletti, Steven J., [redacted]

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

CHAPLAIN

To be captain

Baldwin, Charles C., [redacted]
Cottrill, Charles D., [redacted]
Goodwin, Clarence B., [redacted]
Griffin, Harry E., [redacted]
Haley, Patrick J., [redacted]
Higgins, Francis E., [redacted]
Hinsch, Ray W., [redacted]
Kohl, Gary D., [redacted]
McPheeters, Chilton W., [redacted]
Oldham, James F., [redacted]
Peine, Leslie A., [redacted]
Schwartzman, Joel R., [redacted]
Seidlitz, Charles C., [redacted]
Willis, Larry E. [redacted]

To be first lieutenant

Bernard, Andre M., [redacted]
Kahn, Justin G. G., [redacted]
Klein, Alan M., [redacted]
Long, Lewis C., II, [redacted]
Lundin, John O. [redacted]
Williamson, Jack D., [redacted]

JUDGE ADVOCATE CORPS

To be captain

Curlee, Allan E. [redacted]
Flom, Douglas E., [redacted]
Grundtisch, Jeffery L., [redacted]
Kirschner, William H., III [redacted]
Lennon, Glen M., [redacted]
Overbeck, Daniel H., [redacted]
Owens, Jeffrey R., [redacted]
Pope, Willard L., Jr., [redacted]
Solomon, Theodore J., II [redacted]
Strand, Thomas L., [redacted]
Veith, Douglas, [redacted]
Young, Robert J., [redacted]

To be first lieutenant

Chappell, Benjamin R., [redacted]
Haley, Johnnie M., [redacted]
Hammill, William B., [redacted]
Hunt, Philip C., [redacted]
Miller, Jules F. [redacted]
Orck, Charles E. [redacted]
Pratt, Andrew C., [redacted]
Smith, Stephen D., [redacted]
Swerdzewski, Joseph, [redacted]
Taylor, Charles E., [redacted]

NURSE CORPS

To be captain

Fletcher, Joyce J., [redacted]

To be first lieutenant

Adams, Timothy M., [redacted]
Allen, Susan D. [redacted]
Anderson, Karlina A., [redacted]
Bennington, Karen R., [redacted]
Bishop, Stephanie S., [redacted]
Boland, Patricia A., [redacted]
Bush, Wendy J., [redacted]
Buttino, Mary [redacted]
Coleman, James T., [redacted]
Coon, Joann [redacted]
Cranford, Thomas W., [redacted]
Currie, Margo K., [redacted]
Dalton, Donna M., [redacted]
Dominik, Carolyn F., [redacted]
Figun, Monica A., [redacted]
Gammill, Bradley G., [redacted]
Garrison, Peggy A., [redacted]
Gesch, Joan T., [redacted]
Gibson, Jacquelyn J., [redacted]
Gigliotti, Gabriel A., [redacted]
Gray, Gary C., [redacted]
Green, Barbara E., [redacted]
Hankerson, Trena D., [redacted]
Hardy, Glendann, [redacted]
Helm, Susan J., [redacted]
Holmes, Dona K., [redacted]
Holubik, Peggy A. [redacted]
Illyes, Paul R. [redacted]
Irwin, Margaret F., [redacted]
Johnson, Geraldine, [redacted]
Johnson, Nancy L., [redacted]
Joyce, Charlotte J. [redacted]
Kennedy, Mary K., [redacted]
Kiernan, Geraldine E., [redacted]
Kucharski, Sandra A., [redacted]
Lyga, Barbara J., [redacted]
MacDonald, Anna K., [redacted]
Matthews, Marsha A., [redacted]
McDonald, Linda L., [redacted]
McGuire, Peggy A., [redacted]
Ogren, Peter W., [redacted]
Oliver, Sandra L., [redacted]
Peters, David N., [redacted]
Peterson, Connie E., [redacted]
Reed, Geraldine, [redacted]
Robinson, Dessie L., [redacted]
Russell, Marsha L., [redacted]
Smith, Rodney L., II, [redacted]
Soth, Robert S., [redacted]
Sutton, John E., [redacted]
Tilghman, Joan S., [redacted]
Ulf, Lynn, L., [redacted]
Vincent, Ruth M., [redacted]
Voepel, Leo F., [redacted]
Wright, Geraldine K., [redacted]
Yawn, Julia K., [redacted]

MEDICAL SERVICE CORPS

To be captain

Hendren, George R., [redacted]

To be first lieutenant

Bannick, Richard R., [redacted]
Black, Michael E., [redacted]
Boone, Charles W., [redacted]
Bossart, Bruce N. [redacted]
Campbell, Thomas R., [redacted]
Davenport, Dale W. [redacted]
Davies, Donald T., [redacted]
Greenberg, Herman R., [redacted]
Grooms, Reginald D., [redacted]
Hilburn, John D., [redacted]
Lampton, John A., [redacted]
Legg, Brian E. [redacted]
Mayer, Daniel [redacted]
McCusker, Larry D., [redacted]
McGraw, Joseph L., [redacted]
Murphy, Carleton L., [redacted]
Pitts, David S., [redacted]
Pleasants, Richard D., [redacted]
Porter, Stephen W., [redacted]
Redding, Samuel D., [redacted]
Robson, Robert J., [redacted]
Shepard, James D. [redacted]
Silver, Robert D., [redacted]
Strange, Joe E., [redacted]
Waters, Michael S., [redacted]
Weigelt, Frank H., [redacted]
Westergaard, Jon R., [redacted]
Willis, Richard E., [redacted]
Wittgan, Larry F., [redacted]

VETERINARY CORPS

To be captain

Carolan, Robert J., [redacted]
Crowder, Harvey R., [redacted]
Darrigrand, Andre A., [redacted]
Henningsen, Gerry M., [redacted]
James, Viola S. [redacted]
Keller, William C., [redacted]
Kiel, Jonathan L., [redacted]
Swerdlin, Scott J., [redacted]
Zeier, Bernard L., [redacted]

To be first lieutenant

Addis, Dorlyn L., [redacted]
Burgoon, Charles C., [redacted]
Greenamyer, Judith J., [redacted]

BIOMEDICAL SCIENCES CORPS

To be captain

Castiglione, Robert F., [redacted]
Cumbee, Arnhein T., [redacted]
Delaney, Robert A., [redacted]
Gage, William V., [redacted]
Jordan, Dick T., Jr., [redacted]

Margotto, Roger N., [redacted].
Patterson, Linda A., [redacted].
Phelan, Patrick F [redacted].
Reed, Michael J., [redacted].
Root, Charles F., Jr., [redacted].
Walker, Thomas J., [redacted].
Wheatley, Richard D., [redacted].

To be first lieutenant

Anderson, Robert C., [redacted].
Binion, Michael L., [redacted].
Buch, Lee C [redacted].
Charles, John R., [redacted].
Davidson, Jerry M., [redacted].
Dawson, Donovan H., [redacted].
Edwards, Lance H., [redacted].
Goldfeder, Eric J., [redacted].
Hergenrader, Ronald E., [redacted].
Irvin, Robert J [redacted].
Jones, Willie H., [redacted].
Kahn, Ronald J., [redacted].
Kelleher, William J., [redacted].
Kneeland, Kurt F., [redacted].
Lawrence, William M., Jr., [redacted].
Layton, Louis J., [redacted].
Liburdy, Robert P., [redacted].
Lurker, Peter A., [redacted].
Maher, Edward F., [redacted].
Manges, Thomas D., [redacted].
Meyers, Dale H., [redacted].
Moragues, John M., [redacted].
Myers, Esther F., [redacted].
New George R., [redacted].
Newberry, Katherine R., [redacted].
Normark, James W., [redacted].
Nuckols, David C., [redacted].
Panyik, Robert J., [redacted].
Parker, James L., [redacted].
Riggs, Raleigh E., [redacted].
Seignious, George W., IV, [redacted].
Sharpton, Lester M., [redacted].
Shelley, Michael L., [redacted].
Shwed, John A., [redacted].
Singleton, Isaac C., [redacted].
Sprester, Forrest R., [redacted].
Stephenson, Mark R., [redacted].
Sugden, Brian W., [redacted].
Traweek, Anthony C., [redacted].
Tucka, James A., [redacted].
Varca, Philip F., [redacted].
Ward, Michael J., [redacted].
Young, Dale A., [redacted].

IN THE NAVY

The following-named lieutenants (junior grade) of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and various staff corps, as indicated, pursuant to title 10, United States Code, section 5769 (line), 5773 (staff) and 5791, subject to qualification therefor as provided by law:

LINE

Malokofsky, Kenneth C., Jr.
McLeod, Ronald C.
Nees, Randy E.
Palmer, David L.
Place, Dana A.
Scheuermann, Michael F.
Sweeney, Kevin J.
Whitford, Max D.

NURSE CORPS

Bane, Deborah E.
Hendryx, Joe K.
Hinkel, David C.
Marshall, Susan E.
Quilesquinones, Hector J.
Rush, Kenneth
Thibodeaux, Barry L.
Walker, Martha B.

The following-named lieutenant of the U.S. Navy for temporary promotion to the grade of lieutenant in the staff corps, as indicated, pursuant to title 10, United States Code, sections 5773 and 5791, subject to qualification therefor as provided by law:

NURSE CORPS

Finch, James V.

The following-named lieutenant of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line, pursuant to title 10, United States Code, section 5769 and 5791, subect to qualification therefor as provided by law:

Foley, Patrick A.

Lt. Cmdr. Medhat G. Ashamalla, Medical Corps, of the Reserve, of the U.S. Navy for temporary promotion to the grade of commander in the Medical Corps of the U.S. Navy as a Reserve officer, pursuant to title 10, United States Code, section 5505 and 5791, subject to qualification therefor as provided by law.

The following-named ensigns for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, pursuant to title 10, United States Code, section 5784 and 5791, subject to qualification therefor as provided by law:

Amos, Scott J.
Anthony, Jacob A., III
Ashby, Sherman F.
Aspery, Timothy M.
Atkinson, Dale K.
Bailey, Tony M.
Balmert, Mark W.
Bankston, Edwin D.
Beasley, Harrison A., Jr.
Beavers, Charles R.
Bennett, William W.
Beyer, Russell S.
Billings, Alfred J.
Blue, Mark D.
Bogdanowicz, Robert A.
Boveri, Stephen L.
Boyd, Auston W., Jr.
Brown, Julian M.
Brooks, Steven L.
Buchanan, Vernon D.
Budweg, Gregory J.
Buehrig, Christopher J.
Caram, John M.
Card, Kendall L.
Carpenter, Glen H.
Chapman, Craig H.
Cheever, James R.
Christensen, Ryan L.
Clow, Michael J.
Colchin, Gregory L.
Colvin, Billy A.
Cook, Douglas Jr.
Coomes, Kenneth W.
Cravens, Paul B.
Crowell, Ronald A.
Darabond, James M.
Decker, William L.
Desvousges, Raymond J.
Dicken, William A.
Donaldson, Scott L.
Donovan, Michael W.
Drescher, Richard B.
Driskill, Don W.
Dye, Gary B.
Ecung, Mario M.
Erb, Barry C.
Erwin, Clarke M.
Esquivel, Jesus A. N.
Estes, Richard T.
Evans, Richard E.
Ferry, Patrick R.
Fitzgerald, Daniel T.
Fleming, Marc A.
Fobes, Duncan K.
Fulwiler, Barry A.
Gardner, John E.
Gaughan, Peter P.
Gembler, Jeffrey L.
Gengo, Joseph T.
George, James M.
Gerard, Paul S.
Gerfin, Mark K.
Gill, Michael J.
Green, Scott W.
Gresham, Arthur W.
Griset, John D.
Gruben, Raymond L.
Gunder, Dominic J.
Hagedorn, William H.
Hague, James R.
Hall, John F., II
Hamilton, Steven W.
Haney, Richard F.
Harris, Craig F.
Hartsig, Darrell R.
Hoeinghaus, Michael J.
Holland, David W.
Howard, Robert L.
Hungerford, Roger A.
Iverson, Michael L.
Jacobs, Thomas L.
Jacovelli, Michael A.
Johnson, Gerald L.
Jones, Jerry M.
Jones, Robert A.
Kaiser, James C.
Keim, Ronald G.
Knoblauch, Keith A.
Lanzer, Bradley N.
Laptas, Michael H.
Layne, Charles A.
Lestrange, Peter J.
Lindmark, Carl R.
Llewellyn, Richard D.
Mallo, Gary O.
Mallory, Charles W.
Martinezdeandino, Joseph M.
McCartney, Pat G.
McCormick, Macushla M.
McCurry, Patrick T.
McKenney, Mark J.
McKinney, David L.
Mellon, Terry L.
Mickelson, John W.
Miller, Michael G.
Monfeli, Frank C.
Morais, Roger J.
Morrison, William R.
Moser, Alan C.
Murich, Dave J.
Muske, Kenneth M.
Nagle, Richard J., III
Neal, James F.
Nelson, Richard W.
Nickless, Cloyd E.
Niermeier, John D.
Nolan, John E.
Palmer, Scott E.
Papso, Anthony W., Jr.
Payne, Richard A.
Payne, Richard H.
Peterson, Daniel T.
Phelps, Alva W.
Piepkorn, Cary L.
Podhasky, Joseph C.
Price, James P.
Rafto, Jon B.
Reidenbach, Dan A.
Rishel, Robert I.
Rowley, Udo H.
Salm, James M.
Samford, Thomas D., IV.
Savignac, Mark D.
Schilling, Steven L.
Schmitz, Jeffrey A.
Schuller, Jerome A., Jr.
Schulze, Kurt D.
Seipel, Dennis J.
Sette, Karl R.
Shaw, Mark L.
Sheffield, Glenn A.
Silvira, Robert R., Jr.
Smith, Forrest J.
Takahashi, Stanley S.
Taylor, Reeves R., Jr.
Thomas, Timothy M.
Thompson, Reginald.
Toll, Raymond F., Jr.
Tripp, Taylor T.
Valdes, Ernest L.
Walker, Joel N.
Walker, Steven C.
Walker, William H.
Wallace, James W. F., IV.
Warren, Wesley P.
Watson, Dwain P.
Weaver, James L.
Weglicki, Michael S.
Weintraub, Edward E.
Weissinger, Richard W
Wheeler, William H.
Whitsell, John B.
Wigglesworth, James J.
Wilbur, Thomas M.
Williams, David T.
Wilson, Eldon J.
Wilson, Reed M.
Wiseman, Robert J.
Yoder, Albert W.

SUPPLY CORPS

Bursey, Major D., Jr.
Carlson, Eric W.
Chelune, Richard.
Davis, Richard M., Jr.
Fink, William M.
Guice, William T., Jr.
Guthmuller, Harry L.
Heinen, James C.
Hosner, Jeffrey R.
Knight, Robert L.
Oliver, Randal K.
Rhea, Russell H.
Scheffs, Dale K.
Staudt, Calvin C., Jr.

CIVIL ENGINEER CORPS

Biggins, Timothy F.
Gleason, Joe M.
Keil, Gary J.
Lundin, Walter F.
Lynch, Joseph M. III.
Schanze, Christopher

The following named women ensigns for temporary promotion to the grade of lieutenant (junior grade) in the line, as indicated, pursuant to Title 10, United States Code, Section 5787b and 5791, subject to qualification therefor as provided by law:

Bres, Elizabeth V.
Day, Linda M.
Gonzalez, Karen-Ann
Miller, Barbara J.
Vanderpool, Priscilla A.

The following-named lieutenant of the line, of the U.S. Navy for appointment in the Supply Corps, as a permanent lieutenant (junior grade) and temporary lieutenant, pursuant to title 10, United States Code, section 5582(b) and 5791, subject to qualification therefor as provided by law:

Beck, Kenneth J.

The following-named ensign of the line, of the U.S. Navy for appointment in the Supply Corps, as a permanent ensign, pursuant to title 10, United States Code, section 5582(b) and 5791, subject to qualification therefor as provided by law:

Burbs, Scott H.

IN THE MARINE CORPS

The following-named temporary disability retired officer for reappointment to the grade of lieutenant colonel in the Marine Corps, pursuant to title 10, United States Code, section 1211, subject to the qualifications therefor as provided by law:

Moroney, Ellen B.

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Badzioch, Kathy M.
Blackburn, William H.
Briggs, Carol E.
Broussard, Kittredge D.
Busler, Bradley R.
Caspers, Jeffrey L.
Clayborn, Allen W.
Corbett, Lawrence P.
Deboever, George V.
Detling, Rex E.
Easton, James K.
England, John W.
Fielder, Douglas T.
Godinich, Vincent J.
Gustafson, Norman W.
Jordan, James T.
Keating, William M.
Kinslow, Armand D.
Malone, Jean T.
McCulley, Stephen C.
McGlaun, Glenn E.
McMillan, Michael H.
Mitchell, Keith H.
Nellums, Henry O.
Patzman, Laurence S.
Pozen, Joseph P.
Rath, Daniel L.
Rudasill, Meade H.
Russell, Angela G.
Straub, Edward
Verstegen, John A.
Wilkes, Jack L.

The following-named Army Reserve Officers Training Corps graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, United States Code, section 5585, subject to the qualifications therefor as provided by law:

Patterson, Kevin F.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 16, 1979:

INTERSTATE COMMERCE COMMISSION

Darius W. Gaskins, Jr., of the District of Columbia, to be a member of the Interstate Commerce Commission for the term expiring December 31, 1984.

Thomas A. Trantum, of Connecticut, to be a member of the Interstate Commerce Commission for the term expiring December 31, 1985.

Marcus Alexis, of Illinois, to be a Member of the Interstate Commerce Commission for the term expiring December 31, 1985.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

The U.S. Army Reserve officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a), 3371 and 3384:

To be major general

Brig. Gen. James Carroll McElroy, Jr., [redacted]

Brig. Gen. Gordon Clark McKeague, [redacted]

Brig. Gen. Henry Watts Meetze, [redacted]

To be brigadier general

Col. Walter Kazuhiko Tagawa, [redacted]

Col. Robert Quince Jones, [redacted].

Col. Roy Rocco Moscato, [redacted].

Col. Gerald Gaines Sanderson, [redacted]

Col. Robert Gardner Ownby, [redacted]

Col. Edward Richard Burka, [redacted]

Col. James Riley Montgomery, [redacted]

Col. Thomas Stoneham Edwards, [redacted]

Col. Robert Edward Louque, Jr., [redacted]

The Army National Guard of the U.S. officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3385.

To be major general

Brig. General Robert Lee Meyer, [redacted]

Brig. General Harry Van Steel, Jr. [redacted]

To be brigadier general

Col. Carl Eugene Briscoe, [redacted]

Col. James Kenneth Corley, [redacted]

Col. Melvin John Crain, [redacted]

Col. Louis (NMN) Buckett, [redacted]

Col. Charles Eugene Franklin, [redacted]

Col. Robert Donald James, [redacted]

Col. Glenn Harold Kothmann, [redacted]

Col. James Ballard McGoodwin, [redacted].

Col. Harry Alfred Moldaw, [redacted]

Col. David Lawrence Nudo, [redacted]

Col. Andrew Gus Skalkos, [redacted]

Col. Ivan Ray Smith, [redacted].

Col. Leo Paul Tritsch, [redacted].

The Army National Guard of the U.S. officers named herein for appointment as Reserve commissioned officers of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Billy Gene Wellman, [redacted].

To be brigadier general

Col. George Eugene Coates, [redacted]

Col. John Francis Gore, [redacted]

Col. Warren Glenn Lawson, [redacted]

Col. Charles Junior Wing, [redacted]

IN THE NAVY

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. Kent J. Carroll, U.S. Navy.

IN THE AIR FORCE

Air Force nominations beginning Eric C. Berry, to be second lieutenant, and ending Richard C. Warner, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 21, 1979.

IN THE ARMY

Army nominations beginning Ronald J. Bordenaro, to be colonel, and ending Donald C. Potter, to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 21, 1979.

IN THE NAVY

Navy nominations beginning Alden S. Salcedo, to be ensign, and ending Raymond F. Taylor, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 21, 1979.

IN THE MARINE CORPS

Marine Corps nominations beginning Glenn E. Allen, to be colonel, and ending Catherine Y. Telford, to be colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on June 21, 1979.

HOUSE OF REPRESENTATIVES—*Monday, July 16, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

God of our fathers, and our God, by whose creation all peoples and nations exist, and by whose mighty acts we are redeemed and sustained, we ask Your favor on our Nation, its leaders, and people.

We thank You for the richness of our land, all you have given us as a measure of Your bounty. We confess that we have not been good stewards of our wealth. Forgive us, O Lord, from seeing our responsibility only for our day and time, yet grant us the vision to build for today and the future, united in the awareness of our common commitment to the welfare of all people.

We earnestly desire Your blessing on the Nation and this assembly, that with righteousness and honor we may labor together for the common good.

In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1512. An act to authorize additional funds for fiscal year 1979 for intelligence and intelligence-related activities of the Federal Bureau of Investigation.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the only bill on the Consent Calendar.

NAVAJO-HOPI RELOCATION COMMISSION AUTHORIZATION OF APPROPRIATIONS INCREASE

The Clerk called the bill (H.R. 3661) to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712).

There being no objection, the Clerk read the bill as follows:

H.R. 3661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 25(a)(5) of the Act of December 22, 1974 (88 Stat. 1712, 1723), is amended by deleting the figure "$500,000" therein and inserting, in lieu thereof, the figure of "$1,000,000": *Provided*, That no new budget authority for fiscal year 1979 is authorized to be appropriated.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

PRESIDENT CARTER'S FORCEFUL ADDRESS TO THE NATION

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, President Carter's address last night was a clear and forceful statement of purpose by a President determined to get the energy crisis behind us. For 6 years we have been at the mercy of foreign suppliers and for 6 years we have lived with the fear or reality of political blackmail and shortages. It was time that a national leader should say "Enough."

The President's goals, Mr. Speaker, are indeed ambitious. To cut our oil imports in half by 1990 will be a formidable task. While some may quarrel with the specific proposals the President has made, no informed person can quarrel with the general proposition that the need for courageous and drastic action is critical.

I hope the Congress and the American people will respond to the challenge with the same degree of resolve shown by the President.

The President properly emphasized the important role the American people must play. He put it well when he said that "Every gallon of oil each one of us saves is a new form of production." It is the one form of production in which every American can participate and it is the one form which leaves no environmental damage and produces no waste.

Mr. Speaker, I hope and trust the Congress will move swiftly in considering each aspect of the President's program. We must not have a repeat of 1977 when key proposals were killed by the Congress without even minimal consideration. Last night the President issued an inspiring call to action. It is up to us to respond.

CONGRATULATIONS, MR. PRESIDENT

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, I would like to take this opportunity to share with my colleagues the text of a telegram I sent to President Carter this morning following his address to the Nation last evening. I quote:

> DEAR MR. PRESIDENT: I support your energy program and will vigorously pursue positive action in Congress during the weeks ahead.
>
> You have earned the respect of every discerning American fcr displaying the courage for making a decision primarily guided by economic, rather than political, considerations. The impasse we now face in energy production can only be resolved by strong, deliberate action.
>
> While we must protect the environment, we can no longer afford the impasse created when every energy production action is met with an equal and opposite environmental preservation reaction.
>
> Good luck. With kindest regards, I am,
>
> BILL ALEXANDER,
> *Member of Congress.*

ERNESTINE ROSE, 1810–92

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute.)

Mrs. SCHROEDER. Mr. Speaker, born in Poland where her father was a rabbi, Ernestine Rose began her life in America in 1836 going door to door asking women to sign a petition supporting a bill pending in the New York State Legislature. The bill would provide that married women could keep control of any money or property they owned.

In 1848 New York was the first State in the North to grant married women control of inherited property and gifts. Women still, however, lacked the right to sell or will their property freely or to control their own earnings.

Continuing her crusade against unfair laws and customs, Ernestine Rose began to give public lectures. The audience would often jeer when she first began to speak. Few people wanted to hear such talk, but Ernestine Rose was such a compelling speaker that people listened in spite of themselves. Ernestine Rose spoke about the need to abolish slavery. She spoke about the unfair way women were treated. Today her words echo forcefully for millions of women who still confront discrimination and hardship.

PERSONAL EXPLANATION

(Mr. STEWART asked and was given permission to address the House for 1 minute.)

Mr. STEWART. Mr. Speaker, on rollcall No. 333, an amendment to H.R. 4393, I am recorded as voting "aye." I intended to vote "no."

Mr. Speaker, I ask unanimous consent that this statement appear in the permanent RECORD.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTINGUISHING OF TELEVISION LIGHTS

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am sending a letter to my colleagues asking them to support retention of the current dress standards of Members during these hot times on the House floor.

One of the easiest ways to bring cooler temperatures to this Chamber would be to cut off the television lights. It is my understanding that without the lights Members could still receive closed circuit coverage in their offices in black and white.

Pulling the plug on the high intensity lights during the remainder of the hot summer would accomplish three things: First, it would lower the temperature in the Chamber; second, it would save energy; and third, it certainly would speed up the legislative process.

Mr. Speaker, I would hope my colleagues who agree with me, will let you know that we want to uphold the dignity of the House by continuing to wear coats and ties. I do not believe the American people are ready to see their Representatives in casual clothing.

Stand tall and well dressed, Mr. Speaker.

CANCELLATION OF DISTRICT WORK PERIOD

(Mr. LEVITAS asked and was given permission to address the House for 1 minute.)

Mr. LEVITAS. Mr. Speaker, soldiers do not go on leave when they are on the battlefield. President Carter, last night, in his forceful message to the American people, stated very clearly that we are engaged in a war on a battlefield, a battlefield of energy.

I call upon the leadership of this House and my colleagues in the Congress to postpone the district work period until such time as we have had the opportunity to deal with the President's proposed energy program and pass it or modify it, or enact our own.

The time has come when we have reached the turning point and chart a new and bold course. We must take our coats off, roll up our sleeves and get to work and solve the Nation's critical energy problem. We must let the American people know we will do all we can do to this end. Postponement of the August district work period will send a message that this Congress is serious about solving this serious problem.

Mr. Speaker, with this as a challenge not only to the American people but as a challenge to OPEC, we must succeed. We must break the cartel. We must gain our political and economic independence. We can win this battle but we cannot tarry.

HOW MANY MORE WILL DROWN?

(Mr. BARNES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BARNES. Mr. Speaker, last Friday I took the floor of the House to urge that U.S. naval vessels be dispatched in an active, immediate, effort to rescue refugees floundering in the waters off Indochina. I ask again, "Where is our Navy?"

Tens of thousands of people are drowning. Why cannot the greatest Navy in the history of civilization be deployed in the most civilized activity of all: saving lives?

The distinguished former Under Secretary of State, George Ball, addressed this issue in yesterday's Washington Post. He wrote:

> If we do not move quickly to collect those now afloat, the monsoons will settle the matter. But we could mobilize an armada of ships to save thousands from death . . . The Department of Defense has transports available . . . The Navy should stop interpreting the rules of the sea too literally; they need not find a vessel actually floundering before rescuing its otherwise doomed passengers.
>
> In spite of the heroic efforts of a handful of dedicated officials, our government is paralyzed by bureaucratic flatulence. There are a dozen glib rationalizations for inaction. We cannot afford to save suffering humanity, we are told, because we must balance the budget. Were our government to take too strong a lead, other nations, it is argued, would wash their hands of the matter, dismissing it as our problem . . . Moreover, if we save those now afloat, won't Vietnam simply push out more Chinese?

I join with Mr. Ball in saying, "What a defeatest litany and what craven nonsense! The problem is finite, not open-ended * * * We can shame other nations into contributing ships and funds. We spend billions for weapons to kill masses of people; should we not spend a small amount more to save masses of lives?"

Mr. Speaker, since I spoke at this time on Friday, another 3,000 refugees have drowned at sea—3,000 human beings. How many more will drown?

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO MEET TOMORROW WHILE THE HOUSE IS IN SESSION

Mr. MOORHEAD of Pennslyvania. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs be permitted to meet past noon tomorrow, June 17, 1979, for the purpose of marking up H.R. 4100, the Development Financing Act of 1979.

The SPEAKER pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Pennslyvania?

There was no objection.

THE PRESIDENT'S SPEECH TO THE AMERICAN PEOPLE

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, I take this time to introduce into the RECORD the text of President Carter's speech to the American public last night. I think it was one of the most extraordinary, one of the most sincere, and one of the most deeply moving speeches that I have ever heard a head of this American Nation address to the American people. I commend it to the careful reading of my colleagues, and I know there will be a disposition on our part to want to join forces to solve this energy crisis which besets the Nation:

[From the Washington Star, July 16, 1979]

TEXT OF PRESIDENT'S SPEECH CITING "CLEAR AND PRESENT DANGER"

This is a special night for me.

Exactly three years ago—on July 15, 1976, I accepted the nomination of my party to run for president of the United States. I promised you a president who is not isolated from the people—who feels your pain and shares your dreams and draws his strength and his wisdom from you.

During the past three years, I have spoken to you on many occasions about national concerns—the energy crisis; reorganizing the government; our nation's economy and issues of war—and peace.

But over those years, the subjects of the speeches, the talks and the press conferences have become increasingly narrow, focused more and more on what the isolated world of Washington thinks is important. Gradually, you have heard more and more about what the government thinks or what the government should be doing—and less and less about our nation's hopes, our dreams and our vision of the future.

Ten days ago, I had planned to speak to you again—about a very important subject—energy. For the fifth time, I would have described the urgency of the problem and laid out a series of legislative recommendations to the Congress. But as I was preparing to speak, I began to ask myself the same question that I know has been troubling many of you: Why have we not been able to get together as a nation to resolve our serious energy problem? It is clear that the true problems of our nation are much deeper—deeper than gasoline lines or energy shortages, deeper even than inflation or recession. And I realized—more than ever—that, as president, I need your help.

"VOICES OF AMERICA"

So I decided to reach out and listen to the voices of America. I invited to Camp David people from almost every segment of our society—business and labor; teachers and preachers; governors, mayors and private citizens. Then I left Camp David to listen to other Americans—men and women like you. It has been an extraordinary 10 days, and I want to share with you what I have heard.

First of all, I got a lot of personal advice. Let me quote a few of the typical comments:

"Mr. President, you're not leading this nation—you're just managing the government."

"You don't see the people enough any more."

"Some of your Cabinet members don't seem loyal. There is not enough discipline among your disciples.

"Don't talk to us about politics or the mechanics of government, but about an understanding of the common good."

"We're in trouble. Talk to us about blood, sweat and tears."

"If you lead, Mr. President, we will follow."

Many people talked about themselves—and about the condition of our nation:

"I feel so far from government. I feel like ordinary people are excluded from political power."

"RECESSION ALL OUR LIVES"

"Some of us have suffered from recession all our lives."

"Some have wasted energy, but others haven't had anything to waste."

"No material shortage can touch the important things, like God's love for us and our love for one another."

"The big shots are not the only ones who are important. You can't sell anything on Wall Street unless someone digs it up somewhere else first."

"Mr. President, we are confronted with a moral and spiritual crisis."

Several of our discussions were on energy, and I have a notebook full of comments and advice:

"We can't go on consuming 40 percent more energy than we produce."

"When we import oil, we're also importing inflation plus unemployment."

"We've got to use what we have. The Middle East has only 5 percent of the world's energy, but the United States has 24 percent."

"Our neck is stretched over the fence, and OPEC has the knife."

"There will be other cartels and other shortages. American wisdom and courage now can set a path to follow in the future."

"Be bold, Mr. President. We may make mistakes, but we are ready to experiment."

"The real issue is freedom."

WANTS "WAR FOOTING"

"We must deal with the energy problem on a war footing."

"When we enter the moral equivalent of war, Mr. President, don't issue us BB guns."

What I heard over these 10 days confirmed my belief in the decency and strength and wisdom of the American people. But it also bore out some of my longstanding concerns about our nation's underlying problems.

I know, of course, that government actions and legislation can be very important. That's why I have worked hard to put my campaign promises into law—and with mixed success. But after listening to the American people, I have been reminded again that all the legislation in the world can't fix what's wrong with America.

So I want to speak to you first tonight about a subject even more serious than energy or inflation.

I want to talk to you—right now—about a fundamental threat to American democracy.

I do not mean our political and civil liberties. They will endure. And I do not refer to the outward strength of America, a nation that is at peace tonight everywhere in the world; with unmatched economic power and military might.

"CRISIS OF CONFIDENCE"

The threat is nearly invisible in ordinary ways. It is a crisis of confidence. It is a crisis that strikes at the very heart, soul and spirit of our national will. We can see this crisis in the growing doubt about the meaning of our own lives and in the loss of a unity of purpose for our nation. The erosion of our confidence in the future is threatening to destroy the social and political fabric of America.

The confidence we have always had as a people is not simply some romantic dream, or a proverb in a dusty book that we read on the Fourth of July. It is the idea which founded our nation and has guided our development as a people. Confidence in the future has supported everything else—public institutions and private enterprise, our own families and the very Constitution of the United States.

PROUD OF PAST

Confidence has defined our course and served as the link between generations. We have always believed in something called progress; we have always had a faith that the days of our children would be better than our own. Our people are losing that faith—not not only in government itself, but in the ability as citizens to serve as the ultimate rulers and shapers of our democracy.

As a people, we know our past and are proud of it. Our progress has been part of the living history of America. We always believed we were part of a great movement of humanity called democracy, involved in the search for freedom—and that belief has always strengthened us in our purpose. But just as we are losing our confidence in the future, we are also beginning to close the door on our past.

In a nation that was proud of hard work, strong families, close-knit communities and our faith in God, too many of us now tend to worship self-indulgence and consumption. Human identity is no longer defined by what one does, but by what one owns.

But we have discovered that owning things and consuming things does not satisfy our longing for meaning. We have learned that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose.

The symptoms of this crisis of the American spirit are all around us.

For the first time, a majority of our people believe that the next five years will be worse than the past five years.

Two-thirds of our people do not even vote.

The productivity of American workers is actually dropping, and the willingness of Americans to save for the future has fallen below that of all other people in the Western world.

GROWING DISRESPECT

There is growing disrespect for government, and for churches, schools, the news media and other institutions.

This is not a message of happiness or reassurance, but it is the truth and it is a warning.

These changes did not happen overnight. They have come upon us gradually, over the last generation—years that were filled with shocks and tragedy.

We were sure ours was a nation of the ballot, not the bullet—until the murders of John and Robert Kennedy and Martin Luther King Jr.

We were taught that our armies were always invincible and our causes always just—only to suffer the agony of Vietnam.

We respected the presidency as a place of honor—until the shock of Watergate.

We remember when the phrase "sound as a dollar" was an expression of dependability—until 10 years of inflation began to shrink our dollar and our savings.

We believed that our resources were limitless—until 1973 when we had to face our growing dependence on foreign oil.

WOUNDS VERY DEEP

These wounds are still very deep. They have never been healed.

Looking for a way out of this crisis, our people have turned to a federal government and found it isolated from the mainstream of our nation's life. Washington, D.C., has become an island. The gap between our citizens and our government has never been so wide.

The American people are looking for honest answers, not easy answers—clear leadership, not false claims, evasiveness and politics as usual. What you see too often in Washington and elsewhere around the country is a system of government that seems incapable of action. You see a Congress twisted and pulled in every direction by hundreds of well-financed and powerful special interests. You see every extreme position defended to the last vote, almost to the last breath, by one unyielding group or another. You often see a balanced and fair approach that demands sacrifice, a little sacrifice from everyone, abandoned like an orphan without support and without friends. Often you see paralysis, stagnation and drift. You don't like it, and neither do I.

'START PRAYING'

What can we do? First of all, we must face the truth—then we can change our course. We simply must have faith in each other, faith in our ability to govern ourselves, and faith in the future.

Restoring that faith and confidence to America is now the most important task we face—it is the true challenge of this generation of Americans.

One of the visitors to Camp David last week put it this way. "We've got to stop crying and start sweating; stop talking and start walking; stop cursing and start praying. The strength we need will come not from the White House, but from every house in America."

We know the strength of America. We are strong. We can regain our unity. We can regain our confidence. We are the heirs of generations who survived threats much more powerful and awesome than those that challenge us now. Our fathers and mothers were great men and women who shaped a new society during the Great Depression; who fought world wars and carved out a new charter of peace for the world.

We ourselves are the Americans who just 10 years ago put a man on the moon. We are the generation that dedicated our society to the pursuit of human rights and equality. And we are the generation that will win the war on the energy problem—and in that process rebuild the unity and confidence of America.

We are at a turning point in our history. There are two paths to choose.

One is the path I have warned about tonight—the path that leads to fragmentation and self-interest. Down that road lies a mistaken idea of freedom—the right to grasp for ourselves some advantage over others. That path would be one of constant conflict between narrow interests, ending in chaos and immobility. It is the route to failure.

All the traditions of our past—all the lessons of our heritage—all the promises of our future—point to another path—the path of common purpose and the restoration of our values. That path leads to true freedom—for our nation and ourselves.

We can take the first steps down that path as we begin to solve our energy problem. Energy will be the immediate test of our ability to unite the nation. It can also be the standard around which we rally. On the battlefield of energy, we can win for our nation a new confidence—and we can seize control of our common destiny.

In little more than two decades, we have gone from a position of energy independence to one in which almost half the oil we use comes from foreign countries—at prices that are going through the roof. Our dependence on OPEC has already taken a tremendous toll on our economy and our people. It is the direct cause of the long lines which have made millions of you spend aggravating hours waiting for gas. It is the cause of the increased inflation and unemployment we now face. This intolerable dependence on foreign oil threatens our economic independence and the very security of our nation.

DANGER TO OUR NATION

The energy crisis is real. It is worldwide. It is a clear and present danger to our nation. These are facts—and we simply must face them.

What I have to say to you now about energy is simple—and vitally important.

Point one. I am tonight setting a clear goal for the energy policy of the United States. Beginning this moment, this nation will never use more foreign oil than we did in 1977—never. From now on, every new addition to our demand for energy will be met from our own production and our own conservation. The generation-long growth in our dependence on foreign oil will be stopped dead in its tracks, right now—and then reversed as we move through the 1980s. For I am tonight setting the further goal of cutting our dependence on foreign oil by one-half by the end of the next decade—a saving of over 4½ million barrels of imported oil per day.

Point two. To insure that we meet these targets, I will use my presidential authority to set import quotas. I am announcing tonight that for 1979 and 1980, I will forbid the entry into this country of one drop of foreign oil more than these goals allow. These quotas will insure a reduction in imports below the ambitious levels we set at the Tokyo summit.

COMMITMENT OF FUNDS

Point three. To give us energy security, I am asking for the most massive peacetime commitment of funds and resources in our nation's history to develop America's own alternative sources of fuel—from coal, from oil shale, from plant products for gasohol, from unconventional gas, from the sun.

I propose the creation of an Energy Security Corporation to lead this effort to replace 2.5 million barrels of imported oil per day by 1990. The corporation will issue up to $5 billion in energy bonds—in small denominations so that average Americans can invest directly in America's energy security. Just as a similar synthetic rubber corporation helped us win World War II, so too will we mobilize American determination and ability to win the energy war.

Moreover, I will soon submit legislation to Congress calling for the creation of this nation's first solar bank—which will help us achieve the crucial goal of 20 percent of our energy coming from solar power by the year 2000. These efforts will cost money—and that is why Congress must enact the windfall profits tax without delay. It will be money well spent. Unlike the billions of dollars we ship to foreign countries to pay for foreign oil, these funds will be paid by Americans to Americans. They will go to fight—not to increase—inflation and unemployment.

SWITCH TO OTHER FUELS

Point four. I am asking Congress to mandate—to require as a matter of law—that our nation's utilities cut their massive use of oil by 50 percent within the next decade and switch to other fuels—especially coal, our most abundant energy source.

Point five. To make absolutely certain that nothing stands in the way of achieving these goals, I will urge Congress to create an energy mobilization board which, like the War Production Board in World War II, will have the responsibility and authority to cut through the red tape, the delays and the endless roadblocks to completing key energy projects. We will protect our environment. But when this nation critically needs a refinery or a pipeline—we will build it.

Point six. I am proposing a bold conservation program to involve every state, county and city—and every American citizen—in our energy battle. This effort will permit you to build conservation into your homes and your lives—and at a cost you can afford. I ask Congress to give me authority for mandatory conservation—and for standby gasoline rationing. To further conserve energy, I am proposing tonight an extra $10 billion over the next decade to strengthen our public transportation systems. And I am asking you—for your good and for your nation's security—to take no unnecessary trips, to use carpools or public transportation whenever you can, to park your car one extra day per week, to obey the speed limit and to set your thermostats to save fuel. Every act of energy conservation like this is more than just common sense—it is an act of patriotism.

INCREASE AID TO NEEDY

Our nation must be fair to the poorest among us—so we will increase aid to needy Americans to cope with rising energy prices.

We often think of conservation only in terms of sacrifice. In fact it is the most painless and immediate way of rebuilding our nation's strength.

Every gallon of oil each one of us saves is a new form of production—it gives us more freedom, more confidence, that much more control over our own lives.

So the solution to our energy crisis can also help us conquer the crisis of the spirit in our country. It can rekindle our sense of unity, our confidence in the future, and give us a new sense of purpose.

We can do it. We have the natural resources—we have more oil in our shale rock than several Saudi Arabias, more coal than any nation on earth. We have the world's highest level of technology.

We have the most skilled work force with innovative genius, and I firmly believe that we have the national will to win this war.

I do not promise you that this new struggle for freedom will be easy.

I do not promise a quick way out of our nation's problems—when the truth is that the only way out is an all-out effort.

What I do promise you is that I will lead our fight. I will enforce fairness in our struggle. I will ensure honesty—and above all, I will act.

NO SHORT-TERM SOLUTIONS

We can manage the short-term shortages more effectively—and we will. But there are no short-term solutions to our long-range problems. There is no way to avoid sacrifice.

Twelve hours from now I will speak again—in Kansas City—to expand upon our energy goals.

Just as the search for solutions to our energy shortages has led us to a new awareness of our nation's deeper problems—so our willingness to work for those solutions can strengthen us to attack those deeper problems.

I will continue to travel the country to hear the people of America. You can help me develop a national agenda for the 1980s. I will listen. And I will act. We will act together.

These were the promises I made three years ago—and I intend to keep them.

Little by little we can and must rebuild our confidence. We may spend until we empty our treasuries, we may summon all the wonders of science—but we can succeed only if we tap our greatest resources: America's people, America's values, and America's confidence.

I have seen the strength of America in the inexhaustible resources of our people. In the days to come let us renew that strength in the struggle for an energy secure nation.

In closing, let me say this: I will do my best, but I will not do it alone. Let your voice be heard. Whenever you have a chance, say something good about our country. With God's help—and for the sake of our nation—it is time for us to join hands in America.

Let us commit ourselves together to a rebirth of the American spirit.

Working together, with our common faith, we cannot fail.

COMMENTS ON PRESIDENT CARTER'S SUNDAY NIGHT SPEECH AND TEXT OF THE PRESIDENT'S SPEECH AT KANSAS CITY

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I also take this time to make a brief comment on the address of President Carter to the Nation last night. I think it was perhaps the President's finest address. He was clear, he was concrete, and he was bold.

I believe, Mr. Speaker, that what the President said in respect of energy will win the support of the American people and of their Representatives in Congress.

Mr. Speaker, I insert in the RECORD, as follows, the transcript of the President's address on energy this morning in Kansas City, Mo., to the National Association of Counties:

REMARKS OF THE PRESIDENT TO THE NATIONAL ASSOCIATION OF COUNTIES, H. ROE BARTLE CONVENTION CENTER, 10:06 a.m. CDT

Senator Eagleton, Senator Jack Danforth, Congressmen Ike Skeleton and Harold Volkmer, President Charlotte Williams, distinguished guests, ladies and gentlemen: You may have heard that I spoke to the Nation last night on television. (Applause) That speech encompassed the ideas, the concerns, the dreams, the hopes, the determination of many Americans. Your own president, Charlotte Williams, came to Camp David to help me write that speech. (Applause)

Last night I spoke to you about the deep wounds that society has suffered and about my absolute conviction that we have the power and the will to heal these wounds and to restore the unity and confidence of America.

I promised last night to keep on discussing our Nation's most serious problems with Americans. And I also promised to keep on acting with the people to tackle these problems, and today, I have come to Kansas City to meet with you to do both—to discuss the energy problem and to get you to help me succeed.

I want to know, will you help me succeed? (Applause)

My belief is that almost all Americans feel the same way. Just as the energy shortage has forced us to face our deepest fears and divisions, so our goal of an energy secure America will help us to rebuild our strength and our confidence as a people. We are coming to understand that the reasons for our energy crisis go beyond gas lines and wasteful habits, to a loss of confidence that divides us and threatens us and which, for years, too many years, has prevented Presidents and the Congress and a great nation from acting courageously to meet this energy challenge. That is why we must decide here and now that we can and will regroup, we can and will unite, we can and will restore our confidence, we can and will win the battle to solve our energy problems and restore our Nation's security and keep us strong. (Applause)

NO EASY ANSWERS

There are no easy answers. That is why I will continue to explore new ideas, and I will open new fronts and I will develop new points of attack. That is why I will seek more and more Americans, allies to join me in this fight for our energy security, because on the battlefield of energy, this democracy which we love is going to make its stand, and on that battlefield you and I fighting side by side will win the energy war.

The underlying cause of the energy crisis, the energy problem, the energy challenge, the energy opportunity, is the same as it has been for many years—a massive, dangerous, growing dependence on oil and particularly our dependence, excessive dependence on imported oil.

A generation ago, we sent more oil out of the country than we brought in. Now we import almost half the oil we use, and after the latest price increase, the price we pay OPEC for our oil was almost doubled in the last seven months.

With a government shakeup in distant Iran last winter, we lost in imports about 100 million barrels of oil.

The gasoline lines are directly related to this particular vulnerability, so are diesel fuel shortages among our farmers and our truckers, and so are the present low home heating oil stocks as we face next winter. We simply must remove this threat to our people. I must act, the Congress must act, all of you must act now without delay with determination, unity, courage and confidence. With your recent expression for support for me, I have no doubt that we in this great country will succeed. (Applause)

The first thing we have got to do is to face facts. There is simply not enough oil available in the world to meet all the demands of all the people in all the nations on earth.

Americans are just now beginning to realize with simple common sense that there are only two ways to guarantee supply—one is obviously to control our demand, to cut back on the waste of energy; and the other is to develop our own sources of energy to replace foreign imports so that we can have control over our own destiny. And with your help, I promise to do exactly that.

CLEAR, FAIR GOALS

I believe Americans will join together, if there is a good leadership at every level of Government, not only from the White House, but from the courthouse as well. There must be clear, fair goals and programs, and we must implement courageously, sometimes without regard to political consequences, the programs that we know are best for the people who have chosen us to lead.

Let me start by making clear what our priorities for using the present oil supplies are right now. My first priority as President is to protect the lives and the well-being of all Americans. Therefore, our emergency services such as police, fire and health must be maintained. So must the essentials of food and shelter.

We must have fuel to produce and to distribute food. We must have heating fuel to prevent suffering next winter in almost every part of this country, and particularly, of course, in the Northern states.

We have drawn down our winter fuel stocks because of the earlier supply cutoff from Iran, which I have already mentioned. We simply must build them back. We are doing so now and we will meet the goal that I have established for our Nation.

We will distribute limited supplies of gasoline fairly and equitably among the motorists of this country. There are things we can do to manage the current shortage of energy. We can do it better, and we will get this done.

We are pressing the refineries, for instance, to increase their production of fuel and heating oil. As a by-product this will also produce more gasoline, as well.

AUDITORS ARE MONITORING

We are requiring the oil industry to cooperate. If they do not cooperate voluntarily, we will not hesitate to use the authority that I have to require the oil companies to meet the basic energy needs of our Nation. The oil companies must cooperate.

I have ordered almost 200 auditors into the field to ensure the Nation's refiners comply with the law, and another 400 will be sent to monitor fuel jobbers and dealers. At my direction, the Department of Justice and the Department of Energy are jointly investigating the oil companies to see if the current shortage—(Applause)—to see if the current shortage involves any improper or illegal activity. We will bring the full force of the law to bear on those who profiteer from our national shortage or who try to cheat the American public. (Applause)

We now have an independent contracting firm checking on the effectiveness of the new Department of Energy in verifying oil industry data. It is very difficult to get accurate information, but I want to make sure the information that is achieved by us and is distributed to the American people is absolutely accurate.

I am ordering the Energy Information Administration, which is an independent group, to send its weekly report to our news media throughout the country telling what are our present energy supplies that week.

I would like the interested American public, individual citizens like you, to be just as familiar with the energy situation as you are with local weather reports.

But again, let me be totally honest with you and very direct. All of this that I have described to you does not save oil and it does not create oil. In the short term, we will simply have to stretch out a limited supply. We will have to play a kind of shuffling game allocating limited supplies of oil among our farmers, our truckers, our homeowners, industry, and also, of course, among motorists.

STATE CONSERVATION GOALS

This will have to go on until our long-term efforts start paying off. Therefore, I urge the Congress to give me power to set mandatory state-by-state conservation goals and to impose mandatory conservation.

If a state fails to meet its target. I want to give local and state officials authority first and hope that all of you and all Governors will carry out this responsibility. If you do not, then I will act from Washington as President. (Applause)

Congress must also act finally to give me authority to develop a standby gasoline rationing plan. (Applause) It is absolutely crucial for us to arm ourselves against the possibility of further serious interruptions in our energy supplies. We never know when we might lose a major portion of our oil imports. If this happens, a gasoline rationing plan will help us distribute those limited supplies fairly.

But I want to now mention the most important thing of all. Every single American must stop wasting energy. These are some of the things that we can do to defend ourselves in the immediate crisis.

More than two years ago, you may remember, I called the energy crisis the moral equivalent of war. There were a lot of jokes about it from the oil industry and from the news media. Now the battle has been joined, this time there can be no delay, this time there can be no retreat.

Last night I set forth a general strategy for winning the energy war, one which will enable us to meet all America's new energy needs from America's own energy resources. (Applause)

We will have to succeed both by conservation and production, because from this time forth we will never import one drop of oil more than we did two years ago in 1977. I am drawing our line of defense here and now. (Applause)

$140 BILLION INVESTMENT

Now I am going to mention one of the biggest figures you ever heard. Overall we are going to take the unparalleled peacetime commitment, an investment of $140 billion, for America's energy security so that never again will our Nation's independence be hostage to foreign oil. (Applause)

Where is the money coming from? All of this investment of Federal funds must come from the windfall profits tax on the oil industry which I have proposed to the Congress. (Applause)

It is now more critical than it ever was that Congress swiftly pass a strong, permanent windfall profits tax. And I want each of you as county leaders and all Americans who hear my voice to bring your full power to bear to make sure that Congress acts to give the American people the financial weapons to win the energy war. (Applause)

Let me brief you now on some of the new points of attack. Each year I will set targets for the amount of foreign oil we import. I am today announcing a quota for this year, 1979, which will hold U.S. imports to 8.2 million barrels per day—300,000 below the ceilings we set at the Tokyo Summit and 400,000 barrels per day below what we used in 1977. And we will meet this goal. (Applause)

The Energy Security Corporation that I proposed last night to produce American energy from new sources will not be—will not be—just another Federal agency. It will be outside the Federal Government, outside the Federal bureaucracy, free to use its independent business judgment in order to produce enough alternate energy sources to meet its 10-year target of reducing our imports by two and a half million barrels of oil per day.

I am announcing new incentives for the production of heavy oil, oil shale and hard to get at natural gas—all of which this country has in great abundance.

To make certain that energy products such as critical pipelines, port facilities, production plants, are built, a new Energy Mobilization Board will slash through red tape and bureaucratic obstacles and will set absolute deadlines for action at the Federal, state and local level. We are leaving—(Applause)—we are leaving with state and local authorities the first line of responsibility to remove roadblocks to these critical projects, but our energy crisis is so severe that if any level of government fails to act within a reasonable time, this Board will see to it that action is taken, just as similar boards made sure that action was taken to protect our Nation's existence in World War II. It is time for us to take this bold action, and we will. (Applause)

CONVERSION INCENTIVES

I want to make energy goals as compelling to every homeowner and every renter as for business and industry. Utilities must shift from oil to coal. But I am also proposing to Congress a unique new program to require gas and electric utility companies to provide low-cost loans to their customers, the homeowners of America, to finance conservation improvements, repayable only at the time of sale of the home.

I am proposing another program that will offer incentives to convert homes that are now oil heated to natural gas and to help oil heated homes which cannot convert with conservation.

I have earmarked $16.5 billion in new funds for the next 10 years to improve buses, subways, and other mass transit, and to build more fuel-efficient automobiles. (Applause)

Recognizing that low income families have been hardest hit by the OPEC price increases and rising energy costs in general, I am proposing to triple the size of the assistance program which I recommended to Congress on April the 5th. This will also be paid for out of the windfall profits tax which Congress is already considering.

In addition, we will be expanding the weatherization program to improve homes and to make them more efficient in conserving energy.

CANADA AND MEXICO

I want to explain one thing very clearly because misinformation is being spread among the American people. I want you to listen to this.

We are working very closely with Mexico and Canada. The total quantity of production and export of oil and gas from Mexico is obviously a decision to be made by the people and the government of Mexico. But we now purchase more than 80 percent of all the oil exported by Mexico—more than 80 percent.

We are now negotiating a new agreement to purchase the natural gas which Mexico will be willing to export.

Although Canada's oil production will be steadily dropping during the next few years, we will continue to share hydroelectric power and other energy sources with our neighbor to the north. One major project will be the new pipeline to be built from Alaska through Canada to bring natural gas to the lower 48 states. (Applause)

By 1985 Alaskan and Canadian natural gas can displace almost 700,000 barrels of imported oil per day. The North Slope producers have dragged their feet in helping to finance a pipeline needed to bring that gas to market. I have instructed the Secretary of Energy to call them in and get them going, and I will insist personally that this gas pipeline be built without further delay. (Applause)

NUCLEAR, SOLAR

We are, and we will continue to be a good customer, a good neighbor, and a good trading partner with both Mexico and with Canada. This Nation will need to rely on a broad range of energy sources. The hard fact is that we depend on nuclear power now for 13 percent of all the electricity consumed in the United States.

A few communities, for instance, Chicago, derive more than 50 percent of all their electricity from nuclear power plants. The recommendations of Kemeney Commission investigating the Three-Mile Island incident will help us to ensure safety, but nuclear power must play an important role in the United States to ensure our energy future. (Applause)

In June I set an ambitious but important goal for meeting 20 percent of the Nation's energy needs from the sun by the year 2000. With steeply rising OPEC prices and greater supply uncertainties, attainment of this goal is more important than it ever was. No cartel can control the price of solar power. No country can embargo solar power.

We have tripled our Federal investment in solar energy and the new solar bank that I have proposed will permit all Americans to join in making widespread solar power use a reality.

The actions that I have already taken with Congress, the last two years, will reduce our projected imports of foreign oil by 4 million barrels per day. The new actions I have described for you last night and today will save us an additional 4½ million barrels of oil, foreign oil, a day below what we are presently consuming by the year 1990.

I am going to keep these initiatives moving and everyone of us, public officials and private citizens must keep up this pressure for progress. Our basic strategy is as clear as it can be. Together you and I and every American are simply going to change the way this society creates and uses its energy. And as we do, we are going to find ourselves growing stronger, more free and more confident at home and around the world.

As the recent positive decision made by Saudi Arabia to increase production has shown, forceful action by this country proving that we are going to save energy can encourage moderation on the part of some of the OPEC nations and make us better able to deal with all the others.

The important thing I want to get across today is that each action every one of us takes will not only improve our own lives, but affect the future of the world.

COUNTIES MUST HELP LEAD

The heartbreaks and the triumphs of each county, each city, each neighborhood, the successes or the failures are also the successes and failures, the triumphs and the heartbreaks of our Nation.

The tragedy of an elderly family who are not able to pay for heat in the winter is a national tragedy, just as the success of a local weatherization program or car pool program is a triumph of or success for the whole Nation.

I ask you to work with me throughout the counties of America to plan conservation efforts that go beyond attempts to convince people that an energy crisis is real. Together we must challenge people to make specific actions possible, as workers, employers, commuters, customers, home owners, renters, all put together can really comprise a genuine workable national effort.

It is easy for us to try to leave the job for others, to the Federal Government, to the oil companies, to OPEC. We must not do that. We will not do that. That is what I want you to do for our country. I want you to make it possible for every citizen who lives in your county to join in setting local conservation standards and targets. I am not asking now that the leaders of every county in the country work to create another Government agency.

I want to have a group of your best private citizens to look at the needs and resources that you have in your own communities to evaluate your strengths and your weaknesses and agree with your own tactics in your own way to meet local conservation targets.

As you work with local citizens and community leaders in taking up this call to action, you can count on the support and you can count on the help of Federal officials, including myself, to live and to work with you to make this dream, this challenge a reality.

I am putting all Federal employees—I am putting all Federal employees—Agriculture, Forestry, HUD, HEW, Welfare, whatever—on notice that they must cooperate with county officials to cut out the waste of energy in your counties. [Applause]

In your county you are vital local leaders. I know you can get the job done, and you certainly deserve the help of the officials from the President on down in our Federal Government. You can enforce the law on speed limits. You can enforce the new regulations on building thermostat settings. There is a $10,000 fine for setting the thermostat on a public building lower than 78 degrees in the summer and higher than 65 degrees in the winter. I intend to enforce it, and I intend to have your help in making sure that it is enforced.

You can make sure—[Applause]—you can make sure that gasoline consumption is reduced by improving public transit, by dealing with county vehicles. You can help business and industry and government employers develop ride-sharing car pools, to stagger working hours, and to reduce employee workday travel.

Some communities have done so. My wife was recently in Davis, California, for instance, which has done a tremendous job and slashed total energy use more than 35 percent below what it used to be. In so doing we are better able to understand ourselves and we are better able to understand other tough choices that America must meet in facing the challenges of the future.

COPING WITH INFLATION

For example, last January, I set forth an austere budgetary policy for fiscal 1980, working toward a balanced Federal budget in the future to meet our serious inflation problem. I intend to hold that course steady and to enforce the program I have put forward to deal with successfully the inflation problem of our Nation. If we fail to do so, American workers, businesses, consumers will lose faith in the government's willingness to cope with inflation. The value of the dollar would weaken and further aggravate our inflation rate.

I will also not hesitate to take action to avoid a serious recession. Now more than ever, Congress must enact our existing proposals, which you helped to develop, for targeting fiscal assistance and countercyclical aid to hard-pressed local governments when the unemployment rate goes up very much. These are proposals which are important, but inflation is still our Nation's most serious economic problem, and I am determined to stick with my policies to fight inflation and also here I need and expect your help. (Applause)

In closing, let me say this: You are fellow public servants along with me. These are the kinds of choices that I have to make because finally I only have one constituency—all the people of this Nation. (Applause) There are people that you represent. Every one of your constituents is a constituent of mine. For 203 years, our Nation has stood proud and free. We have met challenge after challenge. We have overcome them all for one fundamental reason. In a crisis, we Americans have always stood together.

REPRESENTATIVE SKELTON'S LETTER

On the way here from Washington this morning on the airplane, Congressman Ike Skelton gave me a letter, and I would like to read it to you, "Mr. President: You will recall that I was a polio patient at Warm Springs, Georgia, in the late 1940s. While I was there, I copied Franklin D. Roosevelt's undelivered address where the original is located. From that speech, may I suggest that you use his words that end the speech as follows, and I quote from Roosevelt, 'The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.' "

And Ike Skelton continues, "I memorized those words as a teenager and they summarize what you said last night in your address to the Nation. Most respectfully, your friend, Ike Skelton." (Applause)

We have had some serious doubts in our Nation about our Nation. Today, not only our Nation's economy but our very independence is threatened. Our freedom is beyond price. We must not let it be endangered by the energy problem. As a people, as a Nation, let us join together in our struggle to secure our Nation's energy independence with all the fullness that we have in our great Nation and our will to live in freedom. We must fight together for our Nation and together with our renewed faith in America, we will again as Americans join together, lead our Nation to victory.

Thank you very much. (Applause)

MEOW II

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, last night the President told the Nation what has been on his mind for the past 10 days. From what I heard it sounds like he should have stayed up on the mountain. Mr. Carter made some progress in correctly stating the failures of this Nation, but he totally failed in identifying the reasons for them. The crisis of confidence is not in ourselves, but in Mr. Carter's abilities to be President, the loss of unity of purpose is not in this Nation but in the petty bickering on the White House staff and among the Carter energy officials. What the President gave us last night was the stale leftovers of the old "Moral Equivalent of War (or MEOW). I wish he had spent more time coming to terms with the problems of his administration than in trying to learn not to smile and to pound the desk during his speech.

The greatest rise in the President's speech was the statement that he had listened to the American people. Judging from the published lists of those who briefed him and conferred with him during his self-imposed exile in the Maryland wilderness, a full 90 percent of them are completely out of touch with the American people, our mood, and the conservative trend, not spokesmen for our great industrious people. He summoned the same old tired leftist, big government gaggle of ostriches who have gotten us into the mess we are in. The Walter Hellers, the John Kenneth Galbraiths and the welfare, socialist lobbyists for concentrated power here in the Capital. Mr. Carter only conferred with other representatives of productive, working America. He spent most of his time with the planners, the meddlers, the proponents of more and more Government bureaucracy and control.

President Carter ran against Government. It is now that same Government he does not know how to lead. A salient point in understanding the man's 3-year track record is simple: he was a good campaigner and turned a neat phrase on the campaign trail but he brought no sense of leadership or governance with him when he entered the oval office. He is now resorting to the only thing he knows how to do—political campaigning, this time with a strong dose of opportunism and rhetoric.

If the President had been honest with himself and the Nation he would have admitted that it is the Federal Government, more than OPEC, that is the root of our present energy crisis. The history of Federal actions that have hampered energy development and frustrated the creation of new energy sources is well known to all except those advising the President. It is incredible to think that the President seriously stated that the only road out of our present mess is to create a multibillion-dollar agency and to start a brand new coordinating board. We have already seen what the new Department of Energy has done for this Nation. I cannot believe the Nation is gullible enough to create two new monstrosities when an existing one is such a disaster.

It is sad to think that in that isolated mountain retreat Mr. Carter thought he was getting back in touch with America. The guest list for Camp David was more a reflection of the bankrupt New Deal liberalism and the interventionist views of such people as Ralph Nader and John Kenneth Galbraith, than of the true mainstream thought of America. No wonder the only conclusion that was reached was to have more Government.

The President said the energy war is a struggle for freedom. How can we struggle for freedom with new Government agencies, new redtape, new bureaucrats, and new tax burdens. Mr. Carter stated that the redtape will be cut. In all my years in Washington I have only seen redtape cut by cuts in Government not in the creation of new governmental entities. You do not achieve freedom by giving new sweeping powers to Government. You are not free if rationing, mandatory conservation, and other 1984 style Government efforts are put into action. It is the old doublethink rhetoric: slavery is freedom. This Nation would be doing itself a gross disservice if it falls for such shallow flimflams.

In closing I would like to point out a major irony in the President's speech. Mr. Carter wants us all to cut all unnecessary travel. In the same breath he announced that his next speech, just 12 hours later, would be in Kansas City. Why does a President need to jet all over the Nation just to deliver stump speeches. A President serious about tackling a severe crisis does not need to travel. A troubled incumbent with an eye to the 1980 elections does. This Nation should not have to sacrifice for candidate Carter, when it is clear he is not prepared to sacrifice any of his outdated platform for us.

THE SCAPEGOAT APPROACH

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the President has chosen to confront our energy problems with a search for scapegoats rather than a search for oil. If he truly believes we are on an energy battlefield, he should stop shelling our own troops. His Kansas City speech was the speech of a failed leader who has not learned his lesson. It was not a speech emerging from new courage but from old fears. When an American President tells the American people that he is sending Federal investigators to look for possible criminal activity without specifying what justification there might be for such a drastic move, citizens should begin to worry.

He says that he will fund all of the new, expensive Federal intervention from a permanent windfall profits tax. I have news for him—if he continues to play the demagog and pursue his scapegoat philosophy, he will not have any profits to tax.

His two speeches constitute a failure of imagination and a failure of leadership. While he is investigating the producers of energy, I hope the American people will be making their own thorough audit of the ramifications of the President's proposals.

PRESIDENT'S SPEECH SEEN AS PESSIMISTIC AND HARMFUL

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, I was disappointed with the President's pessimistic speech last night. It was nothing but a retread of the same tired economic policies that have been dragging our country down for the past 50 years, but unfortunately it is a retread with an expansion of Government control over the marketplace, that will only make our problems worse.

Everything the President announced will do positive harm, over the next decade, by increasing taxation and inflation, and misallocating scarce capital and resources, and will do nothing to increase production.

The quota system for oil imports will do the most immediate harm. If oil imports are causing all our problems and shortages, why do Japan, West Germany, and Switzerland—which import all their oil, but have no DOE's—have stronger economies than we do, and no gasoline lines?

Imports have increased in the United States to make up the shortage in domestic production caused by Federal controls. Now this market response, which has helped us, on the short run, will be as hobbled as our internal oil exploration and production, and the result will be increased shortages, longer lines at the gas pump, and colder homes in the winter.

Government intervention has caused our problems. Deceiving small investors with Government energy bonds, violating individual rights with dictatorial energy boards, and ridiculously impractical Government corporations and solar banks, which smacks of fusion will worsen our energy crisis and do nothing about the underlying problems of inflation and big government, which are the causes of the malaise and loss of confidence the President decries.

A free market economy based on individual freedom would never require we accept the no growth policy of the Government planners. Continue growth, and preservation of our standard of living can be achieved. We must not succumb to the negative mood now sweeping the Nation.

GOOD INTENTIONS NOT ENOUGH—GOOD IDEAS NEEDED

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, with respect to the President's address last night, I think we would all have to acknowledge that he spoke with good intentions; but we need more than good intentions—we need some good ideas.

Unfortunately, it seems to me that the President cannot differentiate between causes and effects. Dependence on OPEC is not a cause; it is the effect of a dependence on a generation of wrong domestic energy policies. If OPEC is the enemy, we have been subsidizing it for far too long, and yet we continue to do it.

We need decontrol of domestic oil production immediately to help us get away from the OPEC countries.

Unfortunately, there was no mention in the President's address of using coal as anything but merely a quick fix. We need to recognize the use of more coal as a leading energy source for the short- and long-term future.

The President, unfortunately, saw fit to tell us we need more government, although we have had too much government in energy over the past generation. We are told that we need more costs in taxes, more bureaucracy, and this we are going to get out of the public.

Mr. Speaker, we need a change and we need it now. I ask the American people to look very closely at what the President has suggested, and to stress the fact that we need something different than the same tired old politics we were ofered last night and this morning.

"SATURDAY NIGHT LIVE" OR SUNDAY NIGHT LIVE?

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, many Americans took offense last night at the President's sweeping claims that he had consulted with all levels of leaders in this Nation. I find it incredible and insulting that he would not call to Camp David last week the distinguished leaders of the minority party from either the Senate or this House. Absolutely outrageous.

I think, in spite of the fact that we have a wonderful frenzied week planned here that will cause everyone to desire to retire to their bunks early next Saturday evening, we nevertheless should stay up until 11:30 p.m. and watch on NBC the very popular "Saturday Night Live" TV show and where one of the President's better impersonators, the gifted Mr. Dan Aykroyd will give what will probably be the real Carter energy speech. I am certain that by next weekend when the price tags on both of President Carter's amazing speeches are tallied, the American taxpayers will be primed for Aykroyd's brilliant satire.

ASSIMILATION OF IDEAS AT CAMP DAVID

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I was somewhat worried when I heard about the Camp David meetings and the great number of people who would be there. I wondered just how the President would assimilate all these ideas. I just listened to his speech from Kansas City, and I know now what he did. He took all them; he did not weed any of them out.

The President just sent the most amazing potpourri of ideas through the television tube I have ever heard in my life. They amount to $140 billion worth of expenditures from the public sector. I wondered where he expected to get that kind of money. He said he would get it from the windfall profits tax.

I do not know how he is going to get $140 billion out of the windfall profits tax unless it becomes ever more confiscatory. I am told that the tax which passed the House will produce about $16 billion per year after it becomes fully operative. At any rate, it will take nearly 10 years to finance the President's proposed plan.

It seems to me the President's whole program adds up to a foundation for nationalizing the energy industry. This is the thing which we need to worry about. Believe me, if he expects to get any help from the Republican side to nationalize the energy industry, he had better think again. He will not.

□ 1220

AMERICAN PEOPLE EXPECTING ANSWERS, NOT RHETORIC

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, I think there was a marked improvement last night in the President's speech. In delivery, the President appeared confident. He displayed that he was strong and he spoke in a more firm voice. But when you examine the content of his speech, this is where the American people must be disappointed. It was lightweight in context and recommendations. I am sorry to make that assessment. One of the areas he spoke about most was energy. Today about 15 percent of our electrical energy is produced from nuclear. Good or bad, it comes from nuclear fuel. The President seemed to ignore it and looked for some other alternatives that are not even producing electrical energy today.

The American people last night were expecting answers, not rhetoric. This is where the President is still missing the target. Yes, I think he is trying, but I think the American people are deserving of more affirmative action in the area of energy and the declining economy.

PRESIDENT CARTER INDICTS LIBERALISM

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I want to compliment the President of the United States on his speech last night, at least for the first 10 minutes. During the first 10 minutes I listened carefully to what seemed to me to be as well-drawn an indictment of the failure of liberalism in this country as I have ever heard, as the President cataloged the failures, one after the other, of past Government policies. He talked about the fact that Americans have lost faith in their Government, that there is a crisis of confidence—"confidence," he repeated that theme over and over.

He talked about the need for restoration of national faith. But, like the Bourbon Kings of France, he apparently remembered everything and learned nothing; because he then proceeded to recommend, one after another, extensions of the policies of liberalism which have failed in this country and produced the very problems that required him to speak in this extraordinary bout of nationally televised self-confession.

More taxes, more controls, more power in Washington, more of the very things that have caused the problems that this country faces. More of the same policies that have destroyed national confidence.

When will America ever wake up to the real truth of the matter which the President said he was talking about last night? When will he?

PRESIDENT'S SPEECH HIT A NERVE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, I have listened to some of these fine remarks, and I am most pleased to know that the President has done the right thing. He certainly struck a nerve on the side over here, on the left side of the Chamber. My theory, as an old trial lawyer, is that people react when you hit a nerve. So we hit one this time.

Going to another subject—I think we ought to change the subject—I think some of the Members shared with me the experience of seeing a picture in the paper this weekend of the former Shah of Iran together with the former President of the United States, Mr. Nixon. I just thought: Would it not have been splendid if a picture could have been taken of them touring the city in an Edsel?

PERMISSION FOR COMMITTEE ON AGRICULTURE TO FILE REPORT ON H.R. 20, NATIONAL AQUACULTURE ACT OF 1979

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight, July 16, 1979, to file a report on the bill (H.R. 20) to provide for the development of aquaculture in the United States, and for other purposes.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to, under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by "nonrecord" have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

VETERANS' DISABILITY COMPENSATION AND SURVIVORS' BENEFITS AMENDMENTS OF 1979

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2282) to amend title 38, United State Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans, as amended.

The Clerk read as follows:

H.R. 2282

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979".

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

RATES OF DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$44" in subsection (a) and inserting in lieu thereof "$48";

(2) by striking out "$80" in subsection (b) and inserting in lieu thereof "$87";

(3) by striking out "$121" in subsection (c) and inserting in lieu thereof "$131";

(4) by striking out "$166" in subsection (d) and inserting in lieu thereof "$180";

(5) by striking out "$232" in subsection (e) and inserting in lieu thereof "$251";

(6) by striking out "$292" in subsection (f) and inserting in lieu thereof "316";

(7) by striking out "$346" in subsection (g) and inserting in lieu thereof "$375";

(8) by striking out "$400" in subsection (h) and inserting in lieu thereof "$433";

(9) by striking out "$450" in subsection (i) and inserting in lieu thereof "$487";

(10) by striking out "$809" in subsection (j) and inserting in lieu thereof "$876";

(11) by striking out "$56", "$1,005" and "$1,408" in subsection (k) and inserting in lieu thereof "$61", "$1,088" and "$1,525" respectively;

(12) by striking out "$1,005" in subsection (l) and inserting in lieu thereof "$1,088";

(13) by striking out "$1,107" in subsection (m) and inserting in lieu thereof "$1,199";

(14) by striking out "$1,258" in subsection (n) and inserting in lieu thereof "$1,362";

(15) by striking out "$1,408" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$1,525";

(16) by striking out "$604" and "$900" in subsection (r) and inserting in lieu thereof "654" and "$975", respectively;

(17) by striking out "$905" in subsection (s) and inserting in lieu thereof "$980"; and

(18) by striking out "$175" in subsection (t) and inserting in lieu thereof "$190".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$49" in subparagraph (A) and inserting in lieu thereof "$53";

(2) by striking out "$83" in subparagraph (B) and inserting in lieu thereof "$90";

(3) by striking out "$110" in subparagraph (C) and inserting in lieu thereof "$119";

(4) by striking out "$137" and "$27" in subparagraph (D) and inserting in lieu thereof "$148" and "$29", respectively;

(5) by striking out "$34" in subparagraph (E) and inserting in lieu thereof "$37";

(6) by striking out "$61" in subparagraph (F) and inserting in lieu thereof "$66";

(7) by striking out "$88" and "$27" in subparagraph (G) and inserting in lieu thereof "$95" and "$29", respectively.

(8) by striking out "$40" in subparagraph (H) and inserting in lieu thereof "$43";

(9) by striking out "$89" in subparagraph (I) and inserting in lieu thereof "$96" and;

(10) by striking out "$75" in subparagraph (J) and inserting in lieu thereof "$81".

CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 of title 38, United States Code, is amended by striking out "$218" and inserting in lieu thereof "236".

ELIGIBILITY FOR AID AND ATTENDANCE ALLOWANCE

SEC. 104. Section 314(r) of title 38, United States Code, is amended—

(1) by inserting "or at the intermediate rate authorized between the rates authorized under subsections (n) and (o) of this section and at the rate authorized under subsection (k) of this section," after "subsection (p) of this section,"; and

(2) by striking out "compensation under subsection (o) or (p) of this section—" and inserting in lieu thereof "compensation—".

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

SEC. 201. (a) Subsection (a) of section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate
E–1	$332
E–2	332
E–3	340
E–4	362
E–5	371
E–6	380
E–7	399
E–8	420

E-9	[1] 440
W-1	407
W-2	423
W-3	435
W-4	461
O-1	407
O-2	420
O-3	451
O-4	475
O-5	524
O-6	589
O-7	639
O-8	700
O-9	752
O-10	[2] 823

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $473.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, surviving spouse's rate shall be $882."

(b) Subsection (b) of such section is amended by striking out "$35" and inserting in lieu thereof "$38".

(c) Subsection (c) of such section is amended by striking out "$89" and inserting in lieu thereof "$96".

(d) Subsection (d) of such section is amended by striking out "$45" and inserting in lieu thereof "$49".

RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 202. Section 413 is amended—

(1) by striking out "$150" in clause (1) and inserting in lieu thereof "$162";

(2) by striking out "$216" in clause (2) and inserting in lieu thereof "$234";

(3) by striking out "$278" in clause (3) and inserting in lieu thereof "$301"; and

(4) by striking out "$278" and "$56" in clause (4) and inserting in lieu thereof "$301" and "$61", respectively.

RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 203. Section 414 is amended—

(1) by striking out "$89" in subsection (a) and inserting in lieu thereof "$96";

(2) by striking out "$150" in subsection (b) and inserting in lieu thereof "$162"; and

(3) by striking out "$76" in subsection (c) and inserting in lieu thereof "$82".

TITLE III—EFFECTIVE DATE

SEC. 301. The amendments made by this Act shall take effect on October 1, 1979.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Mississippi (Mr. MONTGOMERY) will be recognized for 20 minutes, and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on H.R. 2282.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, the reported bill would provide an 8.3 percent across-the-board, cost-of-living increase in compensation benefits paid monthly to service-connected veterans and in dependency and indemnity compensation benefits paid monthly to spouses and orphans of veterans who died of service-incurred causes. Earlier this year we estimated that the 8.3 percent increase would relate closely to the actual consumer price index; however, it should be noted that the rise in the cost-of-living since the last compensation and DIC increase may exceed the rate increase provided for by the reported bill.

The cost of the rate increase proposed by this bill is estimated by the congressional budget office to be about $577 million in budget authority during the next fiscal year. I can assure my colleagues that this amount is included in the first concurrent resolution and is within the allocation allotted to the Subcommittee on Compensation, Pension, Insurance and Memorial Affairs.

Mr. Speaker, also included in this bill is a provision that would provide basic aid and attendance entitlement on a case-by-case basis to a very few severely disabled veterans upon an affirmative showing and demonstrated need for the regular aid and attendance of another person. According to the Veterans' Administration, there are only 58 potential beneficiaries.

Mr. Speaker, the increases provided for in this bill will assure that 2,265,000 service-connected disabled veterans and 323,515 surviving spouses and children of service-connected veterans will not be adversely affected by the rapid rate of inflation during this fiscal year. Their compensation and DIC checks will be adjusted so there will be no loss of purchasing power to these beneficiaries during the next fiscal year.

Historically, the Congress has increased compensation rates whenever there has been an appreciable increase in the cost-of-living index.

There were approximately 2,265,000 veterans receiving service-connected compensation benefits as of June 1, 1979. The Veterans' Administration expenditure for veterans' service-connected compensation benefits for fiscal year 1980 is estimated to be $5.54 billion.

The basic purpose of the disability compensation program, throughout its history, has been one of providing relief from the impaired earning capacity of veterans disabled as the result of their military service. The amount of compensation payable varies according to the degree of disability which in turn is required by law to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations.

To be eligible to receive disability compensation, a veteran must have contracted a disease, suffered a nonmisconduct injury, or aggravated an existing disease or injury in the line of duty during active wartime or peacetime service and have been discharged under other than dishonorable conditions.

The responsibility for determining a veterans' entitlement to service connection for a disability rests solely with the Veterans' Administration. This determination is based upon the service medical records or other evidence which may be presented to the Veterans' Administration by the veteran.

The percentage of disability for a specific disability is assigned by the Veterans' Administration. That agency has established a "schedule for rating disabilities" which is used as the guideline for the measuring of the degree of disability. Compensation is paid for disabilities at ratings of 10, 20, 30 percent, and so forth up to 100 percent. The amount of compensation payable for each percentage of disability is established by law. Additional compensation is payable for the loss of a limb, blindness, and other severe disabilities.

In addition to basic compensation rates and/or statutory awards to which the veteran may be entitled, dependency allowances are payable to veterans who are rated at not less than 30 percent disabled. If the veteran is rated 30, 40, 50, 60, 70, 80, or 90 percent disabled, dependency allowances are payable in an amount bearing the same ratio to the amount specified as the degree of disability bears to total disability.

Widows and children of veterans who die of causes determined to be service-connected are entitled to receive monthly dependency and indemnity compensation.

Currently, there are approximately 233,692 surviving spouses and 89,823 children receiving dependency and indemnity compensation, DIC. These are the survivors of more than 290,000 veterans who have died of service-incurred causes.

Slightly over $1.2 billion is expected to be paid in fiscal year 1980 to these survivors.

The purpose of this benefit is to provide partial compensation to the designated survivors for the loss in financial support sustained as the result of the service-connected death. Income and need are not factors in determining a surviving spouse's or child's entitlement since the Nation assumes, in part, the legal and moral obligation of the veteran to support the spouse and children. Payments of DIC for surviving spouses are determined on the basis of the veteran's paygrade and range from $297 monthly for the surviving spouse of an E-1 to $760 monthly for the surviving spouse of O-10. Surviving spouses are entitled to an additional $35 monthly for each child.

There is an additional allowance of $89 monthly which is payable to eligible surviving spouses who are patients in a nursing home or who are in need of the regular aid and attendance of another person.

Surviving spouses qualified for DIC who are not so disabled as to require the regular aid and attendance of another person but who due to disability are permanently housebound may be granted a special allowance of $45 monthly in addition to the DIC rate otherwise payable.

If there is no surviving spouse receiving dependency and indemnity compensation benefits but there is a surviving child, the child is entitled to $150 monthly with additional benefits for other children.

When a service-connected disability is found to be the principal or contributory cause of death, such death is considered to be service-connected. These determinations are made on a very liberal basis. For example, there are disabilities which by their very nature are so overwhelming that eventual death can be anticipated irrespective of coexisting conditions. Even though such a disability is nonservice-connected and is the primary cause of death, consideration is given to whether the coexisting service-connected conditions were of such severity as to have been a material influence in accelerating death. Where death has been so accelerated, it will be considered service-connected. The death of any veteran whose service-connected disabilities were the primary cause of death or contributed materially in producing death would, of course, render the survivor basically eligible for service-connected death benefits.

The same benefits provided for those entitled to DIC are also payable to surviving spouses or children of certain veterans whose deaths are not service-connected but who, at death, had been in receipt of total (100 percent) ratings for service-connected disabilities. It is necessary for entitlement under this provision that the 100 percent rating have been in effect continuously for at least 10 years at death, or continuously since service and for at least 5 years. A surviving spouse must have been married to a veteran for at least 2 years at the time of death before entitlement exists.

The reported bill would increase by 8.3 percent the basic rates of compensation payable to veterans for service-connected disabilities, and the additional amount authorized for dependents for those with disabilities rated at least 30 percent.

The bill would also increase by the same percentage and annual clothing allowance payable to certain veterans wearing or using prosthetic or orthopedic appliances. The rates of dependency and indemnity compensation (DIC) payable to surviving spouses and children of veterans whose death are service-connected would also be increased by 8.3 percent under the reported bill.

In addition to the rate increases, the bill would also permit aid and attendance benefits to be paid to a very limited number of severely disabled veterans. It is intended to effect a specific but limited extension of the benefit now provided under section 314(r) of title 38, United States Code. The bill would extend a basic but not automatic consideration for a monthly aid and attendance allowance under section 314(r) only to those veterans who have entitlement or who may become entitled to compensation at the rate intermediate between the rates provided by section 314(n) and section 314(o) and who are also entitled to added compensation under section 314(k) of title 38, United States Code.

The committee intends for this provision to be strictly construed so that a veteran entitled to compensation at the rate intermediate between sections 314 (n) and 314(o) plus added compensation under section 314(k) will receive compensation in excess of the rates so provided only upon an affirmative showing of and demonstrated need for the regular aid and attendance of another person.

The bill would become effective on October 1, 1979.

Mr. Speaker, our primary obligation has always been to our service-connected veterans and their families. This bill continues to reflect that policy in the Congress and I urge the adoption of the reported bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the bill before us. The highest priority for all veterans' benefits properly belongs to those with service-connected disabilities. This bill addresses their needs. I compliment our fine subcommittee chairman, Mr. MONTGOMERY, as well as the ranking minority member, Mr. WYLIE, for their diligent leadership. The purpose of the Veterans' Compensation Act, throughout its long history, has been to make up the loss in income veterans have suffered as a result of disabilities incurred in the line of military duty.

After an adjudication proceeding, all evidence is weighed and the Veterans' Administration determines the extent of the veteran's impairment. The percentage of disability is assigned and compensation payments are based on that percentage of disability is assigned and compensation payments are based on that percentage—a specified amount for a specified percentage. There are also statutory awards for the most serious disabilities.

In addition to payments made directly to veterans, dependency and indemnity compensation is paid to surviving spouses and children of veterans whose deaths are service connected.

In a period of inflation, such as the one we have been enduring, it is obvious the real compensation granted by these fixed percentages has steadily declined. Since they are not tied to the Consumer Price Index, it has been necessary to raise percentage rates annually for the past several years.

Mr. Speaker, in January of this year I introduced a bill providing a 10-percent increase to this class of veterans, dependents, and survivors to whom this Nation owes the greatest debt. The bill before us calls for an 8.3-percent-increase but the actual Consumer Price Index is already near a point not far from the 10 percent I called for in the first place. However, this bill is an important step in the right direction.

In addition to the 8.3-percent increase in compensation rates, I would like to draw your attention to the increase of 8.3 percent in the special allowance for single amputees; a new provision provides basic entitlement to the payment of aid and attendance to a small group of some 58 severely disabled veterans who have been overlooked for this entitlement by previous law; included is an increase from $218 to $236 per year in the clothing allowance for veterans whose prostheses cause excessive wearing and tearing of apparel; there is provided an 8.3-percent increase in the aid and attendance allowance for veterans and their surviving spouses who require care by another person to handle their day-to-day activities.

I support H.R. 2282, Mr. Speaker, as a minimum response to those who have the maximum claim on this Nation's gratitude.

☐ 1230

Mr. Speaker, I yield 3 minutes to the distinguished ranking minority member of the subcommittee, the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I wish to take this opportunity to compliment the gentleman from Mississippi (Mr. MONTGOMERY) for his work on this bill. It is always a great privilege to work with the gentleman and be associated with him in the interest of veterans. He is truly a gentleman and works very hard as chairman for the cause. At the same time I want to thank the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for his compliment and for his support and leadership which is so essential and appreciated on veterans' legislation.

As has been said earlier, this bill calls for an 8.3-percent cost-of-living increase for recipients of service connected compensation and dependency and indemnity compensation.

I am certain that there is not a person in this body who does not agree with the principle basis for the payment of compensation to disabled veterans and DIC to surviving spouses and children of veterans who died in service to their country or as a direct result of the injury which was incurred during their service.

A country should always be grateful to those who served faithfully and honorably in armed conflict when called upon to do so. An even greater effort is needed to help those who suffered a disability as a result of service. The service-connected compensation program administered by the Veterans' Administration was originally designed to assist veterans who suffered a disabling injury, aggravated an existing condition, or suffered from a disease incurred while in service to offset the income they would lose resulting from the impaired earning capacity caused by the particular disability. That offset of compensation is based on several factors and paid in percentage increments. The higher degrees of disability is reflected in a high disability percentage rating and, therefore, results in a greater amount of compensation.

Dependency and indemnity compensation was created to assist surviving spouses and children of veterans whose death occurred while on active duty. This program, as compensation, was designed to offset the hardship caused by the death of the individual veteran.

Today, there are 2,265,000 service-connected disabled veterans drawing compensation and 323,515 surviving spouses and children receiving DIC. This bill calls for an 8.3 percent cost-of-living increase to insure that Americans will not be adversely affected by inflation. Failure to enact this bill will have a definite impact on these people who depend on compensation and DIC.

This measure has a projected cost of approximately $577 million for fiscal year 1980. Which when taken in perspective is a small amount for those who have suffered so much. They willingly defended this Nation in its time of need. It is certainly not too much to ask that we as a grateful nation respond to their needs.

I ask you to join me in supporting this bill.

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Speaker, I rise to give my support to the measure we are currently debating. My distinguished colleagues who have preceded me have made a strong case for the program in outlining what this legislation will do. The distinguished chairman of the Subcommittee on Compensation, Pension, Insurance, and Memorial Affairs, Mr. MONTGOMERY, has deftly explained the history of the compensation program.

I do not want to take much of the House's time, but this decision does not signify a lack of interest, rather a sincere effort to allow all of my colleagues time to express their interest. I have always been an ardent supporter of programs for our Nation's veterans. We owe a debt to those men and women who served this Nation faithfully when they were called. That debt is most owed to those who suffered a disability as a direct result of their service to this country.

H.R. 2282 calls for an across-the-board increase of 8.3 percent for service-connected compensation recipients, and surviving spouses and children who are entitled to receive dependency and indemnity compensation. When the Committee on Veterans' Affairs reported this bill, we acted on the recommendation of the Congressional Budget Office. The committee budgeted enough money to cover this increase so the impact will not adversely affect the overall budget target.

This bill will insure that the 2,265,000 service-connected veterans and their 325,515 surviving spouses and children will not feel the adverse impact caused by the continual rise in the cost of living we are experiencing. This bill also has a provision which will allow a select number of severely disabled veterans to have their individual cases reviewed to determine eligibility for aid and attendance.

To add to an historical perspective for this increase, I should note that the Congress has increased service-connected compensation when it felt the increase was justified due to the adverse impact of inflation on buying power. The attachment on page 2 of the committee report accompanying this bill shows that Congress has been concerned. The purpose of this program has always been intended to provide relief from the veteran's impaired earning capacity due to the severity of his disability. The Veterans' Administration makes the determination as to the degree of the disability based on medical and other evidence which is presented. Each of the ratings is established by law, and the award is set accordingly by 10-percent intervals. Additional benefits are awarded for service impairments.

The DIC program provides compensation to surviving spouses and children of veterans who died while in service or as a direct result of a service-incurred injury. Currently there are approximately 233,097 surviving spouses and 91,349 children receiving dependency and indemnity compensation. The projected cost for this award in fiscal year 1980 is slightly more than $1.2 billion. This money is intended to provide partial compensation to survivors for the loss of financial support sustained as a result of the service-connected death.

Before closing, I would like to place special emphasis on the fact that this is important to those who receive compensation and DIC. The impact inflation has on all of us is staggering. Those who have had their earning capacity impaired by disability face an even more difficult situation. When the Veterans' Administration testified in late March that the inflation projection for this fiscal year would be approximately 7.8 percent, CBO told us 8.3 percent in May. I am afraid of what it might be by October 1 when this legislation becomes effective. Some project close to 9.5 percent, others over 10 percent. Whatever that amount, it is imperative we act to assist those who receive service-connected disability compensation and dependency and indemnity compensation. I hope you agree with me and vote for H.R. 2282.

● Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 2282, a bill that would increase by 8.3 percent the basic rates of compensation payable to veterans for service-connected disabilities and the additional amount for dependents for those with disabilities rated at least 30 percent.

Historically Congress has increased compensation rates whenever there has been an appreciable increase in the Cost of Living Index. This is precisely the situation now. For this reason we should pass this bill to allow the beneficiaries to defray the increases in the cost of living. It has been the congressional policy since 1952 to provide for these increases and I trust we will continue doing so. However, the other body has provided for an increase of 10.8 percent in its companion bill S. 689, with the possibility of being increased to a 10.9 percent. The percentage of increase recommended by the other body is more realistic. It would guarantee that service-connected disabled veterans and DIC survivors receive a rate of incease more close to the actual rate of inflation than the one provided in H.R. 2282. I trust that whenever this bill goes into conference the House recedes to the other body. It is not a matter of giving more money for the veterans; it is that the rate of increase that they deserve should be based on actual inflation percentage.

I urge you to support and vote for this bill.●

● Mr. MILLER of Ohio. Mr. Speaker, it is with pleasure that I rise to express my support for H.R. 2282, the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979. Approximately 2.3 million veterans will benefit from the 8.3-percent cost of living increase proposed by H.R. 2282, effective October 1, 1979.

We can never do enough for our service-connected disabled veterans who have given so much of themselves in service. The least we can do is to help them keep up with the escalating cost of living. With inflation and higher fuel prices seriously eroding the value of the present compensation, this bill is urgently needed. I trust my colleagues will join me in supporting this legislation and demonstrating their appreciation for those who so generously and courageously defended our freedom.●

● Mr. HALL of Texas. Mr. Speaker, I rise in support of H.R. 2282. This bill is a simple across-the-board increase in monthly rates of compensation paid to veterans who suffer from service-connected disability and the rates of dependency and indemnity compensation paid to widows and orphans of veterans who have died of such disabilities.

This bill will serve to keep some 2,265,000 veterans and 323,000 survivors from losing ground to the rapid increase in the cost of living. The cost of this bill is within the budget authority contained in the first concurrent resolution and represents a very modest increase in light of the growing Consumer Price Index figures.

Historically, the Congress has felt the responsibility to care for those who have fought the Republic's wars. Through the years, the chief concern, of course, in considering appropriate benefits for veterans, has been the need to compensate those individuals who have suffered a loss in their earning power from disability growing out of their period of service to the country. The payment of benefits to a survivor of a veteran who died of service-connected causes is an attempt by the country to replace, in part, the loss to the family of the family breadwinner.

The last increase in compensation benefits was October 1 of last year. This bill carries an effective date of October 1 of this year and is consistent with the well established practice of the Congress to protect veterans from inflation. I urge your support of the bill.●

● Mrs. HECKLER. Mr. Speaker, I would like to state my emphatic support of H.R. 2282, the Veterans' Disability Compensation and Survivors' Benefits Act of 1979.

This important legislation would provide an 8.3-percent increase in compensation to veterans with a service-connected disability. It would grant the same rate of increase to survivors of veterans who have died as a result of service-connected disability.

The 8.3-percent increase would raise current payments for a veteran with a 10-percent disability from $44 to $48 a month. It would increase payments to a veteran with a 100-percent disability from $809 to $876 a month.

The passage of this legislation is vitally important to the 2.3 million veterans and 324,000 survivors who are the recipients of the benefits of this program.

Beneficiaries of the dependency and indemnity compensation program live on fixed incomes and are especially subject to the ravages of inflation.

The administration, which earlier this year had advocated a smaller, 7.8-percent increase, has recently changed its position. VA personnel testifying recently before the Committee on Veterans' Affairs revised their thinking in favor of adjusting the increase to the actual Consumer Price Index.

So with the increase in benefits scheduled to take effect October 1, the final figure that will be reached between the House and Senate could be higher than that provided by this bill.

I urge my colleagues to grant their full and overwhelming support to an increase this year in the dependency and indemnity compensation program. This program is especially designed to assist those who have made a great sacrifice for our Nation. Its budgetary impact is relatively small; but its benefits and favorable impact are tremendously great to those who it assists.●

Mr. MONTGOMERY. Mr. Speaker, the reason the chairman of the full committee, the gentleman from Texas (Mr. ROBERTS) is not here this morning is that he is addressing a veterans' organization. He will be back later this afternoon.

He fully supports this legislation as the full committee also has done.

Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and pass the bill, H.R. 2282, as amended.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

PUBLIC HEALTH SERVICE EXTENSION AMENDMENTS

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3641) to extend for 3 fiscal years the expiring health information programs under title XVII of the Public Health Service Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3641

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—HEALTH INFORMATION PROGRAMS

SEC. 101. (a) Section 1701(b) of the Public Health Service Act (42 U.S.C. 300u(b)) is amended—

(1) by inserting "(other than grants and contracts under sections 1707, 1708, and 1709)" after "this title"; and

(2) by striking out "and" after "1978," and by inserting before the period a comma and the following: "$14,000,000 for the fiscal year ending September 30, 1980, $15,000,000 for the fiscal year ending September 30, 1981, and $16,000,000 for the fiscal year ending September 30, 1982".

SEC. 102. (a) The second sentence of section 1703(c) of the Public Health Service Act (42 U.S.C. 300u-2(c)) is amended by striking out "1978" and inserting in lieu thereof "1981".

(b) Section 1708(c) of such Act (42 U.S.C. 300u-7(c)) is amended (1) by striking out "the purposes of section 1707, section 1706, and this section" and inserting in lieu thereof "the purposes of section 1707 and this section", and (2) by striking out "for the fiscal year ending September 30, 1981" and inserting in lieu thereof "for each of the fiscal years ending September 30, 1981, and September 30, 1982".

(c) Section 1709(c) of such Act (42 U.S.C. 300u-8(c)) is amended by striking out "for the fiscal year ending September 30, 1981" and inserting in lieu thereof "for each of the fiscal years ending September 30, 1981, and September 30, 1982".

(d)(1) Subsection (a) of section 1706 of such Act (42 U.S.C. 300u-5(a)) is amended by striking out "Office of Health Information, Health Promotion and Physical Fitness and Sports Medicine" and inserting in lieu thereof "Office of Health Promotion".

(2) The heading for such section is amended to read as follows:

"OFFICE OF HEALTH PROMOTION"

SEC. 103. (a) Section 204(c) of the Community Mental Health Centers Act (42 U.S.C. 2689c(c)) is amended by striking out "$3,000,000" and inserting in lieu thereof "$20,000,000".

(b) Section 213 of such Act (42 U.S.C. 2689h) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1979," the following: "and $25,000,000 for the fiscal year ending September 30, 1980,".

TITLE II—DIGESTIVE DISEASES

SEC. 201. This title may be cited as the "National Digestive Diseases Prevention, Cure, and Control Act".

SEC. 201. The Congress finds and declares that—

(1) digestive diseases (A) are an extremely serious and important category of illness in the United States, (B) are the major reason for and the leading cause of major surgery in the United States, (C) are the cause of chronic illness in twenty million Americans, fourteen million of whom have episodes of acute illness annually, (D) are the cause of almost two hundred thousand deaths each year in the United States, and (E) are the second most common reason for disability in American workers;

(2) digestive diseases are the cause of one-tenth of the total economic burden of illness in our country;

(3) inadequate levels of public awareness of the importance of digestive diseases to our society are coupled with inadequate efforts and expenditures on public information and a low level of support for research in digestive diseases; and

(4) a major improvement in the health of persons with digestive diseases, and important advances in the prevention of such diseases, could occur through intensified and improved efforts in the education of the public and professionals about digestive diseases, through better use of current resources and procedures involved in the diagnosis of those illnesses, through translating existing medical information into more effective treatment, through greater support of ongoing clinical programs in federally-supported hospitals, through the augmentation of current research efforts including both basic and applied clinical investigations, and through expanded research, education, and more intense study of currently neglected areas such as epidemiology and the exploration of the environmental, emotional, and nutritional causes of digestive diseases.

SEC. 203. (a) Part D of title IV of the Public Health Service Act is amended by adding at the end the following new sections:

"NATIONAL DIGESTIVE DISEASES EDUCATION AND INFORMATION CLEARINGHOUSE

"SEC. 440B. The Secretary shall establish a National Digestive Diseases Education and Information Clearinghouse in the National Institute of Arthritis, Metabolism, and Digestive Diseases to identify, collect, analyze, and disseminate information respecting digestive diseases and to serve as a national educational resource for patients with digestive diseases, their families, physicians, and other health professionals, and the general public. For the establishment and operation of the Clearinghouse there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1980, $1,150,000 for the fiscal year ending September 30, 1981, and $1,250,000 for the fiscal year ending September 30, 1982.

"EDUCATION AND TRAINING PROGRAMS IN DIGESTIVE DISEASES

"SEC. 440C. The Secretary, acting through the Institute and after consultation with the National Arthritis, Metabolism, and Digestive Diseases Advisory Council, shall make grants to schools of medicine, schools of nursing, schools of public health, and training centers for allied health professions to strengthen their education and training programs in the diagnosis, prevention, and treatment of digestive diseases. For grants under this section there are authorized to be appropriated $360,000 for the fiscal year ending September 30, 1980, $450,000 for the fiscal year ending September 30, 1981, and $555,000 for the fiscal year ending September 30, 1982.".

(b) The Secretary of Health, Education, and Welfare shall establish the National Digestive Diseases Education and Information Clearinghouse prescribed by section 440B of the Public Health Service Act (as added by subsection (a)) not later than the one hundred and eightieth day after the date of the enactment of this Act.

SEC. 204. (a) Part D of title IV of the Public Health Service Act is amended by adding after the section added by section 203 of this title the following new section:

"NATIONAL DIGESTIVE DISEASES ADVISORY BOARD

"SEC. 440D. (a) The Secretary shall establish a National Digestive Diseases Advisory Board (hereinafter referred to as the 'Board') to be composed of twenty-one members as follows:

"(1)(A) Six members shall be appointed by the Secretary from individuals who, in accordance with this subparagraph, are scientists, physicians, and other health professionals, who are not employed by the Federal Government, and who represent the specialties and disciplines relevant to digestive diseases. Of the members appointed under this subparagraph, two shall be individuals engaged primarily in basic biomedical research relevant to the gastrointestinal tract, two shall be individuals engaged primarily in the treatment and study of diseases of the gastrointestinal tract, one shall be an individual engaged in the treatment and study of diseases of the liver and biliary tract, and one shall be an individual engaged primarily in the practice and study of pediatric gastroenterology.

"(B) One member shall be appointed by the Secretary from individuals who are nurses, public health personnel, or members of the allied health professions, who are not employed by the Federal Government, and who have training or experience in the treatment of digestive diseases.

"(2) One member shall be appointed by the Secretary from individuals with an interest in digestive diseases and who, as a group, have knowledge and experience in the fields of medical education, health education, and public information and who are not employed by the Federal Government.

"(3) One member shall be appointed by the Secretary from individuals who are members of the National Arthritis, Metabolism, and Digestive Diseases Advisory Council and who are experts in the field of digestive diseases.

"(4) Four members shall be appointed by the Secretary from the general public. At least two of such members shall be individuals who have experienced significant personal or family involvement with digestive diseases.

"(5) The following shall be nonvoting, ex officio members: The Assistant Secretary for Health or his designee, the Director of the National Institutes of Health or his designee, the Director of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the Director of the Division of Digestive Diseases of the National Institute of Arthritis, Metabolism, and Digestive Diseases, the Director of the National Cancer Institute or his designee, the Director of the National Institute of Allergy and Infectious Diseases or his designee, the Director of the National Institute of Alcohol Abuse and Alcoholism or his designee, and the Chief Medical Director of the Veterans' Administration or his designee.

"(b) The members of the Board shall select a chairperson from among the appointed members.

"(c) The Secretary shall, after consultation with and consideration of the recommendations of the Board, provide the Board with (1) an Executive Secretary and two clerical staff members and (2) such administrative support services and facilities, such information, and such services of consultants, as the Secretary determines are necessary for the Board to carry out its functions.

"(d) Members of the Board who are not employees of the Federal Government shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule for each day including traveltime they are engaged in the performance of their duties as members of the Board. While away from their homes or regular places of business in the performance of services for the Board, members shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5 of the United States Code.

"(e) The appointed members of the Board shall be appointed to serve until the expiration of the Board (as provided in subsection (h).

"(f) The Board shall—

"(1) review, evaluate, and advise on the coordination of Federal agencies' efforts in digestive diseases in the implementation of the long-range plan of the National Commission on Digestive Diseases under section 301(g)(2) of the Arthritis, Diabetes, and Digestive Disease Amendments of 1976 (42 U.S.C. 289a note);

"(2) maintain liaison with other advisory bodies related to Federal agencies, involved in the implementation of such long-range plan, the Coordinating Committee for Digestive Diseases, and with key non-Federal bodies involved in activities affecting the control of digestive diseases;

"(3) develop recommendations for the implementation of such long-range plan;

"(4) hold regular quarterly meetings and provide an annual report to the Secretary and to the Congress dealing with the progress of such long-range plan, including a summary and analysis of expenditures and implementation by the Federal Government of such plan.

In carrying out its duties the Board may appoint subcommittees, appoint consultants, convene workshops and conferences, and collect data.

"(g) There are authorized to be appropriated to carry out the purposes of this section $300,000 for the fiscal year ending September 30, 1980, $300,000 for the fiscal year ending September 30, 1981, and $300,000 for the fiscal year ending September 30, 1982.

"(h) The Board shall terminate on September 30, 1982.".

(b) The Secretary of Health, Education, and Welfare shall establish the National Digestive Diseases Advisory Board prescribed by section 440D of the Public Health Service Act (as added by subsection (a)) not later than the ninetieth day after the date of the enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. CARTER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. WAXMAN) will be recognized for 20 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the measure before us today consists of the complete text of two committee-passed bills, H.R. 3641, to extend for 3 fiscal years the expiring health information programs under title XVII of the Public Health Service Act (as title I), and H.R. 1650, the National Digestive Diseases Prevention, Cure, and Control Act (as title II).

Title I of H.R. 3641, as presented for consideration under suspension of the rules, provides a 3-year simple extension for all authorities under title XVII of the Public Health Service Act. Authorizations for the general purpose functions of health information and health promotion are made in the amounts of $14, $15, and $16 million for fiscal years 1980, 1981, and 1982, respectively. These authorizations and subsequent appropriations will support programs of health information and health promotion designed to prevent illness and to allow informed decisionmaking about one's own health status. The cost-benefit ratios of such programs are obvious, especially when the alternatives of subsequent more costly therapy and institutional care are considered.

Authorizations of appropriations are also included for fiscal year 1982 for programs of physical fitness and sports medicine to assure that all authorities under title XVII expire (and are thus considered for reauthorization) at the same time; $6 million is authorized for programs of physical fitness for fiscal year 1982; $1.5 million is authorized for sports medicine research.

Title I of this measure would also redesignate the HEW office responsible for program activities under title XVII as the Office of Health Promotion. In addition, under the Community Mental Health Centers Act, title I of this measure provides authorizations of appropriations for $20 million for grants for consultation and education services and $25 million for financial distress grants for fiscal year 1980. These authorizations are needed to complete 2-year program funding for community mental health centers partially addressed by title I of Public Law 95–622 (the Community Mental Health Centers Extension Act of 1978) passed on the last night of the 95th Congress.

Title II of H.R. 3641, as presented for consideration under suspension of the Rules, contains the provisions of H.R. 1650, as reported by the Committee on Interstate and Foreign Commerce. Title II amends the Public Health Service Act to establish a National Digestive Diseases Education and Information Clearinghouse, to establish education and training programs in digestive diseases, and to establish a National Digestive Diseases Advisory Board.

Mr. Speaker, recognizing the urgent need to address the enormous costs and human suffering associated with digestive diseases, Congress in 1976 passed Public Law 94–562 creating the National Commission on Digestive Diseases. On January 31 of this year, the Commission brought a number of extremely serious findings to the attention of Congress and our subcommittee. We learned that digestive diseases rank third in the total economic burden of illness in this country. Last year, digestive diseases accounted for up to $17 billion in direct medical costs and $35 billion in economic loss. Digestive diseases in the United State account for: 10 percent of the total days of illness among adults; 15 percent of all admissions to general hospitals; 25 percent of all surgical operations (excluding tonsillectomies), and 190,000 deaths per year.

Mr. Speaker, despite the severe economic and social burden of these illnesses, less than 3 percent of the total National Institutes of Health budget is spent on digestive diseases. At a time when health care costs are skyrocketing, we cannot afford to continue to ignore a group of diseases responsible for such immense social costs.

In response to their congressional mandate, the National Commission on Digestive Diseases developed a long-range plan to combat and prevent these diseases. Title II of this measure appropriately focuses on what the committee regards as three of the most important recommendations of the National Commission.

First, the National Digestive Diseases Education and Information Clearinghouse will actively develop and disseminate information aimed at disease prevention to patients with digestive diseases, their families, physicians, and other health professionals, and the general public. The success of similar programs in hypertension provides a model for this approach. Second, a modest program to strengthen education and training in digestive diseases will be developed to insure that health professionals entering primary care are provided much needed education about digestive diseases. A similar program for strengthening undergraduate and postgraduate training in pulmonary diseases has had clearly demonstrated success. Finally, a National Digestive Diseases Advisory Board will be established to strongly coordinate both Federal and non-Federal efforts related to the control of digestive diseases. A strong need for this provision was clearly documented in hearings before the subcommittee. As you can see, title II of this measure deals with disease prevention, patient education, teaching and planning—all of which are measures with a tremendous potential for ultimately reducing economic costs and human suffering from digestive diseases.

The provisions of this title have received unanimous support from professional and community groups representing millions of persons. It authorizes a modest expenditure of $1.66 million for fiscal year 1980, and provides a total 3-year authorization of $5.665 million. I am sure we all recognize that this is a small sum indeed for such an important and potentially cost-saving program.

Mr. Speaker, I urge my colleagues to join me in suspending the rules and passing this important public health measure.

□ 1240

Mr. CARTER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, I rise in opposition to the bill H.R. 1650, now under consideration. Like everyone else, I am concerned about digestive diseases, but this measure will cost some $5.67 million when we already have programs in place to deal with the problems. If we are ever to get inflation under control, and relieve the digestive distress it brings to the American taxpayer and consumer, we cannot go on approving superfluous measures, no matter how small the authorization or how worthwhile the cause.

For those who might still have doubts about the duplicative nature of this program, I would refer them to the May 8 testimony of Dr. G. Donald Whedon, Director of the National Institute of Arthritis, Metabolism and Digestive Diseases before the Subcommittee on Health and the Environment. At that time, I asked Dr. Whedon if the recommendations of the Commission on Digestive Diseases relative to the establishment of a National Clearinghouse of Digestive Diseases could be served by his organization. His answer was, and I quote:

> Yes, that is correct, except that I would indicate that we would have some hesitation in proceeding in this direction with the present resources that we have.

Dr. Whedon also pointed out: First, that the National Institutes of Health and the National Library of Medicine already disseminate the latest information on digestive diseases to physicians and the public; second, that medical schools have access to Federal data already; and third, that HEW already has boards that can carry out the functions of the proposed National Advisory Board. With all this, why do we need yet another commission or board?

Mr. Speaker, $5.67 million may not seem like a lot of money but there are a lot of bills like this that come along and they all add up. Much as we might like to be all things to all men, we simply cannot afford it. Perhaps, after the budget is balanced, and inflation brought in check, additional funding for digestive diseases can be contemplated; right now, with inflation running at 13–14 percent, it is the wrong approach at the wrong time.

Mr. CARTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly support H.R. 3641, as amended, and urge that it be favorably considered by my distinguished colleagues.

This legislation combines two important public health bills that were reported from our committee earlier this year.

Title 1 of H.R. 3641, as amended, extends for 3 years the expiring health information and health promotion authorities under title 17 of the Public Health Service Act. Also included are conforming authorizations for the community mental health centers program.

Title 2 of H.R. 3641, as amended contains the "National Digestive Diseases Prevention—Cure—and Control Act" is based on the recommendations of a congressionally mandated commission on digestive diseases. Seventy-one Members of the House have joined as cosponsors of this act which I introduced in January of this year.

Mr. Chairman, I would like to take just a few minutes to describe the provisions of these two titles, and why they are so important.

Title 1 of the bill continues authority that was enacted in 1976, for HEW to carry out health information and health promotion activities, under Public Law 94–317.

The purpose of that statute is to provide Federal leadership in the areas of health promotion and disease prevention, and to coordinate such activities within the Federal Government.

The law also provides authority for HEW to award contracts and grants for community-based programs, for information programs, and for research programs, that involve health promotion activities. Thus, this law is also designed to encourage and support effective health promotion strategies throughout the country.

And the value of the health promotion and health information activities cannot be overstated.

We know that preventive measures can be effective in many instances to reduce the burden of illness, and to improve the quality of life, and I believe we should do all we can to encourage further efforts in this field.

For example, as a result of a 2-year program in Stanford, Calif., there was a 30-percent reduction in the overall risk of heart disease.

This reduction was brought about through an intensive information campaign, which informed individuals about certain risk factors, and which led to changes in individual behavior, such as reduced consumption of saturated fats.

And the success of this program and others like it, can be measured in at least two ways.

Not only is there an improvement in health status but we find that preventive health measures also can help reduce the costs of health care over the long run.

In my view this legislation represents a small but important investment in efforts to enhance the quality of life through better health for all Americans—through programs to reduce preventable death and disability.

Mr. Speaker, title 2 of the suspension bill is intended to help prevent and control diseases of the digestive tract, which have a tremendous impact on society. One of the reasons why we have a digestive diseases bill today is because a national commission authorized by Congress did so advise the Congress. That is one of the reasons.

Another reason, Mr. Speaker, is that we have 20 million people in the United States today suffering from digestive diseases. We know that digestive diseases account for 15 percent of all admissions to general hospitals. Further, we know that 12 percent of all admissions to Veterans' Administration hospitals are caused by digestive diseases. Not only that, we know that digestive diseases cost this country in direct medical costs alone $17 billion, and a total economic cost of $35 billion.

For that reason it was thought by the Digestive Diseases Commission that we should do something about this terrible series of diseases. I want to mention some of the conditions which are included in this category of disease. For instance, peptic ulcer, gastrointestinal spastic colon, esophagitis, hiatal hernia, cancer of the digestive organs, biliary atresia, certain congenital disorders, duodenal ulcers, and pancreatitis. All of these various diseases are the target of this legislation which is designed to provide a coordinated national effort to control these conditions and alleviate the suffering of millions of Americans. Not much money is required to finance the three portions of this legislation, and its objectives are indeed worthy of support.

Specifically, the bill contains three provisions:

First, it would establish a national digestive diseases education and information clearinghouse.

This clearinghouse would identify, collect, analyze, and disseminate information about digestive diseases and serve as a national educational resource for patients, health professionals, and the general public.

The committee believes that the clearinghouse approach can have a measurable impact on health status in light of the success of the hypertension clearinghouse, and various witnesses endorsed this provision.

Second, the bill authorizes funds for grants to improve education and training in digestive diseases that can be awarded to schools of medicine, allied health, nursing, and public health.

Again, testimony before our subcommittee documented the fact that there are very few adequately trained health professionals in this field. Only 3 percent of the academic physiologists in our medical schools have a primary interest in digestive physiology.

Finally, the bill provides for the establishment of a National Digestive Diseases Advisory Board.

This advisory Board would be responsible for coordinating the efforts of both Federal and non-Federal activities with respect to digestive diseases. The Commission would help to provide overall guidance of the national effort to combat digestive diseases and to assure effective long-range planning which has been sorely lacking.

My friends, this is a good piece of legislation. I strongly support it. I trust that by means of this bill we will find the cause of diseases such as chronic ulcerative colitis for which there is no known cause or cure, and which often results in death and certainly grave disability. This is one of the many digestive diseases that afflict our citizens. To say that this legislation is not necessary really is begging the question. It is very necessary—extremely necessary—to find the causes of and treatment for these various diseases. If we could eliminate just one-half of the absenteeism that is caused by digestive diseases then we could save the country billions of dollars. Clearly the potential for cost-savings is very great.

Mr. Speaker, the total authorization of the digestive diseases title is less than $6 million over a 3-year period.

Clearly, in view of the tremendous economic and social impact of these diseases on our society, this authorization is a small but important investment toward control of a very major disease category.

At this time—I would like to thank the 71 Members of the House who have joined as cosponsors of this act, and I wholeheartedly encourage the other distinguished colleagues in the House to join with us.

Mr. Speaker, I strongly support this legislation, as amended, and I urge its passage.

I reserve the balance of my time.

A brief summary follows:

SUMMARY

H.R. 3641—AS AMENDED

Title I (formerly, H.R. 3641—Health information and health promotion)

(1) amends title XVII of the Public Health Service Act to extend for 3 fiscal years expiring health information and health promotion authorities—enacted by Public Law 94–317.

Authorizes: $14 million, $15 million, $16 million for FY 80–FY 82.

(2) includes authorizations as follows for the Community Mental Health Centers program to complete the 2-year extension program for C.M.H.C. partially addressed by Public Law 95–622:

Consultation and Education: $20 million—FY 1980.

Financial Distress: $25 million—FY 1980.

Title II (formerly, H.R. 1650—Digestive Diseases Prevention, Cure, and Control Act)

(1) Establishes a National Digestive Diseases Information Clearinghouse.

(2) Authorizes grants to improve education and training in digestive diseases to schools of medicine, allied health, nursing, and public health.

(3) Establishes a National Digestive Diseases Advisory Board.

(4) Three-year authorization = $5.66 million based on recommendations of National Commission on Digestive Diseases.

Authorizations: Title I: Fiscal 1980, $56 million; 3-year total $94.5 million.

Title II: Fiscal 1980, $1.66 million; 3-year total, $5.665 million.

Total: Fiscal 1980, $57.66 million; 3 years, $100.165 million.

Mr. WAXMAN. Mr. Speaker, I would like to pay special tribute to our distinguished colleague, the ranking Republican member of the committee, Dr. TIM LEE CARTER, for his efforts in the digestive diseases bill. The Commission that made the recommendations, part of which are now encompassed in this legislation, was originally created by legislation authored by Dr. CARTER.

I just want to set the record straight about the claims of where the administration stands on this legislation. We sent to all agencies of the executive branch a request for their position on this legislation, and did not receive any statement at all; certainly, no statement in opposition to the bill. We did have testimony on the legislation from Dr. Donald Whedon, director of the National Institutes of Health Department of Metabolism and Digestive Diseases. He indicated that he was in basic agreement on the principles of what needs to be done and the objectives of the legislation. He did, however, express some concern about the ability of his Institute to conduct these as well as other worthwhile and needed programs, given a shrinking research budget.

I believe that with the authorization of a very modest sum of money and the appropriations which have been appropriated by this House, which has taken into consideration the fact that legislation such as this was coming through, we are giving a clear signal and indication that we want higher priority than is now being given for these diseases which take such a heavy toll.

Both titles in this legislation try to address health care problems in a way that seeks to prevent serious suffering and lengthy and costly hospital stays and other costs that are going to come back and be more of a problem to us from a fiscal economic perspective.

Mr. Speaker, I have no further requests for time.

Mr. CARTER. Mr. Speaker, I wish to compliment the distinguished chairman for his work on this legislation, and thank him for his very kind remarks.

Mr. Speaker, I urge passage of the bill.

● Mr. STAGGERS. Mr. Speaker, I rise in support of the bill, H.R. 3641, with amendments.

The measure before us at this time contains the text of two important committee-passed bills, the extension of assistance for programs of health information and health promotion and the National Digestive Diseases Prevention, Cure, and Control Act. This measure stresses the importance of preventive health activities to provide a better informed citizenry in the area of decisionmaking concerning their own health and lifestyles, and in containing staggering health care costs by obviating the need for costly secondary and tertiary health care.

I commend the chairman, ranking minority member, and all the members of the subcommittee who worked so diligently on this prevention-oriented measure.

I urge my colleagues to join me in voting to suspend the rules and pass this legislation.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill H.R. 3641, as amended.

The question was taken.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

TECHNICAL CORRECTIONS ACT OF 1979

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2797) to make technical corrections related to the Revenue Act of 1978, as amended.

The Clerk read as follows:

H.R. 2797

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Technical Corrections Act of 1979".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. COORDINATION OF ENACTMENT DATES OF REVENUE ACT OF 1978 AND ENERGY TAX ACT OF 1978.

The Revenue Act of 1978 is amended by inserting after section 3 the following new section:

"SEC. 4. COORDINATION OF ENACTMENT DATES WITH ENERGY TAX ACT OF 1978.

"For purposes of applying the amendments made by this Act to sections 46 and 48 of the Internal Revenue Code of 1954, the Energy Tax Act of 1978 shall be deemed to have been enacted immediately before this Act."

TITLE I—AMENDMENTS RELATED TO REVENUE ACT OF 1978

SEC. 101. AMENDMENTS RELATED TO TITLE I.

(a) GENERAL RULE.—

(1) AMENDMENTS RELATED TO SECTION 104 OF THE ACT.—Subparagraph (C) of section 43(c)(1) (relating to individual entitled to exclude income under section 911 not eligible individual) is amended to read as follows:

"(C) INDIVIDUAL WHO CLAIMS BENEFITS OF 911, 913, OR 931 NOT ELIGIBLE INDIVIDUAL.—The term 'eligible individual' does not include an individual who, for the taxable year, claims the benefits of—

"(i) section 911 (relating to income earned by individuals in certain camps outside the United States),

"(ii) section 913 (relating to deduction for certain expenses of living abroad), or

"(iii) section 931 (relating to income from sources within possessions of the United States)."

(2) AMENDMENTS RELATED TO SECTION 105 OF THE ACT.—

(A) PAYMENTS TREATED AS EARNED INCOME FOR AFDC.—Section 402 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) For purposes of paragraphs (7) and (8) of subsection (a), any refund of Federal income taxes made by reason of section 43 of the Internal Revenue Code of 1954 (relating to earned income credit) and any payment made by an employer under section 3507 of such Code (relating to advance payment of earned income credit) shall be considered earned income."

(B) PAYMENT TREATED AS EARNED INCOME FOR SSI.—Section 1612(a)(1) of the Social Security Act is amended—

(i) by striking out "and" at the end of subparagraph (A); and

(ii) by adding after subparagraph (B) the following new subparagraph:

"(C) any refund of Federal income taxes made by reason of section 43 of the Internal Revenue Code of 1954 (relating to earned income credit) and any payment made by an employer under section 3507 of such Code (relating to advance payment of earned income credit); and".

(C) EFFECTIVE DATE FOR ADVANCE PAYMENT OF EARNED INCOME CREDIT.—Paragraph (2) of section 105(g) of the Revenue Act of 1978 (relating to effective date for advance payment of earned income credit) is amended by striking out "June 30, 1978" and inserting in lieu thereof "June 30, 1979".

(D) CLERICAL AMENDMENT.—Subsection (h) of section 43 (relating to coordination with advance payments of earned income credit) is redesignated as subsection (g).

(3) AMENDMENT RELATED TO SECTION 112 OF THE ACT.—Paragraph (8) of section 128(a) (relating to cross references) is amended by striking out "benefits, see" and inserting in lieu thereof "benefits which are not includible in gross income under section 85,".

(4) AMENDMENT RELATED TO SECTION 131 OF THE ACT.—Subparagraph (8) of section 457 (d)(9) (relating to application to rural electric cooperatives of rules for eligible State deferred compensation plans) is amended to read as follows:

"(B) RURAL ELECTRIC COOPERATIVE DEFINED.—For purposes of subparagraph (A), the term 'rural electric cooperative' means—

"(i) any organization which is exempt from tax under section 501(a) and which is engaged primarily in providing electric service on a mutual or cooperative basis, and

"(ii) any organization described in paragraph (4) or (6) of section 501(c) which is exempt from tax under section 501(a) and at least 80 percent of the members of which are organizations described in clause (i)."

(5) AMENDMENTS RELATED TO SECTION 134 OF THE ACT.—

(A) EMPLOYMENT REQUIREMENT.—Subparagraph (B) of section 125(g)(3) (relating to certain participation eligibility rules not treated as discriminatory) is amended by striking out "service requirement" each place it appears and inserting in lieu thereof "employment requirement".

(B) EFFECTIVE DATE.—Subsection (c) of section 134 of the Revenue Act of 1978 is amended by striking out "taxable years" and inserting in lieu thereof "plan years".

(6) AMENDMENTS RELATED TO SECTION 141 OF THE ACT.—

(A) AMENDMENT TO ANTI-FLOW-THROUGH RULES.—Paragraph (9) of section 46(f) (relating to special rule for additional credit) is amended—

(i) by striking out "subparagraph (B) of subsection (a)(2)" each place it appears and inserting in lieu thereof "subparagraph (E) of subsection (a)(2)", and

(ii) by striking out "an employee stock ownership plan which meets the requirements of section 301(d) of the Tax Reduction Act of 1975" in subparagraph (A) and inserting in lieu thereof "an ESOP which meets the requirements of section 409A".

(B) CLARIFICATION OF EFFECTIVE DATE.—Section 141 of the Revenue Act of 1978 (relating to ESOPS) is amended by striking out subsection (g) and inserting in lieu thereof the following new subsections:

"(g) EFFECTIVE DATES FOR ESOPS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection and subsection (h), the amendments made by this section shall apply with respect to qualified investment for taxable years beginning after December 31, 1978.

"(2) ELECTION TO HAVE AMENDMENTS APPLY DURING 1978.—At the election of the taxpayer, paragraph (1) shall be applied by substituting 'December 31, 1977' for 'December 31, 1978'. An election under the preceding sentence shall be made at such time and in such manner as the Secretary of the Treasury or his delegate shall prescribe. Such an election, once made, shall be irrevocable.

"(3) VOTING RIGHT PROVISIONS.—Section 409A(e) of the Internal Revenue Code of 1954 (as added by subsection (a)) shall apply to plans to which section 409A of such Code applies, beginning with the first day of such application.

"(4) RIGHT TO DEMAND EMPLOYER SECURITIES, ETC.—Paragraphs (1)(A) and (2) of section 409A(h) of the Internal Revenue Code of 1954 (as added by subsection (a)) shall apply to distributions after December 31, 1978, made by a plan to which section 409A of such Code applies.

"(5) ELECTION TO HAVE NEW PUT OPTION RULE APPLY.—The employer may elect to treat section 409A(h)(1)(B) of the Internal Revenue Code of 1954 (as added by subsection (a)) as applying to employer securities in a plan to which section 409A of such Code applies which are attributable to qualified investment for taxable years beginning before January 1, 1979. Such an election, once made, may be revoked only with the consent of the Secretary of the Treasury or his delegate.

"(6) SUBSECTION (f)(7).—The amendment made by subsection (f)(7) shall apply to years beginning after December 31, 1978.

"(7) RETROACTIVE APPLICATION OF AMENDMENT MADE BY SUBSECTION (d).—In determining the regular tax deduction under section 56(c) of the Internal Revenue Code of 1954 for any taxable year beginning before January 1, 1979, the amount of the credit allowable under section 38 of such Code shall be determined without regard to section 46(a)(2)(B) of such Code (as in effect before the enactment of the Energy Tax Act of 1978).

"(h) EFFECTIVE DATES FOR LESOPS.—Paragraphs (5) and (6) of subsection (f) shall apply—

"(1) insofar as they make the requirements of subsections (e) and (h)(1)(B) of section 409A of the Internal Revenue Code of 1954 applicable to section 4975 of such Code, to stock acquired after December 31, 1979, and

"(2) insofar as they make paragraphs (1)(A) and (2) of section 409A(h) of such Code applicable to such section 4975, to distributions after December 31, 1979."

(C) DEFINITION OF QUALIFYING EMPLOYER SECURITY FOR LEVERAGED EMPLOYEE STOCK OWNERSHIP PLAN.—The first sentence of paragraph (8) of section 4975(e) (defining qualifying employer security) is amended to read as follows:

"The term 'qualifying employer security' means any employer security within the meaning of section 409A(l)."

(D) NONRECOGNITION OF GAIN ON CONTRIBUTION TO ESOP.—Subsection (m) of section 409A (relating to contributions of stock of controlling corporation) is amended to read as follows:

"(m) NONRECOGNITION OF GAIN OR LOSS ON CONTRIBUTION OF EMPLOYER SECURITIES TO ESOP.—No gain or loss shall be recognized to the taxpayer with respect to the transfer of employer securities to an ESOP maintained by the taxpayer to the extent that such transfer is required under subparagraph (A) or (B) of section 48(n)(1)."

(E) LESOPS MAY DISTRIBUTE CASH IN CERTAIN CASES.—Paragraph (2) of section 409A (h) (relating to allowing plan to distribute cash in certain cases) is amended by inserting "or of section 4975(e)(7)" after "the requirements of this section".

(F) MATCHED EMPLOYER AND EMPLOYEE CONTRIBUTIONS MUST STAY IN PLAN.—Subsection (d) of section 409A (relating to employer securities must stay in plan) is amended by inserting "or allocated to a participant's account in connection with matched employer and employee contributions)" after "under subsection (b)".

(G) CLERICAL AMENDMENTS.—

(i) Subparagraph (E) of section 46(a)(2) is amended by inserting "and ending on" before "December 31, 1983" each place it appears.

(ii) Subparagraph (B) of section 48(n)(2) is amended by adding "and" at the end of clause (i), by striking out clause (ii), and by redesignating clause (iii) as clause (ii).

(iii) Paragraph (5) of section 48(o) is amended by inserting "percentage" after "attributable to the matching ESOP".

(7) AMENDMENT RELATED TO SECTION 142 OF THE ACT.—Subsection (c) of section 691 (relating to deduction for estate tax) is amended by adding at the end thereof the following new paragraph:

"(5) COORDINATION WITH SECTION 402(e).—For purposes of section 402(e) (other than paragraph (1)(D) thereof), the total taxable amount of any lump sum distribution shall be reduced by the amount of the deduction allowable under paragraph (1) of this subsection which is attributable to the total taxable amount (determined without regard to this paragraph)."

(8) AMENDMENT RELATED TO SECTION 143 OF THE ACT.—Subparagraph (B) of section 401(a)(22) is amended by striking "as securities" and inserting in lieu thereof "are securities".

(9) AMENDMENTS RELATED TO SECTION 152 OF THE ACT.—

(A) CERTAIN EMPLOYEES MAY BE EXCLUDED.—Paragraph (2) of section 408(k) (relating to participation requirements for simplified employee pension) is amended by adding at the end thereof the following new sentence: "For purposes of this paragraph, there shall be excluded from consideration employees described in subparagraph (A) or (C) of section 410(b)(2)."

(B) CONTRIBUTIONS UNDER SIMPLIFIED EMPLOYEE PENSION NOT SUBJECT TO FICA OR FUTA TAXES.—

(i) FICA TAX.—Paragraph (5) of section 3121(a) (defining wages) is amended by striking out "or" at the end of subparagraph (B), by striking out the semicolon at the end of subparagraph (C) and inserting in lieu thereof ", or", and adding at the end thereof the following new subparagraph:

"(D) under a simplified employee pension if, at the time of the payment, it is reasonable to believe that the employee will be entitled to a deduction under section 219 for such payment;".

(ii) FUTA TAX.—Paragraph (5) of section 3306(b) (defining wages) is amended by striking out "or" at the end of subparagraph (B), by striking out the semicolon at the end of subparagraph (C) and inserting in lieu thereof ", or", and by adding at the end thereof the following new subparagraph:

"(D) under a simplified employee pension if, at the time of the payment, it is reasonable to believe that the employee will be entitled to a deduction under section 219 for such payment;".

(C) Correction of certain excess contributions.—Subparagraph (A) of section 408(d)(5) (relating to certain distributions of excess contributions after due date for taxable year) is amended by adding at the end thereof the following new sentence:

"If employer contributions on behalf of the individual are paid for the taxable year to a simplified employee pension, the dollar limitation of the preceding sentence shall be increased by the lesser of the amount of such contributions or $7,500."

(D) Clarification of section 219(b)(7).—Paragraph (7) of section 219(b) (relating to simplified employee pensions) is amended to read as follows:

"(7) Special rules in case of simplified employee pensions.—

"(A) Limitation.—If there is an employer contribution on behalf of the employee to a simplified employee pension, the limitation under paragraph (1) shall be the lesser of—

"(i) 15 percent of the compensation includible in the employee's gross income for the taxable year (determined without regard to the employer contribution to the simplified employee pension), or

"(ii) the sum of—

"(I) the amount contributed by the employer to the simplified employee pension and included in gross income (but not in excess of $7,500), and

"(II) $1,500, reduced (but not below zero) by the amount described in subclause (I).

"(B) Certain limitations do not apply to employer contribution.—Paragraphs (2) and (3) shall not apply with respect to the employer contribution to a simplified employee pension.

"(C) Special rule for applying subparagraph (A)(ii).—In the case of an employee who is an officer, shareholder, or owner-employee described in section 408 (k)(3), the $7,500 amount specified in subparagraph (A)(ii)(I) shall be reduced by the amount of tax taken into account with respect to such individual under subparagraph (D) of section 408(k)(3)."

(E) Coordination with plan for shareholder-employees.—Paragraph (4) of section 404(h) (relating to effect on self-employed individuals) is amended—

(i) by inserting "or described in section 1379(b)(1)" after "of subsection (e)",

(ii) by inserting "or a shareholder-employee (as defined in section 1379(d))" after "section 401(c)(1)", and

(iii) by striking out "self-employed individuals" in the paragraph heading and inserting in lieu thereof "self-employed individuals or shareholder-employees".

(F) Coordination with section 401(j).—Subsection (k) of section 408 (defining simplified employee pension) is amended—

(i) by striking out "and (5)" in paragraph (1) and inserting in lieu thereof "(5), and (6)",

(ii) by redesignating paragraph (6) as paragraph (7), and

(iii) by inserting after paragraph (5) the following new paragraph:

"(6) Employer may not maintain plan to which section 401(j) applies.—The requirements of this paragraph are met with respect to a simplified employee pension for a calendar year unless the employer maintains during any part of such year a plan—

"(A) some or all of the active participants in which are employees (within the meaning of section 401(c)(1) or shareholder-employees (as defined in section 1379(d)), and

"(B) to which section 401(j) applies."

(G) Clerical amendments.—

(i) Subsection (j) of section 408 is amended by inserting "and" at the end of paragraph (1), by striking out ", and" at the end of paragraph (2) and inserting in lieu thereof a period, and by striking out paragraph (3).

(ii) Paragraphs (2), (3), and (4) of section 404(h) are each amended by striking out "subparagraph (1)" each place it appears and inserting in lieu thereof "paragraph (1)".

(iii) Paragraph (2) of section 152(g) of the Revenue Act of 1978 is amended by striking out "section 415(b)(2)" and inserting in lieu thereof "section 415(a)(2)".

(10) Amendments related to section 153 of the act—

(A) Waiver of section 415(b)(1)(B) limitation does not apply where participant is also a participant of another qualified plan.—Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by inserting after the second sentence the following new sentence:

"This paragraph shall not apply to a participant for any period for which he is a participant under another plan to which this section applies which is maintained by an employer maintaining this plan."

(B) Formula for determining benefits in the case of section 415(b)(7) plans.—Subparagraph (C) of section 415(b)(7) is amended to read as follows:

"(C) under which benefits are determined solely by reference to length of service, the particular years during which service was rendered, age at retirement, and date of retirement,"

(11) Amendment related to section 154 of the act.—Subparagraph (A) of section 403(b)(7) is amended by striking out "which satisfied" and inserting in lieu thereof "which satisfies".

(12) Amendment related to section 156 of the act.—

(A) Effective date.—Subsection (d) of section 156 of the Revenue Act of 1978 (relating to effective date for provision allowing rollover of section 403(b) annuities) is amended by striking out "December 31, 1978" and inserting in lieu thereof "December 31, 1977".

(B) Transitional rule for making section 403(b)(8) rollover in the case of payments during 1978.—In the case of any payment made during 1978 in a qualifying distribution described in section 403(b)(8) of the Internal Revenue Code of 1954, the applicable period specified in section 402(a)(5) (C) of such Code shall not expire before the close of December 31, 1980.

(C) Clerical amendments.—Sections 403 (b)(1) and 4973(c)(1) are each amended by striking out "409(d)(3)(C)", and inserting in lieu thereof "409(b)(3)(C)".

(13) Amendments related to section 157 of the act.—

(A) Effective date for removal of certain requirements.—Paragraph (3) of section 157 (h) of the Revenue Act of 1978 is amended by striking out "the amendments made by this section" each place it appears and inserting in lieu thereof "the amendments made by this subsection".

(B) Conforming amendments for spousal rollovers.—Section 219(b)(4), 220(b)(5), 408(a)(1), 409(a)(4), and 4973(b)(1)(A) are each amended by inserting "402(a)(7)," after "section 402(a)(5),".

(C) Spousal rollovers.—Clause (i) of section 402(a)(7)(A) is amended to read as follows:

"(i) any portion of a qualifying rollover distribution attributable to an employee is paid to the spouse of the employee after the employee's death,".

(D) Extension of transitional rule.—Subparagraph (B) of section 157(h)(3) of the Revenue Act of 1978 (relating to transitional rule for removal of certain requirements) is amended—

(i) by striking out "any payment" and inserting in lieu thereof "any payment made during 1978", and

(ii) by striking out "December 31, 1978" and inserting in lieu thereof "December 31, 1980".

(E) Clerical amendments.—

(i) Clause (iii) of section 402(a)(6)(D) (relating to sales of distributed property) is amended by striking out "many designate" and inserting in lieu thereof "may designate".

(ii) Subparagraph (B) of section 408(d) (5) is amended by striking out all that follows clause (i) and inserting in lieu thereof the following:

"(ii) the information was erroneous, subparagraph (A) shall be applied by increasing the dollar limit set forth therein by that portion of the excess contribution which was attributable to such information."

(b) Effective Dates.—

(1) Special effective dates.—

(A) Subsection (a)(1).—The amendment made by subsection (a)(1) shall apply to taxable years beginning after December 31, 1977.

(B) Subsection (a)(2).—The amendments made by subparagraphs (A) and (B) of subsection (a)(2) shall apply to payments for months beginning after December 31, 1979.

(C) Definition of qualifying employer securities.—The amendment made by subparagraph (C) of subsection (a)(6) shall apply to stock acquired after December 31, 1979.

(D) Coordination with section 691.—The amendment made by subsection (a)(7) shall apply with respect to the estates of decedents dying after the date of the enactment of this Act.

(E) Contributions under simplified employee pension.—The amendments made by subparagraph (B) of subsection (a)(9) shall apply to payments made on or after January 1, 1979.

(2) General effective date.—

For general effective date, see section 201.

Sec. 102. Amendments Related to Title II.

(a) General Rule.—

(1) Amendments related to subtitle A of title II of the act.—

(A) Stock ownership rules.—Subsection (a) of section 465 (relating to deductions limited to amount at risk) is amended—

(i) by striking out "(determined by reference to the rules contained in section 318 rather than under section 544)" in paragraph (1)(C), and

(ii) by adding at the end thereof the following new paragraph:

"(3) Special rules for applying paragraph (1)(C).—For purposes of paragraph (1)(C)—

"(A) section 544(a)(2) shall be applied as if such section did not contain the phrase 'or by or for his partner'; and

"(B) sections 544(a)(4)(A) and 544(b)(1) shall be applied by substituting 'the corporation meet the stock ownership requirements of section 542(a)(2)' for 'the corporation a personal holding company'."

(B) Clarification of rules for recapture of losses where amount at risk is less than zero.—Subsection (d) of section 465 (defining loss) is amended by inserting before the period at the end thereof the following: "(determined without regard to subsection (e)(1)(A))".

(C) Clarification of limitation on recapture of losses.—Subparagraph (A) of section 465(e)(2) (relating to limitation on recapture of losses where amount at risk is less than zero) is amended by inserting "by reason of losses" after "with respect to the activity".

(D) Exclusion for certain equipment leasing by closely-held corporations.—

(i) Subsection (c) of section 465 (relating to deductions limited to amount at risk) is amended by adding at the end thereof the following new paragraphs:

"(4) Exclusion for certain equipment leasing by closely-held corporations.—

"(A) In general.—In the case of a corporation described in subsection (a)(1)(C) actively engaged in equipment leasing—

"(i) the activity of equipment leasing shall be treated as a separate activity, and

"(ii) subsection (a) shall not apply to losses from such activity.

"(B) 50-percent gross receipts test.—For purposes of subparagraph (A), a corporation shall not be considered to be actively engaged in equipment leasing unless 50 percent or more of the gross receipts of the corporation for the taxable year is attributable, under regulations prescribed by the Secretary, to equipment leasing.

"(C) Component members of controlled group treated as a single corporation.—For purposes of subparagraph (A), the component members of a controlled group of corporations shall be treated as a single corporation.

"(5) Waiver of controlled group rule where there is substantial leasing activity.—

"(A) In general.—In the case of the component members of a qualified leasing group, paragraph (4) shall be applied—

"(i) by substituting '80 percent' for '50 percent' in subparagraph (B) thereof, and

"(ii) as if paragraph (4) did not include subparagraph (C) thereof.

"(B) Qualified leasing group.—For purposes of this paragraph, the term 'qualified leasing group' means a controlled group of corporations which, for the taxable year and each of the 2 immediately preceding taxable years, satisfied each of the following 3 requirements:

"(i) At least 3 employees.—During the entire year, the group had at least 3 full-time employees substantially all of the services of whom were services directly related to the equipment leasing activity of the qualified leasing members.

"(ii) At least 5 separate leasing transactions.—During the year, the qualified leasing members in the aggregate entered into at least 5 separate equipment leasing transactions.

"(iii) At least $1,000,000 equipment leasing receipts.—During the year, the qualified leasing members in the aggregate had at least $1,000,000 in gross receipts from equipment leasing.

The term 'qualified leasing group' does not include any controlled group of corporations to which, without regard to this paragraph, paragraph (4) applies.

"(C) Qualified leasing member.—For purposes of this paragraph, a corporation shall be treated as a qualified leasing member for the taxable year only if for each of the taxable years referred to in subparagraph (B)—

"(i) it is a component member of the controlled group of corporations, and

"(ii) it meets the requirements of paragraph (4)(B) (as modified by subparagraph (A)(i) of this paragraph).

"(6) Definitions relating to paragraphs (4) and (5).—For purposes of paragraphs (4) and (5)—

"(A) Equipment leasing.—The term 'equipment leasing' means—

"(i) the leasing of equipment which is section 1245 property, and

"(ii) the purchasing, servicing, and selling of such equipment.

"(B) Leasing of master sound recordings, etc., excluded.—The term 'equipment leasing' does not include the leasing of master sound recordings, and other similar contractural arrangements with respect to tangible or intangible assets associated with literary, artistic, or musical properties.

"(C) Controlled group of corporations; component member.—The terms 'controlled group of corporations' and 'component member' have the same meanings as when used in section 1563. The determination of the taxable years taken into account with respect to any controlled group of corporations shall be made in a manner consistent with the manner set forth in section 1563."

(ii) Subpargraph (D) of section 465(c)(3) is amended to read as follows:

"(D) Exclusion for real property.—In the case of activities described in subparagraph (A), the holding of real property (other than mineral property) shall be treated as a separate activity, and subsection (a) shall not apply to losses from such activity. For purposes of the preceding sentence, personal property and services which are incidental to making real property available as living accommodations shall be treated as part of the activity of holding such real property."

(iii) Paragraph (5) of section 465(b) is amended by striking out "to which this section applies" and inserting in lieu thereof "to which subsection (a) applies".

(E) Clerical amendment to effective date.—Subpargraph (A) of section 204(b)(2) of the Revenue Act of 1978 (relating to special transitional rules for leasing activities) is amended by striking out "this section" and inserting in lieu thereof "this subtitle".

(2) Amendments related to subtitle b of title II of the act.—

(A) Amendment of section 6501.—Section 6501 (relating to limitations on assessment and collection) is amended by redesignating the subsection added by section 212(a) of the Revenue Act of 1978 as subsection (o).

(B) Amendment of section 6511(g)(2).—Paragraph (2) of section 6511(g) (relating to special rule for partnership items of federally registered partnerships) is amended by striking out "6501(q)" and inserting in lieu thereof "6501(o)".

(b) Effective Date.—

For general effective date, see section 201.

Sec. 103. Amendments Related to Title III.

(a) General Rule.—

(1) Amendments related to section 312 of the act.—

(A) Clarification of flow-through provisions.—Paragraph (2) of section 312(c) of the Revenue Act of 1978 (relating to repeal of certain obsolete provisions) is amended to read as follows:

"(2) Paragraphs (1) and (2) of section 46(f) and subparagraph (B) of section 48(a)(7) are each amended by striking out 'described in section 50' and inserting in lieu thereof 'described in section 50 (as in effect before its repeal by the Revenue Act of 1978)'."

(B) Clerical amendments to special rules for energy property.—

(i) Subsection (a) of section 46 (relating to amount of investment credit) is amended by redesignating paragraph (10) as paragraph (9).

(ii) Clause (i) of section 46(a)(9)(B) (as redesignated by clause (i)) is amended to read as follows:

"(i) paragraph (3)(B) shall be applied by substituting '100 percent' for the percentage determined under the table contained in such paragraph,".

(iii) Clause (ii) of section 46(a)(9)(B) (as so redesignated) is amended by striking out "(7), (8), and (9)" and inserting in lieu thereof "(7) and (8)".

(iv) Subsection (d) of section 6401 is amended by striking out "46(a)(10)(C)" and inserting in lieu thereof "46(a)(9)(C)".

(2) Amendments related to section 313 of the act.—Subparagraph (B) of section 46(c)(5) (relating to applicable percentage in the case of certain pollution control facilities) is amended by adding at the end thereof the following new sentence: "This subparagraph shall not apply for purposes of applying the energy percentage."

(3) Amendments related to section 315 of the act.—

(A) Credit allowed to noncorporate lessors.—Paragraph (3) of section 46(e) (relating to special rule for noncorporate lessors) is amended by adding at the end thereof the following new sentence: "This paragraph shall not apply with respect to any property which is treated as section 38 property by reason of section 48(a)(1)(E)."

(B) Coordination with energy property.—Clause (i) of section 48(g)(2)(B) is amended by striking out "subsection (a)(1)(E)" and inserting in lieu thereof "subsections (a)(1)(E) and (l))".

(4) Amendment related to section 316 of the act.—Sections 50B(f) and 52(f) are each amended by striking out "section 46(e)" and inserting in lieu thereof "subsections (e) and (h) of section 46".

(5) Amendments related to section 321 of the act.—

(A) Extension.—Paragraph (4) of section 51(c) (relating to termination) is amended by striking out "December 31, 1980" and inserting in lieu thereof "December 31, 1981".

(B) Effective date for provision making new jobs credit elective.—subsection (d) of section 321 of the Revenue Act of 1978 (relating to effective dates) is amended by adding at the end thereof the following new paragraph:

"(5) Subsection (b).—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1976."

(C) Clarification of effective date.—Subparagraph (A) of section 321(d)(2) of the Revenue Act of 1978 (relating to special rules for newly targeted groups) is amended by inserting ", for purposes of applying the amendments made by this section" after "newly targeted group".

(D) Clarification of transitional rule.—Paragraph (3) of section 321(d) of the Revenue Act of 1978 (relating to transitional rule) is amended to read as follows:

"(3) Transitional rule.—In the case of a taxable year which begins in 1978 and ends after December 31, 1978, the amount of the credit determined under section 51 of the Internal Revenue Code of 1954 shall be the sum of—

"(A) the amount of the credit which would be so determined without regard to the amendments made by this section, plus

"(B) the amount of the credit which would be so determined by reason of the amendments made by this section."

(E) FUTA wages to be treated as including remuneration of youth participating in a cooperative education program.—

(i) Subparagraph (D) of section 51(d)(8) (relating to members of targeted groups) is amended to read as follows:

"(D) Wages.—In the case of remuneration attributable to services performed while the individual meets the requirements of subparagraph (A), wages, and unemployment insurance wages, shall be determined without regard to section 3306(c)(10)(C)."

(ii) Paragraph (1) of section 51(c) (defining wages) is amended by striking out "and subsection (h)(2)," and inserting in lieu thereof ", subsection (d)(8)(D), and subsection (h)(2),".

(F) Clerical amendments.—

(i) Subsection (a) of section 44B is amended by striking out "at the taxpayer" and inserting in lieu thereof "of the taxpayer".

(ii) Paragraph (2) of section 44B(c) is amended by striking out "may be" and inserting in lieu thereof "may by".

(iii) Paragraph (2) of section 51(c) is amended by striking out "amounts paid" and inserting in lieu thereof "amounts paid or incurred".

(iv) Paragraph (1) of section 51(d) is amended by striking out "or" at the end of subparagraph (E).

(v) Clause (i) of section 51(d)(4)(A) is amended by striking out "active day" and inserting in lieu thereof "active duty".

(vi) Subparagraph (B) of section 51(d)(4) is amended by striking out "premployment" and inserting in lieu thereof "preemployment".

(vii) Paragraph (5) of section 51(d) is amended by striking out "pre-employment" and inserting in lieu thereof "preemployment".

(viii) Paragraph (12) of section 51(d) is amended by striking out "employer" and inserting in lieu thereof "employers".

(ix) The last sentence of section 51(e) is amended by inserting "except as provided in subsection (h)(1)," after "the preceding sentence,".

(x) Section 6501 is amended by redesignating the subsection added by section 321 (b)(2) of the Revenue Act of 1978 as subsection (p).

(xi) Subparagraph (B) of section 321(d)(2) of the Revenue Act of 1978 is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following:

"(i) such individual meets the requirements of paragraph (1) of section 51(d) of such Code, and

"(ii) in the case of an individual meeting the requirements of subparagraph (A) of such paragraph (1), a credit was not claimed for such individual by the taxpayer for a taxable year beginning before January 1, 1979."

(xii) Paragraph (4) of section 321(d) of the Revenue Act of 1978 is amended by striking out "subsection (u)(2)" and inserting in lieu thereof "subsection (c)(2)".

(xiii) Section 383 and subsection (a) of section 6411 are each amended by striking out "section 53(c)" and inserting in lieu thereof "section 53(b)".

(6) Amendments related to section 322 of the act.—

(A) Clarification of effective date.—Paragraph (1) of section 322(e) of the Revenue Act of 1978 (relating to effective date) is amended by adding at the end thereof the following new sentence: "For purposes of applying section 50A(a)(2) of the Internal Revenue Code of 1954 with respect to a taxable year beginning before January 1, 1979, the rules of sections 50A(a)(4), 50A(a)(5), and 50B(e)(3) of such Code (as in effect on the day before the date of the enactment of this Act) shall apply."

(B) Transitional rule for employees hired after September 26, 1978.—Subparagraph (B) of section 322(e)(2) of the Revenue Act of 1978 (relating to eligible employees hired after September 26, 1978) is amended—

(i) by striking out "September 27, 1978," and inserting in lieu thereof "September 26, 1978, for purposes of applying the amendments made by this section,"; and

(ii) by striking out "January 1, 1979." and inserting in lieu thereof "January 1, 1979, and any wages paid or incurred after December 31, 1978, with respect to such individual shall be considered to be attributable to services rendered after that date."

(C) Clerical amendments.—

(i) Subparagraph (C) of section 50A(a)(4) (relating to limitation with respect to nonbusiness eligible employees) is amended by striking out " '$6,000' and" inserting in lieu thereof " '$6,000' for".

(ii) Subparagraph (B) of section 50B(g)(2) is amended by striking out "giving to such credit" and inserting in lieu thereof "giving rise to such credit".

(iii) Clause (i) of section 50B(h)(1)(A) is amended by striking out "9-day" and inserting in lieu thereof "90-day".

(iv) The second subsection designated as subsection (d) of section 322 of the Revenue Act of 1978 is amended by striking out "our" in paragraph (1)(A) thereof and inserting in lieu thereof "out".

(7) Amendment relating to section 345 of the act.—Subsection (e) of section 345 of the Revenue Act of 1978 (relating to effective date for small business corporation stock provision) is amended to read as follows:

"(e) Effective Dates.—

"(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to stock issued after November 6, 1978.

"(2) Subsection (b).—The amendments made by subsection (b) shall apply to taxable years beginning after December 31, 1978.

"(3) Transitional rule for subsection (b).—In the case of a taxable year which includes November 6, 1978, the amendments made by subsection (b) shall apply with respect to stock issued after such date."

(8) Amendments related to section 361 of the act.—

(A) Other clubs.—Subparagraph (C) of section 274(a)(2) (relating to special rule for country clubs) is amended by striking out "country".

(B) Clerical amendment.—Subsection (b) of section 361 of the Revenue Act of 1978 is amended—

(i) by striking out "section 274(2)" and inserting in lieu thereof "section 274(a)", and

(ii) by striking out "Country" in the subsection heading.

(9) Amendments related to section 362 of the act.—

(A) Subsection (e) of section 362 of the Revenue Act of 1978 (relating to effective date for deficiency dividend procedure for regulated investment companies) is amended by striking out "860(d)" and inserting in lieu thereof "860(e)".

(B) The subsection heading of subsection (f) of section 860 is amended by striking out "Efficiency" and inserting in lieu thereof "Deficiency".

(C) Clause (i) of section 860(f)(2)(A) is amended by striking out "computed without regard" and inserting in lieu thereof "(computed without regard".

(10) Amendments related to section 366 of the act.—

(A) Withholding.—Subsection (a) of section 3401 (defining wages) is amended—

(i) by striking out "or" at the end of paragraph (17),

(ii) by striking out the period at the end of the paragraph (18) added by section 207 (a) of the Foreign Earned Income Act of 1978 and inserting in lieu thereof "; or",

(iii) by redesignating the paragraph (18) added by section 164(b)(1) of the Revenue Act of 1978 as paragraph (19), and

(iv) by striking out "section 124" in paragraph (19) (as so redesignated) and inserting in lieu thereof "section 105 or 127".

(B) Clarification of nondiscriminatory eligibility classifications.—Clause (ii) of section 105(h)(3)(A) is amended by striking out "highly compensated participants" and inserting in lieu thereof "highly compensated individuals".

(C) Clarification of excess reimbursement of highly compensated individuals.—Subparagraph (A) of section 105(h)(7) is amended to read as follows:

"(A) in the case of a benefit available to highly compensated individuals but not to all other participants (or which otherwise fails to satisfy the requirements of paragraph (2)(B)), the amount reimbursed under the plan to the employee with respect to such benefit, and".

(D) Clarification of effective date.—Subsection (b) of section 366 of the Revenue Act of 1978 is amended to read as follows:

"(b) Effective Date.—The amendment made by this section shall apply to amounts reimbursed after December 31, 1979."

(11) Amendment related to section 369 of the act.—Clause (iv) of section 374(e)(1)(A) (relating to use of expired net operating loss carryovers to offset income arising from certain railroad reorganization proceedings) is amended by striking out "March 31, 1967" and inserting in lieu thereof "March 31, 1976".

(12) Amendment related to section 371 of the act.—Paragraph (2) of section 371(a) of the Revenue Act of 1978 (relating to net operating losses attributable to product liability losses) is amended by striking out "Clause (i) of section 172(b)(1)(A)" and inserting in lieu thereof "Subparagraph (A) of section 172(b)(1)".

(13) Amendment related to section 373 of the act.—Subparagraph (B) of section 466(e)(2) (relating to initial opening balance of suspense account) is amended by striking out "first taxable years" and inserting in lieu thereof "first taxable year".

(b) Effective Date.—

For general effect date, see section 201.

Sec. 104. Amendments Related to Title IV.

(a) In General.—

(1) Amendment related to section 401 of the act.—Subsection (b) of section 877 is amended by striking out "402(e)(1), or section 1201(b)" and inserting in lieu thereof "or 402(e)(1)".

(2) Amendments related to section 402 of the act.—

(A) Amendments of transitional rule.—Subsection (c) of section 1202 (relating to transitional rule of taxable years which include November 1, 1978) is amended—

(i) by striking out so much of such subsection as precedes "a taxpayer other than a corporation" and inserting in lieu thereof:

"(c) Transitional Rule.—If for any taxable year ending after October 31, 1978, and beginning before November 1, 1979,"; and

(ii) by amending subparagraph (B) of paragraph (1) to read as follows:

"(B) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year after October 31, 1978, plus".

(B) Computation of a maximum 25 percent alternative capital gains tax for 1978.—

(i) Paragraph (1) of section 1201(b) (as such paragraph was in effect for taxable years beginning before January 1, 1979) is amended by striking out "50 percent of the net capital gain" and inserting in lieu thereof "the excess of the net capital gain over the deduction under section 1202".

(ii) Subsection (c) of section 1201 (as such subsection was in effect for taxable years beginning before January 1, 1979) is amended to read as follows:

"(c) Computation of Tax Where Capital Gain Exceeds $50,000.—The tax computed for purposes of subsection (b)(3) shall be the amount by which a tax determined under section 1 or 511 on an amount equal to the taxable income (but not less than the excess of the net capital gain over the deduction under section 1202) for the taxable year exceeds a tax determined under section 1 or 511 on an amount equal to the sum of—

"(1) the amount subject to tax under subsection (b)(1), plus

"(2) an amount determined by multiplying the sum referred to in subsection (b)(2)(A) by a fraction—

"(A) the numerator of which is the excess of the net capital gain over the deduction under section 1202, and

"(B) the denominator of which is the net capital gain."

(C) Special rule for pass-through entities.—

(i) In general.—In applying sections 1201 (c)(2)(A)(ii) and 1202(c)(1)(B) of the Internal Revenue Code of 1954 with respect to any pass-through entity, the determination of the period for which gain or loss is properly taken into account shall be made at the entity level.

(ii) Pass-through entity defined.—For purposes of clause (i), the term "pass-through entity" means—

(I) a regulated investment company,

(II) a real estate investment trust,

(III) an electing small business corporation,

(IV) a partnership,

(V) an estate or trust, and

(VI) a common trust fund.

(3) Amendments related to section 403 of the act.—

(A) Clarification of transitional rule.—Subsection (c) of section 1201 (relating to transitional rule for taxable years which include January 1, 1979) is amended—

(i) by striking out so much of such section as precedes "a corporation" and inserting in lieu thereof the following:

"(c) Transitional Rule.—If for any taxable year ending after December 31, 1978, and beginning before January 1, 1980,", and

(ii) by amending clause (ii) of paragraph (2)(A) to read as follows:

"(ii) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year after December 31, 1978, plus".

(B) Undistributed capital gain of regulated investment company.—Clause (iii) of section 852(b)(3)(D) (relating to treatment by shareholders of undistributed capital gain) is amended by striking out "70 percent" and inserting in lieu thereof "72 percent".

(C) Addition to reserves for bad debts.—Clause (iv) of section 593(b)(2)(E) is amended by striking out "$\frac{3}{8}$" each place it appears and inserting in lieu thereof "$\frac{18}{46}$".

(D) Clerical amendments.—

(i) Paragraph (3) of section 904(b) is amended by redesignating the subparagraph (E) added by section 403(c)(4) of the Revenue Act of 1978 as subparagraph (F).

(ii) Subparagraph (B) of section 403(c)(4) of the Revenue Act of 1978 is amended by striking out "striking the period at the end of subparagraph (D) of paragraph (3), inserting in lieu thereof a comma, and inserting immediately thereafter" and inserting in lieu thereof "adding at the end of paragraph (3)".

(4) Amendments related to section 421 of the act.—

(A) Certain deductions which may be carried over not taken into account.—Paragraph (1) of section 55(b) (defining alternative minimum taxable income) is amended by adding at the end thereof the following new sentence:

"For purposes of subparagraph (A), a deduction shall not be taken into account to the extent such deduction may be carried to another taxable year."

(B) Treatment of foreign tax credit.—Paragraphs (1) and (2) of section 55(c) (relating to credits) are amended to read as follows:

"(1) Credits other than foreign tax credit not allowable, etc.—For purposes of determining the amount of any credit allowable under subpart A of part IV of this subchapter (other than the foreign tax credit allowed under section 33(a))—

"(A) the tax imposed by this section shall not be treated as a tax imposed by this chapter, and

"(B) the amount of the foreign tax credit allowed under section 33(a) shall be determined without regard to this section.

"(2) Foreign tax credit allowed against alternative minimum tax.—

"(A) Determination of foreign tax credit.—The total amount of the foreign tax credit which can be taken against the tax imposed by subsection (a) shall be determined under subpart A of part III of subchapter N (sec. 901 and following).

"(B) Increase in amount of foreign taxes taken into account.—For purposes of the determination provided by subparagraph (A), the amount of taxes paid or accrued to foreign countries or possessions of the United States during the taxable year shall be increased by an amount equal to the lesser of—

"(i) the foreign tax credit allowable under section 33(a) in computing the regular tax for the taxable year, or

"(ii) the tax imposed by subsection (a).

"(C) Section 904(a) limitation.—For purposes of the determination provided by subparagraph (A), the limitation of section 904(a) shall be an amount equal to the same proportion of the sum of the tax imposed by subsection (a) against which such credit is taken and the regular tax (excluding the tax imposed by section 56) as—

"(i) the taxpayer's alternative minimum taxable income from sources without the United States (but not in excess of the taxpayer's entire alternative minimum taxable income), bears to

"(ii) his entire alternative minimum taxable income.

For such purpose, the amount of the limitation of section 904(a) shall not exceed the tax imposed by subsection (a).

"(D) Definition of alternative minimum taxable income from sources without the United States.—For purposes of subparagraph (C), the term 'alternative minimum taxable income from sources without the United States' means the items of gross income from sources without the United States adjusted as provided in subparagraph (A), (B), and (C) of section 55(b)(1) (taking into account in such adjustment only items described in such subparagraphs which are properly attributable to items of gross income from sources without the United States).

"(E) Special rule for applying section 904(c).—In determining the amount of foreign taxes paid or accrued during the taxable year which may be deemed to be paid or accrued in a preceding or succeeding taxable year under section 904(c)—

"(i) the limitation of section 904(a) shall be increased by the amount of the limitation determined under subparagraph (C), and

"(ii) any increase under subparagraph (B) shall be taken into account."

(C) Regular tax determined without regard to foreign tax credit allowed against minimum tax.—Paragraph (2) of section 55(b) is amended by adding at the end thereof the following new sentence: "For purposes of this paragraph, the amount of the credit allowable under section 33 shall be determined without regard to this section."

(D) Treatment of zero bracket amount.—Subsection (b) of section 55 (relating to definitions for purposes of alternative minimum tax) is amended by adding at the end thereof the following new paragraph:

"(3) Treatment of zero bracket amount.—In the case of an individual who does not itemize his itemized deductions, the zero bracket amount shall be treated as a deduction allowed."

(E) Treatment of certain foreign taxes for the adjusted itemized deduction preference.—Paragraphs (1)(A) and (2)(A)(v) of section 57(b) (relating to adjusted itemized deductions) are each amended by inserting ", and foreign," after "State and local".

(F) Adjusted itemized deductions of estate or trust.—Subparagraph (A) of section 57(b)(2) (defining adjusted itemized deductions of estate or trust) is amended by striking out "clauses (i) through (vi)" and inserting in lieu thereof "clauses (ii) through (vi)".

(G) Carryover of residential energy credit.—Paragraph (3) of section 55(c) is amended by adding at the end thereof the following new sentence:

"In determining any carryover under subsection 44C(b)(6), a rule similar to the rule set forth in subparagraph (A) shall be treated as inserted in this paragraph before subparagraph (A), and the applications of subparagraphs (A), (B), and (C) shall be adjusted accordingly."

(H) Clerical amendments.—

(i) Subsection (a) of section 55 (relating to alternative minimum tax) is amended by striking out all after paragraph (1) and inserting in lieu thereof the following:

"(2) the regular tax for the taxable year, then there is imposed (in addition to all other taxes imposed by this title) a tax equal to the amount of such excess."

(ii) Subparagraph (A) of section 55(c)(3) (relating to carryover and carryback of certain credits) is amended by striking out "section 53(c)" and inserting in lieu thereof "section 53(b)".

(iii) Paragraph (2) of section 443(d) (relating to adjustment in computing minimum tax for tax preferences) is amended by striking out "in the case of a corporation,".

(iv) Paragraph (3) of section 453(c) is amended by striking out "section 56" and inserting in lieu thereof "sections 55 and 56".

(v) Sections 871(b)(1) and 877(b) are each amended by striking out "section 55" and inserting in lieu thereof "55".

(vi) The second sentence of section 666(c) (relating to pro rata portion of taxes deemed distributed) is amended by inserting "(other than the tax imposed by section 55)" after "equal to the taxes".

(vii) Paragraph (4) of section 5(a) is amended by striking out "section 55" and inserting in lieu thereof "sections 55 and 56".

(viii) Paragraph (2) of section 55(b) is amended by inserting "409(c)," after "408(f),".

(5) Amendments related to section 441 of the act.—

(A) Transitional rule.—Paragraph (2) of section 441(b) of the Revenue Act of 1978 (relating to transitional rules) is amended to read as follows:

"(2) Taxable years which straddle November 1, 1978.—In the case of a taxable year which begins before November 1, 1978, and ends after October 31, 1978, the amount taken into account under section 1348(b)(2)(B) of the Internal Revenue Code of 1954 by reason of section 57(a)(9) of such Code shall be 50 percent of the lesser of—

"(A) the net capital gain for the taxable year, or

"(B) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year before November 1, 1978."

(B) Clerical amendment.—Subsection (a) of section 441 of the Revenue Act of 1978 is amended by striking out "subparagraph (b)" and inserting in lieu thereof "subparagraph (B)".

(b) Effective Dates.—

(1) Special effective date for subsection (a)(2)(B).—The amendments made by subsection (a)(2)(B) shall apply to taxable years beginning in 1978.

(2) General effective date.—

For general effective date, see section 201.

Sec. 105. Amendments Related to Title V.

(a) General Rule.—

(1) Amendments related to section 502 of the act.—

(A) Subsection (g) of section 7463 (relating to small tax case procedures) is hereby repealed.

(B) Subsection (c) of section 7456 (relating to commissioners of the Tax Court) is amended by striking out "section 7428" and inserting in lieu thereof "sections 7428, 7463".

(2) Amendment related to section 504 of the act.—Paragraph (2) of section 6411(d) (relating to tentative refund of tax under claim of right adjustment) is amended to read as follows:

"(2) Allowance of adjustments.—Within a period of 90 days from the date on which an application is filed under paragraph (1) or from the date of the overpayment (determined under section 1341(b)(1)), whichever is later, the Secretary shall—

"(A) review the application,

"(B) determine the amount of the overpayment, and

"(C) apply, credit, or refund such overpayment,

in a manner similar to the manner provided in subsection (b)."

(3) AMENDMENTS RELATED TO SECTION 511 OF THE ACT.—

(A) AGGREGATE ADJUSTED CONSIDERATION MUST BE LESS THAN VALUE.—Paragraph (2) of section 2040(c) (relating to limitations) is amended by adding at the end thereof the following new subparagraph:

"(C) AGGREGATE ADJUSTED CONSIDERATION MUST BE LESS THAN VALUE.—Paragraph (1) shall not apply if the sum of—

"(i) the adjusted consideration furnished by the decedent, and

"(ii) the adjusted consideration furnished by the decedent's spouse,

equals or exceeds the value of the interest."

(B) CLERICAL AMENDMENT.—Paragraph (1) of section 2040(c) is amended by striking out "subsections (a)" and inserting in lieu thereof "subsection (a)".

(4) AMENDMENTS RELATED TO SECTION 514 OF THE ACT.—The first sentence of paragraph (3) of section 2055(e) is amended—

(A) by striking out "subparagraph (a) or (B)" and inserting in lieu thereof "subparagraph (A) or (B)", and

(B) by striking out "so that interest" and inserting in lieu thereof "so that the interest".

(5) AMENDMENTS RELATED TO SECTION 515 OF THE ACT.—

(A) AMENDMENT OF SECTION 1040 OF THE CODE.—Section 1040 (relating to use of certain appreciated carryover basis property to satisfy pecuniary bequest) is amended by adding at the end thereof the following new subsection:

"(d) APPLICATION TO SECTION 2032A PROPERTY.—For purposes of this section, references to carryover basis property shall be treated as including a reference to property the valuation of which is determined under section 2032A."

(B) PERIOD FOR WHICH SECTION 1040 APPLIES.—Notwithstanding section 515 of the Revenue Act of 1978, section 1040 of the Internal Revenue Code of 1954 (as amended by subparagraph (A)) shall apply with respect to the estates of decedents dying after December 31, 1976.

(6) AMENDMENTS RELATED TO SECTION 531 OF THE ACT.—Paragraph (6) of section 216(b) (relating to deduction of taxes, interest, and business depreciation by cooperative housing corporation tenant-stockholder) is amended by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by striking out subparagraph (A) and inserting in lieu thereof the following new subparagraphs:

"(A) IN GENERAL.—If the original seller acquires any stock of the corporation from the corporation or by foreclosure, the original seller shall be treated as a tenant-stockholder for a period not to exceed 3 years from the date of the acquisition of such stock.

"(B) STOCK ACQUISITION MUST TAKE PLACE NOT LATER THAN 1 YEAR AFTER TRANSFER OF DWELLING UNITS.—Except in the case of an acquisition of stock of a corporation by foreclosure, subparagraph (A) shall apply only if the acquisition of stock occurs not later than 1 year after the date on which the apartments or houses (or leaseholds therein) are transferred by the original seller to the corporation. For purposes of this subparagraph and subparagraph (A), the term 'by foreclosure' means by foreclosure (or by instrument in lieu of foreclosure) of any purchase-money security interest in the stock held by the original seller."

(7) AMENDMENTS RELATED TO SECTION 543 OF THE ACT.—

(A) Section 126 (relating to certain cost-sharing payments) is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) EXCLUDABLE PORTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'excludable portion' means that portion (or all) of a payment made to any person under any program described in subsection (a) which—

"(A) is determined by the Secretary of Agriculture to be made primarily for the purpose of conserving soil and water resources, protecting or restoring the environment, improving forests, or providing a habitat for wildlife, and

"(B) is determined by the Secretary of the Treasury or his delegate as not increasing substantially the annual income derived from the property.

"(2) PAYMENTS NOT CHARGEABLE TO CAPITAL ACCOUNT.—The term 'excludable portion' does which is properly associated with an amount not include that portion of any payment which is allowable as a deduction for the taxable year in which such amount is paid or incurred.

"(c) ELECTION FOR SECTION NOT TO APPLY.—

"(1) IN GENERAL.—The taxpayer may elect not to have this section (and section 1255) apply to any excludable portion (or portion thereof).

"(2) MANNER AND TIME FOR MAKING ELECTION.—Any election under paragraph (1) shall be made in the manner prescribed by the Secretary by regulations and shall be made not later than the due date prescribed by law (including extensions) for filing the return of tax under this chapter for the taxable year in which the payment was received or accrued.

"(d) DENIAL OF DOUBLE BENEFITS.—No deduction or credit shall be allowed with respect to any expenditure which is properly associated with any amount excluded from gross income under subsection (a).

"(e) BASIS OF PROPERTY NOT INCREASED BY REASON OF EXCLUDABLE PAYMENTS.—Notwithstanding any provision of section 1016 to the contrary, no adjustment to basis shall be made with respect to property acquired or improved through the use of any payment, to the extent that such adjustment would reflect any amount which is excluded from gross income under subsection (a)."

(B) Paragraph (1) of section 1255(a) is amended by striking out all after subparagraph (B)(i) and inserting in lieu thereof the following:

"(ii) the adjusted basis of such property shall be treated as ordinary income. Such gain shall be recognized notwithstanding any other provision of this subtitle, except that this section shall not apply to the extent such gain is recognized as ordinary income under any other provision of this part."

(C) Subsection (a)(9) of section 126 (relating to certain cost-sharing payments) is amended by inserting "or his delegate" after "Secretary of the Treasury".

(D) Paragraph (2) of section 1255(b) (relating to special rules applicable to gain from disposition of section 126 property) is amended by striking out "(2)" and inserting in lieu thereof "(2) for purposes of sections 163(d), 170(e), 341(e)(12), 453(d)(4)(B), and 751(c),".

(b) EFFECTIVE DATES.—

(1) SPECIAL EFFECTIVE DATE FOR SUBSECTION (a)(1).—The amendments made by subsection (a)(1) shall take effect on the date of the enactment of this Act.

(2) GENERAL EFFECTIVE DATE.—

For general effective date, see section 201

SEC. 106. AMENDMENTS RELATED TO TITLE VI.

(a) IN GENERAL.—

(1) Paragraph (1) of section 172(b) (relating to net operating loss carrybacks and carryovers) is amended by redesignating the subparagraph (H) added by section 601(b)(1) of the Revenue Act of 1978 as subparagraph (I).

(2) Subsection (a) of section 1016 (relating to adjustments of basis) is amended by redesignating the paragraph (21) added by section 601(b)(3) of the Revenue Act of 1978 as paragraph (22).

(3) Paragraph (3) of section 601(b) of the Revenue Act of 1978 is amended by striking out "by redesignating paragraph (23) as (22) and by inserting after paragraph (20)" and inserting in lieu thereof "by inserting before paragraph (23)".

(4) Subsection (a) of section 1391 (defining general stock ownership corporation) is amended—

(A) by striking out ", and" at the end of paragraph (1) and inserting in lieu thereof a semicolon,

(B) by inserting "or" at the end of paragraph (4)(D)(ii),

(C) by inserting "and" at the end of paragraph (4)(D)(iii), and

(D) by inserting "and" at the end of paragraph (4)(E).

(5) Subsection (c) of section 1392 is amended by striking out "WHERE" in the subsection heading and inserting in lieu thereof "WHEN".

(6) Subparagraph (A) of section 172(b)(1) is amended by striking out "and (H)" and inserting in lieu thereof ", (H), and (I)".

(7) Subparagraph (B) of section 172(b)(1) is amended by striking out "and (G)" and inserting in lieu thereof "(G), and (I)".

(b) EFFECTIVE DATE.—

For general effective date, see section 201.

SEC. 107. AMENDMENTS RELATED TO TITLE VII.

(a) IN GENERAL.—

(1) AMENDMENTS RELATED TO SECTION 701 OF THE ACT.—

(A) COMPUTATION OF ADJUSTED ITEMIZED DEDUCTIONS IN CASE OF ESTATES AND TRUSTS.—Subparagraph (C) of section 57(b)(2) (relating to special rules for estates and trusts) is amended by striking out "section 170(c)(2)(B)" each place it appears and inserting in lieu thereof "section 170(c) (determined without regard to section 170(c)(2)(A))".

(B) EFFECTIVE DATE FOR PROVISION RELATING TO FOREIGN TAXES ATTRIBUTABLE TO SECTION 911 EXCLUSION.—Subparagraph (B) of section 701(u)(10) of the Revenue Act of 1978 (relating to effective date) is amended to read as follows:

"(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply to taxable years beginning in calendar year 1978 but only in the case of taxpayers who make an election under section 209(c) of the Foreign Earned Income Act of 1978."

(C) CLERICAL AMENDMENTS.—

(i) Paragraph (3) of section 701(a) of the Revenue Act of 1978 is amended by striking out "Subsection (c)" and inserting in lieu thereof "Subsection (e)".

(ii) Subparagraph (C) of section 191(f)(2) is amended by striking out "the date of" and inserting in lieu thereof "the date".

(2) AMENDMENTS RELATED TO SECTION 702 OF THE ACT.—

(A) Paragraph (3) of section 1014(a) is amended by striking out "section 2032.1" and inserting in lieu thereof "section 2032A".

(B) Subparagraph (B) of section 2613(e)(2) is amended by striking out clause (vi), by inserting "or" at the end of clause (v), and by redesignating clause (vii) as clause (vi).

(C) Paragraph (3) of section 702(r) of the Revenue Act of 1978 is hereby repealed.

(D) The section 6698 which relates to failure to file information with respect to carryover basis property is redesignated as section 6698A.

(E) The table of sections for subchapter B of chapter 68 is amended by striking out

"Sec. 6698. Failure to file information with respect to carryover basis property."

and inserting in lieu thereof the following:

"Sec. 6698A. Failure to file information with respect to carryover basis property."

(F) (i) If the executor elects the benefits of this subparagraph with respect to any estate, section 2035(b) of the Internal Revenue Code of 1954 (relating to adjustments for gifts made within 3 years of decedent's death) shall be applied with respect to transfers made by the decedent during 1977 as if paragraph (2) of such section 2035(b) read as follows:

"(2) to any gift to a donee made during 1977 to the extent of the amount of such gift which was excludable in computing taxable gifts by reason of section 2503(b) (relating to $3,000 annual exclusion for purposes of the gift tax) determined without regard to section 2513(a)."

(ii) The election under clause (i) with respect to any estate shall be made on or before the later of—

(I) the due date for filing the estate tax return, or

(II) the day which is 120 days after the date of the enactment of this Act.

(3) AMENDMENTS RELATED TO SECTION 703 OF THE ACT.—

(A) The first sentence of paragraph (8) of section 46(f) is amended by striking out "subsection (a) (7) (D)" and inserting in lieu thereof "subsection (a) (7) (C)".

(B) Subsection (e) of section 703 of the Revenue Act of 1978 is hereby repealed.

(C) Paragraph (1) of section 703(q) of the Revenue Act of 1978 is amended by striking out "section 103(d)" and inserting in lieu thereof "section 103(c)".

(b) EFFECTIVE DATE.—

For general effective date, see section 201.

SEC. 108. AMENDMENTS RELATED TO CERTAIN OTHER ACTS ENACTED DURING 1978.

(a) FOREIGN EARNED INCOME ACT OF 1978.—

(1) IN GENERAL.—

(A) TAX TABLES TO APPLY TO INDIVIDUALS CLAIMING SECTION 911 EXCLUSION.—Section 202 of the Foreign Earned Income Act of 1978 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) TAX TABLES TO APPLY TO INDIVIDUALS CLAIMING SECTION 911 EXCLUSION.—Paragraph (1) of section 3(b) (relating to tax tables not to apply to certain individuals) is amended by striking out subparagraph (A)."

(B) DETERMINATION OF HOUSING DEDUCTION.—

(i) Clause (i) of section 913(e) (3) (A) is amended by striking out "earned income" each place it appears and inserting in lieu thereof "housing income".

(ii) Subsection (e) of section 913 is amended by adding at the end thereof the following new paragraphs:

"(6) HOUSING INCOME.—For purposes of this subsection, the term 'housing income' has the meaning given to the term 'earned income' by section 911(b) (determined with the rule set forth in paragraph (3) of section 911(c)).

"(7) RECAPTURE OF EXCESS HOUSING DEDUCTIONS ATTRIBUTABLE TO TREATMENT OF AFTER-RECEIVED COMPENSATION.—

"(A) IN GENERAL.—There shall be included in the gross income of the individual for the taxable year in which any after-received compensation is received an amount equal to any excess housing deduction determined for such year.

"(B) EXCESS HOUSING DEDUCTION.—For purposes of subparagraph (A), the excess housing deduction determined for any taxable year is the excess (if any) of—

"(i) the aggregate amount which has been allowed as a housing deduction (for such taxable year and all prior taxable years), over

"(ii) the aggregate amount which would have been allowable as a housing deduction (for such taxable year and all prior taxable years for which a housing deduction has been allowed), by taking after-received compensation into account under this subsection as if it had been received in the taxable year in which the services were performed.

In applying the preceding sentence to any taxable year, proper adjustment shall be made for the effect of applying such sentence for purposes of all prior taxable years.

"(C) TREATMENT OF AMOUNT INCLUDED IN INCOME.—Any amount included in gross income under subparagraph (A) shall not be treated as income for purposes of applying subsection (c) of this section.

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) HOUSING DEDUCTION.—The term 'housing deduction' means that portion of the deduction allowable under subsection (a) for any taxable year which is attributable to qualified housing expenses. For such purpose, qualified housing expenses shall be taken into account after all other amounts described in subsection (b).

"(ii) AFTER-RECEIVED COMPENSATION.—The 'after-received compensation' means compensation received by an individual in a taxable year which is attributable to services performed by such individual in the third preceding, second preceding, or first preceding taxable year."

(C) CLERICAL AMENDMENT.—Paragraph (2) of section 911(a) (relating to income earned by individuals in certain camps) is amended by striking out "qualified foreign" and inserting in lieu thereof "a foreign country or".

(D) AMENDMENT OF LAST SENTENCE OF SECTION 911 (a).—The last sentence of section 911(a) (relating to income earned by individuals in certain camps) is amended—

(i) by inserting "any deduction," after "his gross income", and

(ii) by striking out "deductions allowed by sections 217" and inserting in lieu thereof "deduction allowed by section 217".

(E) AMENDMENT OF SECTION 3(b).—Paragraph (1) of section 3(b) is amended by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

QUALIFIED HOME LEAVE TRAVEL EXPENSES.—

(i) Subsection (g) of section 913 (relating to qualified home leave travel expenses) is amended to read as follows:

"(g) QUALIFIED HOME LEAVE TRAVEL EXPENSES.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified home leave travel expenses' means the reasonable amounts paid or incurred by or on behalf of an individual for the transportation of such individual, his spouse, and each dependent—

"(A) from a point of outside the United States to the individual's principal domestic residence, and

"(B) from the individual's principal domestic residence to a point outside the United States.

"(2) LIMITATION TO COST BETWEEN TAX HOME AND PLACE OF RESIDENCE.—The amount taken into account under subparagraph (A) or (B) of paragraph (1) with respect to any transportation shall not exceed the reasonable amount for transportation between the location of the individual's tax home outside the United States and the individual's principal domestic residence.

"(3) SUBSTITUTION OF NEAREST PORT OF ENTRY IN CERTAIN CASES.—With respect to any person whose travel in the United States is not travel to and from the individual's principal domestic residence, paragraphs (1) and (2) shall be applied by substituting the nearest port of entry in the United States for the individual's principal domestic residence.

"(4) NEAREST PORT OF ENTRY.—For purposes of paragraph (3), the nearest port of entry in the United States shall not include a nearest port of entry located in Alaska or Hawaii unless the individual elects to have such port of entry taken into account.

"(5) PRINCIPAL DOMESTIC RESIDENCE DEFINED.—For purposes of this subsection, an individual's principal domestic residence is the location of such individual's present (or, if none, most recent) principal residence in the United States.

"(6) 1 ROUND TRIP PER 12-MONTH PERIOD ABROAD.—Amounts may be taken into account under paragraph (4) of subsection (b) only with respect to 1 trip to the United States, and 1 trip from the United States, per person for each continuous period of 12 months for which the individual's tax home is in a foreign country."

(ii) Clause (ii) of section 913(i) (1) (C) (relating to qualified second household) is amended by striking out ", and paragraph (1) of subsection (g)," and inserting in lieu thereof ", and subsection (g),".

(G) AMENDMENT OF SECTION 119.—Subsection (a) of section 119 (as in effect on the day before the date of the enactment of the Foreign Earned Income Act of 1978) is amended by striking out "(a) GENERAL RULE.—".

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by paragraph (1) shall take effect as if included in the Foreign Earned Income Act of 1978.

(B) PARAGRAPH (1) (E).—The amendment made by paragraph (1) (E) shall apply to taxable years beginning after December 31, 1978.

(b) AMENDMENTS RELATED TO THE BLACK LUNG BENEFITS REVENUE ACT.—

(1) CORRECTION OF PROVISIONS RELATED TO COURT JURISDICTION.—

(A) Subsection (g) of section 6503 is amended—

(i) by striking out "4971, 4975, 4985, or 4986" and inserting in lieu thereof "4951, 4952, 4971, or 4975", and

(ii) by striking out "4971(c) (3), 4975(f) (6), 4985(e) (4), or 4986(e) (2)" and inserting in lieu thereof "4951(e) (4), 4952(e) (2), 4971(c) (3), or 4975(f) (6)".

(B) Subsection (f) of section 6511 is amended—

(i) by inserting "or section 4975" after "chapter 42", and

(ii) by striking out "CHAPTER 42" in the subsection heading and inserting in lieu thereof "CHAPTER 42 AND CERTAIN CHAPTER 43".

(C) Section 6862 is amended by striking out "certain excise taxes" and inserting in lieu thereof "the taxes imposed by chapters 41, 42, 43, and 44".

(D) Subsection (g) of section 7422 is amended by striking out "4944, 4945" each place it appears and inserting in lieu thereof "4944, 4945, 4951, 4952".

(E) Paragraph (1) of section 7422(g) is amended by striking out "section 4945(a) (relating to initial taxes on taxable expenditures)" and inserting in lieu thereof "section 4945(a) (relating to initial taxes on taxable expenditures), section 4951(a) (relating to initial taxes on self-dealing), 4952 (a) (relating to initial taxes on taxable expenditures)".

(F) Subsection (g) of section 7422 is amended by striking out "section 4945(b) (relating to additional taxes on taxable expenditures)" and inserting in lieu thereof "section 4945(b) (relating to additional taxes on taxable expenditures), section 4951(b) (relating to additional taxes on self-dealing), 4952(b) (relating to additional taxes on taxable expenditures)".

(2) CORRECTION OF REFERENCES TO 1969 ACT.—

(A) Subsections (b), (c) (1), and (d) of section 3 of the Black Lung Benefits Revenue Act of 1977 are each amended by striking out "Federal Coal Mine Health and Safety Act of 1969" each place it appears and inserting in lieu thereof "Federal Mine Safety and Health Act of 1977".

(B) Sections 501(c)(21) and 192(e) are each amended by striking out "Federal Coal Mine Health and Safety Act of 1969" and inserting in lieu thereof "Federal Mine Safety and Health Act of 1977".

(3) Clerical amendment.—Paragraph (1) of section 3(c) of the Black Lung Benefits Revenue Act of 1977 is amended by striking out "subsection (a)(4)" and inserting in lieu thereof "subsection (a)(5)".

(4) Effective date.—Any amendment made by this subsection shall take effect as if included in the provision of the Black Lung Benefits Revenue Act of 1977 to which such amendment relates.

(c) Amendments Related to Energy Tax Act of 1978.—

(1) Repayment of tax on gasoline used in commercial fisheries.—Subparagraph (B) of section 6421(d)(2) (defining qualified business use) is amended by adding at the end thereof the following new sentence: "The preceding sentence shall not apply to use in a vessel employed in the fisheries or in the whaling business."

(2) Amendments related to treatment of gasoline mixed with alcohol.—

(A) Subparagraph (H) of section 6416(b)(2) (relating to specified uses and resales) is amended by inserting "or in a mixture described in section 4081(c)" after "section 4041".

(B) Paragraph (2) of section 4081(c) (relating to later separation of gasoline) is amended by inserting "(or with respect to which credit or refund was allowed or made by reason of section 6416(b)(2)(H))" after "this subsection".

(3) Tires used in manufacture of buses.—

(A) Subparagraph (C) of section 6416(b)(3) (relating to tax-paid articles used for further manufacture, etc.) is amended by striking out "such other article is" and all that follows and inserting in lieu thereof the following:

"such other article is—

"(i) an automobile bus chassis or an automobile bus body, or

"(ii) by any person exported, sold to a State or local government for the exclusive use of a State or local government, sold to a nonprofit educational organization for its exclusive use, or used or sold for use as supplies for vessels or aircraft;".

(B) Subparagraph (B) of section 6416(b)(4) (relating to tires and inner tubes) is amended to read as follows:

"(B) such other article is—

"(i) an automobile bus chassis or an automobile bus body, or

"(ii) by any person exported, sold to a State or local government for the exclusive use of a State or local government, sold to a nonprofit educational organization for its exclusive use, or used or sold for use as supplies for vessels or aircraft,".

(C) Subsection (e) of section 4071 (relating to tires on imported articles) is amended by striking out "under section 4061" and inserting in lieu thereof "under section 4061 or if such article is an automobile bus chassis or an automobile bus body".

(4) Refund of tax on lubricating oil used in producing rerefined oil.—Paragraph (2) of section 6416(b) (relating to credit or refund for certain uses) is amended by striking out "or" at the end of subparagraph (L), by striking out the period at the end of subparagraph (M) and inserting in lieu thereof "; or", and by inserting after subparagraph (M) the following:

"(N) in the case of lubricating oil taxable under section 4091 which is contained in a mixture which is rerefined oil (as defined in section 4093(b)(3)), used or sold

The amount of the credit or refund under subparagraph (N) with respect to any lubricating oil shall be the amount which would be exempt from tax under section 4093."

(5) Credit or refund of tax on truck chassis or body used in the manufacture of a bus.—Subparagraph (A) of section 6416(b)(3) (relating to tax-paid articles used for further manufacture, etc.) is amended by striking out "component part of," and all that follows and inserting in lieu thereof the following:

"component part of—

"(i) another article taxable under chapter 32, or

"(ii) an automobile bus chassis or an automobile bus body,

manufactured or produced by him;".

(6) Clerical amendment.—The last sentence of section 48(a)(10)(B) is amended by striking out "51" and inserting in lieu thereof "5".

(7) Effective date.—Any amendment made by this subsection shall take effect as if included in the provision of the Energy Tax Act of 1978 to which such amendment relates.

TITLE II—GENERAL EFFECTIVE DATE

Sec. 201. General Effective Date.

Except as otherwise provided in title I, any amendment made by title I shall take effect as if it had been included in the provision of the Revenue Act of 1978 to which such amendment relates.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. Rostenkowski) will be recognized for 20 minutes, and the gentleman from Tennessee (Mr. Duncan) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. Rostenkowski).

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 2797, presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2797, the Technical Corrections Act of 1979, contains technical amendments to the Revenue Act of 1978, the Energy Tax Act of 1978, the Foreign Earned Income Act of 1978 and the Black Lung Benefits Revenue Act of 1977. The complexity of much of this recent tax legislation as well as the time pressures at the end of the last Congress has left us, in the 96th Congress, with the job of rectifying inadvertent technical errors now present in law. With this in mind, early this year the staff was directed to begin working on a bill to make the necessary technical changes. This effort has explicitly been directed toward those changes which are purely technical in nature, in order to make the technical corrections process an expeditious and successful one. Substantive policy issues have not been included so that the problems of controversy which slowed passage of the technical corrections bill in 1977 may be avoided.

The amendments contained in this bill were developed after consideration of comments submitted to the committee from the Treasury Department, the Internal Revenue Service, the staff, tax practitioners and the general public.

In addition to written statements submitted to the committee, the Subcommittee on Select Revenue Measures received public testimony on March 27, 1979. The subcommittee approved several amendments on April 25, 1979, and the full committee approved the bill and ordered it reported to the full House on May 31.

The bill closely parallels the 1978 tax bills it is intended to correct. The first part coordinates the enactment dates of the Revenue Act of 1978 and the Energy Tax Act of 1978; the next seven parts cover technical, clerical, and conforming amendments to the Revenue Act of 1978; and the last part covers similar amendments to the Foreign Earned Income Act of 1978, the Black Lung Benefits Revenue Act, and the Energy Tax Act of 1978.

Again, the bill is not intended to change the basic policies enacted by Congress in the original legislation but rather to make those technical changes which are necessary to clarify and carry out the original congressional intent.

Mr. Speaker, the technical corrections process is a necessary one given the increasing complexity and last minute haste of much of our recent tax legislation. But in order to make the technical corrections process a successful one, substantive policy issues should not be made a part of the process.

H.R. 2797 has avoided entangling itself in substantive policy issues. It is a good bill and deserves the support of the House.

Mr. DUNCAN of Tennessee. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2797, the Technical Corrections Act for the 1978 Revenue Act and certain other bills.

H.R. 2797 is the first bill of the newly formed Select Revenue Subcommittee of the Committee on Ways and Means to be considered by the House of Representatives. As ranking minority member I fully support Subcommittee Chairman Rostenkowski's efforts to strictly limit the bill to technical amendments while allowing more substantive amendments to be considered separately. This procedure resulted in the bill being expedited and the more substantive amendments receiving the kind of review they require.

I want to thank the Treasury Department for their cooperation in expediting the bill. I and the other Republican members of the subcommittee look forward to working with the majority and Treasury on future legislation.

I urge the bill's immediate passage.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. Butler).

☐ 1300

Mr. BUTLER. I thank the gentleman for yielding.

Mr. Speaker. I call to your attention a provision contained in the Technical Taxes Correction Act which would assist many small businessmen who are required to comply with certain burdensome provisions of the Revenue Act of 1978.

I refer to the advance payment of the earned income credit, which is a refundable credit against income equal to 10 percent of the first $5,000 of earned income with a maximum credit of $500.

Under the Revenue Act of 1978, employees may elect to have advance payments of the earned income credit added to their paychecks each pay period, rather than waiting until the end of the taxable year and receiving the refund in the form of a check from the Internal Revenue Service.

Many businesses and individuals have been unable to prepare their bookkeeping procedures for this change in time to meet the effective date of July 1, 1979.

For this reason, the Technical Taxes Correction Act of 1979 provides the Internal Revenue Service with authority to waive penalties for up to 6 months for employers who are unable to meet the requirements.

Several constituents have advised me of their concern over these provisions and, after careful review of this matter, I have come to the conclusion that this new provision of law places an unnecessary burden on small businessmen and have introduced legislation to repeal it.

I have advised the chairman of the House Ways and Means Committee, Mr. ULLMAN, of my concerns.

In reply, Mr. ULLMAN advised me that the Select Revenue Measures Subcommittee hoped to hold hearings on proposals to delay the effective date of the earned income credit advance payments.

It is my understanding that the subcommittee has held such hearings and that the subcommittee is addressing matters.

Mr. ROSTENKOWSKI. If the gentleman will yield, the Select Revenue Measures Subcommittee has already had hearings on this measure on the 27th of last month, and every indication has been made to the members of that subcommittee by the Treasury that the enforcement of these rules will be delayed for 6 months.

Mr. BUTLER. I appreciate the gentleman's assurance. I hope that this is a matter that the gentleman will stay interested in for some time.

Mr. ROSTENKOWSKI. The Select Revenue Measures Subcommittee is now working on some legislative changes as well.

Mr. BUTLER. I thank the gentleman.

Mr. Speaker, I yield back the remainder of my time.

● Mr. BEDELL. Mr. Speaker, today the House will consider, under suspension of the rules, the Technical Taxes Correction Act of 1979. Among other things, H.R. 2797 reverses a recent ruling by the Internal Revenue Service that would deny rebates of the gasoline excise tax to gasohol jobbers and dealers. I strongly urge my colleagues to support this legislation.

When Congress passed the Energy Tax Act of 1978, we clearly intended that gasoline used to produce gasohol should be exempted from the 4 cents per gallon Federal excise tax. This policy decision was made in order to encourage development of gasohol as a means of reducing our need for gasoline. This spring, however, the IRS ruled that the language of the Act precludes the making of rebates to jobbers and dealers of gasohol.

In June, I introduced legislation to correct this situation, and to prevent any interruption of gasohol sales that might result if the 4-cent tax were to be passed along to consumers. Fortunately, adoption of my bill is no longer necessary. The bill before us today clarifies the intent of the Energy Act and insures that rebates will be forthcoming to handlers of gasohol. In so doing, it will make the tax exemption retroactive to the date of the IRS ruling.

Mr. Speaker, I believe there is general agreement that we ought to encourage the development of any alternative fuel that will ease our present dependence on imported oil. Gasohol offers the promise of a substantially enhanced liquid fuel supply, as the Congress recognized when it enacted the excise tax exemption. In view of President Carter's strong words last evening urging the country to come together in an effort to defeat our energy difficulties, I believe there can be no question of the need and desirability of taking every practical step toward energy independence. Without a doubt, it is in the national interest to promote the production and use of gasohol, our homegrown fuel. Passage of the legislation before us today will serve this end by insuring that the IRS observes the intent of Congress that gasohol be accorded favorable tax treatment. I urge my colleagues to give it their unqualified support.●

Mr. DUNCAN of Tennessee. Mr. Speaker, I have no further requests for time, and I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI) that the House suspend the rules and pass the bill, H.R. 2797, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 2282, and H.R. 3641.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

VETERANS' DISABILITY COMPENSATION AND SURVIVORS' BENEFITS AMENDMENTS OF 1979

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 2282, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. MONTGOMERY) that the House suspend the rules and pass the bill, H.R. 2282, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 350, nays 0, answered "present" 1, not voting 83, as follows:

[Roll No. 334]

YEAS—350

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fascell
Findley
Fisher
Fithian
Flippo
Florio
Foley
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Hawkins
Heftel
Hightower
Hillis
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McHugh
McKay

McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nowak
O'Brien
Oakar
Oberstar
Obey
Pashayan
Patten
Patterson
Paul
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Walker
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Tex.
Winn
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NAYS—0

ANSWERED "PRESENT"—1

Nichols

NOT VOTING—83

Anderson, Ill.
Andrews, N.C.
Ashley
Biaggi
Boland
Bolling
Bonior
Brown, Ohio
Campbell
Cavanaugh
Clausen
Conyers
Crane, Daniel
Davis, S.C.
Dixon
Dodd
Dougherty
Emery
Evans, Ga.
Fary
Fazio
Fenwick
Ferraro
Fish
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Garcia
Gonzalez
Gray
Hansen
Harkin
Harsha
Heckler
Hefner
Hinson
Holland
Holtzman
Ichord
Jeffords
Jenkins
Kelly
Kemp
Kostmayer
Leach, La.
Lederer
Loeffler
Lundine
McCloskey
McEwen
Mavroules
Mikva
Moakley
Myers, Pa.
Nedzi
Nelson
Nolan
Ottinger
Panetta
Pease
Pepper
Pickle
Rangel
Roberts
Rodino
Sebelius
Skelton
Snowe
Solarz
Stockman
Taylor
Vander Jagt
Volkmer
Wampler
Weiss
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wydler
Zeferetti

☐ 1320

The Clerk announced the following pairs:

Mr. Rodino with Mr. Hansen.
Mr. Boland with Mr. Andrews of North Carolina.
Ms. Ferraro with Mr. Kelly.
Mr. Moakley with Mr. Emery.
Mr. Zeferetti with Mr. Cavanaugh.
Mr. Pepper with Mr. Brown of Ohio.
Mr. Panetta with Mr. Stockman.
Ms. Holtzman with Mr. Vander Jagt.
Mr. Biaggi with Mr. Kemp.
Mr. Dodd with Mr. Jeffords.
Mr. Fary with Mrs. Heckler.

Mr. Ford of Michigan with Mr. Harsha.
Mr. Myers of Pennsylvania with Mr. Anderson of Illinois.
Mr. Wolff with Mr. Campbell.
Mr. Skelton with Mr. Clausen.
Mr. Roberts with Mr. Dougherty.
Mr. Rangel with Mr. Mavroules.
Mr. Garcia with Mr. McEwen.
Mr. Jenkins with Mr. Daniel B. Crane.
Mr. Lederer with Mrs. Fenwick.
Mr. Fazio with Mr. Fish.
Mr. Charles H. Wilson of California with Mr. Hinson.
Mr. Nelson with Mr. Sebelius.
Mr. Ichord with Mrs. Snowe.
Mr. Mikva with Mr. Taylor.
Mr. Flood with Mr. Wampler.
Mr. Evans of Georgia with Mr. Bob Wilson.
Mr. Davis of South Carolina with Mr. Wydler.
Mr. Ashley with Mr. McCloskey.
Mr. Solarz with Mr. Loeffler.
Mr. Lundine with Mr. Holland.
Mr. Hefner with Mr. Bonior.
Mr. Gray with Mr. Conyers.
Mr. Gonzalez with Mr. Dixon.
Mr. Harkin with Mr. Ford of Tennessee.
Mr. Nolan with Mr. Forsythe.
Mr. Nedzi with Mr. Weiss.
Mr. Pease with Mr. Volkmer.
Mr. Wirth with Mr. Williams of Ohio.
Mr. Ottinger with Mr. Kostmayer.
Mr. Leach of Louisiana with Mr. Pickle.

Mr. ERDAHL changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. NICHOLS. Mr. Speaker, when the veterans' disability compensation benefits amendment came before the House this morning, for personal reasons I felt it ethical that I vote "present" on a recorded vote.

I do wish to express my support in behalf of H.R. 2282.

PERSONAL EXPLANATION

Mr. CLAUSEN. Mr. Speaker, I was unavoidably detained on rollcall vote No. 334, the vote on H.R. 2282, Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979. Had I been here, I would have voted "yea."

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. KELLY. Mr. Speaker, I was unavoidably detained and unable to be here for rollcall vote No. 334, the vote on H.R. 2282, Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979. Had I been here, I would have voted "yea."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)3 of rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

PUBLIC HEALTH SERVICE EXTENSION AMENDMENTS

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3641, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN) that the House suspend the rules and pass the bill, H.R. 3641, as amended, on which the yeas and nays are ordered.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair wishes to observe that the Chair had earlier announced that this was to be a vote for which 5 minutes would be provided. Apparently a mistake was made by the clerk in charge of the monitor and, therefore, the Chair will grant another 1 minute to enable Members to have sufficient time within which to record their votes.

The vote was taken by electronic device, and there were—yeas 317, nays 35, not voting 82, as follows:

[Roll No. 335]

YEAS—317

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Aspin
AuCoin
Bafalis
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Donnelly
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fascell
Findley
Fisher
Fithian
Flippo
Florio
Foley
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Gonzalez

Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Hawkins
Heftel
Hightower
Hillis
Hollenbeck
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
LaFalce
Latta
Leach, Iowa
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Long, La.
Lott
Lowry
Lujan
Luken
McClory
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Pashayan
Patten
Patterson
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Walker
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Tex.
Winn
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NAYS—35

Ashbrook
Atkinson
Badham
Barnard
Bauman
Bennett
Broomfield
Burgener
Carney
Collins, Tex.
Crane, Philip
Daniel, R. W.
Dannemeyer
Deckard
Dornan
Edwards, Okla.
Goldwater
Holt
Jeffries
Kelly
Kramer
Lagomarsino
Lewis
Lungren
McDonald
Marlenee
Paul
Rousselot
Rudd
Schulze
Sensenbrenner
Shumway
Shuster
Stump
Symms

NOT VOTING—82

Albosta
Anderson, Ill.
Andrews, N.C.
Ashley
Biaggi
Boland
Bolling
Bonior
Brown, Ohio
Campbell
Cavanaugh
Conyers
Crane, Daniel
Davis, S.C.
Dixon
Dodd
Dougherty
Emery
Evans, Ga.
Fary
Fazio
Fenwick
Ferraro
Fish
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Garcia
Gray
Hansen
Harkin
Harsha
Heckler
Hefner
Hinson
Holland
Holtzman
Ichord
Jeffords
Jenkins
Kemp
Kostmayer
Leach, La.
Lederer
Loeffler
Long, Md.
Lundine
McCloskey
McEwen
Mavroules
Mikva
Moakley
Myers, Pa.
Nedzi
Nelson
Nolan
Ottinger
Panetta
Pease
Pepper
Pickle
Rangel
Roberts
Rodino
Sebelius
Skelton
Snowe
Solarz
Stockman
Taylor
Vander Jagt
Volkmer
Wampler
Weiss
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wirth
Wolff
Wydler
Zeferetti

The Clerk announced the following pairs:

Mr. Rodino with Mr. Wydler.

Mr. Boland with Mr. Stockman.

Mr. Moakley with Mrs. Snowe.

Mr. Myers of Pennsylvania with Mr. Harsha.

Mr. Zeferetti with Mr. Andrews of North Carolina.

Mr. Pickle with Mr. Brown of Ohio.

Mr. Rangel with Mrs. Heckler.

Mr. Panetta with Mr. Jeffords.

Mr. Ottinger with Mr. Kemp.

Mr. Gray with Mr. Mavroules.

Ms. Holtzman with Mr. McCloskey.

Mr. Ichord with Mrs. Fenwick.

Mr. Dodd with Mr. Fish.

Mr. Fary with Mr. Forsythe.

Ms. Ferraro with Mr. Bob Wilson.

Mr. Ford of Michigan with Mr. Wampler.

Mr. Nedzi with Mr. Taylor.

Mr. Lederer with Mr. McEwen.

Mr. Jenkins with Mr. Ford of Tennessee.

Mr. Hefner with Mr. Emery.

Mr. Garcia with Mr. Dougherty.

Mr. Hall of Texas with Mr. Daniel B. Crane.

Mr. Harkin with Mr. Campbell.

Mr. Biaggi with Mr. Anderson of Illinois.

Mr. Ashley with Mr. Hansen.

Mr. Albosta with Mr. Hinson.

Mr. Conyers with Mr. Holland.

Mr. Cavanaugh with Mr. Sebelius.

Mr. Evans of Georgia with Mr. Vander Jagt.

Mr. Fazio with Mr. Volkmer.

Mr. Flood with Mr. Weiss.

Mr. Nelson with Mr. Williams of Ohio.

Mr. Pease with Mr. Long of Maryland.

Mr. Pepper with Mr. Loeffler.

Mr. Skelton with Mr. Davis of South Carolina.

Mr. Charles H. Wilson of California with Mr. Leach of Louisiana.

Mr. Wolff with Mr. Lundine.

Mr. Wirth with Mr. Solarz.

Mr. Nolan with Mr. Mikva.

Mr. Bonior of Michigan with Mr. Dickinson.

Mr. Kostmayer with Mr. Roberts.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to extend for three fiscal years the expiring health information programs under title XVII of the Public Health Service Act; to amend that Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases, and to establish the National Digestive Diseases Advisory Board; and for other purposes.".

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. WEISS. Mr. Speaker, because of the vagaries of the Eastern Airlines shuttle between New York and Washington, I was unable to vote on two recorded matters today. Had I been present, I would have voted in favor of H.R. 2282, veterans disability compensation and survivors' benefits, and H.R. 3641, Public Health Service extension amendments.

☐ 1330

TRIBUTE TO SAMMIE F. LEE, PROFESSIONAL ENGINEER

(Mr. SNYDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. SNYDER. Mr. Speaker, I would like to take this opportunity to congratulate Sammie F. Lee, P.E., of Louisville who has recently been elected president of the National Society of Professional Engineers, which represents nearly 80,000 individuals engaged in every aspect of the engineering profession.

In addition to being a registered engineer and registered land surveyor in Kentucky, Sammie is registered in eight other States and the District of Columbia. He has served as the chairman of the NSPE Legislative and Government Affairs Committee and president of the Kentucky Society of Professional Engineers from which he recently received the Distinguished Service Award.

Sammie has been extremely active in numerous civic and fraternal organizations. He is a member of the Downtown Louisville Lions Club where he served as president in 1971–72 and subsequently as zone chairman and deputy district governor. He is also an active member of the Louisville Area Chamber of Commerce, Louisville Lodge No. 400, and the Scottish Rite and Korsair Shrine Temple.

It is indeed an honor for the State of Kentucky for Sammie to be elected to this prestigious position.●

NATIONAL CAPITAL TRANSPORTATION ACT AMENDMENTS OF 1979

Mr. DELLUMS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 3951) to amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital Region, to provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, to authorize an annual Federal payment to such Authority to provide assistance in meeting expenses of operation and maintenance of such system in order to reflect the special Federal relationship to such system, and for other purposes, and I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 3951

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Capital Transportation Amendments of 1979".

AUTHORIZATION OF ADDITIONAL FEDERAL AND DISTRICT OF COLUMBIA CONTRIBUTIONS FOR CONSTRUCTION OF THE ADOPTED REGIONAL SYSTEM

SEC. 2. (a) (1) The National Capital Transportation Act of 1969 (D.C. Code, sec. 1–1441 et seq.) is amended by adding after section 13 the following new section:

"AUTHORIZATION OF ADDITIONAL FEDERAL CONTRIBUTIONS FOR CONSTRUCTION

"SEC. 14. (a) The Secretary of Transportation is authorized to make contributions to the Transit Authority, in addition to the contributions authorized by section 3 of this Act, for the purpose of financing in part the cost of construction of the Adopted Regional System.

"(b) Federal contributions under subsection (a) for the Adopted Regional System shall be subject to section 17 and to the following limitations and conditions:

"(1) The work for which such contributions are authorized shall be subject to the provisions of the Compact and shall be for projects included in the Adopted Regional System.

"(2) The aggregate amount of such Federal contributions made during any fiscal year shall be matched by the local participating governments by payment of capital contributions for such year in a total amount that is not less than 25 per centum of the amount of such Federal contributions.

"(c) There is authorized to be appropriated to the Secretary of Transportation for the purpose of making contributions under subsection (a) the following amounts:

"(1) For fiscal year 1982, the amount of $200,000,000.

"(2) For fiscal year 1983, the amount of $350,000,000.

"(3) For fiscal year 1984, the amount of $375,000,000.

"(4) For fiscal year 1985, the amount of $375,000,000.

"(5) For fiscal year 1986, the amount of $325,000,000.

"(6) For fiscal year 1987, the amount of $75,000,000.

Any amount authorized but not appropriated under this subsection for any fiscal year may be appropriated for any succeeding fiscal year.

"(d) Amounts appropriated under subsection (c)—

"(1) shall remain available until expended, if so provided in appropriation Acts; and

"(2) shall be in addition to, and not in lieu of, amounts available to the Transit Authority under the Urban Mass Transportation Act of 1964 and the Federal Aid Highway Act of 1973.".

(2) Section 3 of such Act (D.C. Code, sec. 1–1442) is amended—

(A) by inserting "under this section" in subsection (a) after "Federal contributions"; and

(B) by inserting "under this section" in subsection (b) after "Federal contributions" the first place in appears therein.

(b) Effective October 1, 1979, section 4 of such Act (D.C. Code, sec. 1–1443), relating to District of Columbia contributions, is amended—

(1) by striking out "Commissioner" in subsections (a) and (d) and inserting in lieu thereof "Mayor";

(2) by striking out "aggregating not to exceed $269,700,000" in the first sentence of subsection (a); and

(3) by striking out "not to exceed $219,700,000" in the second sentence of subsection (a) and inserting in lieu thereof "such sums as may be necessary".

PAYMENT OF PRINCIPAL AND INTEREST ON BONDS ISSUED BY THE TRANSIT AUTHORITY

SEC. 3. (a) The National Capital Transportation Act of 1969 is amended by adding after section 14 (as added by section 2 of this Act) the following new section:

"PAYMENT OF BONDS

"SEC. 15. (a) (1) The Transit Authority shall establish a sinking fund to be used for the accumulation of assets for payment of principal on bonds issued by the Transit Authority. The fund shall be established and administered in accordance with the provisions of the Compact providing for funds established by the Transit Authority, and moneys in the fund may be invested by the Transit Authority in accordance with the Compact.

"(2) Assets of the fund shall be used to pay the principal on bonds issued by the Transit Authority.

"(b) (1) The Secretary of Transportation shall (A) make contributions to the fund established pursuant to subsection (a) in amounts sufficient to provide for the payment of two-thirds of the principal of bonds issued by the Transit Authority under the Compact before the date of the enactment of this section, or (B) otherwise provide for the payment of two-thirds of the principal of such bonds.

"(2) The local participating governments shall make payments to the Transit Authority in amounts sufficient to allow the Transit Authority to (A) make contributions to the fund established pursuant to subsection (a) in amounts sufficient to provide for the payment of one-third of the principal of bonds issued by the Transit Authority under the Compact before the date of the enactment of this section, or (B) otherwise provide for the payment of one-third of the principal of such bonds, and the Transit Authority shall make such contributions or otherwise provide for such payments.

"(c) (1) (A) The Secretary of Transportation shall make contributions to the Transit Authority, in addition to other contributions authorized by this Act, in amounts sufficient to provide for the payment of two-thirds of the total amount of interest paid or to be paid after October 1, 1979, on bonds issued by the Transit Authority under the Compact before the date of the enactment of this section.

"(B) In carrying out subparagraph (A), the Secretary of Transportation shall make contributions in amounts sufficient to provide for the payment, as any payment becomes due, of not more than 85 per centum of the interest due on such bonds at the time of such payment so long as the total amount of contributions by the Secretary under this subsection does not exceed the amount specified in subparagraph (A).

"(2) The local participating governments shall make payments to the Transit Authority in amounts sufficient to allow the Transit Authority to provide for the payment of one-third of the interest paid or to be paid after October 1, 1979, on bonds issued by the Transit Authority under the Compact before the date of the enactment of this section, and the Transit Authority shall make such payments.

"(3) If as a result of the retirement of the principal of such bonds (or of any portion of such principal) before maturity the total amount of contributions by the Secretary of Transportation after October 1, 1979, for payment of interest on such bonds is at any time in excess of two-thirds of the total amount of interest paid or to be paid on such bonds after such date, the Transit Authority shall pay to the Secretary the difference between the total amount contributed by the Secretary and two-thirds of the total amount of interest paid or to be paid on such bonds after such date.".

(b) (1) Section 9(d) of such Act (D.C. Code, sec. 1–1446) is repealed.

(2) The amendment made by paragraph (1) applies with respect to obligations of the Washington Metropolitan Area Transit Authority issued after the date of the enactment of this Act.

(c) (1) Section 10 of such Act (D.C. Code, sec. 1–1447) is repealed.

(2) The amendment made by paragraph (1) applies with respect to net interest cost and fees, commissions, and other costs of issuance incurred by the Washington Metropolitan Area Transit Authority on or after the date of the enactment of this Act or October 1, 1979, whichever is later.

(d) (1) Subsections (a) and (b) of section 11 of such Act (D.C. Code, sec. 1–1448) are amended by striking out "section 10" and inserting in lieu thereof "section 15".

(2) The amendments made by paragraph (1) take effect on the date of the enactment of this Act or on October 1, 1979, whichever is later.

ANNUAL FEDERAL CONTRIBUTION FOR RAIL OPERATING EXPENSES

SEC. 4. The National Capital Transportation Act of 1969 is amended by adding after section 15 (as added by section 3 of this Act) the following new section:

"ANNUAL FEDERAL CONTRIBUTION FOR OPERATING EXPENSES

"SEC. 16. (a) Subject to section 17, the Secretary of Transportation is authorized to make an annual contribution to the Transit Authority for each fiscal year through the fiscal year in which construction of the Adopted Regional System is completed or fiscal year 1988, whichever occurs first, to finance in part the cost of operating and maintaining the rapid rail transit system of the Transit Authority.

"(b) There is authorized to be appropriated to the Secretary of Transportation for the purpose of making contributions under subsection (a) the following amounts:

"(1) For fiscal year 1981, the amount of $20,000,000.

"(2) For fiscal year 1982, the amount of $21,200,000.

"(3) For fiscal year 1983, the amount of $22,500,000.

"(4) For fiscal year 1984, the amount of $23,800,000.

"(5) For fiscal year 1985, the amount of $25,200,000.

"(6) For fiscal year 1986, the amount of $26,700,000.

"(7) For fiscal year 1987, the amount of $28,300,000.

"(8) For fiscal year 1988, the amount of $30,000,000.

"(c) Amounts appropriated under subsection (c)—

"(1) shall remain available until expended, if so provided in appropriation Acts; and

"(2) shall be in addition to, and not in lieu of, amounts available to the Transit Authority under the Urban Mass Transportation Act of 1964.".

REQUIREMENT THAT LOCAL PARTICIPATING GOVERNMENTS HAVE A STABLE AND RELIABLE SOURCE OF REVENUE FOR CONTRIBUTIONS FOR RAIL OPERATING EXPENSES

SEC. 5. (a) The National Capital Transportation Act of 1969 is amended by adding after section 16 (as added by section 4 of this Act) the following new section:

"REQUIREMENT THAT LOCAL PARTICIPATING GOVERNMENTS HAVE A STABLE AND RELIABLE SOURCE OF REVENUE FOR CONTRIBUTIONS FOR RAIL OPERATING EXPENSES

"SEC. 17. The Secretary of Transportation may not make any contribution under section 14(a) for the cost of construction of the Adopted Regional System, or under section 16(a) for the cost of operating and maintaining the rapid rail transit system of the Transit Authority, until the Secretary has determined that the local participating governments have provided for a stable and reliable source of revenue sufficient to meet both (1) their payments to the Transit

Authority under subsections (b)(2) and (c)(2) of section 15, relating to payment of the principal and interests on bonds issued by the Transit Authority, and (2) that part of the cost of operating and maintaining the rapid rail transit system of the Transit Authority that is in excess of revenues received by the Transit Authority from the operation of the system and any amount to be contributed for operating expenses by the Secretary of Transportation under section 16(a) and any other provision of law.".

(b) Each governmental entity that is a local participating government for the purposes of the National Capital Transportation Act of 1969 should submit a plan to the Secretary of Transportation not later than September 30, 1980, showing that such governmental entity has a stable and reliable source of revenue to provide for its contributions (1) for payments to the Washington Metropolitan Area Transit Authority for the payment of principal and interest on bonds issued by the Transit Authority, and (2) for the cost of operating and maintaining the rapid rail transit system of the Washington Metropolitan Area Transit Authority.

COMMITTEE AMENDMENTS

The SPEAKER pro tempore. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 24, strike out "on" and insert in lieu thereof "paid or to be paid after October 1, 1979, of".

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the other committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, line 4, insert "paid or to be paid after October 1, 1979," after "principal".

The committee amendment was agreed to.

GENERAL LEAVE

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks in explanation of the bill presently before the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DELLUMS. Mr. Speaker, I move to strike the requisite number of words.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 5 additional minutes.)

The SPEAKER pro tempore. The gentleman from California (Mr. DELLUMS) is recognized for 10 minutes.

Mr. DELLUMS. Mr. Speaker, H.R. 3951, would authorize additional Federal nontributions for the cost of construction of of the rapid transit system of the National Capital region, provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, and authorize an annual Federal payment to such authority to provide assistance in meeting expenses of operation and maintenance of such system in order to reflect the special Federal relationship to such system.

The National Capital Transportation Act Amendments of 1979 offers the 96th Congress an opportunity to endorse and carry forward a commitment of nearly three decades of Federal Government involvement with Metro, the mass transit system which was initiated by the Federal Government to serve the National Capital region.

H.R. 3951 offers this Congress an opportunity to be identified with the foresight of previous Congresses who recognized the importance and value of an exemplary mass transit system in our Nation's Capital.

The events of the past 4 years, however, make this legislation even more important than previous Congresses ever realized. Just as Metro is much more than a local public works project so is H.R. 3951 much more than an important piece of mass transit legislation.

H.R. 3951 is an energy-saving bill. A complete Metro system, which only this legislation can guarantee, will reduce gas consumption in the Washington metropolitan area by 13 to 15 million gallons per year. And, 15 million gallons of gas not used by citizens commuting to Washington is 15 million gallons of gas other citizens in other parts of the country can use as farmers, tourists, or commuters who do not have access to mass transit.

H.R. 3951 is an environmental bill. A complete, 101-mile Metro system is an integral and essential element of the Washington region's efforts to meet the air quality standards set by the Environmental Protection Agency for 1987.

H.R. 3951 is also a Government efficiency bill. Metro is designed to serve the employees of the Federal Government. Employees who have Metro available to them get to work faster and have fewer days lost due to inclement weather. Metro enables work-related trips within the region to be completed faster and at one-third to one-half the cost of taxies. Metro is already saving the American taxpayer millions of dollars a year.

The planned 101-mile Metro system is partially completed with some 30 miles in operation and another 30 miles funded by highway transfer funds through fiscal year 1981.

H.R. 3951 will enable completion of the remaining 41 miles by appropriating new funds beginning in fiscal year 1982. H.R. 3951 has four major provisions which are designed to address the major financial challenges facing the Washington Metropolitan Area Transit Authority today so that the 101-mile system can be completed by the year 1987. More specifically, it would:

First, amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions totaling $1.7 billion from fiscal 1982 through 1987 for the cost of completing construction of the 101-mile Metro rapid transit system of the National Capital region. The bill would also require a local match of 20 percent for construction.

Second, provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, which are guaranteed by the Federal Government, by approving a plan already agreed to by both WMATA and the U.S. Department of Transportation, under which the Federal Government would contribute two-thirds of the amount due on principal and interest and local governments would provide one-third. This bond payment provision would become effective in fiscal 1980 and reduce the Federal Government's responsibility for bond payment.

Third, authorize annual Federal contributions to the authority totaling $197.7 million from fiscal 1981 through 1988 to assist in meeting the operating and maintenance expenses of Metro in order to reflect the special Federal relationship to such system. The authorizations would set Federal participation at about 10 percent of operating costs.

The Federal contribution for operating expenses is intended to be short term to cover the remaining few years of construction after which local areas will be better able to meet operating deficits.

Fourth, prohibit any Federal contributions for construction or operating costs until the Secretary of Transportation has determined that the local participating governments have provided for a stable and reliable source of revenue sufficient to meet their share of operating costs and bond payment. The bill states that local governments should submit a plan for the stable source of revenue by September 30, 1980.

Those are the elements of H.R. 3951 which finally tie down the multitude of loose ends that have plagued WMATA, the District of Columbia, the States of Virginia and Maryland and the seven local jurisdictions since the original Metro legislation was passed in 1955.

The authorization of $1.7 billion over 6 years is simply the fulfillment of a commitment. A commitment the Congress made to the local jurisdictions some 20 years ago. This authorization will enable Metro to move ahead in an orderly manner to a completed system by 1987. This system is designed as a total 101 mile system. Until it is a complete system it will be inefficient. Until it is a complete system, it will be costing the taxpayer in dollars, in energy, and in clear air. Without this legislation, the citizens of Maryland and Virginia who have contributed millions of tax dollars to Metro in good faith before the tracks ever reached their borders would have no assurance of a completed, efficient system.

The section of the bill dealing with retirement of construction bonds is an important housekeeping provision that puts into law an agreement that has already been reached between WMATA and the U.S. Department of Transportation.

When these bonds were originally sold, it was assumed the farebox would pay them off and the Federal Government guaranteed them 100 percent on that assumption. Today, even though Metro's fare structure is far above the average, we know the farebox cannot cover operating costs let alone past debts such as construction bonds. This Federal commitment predated the existence of highway transfer funds or any other Federal funds for mass transit construction. The one-third local to two-thirds Federal ratio in this bill is consistent with Federal participation in other types of public works projects during that period. This provision of H.R. 3951 minimizes the possibility that the Federal Government will have to meet its 100-percent obligation on these bonds.

The Federal contribution to operating costs increases at a 6-percent rate from $20 million in 1981 to $30 million in 1988. This is less than 10 percent of the total system operating costs and is meant to be a short-term contribution designed to relieve the heavy local tax burden during the construction phase. The benefits of Metro to the day-to-day operation of the Federal Government are immense. This Federal participation in operating costs at a rate of less than 10 percent is small compensation for the convenience and savings that Metro provides in station locations alone, such as the Pentagon, NIH, and National Airport. We should recall that several stations have been placed to primarily serve Federal facilities.

Furthermore, let me quote to you from President Johnson's directive to the first Administrator of WMATA:

> In designing the system for the Nation's Capital, I want you to search world-wide for concepts and ideas that can be used to make this system attractive as well as useful. It should be designed so as to set an example for the Nation, and to take its place among the most attractive in the world.

It hardly seems fair that local taxpayers should have to pay the price of setting a worldwide standard for mass transit.

The final provision of the bill sets a requirement that none of the Federal funds will be issued unless the local governments have created a stable and reliable source of revenue for Metro operations by 1981. No other mass transit system in the country has such a statutory requirement. Nowhere else is such a demand made of local government. This requirement has been requested by transportation Secretary Brock Adams, our former colleague, and Chairman DUNCAN of the House Appropriations Subcommittee on Transportation.

It is because of that requirement that this bill is before you on July 16, 1979, rather than in 1981. This requirement necessitates actions by the State Legislatures of Virginia and Maryland and the City Council of Washington, D. C. This bill puts these bodies on notice that the Federal commitment has been made for 80 percent of the construction costs as long as they can establish a reliable financial plan for the future operation of the system. H.R. 3951 must be passed in the 96th Congress in order that the respective jurisdictions may be allowed the much needed time and opportunity to establish the most feasible plan for meeting their share of the matching requirement by the September 30, 1980, deadline

We should recall that Metro has developed over the last 30 years with direct involvement by Congress and the previous five Presidents.

The Congress stated in the 1960 National Capital Transportation Act its finding that—

> An improved transportation system for the National Capital region is essential for the continued and effective performance of the functions of the Government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's capital. The Congress therefore declares that it is the continuing policy and responsibility of the Federal Government, in cooperation with State and local governments of the National Capital Region, to encourage and aid in the planning and development of a unified and coordinated transportation system for the National Capital region.

Mr. Speaker, this bill is a needed reaffirmation of the longtime Federal commitment.

Finally, I would remind you that the citizens of the Washington metropolitan area are already recording their vote for Metro. They are voting at a rate of nearly 300,000 riders a day. They are voting at the farebox at a rate that provides over 60 percent of the operating costs when the average system recovers only 45 percent. They are voting by leaving their automobiles at home more and more frequently.

Your vote in favor of H.R. 3951 will be a vote to continue the success of Metro and to introduce a new era of transportation for the Nation.

Mr. Speaker, I wish to acknowledge the tremendous effort undertaken by Members and staff in the development of this bill and to inform the Members of Congress concerning the issues surrounding this bill. I would particularly like to recognize the work of subcommittee chairman PETE STARK, ranking minority member, STEWART MCKINNEY, D.C. Representative, WALTER FAUNTROY, and Virginia Representative, HERB HARRIS.

☐ 1340

The SPEAKER pro tempore. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 10 additional minutes.)

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from California.

Mr. STARK. Mr. Speaker, we are faced here today with the question of whether or not this body will reaffirm a longstanding, bipartisan commitment to complete this Nation's most ambitious, modern and successful mass transit system—which happens to be right here in the National Capital region.

The National Capital Transportation Act Amendment of 1979, H.R. 3951, will enable completion of the total 101-mile Metro system by the end of the next decade. The legislation has four major provisions:

First, beginning in fiscal year 1982 and running through fiscal year 1987 the bill authorizes $1.7 billion of Federal matching funds. The $1.7 billion is authorized in the following manner:

Fiscal year 1982, $200 million;
Fiscal year 1983, $350 million;
Fiscal year 1984, $375 million;
Fiscal year 1985, $375 million;
Fiscal year 1986, $325 million; and
Fiscal year 1987, $75 million.

The funds are authorized in this yearly manner to reflect Metro's construction schedule. These funds would be matched with an aggregate contribution from the local governments of 20 percent to the Federal Government's 80 percent.

The $1.2 billion in Federal funds released last week by the Department of Transportation are highway transfer fund entitlements for this region that the region might have used to construct highways. These highway transfer funds will be exhausted in 1982 before the system is completed. Unfortunately, it has taken the Department of Transportation, local officials, and Metro 3 years to come to some agreement on the scheduled use of these highway transfer funds.

Second, H.R. 3951 puts into law an agreement reached between the Washington Metropolitan Transit Authority and the Department of Transportation establishing a sinking fund for the orderly retirement of $997 million in bonds issued years ago with a 100 percent Federal guarantee and reducing the Federal participation to two-thirds and increasing local responsibility to one-third.

Third, section 3 of this bill authorized an operating subsidy of approximately 10 percent a year during the course of Metro construction from fiscal year 1981 through fiscal year 1988. The subsidy stops as Metro nears completion because once the local governments are not making large capital contributions, they will be better able to afford the cost of meeting the operating deficit themselves.

Fourth, the final section of the bill is unique as it prohibits the Federal Government from making any contributions for construction or operation of the Metrorail system until the local governments have created a stable and reliable source of revenue to meet their obligations for payment of both principal and interest on the bonds as well as their share of operating the Metro system. The bill directs the local governments to present their financial plans for developing this stable and reliable source of revenue to the Secretary of Transportation no later than September 30, 1980.

These provisions of H.R. 3951 establish for the first time in the history of Metro a program which deals fairly with the local jurisdictions, yet safeguards the financial interests of the Federal Government. It will end the hand-to-mouth history of funding scrambles the States of Maryland and Virginia and the District of Columbia have engaged in since the original Metro legislation was passed in 1955.

Until this system is complete, it will not meet its optimum efficiency, costing local and Federal taxpayers not only more money, but also energy and clean air. Without this legislation taxpayers in Maryland and Virginia who have contributed millions to Metro in good faith before the tracks ever reached their borders would have no assurance of a complete system. This is exactly what happened in the area I represent. Alameda County. My constitutents will always pay a transit sales tax for BART even though the system does not run in a large part of the county.

This bill would prevent this type of financing fluke to reoccur with Metro.

Retiring the bonds issued at the Federal Government's request is a responsibility we have to fulfill with or without this legislation. Including it in this bill, however, will absolutely preclude any locality from defaulting on its bond payments because doing so would cancel the Federal construction and operating funds.

The approximately 10-percent operating subsidy is authorized for 8 years beginning in 1981 at a rate of $20 million and increasing 6 percent a year until it reaches $30 million. This will help the locals, if it is needed, to meet the heavy tax burden during construction. As the benefits to the Federal Government from Metro are incalculable, this is a small price to pay for the convenience and savings Metro provides. Several stations were built at the request of the Federal Government and others are located in key Federal installations.

Authorizing funds to complete Metro recognizes more than just this Federal commitment however, it recognizes the necessity of complete, functioning mass transit systems in any urban area where it is feasible. Our Nation's energy crisis demands this type of response. Our Nation's dedication to a clean environment demands that we start with Metro; finish it, and signal a whole new era of reliance on mass transit rather than a reliance of more highways and freeways and expressways which are fast becoming obsolete monuments to this Nation's love affair with the gas-powered automobile.

Just last week, the Department of Transportation agreed that the funding plans of the Washington Metropolitan Area Transit Authority are sound and should be pursued. Yet this administration is the first administration in 20 years which has yet to give its wholehearted and active support to the system.

Certainly it will cost money. But we in the Congress cannot let new budget authority stand in the way of answering one of the difficult questions facing this country in the remaining years of this century: How do we assure that the population of this Nation can be transported around major urban areas without the use of OPEC oil, without penalizing our poor, and without robbing those who genuinely need gasoline? It will take funds to complete Metro and it will take more in the future—and Congress will have to set the priority.

Mr. Speaker, I urge my colleagues to join with me, with the ranking minority member, the gentleman from Connecticut (Mr. McKINNEY), with our chairman, the gentleman from California (Mr. DELLUMS), and with our colleague, the gentleman from Virginia (Mr. HARRIS), in supporting H.R. 3951, and I urge its adoption.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, just so we can place this in proper perspective, when this program for the Metro system was first passed by the Congress on November 24, 1969, the managers of the bill at that time guaranteed the House that the total cost would be $2.5 billion. Obviously, times change in a decade. Since that time I understand there has been spent about $3.5 billion from all sources and that the ultimate cost will be nearly $8 billion. Is that correct?

Mr. STARK. Mr. Speaker, if the gentleman will yield, I think it would be approximately $7.2 billion for the total cost projected and anticipated in H.R. 3951.

Mr. BAUMAN. Is the gentleman prepared to give the House any assurances as to the absolute figure that might result if this legislation is passed, what the total cost would be?

Mr. STARK. If the gentleman will yield further, I can assure the gentleman that the Federal participation will be no greater than $1.7 billion. I think that it would be foolhardy to assure anybody in these times of inflation that costs may not rise, particularly if construction schedules are held back for one reason or another.

I wish that I could join with the gentleman from Maryland to find some way to limit the overall costs, but think the gentleman would agree that this is impractical in these times.

I hope that we are right. We have the best estimates that the Metro management, the OMB, and the Department of Transportation could agree on, and I certainly hope we stay within those limits.

□ 1350

Mr. McKINNEY. Mr. Speaker, I rise to strike the requisite number of words.

Mr. Speaker, the bill before us today is a most important piece of legislation. I feel strongly that passage of H.R. 3951 is crucial to the future of the Metro system. Not only will any delays in construction add considerably to the final cost of Metro, but the cost in human hardship will be devastating and cannot be ignored.

We have here in Metro a transportation system of which we can be justly proud. It is a beautiful and efficient system that works. Recently it was awarded the "Outstanding Civil Engineering Achievement of 1979" by the American Society of Civil Engineers.

The importance of Metro to the Washington metropolitan region is indisputable. Over the past few weeks we have seen rail ridership increase, according to figures available as of last Friday, from a daily average of 199,000 in June 1978 to an average of 281,000 in June 1979. The gas lines have begun to shorten and gasoline is becoming more readily available, but, even so, ridership is remaining fairly constant.

The national energy crisis and the clean air requirements of the metropolitan area have added a sense of urgency to the completion of Metro, making the need for immediate resolution of the funding problems essential. H.R. 3951 provides for such a course of action in an equitable and timely manner.

I will not go into the history of Metro, except to say that the special Federal interest in the area has been expressed many times and in many ways. In fact Metro is a Federal creation. The presence of the seat of Government in Washington is, of course, the source of the Federal interest in the District of Columbia and the surrounding metropolitan area.

In this region, as in no other, the Federal Government benefits, both directly and indirectly, from the services provided by public transportation. These benefits are primarily the result of the Federal Government's role as the major employer and the most extensive landowner in the region. Federal employees represent approximately 27 percent of the region's workers and almost one-half of the persons who work in the District of Columbia. Of this number it is also important to note that 72 percent of these workers are nonresidents and commute into the District each day.

Furthermore, there are many thousands of additional people whose work relates to the operation of the Federal Government. The absence of an adequate transportation system would certainly pose serious consequences to the overall functioning and productivity of our Federal Government.

We must remember also that in no other city have stations been built strictly at the request of the Federal Government. These stations, such as that at Arlington Cemetery and the Smithsonian, are used primarily by tourists. Visitors from all over the United States come to see their Nation's Capital, and they are transported to our national monuments by public transit.

I have been told by constituents who have come into my office that without Metro they would have found it very difficult, if not impossible, to visit our beautiful monuments, parks, and museums.

There is tremendous regional support for the Metro system. A recent poll showed 77 percent of the residents of the District of Columbia, Maryland, and northern Virginia favor completing the system, regardless of cost.

It is a system which was mandated by the Federal Government and endorsed by our last five Presidents. Unless this authorizing legislation is enacted by Congress 41 miles of the system may never be built, constituting a tremendous breach of faith to those citizens of Maryland and northern Virginia who contributed their tax dollars to Metro long before any of its lines reached their borders.

We must complete construction of the full system as currently planned, and we must do it without unnecessary delay. Past procrastination has been costly, and Congress cannot exclude itself from the responsibility for much of it. The Federal Government has a commitment to the Metro system, and we must keep that commitment. I urge my colleagues to join me in support of H.R. 3951.

Mr. Speaker, I would like to add one other feature.

I know of no other example in the United States of America, and I represent three cities and three suburban communities, where I have seen two

States, a separate jurisdiction known as the District of Columbia, counties, and individual municipalities join together in a project of this magnitude.

I think it is an exemplary example of what we should look for in intergovernmental cooperation, and the system should be finished. This body started the system, and certainly this body should finish the system.

Mr. WHITEHURST. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Speaker, I just want to commend the gentleman for his statement and say to the chairman that I rise in strong support of H.R. 3951.

Mr. Speaker, those of us who work in the District of Columbia are fortunate in having one of the cleanest, most attractive, and best designed subway systems in the country. Metro's ability to handle a crisis situation was demonstrated recently when a massive influx of new riders left their cars at home, and for the first time became users of public transit. I do not know how my staff would have made it to the office these past few weeks had Metro not been built.

The energy crunch is here, and it does not appear that we, as a nation, will ever again be able to squander gasoline as we have been accustomed to. One answer is mass transit—reaching out as far as possible into the suburbs to encourage more and more people to leave their automobiles at home. I understand that the Metropolitan Washington Council of Governments estimates that completion of the 101-mile system would result in a gas savings of approximately 11 million gallons a year. This gasoline could be used in areas where mass transit is not available, such as in the rural parts of the country.

A far-reaching, functioning transportation system in the Nation's Capital will provide increased mobility throughout the area, the savings in fuel will be enormous, and it would serve as a model for other urban areas throughout the country.

The legislation we are considering now, H.R. 3951, will authorize the funding necessary to complete the construction of the full 101-mile Metro system. It is essential that this legislation pass. We cannot risk having the Nation's Capital be left without an adequate transit system.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I had generally supported Metro and think it is a desirable institution.

The SPEAKER pro tempore. The time of the gentleman from Connecticut (Mr. McKinney) has expired.

(By unanimous consent, Mr. McKinney was allowed to proceed for 3 additional minutes.)

Mr. CONABLE. Mr. Speaker, will the gentleman yield further?

Mr. McKINNEY. I am pleased to yield to the gentleman from New York.

Mr. CONABLE. But, Mr. Speaker, I have a cautionary note to inject at this point.

Last night the President suggested $10 billion in additional expenditure for mass transit. Seventeen percent of that sum would be authorized by this particular bill.

I am wondering if it is not premature to be moving ahead so fast with Metro—if time is of the essence at this point—with respect to such a major commitment of the new Presidential initiative.

A second question I have, which I wish the gentleman would answer also, is the issue of mandated operating subsidies. Is that a desirable thing for us to get into? Does not that establish precedents that might be possibly very expensive for the Nation as a whole in the mass transit area? I would like to have those questions answered before I make up my mind how I am going to vote on this.

Mr. McKINNEY. I will try to answer the gentleman's questions as simply as possible.

No. 1, this bill would be a separate authorization and would take the Metro's bidding out of the general pool bidding.

If this bill were to fail, this system would be placed in direct competition with mass transit systems across the country for whatever available dollars are in the overall pool.

The operating subsidies will end in 1988. They are only put in on the basis of good faith since the system has taken so long to build and the benefit to the Federal Government is so great.

Mr. CONABLE. The subsidies are not permanent?

Mr. McKINNEY. No. They are limited to this bill. In essence, we are not establishing precedent. As the gentleman will probably remember, when Secretary Volpe put in the Shirley Highway bus lane, we gave them diminishing operating subsidies that ceased at such time as the project was finished.

What we are trying to do is to get this bill through this House and then move it through the other body. This is the first time that a bill will require set-asides by the local jurisdictions and by the other governmental bodies involved to make sure that they have a set-aside source of revenue for Metro. We feel it is absolutely necessary.

We have this bill in front of those State legislatures, because we are, if the gentleman will pardon the expression, somewhat confronted by their time schedules. We have received—and I would stand to correction from the gentlemen from either jurisdiction—approval from the Governor of Virginia, and we have received approval from the Governor of Maryland.

Mr. CONABLE. Has the gentleman received approval from the administration?

Mr. McKINNEY. Yes. We have received approval from the administration, but we have another problem. I would be dishonest if I did not suggest it to my good friend from New York.

The SPEAKER. The time of the gentleman from Connecticut (Mr. McKinney) has expired.

(By unanimous consent, Mr. McKinney was allowed to proceed for 3 additional minutes.)

Mr. McKINNEY. Mr. Speaker, we have a body downtown that has suffered through several Presidents, as has this gentleman. It is called the Office of Management and Budget.

It has ceased being the Office of Budget and become the Office of Management. There is a group of people down there, none of whom we know, where they come from, or who appointed them. Strangely enough, several of them were appointed by President Nixon and several by President Ford. They are under GS-12 categories.

They have suddenly arisen from the sea and said, "We do not like this."

Well, they suddenly arose from the sea in the last session of Congress and said that the President should veto the D.C. pension plan, but I would like the gentleman to know those "brilliant" people down at the Office of Management and Budget who said the President should veto that plan cost the taxpayers of this country $47 million.

Now they have suddenly arisen, I would say to the gentleman and come forth and said they really do not know about it. They are not too sure they like it, but I would ignore them, because their advice as usual is worthless.

Mr. CONABLE. I thank my colleagues.

☐ 1400

Mr. DELLUMS. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman.

Mr. DELLUMS. I would just like to add one point. My colleague raises the question of "precedent-setting values" with respect to Federal subsidies and operating expenses. I think that is an important question. I would simply like to remind my colleague that this system was designed in such a fashion that it helps Federal employees get to their Federal jobs, that the Federal Government is a major employer. The Federal Government is a major landlord. The Federal Government is the major beneficiary of people being able to swiftly and efficiently and effectively get from their homes to work.

Documented studies have pointed out that Federal employees who use Metro: First, get to their Federal jobs faster and, second, there is much less downtime with respect to their missing of work as a result of inclement weather.

Finally, if we stop for a moment to consider the special Federal stations, Arlington Cemetery, NIH, the National Airport, the Smithsonian Institute, the Commerce Department, HEW, DOT, HUD and the Congress of the United States, the point that I am simply making it that when one argues that this is a precedent-setting measure, I would suggest to my colleagues this is a company town and the Federal Government is the company employer. It is the big landlord and it behooves the Federal Government to see to it that their employees are capable of getting to work efficiently and effectively and on time every single day of the week.

I do not believe this measure is precedent-setting. We are only establishing these resources to be available during the time that the system is being constructed. It is our belief that once it is completed, the system will be able to handle itself.

During the interim we are having an incredible tax burden placed on the local people who have to come up with their 20 percent as well as come up with the additional operating expenditures. It would seem to me if five previous Presidents wanted this system to be the greatest system in the Nation, we certainly can help during the time it is being constructed.

Mr. McKINNEY. I would also add to my chairman's remarks that the Department of Transportation supports the completion of the system.

Mr. HARRIS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of the bill.

The first thing I would like to do is to yield to my distinguished colleague from Oregon who is certainly an expert in transportation, and I look forward to his comments.

Mr. DUNCAN of Oregon. Mr. Speaker, I thank the gentleman for yielding. I would just disclaim any flattery. I am not an expert. I am trying to learn, as are several of the new members of the Transportation Committee.

I wonder if the ranking minority member would rise for a little dialog. My colleague suggested with respect to this operational subsidy that in its absence, or I understood him to say that, that in its absence the Metro system would be competing with Buffalo and Rochester and Los Angeles and San Francisco for the operating subsidies which are available under the Urban Mass Transit Act. Is it not correct they would, in fact, be competing for those general subsidies in addition to this special operating subsidy which is provided in this bill?

Mr. McKINNEY. If the gentleman will yield, essentially I was not saying competing for operating subsidies, I was saying competing for capital construction. This removes Metro from the general pool of capital construction.

Mr. DUNCAN of Oregon. On capital items?

Mr. McKINNEY. That is right.

Mr. DUNCAN of Oregon. But with respect to the operational subsidies which are here in section 17, this is over and above the funds that are available in the Urban Mass Transportation Act to all systems for operational subsidies, is it not?

Mr. McKINNEY. The gentleman is correct.

Mr. DUNCAN of Oregon. So that Metro would be able to compete not only with the other cities of this country for the general funds, but be entitled in addition to that to the $20 million roughly a year that is provided in this bill?

Mr. McKINNEY. I would have to ask the chairman. I believe we would only be able to compete here for the operating subsidies.

Mr. DUNCAN of Oregon. The operating subsidies are all I am talking about.

Mr. McKINNEY. They would be able to compete, that is right.

Mr. DUNCAN of Oregon. Because on page 10, lines 8 through 10 it says it shall be in addition to and not in lieu of amounts available to the transit authority. The gentleman is absolutely correct.

Mr. DUNCAN of Oregon. Will the gentelman continue to yield to me for just a moment?

Mr. HARRIS. I will be happy to yield. But first let me say the gentleman is correct that the bill does set up a special operating assistance to the Washington metropolitan area on the basis of the special recognition of the service it gives to the Federal Government. This is special, but I would also point out to the gentleman, and I know the gentleman is aware of it, that the program is completely subject to the discipline of appropriations and the determination of the chairman of the Appropriations Subcommittee, who has a sharp pencil and a keen eye and I know that no money will go forward for this type of program unless it is absolutely necessary and absolutely vital to the success of the mass transit system in the Washington area.

I will be happy to yield to my colleague from Oregon.

Mr. DUNCAN of Oregon. I would say if it were up to the chairman of the Transportation Subcommittee alone I would agree with the gentleman's statement. But I do not share the confidence in the discipline of this House or other committees. Rather than looking forward to the complete abolition of this special treatment, I would like to suggest another possible scenario which seems to me to be more probable than the one you suggest, and that is that within the year, or 2 years at the most, we will have Buffalo, and Miami, Los Angeles, San Francisco, Chicago, Boston, New York, Providence, and Houston, and New Orleans in here for precisely the same treatment. Rather than looking for the abolition of this special treatment, I suspect we will see the proliferation of such special treatments and it will be very difficult for us, I think, to turn them down, once having given this special consideration to the Metro system.

The balance of the bill the committee has brought out I think is admirable and I support entirely the encouragement that the gentleman gives to the local units of government to work out a stable financing package. I think it is the biggest handicap to the progress of Metro and I hope that they will take a look at cutting across these jurisdictional lines that require the approval of as many as five units of government on almost anything that is done, and look forward to perhaps creating a transportation district that will be able to speak at least with a single and a unified voice.

With respect to the responsibility of the Federal Government for this special approximately $20 million a year subsidy, I would say that the Federal Government I believe has fully recognized its responsibilities.

The SPEAKER. The time of the gentleman from Virginia has expired.

(At the request of Mr. DUNCAN of Oregon and by unanimous consent Mr. HARRIS was allowed to proceed for 5 additional minutes.)

Mr. DUNCAN of Oregon. Will the gentleman continue to yield?

Mr. HARRIS. I will yield to the gentleman.

Mr. DUNCAN of Oregon. It will cost over $7 billion by the time it is through. As the gentleman indicated, we underwrote that $1 billion bond issue, which while it is not in default, they were unable to pay, and we have stepped in to fulfill our obligation.

With respect to proper recognition of the local people that are contributing, it is now in the law that they will contribute one-third of the cost of paying off that bond issue. I believe that we have adequately, with respect to the capital construction, fulfilled our special responsibility as the principal landlord of this district. I believe further that arguments of almost equal cogency can be advanced by any city in this country as to why the Federal Government ought to put up the $20 million a year subsidy for them.

I want this more as a warning to the people of the area that the $20 million will not come automatically and that far from being enthusiastic, at least the chairman of this appropriations subcommittee has great reservations about the wisdom or the future availability of this operational subsidy.

Mr. HARRIS. I thank the gentleman for his comments.

(By unanimous consent Mr. HARRIS was allowed to proceed for 5 additional minutes.)

Mr. HARRIS. I want to take this opportunity to express my thanks for the amount of work that the gentlemen from California have done with regard to this extremely important measure; the hearings, the careful and detailed negotiations necessary with the Department of Transportation, the systematic review of the needs of the program, the gently but firmly getting them into place with regard to the local commitment. This all required patience and required dedication from the perspective of a national need, not of a local need. There is no question about it, the gentleman from Virginia stands in the well as someone who sees a great deal of benefit to the Washington metropolitan area. But the gentlemen from California have seen this quite correctly, I believe, as an important step in the history of our Nation.

I know many of my colleagues have been known to travel on very important occasions to do very important investigative work, and I know they share with me the wonderment of seeing capitals of other nations of the world with their modern transportation systems and Washington sitting here in really the background as far as the technology and development of a rapid transit system.

□ 1410

This is the challenge that this bill tries to meet. When someone talks about hurrying the legislation or its being premature, it really strikes me with additional wonderment. It was this Congress that decided in 1952 that we should have a modern, planned transit system in the Nation's Capital. It was this Congress that decided that the studies be made. It was this Congress that authorized in 1960 the creation of a National Capital Transit Agency. It was this Congress that authorized the beginning, in 1967, so that it could have groundbreaking in 1965. And, in a hurry, we got up to just 10 years ago. We have authorized it; we have begun to build it; we now have one-third of it actually operating and on the ground; we have another third under construction or design; we need just the plan to finish off the 100-mile system.

I would ask my colleagues to realize that in the last year, in 1977 and 1978, the whole program, by direction of a number of people, especially the new administration, was reanalyzed, reinvestigated, recomputed. Did it make sense? The answer was a resounding yes, a 100-mile system is what is needed.

What we need to do is to stop talking about it and go ahead and build it. That is what the bill says. The bill says, "All right, here is the plan. The plan is to go ahead and have the Federal Government put up 80 percent, but the local governments, Maryland, Virginia, the District of Columbia, you not only have to match the 20 percent, you have to show us how you are matching that 20 percent; you have to show us how you are going to provide the funds for operating it; you have to show the Secretary of Transportation some determination that you can do it, that you will do it, that the funds are there before one Federal dollar goes forward."

This is a tough legislative proposal, but one designed to give the system completion. Do the States agree to this? The Governor of Virginia, who in the past has not been noted for his great support of Metro, has sent us a telegram in which he says:

RICHMOND, Va.,
July 11, 1979.

Hon. HERBERT E. HARRIS II,
U.S. Congress,
Capitol Hill, D.C.:

As you know, H.R. 3951, the National Capital Transportation Act Amendments of 1979, is scheduled for a vote before the full House on Monday, July 16. I have reviewed this bill with state officials, and I want you and the rest of our congressional delegation to know of the Commonwealth's support for this legislation.

I have been a long-standing supporter of a financially sound metro system, and I believe the provisions of this bill are compatible with this objective.

Our liaison office in Washington will be in contact with your staff to offer any further information you may wish.

JOHN N. DALTON.

The Governor expresses his support of the legislation. I know my colleague from Maryland (Mr. BARNES) will express similar support from the Governor of Maryland.

But with all these questions, I think we should also answer the question that was asked, Where does the Federal Government actually stand on this? Where do the people that actually know about transportation stand on this in the Federal Government? By letter of July 11, the Department of Transportation has indicated their understanding and their support of the type of legislation that we have before us today. At this point, Mr. Speaker, I will include in the RECORD the letter of July 11, signed by Mr. Brock Adams, to the Chairman of the Washington Metropolitan Area Transit Authority. The letter follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., July 11, 1979.

Rev. JERRY A. MOORE, JR.,
Chairman, Washington Metropolitan Area Transit Authority, Washington, D.C.

DEAR REVEREND MOORE: I appreciated receiving your letter of July 5, 1979, accompanied by a proposed construction and funding plan for completion of the Metro system. Your proposal includes a schedule for Interstate transfer commitments over the next four and half years and assumes congressional authorization of funds beyond the Interstate Highway sources sufficient to fully fund 101 miles of construction.

We have reviewed your submission and found it to be responsive to our May 31 request that, in scheduling the use of available Interstate transfer funds, you accelerate construction in the District of Columbia and open each new system segment for revenue operation as early as possible.

We are prepared to use your schedule as the basis for approval of the Interstate transfer grants programmed for FY 1979, as well as for the remainder of the Interstate transfer funds. We will proceed on this basis with the understanding that:

1. You will be able to recoup for your construction program by fiscal year 1983 $76.5 million in federal funds from the resale of excess real estate that was acquired by WMATA with direct two-thirds federal appropriations (to be set off against the transition grant in that amount now under review by UMTA);

2. The Authority will vigorously pursue cost reduction efforts in all aspects of its design and construction program, including the redesign of vaulted arch stations, as reflected in your earlier financial plan submissions, and review of the use of a shallower station at Fort Totten; and

3. Execution by the Authority and the Department of a mutually acceptable Initial Bond Repayment Participation Agreement must precede grant approvals. In this regard we will forward a revised proposed agreement in the very near future.

You have accomplished much in reaching this local agreement on an orderly sequence of construction for Metro that provides the earliest possible dates for the operation of each system segment. We recognize that a new congressional authorization will be necessary to fund completion of the system beyond the Interstate transfer amounts.

We have noted that your estimates of the cost to complete the system are based on an assumed annual inflation rate of 6 percent for the period FY 1981 to 1986. In light of recent experience and the Comptroller General's report on Metro issues dated April 10, 1979, we believe a higher escalation rate should be used.

We are aware of the tremendous demand being placed on the Metro system during the current energy shortage and of the growing role Metro will play in changing our community's dependence for mobility on the automobile. We agree with you that this can best be accomplished by completing the full 101 mile Metro system in operable segments at the earliest possible date.

We are prepared to meet with you to answer any further questions you may have and look forward to final resolution of the outstanding issues in time for approval of the FY 1979 grant requests needed to move this program forward.

Sincerely,

BROCK ADAMS.

That is where the Federal Government's Department of Transportation is. They are telling us to pass this bill. They are telling us to set into motion those necessary Federal commitments to allow the local governments to make their commitments, for us to go ahead and complete the system.

May I emphasize that not one dollar of this bill can go forward without appropriations. No. 2, not one dollar of this bill can go forward until the local governments make a commitment on their part for revenue necessary to meet their commitments. I think this is probably the tightest and toughest bill that has ever been passed with regard to transit.

We have done four things. First, we have made the program for construction firm by a schedule over the next 7 to 8 years. Second, we have set up a provision where the local governments have to pay one-third—not just the interest on the construction bonds, but one-third of the capital also, so that the bonds can be retired. Third, we have set up a modest—a very modest—about 10 percent assistance from the Federal Government for operation. This is a program that is costly as far as operation is concerned. It is used by every constituent across this country. I think we have to see it operated efficiently. I think the Federal Government ought to play some modest role like this in its operation. Fourth, and most important, we require as a condition precedent that the local governments commit their funds before we move ahead.

I do not know what more we can do in the interests of energy, in the interest of the call from the President of the United States to emphasize mass transit, than to use this as a kickoff for an energy program, of saying that we are serious about conserving energy; yes, we are serious about mass transit and so we are going to start at the Nation's Capital and have it completed, not on paper or in the mind of man, but in the ground and completed. A 100-mile Metro system that can do honor to this country and not leave us as a second-rate nation as far as modern metro mass transit systems are concerned.

Mr. BARNES. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I urge you lend your support to this measure, H.R. 3951, legislation to continue and reaffirm the Federal commitment to a National Capital transportation system. We in the 96th Congress will have few opportunities to cast a vote which is at once a vote to save gasoline, to help clean the air, to stimulate urban revitalization, to improve Government efficiency, and to save money by eliminating further delays. This bill allows the Federal Government to reap its due return on the investment it has made in the Metro system.

The Metro system is a good system—one that has withstood test of time, rigorous studies, and alternatives analyses, one that has been recognized for its outstanding engineering qualities, and one that has the overwhelming support of its ridership. The system may not be perfect, but by any standard of comparison, its overall record has been nothing short of superb. The Metro Board has demonstrated its responsiveness in the past, and I am certain that it will continue to maintain its record of improvement of the system.

The vote before us today is not, I assure you, a matter of mere convenience. Our decision here today will be a clear signal of the determination of this House to curb this country's petroleum-consuming habits. I do not believe its overstating the case to say that on this vote, we can send a clear signal to OPEC that we are serious about mounting an offensive in the "energy war."

Rapid rail transit is unquestionably more energy efficient than the private automobile. Unlike the private auto, rapid rail transit can be powered by other than petroleum-based fuels. In fact, the electrical energy used to power mass transit systems can be produced by virtually any energy source that we choose—and that is a major advantage in our efforts to curb oil imports. These facts, combined with the estimated savings of 12 million gallons of gasoline yearly, makes a completed metro system an offer that we cannot refuse.

I do not believe there is really a need for me to convince anyone of the seriousness of the air pollution problem here in the Washington area. Nothing has the potential to reduce this pollution problem like the mass transit system we are now building.

Mr. Speaker, as others before me have stated, there is indeed a special relationship between Metro and the Federal Government, one that has involved special requirements on the system such as construction of stations at the request of the Government, design approvals by a Federal Arts Commission, and other special stipulations met by the Metro system and only the Metro system. Therefore, it is fitting and proper that that special relationship be reaffirmed here today. For three decades, in studies, statements of Presidents, and legislation passed by Congress, we have recognized that improved transit in the Nation's Capital is essential for the effective performance of the Federal Government, and that the Government has a "unique interest and responsibility" in addressing the transportation needs of the area. I sincerely hope that our action here today will be in keeping with the letter and spirit of these past commitments.

One of the most powerful arguments for this legislation springs from the conclusion of the long and rigorous "alternatives analysis" of the system, which was directed by the Congress and the Urban Mass Transit Administration. That study confidently recommended completion of the 101-mile subway system as the best return on the Federal and local investment in mass transit. The study was hailed by the Urban Mass Transit Administrator as "one of the best-prepared throughout the country. It has been comprehensive, intensive, and I suggest it has been extremely useful."

This bill places fiscal responsibilities on the local governments involved—specifically, that stable and reliable local sources of revenue must be in place to pay for operating expenses and debt service before any Federal funds would be contributed. I wish to note here that the States and citizens of Maryland and Virginia have for years, on a good faith basis, contributed to the construction of a system which has largely served the downtown area. They have met their construction payments on time, and have established a trustworthy record. To derail the system now would be to break faith with those citizens who have contributed in the expectation that the system would eventually reach their communities.

I would like to note that, in testimony before the committee, in personal conversations, and in a letter I received today, the Governor of Maryland, Harry Hughes, has indicated his strong endorsement of this legislation. In his letter today, Governor Hughes again reaffirmed Maryland's commitment to the establishment of a balanced and efficient public transportation system in the National Capital region.

For those Members outside of the Washington area who wonder how this legislation affects their districts, I submit to you that a separate authorization for metro is helpful. It means that there will be one less city competing for the "section 3" dollars under the Urban Mass Transit Administration. In addition, the millions of gallons of gasoline that a completed system will save inevitably will ease the gas crunch, in both urban and rural areas.

Mr. Speaker, this legislation is strongly supported by a coalition of business, labor, and environmental groups. It meets our past commitments, and it is an affirmative step toward reduced dependence upon foreign oil. It is a vote to save energy, to clean up our air, to help efficiency in Government, and to stimulate urban revitalization. I hope you will join me in supporting this measure.

Mr. FAUNTROY. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of the National Capital Transportation Act Amendments of 1979 as it has been reported by the Committee on the District of Columbia. This legislation is vitally necessary if we are to assure the timely completion of the congressionally authorized 101-mile metrorail system for the Washington metropolitan area region. This bill, I will point out, has been crafted to preserve the unique and special relationship which this rail system has had with the Federal establishment. It seeks to assure that the needs of this system continue to be separately met, as has been the historical fact since the creation in 1952 of the National Capital Planning Act. That act mandated the first serious modern analysis of the area's transportation problems and the creation in 1960 of the National Capital Transportation Act wherein it is stated that—

> The Congress therefore declares that is the continuing policy and responsibility of the Federal Government, in cooperation with State and local governments of the National Capital region, to encourage and aid in the planning and development of a unified and coordinated transportation system.

In continuing to carry out that policy mandate, it was stated in hearings 10 years ago on the 1969 National Capital Transportation Act that enactment of legislation separate and apart from the Urban Mass Transportation Act, though identical to the then national formula pattern of two-third–one-third Federal-local sharing, was appropriate to recognizing the special interest of the Federal Government in the Nation's Capital and the needs and responsibilities which flow to the region from the Federal Government's impact on employment, the economy, and as a demonstration of Federal concern for the improvement of environment and the quality of life generally.

In 1979, those policy mandates which go back for 27 years, continue to be as vital and valid as they were then. Indeed, they have a greater importance today than they did then in light of the current energy and transportation crisis which this region and the whole Nation are now experiencing. As a matter of present Federal Government policy, it is important that this region have a fully and completely integrated and unified transportation system which has been adequately planned and funded to not only demonstrate our commitment to a viable transportation program but, in this region, to assure that Federal Government will not be paralyzed by a transportation crisis percipitated by a fuel shortage. The past few weeks have clearly demonstrated how fragile our various systems of transportation now are. We can cure it here and we can show the way across the Nation if we assure the completion of this rail system. The ties between the system, the region, and the Federal Government have never been more apparent and drawn more closely together than demonstrated in the events of the past weeks. If commitments made in the past and repeatedly brought forth have any meaning and value at all, this is the time to demonstrate it.

The provisions of the bill authorize contributions to capital construction in an amount totaling $1.7 billion which has been authorized to be expended in a manner that the committee believes will be in accord with a reasonable construction schedule. These funds must be matched, just as funds provided to other communities from the UMTA capital grants must be matched, by a local expenditure of 20 percent. This is the same formula which is provided in the Urban Mass Transportation Acts where the Federal Government will share 80 percent of the costs of construction of a mass transit system. Additionally, the bill provides a statutory basis by which the federally guaranteed bonds can be retired without a default. The plan would have the Federal Government share in the cost of those bonds at the same ratio it participated in other types of urban mass transportation construction projects during the time those bonds were sold which was a two-thirds–one-third

Federal-local sharing. In an effort to assure that the local governments will be able to meet their one-third requirement, the bill provides authority to the Secretary of Transportation to make contributions up to 85 percent of the interest due on these bonds in the early years so long as the total amount paid by the Federal Government does not exceed two-thirds. This section has been well considered and it assures the Federal Government that it will not have to redeem the bonds in in a default by WMATA.

Other provisions provide for a Federal contribution to the operating expenses of WMATA for the rapid rail system. The benefits of Metro to the day-by-day operation of the Federal Establishment are substantial: Its operation and completion will lessen the dependency on personal vehicle travel and possible fuel shortages, the system can operate more fully during inclement weather than any other form of transportation; and, finally, the system will contribute substantially toward improvement of the air quality in this region to say nothing of lessening frustrations in travel caused by traffic congestion.

In recognizing that the Federal Government has a special responsibility for this region and this system, it was realized by the committee that if this system is to work properly, then the hodgepodge of financial arrangements which have heretofore characterized Metro financing, had to be ended and a more stable and reliable system put into place. The bill does precisely that. It imposes, as nowhere else in the Nation, a specific requirement that the Secretary of Transportation release no funds until it is determined that the local participating governments have provided for a stable and reliable source of revenue sufficient to meet both their payments for the bonds and the daily operations. The Federal Government, this committee felt, should not pay to build a system that was not assured of a stable and reliable source to provide for its operations. That is as it should be and that is the way it will be.

I hasten also to add that this system has already contributed immensely to the economic strength of this entire region. I emphasize the region in this statement because neither I nor any member of this committee believes that this system is intended to benefit one community over another. We have gone into this undertaking together on an assumption that all of us will benefit; the fact is that all of us are beginning to benefit and in the final analysis all of us will benefit. Many of you have seen the stories in the newspapers about the fact Metro has been the reason that nearly $1 billion in new construction has been put around the existing Metro stations. More than $5 billion can be contemplated if the whole 101 mile system is built. The economic impact such an undertaking has upon the economic health of a community is simply overwhelming. The incomes, the jobs, the renewal, the increased mobility for those historically trapped in a neglected neighborhood is of magnitude that is beneficial far beyond what we even thought about when we talked, as far back as the Roosevelt era, about creating a rational transportation system in this region.

For the District of Columbia, whose budget this Congress is still considering, the system will mean more than $50 million in new local tax revenues by 1985, in addition to income taxes that were simply not possible to have before the system. The system has begun to revitalize our city; it has made it possible for this Congress to contemplate the drastic cuts in its share of paying for city services. The citizens of this city could not have begun to raise the sums necessary to operate this community were it not for the fact that so much good is happening. Much of that good flows from Metro.

I do not wish to suggest that the Federal Government can cut its share of aid to the city because of the economic development which flows; I am merely suggesting that were it not for this development, Congress would not even have the option to consider cutting anything from the Federal payment. In a sense our own success hurts us; but, we are nonetheless committed to a system that is rational, that is safe, that is functional irrespective of fuel and weather problems, and which is going to make this region a unified community.

That has been the historical commitment of the Congress in every National Capital Transportation Act or program you have considered. Once again, you are asked to make that commitment; I urge you to do so and to reaffirm a commitment repeatedly reiterated for more than 27 years.

Mr. MARRIOTT. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise today as a thoughtful conservative, because I have spent a lot of time in this House voting against most Federal boondoggles. But I am convinced as I look at this bill that this is not, in fact, a Federal boondoggle. It is in fact, I think, a bill worth while and one that we should all support.

I have spent the last several months studying very hard on solar energy, oil shale, gasification, liquefaction, tar sands, and all the rest. The facts of life are, Mr. Speaker, that we are about 10 to 30 years away from developing any of these alternatives. The big need in this country today, as I see it, Mr. Speaker, is one of solving our transportation problems because synthetics in general are 10 to 20 years away, conservation and other forms are really unworkable; and the only thing we can do that makes any sense in the next 30 years until these things come on line is to expand the gasoline and the oil uses that we have. I would say we have about 30 years of oil left in this country. With that background, I would simply like to make a couple of points, if I may.

Public rail systems are the most energy-efficient and cost-efficient means of transporting large numbers of people in the United States today. During peak periods transit buses are up to 15 times more energy efficient than automobiles. Heavy rail carriers, those carrying 250 passengers, are 52 times more efficient than the average commuter automobile, achieving about 1,000 passenger-miles per gallon of fuel. The average automobile manages only 19 passenger-miles per gallon. While the fuel efficiency of a car may be multiplied only 4 to 6 times, rail cars, already 53 times more efficient than automobiles, can be multiplied another 8 times by stringing cars together.

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In a Goss-McGowan study on energy requirements for passenger ground transportation systems it said that a commuter driving a car for 4 years uses as much fuel in that period as a transit rider uses in his entire 40-year working life.

In the study, an automobile uses 1,233 gallons of fuel per year. Using that figure compared against the highest estimated use of a transit user, the transit user may save 45,000 gallons of fuel in his working life. I think that is the point, Mr. Speaker, that I want to make. We are not here talking about how much it costs or how much it does not cost, how much has been wasted and I agree with the gentleman from Maryland that we have already wasted probably $1.5 billion in congressional delays up to this point, but the point from here on out is, how can we save energy, how can we save gasoline, and I think that mass transit is the solution in the future.

Mr. BARNES. Mr. Speaker, will the gentleman yield?

Mr. MARRIOTT. I will be happy to yield to the gentleman from Maryland.

Mr. BARNES. I thank the gentleman for yielding.

Mr. Speaker, the savings are far greater than the gentleman points out. Metro gets its source of energy to run its trains from Pepco, the local electric company. Pepco is presently generating electricity with about 85 percent coal. They are not using oil largely. Only about 15 percent of their generation is oil. Those trains are running on coal. The figures the gentleman cited which are absolutely correct with respect to the relative advantage of public transportation over the private automobile are far better here because we have an electric company using largely coal to generate the electricity that is used by the subway system.

Mr. Speaker, I thank the gentleman for yielding.

Mr. MARRIOTT. Mr. Speaker, I would just say in closing it is not often that I agree with my good friend from California (Mr. DELLUMS) on too many issues so I think at this point, in the best interests of this country, that we ought to put away our political rhetoric and get busy solving the energy problems. I think a good, solid mass transportation system would do that and I hope that this system can be finished, completed and then serve as a prototype, if you will, for other areas in the country to use in developing a mass transit system.

I include the following table for the information of the Members. It shows the State and local funding of WMATA and demonstrates that the Federal Government's role is, indeed, that of a partner.

STATE/LOCAL FUNDING COMMITTED THROUGH FISCAL YEAR 1980 TO WMATA CAPITAL AND OPERATING PROGRAMS

[In millions of dollars]

		Maryland			Virginia						
	District of Columbia	Montgomery County	Prince Georges County	Maryland total	Alexandria	Arlington	Fairfax City	Fairfax County	Falls Church	Virginia total	Tota
Operating programs:											
Metrobus subsidy	192.4	45.7	45.2	90.9	22.8	24.4	1.5	48.6	1.8	99.2	382.6
Metrorail subsidy	37.6	8.3	11.7	20.0	2.7	10.3	.2	7.0	.3	20.5	78.1
Subtotal	230.0	54.1	56.9	111.0	25.5	34.7	1.7	55.7	2.1	119.7	460.7
Less Federal operating assistance	46.0	16.3	16.3	32.6	4.8	6.7	.1	10.7	.7	22.9	101.5
Net State/local operating commitments	184.0	38.7	40.6	78.4	20.7	28.0	1.6	45.0	1.4	96.8	359.2
Bus and equipment capital programs [1]	31.4	6.5	5.9	12.4	4.1	6.3	.2	5.6	.3	[2] 16.5	60.3
Rail construction program:											
ARS through 1st ICCA	255.5	129.4	99.3	228.7	34.3	64.6	2.0	71.3	.9	[3] 173.1	657.3
Facilities for handicapped	4.0	2.1	1.6	3.7	.6	1.1	(*)	1.3	(*)	3.0	10.7
Subtotal	259.5	131.5	100.9	232.4	34.9	65.7	2.0	72.6	.9	176.1	668.0
Total	474.9	175.8	147.4	323.2	59.7	100.0	3.8	123.2	2.6	289.4	1,087.5

[1] Adjusted to reflect Jan. 10 adjustments through fiscal year 1980.

[2] Primary funding source has been State moneys. This is an order of magnitude allocation of these costs to the jurisdictions based on distribution in effect fiscal year 1973–75.

[3] Includes reimbursement of $9,600,000.

*Less than $50,000.

Mr. BAUMAN. Mr. Speaker, I move to strike the last word.

Mr. Speaker, a reporter called me last night after the President's speech, in fact a number of reporters did. One of them asked, "Do you think all these programs the President has suggested in his energy program will pass the Congress, will they encounter much trouble?"

I said, "Well, I do not know. Sometimes in a parliamentary body, having served in a few of them, the Maryland legislature included, there is an animal instinct. You present them with a stimulus and the herd moves."

Now, Mr. Speaker, I can understand, before this energy debate is over, we are going to hear energy advanced as the reason for Federal programs to cure everything from bad breath to falling hair. I predict energy will be used as an excuse for almost every and any program.

I have to disagree with my colleague from Utah (Mr. MARRIOTT) who is indeed a thoughtful conservative. He has presented his case. But the issue is not here whether we should have energy efficient mass transit. We are going to have that. We should have it. And it should be energy efficient.

What you are debating here today is the extent of the Federal taxpayers' commitment and the method by which the payment will be made. It is as simple as that. The District of Columbia government which, were it a private corporation, would have been in bankruptcy years ago, is incapable of financing Metro much further. My own State, the free State of Maryland, and it has been free, has seen its legislature twice refuse to authorize funding for Metro; the legislature of the Commonwealth of Virginia has refused twice also. Obviously any State would much rather get a free ride from the Federal Government, as though the taxpayers in our States are not Federal taxpayers as well. We are going to pay one way or the other. We are going to have mass transit in this area but Congress began this Metro program with Federal guarantees of the bonds. Now under this legislation, payments on the principal are authorizing and now we are getting into operating subsidies.

Now, Mr. Speaker, if that is the direction in which Congress wants to go, I think we have to pay attention to the suggestion made by the chairman of the Subcommittee on Transportation Appropriations, Mr. DUNCAN, that we are setting a precedent for other cities in the Nation—obviously, we have a Federal presence here in the District of Columbia which is often referred to, but other cities will soon line up and ask for the same kind of special treatment.

Let us not sell this bill under the guise of energy efficiency or the President's crash program or anything else. This is simply a new method of financing that will make a large claim on the Federal taxpayers for the benefit of those who live in Washington, D.C., suburban Maryland, and in Virginia. That is simply what it is, to the tune of several billions of dollars.

If you want to vote for that, that is fine. I think we should be honest about it, however, in laying it out. The track record of these D.C. projects has shown that you get "stucker" and "stucker" in these kind of programs. I can predict that is precisely what will happen here. If the Congress wants to finance it on this basis then they should face it realistically and honestly. All the other talk about energy may be atractive but what we are really voting on is a prolonged commitment of billions of Federal taxpayer dollars.

Mr. ASHBROOK. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, last night we listened to a rather well-known citizen speaking to his countrymen and he talked about a crisis of credibility and a crisis of confidence.

You know there should be a crisis of credibility in our legislation for buildings in the District of Columbia because in the 20 years I have been here, nothing has been completed as projected. Overruns are the rule. The Rayburn Building was not going to cost much. The next thing we know we got stuck and pretty soon it went from $20 million to $120 million.

The Kennedy Center. How I heard those brave proclamations that the taxpayer would never be called upon to spend any money for the Kennedy Center. We are in here now for everything from fixing the roof to parking lots.

Then there was a Visitors Center. That was only going to cost a little money. The minute you get in it it gets broadened on and on and on.

The stadium. If you look in the record—and I dug out the record on all these projects—the taxpayers were never going to spend a dime on the Kennedy Stadium, formerly called the Redskins Stadium. The fact of the matter is from the day it opened the taxpayers have been paying for it. Not all but in part.

Now, we get to Metro. Go back to November 24, 1969. Reread the debate, reread the promises that were made. One leader, speaking in the Committee on Appropriations said,

> The Committee on Appropriations is not going to put out any money until the local participation has been locked down, substantiated and documented.

Yes, that really worked out, did it not?

On another page. Here was the gentleman from Virginia, the leading advocate of the program at that time, here was his second point:

> The local communities involved are guaranteeing that these revenue bonds will be paid.

They talked in this bold declaratory terms when they were courting. You know, the minute the ink is dried it seems to work the same every time. People go to work figuring how they can get out of their obligations, how they can get us stick, stuck, stuck. As I have often referred to the tar baby, the stucker we get, the stucker and stucker.

Mr. McKINNEY. Would my good friend from Ohio yield at this point, Mr. Speaker?

Mr. ASHBROOK. Surely, I would be glad to yield.

Mr. McKINNEY. I cannot disagree with my good friend regarding the Kennedy Stadium. I cannot disagree with the gentleman on the Kennedy Center. I cannot disagree with the gentleman on the cost overrun on Metro.

The only thing I would like to do is to change in the very beginning of the gentleman's statement his reference to the District of Columbia. I will simply remind the gentleman that the District of Columbia had nothing to do with any of these projects that have been brought up. It was the House of Representatives of the United States and the Senate of the United States. Particularly in one case where they were particularly anxious to have a baseball team hanging around.

I would say to the gentleman I just wanted to set that part of his remarks clear. We have a local home rule government here which has been handed all of these things by the generosity of 535 people none of whom pay taxes within the jurisdiction. We will soon be talking about one of the eggs that you mentioned which is a monstrous one floating in clouds somewhere up there called the Robert F. Kennedy Stadium, no part of which did the citizens of the District of Columbia have anything to do with nor do I specifically think they really wanted it since that just took that much more land off the tax rolls.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for that point. I thought I made it clear that it is what the Congress does in the District of Columbia. As I recall, I did not blame the situation on any District of Columbia resident. I said what we have done in the District of Columbia: The Rayburn Building, The Kennedy Center, the Visitors' Center, Metro, the stadium. It seems like every project we get into it is always sold on the idea that it is going to be inexpensive or with limited obligation; in this case, for example, all we were going to do was underwrite the bonds and they specifically said in page after page of debate, "The local communities involved are guaranteeing that these revenue bonds will be paid."

Nonsense. They are not going to pay them. We are getting now into paying for the bonds. We are already paying for some of the interest. We are going to assume operating expenses. In other words, you are going to have the whole kit and caboodle.

□ 1440

So there is a crisis of credibility. There is a crisis of confidence. Again, to add to what my colleague, the gentleman from Connecticut, has said, it is not in the District of Columbia Government. It is not in the District of Columbia citizenry. It is in the Congress of the United States.

Maybe we ought to put into some statute that there has to be a 10-foot red flag attached to every bill that comes through here for building anything in the District of Columbia, anything authorized by this Congress, because we have overshot the mark on everything we have done in the 20 years I have been in this body and the overshots have truly been devastating.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. Yes, I would be glad to yield.

Mr. McKINNEY. Well, I just passed a slip over saying we should not forget that marvelous new building called the FBI downtown.

Mr. ASHBROOK. Except for the name on it, there really is not anything to commend it, that I can see.

Mr. McKINNEY. Also, I know it amazes me, but again, let us not pick on the District of Columbia, I can take anyone to Bridgeport, Conn., and show them a brand new Federal building.

The SPEAKER. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

(At the request of Mr. McKINNEY, and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. McKINNEY. Mr. Speaker, if the gentleman will yield further, I can show anyone a brand new Federal building. I am aware of the fact how the gentleman feels about Davis-Bacon, but I can show anyone a Federal building right across the street that costs three times, three times per square foot what it costs private enterprise using total union help, to build an office building for a bank.

I think the questions the gentleman brings forth are certainly real questions; but I think we ought to look perhaps at who is building our Federal buildings, how the contracts are being let and how they are being managed. It makes no difference whether it is the District of Columbia or anyplace else, Federal building costs are atrocious, usually running three to four times what it costs private enterprises. I am talking about private enterprises using total union labor.

Mr. ASHBROOK. Well, as my colleague well knows, the provider and doer of all good things, the U.S. Congress gets us into this untenable position. I think here is where the credibility gap is. Here is where the confidence gap is.

I make one last point. In one of our adjoining jurisdictions, Maryland, I read in the papers that they gleefully turned back in the form of a tax rebate or some kind of a tax return to their citizenry three, or four hundred million dollars. It is in that range, as I recall. That is the very money that should have been used to pick up some of the obligations that they supposedly were putting their names on the line in November 1969, 10 years ago, when the Metro monstrosity first was conceived.

Mr. FISHER. Mr. Speaker, I move to strike the requisite number of words.

Mr. MINETA. Mr. Speaker, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from California.

Mr. MINETA. Mr. Speaker, as a former mayor and as a member of the House Public Works and Transportation Committee, I rise in support of H.R. 3951, a bill to continue and to reaffirm the Federal commitment to Metro—the transportation system that serves the Washington metropolitan area.

Completion of the remaining 41 miles of the planned 101-mile system will serve as a symbol of our commitment to mass transit, of our commitment to air quality standards, and to Government efficiency. In addition, completion of the entire system is crucially important to the region's energy conservation plans. The Metropolitan Washington Council of Governments estimates that the complete system would result in a gasoline savings of as much as 11.8 million gallons of gas a year.

Washington, of course, is more than just the residence of its local citizens, and we must never lose sight of the fact that it is also the Capital of this Nation.

This legislation will allow Washington to take its rightful place among the great national capitals of the entire world. Look at Paris, or London, and imagine those magnificent cities without adequate public transportation. It is no accident that the world's greatest cities have the world's greatest mass transportation facilities. Washington belongs in the ranks of the great cities of the world—for the sake of every American as well as for the sake of every Washingtonian.

Mr. Speaker, I do not think we could find a more compelling example of the need for this system than we have all witnessed in the past month during the worst part of the fuel crisis. The benefits of this system are compelling—and the costs that could result from not completing it are most serious.

I urge my colleagues to give their enthusiastic support to this bill.

Mr. FISHER. Mr. Speaker, I want to speak very briefly, but clearly and firmly in favor of this bill. It might be that if we could turn the clock back 20 or 25 years, the jurisdictions around here would choose a different way to deal with their transportation problems. My guess is that we would choose about the same way, but we might choose differently. That is beside the point, however.

We are far into this Metro System. One-third of it has been built and is operating. Another third is either under construction or with finances available, and there is the remaining one-third. Never mind how we got to where we are for the moment. What do we do now?

One of the main problems with energy in this country is that we waste all our time, all our emotional energy arguing how we got to where we are and who is to blame and all of that.

The real question is, What do we do now in the current situation.

I would argue very strongly that the thing to do is stay on course, finish the final third of this system, get it operating as well as we can and let it make its maximum contribution to transportation of people, many of them Federal Government workers, to and from work in this metropolitan region and the millions of visitors who come here as well.

That is what we ought to concentrate on.

Now, it has been pointed out that this House and the Congress over and over again for more than 25 years has committed itself in terms appropriate to that stage of the project to doing this Metro System. It makes no sense at all to drop oars and quit when we are this far along. It will be more costly if we try to operate a partly done system than if we go forward and finish it, believe me.

The local governments are straining to put up their share. In response to the Federal Department of Transportation's request they are committing themselves to provide a stable and reliable source for their share of the financing of the remaining one-third. That is the way it is.

Most of us have been in local or State government and we know that you cannot get State governments and local governments to come forward with bond issues against the mere possibility that the Federal Government will meet its reasonable share. This bill would authorize the Federal Government to meet its reasonable share. It does not appropriate the money. That would have to be done later; but it does say to the States and localities, this is what we are prepared to do if you come forward with assurance that you will do your share.

It seems to me practical, realistic, and necessary for the energy program of the country that we go forward now, show a little determination, finish this project and let it make its best contribution to transit, to moving people around in this region.

Mr. ASHBROOK. Mr. Speaker, will my colleague yield?

Mr. FISHER. I would be glad to yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I certainly am glad to hear my colleague, and I think that the gentleman well knows I respect the gentleman as one of the most learned Members and when the gentleman speaks, I listen.

One thing the gentleman said that I did catch right away, the gentleman had said over the 25 years the Congress has supported this project at a level commensurate to in effect whatever was the existing situation at that time. In the beginning there was only support for guaranteeing the revenue bonds and now it is repayment of capital, interest, and, hard to believe, operating expense subsidy.

Is the gentleman now saying that at this level of time the Congress is promising assistance all the way from the revenue bonds, interest, and now operating expenses; is that the level to which we are coming at this time? Is that what my good friend is saying?

Mr. FISHER. Mr. SPEAKER, what I meant to say was that from the early fifties on, this Congress, this House, has taken a series of actions, some involving authorizing, some involving spending, some involving setting up studies, some involving establishing the organization, the Metro organization; these were actions appropriate at different stages in time.

Mr. FRENZEL. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I want to endorse the remarks of the previous speaker, the distinguished gentleman from Virginia, who in my judgment has made the only responsible argument in favor of this bill; which bill, incidentally, I intend to support.

I do not think the taxpayers of the United States owe this system to the people of this district. I do not think we are going to save enough energy to wad a shotgun. I do not think, as one speaker indicated, that we are going to send some clarion challenge to OPEC that is going to make all the kingdoms of the Middle East tremble.

Nevertheless, we have a transportation system which we have planned and partially completed. If we do not complete the job, even though it is the most stupendous cost overrun probably in the history of government, and even if we have to build in some obnoxious government subsidies, if we do not complete the system, we will be making a terrible mistake and we shall have misspent all of the funds and the time and the effort we have already put out on this project.

With respect to the operating subsidies, Mr. Speaker, the general subsidies are bad enough policy, because we are giving the transit systems of this country a crutch so that they can learn to limp. When gasoline prices go up 50 percent all over the country, the transit systems leave their prices where they are. They say they cannot possibly raise prices. But they certainly can, and comparatively they can raise them greatly.

Now, with the District of Columbia, or rather, excuse me, the Metro system, we are going to give them a double dip on operating subsidies. We will give them two crutches so they will not be able to limp. They will have to crawl.

I certainly hope that the statement of the gentleman from Oregon, the distinguished chairman of the Transportation Subcommittee, was true, that he will see that these operating subsidies, particularly the double dip, expires when this bill terminates.

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Mr. Speaker, that double dip on operating subsidies is very bad policy. I came here convinced that I was going to support this bill enthusiastically, but I now do so in the most lukewarm way possible because of this awful feature.

Mr. ALEXANDER. Mr. Speaker, I move to strike the last word.

Mr. Speaker, today we are debating whether or not to enlarge the Federal commitment to one part of the public transportation system that serves this metropolitan area from $3 billion to $4.7 billion. I intend to support this bill, as I have always supported the Washington metropolitan area transportation needs, because the Washington metropolitan area needs a good transportation system.

But metropolitan areas are not the only places in this Nation that need adequate public transportation. So do the midsized cities, the small towns, and the rural communities in the countryside of this Nation which have heretofore been ignored by the national policy planners.

The other evening I was talking with one of these national policy planners who characterizes herself as a liberal Democrat, and she reluctantly admitted that while she had thought in the past she had supported the poor people of this country, she had only supported the poor people who live in the high density metropolitan areas of this country.

So often we just completely ignore the people who live outside the high density population areas of this country.

On Wednesday of this week this body will be considering the transportation appropriations bill. I suggest to the Members that they look at a "Dear Colleague" letter which I have circulated and which is in the Members' offices and which points out that while the committee offers to fund, at 90.4 percent of full funding, the transportation needs for the high density urban areas, it proposes only 29.7 percent of full funding for the four programs most responsive to transportation needs in the midsized cities, the small towns, and the rural communities in the countryside of this Nation.

Mr. Speaker, I have done a study of the population that lives in those areas, and the Members may be surprised to learn that over 66 percent of the people in this country live in midsized cities, in small towns, and in rural communities.

So to address this need today is good because it is one that needs to be addressed, but to fail to fund those programs such as the intercity bus subsidy and terminal development program that is designed to meet the needs of the other 66 percent of this Nation is to ignore the mass transit needs of this country.

Mr. Speaker, I hope that all the Members who are here today in support of this program will also be present on Wednesday when I offer two amendments which will address the needs of the balance of our people in this Nation.

I would like to share with you now the contents of the "Dear Colleague" letter I mailed today:

> In fiscal years 1974 through 1977 the Urban Mass Transportation Administration lavished $7.5 billion on the big city public transit capital investment needs and doled out only $35.3 million to places with populations of under 50,000. There are 18,635 places in the Nation with populations of less than 50,000 and 66 percent of our people live in them. The $35.3 million went to 69 places. That money represented only a half of one percent of the money UMTA spent on public transit capital investments in those years.
>
> This is but one example of the grossly unequal treatment given to public transit problems in midsized cities, small towns and rural communities in countryside areas.
>
> This is the knd of urban treatment that the two amendments that I intend to offer to H.R. 4440 during House debate are attempting to help correct. I discussed these amendments in two "Dear Colleague" letters mailed during the week of June 17, when H.R. 4440 was originally scheduled for consideration. In addition, my amendments are discussed on pages 68 through 73 of House Report 96-272, which accompanies H.R. 4440.
>
> Briefly, my amendments will:
>
> Increase the funding for Safer Off-System Roads program from $35 million recommended in the bill to $120 million, 60 percent of full authorization; and,

Increase the funding for the bus terminal development program from the zero recommended in the bill to $20 million, 50 percent of full authorization, and, increase the funding for the intercity bus subsidy program from the zero recommended in the bill to $15 million, 50 percent of full authorization.

The total of $120 million which I would add to the bill would not increase its total above the total requested by the President's budget or that provided in the First Concurrent Budget Resolution. When adopted they would combine with the bill's recommendation to provide $230 million, 62.2 percent of full funding, for the four transportation programs most helpful to midsized cities, small towns and rural communities in countryside areas. This bill recommends $2.7 billion, 90.4 percent of full funding for the two big city mass transit programs. The chart below goes into more detail. I am not proposing changes in the section 18 program.

PROPOSED TRANSPORTATION FUNDING FOR FISCAL YEAR 1980

Program	Authorized funding level	H.R. 4440 proposed funding	Percent of authorized funding	Added by Alexander amendment	Total with Alexander amendment	Percent of authorized funding
Big city mass transit funding programs:						
Sec. 3 (discretionary grant or loan program)	$1, 410, 000, 000	$1, 278, 000, 000	90. 4	0	$1, 278, 000, 000	90. 4
Sec. 5 (mass transit construction and operating grants)	1, 580, 000, 000	1, 425, 000, 000	90. 2	0	1, 425, 000, 000	90. 2
Total	2, 990, 000, 000	2, 703, 000, 000	90. 4		2, 703, 000, 000	90. 4
Public transit programs for midsized cities, small towns, and rural communities in countryside areas:						
Safer off-system roads	200, 000, 000	35, 000, 000	17. 5	$85, 000, 000	120, 000, 000	60. 0
Sec. 18 (formula grant assistance for nonurbanized areas)	100, 000, 000	75, 000, 000	75. 0	0	75, 000, 000	75. 0
Bus terminal development program	40, 000, 000	0	----------	20, 000, 000	20, 000, 000	50. 0
Intercity bus subsidy	30, 000, 000	0	----------	15, 000, 000	15, 000, 000	50. 0
Total	370, 000, 000	110, 000, 000	29. 7	120, 000, 000	230, 000, 000	62. 2

The Safer Off-System Roads program is so urgently needed that State and local governments had used up all the available funds by March of this year. It is intended to help improve the 65,500 unsafe local bridges used daily by millions of commuting school children and taxpaying working people.

People in 14,000 of the 15,000 places served by intercity bus systems have no public transit available to them other than this most energy efficient of all our transit modes. Without the kind of aid I am proposing 1,000 of these places are threatened with loss of service in the near future because of economic problems facing the intercity bus systems. Despite the widespread news media reports of energy shortage-induced public transit ridership increases, there is no evidence that these changes are great enough to stave off abandonment of the routes that were threatened with that fate before this latest round of gasoline shortages.

Among the economic problems facing the privately-owned intercity bus industry are those created by competition from federally subsidized passenger trains of Amtrak. Though Amtrak served only 500 places and carried only 19 million passengers last year this bill proposes to provide $770 million in subsidies in Fiscal Year 1980. The intercity bus system carried 335 million passengers last year. Based on passenger loss data contained in the General Accounting Office report, "Amtrak's Economic Inpact On the Intercity Bus," the American Bus Association estimates that the intercity bus industry has experienced a revenue loss of between $210 million and $440 million because of passengers switching to heavily, federally subsized Amtrak service.

Intercity buses are more than three times as energy efficient as Amtrak trains or automobiles and six times more efficient than airplanes, for which this bill provides $76.1 million in subsidies for service on money-losing air routes.

Passage of my proposed amendments would certainly be well within cooperation with President Carter's declaration of war on our Nation's energy problems. Buses are not only the most energy efficient of transportation modes, they are not tied to fixed tracks as are trains or to airports as are planes. Thus, buses offer a special flexibility in our efforts to provide public transportation improvements as energy conservation measures.

Mr. McKINNEY. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Speaker, I would like to thank the gentleman from Arkansas (Mr. ALEXANDER) for his support, and I suggest to him that I could not agree with him more.

Before they realized the error of their ways down there, we managed to get a transportation system for the town of Westport, Conn., which has a population of about 29,000.

It is an outstanding success. It is absolutely incredible what it has done. It goes where people want it to go, and it goes when people want it to go. It is flexible. Even my rich New York constituents now go by train on this system.

The gentleman is absolutely right. This system has been used and used over and over again.

Mr. Speaker, I will be here to try to help the gentleman from Arkansas (Mr. ALEXANDER) with his amendments, and I thank him for his support of the bill presently before us.

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from California.

Mr. STARK. Mr. Speaker, I understand the gentleman from Arkansas (Mr. ALEXANDER), on Wednesday of this week, intends to offer several amendments to the Transportation Appropriations Act, and it is my intention to support those amendments when the gentleman offers them. I thank the gentleman for his support of the bill here today.

Mrs. SPELLMAN. Mr. Speaker, I move to strike the last word.

(Mrs. SPELLMAN asked and was given permission to revise and extend her remarks.)

Mr. MAZZOLI. Mr. Speaker, will the gentlewoman yield?

Mrs. SPELLMAN. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I thank the gentlewoman from Maryland (Mrs. SPELLMAN) for yielding.

Mr. Speaker, I rise in strong support of the bill, and I congratulate the chairman of my committee, the gentleman from California (Mr. DELLUMS).

Mrs. SPELLMAN. Mr. Speaker, I thank the gentleman from Kentucky (Mr. MAZZOLI).

Mr. Speaker, we have heard interesting debate here today. My colleague, the gentleman from Virginia (Mr. HARRIS), made some very succinct statements and pointed out we are here at this point, that we cannot go back in time, and it is incumbent upon us to find the way to move forward.

The gentleman from Ohio, in talking about a crisis of credibility and a crisis of confidence, I am sure, does not realize that this present situation has created a crisis of credibility and a crisis of confidence in the various jurisdictions around the metropolitan Washington area because of the many delays caused by the Congress and the concomitant cost increases.

Are my colleagues aware that it was the Congress that really planned the system?

It was a system planned to get people in and out of Washington, and it did not take into consideration the needs of the people within the various jurisdictions. I give you the example of Montgomery and Prince Georges Counties, which are sister counties and which really cannot use this system to get back and forth between each other.

Had we had the opportunity to really make the decisions as to how the system would be built and had the Federal involvement not been as great as it was, I assure the Members that it would have been built so that we could get back and forth to work among the various counties and to visit in the various counties.

Therefore, it is important that the Members be aware that the Federal Government does have an involvement in this system which is over and above that in any other system in the United States, and, therefore, the Federal Government has a responsibility over and above that in any other system in the United States.

The gentlewoman from Maryland was a member of the Metro Board for years, and I know the frustrations we felt in this crisis of credibility and this crisis of confidence as we came down day after day, month after month, and year after year to ask the Congress, "Why are you holding up the system? Everyday that you hold up the system the price goes up enormously."

And so as Members wonder about the additional cost over what was anticipated, I think they ought to recognize that, yes, there were delays that created the need for the additional moneys, and, yes, those delays were delays that were engendered by the Congress itself.

Are people willing to pay for the system? There was a referendum taken in every one of the jurisdictions involved, and I might state here that just bringing those various jurisdictions together, the two States, the District of Columbia, and all the various counties involved, was a miracle in itself, getting them all to work together and to work positively. But then there was a referendum, and people who were never going to benefit—and I mean never, because the system will not be coming out as far away as they live—voted yes, overwhelmingly in favor of building and supporting the system, and they have been contributing moneys ever since. I know that my jurisdiction contributed money for the building of this system when it looked like it would never even reach our own jurisdiction.

But we find ourselves with a system that is just one-third built and which cannot possibly support all the costs that are engendered by running such a partial system. When it is two-thirds built, we will do a lot better, and when it is three-thirds built, the total 100-mile system that takes people from somewhere to somewhere, which it does only feebly today, we will find that we will be able to meet those costs.

So, Mr. Speaker, I say to my colleagues, "Let us recognize our responsibilities." Last night I heard what I felt was the President's very best speech of his career. You will recall he stressed the need to support mass transit systems. This is our very first opportunity to help him carry out his program, and I trust that we will.

☐ 1500

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. ASHBROOK: At page 3, line 7, insert before the period the following: ", except that the provisions of section 64 of title III of the Compact and the provisions of the Act of March 3, 1931 (46 Stat. 1494; 40 U.S.C. 276a–276a-5), shall not apply to the wages paid to laborers and mechanics for any work or services performed under any contract for the construction of any project financed by this Act and included in the Adopted Regional System".

Mr. ASHBROOK. Mr. Speaker, the bill authorized Federal contributions totaling $1.7 billion. The Congressional Budget Office advises my staff that the labor costs constitute 25 percent—historically—of the total construction costs; therefore, roughly $425 million authorized under this bill will go for wages and benefits.

The GAO Report of April 1979 conducted an extensive survey and an analysis of inflated labor costs due to erroneous determinations by the Department of Labor. Based upon its analysis, the GAO calculated that in almost 20 percent of the total projects involved the total construction costs were inflated by a factor of 3.4 percent. If we apply those rates to this bill, we find that:

The inflated wage costs will total $10.3 million—3.4 percent (inflation factor) in 17.8 percent of the total construction costs of $1.7 billion. Thus, this amendment is designed to fight inflation.

A second reason for offering this amendment is to bring to the attention of the whole House the events which took place subsequent to the vote on the Hansen amendment to the Housing and Community Development Act. As you will recall a number of my colleagues on the Education and Labor Committee urged that the Members vote against this modest amendment, which was designed to help low-income Indians and those living in the inner city. It was argued that this issue was within the jurisdiction of the Education and Labor Committee. It was noted that the committee had scheduled hearings on Davis-Bacon and the Members should respect the committee system and to let our committee thoroughly review the Davis-Bacon Act. I know for a fact that some Members, relying upon the commitment made by the committee leadership to hold a thorough review, voted against the Hansen amendment.

I, of course, was skeptical that anything meaningful would come out of the hearings. Today I must regretfully report that my prediction has come true: Only 1 day of hearings were held. At the conclusion of this hearing, Chairman BEARD indicated that no further hearings would be held in view of the overwhelming rejection of the Hansen amendment the previous week. This is not to say that we were ungrateful for having this hearing. In fact, I commend my friend and colleague for scheduling this hearing, particularly in view of the pressure which I am sure existed not to hold any hearings. I simply point out what I have said before on this floor.

A final point is based upon an interesting fact which did come out of our oversight hearings: That Secretary Ray Marshall, as late as 1976, publicly went on the record—in his college textbook on labor economics—to state:

In addition, flexible minima are provided by federal law in certain circumstances. Under the 1931 Davis-Bacon Act, the Secretary of Labor establishes minimum prevailing rates for contractors engaged in federal construction work costing $5,000 or more. In practice, these minima have been union rates and therefore have been useful to the building trades unions in preventing nonunion wage competition below these minima. The Walsh-Healey (Public Contracts) Act of 1936, among other things (for example, regulation of overtime pay, child labor, the use of convict labor, and certain safety and sanitation limitations) permits the Secretary of Labor to establish minimum wages on government contracts of over $10,000. Generally these prevailing minima are above those established on an industry basis. Like the Davis-Bacon, the Walsh-Healey minima thus help unions by preventing competition below the levels established by the Secretary of Labor. Unions complain, however, that these minima do not include "prevailing benefits" and advocate changes to correct this omission.

Mr. STARK. Mr. Speaker, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Speaker, I would urge my colleagues to defeat the amendment offered by the distinguished gentleman from Ohio (Mr. ASHBROOK). It really does not properly belong in this forum.

I think we are all familiar with the implications of the Davis-Bacon Act. The gentleman raises problems for the various communities. The communities which are contributing their own funds to this act would not be bound by Davis-Bacon. The amount of bookkeeping to separate which was local contribution, as opposed to which was Federal contribution, would create a bureaucracy which I am sure the gentleman does not want to create, and it would further complicate and compound the costs of completing Metro. Most of the contracts have been let and Metro thus far has been built by reputable contractors. The issue has not arisen. It has been relatively free of labor strife.

Mr. Speaker, I would urge that this amendment be defeated. If one wishes to discuss the Davis-Bacon Act, I am sure there is a better forum than in authorizing funds for completion of the Metro system. I urge defeat of the amendment.

Mr. DELLUMS. Mr. Speaker, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Speaker, the gentleman is perfectly correct. The Subcommittee on Labor Standards, chaired by the distinguished gentleman from Rhode Island (Mr. BEARD), did indeed hold hearings on June 14, where the question of the repeal of the Davis-Bacon Act was before that subcommittee. That subcommittee found, after taking testimony and discussing the matter, that there was no evidence to sustain the need for repealing the Davis-Bacon Act, that it was not indeed inflationary, that it dealt with prevailing wages.

Mr. Speaker, I would like to make a few additional arguments in opposition to the amendment, quite apart from the fact that I agree with my distinguished colleague, the gentleman from California, that this is totally an inappropriate place to deal with this particular amendment.

Mr. Speaker, first, the House has correctly determined on a number of occasions that Davis-Bacon is a fair and effective means of establishing wage rates on Federal and federally assisted projects.

Second, Davis-Bacon is an appropriate standard and, more importantly, we should not impose different standards on the Washington metropolitan area than we establish on other regions of the United States.

The final few arguments that I wish to make, very briefly, Mr. Speaker, is that Davis-Bacon does indeed protect workers from cheap labor. Construction workers should, as I perceive it, be guaranteed prevailing wages set by the Department of Labor. Next, we must prevent unfair contractors from using substandard wages to win contracts or to achieve windfall profits.

Finally, Mr. Speaker, Davis-Bacon is a highly stabilizing force in what we all know to be a seasonal and fragmented industry.

I would conclude, Mr. Speaker, by asking my colleagues to defeat the amendment before the body.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, in all of the debate that I have listened to by my colleague, the gentleman from California, he is always extremely accurate. I always listen to him. I think the gentleman might have made one slight error when he indicated that hearings were called for the purpose of considering the repeal of the act. That would not be either technically or philosophically correct.

There was 1 day of oversight. The issue of repeal was not technically before the committee. I think the statement of my colleague was generally correct, but I think he would want the record to show that.

Mr. DELLUMS. Mr. Speaker, I thank my colleague. The gentleman is correct that technically the matter was not before the House. But I think my colleague would agree that the issue of whether or not Davis-Bacon should be repealed was very much in evidence before the committee.

Mr. ASHBROOK. If the gentleman will yield further, the gentleman from Rhode Island (Mr. BEARD) had a very fair hearing. The proponents and the opponents were there. But we really did not consider legislation. Repeal was not even considered. I think it would be correct to say that that witnesses may have suggested the repeal but no action of any kind was taken, legislatively, at least.

Mr. DELLUMS. I thank my colleague for his remarks.

Mr. Speaker, I urge the defeat of the amendment.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 127, nays 260, not voting 47, as follows:

[Roll No. 336]

YEAS—127

Abdnor
Andrews, N.C.
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bethune
Bowen
Broomfield
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Coleman
Collins, Tex.
Conable
Corcoran
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derrick
Devine
Dickinson
Duncan, Tenn.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Fenwick
Frenzel
Gibbons
Gingrich
Goldwater
Gramm
Grassley
Grisham
Gudger
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Hightower
Holt
Hopkins
Huckaby
Hutto
Ichord
Ireland
Jeffries
Jones, N.C.
Kazen
Kelly
Kindness
Kramer
Latta
Leach, Iowa
Leath, Tex.
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McDonald
Marriott
Martin
Mathis
Mica
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Neal
Nelson
Paul
Preyer
Quayle
Rhodes
Roberts
Robinson
Rose
Rousselot
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snyder
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Winn
Wyatt
Young, Fla.

NAYS—260

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Goodling
Gore
Gradison
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heftel
Hillis
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Hughes
Hyde
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.
Lowry
Luken
McCormack
McDade
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Matsui
Mattox
Mazzoli
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roe
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wilson, Tex.
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki

NOT VOTING—47

Anderson, Ill.
Ashley
Bolling
Brown, Ohio
Conyers
Davis, S.C.
Dougherty
Emery
Evans, Ga.
Fish
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Gonzalez
Gray
Guyer
Harsha
Heckler
Hefner
Hinson
Holland
Jeffords
Jenkins
Leach, La.
Lundine
McCloskey
McEwen
Mavroules
Mikva
Moakley
Nedzi
Nolan
Panetta
Pepper
Rodino
Sebelius
Skelton
Solomon
Taylor
Volkmer
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wirth
Zeferetti

☐ 1520

The Clerk announced the following pairs:

On this vote:

Mr. Fountain for, with Mr. Rodino against.

Mr. Emery for, with Mr. Bob Wilson against.

Mr. Guyer for, with Mr. Williams of Ohio against.

Mr. Sebelius for, with Mr. Jeffords against.

Mr. Solomon for, with Mrs. Heckler against.

Mr. Brown of Ohio for, with Mr. Dougherty against.

Mr. TAUKE and Mr. MICA changed their vote from "nay" to "yea."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. DELLUMS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I think all of my colleagues at this particular moment are adequately aware of the provisions of the bill before us. Many of my colleagues have argued effectively and eloquently both in favor of and in opposition to this legislation.

If the Speaker could get any indication as to whether there are additional amendments or additional desires for discussion and debate, the chairman is prepared to make the appropriate motion.

Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. DELLUMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 261, nays 125, not voting 48, as follows:

[Roll No. 337]

YEAS—261

Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brodhead
Brooks
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corman
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gilman
Glickman
Gonzalez
Gore
Green
Grisham
Guarini
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heftel
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hutto
Hyde
Ireland
Jenrette
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Lederer
Lee
Leland
Lent
Lewis
Livingston
Lloyd
Long, La.
Lowry
Lujan
McClory
McCloskey
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marlenee
Marriott
Matsui
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Natcher
Nelson
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Roe
Rose
Rosenthal
Roth
Roybal
Royer
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Shuster
Simon
Slack
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Treen
Trible
Ullman
Van Deerlin
Vanik
Vento
Walgren
Walker
Wampler
Waxman
Weiss
White
Whitehurst
Whitten
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wyatt
Wylie
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—125

Abdnor
Albosta
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bouquard
Brinkley
Broomfield
Broyhill
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Collins, Tex.
Conable
Corcoran
Cotter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Devine
Dickinson
Duncan, Oreg.
Early
Edwards, Okla.
Evans, Ind.
Fountain
Gaydos
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hubbard
Hughes
Ichord
Jacobs
Jeffries
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kramer
Latta
Leach, Iowa
Leath, Tex.
Lehman
Levitas
Loeffler
Long, Md.
Lott
Luken
Lungren
McDonald
McKay
Martin
Mathis
Mattox
Montgomery
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Neal
Nichols
Pashayan
Patten
Paul
Preyer
Pursell
Regula
Ritter
Roberts
Robinson
Rostenkowski
Rousselot
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sensenbrenner
Shumway
Smith, Iowa
Solomon
Spence
Stockman
Stump
Symms
Tauke
Thomas
Vander Jagt
Watkins
Weaver
Whitley
Whittaker
Wydler
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—48

Anderson, Ill.
Ashley
Bolling
Brown, Calif.
Brown, Ohio
Conyers
Davis, S.C.
Dougherty
Emery
Evans, Ga.
Fish
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Gibbons
Gray
Hansen
Harsha
Heckler
Hefner
Hinson
Holland
Jeffords
Jenkins
Leach, La.
Lundine
McEwen
Marks
Mavroules
Mikva
Moakley
Nedzi
Nolan
Panetta
Pepper
Quayle
Rodino
Sebelius
Skelton
Taylor
Udall
Volkmer
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wright

☐ 1540

The Clerk announced the following pairs:

On this vote:

Mr. Emery for, with Mr. Brown of Ohio against.

Mrs. Heckler for, with Mr. Hansen against.

Mr. Williams of Ohio for, with Mr. Sebelius against.

Until further notice:

Mr. Rodino with Mr. Dougherty.

Mr. Wright with Mr. Fish.

Mr. Udall with Mr. Forsythe.

Mr. Pepper with Mr. Hinson.

Mr. Panetta with Mr. Quayle.

Mr. Nedzi with Mr. Ford of Tennessee.

Mr. Moakley with Mr. Taylor.

Mr. Ashley with Mr. Bob Wilson.

Mr. Ford of Michigan with Mr. Winn.

Mr. Gray with Mr. Marks.

Mr. Nolan with Mr. Mavroules.

Mr. Charles H. Wilson of California with Mr. McEwen.

Mr. Jenkins with Mr. Volkmer.

Mr. Holland with Mr. Jeffords.

Mr. Leach of Louisiana with Mr. Lundine.

Mr. Conyers with Mr. Davis of South Carolina.

Mr. Brown of California with Mr. Flood.

Mr. Evans of Georgia with Mr. Hefner.

Mr. Gibbons with Mr. Mikva.

Mr. Skelton with Mr. Harsha.

Mr. LEWIS changed his vote from "nay" to "yea."

Mr. FOUNTAIN changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital region, to provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, to authorize a Federal contribution to such authority to provide assistance in meeting expenses of operation and maintenance of such system in order to reflect the special Federal relationship to such system, and for other purposes."

A motion to reconsider was laid on the table.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1980

Mr. STEED. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4393) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oklahoma (Mr. STEED).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4393, with Mr. PREYER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Friday, July 13, 1979, the Clerk had read through line 3 on page 9.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this opportunity to commend the members of the subcommittee for a very thorough, efficient, and knowledgeable job in the postal section of the bill.

Mr. Chairman, H.R. 4393, the Treasury, Postal Service, and General Government appropriation bill, 1980, addresses a number of issues and agencies under the jurisdiction of the House Committee on Post Office and Civil Service.

First, the bill provides for a cap on the amount of overtime pay an employee in the Customs Service can be paid. Under this cap, no employee may be paid overtime pay in excess of his or her annual salary, and, of course, may not be required to work such overtime without pay. The average grade and pay for a customs inspector is GS 9–10, $17,500, respectively. To compensate for the reduction in overtime, funds are included in the bill to provide for the hiring of 200 additional inspectors. This action is consistent with the recommendations of the Post Office and Civil Service Committee.

Beginning with the Tariff Act of 1911, Congress has reserved itself the right to adjust overtime inspectional pay for customs and immigrations officers, without regard to other Federal employee pay statutes. This, over many decades, has resulted in gross salaries for top inspectors in excess of $60,000. According to the appropriations committee report, there are approximately "4,300 customs inspectional personnel, 2,045 received in excess of $10,000 last year in overtime payments in addition to basic compensation; 628 received between $15,000 and $20,000 in overtime pay; 237 received between $20,000 and $25,000; 37 received between $25,000 and $35,000; and 3 received over $39,000 in overtime pay in addition to basic compensation." The size of these figures has provoked calls for the repeal of 1911 pay provisions and the hiring of more personnel rather than the widespread and possibly improper use and assignment of lucrative overtime.

Consistent with this argument is the concern that, even absent all impropriety, the physically demanding nature of inspecting huge cargoes at all hours of the day and night makes for poorer employee health as well as less effective inspections and consequently less protection for the American public against drug traffic and loss of revenue.

Second, the bill provides an appropriation for the U.S. Postal Service equal to the 1980 budget request—$1,697,558,000. This figure is $105,851,000 below fiscal year 1979.

Included in the appropriation are funds for public service costs, $828,000,000; previous nonfunded liabilities, $66,655,000; and free and reduced rate mail, $802,903,000. This figure includes about $24 million for political committee mailings—$24,748,000.

At the appropriate time, I will support an amendment on the floor to delete all funds—$24.7 million—recommended for political committee mailings.

Third, the bill provides for an appropriation for the Office of Personnel Management of $114 million, the full amount of the 1980 budget request, and a decrease of approximately $1 million below fiscal year 1979.

Fourth, the Merit Systems Protection Board's appropriation is increased by $1.375 million above the 1980 budget request of the President to $10.5 million. This is, however, $1.575 million below the request of the Board.

Fifth, the Special Counsel's appropriation was also increased—$1.2 million above the President's budget request, but $1.2 million below the request of the Special Counsel. The bill provides for 103 staff positions, 37 below the Special Counsel's budget request.

Sixth, the bill places a cap on pay for blue collar employees for fiscal year 1980. Under this cap, an employee may not be paid "more than the overall average percentage increase in the general schedule rates of basic pay." A similar cap was placed on these employees in the 1979 Treasury, Postal Service, and General Government appropriation bill.

Earlier this year, the President took action to place a 5.5-percent limit on pay increases for Federal employees paid under nonstatutory pay schedules, except for those employees earning less than $4 per hour.

Seventh, the Federal Labor Relations Authority appropriation—$10,590 million—is the full amount of the fiscal year 1980 budget request, and an increase of $408,000 over fiscal year 1979.

Mr. Chairman, the purpose of delineating these issues is to bring added attention to their fiscal impact.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III

EXECUTIVE OFFICE OF THE PRESIDENT

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102, $250,000.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 9, line 11, strike the period and add the following: ": *Provided*, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 701 of title 31 of the United States Code.".

Mr. BAUMAN. Mr. Chairman, this amendment was discussed in general debate on last Friday when we addressed this bill the last time. The section appropriates $200,000 for the salary of the President including an additional $50,000 expense allowance. The compensation of the President of the United States is $200,000 annually, and for some time, I believe since 1949, he has also had this $50,000 expense account. I am told that in recent years prior to the Carter administration the expenses of incumbent President usually exceeded the $50,000, and all of that sum was usually spent for official expenses. The money in that expense account is accounted for under law only by the President. If he chooses, he may take the money in the expense account, not spend it for official expenses, and divert it to his own use and pay taxes on it and, thus, it becomes part of his personal income.

In the last year or so the President has adopted a policy of soliciting contributions from corporations, from private individuals, from wealthy contributors to his own political party, and others, to pay for functions at the White House. Two of them come to mind. One was the reception for Vice Premier Teng Hsiao-ping of Red China; the other was the rather massive social event and dinner for the signing of the Egyptian-Israeli Peace Treaty. In both cases the President did not use his expense account but used private funds donated. There were even charges made that people were soliciting contributions on the basis of getting into these White House functions.

My concern is that in this era of the need for instilling confidence in the American people, the need for renewed faith on the part of the American people, that Government officials should help to restore that confidence by using official allowances, whether executive or congressional, only for the purposes intended.

A few years ago we changed our allowance system in this House because Members were able legally to divert part of their expense accounts into their own pockets and pay taxes on them, and it was, in fact, an increase in salary.

My only purpose in offering this amendment is to assure that the President's $50,000 be spent only for expenses. It does not in any way reduce the amount or force the President to deal with it otherwise, but simply to use it for the purposes for which it was authorized.

□ 1550

I think that would go a long way toward restoring some of the public faith and confidence.

I point out to you in 1977 President Carter, of the $50,000, spent only $1,372 for expenses. The remaining $48,628 he paid to himself as an addition to his $200,000 salary. In 1978 similarly he paid out $13,165 in expenses and the remaining $36,835 was reported as income. He sought to deduct $12,111 for staff parties and receptions and the IRS is contesting this deduction on the grounds it may not have been for official expenses.

So what I am saying is, let us follow the example of the Vice President, Mr. MONDALE, who has a similar $10,000 expense account and has returned to the Government more than half of that last year unspent.

I urge the adoption of this amendment simply as an effort to deal with what the President suggested last night, to restore faith and confidence in the system.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

I think it is only fair that we give a little of the history of this item. The item became a part of the President's compensation appropriation in 1949. The first time it was put into the law the item was nontaxable. In 1951 it was made taxable and provided that the President made no accounting for the use of the fund except for purposes of income tax and since that time Presidents have made this accounting and have paid tax on that part of the fund that is not used for official expenses.

All this time since 1951 there has been no change in this item. As a matter of fact the President has not received an increase in compensation since 1969. All other people in the Federal Government in every branch, including the Congress, itself, has had pay adjustments since that time. The only individual in this entire Government who has had no change in his compensation has been the President of the United States. I think every Member of this House will agree that the burdens and duties of the most difficult office on the face of the Earth, the Presidency of the United States, has increased immeasurably in that length of time. I think in terms of how a corporation or a business would judge the worth of its chief executive that his salary could have been raised many times during these years with full justification.

This is an item that I think the House would want to think very carefully about before agreeing because it only demeans the House to take this cheap shot at the President of the United States and I ask for the defeat of this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. STEED. I will be happy to yield to the gentleman from Maryland.

Mr. BAUMAN. I have to say to the gentleman in all candor this is not intended as a cheap shot at the President and I rather resent that implication.

Mr. STEED. What else would you call it?

Mr. BAUMAN. The laws say this is to be spent for expenses and the President does not use it for expenses.

Mr. STEED. The law says if it is not spent for expenses he can convert it to his personal use but he has to pay tax on it as part of income and that was the intent of it. It has been that way all through these years, President after President. The gentleman has been in Congress many years and never introduced this proposition before.

How else can you judge the gentleman's action to come at this late hour if it is not something besides an irresponsible legislative act?

Mr. BAUMAN. Mr. Chairman, would the gentleman yield further?

Mr. STEED. I yield to the gentleman from Maryland.

Mr. BAUMAN. The reason this issue has not arisen before is we never had a President who pocketed his expense account as his own personal income.

Mr. STEED. Presidents have paid taxes on this money when converted to their own personal use.

Mr. BAUMAN. And the records would show that in recent years most of the Presidents have had to use this money for expenses as was intended.

Mr. STEED. I do not know how the President operates his business down there but the Congress thought in its wisdom this was a fair arrangement to make. I think it is and I think most of the Members of the House do. I see no purpose at all in making any change in it at this time.

Mr. THOMAS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if the expense account that is utilized by the President is for personal purposes then I think the question we ought to address ourselves to is the salary the President is receiving. If we have an individual presently occupying the White House who feels he has to augment his salary in this way, I think we should investigate the proper uses of that expense account or we examine the office of the Presidency and the salary he is receiving.

Mr. Chairman, I would say that perhaps on a one-time basis the President could not get his expense account going and, therefore, felt he should pocket this portion, that we monitor it closely and if this practice is continued by the present President that we examine very closely his salary and see whether or not this practice is going to continue with his expense account.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. Certainly.

Mr. BAUMAN. I made the point on Friday that if the President needs $250,000 in straight salary we ought to bring a bill to the floor and vote on that. It may well be that it could be justified. I do think as a matter of creating respect for the office of the President we ought to require the President to spend expense allowances only for official expenses and not solicit private donations for functions at the White House. That literally is a cheap practice.

I would add one other thought. I wonder if the gentleman from Oklahoma is going to apply the admonition of "cheap shot" to the amendment about to be offered by the gentleman from Pennsylvania (Mr. ERTEL) who seeks to make Richard Nixon pay back 60-some thousand dollars of improvements at San Clemente because they are judged not to have been for security reasons but rather enhanced the building. Is that a cheap shot?

Mr. STEED. Not at all.

Mr. THOMAS. Mr. Chairman, I would be happy to yield to the chairman.

Mr. STEED. The amendment the gentleman from Pennsylvania proposes to offer, he has discussed it with me and the difference between it and this, his amendment is a matter of judgment. This is a matter of law.

Mr. BAUMAN. The difference between the two amendments is that you do have Mr. Nixon around to kick around and you do not want to cross the President.

Mr. THOMAS. My primary concern, if I can regain my time, is that we ought to pay the President a salary commensurate with the office. If it is necessary for this incumbent President to utilize expense accounts for his own personal use, we ought to raise the salary of the President and supply a sufficient expense account for him to handle his bills.

Mr. FINDLEY. Mr. Chairman, would the gentleman yield?

Mr. THOMAS. Certainly I will yield to the gentleman from Illinois.

Mr. FINDLEY. I would like to express my support for the amendment offered by the gentleman from Maryland. The Vice President, Mr. MONDALE, has set a proper standard. Frankly, until that incident came to light I was not aware any President even had the opportunity to convert to his own personal income certain expense allowances but now that it has come to light I think the adoption of the gentleman's amendment will help to enhance public confidence in public service.

Mr. THOMAS. I thank the gentleman, Mr. Chairman. If we are in a crisis of confidence I would suggest that it includes the President as well and I urge support of the amendment and yield back the balance of my time.

Mr. ERTEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since I was referred to in the previous discussion and the amendment I will be offering in relation to the sums of money which Mr. Nixon has taken, I do not want to get into that argument but I do see a distinction and the distinction is that the law provides under the legislative act passed by this Congress prior to my being here in section 102 of title, it provides—

> * * * allowance of $50,000 to assist in defraying expenses relating to or resulting from the discharge of his official duties for which expense allowance, no accounting other than for income tax purposes, shall be made by him.

Now, that is the law, Mr. Chairman, and that is what the chairman of the subcommittee is following. He has appropriated that $50,000. If I had my preference I would say if he did not use that money it should come back to the Treasury. However, I did not enact that section, it is the law and as the chairman has indicated he has to follow this in appropriating the appropriate amount of money.

If you adopt this amendment, you have changed this section and I would think even though it may not be subject to a point of order, you are going to have a conflict between the Appropriations Act and the law. Therefore, Mr. Chairman, I would oppose such a move at this time but I would suggest that if an amendment came through the appropriate legislative committee I would certainly be willing to support it and I am sure the chairman of the subcommittee would do that.

Mr. FINDLEY. Mr. Chairman, would the gentleman yield to me?

Mr. ERTEL. I would be happy to yield to the gentleman from Illinois.

Mr. FINDLEY. It is my understanding of the gentleman's amendment that it is entirely prospective. It does not apply to any current or past fiscal year. Therefore, there is no retroactive character to it, there is no problem in that respect.

Mr. ERTEL. Let me regain my time, if I may. I did not suggest there was anything retroactive. This law says what shall be done. It does not say anything about retroactivity. It says there will be $50,000, there will be no accounting other than for income purposes.

I would suggest that an amendment be proposed to this act to come through the appropriate legislative committee. I would be willing to support it.

Mr. FINDLEY. Would the gentleman yield further to me, Mr. Chairman?

Mr. ERTEL. I would be happy to yield again.

Mr. FINDLEY. Mr. Chairman, the problem with that procedure is, the gentleman knows there is not a chance in the world we could get a legislative change like that through in time for the beginning of the next fiscal year, whereas we have the opportunity today to make a constructive improvement in our expense allowances for the President and other offices and I think we ought to seize it.

☐ 1600

Mr. ERTEL. Mr. Chairman, if I may reclaim my time, I would suggest that is not the way to do it. This particular bill is not legislation. We are going to have a conflict. We are going to have a conflict between that particular amendment that is being offered and the legislative appropriation, and if not, I would support it.

As I say, I would be happy to support the amendment if I did not feel it was in conflict. I did not even intend to get into this argument until the gentleman raised an issue about my particular amendment, which amendment I think is in accordance with the legislative mandates of this Congress.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, the House in its infinite wisdom at one point had set aside or caused to be created an expense allowance called the stationery account that was the Member's. It was there for his business expenses, for the running of his office and he could use it or not; and if he did not use it, he could put it in his pocket and pay taxes on it.

Now, 2 or 3 years ago in one of our great convulsions of reform, we decided that this was a bad thing to set up an account to run your official business and then if you stinted on the spending, you could put it in your pocket. The House felt and by its vote indicated that this was a bad practice, that it created bad public relations. The press pounced on it and we revoked that. We did away with this and said that you could no longer do this because it is bad.

I see no difference in that than what we are talking about now to say here we appropriate certain funds to the President for his official business, such as the celebration of the signing of the treaty between Begin and Sadat and then instead of using the funds that were appropriated for that purpose, he calls on the private sector to buy tickets or to contribute, thereby obviating the necessity of spending the official funds and then he puts the money in his pocket.

Now, I just do not think that is what was intended. It is a fact that it happened.

I think this amendment gets at the problem. I think it will in the long run be a benefit to whoever is in the White House to see that he does not come under criticism in the future. I think it is a good thing. I intend to support it and I congratulate the gentleman for offering it and I hope it passes.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I would be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman from Alabama has served with great distinction in this body for some years and has a sense of history.

I wonder if the gentleman could suggest to the rest of the committee what would happen if corporate funds had been solicited by the White House and such donations were used to allow the President to divert expense accounts into his pocket if Richard Nixon had been the President of the United States? Does the gentleman have any judgment as to what this House would have done?

Mr. DICKINSON. I think we all have the same judgment as to what would happen in that case. It is just a question of who is doing it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. STEED) there were—ayes 17, noes 14.

RECORDED VOTE

Mr. STEED. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 294, noes 90, not voting 50, as follows:

[Roll No. 338]

AYES—294

Abdnor
Albosta
Anderson, Calif.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, Tenn.
Bedell
Bennett
Bereuter
Bethune
Bevill
Boner
Bonior
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Broomfield
Broyhill
Buchanan
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fisher
Fithian
Flippo
Florio
Foley
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Heckler
Heftel
Hightower
Hillis
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McCloskey
McCormack
McDonald
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Neal
Nichols
Nowak
O'Brien
Oakar
Obey
Pashayan
Patterson
Paul
Pease
Petri
Peyser
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Studds
Stump
Symms
Tauke
Thomas
Traxler
Treen
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Winn
Wolpe
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki

NOES—90

Addabbo
Akaka
Ambro
Andrews, N.C.
Annunzio
Beard, R.I.
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonker
Brademas
Brooks
Brown, Calif.
Burlison
Carr
Chappell
Chisholm
Collins, Ill.
Corman
Danielson
Dellums
Dixon
Early
Edwards, Calif.
Fary
Fascell
Fazio
Ferraro
Garcia
Gonzalez
Hall, Ohio
Hawkins
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kogovsek
Lederer
Lehman
Leland
Long, La.
Marks
Mavroules
Mineta
Mitchell, Md.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nelson
Oberstar
Ottinger
Patten
Perkins
Pickle
Preyer
Price
Rangel
Richmond
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Seiberling
Simon
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Swift
Synar
Thompson
Ullman
Vento
Weiss
Whitley
Wilson, Tex.
Wirth
Wolff
Wyatt
Yates
Zeferetti

NOT VOTING—50

Alexander
Anderson, Ill.
Ashley
Bolling
Brown, Ohio
Burton, John
Conyers
D'Amours
Davis, S.C.
Diggs
Dingell
Dougherty
Emery
Evans, Ga.
Fish
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Gibbons
Gray
Harsha
Hefner
Hinson
Holland
Jeffords
Jenkins
Leach, La.
Lundine
McDade
McEwen
Mikva
Moakley
Moorhead, Pa.
Nedzi
Nolan
Panetta
Pepper
Rodino
Rose
Sebelius
Skelton
Taylor
Volkmer
Walgren
Waxman
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wright

☐ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Panetta for, with Mr. Flood against.

Mr. Dougherty for, with Mr. Conyers against.

Mr. Brown of Ohio for, with Mr. Diggs against.

Mr. McDade for, with Mr. Pepper against.

Mr. Taylor for, with Mr. Gray against.

Mr. SHANNON and Mr. ERTEL changed their vote from "no" to "aye."

Mr. ZEFERETTI changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. SHARP). The Clerk will read.

The Clerk read as follows:

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For expenses necessary for the White House Office as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105, and other personal services as authorized by 3 U.S.C. 105; including subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); and not to exceed $15,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President; $18,210,000.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 10, line 4, strike "$18,210,000" and insert in lieu thereof, "$17,500,000".

Mr. MILLER of Ohio. Mr. Chairman, this amendment reduces funds for the White House office from $18,210,000 to $17,500,000, a reduction of only $710,000. In the subcommittee we approved the lower amount. It was raised in full committee.

I believe that we should take a look at what we are doing at the White House. As an example, the $17,500,000 would cover 351 employees. Not many years ago we had a reorganization at the White House, and the Office of Administration was set up. What we found was that 70 of the White House aides went from the White House office payroll over to the Offices of Administration, and now there are 137 members of the Office of Administration with a budget of $11 million separate from the appropriation for the White House.

I would like to indicate some of the other organizations within the Executive office and the number of employees and the dollar amount.

The Executive Residence of the President has 86 employees, with a $2,957,000 budget in this bill.

The office of Special Assistance to the President, with 27 staff members, has a budget of $1,404,000.

The Council of Economic Advisers, as the Members know, has 35 employees, with a budget of $2,075,000 in this bill.

The Council on Wage and Price Stability has 61 people, with a budget of $7,500,000 in this bill.

The Domestic Policy Staff has 50 employees, with a budget of $2,600,000.

The National Security Council has 64 people, with a budget of $3,557,000.

The Office of Federal Procurement Policy has 25 people, with a budget of $3 million.

In the Executive Office of the President, there are 1,527 employees, with a budget of $81,386,000.

The reduction of $710,000 will never harm the White House Office.

That $710,000 will reduce the White House Office about one-half of the amount that it was increased this year.

I would recommend an aye vote on the amendment.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this item has a very unusual and peculiar relationship to this House. This is the item where the President of the United States says, "I need these resources to do my own personal job."

This is the President's personal staff. I do not see how anybody on Earth could vote to cut this item without their calling the President of the United States a man they do not believe because they are saying, "I know more about what it takes to be the President of the United States than he does."

Everybody involved in this item is provided for by law. The amount of money is provided for by law. The number of people and the different levels of salaries are provided for by law. It is almost identical to what the Members of this House have on their own personal office staff. You have a ceiling on the money; you have a limit on the number of people. And so does the President.

Anybody who knows anything about this country knows that there is no job on Earth that is as tough and as complicated and as difficult as the Presidency of our country. I would say that if this amendment carries, the President would be forced to reduce his staff from 50 to 35 people at a time when, because of the energy situation and inflation and these other crises, he needs help more than any President has ever needed it before in the history of our country. I just do not believe the House would demean itself twice in the same day by taking these kinds of cheap shots at the President of the United States. For the sake of the honor of the House, we ought not meddle with this particular item. I cannot recall a time in the history of this Congress that this item has ever been changed from what the President said he wanted.

Mr. Chairman, I urge the defeat of the amendment.

The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—ayes 22, noes 78.

So the amendment was rejected.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Federal Election Campaign Act Amendments of 1976, $8,646,000 of which $750,000 shall be available only for activities, including contract support, of the National Clearinghouse of the Federal Election Commission: *Provided*, That none of the funds provided in this Act shall be available for administrative expenses of performing random audits.

□ 1630

POINT OF ORDER

Mr. FRENZEL. Mr. Chairman, I have a point of order.

The CHAIRMAN pro tempore. The gentleman will state his point of order.

Mr. FRENZEL. Mr. Chairman, I make a point of order against that language beginning on line 18 of page 14 through line 2 of page 15 on the ground that this appropriation of the Federal Election Commission is unauthorized and is therefore in violation of clause 2 of rule XXI of the rules of the House which forbid in a general appropriation bill any appropriation not previously authorized by law unless for continuation for works in progress. Under rule XXI, clause 2, I make that point of order.

The CHAIRMAN pro tempore. Does the gentleman from Oklahoma (Mr. STEED) wish to be heard in opposition?

Mr. STEED. Mr. Chairman, this authorization has passed the House. It has not passed the other body. If it is knocked out here on a point of order, the other body will put it in; and we will have to bring it back in disagreement, and we will end up with the same result.

So the procedure here today, while it can be technically correct, is not in our opinion the most efficient way to proceed. We have gone to the Committee on Rules and gotten a rule to waive the point of order, but we just assumed that since the Members knew this bill was going to pass and become law, they would indulge the item being left in the bill.

If the gentleman insists on this point of order, of course, we will have to concede it.

The CHAIRMAN pro tempore. Does the gentleman from Minnesota (Mr. FRENZEL) insist on this point of order?

Mr. FRENZEL. Mr. Chairman, if I may be heard just briefly, the Committee on House Administration has passed an authorization of this agency. It has been passed for about a month. There is not any reason why it cannot come before this House and be approved before this bill that we are working on today comes out of conference.

Our committee appreciates the work of the chairman of the Appropriations Subcommittee, because he has saved us time and again when we have been unable to get our authorization bill out.

This year we have the bill out, and so I would like to press my point of order.

The CHAIRMAN pro tempore. (Mr. SHARP). The gentleman is essentially correct in his point of order, and the Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

The revenues and collections deposited into the fund pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Government agencies (including space adjustments) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings and moving; repair and alteration of federally owned buildings, including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by purchase contract, in the aggregate amount of $1,423,622,000, of which (1) not to exceed $18,787,000 shall remain available until expended for construction of additional projects as authorized by law at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:
  Mississippi:
  Jackson, Motor Pool, $367,000
  Texas:
  El Paso, Federal Office Building, $2,500,000
  Laredo, Border Station, $7,100,000
  Utah:
  Salt Lake City, Motor Pool, $282,000
  Washington:
  Vancouver, Federal Building (Extension), $783,000

Purchase:
  Massachusetts:

Boston, Food and Drug Building, $697,000, and Acquisition and Improvements of United States Postal Service Properties, $7,058,000: *Provided*, That the immediately foregoing limits of costs may be exceeded to the extent that savings are effected in other such projects but by not to exceed 10 per centum; (2) not to exceed $180,000,000, which shall remain available until expended, for alterations and major repairs; (3) not to exceed $99,700,000 for payment on purchase contracts entered into prior to July 1, 1975; (4) not to exceed $554,600,000 for rental of space; (5) not to exceed $498,063,000 for real property operations, and (6) not to exced $72,472,000 for program direction and centralized services: *Provided further*, That for the purposes of this authorization, buildings constructed pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356), the Public Buildings Amendments of 1972 (40 U.S.C. 490), and buildings under the control of another department or agency where alterations of such buildings are required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of General Services Administration shall be considered to be federally owned buildings: *Provided further*, That none of the funds available to the General Services Administration shall be available for expenses in connection with any project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses in connection with the development of a proposed prospectus: *Provided further*, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, as amended, shall be available from such revenues and collections: *Provided further*, That any revenues and collections and any other sums accruing to this fund during fiscal year 1980, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)), in excess of $1,423,622,000, shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

AMENDMENT OFFERED BY MR. SMITH OF IOWA

Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Smith of Iowa: on page 18, after the period in line 18, insert the following ": *Provided further*, That none of the funds in this section shall be used to enter into, renew or extend any lease where the lessor has failed to fulfill the requirements of a contract involving funds derived, directly or indirectly, from the Slum Clearance and Urban Renewal Program administered by the Department of Housing and Urban Development under title I of the Housing Act of 1949.".

Mr. SMITH of Iowa. Mr. Chairman, I offer this amendment on behalf of myself and the gentleman from Wisconsin (Mr. Reuss).

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. The gentleman from Oklahoma reserves a point of order.

Mr. SMITH of Iowa. Mr. Chairman, I thought it was all right with the gentleman from Oklahoma, or I would not have introduced it. I can change two or three words and get around a point of order, but the purpose here is merely this.

We have discovered that there are a few cases, or at least one case, where the lessor of buildings built under urban renewal and slum clearance programs has been aided and abetted by GSA, in their violation of their contracts. GSA has rented buildings from a lessor who is in violation of their contract under urban renewal. It is a shopping center in Southwest Washington, D.C.

The Government should not be aiding and abetting some contractor or lessor in that kind of situation. That is all this is designed to do. The gentleman from Wisconsin (Mr. Reuss) and I designed this amendment for that very specific purpose. I hope the gentleman will not insist on his point of order. That is all it is designed to do. I thought I had discussed it with the gentleman.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, the reason I do this, I am not opposed to what the gentleman is trying to do, but in submitting this for review by the Department, we are convinced that it does require what could be interpreted as legislative action.

Since I made such an issue of not invading the prerogatives of the legislative committees, I thought that it was better for me to also take note of this. I have no problem with what the gentleman is trying to do. It is just a technical matter of whether or not we would be accepting legislation in an appropriations bill and would subject ourselves to the criticism of the legislative committee after we had made such a fuss all through the bill to try to keep faith with the legislative committee.

Mr. SMITH of Iowa. Let me plead with the gentleman.

I drafted this with the help and aid of the gentleman from Wisconsin (Mr. Reuss) so I do not think the gentleman is going to have any problems in that regard.

Mr. STEED. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN pro tempore. The gentleman withdraws his point of order.

Mr. SMITH of Iowa. Mr. Chairman, I do not know of any opposition to the amendment.

I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Iowa (Mr. Smith).

The amendment was agreed to.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95–138, $798,000: *Provided*, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

AMENDMENT OFFERED BY MR. ERTEL

Mr. ERTEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ertel: Page 22, add at the end of line 25 the following: "None of the funds appropriated under this paragraph shall be used for purposes of providing for travel expenses.".

□ 1640

Mr. ERTEL. Mr. Chairman, prior to going into the amendment I would like to explain why I changed my vote on the amendment by Mr. Bauman, because I found that you could read the two amendments consistently, the authorization act and also the referral back to the Treasury. If read very carefully, there was no inconsistency and, in fact, the authorization did not prevent the gentleman's amendment, in my judgment, after I had looked it over thoroughly. That is one of the reasons I am offering this particular amendment.

This particular amendment shows that the report for the Treasury and Postal Service and General Accounting appropriation bill lists $70,000 for travel expenses under allowances and office staff for former Presidents. However, there is no legislative authority for a travel allowance for former Presidents or their staffs; title 3, United States Code, section 102, authorizes personal compensation, pensions, office space, staff, and equipment for former Presidents. It does not provide for travel for any persons.

Some may think it is a good idea to appropriate moneys for travel by former Presidents and their staffs, but that is not the issue here. The issue is whether Congress has authorized expenditures for travel of this kind and the answer is no. There is neither an explicit nor implied authorization for travel by former Presidents or their staff.

As a result, I am introducing an amendment to prohibit spending Federal dollars for this purpose. I might point out that one of the big increases in the allowances for former Presidents, President Nixon in 1979 got $24,000 which we gave him in the 1979 authorization and we have increased it by $11,000 this year, even though he has been out of office for a longer time than President Ford. President Ford has been in office more recently and could justify more expenditures. In addition, President Ford has been increased $5,000. These are the largest increases in this appropriation having to do with the former Presidents.

The law itself says that we have to provide suitable office space and arrangements, we must also provide compensation for former Presidents in the amount of $66,000. We must provide for office space, $96,000 in the event of somebody out of office for staff for a certain time or $150,000, within the appropriate time for staff, which would be for Mr. Ford's staff. So we have provided adequately for our former Presidents. But now to add onto that an increased travel allowance for which there is no authorization is inappropriate. I see no reason to give them travel. They have no official duties. They can have their offices, they can maintain themselves, but travel is not part of the suitable office arrangements.

I would urge adoption of this amendment. I yield back the balance of my time.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

The item here discussed is one that I think the Members ought to understand how it operates. The expenses cover a number of things, office rent, mail, travel, and various things an office of that sort would involve. This amendment will knock out travel for both former Presidents, both former President Nixon and former President Ford, and the record shows that the demands made upon these former Presidents by virtue of the fact they are former Presidents requires travel not only for them but their staff. This amendment would handicap and interfere with that function very much.

We have put in the report some language urging those in the General Services Administration to review these items before they are put in the budget and before they are approved for payment, and to do so with a great deal of care, and I am sure they do. Any travel would have to be official, it would have to be reviewed, as it is, as well as these other items. So I think the Members can rest assured that the program has been in service for some time and it works all right. I think the Members, if they think a former President can perform duties that might come to him by virtue of his former service to the country, where he should not have any ability to travel around to perform those functions, why they could support the amendment. But I just do not see where any substantial amount of money is going to be saved and where any worthwhile accomplishment will result from the adoption of the amendment. I recommend its defeat.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, I support this amendment which I think is very modest, in fact far too modest given the nature of the problem, which is that our former Presidents are subsidized too heavily by the taxpayers of this country and they have abused their trust. This bill would appropriate $258,000 to President Nixon and $343,000 to President Ford for the staff, salaries, travel, and office expenses.

Most Americans have had to cope with extraordinary problems of inflation, and the resulting shrinking value of the dollar, while the former Presidents' pensions are increased automatically by law. Appropriations to cover that increase are contained in this bill. In addition to these pensions they are heavily subsidized by the taxpayers. I would say in all frankness to my colleagues that I do not think they have appropriately respected the fact that hard earned taxpayers' dollars are going to pay for these expenses.

I think we should note that one of the former Presidents had the taxpayers charged $2,242 for purchasing office plants for his office and $100 a month for a professional watering service for these plants. Even though he had $96,000 in staff salaries, somehow none of his staff somehow could pick up a watering can and water those plants. As a result another $1,200 had to be paid by the taxpayers of the United States. We also had moneys expended to repair a golf cart and paid $23,000 for phone calls, and $900 for a coffee set.

Clearly the former Presidents have not exercised discretion and prudence in connection with the kinds of charges they have made on the Treasury. While I believe we ought to make sure that the former Presidents can respond to correspondence from the American public, it is important to note that both of these men have profited handsomely from their being President. They both have had substantial contracts for books describing their term in office, both as well had substantial contracts for television appearances. In addition President Nixon had the taxpayers invest millions in San Clemente.

It seems to me that the gentleman's amendment, which cuts out $35,000 in travel expenses, is only a modest amendment and only addresses a small part of the problem. But I would hope that this amendment, if adopted, and I urge it be adopted, would be a signal to the GSA as to what kinds of expenses to allow. Beyond that it should also be a signal to the former Presidents to pay more careful attention to the needs and the concerns of the taxpayers when they ask us to support them now.

Mr. PHILLIP BURTON. Mr. Chairman, I move to strike the requisite number of words.

We have had very few Presidents in the history of this great republic. I am throughly opposed to this amendment.

I suspect that if the recipient were John F. Kennedy or Franklin Roosevelt, or perhaps for that matter Dwight Eisenhower, this amendment might not have been offered. I quarrel even with the necessity of past Presidents providing line-item vouchering for their expenses.

I am very proud of the fact that this Nation, through its Representatives in Congress, has decided that we are very well advised to see that our Presidents are sustained in an economic sense so that under no circumstances will they be driven to peddling themselves, if you will, for underarm deodorant ads on television, or whatever other great variety of lending their names they could quite readily engage in to increase their income.

☐ 1650

Now, it appears to be an easy vote, if you will, to apply in an ad hominem situation the grants provided to all ex-Presidents, but I would submit that we are honoring the office, and this has no relevance at all to whatever happened to those who have served in that office. We have decided long since that it is in the national interest that any person who served in the onerous position of President of the United States should be accorded this quite mincing, I might call it, sustenance from the American taxpayers; so, I hope the amendment is rejected.

Mr. ERTEL. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to my friend and colleague from Pennsylvania.

Mr. ERTEL. Mr. Chairman, I am happy that the gentleman yields to me. I am not sure that we are talking about the same thing, the gentleman from California and I.

In this particular amendment under the authorizing legislation there is $66,000 provided for a pension for the President, which has never been touched. There is $96,000 provided for a staff allowance for one President and $150,000 for another, which has not been touched. There is provision for suitable office and arrangements, which has not been touched.

This travel is not authorized. This $35,000 per President has not been authorized by this Congress. If this Congress wishes to authorize it, then it should go back and pass the legislation to authorize it, but this has never been passed on by this Congress, and it is not in the legislation.

It seems to me that an ex-President does not have to travel around the United States. That is not part of his official duty. In fact, the incumbent President under the law can only receive $40,000 for travel when he is in office and performing for the American public. So, it seems that it is incongruous to give an ex-President $35,000 which has never been authorized.

Mr. PHILLIP BURTON. I would like to submit that I am unaware that either of the last two Presidents have improperly used any public forum for partisan reasons. I am completely unaware of that. I could make the case that both of the last two ex-Presidents have worked overtime, if you will, to show restraint in terms of commenting daily or weekly on items of current, and particularly of partisan, nature. So, I just do not accept the assessment of my colleague from Pennsylvania.

Mr. BADHAM. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to my colleague from California.

Mr. BADHAM. Mr. Chairman, I thank the gentleman for yielding. I want to associate myself with his remarks. I think it is worthy of commendation that the gentleman sought to rise and express what I think is a respect for the office of the Presidency of the United States. I commend him for that.

I hope that in the future, should this rise again when we have a President of a different party, that I will be the one who will be able to rise and demonstrate my respect for the office of the Presidency regardless of which party the past President might belong to. I would expect the gentleman to join me, because I think in a couple of years we might have that situation reversed.

Mr. PHILLIP BURTON. I thank the gentleman.

Mr. JACOBS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I agree with the gentleman who just spoke; this should not be a partisan matter at all. I happen to be among those, or perhaps the only one, who cast my district vote in opposition to certain emoluments for the retiring Speaker, Mr. McCormack, a number of years ago. The proposition then was that Mr. McCormack should have secretarial staff because of his expected volume of mail from all over the country. I happened to know, as many other Members knew at the time, that Mr. McCormack was not likely to get such mail; that he was not a national person in the sense of having traveled and corresponded and having been well known nationally. I do not think anybody, any Member of Congress, had greater affection for Mr. McCormack than I did, and my father did before me, but I had to deal with what was right rather than who was right.

I remember well when the President's pension was changed from $25,000 a year to $60,000 a year. I think it was shortly after President Nixon took office. It was done by a voice vote, immediately after the prayer, without very much notice at the time. It did not reflect to any accurate degree the cost-of-living changes.

It occurs to me that no former President of either party in this country under present circumstances could be expected to be destitute or to be driven to commercials on television. The plain fact is that speaking engagements return a lavish income for former Presidents. There is no duty on a former President, no duty of office, to be anywhere in the United States, to appear anywhere; but if a former President feels a travel duty or obligation to his country, in gratitude for the magnificent privilege and honor that has been bestowed upon that former President, it seems to me not unreasonable to expect that former President to share some of his profits from lucrative speaking engagements with his fellow countrymen and pay his own way to raise the flag someplace.

So, I am glad the gentleman has raised this point. I think it is eminently logical, and I think that we should be very careful not to confuse what is right with who is right. I think we should support the amendment.

Mrs. FENWICK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I find myself very much in agreement with the remarks of the gentleman from California (Mr. PHILLIP BURTON), but I also expect to support this amendment. The travel allowance is over and above the other amounts which are generous. But I do not think that any former President should have to account for any spending of that money. I think it is degrading and ridiculous.

They have the money that the Congress has voted them, and it ought to be theirs to do with in their discretion. I hope very much that we can get into this bill a provision that that requirement be deleted; it is none of our business.

However, I do think that the sum of $35,000 over and above the pension and the other grants is too much. It does not serve the stringencies of the times—the letters that I get from my people who would like to be able just to get down to the shore of New Jersey with their wives and children for a swim. People are having a hard time, and I think we really ought to legislate in terms of their lives.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. Of course.

Mr. PHILLIP BURTON. Mr. Chairman, we collectively and implicitly made a judgment relating to travel as it affects all Members of the House. Without betraying how long I have been in the House, I recall when we were given no more than four trips on the year, and my colleagues at that point in time, those of less affluence, would have the local Chamber of Commerce, the local labor union, the local affluent realtor, pick up their travel expense to and from the Capitol and their districts.

Now, we all knew that was happening. We were all very unhappy about that, and we just decided, for whatever minimal added scintilla perhaps of assurance, that we would not permit ourselves and our judgment to be eroded, so we provided amendments to travel funds paid for by everyone.

Mrs. FENWICK. May I say this——

Mr. PHILLIP BURTON. May I just have one further word, and I will ask for further time for the gentlewoman if I use up her time.

I would like to note that for whatever scintilla of possibility an ex-President's travel is picked up or not by a private party, I think the American taxpayers are well served that we reduce by this amount in the appropriation bill any possibility or speculation or causal relation in the picking up of a travel item.

□ 1700

Mrs. FENWICK. I agree with my colleague, and certainly with regard to Congress I heartily approve, but I hope I do not sound cynical when I say we Members of Congress are still in a position to do some damage. Ex-Presidents are not. It is for that reason that I would like to continue insulation from corruption for us and freedom for them to do as they think best.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL).

The question was taken; and on a division (demanded by Mr. ERTEL) there were—ayes 19, noes 34.

Ms. HOLTZMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present.

The Chair announces that pursuant to rule XXIII, clause 2, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1710

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee on the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentlewoman from New York (Ms. HOLTZMAN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 156, noes 232, answered "present" 1, not voting 45, as follows:

[Roll No. 339]

AYES—156

Akaka
Albosta
Anderson, Calif.
Anthony
Applegate
Archer
Aspin
Atkinson
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Benjamin
Bennett
Bethune
Bevill
Boner
Bonior
Bouquard
Brinkley
Brodhead
Byron
Cavanaugh
Chisholm
Clay
Cleveland
Coelho
Collins, Ill.
Corman
Crane, Daniel
D'Amours
Danielson
Daschle
Dellums
Dicks
Dingell
Drinan
Eckhardt
Edwards, Calif
Edwards, Okla.
English
Ertel
Evans, Ind.
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Fowler
Frost
Garcia
Gaydos
Gephardt
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Grassley
Guarini
Gudger
Hamilton
Hance
Harkin
Harris
Heftel
Holtzman
Hopkins
Huckaby
Hughes
Hutto
Ichord
Ireland
Jacobs
Jenrette
Jones, N.C.
Jones, Tenn.
Kildee
Kogovsek
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Long, Md.
Luken
McKay
Maguire
Markey
Matsui
Mattox

Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moffett
Mollohan
Mottl
Murphy, Pa.
Myers, Pa.
Neal
Nichols
Nowak
Oakar
Obey
Patterson
Paul
Pease
Petri
Rangel
Ratchford
Reuss
Richmond
Ritter
Rose
Roth
Santini
Scheuer
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Snowe
Spellman
Stack
Stark
Stenholm
Stewart
Studds
Stump
Synar
Tauke
Thompson
Traxler
Trible
Ullman
Walgren
Watkins
Waxman
Weaver
Weiss
Whitley
Whittaker
Wolpe
Yates
Yatron

NOES—232

Abdnor
Addabbo
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashbrook
AuCoin
Badham
Bafalis
Bauman
Beard, Tenn.
Beilenson
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonker
Bowen
Brademas
Breaux
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Campbell
Carney
Carr
Carter
Chappell
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Erdahl
Erlenborn
Evans, Del.
Fary
Fascell
Fenwick
Findley
Foley
Fountain
Frenzel
Fuqua
Giaimo
Gilman
Gingrich
Goldwater
Gradison
Green
Grisham
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hanley
Hansen
Hawkins
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Horton
Howard
Hubbard
Hyde
Jeffries
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McHugh
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Nelson
O'Brien
Oberstar
Ottinger
Pashayan
Patten
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roe
Rosenthal
Rostenkowski
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Schulze
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Solomon
Spence
St Germain
Staggers
Stangeland
Stanton
Steed
Stokes
Stratton
Swift
Symms
Thomas
Treen
Udall
Van Deerlin
Vander Jagt
Vento
Walker
Wampler
White
Whitehurst
Whitten
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolff
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Crane, Philip

NOT VOTING—45

Alexander
Anderson, Ill.
Ashley
Bolling
Brown, Ohio
Burton, John
Conyers
Davis, S.C.
Deckard
Diggs
Emery
Evans, Ga.
Fish
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Gibbons
Gray
Harsha
Hefner
Holland
Jeffords
Jenkins
Leach, La.
Lundine
McEwen
Mikva
Moakley
Nedzi
Nolan
Panetta
Pepper
Pritchard
Rodino
Sebelius
Skelton
Stockman
Taylor
Vanik
Volkmer
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wright

☐ 1720

The Clerk announced the following pairs:

On this vote:

Mr. Gray for, with Mr. Rodino against.
Mr. Conyers for, with Mr. Flood against.
Mr. Diggs for, with Mr. Sebelius against.

Mr. DAVIS of Michigan changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments at this point in the bill?

AMENDMENT OFFERED BY MR. ERTEL

Mr. ERTEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ertel: Page 22, add at the end of line 25 the following: "Not more than $191,385.97 of the funds appropriated under this paragraph may be used for purposes of providing for office staff and related expenses for former President Richard M. Nixon.".

☐ 1730

The CHAIRMAN. Does the gentleman from Maryland (Mr. Bauman) wish to be recognized?

Mr. BAUMAN. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Maryland (Mr. Bauman) reserves a point of order on the amendment.

The gentleman from Pennsylvania (Mr. Ertel) is recognized for 5 minutes in support of his amendment.

Mr. ERTEL. Mr. Chairman, I would like to correct the reading by the Clerk. The Clerk read, "one million, one hundred ninety-eight million dollars." That should be "one hundred ninety-eight thousand," and go from there. So I would like to correct that on the record.

Mr. Chairman, some weeks ago I wrote to former President Nixon. I asked him to reimburse the U.S. Government for certain improvements made to his San Clemente property. A committee of the Congress determined that $66,614.03 of these improvements were unrelated to any security purpose. To this date I have not received a response from Mr. Nixon. I must conclude that Mr. Nixon does not intend to repay the Government for these unjustified expenditures by which he has now been unjustly enriched.

As some of the Members may know, Mr. Nixon has agreed to sell his San Clemente estate to three prominent Orange County businessmen. What some of the Members perhaps do not know is that during some of the time of the Nixon Presidency, the President acted as if the GSA had a responsibility to enhance the value of his San Clemente property. Haldeman, Erlichman, Kalmbach and others wanted the Government to pay for boundary surveys, for large den windows, for a gazebo, for a beach cabana, and for other nongovernmental improvements. Fortunately for us and for the taxpayers, the Joint Committee on Internal Revenue Taxation looked into the matter and determined the value of the unjustified improvements.

The committee took great pains to separate the improvements for protective purposes and the improvements which served no primary protective purpose. For example, the restored gazebo was not intended as a security measure, but the committee discovered that a Secret Service person did occupy the gazebo from time to time. Accordingly, part of the improvement to the gazebo was attributed to the Federal Government rather than to Mr. Nixon.

When the Joint Committee on Internal Revenue Taxation looked into this matter and into other financial transactions of Mr. Nixon, Mr. Nixon promised that—and I quote:

> In the event that the committee determines that the items were improperly reported, I will pay whatever tax may be due.

Despite the committee's findings, Mr. Nixon has never done so.

Later, after much public criticism, Mr. Nixon promised to deed the property to the Government. On December 8, 1973, Mr. Nixon said in a statement—and I quote again:

> After public misunderstanding over San Clemente passes away, we should recognize that the Western White House residence will continue to be a valuable asset for the Nation. At the time of my death or that of my wife, whichever is later, we intend to make a gift to the people of the United States of my home at San Clemente. I have directed my attorneys to take the necessary steps to accomplish this so that future generations can take advantage of the beautiful setting to help maintain a truly national perspective of the Presidency.

Despite this promise, Mr. Nixon has now sold San Clemente. He has sold the item he promised to give to the American people.

We cannot force Mr. Nixon to fulfill these unfulfilled promises. We cannot force Mr. Nixon to pay his back taxes. We cannot force Mr. Nixon to voluntarily hand over his San Clemente house, but we can recover the cost of these unwarranted improvements. We can do so by reducing Mr. Nixon's appropriation by $66,614. That is the effect of my amendment.

Some might say that this amendment focuses on a relatively insignificant sum. Perhaps so, but I would remind the Members that one of our colleagues has agreed to a resolution of censure over a lesser amount.

Others may argue that this amendment focuses on the activities of one man who did what other Presidents may have done as well. To these individuals I say, "Show me the abuses of other

Presidents, as I have shown you Mr. Nixon's, and I will join with you in seeking similar repayment."

We are dealing with a very simple principle here. Public moneys should be used only for public purposes. My amendment corrects a situation in which this principle was disregarded.

It is no wonder the public distrusts public officials so much. This is one example why. The enactment of this amendment, in a small measure, helps to restore the confidence of the American people in government. I ask the support of the Members to reduce the appropriation to Mr. Nixon to accomplish this objective.

Mr. Chairman, I yield back the balance of my time.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think there are a few matters here the Members would like to know about, and they would like to know what this amendment will do.

If anybody thinks accepting this amendment will do any personal harm to former President Nixon, they are just going to be disappointed, because it does not touch any of the funds in this bill that are personally dedicated to him. But it can wreck his office staff, the function of his office that the historians and other people who want to contact former Presidents are interested in.

On the matter of $66,000, there is no proof of that whatsoever, because it does not take into consideration property the Government may reclaim.

The Secret Service and the General Services Administration are at San Clemente. Our staff person has been out there with them, and they are making a very close survey of this whole thing. They are reclaiming anything and everything that has any value that they put into that property by virtue of the fact they had to provide security for the President. So when the final figures come in, I think we will find that the amount invested in San Clemente, minus the amount that can be reclaimed, will make a very different figure than $66,000.

I think we can rely on the fact that this is true, because when they did the same thing at the properties in Miami Beach that Mr. Nixon occupied, the recovery there was very substantial. When they did the same thing over in Alexandria, Va., in the house that Mr. Ford occupied, they reclaimed some items.

So I think if we wanted to do this, we would not want to do it now because we have no way under the sun at this point of knowing what the final costs of having equipped San Cemente to protect the President amounted to.

Any way we look at it, it does not belong here. This is not a collection agency. I know of no way it could be fairly and honorably done except to legislate on it separately.

So, Mr. Chairman, I would think the Members who understand this would want to vote this amendment down. It is just not accurate, and this is not the time and the place. It would not solve the problem at all.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. STEED. Yes, I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, if eventually there may be some judgment made by a competent agency that there is a liability on the part of former President Nixon, would it be proper for us perhaps to work out some arrangement that would allow him to pay back $500 a month out of his pension or something like that? That seems to be a popular punishment these days.

Mr. STEED. Mr. Chairman, I do not know what the former President would agree to, but certainly an agreement like that could be entered into. I think it is not my place to defend the man, I think the Members of the House might be surprised as to what the attitude of the Members might be on that.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I recall in my service on this committee that it is common practice to provide security for the residences of our Presidents, but is there any precedent by which we have to go back and try to recover those things that were required to be there, those things such as an airstrip?

I remember that we had one at the LBJ ranch, and there was some equipment that was put in there. Is there any precedent for this in the past?

Mr. STEED. Obviously there are some things that can be recovered.

For instance, at San Clemente the heating system was very dilapidated, and the danger of a gas explosion and the danger of a fire caused them to believe they had to replace the heating system for security reasons. But today if they take out the new heating system and try to restore it to the way it was, it would cost a whole lot more to do that than to just leave it alone.

These are determinations that these experts out there have to make, and until they finish that and make their report, I do not know how we are going to arrive at anything here as to the difference between what the investment might be and what the retrievable amount might be.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield further?

Mr. STEED. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I can recall that some of these improvements or so-called improvements required by the Secret Service at the time sounded ridiculous. We asked, Why in the world would we do this?

But they felt it was necessary for the security of our President, and we on the committee, when I was on this committee, had to go along with them.

As I recall, never in my experience on the committee have we tried to go back and call for somebody to pay for something they did not ask to be done.

Mr. STEED. No doubt there has never been a case where that was done, and, of course, I have never tried to upstage and outguess the U.S. Secret Service. Their job of trying to keep public officials from being assassinated is a very difficult one, and I am going to take their judgment on these things. They are the only experts we have, and if they say these things are necessary to keep the President alive, we ought to do them.

☐ 1740

Mr. Chairman, I will say one thing, that we have been able to say on this floor before that it costs a whole lot more to bury an assassinated President than it does to protect him.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) withdraw his point of order?

Mr. BAUMAN. Mr. Chairman, before I make a point of order against the amendment, am I correct that the Chair will not pass upon the constitutionality of any amendment that is offered so far as it pertains to its being permissible?

The CHAIRMAN. The gentleman is correct. The Chair will not pass on the constitutionality.

Mr. BAUMAN. Mr. Chairman, I will say to the Chair the point of order I intended to make was that, under article I of the Constitution, the Congress is forbidden from passing any law that constitutes a bill of attainder, and that would have been the point of order I would make against this amendment. But obviously it is not in order.

The CHAIRMAN. The gentleman withdraws his point of order.

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I really hesitate to get up and talk about this, but since the subject has come up without my starting it, the Members should recall that in 1973 the Committee on Government Operations proved conclusively that the then President of the United States spent about $17 million of U.S. taxpayers' money to decorate his private homes, to build fences around them, to build 2 helicopter ports, one of which cost about $400,000 which substituted as a dock for Rebozo's yacht. That is what he spent $17 million worth of taxpayers' money for on those two properties. There is no question about it. We proved it. They changed their figures dozens of times but we proved it, and we showed where he spent every dime of that money.

The then President did not give the United States any part of Key Biscayne. He sold it. We were able to recoup that wonderful fence, which was a direct replica done in aluminum of the one at the White House. It was sort of a tragic thing, but the facilities at Key Biscayne are now gone. We recovered some of that equipment. You cannot move that helicopter pad there that they built for $400,000. It is unbelievable. Do the Members know what they use at the White House now and what they have always used? There are 3 plywood disks that could not cost more than $15 or $30 apiece. That is what they use for landing helicopters to take the current President and past

Presidents away from the White House by helicopter. But at Key Biscayne they built a helicopter pad for over $400,000 This is what he did.

The $66,000, if that is what we recover, will be a very minimum contribution on his part—and despite the fact that he said he would give the U.S. Government that property. Instead, he sold it to the high bidder. He is going to make a lot of money out of it. I think it is kind of nice that he is doing so well. But I want to emphasize one other thing, and that is that other Presidents did not act that way, none of them did. All of them together did not do anything like that.

For Mr. Truman, they fixed the steps at his house, put in a fence and converted the garage. That is all anybody could remember they did for his property there in Missouri.

Mr. Eisenhower, did old Ike have the Government build a bunch of stuff for him? He certainly did not. All we could find out about what Eisenhower had built by the Federal Government, with taxpayers' money, that he was going to have use for in his own property, was a telephone booth used as a sentry station for Secret Service people. That is all General Eisenhower had done. President Eisenhower did not bleed us out of any money. He did well on that book deal, but that is another story. These are the facts.

Kennedy did not want people to go out to Hyannis Port, did not want the Federal Government or anybody else out there. We can understand why. It is a nice, quiet, well-organized place. So we did not spend any money for Kennedy.

Mr. Johnson had himself built a hangar, an airport operation out there at his ranch. But the Federal Government did not build that airstrip. We checked all that out. We had all of those allegations by very active Republicans on the committee at that time. You can be sure they looked hard and long. I am looking at one of them now. And he is laughing because he knows what the facts are. And I will say this, that President Johnson did not pay for the airstrip with taxpayers funds. The things that they built on Johnson's property, they took most of them away when he was no longer President. You can move most of the electronic equipment, you can move it out, and they moved it. And that was the end of it.

Now, Ford. Jerry Ford was aware of all of these problems and was very careful about the things that he allowed the Secret Service to do to his property. He was very discreet about it, very careful about it, very proper about it.

The CHAIRMAN. The time of the gentleman from Texas (Mr. BROOKS) has expired.

(By unanimous consent, Mr. BROOKS was allowed to proceed for 3 additional minutes.)

Mr. BROOKS. So far as Mr. Ford is concerned, we never had the least problem about President Ford's improvements to his home. Nobody questioned it. He did it right in the first place. I talked to him about it. He did not want to have any problem, and so he did not authorize, he did not allow the Secret Service to come in and redo a swimming pool for him. He already had one. It was not very fancy, but he did not have the Government come in and rebuild it. He did not have a helicopter pad put on top of his house. He did not do any of those things. I will say this is to his credit.

I just wanted the Members to have some of the facts on these things. If you act like we are living in a fishbowl around here, let us just lay out what the facts are. That is what they are about the last Presidents since Truman about Federal money. I spent one solid year working on it. And they spent a solid year working me. I am familiar with the background of just what that President did. And if he pays $66,000, it is cheap.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. ERTEL).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> SEC. 613 (a) No part of any of the funds appropriated for the fiscal year ending September 30, 1980, by this Act or any other Act, may be used to pay the salary or pay of any individual in any office or position in an amount which exceeds the rate of salary or basic pay payable for such office or position on September 30, 1979, by more than the overall average percentage increase in the General Schedule rates of basic pay, as a result of any adjustments which take effect during such fiscal year under section 5343 of title 5, United States Code, if such adjustment is granted pursuant to a wage survey (but only with respect to prevailing rate employees described in section 5342(a)(2)(A) of that title).
>
> (b) For the purpose of administering any provision of law, rule, or regulation which provides premium pay, retirement, life insurance, or other employee benefit, which requires any deduction or contribution, or which imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

□ 1750

POINT OF ORDER

Mr. HANLEY. Mr. Chairman, I raise a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. HANLEY. Mr. Chairman, I raise a point of order against the language contained in subsection (a) of section 613 on the grounds that the language seeks to place a limitation on the use of funds which are not carried in this bill.

In support of the point of order, I cite section 9.4 of chapter 25 of Deschler's Procedure which states:

> To qualify as a limitation, restrictive language in a general appropriation bill must apply solely to the funds carried in the bill . . .

Subsection (a) of section 613 seeks to place a limitation on the use of funds appropriated for fiscal year 1980 by "this Act or any other Act." Under the precedents of the House, this language clearly does not qualify as a proper limitation.

In addition, the language of subsection (b) of section 613 seeks to construe existing law and thus constitutes legislation in a general appropriation bill which violates clause 2 of rule XXI.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I would be delighted to yield to the gentleman from Oklahoma.

Mr. STEED. Mr. Chairman, I have discussed this matter with the gentleman. We have had it checked out. We concede the point of order.

The CHAIRMAN. The point of order is conceded and section 613 (a) and (b) are stricken.

Mr. DICKS. Mr. Chairman, I rise in support of Mr. HANLEY's contention that section 613 is subject to a point of order

The provisions of this section constitute legislation in an appropriation bill in violation of rule XXI, clause 2 of the rules and regulations of the House of Representatives.

In support, I cite Deschler's Procedures, page 367, section 1.2, in which it states: "Language in an appropriation bill changing existing law is legislation and not in order."

I believe that section 613 enacted into law can be construed as requiring lower payment of salaries than may be required by law, specifically Public Law 93–952, and thus it changes existing law.

Mr. Chairman, section 613 would have had the effect of establishing a new comparability system for Federal wage board employees. Instead of determining rates of pay based on compensation for comparable positions in the private sector, we would be basing pay on what General Schedule employees average.

The Congress has enacted into law legislation which is designed to have Federal blue collar pay comparable with the private sector. The reason for this action is to insure that the Government is competitive in attracting sufficient and qualified personnel.

There is little argument that there are some defects in the current law which distort accurate comparability. The President has indicated his judgment on what changes in the existing law need to be made and has submitted legislation to accomplish them. This legislation is now before the Post Office and Civil Service Committee, and my understanding is that hearings have been tentatively scheduled for the near future.

But although there are problems with our current comparability procedures, I firmly believe that the basic concept of comparability with the private sector is a sound one. Section 613 distorts that concept and instead substitutes comparability among Federal employees.

The amendment is of course, based on the assumption that the President will again impose a 5.5-percent pay cap on General Schedule employees. Thus the section in effect is again placing that 5.5 percent cap on wage board employees as well.

Given the double digit inflation rates of the past year this cap has meant a substantial reduction in real income for Federal workers. For wage board employees the impact has been even more devastating. For this amendment will not give all wage board employees a 5.5-percent raise in the coming fiscal year; that will be the maximum. If a local wage survey indicates that an increase of 10 percent is in order, only 5.5 percent could actually be received. However, if the survey indicated that only a 3-percent increase was justified, then that is exactly what the employee would receive. Thus under the pay cap in the current fiscal year the increase for wage board employees has not been 5.5 percent but somewhat under 3 percent. And the overall impact has been unequally felt due to the fact that wage surveys are done at different times of the year in different areas.

Proponents of this section must feel that it will result in cost savings to the Government. It will not. Any limitation we place that falls below what the increase would be, based on the local wage survey, will have to be made up later. If savings are to be achieved they will have to be made through changes in the existing pay law, not through appropriations riders. Continuation of the pay cap approach just mounts the amount we will have to make up when it is eventually lifted.

The President has stated his reason for placing the 5.5-percent cap on General Schedule employees is to act as an example to the private sector. To date there is no evidence that this is having the desired effect, the President is having more than his share of difficulties trying to achieve compliance with his voluntary 7-percent standard.

The real reason for the limitation is to place an artificial and illusory savings on the Federal budget. But it is not a real savings, and it is certainly not a fair savings. There is no justification for requiring Federal employees to bear an extra burden in our fight against the deficit and inflation. And equity is not promoted by taking an unfair action and extending it to others. What is unfair for one is unfair for all.

The bottom line is that we are beginning to see substantial erosion of the ability the Federal Government has to attract qualified people due to actions such as this, the very reason we adopted the comparability principle in the first place. Wage Board employees perform critical functions, for instance in the Department of Defense they are responsible for maintaining in readiness our ships, planes, and other weapons. These complex systems demand competent and skilled workers. The dissatisfaction in my own area has already resulted in some of our best people leaving the Federal service. Morale is as low as I have ever seen it, a factor which cannot help but hinder our efforts to obtain greater productivity increases from the workforce.

I support reform of the wage board pay system where justified. But I submit that we would be wiser to treat this issue in its proper context, through reasoned legislation which addresses the abuses and does not indict the entire system with no distinctions. I am confident the Post Office and Civil Service Committee has the expertise and the will to deal with this issue properly.

It is for these reasons that I supported Mr. Hanley's point of order.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 39, after line 16, insert the following section:

SEC. 613. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed fivo per centum.

Mr. MILLER of Ohio. Mr. Chairman, even though this is my own subcommittee, I feel that I should offer the 2-percent reduction on this bill as well as all the other appropriations bills.

I appreciate the hard work that the gentleman from Oklahoma (Mr. STEED), the chairman of the Treasury, Postal Service, General Government Subcommittee, has done. He is aware, I am sure, of many places in the bill where I attempted to make cuts but was not able to have them sustained in the subcommittee or in the full committee.

This 2-percent reduction on the $8.8 billion bill is only $114 million.

Now, if we look at the one-time payment of 1979 of $543 million, it means that we are still over 1979's budget by $392 million, even after we make the 2-percent reduction.

I will not take the 5 minutes, Mr. Chairman. I have expressed many times how the amendment works. We would need to stack up the high-priority items and not touch those items.

It would not touch pensions. We can use the low-priority items and take out the $114 million.

I would hope that we have a vote for the 2-percent reduction.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hate to do so, because the gentleman from Ohio (Mr. MILLER) worked so long and faithfully with me, but I think an amendment of this sort in this bill could cause a lot of harm and very little good.

This could have the effect of impairing the agencies who collect the taxes of this Government from doing a good job. It would not take very much of an upset of their schedules to cause them to lose a whole lot more in collections than this amendment could ever save, and the workload of almost all of the agencies covered in this bill is more or less an automatic workload.

We have cut this bill about $191 million under the budget, and I just do not believe that there is that much fat or a place in the bill where such a cut could be made with any reasonable expectations of doing more good than harm. So I recommend that it be defeated.

□ 1800

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. STEED. I am glad to yield to the gentleman.

Mr. CONTE. Mr. Chairman, I want to join my chairman of the subcommittee, Mr. STEED of Oklahoma. I have sat on every markup now that we have had and I, too, want to compliment the gentleman from Ohio (Mr. MILLER).

I think the markup of the Post Office and Treasury appropriation was the most meticulous markup that I have sat on. It took 3 solid days. The gentleman from Ohio added many, many amendments and won many amendments, I must say, in cutting this budget and keeping it lean. It is a very lean budget, it is a tight budget, and personally I do not like across-the-board cuts. I hope this House will defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The amendment was rejected.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SYMMS: On page 39, after line 16, add the following new section:

SEC. 613. No part of the funds appropriated or otherwise made available to the Internal Revenue Service by this Act shall be paid to any person as a reward or bounty for information concerning violations of the internal revenue laws.

POINT OF ORDER

Mr. STEED. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. STEED. Mr. Chairman, the amendment is out of order. We have already passed that place in the bill.

Mr. SYMMS. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, the amendment does not legislate on an appropriation bill. It is only a limitation of spending and adds a new section to the bill. I would maintain that it is in order and it is germane to the bill as a whole.

The CHAIRMAN. The Chair is prepared to rule on the point of order. The Chair feels that the amendment comes at an appropriate point in the bill and is germane to the general provisions title and the point of order is overruled.

The gentleman from Idaho is recognized for 5 minutes.

Mr. SYMMS. Mr. Chairman, in keeping with my initial effort to require that employees of the Internal Revenue Service be subject to certain ethical standards that are required of the private sector, I believe it is also important to eliminate a certain unethical use of taxpayers' funds—that is the payment of rewards or "bounties" to individuals providing information to the Internal Revenue Service leading to the detection of individuals who "might" have violated the internal revenue laws.

Presently, the Internal Revenue Service can pay an individual up to 10 percent of the revenue that is collected if he turns a suspect taxpayer over to the Government.

This practice seems to be a totally unethical approach in the collection of revenue. I believe that our taxpayers are already overburdened by the amount of money they have to pay each year to the Federal Government and I do not believe that the Government should add a psychological burden to the taxpayer by having him be subject to "head hunters" as well as sometimes overzealous IRS agents.

Furthermore, the policy of paying a bounty is a policy of mistrust. It instills into our system an unhealthy practice of encouraging mistrust between taxpayers and an attitude of suspicion and greed among the citizenry.

When our Founding Fathers came to this country, they founded a system which was based upon certain ethical standards that was backed by a trust amongst themselves. It seems highly inappropriate that as lawmakers we would allow this policy of mistrust to continue in our system.

I hope that the Members here today will join me in my efforts to restore to our system of government a policy which inspires trust.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. To clarify the gentleman's amendment, all the amendment does is to disallow any payments to the bounty hunters that turn people in?

Mr. SYMMS. That is correct. The practice that has been used by the IRS is to, if neighbor A turns in neighbor B and neighbor B is found delinquent, then the IRS will pay neighbor A up to 10 percent of the amount of the money collected. I think that is a very poor practice for us to get into in this country and this amendment would simply say they will no longer have that practice.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Let us make one thing clear. I do not think this House wants to go on record saying that of the 80,000 people who work for the Internal Revenue Service in this country there are that many rascals running around harassing the people. It may be true that some individual times there have been some difficulties, but I know, as most of you know, the Internal Revenue Service is more severe with its own employees who violate the rules than they are with the public. I do not believe any Member of this House ever took a legitimate case to the IRS that they did not get the proper attention applied to it.

In addition to this, we are talking about one of the most deadly problems that can affect the income tax program of this Government, and that is voluntary compliance. The reason most Americans comply with it is because they think that the law is fairly and fully enforced.

Here is a report that came out on July 11, just the other day, that says the problem of nonfilers for income tax is a growing problem and that it is now up to more than 12 percent. I would ask how long do we think it is going to be if this many evaders get away scot-free before it gets out of hand and this great program will cease to be what it has been. They have to have the tools.

Let me read to my colleagues the three things that the General Accounting Office, which made this report and made this very thorough study, said. They are highly alarmed about this. Here is what they said. The IRS needs to give more attention to the nonfiling problem by estimating and analyzing the nonfiler population periodically, and using the information for more productive investigations, conducting more vigorously the taxpayer delinquency investigation program, its principal means for bringing nonfilers into compliance. And here is what is important, making additional efforts to catch more nonfilers through the use of special programs and available information, and that is where the informers come in.

They do pay some fees for informers. But let me tell my colleagues, no fee is ever paid unless the case results in funds reaching the Federal Treasury. So there are literally millions and millions of dollars collected through this means and I cannot think of anything more deadly to the tax program of this Nation than for us to take away from the IRS one of the most useful tools they have to catch those who ought to be caught. We owe it to the taxpayers to make sure that the evaders do not get away with it.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding. I think he has answered my question. It, indeed, has been a practice of the IRS to use bounty hunters and to pay them?

Mr. STEED. They do not call them bounty hunters, but if someone brings information of a tax evasion case and they find it is a legitimate case they will, in fact, if the facts justify, they will pay.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding, and I will be pleased to support the gentleman's amendment over on the other side. I think it makes eminent good sense.

Mr. STEED. The only people who can benefit by this amendment are those who are trying to evade paying their just taxes to this Government, and that is not the way this House should act when protecting the interests of the American taxpayer.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. STEED. I am glad to yield to the gentleman.

Mr. CONTE. Is it not so—and I have served on this committee for many years with the gentleman from Oklahoma—but is it not so that many of the cases that are made against the underworld elements are made through this process? Sometimes they cannot get the underworld for a crime committed, but they can get them on evasion of taxes, and it is usually through a tip from somebody else.

☐1810

Mr. STEED. The gentleman certainly is right. I want to tell the Members this: If this amendment is adopted, certain task forces that are going on right now will have the IRS part of them taken out, and the task forces will be crippled. There is no way on Earth any good can come from this amendment except to those who are trying to evade taxes. I do not think this House ought to give comfort and aid to them.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Idaho.

Mr. SYMMS. In the name of good citizenship, I would think that when the crime element is involved, the people would be willing to help their country.

Mr. CONTE. We are not dealing with the Boy Scouts, we are dealing with the underworld.

We are dealing with a payoff on some of these——

Mr. SYMMS. That is what we are talking about.

Mr. CONTE. The gentleman ought to withdraw the amendment.

Mr. STEED. Mr. Chairman, I recommend the defeat of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 12; noes 33.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DORNAN: Page 39, after line 18, add the following new section:
>
> SEC. 613. None of the funds available under this Act may be used to carry out any revenue ruling of the Internal Revenue Service which rules that a taxpayer is not entitled to a charitable deduction for general purpose contributions which are used for educational purposes by a religious organization which is an exempt organization as described in section 170(c)(2) of the Internal Revenue Code of 1954.

Mr. STEED. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman from Oklahoma reserves a point of order against the amendment.

Mr. DORNAN. Mr. Chairman, in the interests of brevity, and in order to begin explaining this very simple amendment that has as its basis an unfair IRS ruling against parents who had their child in a Lutheran church school in a Houston parish. I will read from a column in the May 25, 1979, Washington Post religion section written by Marjorie Hyer, page B–10.

> Is a church member entitled to a tax deduction for contribution to his church if his child attends a parochial school financed

> solely by all the members of the congregation? "No," says the IRS, which has ruled that a Texas Lutheran is not entitled to deductions on his income taxes unless his contributions exceed "the fair market value of the child's education."
>
> "Yes," says the Lutheran Church Missouri Synod, the parent body of the Houston parish involved. Church leaders contend that parish schools educating children of the congregation are as much a part of the church's ministry as baptizing or sending missionaries to India. They complain that the IRS Ruling 79-99 issued this past March is an unconstitutional intrusion by the Government into church affairs. . . .
>
> What is unusual about the Texas Lutheran case is that the parish school charges no tuition. It is financed solely by funds solicited from church members, whether or not they have any children in the school. The IRS concedes. . . .

This is a most important point, Mr. Chairman, and I will quote the IRS words exactly:

> The IRS concedes in a statement of facts accompanying its ruling in the Texas case that no student was admitted by reason of any contribution made, nor was any child denied acceptance by the school for the total lack of contributions. Funds are solicited on the basis of what a person could afford to give rather than on a per capita basis.

I would like to read partly from the 1954 revenue ruling 54–580, under which we have lived in this country for a quarter of a century:

> The amounts paid in the instant case likewise were made for the benefit of a particular child or children, and therefore cannot be regarded as contributions or gifts to organizations involved in operating the schools. However, payments made to or for the use of such organizations in carrying out their general purposes and not in any way earmarked for the benefit of particular children would constitute deductible contributions or gifts under section 23–0 of the Code.

Mr. Chairman, at this point I would like to submit in the Record a letter from the Honorable Senator Eagleton to the Honorable Jerome Kurtz, current Commissioner of the IRS dated May 10, 1979. It makes the case, I believe, in an ironclad way. I am not going to read the letter in the interests of time, but what I want to do is submit it to the wisdom of this body, which was demonstrated very clearly on the Ashbrook amendment when we last met last Friday.

The letter follows:

> U.S. Senate,
> *Washington, D.C., May 10, 1979.*
> Hon. Jerome Kurtz,
> *Commissioner of the Internal Revenue Service, Internal Revenue Building, Washington, D.C.*
>
> Dear Commissioner Kurtz: I am writing to bring to your attention a recent revenue ruling which I feel unfairly discriminates against some very worthwhile charitable organizations. I hope you will immediately review and reconsider this unfortunate ruling.
>
> Revenue Ruling 79–99 prohibits taxpayers whose children attend local church schools from counting as charitable deductions certain non-tuition contributions to the organizations which support the schools. These contributions apparently would be allowable as deductions if the taxpayers did not have children attending the schools.
>
> The impact of this ruling on private church schools could be devastating. Very few of these schools make ends meet through tuition. Almost all of them depend on additional contributions, not only from parents of students but also from non-parent members of the congregation, foundations, estates, etc.
>
> Beyond the immediate financial impact on church schools, I am concerned over the possible logical extension of this ruling as regards the concept of deductible charitable contributions in general. As you know, it has been the policy of the U.S. government to use the tax laws to encourage our citizens to contribute to legitimate charities. Revenue Ruling 79–99 departs from that long-held philosophy, and in effect discourages contributions.
>
> I think the manner in which this ruling discriminates against church schools can best be illustrated by a series of hypotheticals. For example:
>
> A tornado strikes a town, destroying numerous homes and public buildings. The Red Cross, a charitable organization, provides food and temporary shelter for homeless citizens. Several of these citizens, motivated by gratitude for this fine work, make contributions to the Red Cross.
>
> A homeowner lives in an area served by a volunteer fire department. Although he pays nothing in taxes for the service, he benefits from the department's fire protection. He contributes $50 to the department's annual fund drive.
>
> A father has a daughter in the Girl Scouts and a parent in a nursing home. He is impressed by the fine work of both organizations, and realizes that both are supported in part by the United Fund. He makes a contribution to the United Fund's annual drive.
>
> I think you will agree that each of these contributions would qualify as a legitimate charitable deduction. But under Revenue Ruling 79–99, a contribution made in the same spirit by a parent to the Epstein Hebrew Academy would not qualify for a deduction, even though the Hebrew Academy is a bona fide charitable organization.
>
> In addition to being discriminatory, Revenue Ruling 79–99 clearly would be difficult to administer in an even-handed fashion. The basis for disallowance of a contribution is the excess of fair market value of the child's education over the tuition actually paid the school. Is fair market value to be construed as an allocation of the cost of the education to the institution? If so, are the overhead costs of the sponsoring organization to be charged in whole or in part to the school; and are contributed services of parents and others to be included in the calculation? Simply to ask these questions focuses on the practically impossible administrative difficulties this ruling would involve. Or perhaps fair market value would be determined by the prevailing tuition charged by similar schools in the community. This standard would be equally impossible to administer. I am confident this was not the intended purpose of Revenue Ruling 79–99.
>
> Finally, Revenue Ruling 79–99 seems to directly contradict previous rulings which have not been withdrawn. Revenue Ruling 54–580 holds that payments made in or for the use of such organizations (as church schools) in carrying out their general purposes and not in any way earmarked for the benefit of particular children would constitute deductible contributions or gifts under section 170 of the Code. Revenue Ruling 54–580 has been cited with approval as recently as 1978 (see Revenue Ruling 63–252 and 78–189).
>
> In summary, let me re-state my view that Revenue Ruling 79–99 discriminates against church schools and the parents of church school students, sets a bad precedent for disallowance of other very worthwhile charitable deductions, and unreasonably contradicts existing IRS policy. I hope you will give this matter your immediate attention, and will see fit to review and revise this ruling.
>
> Yours very truly,
> Thomas F. Eagleton,
> *U.S. Senator.*

Mr. Chairman, I would like to end my defense of this very simple amendment right now and say that the Lutheran Church has exercised good judgment, and a charitable approach to its private schooling over the years that has been the envy of other organizations, by letting any schoolchild, whether the parents were able to come up with a penny of the tithing money during the entire year or not, by letting that child attend the school of that parish. Again, if I may suppose a bit again, watching the Federal Treasury attempt to look for every nook and cranny of added income; they have decided to go against what has been congressional law and intent and regulations made in pursuit of that policy which is of good standing and law for 25 long years. I find it rather tragic to interfere in religion in a direct way, and I look forward to a vote on this.

POINT OF ORDER

Mr. STEED. Mr. Chairman, I want to insist upon my point of order.

Regardless of the merit of the subject matter here, this obviously is not limitation on appropriation. It is evident by the author's own statement that many things will be involved if this amendment is adopted, that would be forced upon the agency, that are not otherwise involved. It is in direct violation of clause 2, rule XXI, because it does create legislative action.

□ 1820

This is obviously a matter that only the legislative committee can cope with, and so because it is a violation of that rule I insist that the point of order be sustained.

Mr. DORNAN. Mr. Chairman, may I speak on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from California.

Mr. DORNAN. Mr. Chairman, I appreciate the distinguished gentleman's concern for proper order. However, I can assure the gentleman from Oklahoma (Mr. Steed) that I checked out this amendment with the Parliamentarian's Office, and I was told that the amendment was in order as a limitation on an appropriations bill. There is no additional burden imposed on Federal executive offices. IRS officials already perform the simple ministerial requirement of analyzing our tax returns. The amendment is negative in nature. It shows retrenchment on its face. It is germane. Nevertheless, for the benefit of the gentleman, if he desires, I will read some relevant excerpts from Cannon's Precedents which demonstrate that the amendment is in order.

> The Holman rule is to be construed liberally, and any question of doubt is properly resolved in favor of an interpretation contributing to retrenchment.
>
> The Committee on Appropriations, while without general jurisdiction to report legislation, may under the Holman rule propose germane legislation retrenching expenditure.

Also in section 1515:

> An amendment prohibiting payment of fees to officials under certain contingencies was held to retrench expenditures and to come within the exception to the rule against admission of legislation on appropriation bills.

That was March 5, 1892, on the pension appropriation bill.

In section 1486:

> A provision that no part of an appropriation should be expended for a designated purpose was held to retrench expenditure.

Section 1491:

> If the obvious effect of an amendment is to reduce expenditures, it is not necessary that it provide for such reduction in definite terms and amount in order to come within the exception.

Section 1493, and I will conclude with this one—

> A cessation of Government activities was held to involve a retrenchment of expenditures.

Mr. ECKHARDT. Mr. Chairman, I rise to speak in favor of the point of order.

The CHAIRMAN. The Chair recognizes the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, this amendment obviously adds a burden to the IRS to establish a different standard from that which would be applicable under existing law. If it did not, the amendment would be of no effect. What is attempted to be done here is to provide a different rule of law and impose that on the IRS by what is called a retrenchment in an appropriations bill. If this may be done in the name of retrenchment of expenditures, then any law of this Nation may be changed. Funds may not be permitted to go to any agency which makes a determination of an administrative sort unless that determination is different from that which the law would permit to apply under the circumstances.

We have gone a long way on this question of legislating on appropriations bills, but if we go this far, we are simply dictating policy at the level of appropriation rather than at the level of authorization and the determination of the merits of the issue.

Mr. DORNAN. In the gentleman's articulation of his position, is he maintaining that for 25 years since 1954 when H.R. 54580 went into effect that there was an additional burden upon the IRS and they were discriminating between various religious groups for a quarter of a century?

Mr. ECKHARDT. What I am saying is that if this did not militate in favor of changing an existing interpretation of an administrative body that has administrative duties, the amendment would be of no value. What the gentleman is dictating to the agency is that it decide the law in a given way. When we do so, we add an additional burden because it must adjudicate under standards established today rather than standards established at the time of the passage of the law under which they are now acting.

Mr. DORNAN. Until March of this year, for a quarter of a century, this House respected the IRS's position not to meddle in religious affairs of this type. We are asking for the suspension of a new ruling based upon the IRS taking away the prerogatives of this House.

I will submit to the ruling of the Chair.

Mr. SNYDER. Mr. Chairman, may I be heard briefly on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, it seems as though the objection is that there are additional duties placed upon the IRS. The truth of the matter is that under the Houston ruling the IRS has determined that they will look into the taxpayer's contribution to his church and eliminate from that contribution a portion which would be attributable to a child's tuition.

Under the proposed amendment offered by the gentleman from California (Mr. Dornan) they would not have to do that. It would be a lesser obligation on IRS than they intend to perform under the Houston case and, therefore, would not in fact be a greater obligation or any new duties but would be a lesser duty than they propose to do under the Houston ruling.

The CHAIRMAN (Mr. Preyer). The Chair is prepared to rule on the point of order. The Chair is of the opinion that retrenchment precedents under the Holman rule, do not apply in this situation since no certain reduction in funds is involved. The Chair is of the opinion that there are no precedents directly in point and the Chair is not aware that the gentleman has sought the advice of the Chair's advisers on this particular amendment but on a somewhat similar amendment.

The Chair is of the opinion that what is involved in the amendment is a particular ruling which applied to a single case and that, therefore, no new determination has to be made by the IRS. It does not require the IRS to make new rulings or determinations. The amendment does not describe a situation where the IRS must look at every religious contribution to determine if it applies. The amendment is somewhat analogous to that in Deschler's Precedents, chapter 25, section 10.16, which was held in order.

Therefore, the Chair thinks the amendment is in order, and the point of order is overruled.

Mr. GOLDWATER. Mr. Chairman, I rise in support of the amendment. I only do so because of the frustrations that I have felt, that I feel are reflective of this body and those who have been concerned with this particular issue.

Back on August 22 of 1978 when the IRS made its original ruling on this particular issue, it was put out in pretty much of a mechanical form, and subsequent to that I understand over 150,000 letters were received at the IRS, not to mention the several thousand, I am sure, letters of protest that were received by Members of Congress.

Subsequent to that in January 1979 the IRS modified its ruling, and I had an opportunity, along with several of my other colleagues, to testify before the Ways and Means Subcommittee chaired by the gentleman from Texas (Mr. Gibbons) in opposition to this rule and I think reflecting the tremendous amount of mail and concern on the part of my constituents for the basic premise of freedom of choice.

Now we come to July 16, several months later, and after several promises, at least the anticipation that the Committee on Ways and Means was going to act, nothing has come forth. We are put into a position where we must do something now or by January of next year this will become law.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I will be happy to yield to the gentleman from Oklahoma.

□ 1830

Mr. JONES of Oklahoma. This is for a point of clarification. I am not sure I understand the amendment of the gentleman from California (Mr. Dornan). I thought it referred to a specific IRS ruling on a specific case and not to the more sweeping IRS ruling of last August relating to tax-exempt status of private schools.

Mr. DORNAN. May I clarify the situation here, Mr. Chairman?

My distinguished colleague from California, I do not believe, was aware I am going to put in two amendments tonight, one on the specific Houston case involving the Lutheran parish and the other language more similar to the Ashbrook language which applies to the entire act shoring up the idea of IRS interference in another aspect of religious education.

This specific one, I might tell the gentleman from California, has nothing to do with racial or eugenic quotas or anything like that.

I think the best way to clarify this for the House, if I may use a simple case: President Carter is teaching Sunday school in an area where the public school burned down. The school decides to take their free Sunday Bible school and expand it to include reading, writing, and arithmetic and all of the people, poor or rich, who had their children enrolled in the Bible school continue in the school that now has added to religious training other school subjects. The IRS in that case would step in and say, "Anybody who contributes to this parish must have their deductions diminished by the fair market value of what is private institutional education in that area." This also leaves a very vague and squirrelly determination to be made there by the IRS. That is what we are talking about right now. If the gentleman would just hold his marks until we get a vote on this I will submit the other amendment which is just as important and spreads into all 50 States. This amendment is important to the Lutheran Church and other smaller churches.

Mr. JONES of Oklahoma. If the gentleman will yield for one more question.

Mr. GOLDWATER. I will be glad to yield.

Mr. JONES of Oklahoma. Is this a specific ruling or has it been the subject of hearings of the Subcommittee on Oversight of the Committee on Ways and Means chaired by the gentleman from Florida (Mr. Gibbons) yet?

Mr. DORNAN. Yes it has. As a matter of fact, I believe there are some Members of this body, before they became Congressmen in the last November election, who actually came and testified against it as members of the Missouri Lutheran Synod.

If it would help clarify this for the House, because I know it is important, I will read the letter from the distinguished Senator from Missouri, Senator EAGLETON, which explains it probably a lot more clearly than I have.

Mr. JONES of Oklahoma. I think I understand the ruling you are talking about. I was just trying to get a clarification as to whether you were talking about the more specific or the more general proposal.

Mr. DORNAN. I thank the gentleman from Oklahoma. If the distinguished gentleman from California would wait for just a few minutes, his excellent remarks would apply with more directness to the next amendment coming up.

Mr. GOLDWATER. Mr. Chairman, I appreciate the gentleman's clarification of his amendment and obviously there was some misinterpretation on my part with regard to specifically what he was addressing. I would be glad at this point to relinquish my time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ECKHARDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will speak against the amendment.

Mr. Chairman, I implore my colleagues to pay attention to the principle involved in this amendment, not the question of the merits or the demerits of the IRS ruling.

I have no case against the Lutheran Church nor do I have a case in favor of the decision but what we will be doing if we pass this amendment is reversing a quasi-judicial determination of an agency that has the authority to make that determination. A court may overturn that decision but not the United States Congress.

I cannot plead, as a point of order on this measure, that this amendment is unconstitutional but how could anything be more than overstepping of the separation of powers in this Government, than an amendment of this nature.

Listen to what the amendment says:

> None of the funds available under this Act may be used to carry out any revenue ruling of the Internal Revenue Service which rules that a taxpayer is not entitled to a charitable deduction under certain circumstances.

If this can be done then in an appropriations bill having to do with the payment of U.S. marshals, we could provide that none of the funds authorizing payment of the U.S. marshals shall be permitted to enforce a decision of the Federal courts.

Now, how can you do anything worse than to take a quasi-judicial determination and, after it has been made, say that that cannot be enforced with respect to a specific issue.

The gentleman who offered this amendment admits it is for the purpose of, in effect, overturning the Houston case. I make no case for the Houston case for or against but it is not our business to come in after a decision has been made, define the standards under which that decision was determined and say the enforcement of that decision cannot be had with moneys appropriated by this body.

If we vote for this amendment, Mr. Chairman, whether or not it is subject to a point of order—and I take the Chair's ruling as positive and final—we will greatly change the nature of this body and we will open a set of precedents in which every case, every administrative or every quasi-judicial decision formally decided may be reversed by simply saying that the enforcement authorities of the quasi-judicial agency cannot be put into play because Congress did not retroactively agree with the decision of the agency.

I urge a no vote on the amendment.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I want to commend the gentleman on his remarks and also ask the gentleman a question with respect to the language on this amendment. As I understand the retrenchment involved in this amendment it is the amount of time the individual would use for that part of the appropriation involved in paying the individual who takes the time to make the ruling in that case. Is that correct?

Mr. ECKHARDT. As I understand it, it says no funds will be available in this act to carry out the previously decided revenue ruling.

Mr. FASCELL. I know, but the point is if you are going to use the ruling of retrenchment as making the amendment in order, it can only apply to that part of the salary of the individual who has taken the time to make the ruling.

Mr. ECKHARDT. Yes, I suppose that is right and I, frankly, cannot understand how you could do that.

Mr. FASCELL. Not only that but if the precedent remains then you could, by way of limitation or prohibition, stop any agency or any person from doing any act regardless, whether it is ministerial or substantive.

Mr. ECKHARDT. Under this amendment I think you could prevent the enforcement of a previous ruling. It has been said here under the ruling under the point of order it does not reverse the ruling but it is very hard for me to see any real distinction between preventing its enforcement and thus mandating a deduction and reversing the ruling in the first place. What is done is to take away the enforcement power by denying appropriations to be used in order to enforce the law of the United States as it has been determined by one of its agents.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time because I am really not clear on the implications of this amendment and I would appreciate it if the author of the amendment would answer a couple of questions for me.

Mr. DORNAN. Mr. Chairman, I would be glad to.

Mr. PEYSER. It is my understanding from what was said in this case of the Lutheran case, is that there is a church school for which there is no tuition charged. There is no tuition charged in the school and the people, the members of the church who contribute to the church, the IRS has ruled, based upon what the gentleman has said, they cannot deduct their contributions unless they exceed the tuition, say, of a private school in the area or some other measurement of another school.

Do I have the basic assumption correct now?

Mr. DORNAN. There was one part of your explanation that seemed so subjective that I think it would be polite as a Catholic, if you would yield your time to the gentleman who is a Lutheran to explain what they have done traditionally for years and for which the IRS said there was no flaw in the way they handled it in the past.

Mr. PEYSER. I will be glad to yield to the gentleman.

Mr. SNYDER. Mr. Chairman, I thank the gentleman for yielding. The gentleman has stated it correctly. I think pretty much across our system in the Lutheran Church, Missouri Synod, I know we do it in Louisville, while we are referring to the Houston case, it would be applicable obviously to all similar situations, a church or a combination of three or four churches support a grade school. We have been charging some tuition in the high school system. We do not charge any tuition for the children of church members who contribute to the support of the school.

☐ 1840

Now, if a Lutheran student from another church that is not contributing or if an outside student, either one, then they do charge a nominal tuition for those.

The impact of the Houston ruling is that if you contribute so many dollars to the church, you can only deduct as your contribution so much as exceeds the fair market value of the tuition for your child or children. That is generally what is done.

Mr. PEYSER. Basically, I said that, and so then in effect what would happen, based on what the gentleman just said, is that when someone sent their child say in the Lutheran situation, went to a Lutheran church, contributed x number of hundred dollars a year to the church, which let us say was a fair equal for tuition, and the school charged no tuition, that amount would not be deductible.

Now, if they allowed that to be deductible, I guess my problem is if they allowed that money to be deductible, would not then practically any school, whether it is the Episcopal Church schools or Catholic or any other church schools, could not they be in a position simply of withdrawing their tuition program and simply having no tuition, but having the individual members whose children are in the school contribute to the church, which in that case would represent enough money to cover the expense of the school and would be fully tax deductible.

Now, it would seem to me this might be a back door way of coming around to the very basis of tuition tax credits at the elementary or secondary school level.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I would be glad to yield to the gentleman.

Mr. DORNAN. Mr. Chairman, I am in a perfect position to answer the gentleman's question, because I have paid for 66 years of tuition for five students as a Catholic. I can assure the gentleman that the IRS, in this ruling, never in history have they found any case where anybody has tried to use this traditional basic neighborhood parish school approach to circumvent tuition.

As a matter of fact, a larger denomination, like the Roman Catholic Church, has found it too complex. They just flat out charge tuition. They have known about this ruling for decades and have never indicated ever that they wanted to use that approach, or have Rabbinical schools or other schools that would rather charge tuition.

Mr. PEYSER. I understand. I am not questioning any of the motives that are involved here; but as I understood the gentleman before when the gentleman was discussing the Lutheran Church, the gentleman said that if a person was sent to that school who was not contributing to that church, they were then charged tuition; is that correct, outside of the area?

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Kentucky.

Mr. SNYDER. If they were a member of the church that supported the school, they would never have to contribute anything for this child to go.

Mr. PEYSER. That is correct.

Mr. SNYDER. But if they were not a communicant member of the church that was supporting the school, then they would pay tuition.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 1 additional minute.)

Mr. PEYSER. Mr. Chairman, I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I want to say to the gentleman, that the gentleman's hypothetical case, I think, is correct. I know that that weakens the case that I would have in support of this. I no longer have a child in the Lutheran schools. I still contribute to my church, and in addition a tax deductible contribution to the schools, too, under the IRS ruling; but what the gentleman says would be a device—now, I have never known of it being used that way within our church or any other church, but the possibility is there.

I hope the Members will not vote against it for that reason.

Mr. PEYSER. I realize that and I appreciate it. I want to be sure the membership recognizes the potential of what may be voted on in this amendment and I trust it will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DORNAN).

The question was taken; and on a division (demanded by Mr. ECKHARDT) there were—ayes 40, noes 25.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. HEFTEL

Mr. HEFTEL. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 601. Unless otherwise specifically provided the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at $3,400 except station wagons for which the maximum shall be $3,800: *Provided*, That these limits may be exceeded by not to exceed $1,700 for police-type vehicles, and by not to exceed $3,600 for special heavy-duty vehicles.

Mr. HEFTEL. Mr. Chairman, I ask unanimous consent to introduce this amendment at this time. It pertains to title VI, page 32, line 13.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

Mr. STEED. Mr. Chairman, reserving the right to object, I do this for the purpose of saying that inadvertently we went past this point in the RECORD before the gentleman had a chance to offer the amendment to something that would have been in the bill originally, but it was, unfortunately, omitted.

It is a good amendment and I support the gentleman's request for a unanimous-consent return to the place in the bill where this amendment can be offered.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii (Mr. HEFTEL) to return to page 32 for the purpose of offering this one amendment?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, what does the amendment do?

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HEFTEL: Page 32, line 13, remove period and insert the following: ": *Provided further*, That the limits set forth in this section shall not apply to electric or hybrid vehicles.".

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. HEFTEL. Mr. Chairman, in fiscal year 1980 the Federal Government will purchase approximately 135 electric vehicles. None of those vehicles will be passenger vehicles.

I happen to have an electric car in Honolulu. I became curious why the Federal Government does not have electric cars as I know them as sedans, but instead has massive vans and buses.

The reason is explained by reading lines 9, 10, and 11. A price of $3,400 maximum is placed on sedans, and $3,800 on stationwagons. Electric vehicles do not sell as sedans for $3,400 or as stationwagons for $3,800. As a result, all of the 135 vehicles will be vans or buses, when, in fact, about a third of those should be the smaller sedans or stationwagons; so the practical effect will be to use the type of vehicles that are needed as electrical forms of transportation and will not artificially impose on the Federal Government a requirement for using vans which are not the best suited for the purpose.

Mr. CORCORAN. Mr. Chairman, will the gentleman yield?

Mr. HEFTEL. I yield to the gentleman from Illinois.

Mr. CORCORAN. Mr. Chairman, as the sponsor of legislation which would encourage the mass production of electric vehicles by changing our current corporate average fuel economy standards, I am very interested in the gentleman's amendment.

I have a couple of questions on the amendment. First of all, would the gentleman's relaxation of this restriction have the effect of allowing the General Services Administration to purchase so-called luxury automobiles?

Mr. HEFTEL. No, it would not.

☐ 1850

Mr. CORCORAN. Mr. Chairman, let me also ask this question.

Would this removal of the restriction have the effect of requiring the General Services Administration to enter into these kinds of purchases of electric vehicles?

Mr. HEFTEL. No, it would just give them the option to buy either the large van or bus or smaller more applicable vehicles, depending upon the needs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Hawaii (Mr. HEFTEL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORNAN: Page 39, after line 18, add the following new section:

SEC. 614. None of the funds available under this Act may be used to carry out proposed revenue procedure 4830-01-M of the Internal Revenue Service entitled "Proposed Revenue Procedure on Private Tax-exempt Schools" (44 F.R. 9451 through 9455, February 13, 1979, F.R. Document 79-4801), and proposed revenue procedure 4830-01 of the Internal Revenue Service entitled "Proposed Revenue Procedure on Private Tax-exempt Schools" (43 F.R. 37296 through 37298, August 22, 1978, F.R. Document 78-23515), or parts thereof.

Mr. DORNAN. Mr. Chairman, last August the Internal Revenue Service proposed to eliminate the tax exemptions of private and religious schools that were not in compliance with IRS minority requirements. The proposed rulings were somewhat modified in February but substantively remained unchanged. To retain tax-exempt status under the proposed procedures, private schools would be required to undertake programs for minority preference in admissions and hiring. Extensive paperwork and inspections would be used to monitor eligibility for tax exemptions. Every private school would be presumed guilty of discrimination until it proved itself innocent. The end result, of course, would be that, if tax-exempt status were denied, most private and religious schools would face immediate closure.

By this action, Mr. Speaker, the IRS is unilaterally usurping Congress constitutional authority to define tax policy. Only Congress has the right to legislate a new tax status for traditionally exempt charitable institutions. Nowhere has Congress given the IRS the authority to regulate educational policies or enforce these proposed guidelines for charitable institutions. Is this great deliberative body willing to let our laws change at the whim of some nonelected IRS personnel and so open the way to bureaucratic social engineering?

The IRS claims that it is under court order to remove the tax-exempt status of private schools engaged in racial discrimination. But the *Green* v. *Connally* (1971) case upon which it relies was limited solely to segregated academies with no open admissions policies in the State of Mississippi. The court, moreover, explicitly refrained from deciding the question of religious private schools. In addition, the Supreme Court case of *Bob Jones University* v. *Simon* (1976) held that the Green case was not a true adversary proceeding and therefore could not serve as a legal precedent.

Mr. Chairman, there is another point of paramount importance that needs to be made. The denial of tax-exempt status to private schools is predicated on the assumption that tax exempt status is a form of Federal assistance or subsidy. Such an assumption not only assumes that the Government owns all wealth, but flies in the face of original congressional intent as well as the Supreme Court case of Walz against Tax Commission of the City of New York (1970). Professors Bittker and Radhert of Yale University point out that "The tax exemption of non-profit organizations from Federal taxation is neither a special privilege nor a hidden subsidy. Rather, it reflects the application of established principles of income taxation to organizations which, unlike the typical business corporation, do not seek profit," 85 Yale Law Journal, at 299 (1976). Justice Brennan in his concurring opinion in the Walz case notes that, "Tax exemptions and general subsidies are qualitatively different." In short, the assumption that tax exemption is a form of Federal assistance or subsidy is thoroughly totalitarian in nature allowing the Government to tax everything that lives, moves, and has being.

I am, accordingly, offering an amendment to H.R. 4393, the Treasury, Postal Service, and General Government appropriation bill, which would prohibit funding to implement proposed revenue procedure 4830–01–M of the Internal Revenue Service entitled "Proposed Revenue Procedure on Private Tax-exempt Schools."

Mr. STEED. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this amendment deals with a subject that has been very thoroughly debated at great length. It deals with something that I think all the Members are familiar with, and in view of the confusion of the rulings on points of order and the actions of the committee on similar amendments. I see no point in further belaboring the committee, and I ask for a vote.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to address just one or two questions to my colleague, the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Yes, Mr. Chairman, if my distinguished colleague, the gentleman from Maryland, will yield.

Mr. MITCHELL of Maryland. Mr. Chairman, I know that the gentleman abhors any kind of discrimination based upon race and segregation based upon race.

But would not the effect of the gentleman's amendment also be to give tax-exempt status to those schools that were deliberately set up to avoid any form of desegregation; schools that were deliberately set up to preserve all-white education? Is that not true?

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, the answer is "No." I understand the distinguished gentleman's point, and if I may for just a moment, I will point out what went on, if the gentleman is not aware of what happened, at the 100 schools in Mississippi.

First of all the honor of Mississippi does not need defense on most issues. They have more Congressional Medal of Honor winners and combat records than any other State prorated in the country.

However, there were attempts there by out-and-out arrogance to set up schools that were pure lily white, and because of pure Mississippi pressure by the good people in those communities and the IRS properly coming in and talking to them about a school set up for a tax exemption, the situation was averted. There were attempts to turn brother against brother, but the IRS attempted to make a choice so they cannot even set it as a precedent in case law.

This is the way I think we should approach some of the problems across the country. I do not mean to be corny with lines like "with a heavy heart" I propose something like this, but it is like the busing issue we are going to face in 2 weeks.

In my mind I reach the conclusion that we must stamp out the last vestige of racism still left in the country, but I believe sincerely that the way to do it is not to play mischief with every decent religious organization around the country that has a school set up for good purposes.

Every school I went to in my life was integrated, with Latinos and with black Americans, far beyond any public school I could ever have gone to anywhere except where I was raised.

Mr. MITCHELL of Maryland. Mr. Chairman, I realize that on this issue the gentleman is as pure as the driven snow.

Mr. DORNAN. Mr. Chairman, I thank the gentleman. I appreciate that.

Mr. MITCHELL of Maryland. Mr. Chairman, I mean that, but it is also true that not everyone is as clean and honest and decent as the gentleman is on this issue, and his amendment is going to permit the proliferation of schools which can be pure lily white, schools avoiding any aspect of the Brown decision, and we would give them tax-exempt status. The gentleman does not want to do it, but the way his amendment will work, that is exactly what will happen.

□ 1900

Mr. DORNAN. Honestly, I have taken testimony and heard from good, religious people across the country, I will say to the gentleman from Maryland (Mr. MITCHELL), who say that this is absolutely going to give them a crushing financial burden and cause undue IRS mischief in their schools.

What I will do is say this to the gentleman: It is the 16th of July. The year is almost half over. If the gentleman will help us restrict the IRS for the tenure of this bill, I will be willing to come back with the gentleman and with any caucus in this House and figure out a way to put an end to any schools that we see set up in the next year or after this bill has run out and we have another bill before us that would try to turn race against race in this country and do it under the name of education.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for his kind offer; however, if he opens up the barn door it is going to be too late for him, with all of his Herculean powers of persuasion, to drive the horses back in.

Mr. DORNAN. I have 434 colleagues, including myself, because I think everyone in this House is of good will on this issue. I do not think there is anything that this Congress is prevented from doing in this area if we set our mind to it. I really do not.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Chairman, I would hope again that this House will not relegate to an appropriations bill a decision as serious as the one that the gentleman from Maryland has identified here. Again, it seems to me that this House should restrict itself from acting on a major question of policy in an appropriations bill and in that way dictate a policy of an agency which we have not gotten into at this time.

Mr. MITCHELL of Maryland. I certainly concur. That is why I asked for the time. I would hope that the amendment would be defeated or that my altruistic friend would withdraw the amendment because of the ugly insinuations behind it.

Mr. McDONALD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, on August 22, 1978, the Internal Revenue Service proposed new procedures for determining whether private schools have racially discriminatory policies. These guidelines put the burden of proof on schools to prove whether they are operated on a nondiscriminatory basis. Under these regulations if the schools could not make such showings, the Service would consider the schools to be racially discriminatory, and their tax exemption would be revoked or denied.

After receiving over 150,000 letters last year protesting these proposed revenue procedures, the Internal Revenue Service published a revised proposed revenue procedure in the Federal Register on February 13, 1979.

Contrary to some reports that the revision is a substantial improvement over the original proposal, the revised proposed revenue procedure has created more problems than it has solved. Two examples illustrate the point:

First. The revised proposed revenue procedure provides for unequal treatment of different religious groups. An exclusionary clause for schools formed or expanded in accordance with a "longstanding practice of a religious denomination" is patently unfair. We are certain to hear much more of the unconstitutionality of this grandfather clause.

Second. The revised proposed revenue procedure is so highly subjective and vague that a school will have no way of knowing if the IRS will find it to be discriminatory. The IRS will make the determination of a school's discriminatory intent by "taking into account all the facts and circumstances relating to the school's formation or expansion." This standard is intolerably vague.

Furthermore, the IRS has not even properly responded to the basic objectives made in thousands of letters from citizens, attorneys, and Members of Congress. They include:

First. IRS has no statutory authority to make such sweeping changes in tax law. All legislative power is vested in the Congress.

Second. The revised proposed revenue procedure would unavoidably result in massive entanglement of the Federal Government in religious affairs. Since church schools are an integral part of the religious mission of the church, we would see the taxation of churches for the first time in our history.

Third. The IRS presumes that many schools exist for racial reasons only. Schools are formed or expanded for many valid reasons other than an intent to discriminate.

Fourth. The exact mathematical ratio used to define a "reviewable school" is a quota. IRS responds that this is only a "safe harbor" that precludes further investigation. The American public is weary of semantic evasions which mask the use of quotas.

The time has come for Congress to reassert its authority. These new guidelines involve very serious questions of infringement of religious freedom. Until Congress has had an opportunity to examine all the issues raised by this action, the IRS should not be given the funds to implement these newly proposed procedures.

Therefore, Mr. Chairman, I voice my full support for Congressman DORNAN'S amendment to cut these funds from the Treasury-Postal appropriations bill.

Thank you.

Mr. PHILIP M. CRANE. Mr. Chairman, will the gentleman yield?

Mr. McDONALD. I yield to the gentleman from Illinois.

Mr. PHILIP M. CRANE. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment proposed by the gentleman from California (Mr. DORNAN). Last August the Internal Revenue Service announced their plan to eliminate tax exemptions for private schools that did not meet the complex requirements of a new set of Federal race discrimination regulations. To retain tax-exempt status under the proposed procedures, private schools would be required to undertake programs for minority preference in admissions and hiring. Extensive paperwork and inspections would be used to monitor eligibility for tax exemptions. Every religious school would be presumed discriminatory until they proved otherwise. If their tax-exempt status were denied, most private and religious schools would face immediate closure.

This is an outrageous case of the bureaucracy overstepping its bounds. Congress has never given IRS the authority to make such a change in tax policy. Nor has Congress given IRS any authority to regulate education or school admissions policies. Nor has Congress given IRS any authority to determine what constitutes racial discrimination or to impose penalties for violation of their standard. Nor has Congress given IRS authority to set a quota for minority admissions to private schools. Nor has Congress given IRS authority to attach Federal regulations to a tax exemption. Nor has Congress given IRS the authority to threaten charitable institutions with loss of their tax exemptions.

Based on his ardor to set educational policy, it seems that the Commissioner of IRS is set upon becoming the new Secretary of Education before Congress even decides—foolishly—to create the new department. In any event, IRS has gone beyond its mandate. The only clear sign of congressional intent in this area is that over 100 Congressmen have sponsored legislation to clarify that IRS has no authority to promulgate their regulations.

The first statement in the Constitution, after the preamble, vests "all legislative powers * * * in a Congress of the United States." Article 1, section 1, Constitution of the United States. By presuming fundamentally to alter the tax policy of the United States with respect to private and charitable institutions, the IRS is usurping the exclusive legislative province of Congress. Only Congress has the right to legislate a new tax status for traditionally exempt charitable institutions.

Our colleagues on the Appropriations Committee understand this basic principle well. Their report states:

> On August 22, 1978 and on February 9, 1979, the Internal Revenue Service issued proposed revenue procedure relating to the tax exempt status of private schools. At present the legislative oversight committees of both the House and Senate are considering these proposals. This Committee, too, is concerned about the Internal Revenue Service issuing revenue procedures in an area where legislation may be more appropriate. The responsibility of the Internal Revenue Service is to enforce the tax laws. The purpose of the Internal Revenue Service revenue procedures ought to be to clarify these laws, not to expand them. The issue of tax exempt status of private schools is a matter of far reaching social significance and the Service ought to issue revenue procedures in this area only when the legislative intent is fairly explicit. The Appropriations Committee is unsure that the proposed revenue procedures issued by the Service are the proper expression of that legislative intent. The Committee believes that the Service ought not issue these revenue procedures until the appropriate legislative committees have had a chance to evaluate them and make the determination that the proposed revenue procedures are a proper expression of the tax laws.

This regulation is a perfect example of why the framers of the Constitution left all legislative authority with Congress. In trying to accomplish what they perceive to be a desirable social policy, well-meaning bureaucrats have based their regulations on fallacious principles. These IRS regulations assume that a tax exemption is the equivalent of direct Federal assistance. Federal subsidies have always been a vehicle to spread and enforce Federal regulations. But Federal regulations have never been connected to tax exemptions. If we were quietly to accept that tax exemptions are actually Federal aid, we would be tacitly agreeing that the Federal Government owns all wealth, that the Government merely allows us to keep that portion it chooses not to tax away for now. We would be agreeing that the Government may attach regulations to the portion we are "allowed to keep" exemptions as readily as to the portion it redistributes subsidies. I do not need to tell you that such logic would be fatal to the fundamental American principles of freedom and private property. No wonder the framers of the Constitution were wise enough to deny the bureaucracy or executive branch any legislative jurisdiction.

I simply cannot leave this subject without discussing the numerical quota in these proposed "revenue procedures." The regulations contain an exact mathematical ratio to determine which schools are subject to IRS scrutiny. IRS claims that this is only a "safe harbor" designed as a mere administrative expediency to preclude some schools from further investigation. The American people are tired of such semantic evasions. The effect of a quota is not altered if it is called a "numerical standard" or a "safe harbor" or any other euphemism for statistical justice. Changing its name will not change the outcome. A school 1 percentage point on the bad side of IRS's quota will still have to explain why they should be allowed to keep their tax exemption and stay in existence. A school 1 percentage point on the good side of IRS's quota will keep what is theirs anyway without battling IRS further. In my vocabulary, that is a quota.

Finally let me just reiterate that IRS does not have authority to prescribe educational policy. Over 70 other Members of this great legislative body have already joined my legislation, H.R. 214, to deny IRS the authority to promulgate these regulations. Hearings have been held in the Ways and Means Oversight Subcommittee indicating that Congress intends to keep IRS in its proper role; that is, collecting revenue, not setting education policies.

For constitutional reasons, for tax policy reasons, for commonsense reasons, this amendment must be approved. I am pleased to be supporting this amendment.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. McDONALD. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Chairman, I thank the gentleman for yielding.

Is it not true that this amendment would in no way affect the law prior to August 22, 1978, or prior rulings that were used to get at discrimination on a case-by-case basis?

Mr. McDONALD. The gentleman from South Carolina is absolutely correct. This in no way changes the existing procedure prior to August 22, 1978.

Mr. CAMPBELL. Then what has happened by the IRS ruling is a change in the burden of proof, and this attempts to leave the burden of proof as it was before; is that correct?

Mr. McDONALD. The gentleman is absolutely correct.

Mr. GOLDWATER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from California. I would ask my colleagues, in considering this amendment, to remember the words of Chief Justice John Marshall when he said, "the power to tax is the power to destroy." Unless these amendments are adopted, the constitutional rights of many attending thousands of private schools in this country stand to be destroyed.

When the Internal Revenue Service promulgated its ruling last year to take away the tax-exempt status of 3,500 private schools in the United States, a groundswell of protest was registered with the IRS and Congress. Virtually every one of us represent families in our congressional districts who choose to educate their children in private schools. They do so because of their religious beliefs, their dissatisfaction with the public school system—a lowering of learning standards in the public schools, a lack of discipline in the classroom, the trend away from basic Judeo-Christian values, and the deemphasis on fundamental educational skills. And yes—people have chosen to leave the public school system because of forced busing.

Last fall I wrote Mr. James Griffith, head of the IRS division on tax-exempt organizations, telling him that all racial considerations aside, people do not want busing because it is a tremendous inconvenience, it is impractical, it is unnecessarily expensive, and it violates our freedom of choice. But the IRS cries "racial discrimination" and takes it on its own to tell parents that they cannot make tax-deductible contributions to private schools because of a cumbersome, vague, and subjective revenue procedure.

I support the rationale of the IRS. Their ruling is well-intentioned. Schools guilty of racial discrimination should not only be stripped of their tax-exempt status, but should be shut down. But the tax structure is not the proper mechanism to enforce this public policy. When the IRS originally issued its ruling, it was based on an unworkable mechanical formula. After 150,000 letters of protest were received, they revised their ruling to give the IRS Commissioner arbitrary authority to adjudicate a school's eligibility for tax-exempt status on a case-by-case basis.

The last thing we need is a Federal monopoly on education. The purpose of the 1954 provision of the Internal Revenue Code which granted tax exemptions to private schools was to insure some measure of private discretion in pursuing an education without hindrance from the Government.

The unilateral IRS action, I would like to inform the committee, stands on shaky legal ground. The right to institute tax statutes rests with this body, not a handful of bureaucrats downtown. In the words of the very committee which brought this appropriations bill to the floor—and I cite from their own report:

> The responsibility of the IRS is to enforce the tax laws. The purpose of the Internal Revenue Service revenue procedures ought to be to clarify these laws, not to expand them . . . The Committee believes that the Service ought not to issue these revenue procedures until the appropriate legislative committees have had a chance to evaluate them and make the determination that the proposed revenue procedures are a proper expression of the tax laws.

In February I testified before the Ways and Means Oversight Subcommittee on this very issue. Chairman Gibbons expressed serious reservations about the IRS regulations. Congress has the appropriate role in this matter, and the Office of the Commissioner has no business legislating our tax code, particularly in such a compelling and far-reaching manner.

I urge support for both amendments offered by Mr. DORNAN.

Mr. DORNAN. Mr. Chairman, I ask unanimous consent that I may be permitted to proceed for 1 additional minute in support of my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DORNAN. Mr. Chairman, just one sentence, out of respect for the distinguished gentleman from Maryland.

Let me emphasize that my amendment will not affect existing IRS rules which IRS has used to revoke tax exemptions of white segregated academies under Revenue Ruling 71-447 and Revenue Procedure 75-50. My amendment will protect thousands of innocent schools that would suffer if IRS adopts the revised proposed revenue procedure.

Mr. Chairman, Chief Justice John Marshall observed in 1819 that "the power to tax involves the power to destroy." The issue at hand is clear. In a republican form of government, is Congress or the unelected IRS going to make the Federal tax laws of this Nation?

Mr. MILLER of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Dornan amendment.

The IRS proposals dealing with the tax-exempt status of private schools would, if adopted, constitute a case of regulatory overkill, are extreme in concept, and raise many more problems than they seek to solve. Some of these problems are procedural, some are proprietary, and some are constitutional. Abuses in school integration should be dealt with on a case-by-case method, as is currently done.

These proposals automatically bring into question the tax-exempt status of schools set up or expanded during and following desegregation in local public schools if the schools do not meet a minority quota. Some of us view this as an "Alice in Wonderland" brand of justice—"sentence first, verdict later."

Many question whether IRS has the need or authority to establish and enforce such new and extensive rules. No one is saying that we should allow tax breaks for segregated schools, but IRS already has significant authority to act, and indeed, has done so in the past, where evidence of discrimination exists.

Apparently, IRS presumes that schools set up or expanded when area schools were undergoing desegregation were organized to avoid desegregation, and that the low percentage of minority students is evidence of discrimination. Commonsense would indicate this is not necessarily the case.

Numerous other events have coincided to make private schools attractive to many parents, in addition to the chaos attending some school districts during integration and social change. What appears to some to be reduction in discipline, disrespect for authority, declining moral values, lowered academic achievement, and other indications of a laxity in student behavior and deportment are just a few reasons some parents choose private schools. The expansion of private schools simply has coincided with what many parents perceive to be declining discipline and the lowering academic standards in some public schools.

As for low minority enrollment, many such schools may not be attractive to some minorities who themselves may feel certain peer pressure to conform. To label private schools with low minority enrollment as biased, and then to challenge them to prove that they are not biased is arrogant. It constitutes another Government program which seeks to shift the burden of proof in racial matters. While schools in the reviewable category are to be required to prove that they are not guilty, it seems that they can do this only by meeting requirements appropriate for schools already proven to be guilty. In other words, they must use affirmative action programs to meet quotas for minority enrollment.

Not the least of the problems is the potential for abuse. This quota with its burden of proof on the schools can be extended to all schools, even colleges and universities, and extended beyond integration to courses of study and curriculum.

In addition, tax exemption is the American way of stimulating private sector diversity, innovation and higher principles which uplift the weak and poor. The very real danger exists that such quota systems and Government rules would be used to club these beneficial organizations into Government-conceived plans and programs for social change.

Among the proponents for growing Federal power are those who view the tax exemption as a Federal dole to be meted out to those who suit the Government criteria, and to be withdrawn when so-called Government ideals are not met.

Briefly, some of the problem areas which stand out are:

The burden of proof. Reviewable schools would be required to show that they do not discriminate, even those with an open door policy. The burden of proof should be on the Government to prove guilt, not the school to prove innocence.

Application of standards. The use of quotas, as they propose, is questionable and probably illegal, as the Baake decision indicates. Will they use some form of numerical standards implying statistical justice?

The definition of community. A community may be geographical for a public school, less so for a private school, but not at all likely for a religious school. A religious school usually draws on a community of belief not geography, which transcends boundaries, jurisdictions, and neighborhoods.

Laws written by bureaucrats. A most important question faced by Congress in these proposals is whether we want law as far reaching and important as this to be written outside Congress. A regulation, with the force of law, if upheld by the courts, might as well be statutory. Rather than have bureaucrats and judges write such law, Congress should hold hearings on the measure and allow debate on the floor of the House and Senate. If it is this important, it deserves exposure to the legislative process and evaluation on its merits. Essentially, the questions is whether such responsibility for lawmaking should be snatched away from the lawmaking bodies and given to the agencies and courts, or should Congress rightfully reclaim their prerogatives.

Anyone who thinks IRS will improve education automatically should remember what HEW has done for educational quality.

The revisions of the proposals earlier published still fail to correct the basic weaknesses outlined in the statement, and if implemented would be vague, subjective, and erratically enforced.

● Mr .YOUNG of Alaska. Mr. Chairman, I commend the gentleman from California for offering his amendment on this particular matter. It is quite in order to adopt this measure prohibiting the Internal Revenue Service from using funds to carry out the proposed IRS revenue procedures with respect to private tax-exempt schools.

I have received over 600 letters from constituents in my State who oppose attempts by the IRS to enforce these proposed regulations. It is not the responsibility of the Internal Revenue Service to dictate public policy especially without direction from the Congress. The IRS should be prohibited from implementing regulations created without any mandate or authority from the Congress. Actions such as those demonstrated this past year by the IRS exemplify the process by which many of the executive agencies in the Federal Government have usurped authority and power traditionally reserved for the Congress. The use of funds by the IRS for the activity of enforcing the proposed regulations would be a serious violation of the doctrine of the separation of powers.

I strongly urge my colleagues who believe in the Constitution of the United States and the right of free choice, to support the amendment offered by Mr. DORNAN.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DORNAN).

The question was taken; and on a division (demanded by Mr. MITCHELL of Maryland) there were—ayes 36, noes 19.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

● Mr. STEED. Mr. Chairman, under leave to revise and extend my remarks, I include the following letter from the Commissioner of Customs dated July 12, 1979:

THE COMMISSIONER OF CUSTOMS,
Washington, D.C., July 12, 1979.

HON. TOM STEED,
Chairman, Subcommittee on Treasury, Postal Service, General Government, Appropriations Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Contrary to certain allegations and misleading press reports, U.S. Customs Service has not stopped its measurement oversight of imported petroleum products. In fact, because of the controvery which has developed around the issue of petroleum importations and the need for the country to have reliable import data, I have formed a taskforce to carry out an intense study to make certain that the methods and techniques historically used by the Customs Service in the measurement of oil imports are adequate for today's needs. And I want to emphasize that if the past methods used by the Customs Service are determined to be inadequate, it is my intention to make any changes as may be necessary as quickly as possible.

Unfortunately, the issue of U.S. Customs measurement or gauging of U.S. petroleum importations has been confused by being made part of an on-going labor dispute within the U.S. Customs Service.

Briefly, on June 12 of this year I issued an employee manual supplement which had been proposed earlier in the year, and which was designed to ensure the application of sound management principles in the performance of paid overtime. It is emphasized that this employee manual supplement did not change any past policies regarding the measurement of imported petroleum products but rather restated existing policies based on existing regulations.

The issue of oil importations has been further complicated by a Presidential Proclamation, dated April 6, 1979, which temporarily suspended the assessment of Customs duty on imported petroleum products. Historically, Customs measurement of oil importations had been for the purpose of protection of revenue and the collection of the appropriate duties. However, even with the Presidential Proclamation and the suspension of the Customs duties, I did not alter U.S. Customs policies but rather issued instructions that the Customs Service will indeed maintain its existing controls and policies regarding U.S. Customs treatment of oil imports. Further, it is my intention to continue these controls pending the outcome of the study presently being conducted by our task force. When those results are given to me, in perhaps two or three weeks, I will at that time institute any changes that may be necessary to insure the accuracy of petroleum import data. I will also make certain that you promptly receive the results of our study along with the details of any policy changes I may find appropriate to make.

Sincerely,

R. E. CHASEN,
Commissioner of Customs.●

● Mr. GORE. Mr. Chairman, over the last several months there has been a vigorous debate over the amount of world oil production and the level of imports coming into this country.

Currently DOE has three sources of statistical information in measuring oil imports. One set of figures is given to DOE by the International Energy Agency which gets its information from the multinational oil companies. Another set comes from the American Petroleum Institute, the guardian of the U.S. oil industry. The last set of information is compiled by the U.S. Customs Service. It is the only statistical data that is truly independent of the oil industry. I believe, and I think all of us can agree, that it is terribly important to have independent, accurate data on oil imports.

Unfortunately there have been serious discrepancies in the three sets of information. IEA figures have reflected higher import levels than API data. Customs figures in the first 3 months of this year show 10.6 percent greater imports than reflected in API data. In 1978 customs figures were 8.2 percent higher than API. The difficulty here is that DOE has relied exclusively on API figures in making energy policy. Coincidentally perhaps lower import figures reinforce Secretary Schlesinger's oil decontrol proposal. Be that as it may, it is terribly important for the Congress in shaping energy policy to have completely accurate and independent import figures. Customs is the only arm of the Government that can give us that information, and we must make certain their operation is foolproof and fraudproof.

Unfortunately, it appears that Customs may now be jeopardizing the accuracy of its information through a revision of its oil gaging policy. Rather than oversee 100 percent of the oil tanker gaging, they have announced their decision to spot check only a small percentage of the tankers. I believe it is absolutely necessary that Customs maintain its supervision of tanker imports, and I hope they will reevaluate this decision.

Customs' officials explain that there are two sets of figures that are important in gaging a tanker. The first is the initial gage, or ullage, when it comes into port. The second is the final gage after the tanker has unloaded. Customs explains that they either conduct or supervise the great majority of the initial ullages. For the most part, Customs does not do much of the actual gaging but relies on licensed public gagers who are supervised by Customs' inspectors. However, Customs has now announced a policy to merely require a 5-percent spot check by Customs' officials of the final gage. Obviously both figures are essential to an accurate import total.

The fear is that the licensed public gagers without Customs' supervision will not give us completely accurate figures. Certainly these licensed public gagers are extremely vulnerable, especially since all of them are either employed by or consulting with the buyer or the seller. The buyers and sellers—the oil industry—are also the ones that have given us the API figures which seem to be in conflict with Customs' data.

Historically Customs has given its gaging operations a very low priority. This must change. I understand that Customs is now conducting an extensive study to determine the accuracy of the past figures, who actually does the gaging, and how the operations can be improved. This study is long overdue, and I think all of us will be very interested in seeing the final report.

Mr. Speaker, with the Treasury appropriations bill before us, I feel it is terribly important that Customs understand Congress concern and commitment to obtaining independent import figures. While I am not sure that Customs' officials should do all of the gaging themselves, I feel it is critical that they at least retain supervision over 100 percent of the tanker gaging operations. A 5-percent or 10-percent discrepancy in import figures can mean millions and over the years perhaps billions of dollars. Perhaps more importantly it can mean widely divergent policy implications. I am tired of relying upon the industry for every bit of statistical energy information. The American people are distrustful of oil industry figures. It would be a travesty to lose faith in our only truly independent source of import figures. I hope Customs will keep this in mind in making decisions based on its current study. If Customs abrogates their supervisory role, I believe that swift action will be needed by Congress.●

● Mr. LUKEN. Mr. Chairman, the Internal Revenue Service has published guidelines on the tax-exempt status of private and parochial schools which threaten this Nation's strong tradition of freedom of education, and represent the intrusion of a Government agency into a sensitive first amendment issue.

I support Mr. DORNAN'S amendment which seeks to prevent the Internal Revenue Service from using any funds to implement these guidelines. The passage of this amendment will insure that the Internal Revenue Service does not go beyond its jurisdiction by implementing guidelines for which Congress never asked, and indeed, to which many Members of Congress have strongly objected.

These guidelines which were published in the Federal Register in revised form on February 13 seek to determine whether a private school practices racial discrimination, which would make it ineligible for a Federal tax-exempt status. This goal is commendable. We are all against racial discrimination but that is not the real issue that we face here today. The issue is that these guidelines are so poorly written and so arbitrary that hundreds of private and parochial schools which are not the so-called "white flight" schools may be inadvertently included under these guidelines. But even more than that, I am opposed to the IRS's intrusion into a sensitive first amendment issue which should rightfully be handled by the Congress.

The guidelines raise the specter of excessive church-State entanglement which is barred by the first amendment. The Government should refrain from all unnecessary interference or any action which would threaten the existence of educational and religious freedom. I know of many legitimate private and parochial schools in my district which would be subjected to these regulations simply because they happened to expand their enrollments during a time of public school desegregation.

These guidelines would force any private or parochial school which expanded significantly during a period of desegregation of public schools to prove that they are not guilty of racial discrimination. I am concerned that this provision presumes guilt and will place a financial burden on many legitimate private schools which they cannot afford. The Internal Revenue Service should not be trying to set forth guidelines by which a private school must itself prove its innocence of racial discrimination, it should be using those regulations already in existence in civil rights legislation—by which the IRS must prove racial discrimination before taking away tax-exempt status. Such regulations have already been used successfully 100 times to revoke the tax-exempt status of schools which have refused an open admissions policy.

I urge my colleagues to adopt this amendment and prevent the implementation of these extremely harmful guidelines.●

□ 1910

Mr. STEED. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Mr. PREYER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4393) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The CHAIRMAN. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read a third time.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. MILLER of Ohio moves to recommit the bill, H.R. 4393, to the Committee on Appropriations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question in on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 344, nays 49, not voting 41, as follows:

[Roll No. 340]

YEAS—344

Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Beard, R.I.
Beard, Tenn.
Bedell

Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis, Mich.
de la Garza
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Mineta
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Seiberling
Shannon
Sharp
Shelby
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—49

Abdnor
Applegate
Archer
Bauman
Blanchard
Brodhead
Burton, John
Carney
Cavanaugh
Collins, Tex.
Conable
Crane, Daniel
Crane, Philip
Dannemeyer
Daschle
Deckard
Edwards, Calif.
Evans, Ind.
Frenzel
Gephardt
Hansen
Hughes
Jacobs
Jeffries
Kelly
Latta
Lungren
McDonald
Maguire
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Moffett
Mottl
Myers, Ind.
Obey
Paul
Pursell
Roth
Rousselot
Rudd
Schroeder
Sensenbrenner
Shumway
Shuster
Stump
Symms
Weaver
Weiss

NOT VOTING—41

Alexander
Anderson, Ill.
Ashbrook
Ashley
AuCoin
Barnes
Bingham
Bolling
Brown, Ohio
Conyers
Davis, S.C.
Emery
Evans, Ga.
Fish
Flood
Ford, Mich.
Forsythe
Gibbons
Gray
Guarini
Harsha
Hefner
Holland
Jeffords
Jenkins
Johnson, Colo.
Lundine
Moakley
Nedzi
Nolan
Panetta
Pepper
Rodino
Sebelius
Skelton
Taylor
Volkmer
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wright

☐ 1920

The Clerk announced the following pairs:

Mr. Rodino with Mr. Emery.

Mr. Barnes with Mr. Bob Wilson.

Mr. Alexander with Mr. Brown of Ohio.

Mr. Ford of Michigan with Mr. Fish.

Mr. Gray with Mr. Forsythe.

Mr. Guarini with Mr. Sebelius.

Mr. Moakley with Mr. Taylor.

Mr. Nedzi with Mr. Treen.

Mr. Jenkins with Mr. Williams of Ohio.

Mr. Panetta with Mr. Ashbrook.

Mr. Pepper with Mr. Jeffords.

Mr. Evans of Georgia with Mr. Conyers.

Mr. Wright with Mr. Volkmer.

Mr. Charles H. Wilson of California with Mr. Holland.

Mr. Skelton with Mr. Flood.

Mr. Bingham with Mr. Hefner.

Mr. Ashley with Mr. AuCoin.

Mr. Davis of South Carolina with Mr. Nolan.

Mr. Lundine with Mr. Gibbons.

Mr. EDWARDS of California and Mr. ABDNOR changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1930

GENERAL LEAVE

Mr. STEED. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

RECOGNIZING ANNIVERSARIES OF WARSAW UPRISING AND POLISH RESISTANCE TO INVASION OF POLAND DURING WORLD WAR II

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the joint resolution (H.J. Res. 373) recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 373

Whereas August 1, 1979, marks the thirty-fifth anniversary of the Warsaw uprising, an event of major significance in the history of World War II;

Whereas on August 1, 1944, the Polish Home Army under the command of General Tedeusz Bor-Komorowski rose up against the Nazis who had begun evacuating Warsaw in the face of the Soviet advance through Eastern Europe, held major portions of the city for sixty-three days against insuperable odds, and suffered extreme hardship, retribution, and personal sacrifice throughout a heroic engagement in which approximately two hundred and fifty thousand Poles were killed, wounded, or missing;

Whereas September 1, 1979, marks the fortieth anniversary of the invasion of Poland by the Army and Air Force of the Third Reich, which was followed just sixteen days later by the Soviet invasion from the East and the subsequent occupation of a zone populated by thirteen million Poles, these events having led to the development of a strong underground movement directed by the Polish Government-in-exile;

Whereas the spirit of Polish resistance to foreign oppression is symbolized by these historic events and remains a vital element in the Polish national character; and

Whereas, in prior years, the President has granted special recognition to these important days in Polish history, with particular regard to the crucial role of the Polish Home Army: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States joins in recognizing the anniversary of the Warsaw uprising, which stands as a poignant reminder to the world of the power of the human spirit over adversity, and the anniversary of the Polish resistance to the World War II invasion of Poland, which symbolizes the continuing struggle of the Polish people and freedom loving people everywhere in the preservation of their liberties and in fulfillment of their national aspirations.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI) for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 373 is a bipartisan resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

I introduced this resolution on June 28, 1979, on behalf of myself and 43 Members, including 21 members of the Committee on Foreign Affairs. That committee subsequently approved it on July 12, 1979, by unanimous voice vote. It is clearly a measure which enjoys broad support among the membership of this body.

The purpose of this resolution is to accord congressional recognition to two dates coming up in the near future which are of great importance to Americans of Polish descent and to the Polish nation:

The first date, August 1, 1939, marks the 35th anniversary of the outbreak of the Warsaw uprising against the Nazis during World War II. On August 1, 1944, the Polish Home Army—under the command of Gen. Tadeusz "Bor" Komorowski—began the revolt against their Nazi oppressors who had begun evacuating Warsaw in the face of the Soviet advance through Eastern Europe. In the first 24 hours of battle, the Poles seized four districts of Warsaw, and by August 5, two-thirds of the city was in the hands of the underground.

It was an unequal struggle by any standards of military conflict—undertaken against insuperable odds. When Warsaw finally submitted on October 2, 1944, after 63 days of battle, the city and its citizens had been devastated. One quarter of the Poles in Warsaw had been killed or wounded—of the approximately 35,000 men and women fighting for the Polish Home Army, 15,000 were killed, wounded, or missing in action. All told, some 250,000 Poles were lost as a direct result of the fighting.

The second date, September 1, 1979, marks the 40th anniversary of the invasion of Poland by the army and air force of Hitler's Third Reich, which was followed just 16 days later by the Soviet invasion from the East and the subsequent occupation of a zone populated by 13 million Poles. It was during this month 40 years ago that World War II began—with a "blitzkrieg" air attack and a ground invasion involving some 3,000 German tanks and over 1,400,000 troops which heavily outnumbered the approximately 800,000 Poles who were available to defend the country. After a campaign of 18 days, during which Warsaw was seiged, encircled, and bombarded, the senior officer in Warsaw surrendered 140,000 Polish troops on September 27, 1939.

The initial German assault was followed on September 17 by the Soviet invasion from the East and the de facto dismemberment and occupation of the entire country.

However, even though the Poles were weaker in numbers and in military might than the German and Soviet forces, the spirit of the Poles remained strong. Thousands of Polish troops joined the cause of the allies in Norway, France, North Africa, Italy, and Sicily. In Poland, a strong underground movement developed—directed by the Polish government-in-exile.

This is a very brief summary of the events which are encompassed by House Joint Resolution 373. I am hopeful that if this legislation is passed by both Houses in a timely fashion, the President will respond by issuing a special proclamation commemorating these two important dates in Polish-American history.

Mr. Speaker, this resolution does not involve the expenditure of any appropriated funds. I urge its immediate adoption—pending which I would be happy to answer any questions Members may have on any aspect of the subject. Thank you, Mr. Speaker.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, could the gentleman from Wisconsin assure me that the committee chief of staff, Dr. Brady, was enlightened by the educational background of this material?

Mr. ZABLOCKI. I am very happy to advise my dear friend and colleague, the gentleman from Illinois that Dr. Brady had written a paper, a doctorate, on Poland. He is more than well-advised of just these two dates.

Mr. DERWINSKI. I am very reassured.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the joint resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WELCOMING FIRST DIRECTLY ELECTED PARLIAMENT OF EUROPEAN COMMUNITY INTO FAMILY OF FREELY ELECTED REPRESENTATIVE BODIES

Mr. PEASE. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 159) welcoming the first directly elected Parliament of the European Community into the family of freely elected representative bodies, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. Con. Res. 159

Whereas since World War II the United States has consistently supported European integration as a fundamental basis for peace, stability, and prosperity;

Whereas the basic aims for the European Community are to foster the well being of its citizens through economic growth and stability among its member states, and to lay the foundations for closer union among the peoples of Europe;

Whereas, in the common interest, the United States has maintained close ties with the Community, dating from the creation of the European Coal and Steel Community;

Whereas these ties have been further strengthened by the continuing exchanges, initiated in 1972, between members of the United States Congress and representatives of the European Parliament, the members of which have heretofore been appointed from the legislatures of the member states of the Community;

Whereas the United States and the Community share common respect for democracy, the promotion of human rights under the rule of law, and the observance of democratic practices;

Whereas the election of representatives to the European Parliament by universal suffrage is a concrete manifestation of the Community's commitment to democratic ideals;

Whereas a Parliament elected by universal suffrage will enable the citizens of the Community to participate more fully, through their elected representatives, in strengthening their common futures; and

Whereas June 7–10, 1979, marked the first time that the citizens of the Community have chosen by direct universal suffrage their representatives to the European Parliament: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress welcomes the first directly elected Parliament of the European Community into the family of freely elected representative bodies.

Sec. 2. The Congress recognizes the election of the Parliament to be an event of great historical significance to the evolution of European unification and integration and to the growth of representative democracy.

Sec. 3. The Congress congratulates the newly elected Parlimentarians and expresses the conviction that, as they assume their responsibilities, they will pursue policies aimed at strengthening the Community and ties between it and the United States.

Sec. 4. The Congress pledges its support for continued close relations with Parliamentarians from the European Community and, to this end, affirms its readiness to continue the semiannual discussions with the European Parliament on issues of common concern and to explore mutually beneficial measures for their improvement.

Sec. 5. The Congress requests that the President forward a copy of this resolution to the President of the European Parliament, the President of the Community's Council of Foreign Ministers, and the President of the European Commission.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Ohio (Mr. Pease) for 1 hour.

Mr. PEASE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 159 is a bipartisan, noncontroversial concurrent resolution, which I introduced on July 10, 1979, and explained in detail at that time—as did a number of my colleagues. The essential and sole purpose of the resolution to welcome "The first directly elected parliament of the European community into the family of freely elected representative bodies."

This resolution has been cosponsored by the distinguished chairman of our full committee on Foreign Affairs (Mr. Zablocki); by the gentleman from New York (Mr. Rosenthal—a former chairman and leading organizer of our regular biannual exchange with a delegation of the European Parliament); and by all members of the House delegation to the last (15th) meeting of this group, which was held in Paris during the Easter recess.

The reason I am bringing this up under unanimous consent today is because the ceremonial opening session of the new parliament is scheduled to take place on Wednesday of this week in Strasbourg, France. This will be a historic occasion for Europe—marking the first such assemblage of 410 representatives who were directly elected by the people of the 9-member nations of the European community.

As I mentioned previously, the distinguished gentleman from Florida (Mr. GIBBONS) will act as the Speaker's personal representative, and the representative of the House as a whole, at this ceremony. In fact, he is leaving this evening. If, therefore, we are able to pass this resolution today, the gentleman will transmit the news personally to the newly elected president of the European Parliament.

Mr. Speaker, House Concurrent Resolution 159 was approved on July 12, 1979, by the Committee on Foreign Affairs by unanimous voice vote. It is entirely commemorative in nature and does not involve the expenditure of any appropriated funds.

I would be happy to answer any questions Members may have in this regard and thereafter will request its immediate consideration. Thank you, Mr. Speaker.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. PEASE. I would be happy to yield to my friend the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of the resolution.

At a time when the vast majority of nations in the world are under totalitarian or authoritarian rule, it is appropriate to call special attention to actions which advance the principles of free elections and democracy.

The first directly elected parliament of the European community is just such an occasion to recognize and praise this addition to the family of freely elected representative bodies.

But is it not inconsistent this week to praise the first European Parliament when last week we refused to do the same for the first Rhodesian Parliament?

This body has debated the merits of the Rhodesian elections at great length already. Unfortunately, we have not seen fit to offer positive encouragement to the newly formed Rhodesian Government by lifting economic sanctions against it.

Those who oppose recognizing the advances made in Rhodesia argue that only their conditions will fulfill the criteria for acceptable democratic rule. They argue that the Patriotic Front is not represented, and yet ignore the fact that if the Patriotic Front were included, then the other black nationalists would be excluded.

Pariotic front leader Mugabe has virtually ruled out the possibility he would ever agree to participate in any election with Prime Minister Muzorewa. Muzorewa's party won 67 percent of the votes cast (where 65 percent of those eligible voted), yet to accede to Mugabe's and Nkomo's supporters would mean to ignore the indicated desires of the majority of Rhodesians.

Those who oppose the ongoing Rhodesian efforts to realize black majority rule argue that the British proposal should be the basis for resolving the conflict. They argue that 28 seats allocated for 4 percent of the population is disproportionate insurance for the rights of the minority. Yet their proposal would have given 20 seats for that minority. To prevent a change in our relationship with an emerging democracy over a difference of eight seats cannot be justified.

Congress has forcefully and rightfully rejected attempts to force a decision on the Middle East based on threats from the PLO and on SALT II despite threats from the Soviets. Yet the front line states and the organization of African unity tell us we must not lift sanctions on Rhodesia and this body responds so we will not offend them. We are, in fact, condoning authoritarian rule over democratic rule. I think it is a mistake, and I will continue to remind my colleagues of this injustice until it is corrected.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. PEASE. I would be happy to yield to the distinguished ranking minority member of the committee, the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Speaker, I rise in support of the resolution.

Recently the House Foreign Affairs Committee approved this resolution welcoming the first directly elected parliament of the European community into the family of freely elected representative bodies. For over two decades the dream of a unified Europe has been taking shape beginning in 1951 with the establishment of the European Coal and Steel Community. Since that time, an important series of developments has steadily contributed to the objective of a more unified Europe, the most recent event being the direct election of a parliament of the European community.

In recognizing the election of the parliament as a significant political event, our committee has noted the common respect for democracy, the promotion of human rights under the rule of law, and the observance of democratic practices as important values which the United States and the European community have always shared. If only the United States could have done the same for the people and the newly elected democratic Government of Zimbabwe Rhodesia.

Already the people of Zimbabwe Rhodesia have established what is perhaps the most democratic government in Africa and have asked the United States to recognize their democratic example by ending economic sanctions against that southern African country. Despite the fact that the new government is establishing a free and democratic society in Zimbabwe Rhodesia, despite the fact that guerrilla leaders of the Soviet-backed Patriotic Front have condemned the overall democratic process, the United States continues to balk on whether or not to support the Government of Zimbabwe Rhodesia by ending economic sanctions against it.

Recently former Secretary of State Henry A. Kissinger commented on the United States' current policy toward Zimbabwe Rhodesia. Dr. Kissinger's comments were particularly critical of the President's finding last month that the recent elections leading to a black majority government in Zimbabwe Rhodesia were not sufficiently free and fair. The former Secretary of State also asserted that the maintenance of sanctions against Zimbabwe Rhodesia has had the effect of placing the United States on the side of the "ideological radical" guerrillas who refused to participate in the elections and who, with Soviet support, have been seeking power in that southern African country through armed struggle. I would particularly like to call my colleagues' attention to the following statement by Dr. Kissinger:

> . . . Where should be the weight of the American policy [in relation to Zimbabwe Rhodesia]? Should we be on the side of those who are willing to rely on evolution, or on the side that seeks its aim by guerrilla warfare? Should we encourage the side willing to work for a biracial society, or the side who want a kind of absolute majority rule?
>
> I fear that we have been in practice in favor of the radicals against the moderates. That course will lead to war between the races.
>
> In the case of Rhodesia we have gone beyond a tactical decision on lifting sanctions. We have put ourselves philosophically on the side of the radical version of majority rule. We have given political support to those who want to come to power by military means.
>
> I would raise questions whether the proclivity of many in the administration of leaning toward the ideological radicals impales us on the horns of a dilemma where our rhetoric is out of step with our capacities; our stated objectives out of tune with our public opinion. This is a prescription for impotence; it deprives us of any platform on which to stand if outside powers again decide to intervene.

Mr. Speaker, at a time when democracy as an established institution of government is on the decline throughout the world, I believe that it is in the U.S. interest to sustain the evolving democratic process whenever and wherever possible. That is the purpose of the resolution which we have before us today.

● Mr. WINN. Mr. Speaker, I rise in support of this resolution.

It is fitting that we in the U.S. Congress salute the European Parliament whose members are now, for the first time, directly elected by the people of Europe. The once-appointed Parliament of 198 individuals has now expanded to 410 representatives to accommodate the democratic aspirations of Europe. These elections demonstrate a renewed determination in Europe to make the community work and to seek ways to weld together its disparate elements into one unified force.

There is little anticipation that the Parliament, despite these successful elections, will emerge into a true legislative body with the political clout that say, the U.S. Congress enjoys. But there is a strong expectation that the Parliament will provide an important forum for Europe, its ideals and goals. The Parliament's new direct link to an electorate which totals 180 million people will give its voice additional weight and its deliberations greater authority. We will all have to consider the aspirations of the body which represents the world's largest trading bloc. And it is important to note that the political parties in the European Parliament are organized in groups which transcend national boundaries. Christian Democrats from Italy will work with those of Denmark in forging allegiances to meet common goals. We can all expect that the directly elected European Parliament will give new impetus to a united Europe.

We have thus this spring witnessed a great moment in European history and the beginning of a new era in United States-European relations. It is our hope that this coming period will be a productive one, in which ties remain warm and close.

In recognition of the importance of Europe and of the warmth of these relations, all of us in Congress can play a constructive role. The opportunity lies in the semiannual exchanges in which Members of Congress participate with members of the European Parliament. For the past several years, I have been a member of the U.S. delegation which meets with the European Parliament and for the past year, I have been privileged to serve as a cochairman of the delegation along with my distinguished colleagues the gentleman from Ohio (Mr. PEASE) and the gentleman from Florida (Mr. GIBBONS). The next meeting which will be held in Washington in October should be a particularly exciting one for it will be the first in which the directly elected members from Europe will take part. Some of them will be old friends—those who decided, in many cases, to relinquish their seats in their national parliaments in order to stand for election to the European Parliament. Many others, however, will be new faces. I am very pleased that the House is today, in a sense, welcoming these new European members by approving this resolution. I hope that many who are here on the floor today and who speak in favor of this resolution will again welcome the European delegates when they arrive in Washington this fall for the next round of meetings. If the past serves as an example and, in this case, I am sure that it will, these meetings will be lively, interesting, and informative. I value them for their contribution to my understanding of European needs and concerns. And, in this day, when few problems are limited by national borders, it is, indeed, invaluable to attempt to comprehend the objectives and interests of Europe.●

Mr. PEASE. Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PEASE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

GRANTING CONSENT OF CONGRESS TO HEWSON A. RYAN TO ACCEPT OFFICE AND TITLE OF HONORARY CONSUL OF HONDURAS

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the bill (H.R. 3956) granting the consent of the Congress to Hewson A. Ryan to accept the office and title of Honorary Consul of Honduras, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill as follows:

H.R. 3956

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled, That pursuant to article I, section 9, clause 8 of the Constitution of the United States, the Congress hereby grants consent to Hewson A. Ryan, of Winchester, Massachusetts, a former Foreign Service Information Officer of the United States, to accept the office and title of Honorary Consul of Honduras.

The SPEAKER pro tempore. The gentleman from Florida (Mr. FASCELL) is recognized for 1 hour.

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Congressman MARKEY introduced a bill, H.R. 3956, which was referred to the Committee on Foreign Affairs. This bill seeks to grant the consent of Congress to Hewson A. Ryan, a professor at the Fletcher School of Law and Diplomacy at Tufts University, to accept the post of Honorary Consul of Honduras. The Government of Honduras has asked Professor Ryan to accept this post, which carries no emolument, in order to help strengthen United States-Honduran educational and cultural ties in the Boston area.

This legislation is necessary due to the Constitution's requirement in article I, section 9 that "No title of nobility shall be granted by the United States: And no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince or foreign state." Since Professor Ryan is a former Foreign Service Information Officer, and therefore holds a lifetime commission from the President, he needs the consent of the Congress to accept this appointment.

I urge the support of my colleagues.

Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

☐ 1940

LAW OF THE SEA CONFERENCE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the concurrent resolution (H. Con. Res. 53) to endorse the efforts of the U.S. delegation to the Law of the Sea Conference with respect to marine scientific research, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 53

Whereas all countries benefit from a better understanding of the oceans; and

Whereas marine scientific research is essential to achieve a better understanding of the oceans; and

Whereas oceanic processes within two hundred miles of the coast have particular scientific significance; and

Whereas restraints upon marine scientific research, particularly within two hundred miles, hinder the study of oceanic processes; and

Whereas the right to conduct marine scientific research should be preserved under international law; and

Whereas the Third United Nations Conference on Law of the Sea is negotiating a future regime for the conduct of marine scientific research: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby endorses the efforts of the United States delegation of the Third United Nations Conference on Law of the Sea to establish a regime which will protect the right to carry out and will encourage the conduct of marine scientific research, both within and beyond two hundred miles of the coast:

(1) by ensuring the greatest possible access to marine areas;

(2) by creating uniformly applied rules and procedures to protect legitimate coastal interests, without imposing an unreasonable burden on research;

(3) by ensuring unrestricted international dissemination of research results for the benefit of all mankind; and

(4) by providing an objective mechanism to resolve international disputes which may occur in the conduct of research.

The SPEAKER pro tempore. The gentleman from Washington (Mr. BONKER) is recognized for 1 hour.

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 53, introduced by my colleague JOHN BREAUX, chairman of the Merchant Marine and Fisheries Subcommittee on Fisheries, Wildlife Conservation, and the

Environment, expresses the sense of the Congress endorsing the efforts of the U.S. Delegation to the Third Law of the Sea Conference with respect to marine scientific research.

The Third U.N. Law of the Sea Conference is currently negotiating the creation of a regime for the conduct of marine scientific research. The United States maintains the position that the right to undertake scientific research in the oceans be preserved under international law and not subject to restraints which could be imposed by coastal States.

All countries can benefit from a better understanding of the oceans. But this understanding can only be achieved through guaranteed freedom to conduct scientific research throughout the oceans. Restraints upon marine scientific research, particularly within 200 miles of the coast where the ocean's processes are of particular scientific significance, would certainly hinder progress in studying the oceans.

Our policy has been to support freedom of scientific research in areas beyond 200 miles of the coast, with a minimum set of obligations for States wishing to carry out research within the 200-mile zone of another country. Other countries have sought the establishment of a regime which would regulate scientific research in the high seas and require the consent of the coastal State before scientific research could be undertaken within the 200-mile zone.

The U.S. Delegation to the Law of the Sea Conference is experiencing difficulties in negotiating a regime for research which is more clearly compatible with the concept of freedom of research. Adoption of this resolution will convey congressional concern about this subject to the Law of the Sea Conferences, and at the same time indicate congressional support for our delegation's efforts to establish a regime which will:

Insure the greatest possible access to marine areas;

Create uniformly applied rules and procedures to protest legitimate coastal State interests without imposing unreasonable burdens on research;

Insure unrestricted international dissemination of research findings; and

Provide an objective mechanism for resolving international disputes which may occur in the conduct of research.

Passage of this resolution is timely since the Law of the Sea Conference will resume its negotiations in New York on July 19 and continue through August 24, 1979.

The administration fully supports House Concurrent Resolution 53, and the American marine scientific community also supports this resolution. The Office of Management and Budget has certified that passage of House Concurrent Resolution 53 will not require any additional appropriation.

Mr. Speaker, I urge my colleagues in the House to adopt this important resolution. House Concurrent Resolution 53 will stengthen the position of the U.S. Delegation to the Law of the Sea Conference in negotiating a regime that will fully guarantee freedom of scientific research.

● Mr. BREAUX. Mr. Speaker, I am the principal sponsor of House Concurrent Resolution 53, a concurrent resolution to endorse the efforts of the U.S. delegation to the Law of the Sea Conference with respect to marine scientific research. I believe that this is an important measure and urge its adoption.

At the Third United Nations Conference on the Law of the Sea more than 150 nations are negotiating, among other vitally important matters, a regime for marine scientific research. From the standpoint of the promotion of science for the benefit of all mankind, the results of the negotiations thus far have been very discouraging. The conference negotiating texts reflect a regime which, if brought into force, would seriously impede the acquisition and dissemination of knowledge about the marine environment, particularly in those areas within 200 miles of the coasts and over the continental margin beyond. With respect to research beyond the limits of national jurisdiction, the negotiating documents reflect what I regard to be an undesirable role for the future International Seabed Authority, the functions of which should in no way be permitted to affect the universally recognized, complete freedom of States to carry out marine scientific research as presently guaranteed by international law.

It is my firm conviction that the Senate of the United States would have serious difficulty approving a law of the sea treaty containing a marine scientific research regime such as is found in the current conference negotiating texts, even if the treaty contained other features which were favorable. I believe that the U.S. delegation to the conference shares my view on that point. Important spokesmen for the American scientific community have already indicated that they are prepared to oppose a treaty containing an adverse scientific research regime.

House Concurrent Resolution 53 sends a clear signal to the Law of the Sea Conference that there is little likelihood that the United States would become a party to a future comprehensive treaty for the oceans, if marine scientific research were to be subjected by that agreement to the kind of regime presently deemed acceptable by many conference participants. I should add—and I want to very strongly emphasize this point—that the Congress is not, by this resolution, providing the U.S. delegation with a blank check to bring home a science regime which is only marginally improved. The endorsement of the efforts of the delegation has vitality and meaning only to the extent that those efforts are directed toward achieving a substantially improved regime. This resolution is, therefore, also a clear signal to our own delegation that the Congress will not accept without critical examination whatever the delegation might ultimately submit to he Senate. I, for one, expect the delegation to toughen its position, if its own performance is to meet the test.

House Concurrent Resolution 53 provides the Congress with an opportunity to confront a serious problem while a solution is still practicable. For us to wait to make our views known until after the negotiations are concluded would be a grave mistake.

The administration supports the resolution. I urge favorable consideration of the measure.●

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BONKER. Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

A RAIL PASSENGER SYSTEM THAT SERVES JUSTIFIABLE MARKETS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Florio) is recognized for 60 minutes.

GENERAL LEAVE

Mr. FLORIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the subject of my special order speech today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. FLORIO. Mr. Speaker, I would like to take just a few minutes to talk about the future of rail passenger service, the future of Amtrak. With Americans still waiting in gas lines, unsure of what oil supplies will be in the future, alternatives to the private automobile are critical.

There can be no question that we need rail passenger service in this country today. It is my opinion that the need for such service will increase in the future. The gas lines have shown that trains are one of the alternatives people turn to when they are unable to travel by automobile.

To prepare for the future we must insure that we have sufficient equipment and a route system which will serve markets where people will ride the trains.

The route system which the Department of Transportation proposed in January was defective in both of these areas. It eliminated routes which had markets, routes which had the potential to save energy. It also, and perhaps most importantly, provided little or no possibility for expanding the Amtrak system in the future.

There are routes recommended for discontinuance under the DOT plan which should remain. In the course of hearings on the Amtrak system, it was very clear that some of the routes should not be eliminated. People ride them in such numbers that they are as good as other routes retained in the system, and they offer the potential to save energy.

The Commerce Committee bill, H.R. 3996, retains all such trains. It does so by setting minimum standards that trains must meet to remain in the system.

But it also eliminates trains which cannot be justified. There are too many examples in the Amtrak system of trains which carry a handful of passengers at enormous cost to the taxpayer. It is these trains which are destroying the possibility of a modern, efficient, and reliable rail passenger system in the future. They require equipment, they require enormous operating subsidies while producing little revenue, they make the whole Amtrak system appear to be a giant drain on the Federal budget. Amtrak is unable to eliminate this service although the trains provide no benefit.

Without people on the trains they do not save energy. The potential energy savings that this country can realize must come from the intelligent utilization of the efficiencies of rail service. Trains are suited to serving large numbers of people. That means there must be markets.

The Commerce Committee bill also corrects the most serious flaw in the DOT proposal, the lack of adequate capital funding for Amtrak. Without that capital funding Amtrak's future will be more of the same. They will have inadequate equipment and inadequate service.

Amtrak needs capital funding. They need it so they can purchase the equipment to run the present system properly. When Amtrak acquires the equipment to run the present system, then we can think about expanding it. When expansion occurs, it should be in markets where there is a demonstrable demand for service, where modern and efficient service will attract riders.

To preserve the present Amtrak system is to doom the entire system to the same kind of substandard performance we see today. Everyone has complaints about Amtrak operations—the trains are late, poorly scheduled, too hot, too cold, no food, uncoordinated. Preserving the present system will only insure that we have the same problems for years to come.

If we care about the energy and transportation future of this country, we will design a rail passenger system that serves justifiable markets. If we do not build such a system, we can forget about passenger train service for this country.

Ms. MIKULSKI. Mr. Speaker, will the gentleman yield?

Mr. FLORIO. I will be happy to yield to the gentlewoman from Maryland.

Ms. MIKULSKI. Mr. Speaker, I would like to take this opportunity to express my support for H.R. 3996, the Amtrak Reorganization Act of 1979. This bill represents the considered recommendations of the Transportation and Commerce Subcommitte to modify the original administration proposal.

I particularly want to point out the bill's response to the needs of commuters which were written off by the original proposal. Instead of putting commuters back in their cars and forcing them to join those of us already waiting in long gas lines, the subcommittee's bill now provides for an 18-month continuation of all commuter services in effect on January 1, 1979. This 18-month moratorium also mandates that Amtrak continue to accept commuter based fares for any rail passenger service which it operates and for which such fares are accepted as of January 1, 1979.

Congress will now have the time necessary to study these proposals and come up with alternatives. At the very least, State legislatures have a chance to develop alternative transportation means for commuters and find the money necessary to fund such systems.

Mr. Speaker, I support H.R. 3996 and urge my colleagues to do the same.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Ohio.

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Mr. DEVINE. Mr. Speaker, I would like to commend the gentleman from New Jersey (Mr. FLORIO) for the hearings that the gentleman has held on this very important matter realizing the controversy that abounds, and ask the gentleman to respond to several questions.

As the gentleman knows, Secretary Brock Adams, our former colleague, now Secretary of Transportation, submitted a plan which would reduce by 43 percent, if I am not mistaken, the number of lines on Amtrak in the interests of economy, they not being cost efficient and in the interests of the survival of the overall Amtrak system. Its survival would depend upon reducing the nonproductive lines.

Would the gentleman tell me what amendments, if any, were adopted in the gentleman's subcommittee which changes the Secretary's plan of reducing 43 percent? Has that figure been changed and, if so, in what amount.

Mr. FLORIO. As the gentleman knows, the Department of Transportation submitted, pursuant to congressional direction, a total restructuring direction. Under the authorizing legislation the Congress has the opportunity to accept that plan or to reject that plan. The committee chose not to reject that plan but the committee chose the alternative mode of operation to utilize the authorization bill we will be having before us as a vehicle to itself restructure Amtrak. In a sense what has happened is that the restructuring proposal of the Department of Transportation has been put on the shelf and it is the intention of the committee and hopefully of the Congress to, rather, redraw the structure in accordance with new and objective standards that have been imposed in the authorization bill, and I am hopeful the Congress will see fit to accept that new approach, an objective approach that will build the cost efficiency and fuel efficiency into a new restructured Amtrak system.

Mr. DEVINE. Mr. Speaker, as the gentleman well knows, legislation of this nature is affected by good intentions. Everyone says, "Let us effect economy but do not touch my district." I am wondering whether the subcommittee or the committee has yielded to the parochial and provincial interests of certain Members of Congress that they would restore their lines whether cost efficient or not to come out with a bill which will compound the problems which already exist.

Mr. FLORIO. Mr. Speaker, the unequivocal answer is no, we have not submitted to the pressure which has existed in the past. We have formulated an objective formula. The formula is designed to reflect passenger usage, passenger miles per train mile and to roll in the question of a cut-off point for costs. We have then projected those figures into 1980 so as to be able to utilize the current resurgence of rail ridership.

The fact of the matter is, if the train on the balance of performance fits into that criteria it goes in. If it does not, regardless of whose train it is it does not go in.

Mr. DEVINE. Are the gentleman's projected figures based on a realistic base or is it one that is tempered with an overall picture. I make reference, of course, to the fact that we have suffered an energy crisis primarily in the last 6 weeks to 2 months where gasoline has been short, people have been forced to ride the trains when they would not normally. Are these figures based just on that period or are they on a broader base?

Second, does the gentleman anticipate when the gasoline crisis subsidies, as it undoubtedly will, whether the passenger ridership will then drop off again?

Mr. FLORIO. If history is any indication of what we can expect, should the gasoline crisis subside—I am not prepared to say that it will but should it—I suspect we can probably anticipate a lessened ridership.

With regard to the gentleman's first point, we have projections into 1980 over the last 2 years, including the current period when there is a resurgence of ridership. We are then going to set minimum standards to fit into the system. I think we have a reasonable approach that is an objective cost efficient approach that this Congress can be proud of.

Mr. DEVINE. Mr. Speaker, I thank the gentleman for his response.

Mr. SANTINI. Mr. Speaker, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Nevada.

Mr. SANTINI. Mr. Speaker, much of the controversy over the plan to reduce the Amtrak route system centers around the argument that we should not be eliminating trains at a time of energy shortages.

That argument is a sensible one, but it is not one for retaining the entire Amtrak system. The commerce committee, in H.R. 3996, has recommended that trains which offer energy savings be retained. It has done that by setting a minimum standard for a train to continue as part of the system. Any train which meets the standard stays.

The Commerce Committee bill establishes two criteria for retaining trains recommended for discontinuance by the Secretary. One sets a standard of 150 passengger miles per train mile, a simple method of determining how many people ride the train over the whole route, as a minimum. Below this level trains cannot be justified on ridership grounds—the trains are not energy efficient. The other criteria establishes a maximum cost for each train that is to be continued.

In addition, the Commerce Committee bill requires Amtrak to use projections for 1980 to determine if trains meet the criteria. That means that Amtrak must look at 1979 ridership figures, including the recent surge in ridership, to make their determination.

It is important to understand that there are trains in the Amtrak system with a passenger-mile per train-mile figure which will not and should not qualify. Several routes have ridership figures which are only half what is necessary. To maintain those trains with Federal tax dollars is absurd public policy. It will ultimately result in the destruction of the entire Amtrak system because these routes are such a drain on the entire system.

It is time we recognized that if we are to have Amtrak operate in a responsible fashion we cannot have them operating trains that carry few people. Amtrak must operate trains with riders and be allowed to discontinue trains without riders.

We all know that energy problems are here to stay. We can argue that trains are an important alternative mode of transportation, more efficient than the private automobile. That argument is sound, but only if we are willing to say that the Amtrak route structure should be one that is designed to provide rail service to the maximum number of people.

We need a rail passenger system. H.R. 3996 provides for such a system. Preserving the entire system is an option that will result only in the ultimate elimination of rail passenger service as an important component in our national transportation system.

Mr. MADIGAN. Mr. Speaker, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Speaker, first of all let me thank the gentleman from New Jersey for yielding.

At the outset I may say to the distinguished gentleman from Ohio (Mr. DEVINE), the distinguished gentleman from Illinois is a cosponsor of this legislation with the gentleman from New Jersey (Mr. FLORIO).

With regard to the gentleman's question as to whether or not our deliberations were directed at saving trains for people for political reasons I would like to point out to the gentleman from Ohio that half of the trains that are going to be eliminated under this bill originate in my State of Illinois. Two of them travel north and south through my district each day and both of those trains stop in my hometown. They would be eliminated in this bill that I am cosponsoring with the gentleman from New Jersey, so I can assure the gentleman from Ohio the political trends are eliminated in the bill offered by the gentleman from New Jersay and myself and already passed out of the Committee on Interstate and Foreign Commerce, of which the gentleman from Ohio has been the ranking minority member.

Mr. Speaker, I want to commend the distinguished chairman of the Subcommittee on Transportation and Commerce, Mr. FLORIO, for taking the time to discuss the forthcoming Amtrak legislation. I want to join with him in urging my colleagues to support the bill, H.R. 3996, as it was reported from Committee.

All of us, both in subcommittee and in full committee, worked hard in order to develop legislation which would make Amtrak work better than it has in the past.

As you know, the Secretary of Transportation, submitted to the Congress last January the "Final Report to Congress on the Amtrak Route System," as required by the Amtrak Improvement Act of 1978. That Report, which recommended cutting the Amtrak system by 43 percent, stimulated millions of words of press comment and often heated debate both inside and outside of Congress. The first thing that I want to assure my colleagues of is the fact that the Amtrak reorganization Act of 1979 does not embrace the Secretary's recommendations calling for a 43-percent cut in the size of Amtrak's route system. The Secretary's proposal suggested rerouting or discontinuance of 23 trains. Under H.R. 3996, as reported by the full Commerce Commitee, no more than six long-distance trains will be affected.

Instead of a 43-percent reduction in the route miles of Amtrak, it is my judgment that the bill reported by the committee will result in about a 25-percent reduction in route miles. I realize that some may argue that the committee bill does not reduce Amtrak by enough. Others will argue that the committee bill reduces Amtrak by too much. Personally, I believe that the committee bill arrives at exactly the proper reduction necessary in order to provide modern, efficient and reliable intercity rail passenger service.

Let me take a minute, Mr. Speaker, to address the concerns of those who argue that every train in the Amtrak system should be continued. I asked Alan Boyd, the President of Amtrak, if he could operate the existing system if we provided all the money that he needed. His answer to me was that he could not, under any circumstance, operate the present system efficiently because he does not have the equipment necessary to do so.

What makes the matter worse, Mr. Speaker, is that if we ordered 500 new Amfleet cars today, it is unlikely that delivery of the first car would take place for at least 2 years. There is only one company in America that makes intercity rail passenger equipment, and intercity rail passenger equipment is not a shelf item.

Although Amtrak has almost 560 new Amfleet cars, some of these cars are used on trains like the Hilltopper, which had an average ridership of only 29 passengers during the first 5 months in 1979. Unfortunately, due to braking requirements, all of these trains must carry more than one coach. Once these trains are discontinued their cars can be moved to runs with high ridership and used to displace the older cars on runs like the Broadway Limited and the New York-Florida service. In short, Mr. Speaker, if we do not trim down the Amtrak system in line with the bill reported by the Commerce Committee, we shall simply be giving Amtrak a job it cannot possibly do. Service will continue to deteriorate. Passengers who may ride an Amtrak train once will never become repeat customers.

Mr. Speaker, there is another consideration which is timely when it comes to considering whether or not to freeze the Amtrak in place or to go with the bill reported by committee. That matter relates to the use of energy. As you know, intercity rail passenger trains can be energy-efficient but if there are enough people on the train to justify the use of the heavy locomotives and the pulling of the heavy car.

In May of this year the Congressional Budget Office, in its Natural Resources and Commerce Division, did an analysis on the current and future saving of energy attributable to Amtrak. Let me read from their conclusions:

> Both within and outside the Northeast Corridor, rail appears to be far outstripped by bus in its use of energy. Rail is more energy-efficient than bus only under crisis conditions and when the sole concern is petroleum use—and then only on the Northeast Corridor.

Obviously, energy use is but one of many dimensions upon which the desirability of future Federal spending on passenger rail service should be based. However, in this time of national crisis with respect to energy, we must take energy efficiency into consideration. All of the trains which are proposed to be discontinued by the committee carry so few people that we would actually save energy even if all of the riders were shifted to automobiles.

This does not mean that trains cannot be energy-efficient. Trains which are full do save energy. Under the committee bill Amtrak will have the opportunity to provide the necessary equipment on those trains which have good ridership. To that extent, the energy efficiency of Amtrak will significantly improve under the committee bill.

Mr. Speaker, I fully endorse the bill as reported by the Interstate and Foreign Commerce Committee, H.R. 3996, the Amtrak Reorganization Act of 1979. However, I do plan to offer several amendments which I believe will strengthen the bill. I will insert copies of those amendments and an explanation of the amendments in the RECORD immediately following my remarks.

Finally, Mr. Speaker, let me emphasize that during the last 6 months the Subcommittee on Transportation and Commerce did the most thorough investigation of Amtrak which has been done to date. We worked closely with Mr. Boyd, the president of Amtrak, in studying every conceivable way to strengthen Amtrak, and to provide as much intercity rail passenger service as was humanly possible. I sincerely hope that the work done by the subcommittee and the committee will not be jeopardized by using the politically expedient method of simply freezing the present system in place.

In 1978 the Congress approved a freeze of the existing Amtrak system so that the Secretary of Transportation could first conduct a study as to ways and means for improving Amtrak's route structure. That freeze was costly for Amtrak because it took away from management all flexibility in trying to get trains and equipment into those markets where riders waited to be served. I trust that we will not repeat that mistake this year. Therefore, I urge all of my colleagues to support the bill as reported from committee and resist the temptation of appearing to provide all things for all people. Amtrak can and will succeed in providing this Nation with a truly viable intercity rail passenger system. That success, however, depends upon the committee bill which provides Amtrak with the resources for building toward the future.

Explanation and copy of five amendments that Mr. MADIGAN will offer to Amtrak bill on Wednesday:

EXPLANATION OF AMENDMENT FOR EMERGING CORRIDOR STUDY

Provides: Authorizes $1 million for Amtrak to study the feasibility of the corridor concept for rail service throughout the country in addition to the present Northeast corridor service.

Reason for Amendment: At present, Amtrak owns and operates the Northeast Corridor. There are other corridors emerging throughout the nation such as the San Francisco-Los Angeles-San Diego Corridor and the Detroit-Chicago-St. Louis Corridor. In addition to these corridors, there seems to be a potential for increased service between Dallas and Fort Worth and many other city pairs throughout the country. The purpose of this amendment is to force Amtrak to focus on the potential developing of its market in future years. Such foresight can enable Amtrak to evaluate what kind of arrangement should be made in order to make certain that existing railroad lines continue to be in place when market demands justify expanded corridor service.

AMENDMENT

Page 81, line 2, strike out "and".

Page 81, line 7, strike out the period and insert in lieu thereof "; and".

Page 81, after line 7, insert the following:

"(H) for the cost of the emerging corridors study conducted by the Corporation under section 81 of this Act, not to exceed $1,000,000.".

Page 88, after line 6, insert the following new section:

EMERGING CORRIDORS STUDY

Sec. 126. Title VII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.), as amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC 813. EMERGING CORRIDORS STUDY

"(a) The Corporation shall conduct a study of the feasibility of providing improved, frequent, and rapid intercity rail passenger service in various regions of the nation, other than the Northeast Corridor, where the growth of propulsion densities demonstrates the emergence of corridors in which such service may be warranted. For each emerging corridor identified, such study shall cover—

"(1) a review of available right-of-way, the possibility of exclusive use of tracks for passenger service, grade separation of all vehicle crossings, electrification of right-of-way, and other support facility requirements;

"(2) frequency of service and specialized equipment needs, including demonstration of new technology for equipment, locomotion, and roadbed;

"(3) the potential for intermodal terminals and the integration of corridor rail service with, and the promotion of, commuter rail and other transportation services;

"(4) the capital and operating costs of providing corridor rail service and the opportunities for State, local, or private funding of such costs; and

"(5) the impact of corridor rail service on other modes of transportation and the relationship of such service to the basic system.

"(b) The Corporation shall, within 2 years after the date of enactment of this section, submit a report to the Congress and to the President of the United States setting forth the results of the study conducted under this section.".

EXPLANATION OF AMENDMENT TO CHANGE THE WORD "TAMPA" TO "ST. PETERSBURG"

Provides: This amendment simply provides that the word "Tampa" shall be deemed to mean "St. Petersburg" when it is stated in the Secretary's Final Route System.

Reason for Amendment: At present, Amtrak does turn-around maintenance at St. Petersburg and it is important that the train travel the few extra miles from Tampa to St. Petersburg in order not to disrupt the present system of maintenance.

Page 73, immediately after "subsection." on line 23, insert the following new sentence: "For purposes of this subsection, the reference to 'Tampa' in Table 4–1 at page 4–7 of the Secretary's Final Report to the Congress on the Amtrak Route System, dated January, 1979, shall be deemed to be a reference to 'St. Petersburg'.".

EXPLANATION OF AUTOMATIC TRIGGER FOR PERFORMANCE REVIEW OF TRAINS

Provides: That the objective criteria used in section 117 of the bill should be applied on an annual basis to all trains in the Amtrak system in order to provide a list of trains for the Board to review with respect to the route and service criteria.

Reason for the Amendment: The reason for this amendment is to give the Board some guidance in applying the route and service criteria so that in the future all trains can be treated on an equal basis. It is the intention of the amendment that the Board would use this only as a priority in applying the route and service criteria for possible discontinuance of trains. The route and service criteria would remain the same thereby permitting the Board to take into account other factors such as environment and social need in evaluating whether or not the train should be discontinued.

AMENDMENT

Page 72, after line 1, insert the following new section:

APPLICATION OF ROUTE AND SERVICE CRITERIA

SEC. 116. Section 404(c) of the Rail Passenger Service Act (45 U.S.C. 564(c)) is amended by adding at the end thereof the following new paragraph:

"(4) The Corporation shall conduct an annual review of each route in the basic system to determine if such route meets the criteria set forth in paragraphs (1) and (2) of subsection (d) of this section. If the Corporation determines, on the basis of such review, that a route fails to meet the criteria set forth in such paragraphs, the Corporation shall evaluate such route under the Route and Service Criteria. If the Corporation determines, on the basis of such evaluation, that such route fails to meet the Route and Service Criteria, the Corporation shall discontinue the operation of rail passenger service over such route.".

Redesignate the following sections accordingly.

Page 72, line 5, strike out "is amended" and insert in lieu thereof ", as amended by this Act, is further amended".

EXPLANATION OF TAX CREDIT AMENDMENT

Provides: a. an additional ten percent investment tax credit for railroads which improve track used by Amtrak trains; b. contains a refundable feature so that non-taxpaying railroads can have the same incentive as taxpaying ones.

Revenue Loss: Estimated $40 million per year ($10 million to taxpaying railroads and $30 million to non-taxpaying railroads)

Reason for amendment: Amtrak presently operates over lines of other railroads except in the Northeast corridor which it owns. Often, track conditions are very poor, thereby making it impossible for Amtrak to provide reliable, efficient and comfortable intercity rail passenger service. Since the railroad industry as a whole, exclusive of Amtrak and ConRail, has a shortfall of from $13 to $20 billion between now and 1985 according to a report by the Department of Transportation, it is unlikely that railroads will be fixing up track used by Amtrak trains unless there is some incentive. The tax credit incentive is one which should motivate the railroads to improve track where it will benefit Amtrak trains most. The tax credit provision is for a duration of only three years, thereby encouraging the immediate repair and improvement of track.

Page 102, after line 8, insert the following new title:

TITLE V—TAX INCENTIVES

CERTIFICATION OF QUALIFIED TRACK

SEC. 501. (a) APPLICATION.—Any rail carrier which makes improvements in railroad track which it owns and which is used by the National Railroad Passenger Corporation pursuant to an agreement entered into under section 402 of the Rail Passenger Service Act may apply to the Secretary of Transportation for certification of such track as qualified track for purposes of section 48 of the Internal Revenue Code of 1954. Any such application shall be submitted in such form and contain such information as the Secretary may by regulation require.

(b) CERTIFICATION.—The Secretary of Transportation, upon application under subsection (a) of this section, shall certify railroad track as qualified track for purposes of section 48 of the Internal Revenue Code of 1954 if the Secretary determines that such track is used by AMTRAK or is under contract to be used by AMTRAK on a regular schedule.

ADDITIONAL 10-PERCENT CREDIT FOR RAILROAD ENERGY PROPERTY

SEC. 502. (a) ADDITIONAL 10-PERCENT CREDIT FOR RAILROAD ENERGY PROPERTY.—(1) Subparagraph (A) of section 46(a)(2) of the Internal Revenue Code of 1954 (relating to amount of investment tax credit) is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iv) in the case of railroad energy property, the railroad energy percentage."

(2) Paragraph (2) of section 46(a) of such Code is amended by adding at the end thereof the following new subparagraphs:

"(F) RAILROAD ENERGY PERCENTAGE.—For purposes of this paragraph, the railroad energy percentage is—

"(i) 10 percent with respect to the period beginning on January 1, 1980, and ending on December 31, 1984, or

"(ii) zero with respect to any other period.

"(G) Special rule for certain railroad energy property.—For purposes of this paragraph, the regular percentage shall not apply to any railroad energy property which, but for section 48(q)(1), would not be section 38 property.".

(b) Definition of railroad energy property.—Section 48 of such Code (relating to definitions and special rules) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

"(q) Railroad Energy Property.—For purposes of this subpart—

"(1) Treatment as section 38 property.—For the period beginning on January 1, 1980, and ending on December 31, 1984, any railroad energy property shall be treated as meeting the requirements of paragraph (1) of subsection (a).

"(2) Railroad energy property.—The term 'railroad energy property' means any property—

"(A) which is an improvement resulting from work necessary to provide, construct, reconstruct, erect, alter, protect, improve, replace, or restore qualified track or any roadbed or right-of-way for qualified track,

"(B)(i) the construction, reconstruction, or erection of which is commenced by the taxpayer after December 31, 1979, or

"(ii) which is acquired after December 31, 1979, if the original use of such property commences with the taxpayer and commences after such date, and

"(C) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and which has a useful life (determined at the time such property is placed in service) of 3 years or more.

"(3) Qualified track.—The term 'qualified track' means any track which is certified by the Secretary of Transportation under section 501 of the Amtrak Reorganization Act of 1979.

"(4) When determination is made.—The determination of whether any property is placed in service in connection with qualified track shall be made as of the latest of—

"(A)(i) in the case of property acquired by the taxpayer, the date on which the taxpayer entered into a contract to acquire such property if such contract, on such date and at all times thereafter, is binding on the taxpayer; or

"(ii) in the case of property constructed, reconstructed, or erected by the taxpayer, the date on which the physical work on the construction, reconstruction, or erection of such property began, or

"(B) January 1, 1980.".

(c) Credits With Respect to Railroad Energy Property To Be Refundable.—(1) Subsection (a) of section 46 of such Code is amended by adding at the end thereof the following new paragraph:

"(11) Refundable credits for railroad energy property.—

"(A) In general.—Under regulations prescribed by the Secretary, in the case of so much of the credit allowed by section 38 as is described in subparagraph (B)—

"(i) paragraph (3) shall not apply, and

"(ii) for purposes of this title (other than section 38, this subpart, and chapter 63), such credit shall be treated as if it were allowed by section 39 and not by section 38.

"(B) Both regular percentage and railroad energy percentage refundable.—For purposes of subparagraph (A), the credit allowed by section 38 which is described in this subparagraph is—

"(i) so much of such credit as is attributable to the application of the regular percentage to railroad energy property, and

"(ii) so much of such credit as is attributable to the application of the railroad energy percentage.".

(2) Subsection (d) of section 6401 of such Code (relating to amounts treated as overpayments) is amended by adding at the end thereof the following:

"For rule allowing refund for excess investment credit attributable to railroad energy property, see section 48(a)(11).".

(d) Recapture of additional credit.—(1) Subsection (a) of section 47 of such Code (relating to certain dispositions, etc., of section 38 property) is amended by redesignated paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting after paragraph (4) the following new paragraph:

"(5) Property ceases to be railroad energy property.—

"(A) In general.—If during any taxable year any railroad energy property ceases to be railroad property with respect to the taxpayer, then the tax under this chapter for such taxable year shall be increased by an amount equal to the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from not treating the property, for purposes of determining qualified investment, as railroad energy property (after giving due regard to the period before such change in use.) If the application of this paragraph to any property is followed by the application of paragraph (1) to such property, proper adjustment shall be made in applying paragraph (1).

"(B) Cessation.—For purposes of subparagraph (A), any railroad energy property shall not be treated as ceasing to be railroad energy property with respect to the taxpayer by reason of the fact that the track (with respect to which such property was placed in service) ceases to be, or is not, used for intercity rail passenger service by National Railroad Passenger Corporation.".

(2)(A) Subparagraph (D) of section 47(a)(3) of such Code is amended—

(i) by striking out "PARAGRAPH (1)" in the subparagraph heading and inserting in lieu thereof "PARAGRAPHS (1) AND (5)"; and

(ii) by striking out "paragraph (1), paragraph (1)" in the body and inserting in lieu thereof "paragraphs (1) and (6), as the case may be, such paragraph".

(B) Paragraph (6) of section 47(a) of such Code (as redesignated by paragraph (1)) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (5)".

(C) Subparagraph (B) of section 47(a)(7) of such Code (as redesignated by paragraph (1)) is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (6)".

(e) Effective Date.—The amendments made by this section shall apply to taxable years ending after December 31, 1979.

EXPLANATION OF AMENDMENT TO SUSPEND THE "BUY AMERICA" PROVISION

Provides: This amendment suspends the existing "Buy America" requirement for Amtrak for a period of five years.

Reason for Amendment: The reason for this amendment is that Amtrak has an acute equipment shortage. It simply does not have enough engines or cars to operate the present or proposed system. It takes over two years for Amtrak to get a new passenger car, for example, because there is only one manufacturer in America that makes intercity rail passenger cars. This provision would permit Amtrak to use foreign suppliers during this limited five year period. At the end of the five year period, the full "Buy America" protection would be restored to full force and effect.

Page 89, immediately after line 16, insert the following new secton:

Suspension of Domestic Purchase Requirements

Sec. 128. The requirements of section 305(j) of the Rail Passenger Service Act (45 U.S.C. 545(j)) shall be suspended during the four-year period beginning on the effective date of this Act.

□ 2000

Mr. FLORIO. Mr. Speaker, I thank the gentleman not only for the gentleman's assistance today, but for the gentleman's assistance and cooperation throughout the entire course of deliberations of the committee and the subcommittee and the Congress as well.

To reinforce one of the points that the gentleman from Illinois made with regard to the comments of Mr. Boyd, the president of Amtrak in his interest in not maintaining the existing system without sufficient amounts of financing, I would just like to insert in the Record at this point a letter directed to me, dated July 16 from Mr. Boyd in which he indicates that Amtrak cannot handle the freeze of its current system and he is, in fact, opposed to efforts, however well-meaning, which would in fact do this.

The letter is as follows:

National Railroad Passenger Corp.,
Washington, D.C., July 16, 1979.

Hon. James J. Florio,
Hon. Robert B. Duncan,
Hon. Edward R. Madigan,
Hon. Silvo O. Conte,
House of Representatives,
Washington, D.C.

Dear Congressman: I want to extend to you my personal thanks for your efforts on behalf of Amtrak, and to extend the Corporation's total support for the Commerce Committee Bill (HR 3996) with the regional balance which would be achieved by adoption of the Duncan amendment.

Amtrak cannot handle a freeze of its current system, and I am opposed to efforts, however well-meaning, which would do this. We must have a smaller route system if we are ever to be able to offer the public the level and quality of service it expects and deserves.

Your approach, accepting and enhancing the DOT recommended system, will add enough routes to give both regional balance and a proper service response to the energy crisis.

There is no question but that the picture has changed since the original DOT proposal was sent to Congress, and I believe that both the Appropriation and Commerce Subcommittees have acted wisely and responsibly in addressing the problem. The Subcommittees have also recognized Amtrak's problem that appropriated funds be available before the authorized system be operated. For too long Amtrak has been in the position of having to seek supplemental appropriations to enable it to run the authorized system.

HR 3996, with the Duncan amendment, and the pending action by the full House on our appropriation bill, is designed to end this problem, as well as to give Amtrak long-sought multi-year funding.

The most important thing of all is our capital needs, and your work towards answering these in full measure is what, in my opinion, will give Amtrak the solid equipment base it must have in the years ahead.

To continue the present Amtrak route system would merely exacerbate the service problem which plagues us. HR 3996, with the Duncan amendment, will result in a balanced system providing rail passenger service to every region in the country and insuring that no region will suffer unfair loss of service.

While Amtrak technically has the equipment to operate the current system for another year, that would not give the public the kind of service which would meet our legislated mandate of being comfortable, reliable, efficient and modern. Remaining spread too thin over our current route system is not a viable option. It is certainly not responsive to the expectations of those millions of rail passengers who are now flocking to Amtrak, many for the first time.

I look forward to working with both the Commerce and Appropriation Committees in the year ahead, measuring our performance and planning for the vast changes in transportation patterns that the energy crisis demands.

Sincerely,

ALAN S. BOYD,
President.

● Mr. BROYHILL. Mr. Speaker, in May of 1971, Amtrak began the operation of intercity rail passenger service in the United States. All but two railroads, the Southern and the Denver and Rio Grande, joined Amtrak, thereby being relieved of their obligation to provide intercity rail passenger service.

As I recall, nearly half of the intercity rail passenger service in the United States terminated on the day that Amtrak took over. The reason the service terminated and the reason that Amtrak was created are one and the same. Prior to the creation of Amtrak, the Nation's railroads were losing millions of dollars each year operating rail passenger service which was largely unused but by a small percentage of the public.

The theory behind Amtrak was that intercity rail passenger service had not been given a fair chance. It was argued that over the years the railroads had deliberately tried to discourage people from riding passenger trains and that with the creation of Amtrak, a really fair test could be given to the theory that if passenger trains were clean and reliable, people would ride them. Originally, Congress had intended a 3-year trial period to see if people would flock back to the intercity rail passenger trains.

In 1971, Amtrak's deficit was about $22 million; in 1972, it went to $153.4 million; in 1973, as a result of increased riders during the fuel crunch, the subsidy dropped to $141.8 million, but then in 1974, shot back up to $197.8 million. In 1975, the subsidy for operating the trains had risen to $313.3 million; $406.2 million in 1976; $521.5 million in 1977; over $620 million in 1978; and in 1979, the subsidy will continue to increase unless the House adopts the bill reported by the House Commerce Committee, H.R. 3996.

Mr. Speaker, all of the money that we are spending for an Amtrak which has been overloaded with political trains provides service to less than 2 percent of intercity travelers. Mr. Speaker, it is extremely difficult to justify the expenditures we are making for Amtrak when one recognizes all the other worthwhile claims that the Federal tax dollar has placed upon it.

Last January, when Secretary of Transportation Brock Adams submitted his Amtrak route restructuring plan, I was pleased to see that after 8 years, we had gained enough experience to realize that Amtrak needed to be cut back in order to make the system work better in those areas which really use and needed intercity rail passenger service. I must admit that I was disappointed that the committee added money far beyond that which had been recommended by the Secretary so that many of the trains he had proposed for discontinuance will not in fact be discontinued. Nevertheless, the committee-reported bill is at least $200 million cheaper than if we froze the entire Amtrak system.

Mr. Speaker, I understand that Mr. GORE and Mr. FOWLER will propose an amendment to H.R. 3996 when it is considered on the House floor later this week. Under their amendment, the entire Amtrak system would be frozen into place for at least another year. I am convinced that amendment would be unwise. It would be unwise both from the standpoint of cost and energy efficiency.

The bill which was reported by the committee represents the first cutback of Amtrak since its inception. The committee did not choose to cut back Amtrak because the majority of the committee were opposed to Amtrak, but rather as a means for saving Amtrak. I understand from the ranking minority member, Mr. MADIGAN, that the president of Amtrak, Alan Boyd, has clearly told him that he cannot operate the existing Amtrak system efficiently with the equipment he now has. He has further told Mr. MADIGAN that at least 2 years will elapse before new equipment could be on line. I would suggest that even for those who support a large and expanded Amtrak a prudent cutback at this time will assure better performance by Amtrak, thereby gaining credibility for expansion at a future time.

Mr. Speaker, I intend to support the bill as reported by the committee, but want to assure my colleagues that I could not support the bill if it were to freeze the present Amtrak system, thereby costing the taxpayers an additional $200 million and eliminating any chance for improved Amtrak performance.

● Mr. DUNCAN of Oregon. Mr. Speaker, this week the House will consider the authorization bill for Amtrak, H.R. 3996. The House will also consider this week the appropriations bill for Amtrak and other transportation related agencies.

The Appropriations Committee upon which I serve held extensive hearings on the appropriate funding level for Amtrak. During the course of those hearings it became apparent that there is substantial support for intercity passenger trains.

The reasons for this support in view of the extremely high price tag which is associated with Amtrak are somewhat mystifying. On most of Amtrak's long distance routes the subsidy per passenger is so large that it would be cheaper for the American taxapayer to fly the Amtrak passenger round trip and provide hotel accommodations than to subsidize the trip on Amtrak.

Since it was obvious to me that the existing Amtrak route system was not justified on an economic basis, the only viable alternative justification was that it could make a contribution to our energy problems. The testimony that we received during our hearings on this issue was conflicting. I, therefore, requested the Congressional Budget Office to determine whether Amtrak could now or in the future make a contribution to this country's energy problems.

The CBO study concluded that passenger train service other than in heavily patronized short distance corridors between large population centers are less fuel efficient than the automobile and much less efficient than the intercity bus. Amtrak is not a satisfactory alternative in the event of a real energy emergency. Amtrak now carries only 3 intercity passengers in 1,000 and even if every Amtrak train were filled to standing room only Amtrak could carry less than 1 intercity passenger in 100.

Only a few ride the long-distance trains regularly. More will use it as a pleasant alternative on rare occasions. But many love and support them.

I have concluded that the real basis for the wide support of Amtrak's long distance trains is probably the long love affair that Americans have had with trains resulting from the past role of the train in the settlement and development of our country. And are associated with nostalgia for the simpler, less complex days of the past.

The concerns of our citizens for energy and energy-related problems are second only to their concern for the devastating impact of inflation and the widespread demand for a balanced budget and greater restraint on Federal spending. I personally believe that the high costs associated with the operation of an extensive national passenger train network and the inability of long distance passenger trains to save any energy, mean that an extensive Amtrak route structure will be inconsistent with our future policies to address the principal problems now facing this country: energy and inflation.

I further believe that Amtrak has a real and valuable service to offer in the heavily traveled corridors around the country—routes connecting major population centers around 200 miles apart where the trains are more energy efficient and where the patronage is high and we need the capacity. But politically this is not practical today. People perceive the train as important in an energy crisis. Consequently, I will not oppose the route system which would be established by H.R. 3996, and I will support both the operating and capital needs of the authorized system if the Florio bill is amended as outlined.

When the authorizing bill is considered, I intend to offer an amendment to the bill which I believe will remedy unintended inequities which might result from the provisions of H.R. 3996 as presently drafted.

Briefly my amendment would add criteria to the bill to permit the addition of short distance trains where the ridership and financial performance of such trains justifies their continued operation.

It seems to me that if we are going to add long-distance trains to the Amtrak system as a result of the recent increase in ridership resulting from the gasoline shortage, then it only makes sense to permit heavily patronized short distance trains to be added as well.

As I have already indicated during the course of our hearings on Amtrak, I became impressed by the fact that passenger trains are most effective from an energy, an economic, and an environmental standpoint, when they operate over relatively short distances (150 to 300 miles) between major population centers. I believe that the future for Amtrak lies in the service it can provide in these short distance corridors.

My amendment also addresses another potential inequity in H.R. 3996.

Amtrak has estimated that if the DOT route structure recommendations are implemented, 71 percent of Amtrak's operating costs will be incurred on service east of the Mississippi. This means that only 29 percent of Amtrak's costs are for service west of the Mississippi. Our subsidy follows those costs. Additionally, we are all aware of the high costs involved in the modernization and upgrading of the Northeast Corridor.

My amendment assures that no geographical quadrant of the country is shortchanged in the final selection of the basic Amtrak route structure.

Finally, I would like to join my colleagues Mr. FLORIO and Mr. MADIGAN in their strong opposition to the continued operation of the present Amtrak system.

The additional costs associated with freezing the system are exorbitant and not cost beneficial. It appears from DOT estimates that the additional operating costs would be close to $100 million. Of course, there would also be greatly increased capital costs.

Because of the critical equipment problems confronting Amtrak, a frozen system would be the worst thing that could happen to intercity passenger train service. We cannot serve a 27,500-mile system with an average daily train consisting of 1,200 cars and no immediate prospect of acquiring enough new cars to even begin to meet the need.

Amtrak agrees that it is absolutely essential to get rid of the worst routes on the system in order to consolidate capital resources and to concentrate on providing quality service over a route system which is not impossibly large.

Freezing the system would severely limit Amtrak's ability to put its good equipment where its best markets are and to improve its service to the public and its financial performance.

I have taken this opportunity to put my thoughts on the record because I want my colleagues to support my amendment to H.R. 3996, and I want them to know the reasons for my amendment, the context in which it is offered, and my views on the future role for Amtrak.●

● Mr. LEE. Mr. Speaker, I want to take this opportunity to encourage my colleagues to support H.R. 3996, the Amtrak Reorganization Act of 1979 when it is considered by the House on Wednesday. I have had the opportunity to work with Mr. FLORIO, chairman of the Subcommittee on Transportation and Commerce of the Interstate and Foreign Commerce Committee, and Mr. MADIGAN, the ranking minority member of the subcommittee, in fashioning what I believe to be a well-balanced bill which will assure a strong Amtrak.

Mr. Speaker, I arrived in Washington at about the same time Secretary Adams submitted his final report on Amtrak restructuring. Without getting into all of the details of that report, let me say that I found two things about it particularly disturbing. First of all, I was disturbed by the size of the cut in Amtrak service which had been suggested by the Secretary. Second, I was concerned about the fact that the Secretary had not recommended any specific legislation for making Amtrak management perform better. Quite frankly, my initial reaction was to support the disapproval of the Secretary's report.

Once the subcommittee got into the details surrounding the Secretary's report and the details surrounding Amtrak operations, it became clear to me that an outright disapproval of the Secretary's report would achieve very little. In fact, it would achieve nothing except the status quo which simply does not work.

I was particularly pleased when Mr. MADIGAN introdouced H.R. 3768 which was a bill that took a comprehensive approach toward solving Amtrak's problems. The Madigan bill established specific goals for Amtrak so that Congress could measure Amtrak's effectiveness in the future. The bill also instituted a number of management improvement programs designed to make Amtrak more effective in managing this Nation's intercity rail passenger service. The bill also undertook a series of measures designed to eliminate the lack of cooperation between Amtrak and the Nation's railroads which at times has been disgraceful.

When the subcommittee met to consider Amtrak's authorization, most of the Madigan proposals were incorporated into the bill. For example, H.R. 3996 establishes specific goals for Amtrak so that we in Congress can better tell how well Amtrak is performing and more importantly so the Amtrak Board of Directors and the Amtrak management will know what we expect of them in advance. For example, you will notice that in section 103 of the bill, there are six specific goals which in essence say, "Amtrak, you must do better than you have in the past."

The first goal requires improvement of on-time performance by at least 50 percent within a 3-year period beginning on the date of enactment of the bill.

The second goal requires implementation of schedules which will provide a systemwide average speed of at least 60 miles per hour.

The third and perhaps most important goal requires Amtrak to cover at least 44 percent of its operating expenses in revenues by the end of fiscal year 1982 and 50 percent by the end of fiscal year 1985. This is particularly significant when one consider the fact that at present Amtrak obtains less than 35 percent of its operating expenses from the fare box. This goal is saying to Amtrak in clear and certain terms that the Federal subsidy for Amtrak should not be more than 50 percent. There are also goals to improve the State-subsidized program, to have rail carriers cooperate more with Amtrak, and for Amtrak to improve its performance by instituting programs which will produce more dedicated employees.

Sections 106, 107, 109, and 110 again lay out in clear terms what Congress expects of Amtrak by requiring the institution of an operational improvement program, a regional maintenance plan, a performance evaluation center, and periodic adequacy of service reports. In essence, these provisions are saying to Amtrak, you must do a better job and here are specific programs which will help you do that better job.

The committee was also concerned that railroads themselves cooperate more with Amtrak in order to make it work. Mr. MADIGAN had proposed a National Carrier Coordination Committee so that we could better get the cooperation and expertise railroads have to offer in helping Amtrak do a good job. The National Carrier Coordination Committee is established under section 124 of the bill and puts the managers of America's railroads in direct contact with the Secretary of Transportation in order to work out problems before they occur and make recommendations necessary for efficient, modern, and reliable intercity rail passenger service.

It will become increasingly important for rail carriers that Amtrak in fact does work well. Section 113 of the bill for the first time introduces the concept of penalties which Amtrak can apply against railroads who fail to live up to the terms of their contract in getting trains between stations on time. Mr. Speaker, H.R. 3996 has a lot more in it than simply the provision of money for the continuation of Amtrak. I believe that H.R. 3996 institutes extremely important changes in the relationship between Amtrak and the Congress. Gone are the days of uncertainty and wishful thinking. After 8 years of operation, the time has now come for Amtrak to significantly improve and for Congress to use restraint in saddling Amtrak with trains that carry few or no passengers.

It is my understanding that there may be an effort on the House floor when this bill is considered to freeze the present system. I shall oppose that amendment. The bill reported out by the committee represents months of hard work by members who want Amtrak to be successful. The bill places the welfare of Amtrak's future above any short-term gains that may be had by adding uneconomical trains to the Amtrak system.

I urge all of my colleagues to join with me in supporting H.R. 3996 as reported by the Interstate and Foreign Committee when it is considered on the floor later this week. I can think of no better way for us to restore confidence to this country as urged by the President in his address last night than to face problems realistically and decisively act. H.R. 3996 represents a realistic and decisive remedy for Amtrak's present woes.●

LEGISLATION TO PREVENT FUTURE DISTILLATE EMBARRASSMENT AT DOE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, Secretary of Energy James Schlesinger reportedly said recently that he was "embarrassed" by the diesel fuel shortage which developed this spring. He should have been. His agency was woefully unprepared to deal with it and, in fact, did not even know it existed until it was too late.

It is the responsibility of the DOE to know how much fuel is available throughout the Nation. Yet, last April when oil jobbers in my district informed me of the serious diesel fuel shortfall in Iowa and the Midwest, and I asked Department of Energy (DOE) officials what they planned to do about it, their repeated reply was "What shortage?" DOE officials denied the existence of the inordinate diesel shortfall which State energy officials predicted would disrupt the crucial spring planting season.

It has become obvious that the DOE possesses no reliable distillate market survey service. Instead, that agency merely reviews oil company supply projections and State-by-State usage levels from last year. No attempt is being made to predict shortfalls. Each State must develop its own market formula in order to predict any energy shortfall that may occur.

The DOE distillate monitoring system has at least three serious problems: First, the projected shortfall figures are woefully inaccurate; second, State-by-State shortfall comparisons are difficult; and third, it takes 2 months to get the actual supply/demand figures for a State.

By the time the DOE comes to recognize a distillate shortage, it is often too late for an effective response. This spring, only the wise use of the State distillate set aside programs and the beneficence of a few suppliers pulled the Midwest through the planting season relatively unscathed.

But during the harvest and the winter heating seasons, the Midwest and the Nation may not be so fortunate. The confusion about the existence of a shortage may mean a dangerous delay in any effective action to avert severe shortfalls in some sections of the country. An unfinished harvest and unheated homes could well result.

Therefore, I am today introducing legislation to prevent any future distillate embarrassment at the DOE. My bill would establish a Federal distillate monitoring system within the DOE to guarantee the uniformity and accuracy of reporting that is necessary for proper regulatory action.

This measure sets up strict monthly deadlines for DOE reporting of the distillate refining level, the wholesale and retail supply, and the demand picture for each State. The bill would establish a State-by-State breakdown of the data. In addition, the legislation would set up a mid-month review program so that the DOE would have accurate figures on a routine and timely basis. That way supply-short States can be identified and quick action can be taken to avert a severe shortfall.

It is time to put the confusion about distillate supplies to rest. With the onset of the harvest and heating seasons, the country can no longer afford to shoot in the dark when it comes to projecting distillate shortfalls. This bill would shed light on the distillate supply situation so that speedy action can be taken to relieve any inordinate hardship that may occur.

The text of the bill follows:

H.R. 4808

A bill to provide for the collection and publication of information on middle distillate supply and demand within each of the States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) not later than 60 days after the date of the enactment of this Act, the Secretary of Energy shall establish and maintain a data collection program for monitoring, at the refining, wholesale, and retail levels, the supply and demand levels of middle distillates on a monthly basis in each State.

(b) The program to be established under subsection (a) shall provide for—

(1) the prompt collection of relevant demand and supply data under the authority available to the Secretary of Energy under other provisions of law;

(2) making such data available to the Congress, as well as to appropriate State agencies and the public in accordance with otherwise applicable law, beginning on the 5th day after the close of the month to which it pertains, together with projections of supply and demand levels for the then current month; and

(3) the review and adjustment of such data and projections not later than the 15th day after the initial availability of such data and projections under paragraph (2).

(c) For purposes of this section, the term "middle distillate" has the same meaning as given that term in section 211.51 of title 10, Code of Federal Regulations, as in effect on the date of the enactment of this Act.

SEC. 2. The program under the first section of this Act shall not prescribe, or have the effect of prescribing, margin controls or trigger prices for purposes of the reimposition of price requirements under section 12(f) of the Emergency Petroleum Allocation Act of 1973.●

ANDERSON SUPPORTS PRESIDENT'S ENERGY ADDRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ANDERSON) is recognized for 5 minutes.

Mr. ANDERSON of California. Mr. Speaker, like most Americans, it was with great anticipation that I watched, and listened, as President Carter addressed the country last night.

I commend the President on his statement. Winning the war on energy will be a test of our national will. It is a war we cannot lose, and I certainly feel that the President has mapped out the basic strategy for victory. This will not be a quick victory, nor an easy victory. Few great achievements have ever come quickly or easily. And energy independence is probably the greatest challenge to overcome in the last quarter of the 20th century.

If the basic principles for winning the war on energy have been put before the country, we must now see the details for their implementation. I fully support the President in his determination that we import oil at a rate no greater than we did in 1977. And he has pledged that we will actually reduce our imports of foreign oil, and so our dependence on other nations. This must be done, and it can only be done with the support of all Americans. For Americans to work together on this under the President's leadership, he must now determine a firm schedule that will be met to reduce our dependence on foreign countries for the energy America needs to maintain its strength. We must achieve this independence, and resolve that we will never again derive such an integral part of our strength from resources that lie outside the Nation's boundaries.

The United States must take the forefront in developing all other energy-related technologies. This Nation must develop a system of community transit that will assure us mobility without, and away from, the automobile. And, as the President said, we must be sure that the poor in our country do not carry a disproportionate share of the burden that all of us ought to bear together.

In our age of proposition 13, each of these goals comes with a significant price tag. But simply because the price tag of a failure to achieve them is much, much greater than the cost needed to assure their success, they are goals that must be attained. And they must be financed, at least in part, with a potent excess profits tax on the oil companies.

There are other steps that can be taken without incurring additional costs. We must reduce our personal consumption of precious fuels. I will support a standby gasoline-rationing plan that is a component part of an ambitious national energy policy. The President's proposed Energy Mobilization Board would be part of this plan, and could actually result in cost savings by cutting through the redtape that delays needed, cost-effective energy-related projects. Those of us from southern California who have been following the development of the SOHIO pipeline, know just how frustrating, and damaging, these delays can be. If an Energy Mobilization Board had been in existence a year ago, construction of the pipeline could already have begun.

All Americans will pay for our war on energy. Payments will be made in the currency of reduced energy consumption, and we will also pay through increased fuel costs. It would be worse than useless, it would be counterproductive, to deceive ourselves by ignoring these realities. The President has faced these realities in a forthright manner.

So, Mr. Speaker, I do applaud the President on the forceful address he delivered last night. Indeed, he has proposed that we push ahead in a direction I have been pursuing for many years. I would like to include for the RECORD, a statement I prepared this spring which advocated programs similar to the President's. Therefore, I certainly look forward to hearing him elaborate on proposals for implementing these programs, and to working with him on their implementation.

Mr. Speaker, the President can lead us into this war on energy, a new battle for independence; but it is a war that can only be won with the full support of the American people. The policies he has outlined merit our support.

The material follows:

ANDERSON SPEAKS ON ENERGY CRISIS

Ladies and gentlemen, our nation is certainly in the midst of an energy crisis. This is not a new development, although it does seem that widespread public recognition of the gravity of the situation is just now growing. The truth is, that this crisis has long existed, even before the price of gasoline rose to 75c a gallon. Unfortunately, it has taken the recent price hikes to create a real awareness of the situation. And it is this awareness that is a necessary first step to a solution.

Seven years ago, even before we all had to wait in line for gasoline, I was making statements here on the floor of the House alerting our colleagues to the fact that then, in 1972, we were threatened with an energy crisis. In 1972, I tried to break open the Highway Trust Fund to allow those revenues to be used for mass-transit in urban areas. At that time, this notion was unheard of. Highway Trust Funds, which come partly from the tax each of us pays on every gallon of gasoline we buy, could then be used only to build new roads, that more automobiles would use to consume increased amounts of gasoline. And this was at a time, as I then pointed out, that we were already a petroleum-deficit nation. Since 1967, U.S. demand had exceeded our supply. But too many refused to listen at that time, and my mass transit proposal was not acted upon. Even a more modest suggestion that would have allowed Highway Trust Funds to be used for bicycle paths was routinely defeated. Certainly, the interests of our auto manufacturers and the oil companies did not coincide with my efforts, and what I thought to be the interests of the American people.

The following year, 1973, after a long struggle, we did win the fight to allow the funding of mass transit programs with revenues from the Highway Trust Fund. It was also in 1973 that I became active in the fight to require the U.S. government fleet of autos to be more fuel-efficient. I saw no need for the taxpayers money to be spent on gas-guzzling automobiles and the large amounts of fuel that they drink.

I remain committed to these goals. We must be sure that wherever an American goes, particularly in urban areas where this is most feasible, he or she has the option of utilizing some form of community transit. And when we do have to drive ourselves, we ought to be doing it in more fuel-efficient cars.

Here in Los Angeles County, we are very spread out. But because of the density of our population, rapid transit will, I am sure, prove to be practical. Recently, I helped the Southern California Rapid Transit District acquire 1200 new buses, modernizing their fleet to make bus transit more attractive than the alternative of paying higher prices for the precious gasoline that allows us to drive to work each morning.

The option of community transit must be made available and attractive. This ought to be a national priority. The National Transportation Policy Study Commission, of which I am a member, will be recommending that a mechanism for funding a mass-transit trust-fund be developed. We can't allow ourselves to continue our old habits of driving single-occupant gas-guzzlers as we make our rounds to work and market. Because not only will we feel it in our pocketbooks when we go to buy gasoline, but the effects of a continued growing dependence on foreign oil will pervade most every aspect of our daily lives. And you can be sure that it will not have a positive effect.

The first law of economics is that of supply and demand. If we can increase our national supply of energy to the point where it exceeds demand, foreign oil companies will have no other choice than to lower their prices. But until that day comes, they can ask virtually whatever price they want.

The price will continue to increase for the petroleum that is used in manufacturing the clothing we wear, causing prices to rise. Oil is needed to produce the plastic goods we use in the house, so the cost of these, to, will go up. Even the prices of food and medicine will increase as a result of higher oil prices.

And as the price of oil goes up, we will find that our international trade deficit problem grows worse, cheapening the value of the dollar. We will need to send more U.S. money overseas to acquire an equal amount of goods. Foreign nations will be able to use this new wealth, formerly U.S. wealth, to come back here and invest on our own shores.

We hear so often people attributing our inflation and economic woes on the labor movement, or the cost of government regulations. These factors pale in comparison to the contribution that the higher cost of oil is making to the problems of our economy.

There are several ways we can reduce our dependence on those countries controlling oil prices. Community transit is an excellent starting point which holds vast potential. And with each passing day, I am becoming increasingly convinced that our nation should embark on a massive program in the research and development of alternative energy sources. One of the most exciting, productive, and successful endeavors our nation has ever undertaken, was the exploration of the vistas of outer space. The establishment of NASA in the 1950's, through its glory days of the 60's, and ongoing success of today, has demonstrated the great potential we have in our government for dealing with technological problems. The benefits from NASA have been great, and are making our lives better everyday. We should now put our American scientific knowhow to work in exploring new ways to power our country. The need is evident. The United States must maintain the independence she has worked for over the past 200 years.

Further development of community transit . . . a NASA-like energy program; eventual energy independence. These are unquestionably worthy goals, but we must not deceive ourselves, they are also expensive goals. But they are goals, and this is a challenge, that we cannot afford to pass by. Still, where will the money come from to meet this challenge? Like many people in California and the nation, I recognize the need for controlled spending. Indeed, I have authored a Resolution amending the Constitution to provide for a balanced budget. So we must ask again, what will be the source of this money?

The President, of course, has announced his intention to decontrol the price of domestic oil. This should provide American oil companies with the incentive to explore and discover new supplies of oil on our own soil by allowing them to raise their prices. The argument has been made that the oil companies could not afford the expense involved in looking for new oil, if they would only receive the old, controlled prices at the pump. So now, they will be able to charge more for gasoline and other oil products.

Some of us, however, believe they should not be allowed the new, higher profit on already existing oil. We believe this excess oil company profit is a windfall, created solely by change in government policy, and should be heavily taxed to benefit the consumer. And the beauty of this windfall profits tax is that it can not be passed along to the consumer. Under decontrol, the price of domestic oil will increase to the same level as foreign oil. If domestic oil producers try to increase their prices above this level to compensate for the new windfall tax, their prices would exceed that of foreign oil, and so their sales would drop off.

It has been estimated that over the next three years, the government will recover $5 billion in windfall profit taxes alone, and an additional $6.5 billion in additional oil producers' income tax, for a total of $11.5 billion in new federal revenue. It is this tremendous sum of money that should be tapped to help finance projects that will make us less dependent on foreign oil producers.

If Congress fails to enact a windfall profits tax, it will be failing the American people.

Not only will this tax help fund energy programs important to the nation's future, it will help stall the American oil companies' persistent efforts to branch out into new energy fields. Right now, the development of alternate energy sources holds out the promise of freeing the American people from not only the grip of foreign oil producers, but from American oil companies as well. New sources of domestic energy should be in new hands if there is ever to be real competition among producers. We cannot allow the seven sisters of oil to extend their control to all energy sources. A NASA-like government research program on alternate energy would facilitate this by making newly discovered technology-intelligence available to all potential entrepreneurs.

The windfall profits tax will also help prevent the oil companies from using their huge new revenues to expand into totally unrelated fields, witness the much publicized Mobil Oil takeover of Montgomery Ward's. There has been some concern that the oil companies are willing to accede to OPEC whim for their mutual short-term benefit, believing that in the long-run, their interests will be in areas other than oil. We must disabuse them of that notion. We must let the oil companies know that their future economic well-being depends not on the retailing or timber industries they may have bought into, but on the oil industry.

Governments too must revise some of their thinking. There have been times when private industry has been ready to move on something they think will be profitable and in the public interest, only to find themselves wound up in red-tape. The people of Long Beach approved the SOHIO pipeline project in a popular election that followed vigorous debate by both its sponsors and opponents. An estimated $52 million was invested in the project by SOHIO. At every turn, however, they have found themselves obstructed by regulations and delays imposed by state and regional governments.

The President has pledged to work to remove the remaining roadblocks holding up the pipeline. It is important that he is successful in his efforts.

But the responsibility for solving the energy crisis does not lie solely with the government or the oil companies. Part of the responsibility for solving the problem lies with each American. Americans must not just say they support community transit; we must demonstrate support by using it. We should leave our cars at home whenever possible, and car-pool when it's not. If one can walk to where he is going, he should do so. In Washington, I happen to live only about a mile away from the office, so I walk to work most every day.

Like community transit, car-pooling, bicycles and fuel-efficient autos, walking will not only help our country become independent from other nations, it's good for our environment, too. And, of course, bicycling and walking can both provide us with the healthy exercise we need.

All Americans ought to be thinking, and talking, and acting on ideas such as these. We ought to turn up our thermostats this summer, and make sure our homes have proper insulation. We must conserve energy wherever we can. The energy crisis is one we all share together, and will need to beat together.

The energy crisis is real. It is not something created by special interests for their own benefit. Indeed, we must be sure that they do not benefit from our plight. The time has passed for symbolic attempts at controlling the problem. The time has passed for pat-responses and half-answers. The buzz words and glib phrases of yesterday did nothing. We must be willing to take decisive action and make sacrifices today. Because if we don't, those same sacrifices will seem like luxuries tomorrow.

HAPPY 86TH BIRTHDAY TO DOROTHY FULDHEIM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 60 minutes.

● Mr. STOKES. Mr. Speaker, recently, Cleveland's one and only Ms. Dorothy Fuldheim celebrated her 86th birthday. As many of you know, Ms. Fuldheim is one of the leading television commentators in America.

During my entire career in Congress, I have never had the thrill that I have today in addressing the House of Representatives regarding this extraordinary lady.

I am proud to say that she is a longtime friend of the Stokes family. She is also one of the most ardent supporters of my brother, Carl B. Stokes, former mayor of Cleveland, Ohio, and myself.

On Friday, July 13, 1979, I had the pleasure once again of being interviewed by this world-renowned and celebrated television personality. It was on this occasion that I learned of her "Ode to the House I Live in on My 86th Birthday." This moving and highly emotional prose work was published in the Cleveland metropolitan newspapers.

The prose work touched both the hearts and minds of Clevelanders from every walk of life. As a result, over 16,000 copies of this ode have been requested.

Therefore, Mr. Speaker, I would like to take this opportunity to bring Ms. Fuldheim and her work to the attention of my colleagues in the House so they can share my appreciation for this remarkable human being. I am also furnishing my colleagues with her biography so they might have a fuller appreciation for her imcomparable accomplishments.

At this time, I would like all of my colleagues to join me in wishing Ms. Dorothy Fuldheim, the grand lady of Cleveland, a belated happy 86th birthday.

The material follows:

An Ode to the House I Live in on My 86th Birthday

The house I live in is 86 years old. It has lost some of its original color, much of the red and pink is gone, and the white is not as white as it used to be. It doesn't stand quite as straight—it seems to have sunk a little and sometimes it tilts slightly. But its heating apparatus, its disposal plant, its illuminating system all are functioning remarkably well.

It has talked with many people all over the world—from Chinese cooks to the priests of Bangkok. The house I live in travelled extensively, and still does, though more infrequently. It has been fanned by the perfumed winds of Hawaii, and made thirsty by the deserts. It has tasted of the foods of all people—from the Scandinavian to the Hindu food.

Its windows have looked upon God's earth—from the villages in Spain to the glories of French art; it has looked out on the Swiss mountains and the Russian steppes. Through these windows my house gazed into the heavens and once watched the first human being step out into space and walk on the moon.

That house, which I inhabit, has heard music singing the sonorous sound of the great masters—from Bach to Ravel. That house has talked to the great and the insignificant, to world-famous individuals and to humble people.

My house has rumbled with delight and been shaken with laughter at the Bob Hopes and the Jack Bennys of the world, and the gaiety of my friends over the years.

That house has looked upon Albert Einstein, and felt the warmth of his handshake. My house, that I inhabit, has known the sweetness of tender love and been torn with stormy, glorious and ecstatic passion.

My house has been with friends and known quiet smiles and serenity, and torn with sobs for friends who left this strange and absorbing planet, even as you and I must someday, but whose memory is stored away in the computer which runs my house.

This house has known agony, and has been repaired by specialists so that it is whole again, able to withstand any storms. Sometimes the house creaks as though old, but always it has stood sturdy and staunch, withstanding pain, storm, snow and rain.

It has stored away secrets revealed to it, and treasured. The attic is full of memories, someday in a leisure hour to be taken out and remembered.

Its brain is its most important room, for here are to be found new ideas, concepts, contents of books, philosophies, poems, the treasures of the world in print, and been awed by knowledge of the expanding universe. It is like an expanding library—each new idea creates more room for other ideas. It is the one room in my house that attests to my relationship with divinity.

In another chamber, known as the heart room, are all the loves, the compassion, the hurts, the triumphs, the exquisite passions for those I love. This is a sacred room, for it has known happiness and sorrow. Its colors are radiant yellows and golds, somber greys and blues.

I look at the house and I see an aging house, needing a coat of paint, but covered with the bushes and trees of experience, willing to stand sturdy for more years.

Eighty-six years ago my parents gave me a deed to this house with the understanding that I use it and enrich it. I have done so, and I think that on this day it deserves my thanks for giving my spirit a resting place where I could see and hear and feel and love and learn.

It is a house now crammed with many memories, but still stands staunch and valiant waiting the years until it must finally be closed with a sign saying sold to God.

Dorothy Fuldheim is one of the unique personalities of the television world, as close to the "universal woman" as anyone can become. This remarkable woman started a new career at the age of 54 in an unchartered profession—television. She was the first woman in the nation to have a news show of her own; and in a period when no woman was in news, she broke the barriers for women and is now the foremost woman news analyst in the nation. A listing of what she has not done in the medium would be briefer than a complete inventory of her activities and accomplishments.

A TV veteran with 30 unbroken years on the air, she currently gives a nightly commentary. Her subject matter covers the total span of issues from politics to ecology, from the arts to economics. Her erudition and breadth of concern astound and enlighten her audiences; her ability to perceive and communicate the essence of an issue have become legendary.

Miss Fuldheim has won numerous awards including those of the United Press International for editorial excellence, the Governor's Award, the Overseas Press Club, the Cleveland TV Academy Award, Ohio Senate Award, Theta Sigma Phi Award, and others too numerous to list. A world traveler, she has made a point to be in the thick of things in China, Israel, Egypt and elsewhere. Ten thousand trees have been planted in her name on the hills of Judea. She has interviewed an astonishing number of world leaders from Hitler to Toynbee, from Madame Chiang to the Kennedys; the number of her encounters is counted in the thousands.

Among her books are: "Where Were the Arabs?", "I Laughed, I Loved, I Cried," "A Thousand Friends," and "Three and One-Half Husbands."

She has received a number of honorary degrees (Doctor of Humanities) and a theatre in Cleveland is named after her, known as the "Dorothy Fuldheim Theatre." A scholarship fund for a chair in the communicating arts has been established in her name at Cleveland State University.

Whatever she essays, it has been observed, is marked by strong opinions, brilliance of expression, trenchant wit, total integrity and deep human involvement. She has fearlessly supported causes although they may not be popular, and has gained a reputation of absolute integrity.

Dorothy Fuldheim Is a Big Name on the American Platform and Is Frequently Described as the "Best Informed Woman on an American Platform"

A recent Gallup poll named Dorothy Fuldheim among America's Most Admired Women. She has received dozens of awards in recognition of her courage and brilliance.

She is widely traveled, for she has wandered over the face of the earth seeking to find out more about people and their hopes and dreams. Her erudition is staggering. She can discuss the gold standard and with equal knowledge, cybernation and the latest books.

In Hong Kong she filmed an exclusive interview with two brain-washed Americans just released after 3½ years in a Chinese Communist prison. (The film is now in the Library of Congress.) She was in Israel and Egypt at the outbreak of the Sinai campaign, dodged bullets and tore her suit on barbed wire in Cyprus, and unexpectedly shared a Cairo Hotel room with lizards. She has been through the riots of Hitler's Nazis and has been shot at during Palestine's War of Independence.

She is besieged through mail and telephone by people in distress who need help or want to air their opinions. Truck drivers call out to her when they see her in the streets. Taxicab drivers discuss the events of the day with her. To walk down the street with her is an experience, for she is everyone's friend; everyone knows her and hails her. She has given thousands of lectures from New York to Seattle. Her wit can be devastating and her eloquence has made many an audience weep.

Her penetrating nightly analysis of the news is widely watched and creates discussion pro and con. Her audience is as loyal as it is large and those who most vehemently disagree with her are amongst her avid viewers.

DOROTHY FULDHEIM IS A BIG NAME ON THE AMERICAN PLATFORM AND IS FREQUENTLY DESCRIBED AS THE "BEST INFORMED WOMAN ON AN AMERICAN PLATFORM"

Dorothy Fuldheim has interviewed Hitler; Albert Speer; the Duke of Windsor; the Shah of Iran; Beatrice Lilly; John, Robert and Ted Kennedy; James Hoffa; Toynbee; Truman; Madame Chiang; Barbara Walters; Willy Brandt; Helen Keller; Muhammad Ali; Nixon; Governor Reagan; President Carter; Senator Humphrey; Nelson Rockefeller; Artur Rubenstein; Lorin Maazel; Carol Channing; Bob Hope; Tennessee Williams; was stood up by Nasser of Egypt; covered the 1967 war; had a hilarious experience with Zsa Zsa Gabor; threw Jerry Rubin off the air; had an exclusive interview with the first brainwashed American prisoners released by Red China (interview now in the Library of Congress,) and a thousand more.

Miss Fuldheim's position in the communication world is so unique that Kent State University has set up a collection of her papers, writing and experiences.

"What is Dorothy Fuldheim interested in?" Everything and everybody. She travels everywhere from Europe to the Middle East to the Orient. She takes a stand on every hot issue from inflation to politics. She's talked—and talked back—to the most famous and infamous newsmakers of our time.

"She can astound with her brilliance and erudition, dazzle with her wit, stir admiration with her courage and integrity. And, of course, with all her fire, she might sometimes burn you up. But one thing is certain: The Thinking Man's Redhead Will Never Leave You Cold. She's one of the Newsbreakers."

WHAT THEY SAY ABOUT HER

"Dynamic," "Integrity," "Brilliant," "Witty," "Charming," "Eloquent"—these are the adjectives used to describe Dorothy Fuldheim, one of the most exciting talents on television. She appears nightly with an editorial on the Cleveland ABC television station and has been appearing for an unbroken 32 years and is the only woman analyst on television. Her name has become a household word, and she has become a legend in her own lifetime and is considered one of the most influential women in Ohio.

"Cleveland Star: If Cleveland has one honest-to-goodness celebrity, it has to be Dorothy Fuldheim, the Grande Dame of the press corps with brilliant red hair and flamboyant clothes" . . . Women's Wear Daily

"There is not, literally a subject upon contemporary interest about which Dorothy Fuldheim has not prepared herself . . . A small statured woman, endowed with a singular captivating personality, and a brilliant and resourceful mind, and an integrity of mind and heart rare in these tempestuous contemporary times, has so totally and universally placed herself into the hearts of so many diverse people—and deeply into their minds and thought processes" . . . Louis Selzer

"La Fuldheim was little short of sensational in her introductory and following remarks carefully blending her marvelous sense of outrage with lines that one would swear were written by Henry Youngman. One more national appearance will catapult our Dorothy into the position of being an American institution" . . . William Hickey, Cleveland Plain Dealer

"Striking, vivid, almost limitless knowledge of facts behind the headlines; oratorical ability that few famous men of lecture world ever surpass" . . . Rochester New York Ad Club

"Colorful, hard-hitting style, phenomenal mental capacities, national reputation on questions pertaining to government, war, and politics" . . . Variety

"Historical knowledge so vast, outspoken, her passion and courage so moving, one is left without adeqaute words to describe her" . . . Akron City Club Bulletin.●

OLD FRONTIER SEES BRIGHT NEW FUTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, a basic Western States-Eastern States conflict concerning water, energy, agricultural, and industrial development issues is generally recognized throughout Congress today. As one of four California Congressmen who represent mostly rural and agriculturally-based constituents, I am made painfully aware of other basic regional conflicts within my own State.

The fact that many Westerners see a "steadfast presidential insensitivity" to Western problems is noted in the first of a recent series of articles by the Washington Post, which explored these conflicts in detail and with insight.

An excellent example of this "presidential insensitivity" is White House Chief of Staff Hamilton Jordan's statement that "You have to remember that for us in Georgia, water is only a word and a dam is a boondoggle." (That attitude is reflected in current Federal water policies, which are "the principle source of Federal-Western conflict," the article states.)

The fact is, in the West, water is life, and dams are not taken lightly.

I feel it is essential that these issues are presented clearly and viewed with perspective so that they are resolved—which would benefit not only the West but the entire Nation. In light of this, I insert into the RECORD the first of four articles by the Washington Post on the "Embattled West," published June 17, 1979.

The article follows:

OLD FRONTIER SEES BRIGHT NEW FUTURE

(By Lou Cannon and Joel Kotkin)

SALT LAKE CITY.—On a bright cloudless Utah day, Kent Briggs is sipping a drink at the exclusive Wasatch Front Club and talking about a new nation of the West.

Briggs, administrative assistant to the moderate Democratic governor of Utah, is the son of an Idaho reclamation farmer. He sees not a farmer's future, however, but an industrialized West that will be developed and in control of its own resources within a decade.

The water to make this dream a reality could be developed readily, Briggs believes, were it not for short-sighted federal policies devised in the uncomprehending East.

"We see the Yankees putting restrictions on our development and continuing colonial shackles," Briggs says. "My vision is that we might need a new western nation from the MacKenzie River to the Rio Grande."

No one really expects the West to leave the nation in the 20th century, as the South tried to do in the 19th. But the very use of nationhood as a metaphor is a measure of the alienation that divides the emergent West, the nation's fastest growing region, from the rest of the country.

"There's a whole complex of resource issues, especially water, which sets the West apart," says Colorado Sen. Gary Hart (D). "They build on an anti-eastern, anti-government feeling that was already there. I look upon the West as a kind of New South in which there is a basic alienation."

This alienation, replete with contradiction, cuts across ideological and partisan lines in a rising tide of regionalism. Westerners talk incessantly of federal environmental restrictions and federal taxing policies that discourage development. Yet western states, through legislatures and referendums, may have done even more to discourage development by enacting some of the nation's stiffest environmental law, and steepest mineral severance taxes. Some of the same westerners who look forward to industrial development also applaud politicians such as Oregon Gov. Vic Atiyeh (R) when they discourage immigration from California and the East.

In the words of Thornton Bradshaw, onetime New Englander who is president of Los Angeles-based Atlantic Richfield: "All regions are conflicted. But the West is the most conflicted of all."

This conflict reflects the fragility of the West, which is at one and the same time the most abundant and optimistic region and the one in which water and population resources are most precariously balanced. While the West is driving faster than anyplace else, building more and digging deeper, it also has been made most conscious of the thin-edge nature of its own existence. Gasoline shortages, both in 1973 and this year, occurred first in the West. Before that, the three-year drought reminded even the most self-assured westerners of the essentially desert character of their region.

The contradiction between western expectations and western limitations is especially evident in the region's relationships with the central government. On the one hand, westerners always have fancied themselves independent from a faraway government but until recently did relatively little to manage or control the expansion of timber, grazing and desert lands technically under its jurisdiction. On the other, westerners have depended on the federal government in fundamental ways—first to subdue the Indians and Mexicans and lay the telegraph lines and provide the hosesteads, and then to build huge dams that produced subsidized water for agricultural development.

The nerve ends of this contradiction were touched by the Carter administration's original decision, in 1977, to weigh future western water projects on a strict cost-accounting basis. In Washington, the action seemed prudent and necessary. In the West the decision generally was viewed as a betrayal.

But the administration's water-policy decision also helped definie the regional character of the West, which throughout most of its history has been a collection of frontiers settled at different times by different types of pioneers.

East of the 100th meridan longitudinal line, rainfall is abundant. West of it, except for relatively small portions of the Northwest, water is as precious as life itself. Defining this vast American region a generation ago, historian Walter Prescott Webb wrote: "The * * *.

The desert quality of the West has always been there. West has evolved now is a regional consciousness, caused first by the drought-induced consciousness of limitations and second by widespread realization that the region is becoming the "energy breadbasket" for the entire nation.

This new consciousness is almost colonial in nature, reflected in the common western statement that the region should develop its resources for itself. Like the original colonists who broke away from Britain, westerners increasingly see their own region as potentially self-sufficient and capable of determining its own destiny, an attitude that in its extreme form evokes expressions of potential nationhood like those made by Kent Briggs. While this colonial consciousness predates the Carter administration, it has been enhanced by what many westerners see as a steadfast presidential insensitivity to western problems.

Whatever else Jimmy Carter may have done or failed to do, he at least has effectively demolished the notion of the "Sun Belt," a mythological horizontal region comprising of New West and Old South. When Carter won the presidency by carrying nearly every southern state and losing every state in the continental West, it was political ratification of the enormous difference * * *.

The South is the nation's poorest region, the West its wealthiest. The federal government owns no more than 10 percent of any southern state; in the West it is the majority landowner. Southern soil and mines are depleted by centuries of use, while the West remains rich in agricultural and mineral wealth. The South has such abundant rainfall that floods are a perennial danger, while the West thirsts.

No one has attested to the regional differences more strikingly than Hamilton Jordan, the White House chief of staff. To a Democratic group in San Francisco that had expressed concern about administration water policies, he candidly declared: "You have to remember that for us in Georgia water is only a word and a dam is a boondoggle."

The water policies stemming from this attitude are the principal source of federal-western conflict. But the same sort of conflict exists on almost every issue and is likely to continue irrespective of who occupies the White House. While a president more understanding of western ways would be appreciated in the region, it is unlikely that any person or party would be able to dispel easily the fundamental conflicts that have arisen.

In Nevada, a so-called "sagebrush rebellion" is brewing. Legislation laying state claim to most of the 87 percent of Nevada owned by the federal government has been signed. Similar movements have been launched in Utah, Oregon and California. Miners in the latter two states are suing to accomplish the same purpose. In Wyoming, a proposal to raise the 55-mile-per-hour speed limit failed only because the federal government threatened to withdraw highway funds.

No issue epitomizes the regional-national conflict more than the compromise solution for the nation's forests, in which the Carter administration set aside 15.4 million acres for new wilderness. Conservationists, especially in the East, criticized Carter for not allocating more wilderness. Yet the prevailing view in the West was that the federal government had tied up additional land needed for grazing, farming and timbercutting.

The differences are most extreme on the most important issue—energy. More than two-thirds of the nation's coal and 87 percent of its uranium are west of the Mississippi, concentrated in Montana, Wyoming, Colorado, Utah and North Dakota. With Montana leading the way, these western states have staked out claims to their resources that defy both the federal government and the multinational corporations.

There are signs of thoughtlessness in the western approach, such as * * *.

But the underlying attitude is not regional oneupmanship. It is the belief expressed by Kent Briggs that the West should no longer allow itself to be an eastern colony. Insular western Americans recently have become aware that their attitude is not dissimilar to residents of northern Mexico or western Canada, who also feel neglected by their federal governments.

The West's newfound sense of its own importance is based on a demographic reality—the steady westward shift of the American population. According to advance census estimates for 1980, eight of the 11 congressional districts that will change will move westward, with the other three going to the South. Both California and Texas will be allotted two new House seats, while Arizona, Utah, Oregon and Washington will gain one apiece.

By other measurements, too, the West is growing far faster than the rest of the nation. Nine of the 10 leading states in new housing starts in 1978 were in the West, with most of the southern states lagging far behind. Irrigated western land accounts for 12 percent of the nation's farmland but produces 27 percent of the gross farm income.

Many westerners would like to see the region's dramatic agricultural development continue. Settling the land is a western tradition, and making the desert bloom has been a romantic inspiration from the time of Brigham Young to that of John Steinbeck. But westerners complain that the federal government's control over the dams and other water development is imposing water shortages that force the region to choose among the three mainstays of its economy: energy-industrial development, agriculture and housing.

Since the administration's policy seeks to find the most profitable use for developed water, it pits the farmers against the other two higher-paying competitors.

"The president's 'hit list,' the decision to go after everything that's most economic, is driving out agriculture," says Jack Barnett, director of the Western States Water Council, headquartered in Salt Lake City. "Originally, we decided that the West would be settled and farmed. Now, the president's men are going for the projects that pay bucks—municipal, industry and energy-producing uses—and freezing out agriculture."

Having to choose among the competing uses for water infuriates westerners who are not used to putting limits on anything. They tend to feel betrayed by federal policies that insist that water be put on the marketplace to the detriment of their operations. They sneer at charges that their water * * *.

"The development of the West was promoted by the Federal government," says John Smith, a central Arizona cotton grower who migrated there in the 1930s from the Oklahoma dust bowl. "It was deemed in the national interest. What do they want now—for us all to come back?"

Smith says he can get two to three times more yield from his cotton land than growers in the President's home state of Georgia. He insists that agriculture holds the key to the nation's attempts to reduce its enormous trade imbalance.

Some Arizona growers talk openly of the need to buy or seize the rights to Canadian, Alaskan and Pacific Northwest water as the long-range solution to their acute problems. Some have even endorsed such visionary schemes as the $120 billion plan to tap remote sources like the Yukon River and bring it down to the arid American West.

Known as the North American Water and Power Alliance, this proposal has received a uniformly negative reaction from the federal governments of Canada and the United States.

In their refusal to recognize economic reality as their federal government sees it, these Arizona farmers express the characteristic western view that any problem can be solved by thinking big. It is an attitude that has resulted in some of the biggest dams and best farmland in the world. It also is a way of thinking that has produced Los Angeles.

At the same time that many in the West express an unrestrained desire for development others are attracted by the holding patterns of limited growth or even limited immigration. They fear that the natural resources of the region as well as its open lifestyle inevitably will be destroyed or altered beyond recognition by the growth anticipated within the next decade.

But the very individualism that makes the West such a desirable place to live also makes it difficult for westerners effectively to control their destiny. Even where they need it they are apt to be resistant to zoning, as in Houston, or to land use planning, as in Utah and Arizona. When a western state does establish some limits, as California did in setting aside a controlled development coastal zone five years ago, it is apt to find that even mild controls seem chafing and restrictive.

"The paradox of the West is that people consistently destroy what they came out to seek," says Colorado Gov. Richard Lamm, a conservationist who won reelection largely because he became a staunch defender of the water projects the Carter administration refused to approve. "It's like Daniel Boone. He wanted to open up the wilderness but if anyone came within 10 miles of him, he'd move on. Now there are fewer places to move to."

ARIDITY DEFINES GEOGRAPHICAL WEST

What is "the West"?

Unlike regions of the nation that are precisely defined politically, such as the six New England states or the 11 states of the Confederacy, which compose Dixie, no two scholars of government bureaus agree on a precise definition of the West.

Geographically, the West is best defined by the 100th meridian, which runs north to south through the western portions of North Dakota, South Dakota, Nebraska, Kansas, Oklahoma and Texas. East of this longitude, rainfall is generally abundant; west of it, water is a scarce and precious commodity.

Culturally, some would exclude California, the nation's most populous state. Others would separate the northwestern States of Washington and Oregon. But the most generally accepted definition, at least if one follows political boundaries, would include the 11 states that are the focus of this series on the "Embattled West." They are Montana, Wyoming, Colorado, New Mexico, Arizona, Nevada, Utah, Idaho, Washington, Oregon and California.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

● Mr. FUQUA. Mr. Speaker, last Friday, July 13, I was unavoidably out of town on official business related to the Committee on Science and Technology, which I have the privilege to chair. Had I been able to be present during consideration of amendments to H.R. 4393, the Treasury-Postal Service Appropriations Act, I would have voted "aye" on rollcall No. 332 and would have voted "aye" on rollcall No. 333.●

SHOWDOWN AT CAMP DAVID: IT IS DO-OR-DIE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

● Mr. CARR. Mr. Speaker, on June 23, 1979, I addressed the Fourth Congressional District Democratic Party dinner in Sturgis, Mich., expressing my support of President Carter. In a July 8 Detroit Free Press article the editor, Joe Stroud, also put the Carter presidency in perspective and expressed his concern about the consequences of a possible Kennedy campaign. We both fear that a draft-Kennedy campaign could cause an irreparable split in the Democratic Party at a time when the unity of the party is crucial. I take this opportunity to share the article with my colleagues:

[From the Detroit Free Press, July 8, 1979]

Showdown at Camp David: It's Do-Or-Die

(By Joe H. Stroud)

As the drama of President Carter's cancellation of his energy speech and the consultations at Camp David has been played out over the past week, the sense has grown in the country that the Carter presidency was, one way or the other, reaching a climax, perhaps even the climax that would make it or break it.

Was what we were witnessing the moral equivalent of life in the bunker, as the Carter illusion disappeared in the vapors of a Washington summer? Or was this the summoning of the wise men to the councils of war, to make momentous decisions that would mobilize the country for the "war" that heretofore few would believe was coming?

You could find evidence last week for either thesis: Here was the president depicted as kicking trash cans and going fishing to escape his troubles. But here also was the president demanding better work of his speech-writers and policy-makers, summoning the vice-president and other advisers to Camp David to help him make the decisions that will be needed to come anywhere close to his commitment to limit oil imports.

It is a time of high drama, and the stakes for both Mr. Carter and the country are real. The confusion in the country over energy and economics makes the people ripe for leadership or for demagoguery. They want something to happen. And if Mr. Carter cannot find, and show the country convincingly that he has found, a clear course for the country through the energy crisis, there are going to be other answers.

Many Democrats think the other answers can come from Sen. Kennedy. It would be difficult to overstate how deeply professional Democrats in the Midwest (and probably elsewhere) are tempted by the possibility of a Kennedy candidacy. I am convinced the Kennedy candidacy is an illusion: that if it were launched, the result for the country would be not at all an assured Kennedy victory, but very probably the splitting of the Democratic Party not just for 1980, but perhaps for a generation.

There are a few rules in politics that are almost inviolate: One is that you don't withdraw and get back in, as Robert Griffin found out last year. Another is that you dump an incumbent president at the peril of the president's own party. I feel so strongly that a Kennedy candidacy would be a mistake for the country that I am tempted to call it "America's last great illusion"—a strained attempt to recapture Camelot that is doomed to frustration.

In saying that, I do not say that Ted Kennedy is a bad man or that he should never be president. But the Camelot we conjure up in memory never existed in actuality, much as many of us admired John Kennedy. And Ted Kennedy, while he may have much to offer the country in years to come, is not Jack or Bobby.

What is more, I think that a Kennedy presidency would, for the most part, be up against the same unpleasant economic and energy realities that the Carter administration has to face. President Carter has not supported a tight budget because he is a closet Republican or unsympathetic to the poor, but because the realities of the times say we have to make some fundamental national adjustments.

Some of the Republican candidates seem to me also to reflect a yearning for easy answers. About other Republican candidates, it is now too early to tell.

The two great energy shocks of the 1980s have sent inflationary tides running through the economy that no president could ignore. Indeed, the question about President Carter is not whether he has turned against those tides too hard, but whether he has shifted enough. The changes in our situation are fundamental, and the responses to these changes have to be fundamental.

So the easy answers about the economy and energy are probably not the right answers. And no responsible person in the White House is going to be able to offer us easy answers. The candidate who holds out easy answers may be appealing, but they will be illusory again.

That is not to excuse or try to justify some of the failures of President Carter's leadership. Mr. Carter has not galvanized the country to undertake the hard answers, and he has not persuaded Congress to undertake many answers at all. The parallel that seems most appropriate is Woodrow Wilson, who somehow could not communicate with the people even when he was right on the issues. Mr. Carter, moreover, has too often temporized and compromised when confronted with a Congress that seems not to understand the crisis the country faces.

But it seems to me desperately important for the country that Mr. Carter—who I continue to believe is a decent and intelligent man—be made to succeed. He has taken some courageous decisions on energy that will ultimately pay off. He will have to take more. Few of them will be popular in a country that has come to expect instant gratification. Some will work in the short run, or seem to work in the short run, against the effort to control inflation.

Whether the president is re-elected or not, whether he is even a candidate for re-election or not, the country has to hope that what it is witnessing is not life in the bunker, but the beginning of a reassertion of his own good instincts and of the legitimacy of his claim on his office.

There is a place for anger in the Oval Office: anger at sluggards in Congress, at poor staff work, at a sleeping nation. The deliverance comes from directing that anger toward constructive ends.

Let us hope such a reassertion of presidential leadership follows from these urgent, mysterious consultations at Camp David. If Mr. Carter is in the bunker, the country is there with him, whether it believes it is or not. And if he is ready to launch a real initiative against our problems, we ought to be with him there too, helping to see that the country does what it needs to do.

Next year's elections will take care of themselves. What we need now is for the president to tell us what we must do, and why, not because of the problems he has, but because of the problems we have together.●

MONTHLY LISTS OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Brooks) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The April 1979 list includes:

The April List of GAO Reports

NATIONAL DEFENSE

U.S. Air Force Tactical Air Command—Is It Ready? Can It Fulfill U.S. Commitments to Rapidly Increase Its Forces in Europe? LCD-79-406, April 23, Unclassified Digest.

Needed—A More Complete Definition of a Quality First-term Enlisted Person. Acc. No. 109193, LCD-79-404, April 25.

Can Army and Air Force Reserves Support the Active Forces Effectively? LCD-79-404, April 25.

Changes Needed in Operating Military Clubs and Alcohol Package Stores. Vol. I FPCD-79-9, January 15, Vol. II FPCD-79-9A, April 23.

New Approach Needed for Weapon Systems Coproduction Programs Between U.S. and Allies. Acc. No. 109067, PSAD-79-24, April 12.

Employee Standards of Conduct: Improvements Needed in Army and Air Force Exchange Services and Navy Resale System Office. Acc. No. 109162, FPCD-79-15, April 24.

"Need to Demonstrate F-18 Naval Strike Fighter Weapon System Effectiveness Before Large-scale Production." Acc. No. 109119, PSAD-79-25, February 27.

U.S. Munitions Export Controls Need Improvement. Acc. No. 109175, ID-78-62, April 25.

Digests of Major Weapon System Reports Issued January and February 1979. Acc. No. 109202, PSAD-79-64, April 25.

Military Hospitals Need Stronger Guidance on Presidential, VIP, and Officer Accommodations. Acc. No. 109098, HRD-79-61, April 17.

Progress and Problems in Consolidating Military Support Functions in the Pacific. Acc. No. 109084, LCD-79-223, April 12.

The Services Can Further Refine Management of Flying Hour Programs. Acc. No. 108984, LCD-79-401, March 27.

Centralizing Air Force Aircraft Component Repair in the Field Can Provide Significant Savings. LCD-79-409, March 28.

Evacuation of Defense's Comments on a Critical Report: Were Transfers of Army Pacific Support Functions Mismanaged? Acc. No. 109163, FPCD-79-50, April 23.

Opportunities and Problems in Meeting the Military's Clothing and Textile Needs With Commercially Available Items. Acc. No. 109154, PSAD-79-55, April 23.

The Department of Defense Should Adopt New Clothing Allowances. Acc. No. 109155, FPCD-79-42, April 20.

Letter reports

DOD's method of calculating Competitive Rate Program savings is acceptable and accurate. Acc. No. 109146, LCD-78-232, March 20.

Production of the Army's XM-1 tank should be deferred until its deficiencies are corrected. Acc. No. 109087, PSAD-79-67, April 16.

Purchase of Phase II satellites for the Defense Satellite Communications System is not justified. Acc. No. 109125, LCD-79-112, April 16.

Ways to Modernize DOD's Theater Nuclear Forces for NATO. Acc. No. 109151, PSAD-79-78, April 20.

INTERNATIONAL AFFAIRS

The Indochinese Exodus: A Humanitarian Dilemma. Acc. No. 109234, ID-79-20, April 24.

Efforts to Improve Management of U.S. Foreign Aid—Changes Made and Changes Needed. Acc. No. 108988, ID-79-14, March 29.

Letter reports

How much has been spent to keep the public informed on SALT II talks with the Soviet Union? Acc. No. 108981, ID-79-24, March 16.

Financial statements of the Overseas Private Investment Corporation for fiscal year 1978. Acc. No. 109097, ID-79-21A, April 13.

GENERAL SCIENCE, SPACE, AND TECHNOLOGY

Letter reports

Justification and rationale for increases in NASA's Space Shuttle Program. Acc. No. 108982, PSAD-79-59, March 16.

ENERGY

Potential for Hydrogen as an Energy Source. Acc. No. 109198, EMD-79-58, April 20.

Oil and Gas Royalty Collections—Serious Financial Management Problems Need Congressional Attention. Acc. No. 109080, FGMSD-79-24, April 13.

Onshore Oil and Gas Leasing—Who Wins the Lottery? Acc. No. 109121, EMD-79-41, April 13.

Information on Department of Energy's Management of Strategic Petroleum Reserve. Acc. No. 109144, EMD-79-49, March 22.

Energy's Role in United States and Indonesian Relations. Acc. No. 109085, ID-79-10, April 13.

Information on U.S. Importation of Liquefied Natural Gas. Acc. No. 109147, EMD-79-48, March 22.

Congress Needs to Redirect the Federal Electric Vehicle Program. Acc. No. 109041, EMD-79-6, April 9.

Letter reports

The Department has not issued any loan guarantees for demonstration facilities to produce alternative fuels for domestic resources. Acc. No. 108986, EMD-79-35, April 3.

GAO comments on congressional views about cleaning up uranium mill tailings. Acc. No. 109013, EMD-79-51, April 5.

A water heater control program should be implemented in the TVA. Acc. No. 109060, EMD-79-44, April 11.

Uranium losses from milling have increased steadily while uranium ore grades are declining. Acc. No. 109082, EMD-79-50, April 10.

Improvements in the Energy Department's solar photovoltaic program should help meet the program objectives. Acc. No. 109150, EMD-79-40, April 19.

NATURAL RESOURCES AND ENVIRONMENT

Learning to Look Ahead: The Need for a National Materials Policy and Planning Process. Acc. No. 109148, EMD-79-30, April 19.

National Defense Requirements for a Silver Stockpile. Acc. No. 109037, LCD-79-410, April 10.

Water Resources and the Nation's Water Supply. Acc. No. 109088, CED-76-69, April 13.

Letter reports

EPA should advise its proposed definition of infectious hazardous waste. Acc. No. 109-014, CED-79-73, April 5.

Transferring National Park Service recreational responsibilities to the Heritage Conservation and Recreation Service is beneficial. Acc. No. 109126, CED-79-68, April 12.

AGRICULTURE

Farmers Home Administration Needs to Better Plan, Direct, Develop, and Control its Computer-based Unified Management Information System. Acc. No. 105343, CED-78-68, February 27.

Long-term Cost Implications of Farmers Home Administration Subsidized and Guaranteed Loan Program. Acc. No. 109165, PAD-79-15, April 24.

COMMERCE AND HOUSING CREDIT

Comparing Policies and Procedures of the Three Federal Bank Regulatory Agencies. Acc. No. 108985, GGD-79-27, March 29.

Letter reports

Is the U.S. Postal Service putting improper pressure on mail contractors to force them to carry mail at a loss? Acc. No. 109168, GGD-79-30, April 11.

The Military Postal Service needs better procedures to safeguard classified material. Acc. No. 109133, LCD-79-214, April 19.

Action is needed to prevent excessive and unwarranted payments to shipbuilders for escalation on costs not subject to inflation Acc. No. 109157, PSAD-79-79, April 19.

The Postal Service's inadequate computing of the amount of franked mail from the Congress resulted in numerous billing errors. Acc. No. 109194, GGD-79-50, April 26.

TRANSPORTATION

Issues Being Faced by the Washington Metropolitan Area Transit Authority. Acc. No. 109040, CED-79-52, April 10.

Developing a National Airport System: Additional Congressional Guidance is Needed. Acc. No. 109129, CED-79-17, April 17.

Federal Agencies Can Provide More Opportunities for Minority Motor Carriers. Acc. No. 109201, LCD-79-208, April 25.

Coal Slurry Pipelines: Progress and Problems for New Ones. Acc. No. 109149, CED-79-40, April 20.

Evaluation of Programs in the Department of Transportation—An Assessment. Acc. No. 108989, PAD-79-13, April 3.

COMMUNITY DEVELOPMENT

Should the Appalachian Regional Commission Be Used as a Model for the Nation? CED-79-50, April 27.

Improvements Needed in Selecting and Processing Urban Development Action Grants. Acc. No. 108917, CED-79-64, March 30.

Proposed Project to Renovate Nashville's Historic Train Station Building Needs to be Reevaluated. LCS-79-308, April 27.

Selected Contracts Awarded by the Cincinnati Service Office, HUD. Acc. No. 109066, CED-79-67, April 12.

Letter reports

The Pennsylvania Avenue Development Corporation requires the demolition of Kann's Department Store for a multi-use housing complex. CED-79-71 a.b.c., March 31.

Allegations concerning program mismanagement and misuse of Federal funds at Service Employment Redevelopment for Progress, Inc., Milwaukee, Wisconsin. Acc. No. 109167, HRD-79-65, April 5.

SOCIAL SERVICES

Meeting Winter Heating Bills for Needy Families: How Should the Federal Program Work? Acc. No. 109196 HRD-79-12, April 26.

Letter reports

States should credit the Federal Government for its share of uncashed Aid to Families with Dependent Children checks. Acc. No. 109012, HRD-79-68, April 5.

HEALTH

Problems in Preventing Marketing of Raw Meat and Poultry Containing Potentially Harmful Residues. Acc. No. 109102, HRD-79-10, April 17.

Health Effects of Exposure to Herbicide Orange in South Vietnam Should be Resolved. Acc. No. 109127, CED-79-22, April 6.

How Effective are OSHA's Complaint Procedures? Acc. No. 109043, HRD-79-48, April 9.

Reducing Tooth Decay—More Emphasis on Fluoridation Needed. Acc. No. 109081, HRD-79-3, April 13.

Letter reports

The National Cancer Institute has a shortage of qualified scientists of its carcinogenesis testing program. Acc. No. 109166, HRD-79-51, March 30.

A comprehensive plan to renovate Forest Haven is needed. Acc. No. 109079, HRD-79-49, April 3.

Implementing HEW's Emergency Medical Service Amendment of 1976 should improve grantee financial planning. HRD-79-69, April 12.

INCOME SECURITY

More Effective Federal and State Cash Management Would Increase Interest Income of Unemployment Trust Fund. Acc. No. 109100, FGMSD-79-20, April 17.

State Programs for Delivering Title XX Social Services to Supplemental Security Income Beneficiaries Can Be Improved. Acc. No. 109061, HRD-79-59, April 11.

Effects of the Employee Retirement Income Security Act on Pension Plans with Fewer Than 100 Participants. Acc. No. 109099, HRD-79-56, April 16.

Letter reports

Budget authority estimates of the Civil Service, military services, and Foreign Services retirement systems are understated. Acc. No. 109083, FPCD-79-49, April 11.

The Labor Department should decide how and to what extent it will fund States to automate employment security operations. Acc. No. 109195, HRD-79-71, April 26.

ADMINISTRATION OF JUSTICE

Better Use of Currency and Foreign Account Reports by Treasury and IRS Needed for Law Enforcement Purposes. Acc. No. 109024, GGD-79-24, April 6.

Resources Devoted by the Department of Justice to Combat Whitecollar Crime and Public Corruption. Acc. No. 108983, GGD-79-35, March. 19.

Letter reports

The Department of Justice Should adopt a a uniform property marking system to reduce theft and increase recoverability of stolen goods. Acc. No. 109199, GGD-79-54, April 25.

GENERAL GOVERNMENT

The Davis Bacon Act Should Be Repealed. Acc. No. 109236, HRD-79-18, April 27.

Taxpayer Waiting Time at IRS' Walk-in Service Offices. Acc. No. 109039, GGD-79-53, April 10.

Federal Productivity Suffers Because Word Processing is Not Well Managed. Acc. No. 109023, FGMSD-79-17, April 6.

The District of Columbia Government Should Determine its Work Force Needs. Acc. 109015, FPCD-79-21, April 4.

Allegations Regarding Small Business Set-aside Program for Federal Timber Sales. Acc. No. 109123, CED-79-8, April 5.

Improvements HEW Has Made in its Payroll System. Acc. No. 109197, FGMSD-79-22, April 25.

GSA Has Been Lax in Managing the Columbia Plaza Building Lease. Acc. No. 109101, LCD-79-307, April 17.

Tax Status of Federal Resale Activities: Issues and Alternatives. Acc. No. 109031, FPCD-79-19, April 19.

Audit of the House of Representatives Restaurant Revolving Fund October 9, 1977, to October 7, 1978. Acc. No. 109130, GGD-79-32, April 19.

National Bureau of Standards Needs Better Management of its Computer Resources to Improve Program Effectiveness. Acc. No. 109103, CED-79-39, April 17.

Letter reports

Excess amounts were witheld from a retired Air Force major's pay to satisfy his debts. Acc. No. 109086, FPCD-79-47, April 5.

Release of impounded funds for the Foreign Claims Settlement Commission and the National Oceanic and Atmospheric Administration. Acc. No. 109042, OGC-79-10, April 5.

The Federal Trade Commission should determine if the benefits of the Line-of Business Program justify its total cost. Acc. No. 109038, GGD-79-49, April 6.

Federal assistance available to State governments. Acc. No. 109124, GGD-79-52, April 12.

Proposed impoundment of funds for the Department of Defense and the Geological Survey. Acc. No. 109120, OGC-79-11, April 177.

Problems in reserved management rights may prevent effective labor relation in the Federal Service. Acc. No. 109156, FPCD-79-35, April 18.

The Merit Systems Protection Board and the Special Counsel lack adequate funds and staff to carry out effectively the duties assigned to them under the Civil Service Reform Act. Acc. No. 109169, FPCD 79-51, April 20.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 441, G Street, N.W. Washington, D.C. 20548. Phone (202) 257-6241.●

ROLLCALL VOTES 334 AND 335

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Mr. Speaker, due to family obligations I was unable to be recorded on the two measures approved early today under suspension of the rules. If I had been present, I would have voted for H.R. 2282, the Veterans' Disability Compensation and Survivors' Benefits Act, and for H.R. 3641, the Public Health Service Extension Amendments.●

UPDATE ON CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, in my 8 years as chairman of the Financial Institutions Subcommittee of the House Banking Committee, the subcommittee has never—ever—received so much mail as that coming in from all parts of the country regarding the April 22 circuit court of appeals decision striking down share drafts for credit unions, automatic transfer accounts at the Nation's commercial banks, and remote service unit operations for savings and loan associations.

For the benefit of my colleagues who are also being deluged with letters, phone calls and personal visits, I would like to provide some additional background information on this situation and to bring the House up to date on what your committee is doing in response to the court decision.

During the 1970's, Federal financial institution regulators have allowed various new consumer services to the industries they supervise by regulation.

The National Credit Union Administration allowed Federal credit unions to offer what are called "share drafts" to their members. A share draft account is a form of checking account which allows a credit union member to use his money by writing checks for payments to third parties. Currently there are 1½ million credit union members using share drafts all over the country;

The Federal Home Loan Bank Board allowed Federal savings and loan associations to set up "remote service units." An RSU is a device whereby a savings and loan account holder may—usually through the use of a credit card-like instrument—utilize their savings accounts at a location other than the savings institution itself. At present, there are 3,000 separate RSU installations where accountholders with account balances in excess of $2.65 billion use their debit cards to access these accounts.

The Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation allowed the Nation's commercial banks to begin offering their customers automatic transfer accounts. This service allows the customer to transfer funds from his savings account to his checking account automatically.

The general effect of each of these regulations was to allow a customer to earn interest on his funds and at the same time to provide him with a ready access to those funds.

During the same time frame, the Congress was, by statute, providing financial institutions in the New England States the ability to offer their customers what is called a negotiable order of withdrawal—or NOW account. A NOW account is a form of checking account—the customer may use checks to withdraw his funds and make payments to third parties and he earns interest on funds placed in the account. In 1973, the Congress allowed financial institutions in Massachusetts and New Hampshire to offer NOW accounts. In 1976, the law was amended to add the States of Connecticut, Rhode Island, Maine and Vermont to the list. And last year, we extended this to New York State. In New England and New York NOW accounts are available to individuals and nonprofit organizations.

The benefits to consumers in the New England States have been impressive:

For the month of November 1978 (1 month):

Commercial banks in New England paid $8,683,000 in interest on NOW accounts and imposed $323,000 in service charges—a net to consumers of $8,360,000.

Mutual savings banks paid $4,056,000 in interest and imposed $219,000 in service charges—a net to consumers of $3,837,000.

Savings and loan associations paid $1,755,000 in interest on NOW accounts and imposed service charges of $96,000—a net to consumers of $1,659,000.

The thrust of both the regulatory and congressional actions was to provide consumers a chance to earn interest on their checking account funds and to have a choice among financial institutions offering such a service.

Mr. Speaker, in April the U.S. Court of Appeals for the District of Columbia set aside the regulatory innovations by deciding three cases. Specifically:

The American Bankers Association sued the National Credit Union Administration over the credit union share draft regulation;

The Independent Bankers Association sued the Federal Home Loan Bank Board over the remote service unit regulation for Federal savings and loans; and

The U.S. League of Savings Associations sued the Federal Reserve Board and the Federal Deposit Insurance Corporation over the regulations allowing the use of automatic transfer accounts at the Nation's commercial banks.

The court considered all three challenges jointly and on April 22 ruled that these services could not be allowed by regulation. The Court said:

> It appears to the court that the development of fund transfers as now utilized by each type of financial institution involved herein . . . in each instance represents the use of a device or technique which was not and is not authorized by the relevant statutes, although permitted by regulations of the respective institutions' regulatory agencies . . .
>
> This court is convinced that the methods of transfer authorized by the agency regulations have outpaced the methods and technology of fund transfer authorized by the existing statutes. We are neither empowered to rewrite the language of statutes which may be antiquated in dealing with the most recent technological advances, nor are we empowered to make a policy judgment as to whether the utilization of these new methods of fund transfer is in the overall public interest. Therefore, we have no option but to set aside the regulations authorizing such fund transfers as being in violation of statute. We do so with the firm expectation that the Congress will speedily review the overall situation and make such policy judgment as in its wisdom it deems necessary by authorizing in whole or in part the methods of fund transfer involved in this case or any other methods it sees fit to legitimize, or conversely, by declining to alter the language of existing statutes, thus sustaining the meaning and policy expressed in those statutes as now construed by this court . . .
>
> . . . this judgment, insofar as it directs that the subject regulations be vacated and set aside, is stayed until 1 January 1980 in the expectation that the Congress will declare its will upon these matters. . . .

The statutes referred to by the courts essentially confine the offering of checking account services to commercial banks and prohibit the payment of interest on demand deposit (checking account) funds. On May 1, 1979 I introduced H.R. 3864 as a response to the court ruling—see CONGRESSIONAL RECORD for May 1, page H2506 for my statement. The bill addressed the questions raised by the court simply and directly by removing those two basic restrictions—my bill would allow all institutions to offer checking accounts and would allow financial institutions to compete for such accounts by offering interest on them.

Your subcommittee held hearings on this bill beginning May 16 and concluding June 14. During these substantial support developed for giving consumers—individuals—a return on checking account funds and the ability to choose what type of financial institution he wanted to hold his checking account funds. However, questions about extending such services to corporate customers—as H.R. 3864 contemplates—were raised.

After full reflection upon our hearings I plan when the subcommittee meets to mark up the bill to offer the attached substitute amendment. The substitute is designed to:

First. Extend NOW accounts to the remaining 43 States. Under this proposed change, any commercial bank, any savings and loan, and any mutual savings bank could offer individuals and nonprofit organizations NOW accounts. The customer benefits of these accounts should no longer be confined to New England and New York. There is just no excuse for Congress to refuse to expand this service nationwide.

Second. Authorize federally insured credit unions to offer share drafts in all 50 States; and

Third. Authorize remote service units for Federal savings and loans.

Mr. Speaker, I believe this approach can generate the broadest support in the committee and in the House and at the same time give the consumer a simplified interest-bearing checking account.

I would like to add that once again we are reminded of the public interest approach of our Nation's credit union members. It is significant that the credit unions—unlike the other financial institutions—challenged no one's right to offer these services. On the contrary, their long-standing philosophy has been that everyone—no matter where they bank—should have the benefit of interest on their checking accounts. And in going through the literally thousands of pieces of mail received on this issue, credit union members from all over this country have appealed not just for the protection of the credit union share draft but for the extension of basic consumer benefits to all users of our Nation's financial institutions. In these stacks of letters, wires and petitions we are receiving are beautifully written, articulate, and thoughtful appeals to the Congress—from military credit union members, airline employee credit union members, teachers, postal employees, auto workers, senior citizens, from all 50 States—to address this issue in the name of the American consumer.

We have a unique opportunity right now. Consumers—voting Americans—should be allowed to choose among financial institutions to secure the type of financial services they want. Consumers should be allowed to have the option of opening a checking account on which they can earn interest. My amendment will give consumers those choices.

Mr. Speaker, I would like to include in the RECORD at this point a copy of my proposed amendment to H.R. 3864:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Consumer Checking Account Equity Act of 1979".

SEC. 2. Section 2(a) of the Act entitled "An Act to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permitting negotiable orders of withdrawal to be made with respect to any deposit or account on which any interest or dividend is paid, to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations, and for other purposes", approved August 16, 1973 (12 U.S.C. 1832(a)), is amended to read as follows:

"(a)(1) Except as provided in paragraph (2), a depository institution may permit the owner of a deposit or account on which interest or dividends are paid to make withdrawals by negotiable or transferable instruments for the purpose of making transfer to third parties.

"(2) Paragraph (1) shall apply only with respect to deposits or accounts which consist solely of funds in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religous, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

SEC. 3. (a) Section 5(b)(1) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(b)(1)) is amended by adding at the end thereof the following: "This section does not prohibit the establishment of remote service units by associations in accordance with regulations prescribed by the Board.".

(b) Section 5(c)(1)(A) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)(1)(A)) is amended by striking out the period at the end thereof and inserting in lieu thereof "and loans specifically related to negotiable order of withdrawal accounts.".

(c) Section 5A of the Federal Home Loan Bank Act (12 U.S.C. 1425a) is amended by adding at the end thereof the following new subsection:

"(g) Every member shall maintain reserves against its negotiable order of withdrawal accounts as defined by the Board in amounts not less than such percentages of its aggregate amounts of deposits in such accounts as may be prescribed by the Board, after consultation with the Board of Governors of the Federal Reserve System. Reserves held by a member to meet the requirements of this subsection shall be in the form of—

"(1) balances maintained for such purpose by such member in the Federal Home Loan Bank of which such member is a member; and

"(2) the currency and coin held by such member, or such part thereof, as the Board may prescribe by regulation.".

SEC. 4. (a) Section 101(5) of the Federal Credit Union Act (12 U.S.C. 1752(5)) is amended by striking out "or share certificate" each place it appears therein and inserting in lieu thereof ", share certificate, or share draft deposit".

(b) Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by striking out "credit unions serving" and all that follows through the end thereof and inserting in lieu thereof "credit unions serving predominately low-income members (as defined by the Board) payments on—

"(A) shares which may be issued at varying dividend rates;

"(B) share certificates which may be issued at varying dividend rates and maturities; and

"(C) share draft deposits authorized under section 205(f);

subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Board.".

(c) Section 116 of the Federal Credit Union Act (12 U.S.C. 1762) is amended by adding at the end thereof the following new subsection:

"(c) Each Federal credit union shall maintain reserves against its share draft deposits as defined by the Board in amounts not less than such percentages of its aggregate amounts of such deposits as may be prescribed by the Board, after consultation with the Board of Governors of the Federal Reserve System. Reserves held by Federal credit unions to meet the requirements of this subsection shall be in a form specified by rules and regulations prescribed by the Board.".

(d) Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended—

(1) in the first sentence—

(A) by striking out "and" the second place it appears therein and inserting in lieu thereof a comma; and

(B) by inserting ", and at different rates on different types of share draft deposits" before the period at the end thereof; and

(2) in the second sentence, by striking out "and share certificates" and inserting in lieu thereof ", share certificates, and share draft deposits".

(e) Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every insured credit union is authorized to receive share draft deposits in accordance with rules and regulations prescribed by the Board. Except as provided in paragraph (2), an insured credit union may pay dividends on share draft deposits and may permit the owner of such share draft deposit to make withdrawals by negotiable or transferable instruments for the purpose of making transfers to third parties.

"(2) Paragraph (1) shall apply only with respect to accounts which consist solely of share draft deposits in which the entire beneficial interest is held by one or more individuals or by an organization which is operated primarily for religious, philanthropic, charitable, educational, or other similar purposes and which is not operated for profit.".

SEC. 5. The amendments made by this Act shall take effect on December 31, 1979.●

DEPARTMENT OF TRANSPORTATION'S RESPONSE TO GAO DRAFT STUDY ON PASSIVE RESTRAINTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

● Mr. SCHEUER. Mr. Speaker, although it has yet to be officially released, the General Accounting Office's draft study on passive restraints has been extensively circulated on Capitol Hill in recent weeks and widely aired in the press. Last week, the Department of Transportation made public its reply to the GAO study, and I think this excellent document deserves some recognition on its own.

The Department of Transportation made these points:

First. The passive restraint standard does not require any particular technology to be used to provide automatic protection. Two quite different technologies, airbags and automatic safety belts, have been developed and commercialized and manufacturers are free to use either one of these to meet the standard.

Second. The GAO report does not challenge the need for improved safety through automatic crash protection of automobile occupants. Indeed, the GAO generally supports DOT's view that airbags and automatic safety belts will provide such protection, and concludes: "passive restraints do offer lifesaving and injury-prevention potential."

Third. The field and experimental data conclusively show that automatic belts and airbags used together or separately are very effective in substantially improving the protection of automobile occupants in serious crashes. Furthermore, the results of actual field experience with over 12,000 airbag vehicles and about 100,000 cars with automatic belts fully support and, indeed, exceed the Department's original estimate that automatic restraints will save 9,000 lives and prevent 65,000 injuries each year.

Fourth. DOT's estimate of $112 per airbag was the cost of a system meeting the minimum performance requirements of the passive restraint standard. A system that goes beyond these minimum requirements may add some small cost to an airbag system. But these costs are not controlled by DOT. Furthermore, as the systems are further developed to reduce cost and improve performance, the cost of meeting the standard will invariably go down, while the human and economic benefits of passive restraints will continue to accrue.

One final word on automotive crash protection. Quite recently, the National Association of Insurance Commissioners (NAIC), the organization of State insurance regulatory officials, passed a resolution strongly supporting the passive rerestraint standard. I am pleased that the insurance commissioners, with their unique perspective as regulators, have joined the list of those who have concluded that automatic crash protection is the most reliable and cost effective means to reduce both the frightening death toll and the staggering economic waste associated with auto crashes. I attach the NAIC resolution on passive restraints so that each of you will be prepared to discuss this matter when contacted by your State insurance commissioners:

NAIC Automobile Insurance (D3) Subcommittee Resolution on Passive Restraint

Whereas, on January 20, 1976, the NAIC adopted a resolution urging the Department of Transportation to promulgate, without further delay, Motor Vehicle Safety Standard 208 requiring passive restraints to be installed in all new cars at the earliest possible date; and

Whereas, in May of 1977, the Department of Transportation adopted the passive restraint standard, finding that full implementation thereof will save 9,000 lives each year and prevent hundreds of thousands of serious injuries; and

Whereas, the Department of Transportation found that in addition to the life saving and injury reducing benefits of the passive restraint standard, implementation thereof would produce substantial benefits to society, generally, including insurance cost savings; and

Whereas, many insurers currently offer discounts on first party injury coverages for passive restraint equipped cars because of the economic benefits attributable to the standard; and

Whereas, bodily injury liability costs will be reduced substantially over the period of time during which the passive restraint requirement is being implemented; and

Whereas, in October of 1977, the United States Congress refused to overturn the standard under veto authority granted to it in the Motor Vehicle Safety Act, with two-thirds of the Senate endorsing the DOT decision; and

Whereas, on June 12, 1978, the NAIC adopted the findings and resolutions of the Cost Containment Task Force of the Automobile Insurance (D3) Subcommittee which included, among other things, a finding that the lack of adequate crashworthiness and occupant protection had significantly contributed to the 49,000 vehicle accident deaths and 1.9 million disabling injuries in 1977, and a resolution urging that passive restraints be made available to the public earlier than required by the DOT, and that DOT continue to work to improve occupant protection in high speed crashes; and

Whereas, special interest groups have continually attacked the standard and its life saving benefits in the false name of "deregulation"; and

Whereas, notwithstanding strong government and public support for passive restraints, these efforts on the part of a few special interests will likely continue; and

Whereas, the NAIC must restate its strong support for passive restraints and communicate that support to the United States Congress and the public;

Now, therefore, be it resolved that the National Association of Insurance Commissioners hereby reaffirms its historical support for the passive restraint standard of the DOT and commits to recommend to each of its members that this policy be communicated to their individual state delegations to the United States Congress.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am submitting to the House today a notification from the U.S. Export-Import Bank regarding a proposal for additional financing of the Angra dos Reis nuclear powerplant in Brazil.

This notification was referred to me as chairman of the Banking Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, requires the Bank to notify Congress of proposed loans or financial guarantees or combinations thereof of $100 million or more. Unless Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress following notification.

In the notification submitted today, the Eximbank proposes to increase its financing commitments to Brazil's first nuclear powerplant by $36 million for a total of $223.32 million. The Eximbank's direct credits and guarantees will make possible the purchase of an additional $60 million worth of U.S. goods and services needed to complete the plant by the end of 1980. The increased financing is required, because of the increased cost of the U.S. products required for the project.

I am inserting in the RECORD a letter from the Eximbank providing the details of this transaction. I will welcome any comments my colleagues may wish to offer on this proposed financing arrangement:

WASHINGTON, D.C.,
July 2, 1979.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room, U.S. Capitol,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2 (b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to Brazil:

A. DESCRIPTION OF TRANSACTION

1. Background and purpose

In late 1971, Eximbank authorized a direct credit of $69 million and a guarantee of private loans of $69 million to Furnas Centrais Eletricas S.A. (FURNAS) to finance the U.S. costs for the Angra dos Reis Nuclear Power Plant, Brazil's first nuclear power plant, located on the coast between Rio de Janeiro and Sao Paulo. As the U.S. costs for the project have increased, Eximbank has increased the amount of its direct credit by $40.68 million and its guarantee of private loans by $8.64 million. The last such increase was reported to you by our letter dated January 19, 1978. FURNAS has requested and Eximbank is prepared to provide an additional direct credit of $24 million and a guarantee of additional private loans of $12 million. This additional support, if approved, will bring Eximbank's total support for this project to $223.32 million.

FURNAS requires additional financing for several reasons. First, FURNAS has requested Westinghouse Electric Corporation, its principal supplier, to assume overall responsibility for the completion of the entire project, including the civil works, on a turnkey basis. This represents a significant change in the scope of the Westinghouse contract and is an attempt to streamline the procedures required to complete the project. The additional services will be performed by Westinghouse at a cost of approximately $36,750,000.

Second, Gibbs & Hill, the U.S. architect/engineer for the project will provide the additional engineering services required to carry the project to completion. These services will include consultation to FURNAS to assist FURNAS in responding to questions from Comissao Nacional de Energia Nuclear (CNEN), Brazil's nuclear regulatory body, on matters involving plant design as related to health and safety standards. Any design alteration required by CNEN will subsequently be implemented by Gibbs & Hill. In addition, Gibbs & Hill will design and supply an enhanced security system for the plant. The cost of the additional work to be performed by Gibbs & Hill will be approximately $2,500,000.

Third, FURNAS requires approximately $5,000,000 to cover the cost of equipment modifications, such as higher capacity service water pumps and titanium tubing for the condenser, as well as additional materials. In addition, FURNAS estimates that a contingency of $15,750,000 should be reserved to cover design and equipment costs resulting from any mandatory modifications required to secure the final operations license from CNEN. This contingency will also cover the cost of any shortage of miscellaneous items required for final equipment erection.

Eximbank considers the reasons for and the amount of the increased U.S. costs to be reasonable and necessary to ensure completion of this plant now scheduled for December 1980.

2. Executive branch approval

In accordance with established procedures, Eximbank requested through the Department of State the views of the Executive Branch on the proposed transaction. State's Bureau of Oceans and International Environmental and Scientific Affairs advised that the Executive Branch has no objection to Eximbank's proceeding with this transaction.

3. Identity of the parties

FURNAS is the largest subsidiary of Eletrobras, which is the Federal Government of Brazil's electric power holding company. Since 1973 FURNAS has held the status of a regional power company responsible for the supply of power to Brazil's southeastern region and for the construction of all power developments and high voltage transmission systems of regional interest. FURNAS sells its power under long-term contracts to private and government-owned utilities.

The Federative Republic of Brazil will issue to Eximbank an unconditional guarantee for repayment of the Eximbank credit and the private loans guaranteed by Eximbank.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank credit and financial guarantee totaling $36 million will facilitate the export of $60 million of U.S. goods and services. Eximbank perceives no adverse impact on the U.S. economy from the export of these goods and services. This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. Westinghouse has advised Eximbank that this sale will result in 5,117,000 man-hours, which is equivalent to 2,460 man years directly created. The majority of equipment and services will be supplied from Pennsylvania and New York where the unemployment rates in March 1979 were 7.8% and 7.7%, respectively. None of the goods to be exported are in short supply in the United States.

2. The financing plan

The total cost of United States goods and services to be purchased by FURNAS is $60 million which will be financed as follows:

	Amount	Percent of U.S. cos's
Cash	$9,000,000	15
Eximbank credit	24,000,000	40
Private loans guaranteed by Eximbank	12,000,000	20
Private loans not guaranteed by Eximbank	15,000,000	25
Total	60,000,000	100

(a) Eximbank Charges: The Eximbank credit will bear interest at 8⅝ percent per annum, payable semiannually. A guarantee fee of ¾ of 1 percent will be charged on the outstanding amount of the private loans guaranteed by Eximbank. FURNAS will also pay commitment fees of 0.5 percent per annum on the undisbursed portion of the Eximbank credit and ⅛ of 1 percent per annum on the undisbursed portion of the private loans guaranteed by Eximbank.

(b) The Eximbank credit and the private loans, which total $51,000,000 will be repaid by FURNAS in 20 equal semiannual installments beginning on December 31, 1982. Under this schedule, the first 5 installments and a portion of the 6th installment will be applied to repayment of the private loans not guaranteed by Eximbank; the remainder of the 6th installment, the next 4 installments and a portion of the 11th installment will be applied to repayment of the private loans guaranteed by Eximbank; and the remainder of the 11th installment and all of the last 9 installments will be applied to repayment of the Eximbank credit.

Sincerely,

H. K. ALLEN.●

PERSONAL EXPLANATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● **Mr. OTTINGER.** Mr. Speaker, earlier today I missed rollcalls No. 334 and 335, having been delayed by a 2-hour line at the Eastern Airlines shuttle returning from New York. The two bills, veterans disability compensation and survivors benefits and Public Health Service extension amendments, were noncontroversial, the former having passed unanimously. Had I been present, I would have voted "aye" on both.●

CHERRY POINT, N.C., NARF BEATS ITS ENGINE SCHEDULE AGAIN!

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

● **Mr. JONES of North Carolina.** Mr. Speaker, a finished article from any industry whether produced by the Government or the free enterprise system must withstand the test of stockholder approval.

In the Government case, the stockholders are the taxpayers; and, in the free enterprise system case, they are the investors who purchase stock to finance a particular industry.

Our local government industry, is the naval air rework facility (NARF) at MCAS Cherry Point. Among other functions, that NARF is one of the five that reworks—or overhauls—jet engines for not only Marine and Navy aircraft, but also for the Army, Air Force, Coast Guard, and NASA.

The Cherry Point NARF has again more than met its engine production assignments for the quarter just passed (3d quarter, fiscal year 1979). This article is intended to acquaint you with the ways and means for meeting schedules.

A jet engine is more than a simple power plant that makes some vehicle go. The jet engine is an ultraprecision propulsion course that, when integrated with the other systems in a high performance military aircraft, enables a pilot—or pilots—to fulfill specific military missions.

Jet engines produce phenomenal amounts of power for their size. As an example, the Marine OV-10 "Bronco" observation aircraft is powered by two T76 turbo-shaft—a special jet configuration—engines with each delivering over 700 horsepower—yet that engine weighs only 360 pounds. By comparison, the 200-horsepower engine in a large car probably weighs 1,000 pounds or more. There must be reasons for such lightweights to deliver so much horsepower, and indeed there are many. One of the most obvious is the operating speed. The automobile engines turn at no more than 6,000 revolutions per minute—rpm—while the T76—rpm is 40,000. Throughout the T76—and the other jet engines reworked at NARF—performance characteristics far exceed that of the automobile heavyweight. High performance engines demand higher skill levels, more training, higher investments, and consequently more time for a facility—such as the NARF—to be able to rework them than imagined.

Capability establishment involves construction; equipment purchases; utility installation; shop rearrangements; visits to manufacturers plants; providing for spare parts supply; mechanics, technicians, and engineers training; development of time standards for performing the work; establishing inspection requirements; trying out the overhaul system; plus a host of other equally important operations before the NARF could produce. Any producer would have the same problems before a service depot or commercial rework source could produce.

Of the jet engines produced at NARF, the following times were involved before rework capability was established. These times show the period that was involved for the NARF to get ready to produce, from assignment to production dates.

Engine; aircraft used on; get ready period:

T76 Garrett; OV-10 Bronco; 1 year 4 months.

F402 Rolls-Royce; AV-8A Harrier; 2 years 9 months.

T58 General Electric H-46 Sea Knight; 10 months.

T400 Pratt-Whitney; AH1J Huey Cobra; 2 years 1 month.

J79 General Electric (repair only; F-4 Phantom II; 6 months.

T74 Pratt-Whitney; Army U-21; 1 year 2 months.

The NARF was scheduled to rework and/or repair a total of 174 of a combination of the above jet engines during the quarter just ended. The NARF team produced 176 engines. That team includes the skilled craftsmen, helpers, apprentices, clerks, technicians, professionals, and the military and civilian supervisors and managers in the NARF itself; directly involved base support personnel of MCAS; and external sponsors including the Naval Aviation Logistics Center at Patuxent River, Md., and the Naval Air Systems Command at Washington, D.C., and the American taxpayer. Without all those team members, the results would have been different.

Stockholders in the free enterprise industrial establishment rightly expect monetary returns on their investments. If those returns are not received the company in which they invest will surely collapse.

Dividends to stockholders in the military industrial establishment are not nearly so obvious and do not show up in the stockholders mail as an annual dividend check. Those dividends exhibit themselves in the form of reduced taxes, the satisfaction of knowing that our Nation's defenses are in a sufficient state of readiness to respond to any contingency, or national emergency that may present itself.

Our national work force—free enterprise and Government industrial combined—can itself cause dramatic reductions in inflation through a single process—productivity improvements.

Productivity improvements in both work force arenas always result from, first capability establishment and then work force dedication, attention to detail, motivation, technique improvements, exceeding workload schedules and a general coordinated will to succeed. These latter characteristics are built from experience.

Together, the elements of the national work force if all the above attributes are adopted and applied, will cause inflation to be reduced. In no other way will that ever be accomplished.

The NARF at Cherry Point, N.C., is certainly one organizational element of the national work force that has done its part again.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. EMERY (at the request of Mr. RHODES), for the week of July 16 and the week of July 23, on account of illness.

Mr. LUKEN (at the request of Mr. WRIGHT), for July 13 and 16, on account of a death in the family.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr TAYLOR (at the request of Mr. RHODES), for July 16 and 17, on account of illness in the family.

Mr. WILLIAMS of Ohio (at the request of Mr. RHODES), for July 16, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Davis of Michigan) to revise and extend their remarks and include extraneous material:)

Mr. Tauke, for 5 minutes, today.

Mr. Kemp, for 15 minutes, today.

Mr. Dannemeyer, for 15 minutes, today.

(The following Members (at the request of Ms. Mikulski) to revise and extend their remarks and include extraneous material:)

Mr. Anderson of California, for 5 minutes, today.

Mr. Weaver, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Stokes, for 60 minutes, today.

Mr. Coelho, for 5 minutes, today.

Mr. Fuqua, for 5 minutes, today.

Mr. Carr, for 5 minutes, today.

Mr. Brooks, for 5 minutes, today.

Mr. Nelson, for 5 minutes, today.

Mr. St Germain, for 5 minutes, today.

Mr. Scheuer, for 5 minutes, today.

Mr. Neal, for 5 minutes, today.

Mr. Ottinger, for 5 minutes, today.

Mr. Jones of North Carolina, for 5 minutes, today.

Mr. McDonald, for 60 minutes, July 19, 1979.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Dicks, to have a statement on section 613 be put in the Record right after the point of order that was raised.

Mr. Steed, to include letter from Commissioner of Customs immediately following opening statement on H.R. 4393.

(The following Members (at the request of Mr. Davis of Michigan) and to include extraneous matter:)

Mr. Brown of Ohio in two instances.

Mr. Dickinson.

Mr. Dornan.

Mr. Whitehurst.

Mr. Hopkins in two instances.

Mr. Derwinski.

Mr. Conte.

Mr. Symms in two instances.

Mr. Goodling in two instances.

Mr. Lee.

Mr. Findley.

Mr. Young of Alaska.

Mr. Kemp in two instances.

Mr. Daniel B. Crane.

Mr. Shuster.

Mr. Stockman.

Mr. Roth.

Mr. Courter.

Mr. Campbell.

Mr. McKinney.

Mr. Walker.

(The following Members (at the request of Ms. Mikulski) and to include extraneous material:)

Mr. Stokes.

Mr. Bailey.

Mr. Albosta.

Mr. Anderson of California in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Vento in two instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. Murphy of New York.

Mr. Bedell.

Mr. Richmond in two instances.

Mr. Peyser.

Mr. Edgar.

Mr. Mazzoli.

Mr. Simon in two instances.

Mr. Jacobs.

Mr. Charles H. Wilson of California in five instances.

Mr. Cavanaugh.

Mr. Wolff.

Mr. Dingell.

Mr. Flippo.

Mr. Udall.

Mrs. Schroeder.

Mr. Luken.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 353. Joint resolution congratulating the men and women of the Apollo program upon the tenth anniversary of the first manned landing on the Moon and requesting the President to proclaim the period of July 16 through 24, 1979, as "United States Space Observance".

ADJOURNMENT

Mr. FLORIO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 5 minutes p.m.) the House adjourned until tomorrow, Tuesday, July 17, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2013. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a supplemental summary of the budget for fiscal year 1980, pursuant to section 201 of the Budget and Accounting Act of 1921, as amended (H. Doc. No. 96–163); to the Committee on Appropriations and ordered to be printed.

2014. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments; to the Committee on Interior and Insular Affairs.

2015. A letter from the Secretary of Health, Education, and Welfare, transmitting the final report on the influenza immunization program, pursuant to section 317(j)(1), (B)(i), (iii), and (iv) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

2016. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the current status of the national swine flu immunization program, pursuant to section 317(j)(1)(B)(ii) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

2017. A letter from the Director, Office of Hearings and Appeals, Department of Energy, transmitting notice of a delay in the preparation of the Office's quarterly report on private grievances and redress, required by section 21(c) of Public Law 93–275; to the Committee on Interstate and Foreign Commerce.

2018. A letter from the Chairman, Securities and Exchange Commission, transmitting a draft of proposed legislation to amend the Securities Act of 1933 and the Trust Indenture Act of 1939 to delete the existing exemptions for certain industrial development bonds; to the Committee on Interstate and Foreign Commerce.

2019. A letter from the Comptroller General of the United States, transmitting a report on petroleum pipeline rates and competition (EMD–79–31, July 13, 1979); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Public Works and Transportation.

2020. A letter from the Chairman, Administrative Conference of the United States, transmitting a report on the Conference's study and evaluation of the rulemaking procedures under section 18 of the Federal Trade Commission Act, as amended, pursuant to section 202(d) of Public Law 93–637, as amended (90 Stat. 588, 92 Stat. 2130); jointly, to the Committees on Interstate and Foreign Commerce, and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOLEY: Committee on Agriculture. H.R. 20. A bill to provide for the development of aquaculture in the United States, and for other purposes;; with amendment (Rept. No. 96–198, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Commitee on Small Business. Report on Federal travel procurement policy (Rept. No. 96–339). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOWEN:

H.R. 4796. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion for income earned abroad attributable to certain charitable services; to the Committee on Ways and Means.

By Mr. COURTER:

H.R. 4797. A bill to amend the Emergency Petroleum Allocation Act of 1973 to exempt motor gasoline from mandatory price and allocation regulation; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWNEY:

H.R. 4798. A bill to amend the Small Business Act to provide direct loans for the purchase and installation of wood or coal burning stoves in States declared by the Governor to have a shortage of heating oil; jointly, to the Committees on Banking, Finance and Urban Affairs and Small Business.

H.R. 4799. A bill to establish a program to assist the low-income elderly and others in meeting increased primary residential fuel costs; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

By Mr. DRINAN:

H.R. 4800. A bill to extend duty-free treatment to synthetic tantalum/columbium concentrate; to the Committee on Ways and Means.

By Mr. EDGAR:

H.R. 4801. A bill to increase authorizations provided for under the Urban Mass Transportation Act of 1964, and for other purposes; to the Committee on Public Works and Transportation.

H.R. 4802. A bill to finance the acceleration of energy-related research, development, and demonstration by establishing an energy research and development savings bond program, and by establishing an Energy Research and Development Trust Fund, and for other purposes; jointly, to the Committees on Science and Technology and Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 4803. A bill to limit the authority of the Secretary of Health, Education, and Welfare with respect to regulation of vitamin and mineral products for over-the-counter human use; to the Committee on Interstate and Foreign Commerce.

By Mr. HANLEY:

H.R. 4804. A bill to direct the Secretary of Housing and Urban Development to waive certain requirements with respect to insuring, under the National Housing Act, mortgages secured by real property located in communities in which adverse economic conditions exist as a result of outstanding claims to ownership of land in the community by an American Indian tribe, band, or Nation; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RICHMOND (for himself, Mr. Roe, Mr. Hollenbeck, and Mr. Wolff):

H.R. 4805. A bill to establish a National Center for Alternative Research, to develop and coordinate alternative methods of research and testing which do not involve the use of live animals, to develop training programs in the use of alternative methods of research and testing which do not involve the use of live animals, to disseminate information on such methods, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Science and Technology.

By Mr. SIMON:

H.R. 4806. A bill to authorize establishment of the William Jennings Bryan Birthplace National Historic Site, Salem, Ill., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STAGGERS (for himself, Mr. Udall, Mr. Fuqua, Mr. Clausen, and Mr. Wydler):

H.R. 4807. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980, and for other purposes; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. TAUKE:

H.R. 4808. A bill to provide for the collection and publication of information on middle distillate supply and demand within each of the States; to the Committee on Interstate and Foreign Commerce.

By Mr. WEAVER:

H.R. 4809. A bill to amend section 204(b)(6) of the Fishery Conservation and Management Act of 1976 to prohibit the issuance of fishing permits under such act for foreign vessels of any nation designated by the Secretary of Commerce, pursuant to a certification under section 8(a) of the Fishermen's Protective Act of 1967, as a nation whose nationals are conducting fishing operations in a manner that undermines the effectiveness of international fishing conservation programs; to the Committee on Merchant Marine and Fisheries.

By Mr. CHARLES WILSON of Texas:

H.R. 4810. A bill to amend title XVI of the Social Security Act to prevent an individual from disposing of property to a relative or any other person, without fair compensation, in order to qualify for SSI benefits; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 4811. A bill for the relief of the city of Nenana, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PEYSER (for himself, Mr. Campbell, Mr. Stenholm, Mr. Kogovsek, Mr. Bailey, Mrs. Snowe, Mrs. Byron, Mr. Courter, and Mr. Lewis):

H.J. Res. 378. Joint resolution to provide timely and reliable energy supply information by requiring all domestic oil companies to furnish information monthly (for publication by the Secretary of Energy) on their maximum refining capacity, the percentage of such capacity achieved, their crude oil supplies, and their inventory of refined petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. APPLEGATE (for himself, Mr. Albosta, Mr. Rahall, Mr. Murphy of Pennsylvania, Mr. Bailey, Mr. Lederer, Mr. Natcher, Mr. Young of Missouri, Mr. Flood, Mr. Yatron, Mr. Burgener, Mr. Edgar, Mr. Mollohan, Mr. Bevill, Mr. Murtha, Mrs. Byron, Mr. Ertel, Mr. Taylor, Mr. Wampler, Mr. Findley, Mr. Watkins, Mr. Perkins, Mr. Ichord, Mr. Clinger, Mr. Harsha, Mr. Bonior of Michigan, Mr. Guyer, Mr. Myers of Pennsylvania, Mr. Brodhead, Mr. Breaux, Mr. Moorhead of Pennsylvania, and Mr. Simon):

H. Res. 358. Resolution to express the sense of the House of Representatives that the United States of America should establish and actively and immediately pursue a national energy plan that emphasizes and demands the use of domestic coal as a means of displacing current foreign energy imports, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. BRADEMAS:

H. Res. 359. Resolution relating to intern programs and the clerk hire allowance; to the Committee on House Administration.

By Mr. GIAIMO:

H. Res. 360. Resolution approving the printing of additional copies of the report accompanying the second concurrent resolution on the budget for fiscal year 1980; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

254. The SPEAKER presented a memorial of the Legislature of the State of Louisiana, relative to efforts to balance the Federal budget; to the Committee on Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM:

H.R. 4812. A bill for the relief of Ashley George Reid; to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 4813. A bill for the relief of Jose Ramon Tiburcio; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 4814. A bill to direct the Secretary of the Department in which the United States Coast Guard is operating to cause the vessel *Independence* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 785: Mr. Bedell, Mr. Pepper, Mr. Weaver, Mr. Stewart, Mr. Frost, and Mr. Seiberling.

H.R. 1516: Mr. Vander Jagt.

H.R. 1603: Mr. Young of Missouri, Mr. Lungren, Mr. Kemp, and Mr. Preyer.

H.R. 1918: Mr. Brodhead.

H.R. 2196: Mr. Coleman.

H.R. 2692: Mr. Anthony, Mr. Bafalis, Mr. Brown of Ohio, Mr. Burgener, Mr. Collins of Texas, Mr. Daniel B. Crane, Mr. Dan Daniel, Mr. Dornan, Mr. Fuqua, Mr. Gingrich, Mrs. Holt, Mr. Kindness, Mr. Lagomarsino, Mr. Livingston, Mr. McClory, Mr. McDonald, Mr. Mathis, Mr. Paul, Mr. Runnels, and Mr. Symms.

H.R. 2744: Mr. Bowen, Mr. Fountain, Mr. Ginn, Mr. Hance, Mr. Hefner, Mr. Hutto, Mr. Jones of North Carolina, Mr. McKay, Mr. Natcher, Mr. Neal, Mr. Nelson, Mr. Nichols, Mr. Perkins, Mr. Pickle, Mr. Preyer, Mr. Roberts, Mr. Rose, Mr. Watkins, Mr. White, Mr. Whitley, and Mr. Whitten.

H.R. 3258: Mr. Petri.

H.R. 3301: Mr. Conte, Mr. Dodd, Mr. Holland, and Mr. Leach of Louisana.

H.R. 3480: Mr. Williams of Montana, Mr. Blanchard, Mr. Paul, Mr. Sensenbrenner, and Mr. Latta.

H.R. 3612: Mrs. Heckler.

H.R. 4211: Mr. Beilenson, Mr. Breaux, Mr. Dellums, Mr. Downey, Mr. Emery, Mr. Fazio, Mr. Hawkins, Mr. Kogovsek, Mr. Mazzoli, Mr. McHugh, Mr. Mottl, Mr. Rangel, Mr. Roe, Mr. Won Pat, and Mr. Young of Missouri.

H.R. 4347: Mr. Gudger, Mr. Giaimo, Mr. Leland, Mr. Vander Jagt, Mr. Akaka, Mr. AuCoin, Mr. Horton, Mr. Andrews of North Dakota, Mr. Florio, and Mr. Frost.

H.R. 4471: Mr. Sensenbrenner, Mr. Lagomarsino, Mr. Roe, Mr. Marriott, Mr. Lent, Mr. Lott, Mr. Frenzel, Mr. Dannemeyer, Mr. Whittaker, Mr. Burgener, Mr. Whitehurst, Mr. Long of Maryland, Mr. Dornan, Mr. Collins of Texas, Mr. Sawyer, and Mr. Young of Alaska.

H.R. 4507: Mr. Courter, Mr. Florio, Mr. Forsythe, Mr. Guarini, Mr. Hollenbeck, Mr. Howard, Mr. Hughes, Mr. Maguire, Mr. Minish, Mr. Patten, Mr. Rinaldo, Mr. Rodino, Mr. Roe, and Mr. Thompson.

H.J. Res. 373: Mr. Weiss.

H. Con. Res. 80: Mr. Stockman.

H. Res. 338: Mr. Bedell and Mr. Kramer.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

173. By the SPEAKER: Petition of the Marshall Islands Nitijela, Majuro, Marshall Islands, Trust Territory of the Pacific Islands, relative to Bikini Atoll; to the Committee on Interior and Insular Affairs.

174. Also, petition of the common council, Syracuse, N.Y., relative to lead hazards in old houses; to the Committee on Interstate and Foreign Commerce.

175. Also, petition of the Eastern Regional Conference on Uniform Reciprocal Enforce-

ment of Support, Richmond, Va., relative to the Federal share of administrative costs associated with the non-AFDC part of the child support enforcement program; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2462

By Mr. SNYDER:

—Section 27 of the Merchant Marine Act, 1920, as amended, 46 USC S883, is hereby further amended by adding the following new clause at the end thereof: "*Provided further*, That until October 1, 1984, and notwithstanding any other provision of this section, any vessel documented under the laws of the United States and owned by persons who are citizens of the United States may, when operated upon a voyage in foreign trade, transport merchandise in cargo vans, lift vans, and shipping tanks between points embraced within the coastwise laws for transfer to or when transferred from another vessel or vessels, so documented and owned, of the same operator when the merchandise movement has either a foreign origin or a foreign destination. This proviso shall not apply to movements between points in the contiguous United States and points in Hawaii, Alaska, and Commonwealth of Puerto Rico and United States territories and possessions.".

H.R. 3434

By Mr. MICHEL:

—On page 51, immediately after line 2, add the following new section:

"SEC. 403. Notwithstanding any other provision of this Act, no payments under title II of this Act shall be effective except to the extent provided in advance in appropriation Acts."

H.R. 3996

By Mr. GORE:

—Page 48, immediately after line 19, insert the following new section:

MORATORIUM ON SERVICE DISCONTINUANCE

SEC. 102. (a) Notwithstanding any other provision of law, the National Railroad Passenger Corporation shall not implement the final recommendations of the Secretary of Transportation under section 4 of the Amtrak Improvement Act of 1978.

(b) (1) The Board of Directors of the National Railroad Passenger Corporation shall conduct an evaluation of those routes of the Corporation which are recommended for discontinuance by the Secretary of Transportation pursuant to section 4 of the Amtrak Improvement Act of 1978. For purposes of conducting such study and evaluation, the Corporation shall utilize data for rail passenger service on such routes during the period beginning January 1, 1979, and ending December 31, 1979.

(2) In conducting its evaluation under this subsection, the Board of Directors of the Corporation shall consider—

(A) the impact of gasoline shortages and gasoline price increases on the short-term and long-term traveling patterns of the public, including diversion of intercity passengers from automobiles to passenger trains as a result of the continuation of such shortages and price increases;

(B) the extent to which a modern intercity rail passenger system utilizing the latest available equipment technology can contribute to reduced national dependence on petroleum and further national energy conservation efforts by providing reliable and energy-efficient rail passenger service to meet present and future transportation needs:

(C) increases in ridership and net revenues on routes recommended for discontinuance by the Secretary of Transportation (including potential increases in ridership and net revenues not realized because of capacity constraints), factors attributable to such increases, and the likelihood of future such increases;

(D) a comparison of the routes recommended for discontinuance by the Secretary of Transportation with the routes designated for continued operation, in terms of both financial performance and increased ridership;

(E) the extent to which the existing intercity rail passenger system has the capacity to provide reliable service to meet increased demand for intercity rail passenger transportation, including additional frequencies of service over existing or restructured routes, and the extent to which expansion of such capacity is necessary to meet such demands; and

(F) the potential of each train or route, given a minimum reasonable quality of service, in terms of roadbed, track, equipment, on-time performance, and scheduling: and

(G) the transportation needs of areas lacking adequate alternative forms of transportation, including communities which have lost or are likely to lose airline service.

(c) (1) The Board of Directors of the Corporation shall, no later than April 1, 1980 determine what trains and routes will be operated as the basic intercity rail passenger system after October 1, 1980, and submit a report to the Congress setting forth its determinations and the reasons therefor. Such report shall contain an analysis of each of such factors set forth in subsection (b) (2) of this section and an explanation of how each of such factors was taken into account in the determination of the Board. The determinations of the Board of Directors under this paragraph may provide for the restructuring of any existing routes or for implementing service of frequency additions of such routes.

(3) The intercity rail passenger system operated by the Corporation after October 1, 1980, pursuant to this paragraph shall, at a minimum provide service over all routes designated for continued operation pursuant to the recommendations of the Secretary of Transportation under section 4 of the Amtrak Improvement Act (including substitute service required to be operated under section 4(g) (2) of such Act).

Redesignate sections 102 through 116 as sections 103 through 117, respectively.

Page 52, line 10, strike out "1979" and insert in lieu thereof "1980".

Page 52, beginning on line 13, strike out "designated by the Secretary" and all that follows through "Act," on line 17, and insert in lieu thereof "determined by the Corporation under section 102 of the Amtrak Reorganization Act of 1979,".

Page 71, line 14, strike out "1979" and insert in lieu thereof "1980".

Page 72, strike out line 16 and all that follows line 23 on page 73.

Page 79, line 13, strike out "not to exceed" and all that follows through "1981," on line 16 and insert in lieu thereof "not to exceed $698,000,000 for the fiscal year ending September 30, 1980, not to exceed $724,000,000 for the fiscal year ending September 30, 1981,".

Page 80, line 10, strike out "not to exceed" and all that follows through "1980, and" on line 11.

Page 80, strike out lines 15 through 20.

Page 80, line 21, strike out "(F)" and insert in lieu thereof "(E)".

Paeg 80, line 23, strike out "not to exceed" and all that follows through "1980, and" on page 81, line 1.

Page 81, line 3, strike out "(G)" and insert in lieu thereof "(F)".

Page 88, strike out lines 15 and 16 and insert in lieu thereof the following:

"(2) Implementation by the Corporation, in accordance with its rail passenger system determined under section 102 of the Amtrak Reorganization Act of 1979, of the restructuring of any routes which were recommended for restructuring by the Secretary and which require—

By Mr. STACK:

—Page 73, line 23, immediately after "subsection." insert the following new sentence: "If for any fiscal year the projected operating expenses of rail passenger service over all routes eligible for operation under this subsection exceed the amount appropriated for puposes of this subsection for such fiscal year then the Corporation shall compile a ranking of the eligible routes, beginning with the route which has the lowest short term avoidable loss per passenger mile and the highest passenger mile per train mile. The amount appropriated for such fiscal year shall be allocated for eligible routes (including each train operated on the route) based solely on the order set forth in such ranking.".

H.R. 4440

By Mr. TAUKE:

—Page 19, line 19, insert "of which $200,000,000 shall be available for the urban initiatives program, and" after "$1,280,000,000,".

H.R. 4473

By Mr. LOTT:

—Page 2, line 8, strike out "$887,301,997" and insert in lieu thereof "$763,728,483".

—Page 3, line 5, strike out "$308,000,000" and insert in lieu thereof "$163,079,165".

—Page 4, line 24, strike out "$359,464,687" and insert in lieu thereof "$265,000,000."

—Page 5, line 20, strike out "$41,666,667" and insert in lieu thereof "$25,000,000".

—Page 11, line 1, strike out "Institute for Scientific Technology" and all that follows through line 5.

—Page 23, after line 12, insert the following:

SEC. 527. Of the total budget authority provided in this Act, for payments not required by law, six percent of each appropriation account, activity, and project shall be withheld from obligation and expenditure.

By Mr. MILLER of Ohio:

—On page 23, after line 12, insert the following section:

SEC. 527. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum.

—On page 23, after line 12, insert the following section:

SEC. 527. Of the total budget authority provided in this Act, for payments not required by law, two per centum shall be withheld from obligation and expenditure: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project, for payments not required by law, the amount withheld shall not exceed five per centum, and *Provided further*, That this reduction shall not apply to the appropriation in this Act for Israel and Egypt.

By Mr. ROSENTHAL:

—Page 10, line 11, strike out "$42,000,000" and insert in lieu thereof "$51,758,000".

Page 10, line 12, strike out "not more than $6,242,000" and insert in lieu thereof "$16,000,000".

By Mr. YOUNG of Florida:

—Page 2, line 12, strike $887,301,997" and insert in lieu thereof "$150,277,000".

—Page 4, line 7, after the comma, strike the remainder of line 7 and lines 8 through 10.

—Page 4, line 24, strike the period and insert the following: ": *Provided further*, That none of the funds appropriated or otherwise made available by this paragraph shall be obligated or expended to finance any assistance or reparations to the Socialist Republic of Vietnam.".

—Page 5, line 3, strike "$359,464,687" and insert in lieu thereof $248,214,687".

—Page 5, strike lines 22 thorugh 24, and on page 6, strike lines 1 and 2.

—Page 6, line 7, strike "$267,280,000" and insert in lieu thereof "$263,330,000" and on line 9, strike the period and insert the following: ": *Provided further*, That not more than $126,050,000 shall be available for the United Nations Development Program.".

—Page 8, line 22, strike "$100,000,000" and insert in lieu thereof "$80,250,000".

—Page 9, line 14, strike "$1,917,000,000" and insert in lieu thereof "$1,922,000,000" and on line 24, strike the period and insert the following: ": *Provided further*, That not more than $5,000,000 shall be available for Zimbabwe-Rhodesia.".

—Page 11, strike lines 4 through 8.

—Page 19, line 12, after the word "directly" add the following: "or indirectly".

EXTENSIONS OF REMARKS

THE ECONOMICS OF CONSERVATION

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● **Mr. VENTO.** Mr. Speaker, the Harvard Business School recently published a study which concludes that energy conservation is this Nation's largest energy resource for the next decade. This prestigious institution has documented that conservation measures are not simply Malthusian hyperbole, instead they are a meaningful way of addressing this important concern.

We cannot control totally the supply of natural resources or the demand side of the energy equation. However, much can be done to increase supplies through new developments such as synfuels. We can also reduce demand with conservation measures without a substantial loss in our quality of life.

There is good and bad news emanating from the current gas shortage. The good news is that Americans are beginning to realize that much of our past automobile use was not necessary, and as individuals and as a nation we are taking steps to lessen gas consumption and unneeded usage.

The bad news is that such a significant segment of our economy is some estimate between 25 to 33 percent is dependent upon the automobile and related industries, including it's manufacture, sale, and servicing, et cetera.

The time that may be afforded by synfuel use or conservation methods must be utilized to develop public policy which would help to bridge the gaps and economic dislocations that will surely flow from the likely demise of automobile use.

At this time I would like to bring to the attention of my colleagues an excellent editorial which appeared in the Washington Post July 13, concerning conservation:

CONSERVATION WITHOUT FEAR

A committee of the National Academy of Sciences recently concluded that in the year 2010 "very similar conditions of habitat, transportation, and other amenities" could be had in this country from an economy that consumed—pay attention here—either twice as much energy as we do today, or 20 percent less. Translated from the academy's solemn prose, this remarkable assertion apparently means that we have a choice between enjoying the same lifestyle—goods, services and total economic activity—fueled by the equivalent of either some 70 million barrels a day of oil—or 30 million barrels. The difference comes from conservation.

Ever since the first oil shock of 1973, a number of voices have been touting the potential of conservation as a primary energy source for the United States. Generally, they have been discounted as obsessive environmentalists—or some other form of vague romantic. Now, however, the Harvard Business School—untinged by any hint of no-growth bias—adds its voice to the chorus with the release of its six-year study, which concludes that energy conservation is the country's largest energy resource for the next decade. Indeed, the business professors, of all unlikely men, conclude that conservation, coupled with relatively modest new production incentives, is not only the best, but also the most politically acceptable energy plan.

What does this mean for the average American who three days from now must begin to abide by the government's first major conservation initiative, mandatory thermostat settings? Does a conservation policy means that Americans must accustom themselves to ever and ever less comfort and convenience, on a downward descending curve to steamy summers and glacial winters? Will conservation solve our energy problems by taking us all back to the cave?

The answer, according to the best experts, is no. There is, they say, a wide array of conservation possibilities that can both save large amounts of energy (a barrel saved is a barrel not imported) and do it without slowing down, heating up, frustrating or in some other way cramping the style of the American consumer. The possibilities range from higher mileage standards for cars and trucks, to more energy-efficient building design and retrofit of existing buildings, to letting factories that need steam share the same site as power plants, which make steam as a waste product from making electricity (known as "cogeneration" to the trade, this is common practice in Europe).

Most such changes have this in common: They require changes in our institutions—government regulations, industrial practices, building design, etc.—but, unlike the thermostat-setting rule, they do not directly affect the consumer's daily routine. The family that purchases a new appliance that meets more exacting efficiency standards and thereby saves energy can only be expected to be pleased.

This is not to discuss the value of measures like the pending thermostat requirements. *Any* savings, in the current situation, will help. But the growing opinion among energy analysts is not just that conservation is a vital energy resource that should be tapped, but—more interestingly—that the steps which promise the largest return are those requiring institutional, not personal change.●

CRITICAL ENERGY PROBLEMS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● **Mr. PEYSER.** Mr. Speaker, together with a bipartisan group of Congresmen from both oil-producing and oil consuming States, I am introducing a bill which will require domestic oil companies and the Department of Energy to provide timely and reliable energy supply information to both the public and the Government.

With our critical energy problems apparently here to stay, it is imperative that we be supplied with current data to enable Congress and the people to respond rationally to this crisis. The energy situation changes so rapidly that data more than a month or two old is usually of little or no value to a policymaker. Yet, despite this need, a recent CRS report criticizes the fact that the Department of Energy delays its collection and dissemination of energy supply information by as much as 3 to 4 months.

Our bill will correct this problem by mandating that each oil company provide the Department of Energy with monthly information on refining capacity and percentage of capacity utilized, crude and refined supplies and location of those supplies, within 3 working days of the close of each month. DOE would then have 3 additional working days to disseminate this information by oil companies to the Congress and the public.

This bill will not only enable the Congress to respond intelligently to supply disruptions, but more importantly it will help to restore public confidence and our credibility with the American people.

Mr. Speaker, it is my hope that other Members of the House will join us in cosponsoring this simple but vitally important bill.●

LOUISVILLIAN ELECTED PRESIDENT OF NSPE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● **Mr. MAZZOLI.** Mr. Speaker, I would like to congratulate my friend, Sammie

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

F. Lee, P.E., of Louisville, Ky., who was recently elected president of the National Society of Professional Engineers, a nationwide organization representing nearly 80,000 individual members from every aspect of the engineering profession.

Besides holding a number of prestigious positions with the society, including chairman of the Legislative and Government Affairs Committee and president of the Kentucky Society of Professional Engineers, Mr. Lee is quite active in civic affairs. He is a member of the Downtown Louisville Lions Club, the Louisville Area Chamber of Commerce, Louisville Lodge No. 400, and the Scottish Rite and Korsair Shrine Temple.

Sammie is a registered land surveyor in Kentucky and a registered professional engineer in Kentucky, eight other States, and the District of Columbia. He recently received the Kentucky Society of Professional Engineers' Distinguished Service Award for continued service to the betterment of the engineering profession.

It is, indeed, an honor for the State of Kentucky that Sammie has been elected to this prestigious position. I take this opportunity to congratulate him and wish him the best of luck.●

GREENPOINT-WILLIAMSBURG SENIOR CITIZENS STATEMENT OF CONCERN

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. RICHMOND. Mr. Speaker, during the recent Senior Citizens Week, it was my pleasure to meet with an outstanding group of senior constituents from the Greenpoint-Williamsburg community of Brooklyn, in the 14th District of New York. As individuals and as a group, these senior citizens were most eloquent in expressing their views and concerns on issues of importance to the elderly in their community, throughout New York, and across the Nation.

I want to share with my colleagues the statement of concern that this fine group of thoughtful and perceptive constituents presented to me at our meeting. Each and every member of this group of senior citizens from Greenpoint-Williamsburg is to be commended for their dedication and continuing efforts to combat the problems faced daily by America's seniors—assaults on the social security system; escalating health care costs; proposed cutbacks in Older Americans Act programs; inadequate transportation facilities for the elderly and handicapped; and, "ageism," antisenior job discrimination.

The Greenpoint-Williamsburg seniors who presented their statement of concern to me during Senior Citizen Week included:

Ms. Rose Mauro, Chris Dziewulski, Ms. Anna Ferguson, Ms. Evelyn Marotta, Ms. Priscilla Santiago, Justo Marti, Mr. Cecil Dawson, Mr. John Lukash, Mr. Napoleon LeBlanc, Mr. Anthony Zygnerski, Mr. Fred Obst, Ms. Anna Schonmann, Ms. Isabelle Arculin, Ms. Renee Kolunoskie, Ms. Marge Marcial, Mr. Pat Simonelli.

Ms. Tillie Tarantino, Mr. Joseph Quinn, Cesidio Salce, Ms. Inell Archer, Ms. Sadie Katz, Ms. Isadoro Stockfish, Mr. George White, Ms. Connie Miele, Ms. Jeri Bowerio, Ms. Catherine Zygnerski, Ms. Veda Obst, Mr. Stanley Kraniak, Ms. Theresa Pugliese, Ms. Ann Hungerford, Mr. Jerry Marcial, Ms. Simonelli.

Ms. Riva Levine, Ms. Angie Giglio, Ms. Frances Salce, Ms. Inez Collazo, Ms. Edna Perry, Ms. Gretell Dawson, Ms. Mary DeAngelis, Ms. Frieda Siems, Ms. Jane Geraghty, Ms. Lil Keable, Mr. Joe Pierce, Mr. Fred Sundin, Ms. Mae Dwyer, Ms. Edna Konopka, Mr. Bob Germino.

Their statement of concern follows:

A STATEMENT OF CONCERN TO OUR ELECTED OFFICIALS IN WASHINGTON

We, the senior citizens of Greenpoint-Williamsburg, wish to put ourselves on record before our elected officials as advocating for action on six crucial senior citizen issues:

1. Social Security. In this category we have four specific demands: (a) that there be no Social Security benefit cuts at all in FY 1980, (b) that the basic level of benefits in both Social Security and Supplemental Security Income benefits be increased in FY 1980, (c) that procedures for granting cost of living increases for Social Security recipients be improved so as to reflect more accurately the actual rise in living costs for the elderly, and (d) that General Revenue monies be used to help fund the Social Security system.

2. Health. We strongly support the move in Congress for the establishment of National Health Insurance as well as an extension of Medicare benefits to include such items as prescriptions, drugs, dental work, eyeglasses and greater home care coverage.

3. Food Stamps. We urge liberalization of the means test as a means of lowering eligibility requirements to include more senior citizens. We also desire more expanded coverage under the program for all recipients of Food Stamp benefits.

4. The Older Americans Act. We oppose the Carter Administration's proposed cutbacks for programs funded under the terms of this act, and we demand that funding levels be increased so as to carry out the clear legislative intent of the law.

5. Transportation. We wish to put ourselves on record as supporting: (a) adequate funding for specialized public transportation for the elderly and the handicapped, (b) building, renovation and/or remodelling to accommodate the handicapped (e.g., through the use of ramps, special doors etc.), and (c) escorts for the elderly and the handicapped.

6. Ageism. We denounce all attempts to discriminate against senior citizens, both in government and in private industry, because of age. We laud the Federal Government's initiative in combatting ageism and we desire Washington to continue the fight against this great social evil by opposing all manifestations of anti-senior job discrimination (e.g. age discrimination in hiring practices, forced retirements etc.).

We, the senior citizens of Greenpoint-Williamsburg, feel that the time has come for elderly men and women to stand up for their rights and to fight for them, especially now in this time of budgetary austerity. We feel that it is simple justice to give us these rights, as we have contributed so much for so long to build America. We count on your assistance in this struggle and we will remember you if you help. Thank you.●

AIR FORCE HIGHER EDUCATION

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. BROWN of Ohio. Mr. Speaker, the following are major excerpts from remarks by Charles W. Duncan Jr., Deputy Secretary of Defense, to the graduating class of the Air Force Institute of Technology, Wright-Patterson AFB, Ohio, December 15, 1978, which I feel may be of interest to other Members of Congress.

The excerpts are as follows:

There are a lot of reasons why we in the Department of Defense need AFIT. There are a lot of reasons why we need you. One of the most important is what's going on in the Soviet Union. As you know and as you've read and as you've heard from other speakers, I'm sure, the Soviet military effort has been increasing steadily for more than 15 years. The annual rate of increase has been between 4 and 5 percent. The present Soviet effort exceeds ours by a minimum of 25 percent and perhaps as much as 40 percent. The Soviet armed forces have improved substantially with these steadily increasing outlays. More than 1,000 ICBM launchers and more than 900 submarine launch ballistic missile tubes have been added to Soviet strategic forces. They've developed an antisatellite capability. These forces are being modernized as well as expanded. The Soviets are also upgrading their peripheral attack forces with a mobile MIRV'd SS20 intermediate range ballistic missile, and the Backfire bomber. The Soviet army has grown by more than 30 divisions. One thousand tactical aircraft have been deployed in Soviet frontal aviation. And many of the elements of a capable open ocean navy are now in place.

In sum, the Soviets may have been behind us qualitatively and in some ways quantitatively back in 1964, but they have arrived as a modern military power. You'll hear it argued, and I'm sure you have just as I have, that where technology is concerned, if we were more restrained the Soviets would reciprocate. I think it's worth noting that the Soviets have scored a number of firsts in the deployment of advanced technology systems. They were the first to deploy medium range ballistic missiles, the first to deploy intermediate range ballistic missiles, the first to deploy intercontinental ballistic missiles, the first to deploy an antiballistic missile system, and now an antisatellite system. That's not a bad record for a supposedly backward technology.

RESTRAINT NOT RECIPROCAL

As our expenditures have gone up, and they did during the Southeast Asian period, their expenditures have gone up. As our expenditures have gone down, their expenditures have continued to go up. Our expenditures today are flat with what they were in real dollar terms in the early 1960s. Their expenditures are substantially higher. Nowhere is there any evidence that restraint on our part will be reciprocated by the Soviets except where we have specific and verifiable arms control agreements.

EXPANDING SOVIET R&D

What is equally impressive is the way the Soviets are expanding their base for research and development. And the way that they are adding to their capacity to produce military equipment. Not only are they acquiring new and more sophisticated weapons at a rapid pace, they're getting to a position to do so in an even improved way in the future.

The Soviet effort in education is particularly strong. Between 1960 and 1969, total enrollment in higher educational institutions nearly doubled and the majority of undergraduates in the Soviet Union continue to study scientific and technical subjects. In 1973–1974, 42 percent of the enrollment was in engineering specialties. In 1971, some seven years ago, 240,000 engineers were graduated in the Soviet Union. In that same year, 50,000 graduated in the United States. As one example in the services, the Soviet's want 50 percent of their naval officer corps to hold advanced technical degrees. I'm told that they are very upset today that only 45 percent of their naval officers hold advanced technical degrees. I'm told that the Soviets operate 118 military engineering schools. We have AFIT, the service academies and the Navy postgraduate school.

Right now, the Soviets are spending between 11–30 percent of their gross national product on defense. By contrast we are spending 5 percent. And although our gross national product is much larger than theirs, we're not going to be outspending the Soviets in the near future. Our main weapons in the competition are going to have to be better allies, superior technology, and greater efficiency.

MAINTAINING OUR EDGE

This emphasizes the need for you because you are directly related to those latter two points. Efficiency and superior technology. One advantage that we have in our forces is that our weapons systems are qualitatively superior. While Soviet and Warsaw Pact forces have improved in this regard—and let's don't deny that—we do have a competitive edge though it's narrowed. We've got to maintain that edge at all costs. This is of overriding national importance in my judgment. Whether we are doing enough to insure our comparative edge even in the Air Force is a major issue.

As you might expect, nearly 100 percent of the Air Force officer corps is educated at the baccalaureate level. Thirty-eight percent of the Air Force officer corps has got advanced degrees—graduate degrees—but as far as I can tell, today's distribution of baccalaureate degrees is not as good as it was even a few years back.

Only 11 percent of the Air Force officer corps has advanced degrees in the scientific technical disciplines that are so critically needed in the Air Force. I gather from forecasts that this figure can likely drop to 7.5 percent as early as 1983.

DEFICIT IN NEEDED DISCIPLINE

Of the 27,000 Air Force officer master's degrees, only 9,200 can be counted toward the Air Force objective of 10,500 in needed disciplines. That leaves a defict of 1,300 right now. A projection indicates that the deficit is going to grow to as high as 1,750 Air Force officers over the next five years.

This is not an agreeable situation to say the least. At the same time that the need for advanced technical and scientific education is increasing, congressional austerity and other demands have reduced the number of manyears annually invested in graduate education for line officers. In 1973 it was 1,820. In 1979 it's 955. A shrinkage of almost 50 percent.

The number of line officer students funded in the fiscal year 1979 budget alone dropped 15 percent and the drop was directed by the Congress. That means fewer officers will be able to go on to Air Force graduate education during this year, fiscal year 1979.

Well, what all this signifies for defense is that since the United States produces fewer technical and scientific degrees than the Soviet Union, fewer will be available for the Department of Defense. This shortage of technical and scientific degrees is a national problem as well as a defense problem. As a national problem it will be reduced in the long term by the law of supply and demand. As a defense problem, we've got cause for concern. We have got to work with the Congress to stress the importance of this issue and hopefully to obtain relief.

ADVANCED EDUCATION ESSENTIAL

As with AFIT alumni before you, you can take pride in knowing of your contribution to the resolution of this problem. Because of our commitment to technology, the quality of defense-oriented advanced technical and scientific education such as AFIT provides here and you have received here, is essential to the Department of Defense. Because of your unique education, there will be a continuing solid demand for Air Force resident school graduates throughout the R&D community. The Air Force for example, is totally committed to computer-driven navigation and bombing systems. It's totally committed to weapons control systems driven by computers and computer science. It's totally committed to guided missiles, to satellites, to aircraft that are electronic and computer driven. Just to understand these systems requires a technical education. But to work with them, to refine them, to improve them, to advance them, requires the kind of knowledge that you have received from your advanced education here.●

NSF CONFERENCE AUTHORIZATION DESERVES SUPPORT

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. VENTO. Mr. Speaker, I wish to commend my distinguished colleagues, Mr. FUQUA, Mr. BROWN, Mr. WYDLER, and Mr. HOLLENBECK for their outstanding efforts as members of the Conference Committee on the National Science Foundation Act authorization for fiscal year 1980. The compromise reported and approved by the House July 13, 1979, is both equitable and reasonable and will insure that vital basic research will continue at a time when it is so desperately needed.

Although significant differences existed between the House and Senate versions of the NSF Authorization, I am delighted and gratified that our conferees were able to retain most of our major recommendations. But, most important, the conference report retained all of the applied science mandates included in the House bill.

House passage of the $1,007.7 billion for the NSF in 1980 will guarantee that essential research will not only be maintained but, in fact, will be expanded at this important crossroads in our history. As pointed out in the floor debate July 13, sufficient funding for research programs is crucial for our energy, agricultural, and general technological needs now, and in the middle- and long-term future. In this regard, I am especially pleased that the conferees authorized a $170.0 million budget for the biological, behavioral, and social sciences category which represents a $12 million increase over that recommended by the House last March.

Commonsense dictates the vital need for basic research which must be conducted by our science community in future decades. The future development of alternative energy sources, so essential to the health of our economy, is necessarily the top priority of the 1980's and 1990's. If we are to free ourselves from the intelorable dependence we now have on OPEC, and if we are to achieve any degree of energy independence, we must be cognizant of what the science community can, with our support, produce to meet these needs. To short-change the NSF at this time would be to short-change America both now and in the future. The importance of scientific research in so many areas is highlighted today by the fact that we can finally admit that we live in a world of limited resources, and that we need to develop new sources of energy to meet the tests and challenges that will confront us in the immediate future.

To this end, we must remain committed to our NSF programs and what they can produce to help, in large measure, to meet those tests and challenges. This important legislation is a right step in that direction.

I applaud my fellow colleagues in the House for their overwhelming support of this conference report, and I urge the Senate to now accept it as a realistic and fair compromise that will signal continued support for our National Science Foundation.●

A QUESTION OF LEADERSHIP

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. SHUSTER. Mr. Speaker, as the news media around the Nation almost daily reports and headlines the decline of the Carter administration because of the President's inability to lead, America's heart grows heavier. I take no pleasure, either political or personal, in reading and hearing these distressing facts. However, they cannot be covered up or ignored. An editorial in the July 6th edition of the Altoona, Pa., Mirror addresses these facts in a straightforward manner. I should like to insert the text of that editorial, entitled "Carter Hits Bottom" in the RECORD at this point.

[From the Altoona (Pa.) Mirror, July 6, 1979]

CARTER HITS BOTTOM

The lowest rating of any president in modern American political history has been registered by Mr. Carter in an ABC News-Harris public opinion survey, announced Monday.

On job performance as president of the United States, Mr. Carter is two points below Richard Nixon at Mr. Nixon's lowest point, just before he resigned.

Many of Mr. Carter's critics, including both Democrats and Republicans, point to three major factors in the president's record low rating with the public:

His lack of decisiveness, his emphasis on foreign policy, at the expense of domestic problems such as inflation and the energy crisis—foreign policy moves which have been, for the most part, controversial—and his preoccupation with trying to maintain a stand between the liberal and conservative factions of his own party in order to meet the challenge of Sen. Edward Kennedy.

To most conservatives, in either party, we believe Mr. Carter would be preferable to Mr. Kennedy, or Vice President Mondale.

Yet, it is difficult to meet the challenge of the long-established family publicity that is Sen. Kennedy's.

Undoubtedly, the lines of cars at gasoline stations which had little gas to sell while Mr. Carter was visiting Tokyo have had much to do with the president's low rating.

When the punch gets personal, the crunch is on.

Mr. Carter dallied away two years on a fuel program that still lacks the essence of a worthwhile plan—encouragement and aid for increased production.

At this point, we should say the determining factors in the presidential campaign will be presentation to the public of a concise, strong and practical plan for fuel, inflation, national defense.

The person whose dynamic leadership presents such a plan stands the best chance for the White House—and we believe the issue of leftwing versus rightwing ideology will be more significant than the party tag, for it, and it alone, can bring the crossing of party lines which will be needed for victory.

Sen. Kennedy is beyond doubt the nation's leading liberal. His national health program is aimed at capturing votes.

But, to thinking Americans, his program is dangerous—simply because the nation cannot afford it.

A health plan that would bring further damage, if not destruction to the nation's currency and economy; that would reduce the quality of medical service, because we do not now have the medical system to support such a vast program, indicates shallow thinking.

One could go on with criticism of Mr. Kennedy, including his bill to ban all guns from the populace, and his indifference to legislation to crack down on the criminal, but perhaps the most obvious weak spot in a Kennedy presidential campaign is Chappaquiddick.

The evidence, which the Massachusetts grand jury and court withheld from the public, shows that Mr. Kennedy left Mary Jo Kopechne in the submerged automobile 10 hours before reporting the accident.

Mr. Carter's failure must be related directly to the declining leftist philosophy in this country.

While he has been getting headlines on foreign policy, and equivocating between the demands of the liberals in his party, and the needs of the country, domestic affairs have gone from bad to worse—inflation and the fuel problem.

The Republicans are still talking about Ronald Reagan, Sen. Howard Baker, Gerald Ford and John Connally. There has been speculation about Gen. Alexander Haig. But, to make a mark the party must find a candidate and get him into the public awareness.

America is being paralyzed by Jimmy Carter, and his next probable move, gasoline rationing, would extend that paralysis.

America needs strong leadership as never before.

TERRIBLY WRONG

The Panama Canal Zone celebrated its last Fourth of July Wednesday.

There was a big parade, and the group singing of "God Bless America."

Americans and many of the Panamanians of the Zone were deeply affected by this abandonment of the Panama Canal.

"I'm proud of my country," a department commander was quoted. "But I'm sad, too. I believe history will prove we were terribly wrong with this give-away of the canal."

He is right. There is not one redeeming feature about this give-away.

Mr. Carter, in his timid approach to this canal situation, has done his country a very great disservice.

Along with SALT II and South Korea, it will mark Jimmy Carter's administration as the major first step in the surrender of America—surrender by timid leaders.●

REMINISCENCE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. JACOBS. Mr. Speaker, the following reminiscence was written by Indianapolis Star Washington correspondent Ben Cole. Gentle Ben has never done violence to the truth, to a human being, or to his religious principles. He is simply and superbly one of God's noblemen.

[From the Indianapolis Star, July 8, 1979]

REMINISCENCE

(By Ben Cole)

WASHINGTON.—The Fourth of July came and went last week. On the day after, a disquieting recollection assailed me: It was on the 5th of July in 1949 that I became a Washington correspondent.

Congress celebrated the occasion by closing both the House and Senate press galleries and ripping apart the chambers of both bodies. The senators took their filibusters into the old Supreme Court room which had been the pre-Civil War chamber of the Senate. The House of Representatives moved into the Ways and Means Committee room of what is now the Longworth Office Building. It began two years of remodeling.

President Truman was in the White House and Charlie Ross was his press secretary. The President held news conferences twice a week in the Oval Office, reporters crowding around his desk. It was the custom for a new correspondent to be introduced to the President by Ross, who was always addressed respectfully as "Mr. Secretary."

The President was cordial but didn't waste an overabundance of time greeting a new arrival from Indiana.

On Capitol Hill, Rep. Andrew Jacobs (D-Ind.)—the father, not the son—was giving the labor bosses fits with his investigation of racketeering. The late columnist Westbrook Pegler had challenged Jacobs to call him as a witness since Pegler considered himself the foremost expert on the sins of labor unions. Jacobs took up the challenge; and my first story out of Washington was about the confrontation.

Despite his ferociousness in print, Pegler—a ruddy-complexioned, big man—had a pipsqueak voice. The evidence he offered the Jacobs committee wasn't too impressive and the Indianapolis congressman took delight in embarrassing the famous journalist.

A young congressman from Massachusetts rose from his place and angrily told Chairman Jacobs, "I don't intend to sit here and listen to you abuse my good friend Westbrook Pegler!" Then Rep. John F. Kennedy (D-Mass.) stalked out of the room.

It was exciting stuff.

Later that summer, by an utter fluke born of ignorance and innocence (both unforgivable sins in Washington), I managed to get a world scoop on President Truman's choice of Sherman Minton of Indiana to be a Supreme Court justice.

It was on radio stations all over town next morning, and I was scared stiff when I went to the White House for Mr. Truman's news conference. Bob Menaugh, the later superintendent of the House radio-TV gallery, was at the door, grinning happily. A Hoosier and a former reporter for The Indianapolis Star, Menaugh was relishing my little moment of glory.

"Hurry up," said Menaugh. "He's confirming your story."

I tried to shrink down so the President wouldn't see me, but it wasn't necessary. President Truman never bothered himself about things that already were over—and my morning newspaper scoop decidedly was.

The new job was glorious and sometimes frightening—and funny. Those first weeks were so busy that I never bothered to introduce myself to the superintendents of the congressional press galleries—Col. Harold Beckley in the Senate and the famous Bill Donaldson in the House. They finally sent word by Winifred Gall, then a member of the bureau staff who was already well established. She explained that it was bad protocol not to let the superintendents know who I was.

It turned out that Beckley, to the end of his life, was a valued and always helpful friend. And Bill Donaldson, until his death, also remained a kind and wise mentor and counselor.

In those days, a reporter could visit the whole Indiana congressional delegation almost every day. Not only that, he could talk with the members in person—not through press aides.

Sen. Homer Capehart (R-Ind.) gave orders that phone calls from the three Indiana newspaper reporters had top priority. If Sen. Bill Jenner (R-Ind.) was slightly less eager to while away his time with newsmen, he always was available nonetheless.

Once I asked Jenner if I was right about the way I interpreted one of his legislative actions. "It's not my job to tell you how to interpret what I do," Jenner replied. "That's your job."

There were seven Democrats and four Republicans in the Hoosier delegation in the House then. The dean of the Indiana Democrats was Rep. Ray Madden of Lake County. When he retired in January of 1977, it was the end of an era. None of the Hoosiers here in 1949 still was in office.

Seniority is everything in Washington, and the repetitious efforts of the neophytes to cut it down avail very little. Soon the newcomers are the seniors.

When the new Congressional Directory came out this year, I turned to the pages where seniority is recorded. Of those who were in the Senate on July 5, 1949, only four remain: Sens. Warren Magnuson (D-Wash.), Milton R. Young (R-N.D.), John Stennis (D-Miss.) and Russell Long (D-La.).

Long, two years younger than I, was "the baby of the Senate" in 1949.

In the House there are nine who remain from those good old days—Reps. Jamie Whitten (D-Miss.), dean of the House; Mel Price (D-Ill.), an old newspaperman himself; Charlie Bennett (D-Fla.), a cherished friend; Dick Bolling (D-Mo.), Carl Perkins (D-Ky.), Peter Rodino (D-N.J.), Harley Staggers (D-W. Va.), Tom Steed (D-Okla.) and Clement Zablocki (D-Wis.).

Whitten entered Congress in 1941, and Price in 1945. All the rest were freshmen in 1949, just like me.●

PERSONAL EXPLANATION

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. CAVANAUGH. Mr. Speaker, I was unavoidably detained on my return to the city for the beginning of this legislative day. As a result, I missed three rollcall votes. Had I been here I would have voted "aye" on rollcall No. 334, the passage of H.R. 2282, the veteran's disability compensation and survivors benefits; "aye" on rollcall No. 335, final passage of H.R. 3641, Public Health Service extension amendments; and "nay" on rollcall No. 336, the Ashbrook amendment to H.R. 3951, National Capital Transportation Act Amendments of 1979. ●

UNITED STATES SHOULD USE GRAIN IN BARTER FOR OIL

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. DICKINSON. Mr. Speaker, earlier this week I introduced H.R. 4751, legislation to establish a system of bartering American wheat and feed grains for foreign petroleum. I believe this plan has great promise to make up the "shortfall" we presently have and, at the same time, stem the outflow of American dollars overseas and minimize Government involvement. I include in the RECORD at this point a copy of a letter I have written to the President in this connection, as well as the actual language of the bill.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 12, 1979.

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I have followed with deep interest your pursuit of a solution to the energy and economic problems facing our nation. Needless to say, this is a crucial time in our history and steps we take today may very well determine the direction the United States takes in the remaining years of the century.

While I would not be so presumptuous as to suggest an over-all solution to all of our pressing problems, I do believe I have an alternate approach regarding the cost and supply of petroleum imports. This solution is embodied in a bill (H.R. 4751) which I introduced in the House of Representatives earlier this week.

My proposal would prohibit the export of American grain to any petroleum producing country which has petroleum production in excess of its domestic requirements—except pursuant to an agreement providing for the exchange of such grain for petroleum. This proposal would not be inflationary, for it provides that grain be bartered for oil at prevailing prices. Of equal importance is the fact that the system could reduce our dollar outflow to foreign oil producers. Government involvement would be at a minimum.

All of us should be supporting efforts to achieve self-sufficiency in energy production. In the interim, however, I believe we must utilize our economic strength and agricultural production capabilities to alleviate our present shortfall in petroleum requirements.

Your comments and the support of your administration would be appreciated.

Sincerely yours,

WM. L. DICKINSON.

H.R. 4751

A bill to prohibit the export of grain to any petroleum producing country which has petroleum production in excess of its domestic requirements, except pursuant to an agreement providing for the exchange of such grain for petroleum

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Export Administration Act of 1969 (50 U.S.C. App. 2401–2413) is amended by inserting the following new section immediately after section 4A:

"GRAIN EXPORTS TO PETROLEUM PRODUCING COUNTRIES

"SEC. 4B. (a) No grain in raw form may be exported from the United States to any country which the Secretary of Commerce has, pursuant to subsection (b)(1), designated as a country with exportable petroleum, except pursuant to a contract (a copy of which has been filed with the Secretary of Commerce) which provides as follows:

"(1) To the extent that such country produces petroleum in excess of its domestic requirements, all grain exported from the United States to such country pursuant to the contract is to be exchanged for crude petroleum produced in such country, with such petroleum to be exported to the United States.

"(2) Petroleum exported to the United States pursuant to the contract is to be transported to the United States at the expense of the petroleum exporter and delivered to such American company engaged in the business of refining, marketing, or distributing petroleum as the exporter of the American grain may designate.

"(3) The grain exported from the United States pursuant to the contract is to be exchanged for petroleum in an amount which is not less than the amount of domestically produced crude petroleum for which such grain could be exchanged in the United States (as determined on the basis of the prevailing price in the United States at the time the contract is made for such grain and of the prevailing price in the United States at the time the contract is made for similar quality crude petroleum produced in the United States).

"(4) Refined petroleum products may be substituted for an equal amount of crude petroleum, with a corresponding change in the amount of grain to be furnished under the contract so that the amount of grain which is exchanged for such refined petroleum products is not greater than the amount of grain which would be required to obtain the same amount of comparable domestically refined petroleum products by exchange in the United States (as determined on the basis of the prevailing price in the United States at the time the contract is made for such grain and of the prevailing price in the United States at the time the contract is made for comparable petroleum products refined in the United States).

"(5) No grain exported pursuant to the contract is to be reexported to any other country.

"(6) The contract shall apply with respect to grain to be exported from the United States during not more than one marketing year.

"(b)(1)(A) The Secretary of Commerce shall, from time to time, designate as countries with exportable petroleum those petroleum producing countries whose petroleum production exceeds their domestic requirements, except that such a country shall not be so designated if the Secretary determines that all excess petroleum currently being produced by such country has been obligated for export to the United States under contracts of the type described in subsection (a).

"(B) If the Secretary of Commerce is unable at any time to obtain sufficient information from a petroleum producing country to determine whether its petroleum production exceeds its domestic requirements, the Secretary shall designate such country as a country with exportable petroleum.

"(2) A designation made with respect to any country pursuant to paragraph (1) shall remain in effect until such time as the Secretary determines—

"(A) that the petroleum production of such country does not exceed its domestic requirements; or

"(B) that all petroleum currently being produced by such country which is in excess of its domestic requirements has been obligated for export to the United States under contracts of the type described in subsection (a).

"(3) Each designation made pursuant to paragraph (1) and each determination made pursuant to paragraph (2) shall be published in the Federal Register.

"(c) As used in this section, the term 'grain' means wheat, corn, rice, barley, rye, oats, grain sorghum, soybeans, soybean meal, and such other grains as the Secretary of Commerce, in consultation with the Secretary of Agriculture, may designate.

"(d) The Secretary of Commerce may issue such regulations as he deems necessary to carry out the provisions of this section."●

SALT II—AN IMPERFECT TREATY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, the strategic arms limitation talks (SALT II) resulted in an imperfect treaty. The question of ratification must be viewed in the context of whether any treaty is better than no treaty at all.

The purpose of negotiating a treaty with Russia is allegedly to put an end to the arms race. But, the treaty will have the opposite effect. It actually encourages such competition.

In a historical sense, the SALT talks have done nothing to deter the arms race between the United States and the Soviet Union. When SALT I limited the number of strategic arms in 1971, the Defense Department simply put more than one warhead on each missile. The Soviets imitated this and went on to produce new capabilities that "forced" the United States into building a new mobile ICBM, the M–X. The cruise missile is also a result of SALT I. SALT II will follow the same trend.

SALT I and SALT II have only resulted in reducing the number of insignificant items in a "quantitative" arms race and allows money and brainpower to be invested into a more dangerous "qualitative" arms race. SALT II does not limit any kind of technological improvement. Instead of building up more and more arms, we make our missiles faster, more accurate, more difficult to detect and more difficult to defend against.

Not only does the treaty continue the arms race, but it also puts the Soviet Union out in front. The Soviet Union has achieved parity with the United States in many areas and in some cases has surpassed us. The SALT II treaty will lock the United States into an inferior strategic position. The treaty does not put a ceiling on the Soviet Backfire bomber, which gives the Soviet Union free rein with their bomber force. The Soviets would have nearly a 2-to-1 advantage in offensive weapons (strategic) and a 7-to-1 advantage in megatonnage. We should not lock ourselves into such a position but should allow enough continued growth in strategic programs to insure that the U.S. military capabilities remain equal to or superior to those of the Soviet Union.

The U.S. strategic policy, as part of our total defense effort, is linked as well to the security of our allies. The SALT II treaty should not be weighed only in terms of a United States-Soviet balance, but also as to the impact it will surely have on our NATO alliance partners. The Soviet Union seems to approach SALT in the East-West context. They have vehemently argued that nuclear forces in Europe should be taken into account. At the same time, they refuse to restrict any of their nuclear weapons which are targeted on Western Europe. But, United States and NATO ground and sea-launched cruise missiles with a range of over 600 kilometers are restricted. These weapons are the major counterweight to the Soviet/Warsaw Pact forces.

Basically the treaty would allow expansion of the Soviet threat to the United States. It would increase the risk of nuclear war and reduce the United States to a second rate power. The SALT agreements have not yet slowed the arms race and so far any restraints on our part have prompted no reciprocal arms restraint by the Soviets. It is hard to believe that our position would be better with this treaty than without it.

I would like to at this time submit for the RECORD a letter that I received from two Alaskans who recently traveled extensively behind the Iron Curtain. Their views are based on their experience—but I find them representative of the feelings of the majority of my constituents. The letter follows:

JUNE 20, 1979.

Hon. DON YOUNG,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR SIR: I have been a resident of Alaska since 1974, working as an announcer for radio station KSRM in Soldotna, and now as a commercial fisherman. My wife is a professional musician and vocalist. We were both born in the United States, part of the post W.W. II generation, and until last Fall had never been abroad.

Our interests in the conditions behind the Iron Curtain led us to make a trip last October to many of the so-called satellite nations of Eastern Europe. During our 4-month journey, we learned and experienced many things. One of the most significant was learning what it meant to be an American and to live in a free country. And although my father fought in W.W. II, I really had no appreciation of our flag or the blood that it cost. During our journey, we met and spent much time with people that had never known the freedom that we took for granted. We spoke with a great cross section of the populace of these Communist nations, from the poor farmer driving his ox cart to members of the KGB assigned to the High Soviet in Moscow.

Sir, I am telling you these things that you might not catagorize the opinion I am about to make as that of an uninformed radical from your home state. To the contrary, until my extensive travels behind the Iron Curtain, most of my views were very liberal. But, Mr. Young, as my representative in our nation's democratic system, I feel I must write to you in regards to what I feel could be one of the last mistakes our country may be free to make * * * ratification of the SALT II agreement. After spending 33 days in the Soviet Union, I am convinced that the only purpose of the Soviets in signing SALT is for the further gains that may be made toward nuclear superiority of the U.S.S.R. and the obtaining of their ultimate goal of world communism.

Sir, every boy and father that has perished in keeping our nation free would love to be alive today to enjoy the personal peace and affluence that you and I take for granted each day. But, it should be fairly obvious that a free nation under God was more important to each of them than their own lives. How dare a free nation mean any less to us. The blood of our forefathers, and the suffering multitudes under the communist yoke today cry out for America not to surrender at any cost. Sir, it is my earnest prayer that SALT will not be ratified in its present state, and as my representative in the House, I call on you to stand firm for America against SALT. As a former broadcaster in Alaska, I can assure you that this opinion is shared by a great majority of Alaskans.

Thank you for your time, and our prayers go with you to the floor of the House of the greatest nation on earth.

Sincerely,
MERRILL AND JOYCE SIKORSKI.●

THE GREAT COLISEUM DEBATE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to share the following article which appeared in the Los Angeles Times with my colleagues. The article discusses Mayor Bradley's proposals for the renovation of the Los Angeles Coliseum compliments of the Federal Government.

[From the Los Angles Times, June 7, 1979]

OLYMPICS AID REQUEST CENTERS ON COLISEUM—$57.7 MILLION IN IMPROVEMENTS COULD LATER HELP LURE NFL TEAM

(By Kenneth Reich)

The heart of Mayor Bradley's request for federal aid for the 1984 Olympics, in the eyes of both city officials and private Olympics organizers here, is the $57,748,000 he is asking for renovation and parking facilities at the Los Angeles Memorial Coliseum.

The original estimates by Olympics proponents were that the Coliseum could be refurbished for between $3 million and $4 million, but like so many of the early Olympics estimates, this went by the boards as soon as city planners took a careful look.

According to the mayor's present proposal for $35,048,000 in direct Coliseum improvements and $22,700,000 for new stadium parking, the Coliseum not only would be renovated into a first-class site as the main Olympic stadium, but also into a first-class football stadium.

Although the Olympics organizers and city officials maintain that everything being requested is needed for the Olympics, it is clear that such work could also mightily aid the city in its search for a new professional football team to replace the Rams after they move to Anaheim next year.

The Coliseum, built in the early 1920's with the 1932 Olympics in mind, is now, one city official who worked on the funding request says sadly, "a tired old lady."

Many of its restrooms and other facilities are in violation of the present city code, its track has been badly torn up, it clearly shows its age. Yet it remains perhaps the city's preeminent athletic facility, the main stadium for the Olympics that was and the one to be and the site of some of the classic football contests of U.S. history.

"It's still the grande dame of sports facilities," says Bill Robertson, who serves both on the executive board of the Los Angeles Olympic Organizing Committee and as head of a search committee for a new professional football team.

"I think we have full justification for seeking these funds." Robertson said after Bradley's funding proposal came out. "Many people talk about revitalizing the cities, and this project is extremely important."

Another member of the Olympics organizing committee's executive board said privately that it is the Coliseum renovation and the proposed new $19.5 million swimming stadium that form the most essential part of the mayor's funding request.

This source said that, in a pinch, if Congressional opposition is encountered, the Olympics organizers here might be willing to drop much of their request for more than $36 million for yachting, shooting and cycling facilities if Congress would agree to appropriate the full amount for the Coliseum and swimming facilities.

Bradley's Coliseum funding request, as it came off the presses, requires a little interpretation.

In an apparent move to make the amounts sound smaller than they are, the mayor's request separated the cost of internal stadium improvements from an allowance for inflation and unexpected contingencies. And it listed separately the cost, including inflation and contingencies, of the parking facilities.

Thus, to reach the true cost of all stadium improvements, one must compute the 36.9% inflation-contingency surcharge ($9.4 million) from an overall figure and add it to the cost of internal stadium improvements ($25.6 million) plus the parking facility cost ($22.7 million).

For the sake of clarity, all subsequent figures cited here will include the inflation and contingency surcharge the mayor is requesting.

Bradley also has made it clear he is not supporting, and will even veto if necessary, a suggestion by City Administrative Officer C. Erwin Piper that an additional $43.1 million in federal Olympics aid be requested to build an underground parking facility under the rose garden adjacent to the northside of the Coliseum.

The $22.7 million Bradley wants to build two- and three-level parking structures on existing lots, adding 3,790 spaces, is separate from the Piper suggestion. The Piper suggestion is not included in the $57.7 million overall Coliseum aid figure. Were it to be included in the funding request, the request would amount to $100.8 million for the Coliseum alone.

Many of the proposed stadium improvements were outlined by Coliseum General Manager James Hardy in December, 1977, although at that time he estimated the cost would come to about $8 million. That figure has increased more than fourfold in about a year and a half, and the basic renovations have expanded from Hardy's 18 points to 22 categories.

These are the 22 points—with inflation and contingency surcharge—of Bradley's request for federal Olympic aid for the stadium.

1—New track and field $1,095,000. This would be essential for the Olympics because the present track, ripped up by past motorcross competitions, is unsuitable for any competition at this time.

2—Refurbish dressing rooms, adding a women's area, $1,197,000. The present dressing rooms are cramped and to most observers appear tacky.

3—Equipment storage areas, $137,000.

4—West tunnel maintenance, $151,000. The main competitors' entrance to the stadium floor now is in disrepair.

5—Olympics competition administrative areas (tunnel 6), $821,000. The Olympics carries with it a huge array of supervisory officials.

6—New training, practice and warm-up field for field events and soccer, $1,369,000. This would be outside the stadium but adjacent to it. Many professional football teams reportedly now want a practice field next to the regular stadium, and the international track and field federation demands it for the Olympics.

7—Media/VIP parking structures, including hospital, Los Angeles Police Department substation, security office and bridges to concourse level, $3,422,000. This would be in addition to the $22.7 million parking facilities, but also would be a key Olympics security expense.

8—Media facilities, 100 modular rooms reportedly holding 12 newsmen each, $8,075,000. This reflects the extraordinary demands made on the Olympics by the news media. These rooms, however, could later be converted to the kind of VIP suites National Football League teams frequently want. The absence of such facilities was one of the late Rams owner Carroll Rosenbloom's prime gripes about the Coliseum. Apparently all or most of these facilities would be built along the rim of the Coliseum.

9—Heads of state/VIP facilities, 30 modular rooms, $2,053,000. These also would be usable for professional football afterward.

10—Solid state, solid matrix scoreboard, 40 by 160 feet, at west end of the stadium, $6,159,000. This would be a massive scoreboard quite able to handle the complicated Olympic results.

11—Office space requirements for the International Olympic Committee, the U.S. Olympic Committee, the international sports federations and the events staff, $1,231,000. This reflects the ever-expanding Olympics bureaucracy.

12—Structural concrete repair, $342,000.

13—Stadium seating improvements maintenance and repair, $2,761,000. What remains of bleacher-type seating at the east end of the Coliseum would be replaced by the theater-style plastic seating that was installed several years ago in the rest of the stadium.

14—Restroom and sewer repairs, code corrections, $1,437,000. Many present restrooms are in violation of contemporary health standards.

15—Graphics, $103,000.

16—Miscellaneous maintenance and repair, $356,000.

17—Cross aisle at rooms 29 and 30 to comply with building and safety code, $137,000.

18—Seating for the handicapped, $68,000.

19—Control booths, $33,000.

20—Security and crowd-control facilities in addition to those listed in Point 7, $839,000.

21—Electrical and lighting improvements, $2,847,000.

22—Miscellaneous equipment, $411,000.

The major track and field events, long the center of Olympics attention, would be held in the Coliseum, according to the plans, as well as the formal opening and closing Olympics ceremonies. It is also possible that the equestrian dressage event would be held there.

Attempts in the past year to secure state financial assistance to renovate the Coliseum have not been successful.●

STATEMENT ON H.R. 4402

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. GOODLING. Mr. Speaker, as concern over our military manpower situation increases many have begun to suggest that a return to the draft is the only possible solution to this critical dilemma. I am not sure the American people are quite ready for this change, not because they lack patriotism, but because they are not yet convinced that a peacetime draft is really necessary. Change is surely in order—there has been a consistent drop in the level of military personnel since the beginning of the All-Volunteer Army, there is a drastic shortage in reserve force—but perhaps we should consider an alternative to the peacetime draft.

Because I believe we can avoid turning to the draft, I have recently introduced H.R. 4402, a bill to provide improved educational benefits for Army enlistees. This bill will offer young men and women a more generous educational benefit program, while reducing the time in active duty status and increasing the reserve duty commitment. The aim is twofold: to bring into the service more highly motivated young people and increase the numbers in our depleted reserve ranks.

Under the provisions of this bill an enlistee would serve 18 months of active duty training. Because this period is relatively brief there would be no great expectation by the recruit of advanced training in a particular job area and thus the disappointment when those expectations are not fully realized would be eliminated. Less post-entry discontent would mean less attrition, a problem that has become very serious. By late 1970's more than 1 in 3 enlistees were being discharged before completing their enlistment. This has created tremendous financial waste and called into question a basic premise of the All-Volunteer Force that a long enlistment period would create less personnel turnover.

After completing his or her 18-month training period the recruit would then be obligated to serve in the Ready Reserve. This obligation would be slightly more than what is currently demanded as it requires 3 years of active duty training of not more than 6 weeks per year. While the Active Duty Force is slightly undermanned there is a widely recognized manpower shortage in the Ready Reserve Force. Today there are about 140,000 in the Army Ready Reserve, but the required mobilization strength is at least 400,000. In short, we are simply incapable of adequate manpower mobilization in the event of war or the threat of war. I believe that by requiring a longer term in the Ready Reserve we can help alleviate this dangerous shortage.

If the enlistee completes his or her 18-month service they would be allowed 36 months of educational benefits. This program is similar to the old GI bill and more generous than the current system. This program allows up to $3,000 per year for tuition in a private school or $1,000 for a public institution. In addition $200 a month stipend would be offered for the school year. The added cost of this program over the current system would be offset by the fact that recruits entering this program would receive 50 percent of the rate of basic pay now offered, by the reduced attrition rate, by less training cost and fewer dependents.

For a young man or woman considering alternatives to entering college or the work force immediately after high school up front pay is far less attractive than liberal educational benefits. In addition these benefits would attract more qualified young people who would learn quickly and become a valuable part of the Reserve Force.

This bill would strengthen our Reserve Force, bring into the active Army top qualified young men and women and avoid the need to move toward the politically problematic peacetime draft. I urge each of my colleagues to give careful attention to H.R. 4402, which is printed below:

H.R. 4402

A bill to amend title 10, United States Code, to provide improved educational assistance benefits for persons enlisting in the Army

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 333 of title 10, United States Code, is amended by adding at the end thereof, the following new section:

"§ 3264. Special enlistments; educational assistance; reduction in basic pay

"(a) The Secretary of the Army may accept original enlistments into the Army under this section. A person who originally enlists in the Army under this section shall serve on active duty for eighteen months and, unless reenlisting for service on active duty, shall then serve in the Ready Reserve for four and one-half years. During each of the first three years of such service in the Ready Reserve, a member enlisted under this section shall serve on active duty for training for a period of not less than six weeks.

"(b) The rate of basic pay of a member of the Army who originally enlists under this section shall during the first eighteen months of such enlistment be 50 percent of the rate of basic pay otherwise payable to a member of the armed forces with such member's grade and length of service.

"(c)(1) A person who enlists in the Army under this section and completes the initial eighteen-month obligated period of active duty is entitled to 36 months of educational assistance as provided in this subsection.

"(2) The Secretary of the Army shall provide a person who is entitled to educational assistance under this subsection—

"(A) the cost of tuition and fees of a program of education being pursued by such person up to a maximum of $3,000 per school year or, in the case of a program of education being pursued at a public educational institution, a maximum of $1,000 per school year; and

"(B) a subsistence allowance of $200 per month during the school year while such person is pursuing a program of education.

"(d) A member who originally enlists under this section is not eligible to participate in the educational assistance program established by chapter 32 of title 38 until after such member has served on active duty for eighteen months.

"(e) Educational assistance benefits under this section may not be provided an eligible person after the end of the ten-year period beginning on the date of such person's last discharge or release from active duty.

"(f) The Secretary of the Army shall prescribe regulations to carry out this section. In prescribing such regulations, the Secretary shall consult with the Administrator of Veterans' Affairs and shall, to the greatest extent practicable, provide uniformity in such regulations with the laws and regulations providing educational assistance benefits that are administered by the Administrator of Veterans' Affairs.

"(g) In this section, the terms 'program of education' and 'educational institution' have the meanings given such terms by sections 1652 (b) and (c), respectively, of title 38.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"3264. Special enlistments; educational assistance; reduction in basic pay.".

SEC. 2. The amendment made by subsection (a) of the first section of this Act shall take effect on October 1, 1979.●

OUR CONTINUING FRIENDSHIP WITH THE REPUBLIC OF CHINA

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. SYMMS. Mr. Speaker, I wish to submit to the RECORD the statement of Mr. H. K. Shao, the Director General of the Board of Foreign Trade for the Republic of China, when he concluded a major grain sale with the State of Idaho. I think Mr. Shao brings out some interesting points about the importance of trade between the United States and the Republic of China; and most important, he stresses his country's sincere intent to always remain a close friend of the United States.

I think it is very important for the United States to continue to work closely with the Republic of China, and I wish to thank my other colleagues from Idaho, Congressman GEORGE HANSEN and Senator JIM MCCLURE for all of their efforts to preserve close ties between the two countries. I know we all support Senator HARRY BYRD and Senator BARRY GOLDWATER's resolution forbidding the President to unilaterally break the mutual defense treaty with the Republic of China. And Congressman HANSEN and myself have joined Senator GOLDWATER in his suit against the President for illegally terminating the 1954 Mutual Defense Treaty between the United States and the Republic of China.

I was very pleased that during the consideration of the Taiwan Relations Act an amendment was adopted that I offered on the House side and that Senator HATCH offered on the Senate side allowing the Republic of China to maintain the same number of consular offices that it had in this country prior to normalization of relations with the People's Republic of China. This was so important, since these consular offices are the prime vehicles of trade and cultural relations. Senator MCCLURE also offered several amendments which strengthened the rights of free China.

I wish to thank Mr. Shao for his stirring statement, and also pledge the support of the United States for a long and continued friendship with the Republic of China.

STATEMENT BY H. K. SHAO, DIRECTOR GENERAL, BOARD OF FOREIGN TRADE, MINISTRY OF ECONOMIC AFFAIRS, REPUBLIC OF CHINA

To achieve mutual benefit is the guiding principle of the Republic of China's longstanding trade policy. We truly believe that one can't sell if he doesn't buy.

When two trading countries develop a serious trade imbalance between them the partner in the red will naturally seek the means to improve the situation. As regards the balance of payments between our two countries, in 1976, our favorable balance with the U.S. was 1.2 billion, in 1977 1.6 billion and in 1978 2.6 billion. But we are the one who has been making the most effort to correct the imbalanced situation.

The Republic of China has been concerned about the size of its favorable balance of trade with the USA. Our government has voluntarily initiated the "Buy More From America" program in November 1977. Among those measures undertaken by us, the most outstanding one has been to send special procurement missions to the United States.

In 1978, we sent three special buying missions to the United States and signed contracts added up to a total value of more than US $1.5 billion in our imports of American agricultural, industrial and consumer goods.

The proof of the pudding is in the eating. The U.S.-ROC trade gap is being narrowed. In the first five months of 1979, our exports to the United States increased by only 8 per cent while our imports were up by nearly 31 per cent. Your trade deficit was down to $835 million in a two-way total of nearly $3.2 billion, showing a decrease of US$129 million than that of the corresponding period in 1978. The high import growth from the United States this year will be resulted from my government's increased efforts to cut its trade surplus with the U.S. I believe that the trade imbalance situation of this year will be much more improved than that of last year. You have my assurance that we shall continue trying to maintain a trade relationship on a more or less equitable basis. We do not wish to profit at your expense, and we hope that you feel the same way toward us. Trade which enriches one side and impoverishes the other is not constructive and will not endure for long.

Right now we have entered into a period of energy crunch and price inflation. Predictions of economic downturn or worse are heard in every corner of the world. The economic indicators in most countries have been falling. At this time I think we are much more dependent on each other than before. We shall be in a better position if we help each other economically. In fact, I think we can show the world that the trade relationship between our two countries will stand up under the stresses and strains of the current difficulties. We have a good trade congruity. You need our goods to curb inflation. And we need your sophisticated products and farm produce to support our economic growth. In the areas where we encounter difficulties and problems, our two governments and our business leaders have the good-will, understanding and intelligence to work things out in an agreeable way.

To reaffirm our governments' commitment to further promote the expansion of trade, delegations of the United States and the Republic of China signed a new bilateral trade agreement on December 29, 1978 under the GATT MTN scheme. The agreement provides for the exchange of bilateral concessions of particular trade interest to both countries. The concessions granted by the Republic of China consist of tariff reduction on more than 380 categories of industrial and agricultural products of interest to the United States and liberalization of several non-tariff trade barriers in favor of importing from the United States. The United States concessions consist of tariff reductions benefiting Republic of China's export to the United States, which the United States will grant as part of its global concessions in the multilateral trade negotiations. The agreement also states that both sides will grant most-favored-nation treatment to each other's products.

The Republic of China is a highly receptive market for U.S. made products with growing prospects. Most of all, the Republic of China is in itself a major economic force with buying power projected at US$45 billion between now and 1981 according to our six-year economic development plan.

The United States has been our largest trading partner since 1970 and the Republic of China is among the eight top trading partners of the United States. The two-way trade between our two countries in 1978 was US$7.3 billion. It is predicted that the figure in 1979 will exceed US$10 billion and it is expected to increase more rapidly in the future.

The trade of our two countries is augmented by the capital investment made by American industrialists in Taiwan. This could be a record overseas investment year for the Republic of China with a total capital inflow expected to reach as much as $300 million. About a third of that amount will come from Americans.

This will raise the U.S. share in the capitalization of our economy to about $600 million. Our investment law is being revised to provide additional incentives. We want to share the fruit of our development with you and other friends from the free world.

Now, the government of the Republic of China has sent this fourth special procurement mission to the U.S. despite the absence of diplomatic relations between us. This mission is planning to buy more than US$800 million worth of agricultural and industrial products including 1.3 million metric tons of grain, four 747 Jumbo jet airplanes and many other items. A fifth special procurement mission will come here in November this year. This serves to assure you that our policy to increase imports of American products remains unchanged. Meanwhile our friendship and good intention toward American people will not change under any circumstances. We want you to know that your country will always have a friend in the Republic of China—for commerce, for culture, for social well being, as well as in our common struggle to strive for the goals of freedom and democracy.●

LOS ANGELES OLYMPICS REQUEST DEFENDED BY ORGANIZERS

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to share the following article which appeared in the Los Angeles Times with my colleagues.

[From the Los Angeles Times, June 5, 1979]

OLYMPICS LEADER DEFENDS BRADLEY FUND REQUEST

(By Mark Stein)

Peter V. Ueberroth, president and managing director of the private Los Angeles Olympic Organizing Committee, Saturday defended Mayor Bradley's plan to request $141.5 million in federal aid for the 1984 Olympics as courageous and honest.

Ueberroth, speaking at commencement ceremonies on the USC campus for graduates of the School of Public Administration, also reiterated the LAOOC's promise to run the Olympic Games at a "sizeable" profit.

The 41-year-old former travel executive criticized the news media and some politicians and business leaders for comparing Bradley's $141 million request with the mayor's earlier projection of $33.5 million.

"It's like comparing apples with oranges to compare the Spartan Olympics suggested by the SCOC (Southern California Olympics Committee) with his (Bradley's) proposal," he said. "Instead of temporary facilities, like a velodrome that we would chop up for firewood after the games ended, we're getting the chance to build new permanent facilities and fix up every major sports facility in Southern California" under Bradley's proposal.

The Southern California Olympics Committee, which secured the rights to hold the 1984 Summer Games in Los Angeles, was the predecessor to the LAOOC. Ueberroth said the two are not directly related.

The $141 million sought by Bradley would be spent on five major projects, Ueberroth said. The money would be used to build a swimming stadium, velodrome (for bicycling events), a rowing course and shooting and archery ranges. Some of the money would also be used to refurbish the Coliseum and other existing facilities.

Ueberroth stressed that his group would still be able to stage the games without the money.

He also praised Bradley for building safeguards against cost overruns into the federal aid request. He said the mayor's figures were ample and designed to withstand an inflation rate of 1% a month.

"He could have taken the easy way out and cut things too close and not figured for inflation, but he didn't," Ueberroth said. "His figures are honest figures."

Whether or not the federal aid is forthcoming, Ueberroth predicted that when the LAOOC releases its final budget in about six months, it will include a healthy dividend.

"It will show a sizeable profit," he said. "It will show an eight-figure surplus. At least." He said 40% of the profit would be given to the United States Olympic Committee, which trains U.S. athletes, 40% would go for amateur athletics in California and the last 20% for amateur athletics in the rest of the country.●

THE FUTURE OF SOCIAL SECURITY PROFOUNDLY IMPORTANT TO UNITED STATES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. BIAGGI. Mr. Speaker, I wish to place into the RECORD, a most important article which appeared in this past Monday's New York Daily News dealing with the present problems affecting the social security system.

There are few problems with as profound a national impact as the future of the social security system. The fact is more than 34 million Americans receive social security benefits. For more than 70 percent of these persons—social security constitutes the sole or main source of income.

The threats to the solvency of the system have been on the horizon for most of the 1970's. Not unrelated is the fact that in the 1970's the increase in the number of persons aged 65 and over has soared by 17 percent. Thus, the gist of the problem is, with the "senior boom" replacing the "baby boom"—the consequences on the social security system have been devastating. The ratio of workers to recipients has been rapidly dropping in recent years. Whereas less than 20 years ago the ratio was 3.2 to 1, within 20 years this could shrink to 2 to 1.

Congress response to the threat to the system has been swift although not entirely satisfactory. One of the most controversial decisions made was to sharply increase the social security tax rate on workers.

Many of us have heard of the drastic impact which this action is having on the economic fortunes of millions of Americans. While I recognize the need to address the fiscal solvency of the trust fund, I have serious reservations about this being the most prudent approach both from the immediate and long-term standpoint.

One approach Congress has taken and which I ardently support is the decision to abolish mandatory retirement at age 65. Beyond the simple justice of this action—perhaps one of the most persuasive arguments offered during congressional consideration of legislation was by raising the retirement age, we could save the social security trust fund some $500 million over the next 5 years. As many of my colleagues know under the terms of legislation I cosponsored, mandatory retirement at age 65 has been abolished in the public sector and the retirement age has been increased to 70 in the private sector. If older workers are allowed to work they can be contributors to the system.

The House Select Committee on Aging of which I am an original member constantly reviews the major issues facing today's and tomorrow's elderly. The increase in the number of elderly will be the issue of tomorrow and the ability of our policies to reflect this will be a true test of our will as a nation. In the next 2 months, the Subcommittee on Human Services which I am chairman will release a report based on 2 years of investigation into the implications of the future of aging in our society. I offer this article for the serious consideration of my colleagues. We must be prepared to revise foresight in our work as policymakers. Decisions based on reason are far better than those prompted by hysteria or crisis.

The article entitled "Social Security Will It Go Broke?" written by John Dillin follows:

SOCIAL SECURITY: WILL IT GO BROKE?

(By John Dillin)

WASHINGTON.—Every day the number of Americans over 65 grows by an unprecedented 1,500 persons. Steadily, inexorably, the United States is becoming a four-generation society.

The implications are profound. Just 25 years ago, the post-World War II "baby boom" brought about a jarring change. It produced a youth-oriented society that gave us TV shows of juvenilia, "muscle" cars, all-rock radio stations, and an upsurge of street crime.

Now the pendulum is swinging. Population experts predict that over the next five decades, America will go through a "senior boom" and, quite possibly, a "baby bust."

Taxpayers, industry and government all will feel the impact of this "maturing" process.

Already, growth of the "fourth generation" is adding to government costs. Social Security outlays, including Medicare, roared past $100 billion a year in 1977 and are expected to pass $200 billion in 1982, doubling in five years.

Social Security taxes have started to climb to pay for this growth; but wage earners, especially in the middle-income range, will find these taxes climbing even faster in 1981. And complaints already are being heard.

After the turn of the century, so many pensioners will be drawing federal checks that some specialists predict payroll taxes for Social Security alone could consume nearly 25% of taxable personal income.

In and out of government, experts who are looking ahead warn of the need for action.

"I think the long-term problem is very serious," says Dr. Colin D. Campbell, professor of economics at Dartmouth College and a Social Security specialist for a conservative think-tank, the American Enterprise Institute in Washington.

Joseph A. Califano, secretary of Health, Education and Welfare, similarly predicts possible danger ahead which could require "drastic changes all at once."

Public confidence in Social Security has been eroded by such concerns. A Louis Harris poll recently found that eight of 10 employes covered by Social Security aren't sure they'll get the benefits they have earned. And 42% said they had "hardly any confidence at all" that they'd collect what was due.

When President Franklin D. Roosevelt enthusiastically signed the Social Security Act on Aug. 14, 1935, few could have predicted the staggering costs or soaring taxes that experts now see ahead.

At that signing, Roosevelt observed the new system should "act as a protection to future administrations of the government against the necessity of going deeply into debt to furnish relief to the needy."

Yet over the years. Congress has voted ever larger benefits its aid to college students who qualify for survivor benefits; Medicare for the elderly; automatic cost-of-living increases—all without sufficient taxes to pay for them.

By 1977 the outlook had gotten so ominous that Congress was forced to act—or see Social Security go broke. After initial increases in 1979 and 1980, a sharper tax bite takes effect in 1981. At that time the employer-employee combined tax rate jumps more than 1% to 13.3 and the taxable wage base rises from $25,900 to $29,700.

The 1981 boost comes just in time. By then the largest Social Security trust fund—old age and survivors—is supposed to have only a 66-day reserve remaining. Should a recession intervene, reserves could slide to less than—too little to maintain regular payments to the nation's current 34.4 million recipients.

Even so, Congress is feeling so much political heat from home because of higher taxes that some members would like to delay, kill or lower the pending increase.

The 1977 tax package raises taxes annually through 1990, but the long-term picture remains clouded.

Roosevelt probably would be surprised to learn that Treasury Department figures today indicate that over the long pull, the government is deeply in the red for Social Security, even with these higher taxes.

That debt can be stated two ways.

On a "closed end" basis—that is, if no one else was allowed to join Social Security, but those already in were allowed to stay, the long-term deficiency stands at a breathtaking $3,971 trillion.

That amount, equal to about five times the total national debt, has been promised solemnly to workers by the government.

A more modest way of looking at the Social Security debt puts it at $820 billion. That will be the long-term deficiency after 75 years if new workers continue to be brought into the system, and it continues on the current pay-as-you-go method.

Even on the pay-as-you-go system, however, congressional specialists estimate that Social Security needs another $14 billion in taxes annually just to break even.

The whole mess could be blamed on politicians. Or an accusing finger could be aimed at the public, which favors the higher benefits. But the fact is that much of the current problem stems from a demographic quirk. There are several parts to this population phenomenon:

People are living longer. When Social Security was launched, it seemed logical to set the retirement age at 65. In 1940, the average person lived to only 62½. Most, it was assumed, wouldn't even get to collect.

All that has changed—dramatically. The average life span now has climbed into the 70s—77 for females. All of a sudden, people are around to collect for a long, long time.

People are retiring sooner.

The birthrate is falling. In recent years parents are having fewer children—often not even enough to reach replacement levels.

The baby boom is becoming a senior boom. Thirty-one years hence, the Social Security system will be hit with a double financial wallop.

First, all those people born during the baby boom will start turning 65 and no longer will contribute to the system.

Second, the baby boom generation will start collecting benefits.

Adding to that sudden drain will be the super-high benefits to which the baby boom generation will be entitled. After all, they're going to get taxed on upward of $30,000 of income, which means they'll be entitled to the biggest pensions ever.

Taken together, it's enough to send a cold chill through the federal government. In fact, the White House already has shivered a little and is trying to get things moving early to warm up the financial outlook.

Earlier this year President Carter took the politically unpopular step of trying to reduce Social Security benefits—a gesture that drew a chorus of Bronx cheers from Congress. He proposed:

Chopping disability benefits. One of the fastest-growing benefit packages in Social Security is disability insurance. But critics say, and the White House agrees, that one reason it is growing so quickly is that it is too generous.

Of the nation's five million disabled workers 6% collect more from their insurance than they got from working. Another 18% get benefits amounting to more than 80% of their predisability earnings.

Reducing widows' benefits. Many mothers could and should go back to work after losing their husbands, the White House asserts. Paying mothers to stay at home is "unrealistic" in today's world.

Phase out college student survivors benefits. Young people over 18 can continue to collect benefits if they attend college or other post-secondary schools. About one college student in 10 today collects such benefits.

Drop lump-sum death benefits. When a Social Security recipient dies, his heirs receive a lump payment intended for funeral expenses.

Eliminate the minimum benefit. Every Social Security recipient gets at least $120 a month—a minimum level put into the law to help the poor. But it amounts to a windfall for many people.

Yet Carter's proposals only scratch the surface of a far greater need to eventually put Social Security's finances on a sound basis.

Long-range answers could emerge in the near future from any of a number of study groups digging into the nation's pension problems. These groups include the President's Commission on Pension Policy, which just swung into action this year. It will map over-all pension strategy during its two-year life.

The Advisory Council on Social Security, conducting a more narrowly based study, will report to HEW Oct. 1. The congressionally mandated National Commission on Social Security will issue a report in 1981.

While many look at the long-term debt of the Social Security system and fret over the future, one specialist on Capitol Hill notes that there's nothing impossible about solving its problems.

"All you would have to do to put the whole thing in balance is make one change—raise the retirement age to 68," he says.

Time is the key factor, most experts agree. It will be immeasurably easier to solve the 21st century's pension problems if changes are made in the next few years. If could be one of the best presents this generation could give to its children.

THE PASSENGER VESSEL, THE SS "INDEPENDENCE"

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. MURPHY of New York. Mr. Speaker, the U.S.-flag merchant fleet does not have any pure U.S.-flag passenger vessels. There are four U.S.-flag combination cargo-passenger vessels operating out of the west coast, but we have not had any strictly U.S.-flag passenger vessels in operation for almost 10 years. This is a national disgrace, and legislation I have introduced would help to rectify this situation permitting the SS *Independence* to come back into passenger operation under the U.S. flag.

The passenger vessel, the SS *Independence*, was constructed in Quincy. Mass., for American Export Lines, Inc., and flew the U.S. flag for many years. Following approval by the Congress the ship was transferred to the Panamanian flag in 1974. For the past several years, the vassel has been laid up in Hong Kong. But now this proud vessel stands on the verge of becoming once again an economically viable component of our U.S. shipping fleet.

Last year, American Hawaiian Cruising Line, Inc., contracted to purchase the *Independence* from the Atlantic Far East Lines, Inc., a Liberian corporation, with the intention of extensively renovating the vessel and operating it strictly as a cruise ship among the Hawaiian Islands on voyages to various ports, beginning early next year. Onboard services would include lodging, entertainment, and various meal plans. At each port of call, guided motorcoach shore excursions, moped/bicycle rentals, and shuttle beach transportation would be offered.

Because the *Independence* was partially constructed with Marad subsidy funds, the Administration was requested to approve the transfer of the vessel to U.S. registry and flag. On February 6, 1979, Marad cleared the transfer of the *Independence*, subject to the further approval of the Coast Guard. Full disclosure was made to Marad regarding the qualification of American Hawaiian as a U.S. citizen within the meaning of the shipping acts.

The legislation in question would allow the *Independence* to be redocumented as a U.S. vessel with full privileges of engaging in the coastwise trade. This legislation appears to be required because the Department of Transportation has interpreted section 27 of the Merchant Marine Act of 1920 (46 U.S.C. 883) as preventing this ship from entering the coastwise trade after its return to U.S. registry. American Hawaiian has initiated the procedures to obtain a certificate of registration from the Coast Guard. However, the Coast Guard has held that the *Independence* cannot engage in the coastwise trade under the first proviso in section 27 because it was sold foreign, and therefore, legislation is required to authorize the inter-Hawaiian cruise venture contemplated. An additional possible impediment to coastwise trade is that in the Coast Gaurd's view, the installation of a bow thruster in a shipyard in Taiwan might constitute "rebuilding" of the vessel under the second proviso of section 27.

The benefits that would accrue from enactment of this legislation to the State of Hawaii and to the Nation in these difficult economic times are manifold.

First. Hundreds of jobs would be created in the American seafaring and related maritime industries and services.

Second. Maintenance and repairs to the vessel, after its return to U.S. registry, will be made in U.S. shipyards, thus providing a much-needed boost to our Nation's sagging shipyard industry.

Third. The cruise trade will require the purchase of goods and services from virtually every other sector of our economy.

Fourth. The ship will keep tourist dollars in the United States and stimulate the flow of tourists, particularly from Japan and Europe, thereby boosting our balance of payments. In view of the present state of our economy, we must begin now to encourage utilization of every possible resource in developing new initiatives in foreign trade and tourism.

Fifth. The United States as a leading maritime power is now noticeably deficient in shipping capacity under its own flag, and is virtually completely dependent on the vessels of other nations, including the Russians and other Communist countries, for cruise and passenger ship service. The new inter-Hawaiian Island operation would be a major step in restoring the American presence in this very important area of trade.

Sixth. The restoration of this important ship to active status will also strengthen our Nation's military preparedness posture. By law, the *Independence* must be made available to the United States for purchase or charter as a naval auxiliary in time of emergency. These national defense objectives would be clearly enhanced if the ship was restored to active condition and operated in Hawaiian waters.●

PRESIDENT CARTER DISPLAYS LEADERSHIP IN CALLING FOR A NEW U.S. DECLARATION OF INDEPENDENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. BIAGGI. Mr. Speaker, there have been times in this Nation's long and illustrious history when it has been confronted by problems whose solutions rested in part with strong leadership from the President. There have been times when this Nation has had its most sacred privilege—freedom—threatened and have defended it. Such occasions were the Civil War, the two World Wars, the Great Depression, and the aftermaths of Vietnam and Watergate. Great leaders earned their marks developing policies in this period. As we close the decade of the 1970's, this Nation finds itself at one of those pivotal points, in a time when the threat to our freedom is again serious, although the adversary is different. Fortunately, as evidenced by President Carter's speech of last evening this Nation will again have a leader prepared to take the necessary steps to steer us out of the rough waters of the 1970's and into smoother seas for the 1980's.

President Carter delivered far more than a speech last night. It was a command performance, not so much for the words he used, but rather the message they were imparting. It was apparent that the President had undergone an extraordinary self-examination of both the Nation and himself as the Nation's leader. He did so not in the solitude of his own inner thoughts, but by seeking the views of divergent sections of American life. He approached critics with the same interest as he did supporters. He went to great lengths to get the views of the American people and was clearly startled by the intensity of these feelings. The American people had reason to feel close to their President last night, for in his speech he quoted their words—and some of their own words were far from kind.

Consider:

> Mr. President, you are not leading the Nation—you are managing the Government. You don't see the people enough any more. When we enter the moral equivalent of war, Mr. President, don't issue us BB guns.

The President did not merely recite the words of the people. He demonstrated that they had an impact upon him and from them, he pledged to be a better leader. This is the very essence of American democracy—the ability for an ordinary citizen to exchange views with the President and have the President respond. The Camp David summit was extraordinary—it was the practice of democracy—it should make us a better nation.

The President properly focused most of his attention on the latest threat to this Nation and her freedoms—the threat caused by our continued reliance on foreign energy sources. The particular enemy is OPEC—which for some now stands for the Organization of Petroleum Extortion Countries. The United States has been humbled as a world leader because of our vulnerability in energy. The worldwide response to the United States enduring energy shortages has been both fear and incredulity. How could the United States with its abundant resources and brilliant technological minds be unable to provide for its own energy needs? The answer is complex but one contributing factor was touched on by the President—the American people have failed to unite to achieve a solution. We have not been without warning. The President himself said several years ago that with respect to energy we were facing "the moral equivalent of war." He was truly a prophet with these words. Yet the American public then as now has failed to grasp the significance of that statement. The 1973 gas lines seemed remotely a part of history until suddenly they appeared again in 1979.

The very essence of a sensible energy policy for the present and the future rests with releasing ourselves from the stranglehold of foreign oil dependency. It must be viewed with the same intensity as any other challenge to our freedom. President Carter made as the centerpiece of his six point energy plan—a proposal aimed at reducing this dependency—

> Beginning this moment—this Nation will never use more foreign oil than we did in 1977—never.

The President, recognizing that to accomplish the goal of reducing foreign energy sources requires the equivalent of a "Manhattan project" for domestic energy production said:

> I am asking for the most massive peace time commitment of funds and resources in our nation's history to develop America's own alternative sources of fuel from coal—from oil shale from plant products from gasohol from unconventional gas—from the sun.

Perhaps put another way we must simply apply the American way to this project—muster up the same combination of brains and brawn that we have used to solve other major domestic problems. The Nation has had a history replete with accomplishments—discoveries—breakthroughs in all fields. Certainly the mandate of energy selfsufficiency is within our capabilities. To achieve this would be a major accomplishment in this or any other century.

I am especially supportive of the President's call for Congress to create an energy mobilization board modeled after the one we had in World War II. As the President said, such a board would—

> * * * have the responsibility and authority to cut through the redtape, the delays, and the endless roadblocks to completing key energy projects.

This process met with great success in the Second World War when we were able to meet not only our own, but also our allies need for rubber—a commodity which proved vital to the successful war effort.

Another point which the President made must be underscored. In our pursuits of environmental interests, there have been tendencies to be overzealous to the detriment of development of energy sources. I believe the President in his speech presents a viable middle ground when he said:

> We will protect our environment. But when this nation critically needs a refinery or a pipeline, we will build it.

Many more specifics about the President's energy plan will be released later today as he addresses the National Association of Counties. However, the parameters have been drawn—the climate described—the message has been imparted. The President has laid the cards on the table. The next move must be made by the American public. We must make a commitment to put aside personal preferences and, instead, rally behind the achievement of a national goal. To some extent, the crisis affecting us today is unique. The American public's own aversion to conservation of energy has contributed noticeably to this problem. Now that the myth that we have limitless energy supplies has been dispelled, let us consider conservation not as an inconvenience but as an act of patriotism.

Let business and labor put aside special interests and unite behind the President. We in the Congress are not without our faults in this issue. We have had a propensity for partisan and parochial attitudes largely overlooking, or even worse, obstructing, the path toward the development of a long-range energy policy. All the rhetoric in the world will not increase by one drop domestic energy production. We need to roll up our sleeves, set a target date for implementation of a national energy program and work for its full enforcement. The ball will shortly be in our court. Let us be prepared to handle it properly.

It is important to point out that the President's tone while serious, was upbeat. He said:

> We can do it. We have the natural resources. We have the world's highest levels of technology. We have the most skilled work force with innovative genius.

Yet perhaps the most critical of all factors to have this succeed was also stated by the President:

> I firmly believe we have the national will to win this war. The only way out is an all-out effort.

President Carter is a man of exemplary integrity and compassion and courage. He has taken on unpopular issues, oftentimes without regard for his own political popularity. National polls show the President in a very low standing with the American people, but a closer examination of these polls indicate that Americans are mostly against the President for a perception they have of him being less than a fully competent leader. If this means that the American populace wishes to be led with bold and aggressive policies, then President Carter has presented such a plan to the people. As one of those who met with the President stated, "If you lead, Mr. President, we will follow." The President clearly wants to lead. Does the American public really want to follow?

On July 4, 1776, this Nation declared its independence from Great Britain. It did so as a reaction against the torment of tyranny as practiced by the monarch of the United Kingdom. It was an action taken with great risk, but ultimately succeeded because there was a sense of national unity and that revolution had to take place. In July of 1979, America again finds itself in need of responding to the torment of tyranny, this time as practiced by those nations which supply us with the energy that keeps this Nation running. The American people have been summoned to grasp the severity of the crisis which we are in. We are asked again to be patriots behind a cause—freedom. The President has made a new declaration of independence for America—a declaration of energy independence. If we achieve energy independence, we will no longer be held hostage—on the domestic and international fronts—by second rate nations whose only power stems from America's dependence on their oil. The American public, through its supportive actions, must ratify this proposal and do it soon. It would be inimical to this Nation's history for us not to respond to the challenge presented so eloquently, honestly, and personally by the President of the United States.●

BAYARD RUSTIN DISCUSSES ZIMBABWE

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. GOODLING. Mr. Speaker, I should like to bring to my colleagues attention an article that appeared in the July issue of Commentary entitled "The War Against Zimbabwe" by Bayard Rustin.

The African Affairs Subcommittee on which I serve had the honor of hearing testimony from Mr. Rustin during our investigation of the recent elections in Zimbabwe Rhodesia. This article is a welcome addition to that testimony.

Mr. Rustin's article should be read in contrast to President Carter's June 7 statement in which he justified not lifting sanctions against Rhodesia. Now, Mr. Rustin has made clear that he too does not favor the immediate lifting of sanctions, but unlike President Carter he understands the political forces at work in Rhodesia. As a result of Mr. Rustin's thoughts on the current struggle in southern Africa are an absolutely necessary antedote to the idea that it makes no difference who wins the war in Zimbabwe, so long as the war ends. I believe his article makes clear that it does indeed make a difference who wins that war—at least to the people of Zimbabwe Rhodesia.

I strongly urge each of my colleagues to read this article:

THE WAR AGAINST ZIMBABWE

(By Bayard Rustin)

No election held in any country at any time within memory has been more widely or vociferously scorned by international opinion than the election conducted last April in Rhodesia, now Zimbabwe Rhodesia. In scores of other countries, non-democratic governments periodically stage elections whose predetermined results are never challenged or questioned, even by the world's democracies. Indeed, just two weeks before the Rhodesian election, the Iranian government held a referendum in which the people were asked to approve the establishment of an "Islamic republic." Though a constitution had not yet been drafted, and though the vote took place during a period of growing repression of civil liberties, widespread separatist rebellions, and a reign of terror by semi-secret courts dispensing "revolutionary justice," no government raised objections to the whole procedure or questioned the validity of its predictable outcome.

In contrast to the silent acquiescence in what passes for elections in the world's tyrannies, the outcry against the Rhodesian election has been deafening. The United Nations Security Council immediately passed a resolution condemning it and calling upon all countries not to lift economic sanctions against Zimbabwe Rhodesia. And the New York Times, urging no change in the Carter administration's Rhodesian policy, announced that it would be "a moral and diplomatic disaster" for the United States to recognize the legitimacy of the election or of the government resulting from it. The Time's wish has since been granted.

Few critics of the election have even pretended to have an open mind on the subject. United Nations Ambassador Andrew Young, who had earlier described as "neofasist" both the interracial transitional government in Rhodesia and anyone who supported it, announced that the election was "rigged" and called for "new elections without pressures." Congressman Stephen Solarz, the chairman of the House African Affairs Subcommittee, said the election no more expressed the will of the people than did elections in the Soviet Union. (He had earlier helped defeat a move to send a congressional observer team to Rhodesia to determine if, in fact, such a harsh judgment of the election were warranted.) Columnist Tom Wicker, who had predicted that the civil war would prevent the Rhodesian government from conducting any election, let alone a fair one, dismissed the absence of major disruption during the voting as immaterial, and observed that the newly elected government of Bishop Abel T. Muzorewa simply could not be accepted as "a legitimate member of the family of nations." And a group of 99 Americans, ranging from intellectuals and others on the far Left to liberal civil-rights and labor leaders, issued a statement a month *before* the election calling it a "fraud" since "the people of Zimbabwe cannot vote freely with a gun at their heads."

Contrary to these predictions and opinions, however, the people of Zimbabwe did vote in an election that was freer than most held in the developing world—freer, certainly, than elections held anywhere in Africa with the exception of Gambia, Botswana, and possibly several other small countries. Moreover, not only did they not vote with a "a gun at their heads," many voted with genuine, unmistakable enthusiasm. The contrast between how the election was viewed by most Zimbabweans (the name preferred by the blacks) and how it was described by critics outside the country is nothing less than extraordinary.

As one of the nine members of the Freedom House delegation which observed the election (others included the journalist Roscoe Drummond, former Congressman Allard K. Lowenstein, and Professor Maurice C. Woodard of Howard University), I had the opportunity to speak on the spot with hundreds of voters in different election districts, as well as with leaders of the participating parties, knowledgeable correspondents, and other international observers. I also met with opponents of the election who were part of the so-called external forces or the Patriotic Front and with professors and students at the university of Salisbury, most of whom boycotted the election. Our delegation stayed throughout the five-day election, visiting more than 100 polling stations throughout the country. Three members remained in Zimbabwe Rhodesia until all the votes were counted and any complaints of irregularities could be received.

The delegation, whose members had professionally monitored previous elections in 26 countries, was excellently qualified to make an informed and objective judgment about the fairness of the election and the attitude of the people toward it. Our conclusion, reached unanimously, was that "the election represented a significant advance toward multiracial majority rule" and was "a useful and creditable step toward the establishment of a free society in Zimbabwe Rhodesia."

To be sure, the election was held under extraordinary circumstances. The Patriotic Front had vowed to use violence to disrupt the voting—Joshua Nkomo, the leader of one wing of the Front, had predicted a "blood-bath" at the polls, a warning repeated by many of the guerrillas—and so martial law was in force throughout most of the country. The security forces at the polls protected voters and gave them a feeling of reassurance. Their presence may also have had a coercive effect, but we saw no evidence that they compelled people either to vote or to vote for a particular candidate. (The voting was by secret ballot.) In many localities where people did not vote in large numbers, the government did not try to increase the turnout. Moreover, it was in the large urban centers, where the voters were the most sophisticated and the least subject to exhortation and coercion, that the highest levels of participation occurred.

This is not to say that the government took a passive role in the election. Everyone eighteen years of age and older was allowed to vote, and the government encouraged participation through publicity about the election and voting procedures. But these actions were not inappropriate in a situation where most people were voting for the first time in their lives; and their overall effect was to increase majority control over the results. At the same time, the government sharply curtailed the nonviolent expression of opposition to the election. Such expression was allowed in some places, such as at the university in Salisbury where we witnessed a demonstration urging a boycott of the voting. But on the whole, the opponents of the election were not allowed freely to communicate their point of view.

What effect this restriction had on the election is hard to say, since voters were subject to many conflicting pressures. White farmers and employers encouraged people to vote, as did the local militias (the security forces organized by the black political parties). But voting was also discouraged by the fear of disruption at the polls and by the Patriotic Front's warnings that it would punish anyone who participated. While the disruptions did not occur on a large scale, some voters were killed in transit to the polls by land mines which the guerrillas had laid.

No one can say with certainty what influence these different pressures had on the voters. But clearly a very large proportion of the population felt free to participate or not to participate in the election. Taking into consideration disputes over the size of the voting populations in some districts and voting by some teenagers under the qualifying age of eighteen, the turnout was still well over 50 per cent and was most likely nearer the official figure of 64.5 per cent. The turnout was unexpectedly high, well above the minimum figure the government felt was necessary to demonstrate majority support for the election. Since opponents of the election would undoubtedly have used a low turnout as evidence of majority opposition to the election, they are hardly in a position to deny the significance of the turnout did take place.

Moreover, the voters had, in the view of the Freedom House delegation, "a sense of meaningful choice." The nearly 1,900,000 black votes were divided among four competing parties, with Bishop Muzorewa's United African National Council (UANC) receiving an overwhelming 65 per cent majority. The post-election charge by the Reverend Ndabaningi Sithole that there were "gross irregularities" during the election only underscores the fact that the competition was keen, since he was deeply disappointed by his party's distant (14 per cent) second-place finish. (Significantly, his allegations did not focus on the mechanics of the election, which no one has challenged, but on the methods used by Muzorewa's party to increase its vote; and the allegations have not been supported by the evidence or testimony of the overwhelming majority of international observers.)

It is true, of course, that the two external parties—Nkomo's Zambia-based Zimbabwe African People's Union (ZAPU) and Robert Mugabe's Mozambique-based Zimbabwe African National Union (ZANU)—did not appear on the ballot. But the common belief that they were excluded from the election is simply inaccurate. Not only were Nkomo and Mugabe invited to participate, they were both offered seats on the transitional government's Executive Council, along with Prime Minister Ian Smith, Bishop Muzorewa, Reverend Sithole, and Chief Jeremiah Chirau. But Nkomo and Mugabe refused to have anything to do with the election. Still, voters were allowed to cast protest votes by spoiling their ballots or leaving them blank. Some did, since the number of spoiled or blank ballots was highest in districts where the external parties have the most support. Yet the percentage of such ballots never reached 10 per cent in any single district, and nationally only 3.35 per cent of the voters chose to protest in this way.

While the election thus did not meet the rigorous standards that one would apply to elections in Western democracies, it was remarkably free and fair, especially considering that a civil war was in progress and that most of the population had never before participated in an election. But the opponents of the election—not just the Patriotic Front, the frontline states (Zambia, Mozambique, Botswana, Tanzania, and Angola), the Communist world, and the United Nations, but also political leaders and publicists in Western democracies, including the United States—have not shown the least interest in the question of how democratic the voting process was. As the New York Times put it, "The real issue is not how the election was conducted, but what it was about."

In this connection, two major objections have been raised, the first having to do with the new constitution. It is charged that this constitution was never submitted to the black voters for approval; that it reserves, for a period of ten years, 28 of the 100 parliamentary seats for the 4 per cent white minority; and that it preserves white domination over the army, police, judiciary, and civil service. The second objection is that the internal settlement, under which the constitution was adopted and the election was held, did not include the Patriotic Front, and so would not end the civil war but lead to its escalation, with the likely involvement of Cuban troops. Summing up these objections, the Times has charged that the internal settlement "is little more than a device for keeping real power in the hands of Rhodesia's small white minority" and is, therefore, "rightly suspect in black African eyes" and "a recipe for civil war."

Here again, the views of the opponents of the election outside Zimbabwe Rhodesia and the views of the people inside the country diverge in a most extraordinary way. The Zimbabweans participated in the election with enthusiasm precisely because they felt it marked the beginning of real majority rule and would also bring an end to the war. Virtually all the people I spoke with gave these reasons to explain why they were voting.

The "internal leaders" who negotiated the settlement with Ian Smith felt that the agreement reached on March 3, 1978 established, in the words of Bishop Muzorewa, "the machinery for dismantling the structures and practices of colonialism and racism and of minority rule." They went into the negotiations with the objectives of destroying the legal foundation for institutionalized racial discrimination and winning the transfer of power from the minority to the majority in an election based on the principle of one person/one vote. The first objective was achieved on October 10, 1978 with the abolition of all statutory discrimination, including the Land Tenure Act which reserved lands for white ownership. The second objective was achieved with the election in April.

The argument that the constitution was never submitted to the black voters for their approval is weak. Throughout the talks, black negotiators reported back to the executive bodies of their respective parties to get their approval for any agreements that were made. At one point in the negotiations, when Bishop Muzorewa walked out in a dispute over the number of white seats in the new parliament, a special meeting of the UANC's Provincial Council was called which was attended by 800 delegates from all over the country. These delegates represented local constituents who were kept informed about the progress of the talks. In the view of the *black* parties, a referendum on the constitution would simply have delayed independence and exposed their party workers to increased guerrilla violence. And it would have been redundant, they felt, since participation in the election was itself a vote in favor of the constitution and the internal settlement—a point implicitly recognized by those who opposed the election because of "what it was about."[1]

The black negotiators compromised on the issue of the 28 white seats; they were, after all, *negotiating*, and they did not feel that they had sacrificed their fundamental position. In the first place, such an arrangement was in the tradition of Britain's African decolonization policy of "multiracialism." (In Zambia, for example, the special allotment of parliamentary seats to the non-African minority was not discontinued until 1968, four years after independence.) Then, too, all the plans that have been introduced for a negotiated transition to majority rule have made a special provision for white representation in parliament.

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[1] It is true that a referendum on the internal settlement was held for whites. This was done to fulfill Smith's 1977 electoral pledge that whites would be consulted on any agreement negotiated with internal black leaders—a pledge made to shore up the confidence of the whites, whom Smith had promised only a few years before that there would not be black majority rule "for a thousand year." In this connection, Andrew Young's repeated claim that 40 percent of the whites preferred the Anglo-American plan to the internal settlement is without foundation. In the 1977 election in which Smith had sought a mandate to negotiate an internal settlement, his Rhodesian Front party won 85.4 percent of the votes. The Rhodesian Action party, which opposed any move toward majority rule, won 9 percent of the votes, while the National Unifying Force, which backed the Anglo-American plan, received only 4 percent. In the subsequent referendum, held in January 1979, over 84 percent of the whites voted in favor of the internal settlement, and once again the opposition consisted overwhelmingly of those who opposed majority rule altogether.

It is possible that Young's figure of 40 percent was reached by adding the total number of no votes on the referendum to the number of whites who didn't vote. This may also be how President Carter arrived at the figure of only 60 percent white support for the constitution, which was one of the reasons he gave at his June 7 press conference for not lifting sanctions. This is of course an exceedingly duplicitous use of statistics. If the same method were applied to the 1976 U.S. election, one would conclude that only 27 percent of the American electorate supported President Carter while 73 percent opposed him.

Even the now obsolete Anglo-American plan, which is vigorously defended by Ambassador Young, reserves 20 of the 100 seats for the white minority. During Nkomo's bilateral talks with Smith in 1976, he proposed an election with three different voting rolls which would have assured the whites a substantial minority of legislative seats. He did so, as he said, "to meet fears expressed by the Rhodesian Front" (Smith's party) and "in a spirit of compromise." In the talks leading to the internal settlement, Smith demanded 34 seats for the whites. Muzorewa wanted the number limited to 20 but reluctantly compromised at 28 after his black negotiating partners, Sithole and Chirau, accepted that figure.

The blacks agreed to this arrangement for a ten-year period; they also agreed to clauses in the constitution which protect the institutional interests of the whites for an equal period, in order to reassure the white minority that its political and economic position would be stabilized under an African-dominated government. The alternative to this kind of settlement would have meant the inevitable flight of whites from the country and the collapse of the economy, as happened recently in Angola and Mozambique. Muzorewa has made the point that if independence is not to be a "hollow shell." Zimbabwe must not repeat the mistakes of other African countries which drove out indigenous skilled whites, and then in desperation rehired at three times the cost "economic mercenaries who were inevitably failures in their own countries and who came to Africa for what they could milk out of their hosts."

The internal settlement, then, was designed to provide a period of stable transition during which blacks could acquire the experience and skills they were denied under white rule. Muzorewa has promised training programs for Africans to achieve "*both* . . . the necessary efficiency and the necessary orientation to black majority rule" (emphasis added). He is not impatient, since black control over the institutions now dominated by whites is inevitable in a country 96 per cent black. Already the army is 85 per cent black and the police force is 75 per cent black, and the cabinet minister responsible for each force is also black. Moreover, all white officials are now answerable to a black head of state and to a parliament and cabinet which have over a two-thirds black majority.

While Muzorewa and the other internal black leaders have expressed a practical interest in retaining the skills and energies of the whites for Zimbabwe, expediency has not been their only consideration. Whites who have been four generations in Zimbabwe, Muzorewa has said, and who have no other home, must not be "driven out to nowhere." In an open letter to American blacks, Muzorewa has emphasized that Zimbabweans had never "fought the white man's skin. We fought his evil system. We fought his racism." Some people, he said, feel that we should "be ruthless with the white race. But I wish to warn against the reversal of discrimination . . . it makes us hypocrites to turn into black racists ourselves. It makes us oppressors and not liberators."

Ordinarily one might expect such sentiments to be applauded by Western liberals. But in fact, as Bishop Muzorewa said recently, while Zimbabweans "are prepared to forget the past and work together with our white brethren . . . some people in Britain, America, Africa, and other parts of the world appear unwilling to allow us to do so." Little attempt has been made even to understand the practical and moral aspects of the Bishop's position, which is viewed as a rationalization for continued white control of Zimbabwe Rhodesia. As a result, we have the paradoxical situation that a settlement which has been accepted by most people inside Zimbabwe Rhodesia as the best and only realistic course for their country to take is opposed by foreign advocates of "majority rule"!

The negotiations leading to the internal settlement succeeded, where all previous attempts to negotiate a solution to the Rhodesian crisis failed, because three conditions prevailed. First, by the fall of 1976, the Smith regime had been forced by events to concede the principle of black majority rule. No single event broke the back of white resistance. Rather, it was a series of developments: the energy crisis and the Western economic recession which magnified the impact of sanctions on the Rhodesian economy; the collapse of Portuguse colonialism and the emergence of pro-Communist regimes in Angola and Mozambique; a sharp change in policy toward Rhodesia by both the United States and South Africa; and not least, the steady escalation of the guerrilla insurgency and the increased rate of white flight from the country. All these together compelled Smith to abandon his position of intransigence.

The second factor was the involvement in the talks of black leaders with a broad following in the country, in particular Bishop Muzorewa. The earliest talks (aboard the HMS *Tiger* in 1966 and the HMS *Fearless* in 1968, and the negotiations in 1971 between Smith and Sir Alec Douglas-Home, then British Foreign Minister) had been between Britain and Rhodesia and had bypassed the black majority entirely. Subsequent talks between Smith and Nkomo in 1975 and 1976 similarly lacked the involvement of broadly representative nationalist leaders. Nkomo certainly had long experience in the nationalist movement. But he had only limited support in the country, partly because of his narrow tribal base among the Ndebeles who make up only about 15 per cent of the black population. In addition, the talks were viewed by other nationalists as an attempt by Zambia's President Kaunda to impose his own candidate, Nkomo, as the leader of the internally divided nationalist movement. In fact, resentment against Zambian interference in Zimbabewean affairs has been one of the elements in the Rhodesian talks least understood by outsiders.

Muzorewa, unlike Nkomo, had for some time been thought to have the broadest popular support among Zimbabweans. Elected Rhodesia's first black bishop in 1968, he quickly earned the reputation of being a resolute defender of black interests and was barred by the government from visiting tribal trust lands. When the British appointed the Pearce Commission in 1971 to test the acceptability to blacks of the Smith-Home constitutional proposals, he was the only figure the different nationalist factions could agree upon to head the new African National Council (ANC), which was organized to mobilize the campaign for rejection. The campaign was successful, and during the course of it Muzorewa emerged as the preeminent black leader in the country.

Combining strong criticism of the Smith regime with appeals for racial reconciliation, Muzorewa has frequently drawn huge crowds at rallies, at times as many as 200,000 people, and his popularity was confirmed by his overwhelming victory in the election. He also has support among the guerrillas, most of whom left Rhodesia in the period following 1972 when his popularity was at its height. This helps explain why he is seen as the only nationalist leader capable of unifying the country.

After the collapse of the all-party Geneva talks in January 1977, Smith announced that he would seek talks with "moderate blacks," chiefly Muzorewa's ANC. Muzorewa refused to take part in any talks unless Smith was prepared to surrender power "immediately and unconditionally" to the black majority. But the decision of the five frontline presidents to give exclusive backing to the Patriotic Front produced great resentment in Muzorewa's party, which accused them of "launching a civil war" that would cause the slaughter of Zimbabweans. When the Organization of African Unity, at its Libreville meeting in July 1977, also decided to back the Patriotic Front, an internal settlement became the only course open to those who still wanted to negotiated solution. Sithole, a dedicated nationalist who had spent ten years in prison for his political activities and was, in fact, the founder of ZANU, had already agreed to negotiate with Smith. So when Smith, on November 24, 1977, conceded the principle of one-person/one-vote elections as the starting point for negotiations, Muzorewa announced that he was ready "to test him out."

Muzorewa's desire for free, universal-suffrage elections was naturally strengthened by his confidence that he would win them convincingly. Similarly, not least among the reasons Nkomo and Mugabe have opposed such elections as the basis for a transfer of power from the white minority is their fear that they could not win on those terms. Both, in fact, have said that they would only consider holding elections *after* power had been transferred to the Patriotic Front. This, if anything, is a sure "recipe for civil war," since an election policed by the two guerrilla forces of the Patriotic Front would quickly degenerate into a war between them, a prospect that even Zambia's Kaunda is thought to fear.

Moreover, it is hardly likely that either Nkomo or Mugabe would govern democratically. Nkomo, given his narrow base, could only rule through force. And his close ties to Russia and Cuba, which have equipped and trained his army, make it inevitable that both countries would have a decisive influence in any government he headed. Mugabe, even more than Nkomo, favors totalitarianism out of ideological conviction. He has made no secret of his belief that "the multiparty system is a luxury," and he has announced that if the blacks of Zimbabwe do not like his ideology, "then we will have to reeducate them."

The absence, then, of Nkomo and Mugabe from the talks with Smith was the third factor which made it possible for the negotiations to succeed. There simply was no basis for a political compromise which included the Patriotic Front, a reality which the frontline states and the OAU recognized (and helped bring about) when they endorsed the Front and announced that an independent Zimbabwe could only be created through armed struggle.

For this reason, the insistence by both the British and American governments that any political solution which did not include the Patriotic Front was unacceptable can most generously be described as naive. If Nkomo and Mugabe had any interest at all in a politial settlement, they would not have rejected out of hand the Anglo-American plan which called, among other things, for Smith's resignation in favor of a British resident commissioner who would head a transitional government; for a UN peace-keeping force which would supervise elections; and for the replacemnt of the Rhodesian army by a new Zimbabwe army which would, according to the then British Foreign Secretary David Owen, "be based on the liberation forces." Smith called the plan "a very cunning scheme" to hand power over to the Patriotic Front. But Nkomo and Mugabe did not think so, partly because they did not believe, as Andrew Young said they did, that they would win free elections. (Only Muzorewa and Sithole welcomed the plan, though they expressed concern that African elements in the UN peace-keeping force might aid the Patriotic Front, even to the extent of assisting in a coup.)

Similarly, Nkomo and Mugabe both reacted with manifest contempt to the subsequent British-American call for an all-party conference. Nkomo said he would have nothing to do with "all-party nonsense" and declared on September 11, 1978 that "We mean to get that country by force and we shall get it." Mugabe said he would attend such a conference, but only on the condition that " the entirety of the Salisbury regime must go and the enemy forces must be completely dismantled." Then, shortly after the announcement in Washington by the four members of the Rhodesian Executive Council that they would attend an all-party conference without preconditions, Mugabe's organization (ZANU) made public a death list which included 50 Zimbabweans associated with the internal settlement, including the three black members of the Executive Council.

The document described these people as "Zimbabwean black bourgeoisie, traitors, fellow-travelers, and puppets of the Ian Smith regime, opportunistic running-dogs and other capitalist vultures."

Nkomo and Mugabe have adopted an equally uncompromising attitude toward each other, thus making a political compromise *within* the Patriotic Front no more likely than one between it and the parties to the internal settlement. The presidents of the frontline states have made repeated attempts to impose "unity" on ZANU (Mugabe) and ZAPU (Nkomo), but with little success. The formation in 1975 of a united army, the Zimbabwe People's Army (ZIPA), resulted in violent clashes between the ZANU and ZAPU forces and eventually in their complete separation. The Patriotic Front, established the following year, is a paper political alliance that has done nothing to increase military cooperation between the two guerrilla forces. On the contrary, Mugabe and his aides have long resented Nkomo's failure to commit his heavily armed forces to the war effort, alleging that he is conserving his army's strength for what he expects will be the final showdown with ZANU. In a statement directed at Nkomo, Mugabe recently warned that "Those who have not fought cannot reap the rewards of a victory to which they have contributed nothing."

The current division within the guerrilla ranks—which persists despite a new effort to coordinate their military effort—must be seen against a background of fifteen years of splits, splits within splits, tribal/regional conflicts, fierce internal violence and meddling by neighboring African states.[2] Indeed, in a curious, sordid, and illuminating way, the creation of the Patriotic Front can be traced to the most notorious act of internal violence, the murder of ZANU chairman Herbert Chitepo in Zambia on March 18, 1975, The killing, which was preceded by a mini-civil war within ZANU's ranks and by mass executions of a rebel group, prompted President Kaunda of Zambia to establish an international commission of inquiry consisting of representatives of 13 African states. After nine months of investigation, the commission found members of ZANU's high command guilty of the murder.[3] Mugabe, furious at the verdict and at the jailing of his ZANU comrades, denounced Kaunda and withdrew from Zambia to Mozambique where he consolidated ZANU's guerrilla forces.

Shortly thereafter, Kaunda, hoping to resurrect Nkomo (whose reputation had been badly damaged by the failure of his talks with Smith), offered to release Chitepo's murderers if Mugabe would agree to a joint ZANU–ZAPU delegation at the Geneva talks. The deal was consummated and the Zambian high court acquitted the assassins who promptly joined Mugabe in Geneva, and the Patriotic Front came into being.

This incident may help explain why many Zimbabweans resent Zambian interference in their affairs, and do not regard the Patriotic Front as their chosen instrument for bringing peace and majority rule to their country. It may also explain why there is distrust of international institutions which have endorsed the Patriotic Front as the sole legitimate representative of the people of Zimbabwe; and of Western "progressives" who, as Muzorewa has said, "extol the armed struggle, especially from some safe distance from the death and the bloodshed and the tears and the misery."

In the wake of the election, the continued support of the Patriotic Front must be viewed as morally unconscionable. At the time the internal settlement was announced, Conor Cruise O'Brien commented (New York Review of Books, March 8, 1978) that if the Patriotic Front continued to kill people after free elections were held and a black majority government sat in Salisbury, then its behavior would be "morally equivalent" to that of such anti-democratic European terrorist groups as Baader-Meinhof and the IRA. All this has now come to pass, yet the Patriotic Front retains the support of the UN and other international bodies, while the elected government of Zimbabwe Rhodesia is viewed as an "illegal" pariah state.[4]

It is especially interesting that the excommunication of Zimbabwe has been decreed in the name of racial self-determination, but in total disregard of the views of that country's black majority; and that the Patriotic Front is favored in the name of majority rule but in total disregard of that group's anti-democratic outlook. Thus, we have the spectacle of the United Nations denying a platform to an "illegitimate" black African leader (as it did to Muzorewa), who is then greeted upon his return home by a cheering throng of over 150,000 blacks; and the New York Times, ordinarily a proponent of political democracy, asserting that for the U.S. to "pressure" the Patriotic Front to come to terms with the newly elected black government in Zimbabwe Rhodesia "would be a betrayal of American support for majority rule."

One can account for such anomalies only if it is understood that the issue is not whether or not there shall be rule by the black majority, but what form such rule shall take. And here the alternatives are as clear as they were at an earlier time between white minority and black majority rule. For if the presidents of Zambia, Mozambique, Tanzania, and Angola have their way, majority rule will take a form more or less similar to what exists in their own countries; which is to say that it will be a dictatorship by a small black elite over a destitute black population.

It is, of course, precisely this kind of "majority rule" that Muzorewa has said would be a betrayal, for it would have "the mere trappings of independence—a brand new flag, sleek and shiny limousines, black faces in parliament, the OAU, and the United Nations—while those in power are not accountable to the governed for their actions." In fact, it has been Muzorewa's rejection of "worn-out ideologies," of "political philosophies which could make people secondary to the state—which would regard people as expendable," which constitutes his indictment of the post-colonial experience in much of Africa, and which accounts for the antagonism to him and to Zimbabwe Rhodesia among those who cling to such ideologies and who rule uneasily over the increasingly disillusioned and discontented black masses. And it is, not least, the need to conceal the betrayal of independence and the self-infliction of poverty and political oppression which explains why the struggle for "majority rule" is proclaimed with such strenuous devotion.

Into this essentially internal African debate have stepped the Soviet Union and its Cuban and East German proxies, seeking to exploit African conflicts and frustrations to advance Moscow's geopolitical ambitions. And into it also has wandered the United States, newly sensitive, as it would like to think, to the aspirations of black Africa and determined, as Secretary of State Vance has put it, not to "mirror Soviet and Cuban activities." The foremost U.S. objective has been to preserve American "credibility" in black Africa, the assumption being that this is the measure of our influence on the continent and is also the best and the only way (all military options having been ruled out) to deter the Russians. Anything we might do to undermine that credibility, it is thought, would only invite further Soviet intervention which we would not (and should not, given our Vietnam experience) be prepared to counter.

With respect to Zimbabwe Rhodesia, the price for maintaining American credibility among the frontline presidents and with Nigeria has been that we support—or at the very least, do nothing to oppose—the Patriotic Front. As a result, we have found ourselves, until now, tacitly aligned with groups armed by Moscow, hostile to America, antagonistic to democracy, and unpopular within Zimbabwe Rhodesia itself. And we have opposed the internal parties which look to us for support, share our professed belief in an open multiracial society, and have genuine popularity within the country.

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[2] Dr. Masipula Sithole, the brother of Ndabaningi Sithole and a ZANU activist for eight years, has just published an honest and courageous book, *Zimbabwe Struggle within the Struggle* (Rujeko Publishers, Salisbury, 1979), which tells the history of the conflicts within the Zimbabwe nationalist movement.

[3] The commission described one of the assassins, Josiah Tongogara, as a "man possessed of inordinate ambitions" who had engaged in "the systematic process of eliminating possible rivals by death. . . ." According to the commission's report, Tongogara had openly remarked that "he saw no reason why he should not be the first President in an independent Zimbabwe through the barrel of the gun." Remarkably, when Andrew Young was asked by interviewer Jonathan Power (London *Times,* May 22, 1978) if he saw any parallels between the American civil-rights movement and the Patriotic Front, he replied: "Nonviolence is in many ways being practiced by the Patriotic Front. . . . I asked one of their commanders, Tongogara, what they actually do in Rhodesia, and he said they're not doing much fighting, except when they are fired upon, or when the Rhodesian defense forces find them and try to run them out. Basically, what they're doing is moving around the villages and conducting political seminars and singing songs—which is exactly what we did."

[4] The charge of illegality, which is contained in the two UN Security Council resolutions on the internal settlement and the election, is more than a little ironic, since it implicitly accepts the legality of British colonial rule in Rhodesia. "To the black majority," Muzorewa has said, "illegality was imposed on the country at the onset of British colonialism in 1890 and not in 1965 [when the Smith government issued its Universal Declaration of Independence from Britain]. We do not accept that there is any other authority than the black majority which can bestow legality to Zimbabwe."

We have defended this policy in terms of our historic commitment as a nation to human rights and, more practically, in terms of protecting our country's vital interest in Africa and of preventing the escalation of civil war. Yet it has been hard for most Americans, or for the United States Congress, to understand how any of these objectives is served by promoting the Patriotic Front.

The fact is that this has not been the only practical course open to us. The psychology of appeasement is now so deeply rooted among most American officials and political commentators that they have, almost as a matter of course, underestimated our own strength and the strengths of our friends, as well as the weaknesses of the Soviet position. U.S. officials tremble at the thought of a Nigerian oil embargo, forgetting the fact that Nigeria needs American capital and technology at least as much as America needs Nigerian oil. Most importantly, within Zimbabwe Rhodesia itself, there is now less sympathy for the guerrillas than ever before. The people are simply tired of violence, especially violence which has no purpose, since there is now a black majority government. If this government takes steps, as it has promised, to improve the social and economic position of the black population, the rate at which guerrillas will defect to become part of the new order could increase dramatically. It is also possible that the Patriotic Front leaders will now negotiate with the Bishop if, as the London Economist has observed, they "are not to risk becoming the 30-year Arafats of southern Africa." Moreover, Zambia and Mozambique, which have suffered badly from the fighting and are heavily dependent on the much stronger economies of Zimbabwe Rhodesia and South Africa, are already under pressure internally to end their support of the Patriotic Front and to accommodate to the new reality. Zambia is particularly vulnerable, since more than half its trade and most of its food imports are now carried by rail through Zimbabwe Rhodesia.

Whether Moscow would be prepared, under these circumstances, to escalate the war is doubtful. At present, the army of Zimbabwe Rhodesia is, in African terms, a strong fighting force and more than a match for the divided Patriotic Front. To defeat it would require a major commitment by Soviet proxy forces at a time when the Cubans are overextended in Angola (where they now maintain a force of 45,000 military and civilian personnel). An intervention of this kind would be deeply resented in most of Africa, and it would strengthen opposition of détente in this country and weaken whatever chance there is for Senate ratification of SALT.

The Russians will, more likely than not, remain cautious and wait for an opportune moment to strike. The point is that it should not be our policy to create opportunities for them and to encourage the guerrillas to continue fighting, which is what the President's repudiation of the Muzorewa government in his June 7 statement has already done. Beyond the narrow issue of economic sanctions against Zimbabwe Rhodesia, there is the larger question of whether we will do anything to help the new black government to survive and continue to evolve in a democratic direction; or whether, by our inaction and failure of nerve, we will embolden its enemies and thus destroy any hope for democracy in the country. If we take the latter course, we will have done nothing to increase the credibility of the United States either in Africa or elsewhere. On the contrary, we will have raised a signal to all the world that this country no longer has the capacity to defend or even understand its interests, or to help those who, unlike ourselves, continue to believe in freedom.●

STEPS TOWARD PEACE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. FINDLEY. Mr. Speaker, increasingly, there is recognition of the key role the Palestinians play in the Middle East peace process. There will, in fact, be no comprehensive and durable settlement without their participation in and agreement to its terms.

Two recent developments have demonstrated this growing awareness of the centrality of the Palestinians and of the importance of bringing them into the peace process.

One was the recent meeting in Vienna of Yasir Arafat, chairman of the Palestine Liberation, with Chancellor Bruno Kreisky of Austria and former Chancellor Willy Brandt of West Germany. Similar meetings with Arafat of other statesmen dedicated to peace in the Middle East will be necessary if we are to understand the aspirations of the Palestinian people and how those aspirations will peaceably coexist with the yearning of Israelis for peace and security.

The other positive development occurred apparently as a result of Ambassador Robert Strauss' recent visit to Israel. After Strauss' meeting with Israeli officials, the Israeli Government announced that it would permit Bir Zeit University on the West Bank to reopen this coming September and that it would release Palestinians detained after disturbances in Nabcus. The military government in the occupied territories closed Bir Zeit after some disturbances occurred there earlier this year. Bir Zeit became an important symbol for the Palestinians who felt that the Israelis might close it indefinitely, causing the ruin of the academic career of some students and forcing Palestinian young people who sought higher education to leave the West Bank. I met with Hanna Nasir, the exiled president of Bir Zeit University a month ago. He stressed that it was extremely important to reopen Bir Zeit. He also took issue with the interpretation of some that Bir Zeit was a "hot bed of radicalism." I hope that the Israeli decision to reopen Bir Zeit University is an indication of growing sensitivity toward Palestinian interests and attitudes. I hope that it marks the beginning of a new Israeli conciliatory approach to the Palestinian people and will permit a new era where Israeli and Palestinian will live together in mutual understanding and appreciation of their respective rights.

[From the New York Times, July 9, 1979]

KREISKY, BRANDT, ARAFAT END TALKS; EXPRESS CONCERN AT ISRAEL'S POLICIES

(By David A. Andelman)

VIENNA, July 8.—Chancellor Bruno Kreisky of Austria and former Chancellor Willy Brandt of West Germany concluded talks tonight with Yasir Arafat, head of the Palestine Liberation Organization, and issued a communiqué expressing "extreme concern" over Israel's "settlement activities in the occupied territories."

The three also agreed in the communiqué that "the Palestinian issue is the central problem of the Middle East conflict and unless it is equitably and satisfactorily solved neither peace nor a global settlement can be achieved."

However, the symbolism of the meeting of Mr. Arafat with Dr Kreisky, and Mr. Brandt was seen by Middle Eastern diplomats as more important than the substance of the communiqué issued after three days of talks.

Mr. Brandt, chairman of West Germany's Social Democratic Party, is president of the Socialist International. The London-based organization comprises 56 Socialist and Labor Parties, including Israel's Labor Alignment, headed by Shimon Peres. Dr. Kreisky is vice president of the Socialist International and heads its special Middle East Commission.

ISRAEL AMBASSADER WITHDRAWN

The meeting led to the decision this morning by the Israeli Government to withdraw its Ambassador to Vienna and issue a message of denunciation. The Israeli Government's action was endorsed by Mr. Peres, who termed the meeting a "deliberate act against our people and country."

Israel has followed a policy of fostering some settlement by Jews in the Arab territories it has occupied since the 1967 war. The United States and other Western nations have consistently declared that international law prohibits establishment of such outposts, and that they are a barrier to Middle East peace.

At a joint news conference in Vienna's Hofburg today, Dr. Kreisky, flanked by Mr. Arafat and Mr. Brandt, said that this weekend's discussions were the culmination of years of contacts between himself and the Palestinian guerrilla leader and followed an "intensive correspondence."

The three refused to elaborate on the substance of the discussion but said that Mr. Brandt would submit a report to the Socialist International, together with a recommendation that contacts with the P.L.O. be continued.

The communique said that "the past, present, and future of the Middle East conflict were discussed at length and consensus was reached on a number of important points"

ISRAEL CONDEMNED FOR ATTACKS

At the news conference, Mr. Arafat condemned Israel for using American warplanes to bomb Palestinians and Lebanese and said the Camp David agreements between Israel and Egypt had destroyed other forms of multilateral peace negotiations.

The communique used milder language, expressing the concern of the three leaders "over the outbreak of the new military activities in the Middle East and over the tragic situation in Lebanon." They urged a "speedy solution for the Lebanese crisis."

Israel was not mentioned by name in the communique. But the reference to "new military activities" applied to recent Israeli air attacks on Palestinian strongholds in southern Lebanon. During one of these missions, Israel's American-made F-15 fighters clashed with Syrian MIG's.

Mr. Arafat left Vienna this evening. Mr. Brandt will remain in the city, presiding over a commission to promote international economic cooperation.

TIMING TERMED SENSITIVE

Israeli diplomats termed the timing of the weekend talks "particularly sensitive," coming as they did at the start of peace efforts by President Carter's special Middle East envoy, Robert Strauss. But Dr. Kreisky denied that there was any link between the two sets of discussions.

Dr. Kreisky clearly anticipated the difficulties that the visit by Mr. Arafat might cause him. "This will harm me as much as my visits with Sadat or that fact that I was the first Western statesman to travel to East Germany," he told the Vienna newspaper Die Presse.

More than a year ago, Dr. Kreisky brought together President Anwar el-Sadat of Egypt and Mr. Peres for a series of discussions.●

AUTOMATIC SAFETY BELT EQUIPPED CAR SCHEDULED FOR CAPITOL STEPS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. DINGELL. Mr. Speaker, this is to invite our colleagues to inspect an automobile occupant restraint system that is regarded as a viable alternative to air bags. We have arranged for an automobile equipped with automatic lap and shoulder belts to be examined by Members of Congress and others on Southwest Drive, next to the House side of the Capitol near the East Front steps during the hours of 10 a.m. to 2 p.m. Tuesday, July 17, and Wednesday, July 18. This safety device is installed in a 1978 Oldsmobile.

Representatives of the American Seatbelt Council and the Hamill Manufacturing Co. of Washington, Mich., will be joining with us to demonstrate this automatic safety belt system for which consumers would pay under $100 per car compared to the cost estimates of $400 to $580 to consumers for air bags (General Accounting Office study). A most recent air bag cost estimate by Ford Motor Co. is $825 in 1982 model year dollars.

Safety belts have a proven safety record of protecting occupants in all types of automobile collisions. Air bags should not displace safety belts. Air bags offer no protection other than in frontal collisions. The General Accounting Office audit recommends more testing and research of air bags. That is a major purpose of the Dingell amendment we are supporting to the Department of Transportation appropriations bill, H.R. 4440, Wednesday—more research and testing of passive occupant restraint devices. (See amendment in CONGRESSIONAL RECORD, page 18393, July 12, 1979.)

We hope you will inspect this convenient automatic lap and shoulder belt system which offers more protection than air bags at a more affordable cost.

List of cosponsors to Dingell amendment: JAMES T. BROYHILL, THOMAS L. ASHLEY, WILLIAM M. BRODHEAD, CARL D. PURSELL, JOHN B. ANDERSON, JAMES J. BLANCHARD, CLARENCE J. BROWN, LUCIEN N. NEDZI, BOB TRAXLER, BOB CARR, PHIL GRAMM, CARLOS J. MOORHEAD, TIM LEE CARTER, WILLIAM D. FORD, JAMES M. COLLINS, DAVID SATTERFIELD, DAVE STOCKMAN, and SAMUEL L. DEVINE.●

SPACE EFFORTS AT HUNTSVILLE, ALA., HELP US REACH THE MOON

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. FLIPPO. Mr. Speaker, July 16, 1969, was a great day in our Nation's space program. We should remember these efforts of a decade ago that changed the course of human history. It was on that day Apollo 11 was launched on a journey which would land men on the Moon. This milestone in the history of man was accomplished, because of the efforts of men and women who supplied the talent and hard work to make it happen.

The Saturn V rocket marked a great achievement that provided the power for propelling a manned spacecraft to the Moon. The gigantic Saturn V was the most powerful rocket known to mankind. It had been developed in only 6 years as the part of an accelerated development program at Marshall Space Flight Center in Huntsville, Ala.

The efforts made by men and women at Marshall Space Flight Center paid off. Saturn V would be a great success for them. The giant rocket would make it possible for the Eagle to land on the Moon and for Neil Armstrong to take that first "one small step" which would be a giant leap in the discoveries of man.

The people who made their contributions through the research and development carried out by Marshall Space Flight Center were all very close to the first men who landed on the Moon even though they were at a distance in space of 238,857 miles.

The Saturn V rocket which launched men to the Moon a decade ago was a proven vehicle which would compile a proud record. Of the 13 Saturn V. vehicles which made the journey to the launch pad, not one failed. The performance of the Saturn V was the best tribute to the great efforts of those individuals in industry and the National Aeronautics and Space Administration who made it happen.

I would like to share the story of how this significant accomplishment was made through the leadership of scientists and engineers at the Marshall Space Flight Center. The groundwork which was accomplished at the Redstone Arsenal in Huntsville and the contributions of the rocket pioneer Dr. Wernher von Braun. This recent article prepared for the 10th anniversary celebration chronicles this proud history of accomplishment:

[From the Marshall Star, July 11, 1979]

TEN YEARS AGO—MARSHALL CENTER'S SATURN V PUT MEN ON MOON

The goal set by the late Pres. John F. Kennedy on May 25, 1961, to put a man on the Moon put a torch under a fast-moving development program which produced, in only six years, the most powerful rocket known to mankind—the Saturn V.

July 20 marks the 10th anniversary of the first lunar landing. The Saturn V rocket that provided the power for that feat was developed by the Marshall Center under the direction of rocket pioneer Dr. Wernher von Braun.

Groundwork for Saturn had been done by the group at Marshall years earlier. They had clustered existing propellant tanks and engines to produce the Saturn I, the first member of what was to become a distinguish family of rockets.

The requirement for a launch vehicle capable of propelling a manned spacecraft all the way to the Moon called for bigger drawing boards and more help from the aerospace industry, educational institutions and hundred of thousands of individuals.

SATURN V CHOSEN

Many decisions had to be made in a hurry, such as the procedure for getting to the moon and back and the type of launch vehicle to be used. "Lunar Orbit Rendezvous" was the method selected and Saturn V the vehicle.

Saturn V would have five of the new F–1 engines, each developing 6.7 million Newtons (1.5 million pounds) of thrust, in the first stage—for a total liftoff thrust of 33 million Newtons (7.5 million pounds).

Its second stage would have five J–2 engines, each developing 900,000 N (200,000 lbs) of thrust, and the third stage would be powered by one J–2.

Building the Saturn V was to be a team effort all the way, with thousands of companies and scores of thousands of workers participating.

Marshall issued a contract to The Boeing Co. to produce the first (S–IC) stage; to North American Aviation for the second (S–II) stage; to Rocketdyne Div. of North American for F–1 and J–2 engines; to McDonnel Douglas Astronautics Co. for the third (S–IVB) stage, and to International Business Machines Corp. for the rocket's instrument unit.

Thousands of other contracts were issued, both by Marshall and its major contractors, for the millions of items needed in building the giant rocket, for building checkout and test facilities and for providing means of transporting the huge components.

NEW SITES

A giant vacant plant at New Orleans was reported for use in building Saturn boosters. This plant became known as Michoud Assembly Facility.

A tract in and surrounding Hancock County, Miss., was acquired and an engine test site was built—Mississippi Test Facility (now NASA's National Space Technology Laboratories).

At Slidel, La., near both the new test site and the Michoud plant, an existing structure was occupied, remodeled and stocked with digital and analog computers. The Slidell Computer Complex served test, checkout, simulation and engineering activities.

Computer facilities and capacity were also expanded greatly at the Marshall Center. Design and development of such a vehicle as Saturn V required new analysis techniques which, in turn, required advanced computers of greater speed and capacity than existed before. Withot development of these new tools, creation of Saturn V would have been an impossible task.

Marshall-Huntsville manufactured the initial four S–IC stages of Saturn V, two for testing and two for flight. All other first stages were fabricated at Michoud.

Principal engine testing activties were conducted in California by Rocketdyne while the Mississippi facility was under construction. Also during that time, the Marshall Center testfired F–1 and J–2 engines and the S–IC stage in its on-site test lab.

Once the Mississippi test site was operational, first and second stages of Saturn V were placed in the giant new stands there and test fired. Then they were shipped by barge to Kennedy Space Center.

The third stages, after testing at the Sacramento facility of McDonnell Douglas, were flown to Kennedy aboard the unique "Super Guppy" aircraft.

BIG PROBLEMS

Development of Saturn V posed problems of magnitude never before faced by engineers—requirements for such great size, weight, strength, power and capability that no "textbook" references existed.

The vehicle, with spacecraft attached, would be longer than a football field, have a base diameter greater than the combined widths of three tractor-trailer rigs, weigh more than a light Navy cruiser and develop more power than a line of Volkswagens from New York to Seattle.

Five turbopumps with a total strength of 30 diesel locomotives would force 15 tons of fuel per second into the five F-1 engines, which would burn 4.5 million pounds of propellants in two and one-half minutes.

Many today believe that one of the greatest challenges of the Apollo-Saturn program was the development of a new and extraordinary management approach that allowed NASA to involve vast human and material resources toward a common purpose.

The system developed to meet the incredible complexities of the program provided the United States with a pattern for managing future broad-scale technological, scientific and social endeavors.

As the advanced technology hardware began rolling down the lines, new kinds of test procedures and equipment were developed to check out every item and subsystem.

FIRST LAUNCH

On Nov. 9, 1967, the first Saturn V sat ready for liftoff from Kennedy. It was a behemoth 111 meters (363 feet) tall, including spacecraft, which cost $180 million.

This was to be an "all-up" mission with all three stages fired, a departure from the customary "one-step-at-a-time" philosophy of testing multi-stage rockets.

Saturn V kept its makers and watchers waiting only one second beyond the appointed moment of liftoff, then rose majestically with an awesome roar.

To cheers of "Go, Baby!" and the prayers of many, the gleaming white rocket climbed past the launch tower, picked up speed, bored into the sky and arched smoothly into its trajectory. In a few moments it was out of sight—a first launch that was a grand success.

The second Saturday V experienced some problems, including a puzzling "pogo" phenomenon, but completed its mission. All problems were solved before the third Saturn V launched the Appollo 8 crew on the first flight around the Moon in December 1968.

Apollo 9 was an Earth orbital mission primarily to check out the spacecraft, and Apollo 10 went to the Moon and did everything except land on the surface.

A PROVEN VEHICLE

By the time Neil Armstrong was ready for that "one small step" the Saturn V was a proven vehicle ready to take him and his crewmates, Michael Collins and Edwin Aldrin, Jr., to the Moon.

"Houston," Armstrong radioed July 20, 1969, "Tranquillity Base here—the Eagle has landed."

Saturn V carried six more Apollo crews to the Moon, five of which landed and explored there. The last Saturn V lanuched the Skylab experimental space station into Earth orbit.

Thirteen Saturn V vehicles made the trip to the launch pad. Not one failed, not even the one struck by lightning seconds after liftoff.

The Saturn V performance was beyond expections—a tribute to the labor and dedication of the thousands who created it. ●

CAPTIVE NATIONS WEEK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. ANDERSON of California. Mr. Speaker, in 1959 President Eisenhower signed into law legislation passed by the Congress which permanently proclaimed the third week of July as Captive Nations Week. As today is the first day of Captive Nations Week this year, I would like to use this occasion to remind my colleagues that there are many millions of people living in the Captive Nations who cannot enjoy those basic rights of liberty and freedom which we Americans enjoy. The very rights that we take for granted are denied these peoples by their own governments.

While there is a tendency of some to look upon the captive nations as only those countries in Europe which fell under the Communist yoke in the periods immediately following the First and Second World Wars, we have in this decade seen the additional once-free countries of Laos, Cambodia, and South Vietnam come under the tyrannical hand of their present rulers, and we have witnessed the tremendous human tragedy which has resulted. We have seen hundreds of thousands of human beings flee their native homelands because they would rather risk death and injury for their freedom in a foreign land than continue to live under the repressive Communist regimes now running their homes. And so the exodus continues.

I know, Mr. Speaker, that I need not describe in detail the tremendous suffering of these people, whether in unseaworthy boats on the high seas, or enduring thirst and starvation during their overland treks seeking freedom—but not always finding it. These horrors have been all too vividly etched upon our minds by the television screen and by printed pictures. But I think, with Captive Nations Week coming so soon after the celebration of our own Independence Day, that I would be remiss if I did not ask my colleagues to pause a moment and reflect upon our extreme good fortune in having our freedom, and to look with sympathy upon those so unfortunate as not to have theirs.

Let us remember all those in the captive nations this year with special feeling as we see the tragic events unfold in Southeast Asia, and let us also be determined in our resolve to protect and defend our own freedoms and to do our fair share in providing assistance to the new waves of refugees fleeing from oppressive regimes.●

SIXTEEN-YEAR-OLD YOUTH GIVES CASE AGAINST THE MOTTL CONSTITUTIONAL AMENDMENT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. STOKES. Mr. Speaker, I am sure that many of my colleagues are familiar with the Biblical phrase, "The children shall lead them." Proof of this phrase was demonstrated in a letter I would like to share with my colleagues on the Mottl constitutional amendment which will be voted on in the House on July 24, 1979.

Mr. Austin Cooper, III, a 16-year-old youth in Cleveland, Ohio, wrote the aforementioned letter to the editor of the Cleveland Plain Dealer expressing his views against the proposed Mottl constitutional amendment. The letter was published on July 15, 1979.

This young man has written an extraordinarily eloquent case against the amendment from the eyes of youth. Since this young black man is one of the Americans who would be affected by the passage of this amendment, I would like to share with all of you his articulate views.

DISAGREEMENT SHARP ON BUS AMENDMENT—16-YEAR-OLD YOUTH GIVES CASE AGAINST

I am 16 years old.

I was shocked and saddened to learn that Rep. Ronald M. Mottl, D-23, of Parma, was trying to add an amendment to the U.S. Constitution which would serve the purpose of "banning forced busing."

I was even more shocked and saddened to learn that Mottl had been successful in acquiring the 218 signatures needed to have a debate and a vote on the floor of the House of Representatives, scheduled for July 24.

In the latter part of August 1976, Chief Judge Frank J. Battisti of the U.S. District Court here found that there was indeed segregation in the Cleveland public school system. Battisti found that Cleveland and the state boards of education were violating the 14th Amendment to the Constitution, which states as follows:

"All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the law."

Judge Battisti went on to explain that the state board was responsible because even after it had been told by the state attorney general that it had the power to act against boards which segregated, it chose "to sit back and let the problem come to them, if it came to them at all." Now that was in 1956—not 1976, but 1956!

The sole purpose of busing as a form of desegregation is simply to ensure black youngsters of getting as good an education as white youngsters. Now, is that too much for black people to ask in the year 1979? I think not!

It is obvious that the public schools on the West Side of this city where the majority of the white students attend are different from the public schools on the East Side of this city where the majority of the black students attend.

Personally, I don't feel or think that the school board and the other organizations involved are trying their hardest to carry out Battisti's ruling. The judge ruled in August 1976 and here it is almost September 1979, and there is still no busing. Judge Battisti's ruling was to have gone into effect in September 1977. And I believe if the school board was trying hard to carry out his ruling, it could have met his deadline.

But it didn't and now almost three years later, we are still hearing the cries of those opposed to busing, claiming that it is "forced busing." Isn't there a law that states if you are between the ages of 6 and 16 you must attend school? That is the law of the land! Why don't those groups opposed to busing, such as CORK, call that "forced schooling"? Most of the busing of students in this country every day is done voluntarily.

So now we are faced with the grave possibility of there being no busing at all. It's a crying shame that in this day and time, we have not only citizens but elected officials who want to see black people move backward in time instead of forward.

Therefore, I as a young black American plead with those who must vote on the busing issue in the House to really analyze it before making a decision. I as a young black American plead with them to vote against Mottl's proposed constitutional amendment.

AUSTIN R. COOPER II,
Cleveland Heights.●

TRUCK COMPETITION IS BETTER

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. DERWINSKI. Mr. Speaker, I have been quite impressed with the widespread editorial support given the proposed deregulation of the trucking industry. The beneficiaries of the trucking deregulation would be the American consumer.

This point is very well made in an editorial appearing in the July 8, Suburban Economist Newspapers, which I wish to insert at this time:

TRUCK COMPETITION WILL HELP CONSUMER

President Carter and Sen. Edward M. Kennedy (D-Mass.) have proposed deregulation of the trucking industry, which would eliminate mandatory practices that place a burden on both truckers and their clients.

If Congress concurs, legalized price-fixing will be phased out by 1984. Restrictions on what cargoes truckers may carry will be lifted. The truckers will be able to follow the shortest routes. They will be allowed to cut rates by as much as 20 percent a year.

The American consumers will share in an estimated $5 billion savings in trucking charges every year. The president's Council on Wage and Price Stability estimates the average benefit to each family at $100 a year.

The Carter plan will allow independent truckers access to new markets and permit more minorities to enter the business.

The powers of the Interstate Commerce Commission to control trucking operations too often have been used to inflate industry profits and stifle competition. Consumers have little voice in the regulatory process.

Deregulation in the trucking industry will help break the stranglehold on markets enjoyed for years by firms protected from competition in price and services by a federal umbrella.

But these firms and the Teamsters who work for them will not release their stranglehold willingly or easily. The truckers association and the labor union have threatened to launch an all-out campaign to block congressional approval of deregulation of the industry. They fear that competition will impair their "sweetheart" deal, and they couch their opposition in high-sounding terms. But nothing should be allowed to conceal their naked self-interest.

Congress should respond quickly and positively to the president's plan in the interest of its constituency—the consumers.●

THE LOS ANGELES OLYMPICS REQUEST

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, as my colleagues are no doubt aware, Los Angeles has informally presented a funding request for $141.5 million. The purpose of this request is to help host the 1984 summer Olympic games. On July 2, an initiative drive was launched to bar Los Angeles from spending any public funds on these games. I bring to my colleagues' attention an article which appeared in the Los Angeles Times on this initiative. In addition, I would like to call my colleagues' attention to an editorial which appeared on KNXT–TV following the submission of the Los Angeles funding request.

[From the Los Angeles Times, July 3, 1979]

DRIVE SEEKS TO BAR PUBLIC SPENDING ON '84 OLYMPICS

(By Sid Bernstein)

An initiative campaign to bar Los Angeles from spending any public funds on the 1984 Summer Olympics was announced Monday.

It will require 116,000 signatures to place an Olympiad spending ban before the voters on the November, 1980, ballot.

City Controller Ira Reiner joined the No Olympic Tax Committee, whose ranks include San Fernando Valley and West Los Angeles residents prominent in the Proposition 13 initiative, in a kickoff ceremony at the Los Angeles Press Club.

Cochairmen of the campaign include Richard H. Close, president of the Sherman Oaks Homeowners Assn., Jane Nerpel, administrator of Californians for Proposition 13, and Reiner.

Charging that the prospect of vast federal funding has resulted in the abandonment of a "spartan" Olympics, Reiner said there is need of a city Charter amendment to curb any spending ambitions on the part of local elected officials and the Los Angeles Olympic Organizing Committee.

"There is the curious attitude of many local officials that federal money is free money," Reiner charged. "This conveniently ignores the fact that local citizens pay federal taxes."

Peter Ueberroth, general manager of the Los Angeles Olympic Organizing Committee, challenged accusations of the petition sponsors that the city was unprotected and needed repeal of a Charter amendment approved last November limiting the use of city funds to promote or conduct the Olympics.

"My initial reaction is one of disappointment," he said. "It seems redundant in that the city is already doubly protected both by the Charter amendment that passed and by the fact that the contract we signed has a clause prohibiting the use of city, county or state funds."

Close predicted that Mrs. Nerpal, who he said collected more pro-Proposition 13 initiative signatures than any other Californian, would have no trouble rounding up 185,000 signatures by a Dec. 31 goal. The legal deadline for collecting the signatures is not until June, 1980.

KNXT EDITORIAL

Subject: County Olympic Debt Protection, Too?

Broadcast: June 4 and 5, 1979

When Los Angeles Olympics promotors last year maneuvered to bring the 1984 games here, voters changed the City Charter to make sure the city will not be stuck with any of the big deficits for which the games are famous.

It seemed like a good idea at that time. Now that we know the initial cost estimates have jumped from $33.5 million to $184 million over a year, it seems like an even better idea.

So good, in fact, that we think Los Angeles County taxpayers deserve the same legal protection against Olympics cost overruns.

County Supervisors Kenneth Hahn and Baxter Ward proposed that kind of protection for the county last week, but the other supervisors turned it down.

We think Pete Schabarum and Ed Edelman were wrong, and they should reconsider. County taxpayers need protection from the fun games degenerating into financial farce.

IT IS TIME TO GIVE FOREIGN AID A GOOD NAME

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. SIMON. Mr. Speaker, the Christian Science Monitor on July 13 had an exceptionally fine article, "It's Time To Give Foreign Aid a Good Name," written by Richard Critchfield, who has spent 10 years with the Rockefeller and Ford Foundations.

The article is an encouraging bit of commentary that will not make any headlines, but it should give some reassurance to Americans who sometimes do not hear the good news.

I hope that my colleagues in the House and Senate will have a chance to read it before we cast more votes on economic assistance:

IT IS TIME TO GIVE FOREIGN AID A GOOD NAME

(By Richard Critchfield)

JAKARTA, INDONESIA.—Well, which is it? Does foreign aid just help the rich and not the poor? Or does it help everybody and play a key part in narrowing the world's North-South gap?

What matters about this question is why it gets asked at all. Of course foreign aid helps everybody. The best aid is the gift of useful knowledge. And Western, and most often American, scientific and technological knowledge is fast changing the face of village Asia.

Americans are less generous aid donors than they once were. The 2 percent of gross national product the United States provided at the height of the Marshall Plan in 1949 is down to a niggardly 0.22 percent, although real per capita American incomes have quadrupled in the past 30 years. That means the average American is giving only 1/40th as much of his income in aid as the earlier generation did.

Even so, the real problem is not money. The real problem is a knowledge gap. The poor nations need to possess a lot more scientific and technological knowledge than they do. And Americans need to know a lot more about what is going on in the world's 2 million villages, where 80 percent of the third world lives.

Ever since Vietnam, a faddish, pessimistic, anti-technology populism has developed that badly fogs the way we see the third world. It seems to be based upon (1) a disbelief in economic growth and (2) a belief that "participatory democracy," i.e., organizing the poor to fight for their rights, is somehow better than the informed and extended freedom of choice that Americans fought for and won in 1776 and fought for and lost in Vietnam.

Both mistaken notions threaten to do real harm to U.S. relations with developing countries. Take Indonesia, which had only one PhD and no university when it won its final freedom from the Dutch in 1949. In what is the world's fifth-largest nation, there is a desperate shortage of trained scientists, managers, and technicians.

This writer has just ended a five-month contract as a consultant on Javanese village culture and development to the U.S. Agency for International Development (AID) mission in Indonesia. The job was to visit villages on the world's most crowded island, Java (87 million people, 1,600 to the square mile), and make an independent outsider's assessment of whether (1) the poor are richer or poorer than 10 years ago and (2) whether American aid is working. When the assignment ended in mid-May, I had visited 35 villages, interviewed 250 to 300 villagers, and written a 250,000-word report for AID's use.

The agency by law is not allowed to publicize its work. Now, no longer bound by this and a free-lance reporter once more, I feel free to interpret.

I came away making three main recommendations to the Agency for International Development in Jakarta:

1. Invest as much as you can in village irrigation.

2. Try to help village women, who have the babies and make the key cultural adjustment to change, improve their practical knowledge and incomes.

3. Try to give just as many Indonesians as possible higher education in science and technology at American universities.

These might sound uncontroversial. But so many buzzwords like "small is beautiful," "the poorest of the poor," "appropriate technology," and "basic human needs" have been substituted for real knowledge of the world's villagers that most of the key committees in Congress now oppose any form of aid to higher education.

What is most worrisome is the increasingly evident drift from dynamism of American leadership in Asia. One symptom is the way some American scholars in Indonesia claim—against all evidence—that the poor are poorer than 10 years ago and that the new high-yield rice technology is to blame.

What might be just an academic question to be chewed over at endless university seminars becomes a serious question of practical politics when Congress, the World Bank, AID, and others involved in development start believing it and framing policies on it (all this "help the poorest of the poor" nonsense.)

When you go out to villages yourself and look and ask and observe, you get a very different picture. Let us take Java and 35 villages scattered across its 620-mile length and 125-mile breadth. Two-thirds of Indonesia's villagers live on Java, and Indonesia is the world's seventh-biggest aid recipient, just after Egypt, India, Israel, Bangladesh, Syria, and Pakistan. (Note the politics of aid; it is either to preserve peace in the Middle East or help the three poor countries of the Indian subcontinent, which really *are* poor.)

In just the past 3 to 5 years, 30 percent of all homes in the 35 Javanese villages have been rebuilt from bamboo huts to masonry houses. The average village now has 11 TV sets and 46 motorcycles. In the 35 villages, there was a total of 40 minibuses, 21 trucks, and 12 privately owned cars (something unheard of 10 years ago).

A landless laborer usually lives in a bamboo hut with an earthen floor and palm-fiber roof, sleeps on mats, uses oil lamps, and takes water from a spring or river. But in the past 3 to 5 years he has bought a bicycle or transistor radio and a flashlight.

The rich are getting richer faster; but the poor are getting richer, too. I put the question to several hundred villagers, including some of the poorest landless laborers I could find: "Well, are you better or worse off than you were 10 years ago?" Without a *single* exception, they said they were better off. Some laughed that anyone would be so foolish as to ask.

The spread of irrigation and multiple cropping of the new high-yield, fertilizer-intensive, quick-maturing dwarf rice (with short, stiff stems so it won't fall over) has meant many more workdays for everybody.

As a result, large numbers of families with three people working 180 to 250 days a year have gone from a combined earning to 180 kilos (396 pounds) of rice (deemed "destitute") to just above the 320-kilo (just over 700 pounds) "poverty" line.

Migration to the cities by landless, unskilled villagers is down to one-third of what it was in 1969.

Infant mortality, always a good indicator of how the poorest are faring, is dropping. So is fertility.

Rural industries have doubled or tripled in the past 10 years, in terms of craftsmen employed, volume of goods sold, and incomes.

Village primary school attendance has shot up from about 10 percent to 50 percent as 31,000 new schools were built, 196,000 new teachers hired at quadrupled salaries, and 200,000,000 new textbooks handed out in the past five years.

So much is happening at once in village Java that it's as if the Red Queen, after it took all the running she could do to stay in one place, suddenly whooshed ahead. The main cause of this new prosperity is the rice revolution.

But the rice crop could be better. Go to any Japanese village with a really first-class American irrigation engineer and you'll find that almost nowhere does water get down properly to the bottom users, because of antiquated bamboo-tube paddy-to-paddy systems. With modern irrigation technology, land use, which now is 120 percent on Java, could easily go up to 200 percent or 300 percent.

Yet if you double-cropped only 50 percent of the 6.1 million irrigated hectares (15.1 million acres) and got 4 tons per crop (and Java's average is now up to 3.1 tons), Indonesia would have rice coming out of its ears.

Not surprisingly, "improved irrigation" was given as the main need, by far, in all 35 villages visited. It was followed, in order of priority, by roads, schools, credit, electrification, non-rice crop technology, pure drinking water, and more technical training. Villagers also said irrigation was the primary reason for more work and higher incomes.

What is happening in Java and all over the rest of Asia is part of a movement of agricultural technology that began in the Fertile Crescent 6,000 to 7,000 years ago (the invention of irrigation); moved to Europe 1,000 years ago (the invention of the heavy moldboard plow and manorial farming)—briefly to England; then to America about 80 years ago (since the 1930s, new seeds, irrigation, mechanization, and massive use of fertilizer); and to the third world, especially India, China, and Indonesia in the past 10 to 15 years (tropical grain, irrigation, electrification, and multiple cropping).

By now one would not think it necessary to need to defend the "green revolution." Ever since the new grain was introduced to Asia in 1965, it has spread rapidly, from 34 million acres in 1969 to 130 million acres now. (Irrigation has spread almost as fast, especially in China, which now has 76 million of the world's 156 million irrigated hectares—385 million acres.) In rice alone, China, Japan, and Taiwan grow dwarf varieties almost exclusively.

In the same way, use of the birth-control pill and intrauterine devices has spread as fast. Repeatedly village women told me, "We would have had fewer children long ago but we didn't know what to do."

The multitudes of villagers can't be wrong.

So why is there so much gloom and doom in America about development? (After this Java survey, which confirmed in detail impressions I had had right across Asia in 1977–78. I'm not a bit worried about the villagers; they're doing just fine.)

It has to be the psychological hangover from Vietnam. Foreign aid has been under almost continuous attack ever since. First, aid was bad because it led to intervention and anyway helped the rich and not the poor. Then came predictions the planet, at present population, production, and consumption rates, would reach "overshoot and collapse" in less than a century.

Then the environmentalists got into the act, warning that the world's oil, mineral reserves, and fresh water would stretch only so far (especially since Americans, with only 6 percent of the planet's people, were consuming 32 percent of those resources every year to support luxurious life styles unseen since imperial, plutocratic Rome).

Suddenly Americans were being told to stop aiding and stop growing and stay home where they belonged, minding their own business and looking after endangered species like the bald eagle.

What is happening in village Asia is indeed "a revolutionary enterprise of the most momentous consequence," as a recent piece in The New Yorker described it. It is nothing less than a movement of agricultural technology, with all the power and wealth that eventually go with it, certain to change the planet's geopolitics completely (the rise of the East?).

To stop, or even slow down, the provision of money, training, and technology, transferring resources, techniques, and information at this point (it was never simple) would be like trying to stop the rise of Europe in A.D. 1000. We are up against something very, very big.

If Asia's villagers need knowledge more than anything else, the U.S. needs more knowledge, too—of them.

Americans are still leading the power for dynamism and technological advance on this planet and could rather easily lead the rest of its inhabitants toward a decent world society and abundant food.

But it means sharing their technology as best they can and not keep looking for fashionable, and in the end, shoddy and fake, reasons for not giving the right kind of aid.●

LOS ANGELES OLYMPIC REQUEST

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, last month, Los Angeles informally presented a funding request in order to defray the costs of hosting the 1984 Summer Olympic games. I would like to share this information with my colleagues. In conjunction with this, I would also like to share an article which appeared in the Los Angeles Times on the request.

The articles follow:

HIGHLIGHTS OF GRANT REQUEST

Construction of archery range.

Construction of recreational lake (rowing, canoeing competition).

Construction of two swimming pools. (One to be relocated after 1984).

Construction of velodrome/tennis facility.

Refurbishment of Los Angeles Memorial Coliseum.

Refurbishment of Los Angeles Sports Arena.

Refurbishment of Jackie Robinson Stadium (Rancho Cienega).

Permanent improvements at other venue.

1984 OLYMPIC GAMES—BASIC PROJECT FUNDING

Project funding for Los Angeles Memorial Coliseum

	A[1]	B[2]
New track and field	$800,000	$1,095,000
Refurbishing dressing rooms	875,000	1,197,000
Equipment storage areas	100,000	137,000
West tunnel maintenance	110,000	151,000
Olympic competition admin. areas	600,000	821,000
New training, practice and warmup field for field events	1,000,000	1,369,000
Media/VIP parking structures including hospital, LAPD substation, security office and bridges to concourse level	2,500,000	3,422,000
Media facilities	5,900,000	8,075,000
Heads of state/VIP facilities	1,500,000	2,053,000
Scoreboard	4,500,000	6,159,000
Office space for IOC, USOC, staff	900,000	1,231,000
Structural concrete repair	$250,000	$342,000
Seating improvements, maintenance, repair	2,017,500	2,761,000
Restroom/sewer repairs	1,050,000	1,437,000
Graphics	75,000	103,000
Repairs and maintenance	260,000	356,000
Cross aisle (building and safety)	100,000	137,000
Handicapped seating	50,000	68,000
Control booths	24,000	33,000
Security and crowd control	613,500	839,000
Electrical/lighting improvements	2,080,000	2,847,000
Miscellaneous equipment	300,000	411,000
Total	25,605,000	35,048,000

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[1] Figures submitted by Los Angeles Olympic Organizing Committee.

[2] Figures reflecting "30 percent inflation factor and 20 percent contingency factor."

* * * * *

2. Los Angeles Memorial Sports Arena	
a. New practice area (one court)	$600,000
b. Expand, Refurbish Dressing Rooms	250,000
c. Refurbish Rest Rooms	25,000
d. TV Truck Area conduit/power	50,000
e. Replace roofing (lower roof)	100,000
f. Automatic lawn sprinkler system	20,000
g. Stage lighting control improvements	25,000
h. Work lights	10,000
i. Improve acoustics	50,000
j. Paint and maintenance	50,000
k. Air conditioning for outer offices	25,000
l. Office space/drive up ticket facility	75,000
m. Cover concourse terrazzo with ceramic tile	250,000
n. Miscellaneous equipment	50,000
Total	1,580,000
3. Shooting, Yachting and Miscellaneous Facilities	20,000,000
4. Contingencies, Administrative Costs and Inflation for Items 1, 2 and 3	17,402,534
5. Coliseum/Sports Arena onsite parking improvements (two and three-level parking structures on existing lots) 3,790 spaces	22,700,200
6. Velodrome	8,957,949
7. Swimming Pool	19,452,979
8. Rowing Course	15,263,612
9. Archery Range	881,000
10. Parking Facility for Items 6–9	3,380,000
11. Jackie Robinson Stadium	4,333,000
12. EIR/EIS for City Items	250,000
13. City Administrative Cost (one percent)	1,399,062
Total	141,205,336

BRADLEY SEEKS $141 MILLION IN U.S. AID FOR OLYMPICS

(By Kenneth Reich)

Mayor Bradley, who originally projected 1984 Olympics capital construction and facility refurbishment costs at $33.5 million, Monday asked the Los Angeles City Council to request a federal appropriation of $141.2 million for the same items.

A comprehensive report on the proposed request for federal funds prepared by the staff of City Administrative Officer C. Erwin Piper also recommended that the council add a $43.1 million underground parking facility near the Coliseum to the request for federal aid, bringing the total Olympic package to $184.3 million.

Piper's estimates in the past of probable Olympic needs have been quite accurate, so the $184.3 million could well emerge as the final request.

However, in his letter of transmittal to the council, the major mentioned only the $141.2 million and Paul Ziffren, chairman of the private Los Angeles Olympic Organizing Committee, said neither the mayor nor the committee ever had signed off on the underground parking facility.

Bradley emphasized that his proposed request for federal funds includes a better than 30 percent allowance for inflation and 20 percent for contingencies.

Nonetheless, in one area after another the figures of what is said to be needed for construction of new athletic facilities and refurbishment of existing ones are far closer to the May 1, 1977, estimates of Piper and the city bureaucracy than to the July 27, 1977, estimates of the mayor.

For months, Bradley administration aides and other Olympics proponents debunked the Piper 1977 estimates as excessive. In some cases, according to the proposal submitted Monday, they turn out to be too low.

This is most true in the area of refurbishments and further development of existing facilities.

The mayor in 1977 had estimated refurbishments at a total of $15 million. However, even without inflation and contingencies figured in, Bradley is proposing a request of $70.2 million for such refurbishments, including $25.6 million for the Coliseum alone. When inflation and contingencies are added, Bradley's proposed refurbishment request is about $95 million.

By contrast, Piper in 1977 had estimated refurbishments at $50 million.

He would have been closer to the actual target had he assumed extensive necessary refurbishments for shooting and yachting facilities. Under the mayor's request, these alone come to $20 million.

As for new facilities, the mayor's proposed request for federal funds includes $15.3 million for a rowing course. The mayor's 1977 estimate for this facility was $3 million. Piper and the city bureaucracy estimated a range of $6 million to $17 million.

Bradley is now requesting nearly $9 million for construction of a permanent velodrome. Originally, under his "spartan" Olympic concept, he had proposed a temporary velodrome at a cost of $500,000. Piper, also looking forward in 1977 to a temporary velodrome, had estimated $1.5 million.

In the case of the biggest proposed new Olympic facility, the mayor, moving back to the less expensive open stadium idea rather than a covered one, is proposing a request to the federal government for $19.4 million for a swimming and diving stadium.

This represents the one area where the mayor's original estimate was almost as close as Piper's. He estimated the cost of the swim stadium at $15 million in 1977 and Piper put it in a range of $15 to $40 million.

Probably the greatest advantage in the present proposal for federal funds is that it represents a far more realistic estimate of what are the probable costs of staging the Olympics here than the 1977 estimates.

Even so, there are hints that the estimate may still be too low. Ziffren said the present proposal presumes an 8 percent annual inflation rate and a city staff member said the construction estimates presume a 1 percent monthly construction inflation rate uncompounded. Both, if the present inflation rates continue, would be too low.●

TRAFFORD CELEBRATES 75TH ANNIVERSARY

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. BAILEY. Mr. Speaker, it is a sincere pleasure to direct your attention and the attention of my colleagues in the U.S. House of Representatives to the Diamond Jubilee Anniversary of Trafford Borough, Westmoreland County, Pa.

During the week of July 29 through August 5, the residents of this fine community will participate in various ceremonies and festivities to commemorate the 75-year existence of this friendly community.

The Borough of Trafford was founded by one of our country's leading industrialists, George Westinghouse. He chose Trafford as a location for an industrial factory along with the idea of a well planned community for his employees.

In August of 1904 Trafford was incorporated as a borough and its continued success and industrial growth over the past 75 years has been the result of well coordinated plans and enthusiastic participation of its civic-minded citizens.

The celebration to commemorate Trafford's 75th Anniversary will be conducted in accordance with the highest standards and will be a just tribute to the borough and its citizens, a recognition they so richly deserve.

I know that I speak for my colleagues and the residents of my congressional district when I congratulate the outstanding citizens of Trafford for their efforts and continued dedication toward a second 75 years of growth and prosperity. The entire Trafford Diamond Jubilee Celebration is an accomplishment for which all can be proud.

Congratulations to my friends in this outstanding community.●

CAPTIVE NATIONS WEEK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. BIAGGI. Mr. Speaker, this week marks the 20th anniversary of Captive Nations Week, commemorating the millions of freedom-loving people in captive nations throughout the world.

The United States, since its inception, has championed fundamental freedoms. We must remain dedicated in our efforts to press for the recognition and respect of basic human rights for all people. The spirit of the freedom fighters of the captive nations has not been subdued and their courage has not faltered despite great suffering and hardship. We must reaffirm our pledge for obtaining rights for nations under Communist dominion. We as a nation must uphold the fundamental principle of self-determination and encourage the captive nations in their struggle for freedom from the oppression of the Soviet Union.

It is time for the United States to stop its rhetoric for the cause of freedom and instead we must take effective action against the trend of Soviet Russian imperialism. The United States must demand that the Soviet Union fulfill its obligations to the Helinski Accord and end the deprivation of human rights. Progress in freeing the people from Russian enslavement can only be made by definitive actions on the part of the United States.

In this regard, I am a cosponsor of House Concurrent Resolution 147, which expresses the sense of the Congress that the President should instruct the U.S. delegation to the 1980 Madrid meeting of the Conference on Security and Cooperation in Europe to seek the right of self-determination for the people of Estonia, Latvia, and Lithuania through free elections and through the withdrawal of all Soviet personnel from these nations. For realization of these objectives, the United States must gain the support and cooperation of other nations.

We must commit ourselves to the release of the oppressed from the imposition of Soviet rule in the captive nations, where all fundamental freedoms have been repressed. The Soviet Union must relinquish control of these nations.

Mr. Speaker, at this time, I would like to share a statement I received from the Estonian American National Council commemorating the 61st anniversary of the Declaration of Independence of one of these captive nations, the Republic of Estonia:

A STATEMENT ON THE OCCASION OF THE SIXTY-FIRST ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE OF THE REPUBLIC OF ESTONIA

After centuries of foreign rule the independence of Estonia was proclaimed on February 24, 1918.

Immediately thereafter, the German Army occupied the country, a situation which lasted until World War I armistice in November 1918.

Subsequently, the Russian Bolshevik Army attacked Estonia with the aim of imposing the Communist system upon the Estonian people. The young Republic was forced to protect itself and to resist the invaders in order to secure and maintain its independence.

The Provisional Government adopted the principle: "No compromise with the Communists". The die had been cast! The Estonian War of Independence started on November 28, 1918 and was concluded successfully on January 3, 1920.

Great Britain, Finland, Sweden and Denmark provided either financial support or volunteer troops to assist the young Republic in fighting off the aggressors. The young Estonian Army, with this aid, and the unstinting support of the population at large, rapidly developed into a fierce fighting force for the independence of its nation. On February 2, 1920 a Peace Treaty was signed between the Republic of Estonia and the Soviet Socialist Republic of Russia by which the latter ". . . . agreed to renounce voluntarily forever all rights over Estonian territory and people".

Recently, the Estonians in the free world commemorated the 60th anniversary of the beginning of the successful War of Independence. To the present time it has remained a symbol of self-sacrifice and inspiration for all those who are concerned with the cause of Estonia.

The spirit of this heroic struggle is also a source of inspiration in Soviet occupied Estonia, especially for younger generation, who want to know more about the "real history" of the Estonian people, instead of the falsehoods perpetuated by the Soviet regime.

The deal between Hitler and Stalin of August 23, 1939, known as the Molotov-Ribbentrop Pact, condemned Estonia and her neighbors Latvia and Lithuania to the Soviet sphere of influence. This was the initial event which led to the willful Soviet breach of all solemn treaty obligations with the three Baltic countries and culminated in their forceful annexation in 1940.

The Soviet-imposed rule in Estonia has brought with it untold sufferings—arrests, deportations, executions as well as the so-called nationalization of all private property and the down-grading of social and working conditions. But above all fundamental freedoms have virtually been abolished.

One of the most threatening aspects for the Estonian people is the Russianization process, the aim of which is the destruction of the Estonian nation.

We are hopeful, that President Carter's human rights policy in conjunction with the Helsinki CSCE follow-up meetings will serve as an effective weapon for liberalization of the current repressive policies practiced by the Soviet Union in Estonia and in other Baltic States of Latvia and Lithuania.

Of considerable moral support for the Estonian people is also the fact that the United States as well as a great number of other Western countries have not recognized the forcible annexation of Estonia by the Soviet Union.

On this sixty-first anniversary of the Declaration of Independence of Estonia all freedom-loving Estonians once more appeal to world public opinion to support the cause of freedom and justice for the Estonian people.●

SAN PEDRO KIWANIS—50 YEARS OF SERVICE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. ANDERSON of California. Mr. Speaker, 64 years ago, on January 21, a small group of business and professional men gathered in a Detroit hotel to form the first Kiwanis Club. This marked the beginning of this international organization's long history of dedication to the motto, "We Build." Guided by these words, in communities throughout our Nation and the world, its members have contributed greatly to community betterment through voluntary service.

Later this month, on July 28, the 50th anniversary of the San Pedro Kiwanis Club will be observed. This will mark the fifth decade of this local organization's commitment to the unselfish spirit born in Detroit on that important day in 1915. I am proud of the accomplishments of this club, as I am proud of my own 30-year membership with the Kiwanis International. At this time, I would like to share with my colleagues, many of them Kiwanians themselves, the record of achievement of the San Pedro Kiwanis Club. It illustrates the typically strong and consistent adherence to the Kiwanis pledge of service and fellowship.

The San Pedro Kiwanis have long been known for their pancake breakfast fundraisers. The money they collect from these regular events held in the harbor area help support numerous worthy causes. The San Pedro YMCA and YWCA, the Toberman House, the Harlan Shoemaker School, Meals on Wheels, and the Ship of Hope are just a few of the beneficiaries of this good work.

Aiming to build for the future, the Kiwanis of San Pedro offer local young people opportunities to develop as valued, contributing members of their community. High school boys and girls become involved in volunteer service work through Kiwanis sponsored Key and Keywanette Clubs. This instills in them selfless values which are bound to make their adult life more rewarding.

During its long history, the San Pedro Kiwanis Club has also been a forum for the discussion of issues vital to the community, the State, and the entire Nation. Among the speakers who have addressed the group are two former California Governors, Culbert Olsen and San Pedro born Goodwin Knight, as well as the current California Governor, Edmund Brown, Jr.

Mr. Speaker, that the San Pedro Kiwanis Club has always been a positive force in the community is undisputed. As a source of good deeds, it has been an inspiration for all involved in civic affairs. By their accomplishments and continued service they demonstrate citizenship of the highest quality, and an admirable concern for the quality of life in their community. My wife, Lee, joins me in congratulating the Kiwanis of San Pedro for their long years of success. We wish the current membership and its officers, President Dr. Denny Moore; First Vice President William Toole; Second Vice President Richard Chapel; Treasurer William Gotwalt; and Club Secretary Robert Kozel continued success in the future.●

A BILL TO REMOVE THE PRICE CONTROLS ON GASOLINE AND THE ALLOCATION SYSTEMS

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. COURTER. Mr. Speaker, it is becoming increasingly evident that the Federal Government is not the solution to our energy problems, particularly the short supply and high price of gasoline. In fact, Government control through pricing and allocating gasoline has exasperated the situation. The Government has become a major part of the problem instead of being a part of the solution.

In 1973, Congress enacted the Emergency Petroleum Allocation Act in an attempt to control the supply and the price of gasoline during periods of reduced supplies. It was an experiment that has failed. It was an abortive attempt to substitute inflexible rules and regulations for the intricate forces of the free market.

As a result, the price controls and the allocation system are responsible for the urban areas being burdened with a disproportionate share of the current shortage. Federal regulations are responsible for the South getting more gas than the Northeast, and for the disparity in gas prices at the pump of as much as 10 to 15 cents. Instead of regulating a scarce commodity, the rules have generated mass neurosis.

As a consequence, Mr. Speaker, I am introducing a bill to amend the Emergency Petroleum Allocation Act of 1973 to exempt motor gasoline from mandatory price and allocation regulation. A free market would unquestionably reduce the demand for gasoline, because of the rising cost. We would get conservation and increased supplies at the same time. The free market system can adjust to shortfalls in supplies, it has in the past. We are currently experiencing a shortfall of less than 10 percent, and are bogged down in a morass of gas lines and shortages as a result of our regulatory system. Greater shortfalls can be accommodated, as they were in World War II, by such artificial mechanisms as gasoline rationing.

I am convinced that the only way to allocate gasoline fairly and equitably, is through the pricing system in the free market. It is time for bold and decisive action. It will take courage to remove the only controls we have on the price and supply of gasoline, but in light of the present shortages which are due in part to the regulatory system, it is an action which must be taken.●

KYLE MACY ASSAULTED BY CUBAN ATHLETE

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. HOPKINS. Mr. Speaker, last week, while playing on the U.S. men's basketball team in the Pan American games, one of my constituents, Kyle Macy of the University of Kentucky, was assaulted by a Cuban basketball player. Macy's jaw was broken when Cuba's Tomas Herrera slammed a punch into Macy's face early in the second half of the game.

Almost as painful as his fractured jaw, Kyle Macy has been hurt by the lack of support from his own country. The Cuban who slugged him was not even ejected from the tournament. Macy said,

> It hurts to see the U.S. officials allow these things to happen and not see them do anything about it.

According to Macy, the United States has done nothing to help prevent such incidents from happening again.

Listen to what else this outstanding young American athlete had to say to reporters concerning this outrageous incident:

> The way I look at it is what would have been done if the situation had been reversed. What would have occurred if one of the U.S. players had struck one of their players? It would have been blown up to a big affair.
>
> But the United States has carried over a philosophy to not get involved in things like this and so long as they do that things like this will continue to happen.

While this incident surely does not compare to Marxist guerrillas shooting up and seizing the U.S. Embassy in Teheran; or the kidnaping and killing of the U.S. Ambassador to Kabul, it is, nevertheless, evidence of the deepening trouble in which our Nation finds itself around the world. We are viewed as a paper tiger by friends and adversaries alike.

These events are not just a matter of idle pride. For what Kyle Macy understands, much more than our diplomatic corps, is in the world of international politics, if you lose in one place they will test you in another. If you lose successively you will be tested in more and more ways. If you will not even put up a fight, everyone will start to bully you.

Things cannot go on like this. Events such as what happened to Kyle Macy continue to erode American prestige. The upshot is if the United States does not have enough behind its beltbuckle to take care of one of its own in the basketball arena, how in the name of heaven can our allies feel confident the United States will stand up for them in the international arena?

Well Mr. Speaker, I do not know about you but I am getting sick and tired of seeing Americans like Kyle Macy getting stepped on all over the world. I think it is time to show some backbone—let us start protecting our own.

Let us reaffirm today that principle of international relations which guided this Nation during its early years—"Don't tread on me."●

PRUDENCE CRANDALL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mrs. SCHROEDER. Mr. Speaker, the progress and development of the Abolitionist Movement and the Women's Movement were closely intertwined. Through the effort to free slaves, women learned how to organize, hold public meetings, collect public petitions, and effectively give public lectures. More importantly, however, it was through the efforts to free the slaves that women became aware of the need for an effort to liberate women. Many remarkable women surged to the forefront of both movements.

One of these women was Prudence Crandall, who in 1833–34 opened up her school for young white ladies in Centerbury, Conn., to young black women. Miss Crandall saw education as an essential tool in chiseling of equality which should not be denied to either women or blacks. Miss Crandall closed her first school when it was demanded that she oust her black pupil. Soon after, Miss Crandall open her second school—this time she had 17 black students. Despite continued harassment—school windows were broken, students were denied doctors' services, pupils and teachers were stoned, Miss Crandall imprisoned for bogus vagrancy charges, and the Connecticut State Legislature even passed a law making it illegal for a Connecticut citizen to teach a pupil from another State—Miss Crandall kept the school going.

It was only after a night raid by violent masked men that Miss Crandall closed the school. But not until she had withstood 18 months of relentless ridicule for what she so dearly believed in.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees subcommittee joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place and purpose of all meetings, when scheduled and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 17, 1979 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

8:45 a.m.

*Judiciary

Administrative Practice and Procedure Subcommittee

To resume hearings on S. 104, proposed Regulatory Reduction and Congressional Control Act, receiving testimony on the Congressional oversight of the regulatory process, reform of rulemaking procedures and citizen participation in administrative decisions.

2228 Dirksen Building

JULY 18

9:00 a.m.

Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To hold hearings in conjunction with the investigation of alleged fraud and mismanagement practices in the General Services Administration.

1318 Dirksen Building

9:15 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To hold hearings to examine intergovernmental fiscal impacts of tax-exempt single family housing mortgage bonds.

6202 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

To continue hearings on S. 1390 and Title 2 of S. 1400 measures to upgrade commercial motor vehicle safety standards and to promote the Federal and State enforcement of those standards.

235 Russell Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 535 to provide for an effective and safe transport of nuclear waste and radioactive nuclear reactor fuel

5110 Dirksen Building

10:00 a.m.

*Banking, Housing and Urban Affairs

Financial Institutions Subcommittee

To resume hearings on S. 1347, to provide for the improvement of consumer services and to strengthen the ability of financial institutions to adjust to changing economic conditions.

5302 Dirksen Building

Energy and Natural Resources

Business meeting on pending calendar business

3110 Dirksen Building

*Environment and Public Works

Transportation Subcommitte

To continue hearings on S. 344, to assist States in their responsibility for highway beautification, and to review outdoor advertising regulation programs.

4200 Dirksen Building

Finance

To resume hearings on H.R. 3919, to impose a windfall profit tax on domestic crude oil.

2221 Dirksen Building

Foreign Relations

To continue hearings on the SALT II Treaty

318 Russell Building

Select on Intelligence

To resume closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Con., 1st sess.).

S-407, Capitol

1:30 p.m.

Banking, Housing and Urban Affairs

Housing and Urban Affairs Subcommittee

To hold hearings to discuss the possibility of upgrading our Nation's public transportation system in response to the current energy problem.

5302 Dirksen Building

2:00 p.m.

*Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold hearings on S. 1388 and 1330, bills to provide for more rapid commercialization of geothermal energy.

3110 Dirksen Building

Environment and Public Works

Business meeting, to mark up proposed legislation authorizing funds through fiscal year 1983 for programs under the Public Works and Economic Development Act.

4200 Dirksen Building

Governmental Affairs

To continue hearings on S. 1377, proposed Synthetic Fuels Production Act.

3302 Dirksen Building

Judiciary

To hold hearings on the nominations of Cornelia G. Kennedy, of Michigan, and Boyce F. Martin, Jr., of Kentucky, each to be a U.S. Circuit Judge for the Sixth Circuit; and Mary M. Schroeder, of Arizona, and Otto R. Skopil, Jr., of Oregon, each to be a U.S. Circuit Judge for the Ninth Circuit.

2228 Dirksen Building

2:30 p.m.

Conferees

To continue on H.R. 3324, authorizing funds for fiscal year 1980 for international development and economic assistance programs and for the Peace Corps.

S-116 Capitol

4:00 p.m.

Labor and Human Resources

To hold hearings on the nominations of Leroy D. Clark, of New York, to be General Counsel of the Equal Employment Opportunity Commission, Charles J. Chamberlain, of Illinois, to be a Member of the Railroad Retirement Board, and Frankie M. Freeman, of Missouri, to be Inspector General, Community Services Administration.

4232 Dirksen Building

JULY 19

8:00 a.m.

Judiciary

To hold hearings on the nominations of William L. Hungate, of Missouri, to be U.S. District Judge for the Eastern District of Missouri; Howard F. Sachs and Scott O. Wright, both of Missouri, each to be a U.S. District Judge for the Western District of Missouri; and Jim R. Carrigan and Zita L. Weinshienk, both of Colorado, each to be a U.S. District Judge for the District of Colorado.

2228 Dirksen Building

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Credit and Rural Electrification Subcommittee

To resume hearings on S. 850, to provide financial assistance for the construction and operation of fuel alcohol plants, and to provide for a more secure supply of corn and other agricultural commodities used in the production of fuel alcohol.

322 Russell Building

Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To continue hearings in conjunction with the investigation of alleged fraud and mismanagement practices in the General Services Administration.

1318 Dirksen Building

Select on Intelligence

To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S-407, Capitol

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 535, to provide for an effective and safe transport of nuclear waste and radioactive nuclear reactor fuel.

5110 Dirksen Building

Energy and Natural Resources

Energy Regulation Subcommittee

To resume hearings on S. 685, 594, 701, and 797, bills to insure that Federal responsibilities in effectively managing nuclear energy policy are carried out.

1114 Dirksen Building

Governmental Affairs

Energy, Nuclear Proliferation, and Federal Services Subcommittee

To hold hearings on S. 1096, to provide for a limited increase in second-class postal rates over a 3-year period.

1224 Dirksen Building

Governmental Affairs

Oversight of Government Management Subcommittee

To hold oversight hearings on the implementation of hazardous waste-management program.

357 Russell Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To hold hearings to examine the antitrust enforcement practices of companies which are competitors merging in falling circumstances.
6226 Dirksen Building

Labor and Human Resources
To hold hearings on section 810, relating to provisions of the Davis-Bacon Act of 1931, of S. 1319, authorizing funds for fiscal year 1980 for military construction programs of the Department of Defense.
4232 Dirksen Building

*Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).
6202 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To mark up H.R. 4394, making appropriations for fiscal year 1980 for the Department of Housing and Urban Development, and independent agencies.
S-128, Capitol

Armed Services
Military Construction and Stockpiles Subcommittee
To hold hearings on H.R. 3354, authorizing funds for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves.
212 Russell Building

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume oversight hearings to examine the accomplishments and goals of the mass transit programs in response to our current energy problem.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of George H. P. Bursley of Maryland, to be a Member of the National Transportation Safety Board.
235 Russell Building

Energy and Natural Resources
Parks, Recreation and Renewable Resources Subcommittee
To hold hearings on S. 1104, to provide for the establishment of the Channel Islands National Park.
3110 Dirksen Building

Environmental and Public Works
Environmental Pollution Subcommittee
To resume joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.
4200 Dirksen Building

Finance
To continue hearings on H.R. 3919, to impose a windfall profit tax on domestic crude oil.
2221 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings on the President's recommendation to extend the waiver authority of the Trade Act of 1974 (P.L. 93-618) to substantially promote the objectives of freedom of emigration.
3302 Dirksen Building

Foreign Relations
To continue hearings on the SALT II Treaty.
318 Russell Building

Rules and Administration
To resume joint hearings with the House Administration Committee on S. 1436 and H.R. 4572, measures to provide for improved administration of public printing services and distribution of public documents.
1202 Dirksen Building

2:00 p.m.

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on S. 339, to amend the Export-Import Bank Act of 1945 with respect to credit to Communist countries, receiving testimony on the aspects of revising provisions relating to foreign trade treatment of nations allowing free emigration.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.
5110 Dirksen Building

Environment and Public Works
Business meeting, to resume consideration of the nomination of Robert N. Clement, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority.
4200 Dirksen Building

Finance
Oversight of the Internal Revenue Service Subcommittee
To hold hearings on S. 1444, proposed Taxpayer Protection and Reimbursement Act.
1224 Dirksen Building

*Foreign Relations
To continue hearings on the proposed SALT II Treaty.
4221 Dirksen Building

Governmental Affairs
To resume hearings on S. 2, to provide for a review of Government programs every 10 years.
3302 Dirksen Building

Judiciary
To resume hearings on the nomination of Abner J. Mikva, of Illinois, to be U.S. Circuit Judge for the District of Columbia.
2228 Dirksen Building

JULY 20

9:00 a.m.

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings in conjunction with the investigation of alleged fraud and mismanagement practices in the General Services Administration.
1318 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 262, 755, and 1291, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.
424 Russell Building

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 535, to provide for an effective and safe transport of nuclear waste and radioactive nuclear reactor fuel.
5110 Dirksen Building

*Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1371, proposed Domestic Energy Policy Act.
1202 Dirksen Building

Finance
Tourism and Sugar Subcommittee
To hold hearings on S. 589, 749, and 940, bills to provide for the applicability of tax rules affecting foreign conventions.
2221 Dirksen Building

Select on Indian Affairs
Business meeting on pending committee business.
5110 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To resume oversight hearings on foreign acquisition of U.S. banks, and on proposed amendments to the International Banking Act of 1978.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on Title 10, to provide incentives for increasing the supply of energy from renewable energy resources, of S. 1308, to provide for the development of domestic energy supplies.
3110 Dirksen Building

*Energy and Natural Resources
Energy Resources and Material Production Subcommittee
To resume hearings on S. 1388 and 1330, bills to provide for more rapid commercialization of geothermal energy.
6226 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue joint hearings on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment.
6202 Dirksen Building

Foreign Relations
To receive testimony from Administration officials on Middle East security issues.
4221 Dirksen Building

Judiciary
To hold hearings on S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development.
2228 Dirksen Building

Select on Intelligence
To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).
S-407, Capitol

2:00 p.m.

Environment and Public Works
To hold hearings on S. 558, to provide for a limited distribution of free or reduced rate tickets by the John F. Kennedy Center for the Performing Arts, receiving testimony on matters relating to the financing and indebtedness of the Center.
4200 Dirksen Building

JULY 23

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of inventions developed under Federal contracts.
235 Russell Building

Energy and Natural Resources
To hold hearings on S. 1308, printed Amendment No. 312 to S. 1308, and 932, and 1377, all of which provide organizational and financial incentives necessary to foster the production of synthetic fuels.
3110 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on the implementation of hazardous waste management program.
6226 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold oversight hearings on the conduct of monetary policy by the Federal Reserve System.
5302 Dirksen Building

Judiciary.
To hold hearings on pending nominations.
2228 Dirksen Building

2:00 p.m.

Energy and Natural Resources
Energy Regulation Subcommittee
To receive testimony from officials of the Energy Information Administration on the second status report on the current fuel situation.
3110 Dirksen Building

July 24

9:00 a.m.

Energy and Natural Resources
To continue hearings on S. 1308, printed Amendment No. 312 to S. 1308, and 932, and 1377, all of which provide organizational and financial incentives necessary to foster the production of synthetic fuels.
3110 Dirksen Building

9:30 a.m.

Judiciary
Business meeting on pending calendar business.
2228 Dirksen Building

Labor and Human Resources
Business meeting to mark up Section 810, to waive the Davis-Bacon Act of 1931 as it applys to the wages paid to laborers and mechanics for work performed under authority of any Military Construction Act, of S. 1319, proposed Military Construction Authorization Act, 1980.
4232 Dirksen Building

9:50 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to hold hearings on the risk and benefit aspects in matters relating to science and technology decisions.
5110 Dirksen Buildnig

10:00 a.m.

Banking, Housing, and Urban Affairs
To continue oversight hearings on the conduct of monetary policy by the Federal Reserve System.
5302 Dirksen Building

Water Resources Subcommittee
Environment and Public Works
To hold hearings on S. 1241, authorizing funds through fiscal year 1981 for water resources projects, and on the proposed cost-sharing feature of the Administration's plan for reshaping water policy.
4200 Dirksen Building

Governmental Affairs
To hold oversight hearings on the activities of the Department of Energy.
3302 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings to examine the implications of general revenue sharing.
6202 Dirksen Building

Rules and Administration
To resume joint hearings with the House Administration Committee on S. 1436 and H.R. 4572, measures to provide for improved administration of public printing services and distribution of public documents.
2157 Rayburn Building

Joint Economic
To hold hearings on the impact of rising railroad coal shipping rates on the national energy goal of increased coal utilization.
6226 Dirksen Building

1:00 p.m.

*Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings to explore the areas of basic learning skills used in elementary and secondary schools.
4232 Dirksen Building

3:00 p.m.

*Energy and Natural Resources
Business meeting, on pending calendar business.
3110 Dirksen Building

JULY 25

9:00 a.m.

Special on Aging
Business meeting on pending committee business.
S-126, Capitol

9:30 a.m.

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 262, 755, and 1291, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.
424 Russell Building

Judiciary
Improvements in Judiciary Machinery Subcommittee
To hold hearings on S. 739 and 1472, bills to allow local Federal courts the opportunity to review issues relating to environmental matters affecting its own district.
1224 Dirksen Building

9:50 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to hold hearings on the risk and benefit aspects in matters relating to science and technology decisions.
2318 Rayburn Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold joint hearings with the Select Committee on Small Business on the effect of Federal agricultural research and extension policy on the structure of farming.
322 Russell Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 524, 581, and 730, bills to provide financial assistance for the development and conservation of energy programs, and Section 9 of S. 750, to require the use of fuel sources which are renewable in the distillation process of alcohol for motor fuel, and other related proposed legislation.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, on pending calendar business.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 1241, authorizing funds through fiscal year 1981 for water resources projects, and on the proposed cost-sharing feature of the Administration's plan for reshaping water policy.
4200 Dirksen Building

Governmental Affairs
To continue oversight hearings on the activities of the Department of Energy.
3302 Dirksen Building

Judiciary
To hold hearings to examine the policy and intent of a statutory charter which defines the investigative authority and responsibilities in matters under the jurisdiction of the F.B.I.
2228 Dirksen Building

Select on Small Business
To hold joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry on the effect of Federal agricultural research and extension policy on the structure of farming.
322 Russell Building

2:00 p.m.

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

JULY 26

8:00 a.m.

Budget
To resume hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

9:30 a.m.

Judiciary
Administrative Practice and Procedure Subcommittee
To continue hearings on S. 262, 755, and 1291, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.
424 Russell Building

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 34, proposing a constitutional amendment to extend the term of office of Members of the U.S. House of Representatives to four years.
5110 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142)
4232 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Research and General Legislation Subcommittee

To continue joint hearings with the Select Committee on Small Business on the effect of Federal agricultural research and extension policy on the structure of farming.

322 Russell Building

Banking, Housing, and Urban Affairs

To continue hearings on S. 524, 581, and 730, bills to provide financial assistance for the development and conservation of energy programs, and Section 9 of S. 750, to require the use of fuel sources which are renewable in the distillation process of alcohol for motor fuel, and other related proposed legislation.

5302 Dirksen Building

Judiciary

To continue hearings to examine the policy and intent of a statutory charter which defines the investigative authority and responsibilities in matters under the jurisdiction of the F.B.I.

2228 Dirksen Building

Rules and Administration

To resume joint hearings with the House Administration Committee on S. 1436 and H.R. 4572, measures to provide for improved administration of public printing services and distribution of public documents.

345 Cannon Building

Select on Small Business

To continue joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry on the effect of Federal agricultural research and extension policy on the structure of farming.

322 Russell Building

Joint Economic

To resume hearings on the Consumer Price Index figures, and on inflationary trends.

6226 Dirksen Building

2:00 p.m.

Judiciary

To hold hearings on pending nominations.

2228 Dirksen Building

JULY 27

9:00 a.m.

Judiciary

To hold hearings on S. 680, to provide for the rights of citizens to sue in Federal courts for unlawful governmental action.

2228 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of inventions developed under Federal contracts.

235 Russell Building

Labor and Human Resources

Business meeting, to mark up S. 1075, to require drug companies to conduct postmarketing and scientific investigations of approved drugs, to transmit drug information to patients and doctors, and to provide more education to doctors and health professionals regarding the use of approved drugs; and S. 446, to provide legal protection to the employment rights of handicapped citizens.

4232 Dirksen Building

*Veterans' Affairs

To resume hearings on S. 870, to amend and extend education programs administered by the Veterans' Administration for veterans and dependents, and S. 881, to provide for the protection of certain officers and employees of the Veterans' Administration assigned to perform investigative or law enforcement functions.

412 Russell Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 524, 581, and 730, bills to provide financial assistance for the development and conservation of energy programs, and section 9 of S. 750, to require the use of fuel sources which are renewable in the distillation process of alcohol for motor fuel, and other related proposed legislation.

5302 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To receive testimony from officials of the Harvard University, School of Business on a 6-year review of energy resources.

3110 Dirksen Building

Governmental Affairs

Intergovernmental Relations Subcommittee

To hold hearings on S. 878 and 904, bills to simplify the administration of national policy requirements applicable to Federal assistance programs relating to State and local governments.

457 Russell Building

JULY 30

9:15 a.m.

Governmental Affairs

To hold hearings on S. 930, to restrict free Federal employee parking.

3302 Dirksen Building

JULY 31

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To resume hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.

6226 Dirksen Building

Labor and Human Resources

Handicapped Subcommittee

To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).

4232 Dirksen Building

AUGUST 1

9:30 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.

4232 Dirksen Building

AUGUST 2

9:30 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To continue hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.

4232 Dirksen Building

Select on Indian Affairs

To hold oversight hearings on the activities of the Indian Health Service, Department of Health, Education, and Welfare.

5110 Dirksen Building

SEPTEMBER 12

9:00 a.m.

Veterans' Affairs

To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

457 Russell Building

SEPTEMBER 19

9:30 a.m.

Veterans' Affairs

To hold hearings on H.R. 4015, to provide the capability of maintaining health care and medical services for the elderly.

5110 Dirksen Building

SEPTEMBER 25

11:00 a.m.

Veterans' Affairs

To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.

5110 Dirksen Building

CANCELLATIONS

JULY 18

10:00 a.m.

Environment and Public Works

Environmental Pollution Subcommittee

To resume joint hearings with the Subcommittee on Resources Protection on S. 1325 to provide for adequate and safe treatment of hazardous substances being released into the environment.

4200 Dirksen Building

10:30 a.m.

Governmental Affairs

To continue hearings on S. 377 and 891, bills to provide for the reorganization of the Federal Government's international trade functions.

3302 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

JULY 20

10:00 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To continue hearings on Title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To mark up S. 1386, authorizing funds through fiscal year 1985 for the National Endowment for the Arts, and the National Endowment for the Humanities; and S. 1429, authorizing funds through fiscal year 1982 for Museum Services.

Room to be announced

JULY 24

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.

4232 Dirksen Building

JULY 30

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

AUGUST 1

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To resume hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

AUGUST 2

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

SENATE—*Tuesday, July 17, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, help us each day to know more of Thee, and by the power of Thy spirit use us to show forth Thy purpose to others. Make us humble, brave, and loving. We do not ask that Thou wilt keep us safe or to make life easy, but that Thou will keep us ever loyal to the example of the Master, in whose name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 17, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for a period not to exceed 1 minute.

Mr. ROBERT C. BYRD. I thank the Chair.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield my time to the acting minority leader, who needs it.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized for a period of not to exceed 1 minute.

Mr. STEVENS. I thank the Chair.

LET PRIVATE INDUSTRY DO IT

Mr. STEVENS. Mr. President, I do agree with some of the sentiments that President Carter expressed in his speech Sunday night and again on Monday. The American people do have a crisis of confidence in the ability of Government to solve our problems. The erosion of confidence in Government has been directly proportional to Government's expanded role in regulation of private industry.

Today, U.S. production of energy resources is declining due to overregulation and usurpation of private industry rights by Government bureaucracies. Yet, Sunday night the President proposed an $88 billion Government corporation, the Energy Security Corporation, to help stimulate domestic production. This is, to me, an astounding and ridiculous answer to our crisis.

When is the President going to wake up to the fact that private enterprise is much better at producing more energy than any Government bureaucracy is in allocating a scarcity?

We must produce our way out of the energy problem we have now. Everything must be done to provide energy companies with the economic incentives to explore and develop our vast domestic potential. Which brings me to a point I would like to touch on for one moment.

We are not out of oil and gas in this country. There seems to be a persistent myth floating around that we are about to run out of these resources and that there is little left to discover. This statement is completely false but seems to be one that fascinates the Malthusian doom criers. They appear to delight in suggesting we have to learn to live with a lower standard of living rather than produce the energy we need for a prosperous economy. As President Carter said himself, OPEC has only 5 percent of world reserves and the United States has 24 percent. It is estimated that as much as 200 billion barrels of potential recoverable oil and natural gas liquids and some 1,000 trillion cubic feet of gas remain to be discovered in this country. To put these figures in perspective, our petroleum potential is five times our current proved reserves of crude oil and natural gas liquids. This is more oil and gas than our country has produced in the entire 120-year history of the U.S. petroleum industry.

Ten years ago, I stood before the Senate to present a similar plea for free enterprise, asking the Congress not to reduce the depletion allowance on the basis that such action would reduce incentives for domestic production. I said then:

> Those who support the reduction, I hope will realize that this change in the depletion allowance will bring about greater reliance on foreign sources for our petroleum needs. Actually, as much as 58 percent of our oil could come from foreign sources by 1980. This is being done despite the fact that my state has reserves sufficient to meet needs if we can retain the economic tools which have been given to every other deposit of petroleum in this country.
>
> Mr. President, it is certainly possible that in the future an American President will face these questions . . . . Where is the money going to come from to build the facilities to take this oil to market? Where will it come from to drill the wells necessary to prove out the reserves? If we reduce the depletion allowance, we will take away the incentive and force the industry in my state to borrow money on the tight capital market. The result will be disastrous and will very drastically affect our State in the future.

The depletion allowance was done away with and this American President is facing these questions today. As to exploration and drilling new wells, the

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number of wells drilled after eliminating the depletion allowance dropped from an average of 9,447 per year for the 5 years prior to 1969 to an average of 7,647 for the 5 years following.

Michael Halbouty, a noted geologist, in a recent conference sponsored by Americans for Energy Independence made some observations which I believe are well worth quoting. He said,

> In any economic activity, there is a point of diminishing returns when costs and tax levels become so burdensome that they eliminate the incentive for new exploration and production. That point has been reached in the international petroleum industry and it is a constant threat to oil and gas development in most areas of the world today, especially in the United States. The domestic petroleum industry in the United States is subject to a mass of incoherent regulations which often defy rational interpretation or justification. Just as oil and water do not mix, the industry cannot function at peak efficiency in an atmosphere of political and regulatory overkill and counterproductive taxation.

I agree with Mr. Halbouty's observation. But what does it take to make our leaders see that the only answer to our energy problems is through increased production—and encouragement to private enterprise to produce—not through more involvement in the energy industry.

In the same vein, the President's plan to impose a blind windfall profits tax dampens the incentive for private companies to explore for and find the very resources we are seeking. Channeling the revenues from a windfall profits tax into a solution such as alternative energy may bring us relief in 15 to 20 years, as the President tells us, but it does not give us a clue as to what we are to do today.

Newly discovered oil, such as that from the promising Overthrust Belt in the West (assuming the President sees fit to open the 47 percent of it presently withdrawn) and the resources from my State of Alaska, should not be subject to taxes that make development of them highly unlikely.

As I have indicated in previous statements, the President has existing authority to dramatically stimulate domestic production if he would only have the courage to use it.

He has the authority, as of June, to completely decontrol the price of domestic oil. Instead, he chose phased decontrol which is a step forward, but does not go far enough. On Monday, he told us he has decided to completely decontrol heavy oil. Heavy oil produced from oil shale and the like will and should be produced in 15 to 20 years. What about oil that could be produced today? What do we do in the interim?

Complete decontrol of oil would, it is true, dramatically increase the price of that form of energy, but it would also provide for real domestic incentives to go out and explore for and produce the oil and gas we can use and have the technology to produce now. The artificial scenario that Government has created for so long by control of prices has discouraged exploration. We must face up to the serious nature of this crisis and be prepared to make some tradeoffs. But must we uncomplainingly allow the Government to meddle with the production of energy through bureaucratic interference and then ask us to make the sacrifices, because of its mistakes?

The President has it within his power to alleviate our transition from an age of abundant cheap energy. For example, he could:

Authorize the swap of Alaskan oil with Japan, thereby relieving the oil glut on the West Coast and allowing more speedy delivery of oil from Mexico to satisfy our needs;

Increase dramatically the rate of leasing a Federal coal lands under the Mineral Leasing Act of 1920 and the Coal Leasing Act Amendments of 1976;

Unlock for exploration and development of Federal lands, especially those in the West that have some of the richest potential for oil and gas.

Finally, I would like to draw attention to an excellent article entitled, "What Must Be Done" that appeared in a special report by Newsweek recently. It is a cogent and realistic explanation of the situation we face and what must be done today with respect to energy development. I would like to quote a few lines of this article, because the basic assumptions reflect what I have been saying here today:

> First, free markets tend to allocate scarce resources far more efficiently than government bureaucracies . . . Second, some tradeoffs on environmental, economic and social issues will doubtless be necessary if the U.S. is to achieve its long-range goal . . . Finally, the policies must be wide ranging, flexible and resilient enough to retrieve error. There is no one solution to the energy crisis, merely a chance that national policy will provide for a more secure future.

I ask unanimous consent that the following Newsweek article, published July 16, 1979, be printed in the RECORD, together with an editorial in the Wall Street Journal of July 17 entitled "The Real Jimmy Carter."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHAT MUST BE DONE

Though energy may never again be cheap and America may never produce enough of its own energy to be self-sufficient, a national energy policy can pave the way to a more secure and balanced energy future. The main goal is to reduce U.S. dependence on imported oil, making the transition with minimum shock to the economy, the environment and American life by the late 1980s. But the foundation must be laid now.

Newsweek presents a series of proposals that demand national consensus and immediate action. Many have been mentioned before, and a few have been enacted into law. No exotic and distant technologies, like fusion, are offered. There is no panacea, but used in concert, the proposals can shift the nation from paralysis to progress on energy.

The program rests on certain fundamental assumptions. First, free markets tend to allocate scarce resources far more efficiently than government bureaucracies—a fact driven home as never before by the long gasoline lines and closed service stations of recent weeks. Second, some trade-offs on environmental, economic and social issues will doubtless be necessary if the U.S. is to achieve its long-range goal. They must be made cautiously, wisely, and with every effort to correct inequities and minimize damage. Finally, the policies must be wide-ranging, flexible and resilient enough to retrieve error. There is no one solution to the energy crisis, merely a chance to guarantee that national policy will provide for a more secure future.

DECONTROL

Decontrol of domestic oil, natural gas and gasoline prices, a course on which the Carter Administration has finally embarked, is absolutely necessary. By keeping a cap on prices and holding them below world market levels, the U.S. Government has sought to "protect" American consumers. What price controls have actually done is to insulate Americans from world reality—the end of the era of cheap oil. They have encouraged consumption at a time when conservation should be a top national priority. They have subsidized costly imports just when the U.S. should be trying to kick its foreign-oil habit. And they have effectively discouraged alternative energy sources that become economic only as the price of petroleum rises. It is time to get on with decontrol as fast as possible:

Decontrol of oil prices. Carter's plan to lift the price lids on domestic production by 1981 is on the right track. But the schedule should be simplified. Rather than permit domestic prices to rise toward the world price in tortuously defined categories, all newly discovered oil and oil produced by enhanced-recovery techniques should be allowed to fetch the world price immediately. "New" oil (from fields discovered after 1972 or post-1972 additions to old production) should rise to the world price level in January 1980. "Old" oil should rise to the highest controlled price in January 1980—and to the world level a year later.

Newsweek supports a tax of approximately 50 per cent on the "windfall" profits oil companies will realize through decontrol. The billions of dollars in revenues from such a tax will be needed to ease inequities and to help fund other energy projects. But all newly discovered oil, oil from enhanced-recovery and Alaskan production should be exempt from the tax. And after 1990, the "windfall" excise tax should be dropped altogether.

Decontrol of natural gas prices. All price controls on natural gas should be lifted immediately. The Byzantine schedule for decontrol enacted last year is confusing and may unnecessarily delay the development of new resources. Producers correctly complain that the legislation, which sets separate decontrol schedules for about twenty classes of gas, makes rational investment difficult. Since gas is a clean and efficient fuel that may prove plentiful, every effort should be made to speed production.

Decontrol of gasoline prices. The controls must be lifted and the government allocation system abolished. In trying to regulate and distribute the nation's gasoline supplies, the system has merely succeeded in turning a 5 per cent shortfall caused by Iran's crisis into a 15 per cent shortage of gasoline at the nation's pumps.

If gasoline price controls and the allocation system were abolished, the market would be permitted to ration supply by price. Service stations, acting through gasoline wholesalers, would buy whatever gas they could get and supplies would flow where demand, measured by price, was highest. If gas were selling for $1.05 a gallon in Newark and $1.25 in nearby New York City, for instance, the network of suppliers would shift gasoline to New York faster than government bureaucrats would. Motorists, meanwhile, would "shop" service stations for the best price, and some semblance of order would be restored. Over time, prices would stabilize and might actually decline to levels only slightly higher than the old controlled prices.

No one knows for certain just how decontrol would affect domestic energy production. The Administration estimates that decontrolling oil prices will add nearly 1 million barrels a day by 1985. But even if decontrol merely helps stabilize declining U.S. production, it will be well worth it.

Natural gas provides a much greater opportunity. Historically, it has been the stepchild of the energy industry, produced mostly as a byproduct of oil, and low prices have quashed the incentive to explore for more. But by some estimates, the U.S. has a bonanza of natural gas—trillions of cubic feet in deep basins, coal seams, shale-rock formations and high-pressure salt-water deposits. The cost of finding and producing that gas has been prohibitive under price controls. Only by assuring producers that they can get an adequate return on the huge investments they must make will the U.S. find out how much natural gas it actually has.

In the short run, decontrol of energy prices is sure to add to the U.S. inflation rate as its impact ripples through the economy. Decontrol of gasoline prices alone could add as much as 20 cents to the price of a gallon at the pump. But that is one of the tradeoffs that must be accepted. Higher energy prices will also cut demand and dampen economic growth somewhat. But the U.S. is in a better position than it has been in the past to sustain an economic slowdown with minimal damage. According to demographers, the U.S. is likely to experience a labor shortage in the 1980s, which would mean that a slower-growing economy would not cause as much unemployment as in the past.

Certain segments of society are sure to feel the impact of decontrol more than others. The poor, for example, will find it even harder to pay their energy bills. But a variety of Federal mechanisms—including income-tax breaks, direct Federal grants or perhaps heating-oil stamps—could ease the burden. The same holds true for geographical regions, particularly the oil-dependent Northeast, that will be especially hard-hit by higher energy prices. One promising plan, proposed by New York Gov. Hugh Carey, calls for an Energy Corporation of the Northeast—a bank, funded by the Northeastern states, that would help finance development of regional energy alternatives, such as Appalachian coal. But in designing appropriate policies to help the hardest hit, lawmakers must keep two crucial principles in mind: decontrol must proceed, and measures designed to reduce inequities must not reward increased energy consumption.

COPING WITH OPEC

The U.S. must take steps at once to end its role as helpless hostage to OPEC:

A strict limit on imports. At the recent economic summit conference in Tokyo, Carter agreed to a "goal" of limiting petroleum imports to current levels—8.5 million barrels a day—for the next six years. That goal should be redefined as an iron-clad limit and strengthened: in 1980, the U.S. should import no more than it does this year, and each year thereafter it should lower the ceiling by 250,000 barrels a day until 1986, when the limit would be permanently set at 7 million barrels a day. There are several ways such a system could be administered and all can be easily invoked under existing Federal law. The most equitable and efficient appears to be a fairly straightforward Federal auction system in which refiners would bid for the imported supplies. Once the U.S. took such action, other Western nations might follow suit.

The risk is that a sudden domestic shortage could temporarily drive energy prices even higher than the world market levels. But with decontrol spurring domestic production and conservation suppressing demand in the years ahead, serious shortages are unlikely. The import limit would also give oil companies new incentives to search for domestic oil and to make synthetic fuels from coal and oil shale. And it would serve notice on OPEC that the world's biggest consumer will no longer soak up the cartel's production at any price, and thus might relieve some of the price pressure on the rest of the world.

Closer ties to Mexico and Canada. The U.S. should launch an all-out effort to improve relations and design cooperative energy agreements with Canada and Mexico. The first order of business is clear: patch up the badly bungled negotiations with Mexico to buy its natural gas. It will not be easy; Mexico has a deeply ingrained mistrust of American economic imperialism, and the Carter Administration's rebuff of a Mexican gas deal has exacerbated the ill will. But if the U.S. makes unequivocal its intention to buy Mexican gas, most of which is now flared off as an unwanted byproduct of oil production, a start could be made toward wider cooperation. The U.S. could promise development aid and investment in return for guarantees of oil supplies—a help to both national economies.

At the same time, the U.S. should commit itself, once and for all, to the trans-Canada pipeline that would bring Alaskan gas to the energy-hungry Midwest. Such a commitment would serve a dual purpose: it would please the Canadian Government, which is in favor of the pipeline, and would be a clear signal to American consumers that there will be enough natural gas to avoid disruptions and that industry can safely switch from oil as a boiler fuel.

Export of Alaskan crude. The law prohibiting any export of Alaskan oil should be repealed immediately. It has resulted in an absurd anomaly: a glut of oil at ports in California, where refineries are not equipped to handle all of the heavy, high-sulfur Alaskan crude, even as West Coast drivers queue up in gas lines and the U.S. struggles with a national crude shortage. The excess Alaskan oil could be shipped to Japan; in return, Mexican petroleum intended for Japan could be sent to the U.S., where it could be processed in Gulf Coast refineries.

New world resources. The U.S. must make every effort, through the World Bank and other existing international agencies, to stimulate exploration and development of energy resources in the Third World. Even if new discoveries never reach the American market, they will add to world supplies, relaxing the pressure on consuming nations and weakening OPEC's whip hand.

CONSERVATION

The cheapest "source" of energy is conservation—energy efficiency—so that vehicles, equipment, buildings and appliances do their work with a minimum of waste. Since the first OPEC shocks of 1973-74, cost-conscious industry has cut back waste enough to destroy the old lockstep relationship between economic growth and energy consumption. Since 1974, energy consumed by manufacturing industries has grown at a rate of 0.4 percent a year; over the same period, the gross national product adjusted for inflation has increased at an average rate of 3.3 percent a year.

Americans are buying more fuel-efficient cars, while homeowners, aided by tax incentives, have cut fuel use by insulating their houses. Higher energy prices and limits on oil imports are sure to spur even more such conservation. But national energy policy should make energy efficiency even more economically attractive than it already is. The payoff could be energy saving the equivalent of several million barrels of oil a day by 1990—with little or no loss of economic growth.

Tax reforms. Tax codes should be written to promote energy efficiency. One useful reform would be to give industry faster write-offs for investments in efficient capital equipment, thus increasing the incentive to abandon fuel-guzzling plants in favor of less wasteful factories and equipment. The existing tax credits for homeowners who insulate houses and make other energy-saving modifications should be increased and broadened.

Utility reforms. The Federal government should step up the effort to help state legislatures reform utility-rate structures. Wisconsin's plan could serve as a model; the state has barred power companies from offering discounts to their biggest customers, raised rates to all consumers during the summer peak-use period, and forced the heaviest users to pay more during daytime peak hours than at night. More utilities should be encouraged to enter the conservation business, giving advice to homeowners and commercial customers on how they can save energy, arranging for local contractors to do the necessary job and checking to make sure retrofitting has been properly done.

Cogeneration. Wherever it is feasible, Federal and state officials should press for the adoption of cogeneration—the extremely effiecient production of industrial steam and electricity at the same facility. Utilities have generally resisted such competition from industry. But in some areas that are already pressed to meet power needs, the resistance may be wearing down.

COAL

The good news about coal is that we have huge domestic quantities of it—enough to last more than 600 years at current consumption rates. The bad news is that we have to use it. The health, safety and environmental threats posed by mining and burning coal are severe; its emissions cause respiratory ailments, contain carcinogens and release more carbon dioxide into the atmosphere than any other fossil fuel, raising the possibility of a "greenhouse effect"—a warming of the atmosphere that could cause catastrophic climate changes.

Mining it in the arid West, where it lies near the earth's surface, degrades hard-to-claim land. Mining it in the East, where it is trapped deep within the Appalachian hills, means a nightmare of labor and safety problems. Transporting it is awkward and expensive. Burning it is dirty. Coal is hardly the energy savior many proponents have claimed, and it should not be burned where the resulting pollution exceeds the health-related air-quality standards. But in the short term, the U.S. must make better use of coal where possible to free some precious gas and oil for other uses.

Direct coal burning. Outside the most seriously polluted areas, utilities must be ordered to switch from oil to coal-fired power plants as Carter proposed in his original energy plan. The Department of Energy and Environmental Protection Agency must agree on the appropriate environmental safeguards—and stop sending conflicting signals to the industry.

Environmental protection. The standards in the Clean Air Act Amendments of 1977 should be retained, but Congress should drop the requirement that plants using low-sulfur Western coal install the same kinds of scrubbers as those burning high-sulfur Eastern coal. The resulting improvements in emissions are negligible, and the requirement is largely an effort to bail out the troubled Eastern coal industry.

Slurry pipelines. By far the cheapest and most efficient way to transport large quantities of coal is by mixing it with water to form a slurry, then pumping it through a pipeline to its destination. So far, the biggest slurry project is ETSI (Energy Transportation Systems Inc.), which by 1984 will start carrying 25 million tons of coal a year from Wyoming to Louisiana. But in order to win the right of way under railroad tracks in the pipe's path, ETSI had to spend six years in court fighting 65 separate cases.

As a sign of the nation's serious commitment to developing its coal resources, the Federal government should again press legislation to ease the way for such pipelines. At the same time, however, every proposed slurry-pipeline project must be carefully scrutinized for its impact on scarce water resources in the West.

SYNTHETIC FUELS

The synthetic fuel solution to the energy crisis has suddenly come into vogue, with the House passing its own version of a program and a host of private lawyers, investment bankers and economists pumping for their pet synfuel schemes.

Carter may make synthetic fuels the centerpiece of the new energy program he intends to unveil in the next week or so, and the proposal his advisers have submitted to him is an ambitious one. It would create a new, independent Federal corporation, headed by a full-time chairman chosen by the President and dominated by appointees from outside the government. The corporation would spend up to $46 billion by 1995 to get plants built that would produce 2 million barrels of synthetic fuel a day. Only $6 billion, however, would come directly from the government; the rest would be from the sale of bonds or in the form of loan guarantees.

Newsweek agrees that the nation must phase in a synthetic-fuels capability over the next decade. The goal should be about 2 million barrels a day by 1990, a target that would reduce dependence on OPEC and exploit the nation's vast coal reserves.

But a synfuel capability will not come cheaply. Synfuels—whether derived from oil shale or tar sands or made by liquefying or gasifying coal—will certainly cost more than the prevailing world oil price of $20 a barrel to produce, perhaps as much as $35 a barrel. Because synfuels are not yet economically competitive, some government participation or subsidy will be necessary to encourage private industry to make investments that could total as much as $75 billion by 1990.

Oil shale is fine-grained rock that contains an organic material called kerogen. When heated to temperatures near 900 degrees Fahrenheit, the kerogen yields synthetic oil and gas. The shale can be mined, then heated in surface retorts, or it can be heated underground. But the problems of producing shale oil are formidable. It requires roughly 1.7 tons of rock to produce a single barrel of shale oil. Once the oil is removed, the producer is left with even more rock than he started with because of the "popcorn effect": the rock expands in volume when broken and heated. All the spent rock must be disposed of. Shale mining and oil production also demand huge quantities of water, pose the danger of leaching harmful materials in groundwater and produce a liquid that needs further refining to make it usable.

There are three basic ways to liquefy coal, each involving a different method for breaking down the mix of hydrogen and carbon atoms and recombining them with additional hydrogen. Several liquefaction plants are in operation around the world. South Africa, for instance, produces 20,000 barrels a day of synthetic oil called Sasol (for South African Coal, Oil and Gas Corp.) through a technique that breaks down the coal into carbon monoxide and hydrogen gases, then recombines them in liquid form.

But coal liquefaction is a massive task as well. Each full-scale plant producing 50,000 barrels of synfuel a day would require a staggering 30,000 tons of coal a day to run—enough to keep three to five coal mines going flat out. It may prove difficult to expand coal-production and transportation facilities. The liquefaction plants will also take years to complete. By most estimates, it would take two years simply to design a large coal-liquefaction plant and four more years to build it—provided there were no delays along the way. And the process is expensive: even before the first barrel of synfuel is produced, the plant would cost anywhere from $1 billion to $3 billion.

The government's role in synfuels should be minimized because market forces ought to get maximum attention in any energy policy. One route may be for the government to underwrite and build one commercial-scale demonstration synfuel plant on its own. The production from the plant could supply a strategic petroleum reserve, but far more important, the technological information gathered from production could be made available to all comers.

At the same time, Washington should nurture a private-sector synfuels industry. The government would guarantee to pay a producer for a fixed amount of synfuel at a specified price. If the world oil price at the time of delivery turned out to be above the government guarantee, the producer could sell on the world market and the government would pay nothing. If the world price were below the guarantee at the time of delivery, the government would become the buyer. In either case, the private company would lose money only if its cost of production in dollars per barrel were above both the guarantee and the world price. Thus, if world prices continue to rise at a rapid rate, synfuels would be competitive and the government role would be minimal.

NUCLEAR POWER

There is a strong antinuclear movement demanding that the U.S. close down all existing nuclear power plants and halt construction of any new ones. The U.S. cannot afford to do so. Nuclear power provides 12.5 percent of all electricity generated in the country, and without it, the U.S. would have to turn to coal on an even greater scale to meet its power demands. Despite the scare at Three Mile Island, the known risks of burning coal are greater than the risk of using nuclear power. The U.S. must retain the nuclear option, but it should make some immediate changes in licensing and regulation and promote a crash program to solve the long-term waste-disposal problem.

Licensing and construction. Since the lead time necessary to bring a nuclear plant on line is at least ten years, the U.S. must immediately end the moratorium on licensing and construction and get planned nuclear power plants into operation.

Operations. Tough new standards should be set for the certification of plants, the training of operators and Federal oversight procedures. Key nuclear workers should be trained and licensed according to strict government standards, much as U.S. pilots must pass required certification procedures set by the Federal Aviation Administration. Every nuclear plant in the U.S. should be required to have a Federal inspector on the premises with full authority to shut down the reactor in case of an emergency.

Nuclear wastes. The Carter Administration's ban on reprocessing spent nuclear fuel should be kept in force for the time being; so far, there is simply no way to guarantee against terrorist attempts to plunder the plutonium produced during reprocessing—and, in any event, uranium will probably remain abundant enough to make the recycling economically unnecessary in this century.

Meanwhile, the spent fuel rods now stored in "swimming pools" at reactor sites should be moved to Federal dump sites, perhaps in Nevada and Washington state. With tough standards governing their transport and entombment, they can be made safe for the next few decades—and the relatively small amounts of added waste that will be produced by the end of the century will not jeopardize national safety. Later, if a uranium shortage develops or changes in national policy make reprocessing more attractive, the rods will be retrievable.

At the same time, the Federal government should launch a crash program—to be completed within five years—to find out whether there is a more satisfactory way to dispose of the long-lived, highly toxic waste. If no solution is feasible within five years, the U.S. may well have to abandon plans to build any more nuclear reactors. No solution to the nuclear-waste problem will ever satisfy everyone. The best that can be attained is a plan that reduces the risk to a level acceptable to a blue-ribbon commission of scientists appointed by the President.

SOLAR POWER

To many Americans, the promise of cheap, clean, renewable solar power is the most attractive energy solution of all. But existing solar technologies can provide only limited help over the next twenty years or so. America's energy problem is largely a shortage of liquid fuel, and solar-power technology is still too primitive to make a dent much before well into the next century. But the government should step up its research in the hope of a long-term payoff.

At present, the hot-water, space and industrial-process heat that solar can provide simply cannot be stored efficiently. And such systems require the added expense and complication of conventional energy backup systems to provide power on cloudy days. High-tech solar solutions—instant electricity from photovoltaic cells, for example—are useful in isolated circumstances, but they are still far too costly for everyday energy applications. And though sudden breakthroughs in technology are always possible, large-scale applications for power generation are remote.

Even so, the energy-saving potential of sun power should be exploited for all its worth. Banks should be pressed to reform lending policies to give every possible break to the builder who contracts for a house using passive solar design or the homeowner who installs solar devices such as hot-water heaters. And the government should broaden tax credits to nurture the infant solar industry.

TRANSPORTATION

Transportation takes 55 percent of all the petroleum used in the U.S.—roughly 10 million barrels of oil a day, or more than all the oil the U.S. imports. But despite the tremendous importance of transportation in the energy equation, transportation policy is a mess. Thirty Congressional committees and 64 Federal agencies have a hand in transportation, and there are at least 1,000 separate policies and programs governing it—many of them at odds with one another. According to a report published last month by the National Transportation Policy Study Commission, U.S. public transportation is worse than that of any other developed country. Obviously, some sensible reforms are long overdue.

Mass transit. Both train and bus commuter lines should be beefed up. Already, Congress plans to cut back subsidies of Amtrack's lightly traveled longer routes; the money saved should be plowed back into Amtrack's shorter, heavily-used lines—for instance, the densely populated Boston-Washington corridor. Cut-rate group fares should be instituted on rail lines to lure families away from the automobile travel that eats up 85 percent of the fuel used in transportation. Government subsidies will be required, but the money will return substantial energy and environmental dividends.

The opportunity for greater emphasis on urban bus systems is particularly alluring, but the problem is that most of them lose money, which then results in reduced service and prevents city hall from buying new, efficient equipment. This means that buses ought to be subsidized to a greater degree than they are now.

Diesel fuel. The government must resolve, as quickly as possible, the questions surrounding the health and environmental effects of diesel engines in automobiles. Until important uncertainties about carcinogenic emissions are settled, Detroit cannot plan on manufacturing diesel-engine cars in large quantities during the 1980s. The answer is critical: diesel-powered cars get far better mileage than conventional cars and it is much easier to refine diesel from synfuels than it is gasoline.

Much of the past government role in energy has been ineffective, misguided and counterproductive. But there are some things the Federal government can and should do:

Massive research projects. Only the Federal government has the financial resources necessary for a resolution of the most pressing questions that must be solved: nuclear-waste disposal, for instance, and the long-term effects of carbon dioxide on the earth's atmosphere. In addition, there are both short-term and long-term projects that require an appropriate Federal role—for example, a synfuels capacity. And there are exotic technologies with considerable, though distant, promise that require government help. The most obvious example is nuclear fusion.

Decision-making. A first order of business should be to establish a fast-track decision-making process for large-scale energy projects—especially for coal development, nuclear plants and pipeline projects. The interminable delays that can hold up such projects—years of regulatory squabbling and court fights—are simply intolerable in the current atmosphere; they add to industry's costs, make rational planning impossible and feed the national confusion over energy policy. The fast track must include time limits for the approval of new projects—and it must ensure that all appropriate questions on health, safety and the environment are thoroughly considered. Even prominent environmentalists now support such a move; national policy on energy is simply too important for maneuvers by special-interest groups that endlessly stall potential additions to supply.

Information and education. Currently, the Federal government depends almost entirely on Big Oil for data, a fact that has understandably fostered distrust and inaction. But setting up a new oil-industry auditing staff in Washington, as some oil-company critics suggest, would probably be a mistake. The much-maligned Department of Energy has the capacity to gather the needed information, and its techniques are slowly improving. The point is that more oil-industry information ought to be made available to the public by DOE. At the same time, there should be a much better Federal program to educate Americans about energy—what the situation is and how useful steps, such as conservation measures, can be taken to deal with it.

Strategic reserves. The government must get on with the job of establishing a strategic petroleum stockpile of at least 1 billion barrels (about two months' worth) that could be used in case of an unforeseen shortfall—the recent Iranian situation, for instance. After nearly two years, the existing strategic reserve contains only four days' supply. In future years, the strategic reserve might be a sensible use for any synfuels the government contracts to buy.

Federal lands. Although America's vast wilderness areas must be carefully protected, the Federal government should quickly open some new areas for exploration by the oil industry so that the U.S. finds out as soon as possible what new reserves of oil and natural gas it may have. There are a number of geological formations, such as some on Alaska's outer continental shelf, that exploration experts consider especially promising.

In the current atmosphere of crisis, there is real danger that Congress will fix upon a costly program such as synfuel development—a risky enterprise at best—then argue that it has met the emergency and settle back to business as usual. But as Newsweek has repeatedly emphasized, America cannot count on any single solution to its energy problem. A rational policy must include many elements, rely heavily on private markets and satisfy a basic requirement—to wean the nation from oil in general and from imported OPEC oil in particular. The transition will not be easy, cheap or painless, but it can be done. It must begin now.

The Real Jimmy Carter

Out of all the sermonic and confusing rhetoric President Carter has showered on the American public these last two days, at least one thing is clear. The President has weighed the merits of either getting the government out of the energy business or getting it more deeply in. He has chosen to get it further in, on a massive, almost unbelievable scale. The real Jimmy Carter has finally stood up, on the far left of the Democratic Party.

There'll be a new government "Energy Security Corp." to siphon $140 billion in "windfall profits" from the oil companies over the next 10 years. That would pretty much eliminate oil profits of any kind. While the oil companies quietly pass out of business, the ESC would squander this money on expensive and technologically risky forms of energy.

There'll be an Energy Mobilization Board to ride roughshod over normal legal processes, except maybe those that are mainly responsible for retarding energy development, the environmental laws, for example.

There'll be a new army of government inspectors scouring the country, levying $10,000 fines on any hapless building operator whose thermostats are showing something less than 78 degrees. Electric utilities will be "made" to switch out of oil—as if they themselves, and not the government, are to blame for their not doing that.

There'll be a federal "Solar Bank" finally to capture the elusive riches of solar power. The President will set conservation goals for states, import quotas for the nation, etc.

In short, Mr. Carter has reacted to the public's low opinion of his administration by "getting tough" and proposing a further suspension of private freedoms. He justifies this on grounds that it is the American people, not his administration and the Congress, who deserve the blame for our economic problems. He summons up the memory of Franklin Roosevelt as he casts himself in the role of a President leading the country out of awful crisis; except where FDR confronted Depression and poverty, Mr. Carter seems to find his crisis in excessive affluence:

"Too many of us now tend to worship self-indulgence and consumption . . . we have learned that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose . . . the symptoms of this crisis of the American spirit are all around us: two-thirds of our people do not even vote, the productivity of American workers is actually dropping and the willingness of Americans to save for the future has fallen below that of all other people in the Western world . . . there is a growing disrespect for government and for churches and for schools, the news media and other institutions. . . ."

Quite an indictment. It is the kind of indictment clergymen use to lash their congregations with on Sunday mornings and it is appropriate in that setting of spiritual redemption. But it is highly inappropriate coming from the man who is supposed to be managing the affairs of the United States government. The two key problems that provoked this rhetorical outburst—inflation and gasoline lines—are clearly and directly attributable to the policies of the Carter administration.

The gasoline lines are caused by the government's refusal to remove price controls, and hence supply allocations. Given the enormous economic inefficiencies that have resulted from this refusal, it now seems clear that prices of gasoline would fall, not rise further, after decontrol. Other forms of government intervention—energy use regulation and draconian environmental rules, in particular—have added to the dislocations and inefficiencies. It doesn't take a $140 billion government program to solve the energy problem; the problem would evaporate if the government would simply get out of energy.

As to those other problems of the American "spirit," low savings and productivity and low confidence in institutions—the main cause is inflation. Why should anyone have confidence in a government that can't balance its budget or run a stable monetary policy? Or why should they save the money it prints?

Now, it seems, it will be necessary to print still more money, and generate still more inflation, to finance the latest grandiose schemes dreamed up by the statists who hold the President in their grip. They are in the saddle and they are exultant about the President's vigorous showmanship Sunday night and Monday. The only trouble is that the policies he has proposed will only get the country into a deeper tangle. And next year, the voters will have a chance to decide which side they're on—or at least so we hope.

Mr. STEVENS. I thank my good friend from West Virginia.

RECOGNITION OF SENATOR CHURCH

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Idaho (Mr. Church) is recognized for not to exceed 15 minutes.

SNOWMOBILING

Mr. CHURCH. Mr. President, I appreciate the opportunity to take a few minutes this morning to talk about a winter activity which brings pleasure to many Idaho residents, namely snowmobiling.

While discussing this fast-growing family sport among other Senators, I discovered that many felt, as I do, that the invention and perfection of the snowmobile has been a boon to rural snowbelt communities. That is why I have asked the leadership to set aside some time this morning to discuss general Federal energy, land-use, and recreation policies and how those policies particularly effect snowmobiling.

In listening to President Carter's energy speech on Sunday, I found myself in agreement with his announced decision to reduce our imports of oil. That is the only sensible course. Our dependence upon foreign supplies of oil is the root cause of our present energy and economic woes. It seems to me that what the President was saying in his speech is that we all have to tighten our belts and do what we can to make our energy supplies go as far as possible. That belt tightening is a necessity, but it must be done fairly, with all segments of the economy treated equitably. One of the activities I have particularly interest in assuring equitable treatment for is snowmobiling, an activity that involves a large and growing number of Idahoans.

Only a short number of years ago, winter marked a time of reduced activity. Dependence upon the family television for leisure time activities increased as the snow got deeper. People chose to stay inside rather than brave the drifts.

However, all of that changed with the perfection of the modern snowmobile. Since that time, snowmobiling has become a primary wintertime activity uniting family and friends.

I have been disappointed on several occasions by actions and attitudes of those in Government who fail to appreciate this new situation. Too many times I have seen snowmobiling treated as if it were identical in environmental impact to offroad use of wheeled vehicles, which it definitely is not.

Snowmobiling has opened the eyes of countless Americans to the special qualities of snow-washed winters. As this Congress and the administration formulate new laws and policies in the days ahead, it is important for us to keep in mind the potential for enjoying natural areas in winter. We should nurture this potential.

We have already seen the positive results of allowing the controlled use of snowmobiles for the transportation of people over deep snow in several of our national parks. Yellowstone was one park which was essentially inaccessible in winter; now 50,000 fortunate Americans—many embarking from Idaho—view the natural wonders of Yellowstone each winter. And, scientific study confirms the lack of adverse impact of their visit.

The National Park Service of the Department of the Interior is now putting together a new "policy statement" to guide the use of snowmobiles over snow covered roads in our parks. I have written a letter to Interior Secretary Andrus urging the continuation of the basic thrust of the existing policy. I ask unanimous consent that that letter and Secretary Andrus' reply be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON
ENERGY AND NATURAL RESOURCES,
Washington, D.C., April 11, 1979.

Hon. CECIL D. ANDRUS,
Secretary of the Interior,
Washington, D.C.

DEAR CECE: I am aware that the National Park Service is in the process of considering a change in its policy for the use of snowmobiles in the national parks. As you know, there are thousands of snowmobilers in Idaho who travel to Yellowstone and other nearby parks during the winter season. This is a time of year when the parks are virtually unused.

The use of snowmobiles over snowbound roads has been examined numerous times and found to have no adverse effects on the resources of our parks. When spring comes and the snow goes, all traces of their presence simply melt away. I wish that were true after the summer visitors have gone home.

It seems to me that we ought to encourage expanded winter use of Yellowstone and other parks. We could not only offset the high summer use, but we could also provide the opportunity for more of our citizens to experience the winter beauty of the parks.

Snowmobiles provide the only practical means of access for our snowbelt parks once the roads become snowbound. In this period when the proposed Park Service policy is under final review, I urge you to maintain the current policy of permitting snowmobile use in the parks.

Thank you for the consideration of this request.

With best wishes,
Sincerely,
FRANK CHURCH.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., May 1, 1979.

Hon. FRANK CHURCH,
U.S. Senate,
Washington, D.C.

DEAR FRANK: Thank you for your thoughtful comments on the proposed revision to the National Park Service management policy on snowmobiles.

A final decision on this policy proposal will follow an intensive analysis of all comments received and the appropriate management deliberations. A final decision is expected no earlier than midsummer 1979. At that time we will furnish you with a copy of the proposed final management policy on snowmobiles.

I appreciate your interest in the programs and management policies of the National Park Service.

Sincerely,
CECE,
Secretary.

Mr. CHURCH. Mr. President, I also ask unanimous consent that an article which appeared in a publication of the Idaho State Division of Tourism and Industrial Development be printed in the RECORD. This article describes what the State of Idaho has been doing to encourage snowmobiling, including the development of some 4,500 miles of groomed snowmobile trails.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SNOWMOBILING—A MAJOR IDAHO WINTER SPORT

Today, in Idaho, man does not think of winter as a time of hibernation. In fact, many anxiously await the signal from nature to don their cold weather gear and head for snow-laden mountains and valleys.

With snow, snowmobilers' thoughts are turning to the upcoming season. Experts say the mountains of winter are the greatest of resources, magnificent in their grandeur, incomparable in their beauty. They offer unmatched adventure and relaxation. This may be why so many are discovering and exploring Idaho via the snowmobile.

This year the state will offer over 4,500 miles of groomed snowmobile trails. Included are ten recreational areas, with full facilities nearby, and more than 120 U.S. Forest Service trails. Trails begin in the Priest Lake area of northern Idaho and extend south to Bear Lake County, on the Idaho-Utah border.

Two outstanding Forest Service trails are located at Diamonfield Jack in the south and Cat Creek Summit near Mountain Home, Idaho. Both have acres upon acres of trail, ample parking and warming huts.

From east to west, one will find excellent areas from Island Park to the Owyhee Mountains.

Idaho has taken on a statewide trail grooming program that is now rated third in the nation. Some 13 counties are outfitted with the latest equipment available. Constant attention to each trail offers a new and exciting challenge.

Speaking of the snowmobile "sport," most definitions seem to include speed as part of what the game is all about. Almost every weekend there's a chance to race a snowmobile in Idaho, or an opportunity to cheer for a favorite. Competition is keen and Idaho is no weakling when it comes to producing good drivers.

Snowmobiling is many things to many people. Some like floating in and out of two-foot fresh powder, while others prefer a hardpack surface that enables them to run 60 m.p.h. across the snowfields or to climb steep mountains. Others enjoy trail riding from one point to another and back again.

The Division of Tourism and Industrial Development has available a brochure on Idaho Snow Trails. Listed are recreation areas, snowmobile clubs and Forest Service snowmobile areas. These are broken down by the six regions of the state. Copies of this brochure and a schedule of Idaho Winter Events are available by writing: Idaho Winter Events (Snowmobile Trails), Division of Tourism and Industrial Development, Rm. 108 Capitol Building, Boise, ID 83720. For additional information on the state's snowmobile trails, contact: Idaho Parks and Recreation Department, Statehouse, Boise, ID 83720.

Mr. CHURCH. I have invited several of my colleagues to join with me to discuss snowmobiling, and several of them have furnished me with statements relating to the subject. I ask unanimous consent that the statement of Senator BOSCHWITZ, the statement of Senator BAUCUS, the statement of Senator SIMPSON, and the statement of Senator RIEGLE be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR BOSCHWITZ

I applaud the concerns of my distinguished colleague from Wisconsin about recreation and energy. Recreation is a key element in our lives, and filling the recreational needs of Americans and our visitors from other nations provides countless jobs.

Depending upon who is doing the measuring, estimates of the total economic activity associated with recreation and tourism range from well over $100 billion to nearly $200 billion annually. It is a decentralized, competitive, fast-growing and job producing industry.

Take just one part of this industry: snowmobiling. Twenty years ago, there was no snowmobile industry. Even ten years ago, the industry was quite small. Yet today, the snowmobile industry is responsible for more than one and one-half billion dollars of activity each year. Amazing certainly, as is the fact that the industry satisfies the outdoor recreation needs of 14,000,000 Americans who previously led sedentary winter existences.

Let me share with you what this one industry has meant to my state of Minnesota.

In Brainerd, Minnesota, owners of businesses which once boarded up their doors and fled to sunbelt locations have now invested substantial new capital in making their resorts, motels, restaurants and stores year-round enterprises. Once-seasonal employees now work productively year-round, a change helpful to their family bank accounts and to their own self-image.

My state is also the center of the snowmobile manufacturing industry. All told, my state produces some 43 percent of the entire world's snowmobile production. My state's snowmobile output is valued at some $100,000,000 at the wholesale level. Beyond that, my state produces a variety of snowmobile clothing, parts and accessories. Between the manufacturing operations, snowmobiling provides a large number of jobs in the sales and services sectors—some 17,000 full-time jobs! A survey released by the Department of Interior last year indicated 1,400,000 Minnesotans over the age of twelve, or roughly one in three of my constituents, used a snowmobile to see winter's special beauty at least once last year.

As these snowmobilers have fun, they spend money. Last year, they spent an estimated $244,000,000 and generated $12,187,460 in direct state revenues. My state returns a small part of these revenues to the state trails program, where the money is used to supply 8,000 miles of public trails for snowmobiling, cross-country skiing, bicycling, hiking, jogging and horse riding.

In short, snowmobiling has come to play a key role in the Minnesota lifestyle and economy. It has a strong and positive influence in every county, every city and every town.

My colleague from Wisconsin and all those who feel as he does should know that he has my full and active support in all attempts to assure that recreational activities in this country are fairly treated in all national and energy and land matters. I particularly stress the need for equity in any gasoline rationing and allocation plans which the Administration or this Congress might develop. I cannot ignore the very real needs of my constituents for healthful winter recreation through snowmobiling.

Statement of Senator Baucus

The words of my distinguished colleagues on the importance of recreation in our lives and the importance of snowmobiling to the lives of so many snowbelt dwellers are timely and truthful. I have long felt that it is too easy for those of us meeting in the city of Washington, D.C., to lose touch with the needs of the people we are elected to represent. As we deliberate national and world issues, we need to keep in mind the structures which have made our nation strong: families, friendships and communities. For each structure, outdoor recreation plays a key role.

My colleagues will recall that I sponsored Senate Resolution 95 earlier this year to declare the sense of the Senate that recreation needs to be considered carefully in all policy decisions. I urge the support of my colleagues for this measure.

I would also like to alert all those concerned about recreation to a request I submitted to the Library of Congress Research Service that the economic dimensions of recreation in America be identified on a state-by-state basis. I believe we will all be surprised by the results of this study. The importance Americans attach to recreation is undeniable and is shown by our expenditures and our devotion of time.

Too often, though, this importance is lost as we make policy decisions. The voice of recreation in America has not been heard over the clamor of other organized special interest groups. In the face of key decisions now being made on land, energy and budgets directly affecting recreation, this may well change. Earlier this year, the American Recreation Coalition was formed by groups as diverse as the American Horse Council, the National Campers and Hikers Association, the International Snowmobile Industry Association, and the Recreation Vehicle Industry Association. Some 50 organizations, I am told, are now affiliated with the Coalition. Many of these groups will meet together next May here in Washington, joined by sociologists, physicians, and academicians to voice a shared belief that recreation in our lives is absolutely essential. I know many of my colleagues share my interest in this event and hope, as I do, to be able to contribute to the success of their gathering.

When we start creating priorities among various users of energy, we run the risk of making serious mistakes. I, for one, do not argue that recreation is more important than food or shelter or health maintenance or schools or fire and police protection or jobs. I simply pose the question of what kind of a society would we have if we allowed no energy use for recreation? Either indoor or outdoor? I believe that recreation—leisure time activity—is very important to our form of society, to our mental and physical health. Therefore, when we plan for energy uses, I urge ample and due consideration be given to the use of energy in recreation. We will all have to make sacrifices in the months ahead. Those sacrifices should be borne equally by all segments of our society.

Statement of Senator Simpson

I am pleased to have this opportunity to express my strong support for the snowmobile community in the United States and to urge equitable treatment of snowmobiles under policies of the Federal Government.

The snowmobile industry is clearly expanding and snowmobiling is becoming an increasingly popular recreational activity for the winter season. This is quite true in my State of Wyoming. Wyoming is blessed with two of the most scenic of our national parks—Yellowstone and Grand Tetons. The open, alpine expanses of the Big Horn National Forest serve as another spectacular playground for snow machine enthusiasts. Within the last five years, lodges, motels, restaurants and other businessess proximate to these parks have experienced amazing growth as the number of winter visitors has skyrocketed. This has resulted in the creation of a substantial number of jobs for the State, in areas which were previously inoperative throughout the winter months. Many of the visitors come to use snowmobilies to tour the Wyoming landscape in winter and to experience the unique and quite spectacular natural resources it offers.

Tourism and recreation interests in Wyoming recognize that our five or six month winters offer attractive snowmobile recreation for outdoor enthusiasts. In addition, snowmobiles are a valuable means of transportation in rural states during the winter months. Indeed, a growing number of ranchers in my state have come to rely on the snowmobile as a fast, efficient means of livestock management during our inclement winters.

The concern I have about the future of snowmobiling—particularly in the West—is the potential impact of Federal policies and decisions on the snowmobile community. I know many Wyomingites share this concern. Approximately 98 percent of snowmobiling activity in Wyoming takes place on Federal land managed by the National Park Service and the Forest Service. The Federal policies on snowmobiling in National parks and forests are quite important to Wyoming and the Western states which have extensive Federal holdings.

Public lands management policies must recognize snowmobiling as an important winter recreation—and vital to tourism and economic development in the snowbelt states. I am convinced that, under sound management policies, snowmobiling is fully compatible with other winter sports, such as cross-country skiing, on public lands.

Other issues of concern include taxation and fuel allocation policies for recreational vehicles. Any national energy conservation program should extend fair treatment to snowmobiles as recreational vehicles.

I intend to work toward the development of sound principles to govern decisions by the Federal Government concerning the snowmobile community. I am pleased to know that many of my colleagues share this goal and my support for snowmobiling.

Statement of Senator Riegle

I associate myself with the remarks of the Senator from Idaho on the importance of winter recreation, and of snowmobiling in particular. I realize that it is a little incongruous to be discussing winter sports in the middle of a Washington summer, but winter is never far from the minds of people in the snowbelt states, even in July.

In Michigan, snowmobiling is a major industry, an important form of recreation, and a primary means of transportation for many people. We have some 400,000 registered snowmobiles, and almost 2 million snowmobile users. Annual sales of snowmobiles both new and used, equipment and accessory purchases, and gas and oil expenditures bring over $270 million to the Michigan economy, as well as over $7 million in sales tax receipts. The total economic benefit from snowmobiling to my State alone is more than $300 million! You can see that this industry represents a livelihood for many citizens, as well as a recreational outlet for millions more.

There has been concern expressed, during the consideration of the gasoline rationing plans, that snowmobiling would not be allocated a share of available supplies of fuel. It should be pointed out, however, that snowmobiles use very little gasoline, accounting for barely 12/100 of 1 percent of our national consumption. I don't think that anyone in the recreation industry would quarrel with the need to conserve fuel, and to restrict use during severe supply shortages, such as those that would trigger rationing. My point is that any rationing plan must be constructed in an equitable manner, so that all forms of travel are impacted in an equal fashion.

Winter in Michigan is a primary tourist season and the tourist industry is vital to the economy of the State. Snowmobiling is a large element of the winter season with many activities oriented to the use of snow machines. I simply want to alert my colleagues to the need to preserve the tourist industry, and the fact that the essence and success of a rationing plan depends on its fairness. The people in Michigan will make the necessary sacrifices to conserve fuel, if they are given the choice. We must construct conservation plans with this thought in mind, and not simply eliminate one segment of the recreation industry. Recreation is vital to the health and well-being of people's lives, and snowmobiling allows people to get out and enjoy a season that used to represent months of sedentary existence, to the detriment of vitality and vigor.

Mr. STEVENS. Mr. President, my colleagues know that my State is highly rural in nature. This rural character means that many of my constituents lack the kind of recreational amenities taken for granted by so many Americans who live in our great urban and suburban regions. The recreational amenities to which I refer come in many different forms, from facilities like indoor pools and tennis courts to museums and zoos.

What we do have in my State of Alaska is the great outdoors. Naturally, the people in my State are enthusiastic users of our natural areas for hunting and hiking, fishing and camping, snowmobiling and horse riding.

The Senate must keep in mind the pervasive difference in the recreational opportunities available to those who live in urban areas versus those who live in rural areas as we contemplate Federal policies on energy and public land use. I grow concerned when I see what I consider to be unwarranted attacks on certain aspects of rural lifestyle in America by big city media and others. Back in 1973 and 1974, for example, I read several newspaper editorials which advocated an end to all snowmobiling activity until gasoline was no longer in short supply. Inevitably, these calls came from large city newspapers. Yet, I did not hear these same newspapers calling for the closure of our Kennedy Center and our museums.

In the colder climes, most traditional forms of recreation—things like swimming and boating—are precluded in the winter season because of the hostile climate and impediments to mobility imposed by the snow.

It is for this reason that an activity like snowmobiling is of such benefit to my constituents.

There is another aspect to snowmobile operation as well. In my State, and throughout the snowbelt, use of the snowmobile goes well beyond recreation. It is an essential transportation mode at times in certain parts of my State. It is the link that many of my constituents have with the outside world, some times for lengthy periods. They are employed by many in connection with their jobs, from subsistence hunters and trappers to game management officials. And, in times of emergency, again and again snowmobiles have been the only device that is able to bring desperately needed supplies of food, medicine, and fuel to families.

The choices we face as we continue to address national energy policy are difficult. As we make these choices, we must use extreme care to avoid overlooking the very different but very genuine needs of rural residents of our Nation to use snowmobiles not only for recreation but for the very basic transportation and survival needs.

● Mr. HUMPHREY. Mr. President, I know all of my colleagues will agree with me that the pursuit of happiness is a constitutional guarantee we are obligated to protect. A key provider of happiness is recreation. While participating in the recreational activity of our choice, we have the chance to demonstrate an ability, a talent, which oftentimes brings us great satisfaction. Many of our jobs are just the opposite. They breed frustration.

It is for this reason that recreation of all types has a legitimate right to a portion of the energy available in this Nation. Most energy use in recreation is small, anyway. In snowmobiling, for example, the use of gasoline amounts to about 10 gallons of gasoline per snowmobile per year. As a portion of all gasoline used in the United States, snowmobiling constitutes just a teaspoon out of each gallon.

I am also told that even this small portion is being reduced as snowmobiles are made more fuel efficient and as more and more snowmobile use is on marked and maintained public trails. The difference between use on groomed trails and off trails is about the same as highway versus city driving in your automobile.

The energy used in snowmobiling is dwarfed by the electrical energy used by normal household appliances, much of which is generated by oil. Electric blankets use more than twice as much energy annually. Electric frying pans use four times as much energy. Televisions use 22 times as much energy.

I know my colleagues share my sense that until we are ready to ban all electric frying pans, all televisions, all electric blankets and all other users of energy, it is not acceptable to us to discriminate among users of energy, as the President's gasoline rationing plan of earlier this year so clearly discriminated against snowmobilers and boaters.●

● Mr. DURKIN. Mr. President, several of my colleagues have spoken of snowmobiling today. I want to add that snowmobiling is very important to many of my constituents in New Hampshire and very important to our tourist economy. Last winter, Washington, D.C., got a taste of the change that 2 feet of snow brings into one's life. We, in New Hampshire, live with snow and the cold temperatures of winter for 4 to 5 months each year. Many of us live in rural areas without huge shopping malls and the amenities we take for granted in Washington. Winter was once a time to stay inside and wait for spring. Now, using the snowmobile as a major means for transport, they enjoy winter and see firsthand the unique beauty of the season. And let me assure you, New Hampshire winters are spectacularly beautiful.

The sport also allows people of all ages and of all levels of physical ability to have fun together as family and friends.

Young and old, the rich and those of modest means, men and women, all can enjoy this sport and the unique ability it has to bring people into contact with nature.

I strongly endorse the opinion of my colleagues that we must safeguard forms of recreation as we consider the pressing question of how best to allocate our increasingly precious supplies of energy. Certainly activities like snowmobiling deserve their fair share of the energy resources allocated to other forms of recreation so that those who value this activity can continue to pursue it.●

● Mr. WALLOP. Mr. President, winter recreation is booming in the Rocky Mountains and in Northern States across our Nation. Snowmobiling, skiing, and other winter outdoor activities are growing tremendously in popularity in my State of Wyoming and throughout the snowbelt. This is enabling millions of people to experience and enjoy the wonders of the outdoor world in the winter, often for the first time. I am pleased to note that winter tourism is up dramatically in my State and others, supplementing our traditionally strong summer tourism. This in turn has been a boon for many local communities, resorts, and local businesses which have in the past had to rely on a single-season summer economy, but now enjoy year round business growth, employment, and strong economies. Moreover, local residents are also enjoying snowmobiling and other forms of winter recreation in ever-growing numbers, and are able to travel into areas in the winter which were previously inaccessible.

I would, therefore, like to add to the comments of my colleagues this morning my own endorsement of the benefits of snowmobiling and every form of recreational activity to those people who enjoy these activities and those economies which rely on them. It is important that as the administration and Congress fashion public lands and energy policies we treat all forms of recreation fairly and equitably and give the people, in so far as possible, the choice of deciding for themselves how to live, play, and work. There are many who feel certain forms of recreation are superior to others and who would use public policy to discriminate against one form or another. I believe there is room in our vast Nation for many different kinds of recreation, and land use decisions and energy decisions should recognize the importance of diversity and give our people the greatest flexibility possible to recreate as they choose. Study after study shows that snowmobilers seek the same scenic and natural values as others, and that they support good management efforts to protect and enhance the natural areas they enjoy. Skiers and snowmobilers are showing increasing cooperation in many areas, and today instances of conflict between these user groups are diminishing through effective management, face to face discussion between groups and cooperation in trying to resolve problems. I hope this spirit of fairness and cooperation can extend into Federal policy, and I know my colleagues share this hope.●

● Mr. McCLURE. Mr. President, I am pleased to join my distinguished colleagues to discuss an important element of our energy situation. Motorized recreation is an important part of our Nation's lifestyle and must be considered carefully as we search for ways to manage our energy shortfall. Idaho is reported to have more than 132,000 snowmobile users out of our population of 800,000. It is recognized as an important form of family recreation. This recreation activity contributes more than $31 million per year in directly related economic activity.

In our pursuit of various forms of recreation, we use fuel either going to some location for our favorite sport, or we use fuel in some form of motorized recreation. If recreation is going to share in our fuel shortage, it should do so in an even handed manner. I think the public will respond positively if they have confidence that no user group is being disadvantaged to a greater extent than any other. Obvious priorities exist in the public health and defense fields, to name but a few. Citizens in my State will cooperate in fuel conservation willingly, and welcome a policy that will point the way to a stronger domestic production of traditional and synthetic fuels.

With two-thirds of Idaho in public ownership, it is important that adequate lands be made available for developed recreation use. Public policy should recognize that a wide variety of recreational vehicle use can be accommodated on the public lands. Any wholesale closing of public lands to motorized recreation as an energy-forcing conservation measure, in my view would be counterproductive toward gaining public support for true energy conservation. Responsible snowmobilers will carry their share of energy conservation if they are treated fairly and in an even handed manner.●

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 9:30 a.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

OUR NATION'S ENERGY GOALS

Mr. ROBERT C. BYRD. Mr. President, this has been an extraordinary period for our Nation and its leaders. Many political commentators have labeled it a turning point or watershed.

The President brought to Camp David political, business, labor, and community leaders to consult with him as he considered new programs and policies to meet the dual crises of energy and inflation. He was willing to look critically at his efforts in the past and to seek guidance for his actions in the future. This process is to be commended as we examine the specifics of these new energy initiatives.

I am encouraged by the decisive direction which the President has taken to reduce oil imports. Despite the warning of the 1973 Arab oil embargo, we have continued to increase the amount of oil we import to the point that almost half of the oil we use comes from foreign sources. The affirmative voice of the President in announcing specific import quotas below 1977 levels should put the industrial democracies and OPEC countries alike on notice that we can, and will, get our energy house in order.

The President's statement was the strongest endorsement of increased coal use that he has made to date. The mandatory conversion of power generating facilities from oil to coal is vital in order to reduce our reliance on imported oil. This is an effort which will achieve immediate savings and which should proceed with all due speed. A massive commitment of funds and American talent and ingenuity to the development of a synthetic fuels industry will help us move toward energy self-sufficiency. And the creation of an Energy Mobilization Board to expedite the regulatory review of critical energy projects will capitalize on the sense of urgency we all feel to get these projects on line. In the coming weeks, the Congress will carefully consider the President's proposals along with those already made by Senators and our colleagues in the House. I hope that the best ideas from these proposals can quickly be distilled so that we waste no time in the pursuit of energy independence.

In the last 2 days President Carter has appealed to the national will in a way that evokes the best in all of us. Our country's greatest natural resource is the American people and Congress is but a reflection of the people and their will power, courage, and determination. I am confident that each of us stands ready to make sacrifices and exercise discipline in order to restore our national confidence and achieve economic and energy security.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, S. 562, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A bill (S. 562) to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

AMENDMENT NO. 335

The ACTING PRESIDENT pro tempore. The pending question is on the Kennedy-Hart amendment, with 10 minutes for the Senator from Colorado (Mr. HART) and 30 minutes for the Senator from Wyoming (Mr. SIMPSON), with a vote thereon to occur at 10:15.

Mr. ROBERT C. BYRD. Mr. President, I have no alternative but to ask unanimous consent that the time start running against both sides, or if a quorum call is instituted that the time run against both sides, because we are definitely committed to a vote at a certain time.

Mr. SIMPSON. Mr. President, I believe I will go forward with my remarks. I will yield to Senator HART at the appropriate time.

Mr. President, I wish to spend my time in strongly opposing the amendment offered by the Senator from Massachusetts. He is, of course, the chairman of the Judiciary Committee, on which I serve as a member, and he has been most fair and courteous to me on that committee, as has his staff. They have been most helpful to me in my early days here.

However, without any further reluctance, I oppose the amendment. Where any congressional action in response to the accident at Three Mile Island is warranted, I will and I have supported it. In fact, the committee has recommended a number of specific legislative provisions to address deficiencies identified by the Three Mile Island accident. These provisions include:

Improvements in the training, retraining and licensing of plant operators to enhance their ability to respond efficiently to emergency situations and to prevent such situations from occurring in the future.

An accelerated and expanded Federal resident inspector program for operating nuclear powerplants.

Establishment of an NRC emergency response plan.

New requirements for the prompt notification of the NRC by the licensee of any nuclear emergency.

In addition we have new requirements to permit effective direct communication between the NRC and nuclear powerplants. This means effective verbal communication.

Further, there are new requirements for NRC approval of State emergency plans which impose firm sanctions to encourage prompt compliance by the States.

Each of these provisions addresses a specific concern which has been carefully considered in our hearings, and which has been the subject of thorough review by the committee. I feel they are prudent, necessary, and responsible actions. I cannot say the same for this amendment.

At the outset, I think we should be clear on what this amendment is. It is simply a moratorium, an absolute halt of the Commission's authority to issue permits for the construction of nuclear powerplants in this country. In essence, the Senate is now being asked to substitute its judgment for that of the Nuclear Regulatory Commission on this one most fundamental aspect of the Commission's authority. There are those, of course, who will argue that this is acceptable, either because the time period is short, or the direct impact will be small or will be spread over several years. Make no mistake about it, this amendment is intended only to send a tough message that further commitments to the use of nuclear power in this country, at least at this time, are unwarranted.

I believe that intended message becomes clear when one examines the purported basis for the amendment. Why the need for the message? Hopefully, the Senator may not have a receiver.

As originally circulated some weeks ago, the amendment called for a 6-month moratorium on the issuance of new construction permits without any elaboration of specific safety improvements which would be foreclosed by proceeding with issuance of the permits. Instead, the provision was justified on the need to await the outcomes of the various private and governmental investigations into the Three Mile Island accident.

The NRC has already announced its intention to devote its principal efforts toward learning the immediate lessons of Three Mile Island and to defer forthcoming licensing applications and actions until the short term lessons can be factored into pending applications.

This discretionary action by the NRC, coupled with the statutory mandate of the Commission to take whatever action is needed to protect the public health and safety, including imposing new regulatory requirements on plants under construction, is fully sufficient to accomplish the stated objective of the amendment.

Clearly, NRC is in a far better position than the Congress to make the necessary health and safety determinations associated with resuming the issuance of construction permits.

I would leave that important decision to the Commission rather than establish some arbitrary and cumbersome statute.

The amendment is not related in any way to safety. It does not require a condition upon future licenses to improve any safety measure. Operating licenses, of course, are exempt from the moratorium. There are at least seven operating licenses pending issuance within the next 6 months.

If safety is the paramount consideration, why have the sponsors exempted these plants?

I think it is significant to note also that Senator Kennedy has also introduced S. 1178, a moratorium for 2 years on all construction permits. How long will the next moratorium be?

Another justification for this statutory moratorium has been offered. We are told that there is one specific deficiency which must be remedied before new construction permits can be issued. That deficiency, according to the sponsors of the amendment, is the treatment of population density limitations in the Commission's siting requirements. The amendment would require the promulgation of new siting requirements by NRC within the 6-month moratorium period which must address five specific population density considerations.

We are told that the moratorium, until the regulations are issued, is required to prevent the commitment to inadequate sites in the interim.

Mr. President, I agree that the adequacy of the Commission's siting requirements as they pertain to population density is a matter deserving of our most careful and cautious consideration. But, I believe the action being proposed here is premature and prejudges a complex issue deserving of the most serious consideration. In fact, just such a review is now underway. The Environment and Public Works Committee, of which Senator HART and I are members, have stated in the report on its planned investigation of the Three Mile Island accident that it intends to conduct a full study of the Commission's siting reviews and requirements. NRC is now at the early stages of its own examination of alternatives for improving its siting regulations with regard to population concentration.

Additionally, a task force on siting policy will soon be issuing its report recommending changes in the NRC siting regulations.

I would emphasize that those recommendations are in a very early stage of development by the Commission.

As yet, the task force report has not even been received by the Commission and the principal staff officers in the agency have not provided their views on the subject. Moreover, the recommendations of the task force appear to be the only one alternative for addressing upgraded population density requirements in the Commission's regulations

A second alternative is contained in a petition from the Public Interest Research Group—PIRG—which petition is now pending before the Commission.

Still a third alternative can be found in the NRC staff recommendations to the Commission for acting on the PIRG petition. The Commission decided to postpone a decision on the PIRG petition and the staff recommendations for responding to the petition until after it had reviewed the forthcoming task force report. The range of alternatives demonstrates both the complexity of the question and the need for careful review before action. Clearly, no such review has been performed thus far.

The Committee on Environment and Public Works has not held any hearings on this issue, nor has the committee nor subcommittee chaired by Senator HART had any opportunity whatsoever to discuss it.

Moreover, the modifications in the Commission's regulations along the lines proposed in this amendment now before us could have potentially sweeping implications. As the NRC task force report indicates, such regulations, unless most carefully structured, could well foreclose the siting of any additional nuclear powerplants in the Eastern United States or allow the selection of sites in the Western United States which are inferior to other available sites. Given the weighty list of the issues involved and the enormity of the potential consequences of hasty and ill-advised action, I feel certain that further consideration of this matter by both the NRC and the Congress is absolutely essential.

Despite the urgings and the proddings of the sponsors of this amendment, I believe there is indeed time to permit the kind of thorough review of the siting issue which is called for. That question essentially turns on the adequacy of those sites which are likely to be used for a nuclear powerplant within the next 6 to 9 months.

Several standards are presently available to measure the adequacy of those sites. First, there are the existing NRC siting requirements, and although the Commission's siting regulations do not now contain specific population density limitations, I was fascinated by the debate yesterday which seemed to indicate that there were no siting requirements in existing law. That runs against the facts presented in the debate, because such limits are contained in the Commission's regulatory guide 4.7. That guide imposes a population density standard of 500 persons per square mile, applied out to a distance of 30 miles from the plant. If the proposed site does not meet this present standard, further alternative site reviews are required as part of the Commission's environmental review of the proposed plant.

A second standard is contained in the Task Force Report on Siting Policy. A population density limit is suggested in that report of 100 persons per square mile to a distance of 5 miles, 200 persons per square mile to a distance of 10 miles, and 400 persons per square mile to a distance of 20 miles. I point out that the report states that a study is needed to establish a basis for these particular numbers.

A third and much more restrictive standard is found in the petition of the Public Interest Research Group. That standard is 400 persons per square mile up to a distance of 40 miles.

Mr. President, there are seven sites in America which are likely to receive a construction permit within the next 6 to 9 months: Perkins, in the Presiding Officer's home State of North Carolina; Black Fox in Oklahoma; Pilgrim in Massachusetts; Allens Creek in Texas; Palo Verde in Arizona; Pebble Springs in Oregon; and Skagit in Washington State. Using the 1970 census data available in the NRC's publication entitled "Demographic Statistics Pertaining to Nuclear Power Reactor Sites," I found that each of these sites easily meets the Commission's existing population density requirements. Each site, with the exception of Pilgrim, in one respect, easily meets the more stringent but as yet unverified population density requirements suggested in the siting policy task force report as well.

Even when compared with the much more stringent requirements in the PIRG petition, all of the sites save one, Pilgrim, easily meet the population density standards. I add that Pilgrim, the only questionable site, only slightly exceeds one limit in the task force report and the limit in the PIRG petition and already has one nuclear plant located there. It is far, far superior to a number of sites of present nuclear plants, which plants were approved before the NRC adopted the population density requirements now in effect.

Mr. President, upon the facts and based upon all presently available standards for population concentration, no matter how untested or extreme they might be, the sites which are likely to receive construction permits over the period covered by the amendment's moratorium appear to be adequate. Many clearly are truly superior from the standpoint of population concentration. Working with this information, I see little justification for a moratorium until the Commission and Congress have conducted a careful review of siting requirements. Thus, the only specific safety concern offered by the sponsors in support of their amendment would appear to fall far short of the justification for the proposed moratorium.

Given the adequacy of these sites and the Commission's authority to impose any other new regulatory requirements which may result from Three Mile Island on existing permitholders, I believe the true purpose of this amendment becomes clear. We should call it what it is: a killer amendment. It will kill off nuclear powerplant construction of new plants while we flounder in an energy crisis—where these construction delays will result in increased costs of $8.9 million per month—and guess who will pay that? The consumer.

All the while, the irony of it is that it takes 10 years to build a plant once construction begins. Surely, that is adequate time to make any necessary design or safety changes if the Three Mile Island experience or investigation so indicates. But a 6-month delay on new constuction is neither reasonable nor responsible, especially when considering the urging of our President on Sunday night on the need for energy security in this Nation and not simply energy self-sufficiency.

Mr. President, I urge my colleagues to oppose the amendment.

Mr. JOHNSTON. Mr. President, will the Senator yield me some time?

Mr. SIMPSON. I yield to Senator JOHNSTON.

Mr. JOHNSTON. Mr. President, Senator HART stated yesterday evening that the "NRC's policy pertaining to siting has permitted the siting of very large reactors, very close to very large population centers." Although this may have indeed been true in the past, particularly with respect to Nine Mile Point in New York, the statement is absolutely not true at this time.

The requirements of 10 CFR part 100 published in April 1975 and reaffirmed by NUREG 0348 clearly stipulate criteria for siting of nuclear powerplants incorporating tests relating to density and overall distribution of the surrounding population.

Section 100.01(b) of that regulation states that the Commission will take "population density and use characteristics of the site environs, including the exclusion areas, the low population zone and population center distance" into consideration in determining the acceptability of a site for a power reactor.

In addition to a zero-population exclusion area of one-half mile radius, an applicant is also required to designate a low population zone of an additional 3-mile radius; this requirement further states that the population density be sufficiently remote that a release of fission products will not result in radiation doses to individuals on the outer boundary of the LPZ greater than the guideline values of 10 CFR part 100. It might be worth noting that at no time did the measured radiation releases at TMI within this most susceptible of areas come anywhere close to meeting, let alone exceeding, the radiation doses outlined in the guideline values.

A proposed site will also have a population center distance, defined as the distance from the nuclear reactor to the nearest boundary of a densely populated center containing more than about 25,000 residents. The population center distance must be at least 1½ times the distance to the outer boundary of the LPZ; 10 CFR part 100 also requires that, where large centers of population are involved greater separation distances may be required. This requirement means that the nearest boundary of a population center in excess of 25,000 must be no closer than 8½ to 9 miles from the plant itself.

There is an implicit insinuation in the statement of the Senator from Colorado that the NRC continues to allow plants to be sited "very near very large population centers;" this is patently untrue. Prior to and following the release of 10 CFR part 100, the Commission has consistently encouraged applicants to locate nuclear facilities in areas with low populations and has strenuously adhered to the cited regulation.

As one means of assuring that these population guidelines are appropriately considered, the NRC staff has recently adopted several benchmarks to help identify site conditions that warrant additional attention. These are contained in Regulatory Guide 4.7 "General Site Suitability Criteria for Nuclear Power Stations." For example, overall population density in the vicinity of the proposed site is one such factor. The staff gives special attention to the consideration of alternative sites if the population density projected at the time of initial plant operation exceeds 500 persons per square mile averaged over any radial distance out to 30 miles—cumulative population at a distance divided by the area at that distance, or if the projected population density over the lifetime of the facility exceeds 1,000 persons per square mile.

Under these new population density criteria, a plant such as Nine Mile Point would very probably not be constructed. While every precaution regarding the safety of this plant should be taken, the fact is it exists, it is a fact of life, and until it is shut down, it will continue to operate. This amendment will not affect that which is already in existence and does little or nothing to insure additional safety, insofar as siting criteria for new plants are concerned, over and above that which is already being undertaken by the NRC. It is totally unnecessary and, therefore, should be defeated.

Mr. President, the subject of nuclear energy is a difficult, technical, esoteric subject. I do not expect the average American on the street to be able to understand all the difficulties of this subject, and it is understandable that people who wait in the gaslines sometimes do not make a connection between the nuclear powerplant which is being shut down and the gasline in which they have to wait. However, it is becoming increasingly clear to some Americans that there is indeed a direct connection. Nevertheless it is understandable that the average American does not make the connection.

Mr. President, it is incomprehensible to me that any Member of this body, particularly a liberal Member of this body, who expresses particular compassion and particular concern for the poor and the upwardly mobile, should want to inhibit nuclear powerplants in this country and limit this source of energy when it, indeed, is the real incremental source of energy—it and coal—that this country has to count on in the next 10 years. If we put a moratorium on new construction permits for nuclear energy, as this amendment proposes to do, it would be perhaps not a death blow, but certainly a body blow to nuclear energy, as the proponents of this amendment well know.

Mr. President, if this amendment passed, not only would we stop construction permits for 6 months, delay the beginning of new plants, but the loans for these plants would be required a higher interest rate to reflect the greater risk involved, not of nuclear power in terms of safety for life and limb, but in terms of the commitment of this Congress and in terms of the chanciness of ever having a policy that is consistent, whereby someone in the nuclear business can rely on permits, and a consistent policy in support of nuclear energy.

Mr. President, we are in deep trouble in this country as I look at the projections of energy, not in 1979 so much, not in 1980 so much, but in 1985, 1990, in the year 2000. I see that we are falling far short, far short even with all the ambitious programs the President talked about, in being able to meet our goal, because some programs, such as 20 percent solar energy by the year 2000, are constructed on some ephemeral haziness on the horizon rather than some good solid foundation.

Mr. President, the future of this country, economically, socially, in terms of energy, is based on two sources and this Senate better wake up and face the facts. Those two sources are nuclear and coal. If we kill either one of them, we will be in bad shape. Particularly affected will be those poor people who we want to try to bring up out of their difficulty. Who are the first hurt in a recession? Who are the first hurt in times of rising unemployment? Who are the first hurt by inflation? It is the poor people.

As this energy squeeze comes on, who will be the first to lose their jobs? Who are those that are hurt as inflation continues and as we pay for this energy from foreign sources rather than through domestic sources? It is the poor people.

Mr. President, I wish those in this body who would like to kill or delay or cripple or contract or pull back from nuclear energy would keep those things in mind.

Mr. President, we hear a lot of talk about Three Mile Island. I am not one of those who would say that Three Mile Island is a time for rejoicing over nuclear energy or that it stands as proof that nuclear energy protective systems work perfectly, although, indeed, they finally did limit the problems in a difficult and perilous time. Mr. President, we have 216 reactors around the world and some 72 in this country. There has never been a reactor accident in this country that has killed, maimed, or hurt a person.

The mere fact of the Three Mile Island accident is insufficient to say we will stop construction permits now when the plants which would operate from the construction permits would be years down the line. This is rather ridiculous, Mr. President, because it bears no relationship to the lessons of Three Mile Island.

The lessons of Three Mile Island are being learned now and, indeed, should be nearly completed by the end of this calendar year. To say we are going to delay a plant which might be ready to come on line in 1985 is rather ridiculous.

Mr. President, we have heard a great deal of talk about the five commissioners on the Nuclear Regulatory Commission. It has been said that there are two commissioners for nuclear power, two opposed, and one who cannot make up his mind. Those commissioners who are supposedly against nuclear power are greatly criticized, some privately, some publicly, by those in the industry.

But it is interesting to note, Mr. President, that every one of those five commissioners strongly opposes this amendment. Every single one is against it, because they recognize that the amendment will accomplish nothing in terms of safety, will result in a higher interest rate from bankers for nuclear power, and is a way of helping to kill or maim nuclear energy without getting any greater safety from nuclear power.

Mr. President, I hope that the Senate will not make the great mistake of passing this amendment. I believe it will be rejected overwhelmingly.

I thank the Senator from Wyoming.

Mr. HART addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Colorado.

Mr. HART. Mr. President, it has been called to my attention that, apparently through an error in printing, the amendment offered by myself and the Senator from Massachusetts has apparently been incorrectly printed. As a consequence of that, we will make necessary copies available to the Senator from Wyoming, and I ask unanimous consent that the true and correct copy of the amendment we proposed be the one before the Senate at the present time.

As I understand it, this was not an error on the part of the proponents of the amendment, but, rather, a technical error in printing.

Mr. JOHNSTON. Mr. President, reserving the right to object, would the Senator state wherein the difference lies?

Mr. HART. It is my understanding, and I have not had a chance to pursue this, that, for some reason unclear to me, portions of the McGovern amendment were printed with ours, and vice versa.

It was an error in the Printing Office, apparently.

Apparently because of this printing error, the amendment before the Senate is not our amendment. It is a combination of two amendments.

Mr. JOHNSTON. I have no objection, Mr. President.

Mr. THURMOND addressed the Chair.

The ACTING PRESIDENT pro tempore. If the Senator would suspend momentarily, the Chair would observe that pages 2 and 3 of the two amendments were inadvertently transposed by the GPO.

The copies of the amendments in their unprinted form will be available at the desk.

Is there further objection to the unanimous-consent request?

Mr. THURMOND. If the Senator will yield, is the effect of his amendment to have a moratorium? Is that the thrust of the amendment, to have a moratorium on nuclear plants for 6 months?

Mr. HART. A 6-month moratorium on the issuance of new construction permits.

Mr. THURMOND. On the issuance of new construction permits.

The ACTING PRESIDENT pro tempore. Is there further objection to the request of the Senator from Colorado?

Mr. SIMPSON. Mr. President, let me just state in connection with the intent of the ranking minority member and the chairman of the committee that I concur in his definition of what has transpired and simply believe we should relegate ourselves to the order of the day, as presented by the majority leader last night, and conform the documents accordingly.

That is the intent, is it not, as to the amendments?

Mr. HART. Yes. That is the intent.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, I believe my time is somewhat limited, but I yield 3 minutes to my colleague from South Carolina.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I oppose the Kennedy-Hart amendment, which provides for a moratorium on the issuance of any nuclear powerplant construction permits during the first 6 months of fiscal year 1980. Additionally, the proposed amendment would require the NRC during this 6-month period to promulgate demographic requirements for the siting of nuclear utilization facilities. The Kennedy-Hart amendment is apparently based on the idea that we need to assess the lessons learned from the Three Mile Island accident and that a legislatively imposed moratorium would give us the time to do that.

Mr. President, I am certain that there is no greater concern among all of my colleagues than the health and safety of our citizens. The American people have had their confidence in our Nation's commitment to nuclear power badly shaken. We must, of course, learn everything we possibly can about what happened at Three Mile Island, the changes that should be made as a result of various investigations, and how to implement them as soon as possible.

There is no other way to convince the American people of the essential safety of nuclear power production. At the same time, we must avoid taking actions here in the Senate which are harmful to the utility companies and the people they serve. It would be a serious mistake for the Senate to enact legislation, such as this, which does not substantively contribute to the goal of protecting the health and safety of our citizens.

Mr. President, it is my firm belief that this statutory moratorium is unnecessary. Since the Three Mile Island accident, the Nuclear Regulatory Commission has been devoting every effort toward learning the causes of that incident and the appropriate preventive steps that should be taken. During the review process, the NRC has delayed action on new powerplant applications until the lessons of Three Mile Island can be determined and included in future plant designs.

I think that we can and should entrust to this agency the decision on when to resume licensing of facilities, rather than statutorily imposing on it an arbitrary time period. If the NRC should determine that it can go ahead with issuance of construction permits without any risk to the public, it still has the authority and the statutory obligation to impose new regulatory requirements resulting from the Three Mile Island investigations.

I am concerned, as I know other colleagues of mine are, that the American people may perceive this moratorium as as lessening of congressional commitment to our Nation's nuclear power program. I think it should be noted that Senator KENNEDY, the principal sponsor of this amendment, has also introduced a bill which would impose an unlimited moratorium on new construction permits until Congress make a series of findings. I fear that this shorter moratorium may be the first step toward a more permanent one.

The Kennedy-Hart amendment, without substantially contributing to increased reactor safety, could result in a severe economic burden being placed on the utilities and their customers. According to a recent report by the Congressional Budget Office, each month of delay would increase the cost of a nuclear facility by approximately $8.9 million, or $117.7 million for 13 such plants.

With regard to the amendments' provisions on demographic requirements, I again feel that these provisions are unnecessary. Review of this matter is already underway at the Nuclear Regulatory Commission, and the Senate Environment and Public Works Committee has already stated that it intends to thoroughly review the NRC's siting requirements as part of its own Three Mile Island investigation. I, therefore, would urge my colleagues not to take action until these reviews are completed.

In summary, let me say that it makes very little sense to me that we are now considering placing a 6-month moratorium on building new nuclear plants.

Is not that the very thing we need in this country—more sources of energy? Are nuclear plants not one of the best and most reliable sources of new energy for at least the near future? If we do not build these new plants, we are soon going to face serious shortages of energy.

Mr. President, I cannot understand why, when the President of the United

States says that we must remedy this shortage of energy, Congress considers stepping in and saying "No, you cannot issue construction permits for nuclear plants for 6 months, Mr. President."

Mr. President, I realize that a number of persons in this country do not want to construct any nuclear plants. For example, I understand that the Governor of California does not favor utilization of nuclear energy. Congress, however, has to make a decision: If we want and need these nuclear plants, we must proceed with issuance of construction permits, or we are going to have to straightforwardly say, "No, we do not want or need any more nuclear plants."

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 25 seconds.

Mr. THURMOND. Mr. President, I hope the Senate will not take this step to temporarily halt the issuance of construction permits. This country needs energy badly, and nuclear plants offer the best hope for getting more energy in the next 10 years. This amendment is unnecessary and unwise, and I urge the Senate to defeat it.

Mr. HART. Mr. President, I will yield to the Senator from Massachusetts in a moment, but first I point out that is not, as the Senator from South Carolina well knows, the killer amendment, and it is not going to deliver a body blow to the nuclear industry.

It is not going to shut down any reactors. Seventy reactors are operating; 70 will continue to operate. Ninety-four are under construction; 94 will continue under construction.

It merely provides a 6-month delay to find out whether we should permit the construction of nuclear reactors in areas of dense population. That is the only issue.

As I said yesterday, either we learned something from Three Mile Island or we did not. If we did not, let us go forward.

The Senator from Louisiana talks about poor people. It seems to me he is talking about the fact that liberals should be concerned about poor people. Poor people can get radiated, also. Poor people tend to live in urban areas more than others. If a reactor melts down and radiates and injures a lot of people, it is going to injure a lot of poor people.

If we want to talk about ideology, the conservative position here is to vote for this amendment. This is a conservative amendment. It is not an amendment that is going to injure poor people. It is an amendment that is based on a thoughtful approach to locating nuclear reactors. It has the potential to affect six construction permits in this country. Based upon all the evidence we have, even as to those six, there is considerable doubt as to whether this amendment would affect very many of those.

The issue here is whether people have confidence in nuclear power. One of the ways to give them confidence in nuclear power is to let them know that we are siting these reactors in places where they will do the least damage if there is an accident. That is a simple, commonsense approach.

To say that this is a killer amendment that is going to shut down nuclear plants is to miss the whole point. This amendment buys time for the evolution of rational criteria for the location of nuclear plants.

To say that there is a 10-year construction time in which there is plenty of time to make safety and other adjustments of these reactors again misses the whole point. The point is, where should they be located? Once you begin to dig the hole for the reactor and pour the concrete, all the safety changes in the world are not going to make that reactor ultimately safe if it is located near hundreds of thousands of people.

The siting decision is irrevocable. When construction begins on a plant, it continues to completion.

Mr. President, I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. HEFLIN). The Senator has 5½ minutes remaining.

Mr. KENNEDY. I will use 3 minutes and then yield 2 minutes to the Senator from South Dakota.

Mr. President, the opponents of this amendment point out that if we accept this amendment, we basically are bringing about a moratorium. They attempt to characterize the intention and the purpose and the language of the amendment and they distort and misrepresent it.

The fact is that some 14 reactors were closed down this year for various safety reasons. Three Mile Island now is closed down, and it is costing the consumers some $24 million a month.

The working class people, the low-income people, the middle-income people paying anywhere from $15 to $25 more a month on their utility bills because that reactor has been closed down. That has been replicated in instance after instance in this country.

We now have a Presidential commission that is reviewing safety and population standards criteria. We have the Nuclear Regulatory Commission. We have a House committee and a Senate committee.

Because we want drugs to be safe and efficacious, we make sure that drugs are safe and efficacious before we put them on the market. When we regulate medical devices, we require that they should be safe and efficacious before we implant them in the American people or put them on the market.

It seems to me that if we want nuclear plants, we should make them safe for the American people and reach the criteria in terms of population standards, before we put them on the market.

That is really the purpose and the reason for this amendment. We have seen over the past history that when we have not taken those steps, it has been the consumer who ends up paying for it. When you have an investment of a billion or a billion and a half dollars and you close a plant down for a period of time, it is the working people and the poor people who end up paying for it.

This amendment, as the Senator from Colorado has appropriately pointed out, is a conservative amendment. It says let us put in place the kinds of standards that will enable us to move ahead in a way which is going to be safe, which is going to protect the American citizens, and which is going to be the most economically sound.

Mr. President, I yield the remaining time to the Senator from South Dakota.

Mr. McGOVERN. I thank the Senator from Massachusetts for saving me some time on this measure.

Mr. President, I am glad to be a cosponsor of the amendment, together with the Senator from Massachusetts, the Senator from Colorado, and others.

The Senator from Massachusetts is absolutely right in describing this as a very conservative and modest proposal. It is not a killer amendment at all. Indeed, those who look to some possibility of a nuclear future should support this amendment, because it addresses one of the problems that may otherwise kill off the possibility of nuclear development, and that is the widespread anxiety that exists as to the safety of that particular kind of energy.

What this amendment does is to provide for a brief pause of about 6 months in the granting of licenses for the development of new plants until we can look at some of these safety and siting problems.

Some 3 months ago, I introduced a measure that would have called for a 3-year moratorium on the construction of additional plants, during which time the Office of Technology and Assessment would undertake a comprehensive study of all the factors that I think worry the American people about nuclear power.

The whole question of plant design and plant operating procedure, powerplant safety, and low-level radiation has been referred to by the Senator from Colorado and others.

I hope that not only will this amendment be adopted today, but also, that the sponsors of the amendment will keep open the possibility that if, during that 6-month period, we cannot complete the studies that are necessary to answer these various questions as to powerplant safety, the 6-month period can be extended.

It is very important, before we plunge ahead on this controversial, new form of energy, that we look at all aspects of the safety factors as they relate to the health and well-being of the American people.

So for all of these reasons I hope that this amendment will pass, that it will be seen for what it is, as a prudent, modest, conservative effort just to provide a brief pause until we can form more settled judgments as to what we should be doing in terms of the risk factors involved in nuclear energy.

But I very much hope the amendment will be adopted, and I thank the Senator from Massachusetts for yielding me time.

Mr. HART. Mr. President, how much time remains?

The PRESIDING OFFICER. The time has expired.

Mr. HART. On both sides?

The PRESIDING OFFICER. The Senator from Wyoming has 3 minutes remaining.

Mr. HELMS. Mr. President, will the Senator yield to me?

Mr. SIMPSON. Mr. President, I yield to the Senator from North Carolina.

Mr. HELMS. Mr. President, I find it troubling that the Senate today is seriously discussing the possibility of imposing a legislative moratorium on the construction of nuclear powerplants, as proposed by this amendment.

This Nation no longer has the luxury to choose among energy alternatives. Given the present energy crisis, what we have now are only energy imperatives. If this Nation is to survive economically and regain its vitality and productivity, we must aggressively develop all of our domestic energy resources, including nuclear energy. Since 1972, nuclear energy has been the largest single growth factor in domestic energy supplies.

According to the General Accounting Office, nuclear facilities have accounted for over 20 percent of new capacity additions and over 50 percent of the increased electricity output. Clearly, nuclear energy is an important contributor to the Nation's energy supplies. Presently, as many as 15 States depend on nuclear energy for over 20 percent of their electrical supplies. Several States depend on nuclear energy for over 50 percent of their electrical supplies.

Mr. President, if one listens closely to the debate, it is obvious that no one is calling for the immediate shutdown of the existing nuclear powerplants, for the simple reason that the Nation cannot afford to do so. Such action would surely bring blackouts in certain sections of the country and invite serious economic disruptions.

The debate here today, then, is focused on the future. I submit to my colleagues that just as this Nation is dependent on nuclear energy today, so is the Nation dependent on nuclear energy in the future. To do without additional contributions to our energy supply from nuclear energy will invoke many different tradeoffs.

In a recent report entitled "Questions on the Future of Nuclear Power: Implications and Trade-Offs," GAO analyzed the implications of various nuclear moratorium scenarios on the energy supplies of this Nation. I would like to share with my colleagues some of the principal conclusions of that report.

The GAO found:

> If nuclear growth were to continue its current trends, it could increase U.S. domestic energy supply by the year 2000 by the equivalent of almost 10 million barrels of oil a day over 1978.
>
> If actions are taken to limit or halt the growth of nuclear power, they must be accompanied by actions to severely limit electricity requirements or programs to greatly expand coal supply or other nonnuclear fuels. Otherwise, serious shortfalls of electricity supply are likely to occur in the 1980's.

Are we ready to tell the American people that they will have to stand in line for electricity as well as gasoline in the future? I do not think Americans are willing to accept that situation.

The GAO report indicates that:

> To replace lost petroleum and natural gas generated electricity, the existing technologies would have to increase their output up to 44 percent, even if there were no growth in electricity demand.
>
> Under very optimistic circumstances hydroelectric and geothermal capacity might replace about one-half of lost petroleum and natural gas generated electricity. Almost all the remaining lost electricity and future electricity growth would have to be generated by coal and nuclear powerplants.

Coal has great growth potential, but it is also expected to be used for coal gasification, coal liquefactions, and direct burn in industry. Current Government policy is directed towards mandating significant increases in coal consumpton in the industrial sector. This would mean serious competition for the electricity sector in its attempts to obtain coal. To the extent that coal could not meet all these demands, nuclear power is the only developed domestic energy source that could be called upon to provide the needed large increases in electricity production.

I am aware that the recent incident at Three Mile Island raised questions about the safety of nuclear generating plants. Nevertheless, on the basis of our experience and the certain need for more energy, need for more energy in the future, I am convinced that we must continue to build and operate nuclear powerplants—and without further delays. There is no other practical alternative.

Nuclear power is an irreplaceable part of our national energy supply. Last year. nuclear plants provided about 13 percent of this Nation's electrical energy. There are 72 completed operating nuclear units and 92 more under construction in this country.

If we are to have the energy for jobs and the other needs of our society, including health, national security and general welfare, it is absolutely essential that nuclear technology be a part of our national energy supply throughout the foreseeable future.

Our national policy is to reduce dependence on oil and natural gas for generating electricity. While coal is our most plentiful domestic fossil fuel, coal alone cannot be counted on to shoulder the responsibility of our expanding energy needs. Environmental restraints limit our ability to mine it. Transportation systems are inadequate to move all of it from mines to generating plants. Even when it can be delivered to the plant, there are often more environmental regulations that prevent it from being burned there. The availability of labor for coal mining is limited. Even with our best national effort, there are serious limits to the rate at which use of coal can be expanded.

While our Nation is making a considerable investment in developing other sources of energy such as solar and fusion, the fact remains that the nuclear and coal options offer the only alternatives to the use of oil that are currently available.

Mr. President, I strongly urge my colleagues to reject these self-defeating efforts to delay the construction of the additional nuclear plants we will need to build and operate if we are to survive and prosper as a nation.

● Mr. TSONGAS. Mr. President, I support the amendment offered by my senior colleague from Massachusetts (Mr. KENNEDY).

As my colleagues on the Senate Energy Committee know, I am not among the opponents of nuclear power. As a member of the Energy Committee and the House Interior Committee before it, I have supported the development of nuclear power as a necessary energy alternative, at least for the rest of this century.

Mr. President, it is my firm belief that the nuclear option remains viable only so long as the people of our Nation can have confidence in the ability of the Nuclear Regulatory Commission to assure the safety of commercial nuclear plants. The events of the recent accident at Three Mile Island have deeply and profoundly shaken that confidence and I believe with good reason.

This amendment represent a wise step. There are a number of investigations currently being conducted within the Congress, in the NRC itself, and by the special commission appointed by the President. Until the reports on these investigations are available for analysis, it would simply be imprudent to authorize additional nuclear plant construction permits.

A repetition of the type of serious accident which occurred at Three Mile Island would in my judgment, doom the nuclear industry in this country. I believe that that outcome, at this time, would be unfortunate.

The current gasoline shortages, the coming difficulties with home heating oil, and the long-term energy crisis which we face apply special pressures to the members of this body. These circumstances create the temptation to overlook our concerns about various energy options in the rush to ease the supply problems. With respect to nuclear power, more so than any other technology, because of its complexity, its potential dangers, and the special sensitivities of the public, we cannot bow to that temptation.

In the long run, we do ourselves much graver harm by our failure to do everything that we can to assure the public safety and the public confidence. Nuclear power will be with us for some time, of that I am sure. This amendment offers us the opportunity to proceed in the most prudent and responsible fashion to assure its safety and to rebuild public confidence to the extent that it is warranted by the results of pending investigations.

I urge my colleagues to support Senator KENNEDY's amendment.

Mr. SIMPSON. Mr. President, in summary, let me relate that the point has not been missed by the opponents of this amendment. I am reminded of the phrase "keep your eye on the rabbit."

We have density regulations under existing laws. It came out in the debate yesterday as if we did not. We do. Regulatory guide 4.7 specifically refers to density requirements and 10 Code of Federal Regulations part 100 also refers to density provisions with regard to nuclear siting.

I cannot quite understand how it can be said that we have nothing and we are now coming to an issue where safety is paramount.

I had hoped that we would not get into the comments with regard to meltdown and class 9 dysfunctions because I think the emotionalism of those issues sometimes leads us astray.

Certainly I have deep feelings about the future of nuclear power, and even deeper feelings about the waste product of that industry which we must address. The issue I think is this: Nothing in this moratorium will address safety features that the NRC cannot do right now. There is no question about that.

Senator KENNEDY has been the sponsor for S. 1178 and that is a 2-year moratorium on construction of nuclear plants in America. There is no question about what that does. It is quite clear.

Let me share with Senators this, I think, rather important data. I leave it to them to allocate it in that degree.

Yesterday at a meeting of the NRC all five of the Commissioners agreed that this provision, this amendment, is unjustified on grounds at least of protecting the public health and safety because they have all the machinery that they require at the present time to do this. This was the unanimous decision yesterday morning of the five Commissioners of the NRC.

When we speak and pour that into the debate, I think we want to remember a rather curious figure which at least is verified from the sources that I requested. The upgraded cost figure of what this moratorium will cost the consumers of America is $117.7 million each month, and the curious irony of it is that it takes 10 years to build a nuclear powerplant and we are going to cease the operation of it for fiscal year 1980 and then pick it up in the next 10-year period when during that 10-year period we can take care of every single safety defect that might arise.

Thank you very much.

● Mr. BIDEN. Mr. President, as the Senate debates the Kennedy amendment to S. 562, I rise to speak not only in favor of the amendment, but of a rational and reasonable approach to nuclear power technology as a whole.

I believe two concepts must goven our actions concerning the development of nuclear energy. The first and most important concern must naturally be to guarantee the public's safety. I know no technology that is acceptable or worthwhile if it threatens to harm the people it is intended to serve, and I do not believe there is any wisdom in trading scientific benefits for the threat of danger to the public.

However, we must also remember that nuclear power has established itself as a source of energy which a significant portion of the country has come to depend upon. While the overriding concern must remain public safety, any action beyond a reasonable protection of that safety must also take into account the reality of the situation that we find ourselves in today.

Problems at the Three Mile Island plant have boldly underlined the fact that public safety may be seriously threatened by the operation of nuclear facilities. Events elsewhere have shown that this threat to public safety may not be the result of flaws in individual plants, but instead the result of problems in basic plant design and operation.

We are all aware of the facts surrounding the Three Mile Island accident. Recently, the NRC warned 42 other nuclear powerplants across the country that, during a similar crisis, their water-level gauges could give false readings like those registered in the Harrisburg facility.

One plant so warned was the Salem nuclear facility in southern New Jersey, just across the river from my home State of Delaware. In recent months, the Salem I plant has suffered damage to its grid straps, control rods, fuel assemblies, and backup cooling system. As experience is teaching us, these types of problems are not confined only to Salem I. Similar damage has reportedly been found in the other two plants with designs similar to Salem's that have been inspected.

It is apparent that modifications are necessary in many nuclear plants across the country. And the public's safety could be in serious danger until we learn exactly what needs to be modified.

Mr. President, while I realize the usefulness of nuclear energy in relieving our dependence on foreign oil, reliance on nuclear power cannot weaken our commitment to public safety. My longstanding concern about potential hazards to the public resulting from our use of nuclear technology prompted my questioning of the safety of the Salem plant as early as last year, after I became aware that an NRC inspection team had claimed that serious safety hazards existed there.

In April of this year, aware that the Salem facility would be shutdown for refueling and maintenance. I requested that an onsite inspection of the plant be conducted. The NRC, confronted with a variety of potentially dangerous equipment failures, has argeed to keep the plant off-line until these questions of safety have been resolved. Finally, in June, I met with officials of the NRC to discuss the situation at Salem I and NRC action with regard to the concerns raised by recent events there.

The questions presented us by the problems at Three Mile Island and other plants like Salem are complex, but it is clear that the potential for great danger exists. We must act swiftly in response to this challenge. But we must also act with prudence, keeping in mind the dual edge of the nuclear power issue—the realization of its usefulness as well as its potential threat to society.

The fact of both the danger and the potential of nuclear power is the reason for my support of the amendment offered today by Senator KENNEDY. This amendment, which provides for a 6-month moratorium on the issuance of new construction permits for nuclear plants, provides for the public safety without curtailing existing nuclear options that we have grown to depend upon. The amendment acknowledges the dual-edged nature of the question before us and the importance of the answers we must find.

Mr. President, an accident gave us a dramatic warning of the hazards of nuclear plants at Harrisburg, but the NRC has given us another warning that should be considered no less dramatic—that plants across this Nation may have similar operating faults. Until we discover whether or not other plants have such design problems, and how they may be corrected, it makes no sense to build new plants using the same designs that have led to problems at Three Mile Island and at Salem I.

At present, no less than four Government groups are studying existing nuclear plants: A Special Presidential Commission, an NRC investigation team, the Senate Nuclear Regulatory Subcommittee, and the House Interior Committee. The nuclear industry and the financial community are also conducting their own investigations. These groups are attempting to answer important questions about the workings of our nuclear industry and the operation of our nuclear powerplants. Until some of these answers have been found, and some conclusions can be drawn, we should not rush to approve construction permits for new plants.

The NRC is also now reviewing their policies regulating the siting of new nuclear plants near large population centers. This amendment before us now requires that new regulations are promulgated after this review is completed, and before any future plants are licensed. The "breathing space" provided by this amendment would allow the NRC's task force presently studying this question to finish its work. The Commission would then be required at the very least to issue an interim rule and apply it to proposed plants before those plants could be licensed.

Opponents of this proposal claim that current NRC siting regulations already keep nuclear plants away from population centers. If so, then at worst, this proposal is innocuous. However, the NRC task force currently investigating this question has emphasized the need for stricter population density and distribution criteria in view of the fact that present regulations, issued in 1962, do not take into account the larger size of new nuclear plants and the potentially larger offsite consequences of a nuclear accident.

This provision of the amendment presently before us merely provides that the NRC study currently underway be completed and implemented before new plants are licensed. It would not impact on existing nuclear facilities in any way. Instead, it merely affects plants licensed after the 6-month period.

Mr. President, the Kennedy amendment comes at a particularly significant point in the history of nuclear technology. We have been dramatically shown that our nuclear powerplants do have flaws. Recent events have replaced the question—"Are they safe?" with the question—"Can they be made safe, and if so, how?" Four Federal groups are attempting to answer this question, but their answers will not come until late this year. The amendment before us now will make it possible for this question to be answered before any new plants are licensed for construction, and before any of our current problems may be duplicated nationwide.

At the same time, this proposal will not adversely affect our energy output. The amendment does not prohibit the operation of existing plants already under construction from going on-line during that time. It merely provides that no proposed facilities be licensed until information from these various studies and commissions is available for our examination.

Recent events have made this issue an emotional one. The Kennedy amendment, providing for a 6-month moratorium on new construction licenses, will allow us to calmly and thoroughly assess the present state of our nuclear technology. This amendment assures us time to address basic questions before we proceed any further along the current course of nuclear power development.

Mr. President, this is not an extreme proposal. At most, the amendment questions whether changes in nuclear technology alone are sufficient. The purpose of this amendment, and its effect, Mr. President, will be entirely reasonable and rational—an assurance that nuclear technology does not harm those it is intended to serve.

I urge my colleagues to join with me today in giving this proposal their full support.●

● Mr. STENNIS. Mr. President, I oppose the pending amendment to S. 562. I believe it takes the wrong approach to our energy problem in general and to our nuclear power program in particular. I believe that nuclear power is, of necessity, an important part of our energy program in the future.

The pending amendment is negative and places further restrictions on the program. While I believe that the safety of the public is and must be a paramount consideration, I do not believe that the nuclear program should be weighted down by restrictions which can only delay the program.

I am convinced that we need and must have a positive affirmative approach that will fully protect the public safety but at the same time will provide for an orderly and expeditious program.●

● Mr. LEVIN. Mr. President, I rise in support of this amendment to place a 6-month moratorium on the granting of new construction permits for nuclear powerplants. I do so for a variety of reasons.

First, I believe the nuclear path is problematic at best and potentially fatal at worst. The problems have been apparent for some time: Our inability to determine if there is any safe way to store nuclear waste; our uncertainty about the long-term effects of permissible exposure to low-level ionizing radiation; uncertainty about the comparative cost of nuclear power and the absolute availability of nuclear fuel. But to those well-known problems have been added a host of new concerns: The increasing threat of sabotage which has been realized for the first time at the Surry Plant in Virginia; the failure of plants to conform to design specifications, manifested most dramatically with the NRC's closing of five plants along the eastern seaboard; and finally the realization that nuclear powerplants can fail, as evidenced just this year at Three Mile Island.

There is no doubt that the Three Mile Island accident has been a catalyst for the protests which have been voiced about nuclear power, but many of us became concerned before that event and have concerns which transcend it. What Three Mile Island accomplished was to call attention to those concerns—to give us dramatic evidence of their legitimacy—and to force us to pause and reflect before we become so deeply committed to nuclear power that there is no alternative but expansion of that energy form.

We are not yet at that point. And that leads me to the second point I would make: While we are now reliant on nuclear power, we are not yet committed to it. This amendment does nothing to alter our current supply situation—it does not prevent any plant from continuing to produce, it does not preclude any plant from beginning to produce. All it does is say that for 6 months no new plants will be started. We can use those 6 months productively to study our energy situation and to digest the reports of the various investigations of the Three Mile Island incident which are due within that time period.

The final point I would like to stress is a simple one: This amendment is not, in my mind, a vote on the future of nuclear power in this Nation. Instead I believe that adoption of this amendment is a vote for time to reflect on the role of nuclear energy within the supply strategies which we are considering and will be debating. The question before us is not "What course of action we ought to follow in the future"—rather the question is "Should we reflect before we pursue the present course of action?" I believe the answer to that question is obvious and I urge my colleagues to adopt the amendment before us.●

The PRESIDING OFFICER. All time has expired.

The hour of 10:15 a.m. having arrived, the question is on agreeing to the amendment of the Senator from Colorado. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. EAGLETON) and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I further announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Montana (Mr. BAUCUS), the Senator from Louisiana (Mr. LONG), and the Senator from Arkansas (Mr. PRYOR) are absent on official business.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. WALLOP) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 35, nays 57, as follows:

[Rollcall Vote No. 174 Leg.]

YEAS—35

Bayh
Biden
Boschwitz
Bradley
Bumpers
Chafee
Cohen
Cranston
Culver
DeConcini
Durenberger
Durkin
Ford
Gravel
Hart
Hatfield
Heinz
Kennedy
Leahy
Levin
Matsunaga
McGovern
Melcher
Metzenbaum
Muskie
Nelson
Pell
Percy
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Schweiker
Williams

NAYS—57

Armstrong
Bellmon
Bentsen
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Danforth
Dole
Domenici
Exon
Garn
Glenn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
Magnuson
Mathias
McClure
Morgan
Moynihan
Nunn
Packwood
Pressler
Roth
Sasser
Schmitt
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Warner
Weicker
Young
Zorinsky

NOT VOTING—8

Baker
Baucus
Boren
Eagleton
Long
Pryor
Tsongas
Wallop

So the amendment (No. 335) was rejected.

Mr. SIMPSON. I move to reconsider the vote by which the amendment was rejected.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 334

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the amendment by the Senator from South Dakota (Mr. McGOVERN). Fifteen minutes remain on this amendment, 8 minutes to the Senator from South Dakota, and 7 minutes to the Senator from Colorado.

The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from South Dakota (Mr. McGOVERN) proposes an amendment numbered 334:
>
> On page 19, insert the following after line 16:
>
> Sec. 208. Chapter 19 of the Atomic Energy Act of 1954 is amended by inserting the following new section after section 241:

The PRESIDING OFFICER. Without objection, further reading of the amendment is dispensed with and the Senator from Colorado is recognized.

The amendment is as follows:

> On page 19, insert the following after line 16:

SEC. 208. Chapter 19 of the Atomic Energy Act of 1954 is amended by inserting the following new section after section 241:

"SEC. 242. Notice to States With Regard to Disposal of Nuclear Waste—

"a. Except as may otherwise be provided, the Chairman shall notify (and publish such notice in the Federal Register) the Governor, the presiding officers of the various chambers, where applicable, of a State legislature, and where applicable, the Tribal Council of any affected Indian tribe, of its intent to explore a site in such State, or within an Indian reservation, for the purpose of establishing, evaluating, or contracting for construction of facilities intended for the storage or disposal of radioactive materials.

"b. Except as may otherwise be provided, the Chairman shall, after making the notification required by subsection a., and upon the request of the Governor of an affected State or an affected Tribal Council, establish a Federal and State Radioactive Materials Management Commission (hereinafter in this section referred to as the 'Commission') for the purpose of achieving, in an expeditious manner, substantial concurrence between the State, the affected Indian tribe, and the Department of Energy for each proposal made by the Department of Energy regarding site selection, evaluation, contracting, or construction of facilities intended for the management and storage of radioactive materials including high-level defense waste, spent fuel reactor assemblies, transuranic materials and other mid- and high-level radioactive materials.

"c. The membership and procedures of the Commission shall be determined by the Secretary of Energy and the affected State provided that representatives of any affected Tribal Council or affected local governments are included in the Commission.

"d. (1) No Federal agency or its representative shall proceed with exploration for, siting, or construction of a facility for the geologic storage or disposal including test disposal, of high level radioactive wastes, non-high level radioactive wastes including transuranium contaminated wastes, or irradiated nuclear reactor fuel, until such agency has been notified by the Governor of such State that the affected State has determined that concurrence has been achieved.

"(2) Any affected State may by joint or concurrent resolution, or by law, or in those States with a unicameral legislature, by single resolution, or by any other powers subject to each State's constitution, in accordance with the procedures of consultation and concurrence established in the or disposal of radioactive materials may be sited or construction within that State.

"e. The provisions of this section shall not apply to any affected State that is pursuing a consultation and concurrence process that has been approved by the Secretary of Energy prior to the date of enactment of this section.".

UP AMENDMENT NO. 360

Mr. HART. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator is correct, the Senate is not in order. The Senate will be in order.

The Senator from Colorado is recognized.

Mr. HART. Mr. President, if I may have the attention of the Senator from South Dakota, the Senate just voted on an amendment offered by the Senator from Colorado and the Senator from Massachusetts which provided a moratorium of 6 months on the issuance of new construction permits.

I ask unanimous consent that it be in order to offer a portion of that amendment at this time, with a 10-minute time agreement equally divided, and I do not think we will need to use the entire time. It would put off by about 5 or 6 or 7 minutes the amendment of the Senator from South Dakota.

What this is, Mr. President——

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, reserving the right to object, I would like to know what it is.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART) proposes an unprinted amendment numbered 360.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, insert after line 19 the following:

(a) As soon as practicable, but not later than 180 days after enactment of this section, the Commission shall by rule, after notice and opportunity for hearing in accordance with section 553 of Title 5 of the United States Code, promulgate demographic requirements for the siting of utilization facilities in connection with construction permit review under Section 185 of the Act. Such requirements shall provide for review of construction permit applications pursuant to section 185 of the Act and shall specify to the maximum extent practicable the following:

(A) the extent and maximum population density of the low population zone immediately surrounding the site, including consideration of permissible radiation exposure;

(B) acceptable means of assuring such maximum population density is not exceeded during the useful life of the facility;

(C) the minimum distance from the site to the nearest boundary of any densely populated area; and

(D) the minimum fission-product release into the containment structure assumed for dose calculation.

In the promulgation required hereunder, the Commission shall specifically consider the possibility of multiple-unit siting and the feasibility of evacuation in case of an extraordinary nuclear occurrence, or an event or sequence of events which significantly increase the likelihood thereof.

(b) Any person may bring a proceeding in the United States District Court for the District of Columbia to require the Commission to promulgate the rule required in subsection (b) of this section if the Commission has not promulgated such rule within the time period provided by subsection (a) of this section.

Mr. HART. Mr. President, may I explain what the amendment is in the unanimous-consent request, so that Senators may know what this is?

This is a portion of the amendment just voted on. It strikes the moratorium provision, but requires the commission to promulgate rules or guidelines within 180 days taking into consideration population density factors.

It contains no moratorium on construction permits or licenses. I have discussed it with the Senator from Wyoming, and he is agreeable to this amendment.

Mr. THURMOND. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the amendment? The Chair hearing none, the Senator from Colorado may proceed, with a 10-minute time limitation.

Mr. HART. Mr. President, it will just take about 2 minutes. We have debated this amendment. This is half of the amendment we just voted on. The portion of the amendment which required a 6-month moratorium on the issuance of new construction permits is deleted, and this amendment merely requires that within 180 days the Nuclear Regulatory Commission promulgate rules and regulations that take into consideration about four or five population density factors.

I have discussed the amendment with the Senator from Wyoming, and I believe it is agreeable to him.

Mr. SIMPSON. Mr. President, let the RECORD show that I will cosponsor that amendment.

I think what the amendment provides is simply what the NRC is now doing, and that is the development of siting regulations with specific population density requirements. Instead of having them in the guidelines and documents, they will now be included in the regulations.

I certainly support the amendment.

Mr. HART. Mr. President, I yield to the Senator from New York.

Mr. MOYNIHAN. I thank my distinguished colleague. As a member of the committee which he chairs, I ask to be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I would like to add to the point made by the Senator from Wyoming, which is that the Senate, in instructing the Nuclear Regulatory Commission to do this, is not imposing our will on a reluctant Commission or one which is unaware of this question. The Commissioners, as the chairman knows from the hearings we held, are fully cognizant of this issue, and are active in exactly the way we hope they will be; and I would not want this proposal to suggest that there should be even a scintilla of a vote of no confidence in this commission. They are perfectly aware of the problem, and they are dealing with it as best it can be done. We have only that device for doing it. I think the chairman of our subcommittee feels that, though I would like to hear what he says.

Mr. HART. Mr. President, the Senator from New York is essentially correct. The Nuclear Regulatory Commission and the Atomic Energy Commission have had, since 1962, interim guidelines with respect to population density.

There is now underway, and partly facilitated, I believe, by recent events, a task force that is reviewing the entire siting criteria, all the criteria. But what we want to do is formalize that, to provide some impetus to it and establish as public policy that we want them to take these factors into consideration.

Mr. MOYNIHAN. I thank the Senator from Colorado, my good friend, for saying that. Let me also acknowledge that it is probably the case that there are nuclear facilities in my own State of New York which were located in areas of such density that would not pass muster today, if the decision were made it would be made differently, but we are learning. I appreciate the Senator's generous statement that the Commission is taking the lead in this and it is certainly not lacking.

Mr. HART. I thank the Senator from New York. I yield to the Senator from Ohio.

Mr. GLENN. Does the Senator have an estimate as to the Nuclear Regulatory Commission's target date for getting these things done? If it is such a complex job, I would not want to see them rushing in for 6 months and give less than a comprehensive study of these data. I would hope the matter could be resolved and guide us for many, many years. Could the Senator give us any idea of what the NRC view of this is as far as time is concerned?

Mr. HART. The Senator's concern is well founded. We have had a great deal of contact with the NRC and its staff. The task force, which has the responsibility for providing a proposal in this regard, will report to the Commission in 1 month. That will give the Commission 5 months thereafter to deliberate, consider—remand, if necessary—and revise. It is our understanding that this time is more than adequate for the Commission to consider these guidelines.

Mr. GLENN. I thank the Senator.

Mr. HART. Mr. President, I am prepared to yield back the remainder of my time.

Mr. SIMPSON. Mr. President, I have just one remark. For those on the other side of the issue, the same approach is taken here as in the State emergency plan amendment. These are minimum standards. In response to Senator MOYNIHAN, I think they will be reasonably assured. There has been no valid objection from the NRC, and the NRC had an opportunity to look at all amendments included in this debate. I wanted to calm his concern on that.

● Mr. RANDOLPH. Mr. President, I want to address the revision of siting regulations required by the pending Hart amendment. In light of the crucial importance of reactor location in the event of an accident necessitating evacuation, it is inexcusable that 17 years have passed since siting requirements for nuclear powerplants were last revised. The Three Mile Island facility itself was constructed immediately adjacent to such densely populated areas as Harrisburg, Pa.

For these reasons, this amendment directs the Nuclear Regulatory Commission to review and improve the demographic requirements of the siting regulations. At present, these requirements are little more than an enumeration of factors to be considered on a case-by-case basis. This is plainly unsatisfactory.

With 17 years of experience with construction permit review and operating experience, the Commission should now be able to identify with greater precision the demographic characteristics of an acceptable reactor site. In fact, a task force now readying a report for action by the Nuclear Regulatory Commission on the siting issue recommends a quantification approach which would spell out the maximum population density in standard zones surrounding reactors and means to assure that density is not exceeded. Equally important the task force recommends that designed safety features should in no way modify the applicability of siting requirements to a particular facility.

I submit, Mr. President, that the thrust of these recommendations is deserving of the support the Hart amendment provides them. As we have seen, there is no substitute for hard and fast demographic standards for the siting of nuclear reactors, and designed safety features are no guarantee against radioactive leaks. Let the careful siting of reactors be an additional layer of protection in the basic philosophy of defense-in-depth employed by the Commission.●

Mr. HART. I yield back the remainder of my time, Mr. President.

Mr. SIMPSON. I yield back the remainder of my time, Mr. President.

Mr. HART. I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMPSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. I wish to thank the Senator from South Dakota and other Senators for permitting us to insert this amendment at this time.

AMENDMENT NO. 334

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Dakota (Mr. McGOVERN). Fifteen minutes remain on the amendment, 8 minutes to the Senator from South Dakota and 7 minutes to the Senator from Colorado.

Mr. HART. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from South Dakota.

Mr. McGOVERN. Mr. President, this amendment, as I believe Senators know, is a proposal that we have been considering in various forms for the last 2 years. It has to do with a procedure under which each State would be assured that they are going to be consulted and that their concurrence will be sought before that State is designated for a nuclear waste disposal facility.

When the proposal was originally made 2 years ago, there were some States which objected to it on the ground that they did not necessarily want a veto power but they did want to at least be consulted.

This measure assures them that they are going to have that right to be consulted. It assures them that if concurrence cannot be achieved, they have the right in the last analysis to reject the location of a nuclear waste disposal facility.

It is a proposal that I think is long overdue and one that I hope the Senate will now see fit to adopt.

I want to yield 3 minutes of the time of the proponents of the measure to the distinguished chairman of the Committee on Environment and Public Works, Senator RANDOLPH, of West Virginia.

Mr. RANDOLPH. Mr. President, I ask unanimous consent, prior to my remarks, that Pete Rosenberg be granted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, I am against the tabling motion which I understand will be made in reference to the McGovern amendment.

Yesterday I offered legislation, S. 1521, which represents a comprehensive approach to waste regulation. I hope Members will have the opportunity to read the explanation of this bill printed in the RECORD at 18714 and 18715.

In connection with the pending amendment, I would like to quote from the explanatory statement accompanying S. 1521:

> Second, this measure for the first time provides a meaningful State role in the decision-making processes on locating a storage or disposal facility within its borders. Before a construction permit or operating license for a facility could take effect, the State would have 90 days to approve or disapprove. This right could be exercised by the governor or by whatever procedure the State legislature has provided. The same compelling logic which supports vesting the States with this substantive right supports allowing the State to define the procedure for its exercise.

The Senator from South Dakota may cosponsor S. 1521 if he so desires. Again I say that I am in complete agreement with the Senator on the subject of State concurrence. I hope the motion to table his amendment will prove unsuccessful.

Mr. President, I also want to clarify the role of the Federal Emergency Management Agency in the promulgation of requirements for State emergency response plans. While the Nuclear Regulatory Commission is responsible for the promulgation, section 202 provides for consultation with FEMA.

Under a recent reorganization plan this consolidated agency is charged with interagency coordination of disaster preparedness. Pursuant to this responsibility FEMA maintains strong links with State and local civil defense and emergency preparedness officials.

Further, personnel of this agency have both experience and expertise in radiological response planning. The Nuclear Regulatory Commission, by contrast, has fewer resources in this area, and can readily utilize involvement by FEMA in State emergency planning activities.

The promulgation of requirements required by section is therefore made subject to the overall interagency coordination for which FEMA is responsible. In the conduct of its consultative role, FEMA will not only elicit the views of other Federal agencies, but also those of State and local officials. The views of these latter officials will enable the Nuclear Regulatory Commission to formulate requirements of State plans in coordination with other State and local emergency planning.

Mr. McGOVERN. I thank the Senator from West Virginia for his remarks. I do want to be listed as a cosponsor of his measure (S. 1521) because we are after the same goal, which is to give the States a voice in determining the siting of these waste disposal facilities.

Mr. LEAHY. Mr. President, I would like to voice my support for the amendment offered by Senator McGovern which requires the Federal Government to notify a State when a nuclear waste facility is planned for that State. The State will then have the opportunity to confer with the Department of Energy on the technical, environmental, and health concerns generated by the siting of a waste facility. The objective of this consultation process is to achieve concurrence on all issues and to provide the States the ability to reject any planned site.

In the aftermath of Three Mile Island, many Vermonters harbor serious doubts about the safety of nuclear reactors. They are even more concerned about nuclear waste disposal. The operating nuclear powerplants in this country generate almost 70 million gallons of high-level radioactive waste a year. In addition, existing military radioactive waste alone is more than 200 million gallons. The number of waste disposal facilities are far inadequate to handle the amount of wastes generated in this country. While onsite waste disposal facilities are rapidly filling up, the technology to safely dispose of all radioactive wastes is not readily available.

The problem is pressing and the public's concern is immediate. We cannot shut down all our nuclear plants until a solution is at hand, but we must resolve the question carefully and methodically to avoid rash actions which might result in untold environmental and health hazards.

Over 40 towns in Vermont in a series of town meetings have approved resolutions banning the construction of waste disposal sites and additional nuclear facilities and prohibiting the transportation of nuclear wastes within their boundaries. The Vermont General Assembly has also enacted legislation that would prohibit construction of a facility for the disposal, storage or reprocessing of spent nuclear fuel without its approval.

Several other States have also enacted or are considering similar legislation. Recently the State supreme court of California ruled the State's law prohibiting the siting of any spent fuel facility was invalid under the doctrine of Federal preemption.

Although the Secretary of Energy has stated that the Department will respect the wishes of individual States, the Government Accounting Office in a recent report stated that specific congressional action was necessary for the State's policies to be recognized as valid.

Vermont has a nuclear plant. It should take care of, if not all, at least a portion of the wastes generated by Vermont Yankee, as any State should accept some of the spent fuel from plants in that State. But no State should become the Nation's dumping ground without prior notification, consultation and approval.

Before we can even debate the questionable need for expanding our nuclear program, we must resolve the nuclear waste disposal questions. Before we even approach a final decision on any site, we must allow the States the chance to voice and resolve their concerns.

This amendment will provide that opportunity and I urge its adoption.

Mr. McGOVERN. I yield now, Mr. President, 2 minutes to the distinguished Senator from Mississippi (Mr. Cochran), who is a cosponsor of my amendment.

Mr. COCHRAN. I thank the Senator for yielding.

Mr. President, again, I commend the Senator from South Dakota for coming to grips with the hard job of trying to define in an amendment to this bill the appropriate level of the States in making a decision about the storage of nuclear waste. This is a very difficult problem to come to terms with.

As has been stated, there have been many proposals. I think this is the best one. I introduced a bill when I was in the House of Representatives that would get at this problem and have introduced another in this body.

I am joining in support of this amendment, Mr. President, and urge my colleagues to take a very careful look at it. I think it does the best job I have seen so far of appropriately defining what the States' responsibilities are and what their prerogatives are in trying to make appropriate decisions on storage of nuclear waste. It retains the power of the Federal Government as well.

We just do not have a clear definition now of what the Nuclear Regulatory Commission or the Department of Energy will do or are doing to involve the States in an effective manner in helping make decisions on nuclear waste storage.

An interagency review group report indicates that this is a societal judgment that has to be made. It cannot just be left up to the scientists. It cannot just be left up to the Federal bureaucrats. We need to involve the people at the local level and give them a direct voice in making these decisions.

I thank the Senator from South Dakota for yielding to me and for offering the amendment.

Mr. HART. Mr. President, I believe we are going to yield most of our time to the Senator from Illinois. I just want to take about 30 seconds to say that there has been a lot of concern in this Chamber on the last day or day and a half about the future of nuclear energy and voting against certain amendments on the grounds that they will shut down nuclear powerplants, and so forth.

I would not yield a step to anyone in the body in my concern for the disposal of nuclear waste, but if there is genuine concern about the future of nuclear power in this country, I think the best way to set that industry back is to vote for this amendment. If we cannot figure out a way to dispose of waste, there is no future for nuclear power. If each State in this Union vetoes the location of the waste in its borders, there will be no solution. I see this amendment—even though I support the intentions of the Senator from South Dakota—as being a very major roadblock in working out the difficult problems of nuclear power in America.

I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I thank my distinguished colleague for yielding to me. Speaking on behalf of a State that is more dependent on nuclear power than any other State in the Union—in all of northern Illinois, more than 50 percent of electricity is generated by nuclear power—and also having conducted hearings in the Committee on Governmental Affairs on this issue, I can say without any hesitation that if we do not soon solve the problem of permanent nuclear waste disposal, it will seriously impede the development of the whole nuclear industry.

This refers to waste developed by the military as well as commercial sources. Most of the waste is now military, but commercial wastes are increasing rapidly. By the end of the century, it will be about 50–50 military and commercial.

I commend the distinguished Senator from South Dakota (Mr. McGovern) for very carefully thinking through and establishing a procedure in his amendment which would clarify once and for all that this is such an important matter that local, State, and Federal officials must work together. There must be full consultation.

We cannot have the Federal Government coming in and saying, "We have decided in our infinite wisdom that you are going to be the depository for nuclear waste"—"you" being a State that might be unsuspecting of it.

I know what happened when we discovered that the nuclear wastes from Three Mile Island were being trucked through the State of Illinois, and State officials were not even notified. They were aghast. They did not know that it was coming in and there was no procedure for establishing that the transportation plans would be safe.

I know then how high emotions run in a State on an issue like this. Certainly, we want to guard against a State being taken by surprise, and Senator McGovern has properly addressed himself to that question.

The reason that I will, when all debate has been completed, move to table the McGovern amendment and urge my colleagues to table it is simply that we cannot allow this problem to go unresolved much longer. There must be a way to determine where the best permanent repository is. Scientific evidence must be brought to bear on the problem and we must find a consensus and determine where the repository should go, but only after full consultation with the affected States.

Senator GLENN and I feel, as we expressed in the bill that we introduced last March, that there should be that full consultation and that the executive branch of Government, alone, should not force a State to take nuclear waste on a permanent basis. If there is resistance to it by the State and, for good reason, they feel it should not be deposited in their State, then the issue should come back to Congress, and only then, by congressional judgment, should there be a national decision. The decision should not be made only by the executive branch of Government. Senator GLENN and I have built that protection into our legislation—the chance for every Senator to come to his own colleagues right here and argue his particular case.

The fact is that we know now how political this issue can become—all of us who have talked to State attorneys general realize how important this is to them. Attorneys general of all the States have gotten together and decided that they want the right to veto nuclear waste coming into their State. If this comes to pass, then I believe that we would be on a road that could ultimately grind the nuclear industry to a halt. It would also subvert the intent of the Nuclear Nonproliferation Act, which provides in law for the safe disposal of some of the nuclear waste that we do not want scattered around the world. We have to find a safe, permanent repository for those wastes.

If three, four, five, or six States are designated as the most desirable repository sites, and if they, on their unilateral right, could stop the nuclear waste from coming in, then when will we ever resolve this problem? There must be a resolution at some point. We cannot keep passing the buck.

For that reason, if the McGovern amendment is not tabled, then Senator GLENN and I intend to offer another amendment, which provides for the ultimate resolution of this problem by Congress itself. We would however prefer to continue the orderly process of hearings on our proposal. We would prefer to consult with as many of our colleagues, as many of the State Governors as possible—we have already had intimate consultation with many groups involved in this issue, including the nuclear industry as well as others who are interested. We would prefer that orderly process to continue. But if the McGovern amendment is not tabled, then we shall offer our amendment today.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from South Dakota has 1 minute.

Mr. STENNIS. Will the Senator yield me 2 minutes?

The PRESIDING OFFICER. The Senator from Illinois has no time.

Mr. SIMPSON. I have no time remaining, Mr. President.

Mr. STENNIS. Mr. President, I hate to ask unanimous consent, but may I have the attention of the leaders? I came in here, really, feeling I need some time to speak. I ask unanimous consent that I may have 2 minutes in opposition to the amendment.

Mr. McGOVERN. Mr. President, why not propound the unanimous-consent request for 2 additional minutes?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I thank the membership.

Mr. President, I oppose the amendment offered to S. 562 by the distinguished Senator from South Dakota (Mr. MCGOVERN). This amendment would give each State a veto over the siting of a nuclear waste facility within its boundaries. Mr. President, I certainly feel that the State and local officials and the people involved in the community as well, should be thoroughly consulted before any nuclear waste repository is finally located. However, the McGovern amendment would absolutely prohibit the Federal Government from proceeding with any project for storage and deposit of nuclear waste material unless the repository State has determined that all of its objections have been resolved. I agree, Mr. President, that the role of the State and local officials in decisions of this type must be set forth in the law and must also be strengthened. I do not believe that there can be public acceptance of and confidence in the process of locating a nuclear waste disposal facility in the absence of an open decisionmaking process involving State and local government.

However, State participation in this matter of disposal of nuclear waste is an issue that will shortly be considered by three Senate committees, these being the Committee on Environment and Public Works, the Committee on Energy and Natural Resources and the Committee on Governmental Affairs. I understand that each of these committees will be considering comprehensive nuclear waste disposal legislation during the next 3 months. It seems to me that the prudent thing for us to do would be to defer this matter until the committees have acted.

Let me say, Mr. President, that the matter of the disposal of nuclear waste is one of my most serious personal concerns with regard to the use of nuclear energy. I believe that we must face up to this matter but I do not believe that the amendment by the Senator from South Dakota is the proper course for us to follow. It has a negative aspect which can hamper and restrict, and perhaps eventually bring to a halt our entire nuclear program.

I say once again that the public safety must be a matter of paramount concern. The bill on which we are working gives special attention to this problem and I am glad that it does. I hope that the Nuclear Regulatory Commission will take an active and militant part in correcting any defects or safety problems that may have been revealed by the accident at Three Mile Island or otherwise. I will certainly support any steps which contribute to the safety of nuclear powerplants.

However, I believe that nuclear power will play a very important part in the solution of our energy problem. I do not believe that unnecessary restrictions should be placed upon it and I believe that this is what this amendment would do. Consider what the situation would be, for example, if this amendment passed and all 50 States elected to exercise the veto power.

Let me say again, Mr. President, that I believe that we would be unwise to adopt this amendment at this time. This does not mean, however, that I oppose all legislation regarding the participation by State and local officials in the permanent storage and disposal of nuclear waste. However, as I said, this matter is presently being considered by three Senate committees and I believe that we should let these committees complete their deliberations and make their recommendations before acting on the complex and difficult question which the pending amendment presents. There is no need to rush to a judgment in this particular matter since it will be some time before any permanent nuclear waste facility will be established.

Further, this amendment covers waste from plants that produce for both military and domestic uses. Nuclear power is an appreciable and necessary part of our security program. This source of energy for military uses must be protected and enlarged, and the public also protected. This can be done, but this requires hearings and consultation with experts.

Just let me say this, Mr. President: This is a problem in Mississippi, as it is in any other State, except we have an added problem: We have had a scare down there and so forth. But let us be careful that we not put an impediment here to the final decision of what we really are going to do with this waste.

I think, personally, we ought to make a special project out of it, put the whole thing together and send the best scientists, engineers, and everything else we have, after the proposition of nuclear waste, and any bugs that may be in the whole program, like that illustrated in the Pennsylvania paper, because I feel we absolutely must have the benefit of this nuclear-made electricity in our energy program for the future.

This problem must be solved, must be in order to get this necessary energy. I believe it can be done. But let us vote on something that really has the prospect of meaning and finality and a solution, with all respect here to the author and others, rather than increase the problem, probably by delaying it, putting it off, and a negative or an imperfect step, whichever direction it may go.

On the military part, I do not put the military individuals ahead of anyone else, but it is absolutely necessary in our whole concept of our military security to have this nuclear power and the benefits of it.

So this amendment covers both. I plead from both angles, but the last one is an absolute must. We must not be hindered in our program.

I thank the Senator.

Mr. SIMPSON. Mr. President, I yield 2 minutes of my time on the bill, allocated against the bill, to my colleague from Ohio (Mr. GLENN).

Mr. GLENN. I thank the distinguished Senator for his kindness and consideration.

Mr. President, I would like to very briefly state my support for the views expressed by the distinguished Senator from Illinois and associate myself with his remarks.

I believe consideration on the Senate floor of the substance of this amendment—the role to be played by the States in the siting of Federal nuclear waste storage and disposal facilities, is premature at this juncture, because the proposal made by the distinguished Senator from South Dakota has not been to committee and has not been considered adequately as one of the many options before the Senate.

I think the one bill which I have coauthored with Senator PERCY, S. 742, does provide for very strong State voice in the siting of nuclear waste repositories, but still retains the jurisdiction of the Federal Government over matters nuclear.

I think it is very important that we maintain this Federal preeminence.

It was determined a long time ago that there were just not sufficient experts available to all 50 States to take over in this matter. So we retained the right of the Federal Government to govern here.

I have been assured by Senator RIBICOFF of the Governmental Affairs Committee that hearings will be held on our bill at an early time. We can consider the approach of the Senator from South Dakota along with our proposal at that juncture.

I associate myself completely with the remarks of the Senator from Illinois, as he eloquently expressed his views a few moments ago.

I thank the Senator from Wyoming.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. EXON). Who yields time?

The Senator from South Dakota has 3 minutes remaining.

Mr. McGOVERN. Mr. President, as Senators know, on the cosponsorship in the Senate, there are some 18 Senators on both sides of the aisle, with the Senator from Nevada (Mr. LAXALT) being the first cosponsor, but I ask unanimous consent that, in addition to those Senators, the Senator from South Dakota (Mr. PRESSLER), the Senator from New Hampshire (Mr. DURKIN), and the Senator from Montana (Mr. MELCHER), be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, the basic difference between the proposal envisioned in the amendment now pending and the one which Senator PERCY and Senator GLENN are advocating is that they add to the consultation and concurrence of the States in nuclear siting the right of congressional override.

As I understand their proposal, if a State should veto the location of a waste disposal facility, their proposal would permit the Congress to move to override that State's action.

Mr. President, I think we ought to keep in mind that on anything we do here in the Senate or in the Congress, we always have the right to make a changed judgment on that and change the legislation.

What I would appeal for is an opportunity to give this procedure that is now pending an opportunity to work for a couple of years. No one can argue that all 50 States are going to exercise the option of veto.

Let us see what happens. Let us work with the States in seeing if we cannot work out through careful consultation and concurrence this very important matter of locating waste disposal facilities.

The distinguished senior Senator from Mississippi (Mr. STENNIS) said that we cannot afford to be without nuclear energy. This amendment does not preclude that possibility. It simply says that that is not a decision that ought to be made here in Washington alone, that it does involve the concerns of our constituents at home. It involves local participation on the importance of consulting and concurring with the States before a judgment is made.

If the most extreme result should happen over the next couple of years and 50 States were to reject the location of nuclear waste facilities, the Congress would have ample opportunity at that time to review this procedure and to decide whether emergency measures would have to be taken.

But I would urge Members of the Senate to give this formula an opportunity to succeed.

It is argued that it is premature to come in with such a proposal.

Mr. President, we have had this proposal in roughly this form before the Senate for the last 2 years. Scores of hearings have been held in both the House and the Senate on this matter.

If we are, in fact, faced with some urgency about the further——

The PRESIDING OFFICER. The time has expired.

Mr. McGOVERN. We need this State concurrence and consulting procedure. I hope the amendment will be accepted.

Several Senators addressed the Chair.

Mr. SCHMITT. Will the Senator from Wyoming yield 1 minute?

Mr. SIMPSON. Mr. President, I yield 1 minute of my time remaining against the bill to the distinguished Senator from New Mexico.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico.

Mr. SCHMITT. Mr. President, the distinguished Senator from South Dakota has clearly brought this issue again to the Senate, one which I am sure the committee of jurisdiction will treat very carefully, and we have been assured that they will.

New Mexico, of course, has been for several years working on a consulting process with the Federal Government. I think that is the process that must be allowed to work. We must see if a State like New Mexico and the Federal Government can, in fact, come to agreement without any veto being held over anybody's head for the time being.

I would strongly state at this point the thought that we must consider that we may decide there is not nearly as much waste being generated as we think there is because the commercial waste, the waste coming from nuclear powerplants, at this time is probably as much a resource as waste. That issue has not been resolved, will not be for many years. So it is arbitrary to think we are suddenly inundating ourselves with wastes.

The PRESIDING OFFICER. The time has expired.

Mr. SCHMITT. I thank the distinguished Senator from Wyoming for yielding.

● Mr. RIEGLE. Mr. President, I wish to express my strong support for the amendment offered by Senator McGOVERN to S. 562. As a cosponsor of the amendment, I have come to realize that the disposal of nuclear wastes presents the Congress and the Nation with a critical responsibility. In light of the incredibly toxic nature of these wastes, and the length of time that they must be stored. We must find a permanent disposal system which does not jeopardize the environment, but allows us to meet the energy demands of the present. The need to manage waste disposal sites in the most efficient manner requires that the legitimate interests of the people most directly affected be considered.

Presently, the NRC and DOE are under no obligation to consult with or even to notify communities of proposals to construct nuclear waste disposal facilities. The men and women whose homes, workplaces, and very lives are affected by the decisions of Washington bureaucrats have no influence on decisions of this nature.

This amendment would, for the first time, give a formal process of review and consultation to the States before a disposal site was established. No Federal agency could proceed with any project for storage or disposal or radioactive materials unless the State has determined that its objections have been resolved.

Mr. President, I think that it is clear that the various States ought to have the right and the people of the States whose well-being and whose circumstances are most directly affected ought to have the right to participate in siting decisions.

If the Federal Government cannot make a persuasive case in 1 of the 50 States for the establishment of a waste facility, then perhaps we should refrain from further expansion of the nuclear industry. This amendment simply places the burden of guaranteeing the safety and security of these sites on the Federal Government, where the burden should be placed. If it wants to establish a site, it should be in a position to make a compelling argument for that site in terms of safety, public health and national security. I feel that such a process will improve the decisionmaking process on the Federal level and insure that the people in the States will have a voice in determining their safety and the safety of generations to come.●

Mr. PERCY. Mr. President, I move to table the McGovern amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered on the motion to table.

The question is on agreeing to the motion to table the amendment of the Senator from South Dakota. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Missouri (Mr. Eagleton) and the Senator from Massachusetts (Mr. Tsongas) are necessarily absent.

I further announce that the Senator from Montana (Mr. Baucus), the Senator from Oklahoma (Mr. Boren), the Senator from Louisiana (Mr. Long), and the Senator from Arkansas (Mr. Pryor) are absent on official business.

I further announce that, if present and voting, the Senator from Montana (Mr. Baucus) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker) and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Wallop) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote on this motion to table?

The result was announced—yeas 54, nays 38, as follows:

[Rollcall Vote No. 175 Leg.]

YEAS—54

Bellmon
Bentsen
Boschwitz
Bradley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cohen
Culver
Danforth
Dole
Domenici
Durenberger
Exon
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heinz
Helms
Hollings
Humphrey
Jackson
Javits
Johnston
Kassebaum
Lugar
McClure
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pressler
Ribicoff
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevenson
Stone
Talmadge
Thurmond
Tower
Warner
Weicker
Young

NAYS—38

Armstrong
Bayh
Biden
Bumpers
Burdick
Cannon
Cochran
Cranston
DeConcini
Durkin
Ford
Gravel
Hatfield
Heflin
Huddleston
Inouye
Jepsen
Kennedy
Laxalt
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Nelson
Pressler
Proxmire
Randolph
Riegle
Roth
Sarbanes
Stevens
Stewart
Williams
Zorinsky

NOT VOTING—8

Baker
Baucus
Boren
Eagleton
Long
Pryor
Tsongas
Wallop

So the motion to table Mr. McGovern's amendment (No. 334) was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 361

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. CHURCH. Mr. President, I ask that the amendment I have sent to the desk be read.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho (Mr. Church) proposes an unprinted amendment numbered 361:

On page 5, line 14, strike "$185,570,000" and insert in lieu thereof "$210,570,000".

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, this amendment deals with the nuclear regulatory research program which is an area of great importance in the wake of the Three Mile Island nuclear powerplant accident. We must increase our confirmatory research efforts in the reactor safety area to establish more fully the types of failures and off-normal incidences that can occur in our existing light water reactors. We must learn more clearly how LWR powerplants respond under accident conditions and how they can be controlled to regain normal operating conditions or to achieve cold-shutdown without damage to the nuclear core of the reactor. We must simulate more accident conditions on existing facilities, such as the semiscale and loss-of-fluid-test facility in Idaho to establish which failures are most likely to cause problems in managing the reactor systems to maintain proper control. For example, it was because of the exceptional work by the scientists and engineers at the Idaho National Engineering Laboratory that the operators at TMI knew how to deal with specific problems so that cold-shutdown could be achieved without further incident. This real-time problem solving should be a lesson to us that we need to know a great deal more about how to handle problems that can arise in operating a nuclear reactor. Moreover, facilities already exist to perform many of the needed tests so that a commitment to expensive new facilities may not be necessary.

I am proposing to increase the funding for nuclear regulatory research by $25 million for fiscal year 1980 above the budget requested by the Nuclear Regulatory Commission. This 13.5 percent increase will provide a needed shot-in-the-arm for these safety-related research activities at a time when the public confidence in nuclear powerplants is somewhat shaken. We must redouble our efforts to assure the people that we have the requisite knowledge to deal with the unexpected event in the operation of normally safe nuclear reactors.

I certainly do not mean by this amendment to be critical of the Committee on Environment and Public Works for holding the budget level recommended to the Senate to the NRC request. In this era of tight budgets and the need to control Government spending, I strongly agree in the need for strong justification for the use of funds for any program. However, the urgency of the nuclear reactor safety issue in the mind of the American people is so clear that we should aggressively fund the nuclear regulatory research program. For instance, I believe that we must increase the efforts for improving the training and capability of LWR powerplant operators without delay. We must also improve our risk assessment and our predictive ability through advanced computer codes.

Mr. President, I ask unanimous consent that the following table appear in the Record at this point to show the allocation of the $25 million in my proposed amendment among a number of research areas which are either initiated or increased by these additional funds.

The table follows:

	Millions
Modify LOFT to perform small LOCA tests	$1.0
Upgrade Semiscale to study PWR transients	3.0
Upgrade TLTA to study BWR small LOCA and transients	2.0
Modify codes to improve analysis of transient and small LOCA accidents	3.0
Improve risk assessment	3.0
Analyze Thermal-hydraulic and separate effects	1.0
Perform post-accident analysis and recovery	1.5
Characterize plants response under accident conditions	4.5
Analyze cooling problems in severely damaged cores and fission product transport	2.0
Enhance operator training and capability	3.5
Establish NRC Data Bank for performing calculations on each reactor	.5
Total	25.0

For the stated reasons, I am offering this amendment to add $25 million to the NRC budget request to Congress for operating expenses associated with the nuclear regulatory research program.

I have discussed this amendment with the managers of the bill and I understand that they in accepting the amendment reserve the normal privilege of adjusting the numbers in the conference committee to better reflect the judgments of the committees of jurisdiction.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. HART. Mr. President, the Senator from Idaho is correct on both the substance of the amendment and on the attitude of the floor manager, at least on the majority side. We need additional technical and scientific information that relates to what we are beginning to learn as a result of the recent accident.

The funds proposed will go far to achieve those results, and the majority side of the committee agrees with this proposal.

As the Senator from Idaho has indicated, we do, of course, want the understanding with him that in conference with the House these figures are subject to some adjustment depending on items of various kinds.

With that understanding, I would be prepared to accept the amendment.

Mr. CHURCH. I do understand, and I appreciate the support for the amendment by the manager of the bill.

Mr. HART. I yield to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I have been reading the report of the committee and it is difficult for me to add up the figures. What is this going to cost, what is the total?

Mr. HART. Three hundred and seventy-three million, three hundred thousand dollars.

Mr. MAGNUSON. How much is that over last year?

Mr. HART. It is an increase of $41.9 million over last year's budget.

Mr. MAGNUSON. With the $25 million?

Mr. HART. No. There will be, we understand, a supplemental request from NRC for fiscal 1980. It probably will not be available to us until September or October.

One of our questions with regard to this amendment is whether some of these items will be contained in that request. This is almost exactly what the administration's request was.

Mr. MAGNUSON. What does the $373 million consist of, operations of the regulatory jobs that the Commission has to do? Does it include any construction?

Mr. HART. No. The bulk of it is in two categories: First, salaries for the Commission and the staff and second, studies performed by consultants.

Frankly, one of the items we have been looking very hard at is the amount of money that goes into consultant studies.

A lot of the work is contracted out. We looked at it very hard.

Mr. MAGNUSON. You looked at it hard, but you did not reduce it.

Mr. HART. We tried. In fact, we did reduce it, but the increases have to do with events, because of the Three Mile Island accident. We were well on our way to cutting it until that time.

Mr. MAGNUSON. How much was it as a result of the Three Mile Island accident?

Mr. HART. I will do a calculation and let you know.

Mr. MAGNUSON. How much? I know in the Appropriations Committee we had a discussion in the supplemental about the amount of people who will be required, extra people, 75 or something, for the Three Mile Island study, but that was all——

Mr. HART. That was a separate request.

The study we are conducting is a separate item. One of the things, for example, we are accelerating is the so-called onsite inspector program which we have tried to get the Commission to do for the last 2 years. They only have about a third of the reactors of the country staffed with full-time inspectors at them. That does cost additional funds.

Since the accident occurred, we have urged them to accelerate getting a full-time Government inspector at every reactor in the country as quickly as possible.

Mr. MAGNUSON. Well, how much would that be? That would not add up to hundreds of millions of dollars.

Mr. HART. No.

Mr. MAGNUSON. Anyway, I just want to warn you that the Appropriations Committee is going to take a good long look at this.

Mr. HART. I certainly hope so. We took a good long look at it ourselves. I do not think there is very much fat in this budget. As the Senator well knows, there is an increasing public demand for better public regulation of nuclear powerplants.

Mr. MAGNUSON. Yes. I was wondering, it is hard to realize that $100 or $50 million will be taken up by additional staff. But it is consultants that——

Mr. HART. That is right.

Mr. MAGNUSON. How are the consultant jobs parceled out, to private individuals, companies?

Mr. HART. Mostly private companies and Government laboratories.

Mr. MAGNUSON. Such as Battelle, and people like that?

Mr. HART. Yes. But also the Livermore Laboratory, and the other Atomic Energy Laboratory.

Mr. MAGNUSON. All right. I thank the Senator.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. SIMPSON. Mr. President, I would add my comments in connection with the Church amendment. We will find that the amendment is quite in line with the supplemental request the NRC is now preparing. On that basis, and with these further remarks, I join in with Senator HART on the conference committee adjustment, it is, I think, acceptable.

Mr. CHURCH. I thank the Senator very much.

Mr. President, I am prepared to yield back the remainder of my time and I do yield back the remainder of my time. I ask for the adoption of the amendment.

Mr. HART. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, there are only a few more amendments. I wonder if we could agree on a time for the final vote on this measure, say at 3 o'clock p.m. today.

Mr. HART. I am sorry; what time?

Mr. ROBERT C. BYRD. I am suggesting that there be a final vote, up or down on the measure at 3 p.m. today. Obviously it will be finished before then, but there are some Senators who are out of town, who have missed some votes on amendments, and if it would not inconvenience any Senator, it might be we could agree to a time for a vote at 3 o'clock to accommodate those Senators, some of whom represent both sides of the aisle.

Mr. DOMENICI. Mr. President, reserving the right to object, and I will not object, yesterday the Senate was most accommodating to this Senator, to see to it that amendments he was interested in were considered by 2 o'clock, because I must leave before noon today. I understand four or five Senators would miss the vote unless it was held over until 3. I will miss it if it is held over, but I am sure my constituents will understand, and I do not object.

Mr. HART. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. I have not made the request yet.

Mr. HART. I understand. I would hope, once the request is made, that Senators who have indicated they are interested in offering amendments would do so, and that the Senator would include, as a part of that request, the understanding that once such amendments are disposed of no further amendments are in order.

Mr. ROBERT C. BYRD. Yes.

Mr. President, first I thank the Senator from New Mexico for his characteristic consideration of the situation and the position that other Senators are faced in, and his willingness to forgo his vote on final passage. This is a matter of very great interest to his State. I also want to say he can possibly get a pair; I do not think that would be difficult.

Mr. DOMENICI. I thank the Senator.

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that once the amendments have been disposed of that are shown on the list, and the Chair has inquired whether any other Senators have amendments, if there be none, upon the disposition of those amendments the Senate proceed to third reading, that paragraph 3 of rule XII be waived, and that a vote occur at 3 p.m. today, with no further debate on the measure intervening between third reading and the vote.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators.

Mr. HART. Mr. President, I thank the Senator from West Virginia for his cooperation in this matter

UP AMENDMENT NO. 362

Mr. SCHWEIKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) offers an unprinted amendment numbered 362. On page 17, line 20—

Mr. SCHWEIKER. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, line 20, insert the following: before the word "Such":

"In proposing such plan, the Commission shall consider the feasibility of requiring standard mandatory training programs by nuclear facility operators, including classroom study, apprenticeships at the facility, and emergency simulator training.

(b) On page 18, after line 5, insert the following:

"Such plan shall include provision for Commission review and approval of the qualifications of personnel conducting any required training and retraining program, such plan shall include requirements for the renewal of operator licenses including, to the extent practicable, requirements that the operator—

(1) has been actively and extensively engaged in the duties listed in such license,

(2) has discharged such duties safely to the satisfaction of the Commission,

(3) is capable of continuing such duties, and

(4) has participated in a requalification training program.

Such plan shall also include criteria for suspending or revoking operator licenses. The Commission shall also consider the feasibility of requiring such licensed operator to pass a requalification test every six months including:

(1) written questions, and

(2) emergency simulator exams.

Mr. SCHWEIKER. Mr. President, the events which began March 28 at the Three Mile Island nuclear facility in Pennsylvania have prompted a complete reevaluation of our nuclear regulatory structure. Consequently, S. 562, the Nuclear Regulatory Commission authorization bill, is the focus of public concern that Congress give prompt, effective attention to nuclear safety measures.

This amendment is intended to fortify the process of revamping our nuclear regulatory structure governing the training, retraining, and licensing of nuclear plant personnel. It is designed to complement ongoing investigations of the Three Mile Island accident.

In the aftermath of Three Mile Island there has been considerable comment about the role which operator error may have played in the accident. These discussions should not overlook the root cause of any operator errors—inadequate training. For example, as near as we can determine to date, the men in the control room at Three Mile Island responded as they were trained. But, their training had not prepared them for the conditions which confronted them.

Unfortunately, this was also an instance where NRC possessed information which, had it been made available to the operators, may have enabled them to reduce the severity of the accident. A central training and licensing authority which could incorporate vital safety information into ongoing training and requalification programs could have contributed to avoiding inadvertent operator errors which aggravated the situation at Three Mile Island.

An important objective of this bill should be to place effective control of the licensing and training of nuclear plant personnel in the hands of the revamped, revitalized NRC which will emerge as the result of S. 562 and other legislation. It should have three important results:

First. Ending the current system in which widely varying training programs are carried out by the utilities and are subject to little more than a paper review by the NRC.

Second. Where appropriate, greater NRC control over training programs would foster standardization of training programs and uniform licensing qualifications.

Third. We should also provide assurance that all key nuclear plant personnel would be subject to rigorous requalification procedures with proper emphasis on the development of emergency response skills.

In addition, this bill, as amended, will give the NRC a mandate to carry out a thorough reevaluation of all aspects of its operator training and licensing program and allow it to implement desirable changes rapidly. A General Accounting Office report initiated at my request and released May 18 identified some 29 areas in NRC's existing operator licensing programs which, in GAO's opinion, required complete reevaluation. This bill, as amended, would mandate NRC's consideration of issues such as establishing minimum eligibility requirements for licensed personnel, creating where necessary, new categories of licensed personnel, consideration of more stringent physical and psychological testing of license applicants, stiffening of testing requirements, upgrading of requalification programs, guaranteeing access to simulator training for licensed personnel, establishment of formalized apprenticeship programs, improvements in incident reporting requirements which would make it easier to identify human error and, where feasible, standardizing operating procedures and equipment.

I believe the passage of this bill, as amended, would demonstrate to the public that the lessons to be learned from the most serious accident in the history of the civilian nuclear power program in the United States will not be forgotten. Rather, we will be starting the process which will be required to carry out the overhaul of nuclear plant personnel training and licensing necessary to assure the safety of nuclear plant operations. I welcome the support of my colleagues in this effort.

I might say, Mr. President, that I did modify my amendment to fit into the bill's objective of studying and reporting back on this matter, so that the two would be in harmony; and I hope the managers of the bill are willing to accept my amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. HART. Mr. President, the Senator from Pennsylvania is correct; he kindly revised his amendment to comply with the provisions already in our bill.

One of the things that we have begun to focus on in our committee and in our investigation of the accident at Three Mile Island is the question of the adequacy of operator training, and it is an area that we have already begun to learn a great deal about. The proposal suggested here by the Senator from Pennsylvania, I think, is a good one. It does bring us forward in the area of understanding the role of operators and the training that they receive, and, with the modifications the Senator from Pennsylvania has made, for the majority side of the committee I am prepared to accept the amendment.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I wish to join in the acceptance of the amendment; and to Senator SCHWEICKER I must say how much I appreciate the contribution he has made in this important area. His contribution, I believe, will lead to a finer training program through what I suppose we would refer to in my profession as continuing education. Hopefully, that is a goal that will be met. I am particularly pleased to see the qualification requirements of the test, and we certainly concur in the acceptance of the amendment.

Mr. SCHWEIKER. I thank the Senator. Mr. President, I yield back the remainder of my time.

Mr. HART. I yield back the remainder of my time.

Mr. SIMPSON. I yield back the remainder of the time on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. UP-362) of the Senator from Pennsylvania.

The amendment was agreed to.

Mr. HART. Mr. President, I ask unanimous consent that a quorum call be in order with the time being charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 363

Mr. BAYH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. BAYH) proposes an unprinted amendment numbered 363.

Mr. BAYH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 20, insert the following new section:

SEC. 204A. (a) Chapter 14 of the Atomic Energy Act of 1954 is amended by inserting after section 170 the following new section:

"SEC. 170A. Criminal Penalties.—Any person who knowingly violates any safety standards promulgated under this Act relating to the construction or operation of a utilization facility licensed under section 103 or 104b of this Act shall upon conviction, be subject to a fine of not more than $25,000 for each day of violation, or to imprisonment not to exceed two years, or both. If the conviction is for a violation committed after a first conviction of such person under this Act, punishment shall be a fine of not more than $50,000 per day of violation, or imprisonment for not more than two years, or by both.".

(b) The analysis of chapter 14 of the

Atomic Energy Act of 1954 is amended by adding at the end thereof:

"SEC. 170A. Criminal penalties.".

Mr. BAYH. Mr. President, I rise to offer this amendment, frankly, after giving a great deal of thought overnight as to whether I should. I have the greatest respect for the distinguished floor manager of this bill. He is one who has, really, devoted a significant part of his time in the Senate to this issue. It is a comprehensive, complex, very volatile issue, subject to all the temptations, perhaps, without going further into detail, that are associated with that kind of issue. There are all sorts of temptations to demagoguery on a matter that is this critical, not only to the health and safety and lives of the citizens of our country, and the future of our planet, but also, I think, to the future energy needs of our country.

I do not feel that those of us who are not fully aware of all the nuances of this issue, on a day-to-day basis, should get involved here, particularly at the last minute. I have supported and will continue to support the balance and considered judgment that is reflected in the measure that is before us. It is, I think, a good composite of the judgment of the Senator from Colorado and the Senator from Wyoming in the work that they have done and the work of the committee. I rise, at this moment, not to deal with nuances about the development of nuclear energy in this country, or how it should be regulated. I am prepared to respect the judgment of those who have studied this carefully, and I have had my chance to vote on a number of significant amendments on those issues. Instead, I rise now, after a good deal of consideration, to address the question of sanctions. I do so with the knowledge that we have a good record in the Senate on this issue, with the committee itself having given consideration to the sanction question, at great length, in previous years.

When the atomic reorganization bill was passed, in 1974, which established the Nuclear Regulatory Commission, this matter was addressed by the committee. In fact, the bill reported out of the committee and passed by the Senate did extend criminal sanctions to individuals who knowingly violated safety standards. They were dropped in conference because the House conferees did not go along with it.

Also, I call to the attention of my colleagues in the Senate that I am willing to make this kind of effort at this time because we have precedent in other measures. In the RECRA legislation, which deals with toxic chemicals, and hazardous wastes, which are matters of life and death, and in the Clean Air Act, which can be matters of life and death, we invoke criminal penalties for the willfull, knowing violation of the safety standards that are contained therein. I supported those criminal sanctions when it came to knowingly violating standards to protect the public health from toxic substances in our air and water. We have had dramatic evidence of total irresponsibility, subjecting major areas to dangers. I call the Senate's attention to the insecticide that was pumped willfully into the James River, that destroyed not only the fish habitat, but subjected citizens of that area to health damages for no one knows how long. Once you destroy a river like that, it takes ages to rehabilitate. We have the New York canal situation, in which the residents of a community are sitting on top of a sump containing waste that threatens them and their children and future generations that inhabit that area.

In analogous public health situations, we have said, if you do that knowingly, in addition to slapping a fine on you, which can be prorated across the board and paid for by the stockholders, we want you to know that this is serious enough that if you do it, you are going to jail; that this is not just a civil matter, but a criminal matter.

It is similar to a situation where someone takes a gun and goes out and shoots someone; we treat that as a criminal matter. If you pollute the air and pollute the water and you do that seriously, at great risk to the public's health, I think we must treat that as a criminal matter also.

I suggest that these other dangers sort of pale into insignificance beside the damage that can result from the willful, knowing violation of the safety standards crafted in this act and contained in the licenses which govern construction and operation of nuclear facilities.

The amendment would extend criminal penalties to any individual who knowingly and willfully violates NRC safety standards that govern construction or operation of a nuclear facility: $25,000 per day fine for the first violation, 2 years imprisonment, or both; if there is a second violation, it would be $50,000 a day or 2 years, or both. This is consistent with the kind of criminal violations we are willing to impose on those who intentionally violate the public health protections against toxic chemicals and air pollution I mentioned just a moment ago.

It seems to me that it is even more critical that we have these strong constraints placed upon those who, for profit and personal gain, would violate the carefully crafted safety standards that are contained in this act.

I shall not go into this at any great length, because I know we are constrained by time. Of course, the very nature of criminal penalties requires that they be applied prospectively, not retroactively. We can talk about willful violations that may have occurred as a result of the Three Mile Island situation. We can talk about willful violations that may have occurred during construction of a nuclear plant, Marble Hill, in the southern part of my State, which is still being built where the NRC has investigated and found that there were not only safety standards willfully violated in the pouring of concrete, but that some of the powers that be ordered them covered up so that the defects would not be discovered by NRC safety inspectors.

If these had not been discovered, we might have been sitting on top of a time bomb in Madison. These situations are behind us. But I mention them as specific examples, which must not recur.

We do not want to pass a retroactive criminal statute, that would be unconstitutional. But I think the question is, How important is this?

It seems to me it is important enough to extend criminal penalties to those who would knowingly play Russian roulette with the public's safety to save a few dollars. I hope the conferees will do their best to get the House to change its position relative to what the Senate's position was on this issue the last time this matter was considered.

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Colorado.

Mr. HART. Mr. President, the Senator from Indiana raises a very serious question here, but I think it is a very important question, also. I wish to commend him for calling this to the attention of Senators.

The Senator is exactly correct that a variety of other bills relating to the human environment, protection of the public health and safety, contain provisions of this sort.

What the Senator is proposing is not unique. What he is proposing would bring the Atomic Energy Commission Act and its companion legislation into compliance and conformity with other types of legislation of that sort.

The proposal has, I think, both merit and a great deal of attractiveness, particularly with regard to an industry that does bear some risk for the injury to human life and to property.

When dealing with that kind of risk, one wants the utmost caution and prudence and carefulness in the performance of architects and engineers, of design contractors, of construction contractors, and certainly, of operators.

It seems to me that part of that caution and prudence and carefulness should extend to the disclosure, the divulgence, of information to the appropriate Federal officials.

I cannot think of anything, Mr. President, worse than concealing information that might be necessary to protect public health and safety or which may have a bearing on individuals' culpability for placing people in jeopardy.

Because this issue has been raised before in the Senate, albeit several years ago, and because it does parallel similar provisions in similar pieces of legislation, and because of the nature of the industry involved, it seems to me as the manager of the bill and as one Senator that this proposal makes a great deal of sense.

I will not oppose it. I will support it. I am not authorized to speak for the committee, or the majority of the committee, although I am informed informally that the chairman of the committee would support a provision of this source.

So with that, Mr. President, I hope the Senate will go along and adopt this provision.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I reluctantly, but with a good deal of vigor, rise to speak against the amendment.

I hate to use the argument one more time that I, as well as the present occupant of the chair, are new Members of this body, that in this curiously compelling process of the U.S. Senate I find that if something occurs, or has occurred a year ago, or 5 years ago, or 10 years ago, that was done this way and, therefore, this hearing was had, and this information was gained. Yet I do not have the benefit of that background, especially we are talking about criminal penalties.

I think any of us can see, at least those who have been involved in the profession of law such as the proponent of this amendment, my colleague from Indiana, and Senator HART, that the language of this amendment provides criminal prosecution of any person who knowingly violates any safety standard promulgated under this act.

That is so sweeping, so broad. Criminal laws are meant to be precise. They have to be. A man's freedom is at stake. They cannot be vague. Often, when they are vague, they are struck down by the courts.

The Environment and Public Works Committee has never considered this question since I have been a member of the committee. Apparently, it was originally from the Governmental Affairs Committee that handled it, carried it through this body, and then took it to the House where this provision was, apparently, stricken in a conference committee report.

But I can say it is my deep feeling that there is another committee that ought to be involved in this particular amendment and its justification. That is the Judiciary Committee, of which Senator BAYH and I are both members. That is where this issue should go. It should not be here today being considered on a Nuclear Regulatory Commission authorization bill that has to do with budgetary requirements. This is not the place for it.

It is a sweeping change in present provisions. I see that criminal sanctions are now limited to violations of security only. That is present in the law, and now we will open it to safety standards.

In my mind, it should be the subject of serious hearings.

I hope there might be a possible alternative. I do not urge it, but I suggest it, that the amendment might be withdrawn and perhaps introduced as a separate bill, have it considered in hearings, at least those in which I could participate, rather than reading some bone dry report of some hearings that took place a year ago, or 2 years ago, so I can gain in the spirit of combat the reasons why we should or should not have these criminal penalties.

I think that is a more orderly way to address this issue.

In the reference back to the Clean Water Act, I remind this body that the first succesful criminal prosecution under that act occurred this year.

I think it is most unlikely that any U.S. attorney is going to be able to develop a very credible trial case from the language of this, as it pertains to this issue, and that is safety in nuclear plants.

I further remind Senators that the criminal sanctions on toxic waste disposal which were retained by the Environment and Public Works Committee were retained only after evidence that midnight dumping could be cured only by that type of action.

I earnestly request more information, at least for myself, as to what is a "safety standard."

Is it a statute? Is it a regulation? Is it a notification? Is it a technical specification? A guideline? What is it? It has none of those duly made laws in that instance. I would certainly request information as to the evidence needed for this type of penalty. What is the evidence? Where did it occur that this is happening in America?

I call particular attention to the fact that nothing we have learned—and Senator HART and I have been deeply involved in the process since March 28—nothing we have found at Three Mile Island discloses to us any "knowing violation" of a safety standard. There were some hideous malfunctions of personnel and equipment, but no court has established and no evidence has established at this point a knowing violation.

I am fully aware of the feeling of trampling into an area where the good chairman of the committee and Senator BAYH have expressed a common interest; but in trying to clean out the emotional aspects of the amendment, and without tugging at the heartstrings, I would like to know what is its basis. What happens to make it so? Why are we considering it here today, other than those elements?

Mr. HART. Mr. President, I would like to respond briefly to one or two points. I know that the Senator from Indiana would want to respond, also.

I point out to the Senator from Wyoming on the jurisdictional question which he raises, particularly with regard to the interest of the Judiciary Committee, that in a variety of cases, a variety of kinds of legislation relating to clean air, clean water, toxic substances, and solid waste disposal, the Environment and Public Works Committee, almost routinely, incorporates provisions of this sort, to my knowledge, without consultation with the Judiciary Committee or concurrent jurisdiction or hearings or anything of that sort. It is within our committee's jurisdiction. We have exercised that authority in the past and at least in my judgment, we would be entirely within our rights to exercise that judgment with regard to this provision on this bill, unilaterally.

Second, with regard to the number of prosecutions, as the Senator well knows—he is a successful lawyer—quite often the fact that there are not very many successful prosecutions or prosecutions at all is witness to the efficacy of the law itself.

The fact that there is a criminal penalty is obviously a reason or a purpose to dissuade people from venturing into an area that may involve them in prosecution.

It is hoped that provisions of this sort being contained in other laws relating to dumping of toxic substances or knowingly or willfully polluting the atmosphere have had the effect of discouraging people from doing it and, therefore, reduce the occasions on which people might be prosecuted.

So I think in both those connections, the jurisdiction of our committee and the number of prosecutions, it does not go to the merits of this amendment—namely, whether, in the case of the atomic energy industry or the nuclear industry, people who knowingly and willfully violate the law should be subject to criminal penalties, as they are in a variety of other situations which do not have the same degree of risk and danger to public health and safety that this area does.

I think the reason why this legislation was not contained—the Senator from Indiana already has commented on that—is the strong response in the House. There does not seem to be any generic, conceptual, or philosophical reason why a provision of this sort should not be in the atomic energy laws.

Mr. BAYH. Mr. President, in reply to the specific questions asked by the Senator from Wyoming, a good attorney and a legislator, we want to know in which direction we are jumping before we leap.

I would like to address, quickly, what we are trying to do here. The future of nuclear power has been discussed at great length by other colleagues and has been studied very carefully by both the Senator from Wyoming and our subcommittee chairman, the Senator from Colorado. Everything we have done here on the last 2 days will affect the future role of nuclear energy in this country.

I think people are frightened by the Three Mile Island incident. Some people say there should be no role for nuclear energy at all; that we should close down all nuclear powerplants and not have any more new plants licensed, or constructed.

The Senator from Indiana has not assumed that position, because I feel that the economic consequences that would flow from a total rejection of nuclear power would be dire. However, it seems to me that if there is a role for nuclear energy to meet the future power needs of our country, it will be accepted by our people only if they know that nuclear power is as safe as it is humanly possible to make it.

It seems to me that it is in pursuit of that goal that the Senator from Colorado and the Senator from Wyoming have spent many hours, many more hours than the Senator from Indiana has, in studying this matter and crafting words of art to point out the significant areas in which it is important for the Nuclear Regulatory Commission to pay particular attention.

We hope that we all will have learned from the actions that have occurred at Three Mile Island. To be sure, the Senator from Wyoming points out that there have been no violations that have been found by any court. But certainly there have been some activities in the past which would be precluded under safety regulations that are crafted as the result of this legislation.

We do not want to have another Three Mile Island. We want to deal with that in a little different fashion, and we want to anticipate these problems as much as we can. For that reason, this act permits the NRC to promulgate a series of safety standards which are designed to meet the goal I mentioned a moment ago—namely, making it possible for us to generate nuclear power in as safe a manner as it is humanly possible to do.

Mr. President, a parliamentary inquiry. Does the Senator from Indiana have the opportunity to modify his amendment?

The PRESIDING OFFICER. The Senator has that right.

Mr. BAYH. I would like to add "or production" after the word "utilization" on line 3, page 2.

The PRESIDING OFFICER. The amendment is so modified.

Mr. BAYH. So that the amendment I am proposing would read:

> Any person who knowingly—

"Knowingly," I am advised by committee counsel, also incorporates "willfully"—

> Any person who knowingly violates any safety standards promulgated under this act relating to the construction or operation of a utilization or production facility licensed under section 103 or 104(b) of this act shall, upon conviction . . .

And so forth.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

The Senator from Wyoming has 6 minutes remaining.

Mr. BAYH. I must say that I did not have a chance to answer all the questions raised by the Senator from Wyoming. If he wants me to do so, I will be glad to do so, if he will give me 30 seconds.

Mr. SIMPSON. I yield 30 seconds.

Mr. BAYH. I emphasize again that this is the same language, the same effort we have made across the board in other areas. In fact, so far as food and drugs are concerned, you do not even have to be knowing. You can be negligent and have criminal penalties.

It seems to me that we want the people of this country to know that if those running nuclear facilities intentionally, wilfully violate standards designed to protect the public, they will have to suffer something personally, in terms of a fine and a possible jail sentence.

The PRESIDING OFFICER. The Senator's 30 seconds have expired.

Mr. BAYH. I appreciate the courtesy of the Senator from Wyoming.

Mr. SIMPSON. I do not think I will give Senator BAYH any more time. I appreciate his remarks and I hear clearly what he is saying.

However, again I speak in response to the amendment. I think it is much better that this type of sweeping amendment be handled by the Judiciary Committee or at least by the Committee on Environment and Public Works.

I must say that I have been a Senate observer long before I came to the Senate, and I always have been wary—both in my State legislative background and here—of Federal legislation or State legislation that is accompanied by either a related or unrelated horror story of unknown origin or unknown beginning. I can think of several instances of that.

I think of how we got a meat inspection law on our books because someone took pictures of several carcasses hanging in a shop in Wyoming or Montana, or wherever it may have been, and that was enough.

So we geared up the Federal machinery to avoid ever having that kind of horror story happen. It is easy to get involved in those. It is a sweep of emotion, a sweep of what is right, in this situation. And if there were anything that we were perceiving in our investigation of Three Mile Island which was giving signals along the line of a knowing violation of a safety standard at Three Mile Island, we have not yet found that. We have found negligence. Indeed we have. That is a civil matter. We have not found crimes, and I doubt that we will find crimes.

I think the most serious concern I have about this amendment is that really we are making it a crime without violation of the law. We are talking here about violation of a safety standard. Hopefully, those standards of safety would not be as splendiferous as OSHA's. But in any event, we are talking about a safety standard.

I think that is a vagueness which is a crippling type of reason. It is a crippling error in this legislation, because again I am one who reviews the safety standard as being several things. It could be statutes. It could be regulation. It could be notice. It could be the technical specifications. It could be guidelines. Those are the things that to me lead to a real sense of vagueness when we are talking here about a criminal penalty. There is no question about that.

I hope that the amendment will be defeated and that perhaps the amendment will be submitted to the committee, and I can certainly assist in my way as a member of the Judiciary Committee to assure a hearing and at that hearing I would enjoy the opportunity of addressing the issue.

Mr. BAYH. Mr. President, will the Senator yield for a question?

Mr. SIMPSON. I yield for a question.

Mr. BAYH. I ask my good friend, why does he want to make our effort to make our nuclear plants safe, a product of the Judiciary Committee, when that was not the case for the Food and Drug Act, or for RECRA, or for the Clean Air Act? One could go down a list, I say to my friend from Wyoming, as long as one's arm, of statutes that have specific criminal penalties that are inserted when the measure goes through the authorizing committee, not the Judiciary Committee.

Mr. SIMPSON. Mr. President, the reason for that is that those particular laws that the Senator relates to are violations of regulations. They are not violations of safety standards. That is the issue that I am speaking of in this debate.

Mr. BAYH. Would the Senator from Wyoming be more inclined to support my amendment if I changed the word to "regulations" instead of "standards"? I mean, we are after the same thing, it seems to me.

Mr. SIMPSON. Mr. President, I would not want to assist too greatly in the cause on the other side. However, another defect in my mind has just entered the bill, and that was the Senator's revision of it to include production. We now are having safety standards that relate to construction, operation, or production. That leaves a further vagueness to it which I assume can go right back into mills within the West because those are production facilities, in a sense, of the nuclear fuel for its upgrading. Those things add another touch of vagueness to it.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Is time permitted for the Senator from Indiana to further revise his amendment?

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. BAYH. Mr. President, I wish to add on line 2 following "promulgated" the words "by regulation" so we are talking about standards that are promulgated by regulation pursuant to statutory provisions just the same as in the whole array of other laws that are now on the books.

The PRESIDING OFFICER. Debate is not in order but the amendment is so modified.

The modified amendment is as follows:

> On page 9, line 20, insert the following new section:
>
> SEC. 204A. (a) Chapter 14 of the Atomic Energy Act of 1954 is amended by inserting after section 170 the following new section:
>
> "SEC. 170A. CRIMINAL PENALTIES.—Any person who knowingly violates any safety standards promulgated by regulation under this Act relating to the construction or operation of a utilization or production facility licensed under section 103 or 104b of this Act shall upon conviction, be subject to a fine of not more than $25,000 for each day of violation, or to imprisonment not to exceed two years, or both. If the conviction is for a violation committed after a first conviction of such person under this Act, punishment shall be a fine of not more than $50,000 per day of violation, or imprisonment for not more than two years, or by both.".
>
> (b) The analysis of chapter 14 of the Atomic Energy Act of 1954 is amended by adding at the end thereof:
>
> "SEC. 170A. CRIMINAL PENALTIES.".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

(Putting the question.)

Mr. SIMPSON. Just a second, Mr. President, please. A question of procedural inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SIMPSON. If I were to not ask for the yeas and nays on that type of amendment then this assumes, I assume, this small group will have decided the issue; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. SIMPSON. I was handed by the leadership of the other side a request at the moment to ask unanimous consent for rollcall votes after 2 p.m. That diverted me.

I ask unanimous consent that I be permitted to ask for the yeas and nays because of the diversion here which was just presented to me at that moment.

The PRESIDING OFFICER. Until the results are announced, the Senator has a right to ask for the yeas and nays.

Is the Senator requesting the yeas and nays?

Mr. SIMPSON. At this point, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR ROLLCALL VOTES AFTER 2 P.M. TODAY

Mr. SIMPSON. At this point, Mr. President, I ask unanimous consent for rollcall votes to be delayed until after 2 p.m. due to a policy luncheon and other activities.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is laid aside until 2 p.m.

UP AMENDMENT NO. 364

(Purpose: To designate the Federal Emergency Management Agency as lead agency under the National Contingency Plan)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an unprinted amendment numbered 364.

On page 14, line 4, delete "the Commission, which shall be the lead agency, the Federal Emergency Management Agency," and insert in lieu thereof "the Federal Emergency Management Agency, which shall be the lead agency, the Commission,".

Mr. GLENN. Mr. President, I am proposing this amendment to section 204 of this bill, the section which requires the President to prepare a national contingency plan for coordinated Federal action in the area of radiological emergencies. Specifically, I propose that the interagency task force required under this section have as its lead agency the new Federal Emergency Management Agency—FEMA, as it has been called—rather than the NRC. FEMA pulls together in one agency three former organizations: the Civil Defense Agency, the Federal Preparedness Agency, and the Federal Disaster Assistance Administration. Its authority simply encompasses the powers and responsibilities of all three. Its job is to coordinate and oversee Federal efforts to prepare for and respond to disasters and emergencies.

Given that mandate, it seems somehow out of synch for the NRC authorization bill to require the President to develop a National Contingency Plan for Federal coordination in radiological emergencies and then to make NRC rather than FEMA lead agency on the task force that is supposed to carry out the plan. Responding to a radiological emergency is much more like responding to a tornado than it is like licensing a nuclear plant. Realining the task force would not change its membership, nor—and I emphasize this strongly—would it dilute or thwart in any way NRC's status as a fully independent regulatory agency.

It would not preclude them also from being participants in any way, shape or form in performing their expertise functions or functions of expertise during any emergency surrounding a nuclear plant. It would merely allow the Agency whose very purpose is Federal emergency management to fulfill that purpose in the context of radiological emergencies.

I would hope the floor managers of the bill could accept this amendment. I would not need a rollcall vote.

Mr. HART. Mr. President, it is appropriate that the Federal Emergency Management Agency assume the lead role in developing a national contingency program or plan for a civilian nuclear emergency. This Agency has a unique competence in emergency response planning which it can draw upon in guiding the preparation of such a plan and, particularly, it has officials with expertise in radiological emergency response.

Because of this and a variety of other reasons, and because the distinguished chairman of our committee, Senator RANDOLPH, and Senator BURDICK, who has particular subcommittee responsibilities in this area, concur in this alignment of the task force, it is the position of the majority side that the amendment should be accepted.

I thank the Senator from Ohio for bringing it before us.

Mr. SIMPSON. Mr. President, I have a question with regard to the amendment. As I understand the creation of FEMA, it is a creature of executive reorganization and not of legislative deliberation; is that correct?

Mr. GLENN. Yes; that is correct.

Mr. SIMPSON. Under the bill FEMA has a strong consultation role, and we have built a further consultation role in the past day and a half in the various amendments, and I request that, you describe to me a bit more of what its efforts have been in this area—and I am not trying to be a sharpshooter or anything of that nature—but FEMA to me has really shown it is effective only in the area of various flood control aspects.

I would inquire as to wehther you believe it would really perform the functions intended.

Mr. GLENN. I will respond to the excellent question by saying that FEMA was set up to coordinate the functions of the different agencies that are required to be active in several different areas.

As I indicated in my short statement, the Civil Defense Agency, the Federal Preparedness Agency, and the Federal Disaster Assistance Administration are the agencies being coordinated. It just went into effect, I believe, the first of April 1979, so there is not a tremendously long track record on which to draw for actions they have taken. But they could act on things as completely diverse as hurricanes or flooding or a nuclear disaster or a major evacuation of a particular city. That is their mission, which is to be the coordinating agency of the Federal Government, and to make a much more efficient use of Federal resources across the board with the three different agencies.

NRC will be a close consultant obviously if there was any nuclear evacuation needed. But this organization that is set up to handle evacuations and notification of people over a large area would be the organization that would coordinate those activities while NRC's expertise in the nuclear area would certainly not be diminished in any way.

Mr. HART. Mr. President, if the Senator will yield, I would point out to my colleague from Wyoming that it is my understanding that the Federal Emergency Management Agency has approximately 400 individuals on its staff who have some expertise or capability in radiological emergencies, and some of those people, in fact, went to the Three Mile Island plant upon the occasion of that accident. So there is a base, a solid base, of expertise in this area.

Mr. GLENN. That is correct. It was my understanding their area of expertise in evacuation plans, and in which NRC is not expert, was made available to Three Mile Island so that some of the State and local authorities who are having to look into contingency planning involving large numbers of people at that time were assisted.

Mr. SIMPSON. I appreciate that particular information. I am particularly pleased to see that they have some expertise in that area, and that is helpful to me in this debate. I suppose my principal concern was to reflect that the NRC had the lead on developing NRC's contingency plans, and they also have the lead on the State emergency plans, and I felt that, perhaps, they should have the lead in here.

But based upon the elements of experience and expertise in that area, I will concur in the amendment.

Mr. GLENN. I thank the Senator. If there is no further debate, I move the adoption of the amendment, Mr. President.

The PRESIDING OFFICER. Is all time yielded back?

Mr. SIMPSON. I yield back my time.

Mr. HART. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. Mr. President, I ask unanimous consent that it be in order to call for a quorum call with the time not being allocated to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 365

(Purpose: To authorize the President to establish a common economic bond of energy cooperation between the United States, Mexico, and Canada)

Mr. DOLE. Mr. President, I send to the desk an unprinted amendment, for myself and the distinguished Senator from Florida (Mr. STONE), and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and Mr. STONE, proposes an unprinted amendment numbered 365:

On page 19, after line 16, add the following:

SEC. 208. (a) The Congress finds that—

(1) the United States is dependent on foreign oil for one-half of its petroleum energy;

(2) the dependence on foreign crude oil is affecting the balance of payments, weakening the value of the dollar, and exacerbating domestic inflation;

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, after line 16, add the following:

SEC. 208. (a) The Congress finds that—

(1) the United States is dependent on foreign oil for one-half of its petroleum energy;

(2) the dependence on foreign crude oil is adversely affecting the balance of payments, weakening the value of the dollar and exacerbating domestic inflation;

(3) the United States imports most of its petroleum from politically unstable areas of the world and that the instability of supplies for the energy needs of the country is a threat to national security;

(4) the price and production of oil are being artificially controlled by foreign countries making the United States and other nations susceptible to the use of oil as a political weapon;

(5) the current exploration and development of petroleum and the refining and distribution of petroleum products are inadequate to meet the need for fuel in all segments of the country;

(6) the United States and the countries of Mexico and Canada share many of the same problems and concerns regarding the exploration, development, distribution, and refining of their domestic petroleum and other energy resources;

(7) the joint participation in research and development of alternative energy sources would be beneficial for the United States, Mexico, and Canada, because it would reduce the dependence on any single energy source; and

(8) a joint effort by the countries of North America to promote a continental energy policy, would improve diplomatic relations, reduce duplication of energy research and provide favorable marketing conditions among such countries.

(b) It is the sense of the Senate that the President invite the leaders of Mexico and Canada to a summit meeting with the United States to discuss energy issues including the energy needs of the countries, the joint development of energy sources, energy marketing incentives, the balance between energy development and environmental protection and establishing a North American partnership between the countries.

Mr. HART. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. HART. The Senator from Kansas, as I understand it, has been contemplating two amendments. In order that all Senators may understand, which of the amendments is this?

Mr. DOLE. This is the sense of the Senate resolution on cooperation between the United States, Mexico, and Canada.

Mr. HART. I thank the Senator.

Mr. DOLE. Mr. President, we have had, I think, very good statements from the President of the United States on energy yesterday in Kansas City, Mo., and also in responding to questions, in Detroit, and on Sunday evening from the Oval Office in Washington.

Sunday night the President addressed this Nation on our energy crisis. He presented an energy program of positive action, such as cutting the level of imported oil, establishing a solar bank, and increasing conservation measures. However, Mr. President, I believe that a positive energy policy should also take into account our relationship with foreign nations as well as addressing the crisis of confidence which we are now finding across this Nation.

I believe, as I watched the President and read his remarks, and the reactions to the President's remarks, that one area he stressed yesterday in Kansas City on which I agree with him totally is that there should be a positive energy policy which would take into account our relationships with foreign nations as well as addressing the crisis of confidence which we are now finding across this Nation.

We have been lacking a national energy policy for too long now. Lacking this policy, the United States has doubled its energy consumption over the past 25 years and this trend cannot continue, as the President stated last night. Some 80 percent of this increase has come from imported sources. This lack of decisive policy in terms of our energy future has contributed to our current crisis. In our present state of economic and industrial development nothing is more important than adequate energy supplies. We must research and develop alternative energy sources and rid ourselves of the stronghold OPEC has on us. To move from dependence on foreign oil will take some tough steps and it will not be an easy transition.

I think the President made that clear. It seems to me we all know that the dependency of this country on foreign crude supplies has adversely affected our balance of payments and has certainly weakened the value of our currency, and poses a serious threat to our national security. And more signficantly, the governmental barriers that we have placed in the path of domestic resource development has caused our dependence on imports to mushroom over the last few years. All these things are documented; this is nothing I have recently discovered, or anyone else for that matter.

Mr. President, prior to the so-called July 4 recess, under the leadership of the distinguished Senator from New Jersey (Mr. BRADLEY) and the distinguished Senator from Arkansas (Mr. PRYOR), it was suggested in a sense of the Senate resolution that one way of approaching the domestic problem was for the President of the United States to convene this domestic summit. I am not certain that President Carter was ever fully cognizant of the action by the Senate, but in any event, there was in many respects a summit at Camp David. Literally, scores of people were called to the mountaintop to discuss the problems with the President of the United States, and the President left Camp David, apparently, with the "new discovery," at least for some, that we had an energy problem; and that in itself was, I think, worth whatever effort may have been involved.

Mr. President, what I am suggesting here and what I have been suggesting for some time now, is something that the President addressed in Kansas City, and one that might be ripe for another summit. It is a proposal for a meeting with the leaders of Canada and Mexico to discuss what we can do in this hemisphere to reduce Western Hemispheric dependence on foreign crude. The President indicated that we had a good relationship with Mexico, and he indicated that we had a good relationship with Canada. I certainly believe that to be the case. I think our relationship could be improved in terms of our energy interests in his statements to the National Association of County Officials in Kansas City, the President renewed his interest in continuing this cooperative relationship. This amendment, I might add, is offered as an effort to support the President in these efforts, where all of us believe, whether we are Republicans or Democrats or Independents, that there are opportunities.

This venture should not and must not be unilateral. If our energy woes are to be eased we must pursue a joint venture with our two friends and neighbors.

I have previously introduced this measure as Senate Concurrent Resolution 27; however, now with the energy crisis growing in severity day by day, we must take immediate action.

America has always had a tradition of cooperation between our neighboring nations of Canada and Mexico, and now, more than ever before, we should pull together on this important issue of mutual concern.

Mr. President, the nations of Canada, Mexico, and the United States all have abundant energy resources. Oil and gas plus massive deposits of coal, oil shale, and geothermal energies are available in the United States. Mexico is rapidly developing its new oil reserves and Canada has established reserves of oil, gas, and tar sands. In light of this, Mr. President, a comprehensive policy of energy should include close cooperation with these nations. It should be a policy based on mutual respect and trust.

These nations share with us many concerns and interests in the energy field and I believe that the United States should initiate a course of total cooperation with them on energy issues.

Adoption of this amendment will encourage the joint participation in research and development of alternative energy sources thereby reducing dependency on any single energy source and promote not only a national energy policy, reducing duplication of energy research and producing favorable marketing conditions.

The adoption of this amendment would not only indicate to the President the support of the U.S. Senate, but would also be a signal to the leaders of Canada and Mexico that we, in the Congress, are willing to cooperate. Interest has already been expressed by the President, and I believe our friends will be encouraged by some signal from the Senate.

This is not an earthshaking amendment. It does not do anything if the President does not want anything to happen. It is offered in the spirit of cooperation, and in an effort to demonstrate that the energy crisis is a nonpartisan matter—It would indicate to me that with the initiation of such cooperation by President Carter, we might have even a closer relationship with our friends to the North and our friends to the South.

Just as developing alternative sources of energy cannot be the complete answer to our energy problem, neither can any other one policy. We need a national energy policy that will take into account all avenues of relief. What is needed now is for this administration to create a climate conducive to reducing our foreign oil dependency. The cornerstone of this policy must be cooperation. Cooperation among our own citizens and cooperation among those nations that share the burden of foreign oil dependence.

The logic that should direct our course of action must take these factors into consideration; for without cooperation and a sense of common goals no energy policy will advance.

With the initiation of such cooperation by the President, the leaders of Canada and Mexico could begin to combat our energy problems effectively and enhance our diplomatic relationships through such mutual cooperation.

For those reasons, Mr. President, I urge my colleagues to join with me and the Senator from Florida (Mr. STONE) in the passage of this amendment.

● Mr. STONE. Mr. President, I have joined as a cosponsor of Senator DOLE's amendment which calls for an international summit conference of the United States, Mexico, and Canada to discuss energy issues of mutual interest because I believe the United States must develop alternative energy sources to substitute for unreliable OPEC oil. I have been urging this administration to encourage the successful completion of negotiations between the United States and Mexico for the purchase of Mexican natural gas. In 1977, a consortium of six American companies reached agreement in principle with the Mexican oil company, PEMEX, for the purchase of natural gas. Unfortunately, our Department of Energy raised objections to the terms of this agreement. Since that time, negotiations have been stalled.

In view of President Carter's commitment to reduce, substantially, oil imports from OPEC, it is necessary for the United States to seek out and develop all other possible reliable sources of energy. Canada and Mexico are two friendly neighbors with whom we should certainly be able to develop mutually beneficial energy arrangements. Because the negotiations with Mexico have been unproductive for so long, I believe an international summit meeting to discuss energy issues could be an important step in redeveloping the context for serious negotiations to resume. For that reason, I have joined as a cosponsor of this amendment and urge its adoption by the Senate.●

Mr. DOLE. Mr. President, I believe the distinguished junior Senator from Montana (Mr. BAUCUS) may wish to speak on this resolution also. I reserve the remainder of my time.

Mr. HART. Mr. President, I do not think any Senator could quarrel with the proposition that, given our present state of affairs in energy, greater cooperation between and among ourselves and the people of Mexico and Canada and their respective governments is necessary. That proposition is self-evident.

However, as the Senator from Kansas well knows, the pending business before the Senate is the fiscal 1980 Nuclear Regulatory Commission authorization bill, and consequently the question that occurs to me as floor manager of the bill is whether an authorization bill is the most appropriate vehicle for the conduct of foreign policy. Perhaps it would be timely for the President to invite the leaders of Canada and Mexico to come to this country, or arrange to meet with them elsewhere, but traditionally that has been a prerogative of the President of the United States, and not of the Senate.

If the Senator from Kansas were to introduce a separate resolution as the sense of the Senate, in which Senators urge the President to call such a summit, cooperate with the President in calling such a summit, that seems to me to be a path which would involve the appropriate committee, namely, the Foreign Relations Committee, which has jurisdiction over these matters. It would not necessarily involve the Environment and Public Works Committee, which does not have jurisdiction.

I am not saying that at the time of at least a quasi-emergency we should stand on protocol, but I think there are ways to establish the idea or the consensus of the Senate on an issue of important foreign policy other than by a sense of the Senate resolution attached to this bill.

Because, as the Senator from Kansas has already indicated, the President has enunciated, and will continue to enunciate in some detail, the elements of a comprehensive foreign policy, and because to adopt now a resolution of this sort would seem to me to impose the wishes and will of the Senate in an untimely manner on the Chief Executive and I am forced to resist the proposal by the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I can understand the distinguished Senator's reluctance, but I might say I wanted to offer this at an earlier time, on another piece of legislation, but I was deprived of that right. This was the agreement I was able to secure. I do not like to clutter up legislation with extraneous amendments, but this, however, is strictly a sense of the Senate resolution pertaining to a very important national issue.

I am certain that the distinguished Senator from Florida (Mr. STONE), and the Senator from Kansas would not do anything at this point that would in any way embarrass, or otherwise restrict the options of the President of the United States. This amendment is not offered in that sense, not as a criticism. It is offered by Democrats and Republicans on this particular legislation because, frankly, it is the only vehicle available. I would be very happy to bring it up, if we had some agreement to bring it up as a separate matter following passage of this bill. However, I do not believe I have that option. I do not have any other choice but to let the Members vote on it, and we can also vote on the next amendment to create an Energy Mobilization Board and see if we really want to cooperate with the President of the United States.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I suggest the absence of a quorum to be charged equally to both sides while we are waiting for Mr. BAUCUS.

The PRESIDING OFFICER. Is there objection?

Mr. HART. Reserving the right to object, the Senator from Kansas well knows we have been trying to dispose of this bill for a day and a half now. We have been waiting for Senators to show up and we have been putting in quorum calls wasting a lot of time. I would like to move forward, if we can. I do not see any reason why we cannot just go ahead and dispose of the matter. If we start putting in quorum calls waiting for Senators to show up to speak on these last few amendments we will be here all afternoon. I do not want to be unreasonable about it. I have tried to be reasonable for the last day and a half. But it gets a little weary to wait for Senators to show up to speak.

Mr. DOLE. We have agreed on very brief time limitations. I agree with the Senator from Colorado in not wanting to defer or delay. I would like to make one phone call to see if Mr. BAUCUS can be reached at this time.

How much time remains to the Senator from Kansas?

The PRESIDING OFFICER. Seven minutes.

Mr. HART. Mr. President, I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. HART. Mr. President, I yield back the remainder of my time.

I move to table the resolution of the Senator from Kansas, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. DOLE. Mr. President, I suggest the absence of a quorum so we can get a few people in here.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I ask unanimous consent that it be in order to vote on the motion to table the Dole resolution immediately following the vote on the amendment by Senator BAYH at 2 p.m., and that it be in order to ask for the yeas and nays on the motion to table the Dole amendment at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 333

(Purpose: To provide for an Energy Mobilization Board)

Mr. DOLE. Mr. President, I call up amendment No. 333 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 333.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, after line 16, add the following:

TITLE III—ENERGY MOBILIZATION BOARD

STATEMENT OF FINDINGS

SEC. 301. The Congress finds and declares that—

(1) the lack of a constant supply of energy has the potential to cause devastating effects on the economy and general welfare of the Nation, and poses a threat to national security and world peace;

(2) a clear need exists to decrease reliance on foreign sources of energy and to promote the development and production of domestic sources of energy;

(3) many important energy projects whose prompt completion is clearly in the national interest have been delayed or terminated due to the conflicting actions of Federal agencies and State or local governments and the length of time needed to meet Federal, State, and local requirements; and

(4) there is a lack of central focus for the development and implementation of common policies and programs for energy development and production among Federal agencies and State and local governments.

ENERGY MOBILIZATION BOARD

SEC. 302. (a) There is established within the Executive Office of the President the Energy Mobilization Board (hereinafter referred to as the "Board"). The Board shall be composed of three members appointed by the President, by and with the advice and consent of the Senate. The President shall appoint the members of the Board from among representatives of groups concerned with the development and production of energy, including representatives of the energy development and production industry, citizens' groups, economists, environmental specialists and Federal, State, and local officials. The President shall designate one of the members of the Board as Chairman.

(b) Members of the Board shall be appointed for a term of three years, except that the term of office of the members first appointed shall expire, as designated by the President at the time of appointment, one at the end of one year, and two at the end of three years.

(c) Two members of the Board shall constitute a quorum, but a lesser number may hold hearings. A vacancy in the Board shall not affect its power to function.

(d) Each member of the Board who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the rate prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, including traveltime, for each day such member is engaged in the actual performance of duties as a member of the Board. A member of the Board who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(e) Not more than two of the members of the Board shall be from the same political party.

(f) The Board shall terminate fifteen years after the date of enactment of this Act.

FUNCTIONS OF THE BOARD

SEC. 303. (a) (1) The Board shall coordinate and expedite Federal policies and procedures for the approval of nonnuclear projects for the exploration, development, demonstration, transportation, production, or commercialization of any form of energy by designating certain projects as priority energy projects. The Board shall designate any such project as a priority energy project if it determines that the expedited completion of such project is in the national interest and is critical to achieving the Nation's import reduction goals. The Board shall establish binding schedules for all decisionmaking with regard to such projects—

(A) by all Federal agencies;

(B) by all State and local agencies implementing Federal standards or having jurisdiction over a federally funded project; and

(C) by all Federal, State, and local agencies if such project affects interstate commerce.

(2) Any person planning, proposing, or implementing an energy project may apply to the Board for designation as a priority energy project. The Board may designate a project as a priority energy project under this paragraph if it determines that—

(A) the commencement or implementation of the energy project is being delayed by a conflict between the actions of two or more Federal agencies in granting or denying a license, permit, certificate, lease, right-of-way, or other authorization for the project; or

(B) the regulatory requirements which must be met by the applicant cause undue delay for the commencement or implementation of the energy project.

(3) The Board shall establish criteria for the designation of priority energy projects under this subsection.

(b) The Board shall coordinate and expedite the actions of Federal agencies necessary to a final decision concerning any project designated under subsection (a) as a priority energy project. In carrying out the provisions of this subsection, the Chairman may—

(1) require any Federal agency with authority to grant or deny an application for license, permit, certificate, lease, right-of-way, or other authorization with respect to a priority energy project to submit to the Board a list of significant actions taken by the agency concerning the project, a list of significant actions required of the applicant prior to a final decision by the agency concerning the project, a list of significant actions which must be taken by the agency prior to a final decision by the agency concerning the project, and a schedule of action by the agency and the applicant for completion of the application process;

(2) establish deadlines for any such agency to complete action concerning any application for a license, permit, certificate, right-of-way, or other authorization required for any such project;

(3) in any case where an agency fails to meet a deadline established pursuant to paragraph (2), make a decision concerning the application concerned;

(4) establish policies, procedures, plans, and methods, promulgate rules and regulations, and issue orders to coordinate and expedite agency actions concerning any such project; and

(5) provide procedures and methods for the modification of State and local programs which carry out Federal statutes if such programs adversely affect the expedition of procedures and policies for a priority energy project.

(c) Federal agencies shall comply with the policies, procedures, plans, methods, rules, regulations, and orders of the Board.

(d) The Board shall monitor proposed legislation which affects the planning, proposal, implementation, and expedition of energy projects, and shall report to the Congress at six-month intervals concerning such legislation. Each such report shall contain recommendations for legislative action to avoid delays or problems identified by the Board with regard to the commencement, expedition, and completion of energy projects.

COOPERATION WITH STATE AND LOCAL GOVERNMENTS

SEC. 304. (a) The Board shall notify the Governor of any State within which any portion of a priority energy project is to be located of the designation of the project as a priority energy project. The Board shall request the Governor to provide the Board with a list of significant actions taken by State and local governments in the State concerning the project, a list of significant actions required of the applicant before a final decision can be made concerning the project, and a list of significant actions which must be taken by the State and by local governments in the State before a final decision can be made concerning the project.

(b) The Board may request State and local governments to cooperate with the Board in coordinating and expediting the process by which the Federal, State, and local governments make a final decision concerning a priority energy project. Such cooperation may include the establishment of voluntary schedules for action by State and local governments and the provision of advice and assistance by the Board to State and local governments.

ADMINISTRATIVE PROVISIONS

SEC. 305. (a) In carrying out the provisions of this title, the Board is authorized—

(1) to appoint such personnel as may be necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and to pay such personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(2) to employ experts and consultants in accordance with the provisions of section 3109 of such title;

(3) to promulgate such rules, regulations, and procedures as may be necessary to carry out the functions of the Board;

(4) to utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal departments and agencies and of State, local, and private agencies and instrumentalities, with or without reimbursement therefor;

(5) to enter into agreements with other Federal departments and agencies as may be appropriate;

(6) without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the functions of the Board, with any public agency or with any person, and make payments (in advance, by transfer, or otherwise) and grants to any public agency or private nonprofit organization;

(7)(A) to accept voluntary and uncompensated services, without regard to the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(B) to accept volunteer service in accordance with section 3111 of title 5, United States Code; and

(8) to request such information, data, and reports from any Federal department or agency as the Board may require and as may be produced consistent with other law.

(b) Upon request of the Board, the head of each Federal department or agency shall promptly make the services, equipment, personnel, facilities, and information of the department or agency (including suggestions, estimates, and statistics) available to the Board to the greatest extent practicable.

APPEALS

SEC. 306. (a) The court of appeals shall have original and exclusive jurisdiction of any action brought by any aggrieved person to review any energy action which has become effective under this Act. The action may be brought in the judicial circuit in which the person bringing the action resides or has its principal office, or in the United States Court of Appeals for the District of Columbia within sixty days from the effective date of the energy action.

(b)(1) A final judgment of a court of appeals in any action brought under subsection (a) is subject to review by writ of certiorari to the Supreme Court as provided by section 1254(1) of title 28, United States Code. Application for the writ shall be made within sixty days after the entry of the final judgment. The United States or any aggrieved party may file a petition for a writ of certiorari.

(2) The provisions of section 1254(3) of title 28, United States Code, relating to certification, and section 2101(f) of such title, relating to stays, apply to actions under this section.

(c) To the greatest extent possible, actions before any court of appeals and before the Supreme Court under this section shall be given preference and shall be assigned for argument at the earliest practicable date and expedited in every way.

Mr. DOLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Is this a time limitation of 30 minutes total on my amendment or 30 minutes to each side?

The PRESIDING OFFICER. That is 30 minutes total, 15 minutes to a side.

Mr. DOLE. I thank the Chair.

Mr. President, amendment No. 333 would establish an Energy Mobilization Board composed of three members appointed by the President with the advice and consent of the Senate. The members of this Board would come from those sectors of the country concerned with the development and production of energy such as citizens groups, economists, environmental specialists, to name just a few.

Each member appointed to the Board shall serve a 3-year term, and be compensated at a rate equal to the rate prescribed for level IV of the executive schedule under section 5315 of title V, United States Code. I have also included in my amendment a provision that would require the Energy Mobilization Board to terminate 15 years after the enactment of this legislation.

I have included this "sunset" provision because this Board should only be an intermediary step aimed at solving some of our short-term problems of accelerating domestic energy production.

FUNCTIONS OF THE BOARD

Mr. President, the function of the Energy Mobilization Board will be to facilitate the approval of nonnuclear projects aimed at reducing our dependence on foreign energy sources. The Board will have the authority to designate any energy project as a priority energy project if it determines that the expedited completion of the project will enhance domestic production of energy. To achieve real headway in accomplishing energy independence we need to create a mechanism whereby the regulations, redtape, and overlapping Federal jurisdiction impeding domestic energy production can be slashed.

Mr. President, it is no secret that one of the greatest barriers to domestic energy production is excessive Federal regulations. I am pleased that President Carter finally realized what some of us have been saying for years. There must be a pragmatic compromise between energy and the environment. Many of these regulations have evolved from the passage of laws aimed at very worthy goals but totally unrealistic in view of the current national crisis.

The Energy Mobilization Board must have the authority to grant waivers or postpone those rules and regulations that are strangling our domestic production.

Mr. President, to insure that the Board will not conflict with the rights of the several States, a provision to coordinate activities with the Governors and local officials in reaching a final decision on a priority energy project is incorporated into this amendment. It is intended under this amendment that the Board will act in advisory fashion with the Governors of the 50 States and request that State and local governments cooperate together in expediting final decisions.

Mr. President, it is my hope that this provision will allay the fears of some who are concerned about the environment and some who are concerned about the rights of State and local governments in trying to reach some conclusions about what is or is not a priority energy project.

When the Department of Energy authorization bill comes before the Senate for consideration this year, I shall ask that appropriate funding be made for the operation of this board. It seems to the Senator from Kansas that if we are going to create another agency called the Energy Mobilization Board, we ought to be able to fund it from savings in the Department of Energy.

This proposal was one of the President's six priorities, spelled out on Sunday evening, reiterated yesterday in Kansas City and again in Detroit last evening, and, I understand again this morning, at the leader's meeting. It seems to the Senator from Kansas that if, in fact, we support the President in this effort, we have an opportunity to demonstrate that support.

Mr. President, the Senator from Kansas has been contacted by the distinguished chairman of the Committee on Energy. We have also had contact from the White House suggesting that, while they appreciate the effort to bring this to fruition at a very early date, they are somewhat concerned about a jurisdictional problem that might be created, since a proposal of the distinguished chairman of the Committee on Energy is now being considered and, I understand, is in the markup stage before the Energy Committee.

Again, I would like to indicate, as I attempted to do during debate on the previous amendment, that if there is to be a bipartisan energy policy and if there is to be an effective energy policy at all, and if we believe that the President now recognizes the problem, at least in part—I am not suggesting he understands it fully, but at least in part—then in those areas where we find we can support the President, we should demonstrate that support at the earliest possible time.

Much of what the President said on Sunday night and repeated with more detail in Kansas City is pending in Congress. Certainly, this initiative is pending in Congress. It has bipartisan support in the Energy Committee. The other measures mentioned by the President, for the most part, are pending in Congress or will be pending in Congress shortly. Some can be done by Executive order such as limiting import quotas of crude oil. It is hoped that somewhere down the line—the sooner the better—we might address the short-term problems.

We might explain to the American people that, despite the President's good intentions and 12 days on the mountain top, there is nothing in his message to insure more domestic production in the short term. There is a great deal in his message to insure more Government, because everything suggested by the President is more Government control, more Government bureaucracy, more Government dictation. That seems to be, in some instances, uncalled for. In some cases, it is necessary. I believe the Energy Mobilization Board is one case where it is necessary, and I support the concept.

In order for this Board to carry out the responsibilities with which it will be charged, of course, we have to have the necessary personnel.

I do not envision however, this Board becoming another bureaucratic nightmare for the American consumer, or for American industry, or for anyone else who may have some energy project in mind.

We also provide for appeals. We have tried, in drafting the proposal, to balance the concerns, the concerns of everyone, of the executive branch, of the environmentalists, of those who would produce.

Again, I suggest that if there is any crisis of confidence in America, much is due to Federal regulation, Federal bureaucracy, delay, and, finally, frustration on the part of the American people.

The Senator from Kansas understands the process in the Congress. It is not my intent to circumvent the hearing process or to somehow avoid the hearing process because I know of the importance of obtaining all views and incorporating, in some cases, those views into the legislation.

But time is running out.

There has been some indication that perhaps during the month of August it would be a good time to resolve all these problems. That meets with mixed review, at least in this part of the Senate Chamber.

It is my hope that the Senator from Colorado may be prepared to accept the amendment. That would certainly be more than satisfactory with the Senator from Kansas. But in the event there may be some small question about the amendment, we could have some colloquy with the distinguished Senator from Colorado or the distinguished Senator from Washington.

I suggest that, if the President wants action, we can give it to him today. We could have action on one of his proposals before he unpacks from his trip yesterday. That would be action that the American people would understand. We have that opportunity today.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, as the Senator from Kansas well knows, there is action and then there is action. There is wise action and there is unwise action, and action for its own sake is not necessarily wise.

The President has proposed the establishment of an energy mobilization board. What we do not know at the present time is the details of that proposal. They have not been sent to the Congress yet.

So to jump in at this point, once again, in the format of a Nuclear Regulatory Commission authorization bill, with a far-reaching proposal of this kind, putting the Senate on record as supporting something we know very little, if anything, about, except its title and a few broad outlines of its authority and responsibility invites the same kind of confusion and unhappiness that the Senator from Kansas describes as prevalent in the land.

I do not think the Senator from Kansas seriously wants to go forward with establishing a new governmental entity we do not know anything about. We do not know what its powers would be. We do not know what its authority would be. We do not know how large it would be. We do not know what its budget would be. This proposal is merely for action's sake.

As the Senator from Kansas well knows, there are a number of proposals that parallel this, one by the Senator from New Mexico (Mr. DOMENICI) that is being considered by the Energy Committee, other proposals in the Governmental Affairs Committee, the Banking Committee, and so on.

The chairman of the Energy Committee (Mr. JACKSON) has his own proposal for an Energy Mobilization Board pending before that committee. It is being considered in the context of the so-called Energy Supply Act, S. 1308, and there will be a report on that, according to its chairman, before the recess.

Therefore, Mr. President, there are a number of similar bills and proposals before committees of jurisdiction right now. Some of them are going to reach the floor in the next few days, if not weeks.

So, for those reasons, Mr. President, the majority side of the committee, and the manager of the bill on the majority side, must once again oppose this proposal.

It may or may not be a good idea. We know so little. We have heard the Senator for 5 or 10 minutes. We do not know that what he is proposing is the same as the President's, if it would do the same or different things.

For myself, as I have indicated, I do not know if it will add to the bureaucracy the Senator from Kansas is concerned about—and that all of us are concerned about—or whether it is going to reduce it.

So I would urge the Senate to resist this proposal at this time. There may be an occasion next week, or next month, or September, when we want to adopt a measure of this sort, but today is not the day.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas visited earlier off the floor with the distinguished Senator from Washington. Senator JACKSON at that time indicated he would come to the floor and we could have some exchange.

Based on what was said at that time, I believe we might be able to dispose of the amendment rather quickly. I wonder if I might inquire, has he been notified of the amendment?

Mr. HART. The Senator from Washington has been notified. I think he is on his way.

Mr. DOLE. May we have a quorum call?

Mr. HART. Mr. President, I suggest the absence of a quorum with the time to be equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I yield the Senator from Washington such time as he may require.

Mr. JACKSON. Mr. President, I hope my good friend from Kansas will defer action on this amendment. The reason is that our committee, the Committee on Energy and Natural Resources, already has held hearings on the subject. We call it the National Energy Mobilization Board. I think it is similar to the Senator's proposal. I can state to him that we will mark up that part of the omnibus energy bill by Saturday. We are moving that fast.

I think it will be extremely helpful that action be deferred on the Senator's amendment at this time, in light of the fact that we are moving. We also are reviewing the President's proposal, as the Senator knows, for an Energy Mobilization Board.

I support the Senator's basic concept here.

I point out that in 1975, we held hearings in what was then the Interior Committee. I am sure the Senator will recall that. I know he was supportive of that concept then. The hearings went on for several days. That bill would have moved, had it not been for the fact that the House defeated the synthetic fuels bill, which the Senate had passed in 1975 by an overwhelming vote. When the House defeated the synthetic fuels bill, which I think was a terrible mistake, there was no need for the Mobilization Board.

I wholeheartedly support what the Senator has in mind. I respectfully ask him to defer action on it, because we are going to have it before the Senate for a vote as soon as we can complete action on the remainder of the bill.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. DOLE. Mr. President, the Senator from Kansas made it clear, before the Senator from Washington entered the Chamber, that that was my disposition because of our conversation earlier this morning.

It seems to me, as I have tried to indicate, that there is strong support for this—not only the President's program, as I pointed out, but also the bill introduced by the distinguished Senator from Washington.

Is there some fair assurance that most of the energy package will be before us before the end of July or before August 6, the American public has been patient but I believe their patience is being stretched too far.

Mr. JACKSON. I assure the Senator from Kansas that the omnibus energy bill, which a group of us introduced last month—which includes, among other things, the fast track and the Energy Mobilization Board and the synthetic fuels program, plus a solar bank and some other things—will be reported and will be on the Senate Calendar. Let me put it this way: It will be reported before we recess on August 3.

The problem about whether it will come up for a vote in the Senate, as the Senator knows, could be involved in connection with the views of the Budget Committee. But we will report it. I give the Senator that assurance. We are going to have a Saturday session, if necessary, to vote on title II, which covers the Energy Mobilization Board and the fast track—that is, the accelerated decisionmaking process.

Next week, we will be voting on the synthetic fuels program and the remainder of the bill, so that the staff can put together the report and we can report the bill before August 3.

Mr. DOLE. On the basis that the committee is in the markup on the energy mobilization portion of the omnibus energy bill and will soon report the bill out of committee, the Senator from Kansas will withdraw the amendment. I appreciate the remarks of the distinguished chairman and look forward to continuing our close work on this important energy matter.

Mr. JACKSON. I thank the Senator from Kansas, and I commend him for his long and continuing interest in this concept of mobilization to get our energy program moving.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DOLE. Mr. President, will the Senator from Washington yield on one further point?

Mr. JACKSON. I yield.

Mr. DOLE. I am not suggesting that the Senator from Washington may have a view on this, but I also have submitted an amendment, which is merely a sense of the Senate amendment, that there should be coordination between Canada on the one hand and Mexico on the other, with respect to our mutual energy concerns.

Are those particular areas being addressed in proposed legislation now before the Energy Committee?

Mr. JACKSON. Not specific legislation. However, we are, of course, involved with Canada in connection with the problems we have on the importation of natural gas and oil.

We do have some proposals, as the Senator knows, which the President is making in connection with the transmission particularly of hydroelectric power from Canada to the United States, and we do not have any specific legislation pending at the moment.

I share the Senator's concern about a North American strategy. I have learned by experience that the Canadians become a little nervous when we talk about a North American strategy. They feel that this is an opportunity for the Americans to obtain a hegemony or to exercise unusual control over Canada.

My advice and counsel on it would be that this matter be handled in a separate resolution, in which the relevant committees could be involved—that is, the Foreign Relations Committee; the Finance Committee, which has a concern; and the Energy Committee. I think if it is handled as a separate resolution in the Senate, it will be extremely helpful in focusing attention on the need for better cooperation and understanding in connection with Canada and Mexico.

I might add, Mr. President, that I think the problem with Mexico involves economic and social considerations that are different from those of Canada. Specifically, in order to resolve the problem in terms of working out agreements on oil and gas with Mexico, I submit that the Mexican Government probably would want, first of all, to seek out cooperation with the United States to improve their economy, to improve the lot of their people.

Basically, the problem today is that the United States is the promised land for the Mexican people, so they all come over the border. I think our objective should be to make Mexico the promised land for their people—in other words, to help them create the kind of industry that will be labor intensive. This will go a long way toward providing the kind of ongoing motivation necessary to seek that better life and promised land in their own country.

So we do have a different situation as we address the problem in Mexico. I am convinced that until we face up to that fact, we are not going to get an understanding or an agreement with Mexico.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. DOLE. I think they are about to ring the bells.

The PRESIDING OFFICER. Who yields time? Does the Senator from Colorado yield?

Mr. HART. Mr. President, what is the time situation?

The PRESIDING OFFICER. Time has expired on both sides. There is time on the bill.

Mr. DOLE. Mr. President, will the Senator yield me 5 minutes on the bill?

Mr. HART. No. I have only 5 minutes remaining.

Mr. DOLE. How much time does the Senator from Wyoming have on the bill?

The PRESIDING OFFICER. Fourteen minutes.

Mr. DOLE. I will take 2 minutes.

Mr. HART. He will have to yield that time to the Senator from Kansas.

Mr. DOLE. He left me in charge.

The PRESIDING OFFICER. The Senator has 2 minutes on the bill.

Mr. DOLE. Mr. President, the reason I asked that of the distinguished Senator from Washington is that the Senator from Kansas and the Senator from Florida, who is now in the Chamber, have a sense of the Senate amendment pending to the NRC authorization bill. However, the last thing the Senator from Kansas wants is a vote in which it would appear to the Canadians or the Mexicans that somehow we do not want to cooperate. I have offered the amendment, I have made my statement—and a good statement by the Senator from Florida has been put into the RECORD.

It is not a matter of whether I win or lose but how it is perceived by Canada and Mexico. We are looking for a way to bring up the resolution separately or have some assurance that the full Senate can act on this measure at the earliest possible time.

Mr. JACKSON. I give the Senator from Kansas my assurance. I say to the Senator from Florida, who is a member of the Foreign Relations Committee——

Mr. DOLE. And I am a member of the Finance Committee.

Mr. JACKSON. And I am on the Energy Committee.

I believe that if we can have this problem brought up in the Senate by resolution and have the issued referred to the specific committees I have mentioned, we can get something moving.

I think the Senator from Kansas is exactly right. It would be kind of dangerous to have a vote that would be misinterpreted in both Canada and Mexico. This should be a unanimous sort of thing.

Mr. DOLE. The Senator from Kansas wishes for that to happen. I do not have any pride of authorship. It is a matter the Senator from Florida has worked on a lot and the Senator from Montana, Mr. BAUCUS, also has a deep interest in. If we were assured we could bring it back out before too long and vote on it, I think support for the measure would be unanimous.

Mr. JACKSON. I suggest that the Senator from Kansas, and the distinguished Senator from Florida (Mr. STONE) bring this in jointly. I will be glad to join on that resolution. We could work out the wording. I think that would be a good solution. Bring it up and pass it unanimously.

Mr. DOLE. That is the way it should be done.

Mr. JACKSON. Let us do that.

The PRESIDING OFFICER. The 2 minutes of the Senator from Kansas have expired.

Mr. DOLE. We are making progress.

Mr. JACKSON. Let us do that.

Mr. DOLE. Is that satisfactory to the Senator from Florida?

Mr. STONE. It is.

Mr. DOLE. Let us, if we could, bring the resolution back up at a later date, thereby averting a vote on the issue today. The Senator from Kansas is willing to withdraw it for the time being, work it out with three committees involved and pass it unanimously.

Mr. HART. I had no doubt the Senator from Kansas would see the right course on this.

Mr. JACKSON. I commend the Senator from Kansas and the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. What is the parliamentary situation?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HART. When are votes to occur?

The PRESIDING OFFICER. At 2 p.m.

Mr. HART. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. Is it necessary to get unanimous consent to withdraw the Dole resolution?

The PRESIDING OFFICER. The Senator is correct.

Mr. HART. Mr. President, I ask unanimous consent that it be in order for the Senator from Kansas to withdraw his resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution is withdrawn.

Mr. HART. Mr. President, I ask unanimous consent that it be in order to suggest the absence of a quorum with the time not being charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that I be permitted to call up an amendment immediately following the vote on the amendment offered by the Senator from Indiana (Mr. Bayh).

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRY F. BYRD, JR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The hour of 2 o'clock p.m. having arrived, under the previous order, the question is on agreeing to the amendment (No. UP–363) of the Senator from Indiana (Mr. Bayh). The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. Tsongas) is necessarily absent.

I further announce that the Senator from Oklahoma (Mr. Boren), the Senator from Montana (Mr. Baucus), the Senator from Louisiana (Mr. Long), and the Senator from Arkansas (Mr. Pryor) are absent on official business.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from New Mexico (Mr. Domenici), and the Senator from Wyoming (Mr. Wallop) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. Wallop) would vote "nay."

The PRESIDING OFFICER (Mr. Bentsen). Are there any other Senators desiring to vote?

The result was announced—yeas 60, nays 32, as follows:

[Rollcall Vote No. 176 Leg.]

YEAS—60

Bayh
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Pressler
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Stone
Warner
Weicker
Williams
Zorinsky

NAYS—32

Armstrong
Bellmon
Bentsen
Chafee
Cochran
Dole
Durenberger
Garn
Goldwater
Gravel
Hatch
Hayakawa
Heflin
Helms
Humphrey
Jepsen
Johnston
Laxalt
Lugar
McClure
Morgan
Percy
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Talmadge
Thurmond
Tower
Young

NOT VOTING—8

Baker
Baucus
Boren
Domenici
Long
Pryor
Tsongas
Wallop

So Mr. Bayh's amendment (No. UP–363) was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RANDOLPH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I send to amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia is recognized.

UP AMENDMENT NO. 366

Mr. HARRY F. BYRD, JR. Mr. President, I send an amendment to the desk for myself, Senator Warner, and Senator Helms.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Virginia (Mr. Harry F. Byrd, Jr.) for himself, Mr. Warner and Mr. Helms, proposes an unprinted amendment numbered 366.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add a new section as follows:

That (a) chapter 65 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1365. Nuclear facilities

"(a) Whoever willfully or maliciously injures or destroys any of the works, property, building, machinery, or material of any nuclear utilization or production facility, operated or controlled by the United States, or licensed by the United States, whether constructed or in the process of construction, or willfully or maliciously interferes in any way with the working or use of any such facility, or willfully or maliciously obstructs, hinders, or delays the production, utilization, or transmission of energy from such facility, shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(b) An alleged violation of this section shall be investigated by the Federal Bureau of Investigation. Whenever Federal investigative or prosecutive jurisdiction is asserted for a violation of this section, the exercise of jurisdiction by any State or local law enforcement authority shall be suspended until Federal investigation or prosecution is terminated.

"(c) For the purposes of this section, the terms 'utilization facility' and 'production facility' have the same meaning as in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014).".

(b) The table of sections for chapter 65 of that title is amended by adding at the end thereof the following new item:

"1365. Nuclear facilities.".

Mr. HART. Mr. President, will the Senator yield for the purpose of getting a time agreement on the amendment?

Mr. HARRY F. BYRD, JR. Yes; I yield

Mr. HART. Mr. President, I ask the Senator from Virginia to agree that there be 10 minutes on the amendment, equally divided.

Mr. HARRY F. BYRD, JR. Yes, that is acceptable.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the Senator from Idaho (Mr. McClure) be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, in Virginia recently, it was alleged that there was sabotage at one of the nuclear power facilities. As a result of that, it is thought that there are inadequate law and inadequate penalties for the potential sabotage of nuclear facilities. The purpose of this amendment is to make it possible for the Federal Bureau of Investigation to become involved in the investigation of any attempt to sabotage nuclear facilities and to provide for criminal penalties for those who engage in sabotage. It is a much more restricted amendment than the one which the Senate has just approved. I think it is one which is very necessary.

Senator WARNER and I represent a State which has had this kind of incident occur. I think most of us in Virginia have a great concern that there are inadequate penalties. As a matter of fact, under existing law, there are inadequate means of determining the guilt or innocence of the individuals who might participate in such an act. For that reason, I think this amendment is important.

My colleague from Virginia (Mr. WARNER) and I introduced this yesterday as a bill. We thought it perhaps best to go to the appropriate committee, the Committee on the Judiciary. On the other hand, time is of some importance. This bill before us today deals precisely with the issue that this amendment is directed toward. For that reason, I hope the managers of the bill will find it acceptable and will permit it to come to a vote—hopefully, a favorable vote—in the Senate today.

Mr. HART. Mr. President, I have discussed this amendment with the Senator from Virginia and it is an area of the law that is not presently covered in the act. The Senator is correct in identifying this as an area where there is no legislation. I think he has raised an entirely appropriate issue here. The committee does have some concern with some of the language in the amendment. It is my understanding that the Senator from Virginia is willing to let the committee preserve the intent of the amendment in the conference, but has agreed with us that if it is necessary to revise some of the language to achieve the objective which he is trying to achieve, that is agreeable to him.

Mr. HARRY F. BYRD, JR. Mr. President, that would be totally satisfactory.

Mr. HART. I do raise one question. That has to do with the language in the amendment pertaining to a plant under construction, the theory behind the inclusion of that by the Senator from Virginia in the law where, at many stages, if not all stages of the construction, there is nothing particularly critical or hazardous about the construction of the plant.

Mr. HARRY F. BYRD, JR. That is correct. If the committee of conference feels that should be adjusted, that will be perfectly satisfactory.

Mr. METZENBAUM. Will the Senator from Virginia yield for a question?

Mr. HARRY F. BYRD, JR. Yes.

Mr. METZENBAUM. I had some concern on that subject that the Senator from Colorado just raised concerning something under construction. I do not have the amendment in front of me. Assuming the language would be appropriate, would the Senator from Virginia be willing to accept a floor amendment to strike out that portion of the language pertaining to being under construction?

Mr. HARRY F. BYRD, JR. I say to the Senator from Ohio that I would be delighted to do that. If it is satisfactory to the Senator from Ohio, suppose I modify the amendment by striking out the words "or in the process of construction."

Mr. METZENBAUM. I thank the Senator from Virginia. That will be satisfactory to me.

Mr. HARRY F. BYRD, JR. I do modify the language to that extent, Mr. President.

The PRESIDING OFFICER. The Senator has that right.

The amendment was modified.

The modified amendment is as follows:

At the end of the bill add a new section as follows:

That (a) chapter 65 of title 18, United States Code, is amended by adding at the end thereof the following new section:

§ 1365. Nuclear facilities

"(a) Whoever willfully or maliciously injures or destroys any of the works, property, building, machinery, or material of any nuclear utilization or production facility, operated or controlled by the United States, or licensed by the United States, whether constructed or willfully or maliciously interferes in any way with the working or use of any such facility, or willfully or maliciously obstructs, hinders, or delays the production, utilization, or transmission of energy from such facility, shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(b) An alleged violation of this section shall be investigated by the Federal Bureau of Investigation. Whenever Federal investigative or prosecutive jurisdiction is asserted for a violation of this section, the exercise of jurisdiction by any State or local law enforcement authority shall be suspended until Federal investigation or prosecution is terminated.

"(c) For the purposes of this section, the terms 'utilization facility' and 'production facility' have the same meaning as in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014).".

(b) The table of sections for chapter 65 of that title is amended by adding at the end thereof the following new item:

"1365. Nuclear facilities.".

Mr. HART. Mr. President, under those conditions, with the understanding of the Senator from Virginia, I accept the amendment.

Mr. HARRY F. BYRD, JR. Mr. President, I yield to the Senator from Virginia.

Mr. WARNER. Mr. President, I thank my senior colleague from Virginia for the opportunity to cosponsor this amendment with him. This past week, I visited the plant where the alleged espionage took place, talked with the plant managers, visited the security officers, and observed at firsthand the difficulty of having a large influx, from time to time of visitors to a facility during the routine operation of the plant. After study of the various criminal codes, I feel this type of law is absolutely necessary and urge my colleagues in the Senate to adopt it.

Mr. President, I yield now to Mr. SIMPSON.

Mr. SIMPSON. Mr. President, I shall take just a moment.

Senator BYRD's amendment is a much more tightly drafted than the previous amendment which we successfully considered. I think this amendment is narrowly targeted and much more specific and has a more exact criminal standard, which I hope will avoid the vagueness which I perceive might transpire with the previous one.

I think the specific investigative role for the FBI is an important one. Yet, the Federal enforcement will be suspended in favor of State or local prosecution when that becomes necessary. It has strong penalty provisions.

I certainly accept it. I thank the Senator for offering it.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. President, I ask unanimous consent that Mr. JEPSON be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of my time.

Mr. HART. I yield back my time.

Mr. SIMPSON. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Virginia.

The amendment (UP No. 366) was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HART. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. Under the previous order——

Mr. HEINZ. Mr. President, I am asking for recognition.

The PRESIDING OFFICER. The question is on the committee amendment in the nature of a substitute.

Mr. HEINZ. Mr. President, I am asking for recognition.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. HEINZ. Mr. President, in the event there is any confusion, my staff discussed this with the majority and the minority staff as to whether or not an amendment I intend to offer would be in order at this time. Since the minority and majority staff have advised my staff there would not be any objection on the part of the majority or minority to such an amendment being offered at this time, I ask unanimous consent, to make sure there is no problem, that the amendment I intend to offer be in order at this time.

Mr. HART. Reserving the right to object, I would advise the Senator from Pennsylvania that it is my understanding in talking to the committee staff that no such commitment was made by our staff.

Mr. HEINZ. No such commitment to what?

Mr. HART. To the Senator's staff that the amendment would be germane.

I think that is what the Senator said.

Mr. HEINZ. It is not a question of the amendment being germane, but a question of whether or not the amendment was in order.

Mr. HART. All right, in order, then.

Mr. HEINZ. We discussed this with staff yesterday. I believe both the Senator's staff and the minority staff were advised this amendment would be brought up.

I do not think it is the wish of the Senator from Colorado to preclude a germane amendment, so that is why I make the unanimous-consent request.

Mr. HART. Again, Mr. President, reserving the right to object, just to clarify the situation, I think the inquiry was, of our staff, as to whether the amendment would be acceptable, not of it being in order. At that time, I think our staff said that we did not know and wanted to think about it. A lot of things were happening here.

It is my understanding, under the order and the time agreement on this bill, there is no question on that score that I know of.

Mr. HEINZ. Very well. Just so the Senator from Colorado does not misunderstand, that is the only question I seek to resolve at this point. It is not a question of trying to get it adopted by unanimous consent, I say to the Senator.

There was some confusion with the Parliamentarian and I wanted to clear any hurdles.

Mr. President, I ask, therefore, is there any objection to the amendment being considered in order at this time?

The PRESIDING OFFICER. The Senator from Pennsylvania will withhold until we check with the Parliamentarian and be further advised of the status.

The question is whether there is any objection by the Members to the request of the Senator from Pennsylvania to offer his amendment at this time, notwithstanding the agreement previously arrived at.

Is there objection?

The Chair hears no such objection.

The Senator may proceed.

Mr. HEINZ. I thank the Senator from Colorado, the Senator from Wyoming, and the Chair.

UP AMENDMENT NO. 367

(Purpose: To require resident inspectors to reside not less than 3 miles of a nuclear facility)

Mr. HEINZ. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Heinz) proposes an unprinted amendment numbered 367:

On page 8, insert the following between lines 12 and 13:

(d) The Commission shall, within 30 days after the date of enactment of this Act, promulgate regulations requiring each resident inspector to reside not less than 3 miles from the site of the facility to which such inspector is assigned.

Mr. HEINZ. Mr. President, the clerk has just read the entire sum and substance of the amendment.

Mr. President, the amendment I have proposed will insure that the goals of the Nation's nuclear regulatory process will be attained. The amendment is simple, it requires that NRC resident inspectors reside within 3 miles of the nuclear unit to which they are assigned. This requirement will provide each resident inspector with an added incentive to perform his functions as the onsite regulatory presence of the Federal Government in a manner that will prevent the recurrence of an accident of the magnitude of the one at Three Mile Island.

The philosophy behind this amendment is simple as well. That is, he who certifies that it is safe for others will do a better job, if he is among the others. This principle was applied during World War II to those who stuffed parachutes for our airborne infantry. Each parachute stuffer was required to make a jump with a parachute which he had stuffed every so often to remind him of the importance of doing the job properly.

Similarly, requiring the NRC resident inspector to reside within 3 miles of the unit to which the inspector is assigned will insure that he makes every effort to see that the utility complies with the regulations established to protect the health and safety of the public.

The accident at Three Mile Island demonstrated the need for daily supervision of compliance with NRC regulations. Only 2 days prior to the accident an NRC inspector had visited the plant, yet during the initial stages of the accident the potential for serious consequences was dramatically increased due to the fact that emergency feedwater valves were closed. NRC regulations prohibit the operation of a nuclear reactor when emergency feedwater flow is restricted by closed valves, but yet the situation existed at Three Mile Island prior to the accident. Having a regulatory presence at the unit on a daily basis goes a great distance toward insuring that a similar situation will not recur. Requiring the inspector to live within the area most susceptible to the danger of radiation releases will provide an added measure of insurance against future accidents.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, would it be in order for the clerk to read the amendment again?

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 8, insert the following between lines 12 and 13:

(d) The Commission shall, within 30 days after the date of enactment of this Act, promulgate regulations requiring each resident inspector to reside not less than 3 miles from the site of the facility to which such inspector is assigned.

Mr. HART. I thank the Chair.

Mr. President, if I understand the amendment correctly, it does exactly the opposite of what the Senator from Pennsylvania claims he wishes to achieve by requiring the inspector to live not less than 3 miles from the plant.

In addition, it would, among other things, create a new class of citizen called "hostage."

I am not sure that is an appropriate remedy at this time on this bill.

The fact of the matter is that there are already boundaries established within which citizens can live around plants, and that would wipe out about one-third or more of the land this inspector might reside on.

The issue, obviously, is not where the inspector lives, but whether he is doing his job, whether he has ready access to the plant, and has adequate communication.

Of course, our bill requires the General Accounting Office to analyze the entire resident inspector program and report back to us on what changes should be made.

I think this amendment unduly ties the inspector's hands as to where he can and should live. Frankly, it is not at all an appropriate provision to add to this bill, and I have to resist the amendment.

Mr. HEINZ. Mr. President, first of all, I thank the Senator from Colorado for pointing out a drafting error which apparently was created courtesy of legislative counsel.

I modify my amendment so that on page 2, line 2, the word "less" is stricken and the word "more" is inserted in lieu thereof.

The PRESIDING OFFICER. The amendment is so modified.

Mr. HEINZ. Mr. President, I have listened very carefully to the Senator from Colorado. I understand his reluctance to complicate a piece of legislation on which he and Senator Simpson have worked long and hard and very, very creditably. I compliment both managers of the bill, Senator Hart and Senator Simpson, on the excellent job they have done on what is an extremely difficult task. I could not mean that more.

The Senator from Colorado suggests that I wish to create a new class of citizenship, that of hostage. I do not think that is literally true, although figuratively I would not wish to disagree with the Senator from Colorado.

I believe it is extremely important that if we are asking the people of the United States to trust their lives, health, and safety to the Nuclear Regulatory Commission, it is not too much to ask that one member of the nuclear regulatory establishment be required to reside within 3 miles of each nuclear plant.

There is a great deal of precedence for this approach. In my remarks, I mentioned that parachute packers, during the war, were required to jump out of an airplane with a randomly selected parachute they had packed. Similarly, many local officials today are required to reside within the area they represent or the jurisdiction for which they work. We already require Federal district attorneys to reside within the district to which they are assigned.

Also, there are a number of rulings by the Federal Trade Commission which have the effect of requiring celebrities who do advertising for the benefit of a product to actually use the product.

Well, if that is truth in advertising, I think what we need is truth in regulation; and the truth in regulation that I seek today is that at least one member of the Nuclear Regulatory Commission, the resident inspector assigned to each plant, have just as great a commitment to safety as all the citizens who live around that plant.

Senator SIMPSON, Senator HART, and I had the opportunity, on the day that Three Mile Island started acting up, to fly together to Three Mile Island, to see for ourselves what was happening. That was not a welcome occasion for any of us, I am sure, but we knew it was important to get a firsthand look at the situation.

One of the things we all saw was that the town of Middletown is within a good baseball throw of the plant. It is well within 3 miles of the facility.

All I am really asking in this amendment is that a resident inspector live as close to a nuclear reactor as the residents of Middletown, Pa., live to Three Mile Island. That is the sum and substance of what I am asking.

As I have said, I understand the reluctance of the managers to accept this amendment; I respect their reluctance. But if they cannot accept the amendment, I will ask for a recorded vote on the amendment.

Mr. HART. Mr. President, I wonder if the Senator from Pennsylvania would modify his amendment to require that any Member of Congress who votes for authorizations or appropriations for nuclear plants live within 3 miles of the nuclear plant—on the same theory.

Mr. HEINZ. I say to the Senator from Colorado that it is not the same theory. We are charging the Nuclear Regulatory Commission, by act of Congress—we have done so since 1974—with insuring the safety of nuclear reactors.

We also charge mine inspectors with the responsibility for safe coal mines. We charge OSHA inspectors with the responsibility of having safe steel mills.

I know that the Senator from Colorado does not wish any Senator or Representative to try to perform half a dozen or a dozen or perhaps, for all I know, a hundred additional professions.

This is a serious question, a serious amendment, and I know that the Senator from Colorado probably only offers the modification with his wry sense of humor first and foremost in mind.

Mr. HART. Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. The Senator from Colorado has 12 minutes, and the Senator from Pennsylvania has 6½ minutes.

Mr. SIMPSON. Mr. President, I reluctantly oppose the amendment of my friend from Pennsylvania, who has been a very cordial friend of mine since I arrived in this body.

I well recall the trip that Senator HEINZ, Senator HART, and I made to Three Mile Island the day after, without our dosimeters, and came back and gave a glowing report.

While this is a fascinating idea, I feel there are other existing ways to address this concern. There already are a number of provisions in the NRC authorization bill which provide additional protection for the public health and safety.

We now have been here on the floor a day and a half, increasing the ability and realizing the need and answering the call for more safety requirements with regard to the operation of nuclear facilities. We have improved communications systems, operator training, immediate notification in event of accidents, even verbal modifications, mandatory State emergency planning, and a much improved NRC emergency response plan. At the same time, we do not have a clear idea of the facilities which now will be contained within a 3-mile radius of any nuclear powerplants.

More important, we adopted an amendment this morning on siting, in which I joined Senator HART, which is going to cause a demographic shakeup in some of the plant siting recommendations.

I have questions which are unanswered, perhaps could be answered, and those questions are: Will adequate facilities be available for that person, or would those facilities be required to be constructed by the utility? What is the availability of other services for the family, such as schools or medical facilities within that area?

I am not convinced that we should make such an imposition on the resident inspector's individual freedom on the argument that it will result or could result, in a significant increase in his ability to provide for the public health and safety. I think it is an intrusion on his personal liberty.

I do not believe we ever have legislated in that area before—unless, of course, with respect to a public official, such as a fireman or a police officer, where we require him to live within the municipality. I do not believe we ever have required a civil servant to live in a certain area, such a manner as this amendment requires. I am not ready to take that step at this time.

Mr. HEINZ. Mr. President, if the Senator will yield just to make one correction in the Senator's understanding. It is my understanding that a Federal attorney, U.S. Attorney, is required to reside within the district to which he is assigned. I do not say the situation is exactly the same in this instance, but I do think there is some precedent.

Mr. President, I listened to my good friend from Wyoming. He, as always, is very eloquent, very gentlemanly. Notwithstanding that fact, I think we have an honest difference of opinion on this amendment.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

Mr. HEINZ. What was the ruling of the Chair?

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

Mr. HART. Mr. President, it is my intention, reluctantly, to move to table the amendment if the Senator from Pennsylvania does wish a vote on it. I have now been at this for 2 days almost. I hope, since we are moving toward final passage at 3 p.m., according to the unanimous-consent agreement, that he will permit us the latitude of considering this in committee, giving it some thought, and incorporating it into a variety of other proposals that we intend to come up with in the normal course of our oversight as well as the investigation of the accident.

I do not think it is timely at this time to take a step of this sort. It may turn out to be a very good idea and one that we will want to recommend to the NRC or incorporate into law.

The Senator, of course, has a right to call for a vote on the issue if he wishes. I am more than happy to give him any assurance he wishes that we will give it every serious consideration in the committee otherwise.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. HEINZ. I am perfectly willing to yield back all remaining time so we can have an up-or-down vote. The Senator from Colorado certainly has a right to offer a motion to table, but I see no particular reason for the Senator to make that motion. I think we are prepared to vote up or down on the amendment.

Mr. HART. As the Senator well knows, this is a step taken quite regularly in the Senate when managers of bills feel that amendments are not timely for one reason or another and wish to preserve the merits of the amendment for a later day. Given that reason, as well as the fact we have done the same thing with other amendments we were not able to accept, that is the step we will take. I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield back the remainder of his time?

Mr. HEINZ. Yes.

The PRESIDING OFFICER. All time is yielded back.

Mr. HART. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HART. We had a unanimous-consent agreement that we will vote at 3 p.m.

The PRESIDING OFFICER. This vote will take place first on the motion to table the amendment and that will delay the vote as previously agreed to.

Mr. HART. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Pennsylvania.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS) is necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

The PRESIDING OFFICER (Mr. BRADLEY). Have all Senators in the Chamber desiring to vote done so?

The result was announced—yeas 90, nays 8, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—90

Armstrong
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Roth
Sarbanes
Sasser
Schmitt
Simpson
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—8

Baker
Hatfield
Heinz
Mathias
Pell
Riegle
Schweiker
Stevens

NOT VOTING—2

Domenici
Tsongas

So the motion to lay on the table UP amendment No. 367 was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. Mr. President, it is my understanding that under a previous order——

The PRESIDING OFFICER. The Senate will be in order.

The Senator may proceed.

Mr. HART. Mr. President, I understand, under a previous order, that we now have an order to proceed to final passage of the pending bill. Is that correct?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

Mr. HART. Mr. President, I ask unanimous consent that it be in order for the floor managers of the bill to take 6 minutes, equally divided, for concluding comments on the bill before the vote on final passage.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

● Mr. PACKWOOD. Mr. President, the adequacy of safety mechanisms and procedures at our Nation's nuclear powerplants was thrown into question by the accident at Three Mile Island. Much to the credit of the Environment Committee, this year's authorization bill for the Nuclear Regulatory Commission contains much needed and long overdue improvements in nuclear safety regulation. These improvements should go a long way toward preventing future such accidents.

I would like to address three of the provisions considered by the Senate. The first is the Hart-Simpson perfecting amendment dealing with the State emergency response plans. It gave States 9 months to develop acceptable plans. If a State did not meet the deadline, its nuclear plants would be closed down until a plan is submitted.

Perhaps more disturbing than the accident at the Three Mile Island plant itself was the confusion that followed. It was clear that State and local officials were not ready to handle the emergency they faced. The most glaring deficiency was the absence of a State emergency response plan.

Pennsylvania is not the only State without such a plan. Of the 28 States with operating nuclear reactors, only 12 have plans acceptable to the NRC.

If there is an accident in a nuclear powerplant which releases radiation into the environment, the presence of even the most basic response plan could save many lives. There is no excuse for further delay. The Hart-Simpson amendment will assure these basic plans are in place as soon as practical. It also sets a timetable for preparation and approval of strengthened response plans.

The effect of this amendment will not be the shutdown of nuclear powerplants across the country. The NRC has said 9 months is adequate time for the remaining 16 States to get NRC concurrence for their plans. There is no reason why States should not, and will not, take timely action on this important safety measure.

The second provision I would like to discuss is the Kennedy amendment. It calls for a 6-month moratorium on the issuance of nuclear powerplant construction permits. The purpose of this amendment, according to its sponsors, is to prevent the NRC from issuing construction permits based on guidelines which, in light of future revelations about the Three Mile Island accident, could prove to be inadequate.

I agree with the objective of this amendment—to prevent construction of potentially defective nuclear powerplants. The cause of the Harrisburg accident is being studied by a special Presidential commission, both Houses of Congress, the NRC, and the nuclear industry. The results of these studies could spur significant changes in plant construction and operation standards. Recognizing this, the NRC has indicated it will not approve any significant construction until the questions of Three Mile Island are answered. I fully expect the Commission to abide by this commitment in the months to come.

It appears the Kennedy amendment would have little practical effect in assuring the safety of future nuclear powerplants. For this reason, I am opposing it.

The third provision I will address is the McGovern amendment. This would establish a formal consultation and concurrence process between the NRC and the State over the siting of a nuclear waste repository. It would also give the States the right to veto NRC's plan if there is not concurrence.

I support the effort to give States a meaningful voice in determining how and where nuclear wastes are stored. State participation can contribute in a positive way toward the resolution of our radioactive waste disposal problem. However, I am not sure the McGovern amendment is the best way to insure a balance between State and Federal interests.

The question of State veto should be dealt with as part of a comprehensive legislative package on nuclear waste. For this reason, I am opposing the McGovern amendment.

Undeniably, Mr. President, commercial nuclear power generation poses risks. Congress must recognize these risks, and act with speed and resolution to minimize them. I have been active on the Commerce Committee in the effort to insure safe transportation of radioactive wastes.

Generation of electricity from nuclear power will have a future in this country. It is my belief that if we pass the measure before us today, and continue our vigilance in the oversight of nuclear regulation and the nuclear power industry, that future can be a safe one.●

Mr. HART. Mr. President, I want to take this opportunity to thank the very able staff of the committee under the direction of Paul Leventhal on the majority side, with the support and assistance of John Austin, Keith Glaser, and on the minority side, James Asselstine and Jean Schrag, all of whom have done so much to get this bill ready for presentation, together with the staff members on the full committee, including John Yago, Phil Cummings, Larry Roth, and Bailey Guard.

Mr. President, may we have order in the room?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HART. Each and every one of these staff members and many others have worked very hard, as they do on all legislation in the Senate. All of us understand we could not get the bills passed, and could not in fact conduct the routine business of the Senate and the Government of the United States, without their assistance.

I also thank the distinguished committee chairman, Senator Randolph, and the ranking minority member, Senator Stafford, for their continuing support and cooperation with our subcommittee, particularly during a very difficult period.

I also wish to indicate my appreciation to the majority leader and the minority leader for helping us arrange the time on this bill during the last couple of days, through, again, very difficult circumstances.

Finally, Mr. President, I wish to acknowledge the very gentlemanly cooperation and friendship of the ranking minority member, Senator SIMPSON, for a great deal of patience under very trying circumstances for a Member of the Senate serving in his first year. He could not have been more cooperative. He has worked extremely well and extremely hard. He has been more than cooperative during the last couple of days on this bill, and I want to express my thanks to him.

Mr. President, the future of the nuclear industry in this country still hangs in the balance. On the one hand, the Council on Environmental Quality says that even a very austere energy budget will require the continued operation of all existing reactors, about 70, and all the reactors under construction, about 94. And even if we substantially and seriously reduce our energy consumption, by the year 2000 we will require the operation of some 165 or 170 reactors at the very least.

On the other hand, people are concerned, in the light of the recent accident, the most serious ever to occur in the nuclear industry, whether that industry is safe. In an effort to restore public confidence, the committee will continue to try, as we have tried in this bill, to shape the development of that industry in a mode and fashion which makes it safer, which will reestablish public confidence, and which will guarantee, if we are to have nuclear power in this country, that it will not jeopardize the lives and safety of the people who depend on it.

I yield to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I certainly will not expend my 3 minutes, but let me say to the Senator from Colorado, you have not tested my patience; I have enjoyed this experience very much. I commend the manager of the bill, GARY HART. We have joined in causes and we have split, as he knows, on causes, but always with what I have felt to be a degree of mutual respect, and it has been a pleasure to comanage this bill on the Senate floor with him. I have gained much and learned much.

I appreciate the work of the staff, particularly my assistants Dennis Stickley; and Jim Asselstine, minority counsel to the subcommittee and let me express public appreciation to the majority leader for his efforts and accommodation of those with personal commitments which had to be met, and also to the minority leader. They have been most fair.

I acknowledge the courtesy extended to me by all concerned on this measure. It exemplifies the camaraderie I have felt in this body, particularly with my colleagues on both sides of the aisle, the men and the one woman who are my Senate colleagues. To all of you I say thank you very much.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I commend the distinguished Senator from Colorado (Mr. HART), for his excellent management of the Nuclear Regulatory Commission authorization bill. He has carried out a difficult task under less than ideal conditions. The prompt, yet thorough, manner in which this bill has been considered speaks well of his legislative acumen and command of the issues.

Senator HART, as chairman of the Nuclear Regulation Subcommittee of the Environment and Public Works Committee, has demonstrated a considerable expertise in the field of nuclear energy policy.

In his relatively brief tenure as ranking minority member of the subcommittee, the distinguished Senator from Wyoming (Mr. SIMPSON) has exhibited a similar understanding of this complex issue.

A great deal of attention has been focused on this bill. It is a clear indication of the role nuclear power can be expected to play as we face our energy problems squarely. The bill reflects a careful review by the subcommittee and the full committee.

Such close attention was made particularly necessary in light of the Three Mile Island accident which pointed up certain shortcomings in the function of the Nuclear Regulatory Commission. The accident also necessitated some adjustments in the nuclear power policy of the United States.

The bill makes changes in both these areas in such ways as to assure that public health and safety are protected. Vitally important evacuation plans will be developed by the States under the provisions of this bill. New emergency procedures clarify the status of the NRC in cases where it might have to take direct control of a nuclear reactor, as happened at Three Mile Island. A systematic inspection program, begun in 1977 by the NRC, is expanded and strengthened by this bill.

At the same time, the continued use of nuclear power to produce electricity is reaffirmed. Our goal must be to make the use of this power source as safe and reliable as possible.

Once again, I commend the managers of the bill for their competence and cooperation.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. SIMPSON. I yield.

Mr. BAKER. Mr. President, I join with the majority leader in extending my congratulations to the majority manager and the minority manager of this bill. They have negotiated difficult terrain with great skill and I believe they have placed before the Senate a bill about which the Senate can make a sensible judgment.

I especially want to pay my respects to the distinguished junior Senator from Wyoming for an excellent job. In the short time he has been in the Senate this is his second time to manage a bill, and he has conducted himself in the job with the skill and dignity I expected of him. I congratulate him and Senator HART.

Mr. RANDOLPH. Mr. President, do we have time remaining?

The PRESIDING OFFICER. Who yields time?

Mr. HART. I yield to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the Committee on Environment and Public Works is composed of 14 members. All of those members, without regard to whether they are Democrats or Republicans, have approached this problem as we approach problems generally. Partisanship does not surface in our committee. Differences arise sometimes, of course, but from differences have come understandings.

I only want to add to what has been said the feeling that I, as chairman, have toward the cooperative and constructive efforts of all members of the committee.

Of course, in this instance, to GARY HART, the chairman of the Subcommittee on Nuclear Regulation, a subcommittee on which I had the opportunity of serving, and also to ALAN SIMPSON, of Wyoming, and I had the privilege of serving with his good father, I extend my deepest thanks.

I want to say for the record that these men, and others who joined with them, have done credit to a very complex yet critical bill. They well serve the Senate and the people of the Republic.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

Mr. HART. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. TSONGAS) is necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—97

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—1

Proxmire

NOT VOTING—2

Domenici Tsongas

So the bill (S. 562), as amended, was passed, as follows:

S. 562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SEC. 101. (a) There is hereby authorized to be appropriated to the Nuclear Regulatory Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, for the fiscal year 1980 the sum of $373,300,000, to remain available until expended. Of such total amount authorized to be appropriated:

(1) not more than $57,040,000 may be used for "Nuclear Reactor Regulation";

(2) not more than $41,200,000 may be used for "Inspection and Enforcement"; of the total amount appropriated for this purpose, $4,684,000 shall be available for support for 146 additional inspectors for the Resident Inspector program;

(3) not more than $14,270,000 may be used for "Standards Development";

(4) not more than $29,605,000 may be used for "Nuclear Material Safety and Safeguards"; of the total amount appropriated for this purpose, $9,675,000 shall be available for Nuclear Waste Disposal and Management activities, including support for five additional positions in the Division of Waste Management for implementation of the Uranium Mill Tailings Radiation Control Act (Public Law 95-604, 42 U.S.C. 7901 et seq.):

(5) not more than $210,570,000 may be used for "Nuclear Regulatory Research"; of the total amount appropriated for this purpose, $4,400,000 shall be available for implementation of the Improved Safety Systems Research plan required by section 205(f) of the Energy Reorganization Act of 1974, as amended, and $6,700,000 shall be available for Nuclear Waste Research activities;

(6) not more than $14,925,000 may be used for "Program Technical Support"; of the total amount appropriated for this purpose, $4,238,000 shall be available to the Office of State Programs, including support for eight additional positions for training and assistance to State and local governments in radiological emergency response planning and operations and for review of State plans; and

(7) not more than $30,690,000 may be used for "Program Direction and Administration"; of the total amount appropriated for this purpose, $400,000 shall be available for support of eight additional positions in the Division of Contracts, Office of Administration.

(b) No amount appropriated to the Commission pursuant to subsection (a) may be used for any purpose in excess of the amount expressly authorized to be appropriated therefor by paragraphs (1) through (7) of such subsection, if such excess amount is greater than $500,000, nor may the amount available from any appropriation for any purpose specified in such paragraphs be reduced by more than $500,000, unless:

(1) a period of forty-five calendar days (not including any day in which either House of Congress is not in session because of an adjournment of more than three calendar days to a day certain or an adjournment sine die) has passed after the receipt by the Committee on Interstate and Foreign Commerce and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Environment and Public Works of the Senate of notice given by the Commission containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or

(2) each such Committee before the expiration of such period has transmitted to the Commission a written notification that there is no objection to the proposed action:

Provided, however, That no addition to or reduction from the amount expressly authorized to be appropriated for any purpose in accordance with this subsection shall reduce the amounts available for the Resident Inspector program, Nuclear Waste Disposal and Management, Improved Safety Systems Research, Nuclear Waste Research, the Office of State programs, and the Office of Administration specified in paragraphs (1) through (7) of subsection (a).

(c) No amount authorized to be appropriated by this Act may be used by the Commission to

(1) place any new work or substantial modification to existing work with another Federal agency, or

(2) contract for research services or modify such a contract

in an amount greater than $500,000, unless such placement of work, contract, or modification is approved by a Senior Contract Review Board, to be appointed by the Commission within sixty days of the date of enactment of this Act. Such Board shall be accountable to and under the direction of the Commission. If the amount of such placement, contract, or modification is $1,000,000 or more, approval thereof shall be by majority vote of the Commission. Prior to affording any approval in accordance with this subsection, the reviewing body designated hereunder shall determine that the placement, contract, or modification contains a detailed description of work to be performed, and that alternative methods of obtaining performance, including competitive procurement, have been considered.

SEC. 102. Moneys received by the Commission for the cooperative nuclear research programs may be retained and used for salaries and expenses associated with those programs, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), and shall remain available until expended.

SEC. 103. Transfers of sums from salaries and expenses may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

SEC. 104. Notwithstanding any other provision of this Act, no authority to make payments hereunder shall be effective except to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 105. The first sentence of section 234 a. of the Atomic Energy Act of 1954, as amended, is amended by striking all that follows "exceed" the first time it appears and inserting in lieu thereof the following: "$100,000 for each such violation."

SEC. 106. The Commission is authorized and directed to enter into a contract for an independent review of the Commission's management structure, processes, procedures, and operations. The review shall include an assessment of the effectivenss of all levels of agency management in carrying out the Commission's statutory responsibilities, in developing and implementing policies and programs, and in using the personnel and funding available to it. The contract shall provide for submission of a report of the findings and recommendations of the review to the Commission not later than one year from the date of enactment of this Act, and the Commission shall immediately transmit such report to the Congress.

SEC. 107. Section 2021, title 42, United States Code, is amended by renumbering subparagraph (j) as new subparagraph (j) (1), and adding a new subparagraph (j) (2):

"(2) The Commission, upon its own motion or upon request of the governor, may temporarily suspend all or part of its agreement with the State without notice or hearing if, in the judgment of the Commission:

"(A) an emergency situation exists creating danger to the health or safety of persons in the State or an area within the State, and

"(B) the State has failed to take steps necessary to contain or eliminate the cause of the danger within a reasonable time after the situation arose:

Provided, however, That a temporary suspension under this subparagraph shall authorize the Commission to exercise its authority only to the extent necessary to contain or eliminate the danger, and only for such time as the emergency situation exists.".

SEC. 108. (a) As soon as practicable, but not later than one hundred and eighty days after enactment of this section, the Commission shall by rule, after notice and opportunity for hearing in accordance with section 553 of title 5 of the United States Code, promulgate demographic requirements for the siting of utilization facilities in connection with construction permit review under section 1855 of the Atomic Energy Act of 1954. Such requirements shall provide for review of construction permit applications pursuant to section 185 of the Atomic Energy Act of 1954, and shall specify to the maximum extent practicable the following:

(1) the extent and maximum population density of the low population zone immediately surrounding the site, including consideration of permissible radiation exposure;

(2) acceptable means of assuring such maximum population density is not exceeded during the useful life of the facility;

(3) the minimum distance from the site to the nearest boundary of any densely populated area;

(4) the minimum fission-product release into the containment structure assumed for dose calculation; and

(5) in the promulgation required hereunder, the Commission shall specifically consider the possibility of multiple-unit siting and the feasibility of evacuation in case of an extraordinary nuclear occurrence, or an event or sequence of events which significantly increase the likelihood thereof.

(b) Any person may bring a proceeding in the United States District Court for the District of Columbia to require the Commission to promulgate the rule required in subsection (a) of this section if the Commission has not promulgated such rule within the time period provided by subsection (a) of this section.

SEC. 109. (a) Chapter 14 of the Atomic Energy Act of 1954 is amended by inserting after section 170 the following new section:

"SEC. 170. (a) CRIMINAL PENALTIES.—Any person who knowingly violates any safety standards promulgated by regulation under this Act relating to the construction or operation of a utilization or production facility licensed under section 103 or 104b. of this Act shall upon conviction, be subject to a fine of not more than $25,000 for each day of violation, or to imprisonment not to exceed two years, or both. If the conviction is for a violation committed after a first conviction of such person under this Act, punishment shall be a fine of not more than $50,000 per day of violation, or imprisonment for not more than two years, or by both.".

(b) The analysis of chapter 14 of the Atomic Energy Act of 1954 is amended by adding at the end thereof:

"SEC. 170. (a) CRIMINAL PENALTIES.".

TITLE II

SEC. 201. As used in this title—

(1) the term "the Act" shall mean the Atomic Energy Act of 1954, as amended;

(2) the term "extraordinary nuclear occurrence" shall have the meaning provided therefor by section 11j. of the Act; and

(3) the term "utilization facility" shall mean a facility described by section 11cc. of the Act which is licensed to operate under section 103 or 104b. thereof.

Sec. 202. (a) Section 103 of the Act is amended by adding at the end thereof the following new subsection:

"e. As part of each application for an operating license for a utilization facility submitted under this section, the applicant shall provide the plan of the State of situs for responding to accidents or unanticipated events at each utilization facility, including the subject facility, licensed to operate within such State under this section or section 104b. of the Act, which accidents or unanticipated events, due to the existence or the imminent possibility of off-site releases of radioactivity, create the need for action to protect the public health and safety. No such license shall be issued unless the Commission is satisfied that such plan, as it applies to the subject facility only, adequately protects the public health and safety.".

(b) As soon as practicable, each State wherein a utilization facility has been licensed to operate as of the date of enactment of this Act which has not obtained the Commission's concurrence in its State radiological emergency response plan, shall submit to the Commission and the Director of the Federal Emergency Management Agency a plan for responding to accidents or unanticipated events at each such facility within the State, which accidents or unanticipated events, due to the existence or the imminent possibility of off-site releases of radioactivity, create the need for action to protect the public health and safety. The Commission, in consultation with the Director of the Federal Emergency Management Agency, shall review each plan for compliance with the guidelines employed by the Commission in affording or withholding concurrence in State radiological emergency response plans which were in effect on July 16, 1979 and shall specifically consider the findings of the Director of the Federal Emergency Management Agency on such compliance. In the event the Commission determines that any such plan, as it applies to each specific facility, does not comply with such guidelines and the State fails to correct such noncompliance before June 1, 1980, the Commission shall cause such determination to be published in the newspaper of greatest circulation in such State, and shall order each such facility with respect to which the plan does not comply to terminate operations until a plan is submitted which the Commission determines to be in compliance with such guidelines as it applies to the facility.

(c) As soon as practicable, but not later than six months from the date of enactment of this section, the Commission shall by rule promulgate minimum requirements for State plans for responding to accidents or unanticipated events at each utilization facility licensed to operate within the State, which accidents or unanticipated events, due to the existence or the imminent possibility of off-site releases of radioactivity, create the need for action to protect the public health and safety. In the promulgation required hereunder, the Commission shall specify a period for expeditious compliance with such requirements. Prior to promulgating the rule required by this subsection, the Commission shall consult with the Director of the Federal Emergency Management Agency. Pending the promulgation required hereunder, the Commission shall determine plan adequacy as required by section 103e. of the Act on the basis of the guidelines employed by the Commission in affording or withholding concurrence in State radiological emergency response plans, which were in effect on July 16, 1979, and any plan which had received the Commission's concurrence prior to enactment of this Act shall be deemed adequate for the purposes of that section.

(d) The minimum requirements to be promulgated under subsection (c) shall assure protection of the public health and safety to the maximum extent practicable, and shall at a minimum provide for:

(1) designation of appropriate planning zones surrounding each facility on the basis of such factors as reactor size, probable release patterns from possible accident sequences, and demographic and land use patterns;

(2) capability to quickly and safely implement protective measures such as evacuation and sheltering;

(3) initial and periodic testing of plan feasibility in actual drills of State and local organizations which are assigned responsibilities to carry out portions of the plan;

(4) vesting of responsibility for the development and revision of the plan in a single agency;

(5) participation of facility licensees, local governments, and appropriate State agencies in that development and revision;

(6) delineation of respective organizational roles in implementation of the plan; and

(7) identification of procedures for expeditious and reliable notification and communication.

(e) Any person may bring a proceeding in the United States District Court for the District of Columbia to require the Commission to promulgate the rule required in subsection (d) of this section if the Commission has not promulgated such rule within the time period specified therein.

(f) Within sixty days from the enactment of this section, the Commission shall implement compensatory measures to safeguard the public health and safety against the risks associated with the operation of any utilization facility for which the Commission has issued an operating license and with respect to which existing State radiological emergency response plans do not conform to Commission guidelines employed prior to the enactment of this section in affording or withholding concurrence in such plans.

Sec. 203. Within six months of the date of enactment of this section, the Commission shall by rule promulgate a plan for agency response to an extraordinary nuclear occurrence, and to an event or sequence of events which significantly increases the likelihood thereof, at a utilization facility licensed under section 103 or 104 b. of the Act, which at a minimum provides for effective and expeditious procedures for—

(1) notification by the licensee of any event or sequence of events at such a facility which may significantly increase the likelihood of such an occurrence;

(2) determination of the existence of such an event, sequence of events, or occurrence;

(3) representation at the facility site vested with the authcrity to act on behalf of the Commission;

(4) communication among Commission headquarters, the Commission regional office, Commission representatives at the facility site, the Governor of the State of situs and other appropriate State officials, and senior management officers and operator personnel of the licensee;

(5) comprehensive and definitive monitoring of radiation levels within the boundaries of the facility site.

(6) function of the Chairman as spokesman for the Commission in accordance with section 201(a)(1) of the Energy Reorganization Act of 1974, as amended;

(7) making recommendations on evacuation; and

(8) acquiring facility design and construction in formation, equipment, and technical expertise.

In the promulgation required hereunder, the Commission shall specifically determine which procedures shall be implemented by majority vote of the Commission, and which shall be implemented through delegation of authority.

Sec. 204. (a) Section 170 of the Atomic Energy Act of 1954, as amended, is amended by changing the caption thereof to "Indemnification, Financial Protection, Limitation of Liability, and Emergency Response.", and by adding at the end a new subsection q. as follows:

"q. Within 120 days of the date of enactment of this subsection, the President shall prepare and publish a National Contingency Plan to provide for expeditious, efficient, and coordinated action to protect the public health and safety in case of an extraordinary nuclear occurrence, or an event or sequence of events which significantly increases the likelihood thereof, at a utilization facility licensed under section 103 or 104 b. Such plan shall include, but not be limited to—

"(1) designation of an interagency task force, including but not limited to the Federal Emergency Management Agency, which shall be the lead agency, the Commission, the Environmental Protection Agency, the Department of Health, Education, and Welfare, the Department of Defense, and the Department of Energy, and consisting of personnel who are trained, prepared, and available to provide necessary services to carry out the Plan;

"(2) assignment of duties and responsibilities among Federal departments and agencies: *Provided, however,* That the Environmental Protection Agency shall have the responsibility for radiation monitoring outside the boundaries of the facility;

"(3) identification of an official of the lead agency as task force coordinator at the facility site;

"(4) establishment of a national center to provide coordination and direction in Plan implementation; and

"(5) identification, procurement, maintenance and storage of equipment and supplies.

The President shall incorporate in the Plan required hereunder the provisions of the plan of the Nuclear Regulatory Commission promulgated pursuant to section 203 of the Nuclear Regulatory Commission Authorization Act for Fiscal Year 1980. To the maximum extent possible, the Federal response to an extraordinary nuclear occurrence, or to an event or sequence of events which significantly increases the likelihood thereof, at a utilization facility licensed under section 103 or 104 b., shall conform to the Plan promulgated hereunder. The President may periodically revise such Plan.".

(b) The analysis of chapter 14 of the Atomic Energy Act of 1954, as amended, is amended by deleting:

"Sec. 170. Indemnification and limitation of liability."

and inserting in lieu thereof:

"Sec. 170. Indemnification, financial protection, limitation of liability, and emergency response."

Sec. 205 (a) Section 103 of the Act is amended by adding at the end thereof the following new subsection f.:

"f. Each license issued under this section for a utilization facility shall require as a condition thereof that in case of any event or sequence of events at such facility which may significantly increase the likelihood of an extraordinary nuclear occurrence, the licensee shall immediately so notify the Commission. Violation of the condition prescribed by this subsection may in the Commission's discretion constitute grounds for license revocation. In accordance with section 187 of this Act, the Commission shall immediately amend each license for a utilization facility issued under this section or section 104 b. which is in effect on the date of enactment of this section to insert the provisions required hereunder.".

(b) As expeditiously as practicable, the Commission shall establish a mechanism for instantaneous and uninterrupted verbal communication between each utilization facility licensed to operate on the date of enactment of this Act, or thereafter, and

(1) Commission headquarters, and

(2) the appropriate Commission regional office.

(c) Within ninety days of the date of enactment of this Act, the Commission shall prepare and transmit to the Congress a plan for remote and instantaneous monitoring of each principal component system of a utilization facility which is designed to prevent substantial health or safety hazards or to measure radioactive releases to the atmosphere.

SEC. 206. (a) The Commission is authorized and directed to undertake a comprehensive investigation and study of the impediments to expeditious and reliable communication among Commission headquarters, the Commission regional office, Commission representatives at the facility site, senior management officials and operator personnel of the licensee, and the Governor of Pennsylvania and other State officials, in the thirty day period immediately following the accident of March 28, 1979, at unit two of the Three Mile Island Nuclear Station in Pennsylvania. Such investigation and study shall include, but not be limited to a determination of the need for improved communications procedures and the need for advanced communications technology.

(b) The Commission shall report to the Congress by January 1, 1980, on the findings of the investigation and study required by the preceding subsection, including recommendations on administrative or legislative measures necessary to facilitate expeditious and reliable communications in case of an extraordinary nuclear occurrence, or an event, or sequence of events which significantly increases the likelihood thereof, at a utilization facility. The Commission shall implement as soon as practicable each such recommendation not requiring legislative enactment, and shall incorporate the recommendation in the plan for agency response promulgated pursuant to section 203 of this Act.

SEC. 207. (a) The Commission is authorized and directed to prepare a plan for improving the technical capability of licensee personnel to safely operate utilization facilities. In proposing such plan, the Commission shall consider the feasibility of requiring standard mandatory training programs by nuclear facility operators, including classroom study, apprenticeships at the facility, and emergency simulator training. Such plan shall include specific criteria for more intensive training and retraining of operator personnel licensed under section 107 of the Act, and for the licensing of such personnel, to assure—

(1) comformity with all conditions and requirements of the operating license;

(2) early identification of events or event sequences which may significantly increase the likelihood of an extraordinary nuclear occurrence; and

(3) effective response to any such event or sequence.

Such plan shall include provision for Commission review and approval of the qualifications of personnel conducting any required training and retraining program, such plan shall include requirements for the renewal of operator licenses including, to the extent practicable, requirements that the operator—

(1) has been actively and extensively engaged in the duties listed in such license,

(2) has discharged such duties safely to the satisfaction of the Commission,

(3) is capable of continuing such duties, and

(4) has participated in a requalification training program.

Such plan shall also include criteria for suspending or revoking operator licenses. The Commission shall also consider the feasibility of requiring such licensed operator to pass a requalification test every six months including—

(1) written questions, and

(2) emergency simulator exams.

The Commission shall transmit to the Congress the plan required by this subsection within six months of the date of enactment of this Act, and shall implement as expeditiously as practicable each element thereof not requiring legislative enactment.

(b) The Commission is authorized and directed to undertake a study of the feasibility and value of licensing under section 107 of the Act plant managers of utilization facilities and senior licensee officers responsible for operation of such facilities. The Commission shall report to the Congress within six months of the date of enactment of this Act on the findings and recommendations of the study required by this subsection, and shall expeditiously implement each such recommendation not requiring legislative enactment.

SEC. 208. (a) In the conduct of the study required by section 5(d) of the Nuclear Regulatory Commission Authorization Act for Fiscal Year 1979 (Public Law 95-601), the Commission and the Environmental Protection Agency, in consultation with the Secretary of Health, Education, and Welfare, shall evaluate the feasibility of epidemiological research on the health effects of low-level ionizing radiation exposure to licensee, contractor, and subcontractor employees as a result of—

(1) the accident of March 28, 1979, at unit two of the Three Mile Island Nuclear Station in Pennsylvania;

(2) efforts to stabilize such facility or reduce or prevent radioactive releases therefrom; or

(3) efforts to decontaminate, decommission, or repair such facility.

The report required by such section shall include the results of the evaluation required hereunder.

(b) Section 5(d) of the Nuclear Regulatory Commission Authorization Act for Fiscal Year 1979 (Public Law 95-601), is amended by striking "September 30, 1979" and inserting in lieu thereof "March 1, 1980".

SEC. 209. (a) Section 204(h) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended by adding at the end thereof a new paragraph to read as follows:

"(3) Notwithstanding any other provision of this title, where a State assumes or has assumed, pursuant to an agreement entered into under section 274 b. of the Atomic Energy Act of 1954, authority over any activity which results in the production of byproduct material as defined in section 11 e.(2) of that Act, the Commission shall not, until the date three years after the date of enactment of this Act, have licensing authority over such byproduct material produced in any activity covered by such agreement, unless the agreement is terminated. If, upon expiration of the three-year interim, a State has not entered into such an agreement with respect to byproduct material as defined in section 11 e.(2) of the Atomic Energy Act of 1954, the Commission shall have authority over such byproduct material.".

(b) Section 204(h) (1) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended to read:

"(h) (1) On or before the date three years after the date of enactment of this Act, notwithstanding any provision of this title, any State may exercise any authority under State law (including authority exercised pursuant to an agreement entered into pursuant to section 274 of the Atomic Energy Act of 1954, as amended) respecting (A) byproduct material, as defined in section 11 e.(2) of the Atomic Energy Act of 1954, or (B) any activity which results in the production of byproduct material as so defined, in the same manner and to the same extent as permitted before the enactment of this Act; *Provided, however,* That nothing in this section shall be construed to preclude the Commission or the Administrator of the Environmental Protection Agency from taking such action under section 275 of the Atomic Energy Act of 1954 as may be necessary to implement title I of this Act.".

(c) The last sentence of section 83 a. of the Atomic Energy Act of 1954, as amended, is amended to read: "Any license in effect on the effective date of this section and subsequently terminated without renewal shall comply with paragraphs (1) and (2) upon termination.".

(d) Section 204(e) of the Uranium Mill Tailings Radiation Control Act of 1978 is amended by adding at the end thereof a new paragraph to read as follows:

"(2) This subsection shall be effective on the date three years after the date of enactment of this Act.".

(e) Section 83(b) (1) (A) of the Atomic Energy Act of 1954, as amended, is amended by—

(1) striking all that follows "transferred to—" down through "Unless" and inserting in lieu thereof the following—

"(i) the United States, or

"(ii) the State in which such land is located, at the option of such State, unless", and

(2) striking "section 84 b." and inserting in lieu thereof "section 81 of this Act".

SEC. 210. The Nuclear Regulatory Commission shall by October 1, 1979, promulgate regulations providing for timely notification to State and insular areas prior to the transport of nuclear waste, including spent nuclear fuel, to, through, or across the boundaries of the State or insular area: *Provided, however,* That such notification requirements shall not apply to nuclear wastes in such quantities and of such types as the commission specifically determines do not pose a potentially significant hazard to the health and safety of the public.

SEC. 211. No funds appropriated under this Act may be used for the purpose of providing for the licensing or approval of any disposal of nuclear wastes in the oceans.

SEC. 212. (a) chapter 65 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1365. Nuclear facilities

"(a) Whoever willfully or maliciously injures or destroys any of the works, property, building, machinery, or material of any nuclear utilization or production facility, operated or controlled by the United States, or licensed by the United States, whether constructed * * * or willfully or maliciously interferes in any way with the working or use of any such facility, or willfully or maliciously obstructs, hinders, or delays the production, utilization, or transmission of energy from such facility, shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

"(b) An alleged violation of this section shall be investigated by the Federal Bureau of Investigation. Whenever Federal investigative or prosecutive jurisdiction is asserted for a violation of this section, the exercise of jurisdiction by any State or local law enforcement authority shall be suspended until Federal investigation or prosecution is terminated.

"(c) For the purposes of this section, the terms 'utilization facility' and 'production facility' have the same meaning as in section 11 of the Atomic Energy Act of 1954 (42 U.S.C. 2014).".

(b) The table of sections for chapter 65 of that title is amended by adding at the end thereof the following new item:

"§ 1365. Nuclear facilities."

Mr. HART. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HART. Mr. President, I ask unanimous consent that S. 562 be printed as passed by the Senate and that 250 copies be printed for use by the Committee on Environment and Public Works.

The PRESIDING OFFICER. (Mr. PRYOR). Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—H.R. 4387

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the minority and with the manager of the bill and ranking managers, Mr. EAGLETON and Mr. BELLMON, respectively.

I ask unanimous consent that on that agriculture appropriations bill, there be 1 hour on the bill, to be equally divided between Mr. EAGLETON and Mr. BELLMON; 30 minutes, equally divided, on any amendment; 1 hour, equally divided, on an amendment on food stamps, if offered; 2 hours, equally divided, if an amendment is offered on the Rural Clean Water Act; 2 hours, equally divided, if an amendment is offered on the homeownership assistance program; 20 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate by the Chair; and that the agreement be in the usual form as to the division and control of the time.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of H.R. 4387 (Order No. 258), an act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending Sept. 30, 1980, and for other purposes, debate on any amendment in the first degree (except on a food stamps amendment, if offered, on which there shall be 1 hour; a rural clean water act amendment, if offered, on which there shall be 2 hours; and a home ownership assistance program amendment, if offered, on which there shall be 2 hours) shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any amendment in the second degree, debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator tion of generation at hydroelectric facilities from Missouri (Mr. Eagleton) and the Senator from Oklahoma (Mr. Belmon): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to consideration of H.R. 4388, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments as follows:

On page 2, line 11, strike "$2,050,623,000" and insert "$2,053,823,000";

On page 2, line 17, strike "$60,523,000" and insert "$64,523,000";

On page 2, beginning with line 23, insert the following:

Anticipated revenues from Uranium Enrichment Activities earned during the fiscal year and authorized to be retained by this Act, shall be deemed to have been appropriated to the Department of Energy for purposes of 31 U.S.C. 665.

On page 3, line 7, strike "$334,050,000" and insert "$336,900,000";

On page 3, line 13, strike "$2,350,547,000" and insert "$2,388,147,000";

On page 3, line 21, strike "$237,329,000" and insert "$228,029,000, of which $6,165,000 shall be for the Office of Inspector General,";

On page 4, line 16, strike "$423,878,000" and insert "$444,478,000";

On page 5, beginning with line 8, insert the following:

Anticipated revenues from Uranium Enrichment Activities earned during the fiscal year and authorized to be retained by this Act, shall be deemed to have been appropriated to the Department of Energy for purposes of 31 U.S.C. 665.

On page 6, line 9, strike "$546,249,000" and insert "$618,249,000";

On page 6, line 19, strike "$31,015,000" and insert "$40,515,000";

On page 8, line 19, strike "one fixed wing aircraft at a cost not to exceed $850,000, and";

On page 8, line 21, strike "$124,900,000" and insert "$122,800,000";

On page 12, beginning with line 10, insert the following:

SEC. 104. Not to exceed 5 per centum of any appropriations made available for the current fiscal year for Energy Supply, Research and Development Activities; Uranium Supply and Enrichment Activities; General Science and Research Activities; Atomic Energy Defense Activities; and Departmental Administration Activities may be transferred between such appropriations, but no such appropriation, except as otherwise provided, shall be increased or decreased by more than 5 per centum by any such transfers, and any such proposed transfers shall be submitted promptly to the Committees on Appropriations and the appropriate authorizing committees of the House and Senate for approval.

On page 13, line 16, strike "$142,296,000" and insert "$140,795,000";

On page 13, line 21, after "Waterway" insert "or would result in adverse diminuon the Niagara or St. Lawrence Rivers";

On page 14, line 11, strike "$1,440,481,000" and insert "$1,473,566,000";

On page 15, line 17, strike "$850,314,000" and insert "$848,500,000";

On page 17, line 23, strike "$36,905,000" and insert "$34,176,000";

On page 18, line 8, strike "$215,453,000" and insert "$205,953,000";

On page 19, line 8, after "Interior" insert a colon and the following:

Provided further, That currently unobligated funds from appropriations made under this heading for payment of Teton Dam disaster claims shall be available to pay costs to irrigation spaceholder contracting entities for American Falls Dam pursuant to section 7, Reclamation Safety of Dams Act (Public Law 95–578), and shall be nonreimbursable in accordance with the terms of that Act.

On page 20, line 15, strike "$38,194,000" and insert "$32,348,000";

On page 26, beginning with line 22, insert the following:

SEC. 305. Notwithstanding the provisions of the Act of October 1, 1961 (76 Stat. 677), the Secretary of the Interior, in the development of the irrigation lands located in Block 26 of the Columbia Basin project, Washington, shall take such action as may be necessary to assure that the per acre repayment obligation shall be the same as those set forth in repayment contract 11 R 1444, dated October 9, 1945, as amended between the United States of America and the South Columbia Basin Irrigation District, but in no case shall such per acre repayment obligation exceed $131.60.

On page 27, line 23, strike "$356,500,000" and insert "$358,600,000";

On page 27, line 24, strike "$224,000,000" and insert "$358,600,000";

On page 28, line 9, strike "$383,000" and insert "$257,000";

On page 29, line 7, strike "$358,340,000" and insert "$363,340,000";

On page 30, line 12, strike "$146,177,000" and insert "$148,677,000";

On page 31, line 2, strike "$37,556,000" and insert "$24,002,000";

On page 31, line 3, strike "$4,330,000" and insert "$2,788,000";

On page 31, line 4, strike "$3,112,000" and insert "$2,815,000";

On page 31, line 7, strike "$3,134,000" and insert "$3,119,000";

On page 31, line 9, strike "$21,000,000" and insert "$10,700,000";

On page 31, line 10, strike "$5,400,000" and insert "$4,000,000";

Mr. HART. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Environment and Public Works be afforded the privilege of the floor during consideration of and all votes on H.R. 4388.

John Yago, Philip Cummings, Martha Pope, Bill Donovan, Pete Rosenberg, Bailey Guard, Jim Range, and Ric Herod.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—H.R. 4388

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the manager of the bill and the ranking manager of the bill, Mr. JOHNSTON and Mr. HATFIELD, respectively, and with the minority leadership.

I ask unanimous consent that on the pending measure, there be a time limit of 3 hours on the bill, equally divided between Mr. JOHNSTON and Mr. HATFIELD; that there be 30 minutes on any amendment; that there be 1 hour on any amendment on the Tellico Dam, 2 hours on any amendment on Dickey-Lincoln, and 20 minutes on any debatable motion or appeal or point of order, if such is submitted to the Senate for its discussion and consideration; and that the agreement be in the usual form as to division and control of time.

The PRESIDING OFFICER. Is there objection? If there is none, it is so ordered.

The text of the agreement follows:

Ordered, That during the consideration of H.R. 4388, the Energy and Water Appropriations Act, debate on any amendment except one dealing with the Tellico issue on which there will be one hour, and one dealing with the Dickey-Lincoln issue on which there will be two hours, be limited to 30 minutes to be equally divided and controlled by the mover thereof and the manager of the bill, with 20 minutes on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate, to be equally divided, and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Oregon (Mr. HATFIELD): *Provided*, That the said Senators or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

Mr. MUSKIE. Mr. President, will the floor manager yield for a unanimous-consent request?

Mr. JOHNSTON. Yes. I yield to the distinguished Senator from Maine.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Leon Billings and James Case of my staff be granted privilege of the floor during consideration of H.R. 4388 and all votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, in review of the time agreement just confirmed, it is the hope of the ranking minority member (Mr. HATFIELD) and myself that today we can deal with the Dickey-Lincoln amendment first, on which there is a time agreement of 2 hours, and that we can follow that immediately with the Tellico amendment, on which there is a time limit of 1 hour. Our hope is that we can recess for the evening at not later than 6:30 p.m.

Mr. President, the pending measure, H.R. 4388, is the regular annual energy and water development appropriation bill for the fiscal year 1980. This bill passed the House of Representatives on June 18, 1979, on a rollcall vote of 359 yeas to 29 nays. The Senate Committee on Appropriations considered and approved the bill with amendments on July 11. The bill as recommended by the committee provides $10,841,895,000 in new budget authority for the various programs, projects, activities of the Department of Energy, the U.S. Army Corps of Engineers, the Bureau of Reclamation, the Appalachian Regional Development Commission, the Nuclear Regulatory Commission, the Tennessee Valley Authority and several smaller independent agencies and commissions. The President's fiscal year 1980 budget requests submitted for this bill total $10,994,492,000. This, the bill as reported by the committee, is $152,597,000 less than the amounts requested in the President's budget. The House passed bill would provide $155,965,000 less than the amounts recommended by the committee.

Mr. President, the Subcommittee on Energy and Water Development, which I have the honor to chair, has worked very hard over a period of 6 months beginning with the President's budget submission last January, to bring to the Senate a good, well-balanced appropriation bill for the up-coming year. We held over 35 sessions—30 different days—in developing this bill. As recommended by the committee, H.R. 4388 is a sound and solid, well-balanced bill. It reflects the compelling requirement of budgetary constraint with the reduction of $152.5 million under the President's 1980 budget; but it also provides sufficient and adequate funds to help meet the present and future needs of our Nation.

And let me hasten to add, Mr. President, that it was and is simply impossible, under the budgetary constraints with which we are confronted, to include appropriations in this bill for all of the many, many requests received and reviewed by the subcommittee and the committee. There are a large number of items, many of which are very worthy, totaling about $350 to $400 million which could not be accommodated in this annual appropriation bill. We will, of course, give careful consideration and attention to these items which merit the committee's support in the future.

Mr. President, in the interest of time and inasmuch as most Members are generally familiar with the major areas covered by this bill, I will not take the Senate's time to elaborate in detail on all of the changes recommended by the committee. The House report and House floor action have been available for over a month now, and the committee report accompanying the bill has been available to the Members. Also, I note that the report is on each Senator's desk and I ask the Members to refer to that report. I will only briefly summarize and cover the recommendations by the major titles.

TITLE I—DEPARTMENT OF ENERGY

Mr. President, title I of the bill provides appropriations to the Department of Energy. A total of $6,545,242,000 is recommended, which is $148.4 million more than the House allowance. For energy supply, research and development, $2,498,301,000 is recommended, including over $513 million for solar energy; $145 million for geothermal; $906.8 million for nuclear programs; $352 million for magnetic fusion; $252 million for basic research programs; and $265 million for environment programs. I want to call special attention to the committee's allowance for the funding of the so-called renewables R. & D. In the past few years, the Congress has provided substantial increases in the solar program. In fiscal year 1974, $15 million was provided for solar work and for this year, the amount is $513 million. The year-to-year increase is as follows:

[In millions]

Fiscal year 1975	$43
Fiscal year 1976	115
Fiscal year 1977	294
Fiscal year 1978	368.5
Fiscal year 1979	441.3

When other Federal funds and tax incentives are included, the total solar effort for fiscal year 1980 will be more than $815 million.

For the general science and research programs of the Department of Energy, $471.9 million is contained in the bill—and $3 billion is included for atomic energy defense activities for the highly important national security programs supporting our tactical and strategic nuclear deterent.

TITLE II—DEPARTMENT OF DEFENSE—CIVIL U.S. ARMY CORPS OF ENGINEERS

Title II of the bill provides $2,800,576,000 for the civil works program of the Army Corps of Engineers. Of this amount, $140,795,000 is for general investigations; $1,473,566,000 is for construction, general; $210.5 million is for the Mississippi River and tributaries, and $848,500,000 is for operation and maintenance. The committee's recommendations for new starts are listed on page 5 of the report.

TITLE III, BUREAU OF RECLAMATION

The committee recommendation for title III of the bill is for $597.5 million. These funds are for the work to be performed by the Bureau of Reclamation in the 17 Western States of our Nation and pages 111 through 137 of the report contain the tables showing the amounts recommended for the projects and activities of the Bureau.

TITLE IV—INDEPENDENT AGENCIES

Title IV of the bill contains the appropriations recommended for seven independent agencies and commissions. A total of $898,342,000 is recommended. Of this amount, $361.6 million is for the Appalachian Regional Development Commission and programs; $363.4 is for the Nuclear Regulatory Commission; $148.7 million is for the Tennessee Valley Authority; and $24 million is for the Water Resources Council.

This is a brief summary by title of the major components of the bill and the many details are included in the report.

Mr. President, I want to express my sincere thanks and appreciation to all of our distinguished members of the subcommittee and committee, particularly to the Senator from Oregon (Mr. HATFIELD), the ranking minority member of the subcommittee. We missed him during some of our sessions this year due to the requirements he had to fulfill on the Committee on Ethics. It is a pleasure to work with him and in fashioning this important measure.

He has been very overworked this year, having been on the Ethics Committee and having hearings there. But he still attended and participated and lead in all of the activities of this subcommittee. It is a particular privilege to work with him in this matter. It is very productive for the Senate to have his help and leadership in this area.

Also, I want to thank our distinguished leader in the Appropriations Committee, the President pro tempore of the Senate and chairman of the committee (Mr. MAGNUSON) who has worked long and hard for many of the programs and activities funded in this bill. Also, to the ranking minority member, the distinguished Senator from North Dakota (Mr. YOUNG) who attends nearly all our meetings and has been very helpful to us in our work.

Mr. President, I yield to the ranking minority member.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. HATFIELD. Mr. President, H.R. 4388, the fiscal year 1980 appropriations bill for energy and water development, provides a total of $10,841,895,000 for the coming fiscal year. This is $697,643,100 more than we have appropriated in fiscal year 1979, but $152,597,000 less than the amount requested in the President's budget. I believe the bill is generous but prudent, and I hope it will be promptly approved by the Senate so that we can get into and out of conference quickly and send the bill to the President before the August recess.

Before proceeding with a brief summary of the bill's pertinent features, Mr. President, I want to heartily commend our subcommittee chairman (Mr. JOHNSTON) for months of hard work on this bill. We have heard several hundred witnesses in weeks of hearings, and always the chairman has been courteous and fair, but tough in demanding justification for any request for the expenditure of Federal dollars. That is not an easy position to take when action in the energy area is so urgently needed. Pressing for bold initiatives in energy, however, does not mean that we can sacrifice prudence and good judgment. Indeed, this time of crisis demands that we more carefully allocate our limited fiscal resources.

So I want to congratulate Senator JOHNSTON, and the staff, for their long hours of work in bringing this bill to the floor. As Senator JOHNSTON indicated, I sincerely regret that my duties in the Ethics Committee kept me away from the subcommittee's business on many occasions.

Mr. President, the bill recommended by the committee provides a total of $3,038,724,000 for energy supply, research, and development programs and activities, including funding for solar and geothermal energy, hydropower, wind energy, ocean thermal energy, nuclear fission, electric energy systems and storage, magnetic fusion, general science and research, and environmental research and development. The funding continues Federal research and development efforts on energy technologies utilizing renewable energy sources; to improve the efficiency of existing technologies; the assessment of environmental, economic, and institutional barriers; and the characterization and assessment of available energy resources.

In view of the critical need to emphasize development of renewable energy resources, the committee's recommendation of $39,026,000 over the fiscal year 1979 appropriation for solar technology and application should be emphasized. Included are an additional $9.5 million for ocean systems development, and $10,000,000 for the Federal photovoltaic purchase program. The latter amount was not requested in the budget, but has been recommended by the committee to strengthen solar development. When added to funds already available for this purpose, it represents a significant program.

Funds were not included for the construction loan program for low-head hydroelectric development. Although authorized last year, the program is in rudimentary form at best and no budget request was made. The committee spent considerable time pondering the wisdom of adding $100,000,000 to the budget for this program, and concluded that a variety of unresolved questions about low-head development made additional construction funds unwise at this time. The committee is very concerned that a program be developed, however, and has used strong report language to order a report from the Department of Energy by September 15, 1979.

In the area of nuclear energy, it should be noted that the committee has followed the lead of the House and recommended no funding for either the Clinch River breeder reactor or the large conceptual design study for an alternative breeder system. I strongly support this position. The breeder issue is going to be resolved one way or another in action on the authorizing legislation, and there is no reason for us to join the issue in this bill. If additional funds are required after action on the authorization bill, they will be provided in a supplemental.

For water development, Mr. President, the committee is recommending $3,460,000,000 for Federal water resource development programs. This includes projects and related activities of the U.S. Army Corps of Engineers—Civil, the Bureau of Reclamation, and the Tennessee Valley Authority. The Federal water resource development program provides lasting benefits to the Nation in the areas of: flood control, municipal and industrial water supply, irrigation of agricultural lands, water conservation, commercial navigation, hydroelectric power, recreation, and fish and wildlife enhancement.

These are not so-called pork barrel projects, Mr. President. They are capital investments in water resource development that yield national benefits that have been underestimated greatly in the past. The committee recommendations are an attempt to accommodate the interests of all Members who expressed those interests to the committee. Many requests came in too late for the careful consideration these projects require, and the committee was not able to grant them all. I believe the bill is generous, however, and I hope that Members will not amend the bill to any great degree.

Of particular interest in this area is the language in title IV of the bill pertaining to the Tellico Dam and Reservoir of the Tennessee Valley Authority. The bill provides that, "Notwithstanding the provisions of 16 Y.S.C., chapter 35 or any other law, the Corporation is authorized and directed to complete construction, operate and maintain the Tellico Dam and Reservoir project." This language exempts Tellico from the Endangered Species Act and all other Federal laws. That is drastic medicine, and given the recent Senate vote on Senator BAKER's amendment on this issue, I expect there will be a motion to strike that language, and I will support that motion.

That concludes my opening remarks, Mr. President, and I am now ready to proceed with any amendments that may be offered.

Mr. JOHNSTON. Mr. President, I ask unanmious consent that the distinguished Senator from Maine (Mr. MUSKIE) be in charge of the time in opposition to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. COHEN. I yield.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the distinglished Senator from Maine (Mr. COHEN) be manager of the amendment he is sponsoring.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The committee amendments have to be disposed of first.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded for the purposes of amendment as original text, provided that no point of order shall have been considered to have been waived by agreeing to this request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Maine is recognized.

UP AMENDMENT NO. 368

(Purpose: To eliminate funds relating to the Dickey-Lincoln hydroelectric project)

Mr. COHEN. Mr. President, I have an unprinted amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. COHEN), for himself and Messrs. LEAHY, CHAFEE and HUMPHREY, proposes an unprinted amendment numbered 368:

On page 14, line 12, strike "$1,473,566,000" and substitute "$1,472,856,000".

On page 14, line 12, insert the following immediately before the period: "*Provided*, That none of the funds appropriated under this paragraph may be expended in connection with the proposed Dickey-Lincoln hydroelectric project on the St. John River, Maine.".

Mr. COHEN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there

a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COHEN. Mr. President, this amendment would delete the $710,000 appropriation for the proposed Dickey-Lincoln hydroelectric project on the St. John River in northern Maine. Senators LEAHY, CHAFEE, and HUMPHREY have joined me as cosponsors of this important amendment.

Our opposition to the Dickey-Lincoln project is widely shared in New England and in the Congress.

A majority of the Senate delegation from New England is opposed to the project.

For the past 2 years, our colleagues in the other body, at the urging of the New England congressional delegation, have voted to deny any further funds for Dickey-Lincoln.

Former Maine Gov. James B. Longley, after a year-long study, outlined his strong objections to Dickey-Lincoln in a comprehensive report presented to the President and the Maine congressional delegation last fall.

Nearly every major newspaper in Maine has taken an editorial position against construction of Dickey-Lincoln, even in the face of my State's serious energy problems.

The U.S. Fish and Wildlife Service has recommended that Dickey-Lincoln not be constructed, and the Environmental Protection Agency has expressed grave reservations over the project's impact on Maine's environment.

Last, but certainly not least, an increasing number of Maine and New England citizens—the presumed beneficiaries of Dickey-Lincoln—have said "no" to the project.

I think it is legitimate to ask, why have so many voiced their strong opposition to Dickey-Lincoln at a time when New England's energy problems are indeed serious? To answer this question, and it is certainly a legitimate one, one need look no further than the revised draft environmental impact statement for Dickey-Lincoln, which was issued last September.

In cold and unemotional terms, this document paints a picture of unparalleled environmental destruction which would result if Dickey-Lincoln is built. Imposed on Maine's landscape would be a massive earthfill structure, rivaling the Aswan Dam in size. Were the project to the built in Washington, the area flooded would stretch to Baltimore on the north, and Harpers Ferry on the west. A half million acres of prime timberland and the last great free-flowing river in the Northeast will be destroyed or adversely affected by this extremely unwise project.

The bill of indictment against Dickey-Lincoln is not limited to environmental considerations—as important as they are. On economic grounds, the project also fails to pass muster.

The justification for authorization of all Corps of Engineer's project is measured in terms of the benefit-to-cost ratio. This device not only attempts to quantify the primary costs and benefits of a project but also, and most important, provides Congress with a yardstick to judge one project against another.

For purposes of justifying the Dickey-Lincoln project to Congress, the Corps of Engineers has computed the benefit-to-cost ratio using interest rates which clearly fail to provide a realistic market test for the project. Using a 3¾ percent interest rate, the corps estimates the benefit-cost ratio of Dickey-Lincoln to be 2.1 to 1. At 6⅞ percent, the benefit-cost ratio drops to 1.2 to 1. At this latter figure, the Federal Government would barely recover its investment in the project—assuming, of course, that money could be borrowed at this low rate.

Last August, Lawrence Hines, associate chairman of the Department of Economics at Dartmouth College, conducted an economic analysis of Dickey-Lincoln using an interest rate of 8.5 percent. At 8.5 percent, a rate which is still well below the present costs of borrowing money, Hines found that the benefit-cost ratio of Dickey-Lincoln fell to an unfavorable .95 to 1. Moreover, this analysis concluded that if certain questionable project benefits are disallowed, such as the power benefits accruing to Canada, the benefit-cost ratio for the project plunges to .67 to 1. At this level, the Federal Government—or should I say the American taxpayers—would lose 33 cents on every dollar invested in Dickey-Lincoln.

Who can possibly argue, in these times of inflation and pending recession, that the Federal Government can afford to waste 33 cents on every dollar it invests? How can we justify denying needed funds to other national needs, and turn around and fund a project such as Dickey-Lincoln?

Since power benefits account for approximately 96 percent of Dickey-Lincoln's projected benefits, it is imperative that the impressive-sounding figures about the project's energy potential be placed in the proper perspective.

According to the corps' own estimates, Dickey-Lincoln has the potential to replace 2.3 million barrels of oil annually. Just how much energy is that in relation to New England's needs?

The quick answer is that 2.3 million barrels represent about one-half of 1 percent of the oil New England uses annually. Put differently, 2.3 million barrels of oil would provide enough fuel to meet the Nation's needs for about 6 hours.

The question that Congress needs to focus on is whether it wants to spend over $1 billion to reduce oil imports by that level. Additionally, we need to keep in mind that during the 8-year construction period, Dickey-Lincoln will be a major energy consumer.

Earlier this year, the Senate, by a wide margin, voted against an administration plan to impose Federal restrictions on advertising lighting. The plan would have cost only $3 million to implement, and would have saved an estimated 1.6 million barrels of oil per year. That is well over one-half the oil Dickey-Lincoln would save; yet opponents of the plan, including some Members now present, argued against its adoption on the grounds that such a small saving was not worth the effort and expense involved in enforcing the restrictions; $3 million to enforce restrictions, and not worth the effort to save 1.6 million barrels of oil per year. Using this logic, I fail to see how the Senate can possibly agree to build Dickey-Lincoln—a project costing 300 times more than the modest advertising restrictions proposed by the President.

Opponents of this amendment will almost certainly argue that we should look beyond Dickey-Lincoln's shaky economics, and focus only on the rising price of oil. The problem with this argument is that it implies that Dickey-Lincoln will save significant amounts of oil—it will not—and that New England faces a choice of this particular project or nothing—it does not.

Clearly, we do not face a choice of Dickey-Lincoln or nothing, or Dickey-Lincoln or nuclear power, as some have suggested. Maine and New England have viable energy options which are less costly than Dickey-Lincoln in every respect—alternatives which will preserve the natural resource options of future generations, rather than paying sole allegiance to the energy needs of today's society.

In an unprecedented effort to rationally plan the region's energy future, the New England congressional caucus and Tufts University recently sponsored an Energy Congress, consisting of 120 delegates representing virtually every constituency in New England. After a year of deliberations, the delegates unveiled a bold and farsighted energy plan just last month that will, if fully implemented, greatly reduce New England's unacceptably high dependence on oil. Significantly, the Dickey-Lincoln project failed to win the endorsement of the delegates.

Let me briefly outline for my colleagues some of the conclusions the Energy Congress reached in the area of alternative supply options for New England:

WOOD

According to the Energy Congress, by the year 2,000, wood has the potential to displace the equivalent of approximately 91 million barrels of oil annually, more than 20 percent of our current consumption. This energy would come on a sustainable basis form a renewable resource. By 1985, a full 5 years before Dickey-Lincoln would come on line, wood could supply the equivalent of 21 million barrels of oil annually—sevnt times the Dickey-Lincoln output. Not only would this provide tremendous savings to New England consumers, but also it would cost the Federal Government, in the form of various economic incentives, about $205 million, or one-fifth the estimated cost of Dickey-Lincoln.

Finally, a recent Brookhaven National Laboratory study estimates that 10,000 to 16,000 jobs can be created in the Northeast from the wood energy business alone. Compare this to the 68 permanent jobs created by Dickey-Lincoln.

Another option recommended by the energy congress in New England:

SOLID WASTE

New England generates 49 million pounds of solid waste each day. The potential output of projected resource recovery plants in New England, if used only to fuel electric generating plants, could cut present day residual fuel imports by 22 percent. With the proper mix of Federal incentives totaling approximately $200 million again one-fifth the cost of Dickey-Lincoln, New England could generate enough electricity from solid wastes by the year 2000 to displace over 8 million barrels of oil annually. This is over three times as much energy as Dickey-Lincoln would produce, and it is energy that can be immediately tapped.

Another alternative recommended by the Energy Congress:

SMALL-SCALE HYDROELECTRIC

There are hundreds of potential small-scale hydrosites in the 1- to 25-megawatt range that could be developed at reasonable costs. Most would operate as run-of-the-river systems with no storage capacity. In general, reactivation of existing hydrofacilities is currently more economically feasible than developing new sites. Reactivation will also raise fewer environmental objections than either small- or large-scale new projects.

Reducing the regulatory burden on potential developers and providing up-front subsidies for feasibility studies and capital costs will facilitate the implementation of these hydrosites. With such assistance, an additional, 1,500 megawatts, 1½ times the power generation of Dickey-Lincoln, is reasonably attainable according to the Energy Congress.

SOLAR ENERGY

Another option is solar energy. Solar technology offers promise for New England. The Energy Congress estimated that with the proper commitment and incentives, 10 percent of New England's electrical energy could be produced by photovoltaic solar cells by the year 2000. As much as 4 million barrels of oil annually could be displaced by this alternative energy source.

WIND

The Energy Congress concluded that up to 100 megawatts of wind energy could be feasibly developed by 1985. If tapped, this alternative energy source could replace at least one-half million barrels of oil annually by the middle of the next decade.

PUMPED STORAGE

Dickey-Lincoln is, in part, a pumped storage facility. The Army Corps of Engineers in 1976, studied four large pumped storage sites in New England, one of them in Caratunk, Maine. Each of these four sites would cause considerably less flooding than Dickey-Lincoln. Furthermore, the benefit/cost ratio for every one of these sites appears to be more favorable than Dickey-Lincoln's. Just one of these pumped storage sites would provide more power and at less cost than Dickey-Lincoln. Also, the four sites studied by the corps are closer to market demand. The Energy Congress concluded that the amount of pumped storage capacity that can be constructed is far greater than the foreseeable need.

CONSERVATION

Next is conservation, which the President stressed so emphatically in his televised speech the other evening. Conservation can play a crucially important role in moderating the need for further peaking facilities in New England. As the Environmental Protection Agency wisely noted in its comments on the draft environmental impact statement on Dickey-Lincoln, the peaking segment of our energy demand is clearly the element which is most responsive to various load management and pricing alternatives. Existing studies of energy conservation suggest that a 20- to 40-percent reduction in energy for residential heating and cooling is feasible with an expenditure of less than $2,000, and that the first $1,000 can make a significant contribution. It is the most basic conservation measures—storm windows, caulking, weatherstripping, insulation—that offer the greatest promise. An increased financial commitment to energy conservation will almost certainly yield energy savings far in excess of the limited power Dickey-Lincoln would produce.

Mr. President, as the report of the Energy Congress clearly shows, New England's energy future is not inextricably tied to construction of Dickey-Lincoln, or Aswan West, as some have labeled it. We have alternatives which are cheaper, more economically efficient, and less environmentally destructive. Most importantly, these energy options can be tapped far sooner than Dickey-Lincoln, providing needed relief for the the citizens prior to 1990, the earliest date Dickey would produce energy.

Finally, let me make reference to a statement made earlier this year by the distinguished junior Senator from New York (Mr. MOYNIHAN) when he and the Senator from New Mexico (Mr. DOMENICI) introduced a major water policy reform bill. My colleague suggested, and he is absolutely correct, that present policy for judging the merits of water projects lacks any rational pattern or program. I might add that it also lacks any sense of priority, since States do not share in the costs, but only in the benefits.

I do want to note, for the benefit of my colleagues, that the State of Maine now has under active consideration a proposal to utilize the energy potential of the St. John River by constructing a run-of-the-river hydro facility at Lincoln School. This scaled-down alternative to Dickey-Lincoln would generate approximately 70 megawatts of intermediate power for Maine, and would be funded entirely by the State of Maine itself. Given the choice, I am reasonably confident that the people of my State would far prefer this promising energy option to Dickey-Lincoln.

Mr. President, Congress has already sunk over $10.5 million into the Dickey-Lincoln project. Reams of studies have been produced. It will benefit no area but New England, and a majority of its elected representatives, reflecting the will of the people, do not want it.

The time is at hand, in my judgment, to terminate Dickey-Lincoln and direct our attention to developing alternatives which are affordable and responsible. Approval of this amendment will represent the first step down that road, and I am hopeful that my colleagues will support me in this vitally important effort.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The senior Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I shall read, if I might, a couple of quotations. The first:

> New England's need for expanded hydroelectric generating capacity has never been greater. The severe impact of the energy crisis on the region has only further underscored this fact.

Those are the words of my colleague, Senator COHEN, as a Member of the House of Representatives on June 6, 1974, when he was an ardent supporter of the Dickey-Lincoln School, a support which he continued until 18 months ago.

Some of the best arguments I can find against the points he is trying to make today are contained in his own words.

Let me read another:

> As we face the increasing reality that the end of the fossil fuel era is rapidly approaching, it becomes evident that this fact also signals the birth of a new era—an era in which an imperative need exists to develop available, nonpolluting, and renewable sources of energy. Efficiently operated hydroelectric plants are generally recognized to yield the cheapest and cleanest energy. . . . I strongly believe that our underdeveloped hydroelectric resources can play an increasingly important role in meeting the energy needs of this Nation, and I urge my colleagues to join me in opposing this amendment which seeks to further impede this effort.

That quotation is by my colleague on the same day, June 6, 1974.

Then he undertook to answer the charge that Dickey-Lincoln would cost too much. What did he have to say in response to that charge?

> (1) The primary users of Dickey power will pay for the project. Consumer-owned municipal electric and rural cooperative systems will be allocated the power output of the Federal project and they will pay back 85 percent of the total project cost in its first 50 years of operation—June 6, 1974.
>
> (2) Every penny going into the construction of this dam for power-generating facilities is going to be paid back to the American Treasury over the first 50 years.
>
> (3) According to the Army Corps of Engineers, we are talking right now about a total cost to the American taxpayer of $17 million. That is the total cost involved.—June 24, 1975.

Those words were all spoken by Congressman COHEN on June 24, 1975.

Then a final quotation:

> As a result of the central role that oil plays in the energy picture of New England, the tripled world oil prices of recent months have imposed additional economic and personal hardships on the consumers in the region, who were already saddled with higher electrical rates than most areas of the country. . . . I do believe that the generation of an additional 1.2 billion kilowatt-hours of electricity per year to the region could be an important factor in helping to stabilize power costs. In any event, it is apparent that

> New England consumers will not realize any relief from high energy costs if the lowest cost energy alternatives are left undeveloped.
>
> In any event, it is apparent that New England's consumers will not realize any relief of high-energy costs if the lowest cost energy alternatives are left undeveloped.

That quotation is dated June 6, 1974.

Mr. President, I agreed with all of those statements when they were made. I agree with them today, and I think any objective analysis of Dickey-Lincoln School today will underscore their validity.

Mr. President, the Dickey-Lincoln School originated out of an effort in the early 1960's sparked by myself, Senator Margaret Chase Smith of Maine, Senator COHEN's predecessor, President Kennedy, and Secretary Udall to undertake to mobilize the resources of northern and eastern Maine in behalf of the people of that area and the rest of Maine. It is an area of Maine that has been chronically depressed economically, an area of Maine which has not been given the opportunity to use its own resources to advance the lives of its people.

(Mr. NUNN assumed the chair.)

At my request, President Kennedy directed Secretary Udall to study these resources and to determine whether or not in some way a coordinated plan could be found to put them to work for the people of Maine.

In my request I emphasized the importance of preserving important environmental values while, at the same time, contributing some injection of economic life and blood into the economy of the region.

Secretary Udall produced his first plan which included the reservation of the Allagash Wild River Area forever in the interests of environmental values associated with that project. That had my enthusiastic support, and when the first Democratic legislature in Maine in 50 years was elected in 1964 it undertook at my urging to implement that important environmental goal. And the Allagash is by all counts the more valuable and a better white water canoeing river than the St. John in its best days.

Second, that proposal of Secretary Udall in the early sixties undertook in addition to evaluate the potential of two hydroelectric projects. He looked first at the Passamaquoddy tidal power project, which had been found infeasible by the International Joint Commission in the spring of 1961, and I asked them to consider it in connection with hydroelectric development with St. John.

Secretary Udall was able to produce a plan which would tie Passamaquoddy, a project that Senator COHEN now says he is for, with development of a hydroelectric project on the St. John. It was the combination of the two which made both feasible, both Passamaquoddy and the St. John project.

This proposal was presented to the people of Maine by Secretary Udall in a tour across Maine from Portland to Bangor to Presque Isle and Fort Kent to Eastport. It was presented on live television to the people in all areas of the State, and it was overwhelmingly approved. There was no dissenting voice within the congressional delegation representing Maine at that time or the people of Maine.

The only dissents came from two sources: Maine's private utilities, and the landowners who did not want to give up the land necessary to reserve the Allagash.

Well, we overcame the objection of the latter group in the legislature, as I have described. The electric utilities were able successfully for years into this decade to block implementation of the hydro part of the program.

Two or three years after Stewart Udall presented that proposal, Passamaquoddy became infeasible economically because of developments with respect to other power technology, particularly nuclear power. So Passamaquoddy took a backseat in the early 1960's to nuclear power.

But the St. John project was still good enough to stand on its own feet. At that time I made an analysis, and the St. John project was a better project in terms of benefit/cost ratio than three-fourths of the hydroelectric projects that have been constructed by the Federal Government in this country, and there were over 175 of them. But not one of them was ever constructed in the northeasterly portion of this country north of the Mason-Dixon line and east of the Mississippi, and to this day the Federal Government has not sponsored and constructed a hydroelectric project.

We watched the Federal Government pour money into the South, the Southwest, and the West to build hydroelectric projects. At what interest rate, Mr. President? At a subsidized interest rate of 3.25 percent. The rule always was that a project carried the interest rate which prevailed when it was authorized, and there are projects in this bill, which Senator COHEN seeks to amend, still being funded at the 3.25-percent interest rate.

But that is all right. That benefits other parts of the country. When it comes to benefiting our area of the country, 3.25 percent is too little. But for these other projects, all of these benefit/cost ratios were based upon an interest rate of 3.25 percent and are still carrying that percentage rate, which is subsidized by the taxpayers of Maine and New England as well as by the taxpayers of the areas which they serve.

Now, Dickey-Lincoln met that test. All right. We had to fight the power companies. We were not able to get funding. Time passed. The cost of money rose, inflation hit. So, the Water Resources Council has proposed an interest rate of 6⅞.

Now, using 6⅞ as a measure, Dickey-Lincoln School gives us a positive benefit/cost ratio, and there are only a few projects in this bill at that high an interest rate.

But I am willing to use that test even though it departs from the rule that a project carries the interest rate which prevailed when it was authorized. At 6⅞ Dickey-Lincoln School is still a favorable project. But, no, my colleague is not satisfied with that. He wants to apply an interest rate that has never been applied to any federally funded water project in the history of the country. No wonder New England lags, no wonder.

I mean, there has been a public policy for 200 years, that of Federal subsidies of water projects that have the effect of developing various areas of the country. They have done so, and in the process they have spirited away industry from New England. The effect has been to subject New England consumers to the highest electric rates in the country. My colleague now argues that these rates are all right for others but not for Maine.

I would have expected, and my expectations were not let down, you know, that people outside Maine would offer these kinds of tests for an indigenous energy source. I never expected that the people within Maine would offer that kind of a standard, a tougher standard, for a Maine project than has ever been met by another water project, so far as I know in the history of the country.

Dickey-Lincoln, Mr. President, offers 1.2 billion kilowatt hours of electricity a year; and, including the downstream benefits from Canadian projects on the New Brunswick side of the border, it is close to 1.5 billion kilowatt hours.

The interesting thing is, Mr. President, that the lower end of the St. John River, which is located in Canada, is fully developed to generate public power. We import it into Maine. But what do we pay for it? The Canadians charge us the highest rate we have to pay in Maine for alternative sources of energy, and that is very high. They do not give us the benefit of the low cost that Canadian consumers realize from the generation of hydroelectric power on the St. John.

So here we are, perfectly willing in Maine to import St. John power from New Brunswick at a high cost, but reluctant to generate it on our part of the St. John at the lower cost that would be made possible.

The inconsistency overwhelms me. Here in a time of inflation—my colleague mentions inflation. Of course inflation raises the cost of a project, but my heavens, the implication is that it does not raise the cost of producing any alternative source of energy.

The headlines in this morning's Washington Post told us the President's program is going to cost $142 billion. Now, the effect of that, over 10 years, would be to save 1.65 billion barrels of oil a year. That approximates $10 a barrel at current prices.

With respect to Dickey-Lincoln, we are talking about $784 million, and not the billion that my colleague tosses around so loosely. The highest figure, in the February Corps of Engineers report, is $784 million.

That is a lot of money, but it is not a billion. Not by more than $200 million. But that exaggeration is typical of the kind of arguments that have been used against Dickey-Lincoln over the years.

It has to be repaid over 50 years, and it will displace 115 million barrels of oil at an equivalent price of $6.80 per barrel. So this is cheaper than the program the President is laying on our desks, and there is nothing that says "This is how much of that $142 billion will be returned to the Treasury." In the case of Dickey-Lincoln's cost, at least 85 percent will be returned to the Treasury.

But there is another inflationary issue involved in this project, and that is the cost of energy once it is built. The unit cost of electricity from any hydroelectric project, Dickey-Lincoln or otherwise, once it is built, does not rise appreciably, because the operating costs are relatively minimal. If you can imagine that this Dickey-Lincoln project should come into being by 1985, depending on when and if it is ever built, how much the cost of oil would rise from that date to a date 50 years in the future, and compare it to what would happen to the cost per unit of energy from Dickey-Lincoln in 1985 compared to 50 years later, the difference would be astronomical, because hydro is the cheapest form once it is built.

And this is where Dickey-Lincoln's great value is: Primarily as a peaking source of power. And what do I mean by that? It is the most expensive form of power. It is the kind of power that an electrical system must be able to turn on at that time of the day when demand is at its peak, typically in the evening hours and the early morning hours, when you have to have a surge of power for an hour and a half or 2 hours. Keeping a nuclear plant, a coal-fired plant, or an oil-fired plant on standby for a couple of hours a day is the most expensive way to produce peaking power. I visited the Soviet Union in 1959 and traveled extensively, from one end of the country to the other, studying their electric plants. They understood their value, and they were spending hundreds of millions of dollars erecting huge hydroelectric plants in Siberia and other places, in order to maintain the ratio of hydro to other sources of power at 20 percent. And, Mr. President, the State of Washington, which is over 90 percent hydroelectric, has the lowest power rates in this country.

So if you are talking about inflation and what the consumer will have to pay over 50 years in additional costs if we use some other source of power for peaking, it will make the cost of construction look insignificant. But, no, we have to look at that $784 million that is interpreted as $1 billion as a measure of the inflationary impact of Dickey-Lincoln School.

In terms of Dickey-Lincoln's contribution to the energy output of New England, Dickey-Lincoln's total output of 1.450 kilowatt hours is more than 20 percent of Maine's total consumption, and approximately 2.5 percent of New England's total consumption. But you have to supplement those facts with the point I have just made, that in terms of the cost of peaking power the most expensive kind of power, as Senator COHEN has acknowledged in one of the quotations I have read earlier, hydro is the cheapest way to move.

I ask unanimous consent that a table showing consumption in Maine and New England, and Dickey-Lincoln's contribution, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1977 electric consumption in Maine and New England

[In million kilowatt hours]

Maine:	
Total consumption	7,307
Residential consumption	2,886
Commercial consumption	1,580
Industrial consumption	2,620
Street lighting	68
All other	153
New England:	
Total consumption	72,751
Residential consumption	28,222
Commercial consumption	21,822
Industrial consumption	20,916
Street lighting	878
All other	913

Dickey-Lincoln's total annual output of 1,450 million kilowatt hours is more than 20 percent of Maine's total consumption and approximately 2.5 percent of New England's total consumption. Dickey's power is largely the more valuable peaking power.

Mr. MUSKIE. I shall also ask unanimous consent, so that the actual facts on costs, and so on, may be in the RECORD, that the cost fact sheet dated February 1979 by the Corps of Engineers on Dickey-Lincoln School be printed in the RECORD.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 37 minutes remaining.

Mr. MUSKIE. I yield myself 10 minutes more.

Mr. President, my colleague has mentioned several other options that he says are available in lieu of Dickey-Lincoln. After he got through listing them all, I said to myself, "Well, surely we have got a surplus of energy in this country. We do not have to be concerned about the President's program or the Energy Committee's program, because if all these sources are available to Maine, they are surely available to the country as a whole, and if they are more than ample for Maine, they are more than ample for the country as a whole."

I mean, what is all this energy crisis? I had thought that notwithstanding the availability of conservation, lowhead hydro, pumped storage, excess Canadian hydropower, and so on, we were still short. That is what my people in Maine say, that they are short.

But let us look at some of these alternatives.

Conservation obviously is critically important to our country and to our region. I have been urging it upon our constituents for a long time.

We should continue to encourage conservation and require it where appropriate. But conservation alone cannot displace our need for electric power and does not reduce the need for Dickey-Lincoln. Central Maine Power predicts that demand for electricity will increase annually at a rate of 4.4 percent and that may be a conservative estimate, since historic growth rates have been higher. Recent growth rates have been about 7 percent annually.

That may be a conservative estimate, Mr. President, since historic growth rates have been higher.

Recent growth rates have been about 7 percent annually.

Studies prepared for the Maine Public Utilities Commission predict demand will increase at a rate of from 3.4 to 5.2 percent annually over the next 10 years. Obviously, we must have every source of energy available.

Load management and peak pricing can help control demand but there are limits to what can be gained and delays related to metering and equipment changes.

Let us look at low head hydro, for which my colleague has used the New England Energy Congress as an authority.

Low head hydro is an important resource for Maine and New England and should be encouraged wherever feasible. But development of low head hydro is not a replacement for Dickey-Lincoln and is not inconsistent with Dickey-Lincoln. To the contrary, Dickey-Lincoln will make development of low head hydro more feasible.

The New England Energy Congress looked at hydroelectric facilities potential through New England and found that Dickey-Lincoln represented more than half the undeveloped hydroelectric potential in New England, and Dickey would be producing power that is more reliable at cheaper rates. Comparing Dickey-Lincoln to a small hydro project, the New England Energy Congress found Dickey-Lincoln to cost less than half for the capital investment per kilowatt hour and produce electricity at about half the cost per kilowatt hour of the smaller project.

The operational problems associated with low head hydro limit its application particularly as a substitute for Dickey-Lincoln. The Northeast Energy Congress recognized these operational limitations in its report last year and were described by University of Maine Prof. Richard Hill. Low head hydro projects suffer from susceptibility to weather problems, with dry spells producing low runs, and periods of deep cold producing ice back-ups. The limited reliability resulting from these operational problems limits the development of low head sites because back-up capacity has to be maintained. When Dickey-Lincoln is in place, the tremendous reserve potential of the project will provide back-up for low head hydro projects. In fact, in the event of an energy emergency, Dickey-Lincoln could operate around the clock for 35 days at full capacity.

Let us turn to wood.

Maine has a lot of wood, of course. Somewhere between 85 and 90 percent of our land area is wood covered.

To produce the equivalent amount of electricity as Dickey-Lincoln would require burning 3 to 6 million cords of wood per year. Maine's annual wood harvest is only 2.5 million cords per year.

A cord of wood contains the same energy as one-half ton to 1 ton of coal, and costs about 60 percent more, making the cost of electricity produced about one-third higher. And, of course, there are environmental factors involved.

The amount of forestland destroyed by a really massive turn to wood, could threaten land which would greatly exceed the 85,000 acres of Dickey-Lincoln. If we assume that intensive silviculture would increase the yield to the highest estimate of 15 tons per acre, we would still need to harvest an area larger than all of New England's forestlands.

Wood should be developed as an energy source, and has been, for home heating, cogeneration, and perhaps biomass conversion to alcohol. The paper industry is moving toward utilization of wood wastes for burning in their boilers, but neither the supply nor economics suggest that wood could replace Dickey-Lincoln.

Pumped storage. Mr. President, only one comment is needed with respect to pumped storage. Pumped storage is not an energy source. It is a storage system which uses 3 kilowatts of power for every 2 kilowatts generated, because it must supply the power to lift the water into the pump storage reservoir. Its value is important when you have off-peak, unused power to use for the purpose of lifting, but if you do not have excess, off-peak power for that purpose, then operating the pump storage system will take electricity away from other high priority uses.

Finally with respect to excess Canadian hydropower, Mr. President, Canada now has occasional excess hydro capacity which Maine utilities purchase. More may be available in the future. There are three reasons why this power is not a substitute for Dickey-Lincoln: First, price; second, reliability; and third, inflexibility.

Canadian power exported to the United States is priced (by Canadian law) at the price of the most expensive alternative power available to the United States. Hydro power sold to the United States would be priced at the cost of new oil fired power even though the Canadian production costs would probably be substantially lower. Canada will not enter long-term supply contracts because they insist that their resources be available to meet future Canadian demand.

To the extent that Canadian power might be available, it will not offer the flexibility of Dickey-Lincoln to respond immediately to our regular peak demand and our emergency needs.

In a real way, Dickey-Lincoln would make use of Canadian power more feasible. The transmission lines related to Dickey would be available to wheel Canadian power into the NEPOOL system, a capability which is not now available.

So in just two or three words more, Mr. President, I urge my colleagues to continue to support what the Senate has supported for almost 15 years——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. I yield myself 1 additional minute.

The last time, by an overwhelming vote. What we have here is a project that would provide 17 percent of New England's peaking power needs when built, an area which is deficient in indigenous energy sources, and increasingly at the mercy not only of oil companies outside our region but of oil countries outside our country.

Second, Dickey-Lincoln also provides something which the opponents rarely mention: Basic power, firm power, available to the immediate region of the Lincoln Pool in northern Maine, Aroostock County, which has always been the victim, noncompetitively, of high electric rates which have hamstrung its potato industry, and any other industry which has sought to establish a base there. Forty-five percent of the energy developed by this project, which includes two dams, would be that kind of intermediate power. I urge my colleagues to continue to support what the Senate has supported all these years.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield myself such time as I need. How much time is remaining?

The PRESIDING OFFICER. Eighty-seven minutes remain on the bill.

Mr. JOHNSTON. I mean in opposition to the amendment?

The PRESIDING OFFICER. Forty-three minutes in opposition to the amendment remain.

Mr. JOHNSTON. Mr. President, I shall be very brief. I stepped out of the Chamber because I had to bring up an amendment in the Appropriations Committee.

The Senate Energy and Water Development Appropriations Subcommittee and the Committee on Appropriations have considered this project, with hearings and debate, not just this year but in many previous years. My only regret about this bill is that it only has $710,000 included in this bill, as requested in the President's budget. That amount is for further studies. I think, Mr. President, we ought to be committing money for construction of the Dickey-Lincoln hydro project. What do we hear year after year, Mr. President? We hear we need to harness solar energy, of which hydroelectric is one form; that we need to harness the water resources of the Northeast. I hear it from Senator DURKIN month after month in the Energy Committee. I hear it on the floor. In committee, we had a lively debate to add $100 million to this bill for low-head hydro offered by Senator DURKIN.

Mr. President, the Dickey-Lincoln project, according to the preliminary estimates of the Corps of Engineers, has more energy, 830 megawatts, than all the estimated feasible low-head hydro sites in New England put together—830 megawatts of peaking power. It is true that peaking power cannot be run all the time. But, Mr. President, peaking power is what you need at the top demand of the day. If you have it at the top demand of the day, it is the most valuable of all kinds of power, because it keeps you from having to put in a whole other unit, a peaking power unit which generally burns oil. So this is a direct saver of oil.

Mr. President, the Northeast is, for the most part, a nonattainment area under the Clean Air Act. That means it is wellnigh impossible to put in any coal under present clean air rules. The Northeast certainly does not, I think they made it clear, want more nuclear energy. After we get Seabrook on line, it will take a long, long time to build one if they decide they want one. It takes 12 years now to build a nuclear plant.

I do not know what New England is going to do, Mr. President. They are energy short in New England. It is crimping the economy in New England.

I hear from my friend, the senior Senator from Maine, all the time about the economic difficulties in Maine and New England, and they are related to energy. Industry is moving out of New England. They are moving out, in large part, because they do not have energy in New England, because it requires greater amounts to heat homes, and because energy is generally more plentiful in other areas of the country. That is one of the biggest reasons for shifting employment out of New England.

Mr. President, this is the cleanest, clearest answer I know of. It is solar energy as defined by the White House. It is solar energy as defined by all the solar people. It is renewable. It does not run out. It is going to be there forever. It is clean. It also provides, behind that impoundment, water for recreation and other uses.

There are some, I know, who say we ought to leave the streams flowing free. Most of those people up there, at least the ones who I have heard testify, are for the project, because it is an environmental advantage to have this valuable hydro project with its clean energy produced up there in that woody area, where, as far as we have heard, very few people live.

Mr. President, my only regret is that we are not committing money for construction of this project now. If we cannot build Dickey-Lincoln, we might as well forget about hydropower in this country. We might as well say it is too insulting; we might as well say it is too expensive, it is unworkable and undesirable. This is as desirable a hydro project as there is left in the United States. Mr. President, it would be an outrage, I think, for us to kill this planning money at this time. I think we need to proceed. I wish we could proceed faster.

Mr. STAFFORD. Will the distinguished Senator yield a minute to me?

Mr. JOHNSTON. Yes, I shall certainly yield to the Senator from Vermont.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. JOHNSTON. Mr. President, I had previously asked unanimous consent that time in opposition be given to the Senator from Maine.

Mr. STAFFORD. Mr. President, I understand the Senator from Maine has yielded me a brief time. I have listened to the debate thus far on the motion, I understand, of the Senator from Maine to delete the money in the pending legislation for completing the environmental study with respect to the possible construction of the so-called Dickey-Lincoln Dam.

I have supported efforts to study this dam and to make preparations for its construction for a great many years, ever since the concept first began to come before Congress. I supported it back when it was fashionable for the utility companies in New England to be opposed to it. Now, of course, the situation has changed and some environmental groups are opposed to it, but the utility companies, I think recognizing its necessity for the purposes of generating electricity in this energy-short part of our country, support the proposition.

In any event, I support what Senator Muskie said earlier on the floor and what the distinguished Senator managing the bill (Mr. Johnston) has said about this piece of legislation. I make my decision this afternoon in the belief that it would be a shame not to go ahead and complete the environmental study with respect to Dickey-Lincoln, whether a Member of this body will eventually support its construction or not. Without the completion of that environmental study, we shall not have all of the facts and record before us which will allow us to make a firm intelligent decision on whether or not the Dickey-Lincoln project should indeed go ahead and is sufficiently free of environmental difficulties so that it can be built and contribute to the energy which the Northeast has always needed and which now the whole country needs, more than ever before, in the light of our difficulties.

So, Mr. President, I hope that our colleagues will not support the amendment offered by my distinguished friend from Maine (Mr. Cohen), but will leave this item in the legislation so that this important environmental study can be completed.

I thank the distinguished Senator for yielding.

Mr. MUSKIE. Mr. President, I ask unanimous consent that a telegram from Gov. Joseph E. Brennan of Maine, supporting the project, be printed in the Record at this point.

There being no objection, the telegram was ordered to be printed in the Record, as follows:

Augusta, Maine, *July 7, 1979.*

Senator Edmund S. Muskie:
Capitol One, D.C.
To the Members of the U.S. Senate representing the New England States:

As Governor of the State of Maine, I respectfully urge your support for the inclusion of the full amount requested in H.R. 4388, the Energy and Water Resources bill, for the completion of environmental studies for the Dickey-Lincoln Hydroelectric Project. Several reasons justify this position: 1, our nation has a clear and compelling need to develop domestic energy sources; 2, New England is in an especially vulnerable position in view of our heavy dependence on imported oil; 3, this appropriation will allow the completion of environmental studies so that policy makers can finally know the true environmental impact of the project; 4, the power generated will be safe, clean and renewable; 5, the project will be economically valuable both to New England as a whole and to depressed northern Maine in particular.

Again, I respectfully request your support for this vital energy project for the benefit of Maine, New England, and the United States.

Sincerely,

Joseph E. Brennan,
Governor, State of Maine.

The PRESIDING OFFICER. Who yields time?

Mr. COHEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Forty-three minutes.

Mr. COHEN. I shall take just a few moments to respond to some of the statements that have been made by my distinguished senior colleague. I recall the words of one wise politician-statesman who said, "Over the course of my life, I have had occasion to eat some of my words but, for the most part, I found them to be quite edible."

I recall that the Senator quoted some of my past statements and happened to omit a statement that also appeared in the Congressional Record. I shall just take this opportunity to read it so that at least a fairer picture of the position of the senior Senator from Maine might be stated. This is from the Record of June 19, 1975, wherein I said:

> I do want to point out to my colleagues that my support for additional preconstruction planning funds does not mean that I am irrevocably committed to construction of Dickey-Lincoln. If the studies provided for in the budget request conclusively demonstrate that Dickey-Lincoln is environmentally and economically unsound, I will not only oppose further moneys for the project, but I will actively lead the fight against any future attempt to revive it.

I think that should be in as well.

Mr. MUSKIE. Will the Senator yield?

Mr. COHEN. Mr. President, if the Senator will let me say one other thing, then I shall yield.

I have the utmost respect for the Senator from Maine. I admire him a great deal. Whatever happens as the outcome of this particular measure, the admiration will continue. I simply take note that I know some of his views have changed over a period of time and views that he may have formerly held, perhaps, have been changed by changing circumstances and perhaps even a change in terms of responsibility. I appreciate that and I would never, in any way, try to cite past statements in questioning his current judgment. I hope he will extend that measure of respect to the junior Senator from Maine as well.

I yield to the Senator.

Mr. MUSKIE. Mr. President, I am not trying to deny inconsistency. I have been around the Senate a long time. If inconsistency were measured with longevity in this body, not many of us would last very long.

I was simply citing the Senator's previous remarks, statements with which I still agree and which I thought were on point, in response to the Senator from Maine. I would like the Senate to understand that.

Mr. COHEN. I thank the Senator.

Mr. MUSKIE. I agree with him. I have been inconsistent, as well.

Mr. COHEN. I thank the Senator.

Mr. President, let me simply point out that it has been again suggested that somehow I have voted for 3¼ interest rates for other public projects, but not for Maine.

The fact of the matter is that I voted against the public works appropriation for fiscal year 1979 because I felt there were too many projects not fiscally responsible that had an inappropriate cost-benefit ratio.

For that reason, I opposed it last year.

When President Carter came to Washington, I went to the White House to have a meeting with him. I recall how impressed I was that he was going to try and do things in a different way.

He campaigned as an outsider, which, perhaps, he has come to regret at this point, saying things had to be changed in Washington and he was going to take the leadership in bringing about that kind of change.

So when he came, he said,

> I want to change the way in which the Congress does business as far as public works projects are concerned. I want to make them more responsible, more reasonable, more fiscally effective. That is the obligation I have to the people of this country and the commitment I made.

He wanted to impose a more reasonable test as far as the interest rates were concerned, rather than a 3¼ rate, which was totally unrealistic and I think made a mockery of our system.

So I supported President Carter when he requested we disapprove a number of projects, because I felt we had to change the way in which we were doing business and could no longer afford the luxury of spending that money that was not cost effective.

I assume that was the reason they were opposed to Tellico; not only the snail darter, but Mr. Schultz submitted testimony, or a letter, indicating that even if we had 90 percent of Tellico Dam completed, it still was not cost effective to go ahead with the other 10 percent.

I simply point out, we have not turned a spadeful of earth on Dickey-Lincoln, and the administration, to be consistent—though no one in this body would argue the administration follows any pattern of consistency—I assume had to oppose Dickey-Lincoln, as well, based on that cost-benefit analysis.

The other implication or suggestion, I think I am not overly sensitive about this, my good friend, Senator Muskie, never expected a Senator from Maine to impose a higher standard on Maine than he would on somebody else.

I tried to indicate I would rather have voted to impose higher standards on other people, but I hope that was not to suggest I am somehow disloyal to my own State.

Certainly, a former Governor of Maine could not be considered to be disloyal to the interests of Maine, and he strongly opposed the project.

Also, I reject the motion the Federal Government, just because we visit every other part of the country, somehow we have to visit Maine or New England in the same fashion, based on whatever mistake we make in the past, that we should go ahead and make them for Maine, too.

I reject that suggestion.

Also, it has been suggested that if we have all these things I have cited, and I am not the originator of these alternative projects, it has been the New England Energy Congress, and they talk about wood, low-head hydro, solid waste, solar, the suggestion is that if we have all this, we have a surplus of energy.

All the New England Energy Congress has suggested is that we have a variety of options available. We do not have to have Dickey-Lincoln or nothing, or Dickey-Lincoln or nuclear. There are other options which are viable and cost effective and more responsible in the sense of the limitation on the amount of damage that will be done.

The fact of the matter is, and the bottom line is, that 400 million barrels of oil were consumed in New England last year, and Dickey-Lincoln, when finally completed, will displace 2.3 million barrels per year.

So, Mr. President, I think, based on the facts, that my colleagues will be well warranted in discontinuing any further funding of this project, and that we have alternatives available which are environmentally sound.

Mr. President, I take this opportunity to ask unanimous consent to have printed in the RECORD at this point a letter from William R. Adams, Jr., Regional Administrator of the U.S. Environmental Protection Agency, outlining the substantial objections and questions they have to the project.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ENVIRONMENTAL PROTECTION AGENCY,
Boston, Mass., December 7, 1977.

Colonel JOHN P. CHANDLER,
Division Engineer, U.S. Army Corps of Engineers, New England Division, Waltham, Mass.

DEAR COL. CHANDLER: We have completed our review of the Draft Environmental Impact Statement (DEIS) for the proposed Dickey-Lincoln School Lakes hydroelectric power project and have some serious environmental concerns I would like to outline.

The upper St. John River drains the most remote part of the north woods of Maine. This basin is distinctive, even in a state noted for its rivers, by its size, setting, and north-country character. It goes without saying that any project of this magnitude, by virtue of its size and scope must, by its very being, create in the broad sense serious environmental impact and dislocation. The draft environmental impact statement clearly discloses many of the severe impacts of the proposed project. There can be no more profound alteration of a free flowing river system than to impound 287 miles of its most significant reaches under 88,000 acres of flat water. The ecosystem of the free river is destroyed and replaced by an impoundment. Present projections are that the water quality of the impoundment will be poorer than that of the river. The excellent brook trout fishery in portions of the St. John system will be eliminated and replaced by a lake fishery which, from the information in the EIS, would appear to be marginal. The wildlife habitat under the impoundment will be totally destroyed and the inhabitants will be lost. The recreation potential of the area will be altered from a high quality fishery and nationally recognized wild river canoeing resource to an impoundment with an irregular water level that reduces recreation and in low water years has an unattractive shore line.

Additional effects will be felt in the river downstream. As detailed in our attached comments, we feel that there is a risk of violation of water quality standards from the impoundment discharge both during and after construction and believe that the final impact statement must provide additional information on sedimentation and anaerobic discharges.

A further but integral impact of the project, and one which should be analyzed concurrently, is the effect of clearing and keeping clear the thousands of acres needed for transmission lines. This is the subject of a separate environmental impact statement, due in draft in February from the Department of the Interior. At this point it is evident only that the impact of the combination of the two will be greater than the impacts of the impoundment alone. However, the severity of this additional impact cannot be estimated at this time.

It is necessary that the Environmental Protection Agency express severe concerns about an environmental alteration of this magnitude. In doing so we are mindful of a national concern to develop domestic energy resources, and we are not opposed to development of public power in New England. We are, however, gravely concerned that the DEIS does not adequately assess alternative ways of achieving the claimed energy benefits, for it is only through such an analysis that one can clearly understand the trade-off between the wild St. John and a fraction of the estimated peaking power needs of metropolitan New England.

The main energy related benefit of the proposed project is to supply peaking power principally to Southern New England. The initial project will produce 25% of this peaking energy by use of pumped storage and the Corps proposes to increase the number of pumps so that 50% of the project's energy will ultimately be generated through the use of pumped storage. Despite the fact that Dickey-Lincoln will in part be a pumped storage facility, the DEIS does not adequately address the comparative impacts of substituting a pumped storage facility (as well as a separate small intermediate power facility) elsewhere, for the proposed project. It is evident from the DEIS appendices themselves, as well as work undertaken by the New England River Basins Commission, that there are a number of potential sites in New England with a capacity and generation potential greater than Dickey-Lincoln's. This number is increased if one applies the same pumping availability factor (25%) that the Corps applies to Dickey. Furthermore, these documents indicate that these alternatives have cost/benefit ratios more favorable than Dickey-Lincoln. Though pumped storage facilities create environmental impacts, the land and water area consumed is less than 2,000 acres rather than 88,000 acres. We believe these and other options deserve a more thorough environmental and economic analysis.

We are disappointed by the slight priority given conservation and load management as alternatives to Dickey-Lincoln. Load management is particularly relevant to peaking power demand. Also the work of Dr. James MacKenzie, now of the Council on Environmental Quality, recently referenced in the Corps' publication "Water Spectrum" (Fall 1977), suggests that an equivalent investment of federal dollars in labor-intensive insulation projects could provide substantially greater energy and economic benefits.

In summary, the DEIS provides sufficient information to conclude that the project will cause serious adverse environmental impact. Furthermore, it provides some information which suggests there are alternatives which may have both environmental and economic benefits as compared to Dickey-Lincoln. It does not go far enough in analyzing whether one or more of these alternatives should be substituted for the proposed project. Until that is done neither government nor the public will have a true understanding of the trade-off that we are being asked to make.

In accordance with EPA's national rating system for reviewing environmental impact statements (see enclosed explanation), we have chosen to rate this project ER-2, but the decision establishing the rating was difficult. This letter and our detailed comments should make it clear that this agency has serious environmental concerns with this project. It is possible that when the additional information which we have called for in our detailed comments is available, we will evaluate the project differently. We believe that, if the Corps is to proceed with this project, these issues must be fully analyzed in a final EIS.

We appreciate the opportunity to review the EIS and associated documents and to participate in the public workshops the Corps has conducted over the last year. Do not hesitate to contact me if you have any questions or wish to discuss these comments further.

Sincerely yours,
WILLIAM R. ADAMS, Jr.,
Regional Administrator.

Mr. COHEN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COHEN. I yield to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I will try to be brief. I realize there is a time limit on the amendment of the Senator from Maine. I doubt if anybody's mind will be changed one way or the other if we sit and talk on it for every minute.

Mr. President, I am very concerned about the issue we have before us. I am concerned because I fear that a decision concerning the biggest earthfill dam in the world may be made based on considerations other than facts. I want it to be well known that I oppose Dickey-Lincoln, on the facts. I oppose it because it would constitute an inexcusable waste of taxpayers' dollars at the very time in history when we are most beholden to take care in Federal spending. I oppose it because the project would eliminate 127,000 acres of the finest wilderness ecosystem in New England, inundating 278 miles of rivers and streams, flooding 30 lakes and ponds, adversely affecting the productivity of 500,000 acres of the best timber in the north, and causing nearly 400 miles of transmission line corridors to be built, through the wilderness of Maine, New Hampshire, and my State of Vermont. And I oppose Dickey-Lincoln because, for all of its costs, it would do literally nothing to help us solve the serious energy problems we of New England face.

The Congress is finally prepared to tackle our energy problems. Several bills have been introduced recently that would pour billions of Federal dollars and thousands of man-hours into the development of massive energy-producing projects. In his address to the Nation Sunday evening, President Carter announced a national energy effort that will rival projects undertaken during World War II and I support the President in his efforts.

We have many important and potentially unpopular decisions to make, particularly when a proposed energy project conflicts with our environmental concerns. The construction of Dickey-Lincoln is a prime example of that conflict. If the cost to the environment were the only consideration in funding Dickey-Lincoln, I might reconsider my position. However, the environmental problems are not the only consideration.

Mr. President, I said that I oppose Dickey on the facts. I will state some of those facts. First, other than the Army corps' benefit-cost study, every economic study of the project shows that the project's costs greatly exceeded its benefits. Wise men do not invest taxpayers' money in losing propositions. A study by Professor of Economics Lawrence Hines, associate chairman of the department at Dartmouth College in New Hampshire, stated that if we use the corps' data, at an interest rate somewhat closer to the interest rate which actually prevails in the market, the project costs substantially exceed the benefits. Under the most realistic conditions, the project returns only 67 cents for every dollar we spend. This is why the National Taxpayers Union joins with us in opposition to the project.

The second fact is that the project would be an environmental disaster. Aside from destroying the largest wilderness river system remaining in New England, Dickey would eradicate habitat for such magnificent wildlife as the bald eagle, the moose, the bobcat and lynx, the enduring osprey, and the blueback trout. The 18 major national conservation organizations strongly oppose the project—and not just the more radical groups, but established and respected groups like the National Audubon Society and the National Wildlife Federation. In addition, the EPA has stated that they have reservations about the project, and that:

> The project is inconsistent with EPA's Guidelines issued under . . . the Clean Water Act, (and) it will probably cause violations of water quality standards.

The U.S. Fish and Wildlife Service has recommended that the project not be constructed.

Beyond that, of course, there are the concerns that have been expressed by more and more people on what it would do to the St. John River basin and the area surrounding it.

The third fact is that the project would be a disaster for the forest industry. The project would remove 500,000 acres of prime timber from production—half a million acres. This is at a time when more and more of the land is being harvested intensively, and more and more of the wood is being processed in the United States. The National Forest Products Association strongly opposes the project. In a letter to the House Public Works Committee, NFPA stated that "too little attention has been paid to the fact that forests are a renewable resource," while all the ballyhoo is being made about water being a renewable resource. Wood, too, is a valuable source of energy—over half the homes in my State are using wood for heat in their homes, and industry is already using wood to generate steam and electricity.

The most important fact is that Dickey-Lincoln is totally irrelevant to the energy problem we face in New England. Dickey could replace only 2.3 million barrels of oil a year, while New England is using 400 million barrels each year—200 times as much. Dickey's major contribution would be to peak power—the part of demand which is most responsive to load management and conservation.

Quite frankly, Mr. President, with the new techniques we have for load management and conservation, I would much rather see us, even if it requires some personal inconvenience each day, go to that kind of conservation.

The New England Power Pool has stated that 4 times as much peak power as Dickey would produce could be saved by load management and conservation. The New England Energy Congress has shown at least 5 alternatives which, by the time Dickey could be built, could produce between 4 and 45 times as much power each, at a lower cost. According to the Energy Congress, if we were to invest $1 billion in wood, small-scale hydro, and solar energy instead of in Dickey, we could generate 110 times as much energy annually by the year 2000 as Dickey would produce. That is, with the same Federal investment, we would be able to replace the same amount of oil every 3 days as Dickey would replace in a year.

According to the Department of Interstate Reports, Federal Highway Administration, highway construction costs rose 34.5 percent during the last three-quarters of 1978. Although construction costs for a project such as Dickey-Lincoln might not rise quite as rapidly as costs for highway construction, due to lesser use of materials such as concrete, the two types of construction are quite comparable in many ways. Both involve huge amounts of earth moving with the same general type of equipment. Costs of equipment, parts, repairs maintenance, and labor are skyrocketing for this type of construction.

Even at a conservative estimate, the cost of constructing Dickey-Lincoln has risen something like 20 percent in the past year. This amounts to an increase of at least $150 million in estimated construction cost during 1 year alone. However, the Corps of Engineers, in the revised draft environmental impact statement, estimates only a 2-percent rise in construction costs during approximately the same period of time—then subtracts a $31 million figure to make construction costs appear lower than they were a year ago.

The truth is that construction costs are increasing far more rapidly than fuel costs. Thus, despite the rising cost of fuels for electrical generating plants, the economic rationale for Dickey-Lincoln grows steadily worse, rather than better.

Mr. President, I ask unanimous consent that the letter I received from Mr. Warner Shedd, northeastern regional executive of the National Wildlife Federation, be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

National Wildlife Federation,
East Calais, Vt., July 12, 1979.

Senator Patrick Leahy,
Senate Office Building,
Washington, D.C.

Dear Senator Leahy: I am writing you for two reasons. First, I'd like to thank you for your strong opposition to the Dickey-Lincoln project. You have earned the gratitude of conservationists and taxpayers throughout New England and the rest of the nation for your efforts against this wasteful and destructive project.

Second, I would like to share with you some information which might help you in your opposition to Dickey-Lincoln. According to the Department of Interstate Reports, Federal Highway Administration, highway construction costs rose 34.5 percent during the last three quarters of 1978. Although construction costs for a project such as Dickey-Lincoln might not rise quite as rapidly as costs for highway construction, due to lesser use of materials such as concrete, the two types of construction are quite comparable in many ways. Both involve huge amounts of earth moving with the same general type of equipment. Costs of equipment, parts, repairs, maintenance, and labor are skyrocketing for this type of construction.

Even at a conservative estimate, the cost of constructing Dickey-Lincoln has risen something like 20 percent in the past year. This amounts to an increase of at least $150 million in estimated construction cost during one year alone. However, the Corps of Engineers, in the Revised Draft Environmental Impact Statement, estimates only a 2 percent rise in construction costs during approximately the same period of time—then subtracts a $31 million figure (absent from the original DEIS) to make construction costs appear *lower* than they were a year ago. This is patently absurd!

The truth is that construction costs are increasing far more rapidly than fuel costs. Thus, despite the rising cost of fuels for electrical generating plants, the economic rationale for Dickey-Lincoln grows steadily worse, rather than better.

The DEIS also cites another faulty reason for building Dickey-Lincoln. This is the assumption that the project is needed to meet peaking power needs before 1980; after 1990, projections indicate sufficient excess base load power in New England to supply peaking power by means of pumped storage generation. This assumption is faulty on two counts. First, projections for peaking power needs in New England are steadily decreasing, thereby pushing the 1990 need farther into the future. Second, Dickey-Lincoln could not possibly come on line until 1990 or after. Even under the most favorable circumstances, construction could not begin before 1982, and the construction phase of the project is estimated at nearly 8 years. In short, this project is being promoted to meet a need which may well not exist by the time construction is finished.

Thank you agan for your strong opposition to Dickey-Lincoln. We deeply appreciate your help. If you would like any further information about the project, please feel free to contact me or the appropriate people at our Headquarters.

Sincerely,

E. Warner Shedd,
Northeastern Regional Executive, NWF.

Mr. LEAHY. Mr. President, let me finally state one more reason for support of the amendment to delete funding for Dickey-Lincoln. In this bill there is $76,000 for studies of alternative projects on the St. John River. One suggestion has been to build a small, 70 foot run-of-the-river dam where the Lincoln School Dam is planned. Essentially, this is Lincoln without the Dickey. Such a project would involve no substantial flooding. It would provide baseload electricity for northern Maine—the kind of power that attracts industry and business. It would cost only $100 million, which could be financed by the State and the utilities. In 1972, Senator Hathaway indicated that he would support such a project. Last fall, then-Governor Longley of Maine wrote to President Carter that such a project was superior from the economic, environmental and energy points of view. The Northern Maine Regional Planning Council which opposes Dickey-Lincoln, is studying the idea. For one-tenth the cost, this may be a wiser use of the St. John River.

Mr. President, I suggest that my colleagues consider the facts. For economic, environmental and energy reasons, Dickey-Lincoln does not make sense. Let us stop wasting our money on irrelevant and destructive projects, and focus our attention on the serious energy problems we must solve.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. LEAHY. I yield.

Mr. JOHNSTON. I wonder how the Senator from Vermont can be against Dickey-Lincoln at 830 megawatts and be in favor of a low-head hydro at additional money when, according to the preliminary estimates of the Corps of Engineers, Dickey-Lincoln has more electric power than all the estimated feasible low-head hydro sites in all of New England, on a preliminary basis. According to the corps, all the low-head hydro in all of New England, on a preliminary basis, in testimony before our committee, was something less than 700 megawatts, and this is 830 megawatts.

Can the Senator explain to me how he could be opposed to this and yet be so in favor of low-head hydro?

Mr. LEAHY. For a number of reasons. One, in my statement, I mentioned that low-head hydro combined with wood and solar energy, with the same amount of investment, would generate 110 times as much energy annually by the year 2000 as Dickey-Lincoln would produce. We may be talking about what the initial, immediate effect of Dickey-Lincoln would be.

Mr. JOHNSTON. That is not according to the Army Corps of Engineers.

Mr. LEAHY. That is a matter that has been debated for 25 or 30 years, since I was a child. The question of Dickey-Lincoln has been up and the various comments I have heard from the Corps of Engineers and everyone else have changed from my teenage years, early adult years, my early public life, until now. I would want to look at the specific latest Corps of Engineers estimate. I would want to be able to compare it with all the others over the years.

However, the figures I have seen say that we would get far more for the same amount of money, with far less environmental damage, from wood, low-head hydro, and solar energy.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. LEAHY. I yield for the purpose of a question.

Mr. MUSKIE. I do not know how the Senator from Vermont and I can look at the same facts and come up with different conclusions.

I am for solar energy. With respect to the question of the potential for solar energy in Maine, let me read from a publication entitled "Maine Business Indicators," issued by the Maine National Bank, on the potential of solar power for Maine:

> Solar power will not make any significant dent in Maine energy needs in the near term, although supplemental solar home heating is becoming more popular in Maine. There is, however, insufficient sunlight at Maine's latitude to justify the cost of present day solar collectors, pumps and storage systems. The average hourly solar energy falling on a square foot of roof in Maine in the winter is 7 watts or about enough to light a Christmas tree bulb. While the energy is free, the means of collecting that energy is expensive, and this disproportionate cost-benefit situation will prevent solar energy from becoming a major source of energy in Maine for some time.

The question I put to my good friend from Vermont is this: I do not know what percentage of New England's power needs he has in mind as a fair benchmark, but something more than it is now. In his judgment, Dickey-Lincoln should be discarded. In other words, he is not for any project or any source of energy that does not by itself solve a major portion of New England's energy needs.

With this assessment of solar power, the Senator would have a very difficult time persuading me that solar energy, in the terms we are talking about, if we were to go ahead with construction of Dickey-Lincoln, by the time Dickey Lincoln were on line, would supply much more than the amount he finds ridiculous for Dickey-Lincoln.

Mr. LEAHY. The Senator from Maine, of course, is free to characterize my internal thinking any way he wishes. He has the right to interpret how I am thinking.

Mr. MUSKIE. I can only rely on the Senator's words.

Mr. LEAHY. I have an equal right to rely on how I might be thinking.

I have not seen the report the Senator refers to on solar energy, but I am perfectly willing to concede it is absolutely accurate. I do not know quite what that has to do with anything I said before.

Mr. MUSKIE. Then, I suppose the Senator was saying something that was irrelevant to the debate, because I heard him suggest solar energy as a source of energy that would provide more and cheaper power than would Dickey-Lincoln. That is what I understood. If I understood incorrectly, I apologize.

Mr. LEAHY. Mr. President, I was facing the Chair, and I do not know whether the Senator from Maine was in and out of the Chamber when I was talking. I recall that I had referred to combinations of wood——

The PRESIDING OFFICER. The Senator from Maine has the floor.

Mr. LEAHY. I would like 1 minute.

I recall that I had spoken of the combination of low-head hydro, solar, and wood. I understood from the question of the Senator from Louisiana that he understood me that way.

However, my whole statement is a matter of record. I have taken far more time than I had intended, and my minute is up.

Mr. COHEN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 22½ minutes.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. COHEN. I will yield in a moment.

Mr. President, I simply point out that the Corps of Engineers is not in the business of promoting a low-head hydro. It is in the business of building large projects.

It is interesting that in assessing alternatives to Dickey-Lincoln, the corps used a 10-percent interest rate and a repayment period of 50 years. The repayment period for Dickey-Lincoln was 100 years. So they are not exactly objective in that report.

The New England River Basin Commission is doing a study for the corps. The 1978 report indicated that low-head hydro had, in Maine alone, four times the potential power capacity. So I think we should take a look at the study as well.

Finally, I think it is erroneous to suggest that solar power is going to be a substitute for Dickey-Lincoln. No one here, certainly not the Senator from Maine, is suggesting that solar power is in any way a substitute for Dickey-Lincoln. What I am suggesting is that there are a number of alternatives that have been outlined by the New England Energy Congress which include wood, low-head hydro, solid waste, and especially solar, and that if we develop those alternative sources of energy, we can do so at a lower cost and a more efficient and productive rate for our country and for our region.

I yield to the Senator from Pennsylvania.

Mr. HEINZ. I thank the Senator from Maine for yielding.

Mr. President, I would like to associate myself with the remarks of the junior Senator from Maine, and to take a moment to add a few of my own comments. I can well understand his concerns about the Dickey-Lincoln project, for there is a similar project in my State. I refer, of course, to the Tocks Island project which has been effectively halted. The reasons for stopping Tocks Island are in many ways similar to the reasons for stopping Dickey-Lincoln.

The need for a nonoil supply of energy for New England still exists. As the junior Senator from Maine has pointed out, we do need to deal with it. He has indicated a variety of what I believe are feasible alternatives, and so he has addressed that question quite well.

But just as with the Tocks Island project, I find the Dickey-Lincoln project just as unacceptable, because it would be an environmental failure of the worst magnitude, a true environmental disaster, and like Tocks Island, its costs would vastly exceed benefits when the proper interest rate is applied. Dickey-Lincoln, as a result, will simply not solve our oil import problems.

Let me just give Senators a few numbers. I understand that we are talking about possibly displacing 2.3 million barrels of oil a year. That sounds like a lot, 2.3 million barrels. But New England used 400 million barrels of oil last year. Indeed, we import 2.3 million barrels every 6 hours in this country. So what we are being asked to do is spend $1 billion, perhaps more than that, for only 6 hours of oil.

In fact, Mr. President, that is simply not a good investment. It is bad economics.

The senior Senator from Maine points out that Dickey-Lincoln could supply 17 percent of New England peak electricity. That is an impressive number. But I think it is one we also should examine closely. Dickey-Lincoln would only operate 2½ hours a day, 15 percent of the time. That is not very long. And what is peaking capacity? That is only the capacity for the extra demand for electricity for a couple of hours a day. Dickey-Lincoln will not provide 17 percent of New England's electricity for 2½ hours a day. It will provide 17 percent of the extra demand—almost entirely residential demand—for 2½ hours a day. Only 17 percent of the extra demand for 15 percent of the day. When you combine all those fractions, it becomes a very small number. It is a very, very small number, especially in New England where only 10 percent of the energy that people use is electricity. So now, we can see just how little 17 percent of peaking capacity is: It is 17 percent of the extra demand for 15 percent of the day for 10 percent of the total energy. That is a lot of fractions, even if it is not a lot of energy. The bottom line—and I want to emphasize this—the bottom line is that Dickey-Lincoln would replace only one-half of 1 percent of the oil which New England uses in a year. Is that how we are going to escape from the grip of OPEC? By spending $1 billion for one-half of 1 percent of New England's oil consumption? I think the answer to that should be self-evident. I think not.

The Dickey-Lincoln project would destroy the largest and most beautiful wilderness ecosystem in New England, just so that we can tell the Arab nations that New England needs one-half of 1 percent less oil a year. I believe it is time that we recognize that and put Dickey-Lincoln behind us so that we can focus attention on real ways of meeting our energy problems. Dickey-Lincoln, I fear, is just a smokescreen. It has really no substance. It is time we focus our full attention on real alternatives to oil. In solving our oil import problems, we must choose the most cost-effective energy alternatives if we are to maximize our effort. As the deteriorating energy situation weakens our economy, and as the need for a balanced budget increases, we must make very wise investments.

Indeed, I wish I could say that I felt that the Dickey-Lincoln project was one of them. But I do not feel that way.

I recognize, Mr. President, there are feelings on both sides of this issue. I know many of the supporters of this are men of good intentions and great honor, and I do not wish to take issue with their integrity. I think everyone has a point of view and that he has tried to arrive at such just as carefully as possible.

I have stated mine based on some personal experience in my own State and also from having had some personal experience and many years of study of this issue when I was a Member of the House of Representatives and a colleague of the junior Senator from Maine.

Mr. President, I thank the Senator from Maine for yielding.

Mr. JOHNSTON. Mr. President, I hope we can bring the matter to a vote at this point. I think it has been adequately debated unless the Senator from Maine wishes to say something further.

Mr. MUSKIE. Mr. President, I have two brief points to make.

One, I wish to read something to my good friend from Pennsylvania and my good friend from Vermont. I hope that their wisdom with respect to this project is based upon having visited the area, because most of them have referred to the prime forests that would be decimated by this project.

Mr. President, the distinguished Senator from Louisiana listened to the speaker of the Maine House of Representatives on this subject, and I wish to read what he had to say before the committee. He comes from that area. He has lived there all his life. He knows the St. John River. He knows the Allagash River. He knows the people of the area. He knows it better than I do, and I have lived with this project for 17 years. But this is what he said about those prime forests. I just wish to read it, and it is very brief:

> The second point that has to be made, which is in that light, also is that since Maine has been a State, since 1820, that area has never really been accessible to Maine people. It cannot be reached by Maine people. That particular area has been harvested by Canadian-bonded labor. It has been hauled by Canadian trucks. It has been manufactured in Canadian mills across the border and it has come back to compete with other lumber of Maine on the Boston market at tremendous disadvantage to us. As a matter of fact, close to 50 percent of that land that would be flooded is owned by one Canadian company, J. G. Irving of St. Johns, New Brunswick.

This is the prime Maine economic resource to which my friends from Pennsylvania and Vermont make reference. And these Canadians have no interest in preserving that woodland. They come across the line and strip it. They have helped create the flood problems for which this project is designed in part to deal, and to have it referred to, as we have this afternoon, as the prime force resource of Maine is ridiculous.

May I make one other point? Maine is about 87 percent forest covered. If this project is built Maine will only be 86 percent forest covered. Is that not a tragedy, that we take 1 percent of 87, 1 percent of forest land and devote that to the energy and economic needs of the people of the area? Why then do we not convert the other 13 percent of Maine to forest, eliminate the pulp and paper mills, eliminate the towns, eliminate the people? That is 1 percent of Maine's forests—less than that—one-half of 1 percent to produce energy that we do not now have, that no one is in the process of generating for us. The major oil companies are beginning to pull out of Maine and Vermont. And here we act as though there is no problem. We cancel this Maine project. We will find the energy somehow.

Conservation—Maine people have conserved 18 percent in heating oil since the Arab oil embargo, and they are cold.

The letters I get every day tell me, "Senator, find some energy for us." Here is the Maine energy source.

I listened to Senators coming on that, "There is another way for you to do it. Just go find it."

Then on the interest costs, I checked this out. Six and seven-eighths percent is what it cost the Government on the average to borrow money. That is the test that we have used for these water projects all these years—6⅞ percent. That is the test I am willing to meet.

Should Uncle Sam make a profit out of the energy distress of the people of this area—6⅞ is a fair test, and by that test this project meets it.

Mr. President, I ask unanimous consent that the factsheet from Dickey-Lincoln School Lakes, Maine, be printed in the Record at this point.

There being no objection, the factsheet was ordered to be printed in the Record, as follows:

Dickey-Lincoln School Lakes, Maine

THE PROJECT IN BRIEF

The purpose of the proposed Dickey-Lincoln School Lakes Hydroelectric Project is to convert the natural energy of the upper St. John River in northern Maine for use as a source of electricity to meet future needs of New England consumers.

The project, which would be initially financed by the Federal Government, is located in a remote part of Aroostook County in the St. John River Valley, adjacent to the Canadian border. The proposed project would involve about 127,000 acres, including approximately 8,000 acres of water and wetland areas. The land area is presently utilized principally for commercial lumbering operations and wildlife habitat.

Electricity would be produced by storing the annual spring runoff of the river in a large reservoir behind a 335-foot high earthfill dam located in the village of Dickey. The power plant at Dickey Dam would be capable of generating 1,183 million kilowatt-hours of electricity annually for use during periods of peak energy demand.

Operating as a peaking plant, large surges of water would be released from Dickey Dam intermittently. A second dam, 11 miles downstream at Lincoln School, would be constructed to impound the releases from Dickey Dam and reregulate discharges to the river before it flows through New Brunswick to the Bay of Fundy. Electrical generation at Lincoln School would supply 262 million kilowatt-hours of energy annually to Maine consumers.

Additional power resulting from increased generation of 350 million kilowatt-hours per year would be realized at downstream hydroelectric plants in New Brunswick. It has been assumed that the United States would receive one-half of this energy although final terms would be dependent upon formal negotiations with Canada.

Impoundment of spring snowmelt would further protect downstream communities from damaging floods which have been severe in past years.

Development of the Dickey-Lincoln School Lakes Project would have an extensive impact on the natural environment, social and economic character of the immediate area. Some 267 miles of streams, including 55 miles of the free-flowing St. John River, would be flooded to create an 86,000-acre reservoir above the Dickey Dam.

The Dickey-Lincoln School Lakes facilities would be the largest public works project ever undertaken in New England. If built, it would cost $744.7 million to construct at October 1978 prices ($587.0 million for the dams and related features and $157.7 million for the transmission facilities). All costs allocated to the production and transmission of power, totaling some $731.4 million would be recovered through the sale of energy to consumers. The remaining cost of $13.3 million, representing costs allocated to flood control, would be borne by the Federal government.

I. HISTORIC BACKGROUND

Dickey-Lincoln School Lakes evolved as a result of a study of the Development of Tidal Power at Passamaquoddy, a system of tidal bays studied since 1919 by both private and public engineers. The most comprehensive report was that completed by the International Joint Commission in April 1961 after 3 years of study at a cost of $3 million. The Commission concluded that the project was not economically feasible under the then existing conditions. At the request of President John F. Kennedy, the Commission report was reviewed to determine if the project was feasible in view of the advanced engineering techniques and prevailing economic conditions. In July 1963 a report to the President concluded that application of a different use-concept of power coupled with advanced engineering techniques would result in a favorable project.

On 16 July 1963, the President directed the Departments of Interior and Army to make additional studies to supplement the July 1963 report. An Army-Interior Advisory Board on Passamaquoddy and upper St. John River was formed. Interior performed studies on power facilities, power transmission, marketing benefits and other economic aspects. The Corps of Engineers developed the physical components of the project.

The Study Committee completed its evaluation in August 1964, and submitted its report to the Secretary of the Interior. Recommendations included: early authorization of the Passamaquoddy Tidal Project and upper St. John River developments and early construction of the project to develop low cost firm power for Maine and peaking power for the remainder of New England.

The Secretary of the Interior submitted a report on 9 July 1965 to President Johnson summarizing the August 1964 report. Subsequent to August 1964, a review was accomplished to update the power benefits. The power rates had decreased due to larger, more economical developments by the power industry since the previous analyses. The reduction caused the benefit-to-cost ratio for the Passamaquoddy Power Project to fall below unity (.86 to 1). However, the benefit-to-cost ratio for Dickey-Lincoln School Lakes remained above unity with a value of 1.81 to 1.

One recommendation contained in the July 1965 report approved by President Johnson was:

"Immediate authorization, funding, and construction of the Dickey and Lincoln School Projects on the St. John River and their associated transmission system. Construction would be contingent upon completion of necessary arrangements with the Canadian Government. This would also have the immediate and major by-product of preserving the famed Allagash River in Maine, one of the few remaining wild rivers east of the Mississippi River."

The Dickey-Lincoln School Lakes Project was authorized by the 1965 Flood Control Act, Public Law 89–298 dated 27 October 1965, substantially in accordance with the plans included in the August 1964 report.

II. PROJECT DESCRIPTION

A. Location:

The Dickey-Lincoln School Lakes Project is located on the upper St. John River in Aroostook County, northern Maine, adjacent to the Canadian border.

The St. John River rises in Little St. John Lake in the extreme southwestern corner of the basin on the international boundary between Quebec, Canada and Maine. As the Southwest Branch, it flows in a northerly direction along the boundary for about 38 miles and then through Maine for about 12 miles to its confluence with Baker Branch. From this point, as the main St. John River, the waterway flows generally in a northeasterly direction through Maine for about 95 miles to the mouth of the St. Francis River, then easterly forming the international boundary for about 70 miles to Hamlin, Maine where it enters New Brunswick Province and flows for about 200 miles generally in a southeasterly direction past Fredricton, New Brunswick to its mouth at St. John, New Brunswick on the Bay of Fundy. Its total length in 415 miles.

The St. John River drains an area of 21,600 square miles located between the watersheds of the St. Lawrence River to the north and the Penobscot River to the south. Approximately 7,400 square miles are located in Maine. The upper St. John watershed, above Fort Kent, Maine, has a drainage area of 5,960 square miles and above the Dickey and Lincoln School damsites drainage areas of 2,700 and 4,086 square miles, respectively.

B. Physical Characteristics:

Dickey Dam is located immediately above the confluence of the St. John River with the Allagash River, near the village of Dickey in the Town of Allagash, and 28 miles upstream of Fort Kent, Maine. As authorized, the dam would be an earthfill structure impounding a reservoir with gross storage capacity of 7.7 million acre-feet (2,500 billion gallons) for power and flood control. The reservoir water surface would total 86,000 acres (134.4 square miles) at maximum pool elevation of 910 feet mean sea level (msl). Five dikes would be located in low areas along the reservoir perimeter at Campbell Brook, Cunliffe Brook, Falls Brook, Hafey Brook and South Dike adjacent to the Dickey Dam, to prevent overflow into adjacent watersheds.

Dickey Dam would have a total length of 10,200 feet and a maximum height of 335 feet above the streambed. Its outlet works would include a low level tunnel 2,170 feet long at streambed elevation and an upper tunnel 970 feet long, approximately 100 feet above the streambed, each concrete-lined and 26 feet in diameter. The power facilities would include four generating units at 190,000 kilowatts (kw) each, one of which would be a reversible pump-turbine, for a total initial installed capacity of 760,000 kw. This value reflects the manufacturer's generator capacity rating at minimum head. However, the dependable capacity of the units, i.e. the generating capacity to meet maximum system load during the severest hydroperiod, totals 874,000 kw. Basic provisions would be included in the initial project to accommodate the potential future installation of two additional reversible units at 190,000 kw each for an ultimate installed capacity of 1,140,000 kw (1,311,000 dependable capacity). These provisions would include excavation for the adjoining approach and discharge channels, construction of the adjoining headworks, construction of the powerhouse foundation and raising Lincoln School Dam an additional eight feet. The installation of the additional units would require Congressional authorization and would not be added until required by future power demands and an adequate source of off-peak energy was available for pumping. The project would be operated to meet peaking power requirements.

Lincoln School Dam would be located on the St. John River, 11 miles downstream from Dickey Dam in the Town of St. Francis. It would be an earthfill dam impounding a reservoir with a storage capacity of 67,150 acre-feet. The reservoir would serve principally to regulate releases from the Dickey Dam as power pondage. The lake would also serve as lower pool storage for the Dickey Dam pumped-storage feature. Its reservoir would ultimately encompass 2,620 acres with 86,355 acre-feet of storage at its maximum pool elevation of 620 feet msl. However, until the installation of future reversible units at Dickey Dam is required and authorized, the maximum pool elevation would be 612 feet msl with an area of 2,240 acres.

Lincoln School Dam would be 2,100 feet long, including the powerhouse and spillway structures, and have a maximum height of 90 feet. Its power facilities would consist of two units at 30,000 kw each and one unit at 10,000 kw, for a total installed capacity of 70,000 kw. This facility would be operated as an intermediate load power plant.

The estimated construction first cost for the project totals $744.7 million, based on 1 October 1978 price levels, consisting of $587.0 million for the dams and related features, and $157.7 million for the transmission facilities.

The total real estate required for the project is approximately 127,000 acres (additional acreage, yet to be determined, will be needed to mitigate loss of wildlife habitat). Of this total, 106,000 acres are timberland. The acreage required for the Dickey Dam and reservoir is 124,000 acres, including 5,700 acres in Canada, and the requirement for the Lincoln School Dam and reservoir is 3,000 acres. The project would require the relocation of 156 year-round households (112 in Allagash; 44 in St. Francis). Also, 16 commercial properties and 14 miscellaneous properties would be displaced.

C. Operational characteristics:

The project would be operated principally as a peaking power plant. In this role, the project would not be a high energy producing (i.e. kilowatt-hours) facility. A peaking power plant is designed to operate for short periods of time, at high capacity, to meet critical peak demands. It has quick starting capability and provides spinning reserve for load protection. Typical peaking plants are hydroelectric projects—both conventional and pumped storage—and gas turbine units. On the other hand, baseload power is provided by large fossil-fueled or nuclear steam plants which operate most economically on a continuous basis and are high energy producing installations. Baseload plants are not suitable for peaking use and load protection because of economic considerations and operational constraints. The 1970 National Power Survey published by the then Federal Power Commission noted that the trend towards construction of very large fossil-fueled and nuclear steam-electric baseboard units has increased the need for plants designed specifically for meeting daily peak demands.

In addition to its reliability, a hydroelectric facility has a lower operating cost than alternative power sources because it does not rely upon costly fuels. Water is a continuous and clean source of power. Beyond the economic aspects, there would also be an annual savings in natural resources. To produce an equivalent amount of electrical energy, annual fuel consumption—dependent upon the type of alternate—

would total 2.3 million barrels of oil, 636,000 tons of coal or 16.6 billion cubic feet of gas.

D. Power availability:

The operating time of the project is very flexible and basically would be responsive to system power demands. Under normal operating conditions, the project could generate energy to meet varying demands 12 months per year. The electrical energy producing potential of the project is a function of the river basin hydrologic characteristics such as amount of annual discharge, reservoir storage and hydraulic head available at the damsite. This energy potential can either be realized through small power units operating for long periods of time, i.e baseload operation, or through large size units for short periods of time, i.e. peak load operation. From the standpoint of economic and operational efficiency, hydroelectric sites have their greatest value as peaking plants, such as Dickey Dam.

The annual plant factor for Dickey Dam is approximately 15 percent, i.e. the project could be operated at full dependable capacity for 15 percent of the time on an annual basis to meet peak power demands. The project would also have "load following" capability on a daily and seasonal basis with potential to operate for longer periods at reduced capacity.

The operational time should not be assumed as a uniform daily occurrence, i.e. three to four hours each day. Rather, the project would be highly flexible and capable of generating for varying periods of time dependent upon the demands on the New England system. For example, the spring season historically is a period of minimum power demand, thus project generation would be minimal. Weekends and nights are times of minimum demand during which the project would usually not generate electricity. However, during periods of maximum power demand; namely December and January, the project could be operated for periods of eight to nine hours daily. The quick starting, flexible and reliable nature of a hydroelectric plant are assets to a coordinated power system.

The Lincoln School reregulating dam with an annual plant factor of approximately 43 percent would normally operate 10 hours per day, 7 days a week. With the Dickey facility operating 7 or more hours per day, the Lincoln School facility would be capable of generating energy 24 hours per day at full capacity.

In addition, the project would benefit the New England system in a reserve capacity. In the event of an electrical blackout, the project would be capable of generating electricity at full capacity continuously up to 35 days.

E. Transmission:

A plan of service to interconnect Dickey-Lincoln School power with the New England electrical system was developed in 1976 by engineers of the U.S. Department of Energy (formerly an activity of the U.S. Department of the Interior) in cooperation with engineers and staff of New England utilities.

Transmission facilities for Dickey-Lincoln School, as presently conceived, consist of three general components: transmission lines, power substations, and communications.

At the authorized level of project development, the proposed transmission route would extend a total length of 365 miles to include: (a) Two 345-kv a.c. circuits from the project site to Moore Substation northwest of Littleton, New Hampshire, over a route through western Maine and northern New Hampshire. The two circuits would be suspended from a single row of double circuit, lattice steel towers, (b) A single circuit 345-kv a.c. wood pole transmission line from Moore Substation to Granite Substation near Barre, Vermont, (c) A single circuit 345-kv a.c. wood pole line from Granite Substation to Essex Substation, a proposed facility near Burlington, Vermont, (d) A single circuit 138-kv a.c. wood pole line from Dickey Dam to Lincoln School Dam, and (e) A single circuit 138-kv a.c. wood pole line from Lincoln School Dam to Fish River Substation near Fort Kent, Maine.

Substations and terminals have been proposed in Maine at Dickey Dam, Lincoln School Dam, Fort Kent and near Moose River, and at existing facilities at Moore Station in New Hampshire and Granite, Vermont and at the planned station at Essex, Vermont.

Communications and control facilities would be located along the transmission corridor at 12 sites where they would function as an extension of the existing New England shared microwave communication system.

The planned transmission facilities would link the project output to the existing backbone New England power grid system providing delivery capability throughout the region.

F. Construction Period:

Construction of the project, including all necessary land acquisition, would require approximately eight years. Initial power-on-line would be scheduled some six years after initiation of construction and incrementally increased until total power-on-line capability would be realized approximately 1½ years later.

Construction of the proposed transmission facilities would be completed in time for energization when the first generating units in the project's powerhouses are ready for testing. To meet this schedule, work would commence about five years prior to that event.

III. PROJECTS ECONOMICS AND FINANCIAL FEASIBILITY

A. General:

The project economics have been computed on the basis of both the 3¼ percent rate authorized for the project and at 6⅞ percent which is the prevailing water resource development rate prescribed by the Water Resources Council for Fiscal Year 1979 (1 Oct. 1978–30 Sept. 1979). An explanation of the history of the authorized 3¼ percent interest rate is presented in Section III C, *Economic Analyses*.

The benefit-to-cost ratio for the initial planned development is 2.1 to 1 at the 3¼ percent interest rate. At the 6⅞ percent rate, the benefit-to-cost ratio is 1.2 to 1.

B. Benefits:

The project's average annual benefits (1 October 1978 Price Levels) are tabulated as follows:

Annual Benefits	Amount	
	(3¼ %)	(6⅞ %)
Flood Control---	$79, 368, 000	$79, 368, 000
Power ----------	768, 000	756, 000
Employment ---	1, 450, 000	2, 946, 000
Total Annual Benefits --	81, 586, 000	83, 070, 000

NOTE: Economic analyses contained in previous editions of this Fact Sheet listed an annual benefit from recreational use of the area if facilities were included in developing the project. Data obtained as part of the environmental study indicate that recreational development at the project is not economically justified. This finding is based on revised use projections, the estimated cost of recreational development at the project, and the costs of recreational development at alternate locations. Accordingly, the recreational benefits have been deleted from the project plan formulation and economic analyses and the value of lost recreational opportunities resulting from project implementation has been charged as an annual project cost. See Economic Analysis—Table I.

1. Power:

Power would be the primary benefit derived from the Dickey-Lincoln School Lakes Project. On-site annual power generation of 1.45 billion kilowatt-hours (kwh) would result from the total initial installed capacity of 830,000 kw (944,000 kw dependable capacity) including 190,000 kw of pumped-storage capability. Additional annual power generation of 350 million kwh would also be gained at downstream Canadian powerplants due to seasonally regulated flows from the project. Thus, the total electrical generation attributed to the project would be 1.8 billion kwh annually.

Peaking generation at the Dickey power plant would amount to 1,182,600,000 kwh annually from a dependable capacity of 874,000 kw. The Lincoln School facility would generate intermediate power amounting to 262,800,000 kwh annually from a dependable capacity of 70,000 kw. The increased generation at downstream Canadian plants is assumed to be off-peak energy.

The power benefits for Dickey-Lincoln School Lakes are equated with the cost of the most feasible privately-financed equivalent alternative sources of power likely to be developed in the absence of the Federal project. The at-market unit power values, furnished by the Federal Energy Regulatory Commission (FERC), are based on gas turbines for that portion of project power expected to be marketed for peaking purposes and a combined cycle of generation plant as an alternative for that portion to be marketed as intermediate power. The downstream energy is assumed to be off-peak energy and equivalent to fuel saving costs.

2. Flood control:

The Dickey-Lincoln School Lakes Project would substantially reduce flooding along the St. John River between Allagash and Hamlin, Maine. Spring flooding from snowmelt runoff or runoff combined with rainfall currently damage urban structures and crops, and erode riverbanks. Urban flooding consists of damages to structures, contents, and associated lands due to inundation. Crop loss refers to potato crops lost in the field because of sustained flooding. Bank erosion is the loss of land of varied use (idle, forest, urban, crop) as a result of high velocity waterflows.

Three economic damage zones (determined by correlation with hydrological data) were used for computing benefits, namely: I, St. John and St. Francis; II, Frenchville and Fort Kent; and III, Van Buren, Grand Isle, Hamlin and Madawaska. In addition, the Fort Kent flood-prone areas in Zone II, above the 100-year level of protection afforded by the local protection project recently constructed, have been treated separately inasmuch as the proposed Dickey-Lincoln School Lakes Project is credited only with those damages prevented, acting after the local protection dike.

Flood control benefits would accrue from the prevention of the urban, crop, and bank erosion losses. Flood damage prevention to urban structures by the project applies to the currently unprotected flood-prone area along the St. John River downstream of Allagash and to the Fort Kent protected area for events rarer than a 100-year flood. The dollar value of this urban flood prevention at October 1978 price levels is $547,000. A reduction in crops lost in the field is estimated to be $188,000. Finally, streambank erosion control is estimated to effect a modest reduction of 10 percent of current annual losses. This latter reduction provides a benefit of $33,000 at the authorized interest rate of 3¼ percent or $21,000 at the 6⅞ percent rate. Total tangible flood control benefits amount to $768,000 at 3¼ percent and $756,000 at 6⅞ percent.

3. Employment (formerly described as "Redevelopment").

Employment benefits represent compensation to local labor for project construction and which, in the absence of the project, would otherwise be unemployed or underemployed.

Aroostook County has had areas of substantial and persistent unemployment since 1966. The five major labor market areas in Aroostook County are presently designated by the Economic Development Administration (EDA), Department of Commerce as Title IV Redevelopment Areas under Public Law 89–136.

Based on studies of the economic impact of public works projects on local areas conducted by EDA, it has been estimated that 45 percent of the unskilled workers, 30 percent of the skilled workers and 35 percent of other job categories needed to build the project would be supplied through direct hire of the unemployed or underemployed.

Employment benefits include only initial construction work and do not reflect benefits from future operation and maintenance.

C. Economic analyses:

The justification for authorization of all Corps of Engineers' projects is measured in terms of the benefit-to-cost ratio. The economic analysis used to develop this yardstick for Dickey-Lincoln School Lakes is based on standards prescribed by Senate Document No. 97, 87th Congress, entitled *Policies, Standards and Procedures in the Formulation, Evaluation and Review of Plans for Use and Development of Water and Related Land Resources*. As previously noted, total project benefits for Dickey-Lincoln School Lakes are comprised of at-market power, total downstream energy, flood control, and employment benefits.

The project cost is computed on an annual basis reflecting amortization of the investment and annual operation and maintenance expenses over a 100-year project life. The total estimated project cost includes the cost for construction and operation and maintenance of all required transmission facilities. Attached as Table I is a summary of the economic analysis for both interest rates.

Retention of the 3¼ percent interest rate used in the economic analysis has been the subject of considerable discussion. The interest rate complies with a Water Resources Council (WRC) regulation adopted in December 1968. This regulation revised the method of computing the interest rate as previously outlined in Senate Document No. 97. The regulation permitted exceptions, however, for those projects already authorized such as Dickey-Lincoln School Lakes which was authorized in 1965. The original interest rate would be retained on those previously authorized projects which did not have any requirements for local cooperation. For those projects having local cooperation requirements, the exception noted that if an appropriate non-Federal agency provided—prior to 31 December 1969—satisfactory assurances that requirements of local cooperation associated with the project would be met, then the previous interest rate would be retained. At Dickey-Lincoln School Lakes, local cooperation would have been required for the cost-sharing of the then planned recreational facilities. Assurances were received from the Governor of Maine by letter, dated 24 February 1969, that the non-Federal requirements would be fulfilled at the appropriate time. As a result, the interest rate was retained at 3¼ percent. With the subsequent deletion of creational development, no conditions of local cost-sharing now exist and the 3¼ percent remains the authorized rate for the project.

The WRC subsequently established new principles and standards for water resource planning, effective in October 1973, and the new stantards included a provision for increasing the interest rate. However, the Water Resources Development Act of 1974, enacted by the Congress on 7 March 1974, included a section which requires that interest rates for water resources projects remain consistent with the December 1968 WRC regulation. Accordingly, the 3¼ percent interest rate remains applicable to Dickey-Lincoln School Lakes.

The Corps of Engineers also employs an "Economic Efficiency Test". The objective of an ideal system operation is to meet area power demands at least cost to consumers. Therefore, the least costly addition to a region's capacity could be considered as a yardstick for purposes of making a decision regarding such expansion. The test provides for such a determination by comparing the project's costs to the costs of providing an equivalent amount of power from the most feasible alternatives likely to be developed in the absence of the Federal project, evaluated on a basis comparable with the determination of the project costs, i.e. 3¼ percent and excluding taxes. The test indicates that the annual cost for Dickey-Lincoln School Lakes amounts to $38,742,000 while alternative equivalent costs, with an appropriate adjustment for benefits foregone, amount to $61,909,000 resulting in a favorable comparability ratio of 1.6 to 1. Using the 6⅞ percent interest rate, the comparability ratio is 1.0 to 1. The attached Table II illustrates the derivation of the "Economic Efficiency Test" for each interest rate.

D. Financial Analysis:

The economic analysis defines the economic worth of the project. The financial value of power, however, is determined through a repayment analysis. Marketing of electric power from Federal projects, as authorized by Section 5 of the 1944 Flood Control Act, is the responsibility of the Department of Energy (DOE). Repayment rates are established to recover costs of power production and transmission including annual operation and maintenance expenses. The total investment allocated to power must be repaid over a reasonable period; administration policy specifies 50 years. The interest rate used for repayment purposes is based on criteria instituted by the Department of Interior (the agency with marketing responsibility prior to establishment of DOE) in 1970. The interest rate for Fiscal Year 1976 was 7 percent and was used for the latest Dickey-Lincoln School Lakes repayment analysis included in the Financial Feasibility Study completed by DOE in 1977.

Tentative wholesale rates derived in the feasibility study were $56/kw for capacity and 15 mills (1.5c)/kwh for energy. DOE noted that these charges were competitive with existing bulk power rates in New England and could immediately bring substantial savings to some customers and modest savings to others. At these rates, DOE concluded that sufficient revenue could be obtained from the sale of electricity to repay the entire Federal investment associated with the production and distribution of power. Consequently, the project's power features would be financially feasible because the investment would be recovered over a 50-year period.

E. Comparison of economic/financial analyses:

The difference between the economic analyses previously described and the repayment analysis warrants further clarification. This has caused a considerable misinterpretation. The economic analyses—both for the benefit-to-cost ratio determination and the "Economic Efficiency Test" are *economic* parameters measuring a project's worth. These analyses are not unique to Dickey-Lincoln School Lakes. The benefit-to-cost ratio is employed universally by the Corps in measuring a project's economic justification. The "Economic Efficiency Test" is also universally used by the Corps in conjunction with projects having generation of electric power as a project purpose. The economic analyses utilize 3¼ percent and 6⅞ percent interest rates and 100-year period of evaluation. On the other hand, the repayment analysis, which is computed by DOE, is a financial measure that determines the appropriate price at which bulk power must be marketed to return the total annual investment allocated to power. As previously noted, the latest analysis uses an interest rate of 7.0 percent and a 50-year repayment period.

IV. POWER MARKETING

The DOE would be responsible for marketing the electric power from Dickey-Lincoln School Lakes per authority of Section 5 of the 1944 Flood Control Act. This statute requires that power be sold in such a manner as to encourage the most widespread use thereof at the lowest possible rates consistent with sound business practices. Section 5 further directs that preference in the sale of power and energy is to be given to public and cooperative power interests.

The Financial Feasibility Study for the project power, prepared by DOE, addressed the marketing aspects. The report notes that after considering transmission losses and offsetting load diversities, approximately 900,000 kw of capacity and 1.2 billion kwh of streamflow energy would be available for sale at the customers' premises. The energy value excludes about 290 million kwh from the initial pumped-storage operation which is proposed to be marketed on a split-the-savings arrangement. The present concept envisions marketing of 700,000 kw (667 million kwh) as peaking power to New England outside of Maine and marketing of 200,000 kw in Maine, 50 percent as intermediate load power (438 million kwh) and 50 percent as peaking power (95 million kwh). These allocations include the assumed United States portion of additional energy generated at downstream Canadian projects.

Preliminary marketing studies currently indicate that the 100,000 kw of peaking power allocated to Maine and 250,000 kw of the peaking power allocated elsewhere in New England could initially be sold to investor-owned utilities. Contracts would provide that this power may be withdrawn for sale to preference customers should the latter utilities experience increased demand by customers in their service areas.

However, it should be understood that until construction is underway and the power-on-line date is relatively firm, DOE does not proceed with definitive marketing and transmission arrangements. Meanwhile, DOE studies are of sufficient depth to determine marketability and to assess the financial feasibility of the power installation.

The existence of the New England Power Pool (NEPOOL)—comprised of all major utilities within New England—provides an effective vehicle through which Dickey-Lincoln School Lakes output could be utilized to the mutual benefit of New England.

V. Environmental studies:

With the resumption of planning activity in 1974, studies needed to prepare an Environmental Impact Statement (EIS) received priority attention. As a first step, an independent contractor was engaged to develop a scope-of-work to identify impacts and to recommend methods for measuring and evaluating these impacts. This phase of work is described in a report completed in August 1975.

In developing the scope, numerous contacts were made with public agencies, private organizations, interested citizens and Canadian agenices to solicit recommendations concerning topics and issues for the impact statement.

To assure objective professional judgment, major component studies were conducted by independent contractors who acquired and interpreted background data and identified project effects for the impact statement.

Specific studies undertaken for the EIS focused on:

Terrestrial Ecosystems.—Including wildlife habitats, rare and endangered species and forest resources.

Aquatic Ecosystems.—Including fisheries analysis, water quality and insect populations.

Social-Economic Factors.—Including profiles of local communities, labor force impacts, housing, forestry economics and municipal services.

Power Alternatives.—Including conservation and load management.

Recreation Resources.

Archeological and Cultural Resources.

Geologic and Geotechnical.—Including earthquake studies.

Hydrologic, Hydraulic and Water Quality Investigations and Analyses.

Special Studies of climatology, air quality and noise:

In general the many studies developed three conditions for comparative analysis, i.e., existing and projected conditions without the project and projected conditions with the project.

Public workshops held in the summer of 1977, prior to publication of a draft EIS, provided an opportunity for interested citizen groups to identify gaps or omissions in the information contained in various study reports.

The initial draft EIS and supportive documents were issued by the Corps of Engineers in August 1977. An extended 90-day period was allotted for public comment and review.

Early in 1976, studies and field reconnaissance commenced on the impacts of the transmission facilities needed to link the project's power stations to the New England system. A special resident-team from the Bonneville Power Administration, DOE, managed the effort leading to publication of a separate transmission draft EIS in April 1978 followed by public meetings and review.

Both drafts have now been consolidated into a single document and circulated by the Corps of Engineers in December 1978 as a revised draft EIS for further public review. That draft EIS also contains responses to comments received during the previous public review period. The document is designated a "revised draft" pending completion of a recommended fish and wildlife mitigation plan when a final EIS will be processed at that time.

Copies of the revised draft EIS are available by writing to: Division Engineer, U.S. Army, Corps of Engineers, New England Division, 424 Trapelo Road, Waltham, Massachusetts 02154.

The drafts are supported by a series of 24 detailed documents—20 Appendices and 4 technical Design Memoranda. Copies of the Appendices and Design Memoranda have been distributed to depositories throughout New England for public review. A list of these depositories is included as an attachment to this Fact Sheet.

STATUS OF THE PROJECT

A. General:

One of the confusing aspects encountered by those who wish to better understand the project relates to the unusual sequence of events associated with the history of the Dickey-Lincoln School proposal.

Of paramount significance is the fact that since project authorization by Congress in 1965, new priorities and policies have been adopted to assure that decision-makers are well informed of the environmental consequences of major Federal projects and that opportunities must be provided for public involvement in an open-planning process.

As an arm of the Executive Branch of the Federal government, Corps of Engineers activities depend on appropriations approved annually by Congress. Preconstruction planning started following the 1965 authorization measure and was interrupted in 1967 when Congress declined to appropriate additional funds.

The deteriorating worldwide energy situation resulting from the 1973 OPEC embargo prompted Congress to fund resumption of planning.

When work was resumed in the fall of 1974, attention focused on activities to bring the project into conformance with newly enacted Federal statutes. The most significant of these laws are:

The National Environmental Policy Act of 1969.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

The Endangered Species Act of 1973.

The Preservation of Historic and Archeological Data Act of 1974.

The 1977 Amendments to the Clear Water Act.

Under today's procedures, compliance with these statutes would be required before Congressional authorization. In the case of an already authorized project such as Dickey-Lincoln School, it has been necessary to assure compliance while the project was already in an authorized status but before construction funds can be requested.

Because decisions about the future of the project will be made within the context of frequently changing national energy and environmental priorities and policies, the Corps of Engineers will extend every effort to obtain and impartially present information that elected officials will need in reaching a decision about the future of the project.

B. Funding Summary:

Prior:	
1965–67	($2,154,000)
Current:	
Fiscal year (FY) 1975	949,000
FY 1976	2,256,000
Transition Quarter (1 July '76–30 Sept '76)	435,000
FY 1977 (1 Oct '76–30 Sept '77)	2,000,000
FY 1978 (1 Oct '77–30 Sept '78)	1,150,000
FY 1979 (1 Oct '78–30 Sept '79)	1,756,000
Total current:	(8,546,000)
Total	(10,700,000)

C. Current Activities:

No determination to proceed to construction is possible until environmental studies are completed and until engineering plans and economic aspects have been updated. Much information appeared in the draft EIS circulated for public review in August 1977. A revised General Design Memorandum was issued in September 1977 (the earlier version was completed in 1967) containing up-to-date engineering and economic data. More data became available in a draft EIS prepared by the U.S. Department of Energy separately addressing the impacts associated with the transmission system.

Public meetings were conducted to facilitate public comment on each of the draft impact statements. Responses to formal comments received during the official review period have been compiled and appear in a composite revised draft EIS published in December 1978 covering both the project and the transmission features.

Publication of a final EIS has been postponed pending formulation of a recommended plan to mitigate loss of fish and wildlife habitat caused by implementation of the project. Further studies of impacts on Canadian lands and waters must also be completed before a final EIS can be filed. Both of these requirements reflect new Federal policies introduced subsequent to issuance of the initial draft impact statement.

Ongoing preconstruction planning activities scheduled during the 1979 Fiscal Year, commencing 1 October 1978, will concentrate on the formulation of mitigation measures encompassing fisheries, wildlife and protection and endangered species. This effort is being coordinated with the U.S. Fish and Wildlife Service so that timely recommendations for mitigating fish and wildlife losses can be submitted for Congressional authorization. Details of the recommended plan will be fully described and discussed in the final EIS.

Concurrent with this primary effort, environmental studies will be conducted to closer examine project impacts on Canada's natural and physical environment. Attention will also be given to collection of additional field data, including subsurface explorations which will clarify environmental questions and further refine technical data contained in general engineering and economic studies.

The FY 1979 schedule will also permit preparation of responses to comments received on the revised composite draft EIS.

Much interest has been focused on the effects of the Endangered Species Act of 1973 on the future of the project. Significant aspects of this question are summarized below.

In mid-1976 New England Division staff and University of Maine scientists, under contract to the Corps, conducted a reconnaissance of the project area to determine if certain rare or potentially endangered plant species were present. This field survey led to the identification of colonies of the Furbish lousewort (*Pedicularis furbishiae*) at locations which would be inundated if the project were implemented. Because this species had been nominated for listing and protection under the Act, informal consultations were initiated promptly with the U.S. Fish and Wildlife Service. A series of scientific studies were pursued to assess the physical and biological characteristics of the plant, its habitat requirements, and to determine whether specimens could be found at other sites. This investigation identified additional colonies along the St. John River downstream of the proposed project site. The lousewort was officially listed in April 1978 as an endangered species eligible for protection from Federal action which might jeopardize its future survival.

Pursuant to Section 7 of the Act, formal consultations were requested by the Corps. On 27 June 1978, the U.S. Fish and Wildlife Service submitted its biologcial opinion that the project, as planned, would jeopardize the continued existence of the Furbish lousewort. However, the service outlines a specific conservation program which—if successful—would preclude jeopardy to the plant. The program includes:

1. Development of information which will lead to a functional understanding of the habitat needs and propagation techniques of the Furbish lousewort.
2. Acquisition and protection of existing habitats below the project impoundment area currently supporting lousewort populations.
3. Acquisition of habitat identified as capable of supporting new populations of louseworts.
4. Establishment of new, self-sustaining colonies through transplantation, seeding or other appropriate techniques.
5. Obtaining better information on what the effects will be of downstream flows, after construction of the project, on the lousewort and its habitat.
6. Development of a monitoring program capable of detecting any changes in lousewort biological status, such as habitat changes, population increases or decreases, and microclimatic conditions.

Studies for Items 1, 4 and 6 are to be initiated during the summer of 1979 and will continue as necessary to achieve the required information. Items 2 and 3 will be included in the Fish and Wildlife Mitigation proposal. Item 5 will be addressed at a later date.

TABLE I.—DICKEY-LINCOLN SCHOOL LAKES ECONOMIC ANALYSIS (OCTOBER 1978 PRICE LEVELS)—INITIAL PROJECT DEVELOPMENT, 100-YR LIFE

	3¼ percent	6⅞ percent
DAMS AND APPURTENANCES		
Investment:		
Construction costs [1]	$587,000,000	$587,000,000
Less basic provisions for future facilities [2]	−33,000,000	−33,000,000
Less improved housing standards cost [3]	−1,900,000	−1,900,000
Net economic construction costs	552,100,000	552,100,000
Interest during construction	57,420,000	121,500,000
Total economic investment	609,520,000	673,600,000
Capital recovery factor (dams)	0.03388	0.06883
Annual costs:		
Interest and amortization	20,650,000	46,364,000
Operation and maintenance	2,343,000	2,343,000
Pumping power (438,000,000 kWh×$0.010)	4,380,000	4,380,000
Major replacements	345,000	165,000
Lost recreational opportunities	164,000	138,000
Total annual costs	27,882,000	53,390,000
TRANSMISSION FACILITIES		
Investment:		
Construction costs	157,660,000	157,660,000
Interest during construction	11,230,000	24,440,000
Total investment	168,890,000	182,100,000
Annual costs:		
Interest and amortization	7,460,000	13,350,000
Operation and maintenance	3,820,000	3,820,000
Less: Income from future wheeling by others; Granite-Essex	−420,000	−490,000
Total annual costs	10,860,000	16,680,000
Total project:		
Total investment costs:		
Construction	744,660,000	744,660,000
Less noneconomic costs	−34,900,000	−34,900,000
Interest during construction	68,650,000	145,940,000
Total economic investment	778,410,000	855,700,000
Total annual costs (economic)	38,742,000	70,070,000
Annual benefits:		
Peaking power (15.4 percent capacity factor):		
874,000 kW × 0.904×$35	27,653,000	27,653,000
1,182,600,000 kWh×0.914 ×$0.033	35,670,000	35,670,000
Intermediate power (42.9 percent capacity factor):		
70,000 kW×0.980×$73	5,008,000	5,008,000
262,800,000 kWh×0.989× $0.029	7,537,000	7,537,000
Downstream: 350,000,000 kWh×$0.010	3,500,000	3,500,000
Subtotal, power	79,368,000	79,368,000
Employment	1,450,000	2,946,000
Prevention of flood damages	768,000	756,000
Total annual benefits	81,586,000	83,070,000
Total annual costs	38,742,000	70,070,000
Benefit/cost ratio	2.1 to 1 (2.11)	1.2 to 1 (1.19)

[1] Includes all costs required for planning, design, and construction, i.e., real estate, relocations, all project features and equipment and Government costs.

[2] Costs of provisions included in initial construction to accommodate future power facilities have been included in economic analysis for future development (not shown). The annual benefits and costs for the future installation, based on a 6⅞ percent interest rate and October 1978 constant dollars, total $18,452,000 and $13,409,000 respectively for a benefit-cost ratio of 1.4 to 1.

[3] Represents additional payments prescribed by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to assure decent, safe and sanitary housing for those displaced by the project who occupy substandard housing. These costs are considered financial rather than economic.

TABLE II.—DICKEY-LINCOLN SCHOOL LAKES ECONOMIC EFFICIENCY ANALYSIS: COMPARABLY FINANCED, FEDERAL FUNDS (OCTOBER 1978 PRICE LEVELS)—INITIAL PROJECT DEVELOPMENT, 100-YR LIFE

	3¼ percent	6⅞ percent
Power alternatives: [1]		
Peaking:		
874,000 kW×0.904× $13.75	$10,864,000	
874,000 kW×0.904×$19		$15,012,000
1,182,600,000 kWh× 0.914×$0.033	35,670,000	35,670,000
Intermediate:		
70,000 kW×0.980×$30.90	2,120,000	
70,000 kW×0.980×$41.25		2,830,000
262,800,000 kWh×0.989× $0.029	7,537,000	7,537,000
Downstream: 350,000,000 kWh×$0.010	3,500,000	3,500,000
Subtotal, power	59,691,000	64,549,000
Benefits foregone:		
Employment [2]	1,450,000	2,946,000
Flood control [2]	768,000	756,000
Total alternative costs	61,909,000	68,251,000
Annual charges, Dickey-Lincoln School	38,742,000	70,070,000
Comparability ratio	1.6 to 1 (1.598)	1.0 to 1 (0.974)

[1] The 0.904, 0.914, etc., factors noted reflect estimated reduction in capacity and energy outputs due to transmission line losses.

[2] Employment and flood control benefits which are provided incidentally to construction of Dickey-Lincoln School would be foregone by the alternative. Therefore, the values of these benefits are added to the alternative in order to obtain a valid comparison.

HISTORICAL MILESTONES

Origins of the Dickey-Lincoln School Lakes project can be linked to the continuing scientific interest in harnessing the natural energy concentrated in the coastal regions of Northern Maine and neighboring Canadian provinces.

The idea of harnessing the powerful tidal pools in Passamaquoddy Bay and in tapping hydroelectric power holds a special appeal in a region historically short of energy resources.

Studies dating back to 1919 addressed the technical and economic aspects of a number of tidal power proposals. In essence, the present Dickey-Lincoln School hydroelectric project concept is a distillation of these investigations.

Some important milestones should be noted in understanding the evolution of the Dickey-Lincoln School idea over the last twenty years.

Chronology of events

1956

August—In accordance with provisions of the Boundary Water Treaty of 1909, the U.S. and Canadian governments requested the International Joint Commission to study the feasibility of constructing to tidal power project at Passamaquoddy Bay for the purpose of supplying baseload electricity to Maine and New Brunswick.

1959

October—An exhaustive three-year engineering study concluded that the tidal project at Passamaquoddy, including an auxiliary conventional hydroelectric facility on the St. John River at Rankin Rapids, Maine, was not economically justified. The Rankin Rapids component had been added to compensate for the inherent inability of a tidal system to generate a sustained volume of base power.

The study estimated that development of the project would cost $630 million to install 700 megawatts of capacity to meet the projected baseload requirements for Maine and New Brunswick.

1961

May—President Kennedy ordered the Department of the Interior to review the joint commission's findings to determine if advances in energy technology, consumption patterns and overall economic considerations would make the project economically feasible.

1963

July—On the basis of new forecasts by the Federal Power Commission, the Department of the Interior asserted that the Passamaquoddy project could be justified if redesigned to generate peak, rather than baseload, power for a wider geographic area encompassing the New England states, portions of upstate New York, New Brunswick and Nova Scotia.

Because of adverse environmental impact on the Allagash River, now a designated "wilderness waterway," the proposed Rankin Rapids component was discarded in favor of an alternative location on the Upper St. John River at Dickey, Maine, just upstream of the point where the two rivers converge.

Construction of a re-regulating dam at Lincoln School, 11 miles downstream, was proposed to counter the problem of extreme fluctuations in river flow caused by the intermittent peak power operation of Dickey's power plant.

Total ultimate installed capacity of the combined Passamaquoddy and Dickey-Lincoln School Lakes projects was projected at 1,750 megawatts with total construction costs of nearly $1 billion.

To perform further studies ordered by the President, an advisory board was formed comprised of the Department of the Interior and the U.S. Army Corps of Engineers. Interior examined economic aspects, power and transmission requirements, marketing and downstream benefits. The Corps concentrated on field studies and engineering design.

1964

August—The advisory board findings were incorporated in the Secretary of Interior's review of the original joint commission report. The review, as circulated to State and Federal officials for comment, proposed immediate authorization for construction of both the International Tidal Power Project and the Upper St. John River Hydroelectric Complex.

1965

July—Results of the review with comments from Federal and State officials were transmitted to President Johnson for action.

However, new power values provided by the Federal Power Commission, reflecting the development of larger more economical generating plants by the industry, showed that Passamaquoddy, by itself, could not be economically justified. Dickey-Lincoln School still retained its favorable benefit-to-cost ration and was reindorsed for immediate authorization.

For the first time Dickey-Lincoln School had assumed an independent identity.

President Johnson recommended that Congress authorize immediate construction of Dickey-Lincoln School based on an installed capacity of 794 megawatts at a cost of $218.7 million.

October—Congress adopted the President's recommendation by authorizing the project in the Flood Control Act of 1965. Funds were appropriated for preliminary planning and design for the project to contain 830 megawatts of installed capacity.

November—Planning and design work was begun by the New England Division, Corps of Engineers.

1966

September—The House Committee on Public Works ordered its staff to re-examine the project's economic feasibility.

October—Funds to continue planning and design were included in the Public Works Appropriation Act for Fiscal Year (FY) 1967 (July '66–June '67).

1967

March—The report of the staff investigation, noting that the project continued to have a favorable benefit-cost ratio, was inserted into the record of hearings conducted by the House Appropriations Subcommittee on Public Works.

November—Funding for ongoing planning and design was deleted from the FY 1968 Appropriation Act, thereby terminating all project activities.

1968 and 1969

The project's economics were reviewed annually by the Corps of Engineers and continued to show a favorable benefit-to-cost ratio. However, no funds were appropriated by Congress to resume planning.

1970

January—Implementation of the National Environmental Policy Act established the Council on Environmental Quality. The Act requires the preparation of an impact statement for any proposed Federal activities likely to affect the environment.

1970 to 1973

Benefit-to-cost ratios still showed the project to be economically justified on the basis of annual updating. No funds were made available for additional planning.

1974

July—Congress requested the General Accounting Office to review the project's benefit-to-cost ratio.

August—Renewed Congressional support for the project as a response to the energy crisis resulted in action to add $800,000 to the FY 1975 Public Works Appropriation Act to resume advanced planning and engineering.

November—The New England Division of the Corps of Engineers resumed work on the project seven years after prior activity had been terminated.

1975

June—The GAO audit report suggested that because of the project's size and complexity that no definitive assessment of its economic worth could be made until planning and environmental studies were completed.

In its analysis, the GAO reviewed the Corps construction estimates of $522 million for an 830 megawatt facility including transmission and the resultant 2.6 to 1 benefit-to-cost ratio.

1975

December—The Public Works Appropriation Act for FY 1976 passed by Congress included an allocation of $2.5 million to continue planning, engineering and environmental studies for a fifteen month period.

1976

March—Department of Interior establishes field office in Bangor to administer transmission planning studies.

April—Governor James B. Longley announces formation of a Maine Citizens' Committee to determine State impacts of Dickey-Lincoln School Lakes.

July—An additional $2.0 million appropriated by the Congress to continue environmental and economic studies during FY 1977 (Oct. '76–Sept. '77).

October—Modification in the design of the power plant at Dickey Dam recommended to include pumped storage capability and to permit future addition of 380 megawatts of generating capacity increasing the ultimate overall capacity of the project—including 70 megawatts at Lincoln School—from 830 to 1210 megawatts. The addition of a pumped storage feature would increase total production of electricity to 1.4 billion kilowatt hours annually for the initial installation with an ultimate annual output of 2.0 billion kilowatt hours following the future added units.

On the basis of current price levels, construction costs of the project including initial provisions for future expansion and pumped storage—estimated at $533 million. Benefit-to-cost ratio computed to be 2.1 to 1.

Public meetings conducted by Department of Interior at seven locations to discuss selection of transmission corridor linking Dickey power to the New England power grid.

1977

February—President Carter requests deletion of funds for Dickey-Lincoln School from the FY 1978 Budget indicating that the project failed to meet new environment criteria.

March—Following review by Interagency Task Force, White House decides to retain budget recommendation to complete environmental studies.

April–June—Fourteen technical workshops conducted with Maine organizations to obtain pre-publication public comment on elements contained in the draft environmental impact statement.

August—The draft environmental impact statement for the dams and reservoirs published marking start of 90-day formal public review period.

October-November—Six public meetings conducted to disseminate information and receive public comment following circulation of draft impact statement.

November—The Governor's Citizens Committee voted 6–4 in opposition to the project. In the absence of a consensus, the Committee's report recommended that final decision should also consider state and national energy policies.

1978

March—A draft environmental impact statement published by the U.S. Department of Energy described impacts of transmission facilities. Concurrent with the 60-day period allotted by the Department of Energy for public review, the Corps of Engineers reopened the period for comment on its earlier draft to permit review of entire project.

April-May—The Department of Energy conducted eight public meetings to discuss transmission and overall project impacts.

June—The White House submitted a water policy message outlining new criteria for evaluating proposals for developing water resources.

October—Based on current price levels, construction cost for initial development of the overall Dickey-Lincoln School project was estimated at $744.7 million. The project's benefit-cost ratio remains 2.1 to 1 at the authorized interest rate of 3¼.

November—Governor Longley informed President Carter that he would oppose implementation of the project on the basis of excessive adverse impacts on Maine.

December—The Corps of Engineers published a revised draft impact statement combining earlier drafts into a single document. The revised draft also contains responses to comments received as a result of public review. A forty-five day period, ending 12 February 1979, was allotted for additional public comment.

Pursuant to the June White House water policy message, priority has been directed to expediting the preparation of a recommendation to Congress for mitigating loss of wildlife habitat that would occur as a result of project implementation and to incorporate the recommended plan into the final impact statement.

1979

January—President's Executive Order directs agencies to extend environmental studies so that impacts of Federal projects outside U.S. borders can be considered.

President's FY 1980 Budget announced. Includes $710,000 for continuation of environmental and environmentally-related studies for Dickey-Lincoln School.

February—Maine Governor Joseph E. Brennan expresses conditional support for the project reserving final decision pending his review of final impact statement.

GLOSSARY

AC (Alternating Current)—An electric current that reverses its direction of flow at regular intervals and has alternately positive and negative values.

Acre-Feet—A unit of volume one acre in surface and one foot deep. One acre-foot equals 43,560 cubic feet or approximately 326,000 gallons.

Base Load—The minimum load over a given period of time.

Base-Load Plant—An electrical generation plant specifically designed to run more or less continuously near full load, except for periodic maintenance shutdowns.

Benefit-to-Cost Ratio—The quotient when the annual projected dollar benefits are divided by the annual projected costs.

Capacity—The maximum power output or load for which a machine, apparatus, station or system is rated. (Also see Dependable Capacity and Installed Capacity).

Circuit—A system of conductors through which an electric current flows. Three conductors or three sets of conductors are required for a 3-phase circuit.

Combined Cycle—Hybrid gas turbine/steam turbine generation unit. Gas turbine exhaust, having a high heat content, is used to raise steam for a conventional thermal cycle. Used for mid-range operation due to its greater flexibility in responding to varying load conditions than conventional thermal plants.

Conductors—The metallic cables over which the electrical energy is transmitted on high-voltage lines.

Dependable Capacity—The load carrying ability of a power plant at the time of maximum load. For hydroelectric projects measured during the critical hydroperiod.

Double-Circuit Tower—A tower able to support two circuits. All three phases of each circuit are usually located on one side of the tower.

Economic Costs—The values of goods and services (land, labor and materials) required for the construction, operation and maintenance of the project, plus any loss due to adverse effects, whether or not some of these are paid for directly. They include initial construction costs, equipment, value of lands, relocations, etc., interest during construction, allowances for induced adverse effects whether or not compensated (e.g. lost recreational opportunity), operation, maintenance and major replacements. From the broad public viewpoint the economic costs of a project are values no larger available for the values foregone in alternative uses because they have been committed to project construction, maintenance and operation.

Energy—The capability of doing work measured in terms of average power multiplied by time, i.e., kilowatt-hours.

Environmental Impact Statement—A compilation of changes in natural, social and economic conditions resulting from proposed action including an examination of alternatives and consequences of no action.

Financial Costs—Financial costs are the initial and recurring outlays of monies, lands, materials, goods and services that will be incurred over the life of the project in its construction, operation and maintenance. Financial costs do not include those items of economic costs which do not involve or require such initial or recurring outlay, as, for example, lost recreational opportunities. Financial costs are utilized for cost-allocation purposes and in the determination of rates for the sale of power required to recover the investment allocated to power production and transmission.

Firm Power—Energy which has assured

availability at all times. (For hydroelectric project this represents energy production during the critical hydroperiod).

Gas Turbine—Essentially a jet engine driven generator used for peaking power purposes.

Head—The difference in elevation between the headwater surface above and the tailwater surface below a hydroelectric power plant.

Hydroelectric Power Plant—An electric power plant utilizing falling water to operate turbines to drive an electric generator.

Installed Capacity—The generator capacity rating as shown by manufacturers' nameplate ratings. (For Dickey and Lincoln School Dams rating is at minimum head and full gate discharge).

Intermediate Load Power Plant—Electrical generation facility designed to service the load between base and peak. Generally operates in the ranges between 20 and 60 percent plant factor and is able to respond readily to changes in system demand.

KV (Kilovolt)—1,000 volts. A volt is a unit of electromotive force or electric pressure analogous to water pressure in pounds per square inch in a water system).

Kilowatt (kw)—One thousand watts. A watt is the electrical unit of power or rate of doing work and is equivalent to one ampere under a pressure of one volt at unity power factor. One thousand kilowatts equal one megawatt.

Kilowatt-Hour (kwh)—The amount of electrical energy involved with a one-kilowatt demand over a period of one hour. It is equivalent to 3.413 Btu of heat energy.

Peak Load—The maximum electrical load consumed or produced in a stated period of time. It may be the maximum instantaneous load or the maximum average load within a designated interval of time, for example, the maximum average load for a period of one hour.

Peaking Power Plant—A plant which is normally operated to provide power during maximum load periods. It is engineered to facilitate quick start-up and shutdown. Usually gas turbines, diesels or conventional and pumped storage hydro. Old, low-efficiency steam units are also used to meet peak demands.

Plant Factor—The ratio of the average load on the plant for the period of time considered to the aggregate rating of all the generating equipment installed in the plant. For Dickey and Lincoln School Dams, the plant factor is related to dependable capacity rating of equipment.

Preference Customers—Publicly-owned systems and nonprofit cooperatives which by law have preference over investor-owned systems for the purchase of power from Federal projects.

Power Pool—A group of electric systems which are interconnected and coordinated to supply, in the most economical and reliable manner, electric power for their combined loads.

Pumped Storage—An arrangement whereby energy is stored by pumping water from a lower reservoir to an upper reservoir during off-peak periods at night and weekends and releasing it through generation units when peaking power is most needed. In essence, a pumped storage plant acts as a giant storage battery by taking energy generated by other sources and storing for later used during high demand periods.

Reserve Generating Capacity—Extra capacity maintained to generate power in the event of unusually high demand or a loss or scheduled outage of regular generating capacity.

Reversible Pump-Turbine—A hydraulic turbine, installed in a pumped storage station, which can be used alternately as a pump or as a prime mover.

Spinning Reserve—Generating units operating at no load or at partial load with excess capacity readily available to support additional load.

Substation—An electrical power station without generation which serves as a control and transfer point on an electrical transmission system.

Wheeling—The transmission of large blocks of power over the transmission system of another utility. Wheeling permits better use of existing transmission facilities and avoids expensive duplication of transmission lines.

The PRESIDING OFFICER (Mr. Bumpers). The Senator from Maine (Mr. Cohen).

Mr. COHEN. I have just about 2 minutes before closing. Just a couple of points, Mr. President. I do not know anywhere in the Record where it has been suggested or stated that the construction of Dickey-Lincoln is going to draw industry into that region of Maine. Industry depends upon base power not peaking power. Nowhere does it appear we are going to have that kind of an attraction going into Northern Maine because of Dickey-Lincoln.

So far as permanent jobs are concerned, there are 68 permanent jobs coming out of Dickey-Lincoln.

Mr. MUSKIE. Mr. President, will the Senator yield? I want to be sure I heard correctly. This project provides for 45 percent of base power. Is the Senator saying it does not?

Mr. COHEN. No, it provides some. The bulk of it is peaking power which will be distributed out of Maine rather than in Maine.

Mr. MUSKIE. The Lincoln School power is entirely based in that part of Maine.

Mr. COHEN. If that is the base we ought to build just Lincoln School and make it only base power, and that will serve only Maine and, as a matter of fact, that is a proposal being considered right now. Let us build a project paid for by Maine without Federal funds, and built for the people of Maine.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. COHEN. Yes.

Mr. MUSKIE. First, the Rankin Rapids Dam would have been a big dam that would have had the Allagash and St. John and maximized the energy output for whatever purposes you wanted.

But you confront me, I know, with a challenge. You are destroying the environment policy. You reduce energy production and you reduce the output of the Allagash, and now you are saying, "Why don't you maximize by building a dam for maximum base power." I would agree to either.

Mr. COHEN. You support the Lincoln project?

Mr. MUSKIE. Not alone, because it would not utilize the power that is available to us in the St. John River to the maximum extent that the good Lord made it available.

Mr. COHEN. Mr. President, I would like to place this in even further perspective. I would like to place a letter in the Record, a letter of Richard E. Barringer, Commissioner of the Department of Conservation of the State of Maine, where he points out when talking about measurable economic benefits of Dickey-Lincoln:

> In these respects, the measurable economic benefits of the Dickey-Lincoln project outweigh the costs by about $53 million over the 100-year lifetime of the project. On the average, this amounts to about 50 cents per year for each living Maine resident for the life of the project.

Then he goes on to say:

> It does, however, dispel the doubt that Dickey-Lincoln yields no economic benefits to the people of Maine. The benefits of the Dickey-Lincoln Dam—or, alternatively, the cost of keeping the St. John flowing free—amount to about 50 cents a year to each of us.
>
> In this context, Maine's final decision on Dickey-Lincoln remains one of personal values, of affirming what purposes we, as Mainers, want our State and, in particular, the St. John River Valley to serve for the next hundred years.

Finally, it has been suggested that the Speaker of the House speak on behalf of the people of Maine. Well, the president of the Senate of Maine has come out in opposition to the project, so there is a division here.

One of the major papers in the State of Maine, the Maine Sunday Telegram, has come out against Dickey-Lincoln. The editorial concludes:

> In short, Dickey-Lincoln asks Maine to make an enormous sacrifice for a meager return. And those few scant benefits simply aren't worth the destruction of the last remaining major wild river in the eastern United States.

Mr. President, I ask unanimous consent that the letter and the editorial be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

State of Maine,
Department of Conservation,
Augusta, Maine, October 13, 1977.

Mr. John Robinson,
Chairman, Citizens Dickey-Lincoln Project Impact Review Committee, University of Maine, Farmington, Maine.

Dear John: I am pleased to transmit to you the enclosed report entitled The Economics of Dickey-Lincoln from Maine's Perspective.

The object of this analysis is to compare the direct economic benefits and costs to the people of Maine of the Dickey-Lincoln Dam project. It indicates that the major benefits of the project to Maine would come in the form of reduced electric rates to selected Maine consumers. The major costs will be felt in personal income losses in Maine's forest economy.

In these respects, the measurable economic benefits of the Dickey-Lincoln project outweigh the costs by about $53 million over the 100 year lifetime of the project. On the average, this amounts to about 50 cents per year for each living Maine resident for the life of the project.

One cannot conclude from this finding that the project should be built. The St. John River Valley, itself, has a value which, unlike power values and forestry values, is not reflected in the economic marketplace. That Maine people find substantial value in simply keeping the area undeveloped is, to my mind, certain. The Bigelow Referendum and the recent Anti-Billboard Law indicate that the people of Maine are willing to forego development in order to protect important natural values of the State. Putting a dollar measure on that value has plagued the economics profession for years. At this point it cannot be done satisfactorily.

What one may conclude is that economic analysis of the Dickey-Lincoln project from Maine's perspective does not yield a clear-cut decision on its desirability to our citizens. It does, however, dispel the doubt that Dickey-Lincoln yields no economic benefits to the people of Maine. The benefits of the Dickey-Lincoln Dam—or, alternatively, the cost of keeping the St. John flowing free—amount to about 50 cents a year to each of us.

In this context, Maine's final decision on Dickey-Lincoln remains one of personal values, of affirming what purposes we, as Mainers, want our State and, in particular, the St. John River Valley to serve for the next hundred years.

I hope very much that this report will prove of value to you and the Review Committee as you consider your final recommendation to the Governor.

Sincerely,

Richard E. Barringer,
Commissioner.

No to Dickey Lincoln

The Dickey-Lincoln hydroelectric power project on the St. John River in northern Maine should not be built.

We're persuaded that the construction of what has been called the largest public works project ever proposed in New England would not be in the best interests of either Maine or the nation.

On the one hand, construction of a world class dam at Dickey on a scale rivaling the Aswan Dam in Egypt, the creation of an 88,000-acre reservoir, and the construction of a huge transmission network through the forestlands of western Maine, would result in environmental damage on a scale which cannot be justified.

And, on the other hand, the giant project can barely be justified either on the amount of electricity which it would produce or on the basis of cost projections which are widely believed to be artificially low.

Moreover, if the project is approved by Congress, Maine will be asked to absorb virtually all of the negative aspects of the project in return for a relatively small percentage of the benefits. Maine alone would bear the burden of the massive environmental scars but the bulk of the electricity generated by the dams at Dickey and at Lincoln School would be marketed outside the state.

Our decision to oppose Dickey-Lincoln is not lightly made. We recognize that the demand for electrical energy in Maine and New England is growing rapidly and that peak load demand (the kind Dickey-Lincoln would partially satisfy) is expected to more than double in the region over the next decade. And we are all too painfully aware that New England now must rely on increasingly expensive and scarce petroleum for the generation of approximately three-fourths of all the electricity we consume.

Nonetheless, Dickey-Lincoln extracts far too high a price in terms of economic, social and environmental costs in order to partially meet the region's increasing energy requirements. It would ask Maine and its people to pay far too much in return for far too little.

The chronicle of environmental devastation which would accompany the construction of Dickey-Lincoln is enormous. It would forever destroy 278 miles of free-flowing streams and rivers, flood 30 lakes and ponds, inundate 36,893 acres of deer yards and cut a giant swath through western Maine in order to accommodate high voltage transmission lines. The magnitude of that kind of environmental upheaval would irretrievably alter the character of much of Maine's land mass.

Were Dickey-Lincoln capable of generating truly significant amounts of electrical energy the environmental and societal tradeoffs might be more palatable. But it will not. Dickey-Lincoln's output—even conceding the importance of the peaking power which it would largely generate—would equal only two per cent of all the electricity produced in New England in 1975.

In addition, the cost estimates developed by the Army Corps of Engineers are suspect. The initial price tag of $757.5 million is based on a thoroughly unrealistic 3.25 per cent interest rate. The cost immediately soars to $822.4 million if the prevailing interest rate of nearly 6.5 per cent is used. Finally, the cost estimates are based entirely on March 1977 price levels and do not include any consideration of inflation. Even conservatively projecting the inflation rate between now and 1988 when the project is targeted for completion brings the total price tag into the billion dollar range.

In short, Dickey-Lincoln asks Maine to make an enormous sacrifice for a meager return. And those few scant benefits simply aren't worth the destruction of the last remaining major wild river in the eastern United States.

Mr. STENNIS. Mr. President, the President's budget requested $750,000 for preconstruction planning of the Dickey-Lincoln hydroelectric power and flood control project in Maine. The appropriation bill before the Senate contains that amount. I support the retention of this money in the bill. The Dickey-Lincoln project has been before the Congress for many years. I believe it was first approved by the Senate in 1965. I have voted on it many times. I supported the project on its merits in the past, and I continue to support it.

As we all know, we are facing a national energy problem of tremendous proportions, and we can expect it to be with us for decades to come. The Dickey-Lincoln project will provide very large amounts of power to Maine and the rest of New England. It is clean power, and it uses a renewable resource—water—to generate it. It would take 2 million barrels of oil a year to generate as much power in an oil burning plant, and New England is already too dependent upon oil for energy.

Furthermore the costs of this project are an investment, because Dickey-Lincoln has a favorable benefit-to-cost ratio. The benefits will more than pay the costs over the life of the project. Once it is built it is inflation proof, because it is reliable power, and the water that generates it is not going to go up in price every year.

It seems to me that the situation concerning Dickey-Lincoln is quite similar to what we face nationally. It is time to make some hard choices and get on with them, though they may not suit everyone. This project has been exhaustively studied. Alternatives of one kind or another have been discussed for years, but none of them have materialized.

Here is a project that is known to be feasible. It will replace a lot of oil. It is clean. It will pay for itself. It will create jobs. The Governor of Maine supports it and has so stated in writing. Part of the power will be marketed in Maine, part in the rest of New England. Part of it is intermediate load power, part is peaking power. All of it is very valuable power and all of it makes the region less dependent on oil as an energy source.

Mr. President, in this matter I strongly support the view of the senior Senator from Maine, Mr. Muskie, that the preconstruction planning money for Dickey-Lincoln be appropriated for fiscal year 1980. I urge the Senate to approve this appropriation.

Mr. COHEN. Mr. President, I yield back the remainder of my time and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JOHNSTON. Mr. President, if I still have the time I yield the remainder of the time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Maine (Mr. Cohen). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. INOUYE (when his name was called). On this vote, I have a pair with the Senator from New Mexico (Mr. Domenici). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. Tsongas) is necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. Domenici) is necessarily absent.

The PRESIDING OFFICER (Mr. Boren). The Senate will be in order. Senators will please clear the well.

Are there other Senators present desiring to vote?

Several Senators voted.

The PRESIDING OFFICER. Is there any other Senator who wishes to vote?

Mr. STENNIS voted in the negative.

The PRESIDING OFFICER. Are there other Senators wishing to be recorded on this vote?

The result was announced—yeas 46, nays 51, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—46

Armstrong
Baker
Biden
Boschwitz
Bradley
Byrd,
  Harry F., Jr.
Chafee
Cochran
Cohen
Danforth
Dole
Durenberger
Garn
Goldwater
Hatch
Hayakawa
Heinz
Helms
Humphrey
Javits
Jepsen
Kassebaum
Kennedy
Leahy
Levin
Lugar
Mathias
McClure
Metzenbaum
Nelson
Packwood
Percy
Pressler
Proxmire
Riegle
Roth
Schmitt
Schweiker
Simpson
Stevens
Stone
Thurmond
Tower
Wallop
Warner
Weicker

NAYS—51

Baucus
Bayh
Bellmon
Bentsen
Boren
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Culver
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Hollings

Huddleston
Jackson
Johnston
Laxalt
Long
Magnuson
Matsunaga
McGovern
Melcher
Morgan
Moynihan
Muskie
Nunn
Pell
Pryor
Randolph
Ribicoff
Sarbanes
Sasser
Stafford
Stennis
Stevenson
Stewart
Talmadge
Williams
Young
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—

Inouye, against.

NOT VOTING—2

Domenici
Tsongas

So Mr. COHEN's amendment (No. UP–368) was rejected.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

MODIFICATION OF UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, there seems to be a disposition on the part of the manager, the ranking manager, the Senator from Iowa (Mr. CULVER), and others, to limit the time on the Tellico Dam amendment to 30 minutes rather than 1 hour, to be equally divided. If we can get this agreement, the disposition of that amendment would be the last rollcall vote today. I make that request.

Mr. BAKER. Will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. Mr. President, I anticipate that 30 minutes will be entirely adequate as for as I am concerned, and I hope there would not be an objection to that.

The PRESIDING OFFICER. Is there objection? Without objection, the request is agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays on the Tellico amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSTON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Iowa.

UP AMENDMENT NO. 369

Mr. CULVER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. CULVER), for himself, and Mr. CHAFEE, proposes an unprinted amendment numbered 369.

On page 30, line 13, strike beginning with "Provided" all through line 19.

Mr. CULVER. Mr. President, the Energy and Water Development Appropriations bill which we are presently debating would exempt the Tellico Dam in Tennessee from the provisions of the Endangered Species Act and any other law, and order its completion. It would do this in spite of the long hours devoted to this issue by the Environment and Public Works Committee which properly has jurisdiction over the Endangered Species Act, in spite of the rational and workable process which was established in the last Congress to address intractible endangered species conflicts, and in spite of the Senate's rejection of the Tellico exemption on June 13, just one month ago. My amendment would strike the Tellico exemption from this bill.

I regret that my colleagues are being asked to consider exemptions for specific conflicts between endangered species and development activities for the third time, I repeat, the third time in less than a year. As you may recall, the last Congress adopted an amendment which Senator BAKER and I cosponsored to establish a process to equitably resolve intractible endangered species conflicts while at the same time avoiding their case-by-case consideration by the Congress.

Briefly, the Culver–Baker amendment established a seven-member Endangered Species Committee composed of the heads of six Federal agencies and a representative of the affected State or States. The committee arbitrates those conflicts which cannot be resolved through consultation between the action agency and the Fish and Wildlife Service only after all required processes are utilized. The committee is intended to provide a responsible and sound solution to these problems, thereby avoiding ad-hoc technically uninformed congressional exemptions and the emasculation of the Endangered Species Act as a result of short-term pressures which overlook the importance of this law and the species it protects.

I believe the Endangered Species Committee process is working well. The committee has met to consider exemptions for two projects, the Grayrocks Dam in Wyoming and the Tellico Dam in Tennessee. After careful consideration the committee voted unanimously to exempt the Grayrocks project, provided certain measures are taken to protect the affected species, the whooping crane. The committee, after careful consideration, also voted unanimously not to exempt the Tellico Dam, finding that the benefits of completing the project do not clearly outweigh the benefits of alternatives which would protect the endangered snail darter. It is important to emphasize that the representative of the State of Tennessee, who was nominated by the Governor of that State, did not vote to exempt the project and allow its completion.

The Endangered Species Committee is providing just what it was intended to accomplish—a competent rational mechanism for resolving conflicts between the protection of endangered species and other legitimate national goals and priorities. To exempt the Tellico Dam from the provisions of the Endangered Species Act would subvert this mechanism, undermine the Endangered Species Act, and place the consideration of each and every conflict back in the hands of Congress.

Before you vote to exempt the Tellico Dam, I believe each Member should ask himself if he is enjoying this debate, because I can assure you that this is just the beginning, just the first of many endangered species conflicts this body will be asked to resolve without rational standards again and again in the months ahead if we ignore the provisions of last year's reauthorization of the Endangered Species Act and provide a specific, single exemption for Tellico.

The authorizing committee—the Environment and Public Works Committee—and the Senate itself have already rejected a similar exemption of Tellico. There is no new information to change matters.

This clearly raises serious jurisdictional questions where all the laws under any of the other authorizing committees could be circumvented merely by the Appropriations Committee taking this kind of ad hoc, unilateral action.

I urge my colleagues to uphold our hard work of last year and strike the language to exempt Tellico from this appropriations bill.

Mr. NUNN. Will the Senator yield?

Mr. NELSON. Will the Senator yield?

Mr. CULVER. How much time do I have, Mr. President? We are under tight constraints here.

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. CULVER. I yield to the Senator.

Mr. NUNN. I would like to ask a question about the cost-benefit ratio. I never did get that straight in the last debate. As I understand the cost-benefit ratio on this project is not high in the case of being defensible, is that correct?

Mr. CULVER. That is certainly correct, even on the basis of 5 percent remaining to complete the project.

We may have to ask unanimous consent to get some extra time.

Mr. JOHNSTON. Will the Senator yield on my time?

Mr. CULVER. When the Endangered Species Committee took under advisement this project, Mr. Charles Schultze, the economic adviser to the President and a member of the committee, said that even on the basis of the remaining 5 percent there was not a favorable cost-benefit ratio on this project.

Mr. NUNN. That is the question I wanted to ask. Does the Senator mean that if we eliminated the cost that has already been spent, if we just consider the $35 million to be spent to complete it, as I understand it, even with that consideration the cost-benefit ratio is not favorable?

Mr. CULVER. That is correct.

Mr. NUNN. There must be no benefits whatsoever.

Mr. CULVER. What the committee did find unanimously is that there are other alternatives to this project, such as river development, which will afford cost-benefit ratios that are more favorable when you take into consideration unmeasured benefits, such as cultural and historic sites, preservation of customary fish and wildlife values, ecological, esthetic, and scenic values associated with the preservation of the river. When those alternatives are considered, then the benefits of the project clearly do not outweigh the benefits of alternatives.

Mr. NUNN. I thank the Senator.

Mr. NELSON. Will the Senator yield just about 2 minutes to comment on that?

Mr. CULVER. I certainly will.

Mr. NELSON. Mr. President, I would like to read some comments made at the time of the original debate. I will just read two paragraphs at this time.

> The Federal Government has now condemned in this project from private landowners 38,000 acres of land, the majority of which is prime agricultural farmland.
>
> TVA is the largest real estate firm in Tennessee. Tellico was never—

And I emphasize this was never—

> formally authorized by Congress. TVA, operating under emergency authority dating back to the New Deal planned the project for completion before World War II. It got sidetracked for a while but the plans were never changed. It is interesting to note that TVA is also the only Federal water resources development agency that can condemn more land than it actually needs for a project, speculate with the value of that land, and then resell the land they have condemned to the public at a vast profit from the Government. This is not sound management, it is a "legalized" grand theft of the public.
>
> Only—

And I think this is an important point to remember about this project—

> Only the estimated $700,010 per year from the sale of 22,000 acres of land over the project's 50-year economic life keeps the Tellico program marginally afloat. A cost-benefit ratio has not been updated for over a decade. This again is unique to TVA because the Corps of Engineers, for example, updates their cost-benefit ratios annually.
>
> The fact of the matter is that the land, the 38,000 acres already acquired by the Federal Government, and the value of the agricultural productivity of the farmland is worth more today than all of the estimated benefits of the Tellico project.

I thank the Senator from Iowa.

Mr. CULVER. Mr. President, I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, the Energy and Water Development Subcommittee and the full Appropriations Committee strongly approve this bill. Let me speak first, very briefly—I yield myself 2 minutes.

If the Senator from Georgia will listen, in the environmental impact statement made in 1972 on this matter, the cost-benefit ratio was 1.7 to 1. In 1977, the President rereviewed a great many water projects, this Tellico project included. The Presidential review demonstrated at that time that the remaining costs, excluding the sunk costs, to benefits ratio was 7 to 1. That was the Presidential review team. They have since gotten new figures, since this new endangered species review committee crowd got in there, but it was 7 to 1 in 1977.

The Attorney General, Griffin Bell, argued this matter before the Supreme Court, very forcibly pointing out that the dam was already complete. If Members can see this picture I hold in my hand, I do not know how the snail darter could get past that concrete dam in the first place.

Mr. President, the Government of the United States has done some "dam-fool" things—Mr. President, that is spelled d-a-m—and this has to be the most "dam-fool" thing they have ever done. In the midst of an energy crisis, when the water stored will produce enough electricity for 20,000 homes, not to complete a dam that is 98 percent complete, that will give electric power—not to complete that on behalf of some kind of snail darter, if that is the law, then the law ought to be changed. If this precipitates other arguments on behalf of other things, other endangered species, I cannot say.

Mr. TALMADGE. Will the Senator yield at that point?

Mr. JOHNSTON. If they are as silly as this, it ought to be changed.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TALMADGE. Will the Senator yield for a question?

Mr. JOHNSTON. Yes; for a question.

Mr. TALMADGE. Is it a fact that they have transferred the snail darter to an adjacent stream and it is thriving and doing well?

Mr. JOHNSTON. It is in the Hiwassee River, that is correct. It is thriving and doing well. Even if we did not finish this dam, if we look at this picture of the work completed, it is a concrete dam. How is the snail darter going to get up through that dam?

Mr. TALMADGE. If the snail darter is doing well and thriving in an adjacent stream, it is not endangered any more, is it?

Mr. JOHNSTON. It is either not endangered in the Hiwassee River or if migrating upstream across this concrete dam is necessary to its lifecycle, then it is already dead.

Mr. CULVER. Will the Senator yield on that point?

Mr. JOHNSTON. On the Senator's time.

Mr. CULVER. On just this one question? I should think the Senator would be interested in the facts.

Mr. JOHNSTON. I will yield on the time of the Senator from Iowa.

Mr. CULVER. The fact of the matter is that the Fish and Wildlife Service, in its most recent assessment of that transplant exercise, shows that the snail darter population is down.

The second thing is that the Fish and Wildlife Service cannot certify that that transplant has been there long enough for the Service to make any concrete conclusions, but the initial evidence is perhaps not encouraging as a result of that transplant.

Mr. SASSER. Will the Senator yield?

Mr. JOHNSTON. How much time does the Senator from Tennessee wish?

Mr. SASSER. Will the distinguished manager of the bill yield me 8 minutes?

Mr. JOHNSTON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. SASSER. Five minutes.

Mr. JOHNSTON. Yes. Five minutes.

Mr. SASSER. I thank the distinguished Senator from Louisiana.

Mr. President, I oppose this amendment to strike the Tellico language from the bill. The Tellico project has been funded by the Congress each year since 1967. The Congress of the United States is not in the habit of funding projects it does not want built. In each of those years, the Tellico project was the subject of hearings and scrutiny by succeeding administrations and the appropriate House and Senate committees. Each year funds were recommended for the construction of Tellico Dam. I think the intent of the Senate to date has been clear: Build Tellico Dam—over a period of 12 years.

Each year the opponents of this project were given the opportunity to present testimony before the appropriate committees. They failed to make their case every year. So they turned to a different approach—an approach designed clearly to thwart the will of the Congress. The mechanism the opponents used to thwart the will of this legislative body was another act of Congress—the Endangered Species Act.

Mr. President, the endangered species act was not even passed by the Congress until 1973—a full 6 years after the Congress approved construction of the Tellico Dam. When the opponents of Tellico realized that the regular legislative process—the appropriations process—was going to continue supporting this project, they turned to a back door approach.

They found the back door in the Endangered Species Act—a perfect mechanism to thwart the will of the Congress and bypass the appropriations process. In other words, the opponents of the project changed the game in the middle of the stream—or dam, in this case.

Still it was not until 1975 that an endangered species, so-called, the famous snail darter, was found in the Little Tennessee River. Since then through a series of legal battles, the opponents succeeded in halting this project.

Now, I was not a Member of the Senate in 1972 when the Endangered Species Act was passed. But, I have talked with many Members who were here at that time. And, based on their comments, I do not believe the Congress intended that the Endangered Species Act was to be used to halt work on other projects which had been approved years before by the Congress. Former Congressman Joe L. Evins, who distinguished himself as chairman of the Public Works Appropriation Subcommittee in the House, for many years has reminded me repeatedly that since the Endangered Species Act was passed, the Congress continued to provide funds for the construction and completion of the Tellico Dam project, even though the snail darter lived there. So, for several years the Congress knew about the snail darter. And, in each of those years the Congress provided funds to complete the project. The intent of the Congress with regards to the Tellico Dam is crystal clear, in my opinion.

So, I say to my colleague that we are not dealing with an environmental question. We are dealing with a direct and serious challenge to the appropriations process. Unless the Senate makes it clear and approves the House-passed language, this project will probably be demolished. The $111 million we have provided through the years will have been wasted. And, it will stand as a monument to an exercise in futility by the Congress in appropriating funds for this project.

I want to say something about the environmental side of the question. I have supported the Endangered Species Act.

Since I have been in the U.S. Senate I have voted to reaffirm the Endangered Species Act and I have voted against weakening that act, Mr. President. But I believe that legitimate endangered species should be protected by this act and maintained.

So, what are the facts surrounding the endangered snail darter? They say that the Little Tennessee River is the only critical habitat for this fish. But, we do not know that, because my information is that neither the Fish and Wildlife Service nor the Tennessee Valley Authority have adequately explored other rivers to find this particular fish.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SASSER. Will the manager of the bill yield me 1 more minute?

Mr. JOHNSTON. Yes.

The PRESIDING OFFICER (Mr. RIEGLE). The Senator is recognized for 1 additional minute.

Mr. SASSER. Mr. President, the mayor of Sparta, Tenn., my friend, Herman Cowden, has advised that the snail darter may exist in a river near his home. A Kentucky biologist says that the snail darter lives in a river in Kentucky. The Fish and Wildlife Service seems reluctant to make a thorough survey of other bodies of water.

I can tell the Senate that the snail darter does live in another habitat. The Tennessee Valley Authority began transplanting snail darters to the Hiwassee River in Tennessee before the fish was listed as endangered. TVA biologists say that the darters have been successfully reproducing now for a number of years. But, the Fish and Wildlife Service says that is not enough. The Fish and Wildlife Service refuses to admit that the snail darter can live in a habitat other than the Little Tennessee River.

Mr. President, the opponents of this project are not interested in protecting the snail darter. They are interested simply in halting the Tellico project.

In closing, Mr. President, I say that the Tellico project is 99 percent complete. A total of $111 million has been spent—more than $1 million for each Member of this body.

I want to see, Mr. President, that today that money is not wasted.

I yield to the distinguished manager of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield 2 minutes to the distinguished minority leader.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 2 minutes.

Mr. BAKER. Mr. President, I thank the Chair and I thank the distinguished majority manager of this bill.

Mr. President, I have been in the Senator now for 13-plus years. I cannot think of a single issue where I have found as much difficulty in understanding the opposition to this project, and to the disposition we have made of it in all of those years, as I do in this particular case.

The endangered species, so-called, was discovered after the act was passed. The dam was begun. It was authorized and mostly built before the act was passed. The fish has been transferred to another river, at least in one place, where it is still thriving, the Hiwassee River. There is grave doubt it is endangered or that its habitat is endangered.

We have spent over $100 million building this project and it is 99 percent complete. We are not confronted now with whether or not we ought to build the dam—it is built.

This is the first chance we have had since the speech of the President of the United States, when he said that if we need a refinery, we will build it, or if we need a dam, we will build it.

This is the Senate's first chance to decide whether we mean that or not.

This dam will produce a total of 200 million kilowatts of electricity per year, enough electricity to heat, by electric heat, 20,000 homes.

Mr. President, in the face of those circumstances, if we are serious about trying to find energy sources for this country, if we are serious about being sensible, if we are serious about not suffering the stultification of national purpose by the misapplication of environmental law, this is our opportunity.

The House of Representatives has decided, in its wisdom, that this should be the course, that the dam should be built. We are not dealing with something that we put on the bill on the floor as an amendment. This came from the House. It was approved by the Senate committee. It is before us now on a motion to delete.

Mr. President, the dam should be built; the 1 percent should be built. We should get on with the dedication to the idea that we have to do what we have to do, and in this case there will not be an immediate impact on the environment nor upon the species.

Mr. President, I support legislation which would allow completion of the Tellico Dam project in my home State of Tennessee. By now, most of the issues and arguments concerning this project are familiar to my colleagues in the Senate. These facts are that the project is essentially complete; that the snail darter, which is the basis of the impasse now existing at Tellico, is doing well in a number of other localities besides the one within the area above the proposed dam; and that this being the case it is only reasonable that this project which can meet the electricity demands of 20,000 homes and provides needed economic impetus in an area badly needing such development should be finished.

Mr. President, I would like to further note for the RECORD that the President, in his recent address to the Nation, stressed the urgency of eliminating unnecessary conflicts between needed energy development and environmental statutes particularly those where such conflict can be resolved with a minimum of harm to the particular natural resource in question. I wholeheartedly agree with this proposal and add that this is exactly the type of situation which exists at the Tellico Dam. The dam and reservoir if completed will produce a significant amount of power and will in no way further endanger the snail darter. I believe that most if not all of my colleagues also agree with the President. This being the case, I urge that they oppose the amendment offered by Senator CULVER. Such an action on our part will send a clear message to the Nation and to the recently created Endangered Species Committee that we are serious about our energy problems and that unrealistic conflicts and delays will no longer be tolerated.

As I have said before on a number of occasions, Mr. President, we in Congress who voted for the Endangered Species Act with the intention of protecting and managing our Nation's endangered wildlife resources have found that others with different notions are using this noble act for obstructive ends which are wholly in conflict with the congressional intent for this legislation.

I am seriously concerned that if present trends continue the Endangered Species Act will continue to be perverted from its original intent of providing realistic protection and management of endangered species and instead will become a convenient device to challenge any and all Federal projects.

That is precisely what has happened in the case of the snail darter against Tellico Dam, and if this perverted use of the legislation is allowed to continue, not only will it be a disservice to the wildlife we intended to protect, but indeed the act itself will soon stand in jeopardy.

We in Congress must not let this happen, Mr. President. It need not occur if we in the Congress direct that present rigidity and misuse of the legislation give way to reason and that authority given to the executive branch regarding this act's implementation be exercised with prudence and restraint.

These are my goals in supporting Senator SASSER and the Appropriations Committee's legislation today, and I very much hope my colleagues in the Senate—who surely must share these same concerns and goals—will act in accordance with this intent and oppose the amendment being offered by Senator CULVER.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. CULVER. Mr. President, the distinguished Senator from Tennessee reminds us that this is not an amendment that originates in the Senate. I think that is a very important point. This, in fact, is an amendment that originated in the dark of night in the House of Representatives, and I doubt if it is anything to take the occasion to brag about.

I recount for the recollection of the distinguished Senator from Tennessee that on June 13 the Senate, for the second time, ruled in support of the Endangered Species Act and in support of the Culver-Baker endangered species proposal on Tellico Dam.

However, just several weeks ago, what happened in the House of Representatives? What happened over there? I will tell you what happened. On an appropriations bill this Tellico amendment was added on the floor. It was not germane, because it is legislation on an appropriations bill, and if it were ever offered in the daylight in the House of Representatives it would be ruled out of order. A Member of the House stood up and began to read an amendment, this exemption, which he did not even complete on the floor, with 15 Members present. It took 42 seconds. The skids were greased shamefully—shamefully. Two Members present said they accepted the amendment.

It was not even explained that this was the Tellico Dam, because they knew that one moment of truth about that amendment and its purpose would have resulted in a ruling that it was out of order. The following letter explains the situation:

JUNE 20, 1979.

Hon. JAMIE L. WHITTEN,
Chairman, Committee on Appropriations.

DEAR MR. CHAIRMAN: I am very distressed at the amendment added to the Energy and Water Appropriations bill (H.R. 4388) mandating the completion of the Tellico Dam and Reservoir in Tennessee. This amendment, offered by Congressman Duncan and accepted without debate by the managers of the bill, violated the Rules of the House and the legitimate jurisdictional prerogatives of the Subcommittee on Fisheries and Wildlife Conservation and the Environment which I chair. I respectfully request to be considered as a conferee on H.R. 4388 for the consideration of the Duncan amendment.

During the 95th Congress, my Subcommittee spent an inordinate amount of time and energy reviewing the conflicts and issues raised by the Endangered Species Act. The Subcommittee conducted eight days of hearings on the Endangered Species Act. It developed a comprehensive amendment which added much-needed flexibility. This amendment was adopted overwhelmingly by both Houses of Congress. Under the amendment, any project can be considered for an exemption from the Endangered Species Act by a seven member committee composed of several representatives of the Cabinet as well as the Secretary of the Army, and the Chairman of the Council of Economic Advisors.

Recognizing the unique status of the conflict between the snail darter and the Tellico Dam, the amendment mandated the immediate consideration of an exemption for the project by the seven member Committee. Early this year the Committee met and decided that the Tellico Project should not receive an exemption from the Endangered Species Act on the grounds that there were available reasonable alternatives to the Project which would avoid the impact on endangered species.

Despite all of the efforts of the Committee on the Endangered Species Act last year, we have scheduled further oversight hearings on July 18 and 20. At that time, we will review a recently completed General Accounting Office report on the Endangered Sepices Act and the implementation of last year's amendments.

I cite all of this background for you by way of explaining our frustration at the highly irregular nature of the Duncan amendment. In my opinion, this amendment violated at least two rules of the House (Rule XVI cl. 7; XXI cl. 2). It is an affront to the Committee system of the House. As I understand it, the amendment was not printed in the Congressional Record and it was not subject to any debate on the House floor.

I appreciate your consideration of this request.

Sincerely,

JOHN B. BREAUX,
Chairman.

Now it works its way over here in an appropriations bill. We are always talking about the fact that we should not legislate on an appropriations bill. For good reason.

The distinguished Senator from Tennessee is a member of the Environment and Public Works Committee, of the committee of jurisdiction here. He himself offered a similar amendment which was defeated by our committee.

If we start to adopt the legislative practice of letting the Appropriations Committee, every and any single time it so desires, rule that notwithstanding any other provision in the Federal statutes, "We, the Appropriations Committee, hereby order that all those other statutes be waived, which were carefully considered determinations of a legislative committee, and you can go forward and build this dam and can go forward and to this or do that," I want to tell you something: That Tellico provision originated in the House.

I served in the House for 10 years. I know something about what happened under that situation, and it is nothing that should be ratified by the Senate.

We should be taking corrective steps to make sure that that kind of legislative action does not happen in either Chamber. If we cannot debate in the full light of day on the merits of this issue, honestly and openly, and stand up and debate them, and then vote on them, we really do not have any business being in here representing the public trust.

I can tell you what is going to happen, as someone who has worked 2 years on this program and set up this committee with the distinguished Senator from Tennessee. We set up this committee—seven agencies represented, including the representative of the State involved. We set up a system whereby, after exhaustive consultation between the ACTION Agency and the Fish and Wildlife Service, if they cannot work out a mutually satisfactory accommodation of the endangered species and the project and it represents an intractable conflict, it will be referred to that committee for resolution. This has worked incredibly well.

We have had two unanimous decisions. In this project, it was the TVA, itself, that offered alternatives that were seized upon as preferable and still preserved the endangered species. Now we are ordering TVA to go ahead and build the dam, whether TVA wants it or not, waiving everything.

We had one other thing: Even the representative appointed by the Governor of Tennessee voted in support of that decision.

In the other one, in Wyoming, the Greyrocks, we worked out an accommodation by which we made some special arrangements for the whooping crane; and that, too, worked well.

If you like to vote three times on this one issue, you had better get ready to enjoy it; because we have 535 Members in Congress, 435 congressional districts. They are putting on more plants, more animals, more vertebrates, more invertebrates on the endangered species list; and you will be sitting here as a Chamber deciding, on an ad hoc basis, with all the political pressures that can be brought to bear on you of a nontechnical nature, and you will have to sit here in judgment and make these decisions.

That is why we set up this independent commission to make these judgments in a reasonable and sound way and to insulate it from the political pressures.

The PRESIDING OFFICER. The Chair apologizes for interrupting the Senator, but his time has expired.

Mr. JOHNSTON. Mr. President, not only did the House of Representatives pass this measure; not only did the Senate——

Mr. CHAFEE. Mr. President, will the Senator yield?

Has time expired?

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. CHAFEE. How about the other side?

The PRESIDING OFFICER. The other side has 2½ minutes remaining.

Mr. CHAFEE. I wonder whether we might have 2 more minutes on each side.

Mr. BAKER. Mr. President, is there time on the bill that is available?

The PRESIDING OFFICER. The Chair advises that time remains on the bill: 87 minutes in one case and 88 minutes in the other.

Mr. BAKER. Mr. President, while the distinguished manager for the minority is not on the floor, I am sure he would have no objection—if the manager of the bill for the majority would not object—if I asked to yield 1 minute on the bill to the distinguished Senator from Rhode Island.

I yield 1 minute to the distinguished Senator from Rhode Island.

Mr. CHAFEE. Mr. President, there is most extraordinary language in this act we are considering. The Senator from Iowa touched on this, but I wish to reiterate it. It says that notwithstanding the Endangered Species Act or any other act—any other act, whether it is the Clean Water Act, the Historic Preservation Act, whatever it might be, any other law that is on the books—this dam can go ahead.

Furthermore, it does not give the TVA the option of deciding now whether or not they want to go ahead. It directs them to build that dam.

They are hereby, directed to build, construct, operate, and maintain the Tellico Dam.

It seems to me that is a wrong way to do business.

We should not except everybody from every law the United States has, and, second, we should leave the option with the TVA, in the event we do pass this, to proceed or not.

I think the whole procedure is bad business, and I hope the amendment is agreed to.

I thank the minority leader for yielding.

Mr. JOHNSTON. Mr. President, not only did the House pass this measure, as well as the Senate subcommittee and the full Appropriations Committee, but also, what we did was virtually by invitation of the U.S. Supreme Court.

Listen to the words of Mr. Justice Powell, joined by Justice Blackmun, in dissenting, when deciding as follows:

> I have little doubt that Congress will amend the Endangered Species Act to prevent the grave consequences made possible by today's decision. Few, if any, Members of that body will wish to defend an interpretation of the Act that requires the waste of at least $53 million . . . and denies the people of the Tennessee valley area the benefits of the reservoir that Congress intended to confer. There will be little sentiment to leave this dam standing before an empty reservoir, serving no purpose other than a conversation piece for incredulous tourists.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. JOHNSTON. Not at this time.

Mr. President, the people of Tennessee in this area were polled on the matter. Thirteen thousand and forty-six responded to the poll. Eighty-two percent voted "Yes" in favor of the dam, 14 percent voted "No," and 4 percent remained undecided.

Mr. President, this is the clearest thing I believe I have ever seen in the Senate. The snail darter was not even discovered before 1973. The act was not passed until 1975. And do you know that the snail darter has no use at all? You cannot use it. You cannot use it as bait. It does not have any intrinsic beauty. It has no use. I do not know what they do when they study it. At least they have them in the Hiwassee River and they have them downstream in the Little Tennessee.

The Endangered Species Act is supposed to protect the endangered species. So that means you cannot complete the dam. But the endangered species in this case, the snail darter, cannot get upstream of the dam anyway. Where is the picture of that dam?

I yield myself 1 minute on the bill, Mr. President.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. JOHNSTON. Mr. President, I invite Senators' attention to the fact that this is a concrete dam. Why do you say you cannot complete the reservoir when the snail darter cannot get upstream of the dam anyway?

This special endangered species commission has agreed with that. They say the existence of the dam currently prevents this upstream migration.

So the only question we are left with, Mr. President, is whether you complete this dam by closing the gates and other minor work, which is 98 percent complete and get electric power for 20,000 homes when people are waiting in the gas lines now, when they are using oil in electric generators. That is the question. Ninety-eight percent complete.

I agree with Justice Powell of the Supreme Court when he says that few, if any, Members of Congress will want to confer this result.

Mr. President, I think we have debated the matter long enough. I am ready for the question.

Mr. STENNIS. Mr. President, may I have 1 minute yielded to me?

Mr. CULVER. Mr. President, will the Senator yield on the point he raised?

The PRESIDING OFFICER. Does the Senator yield time?

Mr. JOHNSTON. Let me yield to both Members on the bill 1 minute each, and then I think we should vote. I will not take any more time.

Mr. STENNIS. Will the Senator yield me 1 minute?

Mr. JOHNSTON. I yield 1 minute to the Senator from Mississippi.

Mr. STENNIS. Mr. President, we all appreciate the fine work of the Senator from Iowa. He is so sincere and has worked on it before and makes a contribution wherever he does put in his effort.

But we have spent the money here for this project. We spent the taxpayers' money. We have spent it and according to law every requirement has been met, and now we need the electricity. We need the energy. Can we refute that? I do not think we can.

We have had this bill before us many times. It is certainly not a casual thing.

As I say, we have made the investment. We need the product. We need the energy. We are cramped for energy and are going to be severely cramped. So I think there is no justification for delay. Just one word—action.

I hope that we can approve this project.

I yield back any time I have remaining.

Mr. JOHNSTON. Mr. President, I yield 1 minute on the bill to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. CULVER. I thank the Senator for yielding.

Mr. President, I say to the distinguished Senator from Louisiana that what the Senate Environment and Public Works Committee did was accept the invitation of the Supreme Court to do something about the Endangered Species Act. The resulting something was the amendment by the distinguished Senator from Tennessee and myself to the act creating the Endangered Species Committee and that judgment, the wisdom of doing that, was supported by Congress and it resulted in a unanimous decision that the Tellico Dam project should not go forward.

Second, it is very easy to say what does this mean, what do these weeds mean, what do these animals mean? Why preserve this and why preserve that?

The fact of the matter is we do not know oftentimes what the significance of a species might be. However we do know that in some of these cases the medical values obtained have proven to represent major breakthroughs. It may be far more important than fish bait.

For example, fruit flies, genetic research; sponges, viral research; the armadillo, leprosy knowledge; and with regard to the fox glove plant—just a weed? It has helped us enormously in this country and throughout the world in dealing with heart disease.

This is what it is all about.

It is easy to make know-nothing statements about what this means or what that means or what the loss is. We do not know.

Finally, let me say on electricity—if I could just have 15 seconds more.

Mr. JOHNSTON. I yield 15 additional seconds to the Senator from Iowa.

Mr. CULVER. I am quoting from the Interior Secretary with regard to the electricity that supposedly comes from this project, and I quote this:

> Electricity is not available as peaking power and does not add to the capacity of the TVA system.

Finally, Secretary Andrus says that: If this action is supported here in the Senate—

> I intend to urge the President to veto the energy and water appropriations bill if the language on the Tellico remains in the bill.

● **Mr. HEINZ.** Mr. President, last month the Senate debated a similar provision to exempt the Tellico project in Tennessee from compliance with the Endangered Species Act. That amendment was brought up during discussion of the reauthorization of the endangered species program and was rejected by this body. I see no reason why this decision should be reversed just a few weeks later. Such an exemption in the face of the enormous factual record that has been amassed by the Federal courts, the Senate Environment and Public Works Committee, the House Merchant Marine Committee, the GAO, the Tennessee Valley Authority, and a special Cabinet-level committee authorized by Congress last year to study the economics of the project and its alternatives—all would be ignored by allowing this sweeping statutory exemption to remain in the appropriations bill. A very logical procedure was devised by the Environment and Public Works Committee and enacted by Congress last year to deal with exemptions such as this. Serious damage will be done to that process if we allow this provision to remain in the bill.

Unlike the simple exemption that we rejected a few weeks ago, however, this provision would be of the most sweeping exemptions we have seen. Besides exempting the project from the endangered species law, it would also exempt the project from any other law that might in some way affect the project. It is estimated that some $35 to $40 million would be necessary to complete the project as a reservoir-based development project. That includes an additional $14.5 million in construction funds necessary to make the dam capable of safely passing the maximum design flood.

The TVA admits that the project is not currently in compliance with several other environmental laws such as the Historic Preservation Act, the Rivers and Harbors Act, and the Water Pollution Control Act. The proposal included in the House bill would exempt the project from all of these laws, and potentially could exempt the project, with massive sums still to be spent, from laws related to hiring practices, labor protections, and other laws that affect the expenditure of Federal funds. Such a sweeping, unspecific statutory repeal for a Federal project such as this sets a dangerous precedent that will likely return to haunt us in the future. The fact that this cuts across so many committee jurisdictions should not be lost on this body.

As to the Tellico project itself, the project was originally designed as an economic development project for several eastern Tennessee counties. Approximately 38,000 acres of land in the valley of the Little Tennessee River, near to or adjacent to the Great Smoky Mountains National Park and the Cherokee National Forest—has been purchased for the project. Much of it, over 15,000 acres is prime farmland—some of the richest in the State—was largely purchased with condemnation powers. TVA now admits that more than twice as much land was acquired for the project than necessary for a lake, and that the agency had planned to sell these lands at a profit to improve the benefit figures.

The small power benefits—$2.7 million/year—claimed for the project derive not from direct generation of power but from diversion of water through a navigation canal into the Fort Loudon Reservoir generators a few miles away. These benefits, 22.8 megawatts annually, have been termed "negligible" by the TVA in light of many large coal and nuclear-fired projects as well as energy conservation and alternative energy projects now underway by the TVA.

Flatwater recreation, the largest benefit category in the project's original justification, 38 percent, is made somewhat ludicrous when one realizes that there are 22 large recreation resorvoirs within a 50-mile radius of the Tellico project area. What would be lost is one of the most prolific stretches of trout-fishing water in the entire Southeast, heavily used by trout fishermen throughout the country, not to mention important historic and archeological areas.

TVA has now said that nearly equivalent benefits can be gained without a reservoir, that most of the costs (lands, roads and bridges) are recoverable, and that more jobs (3,025 jobs without the reservoir versus 2,675 jobs with a reservoir by 1990) will be created through development of the land in intensive farming, development of housing, recreation, and industrial development than would be possible with a reservoir.

For these reasons, I oppose the exemption, support the amendment, and urge my fellow Senators to do likewise.●

● Mr. DOLE. Mr. President, I support the measure of the Senator from Iowa to strike this statutory override language from the energy and water resources appropriations bill.

I wish to call to my colleagues' attention to the Tellico proposal not just because it attempts to bypass the economic record we have compiled on Tellico, not just because it would create biological disruptions and dam safety problems, but because it would set an unfortunate precedent for blanket statutory exemptions attached to appropriations bills.

Despite 3 years of efforts in this Chamber to study the case in the respective committees, despite a GAO report, despite the elaborate procedures we set up last year to resolve the Tellico issues through a special executive Endangered Species Committee, the Tellico proposal continues to endanger the original mandates set forth through measure such as the Endangered Species Act.●

TELLICO PROJECT

● Mr. KENNEDY. Mr. President, the senior Senator from Iowa has wisely expressed some of the reasons why we in this Chamber should reject the language exempting the Tellico project from applicable law, and I strongly support his motion.

I want to add a few thoughts. While the environmental ramifications are well known here, other important aspects of this issue must also be kept in mind. A wealth of economic data shows that the dam is not worth the money. And it would seriously dislocate family farms; a rich agricultural valley would be inundated; and we would lose the last remaining stretch of free-flowing river in a 2,500-mile river system. This Chamber must deal with this case on these merits.

I wish to note one particular feature of this issue. This project would destroy one of the most important historical valleys in the Southeast. It would destroy the birthplace of Chief Sequoya under 20 feet of mud and water; it would destroy the Cherokees' sacred town of Chota and Tennassee, the city that named the river and the State. It would hurt a colonial fort and a series of unique archeological sites.

Mr. President, I call on my colleagues to support the motion of the senior Senator from Iowa.●

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the amendment of the Senator from Iowa. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. Tsongas) is necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. Domenici) is necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—53

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Cannon
Chafee
Chiles
Church
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Gravel
Hart
Hatfield
Heinz
Hollings
Inouye
Kennedy
Leahy
Levin
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Stafford
Stevenson
Stone
Weicker
Williams
Zorinsky

NAYS—45

Armstrong
Baker
Bellmon
Boren
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cochran
Cohen
Ford
Garn
Glenn
Goldwater
Hatch
Hayakawa
Heflin
Helms
Huddleston
Humphrey
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Long
Lugar
Magnuson
McClure
Morgan
Pryor
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Talmadge
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—2

Domenici
Tsongas

So Mr. Culver's amendment (UP No. 369) was agreed to.

Mr. CULVER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

FOREIGN RELATIONS AUTHORIZATIONS, 1980 AND 1981

Mr. CHURCH. Mr. President, I ask the Chair to lay before the Senate the message from the House of Representatives on H.R. 3363, to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board of International Broadcasting.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 3363) to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CHURCH. I move that the Senate insist upon its amendments and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. CHURCH. I yield.

Mr. JAVITS. This bill has not yet passed the House, is that correct?

Mr. CHURCH. The House has passed it, and asked for a conference.

Mr. JAVITS. As I understand it, the bill has not yet passed the House. Is that correct or incorrect?

Mr. CHURCH. The bill has passed the House.

Mr. JAVITS. The bill has passed the House?

Mr. CHURCH. The House has passed the bill.

Mr. JAVITS. I had been informed a

minute ago that it had not. I do not understand it.

Mr. CHURCH. I will say to the Senator, the authorization bill (H.R. 3363) has passed the House.

Mr. JAVITS. Assuming it has passed it, there is no objection.

The PRESIDING OFFICER. Does the Senator from Idaho renew his motion?

Mr. CHURCH. I renew the motion that the conferees be appointed.

The motion was agreed to; and the Presiding Officer appointed Messrs. Church, Pell, McGovern, Biden, Zorinsky, Javits, Percy, Helms, and Hayakawa conferees on the part of the Senate.

LEGISLATIVE PROGRAM—ORDER FOR RECESS UNTIL 11:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, that was the last rollcall vote for today. The committee will possibly be taking up some amendments yet this evening that can be disposed of by voice vote, but there will be no further rollcall votes.

Will the Senator from Idaho continue to yield?

Mr. CHURCH. I yield.

Mr. ROBERT C. BYRD. The order for a convening time tomorrow has not yet been set; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Will the Senators suspend just for a moment, so that we can obtain order in the Chamber? The Senate will be in order. I ask that people who are standing find seats. The Senate cannot proceed until we have order in the Chamber.

The Senator may proceed.

Mr. ROBERT C. BYRD. Mr. President, the manager of the bill (Mr. Johnston) and the ranking minority member (Mr. Hatfield) have indicated they will be ready to resume action on this measure tomorrow at 10 a.m. I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. tomorrow.

Mr. PERCY. Mr. President, reserving the right to object, and I will not object, may I ask whether Senators who are attending Louella Dirksen's funeral tomorrow will be protected, so that there will be no rollcall votes occurring while we are gone?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 11:15 a.m. tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PERCY. Thank you.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. The Senator from Idaho has the floor.

Mr. BAKER. Will the Senator from Idaho yield to me for a moment, so that I can make a remark to the majority leader?

Mr. CHURCH. I yield to the minority leader.

Mr. BAKER. I thank the Senator. I simply want to express my gratitude to the majority leader for making this arrangement so that many of us can attend the last rites and services for Mrs. Dirksen, the wife of our late colleague, Senator Everett Dirksen, tomorrow at 11 o'clock.

I thank the majority leader and the Senator from Illinois (Mr. Percy) for raising the issue at this time.

ORDER FOR RESUMPTION OF THE UNFINISHED BUSINESS AT 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 11:30 a.m. tomorrow the Senate resume its consideration of the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I stress the point that the Senators in charge of the bill will still deal with issues that can be handled by voice vote this evening.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

The Senate resumed the consideration of the bill.

AMENDMENT NO. 338

Mr. JOHNSTON. Mr. President, I ask unanimous consent that a copy of an amendment to be submitted on behalf of the Appropriations Committee relative to the Hart Building, together with an explanatory statement and a letter from me sent to each Member of the Senate, dated July 13, 1977, be printed in the Record at this point.

There being no objection, the amendment and related material were ordered to be printed in the Record, as follows:

On page 31, after line 25, insert the following:

Sec. 502. There is appropriated, out of any money in the Treasury not otherwise appropriated, for an additional amount for "Construction of an extension to the New Senate Office Building" $57,480,700, to remain available until expended: *Provided,* That the amount of $142,627,700 shall constitute a ceiling on the total cost for construction of the Extension to the New Senate Office Building.

Explanatory Statement

PROPOSED AMENDMENT

The Proposed amendment to the Energy and Water Resources Development (formerly Public Works) Appropriation Act would provide $57,480,700 to complete the Hart Senate Office Building.

EARLY COST ESTIMATES

Through 1974, $85,147,000 had been appropriated for this construction project. This amount represented the first estimate for the building as it is now designed. Earlier, partial appropriations of $47.925,000 in 1972 to construct a replica of the Dirksen building, and $20,900,000 in 1974 for modifications of that design, were enacted prior to completion of early design concepts that resulted in the final approved design.

PREVIOUS HEARINGS

This whole matter has been the subject of extensive hearings dating back to 1967 when 72 Members of the Senate and 24 Committees and Subcommittees petitioned the Senate Public Works Committee for additional space.

COMPREHENSIVE STUDY OF SPACE

Subsequently, a comprehensive study of the use of space in the Senate was conducted by the Architect of the Capitol at the request of the Senate Committee on Rules and Administration. The study revealed that space occupancy by Senate employees averaged less than 65 square feet per person, less than half the General Service Administration's minimum standard of 150 square feet per person.

NEED FOR SPACE FOR EXISTING STAFF

One cannot walk through the offices in the Russell or Dirksen building without recognizing the obvious lack of space for the staff.

To those who claim that the additional space will promote requests for ever larger staffs, it should be noted that some 1,700 Senate employees who are currently housed in temporary facilities will be moved into the permanent complex when the Hart building is completed. This is not space for additional staff. It is space for the staff who are on the payroll now.

LAST YEAR'S ACTION

As the Members may recall, last year the Senate approved legislation appropriating an additional $54,853,000 which would have increased the total appropriation to $140,000,000. This appropriation was approved by a roll call vote of 65 yeas to 13 nays.

The House agreed to the matter in conference, but the additional appropriation and ceiling was voted down on the floor of the House.

INVITATION TO TESTIFY

On July 13, 1979, all Senators were invited to testify on this matter either orally or in writing by the Chairman of the Senate Office Building Commission.

ALTERNATIVES CONSIDERED BY SENATE OFFICE BUILDING COMMISSION

The Senate Office Building Commission has met and considered a broad range of alternatives, ranging from termination of the entire project at a loss of approximately $58 million to completion of the project as planned at a revised cost of $174,550,000 including furniture.

ADDITIONAL COST FACTORS

The Senate Office Building Commission has now estimated that the cost to complete the project has increased by an additional $34,550,000 over the amount approved by the Senate last year. Of that amount, approximately $20,000,000 can be attributed to the delay caused by the House action, with the remaining $14,550,000 due to increased inflation, changed market conditions and a prudent increase in the contingency account.

These new cost projections were based upon estimates prepared by Contractors/Managers, Inc., an independent consulting firm from Houston, Texas. The estimated completion date of the project, if timely approval by the Congress is obtained, will be in late 1982.

SENATE OFFICE BUILDING COMMISSION RECOMMENDATION

The latest cost estimate of $174,550,000 would require an additional appropriation of $89,403,000.

The Senate Office Building Commission recommends proceeding with construction of the project, but with a series of deductions which will result in a total estimated cost, including additional cost escalation during the construction period, of $142,627,700.

This amount is $2,627,700 more than what was approved by the Senate last year, and a reduction of $31,922,300 from the latest cost estimate of $174,550,000.

LIST OF DEDUCTIVES

The deductives which the Senate Office Building Commission has recommended are extensive and fully described in exhibit A.

Exhibit B is a list, description and cost estimation for alternatives involving major stages of the construction which were considered and rejected by the Senate Office Building Commission. Exhibit C is a fact sheet relating to the Hart Building.

CONCLUSION

The proposed amendment would provide an additional $57,480,700 to complete the Hart Building. This is $2,627,700 more than approved by the Senate last year in a roll call vote of 65 yeas to 13 nays. This amendment was approved today by an overwhelming vote of the Committee on Appropriations.

I urge the Members to approve this amendment.

HART SENATE OFFICE BUILDING POSSIBLE DEDUCTIVES

Description and estimated savings:

Dimming Systems for Senators' Personal Offices.

Eliminate electrical lighting dimming systems for Senators' personal offices, $335,600; useful control of light level but not absolutely necessary.

Automatic Materials Distribution System—(A.M.D.S.).

Eliminate computerized conveyor system for mail, document and package distribution to all offices, $2,910,400*; Material distribution efficiency will be lost and future cost of system will be greater, but can continue present manual service in all buildings.

Vertical Blinds.

Eliminate vertical venetian blinds on windows of areas overlooking the Atrium and Galleria, $157,800; Will reduce privacy and diminish appearance from atrium, but can be provided later if necessary at somewhat greater cost.

Energy Management System.

Reduce to basic manual control system for Mechanical and Electrical systems in lieu of automated system, $2,025,500; Automated system would provide greater energy efficiency and reduced manpower, but electronic and computer developments are predicted to provide similar or better systems later at probably very little, if any, cost increase.

Security Stations.

Eliminate security guard control stations at the three main entrances, $321,500; Reduction of quality of material, although architecturally detrimental, will conform to existing stations in other buildings. Future installation is possible.

Carpeting.

Reduce quality of carpeting from quality specified (40 oz.) to industry standard carpeting (26 oz.), $1,443,900; Initial appearance will not be affected, but earlier replacement will be necessary.

Auxiliary Office Spaces.

Omit all wall and ceiling finishes, partitions, doors, lighting, heating and ventilation systems in office space designated for other than Senators' staff, $1,318,400; These spaces are not necessary for initial assignment and can probably be finished gradually with in-house forces as assigned; very little, if any, increase in cost is thus anticipated.

Work in Existing Basement.

Omit all floor finishes, all wall and ceiling finishes, partitions, doors, lighting, heating and ventilation systems in space designated for maintenance shops, Post Office Sorting Room, Receiving and Supply Rooms, Folding Room and auxiliary office space, $2,391,600; Present facilities, although inefficient and crowded, can continue to be used until this space is finished at some future time, probably with in-house forces. Present finishing of 50 percent of the space would be beneficial in alleviating primary operating difficulties in critical areas such as the Post Office and Folding Room.

Police Facility.

Omit all floor finishes, all wall and ceiling finishes, partitions, doors, lighting, heating and ventilation systems in space designated for headquarters offices, roll call assembly space, locker rooms and toilets for the Capitol Police, $484,500; present facilities, although inefficient and crowded, can continue to be used until this space is finished at some future time, probably with in-house forces. Present finishing of 50% of the space would be beneficial in alleviating primary operating difficulties by providing some additional Police facilities.

Work in Existing Ground Floor.

Omit all floor finishes, all wall and ceiling finishes, partitions, doors, lighting, heating and ventilation systems in food carry-out, vending areas and print shop in Ground Floor of existing building, $735,000; present facilities, although inefficient and crowded, can continue to be used until this space is finished at some future time, probably with in-house forces. Present finishing of 50% of the space, to include food carry-out facility, would probably be beneficial in alleviating primary operating difficulties.

Central Wing First Floor Offices.

Omit all floor finishes, all wall and ceiling finishes, partitions, doors, lighting, heating and ventilation systems in central wing first floor committee and support offices, $104,900; these spaces are not necessary for initial assignment and can probably be finished gradually with in-house forces as assigned; very little, if any, increase in cost is thus anticipated.

Demountable Partitions.

(a) Eliminate all demountable partitions, $1,227,300; except for Senators' personal offices, all remaining space would remain open, thus precluding visual or audio privacy except as could be provided by furniture.

(b) Eliminate 50% of demountable partitions, $613,600; less capacity to divide space, but additional partitions can be purchased later if required.

(c) Provide permanent metal stud partitions with painted drywall and vinyl base in lieu of demountable partitions, $867,300; although lower initial cost, any future need to relocate partitions will be more costly than with demountable partitions.

Physical Fitness Facility.

Omit all floor finishes, all wall and ceiling finishes, partitions, doors, lighting, heating and ventilation system in the Physical Fitness Facility including the gymnasium and the locker and shower rooms in the Central Wing, including athletic equipment, $905,800; will cost more and will cause some disruption to finish later, but space will be available for an alternate use.

Subway.

Eliminate all floor, wall and ceiling finishes, subway work, track, controls, lighting, heating and ventilation systems, escalator and subway maintenance jacks included for the extension of the Senate subway from the Dirksen Building to the Hart Building, $2,703,800; will cost much more to finish later and travel time to Senate floor will be increased substantially. An important programmed requirement will be unmet if subway remains as is.

Atrium/Galleria Finishes.

(a) Eliminate the marble skylight coffers in the atrium and galleria and replace with painted plaster, $1,045,400; Appearance will be somewhat diminished but can be tolerated architecturally. Maintenance cost will be increased because of inaccessibility for periodic painting.

(b) Eliminate the marble from the monumental stairs and replace with painted plaster. Eliminate the marble fountains at the base of the monumental stairs and replace with marble flooring, $3,528,400; Appearance will be diminished but can be tolerated architecturally. Maintenance cost will be increased because of heavy usage.

(c) Eliminate the marble walls and railing finishes throughout the atrium and galleria and replace with painted plaster and a marble base at the first floor, $2,352,200; Appearance will be substantially diminished and will have a negative architectural impact. Maintenance cost will be increased significantly because of difficulty of painting.

(d) Eliminate the marble flooring in the atrium and galleria and replace with terrazzo, $604,400; Appearance will be architecturally diminished and maintenance costs will be increased.

Artwork.

Eliminate all artwork in atrium/galleria, $400,000; Although artwork is deemed to be an ultimate necessity, it can be deferred.

Furniture and Furnishings.

Eliminate all furniture and furnishings, $13,200,000.

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*Existing option to award at $1,960,000 expires September 4, 1979.

EXHIBIT B

HART SENATE OFFICE BUILDING ALTERNATIVES

Item	Alternative 1—Complete project as currently designed, including furniture and furnishings	Alternative 2—Complete project as currently designed, exluding furniture and furnishings	Alternative 3—Complete for occupancy floors 1, 3, 5, and 7; and the parking garage; remaining space to be unfinished	Alternative 4—Complete 25 of 50 Senate offices on floors 1, 2, 3, and 4; complete parking garage; remaining space to be unfinished	Alternative 5—Complete the parking garage for occupancy; complete shell of building; rough-in of mechanical, electrical, and plumbing equipment; no office space available for occupancy
Total estimated cost	[1] $161, 350, 000	[1] $161, 350, 000	[1] $127, 455, 700	[1] $123, 172, 800	$85, 147, 000
Less: Expended as of June 16, 1979	34, 530, 261	34, 530, 261	34, 530, 261	34, 530, 261	34, 530, 261
Estimated remaining cost	126, 819, 739	126, 819, 739	92, 925, 439	88, 642, 539	50, 616, 739
Appropriated	85, 147, 000	85, 147, 000	85, 147, 000	85, 147, 000	85, 147, 000
Less: Estimated cost	[1] 161, 350, 000	[1] 161, 350, 000	[1] 127, 455, 700	[1] 123, 172, 800	85, 147, 000
Additional funds required (excluding furniture and furnishings)	76, 203, 000	76, 203, 000	42, 308, 700	38, 025, 800	0
Furniture and furnishings	13, 200, 000	0	0	0	0
Total additional funds required	89, 403, 000	76, 203, 000	42, 308, 700	38, 025, 800	0

[1] This estimate includes additional escalation and cost increases resulting from changed market conditions during the delay period resulting from the deletion of funds in the 1978 2nd supplemental appropriations bill.

EXHIBIT B

HART SENATE OFFICE BUILDING ALTERNATIVES—Continued

Item	Alternative 6—Complete parking garage for occupancy; complete shell of building	Alternative 7—Complete and secure shell of building; terminate remainder of work	Alternative 8—Complete parking garage and terminate remainder of work; unsightly structural steel exposed	Alternative 9—Immediate termination of all work
Total estimated cost	$82,615,000	$69,906,600	$64,381,000	$57,649,500
Less: Expended as of June 16, 1979	34,530,261	34,530,261	34,530,261	34,530,261
Estimated remaining cost	48,084,739	35,376,339	29,850,739	23,119,239
Appropriated	85,147,000	85,147,000	85,147,000	85,147,000
Less: Estimated cost	82,615,000	69,906,000	64,381,000	57,649,500
Savings	2,532,000	15,240,400	20,766,000	27,497,500

Note: No additional funds required.

DESCRIPTION OF CONSTRUCTION ALTERNATIVES

Alternative No. 1. Complete project as currently designed, including furniture and furnishings.

a. Complete Phases IV, V–A and V–B.

Advantages:

1. Programmed space needs fully met.

2. Final cost identified.

3. Minimal total cost for finishing.

4. More efficient use of space in all building including improved working environment, improved support facilities and improved work product and productivity. (This is also partially true of Alternatives Nos. 3 and 4.)

5. Improved office management capacity and techniques through new modular furniture systems, as learned in Senate Office Systems Research Project.

Disadvantages:

1. Expenditure of necessary funds.

Alternative No. 2. Complete project as currently designed, excluding furniture and furnishings.

a. Complete Phases IV, V–A and V–B.

Advantages:

1. Programmed space needs fully met.

2. Final cost identified.

3. Minimal total cost for finishing.

4. More efficient use of space in all building including improved working environment, improved support facilities and improved work product and productivity, but less than Alternative No. 1. (This is also partially true of Alternatives Nos. 3 and 4.)

Disadvantages:

1. Expenditure of necessary funds.

2. Increased cost to buy furniture in future.

3. Less efficient office management capacity (See Alternative No. 1, advantage 5.)

Alternative No. 3. Complete for occupancy floors 1, 3, 5, and 7; and the parking garage; remaining space to be unfinished.

a. Complete Phases IV & V–A.

b. Complete Phase V–B for 1st, 3rd, 5th, and 7th floors of the Hart Building, but with full fire alarm systems and sprinklers and with Atrium and Galleria finishes including atrium/galleria exposed masonry corridor walls at 2nd, 4th, 6th, and 8th floors.

c. This alternative will leave the Central Wing and all renovated areas within the existing building as unfinished shell space.

d. This alternative will provide half-size office suites for 50 Senators.

e. This alternative does not include the subway extension.

Advantages:

1. Partial sized offices for 50 Senators which meet approximately 50% of space needs required by Senate space study.

2. Enclosed structure with finished exterior appearance.

3. Reduces cost of future finishing compared with Alternatives 5 through 9.

4. Makes garage and loading dock available.

Disadvantages:

1. Space needs determined by Senate study not fully met.

2. Subway extension not available for occupants.

3. Funds required for maintenance of unfinished space.

4. Will cost more to finish in future.

5. Greater disruption for future finishing as compared with Alternative No. 4.

Alternative No. 4. Complete 25 of 50 Senate offices on floors 1, 2, 3, and 4; complete parking garage; remaining space to be unfinished.

a. Complete Phases IV & V–A.

b. Complete Phase V–B for floors 1–4 of Hart Building, but with full fire alarm system and with Atrium and Galleria finishes including atrium/galleria exposed masonry corridor walls at 5th, 6th, 7th and 8th floors.

c. This alternative will leave the Central Wing and all renovated areas within the existing building as unfinished shell space.

d. This alternative will provide full-size office suites for 25 Senators.

e. This alternative does not include the subway extension.

Alternative No. 4. Complete 25 of 50 Senate offices on floors 1, 2, 3, and 4; complete parking garage; remaining space to be unfinished. (continued)

Advantages:

1. Full size office suites for 25 Senators which meets approximately 50 percent of space needs required by Senate space study.

2. Enclosed protected structure with finished exterior appearance.

3. Reduces costs of future finishing compared with Alternatives 5 through 9.

4. Makes garage and loading dock available.

Disadvantages:

1. Space needs determined by Senate study not fully met.

2. Subway extension not available for occupants.

3. Funds required for maintenance of unfinished space.

4. Will cost more to finish in future.

5. Disruption of occupants if upper floors are finished.

Alternative No. 5. Complete the parking garage for occupancy; complete shell of building; rough-in of mechanical, electrical, and plumbing equipment; no office space available for occupancy.

a. Complete Phase IV.

b. Complete Phase V–A.

c. Make Hart Building garage secure.

Advantages:

1. Enclosed protected structure with finished exterior appearance.

2. Enables finishing building in future with minimized expenditure compared to Alternatives Nos. 6, 7, 8 and 9.

3. Minimizes present expenditure to enclose building.

4. Usable parking garage and truck loading dock.

5. Minimizes future maintenance cost if building remains in this condition.

6. Escalation controlled on Phase V–A.

Disadvantages:

1. No usable office space.

2. Future need to expend funds for maintenance and protection.

3. Space needs remain unanswered.

4. Denies full use of valuable real property for productive purposes.

5. Will cost more to finish in future.

Alternative No. 6. Complete parking garage for occupancy; complete shell of building.

a. Complete Phase IV.

b. Terminate Phase V–A.

c. Complete Truck Dock and Garage area of the Hart Building (subbasement, part basement, and ground floor).

d. Make Hart Building garage secure.

Advantages:

1. Enclosed protected structures with finished exterior appearance.

2. Enables finishing building in future with minimized expenditure compared to Alternatives Nos. 7, 8 and 9.

3. Minimizes present expenditure to enclose building.

4. Usable parking garage and truck loading dock.

Disadvantages:

1. Waste of V–A contract termination cost of $5,350,000.

2. No usable office space.

3. Future need to expend funds for maintenance and protection.

4. Space needs remain unanswered.

5 Denies full use of valuable real property for productive purposes.

6. Will cost more to finish in future.

Alternative No. 7. Complete and secure shell of building; terminate remainder of work.

a. Complete Phase IV.

b. Terminate Phase V–A.

c. Make building secure.

Advantages:

1. Enclose protected structure with finished exterior appearance.

2. Enables finishing building in future with minimized expenditures compared to Alternatives Nos. 8 and 9.

3. Minimizes present expenditure to enclose building.

Disadvantages:

1. Waste of V–A contract termination cost of $5,350,000.

2. No usable space.

3. Future need to expend funds for maintenance and protection.

4. Space needs remain unanswered.

5. Denies use of valuable real property for productive purposes.

6. Will cost more to finish in future.

Alternative No. 8. Complete parking garage and terminate remainder of work; unsightly structural steel exposed.

a. Terminate all work on Phases IV and V–A.

b. Complete Truck Dock and Garage areas in the Hart Building (subbasement, part basement, and ground floor).

c. Make existing building and Hart Building garage secure and weathertight, including roof at 1st floor of Hart Building.

Advantages:

1. No further expenditure on construction at this time.

2. Some funds available for return to the Treasury.

3. 500 car parking garage available for use.

4. Service tunnel and loading dock available for use.

Disadvantages:

1. Abandonment of approximately $50,000,000.

2. Unsightly building frame.

3. Future need to expend funds for maintenance, demolition or protection.

4. Space needs remain unanswered.

5. Denies use of valuable real property for productive purposes.

6. Will cost much more if ever finished in future.

Alternative No. 9. Immediate termination of all work.

a. Terminate all work on Phases IV & V-A.

b. Make existing building secure and weathertight.

Advantages:

1. No further expenditure on construction at this time.

2. Funds available to return to Treasury.

Disadvantages:

1. Abandonment of $57,649,000.

2. Unsightly building frame.

3. Future need to expend funds for maintenance, demolition or protection.

4. Space needs remain unanswered.

5. Denies use of valuable real property for productive purposes.

6. Will cost much more if ever finished in future.

BRIEF DESCRIPTION OF WORK UNDER CONTRACT ON THE HART BUILDING

PHASE IV—SUPERSTRUCTURE

The Phase IV contract, in the amount of $34,180,000, was awarded to Baltimore Contractors, Inc. in October of 1977. The scope of the contract encompasses the completion of the superstructure, or exterior shell of the building, including construction of the floor, roof, and exterior wall systems. The structural steel framing has been essentially completed; concrete floors, and fireproofing are being installed. Erection of the exterior stone walls is imminent. The exterior stone, which was procured under contract in Phase III, is in local storage.

PHASE V-A—INTERIOR WORK

Phase V was split into two parts, A and B, because of the lack of funding required to award a contract for the entire scope of Phase V. The Phase V-A contract was awarded to J. W. Bateson Company, Inc., in December of 1978, at a cost of $16,898,000, which included additives 1 through 3 at an amount of $1,207,000. Award of a fourth additive has also been made under this contract, in the amount of $2,625,000, and brings the total award amount to $19,523,000. The scope of the contract and the additives involves the rough-in work for the mechanical, plumbing and electrical systems together with such minor architectural work required for that purpose, the necessary interior partitions in the subbasement, basement, and ground floors to enclose the mechanical, plumbing, and electrical systems, making the garage areas operational, and three service elevators.

BRIEF DESCRIPTION OF ADDITIONAL WORK NECESSARY TO COMPLETE THE HART BUILDING

PHASE V-B—COMPLETION OF INTERIOR AND RELATED WORK

Phase V-B cannot proceed until an increase in the limit of cost and an appropriation are approved. The scope includes completion of the mechanical, plumbing and electrical systems and all remaining architectural and general construction finishing work throughout the new building, in the affected portions of the existing Dirksen Building, and in the Central Wing.

[Fact Sheet]

PHILIP A. HART SENATE OFFICE BUILDING

APPROPRIATION HISTORY

To date, $85,147,000 has been appropriated for the overall project.

Authorizing legislation, amount appropriated, and cumulative appropriation:

Public Law 92-607—October 31, 1972, $47,925,000, $47,925,000.

Public Law 93-245—January 3, 1974, $20,900,000, $68,825,000.

Public Law 93-554—December 27, 1974, $16,322,000, $85,147,000.

Senator Johnston's Recommendation (July 13, 1979), $52,583,400, $137,730,400.

The original $47,925,000 was to construct a replica of the existing Dirksen Building. Subsequently, on completion of early design concepts, the appropriation was increased to $68,825,000 by Public Law 93-245. After completion of the design development for the building, the appropriation was further increased to $85,147,000 by Public Law 93-554.

CURRENT STATUS OF WORK

Phase, nature of work, and status:

I. To provide temporary access to the Dirksen Building, by constructing a dock, receiving facilities, and access to the garage, until the total project is completed. Work was completed on May 20, 1975 at a cost of $211,000.

II. Excavations and Foundations. Work is now completed at a contract cost of $5,933,100.

III. Stone Procurement. All stone has been delivered at a cost of $5,846,200.

IV. Construction of the superstructure, including structural steel framing. Work is scheduled to be completed April 17, 1980 at an estimated final cost of $39,352,100.

V-A. Interior Work—Rough-in work covering the mechanical, electrical and plumbing systems. Contract was awarded December 27, 1978 at an estimated final cost of $22,451,500; contract provides for completion of work by April 1982.

V-B. Interior Work—Completion of interior and related work; including mechanical, electrical, and plumbing systems and all remaining architectural and general construction. The current estimated final cost of this phase is $66,307,100. Deductives amounting to $23,619,600 are recommended, reducing the cost of this phase down to $42,687,500.

VI. Alterations and additions to Dirksen and Russell Buildings. This phase has been eliminated. The amount of $2,904,000 included in the present appropriation is being used to finance a portion of the present estimated project costs.

Architectural-Engineering Fees: Under the A/E contract the associate architect will be paid an amount equal to 6% of the total cost of all construction work. The basic fee has increased from the original estimate of $2,580,000 (1974) to $6,251,600 (1978). Current estimates would increase the A/E fees to $9,000,000.

Construction Management Services and Miscellaneous Expenses: Costs related to construction management services have increased from the original estimate of $3,309,000 (1974) to $4,752,400 (1978). Under the current estimate these costs would increase to $11,765,800.

WASHINGTON, D.C.,
July 13, 1979.

DEAR COLLEAGUE: On July 17, 1979, at 10:00 a.m. in Room 1114 DSOB, the Senate Office Building Commission will hold a very important meeting on the subject of the Hart Senate Office Building. We will consider a broad range of alternatives varying from total completion as now planned, to include furniture and furnishings at a total cost of $174,550,000, to immediate termination of the entire project. We are, by this letter inviting all Senators to testify either orally or in writing.

Last year the Senate approved legislation appropriating an additional $54,853,000, which would have increased the total appropriated to $140,000,000. This legislation was disapproved by the House. The cost to complete the project has now increased by an additional $34,550,000 above that approved by the Senate last year. Of that amount, approximately $20,000,000 can be attributed to the delay caused by the House action, with the remaining $14,550,000 due to increased inflation, changed market conditions, and a prudent increase in the contingency account.

The cost projections were based upon estimates prepared by Constructors/Managers, Inc., an independent consulting firm from Houston, Texas. The estimated completion date of the project, if timely approval by the Congress is obtained, will be in late 1982.

Notwithstanding the additional $89,403,000 required to complete the total project as planned, I will recommend to the Commission that we proceed with the project but with a series of deductions which will result in a total estimated cost, including additional cost escalation during the construction period, of $137,730,400. This is $2,269,600 less than was approved by the Senate last year.

The deductions which the Commission will be considering are extensive and fully described in Exhibit A, which includes an estimate of cost for each deductive. My recommendations thereon are as indicated.

Exhibit B is a list, description and cost estimation for alternatives involving major stages of the construction. I have not recommended any of these deferrals, but the Commission may wish to consider them.

I would urge your careful consideration of these proposals and I solicit any comments you may have regarding this important project.

Sincerely,

J. BENNETT JOHNSTON,
Chairman, Senate Office Building Commission.

Mr. JOHNSTON. I might add for my colleagues that this will be the first order of business, I believe, on tomorrow. We will ask the Senate to approve a stripped-down version of the Hart Building in the first order of business tomorrow.

I invite the Senators and the staff who have not read our report to please do so.

Mr. PROXMIRE. Will the Senator yield for 1 minute?

Mr. JOHNSTON. Mr. President, if we may tend to one piece of business first, I think the Senator from Wisconsin has an amendment.

UP AMENDMENT NO. 370

Mr. NELSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. NELSON) proposes an unprinted amendment numbered 370.

Mr. NELSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 12, strike "1,473,566,000" and insert in lieu thereof "1,467,566,000".

Mr. NELSON. Mr. President, I believe this is noncontroversial. The purpose of this amendment is to delete funds added during the full Appropriations Committee markup of the energy and water development appropriations bill for two of last year's so-called hit list projects. During the consideration of the bill the committee added $4 million for Yatesville Lake, Ky., and $2 million for the Bayou Bodcau, La., project to continue construction in the year 1980. This amendment deletes funds for continuing construction of both the Yatesville Lake and Bayou Bodcau projects.

Mr. President, these two items were on the President's hit list. They were vetoed before.

I have a copy of a letter over the President's signature saying that he vetoed that so it seems——

Mr. HUDDLESTON. If the Senator will yield to me, I would like to correct one statement that he made.

Mr. NELSON. Yes.

Mr. HUDDLESTON. The Senator used the term noncontroversial project or noncontroversial amendment. For this Senator, there is a considerable amount of controversy related to what we are doing at this particular time.

It is with a great deal of reluctance and a considerable amount of sadness that I acquiesce in the amendment being offered by the distinguished Senator from Wisconsin. These two projects were put into the bill by the appropriations subcommittee and agreed to by the full Appropriations Committee at my request. They are good projects. They ought to be resumed and continued. They were put in knowing full well that they had been on the President's so-called hit list, that they had, in fact, evoked a veto from the President on a previous public works bill. But they were put in with the understanding that they would stay in unless assurances were given by the President that these two projects alone would cause a veto of the entire bill that we are considering now.

Mr. President, it was not a frivolous move on our part to include these projects.

In the case of Yatesville, located in the county of Lawrence, Ky., a small Appalachian, depressed county, it was not a question of whether or not the Federal Government is going to do something for these people; it is a question of what the Government has done to these people by suspending this project, which was approved many years ago, which was 11 percent completed, and on which over 80 percent of the land, in excess of 13,000 acres, had been purchased. That land is lying there fallow. It is growing up. It is attracting transient individuals who come there and create disturbances. It has taken a considerable part of the county's property off the tax rolls. It is impeding development there. It is, in short, a very horrendous thing to happen to a small county which was already struggling to lift itself up the economic ladder to find a better life for its citizens.

So it was with those conditions that I felt it was imperative that we move ahead and complete this project. It is a low-cost project. We are just asking for $4 million here. But as I say, the committee accepted it on the basis that it would not jeopardize the entire bill, and I accepted that premise.

I do have today a letter directed to me and to the distinguished Congressman from the Seventh District of Kentucky, Mr. Carl Perkins, in whose district this project is located and who has been actively working for this project for 20 years or more, a letter from the President of the United States saying unequivocably that the inclusion of these two projects would result in a veto of this legislation.

Mr. President, in addition to what this is doing to Lawrence County, Ky., it does constitute a line item veto by the President of an appropriations bill, contrary to the long tradition of the Congress itself making the determination as to what projects should or should not be built.

All of this notwithstanding, I say again that I have no other recourse except to honor the commitments that I made to the members of the subcommittee and full Committee on Appropriations that if such word came directly from the President I would not place into jeopardy all of the other projects, including many projects relating to energy research and development and all of the other water resources projects, not only for my State of Kentucky but for all of the other States, and that I would be willing to see these items taken out of the bill.

That is the situation that we are confronted with at this moment. I shall honor my commitment, although I do so sadly and reluctantly. I shall not make further objections to the amendment of the distinguished Senator from Wisconsin.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, the Senator from Kentucky wishes to comment. I should like to yield at this time to the Senator from Kentucky to make remarks on the bill. In fact, I shall yield the floor to the Senator from Kentucky, because I have made all the remarks that I need to make.

Mr. President, I think the senior Senator stated the case very well. The bill would be vetoed if the projects were left in there, so nothing would be accomplished by leaving them in.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

Mr. JOHNSTON. Mr. President, does the Senator from Kentucky desire to speak on this matter?

Mr. FORD. I will at some other time.

Mr. JOHNSTON. I was going to call for the vote.

Mr. FORD. There are other Senators waiting for a few seconds. I would like to speak. I shall not take very long.

Mr. JOHNSTON. I yield to the Senator such time as he needs.

Mr. FORD. Mr. President, I want to associate myself with the remarks of my colleague. I do think it is unfortunate that we must eliminate projects from Kentucky, in this instance a valuable project from Kentucky, that we have thought was important and valuable to our State for some time.

I do not want to place this bill in a position of jeopardizing the many projects of our other colleagues. So, Mr. President, I reluctantly join with my senior Senator, my colleague, in accepting this amendment. I shall be glad to take it as a voice vote.

Mr. JOHNSTON. Mr. President, the amendment has been properly described by all parties hereto. The committee and, I think, the full Senate are in support of these projects, but I do not believe it is the temper of the committee and the Senate to want to risk a veto of the other good projects in the bill. I shall, therefore, submit the matter to the Senate to decide on this question of veto.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JOHNSTON. Mr. President, I ask unanimous consent that a copy of the letter from the President of the United States to Senator Huddleston and Representative Perkins, dated today, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

The White House,
Washington, July 17, 1979.

To Sen. Huddleston and Cong. Perkins.

As Jim McIntyre has stated, the inclusion of the Gatesville and Bayou Bodcau water projects for the Public Works bill will result in a veto of the legislation. He speaks for me.

Jimmy Carter.

Mr. JOHNSTON. Mr. President, I believe that the balance of the time is yielded back. The Senator making the motion is Senator Nelson and I think he has yielded back his time. I yield back now if the Chair will call for the vote.

Mr. McCLURE. Mr. President, I yield to the Senator from Illinois so much time on the bill as he may consume.

Mr. PERCY. Mr. President, I have discussed with the managers of the bill an amendment that has not been printed. I should like to send this amendment to the desk.

The PRESIDING OFFICER. Is the Senator from Illinois offering an amendment now to the pending measure?

Mr. PERCY. For purposes of discussion, yes. There will be no vote on the amendment.

The PRESIDING OFFICER. There is a pending amendment now on which we are just about ready to take a vote. That is the amendment offered by the Senator from Wisconsin.

If the Senator will withhold his amendment, we shall first take a vote on the amendment offered by the Senator from Wisconsin.

Does the Senator from Idaho yield back his time?

Mr. McCLURE. Yes, Mr. President.

The PRESIDING OFFICER. All time on the amendment of the Senator from Wisconsin having been yielded back, the question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

UP AMENDMENT 371

(Purpose: To appropriate $100,000 for the Illinois Shore from Waukegan to Illinois-Wisconsin State Line Harbor Study)

The PRESIDING OFFICER. The Senator from Illinois is recognized.

The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. PERCY) proposes an unprinted amendment numbered 371.

On page 12, line 7, insert the following strike out "$142,296,000" and insert in lieu thereof "$142,396,000".

The PRESIDING OFFICER. The Senator from Illinois is recognized in support of his amendment.

Mr. PERCY. I ask unanimous consent, Mr. President, that Lawrence Grisham of my staff be granted the privilege of the floor during consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, as I have previously discussed on the floor of the Senate, the State of Illinois, with 11 million people, does not have a single national park. We depend, to a great extent, in northern Illinois on Lake Michigan.

The purpose of this amendment is to provide $100,000 to continue the Corps of Engineers feasibility study of small boat harbor facilities in the area extending from Waukegan, Ill., north along the community of Zion to the Illinois-Wisconsin State line.

In the Waukegan area, there is a long waiting list for moorings in the harbor, in excess of 1,200 at the present time, and the increasing popularity of boating on Lake Michigan makes the harbor development a pressing need.

In support of this study, I would like to point out that Illinois has 70,432 boats registered in the 2 counties contiguous to Lake Michigan. It has mooring space for less than 4,000 boats and only 59 miles of shoreline, mostly private or industrial.

Mr. President, from a safety standpoint, harbors of refuge are too few, too far apart, and inadequate in Illinois.

I consider the harbor development a most practical project from the cost standpoint in meeting the communities' needs and benefiting other communities in the vicinity, whose residents are now required to travel to the Wisconsin State areas where more adequate facilities have been established; $150,000 has already been spent on the project in fiscal year 1979, corps capability in fiscal year 1980 is $100,000.

This provision is included, as I understand it, in the House bill.

I know that the managers of the bill do not want to open a floodgate of amendments in this regard, but I hope that cost-effective value of this, the very modest cost of it, and the potential benefit that can come from it, could be looked on with sympathy by the managers of the bill.

Mr. JOHNSTON. Mr. President, there is, in our view, some work here which may result in some overlap or duplication in the amendment suggested by the Senator from Illinois on these Illinois shoreline erosion, navigation, and recreation studies. There is included in the bill $200,000 for the Illinois shore of Lake Michigan as requested by the Senator.

For that principal reason, we took out $100,000 for the "Illinois shore from Waukegan to Illinois-Wisconsin State line" study as included in the House bill.

In view of the Senator's concern, however, we will carefully reconsider these matters between now and the conference, and if there is not a duplication or need for combining these efforts and otherwise the work is needed and proper, we can recede to the House at that time. Therefore an amendment at this time would not be necessary.

So we will consider that between now and the time of the conference very carefully, Mr. President.

Mr. PERCY. Mr. President, I want to express my appreciation to my distinguished colleague who, as always, showed his fairness and justice.

In the analysis he makes of this matter, certainly the study of erosion, $200,000 called for that, that is in the Senate bill, is a worthy expenditure.

The potential loss runs in the multimillions of dollars and, of course, continued study on that problem is highly desirable.

But the cost effectiveness of $100,000 for the feasibility of small boat harbor facilities not only is a safety measure, but also is vital for the recreational usage of Lake Michigan, a tremendous asset available to a very large community of people.

I hope this can be worked out then in conference.

I thank my distinguished colleague.

The PRESIDING OFFICER. Does the Senator withdraw his amendment?

Mr. PERCY. The Senator from Illinois withdraws his amendment on that consideration.

The PRESIDING OFFICER. The amendment is withdrawn.

● Mr. GLENN. Mr. President, in connection with the pending bill making appropriations for energy and water development, I would like to draw attention to the need for more immediate attention to be paid by the Corps of Engineers to several navigational hazards associated with the Cleveland and Lorain Harbors in Ohio. I am not proposing that additional funds be allocated for this purpose but rather asking that action be initiated within the presently budgeted funding looking toward remedies for these hazards at an early date.

With respect to Lorain Harbor, the problem involves the extreme state of deterioration of an old pier, known as West Government pier, which no longer can be used for the berthing of ships. It is a timber pier with concrete cap, so deteriorated that lake captains have expressed the fear that it might eventually topple. While I understand the corps is currently engaged in a comprehensive study of Lorain Harbor, it would appear that early attention to the problem of this old and decrepit pier is warranted.

Similarly, at Cleveland Harbor, there is an unused railroad bridge, known as bridge No. 19, which should be examined with a view toward its modification or removal. Removal also is called for in the case of the abutment structure for the old Jefferson Street Bridge across the Cuyahoga, which was left standing when the bridge itself was removed several years ago.

Finally, the corps should address the need for dredging the winding basin, located several miles from the mouth of the river, to the river's project depth of 23 feet. The project depth of the winding basin is only 18 feet at present. This 5-foot difference means that fully loaded vessels cannot turn, and in some cases that vessels in a light, ballasted condition cannot be accommodated.

Mr. President, the corps has agreed that these particular problems warrant further investigation. I submit they warrant appropriate remedial action sooner rather than later.●

DEPARTMENT OF EDUCATION ORGANIZATION ACT

Mr. RIBICOFF. Mr. President, I ask that the Chair lay before the Senate a message from the House on S. 210, Department of Education legislation.

Mr. STEVENS. Mr. President, does that require unanimous consent?

The PRESIDING OFFICER. No; it is a privileged matter.

The PRESIDING OFFICER (Mr. MATSUNAGA) laid before the Senate the amendment of the House of Representatives to the bill (S. 210) to establish a Department of Education.

(The amendment of the House is printed in the RECORD of July 11, 1979, beginning at p. 18047.)

Mr. RIBICOFF. Mr. President, I move that the Senate disagree to the amendment of the House, that the Senate agree to the conference requested by the House on the disagreeing votes on S. 210, and that the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. I object. I have a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. If the motion of the Senate from Connecticut is granted, will that prevent a Senator who wishes to make a motion to instruct the conferees from making such a motion after his request is granted?

The PRESIDING OFFICER. After the conferees have been appointed, the Senator is correct.

Mr. STEVENS. The motion to instruct the conferees must be made before the conferees are appointed?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. On behalf of a Member of the minority, I am compelled to object.

The PRESIDING OFFICER. Objection is heard.

(Later, the following occurred:)

Mr. STEVENS. Mr. President, if it is possible for the Senator from Illinois to allow it, I should like to remove the objection to the motion made by the Senator from Connecticut. That matter has been taken care of now. I apologize to my friend.

Mr. RIBICOFF. My gratitude to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Connecticut must restate his unanimous-consent request.

Mr. RIBICOFF. Mr. President, I move that the Senate disagree to the amendment of the House, that the Senate agree to the conference requested by the House on the disagreeing votes on S. 210, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. RIBICOFF, Mr. GLENN, Mr. LEVIN, Mr. PERCY, and Mr. JAVITS conferees on the part of the Senate.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 15 minutes and that Senators may be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 3661—NAVAJO-HOPI RELOCATION COMMISSION

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay a message from the House on H.R. 3661, Navajo-Hopi Relocation Commission before the Senate and proceed to its immediate consideration.

The PRESIDING OFFICER. The Chair lays before the Senate H.R. 3661, an act to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712), which was read twice by its title.

Without objection, the Senate will proceed to consider the bill.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. Mr. President, I understand that is the Navajo-Hopi Relocation Commission bill and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TO PLACE H.R. 2282 ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a message from the House on H.R. 2282, Veterans Disability Compensation and Survivors' Benefits, be read for the first and second time and placed directly on the calendar. A companion measure has been ordered reported by the Senate Veterans' Affairs Committee and will be reported next week.

Mr. STEVENS. Mr. President, there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALASKA: STATE OR POSSESSION?

Mr. STEVENS. Mr. President, recently I have inserted in the RECORD a series of articles regarding the Alaska lands issue. On April 14, the Omaha, Nebr., World-Herald printed one of the better articles on this issue which I have seen. This article, entitled "Alaska: State or Possession?" traces the Alaska lands issue from its genesis: The admission of Alaska as a State in 1958. The article quotes former U.S. Representative Leo W. O'Brien, known to many as the father of the statehood bill, as noting that there are "some in Washington who seek to treat Alaska, even after two decades, as a possession rather than a sovereign State." Representative O'Brien further reminds us that "The statehood bill was a solemn pledge by Congress to the new State."

The Omaha, Nebr., World-Herald editorial graphically points out that the promises of the Statehood Act have not yet been fulfilled. Alaska has not received its lands, nor is it being given full opportunity to select the lands it was entitled to select. In sum, the Alaska lands bill which recently passed the House is a repudiation of the Alaska Statehood Act and must be drastically changed if Congress is to keep its promises to my State.

I commend the attention of my colleagues to this article, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALASKA: STATE OR POSSESSION?

Editor's Note: The following editorial opinion is reprinted from the April 14 edition of the Omaha, Nebr., World-Herald.

Alaska, a state bountifully blessed with natural resources, undeveloped land and beauty, now feels it is the subject of unkept promises and federal domination.

Remember the Alaska Statehood Act of 1958. Wayne Aspinall of Colorado, then chairman of the House Interior and Insular Affairs Committee, which was most influential in passing that act, said recently:

"It was our intention to give Alaska as much land as it needed to support statehood." He also said: "The statehood resolution will enable Alaska to achieve full equality with existing states, not only in the technical judicial sense, but in practical economic terms as well. It does this by making the state master in fact of most of the natural resources within its boundaries."

The act granted Alaska the right to select, over a 25-year period, 104.5 million of the 367 million acres that make up the land mass of the state.

So what has happened? Twenty years later, Alaska still has received less than a fifth of the promise. Meanwhile, the federal government has been setting aside land in blocks larger than many states, thereby reducing the pool of acres from which the state can draw.

Alaska is a vast state, more than double the size of Texas, and 7½ times larger than Nebraska. Its population is about that of Omaha's and it has to support state, county, school and local taxes over a broad territory. Prior to statehood, more than 99 percent of the land was federally-controlled.

Because so little was known about so much of the land and resources, and because it had a long grace period, Alaska didn't rush to grab up land. It based selections on these needs: future settlement, encouragement of commercial and economic stability, recreation, wildlife protection, lifestyle preservation and sensible management relations with federal land controls.

Alaska selected the last of its 104.5 million acres in 1968. But Congress, which has to grant approval, has held back time after time in the face of increasing environmental and federal agency pressures. Less than 21 million acres have been approved in 20 years.

Last fall after two years of debate, an ad hoc House-Senate committee apparently had worked out a compromise that also was approved by the Carter administration. But it was killed in the waning moments of the last session of Congress. Then in December came another blow. President Carter, acting under the 1906 Antiquities Act, proclaimed 55 million acres be set aside for new and improved national monuments.

A new House bill along the same lines as last year's compromise was approved March 1 by the House Interior and Insular Affairs Committee. It would grant the rest of the 104.5 million acres promised Alaska and also would set aside 99.6 million acres in conservation units.

But now comes another threat to the efforts of Alaska's legislators and Gov. Jay S. Hammond. It is a new bill introduced by Committee Chairman Mo Udall, D-Ariz., and backed by vocal conservation groups and the administration which said it no longer approves of the compromise.

The Udall bill would set aside 140 million acres (about the size of California) as wilderness areas, including 20.5 million acres (larger than Maine) for national parks, 44.9 million acres (larger than Missouri) for refuges, 21.6 million acres (about the size of Indiana) for park preserves and 4.8 acres (about the size of New Jersey) for recreation.

Some of this land involves territory for which the state already had made requests.

Former Rep. Leo W. O'Brien said recently that because the statehood bill bears his name he felt compelled to note that "there are some in Washington who seek to treat Alaska, even after two decades, as a possession rather than a sovereign state." He added: "The statehood bill was a solemn pledge by Congress to the new state."

In a letter to former Alaska Gov. H. A. Boucher, Aspinall said: "The new state has a great future. I hope Congress doesn't ruin it."

It is past time to honor the promise to Alaska by entrusting it with the rest of its 104.5 million acres. Alaska is no longer a child.

On other land issues, it also seems as if there could be reasonable compromise—somewhere between those who say Alaska "represents our last chance to preserve vast areas of wilderness" and those who fear "a lockup of the national resources storehouse while we depend on foreign sources for energy and minerals." Congress ought to get on with the job of settling things to the benefit of a majority of Americans and Alaskans.

THE RESIGNATION OF PRESIDENT SOMOZA

Mr. HELMS. Mr. President, the resignation today of President Somoza of Nicaragua has been a primary goal of U.S. foreign policy for the past 8 or 10 months. Whether his resignation is a good thing for Nicaragua or a bad thing is yet to be determined by history. As far as the United States is concerned, however, his resignation signifies the capture of U.S. policy by an ideology that is inimical to fundamental American values and which threatens the security of this Nation.

President Somoza represented no ideology. His government was authoritarian, but not totalitarian. There is no question but that President Somoza was the political boss of his country. On the other hand, he was a political boss within a legal framework, a constitutional structure with significant elements of democracy, economic progress, and political stability.

In a world filled with upheaval and injustice, these elements are not to be minimized. I am sure that if I were a Nicaraguan, living in Nicaragua, I would find much to criticize. Nevertheless, Nicaragua, when compared with many of its neighbors, and indeed with most of the Third World countries, had institutional structures that were fundamentally sound. The election of President Somoza was conducted in the presence of OAS observers, and was attested to as a model of organization and lack of intimidation. The President himself was scheduled to step down at the end of his term in 1981; he could not be succeeded by himself or by his son. If changes were desired by Nicaraguans, changes could have been accomplished within a framework of order.

The U.S. Department of State has yet to learn that institutions of order, however flawed, cannot be swept away and replaced with new institutions that meet the test of ideological purity without disaster. The destruction of Chiang Kai-shek, the squeeze on Batista, the assassination of Diem, the rejection of the Shah as an American partner, all led to evils far greater than those they were supposed to eradicate. The resignation of Somoza, deliberately forced by the United States, will come back to haunt the United States for years to come.

Somoza's resignation was forced by the coordinated policy of Cuba, Panama, and the United States. A failure to understand the nature of revolutionary terrorism, and of the operation of Marxist dialectical thinking, induced the U.S. cooperation, whether intended or not.

There is a curious mentality that assumes that armed revolution takes place only because of oppression, and therefore is justified to that extent. Therefore, there is an instinctive sympathy for the armed guerrilla, without examining the premises.

In point of fact, armed revolutions are usually created not by the opressed but by middle or upper class intellectuals, corrupted by ideology. Intellectuals tend to think that only money corrupts, and they are blind to the corruption of the intellect, which is their own stock in trade. But the corruption of power is often traceable to hatred, as well as personal gain. The hidden mysteries of the human heart are not always pretty if displayed in the open. Marxism is a rebellion not against a center of power, but against a whole range of values, a whole concept of man and society. Strategically, the attack is focused on the center of power which is the obstacle to the imposition of the new order.

The tactics of revolution are annoyingly simple. The instigation of terrorist acts serves to provoke counterreactions. Once the social consensus has been breached, the action and reaction grow increasingly severe. No matter what precautions are taken by the legal security forces, citizens are bound to be harmed; and in attempt to stamp out the rebellion, civil rights are breached. It is then very easy to make international propaganda by taking such breaches of civil rights out of context.

The demand for the restoration of human rights in such cases amounts to taking sides with the revolutionary minority against the human rights of the vast majority of citizens. It is an implicit acceptance that the rebels actually "represent" the majority. This acceptance is always taken on faith; it is a premise of action, rather than a topic for investigation.

The fact that the Sandinistas are a group seeking the imposition of a Communist government on Nicaragua has been a matter beyond dispute. The fashion now is to substitute the word "Marxist" for "Communist" because it sounds as though the group so labeled is only interested in academic philosophy. But in point of fact, Marxist almost always means Marxist-Leninist—that is Marxism as interpreted by the Leninist perspective on violent revolution.

This comes out very clearly in a letter written to me by Mr. Wade H. R. Matthews, Director of the Office of Central American Affairs of the Department of State, on November 20, 1978. I had inquired about some statements made by a State Department spokesperson which seemed to suggest that the most important faction of the Sandinista movement was non-Marxist. Mr. Matthews admitted that this was not so:

> The three factions differ primarily over tactics rather than ideology. The Proletarian Tendency, generally regarded as the smallest of the three factions, advocates further urban proselytizing, both violent and nonviolent so as to develop a radicalized urban mass which will participate in a Marxist armed revolution. That faction apparently does not believe the conditions for a Marxist revolution have yet been created. The Prolonged Popular War faction advocates guerrilla warfare in rural areas leading to eventual defeat of the National Guard and installation of a Marxist regime. The Tercerario faction advocates unity of all anti-Somoza groups in violent revolutionary confrontation both in the cities and on the part of guerrilla units in the countryside so as to defeat the National Guard and, supposedly, install a revolutionary government of both Marxist and non-Marxist elements.

Mr. President, it is plain that the State Department was fully aware of the philosophical tendency of the factions of the Sandinistas, with the only difference being the disputes over the tactics of violent revolution.

These disputes continued until March, when Castro called all the Sandinista leaders to Havana for a conference. According to a CIA memorandum of May 2, which has since been quoted widely in the press—although the New York and Washington papers did not find it newsworthy—and which was placed in the CONGRESSIONAL RECORD in full on July 9 by Congressman GEORGE HANSEN of Idaho, Castro himself spent at least 48 hours over a period of 4 days urging the leaders to get their act together. He also urged them to set up a coalition government that would include non-Communists. Specifically, the CIA memo said:

> In early March, leaders of the three major FSLN factions traveled to Cuba to meet with Castro. The Cuban leader is said to have spent nearly 48 hours over a four-day period helping to hammer out a basis for cooperation. As a result of the meeting a unified FSLN directorate was established containing three members from each faction.
>
> The Cubans have urged the Sandinistas to combine their efforts to intensify the guerrilla struggle with a highly pragmatic political approach designed to broaden the FSLN's base of popular support for a movement to oust Somoza. For example during Castro's meeting the FSLN leaders in March, he reportedly urged them to play down the Marxist nature of their programs at this point and to offer to join non-Marxists in forging a broad coalition. FSLN leaders have taken steps to comply with his request.

Moreover, Mr. President, the same memo reveals that half of the Tercerario faction, the allegedly non-Communist faction, has been trained in Cuba. In all, over 300 Sandinista leaders had been trained by Castro by mid-April.

Thus it is not surprising that when the Sandinista junta was announced on June 16, it consisted of three Communists, an opportunistic businessman, and a widow chosen for the symbolic value of her late husband's name. The five are as follows:

Violete Barrios de Chamorro, the widow of Pedro Joaquin Chamorro. Her husband was the dedicated opposition leader to President Somoza, even though Somoza apparently allowed his newspaper and political activities to flourish. Chamorro was mysteriously assassinated in a killing that was never solved, although no serious accusations were ever leveled against Somoza. His wife has no political experience, and her only base, the newspaper, was burned in recent fighting in Managua.

Alfonso Robelo, owner of a large cooking oil business. Robelo is the founder of an ineffectual opposition party the, Nicaraguan Democratic Movement, which was a member of the defunct Broad Opposition Front.

Sergio Ramirez, a member of the Marxist-oriented Group of Twelve, the first attempt to build a coalition. A Sandinista, Ramirez was one of the first to advocate the coalition strategy for a Sandinista takeover. He was also secretary-general of Educa, a published house sponsored by several Marxist Central American universities. He is regarded as an effective spokesman to deal with non-Marxists.

Moises Hassan, a university professor and a leader of the National Patriotic Front, the so-called political arm of the Sandinistas.

Daniel Ortega, a member of the Sandinista movement's nine-man National Directorate, established by Castro in Havana in March to coordinate the three factions. Ortega is a member of the Tercerario faction, half of which, according to the CIA memo, has been trained in Cuba.

Anyone who expects that this junta will install a democratic government in Nicaragua is underestimating the ability of the Communists in Nicaragua. It is a typical Communist coalition, with the strong positions held by dedicated and articulate Communists, and the weak positions held by the "non-Marxists." Although full details of the proposed government chosen by the junta are not yet available, it is already clear that such key positions as Defense, Interior, and Justice will be controlled by the Sandinistas, either directly or through surrogates.

There are those, no doubt, who will be pleased to see a number of Nicaraguan business and financial leaders in the new government. But historically, such men have fared poorly in Communist coalitions. Marx, after all, was an expert on capitalism, and businessmen, on the contrary, are often ignorant about politics and ideology. Communists are often eager to use temporarily the management expertise of businessmen, sometimes paying them handsomely for collaboration. But when they are no longer needed, they are isolated and their class is eliminated.

So let us not have any illusions about what is being installed in Nicaragua, nor its impact upon the whole Caribbean basin. Castro has evidently decided that the time is ripe for the export of communism. We can expect increased pressures on Guatamala, El Salvador, Honduras, and Costa Rica. Those governments will be fully aware of what happens when a government attempts to be a friend of the United States, and to cooperate with its policy, as did Nicaragua. We can well expect to see Cuban-sponsored socialism installed in each of these countries in due time. The Cuban revolution will stretch from Mexico—from within a 100 miles of the Mexican oil fields—to Panama.

Mr. President, I have saved the discussion of Panama to the last, because Panama is a special case. Panama's role in the Nicaraguan revolution has been one of open intervention and abject lawlessness. Panama's policy has been in flagrant violation of international law, the Rio treaty, and the Panama Canal treaties. Panama has not only encouraged, but given material aid, support, and training to the revolutionaries. Panama has transported arms and ammunition to the Sandinistas in Costa Rica and Nicaragua. Those arms came from many sources. They were smuggled illegally out of the United States, and probably from other countries. Moreover, other shipments came from Cuba.

But the role of Panama's cooperation with Cuba goes well beyond shipping Cuban arms. Panama has willingly acted as the direct agent of Cuba, shipping arms in Panamanian military planes, taking guerrillas to Cuba for training, and later returning them to camps in Costa Rica. Without the collaboration of Cuba and Panama, the Sandinistas would never have succeeded. The CIA memorandum shows clearly that the United States knew full well that Panama was acting under the direction of Castro throughout.

Indeed, Panama played its role to Cuba as Cuba played to the Soviet Union in Africa. If the reports now circulating that the Soviets have active duty military forces stationed in Cuba prove to be true, we can expect that Cuba in turn will control Panama when it decides that the time is ripe. Our failure to take bold leadership against the infiltration of the Western Hemisphere means that the eventual price we pay will go higher and higher.

Moreover, the United States was a willing partner. We did nothing to surpress the international arms traffic which was directly supporting an insurrection in a friendly country in defiance of every standard of international law. It is incredible that the United States, with the enormous leverage which we ought to have over Panama at this particular time, did nothing to make Panama obey acknowledged standards of international law. There are nine indictments outstanding in two Panamanian arms smuggling cases, yet the State Department has tried to cover it up.

Moreover, while we aided and abetted by inaction the flow of arms to support a Communist insurrection, we did everything possible to disarm the legally recognized Government of Nicaragua, a Government which we recognized. We took strong diplomatic action to prevent the shipment of arms to a duly constituted Government to defend its sovereignty against an attack directed and supplied by outside nations. Indeed, through the intermediary of U.S. Ambassador William Bowdler, we applied unconscionable pressures upon President Somoza to step down, without taking proper and effective steps to make sure that a democratic government would follow. The United States, in its pursuit of so-called human rights, has destroyed the hopes of Nicaragua for justice and human rights.

The United States has therefore participated in a lawless policy, the effect of which will be to derogate the level of human rights in Nicaragua, and establish a Communist or predominantly Communist regime which, no matter what its complexion, will be always in fundamental disagreement with the United States. Our approval by silence of Panama's flagrant intervention puts in jeopardy the future of the canal and shatters any illusion that Panama will be neutral in its administration or operation of the canal.

Moreover, our direct cooperation in the establishment of Castroism in a once friendly country means that we have given incalculable prestige to Castro's Communist movement, that we have undermined the moral of Castro's opponents in the Western Hemisphere and in Africa, and fueled the fires of anti-American revolution in many parts of the globe. The policy of the United States is at once perverse and self-defeating.

Socialism is by its very nature a repressive regime, yet we continue to encourage socialism as though it were a triumph of social justice. Instead, all that we are doing is to narrow the circle of freedom and the scope of action of our foreign policy. It is a retreat from leadership, a collapse of our obligations to the world and to ourselves.

I hold no brief for President Somoza, but I do hold a brief for stability, order, and freedom. If the United States does not work with these elements to the extent that they exist, if it does not work within the context that they exist and seek to improvement, then our own Nation will itself fall prey to revolution.

SALT II'S BENEFITS TO U.S. INTELLIGENCE

Mr. CRANSTON. Mr. President, the SALT II Treaty, a complex and far-reaching agreement, can be examined in a number of ways. Today, I would like to review briefly how SALT II improves our ability to monitor and predict Soviet strategic weapons developments.

THE IMPORTANCE OF DEFENSE INTELLIGENCE ASSESSMENTS

Our ability to describe accurately Soviet strategic forces and to forecast future weapons developments is critically important to our defense planning. We design our defense posture and forces largely on the basis of this information. The more uncertain our intelligence assessments, the more costly and wasteful our response must be. But the extreme secrecy surrounding Soviet military activities makes monitoring Soviet strategic developments difficult. SALT II simplifies our task in at least two significant ways:

First. SALT reduces uncertainty.

SALT II helps us predict future Soviet strategic forces by restricting both the size and qualitative directions of those forces. SALT II tells us the upper limits of the number of intercontinental nuclear delivery systems the Soviets can build through 1985. They are limited to 2,250 ICBM's, SLBM's, ASBM's and heavy bombers: Of these, only 820 can be MIRV'ed ICBM's and 380 can be SLBM's.

The number of warheads also is limited. The number on any existing type of ICBM is frozen at the present level—or the maximum level at which the missile has been tested if higher than the existing level. The single new type of ICBM permitted by the treaty can have only 10 warheads. And the number of warheads deployed on SLBM's is limited to 14.

All these restrictions keep Soviet forces at lower and more predictable levels, eliminating much of the guess-work for our intelligence analysts and defense planners. SALT II thus enables us to save what could be as much as tens of billions of dollars which might otherwise be spent on unnecessary strategic weapons if we were less certain of the size and nature of Soviet nuclear programs.

Second. SALT II protects our intelligence collection capabilities.

Normally, we have no right to claim access to information about the Soviet Union's military plans and activities. But SALT II gives us the right to collect any intelligence information about Soviet strategic weapons that we need to verify Soviet compliance with the treaty. To protect that right, SALT prohibits the Soviet Union from interfering with our intelligence collection operations: photo-satellites, ships, and aircraft monitoring Soviet missile tests, our ground radar stations, and so forth. The Soviets cannot conceal certain vital information which they have in the past always taken great pains to conceal from us.

Where we claim any concealment would keep us from verifying Soviet compliance with the SALT II Treaty, they cannot encrypt telemetry from missile tests, that is, scramble information which is radioed back to Earth to tell how well the missile is performing. They cannot jam or take other electronic countermeasures against our satellites and our radar. They cannot camouflage their missile silos. And, though the Soviets have deployed antisatellite weapons, they may not, under the treaty, use them to destroy our verification satellites.

Additionally, SALT gives us not only the right to information but the mechanism to enforce those rights—the Standing Consultative Commission which arbitrates any protests we make.

These steps, intended primarily to assure compliance with the treaty, give us information about Soviet strategic military activities we might otherwise not get.

Gen. David C. Jones, Chairman of the Joint Chiefs of Staff, summed it up well in his testimony before the Foreign Relations Committee last week:

> While recognizing the difficulties associated with verification, we must also acknowledge the important assistance the SALT II Treaty will provide in this effort. With or without SALT, we will be required to keep track of Soviet military capabilities as the basis for our defense planning and ultimately our national security.

Mr. President, I believe that with SALT II, we will be in a far better position to fulfill this important national security goal—good defense intelligence assessments.

WHY THE GENOCIDE CONVENTION DOES NOT SUBJECT ENTIRE GOVERNMENTS TO PROSECUTION

Mr. PROXMIRE. Mr. President, opponents of the Genocide Treaty have criticized it for failing to include governments among the parties subject to prosecution for genocide. It is argued that governments themselves must logically be included because genocide would probably not occur without the approval and direction from those in power.

Mr. President, I couldn't agree more that the culprits in an occurrence of genocide are apt to be found in the governing body of a country. Yet it is unrealistic to expect this treaty to create the authority to punish an entire government in power.

There is no present international law with such authority. Not one.

And well there should not be.

I would not support an international organization gaining jurisdiction over the affairs of the government of the United States or of any other nation. I am quite certain my colleagues would not support this either.

What this treaty does state is that such a government has the responsibility to punish guilty persons, both public officials and private individuals.

Also, Mr. President, succeeding regimes are responsible under this treaty for trying their predecessors in government for previous acts of genocide.

If world opinion is not satisfied that the relevant government has pursued the matter effectively, then that government can be brought before the International Court of Justice or the United Nations. In this forum the nations of the world might exert diplomatic or economic pressures on the accused government to punish the offenders.

It is clear, Mr. President, that the criticisms of this portion of the treaty are not valid.

First, this treaty was never intended to override the sovereignty of this or any other nation. Nor should it.

Second, when atrocious acts of genocide occur, such as in Uganda or Cambodia, other channels exist for bringing diplomatic or economic pressure against the government in question.

Third, the treaty gives succeeding regimes the responsibility for bringing their predecessors to trial for previous acts of genocide.

Therefore, I ask the members of the Senate to join with me in supporting the ratification of the Genocide Convention.

PAN AMERICAN GAMES INCIDENT

Mr. FORD. Mr. President, despite the fact that the U.S. men's basketball team captured the gold medal in the recently concluded Pan American games, an incident involving an extreme example of unsportsmanlike conduct has left a bad taste in the mouths of many people, including myself.

That incident struck close to home, because it involved a constituent of mine, Kyle Macy of the University of Kentucky, who suffered a broken jaw as a result of an unprovoked attack from a member of the Cuban team, Tomas Herrera.

The incident, Mr. President, goes directly against the grain of the purpose of these games. It happened so quickly that it went virtually unnoticed. But for Kyle Macy, it is a memory with which he must live the rest of his life.

Like many other individuals, I was deeply disturbed by this incident, especially by the fact that U.S. officials seemed less than outraged by what had occurred.

No official protest was made. No apology was sought—and 1 week later, no apology or expression of remorse from the one who instigated this incident has been offered.

I had refrained from expressing my strong feelings on this matter in the hope that an apology would be forthcoming.

Now, however, that it appears that none is to come, I am forced to take to the Senate floor and call on the Government of Cuba to issue an apology to Kyle Macy and the U.S. team. Furthermore, let me suggest that the Cuban Government formally act to suspend the responsible player from further competition in international games, including next year's Olympics.

Over the years, Mr. President, the United States has been a strong and active supporter of international sports competition as a means of promoting goodwill between nations. This competition has enjoyed a great measure of success and has helped breakdown many of the barriers which stood between the United States and other countries.

But the image of these games is severely damaged when incidents like the one last week occurred, and the purpose of these games suffer lasting harm when the countries involved choose to ignore the incident rather than express sorrow and remorse that it did occur.

A continued silence on this matter to my way of thinking can only be interpreted as a quiet approval of this blatant disregard for good sportsmanship.

I want my colleagues and the people of my State to know that I find this silence totally unacceptable. I cannot condone this violence that occurred and must take whatever steps I can to let the Cuban Government know that an apology is not only in order, but long overdue.

CONGRESSIONAL SENIOR CITIZENS INTERN PROGRAM

Mr. STEWART. Mr. President, as a freshman Senator, this year was the first time I have had the opportunity to sponsor participants in the annual congressional senior citizens intern program which, I understand, is in its seventh year. Through this special program, for 2 weeks in May, Mrs. Mabel Hollingsworth of Atmore, and Mr. E. P. Wallace of Montgomery worked in my office.

When the senior citizen intern program was first described to me, it was done so in terms of the opportunity it would afford two senior citizens from my State who would enjoy getting a firsthand look at how our Government functions on a day-to-day basis. When I was looking into the program, I saw that the senior interns would be able to attend a number of special briefings on such subjects as social security, medicare, medicaid, housing, transportation, and a host of other subjects of particular interest to retired and older Americans. The program sounded like it would, indeed, be meaningful to some of my older constituents and I agreed to sponsor two interns. The program turned out to be all it promised, and Mr. Wallace and Mrs. Hollingsworth, in their most gracious manners, more than assured me that the experience was one they would always cherish.

Mr. President, while I may have realized from the start that the program would be a welcomed experience for those senior citizens who participated, what I underestimated, quite frankly, was how much the program was going to mean to me personally and as a legislator. During their brief 2-week tenure, I found myself listening and learning each day from the accumulated wisdom, the grassroots knowledge and the substantial insight that Mr. Wallace and Mrs. Hollingsworth brought to their jobs here.

That sharing of ideas, of experience and of knowledge, may be the most exciting part of this program because, if we as legislators act on that sharing of ideas, then the real benefits of this program will ultimately be extended to all citizens, both older and younger.

Mr. President, when Mrs. Hollingsworth and Mr. Wallace talked with me about programs we have for the elderly and for the retired, they talked out of firsthand experience and they related the concerns, the problems, the fears and the dreams that they share with other senior citizens in Alabama and in this country. They had a lot to offer, and I listened carefully because it is clear to me that if we are going to make any strides toward solving the problems that confront our aging citizens today, then our best answers are going to come from that group. They know what the problems are, and they have a lifetime of experience in solving problems.

Mr. President, this program is an excellent example of a rediscovery that our society is currently making. For the last few years, we have begun to realize that we are losing out on one of the best resources we have—our older citizens. Many generations ago, our older citizens commanded the respect that they rightfully deserved from the younger members of society who realized the wealth of wisdom and the benefits of experience that the elders had to offer.

Somewhere along the way, Americans seemed to forget about that particular value, and our retired citizens were put out to pasture while the rest of society went about the pursuit of their own goals, too busy to take time to listen and to profit from their ideas. I think that attitude is changing, perhaps slowly, but it is changing, and I think that programs such as this will help to reestablish our older citizens in the place of honor that they have earned. When our rediscovery is complete, and we actively seek out the perspectives of our older citizens and learn from their advice, Mr. President, we are all going to be the benefactors.

THE EXPORT ADMINISTRATION ACT

Mr. STEWART. Mr. President, later this week, the Senate will begin deliberations on S. 737, the Export Administration Act.

Some of the debate will focus on section 7 of the bill, which establishes a procedure in the Commerce Department allowing an industry to petition for the imposition of monitoring or export controls.

In order to clarify some of the issues surrounding the imposition of controls, I am submitting for the Record a report, prepared by the Office of Technology Assessment, that discusses scrap-based electric furnace steelmaking and the vital role this industry can play in America's economic future.

In a time of increasing concern about energy consumption, it is especially important for us to recognize the role that scrap-based steel mills can play. These mills are more energy efficient than many other methods of steel production, and it would be to our advantage to expand their use in the future.

I urge my colleagues to give careful consideration to this report as it provides an objective look at the case that can be made for protecting scrap steelmaking.

Mr. President, I ask unanimous consent to have the memorandum printed in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

Office of Technology Assessment,
Washington, D.C., June 13, 1979.

Memorandum to Senator Donald Stewart.
From Henry Kelly, Joel Hirschhorn, Office of Technology Assessment.

In a recent conversation with Joel Hirschhorn you indicated that a review of arguments for a U.S. policy designed to encourage the development of scrap-based electric furnace steelmaking would provide a useful perspective on the debate on this issue now under way in connection with the proposed revision of the Export Administration Act. Since electric furnaces now are almost entirely dependent on scrap, the future of the electric furnace industry is very sensitive to U.S. policies on scrap export. While we are not in a position to provide a comprehensive examination of the subject at this preliminary stage in our analysis, we can at least outline some of the themes we have identified which seem particularly germaine to the decisions now being faced.

The industry which has grown up around the conversion of scrap iron to finished steel offers the U.S. a number of attractive opportunities. The approach can offer energy savings, it presents opportunities for tightening environmental regulations without curtailing employment in the steel industry, it allows an additional margin of safety in the event of a shortage of steel manufacturing capacity (which many analysts have forecast for the early 1980's), it can provide a graceful transition to many kinds of new steelmaking technologies, and it encourages small enterprise and competition since the scrap conversion facilities can be profitable in small sizes. A broader analysis of the objectives of U.S. import/export policy and U.S. foreign policy generally may yield convincing arguments which outweigh any benefits derived from protecting U.S. scrap markets. We make no attempt to provide this perspective on the issue. The discussion will be designed only to illustrate the case which can be made for protecting scrap steelmaking, a case which may not be well made from conventional sources of information on the subject.

A. BACKGROUND

Approximately 85% of the steel produced in the U.S. is manufactured in large plants designed to convert a mixture of iron ore and scrap iron into steel using blast furnaces and a "basic oxygen process" or an equivalent. About 30% of the iron input to the process is scrap under current operating practices. New integrated plants of this kind can cost as much as $4 billion and may require 3–5 years to build. There are, at present, no facilities of this kind under construction in the U.S.

A number of small firms have for many years used electric furnaces to convert scrap iron into finished steel products. These firms have been able to compete so favorably with the larger steel facilities in recent years that the large steel industries have begun to invest heavily in electric furnaces. The small steel plants based on electric furnaces allow high labor productivities, high energy efficiency and low capital costs. A new electric furnace-based plant may cost $250 per ton of annual steelmaking capacity, compared with $1,400 per annual ton for an integrated blast furnace/BOF facility. Increasing the capacity of existing electric furnace plants may cost $100/ton while increasing blast furnace/BOF capacity may cost $500/ton.

Electric furnaces will also be compatible with a number of novel steelmaking technologies capable of producing a product called "reduced iron" which can be substituted for or used in conjunction with scrap iron. The technology of producing reduced iron from natural gas is well understood and a number of iron reduction facilities are now in commercial operation in the U.S. and abroad. Equipment is also being developed for reducing iron using only coal as an energy source. Experimental devices in the U.S. and commercial plants abroad are now in operation and the recent increase in the cost of scrap may well make these systems economically attractive in the very near future. Development of a commercial steelmaking process which required no energy source other than our plentiful domestic resources of steam coal would clearly be a great boon to the U.S. industry.

These direct reduction plants offer a substantial decrease in capital costs as compared to the blast furnace/BOF route to produce virgin iron. Use of reduced iron eliminates the problem of accumulating impurities in steel made from scrap and would allow small, electric furnace-based plants to expand their product range. Domestic electric furnace-based operations already are beginning to import reduced iron to lessen their dependence on scrap.

B. ENERGY

Estimates for the energy saved by using scrap range from 86% to 50% for manufacturing steel from scrap in an electric furnace as compared to the same amount of steel starting from iron ore and using a blast furnace and BOF process. (As a result, we may be exporting more than 3 barrels of oil equivalent with each ton of exported scrap. For the 1978 level of 9 million tons of scrap exported that means the equivalent of 27 million barrels of oil.) In a period when energy prices are rising rapidly, scrap metal may prove to be a valuable energy reserve. The decentralization of steelmaking associated with the smaller electric furnace-based plants also leads to lower transportation costs and energy usage as well as reduced vulnerability to factors impeding steel product transport.

C. ENVIRONMENT

Manufacturing steel from electric furnaces produces virtually no pollution at the manufacturing site (mostly due to the elimination of coking facilities.) The primary environmental impact results from the sites where the electricity is generated. Electric utilities have faced environmental regulations for a number of years and a number of technologies have been developed for controlling emissions from large power plants. It has proved difficult to develop equipment capable of achieving acceptable emission controls in standard steelmaking facilities at an acceptable cost. This is particularly true for the older plants. Maintaining an option to shift production to scrap iron reprocessing would increase options for sustaining American steelmaking capacity and for meeting environmental standards in steelmaking regions without undue labor dislocations.

D. INSURANCE AGAINST A SHORTAGE OF STEELMAKING CAPACITY

Since small electric furnace manufacturing facilities can be constructed relatively rapidly, and at modest costs, they can significantly increase planning flexibility in periods when future demand is uncertain. Many analysts have forecast a serious worldwide shortage of steelmaking capacity during the early 1980s. The shortage could be exaggerated in the U.S. since the U.S. now imports about 20% of its steel and would be vulnerable to a significant world-wide shortage of export capacity and to sharp increases in the price of imports. Since no large integrated facilities are now under construction in the U.S., and large U.S. steel companies are not investing heavily in modernization or expansion, the only real option now available for a rapid expansion of capacity during the early 1980s will be construction of new scrap processing plants. Exercising this option, of course, would require a continuing supply of scrap at a reasonable price. The current reduction of steel in automobiles aggravates the scrap supply problem. There may be up to a 50% reduction in the weight of steel used in automobiles, and the use of alloy steels in the presence of more non-metallic materials will make recyling more difficult and costly. If the shortages of capacity were prolonged, a stockpile of scrap may be extremely valuable. The smaller scale and relatively small capital costs of electric furnaces minimize the risks of constructing facilities which may be underutilized in the future. Both effects provide security against planning failures.

E. COMPATIBILITY WITH NEW TECHNOLOGIES

Since the scrap processing industry may provide an attractive component of a future steel manufacturing process involving direct reduction plants based on the use of coal directly, coal gasification or nuclear energy, and which present no substantial environmental problems, we have an incentive to insure that industries built around this approach survive and continue to develop and expand. Many of the companies using electric furnaces are among the most innovative firms in the steel industry and are the most likely to encourage and adopt novel technologies which may help to control costs, reduce dependence on foreign energy supplies, and minimize the environmental effects of steelmaking. Other new technologies may also enable the smaller steel plants based on electric furnaces to greatly expand the range and complexity of their steel products. This would allow them to make products now only made by large steel companies.

F. ENCOURAGE SMALL INDUSTRY

Most of the companies now using electric furnaces are relatively small by steelmaking standards and could easily be forced to close if scrap prices increase beyond current levels. These companies provide a rich source of new ideas and development concepts and also provide healthy competition for the major firms which now dominate the industry. In some cases these companies represent the diversification efforts of successful non-steel industries since, unlike big steel companies, they have been achieving high rates of profitability. Loss of these industries would be a serious blow to competition in the steel industry.

Controlling the exports of scrap may not have a dramatic effect on scrap prices. It could, however, relieve at least some of the pressures which have forced prices up so dramatically in recent months. Most foreign steel industries have recognized the advantages of scrap (indeed scrap is much more valuable in nations like Japan where energy prices are a critical factor in the future viability of their steel industry), and have curtailed or forbidden the export of scrap. Many nations have chosen to build up inventories of scrap (perhaps in anticipation of a future shortage of capacity), primarily by reducing U.S. scrap inventories.

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 9:24 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution.

H.J. Res. 353. A joint resolution congratulating the men and women of the Apollo program upon the 10th anniversary of the first manned landing on the Moon and requesting the President to proclaim the period of July 16 through 24, 1979, as "United States Space Observance."

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 11:16 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4392. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 4537. An act to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes.

At 12:12 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 3951. An act to amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital region, to provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, to authorize a Federal contribution to such authority to provide assistance in meeting expenses of operation and maintenance of such system in order to reflect the special Federal relationship to such system, and for other purposes; and

H.J. Res. 373. A joint resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 53. A concurrent resolution to endorse the efforts of the United States delegation to the Law of the Sea Conference with respect to marine scientific research; and

H. Con. Res. 159. A concurrent resolution welcoming the first directly elected Parliament of the European Community into the family of freely elected representative bodies.

At 4:24 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 4289, an Act making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 8, 39, 46, 59, 72, 75, 76 through 81, inclusive, 83 through 87, inclusive, 88, 89, 93, 95, 96, 99, 102, 112, 114, 117, 120, 140 through 146, inclusive, 147, 148, and 181 to the bill, and concurs therein; that the House recedes from its disagreement to the amendments of the Senate numbered 1, 7, 9, 50, 56, 58, 94, 103, 129, 180, and 182, and concurs therein each with an amendment; and that the House insists on its disagreement to the amendment of the Senate numbered 82 to the bill.

The message also announced that the House has passed the following bills, in which it requests the concurence of the Senate:

H.R. 2282. An act to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans;

H.R. 3641. An act to extend for three fiscal years the expiring health information programs under title XVII of the Public Health Service Act; to amend that act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases, and to establish the National Digestive Diesases Advisory Board; and for other purposes;

H.R. 3661. An act to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712);

H.R. 3956. An act granting the consent of the Congress to Hewson A. Ryan to accept the office and title of Honorary Consul of Honduras; and

H.R. 4393. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1980, and for other purposes.

At 6:56 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House disagrees to the amendment of the Senate to H.R. 3875, an act to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. REUSS, Mr. ASHLEY, Mr. MOORHEAD of Pennsylvania, Mr. ST GERMAIN, Mr. GONZALEZ, Mr. FAUNTROY, Mr. PATTERSON, Mr. AUCOIN, Mr. LUNDINE, Mr. VENTO, Mr. STANTON, Mr. WYLIE, Mr. MCKINNEY, Mr. KELLY, and Mr. EVANS of Delaware were appointed managers of the conference on the part of the House.

The message also announced that the House has passed the bill (S. 210) to establish a Department of Education, with amendments, that the House insists upon its amendments to the bill and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. BROOKS, Mr. FUQUA, Mr. MOORHEAD of Pennsylvania, Mr. FASCELL, Mr. ST GERMAIN, Mr. LEVITAS, Mr. HORTON, Mr. ERLENBORN, and Mr. STANGELAND were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 2154. An act to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials by authorized by law, to establish a national defense stockpile transaction fund, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

HOUSE BILLS, JOINT RESOLUTION, AND CONCURRENT RESOLUTIONS REFERRED

The following bills and joint resolution were read twice by their titles and referred as indicated:

H.R. 3641. An act to extend for three fiscal years the expiring health information programs under title XVII of the Public Health Service Act; to amend that act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases, and to establish the National Digestive Diseases Advisory Board; and for other purposes; to the Committee on Labor and Human Resources.

H.R. 3951. An act to amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital region, to provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, to authorize a Federal contribution to such authority to provide assistance in meeting expenses of operation and maintenance of such system in order to reflect the special Federal relationship to such system, and for other purposes; to the Committee on Governmental Affairs.

H.R. 3956. An act granting the consent of the Congress to Hewson A. Ryan to accept the office and title of Honorary Consul of Honduras; to the Committee on Foreign Relations.

H.R. 4392. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

H.R. 4393. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

H.R. 4537. An act to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes; to the Committee on Finance.

H.J. Res. 373. A joint resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II; to the Committee on Foreign Relations.

The following concurrent resolutions were read by their titles and referred as indicated:

H. Con. Res. 53. A concurrent resolution to endorse the efforts of the U.S. delegation to the Law of the Sea Conference with respect to marine scientific research; to the Committee on Foreign Relations.

H. Con. Res. 159. A concurrent resolution welcoming the first directly elected Parliament of the European Community into the family of freely elected representative bodies; to the Committee on Foreign Relations.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by its title and ordered placed on the calendar:

H.R. 2282. An act to amend title 38, United States Code, to provide a cost-of-living increase in the rates of disability compensation for disabled veterans and in the rates of dependency and indemnity compensation for survivors of disabled veterans.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1788. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain excess naval vessels; to the Committee on Armed Services.

EC-1789. A communication from the Director, Defense Civil Preparedness Agency, reporting, pursuant to law, on property acquisitions of emergency supplies and equipment; to the Committee on Armed Services.

EC-1790. A communication from the Deputy Assistant Secretary of Defense, reporting, pursuant to law, that the Department of the Army intends to exercise the provision for exclusion of the clause concerning examination of records by the Comptroller General; to the Committee on Armed Services.

EC-1791. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a statement with respect to the credit of $124,405,000 available to China Airlines Limited (CAL) to facilitate the purchase in the United States by CAL of two new Boeing 747-200B jet aircraft, related spare engines and parts; to the Committee on Banking, Housing, and Urban Affairs.

EC-1792. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, a report on Fishery Allocations, Permits, and Foreign Import Barriers, July 1, 1979; to the Committee on Commerce, Science, and Transportation.

EC-1793. A communication from the Secretary, Interstate Commerce Commission, reporting, pursuant to law, that the Commission is unable to render a final decision in Docket No. 37021, Annual Volume Rates on Coal-Rawhide Junction, Wyoming to Sergeant Bluff, Iowa, and No. 37029, Iowa Public Service Company v. Burlington Northern, Inc., and Chicago and North Western Transportation Company, within the specified period; to the Committee on Commerce, Science, and Transportation.

EC-1794. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of March 1979 on (1) total itemized revenues and expenses, (2) revenues and expenses of each train operated, and (3) revenues and total expenses attributed to each railroad over which service is provided; to the Committee on Commerce, Science, and Transportation.

EC-1795. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Petroleum Pipeline Rates and Competition—Issues Long Neglected by Federal Regulators and In Need of Attention," July 13, 1979; to the Committee on Commerce, Science, and Transportation.

EC-1796. A communication from the Director, Office of Hearings and Appeals, Department of Energy, transmitting, pursuant to law, a report on private grievances and redress, October 1 through December 31, 1978; to the Committee on Energy and Natural Resources.

EC-1797. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final supplemental Environmental Impact Statement on Lewiston, Idaho-Clarkston, Washington Interstate Bridge project; to the Committee on Environment and Public Works.

EC-1798. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final environmental impact statement and supplemental information on the Water Supply Relocation, City of Conway, Arkansas, project; to the Committee on Environment and Public Works.

EC-1799. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Excessive Truck Weight: An Expensive Burden We Can No Longer Support," July 16, 1979; to the Committee on Environment and Public Works.

EC-1800. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments; to the Committee on Energy and Natural Resources.

EC-1801. A communication from the Chairman, Agricultural Technical Advisory Committee for Trade Negotiations on Oilseeds and Products, transmitting, pursuant to law, a report on the Multilateral Trade Negotiations agreements initiated in Geneva, April 12, 1979; to the Committee on Finance.

EC-1802. A communication from the Executive Secretary, Agricultural Policy Advisory Committee for Trade Negotiations, transmitting, pursuant to law, a report on the Multilateral Trade Negotiations agreements which were initiated in Geneva, Switzerland; to the Committee on Finance.

EC-1803. A communication from the Chairman, National Commission for Employment Policy, transmitting, pursuant to law, a report entitled "Work Time and Employment," October 1978; to the Committee on Labor and Human Resources.

EC-1804. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "Project Match Renewal Report"; to the Committee on Labor and Human Resources.

EC-1805. A communication from the Assistant Secretary for Management and Budget, Department of Health, Education, and Welfare, the department's matching programs report; to the Committee on Labor and Human Resources.

EC-1806. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report on computer matching programs conducted by the Veterans Administration which are subject to the provisions of the OMB Guidelines for the Conduct of Computer Matching Programs, dated March 30, 1979; to the Committee on Veterans' Affairs.

EC-1807. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the mid-session review of the 1980 Budget; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-379. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Environment and Public Works:

"House Joint Resolution No. 1633

"Whereas, Water is and will be Colorado's most important natural resource, both now and for future generations; and

"Whereas, It is imperative that Colorado retain the lawful use of its water for use in the future growth and development of the state; and

"Whereas, The Colorado River Compact provides for the equitable division and apportionment of the use of the waters of the Colorado River System and guarantees an allocated flow from the Colorado River System to the upper basin states; and

"Whereas, On November 22, 1978, the Denver Board of Water Commissioners adopted a resolution supporting all in-state Colorado River water users in the development and use of the water resources of the Colorado River Basin for the betterment of the State of Colorado as a whole; and

"Whereas, Agricultural, industrial, and municipal users of water face the same problem and the same competitor in preserving Colorado water for Colorado use; and

"Whereas, The Coalition for Responsible Management of the Colorado River Basin has unreasonably, arrogantly, and brashly called for a halt to any water project development in the Colorado River Basin and has demanded the upper basin state's water be allowed to flow into California for use by that state, all in contravention of the Colorado River Compact; and

"Whereas, Such demands threaten the continued economic stability and growth potential of water users in Colorado as well as other upper basin states; now, therefore,

"Be It Resolved by the House of Representatives of the Fifty-second General Assembly of the State of Colorado, the Senate concurring herein:

"That this General Assembly hereby chastises the Coalition for Responsible Management of the Colorado River Basin for their irresponsible attempts to misdirect Colorado water from Colorado users and urges Governor Lamm and the members of the Colorado Congressional delegation to use their influence and offices to bring the fact of such self-directed behavior to the attention of the federal administration and other western state and upper basin water users.

"Be It Further Resolved, That copies of this Resolution be transmitted to the President of the United States, to the Secretary of the Interior, to Governor Lamm, and to each Member of Congress from the States of Colorado, Utah, and Wyoming."

POM-380. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to order of August 4, 1977:

"Senate Concurrent Resolution No. 112

"Whereas, the Louisiana Legislature has twice passed a resolution calling for the adoption of constitutional amendment to require a federal balanced budget; and

"Whereas, the United States Congress has finally heard the people speak and is planning a budget for the fiscal year 1979–1980 which will reduce the size of the federal deficit, and a budget which will produce a surplus for the fiscal year 1980–1981, provided that Congress acts to reduce or eliminate several insufficient, nonessential federal programs: and

"Whereas, a balanced budget will benefit the economy of the United States by decreasing inflationary pressures caused by excessive deficit spending, which in turn will help states balance their own budgets; and

"Whereas, Congress is considering a reduction in expenditures for federal revenue sharing program in order to balance the budget; and

"Whereas, revenue sharing is one of the few, efficient, federal programs which is not over regulated by rule, regulation and other restrictions; and

"Whereas, Congress should closely review and curtail its expenditures for foreign aid and foreign development prior to cutting expenditures for programs at home, such as revenue sharing; and

"Whereas, before it cuts federal revenue sharing, Congress should review and curtail federal categorical grant expenditures which require costly matching funds and which require compliance with myriads of federal rules and regulations; and

"Whereas, the states have a closer awareness, knowledge and experience of local problems, and can more rapidly and efficiently respond to the problems of the day with revenue sharing funds, rather than with cumbersome categorical grants; and

"Whereas, it is praiseworthy and necessary that Congress present a balanced federal budget to the nation within two years, even though it may cause the curtailment of some popular yet inefficient and ineffective domestic and international programs.

"Whereas, several states have already adopted budgets for the fiscal year 1980 which are based on the maintenance of current levels of federal revenue sharing expenditures.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives concurring herein, that the Congress of the United States encouraged and urged to continue its effort to achieve a balanced budget within two years; and

"Be it further resolved, that the Congress is urged to curtail expenditures for categorical grants and foreign aid programs prior to cutting back on federal revenue sharing funds; and

"Be it further resolved that copies of this Resolution be transmitted to the presiding officers of the United States Senate and the House of Representatives and to members of the Louisiana Congressional delegation."

POM-381. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"Senate Concurrent Resolution No. 15

"Whereas, the federal tax laws have provided for tax deductions or credits for both individuals and corporations which make certain types of investments, including tax free municipal bonds; and

"Whereas, the federal tax laws have provided tax deductions for individuals who earn dividends on stocks and bonds; and

"Whereas, the vast majority of individual taxpayers are not in a financial position to invest in those types of investments favored by the federal tax laws; and

"Whereas, the vast majority of individual taxpayers keep their savings in regular passbook savings accounts; and

"Whereas, there is an inequity in the federal tax laws which penalizes the vast majority of individual taxpayers who maintain regular passbook savings accounts.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the Legislature of Louisiana does hereby memorialize, urge and request the Congress of the United States to enact legislation which will grant a tax deduction or credit for the first one thousand dollars of interest earned by an individual taxpayer on a regular passbook savings account.

"Be it further resolved that the secretary of the Senate, upon adoption of this Resolution, shall without delay send a copy thereof to each member of the Louisiana congressional delegation and to the presiding officers of the respective houses of Congress."

POM-382. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"Senate Concurrent Resolution No. 12

"Whereas, all hunters, sportsmen, ecologists, and conservationists in Louisiana are united in their desire to insure the maximum population of waterfowl; and

"Whereas, there is evidence that lead shot which sinks to the bottom of areas where waterfowl are taken is ingested by ducks which feed off the bottom of lakes and marshes and causes lead poisoning in such ducks; and

"Whereas, in an effort to reduce the loss of ducks to this type of lead poisoning, the United States Fish and Wildlife Service has proposed that steel shot be required in certain areas in Louisiana during the 1979–1980 waterfowl season; and

"Whereas, the proposed regulations may not be the best method by which to insure the maximum waterfowl population, because they are not based on adequate information concerning the areas in which ingested lead shot most often occurs, because the available steel shot shells are ballistically inferior to lead shot shells and result in excessive crippled ducks, and because steel shot shells are not available in all gauges or in all areas and the requirement thus is easily circumvented; and

"Whereas, for these reasons the Louisiana Wildlife and Fisheries Commission is on record as opposing the imposition of the proposed steel shot requirement anywhere in Louisiana during the 1979–1980 waterfowl hunting season.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the United States Congress is hereby memorialized to take such measures as are necessary to prohibit adoption of any requirement that steel shot be used anywhere in Louisiana during the 1979–1980 waterfowl hunting season, and to insure that steel shot not be required in Louisiana until a ballistically efficient steel shot shell is available in all gauges and is required in all states.

"Be it further resolved that a copy of this Resolution shall be transmitted to the presiding officer of each house of the United States Congress, to the United States Fish and Wildlife Service, and to each member of the Louisiana Delegation in the United States Congress."

POM–383. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION No. 105

"Whereas, under present supreme court rulings a federal rule or regulation adopted by an administrative body or federal official can have the effect of repealing, nullifying or preempting a state statute or constitutional provision; and

"Whereas, the federal bureaucracy hastily decrees rules and regulations which entangle business enterprise, restrain free competition, inflate the costs of goods and cause confusion in all fields of endeavor; and

"Whereas, the spread of federal rule by regulation has serious, dire implications for the continuance of a truly federal system of laws where states are free to exercise their sovereign powers; and

"Whereas, it is imperative that the states of this nation unite to preserve and protect the responsibilities, powers and duties of states, which are the bastions of democracy, from the entangling, restricting, ever growing web of federal rules and regulations.

"Therefore, be it resolved by the Senate of the Legislature of Louisiana, the House of Representatives thereof concurring, that the Legislature of Louisiana does hereby make formal application to the Congress of the United States of America pursuant to Article V of the Constitution of the United States of America to call a constitutional convention for the sole purpose of proposing an amendment to the Constitution of the United States to read as follows:

"Article . Federal rules and regulations.

"Unless adopted as law by the Congress, federal rules and regulations adopted by an administrative body or an official in the executive branch of the government of the United States shall not be the supreme law of the land and shall not be superior in effect to any state laws or state constitutional provisions."

"Be it further resolved that a copy of this Resolution be transmitted to the presiding officers of the Senate and the House of Representatives of the United States Congress, to the members of the congressional delegation from the state of Louisiana and to the presiding officers of each house of the various state legislatures."

POM–384. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"SENATE JOINT RESOLUTION No. 13

"Whereas, The State of California, as well as the federal government, has repeatedly gone on record in support of human rights around the world; and

"Whereas, The countries of the USSR and the People's Republic of China continue the outrageous denials of human rights to millions of human beings throughout the world; and

"Whereas, A major study by the United States Senate Internal Security Subcommittee documents facts showing that by the year 1971 the total lives attributed to Russian atrocities was 45 million and the total lives attributed to communist Chinese atrocities was 63 million, which figures include the 10 million kulaks (1932–37 and 1954–57) and four million lives lost in Operation Keelhaul (1943–47); and

"Whereas, The atrocities since 1971 against the peoples of Tibet (1958–60), the Baltic States (1938–53), and Cambodia (1975–76) also total millions more; and

"Whereas, In recent years, the lives lost in Viet Nam (1975 to present) and Cambodia, including the refugees known as "The Boat People," are believed to total approximately three million; and

"Whereas, The government of the United States has documented facts that show conclusively that more than one thousand slave labor camps still exist within the USSR, confining an estimated two million human beings; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature respectfully requests that the United States Ambassador to the United Nations communicate the contents of this resolution on behalf of the people of California to the members of the United Nations; and be it further

"*Resolved,* That the Legislature respectfully memorializes the President and Congress of the United States to mobilize public opinion and bring pressure to bear upon the countries of the USSR and the People's Republic of China by way of the United Nations or other suitable forum to stop the atrocities and denials of human rights to all peoples throughout the world; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–385. A memorial adopted by the Legislature of the State of Oregon; to the Committee on Foreign Relations:

"SENATE MEMORIAL 2

"Whereas some neighboring states of Oregon appear to have forsaken Taiwan because of the change in relations between the United States and the People's Republic of China; and

"Whereas the State of Oregon has, over a period of years, enjoyed and wishes to continue to enjoy close ties with Taiwan; and

"Whereas as a result of normalization of relations with the People's Republic of China the consular office of the Republic of China in Portland, Oregon, was closed on February 28, 1979; and

"Whereas the closure of the Portland consulate was a setback for the existing and growing business, tourist and cultural relations between the people of the State of Oregon and the people of Taiwan; and

"Whereas Taiwan has ranked among the top five of Oregon's trading partners; and

"Whereas the Carter administration called for limitation on the number of offices of the Coordination Council for North American Affairs; and

"Whereas Portland was one of the five former consulate locations eliminated, thus gravely jeopardizing all future business, tourist and cultural relations between the people of Oregon and the people of Taiwan; now, therefore,

"Be it resolved by the Senate of the State of Oregon:

"That all avenues be explored toward maintaining in full force and effect the numerous existing treaties and other agreements, and toward further developing our cultural and economic and trade relations with Taiwan.

"That the President of the United States, the Secretary of State and the Congressional Delegation of the State of Oregon exert all possible influence on the Coordination Council for North American Affairs to achieve location of an office in Portland, Oregon, thus equitably restoring to Oregon its former position in regard to relationships with the people of Taiwan; and be it further

"Resolved, That a copy of this memorial be immediately transmitted to the President of the United States, President Ching Ching-kuo of the Republic of China, the Secretary of State of the United States, the proper officials of the Republic of China, and to each member of the Oregon Congressional Delegation, the Portland City Council, the Port of Portland and the Portland Chamber of Commerce."

POM–386. A joint memorial adopted by the Legislature of the State of Oregon; to the Committee on Foreign Relations:

"SENATE JOINT MEMORIAL 5

"Whereas the statute of limitations of the Federal Republic of Germany relating to Nazi war criminals is scheduled to expire on December 31, 1979; and

"Whereas if the statute of limitations does expire, thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice; and

"Whereas it is a reprehensible policy that would assume that the moral obligation for the mass murder of over 11 million innocent victims of the 'Holocaust' can be eliminated by the passage of time; and

"Whereas an international campaign to convince the Federal Republic of Germany to eliminate the current statute of limitations was initiated by a broad base of concerned organizations and individuals; now, therefore,

"Be it resolved by the Legislative Assembly of the State of Oregon:

"(1) The Government of the United States of America is memorialized to urge the Federal Republic of Germany and the legislators of that nation to abolish the statute of limitations relating to Nazi war crimes.

"(2) The President and Secretary of State of the United States of America are memorialized to communicate the contents of this memorial on behalf of the people of Oregon to the following officials of the Federal Republic of Germany: The President, the Chancellor, the Ambassador to the United States of America, the Chief Justice of the Supreme Court, and the national legislators.

"(3) A copy of this memorial shall be transmitted to the President of the United States, to the Secretary of State, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to the Chairman of the Senate Foreign Relations Committee, to each member of the Oregon Congressional Delegation, and to the Honorary Consul of the Federal Republic of Germany in Portland, Oregon."

POM-387. A resolution adopted by the Legislature of the State of Pennsylvania; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION No. 74

"Whereas, The General Assembly has declared that it is the policy of the Commonwealth of Pennsylvania that all public officers and agencies should, at all times, aid and promote the development of the steel industry of the United States in order to stimulate and improve the economic wellbeing of the Commonwealth and its citizens; and

"Whereas, Such declaration has been expressed as a statutory mandate in the act of March 3, 1978 (P.L. 6, No. 3), known as the "Steel Products Procurement Act;" and

"Whereas, Purchasing by certain Commonwealth and local agencies which operate programs sponsored or funded in whole or in part by the Federal Government, is subject to control by Federal LAWS AND regulations which in many instances require purchase from the lowest bidder regardless of the origin of the products purchased; and

"Whereas, These regulations may have the effect of requiring a state or local agency to violate the "Steel Products Procurement Act;" therefore be it

"Resolved, That the House Representatives of the Commonwealth of Pennsylvania hereby memorializes the President of the United States, his cabinet officers, AND THE CONGRESS to modify existing Federal LAWS AND regulations so as to allow state and local agencies to conform to the Commonwealth law; and be it further

"Resolved, That copies of this resolution be immediately transmitted to the President of the United States, the Presiding Officers of the United States Congress and to each Senator and Representative from Pennsylvania and to all of his cabinet officers."

POM-388. A resolution adopted by the Legislature of the State of Pennsylvania; to the Committee on the Judiciary:

"HOUSE RESOLUTION No. 68

"Whereas, It is now well established that birds of prey are vital ecological components of the wildlife communities and ecosystems in which they live; and

"Whereas, One million or more bird watchers, nature photographers and other outdoor enthusiasts watch hawks and other birds of prey and while much of this activity is recreational in nature, a great deal of serious scientific research also is being conducted on hawk migration and other aspects of birds of prey; and

"Whereas, Pennsylvania is a national center of such activity which has resulted in a number of levels of Pennsylvania government designating various sections of the Commonwealth as migration areas: therefore be it

"Resolved, That the General Assembly of the Commonwealth of Pennsylvania in order to focus additional public attention on birds of prey and the need for their conservation, memorialize the Congress of the United States to pass an act establishing a 'National Hawk Watching Week' during the first full week of each October; and be it further

"Resolved, that the General Assembly of the Commonwealth of Pennsylvaia urges the Governor of the Commonwealth of Pennsylvania to proclaim 'Pennsylvania Hawk Watching Week' during the first full week of October; and be it further

"Resolved, That copies of this resolution be delivered to the presiding officers of the United States Congress, to each Senator and Representative from Pennsylvania and to the Governor of the Commonwealth of Pennsylvania."

POM-389. A resolution adopted by the Legislature of the Marshall Islands Nitijela; to the Committee on Energy and Natural Resources:

"RESOLUTION No. 25

"Whereas, the government of the United States, for its own security and military power embarked on a series of nuclear tests in 1946 at Bikini Atoll; and

"Whereas, the government of the United States, deceptively intimidated and induced the people residing at Bikini Atoll to leave their homes with the assurance that they would be able to return to their atoll after the tests were completed; conveniently not mentioning that the tests would be undertaken over a period of many years, and without mentioning the probable long-term and practicably permanent toxic effects that would endanger the health and lives of the residents who were to have returned to their home atoll; and

"Whereas, since that time, Bikinians were permitted to return to Bikini Atoll, and as a direct result of the negligence of the government of the United States, some of those who returned to Bikini have been unnecessarily and cruelly exposed to excessive amounts of radiation which are the residual effects of the nuclear tests of 1946–1958; and

"Whereas, the government of the United States, in a belated and inadequate effort to prevent further radiation exposure to the Bikini residents has removed them from their home atoll and scattered them throughout the Marshall Islands, displaying little sensitivity for the deep cultural and familial ties that exist between Marshallese and their little coral atolls, they call "home"; and

"Whereas, the residents of Bikini are now, and have been for the past 30 years the only displaced refugees in the world to have become so, not as a consequence of the violence of war, but rather by the arrogant pursuit of military technology and power by the government of the United States in pursuit of a desire for a nuclear weapons superiority in its struggle with other major powers of the world; and

"Whereas, while the government of the United States quietly beats its breast in symbolic regret, it disregards the needs of the Bikinians for a stable and safe place where they can live and call "home", apparently insensitive to and oblivious of its liability to the people of Bikini on a more practical and material basis; now therefore,

"It is resolved that the government of the United States be and hereby is placed on notice that the people of the Marshall Islands, and particularly the people of Bikini, regard the government of the United States of America as liable, pursuant to moral law, pursuant to the Trusteeship Agreement, and pursuant to common law principles, for the health, sustenance and welfare of the people of Bikini, and for the destruction of their home land; and therefore, urgently make demand on the government of the United States to reconcile its liabilities with the people of Bikini, promptly and fully, in a humanitarian and just manner; and

"It is further resolved that certified copies of this Resolution be sent to the President of the United States; the President of the Senate of the United States, for the U.S. Senate; the Speaker of the House of Representatives of the United States, for the U.S. House of Representatives; the Trusteeship Council of the United Nations; and the Magistrate of the Kili-Bikini Municipal Council."

POM-390. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Labor and Human Resources:

"RESOLUTION No. 117

"Whereas, the declared policy of the Economic Opportunity Act of 1964 is to eliminate the paradox of poverty in the midst of plenty by opening to everyone the opportunity for education and training, the opportunity to work and the opportunity to live in decency and dignity; and

"Whereas, the Federation of Guamanian Associations in California along with the Hawaiian and Samoan communities have formed an association entitled the Native American Pacific Islanders for the specific purpose of addressing the needs and problems of Guamanians, Hawaiians and Samoans residing in the continental United States; and

"Whereas, the Native American Pacific Islander Association has found that the Economic Opportunity Act of 1964 has no provision for rendering financial assistance to public and nonprofit private agencies dealing exclusively with the Guamanian, Hawaiian and Samoan communities in the continental United States in carrying out projects pertaining to the purposes of the Economic Opportunity Act; and

"Whereas, other Pacific communities in the United States mainland such as Chinese, Japanese, Filipinos and Koreans are entitled to federal assistance in assisting the membership of their respective communities become assimilated into the economic mainstream of the United States; and

"Whereas, Native American Pacific Islander estimates that the total Guamanian population in California alone totals 50,000 and that there are approximately 189,000 Samoans and 250,000 Hawaiians residing in California as well; and

"Whereas, Native American Pacific Islander desires and deems it a necessity that its membership be given equal parity with other Asian communities residing in the continental United States under the provisions of the Economic Opportunity Act of 1964 so that its respective communities can also obtain federal financial assistance to facilitate a viable integration of Guamanians, Hawaiians and Samoans into the economic mainstream of America; and

"Whereas, the Fifteenth Guam Legislature supports the Native American Pacific Islander's quest to have the coverage of the Economic Opportunity Act be specifically extended to the Guamanian, Hawaiian and Samoan communities residing in the continental United States; and

"Whereas, the Fifteenth Guam Legislature commends the Native American Pacific Islanders Association for its laudable efforts to secure full economic opportunities for the Association's people; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature recognizes the necessity and benefit which will accrue to the membership communities represented in the Native American Pacific Islander Association if the provisions of the Economic Opportunity Act of 1964 are specifically extended to them; and be it further

"Resolved, that the Fifteenth Guam Legislature calls upon the Congress of the United States of America to enact into law the necessary legislation to extend the coverage of the Economic Opportunity Act specifically to the membership communities of the Native American Pacific Islander Association; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Speaker, House of Representatives; to the Vice President of the United States; to the President Pro Tempore of the Senate; to the President of the United States; to Representative Philip Burton; to Representative Norman Mineta; to Representative A. B. Won Pat; to Chairman, U.S. Civil Rights Commission; to the President, Federation of Guamanian Associations of America; to the President, Native American Pacific Islanders; and to the Governor of Guam."

POM-391. A resolution adopted by the Legislature of the Commonwealth of Guam; to the Committee on Armed Services:

"Resolution No. 38

"Whereas, there presently exists no statutory authority for the establishment of a National Guard for Guam and passage of enabling legislation by the Congress of the United States of America assembled is needed; and

"Whereas, the National Guard is an organization composed of local citizen-volunteers trained as soldiers. National Defense Acts of 1920 and 1933 extended federal control giving guardsmen a dual status under both state or territory and federal governments; and

"Whereas, National Guard equipment is furnished by the Federal Government; and

"Whereas, National Guardsmen are part-time soldiers who ordinarily work at regular civilian jobs. They are able bodied volunteers between 17½ and 35 years of age who pass the physical and mental examinations; and

"Whereas, the National Guardsman takes an oath of allegiance to both his state or territory and his nation and he may be called up by either the President or the Governor. He must protect citizens during both national and local emergencies; and

"Whereas, the Governor may call upon the National Guard to help local police assist and control disasters such as: earthquakes, floods, typhoons, tornadoes, fires and also riots or other disturbances. These emergencies often require mobilization of National Guard units. Duties of guardsmen include rescuing people; transporting the wounded to medical aid stations; protecting stores from looters and other emergencies. Military equipment may well serve lifesaving purposes; and

"Whereas, a new guardsman learns how to be a soldier through 6 months basic training. Then he goes back to civilian life. Each week, he normally spends two hours "drill" (equivalent to one day in training). The Federal Government pays him for his day's work at regular Army rates. He also spends 15 days in training camp each summer for which he is paid. His pay is the same as the regular Army soldier of the same rank. The grades or ranks are identical with those of the Army; and

"Whereas, the National Guard units were established in Puerto Rico and Hawaii many years ago while they were in the 'Territory' status and the Virgin Islands most recently; and

"Whereas, in the past, the National Guard Bureau has not supported the organization of the National Guard for Guam because of great travel distance from Washington, D.C. to the territory of Guam, but ironically, the Virgin Islands also of great distance, was authorized by Federal statute to establish National Guard; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature, on behalf of the people of the territory of Guam, hereby respectfully requests the Congress of the United States House of Representatives and Senate assembled, to support and introduce legislation amending Title 32 of the United States Code as follows: 'The second sentence of Section 101(1) of Title 32, United States Code, is amended by inserting "Guam and" before "the Virgin Islands"; and be it further

"Resolved, that special acknowledgement and appreciation be given to United States Senator Daniel K. Inouye for his efforts in introducing similar legislation in the 95th Congress, First Session; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States of America; to the President Pro Tempore of the United States Senate; to the Speaker of the House of Representatives; to the Chairmen and members of the House and Senate Committees on Armed Services; to Senator Daniel K. Inouye; to Colonel Herbert R. Temple, Jr., National Guard Bureau; to Major General Francis S. Greenlief, National Guard Association of the United States; to Colonel F. P. Jones, USA (Ret.), Director, National Securities and Foreign Affairs; to the National Commander of the Veterans of Foreign Wars of the United States of America; to the Department Commander of Veterans of Foreign Wars, Pacific; to Congressman A. B. Won Pat, Guam's Delegate to the United States Congress; and to the Governor of Guam."

POM—392. A resolution adopted by the Common Council of the city of Syracuse, N.Y., memorializing the U.S. Congress and the New York State Legislature to assist in the problem of detecting and abating lead paint hazards of children; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 4537. A bill to approve and implement the trade agreements negotiated under the Trade Act of 1974, and for other purposes (Rept. No. 96–249).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on the Judiciary:

Patricia M. Wald, of Maryland, to be U.S. circuit judge for the District of Columbia.

Marvin E. Aspen, of Illinois, to be U.S. district judge for the northern district of Illinois.

James B. Moran, of Illinois, to be U.S. district judge for the northern district of Illinois.

Lawrence K. Karlton, of California, to be U.S. district judge for the eastern district of California.

Warren W. Eginton, of Connecticut, to be U.S. district judge for the district of Connecticut.

Richard P. Conaboy, of Pennsylvania, to be U.S. district judge for the middle district of Pennsylvania.

Sylvia H. Rambo, of Pennsylvania, to be U.S. district judge for the middle district of Pennsylvania.

Susan H. Black, of Florida, to be U.S. district judge for the middle district of Florida.

William J. Castagna, of Florida, to be U.S. district judge for the middle district of Florida.

Orinda D. Evans, of Georgia, to be U.S. district judge for the northern district of Georgia.

Marvin H. Schoob, of Georgia, to be U.S. district judge for the northern district of Georgia.

G. Ernest Tidwell, of Georgia, to be U.S. district judge for the northern district of Georgia.

Robert L. Vining, Jr., of Georgia, to be U.S. district judge for the northern district of Georgia.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself, Mr. Heinz, Mr. Lugar, Mr. Hatch, Mr. Garn, Mrs. Kassebaum, Mr. Armstrong, and Mr. Tower):

S. 1524. A bill to prohibit the enforcement of compliance with voluntary guidelines by withholding Government contracts; to the Committee on Governmental Affairs.

By Mr. BOSCHWITZ:

S. 1525. A bill for the relief of Afsaneh Naimollah; to the Committee on the Judiciary.

S. 1526. A bill for the relief of Xenia Khlevnikov; to the Committee on the Judiciary.

S. 1527. A bill for the relief of John Dimitrios Efstathiou; to the Committee on the Judiciary.

By Mr. LEVIN:

S. 1528. A bill for the relief of Hyong Cha Kim Kay; to the Committee on the Judiciary.

By Mr. CANNON:

S. 1529. A bill for the relief of Keith C. Hayes and Dorothy Smith; to the Committee on Energy and Natural Resources.

By Mr. RIBICOFF (for himself, Mr. Packwood, Mr. Kennedy, Mr. Bentsen, Mr. Moynihan, Mr. Danforth, Mr. Heinz, Mr. Chafee, Mr. Boren, Mr. Bradley, Mr. Durenberger, Mr. Chiles, Mr. Church, Mr. Cohen, Mr. Cranston, Mr. Glenn, Mr. Javits, Mr. Metzenbaum, Mr. Pell, Mr. Riegle, Mr. Stafford, and Mr. Williams):

S. 1530. A bill to change the method of Medicare reimbursement for health maintenance organizations; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1531. A bill to extend for 4 years the existing suspension of duty on crude feathers and down; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. Domenici):

S. 1532. A bill to amend the John F. Kennedy Center Act; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. Heinz, Mr. Lugar, Mr. Hatch, Mr. Garn, Mrs. Kassebaum, Mr. Armstrong, and Mr. Tower):

S. 1524. A bill to prohibit the enforcement of compliance with voluntary guidelines by withholding Government contracts; to the Committee on Governmental Affairs.

CARTER'S WAGE-PRICE GUIDELINES

● Mr. DOLE. Mr. President, today I, along with all Republican members of the Senate Banking Committee, am introducing legislation which would prevent the administration from withholding Government contracts as a means of enforcing compliance with voluntary wage-price guidelines.

It is clear that President Carter's wage and price guidelines have not worked and will not work. The guidelines cannot be administered fairly; they distort economic indicators and they retard economic growth. They, in essence, serve as a floor, rather than a ceiling, for wage and price increases, thereby doing little to hold the line on these increases. But most importantly, in attempting to treat only the symptoms of inflation, high wages and prices, they distract us from the real cause of inflation—the fiscal and monetary policies of the Government. Until we in the Congress realize that Government is the primary cause of inflation, the problem will always be with us.

Faced with the failure of his "voluntary" guidelines, the President has, in effect, made them mandatory by invoking the possibility of contract denials for noncompliance. President Carter and his advisers are trying to punish the victims of inflation, the wage earners and consumers, rather than the perpetrator of high inflation, which is poor economic policy.

The Supreme Court recently let stand a circuit court ruling that the President had the authority to apply these procurement sanctions. Now that the courts have granted the White House the legal authority to withdraw contracts from noncomplying businesses, it apparently intends to proceed to punish several companies. But, to quote the Washington Post, such enforcement "will not work in the atmosphere of hostility and confrontation that the administration generates by punishing some, but only a prominent few, of the violators."

It is unconscionable that the current administration would lay the blame for our economic woes on the average American rather than tackle the tough questions that face our Nation.

It is my hope that by prohibiting the President from withholding Government contracts, Congress can force the President to abandon his wage and price guidelines and begin to demonstrate leadership in finding a lasting solution to our economic problems.

What must be changed is the Government's attitude with respect to inflation. To effect that change, bold, tough decisions must be made and forceful leadership that fully understands our economic dilemma must be provided.

Actions such as balancing the budget, reducing Government spending, and eliminating the regulatory shackles burdening business are needed.

It is my plan to offer this legislation as amendments to the appropriate legislative vehicles in order to hasten the much needed relief for those Americans suffering undue hardship, because of poor policy decisions. I hope that others in the Senate will join with me in this effort ●

By Mr. CANNON:

S. 1529. A bill for the relief of Keith C. Hayes and Dorothy Smith; to the Committee on Energy and Natural Resources.

● Mr. CANNON. Mr. President, I introduce for appropriate reference a private bill for the relief of Keith C. Hayes and Dorothy Smith of Las Vegas, Nev. This measure protects their rights to patent and develop a gravel pit on which a patent was denied because notice requirements were not met. However, equitable considerations exist which make the relief provided by the bill most appropriate.●

By Mr. RIBICOFF (for himself, Mr. PACKWOOD, Mr. KENNEDY, Mr. BENTSEN, Mr. MOYNIHAN, Mr. DANFORTH, Mr. HEINZ, Mr. CHAFEE, Mr. BORDEN, Mr. BRADLEY, Mr. DURENBERGER, Mr. CHILES, Mr. CHURCH, Mr. COHEN, Mr. CRANSTON, Mr. GLENN, Mr. JAVITS, Mr. METZENBAUM, Mr. PELL, Mr. RIEGLE, Mr. STAFFORD, and Mr. WILLIAMS):

S. 1530. A bill to change the method of medicare reimbursement for health maintenance organizations; to the Committee on Finance.

HEALTH MAINTENANCE ORGANIZATIONS MEDICARE REIMBURSEMENT AMENDMENTS OF 1979

● Mr. RIBICOFF. Mr. President, I am introducing today the "Health Maintenance Organizations Medicare Reimbursement Amendments of 1979." This legislation was drafted by the Carter administration. The prime cosponsor of this legislation is my distinguished colleague on the Senate Finance Committee, Senator PACKWOOD. I am pleased that I am also joined in the sponsorship of this legislation by Senators KENNEDY, BENTSEN, MOYNIHAN, DANFORTH, HEINZ, CHAFEE, BOREN, BRADLEY, DURENBERGER, CHILES, CHURCH, COHEN, CRANSTON, GLENN, JAVITS, METZENBAUM, PELL, RIEGLE, STAFFORD, and WILLIAMS.

Under the legislation I am introducing today, older Americans will have the option of getting their health care services through a certified health maintenance organization (HMO). Medicare would be authorized to pay HMO's on a realistic prospective basis. Our elderly citizens who choose to join an HMO will have the advantage of receiving comprehensive quality health care at a single location. They will not have to worry about the cost of a catastrophic illness and medicare paperwork would be virtually eliminated. In addition, medicare beneficiaries would share in the savings generated by an efficient HMO through expanded benefits and reduced costsharing.

Our health care costs have been escalating dramatically over the past decade. The evidence is clear that medicare and medicaid, while providing important health care benefits for many of our citizens, have contributed to the escalation of health care costs. These programs are based upon fee-for-service reimbursement of physicians and cost based reimbursement for hospitals, both of which are paid retrospectively.

There is inevitably great pressure to institute effective and stringent cost controls before any additional health care benefits, such as any form of national health insurance, are provided as a result of Government action. Traditionally, the cost controls proposed have involved more Government regulation through the use of physician fee schedules, hospital cost ceilings or national budgeting. Now, serious thought also is being given to how we can use competition and traditional market forces to help control health care costs.

HMO's have proven that they have the potential to help in this effort. An HMO is a health care delivery system which utilizes prospective budgeting. An HMO has built-in incentives to control health care costs and unnecessary utilization of health care services, as well as to encourage quality health care.

There are presently extensive efforts by the Federal Government to encourage HMO's—including grants, loans, and technical assistance and training. We require that employers with over 25 employees offer their employees the option of enrolling in an HMO (if one is available in the area). We provide Federal employees with the option of enrolling in an HMO. Yet the major Federal health care program—medicare—does not currently provide an option for older Americans to choose an HMO in a way which allows them to benefit from the efficiencies of this method of organizing health care. The least regulatory and most cost effective way to aid HMO's is to give medicare beneficiaries the option of choosing HMO coverage on a fair and equitable basis.

Providing an attractive HMO option under medicare will provide impetus and assistance to HMO's through greater membership. It will reduce the costs of medicare to the Federal Government over the long run since an HMO would be paid under this legislation less per medicare enrollee than the Government now pays each year for the average medicare recipient. In addition, the competition of HMO's with other health care delivery systems (such as fee-for-service physicians and hospitals) can help moderate overall health care costs. Finally, the medicare beneficiary will benefit from selecting this more cost-efficient form of health care delivery by receiving broader medicare benefits.

Current law does not provide older Americans with the option of choosing to receive their health care from an HMO in a way which allows them to benefit from the efficiencies of this method of organizing health care. While medicare will reimburse on a retrospective fee-for-service basis for services a medicare beneficiary receives from an HMO, this is fundamentally inconsistent with the normal way HMO's operate. In addition, the medicare beneficiary receives none of the normal benefits of belonging to an HMO, such as comprehensive health care services, no cost sharing or expanded benefits. While existing law does permit payment to HMO's on a risk basis, only one HMO has agreed to be compensated on that basis under the restrictions of current law.

Under the new method of reimbursement in the legislation I am introducing today, HMO's would be paid, on a prospective basis, 95 percent of the amount the Secretary estimates would be paid for medicare services furnished by entities other than HMO's. Members of the HMO entitled to medicare would be required to purchase preventive health services as well as medicare services.

The Secretary would also estimate the amount that the HMO would charge its medicare members if medicare were not paying for the coverage. This would be based upon the normal HMO charge to its other members adjusted to compensate for the greater utilization of health care services by the elderly. If that amount were lower than the medicare reimbursement rate, the HMO would have to return the difference to its members entitled to medicare in a specified order of reduced payments and extra services. Priority would be given to paying for preventive health services not now covered by medicare and reducing or eliminating coinsurance or deductibles under parts A and B of medicare.

The new reimbursement method in this legislation would be phased in to protect medicare beneficiaries presently receiving fee-for-service coverage through HMO's and to protect the one HMO currently under a risk contract. The bill would require at least 50 percent of an HMO's membership to consist of individuals who were neither medicare nor medicaid beneficiaries; the Secretary, however, could waive this requirement in circumstances which he found warranted special consideration.

This legislation would require the following additional Federal outlays for the next 5 years: Fiscal year 1980, 0; fiscal year 1981, $5 million; fiscal year 1982, $25 million; fiscal year 1983, $35 million; and fiscal year 1984, $40 million. Although the bill would entail considerable long-term savings for the Federal Government, the expected transfer to a prospective fixed payment basis of medicare HMO members presently enrolled on a retrospective cost basis would increase costs to the Federal Government during the first 5 years. Even those initial costs, however, would be balanced by the increase in benefits made available to medicare beneficiaries.

Mr. President, our entire health care system and our citizens covered by medicare will benefit from providing older Americans an attractive option to choose to receive their health care from an HMO. The Federal Government will save Federal dollars in the long run, encourage competition in the health care industry and improve benefits for medicare beneficiaries.

This legislation involves complex actuarial calculations to arrive at the amount medicare would pay for medicare services furnished by entities other than HMO's to a similar demographic population. I am aware of the concern expressed by some that additional variables should be taken into account in making these calculations. It is my desire and I am sure the desire of the administration and the cosponsors of this legislation that every effort be made to arrive at the most accurate projections of cost, and that stringent protections be incorporated to prevent any financial manipulation by a participating HMO. I intend to work with interested Members to insure that the legislation adequately addresses these concerns.

I look forward to prompt and favorable consideration of this important legislation by the Senate Finance Committee and the full Senate.

Mr. President, I ask unanimous consent that Secretary Califano's letter of June 13, 1979 to the President of the Senate transmitting the administration's draft bill, a summary of the proposed legislation and the text of the legislation be printed at this point in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 1530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Health Maintenance Organizations Medicare Reimbursement Amendments of 1979".

PAYMENTS TO HEALTH MAINTENANCE ORGANIZATIONS

SEC. 2. (a) Section 1876 of the Social Security Act is amended to read as follows:

"PAYMENTS TO HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1876. (a) (1) The Secretary shall annually determine a per capita rate of payment for each class of individuals entitled to benefits under parts A and B who are enrolled under this section with a health maintenance organization with which he has entered into a contract under subsection (i), and shall annually determine a per capita rate of payment for each class of individuals entitled to benefits under part B alone who are enrolled under this section with such a health maintenance organization. The Secretary shall define appropriate classes of members, based on such factors as age, sex, institutional status, disability status, and place of residence. The rate for each class shall be equal to 95 percent of the adjusted average per capita cost for that class. Each month the Secretary shall pay each such organization the appropriate rate, in advance, for each individual enrolled under this section with the organization, or such lesser amount as the organization requests. Those payments shall be instead of the amounts which would be otherwise payable, pursuant to sections 1814(b) and 1833 (a), for services furnished by or through the organization to individuals enrolled under this section with the organization, or enrolled other than under this section with the organization but eligible to enroll under this section with the organization.

"(2) For purposes of this section, the term 'adjusted average per capita cost' means the average per capita amount that the Secretary estimates in advance (on the basis of actual experience, or retrospective actuarial equivalent based upon an adequate sample and other information and data, in a geographic area served by a health maintenance organization or in a similar area, with appropriate adjustments to assure actuarial equivalence) would be payable in any contract year for services covered under parts A and B, or part B only, and types of expenses otherwise reimbursable under parts A and B, or part B only (including administrative costs incurred by organizations described in sections 1816 and 1842), if the services were to be furnished by other than a health maintenance organization (and, for services covered only under section 1861(s) (2) (G), if the services were to be furnished by a physician or as an incident to a physician's service).

"(3) The payment to a health maintenance organization under this subsection for individuals enrolled under this section with the organization and entitled to benefits under parts A and B shall be made from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund. The portion of that payment to the organization for a month to be paid by the latter trust fund shall be equal to 200 percent of the sum of—

"(A) the product of (i) the number of such members for the month who have attained age 65, and (ii) the monthly actuarial rate for supplementary medical insurance for the month as determined under section 1839(c) (1), and

"(B) the product of (i) the number of such members for the month who have not attained age 65, and (ii) the monthly actuarial rate for supplementary medical insurance for the month as determined under section 1839(c) (4).

The remainder of that payment shall be paid by the former trust fund.

"(b) (1) For purposes of this section, the term 'health maintenance organization' means a legal entity that meets the definition of 'health maintenance organization' under section 1301(a) of the Public Health Service Act as that definition applies (or would apply) to individuals not entitled to benefits under this title, except that—

"(A) with respect to individuals enrolled under this section with the organization—

(i) the term 'basic health services' in title XIII of that Act shall be considered to mean (I) the services listed under parts A and B that are available to individuals residing in the geographic area served by the organization, and (II) preventive health services under section 1302(1) of that Act,

"(ii) the term 'supplemental health services' in title XIII of that Act shall be considered to include those services listed in section 1302(1) of that Act that are not included in clause (i) of this subparagraph,

"(iii) the organization may not include any supplemental health services in its basic health services,

"(iv) the organization fixes the payments required from those individuals as prescribed by subsections (g) and (i) (2), and

"(v) the organization provides the services listed under parts A and B through institutions, entities, and persons meeting the applicable requirements of section 1861, and

"(B) with respect to the enrollment of individuals with the organization under this section—

"(i) subsections (c) (4) and (d) of section 1301 that Act shall not apply, and

"(ii) the organization must enroll individuals eligible to enroll under this section without regard to their health status (but may commence or cease enrolling such individuals at any time).

"(2) (A) The administration of the duties and functions of the Secretary, insofar as they involve making determinations as to whether an organization is a 'health maintenance organization' within the meaning of paragraph (1), shall be integrated with the administration of section 1312 of the Public Health Service Act.

"(c) If an individual is enrolled under this section with a health maintenance organization, neither the individual nor any other person or entity (except for the health maintenance organization) shall be entitled to receive payments from the Secretary under this title for services furnished to the individual.

"(d) Subject to the provisions of subsection (e), every individual entitled to benefits under parts A and B, or part B only, (other than an individual medically determined to have end-stage renal disease) shall be eligible to enroll under this section with any health maintenance organization with which the Secretary has entered into a contract under subsection (i) that serves the geographic area in which the individual resides.

"(e) An individual may enroll under this section with a health maintenance organization as may be prescribed in regulations, and may terminate his enrollment with the health maintenance organization as of the beginning of the first calendar month following a full calendar month after he has requested termination.

"(f) Any individual enrolled with a health maintenance organization under this section who is dissatisfied by reason of his failure to receive any health service to which he believes he is entitled and at no greater charge than he believes he is required to pay shall, if the amount in controversy is $100 or more, be entitled to a hearing before the Secretary to the same extent as is provided in section 205(b), and in any such hearing the Secretary shall make the health maintenance organization a party. If the amount in controversy is $1,000 or more, the individual or health maintenance organization shall, upon notifying the other party, be entitled to judicial review of the Secretary's final decision as provided in section 205(g), and both the individual and the health maintenance organization shall be entitled to be parties to that judicial review.

"(g)(1) The portion of a health maintenance organization's premium rate and the actuarial value of its other charges for individuals enrolled under this section with the organization and entitled to benefits under parts A and B, and the portion of its premium rate and the actuarial value of its other charges for individuals enrolled under this section with the organization and entitled to benefits under part B only, for services covered under parts A and B, or part B only, respectively, may not exceed the actuarial value of the coinsurance and deductibles that would be applicable on the average to individuals enrolled under this section with the organization (or, if the Secretary finds that adequate data are not available to determine that actuarial value, the actuarial value of the coinsurance and deductibles applicable on the average to individuals in the area, in the State, or in the United States, eligible to enroll under this section with a health maintenance organization) and entitled to benefits under parts A and B, or part B only, respectively, if they were not members of a health maintenance organization; and the portion of its premium rate and the actuarial value of its other charges for those individuals for other services may not exceed the value of the adjusted community rate for those services (except as prescribed by the last three sentences of section 1301(b)(1) of the Public Health Service Act).

"(2) For purposes of this section, the term 'adjusted community rate' for a service means the rate of payment for that service that the Secretary annually estimates would apply to an individual enrolled under this section with a health maintenance organization if the rate of payment were determined under a 'community rating system' (as defined in section 1302(8) of the Public Health Service Act, other than subparagraph (C)), but adjusted for differences between the utilization characteristics of the individuals enrolled with the health maintenance organization under this section and the utilization characteristics of the other members of the organization (or, if the Secretary finds that adequate data are not available to adjust for those differences, the differences between the utilization characteristics of individuals in the area, in the State, or in the United States, eligible to enroll under this section with a health maintenance organization and the utilization characteristics of the rest of the population in the area, in the State, or in the United States, respectively).

"(h)(1) Except as provided in paragraph (2), each health maintenance organization with which the Secretary enters into a contract under this section shall have an enrolled membership at least half of which consists of individuals who are neither entitled to benefits under this title nor entitle to benefits under a State plan approved under title XIX.

"(2) The Secretary may modify or waive the requirement imposed by paragraph (1) in circumstances which the Secretary finds warrant special consideration (and may take into account, in determining whether to modify or waive that requirement, the reasonableness of the organization's premium rate and other charges for members entitled to benefits under this title or under a State plan approved under title XIX).

"(i)(1) The Secretary is authorized to enter into a contract with any health maintenance organization that undertakes to provide the benefits described in title XIII of the Public Health Service Act (as modified by subsection (b)) to individuals enrolled under this section with that organization.

"(2) The contract shall provide that, if the adjusted community rate for services under parts A and B (as reduced for the actuarial value of the coinsurance and deductibles under those parts), for individuals enrolled under this section with the organization and entitled to benefits under those parts, or if the adjusted community rate for services under part B (as reduced for the actuarial value of the coinsurance and deductibles under that part), for individuals enrolled under this section with the organization and entitled to benefits under that part only, is less than the average per capita payment to be made under subsection (a) at the beginning of an annual period for individuals enrolled under this section with the organization and entitled to benefits under parts A and B, or part B only, respectively, the health maintenance organization shall provide to each individual enrolled under this section with the organization and entitled to benefits under parts A and B, or part B only, respectively, certain additional benefits that the Secretary finds are at least equal in value to the difference between that average per capita payment and that adjusted community rate (as so reduced). Those additional benefits shall be as follows, and provided in the following order:

"(A) first, reduction (or elimination) of that portion of the premium rate attributable to preventive health services under section 1302(1) of the Public Health Service Act,

"(B) second, reduction (or elimination) of that portion of the premium rate attributable to coinsurance or deductibles under part A or B, and reduction of any other charges for services listed under part A or B to the lowest charges (other than the premium rate) for those (or similar) services for any other enrollee (other than enrollees under a Federal or State program) of the organization, and

"(C) third, reduction (or elimination) of any remaining charges for services listed under part A or B, and provision of supplemental health services without an increase in the premium rate.

"(3) Each contract under this section shall be for a term of at least one year, as determined by the Secretary, and may be made automatically renewable from term to term in the absence of notice by either party of intention to terminate at the end of the current term; except that the Secretary may terminate any such contract at any time (after such reasonable notice and opportunity for hearing to the health maintenance organization involved as he may provide in regulations), if he finds that the organization (A) has failed substantially to carry out the contract, (B) is carrying out the contract in a manner inconsistent with the efficient and effective administration of this section, or (C) no longer substantially meets the applicable conditions of subsection (b).

"(4) The effective date of any contract executed pursuant to this subsection shall be specified in the contract.

"(5) Each contract under this section—

"(A) shall provide that the Secretary, or any person or organization designated by him—

"(i) shall have right to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under the contract, and

"(ii) shall have right to audit and inspect any books and records of the health maintenance organization that pertain to services performed or determinations of amounts payable under the contract,

"(B) shall require the organization to provide (and pay for) written notice in advance of the contract's termination, as well as a description of alternatives for obtaining benefits under this title, to each individual enrolled under this section with the organization,

"(C) shall require the organization to comply with subsections (a) and (c) of section 1318 of the Public Health Service Act, and

"(D) shall contain such other terms and conditions not inconsistent with this section as the secretary may find necessary.

"(6) The Secretary may prescribe the procedures and conditions under which a health maintenance organization that has entered into a contract with the Secretary under this subsection may inform individuals eligible to enroll under this section with the organization about the organization, or may enroll such individuals with the organization.

"(7) The Secretary may not enter into contract with a health maintenance organization under this subsection if a former contract with that organization under this subsection was terminated at the request of the organization within the preceding five year period, except in circumstances which the Secretary finds warrant special consideration.

"(j) The function vested in the Secretary by subsection (i) may be performed without regard to such provisions of law or regulations relating to the making, performance, amendment, or modification of contracts of the United States as the Secretary may determine to be inconsistent with the furtherance of the purpose of this title.".

(b) Section 1833(a)(1)(A) of that Act is amended by inserting after "organization" the first place it occurs the following: "(other than a health maintenance organization, as defined in section 1301(a) of the Public Health Service Act, that has received payments, under this clause or under section 1876, before or after becoming a health maintenance organization, for more than 3 years in the aggregate without good cause shown to the Secretary, or for more than 5 years in the aggregate if good cause has been shown)".

(c) Section 1861(s)(2) of that Act is amended—

(1) in subparagraph (E), by striking out "and",

(2) in subparagraph (F), by adding "and" at the end, and

(3) by adding after subparagraph (F) the following subparagraph:

"(G) services furnished pursuant to a contract under section 1876 to a member of a health maintenance organization by a physician assistant or by a nurse practitioner and such services and supplies furnished as an incident to his service to such a member as would otherwise be covered under this part if furnished by a physician or as an incident to a physician's service;".

(d)(1) Section 1861(aa)(3) of that Act is amended by striking out", for the purposes of paragraphs (1) and (2),".

(2) Paragraph (3) of section 1861(aa) of that Act is redesignated as subsection (bb) of section 1861 and is assigned the heading "Physician Assistant and Nurse Practitioner".

EFFECTIVE DATE

SEC. 3. The amendments made by section 2 shall apply with respect to services furnished on or after the first day of the thirteenth calendar month that begins after the date of enactment of this Act, or earlier with respect to any health maintenance organization if the organization so requests and the Secretary of Health, Education, and Welfare agrees, but shall not apply—

(1) with respect to services furnished by a health maintenance organization to any individual who is enrolled with that organization and entitled to benefits under title XVIII of the Social Security Act at the time the organization first enters into a contract subject to the amendments made by this section, unless—

(A) the individual requests at any time that the amendments apply, or

(B) the Secretary determines at any time that the amendments should apply to all members of the health maintenance organization because of administrative costs or other administrative burdens involved and so informs in advance each affected member of the health maintenance organization, or

(2) with respect to services furnished by a health maintenance organization during the five year period beginning with the date of enactment of this Act, if a contract between the organization and the Secretary of Health, Education, and Welfare under section 1876(i)(2)(A) of that Act was in effect immediately before enactment of this Act, unless the organization requests that the amendments apply earlier.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
June 13, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for consideration by the Congress is a draft bill "To change the method of Medicare reimbursement for health maintenance organizations".

Health maintenance organizations (HMOs) typically provide high quality health care at costs below those associated with the traditional fee-for-service sector. HMOs have demonstrated the capacity to reduce hospitalization by as much as 50 percent, emphasize preventive health services, and provide an attractive alternative for the purchaser of health benefits. Yet current Medicare reimbursement policy, by providing only retrospective reimbursement to organizations whose operating efficiencies are based upon prospectively determined fixed payments, and by failing to reward Medicare beneficiaries for their choice of a less familiar though more efficient delivery system, works against using HMOs as an alternative to fee-for-service medicine.

The draft bill recognizes that Medicare payments can be used to contain health care costs by way of competitive, rather than regulatory, measures. Accordingly, the draft bill would change Medicare reimbursement to HMOs to a prospectively determined fixed amount for each enrolled beneficiary, an approach consistent with the way in which HMOs are paid for their private enrollees. The draft bill would also enable enrolled Medicare beneficiaries to share in the savings generated by an efficient HMO through broader benefits and reduced cost sharing. The draft bill would thus provide incentives for HMOs to enroll Medicare beneficiaries and provide those beneficiaries who enroll in HMOs with the first major expansion in benefits since the inception of the Medicare program. At the same time, the draft bill would generate long term budgetary savings, as HMOs would be paid at a rate below the average rate paid to the fee-for-service sector. In addition, increased competition from HMOs would assist in containing cost increases in the health care delivery system.

Estimates of additional federal outlays for five years and a summary of the draft bill are enclosed. Although the draft bill would entail considerable long term savings for the Federal government, the expected transfer to a prospective fixed payment basis of Medicare HMO members presently enrolled on a retrospective cost basis would increase costs to the Federal government, during the first five years. Even those initial costs, however, would be balanced by the increase in benefits made available to Medicare beneficiaries.

We urge that the Congress give the draft bill its prompt and favorable consideration.

We are advised by the Office of Management and Budget that enactment of the draft bill would be in accord with the program of the President.

Sincerely,

JOSEPH A. CALIFANO, JR.,
Secretary.

Enclosures.

ESTIMATED FEDERAL COSTS

Proposed health maintenance organizations medicare reimbursement amendments of 1979

[In millions of dollars]

Fiscal year 1980	0
Fiscal year 1981	5
Fiscal year 1982	25
Fiscal year 1983	35
Fiscal year 1984	40

SUMMARY OF PROPOSED HEALTH MAINTENANCE ORGANIZATIONS MEDICARE REIMBURSEMENT AMENDMENTS OF 1979

The draft bill would replace the present provisions of law under which a health maintenance organization (HMO) may contract for Medicare reimbursement on either a cost or a risk basis; the existing risk basis reimbursement authority has not been acceptable to HMOs and has been used only once. Under the new method, HMOs would be paid, on a prospective basis, 95 percent of the amount the Secretary estimates would be paid for Medicare services furnished by entities other than HMOs. Members of the HMO entitled to Medicare would be required to purchase preventive health services as well as Medicare services. The Secretary would also estimate the amount that the HMO would charge its Medicare members if that amount were determined by using a community rating system, adjusted for utilization characteristics of Medicare beneficiaries. If that amount were lower than the Medicare reimbursement rate, the HMO would have to return the difference to its members entitled to Medicare in a specified order of reduced payments and extra services. Services not furnished by or through the HMO could not be paid for by Medicare. The new reimbursement method would not take effect for one year, unless the Secretary and a particular HMO agreed to utilize it earlier. It would also not apply to the first three years of an HMO's Medicare contract (or five for good cause shown), or for the first five years after enactment of the draft bill to a risk contract previously entered into, unless the HMO chose otherwise. In addition, Medicare beneficiaries enrolled in an HMO at the time the new method was first applied to the HMO could continue under the present method if they so wished. The Secretary, however, could, because of administrative costs or other administrative burdens involved, require the new method to apply to all members of a particular HTMO. The draft bill would also require at least 50 percent of an HMO's membership to consist of individuals who were neither Medicare nor Medicaid beneficiaries; the Secretary, however, could waive this requirement in circumstances which he found warranted special consideration.●

● Mr. PACKWOOD. Mr. President, I am introducing today, with Mr. RIBICOFF and others a bill to amend title XVIII of the Social Security Act to change the method of reimbursement for health maintenance organizations.

The legislation we are introducing today, is designed to aid medicare recipients, particularly the elderly, in obtaining health services through a certified HMO. This bill is designed to:

First, change the medicare reimbursement to HMO's to a prospective determination; Second, provide incentives to HMO's to enroll medicare beneficiaries; and Third, thereby, enable those medicare beneficiaries to share in the savings generated by an efficient HMO through expanded benefits and reduced cost-sharing.

In the United States today, there are over 23 million persons 65 years of age and older and this population is expected to grow to more than 32 million persons by the year 2000. With an expected increase in this population, greater availability and accessibility of health care services for the elderly is a goal which must be met. Currently, many seniors are faced with the difficulty of simply finding a physician who will accept medicare assignment. This problem is compounded by the fact that even when a physician does accept medicare clients, these medicare clients are faced with filling out complex medicare forms. This further complicates the health care maze for seniors, and as a result, deters many of them from seeking additional or first time health services.

This legislation which Senator RIBICOFF and I are introducing today, is designed to minimize and even eliminate these kinds of problems. Older Americans who participate in HMO's will not have to worry about filling out the complex medicare forms, or finding a physician who will accept medicare patients.

In addition, seniors who choose to participate in an HMO as a result of passage of this legislation will receive additional benefits. The bill is designed to pass the cost-savings accumulated through participation in an HMO on to seniors by gradually reducing their cost-sharing requirements, and by expanding the covered health benefits they can receive. These two benefits, coupled with the decreasing need for medicare supplemental insurance policies, will greatly assist the seniors in remaining functionally independent in their own homes and communities for as long as possible.

If, as a Congress, we are truly committed to designing legislation to assist seniors to avoid unnecessary hospitalization and premature institutionalization I believe we must work toward passage of legislation such as this. While changes may need to be made to this legislation, it is critically important that we not lose sight of our goal, to help medicare recipients, elderly and blind persons be functionally independent.●

● Mr. KENNEDY. Mr. President, I join in cosponsoring S. 1530, the Health Maintenance Organizations Medicare Reimbursement Amendments of 1979. This legislation would encourage health maintenance organizations—HMO's—which have time and again proven their cost effectiveness, to serve one of our society's most vulnerable population segments, the elderly.

To older Americans, the traditional health care system is a bewildering array of medical specialties, hospitals, nursing homes, claim forms, and unplanned expenses. In my judgment, an organized system of care like that provided through an HMO is an effective approach to dealing with the health problems of the elderly.

The advantages of receiving quality care at a single location at a reasonable cost are pronounced. HMO's provide a comprehensive system of care through a single access point, 24 hours a day, 7 days a week. Typically, all diagnostic and speciality services are provided at the same site, as are pharmacy services. Moreover, the comprehensive coverage of HMO's greatly relieves elderly members of their concerns about the high cost of a serious and prolonged illness and an HMO virtually eliminates medicare paperwork.

Unfortunately, under current law, the medicare program deals with HMO's in a manner that is fundamentally inconsistent with their normal way of doing business. Medicare reimburses HMO's essentially on a retrospective basis, thus denying these cost-effective delivery plans the certainty that prospective payment provides. Without payment on a prospective basis, an HMO cannot be certain of the moneys it has to finance its operations and thus the economic cornerstone of its cost-efficiency is removed.

Mr. President, as a practical consequence, few HMO's participate in medicare. Only 47 of the 200 operating HMO's have signed cost contracts with medicare, and only one HMO has signed a risk contract. And most of these contracts were signed by HMO's to accommodate individuals in their programs who were enrolled members before turning 65. HMO's currently serve 350,000 medicare beneficiaries, 1.5 percent of medicare's eligible population.

The legislative proposal sponsored by the administration which I am supporting would significantly change the way medicare reimburses HMO's. The proposal would lead to long-term cost savings for the Federal Government, a significant expansion in medicare benefits and added incentives to HMO's to enroll elderly individuals. Furthermore, the proposal would extend to medicare beneficiaries the same choice of medical care delivery systems that the Federal Government now mandates private employers to offer their employees.

Under this proposal, an HMO would receive 95 percent of what medicare pays the non-HMO sector to finance the medicare benefit package. Thus, the Federal Government would save 5 percent at the outset of what it costs medicare to finance the services to which all eligible beneficiaries are entitled. But, beyond the savings to Government, beneficiaries would be offered broader benefits or reduced cost sharing as a reward for their selection of a more cost-efficient approach to health care delivery.

Mr. President, as we all know, elderly citizens increasingly have been forced to face higher and higher out-of-pocket medical costs because medicare allows physicians to charge patients more than the program is willing to pay. These additional charges have increased from 2 percent of the total physician bill for the aged in fiscal 1968 to 10 percent in fiscal 1977. Significantly, individuals who join an HMO are relieved of this financial burden because medicare beneficiaries are not billed additional amounts in an organized system of delivery.

Mr. President, over the last decade the Federal Government has declared in many ways its support for the HMO concept. And that support has paid off in the creation of more and more HMO's throughout the country. To continue this trend and bolster the development of HMO's, the change in medicare reimbursement policy which this bill would authorize is of fundamental importance. I urge that the Senate give it speedy consideration.●

● Mr. MOYNIHAN. Mr. President, I am pleased to join with Senator RIBICOFF and many other distinguished colleagues in introducing the administration's proposal to improve access to health maintenance organizations for medicare beneficiaries. Certainly the underlying concept of health maintenance—of encouraging people to stay healthy, and physicians to keep them healthy—is preferable to a system that only responds to illness.

Certainly it is preferable to pay for health than to pay for illness. In many cases, it is also more economical, and provides a far more rational incentive structure for individual recipient and health care professional alike. Some studies indicate that health care costs have been reduced by as much as 40 percent as a result of prepaid group plans such as those offered through approved health maintenance organizations. Prof. Alain C. Enthoven, a longtime colleague and dear friend of mine who is among the foremost authorities on this aspect of health economics has explained that those "cost savings are mainly attributable to much lower hospitalization rates and to greater economy and efficiency of operation."

No bill is perfect, and I fully expect that this one will be subject to careful scrutiny and to revision as it traverses the legislative process. I may well have suggestions of my own to make. But the bill starts us in the right direction. Medicare recipients deserve, and should have full access to, the full range of health care delivery systems. Competition in the health industry, accessibility, and quality of health care services at reasonable cost can be provided through the HMO mechanism as well as through more traditional patterns. This is a conspicuous gap in the present provisions of our social security system, and it needs to be closed. The introduction of this bill commences that process.●

● Mr. HEINZ. Mr. President, I am pleased to be an original cosponsor of this important measure to provide medicare beneficiaries the option to enroll in their local health maintenance organization (HMO), as an alternative to fee-for-service health care.

Over the past year, many elderly people in Pennsylvania have shared with me their frustrations at not being able to find a physician in their neighborhood willing to accept medicare reimbursement. Often, when one is found, elderly patients encounter long waiting periods before they can even see the doctor.

This bill, by allowing medicare payments to be used as the monthly premium for medicare beneficiaries enrolled in an HMO, will insure that those who elect the HMO option will be guaranteed access to care reimbursed by medicare and furnished by the HMO. Such care must include all services listed under parts A and B of medicare.

HMO's, because of their emphasis on preventive health services and their demonstrated ability to reduce hospitalization by as much as 50 percent, have been widely recognized as being more cost effective than fee-for-service or third-party reimbursement payment structures. In most instances, all HMO outpatient services are offered at one location, so that a patient who needs to have lab work, a physical examination, an allergy shot, and pick up a prescription, might not even have to leave the same building.

While I am extremely pleased with the general thrust of the bill—prospective reimbursement of HMO's for medicare enrollees and plowing back savings into medicare enrollee benefits—I do have some concerns about certain specific details of the bill. First, I am not at all convinced that a priority for use of the savings for medicare enrollees should be preventive medical services. Some beneficiaries may wish to opt for increased home health benefits or mental health services. Rather than mandate immunization or annual exams, the Federal Government might be wiser to let the local HMO members decide for themselves how they wish the savings to be used.

Second, medicare beneficiaries who elect the HMO option are locked in to the HMO, and medicare will not pay for services not furnished by or through the HMO. This does not seem entirely reasonable since medicare will pay for more expensive fee-for-service care when beneficiaries must be referred. Moreover, patients who are dissatisfied with care provided in their local HMO are stuck for the remainder of the term. This can lead to serious morale problems of the kind observed by the Group Health Cooperative of Puget Sound, which eventually requested—and was granted—a waiver of the lock-in provision.

Third, the bill will need to be amended to more adequately describe the care and coverage of beneficiaries who become ill while traveling outside the geographic area served by their local HMO. They should not have to pay out of their own pockets for care that would have been covered by the HMO if they were at home.

And finally, I would hope that this change, and any change, in the complicated medicare law would be fully and completely explained to those eligible for medicare, so that beneficiaries could be adequately informed of the advantages and possible disadvantages to them in their unique circumstances. This education process could be achieved through use of voluntary organizations or volunteer medicare beneficiaries trained and directed by HEW.

Mr. President, I commend my fellow cosponsors of this bill, and I especially commend Dr. Peter Fox of HEW for his help in support of this bill. I am confident that the Senate Finance Committee, on which I and nine other cosponsors serve, will be able to address this cost-effective proposal at an early date.●

● Mr. BRADLEY. Mr. President, I am pleased to join my colleagues today in support of the Health Maintenance Organizations Medicare Reimbursement Amendments of 1979, legislation which holds the prospect of improving health care services for our medicare population and lowering the costs both to the elderly and to the Federal Government.

As the cost of health care has continued to escalate, few groups have been as vulnerable to the increased expenses and complexities of receiving care than the elderly. When the medicare program was enacted in 1965, the aged faced annual out-of-pocket medical expenses averaging $237. By 1967, medicare payments had reduced these costs to $178. However, 10 years later, the per capita out-of-pocket medical expenses for the aged had more than tripled—to $576. Despite rapid growth in medicare expenditures and the presence of other public programs, the elderly must now pay for approximately 33 percent of their health care costs out of their own pockets.

Added to this financial hardship are the complexities of dealing with claims forms, finding appropriate specialists, and knowing where to get care outside of normal office hours—problems most Americans face which can be even more burdensome for the aged.

The bill which is being introduced today could help to ease both the financial and the logistical problems many medicare beneficiaries now encounter in arranging health care. Its objective is to involve health maintenance organizations, or HMO's, to a much greater degree in enrolling medicare beneficiaries. As most of you know, a typical HMO provides a broad array of high quality health benefits for a prearranged, prepaid fee.

The HMO member's financial participation is specified at the outset. This predetermined limit on HMO revenues creates incentives for efficient management and the avoidance of unnecessary care. HMO's also make it easy for people to get the care they need when and where they need it, 24 hours a day and 7 days a week.

Current law does little to encourage medicare enrollment in HMO's. Enrolled beneficiaries do not gain from their choice of a more efficient health care delivery system. Nor do HMO's have any incentive to seek out medicare beneficiaries. As a result, less than 2 percent of the medicare population is enrolled in HMO's.

This bill would encourage greater participation by HMO's in medicare. Briefly, the bill provides for prospective payments to an HMO for its medicare members at 95 percent of the fee-for-service rate for the area. The Federal Government would thereby save 5 percent at the start. The HMO would be required to apply any difference between the 95 percent and its average premium, adjusted for medicare, to finance broader benefits and reduce cost-sharing for its medicare enrollees. The bill mandates that the difference be used first for preventive services; second for the reduction of beneficiary payments for deductibles, coinsurance and other copayments; and third for other noncovered services, such as dental services or prescription drugs.

One provision which warrants further scrutiny is the requirement that all HMO's use the savings which result from their efficiency in the same way. I think that there may be some merit in providing greater flexibility to local HMO's in deciding whether these savings should be used to offset medicare cost-sharing requirements or to provide broader prescription drug benefits or increased preventive services. I am not convinced that we need to concentrate that decision in Washington, D.C., far removed from the medicare beneficiaries directly affected.

Mr. President, this legislation has received broad support from labor and business groups and from the health care industry—a reflection of a widely shared commitment to provide HMO's with incentives to seek out medicare beneficiaries so that they, too, can benefit from the attractive features of these health care delivery systems. I am pleased to add my support to this very positive step.●

● Mr. COHEN. Mr. President, I strongly endorse the concept behind the administration's proposal to improve the present provisions of medicare law relating to payment for services provided by health maintenance organizations (HMO's).

The advantages of HMO's have long been proven. Subscribers have access to a team of doctors, one-stop health care, a guarantee of a whole range of health services, freedom from burdensome claims paperwork, and the emotional security of knowing that the physician has no financial incentive to run up medical bills. Typically, these benefits are offered to the subscriber at lower cost than traditional fee-for-service care through an emphasis on health promotion, disease prevention, and early care. As a result, costly hospital utilization has been reduced by as much as 50 percent—a significant savings to the health delivery system itself.

As a member of the House Select Committee on Aging, I participated in hearings to consider the appropriateness of HMO care for the elderly. It was clear to me that current law does little to share the benefits of HMO's with the elderly. Only one federally qualified HMO is currently serving the elderly on a prepaid basis. America's 24 million elderly have been effectively barred from the advantages of prepaid care by medicare's antiquated retrospective reimbursement system.

This proposal attempts to unlock some of the chains that fetter the way medicare will reimburse for HMO services. Still, I am concerned that we will fall short of our goal to bring the elderly into the prepaid care delivery system. HEW estimates that only 48,000 senior citizens will be added as new subscribers under this proposal. Market penetration is not likely to be higher because new elderly enrollees will have to live within the service area of a federally qualified HMO. Less than one-half of the Nation's 220 operating HMO's meet Federal qualifications.

Recently, the obstacles of Federal qualification were addressed at a statewide conference on HMO's in Maine. Two prepaid groups practice within the State. Yet, because of the scope of "basic health services" required to be offered in order to receive Federal qualification, these HMO's will not be likely to obtain qualification—at least not without a Federal subsidy. Many came away from that conference feeling that HMO's were an urban solution that could not fit rural circumstances.

I do not believe that the benefits of prepaid care should be denied the elderly or our rural citizens. When this bill comes up for committee consideration, I would hope that serious thought will be given to allowing certain waivers of the benefit package requirements in rural areas. I understand that HEW is sympathetic to such a modification.

I believe as hearings are held on this proposal that we will be able to fine-tune these specifics. HMO's provide another key to make the health delivery system responsive to the elderly. I commend the senior Senator from Connecticut (Mr. RIBICOFF) for taking the lead on this proposal. I will continue to work with him to see that the elderly are guaranteed a place in the growth and development of HMO's.●

By Mr. MOYNIHAN:

S. 1531. A bill to extend for 4 years the existing suspension of duty on crude feathers and down; to the Committee on Finance.

● Mr. MOYNIHAN. Mr. President, this piece of legislation will extend the waiver of duty on imported crude feathers for another 4 years and, as such, will merely extend a provision already in effect which expires on June 30 of this year. Continued suspension of the duty is essential to the health of the U.S. feather and down product industry, which had labored before the original suspension was enacted under an anomalous and highly damaging duty structure, inasmuch as the original tariff gave advantage to foreign down product manufacturers over domestic. The loss of this valuable domestic industry would have an impact beyond the immediate number of jobs threatened: the American down product industry is one of the most competitive on the world market, making it well worth supporting in view of our larger international trade picture.

I ought also make clear that this bill includes language which will apply its terms retroactively should the bill not be enacted by June 30, the expiration date of the present terms of suspension. Representative Guarini has introduced a version of this bill in the House of Representatives.●

By Mr. MOYNIHAN (for himself and for Mr. Domenici):

S. 1532. A bill to amend the John F. Kennedy Center Act; to the Committee on Environment and Public Works.

JOHN F. KENNEDY CENTER ACT AMENDMENTS OF 1979

● Mr. MOYNIHAN. Mr. President, I send to the desk a bill designed to assist the John F. Kennedy Center for the Performing Arts to eliminate its debts and, simultaneously, to enable the Center to serve more effectively the people of the United States.

As many of my colleagues know, about 10 years ago, the Center borrowed some $20 million from the Treasury to finance the Center's parking garage. No money on those bonds, or the accumulated interest, has been repaid to date. The debt, plus interest, now exceeds $35 million.

This legislation would encourage the Center to devote more effort to public service programing, and at the same time would credit that effort against the Center's debts. This bill has three components:

First, it authorizes the Center to issue additional bonds to the Treasury totalling $1.5 million so the Center can pay off a loan it received from the parking concessionaire, with the proviso that future parking revenues received by the Center be dedicated solely to the retirement of the bonds.

Second, the bill authorizes the Center to receive credits against its bonds and accumulated interest for any tax deductible contribution received by the Center for four specific types of public service cultural programs. These are: First, cultural events financed wholly or in part by the Center held anywhere in the United States outside the grounds of the Center; second, public broadcasts of performance from the Center; third, performances held at the Center or at any location in the city of Washington where no admission fee is charged and where such performance is open to the general public; or fourth, performances at the Center where the schedule of ticket prices is no more than one-third the average schedule of prices charged during the preceding year for similar types of performances.

These are programs that have been very successful at other cultural centers but which have not been emphasized at the Kennedy Center. They are fully consistent with the Center's legislative mandate and with President Kennedy's interest in broadening the American audience for the performing arts.

Third and last, the bill achieves a more appropriate and precise division of responsibility between the National Park Service and the Center for future maintenance and upkeep of the building. In so doing, it provides additional Federal assistance to the Center in return for increased public service programing.

The Committee on Environment and Public Works will hold a hearing this Friday, at 2 p.m., to discuss the Center's financial problems. I urge the Center's officers and others who will testify to give a careful review to this alternative approach, for I believe it provides a realistic solution to the financial problems of the Center, while encouraging it to expand its services to the people of the country and the Nation's Capital.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1532

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this act shall be termed the "John F. Kennedy Center Act Amendments of 1979."

Sec. 2. As of October 1, 1980, Section 6(e) of the John F. Kennedy Center Act is amended to read as follows:

"(e) The Secretary of the Interior, acting through the National Park Service, shall provide (1) security, information, interpretation, grounds maintenance, and structural repair services necessary for the operation of the Center, and (2) 50 per centum of the annual costs of building maintenance, utilities, janitorial, interior renovation, and other services necessary to the operation of the Center, provided that the Secretary is also authorized to provide toward the services listed in this clause an additional sum that is equal to 33⅓ per centum of those sums that are credited against the Center's indebtedness in the preceding fiscal year under Section 9(b) of this Act."

Sec. 3. Section 9 of the John F. Kennedy Center Act is amended by inserting after the section number "(a)" and adding at the end of Section 9 the following new subsections:

"(b) For the purposes of this section, any tax-exempt contribution made to the Center following the enactment of this Act shall be also credited against the bond principal and accumulated interest due under this section when such contribution is provided to the Center solely and specifically to support (1) cultural events financed wholly or in part by the Center and held anywhere in the United States outside the grounds of the Center; (2) public broadcasts of performances from the Center; (3) performances held at the Center or at any location in the city of Washington where no admission fee is charged and where such performance is open to the general public, or (4) performances at the Center where the schedule of ticket prices is one-third or less of the average schedule of prices charged during the preceding year for similar types of performances at the Center.

"(c) To retire the debt of the Center to the concessionaire of the parking garage, the Center is authorized to issue revenue bonds to the Secretary of the Treasury in the amount of $1,500,000, provided that all future parking revenues received by the Center shall be devoted solely to the retirement of the bonds and interest remaining due under this section. The bonds issued under this subsection shall mature in not more than forty years and shall carry such other terms and conditions as the bonds issued pursuant to subsection (a) of this section."

● Mr. DOMENICI. Mr. President, I am pleased to join with the Senator from New York (Mr. Moynihan) in sponsoring this legislation, for I believe it offers a valuable and innovative approach to resolving the Center's financial problems, will provide a broader opportunity for public participation in the activities of the Center.

This bill, however, does not deal with what I believe is an important side issue of the Center's operation. That is the question of the free tickets provided for people such as White House and congressional staffs. When the Committee on Environment and Public Works holds hearings on the Center's finances this Friday, I intend to press this issue. To more fully explain my views on the Center, and its financial problems, I ask unanimous consent that a copy of the additional views I filed with S. 1142, now on the calendar, be printed at this point in the Record.

There being no objection, the views were ordered to be printed in the Record, as follows:

Additional Views of Mr. Domenici

I am pleased that the Committee on Environment and Public Works has agreed to address the many issues relating to the financing of the Kennedy Center for the Performing Arts before the Senate considers this legislation on the floor. Resolution of the parking-bonds debt and other aspects of the Center's finances must logically be considered before additional tax dollars are authorized for the Center.

Parking bonds.—In addition to $23,000,000 in direct appropriations provided for the Center in the 1960's, the Congress authorized $20,400,000 in parking bonds for the Center. These bonds are due to be redeemed in the years 2017–2019. According to the General Accounting Office: "The bonds state that the interest and principal are to be paid from parking-revenues. However, the Center has not set aside any funds or made any provision to pay the interest or amortize the principal of the bonds."

By the original agreement with the Treasury Department, interest on the bonds was deferred until December 31, 1978. The Kennedy Center has since had that date extended to December 31, 1979. By the end of this year, the Center will owe the Treasury Department some $17 million in back interest (not counting principal). It disturbs me that the Center has been unwilling to set aside even a dime towards the bonds or the accumulated interest. It is rather like a homeowner who spends to the limit of his paycheck, then refuses to pay anything on the mortgage of his home. Citizens can't get away with this; apparently the managers of the Kennedy Center can.

The problem goes back to the period before the Center was completed. The Center was running out of cash for construction work. So, rather than go to private contributors or to the Congress, it borrowed $3.5 million from the company that obtained the concession on the parking garage. The money was used to complete construction on the theaters. To obtain the loan, the Center pledged the use of its parking revenues, those same revenues that were to go to pay the parking bonds. Says GAO: "The (parking) company's proposal to provide this advance . . . was an important factor in its selection to manage the Kennedy Center's parking facility."

Currently, the Center charges $2.50 for every car that uses the three-level, 1,408-car parking garage in the evening, plus hourly charges during the day. This brings in some $1.5 million yearly. Of these revenues, 5 percent off the top goes to the parking company as a "management fee." Next, the parking company is paid for all its operating and maintenance costs. Next, a payment of about $400,000 is made yearly to the parking company toward the principal and interest on the $3.5 million, 15-year loan. Then, and only then, does the Kennedy Center receive any revenues from the garage—50 percent of the residue. (The split becomes 70 percent Kennedy Center, 30 percent to the parking company once the loan is paid off, with an 80–20 split on revenues exceedings $1.5 million.)

From 1972 through 1978, the parking garage received total revenues of $8,716,426. Of that sum, the concessionaire received $7,253,939, while the Center received $1,462,487. And those parking revenues received by the Center were used for theater operations, according to the General Accounting Office.

As early as 1975, the Committee on Environment and Public Works made the following observation:

"The Committee is greatly concerned over indications from the recent General Accounting Office report and hearings on this bill that the Center may be unable to meet its accumulated debt and to make necessary repairs, both outside the memorial aspects of the Center. This question will come into focus by 1978 when unpaid debts on the parking garage bonds fall due; the interest due in 1978 is estimated at $14.6 million.

"The Committee urges that the Center and the Department of the Interior recognize what might be termed the precarious financial position of the Center and report, within one year, to the Congress on what efforts are and will be made by the Center to raise the funds needed to meet this debt, as well as to meet any costs of major repairs that may be necessary. Such a report should contain a detailed analysis of the Center's efforts to raise additional capital funds to cover such debts in order that the taxpayers will not be forced to assume the burden of such added and unnecessary costs.

A year later, the committee expanded on this view:

"During the 1976 hearings before the Committee, representatives of the Kennedy Center alluded to Treasury Bonds issued to finance construction of the parking garage at the Center. Payment of interest on the $20.4 million in bonds may be deferred by the Center until December 31, 1978. At that time $14.6 million in accrued interest will be due. Officials of the Center stated that existing revenue sources, because of the manner the funds are committed, are unlikely to yield sufficient funds to pay the interest. While no specific request for Federal assistance was made, the testimony indicated that the Kennedy Center would be seeking relief from its obligations in the future.

"Members of the Committee, during consideration of H.R. 14360 in the last Congress expressed opposition to granting such relief. The Committee believes there is need for better information on the Center's overall financial needs and operations and perhaps also to establish clearer lines of responsibility for the Center's disparate functions; the center for the performing arts, and the national monument and major tourist attraction. The Committee plans to review these matters, and may propose changes in the division of responsibilities between the Kennedy Center Board and the Federal Government. The interest of the Federal Government in the Center in this legislation is limited to providing effective oversight of the building's structural integrity in order to assure that adequate maintenance and rehabilitative measures needed to maintain its functional and aesthetic qualities are carried out."

It should be noted that the amended bill and the parking bonanza are not the only on-going Federal supports provided to the Center. Because of shabby construction work, the Congress has appropriated $4.5 million to repair leaks in the roof and in the driveway. And more work is needed inside. According to the Park Service, the Opera House needs $1,000,000 in work (carpet, wall coverings), the Concert Hall needs $300,000 (carpet, broken seats), the Eisenhower Theater needs $400,000 (carpet, ceiling fabric) and there is a need to spend $700,000 to reinsulate the garage. The total: $3.5 million, including contingencies.

And the list of taxpayer supporters goes on. While the National Endowment for the Arts gives no money directly to the Kennedy Center, the Center is still the beneficiary both directly and indirectly, of large sums provided yearly by the Endowments. One of the Endowments' programs is its dance touring program, which provided $3,886,000 nationally in fiscal year 1978 to pick up about a third of the costs of touring dance companies. Of that sum, the Kennedy Center received $253,500 to finance a total of 9 weeks of performances by the American Ballet Theater and the New York City Ballet. The Endowment provides $3,000,000 yearly to the American Film Institute, money which indirectly enables the Institute to rent its theater in the Center.

The public has a right to know exactly how much the Center receives from the taxpayers in order to make a proper analysis of future requests, such as relief of the parking bonds.

Tickets.—An issue related to the millions of taxpayer dollars provided yearly to the Center involves free tickets. I have introduced legislation (S. 558) that would limit the Center's ability to hand out free tickets to those who can easily afford to pay, while the Center continues to come to the taxpayers for this smorgasbord of financial supports. The Center provides approximately $500 daily in free tickets (the most choice of seats) to the White House and to the Center's chairman, Roger Stevens. The White House tickets are normally used by the staff of the White House and the Congress, while the Stevens tickets are used by a variety of people, including persons being lobbied on wildlife protection issues.

The annual value of these tickets is some $175,000 yearly. While this sum certainly will not retire the Center's debt, the principle of giving freebies to those who can afford to pay, while begging for more tax dollars, is simply wrong.

I applaud the Committee for its decision to confront the various issues relating to the finances of the Center, and I agree that this must be done before this legislation is considered on the floor.●

ADDITIONAL COSPONSORS

S. 94

At the request of Mr. Bentsen, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of S. 94, the homemaker retirement bill.

S. 949

At the request of Mr. Burdick, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 949, a bill to amend the National Environmental Policy Act to provide a 180-day statute of limitations on judicial challenge to the adequacy of an environmental impact statement.

S. 1025

At the request of Mr. Hatch, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 1025, the Youth Opportunity Wage Act of 1979.

S. 1055

At the request of Mr. Helms, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 1055, the Gold Coinage Act of 1979.

S. 1215

At the request of Mr. Schmitt, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 1215, the Science and Technology Research and Development Utilization Policy Act.

S. 1295

At the request of Mr. Baucus, the Senator from Maine (Mr. Cohen), the Senator from Massachusetts (Mr. Tsongas), the Senator from Michigan (Mr. Levin), and the Senator from South Dakota (Mr. Pressler) were added as cosponsors of S. 1295, a bill to amend title XVIII of the Social Security Act to provide for a program of voluntary certification for health insurance policies sold in supplementation of medicare.

S. 1435

At the request of Mr. Packwood, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 1435, a bill to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 1454

At the request of Mr. Cannon, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of S. 1454, a bill to amend the act of August 10, 1956, as amended; section 716 of title 10, United States Code; section 1006 of title 37, United States Code; and sections 8501(1)(B) and 8521(a)(1) of title 5, United States Code.

S. 1521

At the request of Mr. McGovern, his name was added as a cosponsor of S. 1521, a bill to expand the licensing and related regulatory authority of the Nuclear Regulatory Commission over storage and disposal facilities for nuclear waste, to provide for meaningful State participation in the licensings of such facilities, and to establish a schedule for implementation of waste management planning.

SENATE JOINT RESOLUTION 66

At the request of Mr. Ribicoff, the Senator from Indiana (Mr. Bayh), the Senator from Connecticut (Mr. Weicker), the Senator from Massachusetts (Mr. Tsongas), the Senator from New Hampshire (Mr. Durkin), the Senator from North Dakota (Mr. Burdick), and the Senator from New Jersey (Mr. Bradley) were added as cosponsors to Senate Joint Resolution 66, declaring the week of January 21–27, 1979, as National Junior Achievement Week.

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. Cranston, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of Senate Concurrent Resolution 29, regarding the restoration of Olympic records of the late James (Jim) Thorpe.

AMENDMENTS SUBMITTED FOR PRINTING

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS—H.R. 4388

AMENDMENT NO. 337

(Ordered to be printed and to lie on the table.)

Mr. PERCY submitted an amendment intended to be proposed by him to H.R. 4388, an act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

● Mr. PERCY. Mr. President, I offer an amendment to H.R. 4388, the energy bill. The purpose of this amendment is to provide $100,000 to continue the Corps of Engineers feasibility study of small boat harbor facilities in the area extending from Waukegan, Ill., north along the community of Zion to the Illinois-Wisconsin State line.

In the Waukegan area, there is a long waiting list for moorings in the harbor—in excess of 1,200 at the present time—and the increasing popularity of boating on Lake Michigan makes the harbor development a pressing need.

In support of this study, I would like to point out that Illinois has 70,432 boats registered in the two counties contiguous to Lake Michigan. It has mooring space for less than 4,000 boats and only 59 miles of shoreline, mostly private or industrial.

Mr. President, from a safety standpoint, harbors of refuge are too few, too far apart, and inadequate in Illinois.

I consider the harbor development a most practical project from the cost standpoint in meeting the communities' needs and benefiting other communities in the vicinity, whose residents are now required to travel to the Wisconsin State areas where more adequate facilities have been established.

The amount of $150,000 has already been spent on the project in fiscal year 1979, corps capability in fiscal year 1980 is $100,000.●

AMENDMENT NO. 338

(Ordered to be printed and to lie on the table.)

Mr. JOHNSTON submitted an amendment intended to be proposed by him to H.R. 4388, supra.

(The remarks of Mr. Johnston when he submitted the amendment appear elsewhere in today's proceedings.)

AGRICULTURAL APPROPRIATIONS, 1980—H.R. 4387

AMENDMENT NO. 339

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted an amendment intended to be proposed by him to H.R. 4387, an act making appropriations for agriculture, rural development, and related agencies for the fiscal year ending September 30, 1980, and for other purposes.

● Mr. LUGAR. Mr. President, on June 14, the Senate passed by a vote of 82 to 10 an amendment offered by me to S. 892 which provides for $500 million in Federal loan guarantees to pilot energy plants.

The Appropriations Committee in considering the agricultural appropriations bill H.R. 4387 included language which would effectively limit the amount of money for this program to $100 million instead of the intended $500 million. This action by the Appropriations Committee defeats the whole purpose of the amendment adopted overwhelmingly by the Senate.

Given the energy situation, our Government must act to promote the rapid development of alternative sources of energy. Alcohol fuels can provide a partial answer to our gasoline shortage problem. Even if alcohol fuels can replace only 1 to 2 percent of this country's gasoline needs, we should actively pursue this alternative.

I believe that the Federal Government must increase its investment in the development of new and innovative alcohol fuel technology. That is why I offered this amendment to increase the amount of money available for loan guarantees to $500 million.

Public interest in constructing alcohol production facilities is strong. My staff and the staff of the Senate Agriculture Committee have received numerous inquiries about further Federal assistance for the construction of gasohol plants. Commercial alcohol production plants require enormous capital investments, usually in the tens of millions of dollars; $500 million in loan guarantee authority represents a realistic, but prudent amount given the extensive interest in gasohol, the large sums of money necessary to construct plants, and the need for the Federal Government to encourage the development of alternative energy sources.

I want to emphasize and reiterate that my amendment adopted by the Senate calls for $500 million in loan guarantees, not direct Government expenditures. Under existing law, in order for USDA to approve a loan guarantee, USDA must be assured that the project is financially sound and would result in a positive energy balance. If USDA receives worthy proposals totaling only $150 million, $200 million, $400 million, or whatever, then only that amount of loan money would be guaranteed. But if worthy proposals totaling $500 million were received, then my amendment would provide sufficient authority to guarantee all of those worthy projects. I do not know whether all of the $500 million loan guarantee authority would be used in 1980, but I see no reason why the Appropriations Committee would want to limit the amount of money available to $100 million, if in fact sound proposals totaling $500 million exist.

Mr. President, our Nation is engaged in a monumental struggle not only to disengage from our dangerous dependence on foreign oil, but also to assure adequate supplies of energy simply to keep businesses operating and our citizens employed. An essential element in the solution to this problem is our emphasis on technological innovations. We have met difficult challenges in the past through our unsurpassed achievements in technology. The Federal Government has played an important role with the private sector in the past in developing new ways to produce our way out of difficult situations. I firmly believe that similar successes can be accomplished through the same essential partnership of private enterprise and Government. Adoption of my amendment will enhance that partnership in a significant way.

With the current energy situation the overwhelming support of the Senate for these pilot energy projects (82 to 10), and the near certainty that a similar proposal will be offered and accepted by the House of Representatives, I strongly urge my colleagues to join me in deleting this appropriations bill language which would effectively limit this program in 1980.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

● Mr. STEWART. Mr. President, the Subcommittee on Agricultural Research and General Legislation of the Agriculture Committee has scheduled an oversight hearing on the status of USDA research into energy alternatives. Specifically, the subcommittee is interested in the activities of the four pilot projects which were authorized by the Food and Agriculture Act of 1977—Public Law 95–113—for the production and marketing of alternative fuels from agricultural commodities and forest products. However, the scope of the hearing will also include the discussion of other types of energy research as well as energy conservation efforts in both Government and private sectors.

The hearing will begin at 8 a.m., Monday, July 23, in room 324 Russell. The subcommittee will hear from invited witnesses, but written statements submitted for the record are welcome.

Anyone wishing further information should contact Bill Lesher or Denise Alexander of the committee staff at 224–2035.●

COMMITTEE ON RULES AND ADMINISTRATION

● Mr. PELL. Mr. President, as chairman of the Committee on Rules and Administration I want to announce a change in the location of the joint hearing scheduled for Thursday morning at 10 o'clock, July 19, on the Public Printing

Reorganization Act of 1979 (H.R. 4572 and S. 1436). The hearing will be held jointly by the Senate Committee on Rules and Administration and the Committee on House Administration.

It will take place in room 1202 of the Dirksen Senate Office Building rather than in room 301 of the Russell Senate Office Building, as previously announced.

Witnesses scheduled to be heard are as follows:

Dr. Daniel Boorstin, Librarian of Congress.

Mr. Townsend Hoopes, president, Association of American Publishers and Dr. A. F. Spilhaus, Jr., executive director, American Geophysical Union, and director and officer of the Council of Engineering and Scientific Society Executives.

Mr. John F. Darrow, senior vice president, American Paper Institute.

Mr. R. Burke Stanard, chairman, Printing Industries of America, and president, Riverside Press, Dallas, Tex.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ANTITRUST, MONOPOLY, AND BUSINESS RIGHTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopoly, and Business Rights of the Committee on the Judiciary be authorized to meet during the session of the Senate today, July 17, 1979, to hold a hearing on S. 334, the Family Farm Antitrust Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the sessions of the Senate on Wednesday and Thursday, July 18 and 19, 1979, to consider pending nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. HART. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a markup session on the Panama Canal Treaty implementation legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HART. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate to hold a hearing on S. 1319 and title 2 of S. 1400, truck safety legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. HART. Mr. President, I ask unanimous consent that the Science, Technology, and Space Subcommittee of the Committee on Commerce, Science, and Technology be authorized to meet during the session of the Senate today to hold a hearing on the U.N. conference on science and technology development.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HART. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a markup session on S. 885, the Pacific Northwest electrical power bill; and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. HART. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today to hold a markup session on numerous impending judicial nominations; S. 25, Martin Luther King birthday; S. 265, equal access to justice; an amendment to the Antitrust Procedural Improvements Act; and private relief bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE DANGERS TO EUROPEAN SECURITY IN SALT II

● Mr. GOLDWATER. Mr. President, quite understandably some western Europeans are becoming greatly concerned that the SALT II Treaty may result in adverse effects upon the security of the European half of NATO. They point out that weapons systems excluded from the talks because the super powers do not consider them strategic are completely strategic as far as Europe is concerned. Part of their concern is based upon the belief that the United States was hopelessly outwitted in the SALT I arrangement.

The European anxiety is simply that in order to achieve the political benefits of a successful SALT Treaty, unilateral concessions may be made by Americans which will put the survival of Europe in jeopardy.

Mr. President, an excellent paper on the dangers to European security in SALT II has recently been published by the Foreign Affairs Research Institute of London, England. Because of its importance to the present SALT II debate going on in the Senate, I ask that this article be printed in the RECORD.

The article follows:

THE DANGERS TO EUROPEAN SECURITY IN SALT II

West Europeans are becoming profoundly concerned that the American-Soviet Strategic Arms Limitations Talks (SALT II) may result in a treaty which adversely affects the security of the European half of NATO Weapons systems excluded from the talks because they are not considered strategic weapons to the superpowers are completely strategic as far as Europe is concerned. Air Vice Marshal S.W.B. Menaul, a former Chief of Staff of Bomber Command and member of the Governing Council of this Institute has written a very authoritative study[1] explaining this Eurostrategic weakness.

UNPRECEDENTED SOVIET BUILD-UP

The author notes that in the previous SALT treaty the Americans were hopelessly outwitted. He writes:

"The net result of SALT I and the Vladivostok accords was an unprecedented build-up in Soviet strategic nuclear capability, while the entire United States ICBM and SLBM forces remained frozen at the 1968 level."

The European anxiety is simply that in order to achieve the political benefits of a successful SALT treaty, unilateral concessions may be made by the Americans which put the survival of Europe in freedom at risk.

The Air Vice Marshal points out that:

"Constant reference by the Carter Administration to the degree of unanimity reached between the superpowers on the many issues confronting them in the SALT II discussions and the deliberate propaganda campaign conducted within the United States for the past six months, indicates an attempt by the Administration to persuade the Senate and American people (and the United States' allies) to accept what is patently an unpalatable package. Yet the claim that any agreement, whatever its defects, must be in the interests of detente and a lessening of tension is not sustainable."

Of the SALT II conditions the author notes:

"There are to be limits on development and testing of new ICBMs and SLBMs, and a protocol agreement would ban ground- and submarine-launched cruise missiles with a range greater than 600 km (320 st miles). Thus, cruise missiles deployed by NATO in Europe would be precluded from reaching Soviet territory. Moreover, non-circumvention provisions might inhibit the transfer of crucial advanced military technology to America's allies."

COHESION OF ALLIANCE AT RISK

When considering the existing conditions of SALT II, the author reminds us that:

"It is not possible to detect how many MIRV warheads are installed in a particular missile, nor could it be guaranteed that the Backfire bomber would not be used against targets in the United States. The range of cruise missiles cannot be ascertained with certainty and the Soviet SS–20 missile which is currently targeted on Europe, could be converted to intercontinental range by the addition of a third stage to the booster. Backfire bombers not deployed by the Soviet Long-Range Air Force against the United States will be deployed against targets in Europe, further strengthening the missile and manned bomber strategic nuclear forces targeted on European hard and soft targets.

"Whatever agreements finally emerge from SALT II, with its associated protocols, it is important that the terms of the treaty should be carefully scrutinized by Europeans, who must insist that any future strategic arms limitation talks should involve greater European participation. Weapons systems which have not so far been included in SALT negotiations are presenting ever greater threats to European security and thus to the cohesion of the alliance. So far, SALT discussions have included only weapons systems that reach the United States (or the Soviet Union)—a situation that Dean Rusk described as 'a dam across half a river' . . .

"Having gained a measure of superiority over the United States in strategic nuclear capability, it was inevitable that the USSR should attempt to achieve a similar advantage in what has become known as Eurostrategic nuclear capability (as distinct from theatre nuclear forces), in which nuclear delivery systems based in the Soviet Union pose a strategic nuclear threat to European hard and soft targets. This is precisely what Moscow has now achieved, while NATO watches with growing apprehension, but little sign that positive action will be taken to redress the imbalance: indeed, the ban on cruise missiles with a range exceeding 600 km and the inhibition on the transfer of cruise missile technology apparently agreed in SALT II places further obstacles in the way of doing so. Nor has any pressure been exerted on the Soviet Union in any discussions, official or unofficial, to reduce the strategic nuclear threat to Europe, which has steadily increased over the years.

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[1] "SALT II The Eurostrategic Imbalance." By Stewart Menaul. Institute for the study of Conflict, 12/12A Golden Sq., London W1R 3AF. £ 2 or $4,50.

"Meantime, attempts to achieve a balance in theatre conventional forces have been deadlocked in the ongoing Mutual Balanced Force Reduction (MBFR) negotiations in Vienna. Now that the United States and China have resumed diplomatic relations, the prospects for persuading the Soviet Union to reduce its nuclear and conventional threats to Europe are unlikely to be enhanced.

POLITICAL COERCION

"One of the most important aspects of the development of new strategic nuclear weapons targets on Europe is the virtual obliteration of any dividing line between strategic and theatre (or tactical) nuclear forces so far as Europe is concerned, if indeed such a distinction ever existed. A disturbing characteristic of some Soviet medium-range strategic weapons systems is that they could be used to deliver nuclear, conventional, chemical or biological warheads, thereby enhancing not only Soviet capability to wage war, but also their capacity to indulge in political coercion or blackmail . . .

"The situation has changed dramatically since the SALT I agreement of 1972. Not only has the United States fallen behind the Soviet Union in strategic nuclear capability, but even with a crash programme it is doubtful whether it could catch up within a decade. Meanwhile, the threat to the Minuteman silo-based force is as great as ever. The United States second strike capability has lost much of its credibility, while in Europe the strategic and theatre (or tactical) nuclear balance, which could influence the outcome of a confrontation, has shifted demonstrably in favour of the Soviet Union and its Warsaw Pact allies.

"In January 1978 the Soviets had about 700 I/MRBMs, 430 medium bombers and at least 20 submarine-launched ballistic missiles, all targeted on high priority European targets. The introduction by the USSR of the SS–20 mobile MIRVed ballistic missile and Backfire bomber has greatly increased their Eurostrategic capability since the SS–20 carries three MIRV warheads. It has been estimated that by 1985 there will be about 275 SS–20 missiles and 250 Backfire bombers deployed against European targets in addition to the 700 I/MRBMs, 430 medium bombers, 20 submarine-launched missiles and other nuclear capable systems. This represents a massive nuclear capability in Eurostrategic delivery systems in addition to the theatre nuclear superiority already enjoyed by the Soviet Union and the Warsaw Pact—a threat to which NATO has not so far responded.

"At their October 1978 meeting the NATO Nuclear Planning Group noted the increasing nuclear capability of the Soviet Union, especially in the European theatre and endorsed proposals for strengthening and modernising the alliance's theatre nuclear forces. But nearly all NATO's theatre nuclear weapons systems are short-range, except for the United States F–111 aircraft and the nuclear ballistic missile-firing submarines allotted to SACEUR.

IMBALANCE AGAINST NATO GROWS

"There are no other delivery systems in NATO with performances comparable to the TU–16, TU–22 Soviet medium-range bombers, the SS–20 missiles, or the I/MRBMs. NATO could produce about 150 British and French IRBMs and SLBMs, 200 nuclear capable aircraft (including carrier-borne aircraft) and a few United States Polaris/Poseidon submarines assigned to SACEUR. Of these, the French force is under national control and is not available to SACEUR.

"None of these systems comes within the scope of current or projected SALT negotiations between the superpowers, and NATO has made no effort to adjust the imbalance in Eurostrategic nuclear delivery systems that exists today and will continue to grow during the next decade unless limitations are agreed with the Soviet Union. . . .

"Senator Henry Jackson warned the North Atlantic Assembly, meeting in Lisbon in November 1978, that the emergence of the SALT II treaty would severely limit NATO options to cope with the huge Soviet military buildup. 'Arms control agreements that permit the Soviet Union to continue their military buildup while constraining the United States and its allies from taking compensatory action', the Senator said, 'will only deepen the instability and insecurity that these negotiations are intended to moderate'. But bearing in mind that nearly all the nuclear capability available for Western deterrence and defence is provided by the United States, what compensatory action could Europe take to reduce the present asymmetry?"

After considering the future developments of the British, and larger French, strategic nuclear forces which are completely separated and relatively small, the author stresses that:

"The imbalance in Eurostrategic nuclear capabality between NATO and the Warsaw Pact (or more precisely the Soviet Union) has increased and will continue to increase as the Soviets deploy more SS–20 missiles and Backfire bombers. United States nuclear capability in Europe has been virtually frozen, while France and Britain make only a modest contribution to the overall forces available. Europeans may complain that the United States has been over-generous in concessions made to the Soviet Union, but much of the responsibility for this unsatisfactory state of affairs rests firmly with the Europeans themselves. They have taken no action to condemn, much less offset, the Soviet build-up. . . .

MISSILE FLIGHT TIME IS 5 MINUTES

"The continued build-up in Soviet Eurostrategic nuclear capability, coupled with their greatly superior theatre nuclear, conventional and chemical forces in the European theatre, has created a situation long dreamed of by the Warsaw Pact, in which they can seriously contemplate the prospect of subjugating Western Europe with theatre nuclear, conventional and chemical weapons (or conventional and chemical weapons alone) without the risk of escalation to a strategic nuclear exchange between the Soviet Union and the United States or even a Eurostrategic exchange between Europe and the Soviet Union.

"Even now every European city, airfield, port, assembly area, military headquarters, communications centre, rail and road transport system is targeted by Soviet nuclear missiles or manned aircraft. Missile time of flight is about five minutes from Soviet bases.

"The Soviet leaders do not regard existing NATO Eurostrategic nuclear forces as a serious threat to important targets in the Soviet Union. If a SALT II treaty is permitted to impose limitations on the range of cruise missiles and on the transfer of technology to America's allies, the United States and European members of NATO will find it much more difficult to redress the present imbalance in Eurostrategic nuclear systems.

THE NEED FOR THE NEUTRON BOMB

"It is sometimes forgotten that the theatre (or tactical) nuclear balance in Europe is a separate issue from the Eurostrategic nuclear forces. The overall balance in theatre (or tactical) nuclear capability between NATO and the Warsaw Pact is roughly equal in warheads in their respective nuclear stockpiles, but in delivery systems the Warsaw Pact has a considerable advantage, and the balance is shifting perceptibly in their favour year by year. To redress this trend, the NATO theatre nuclear stockpile must be modernised and reorganized to include enhanced radiation warheads (the so-called 'neutron bomb') for delivery by missiles and manned aircraft. The Pershing II mobile ballistic missile, with improved range and terminally guided warhead, and cruise missiles capable of operating against a wide variety of targets, on and beyond the battlefield, should be introduced into NATO forces as a matter of urgency.

"The correction of the imbalance in Eurostrategic nuclear forces will be more difficult and time consuming and will involve the deployment of nuclear delivery systems capable of attacking Soviet hard targets and a wide variety of hard and soft targets throughout the whole Warsaw Pact area.

"There should be no question of the United States maintaining its offer to remove nuclear warheads from Europe in exchange for a reduction in Soviet conventional forces deployed in satellite countries, as happened in December 1975 in a desperate effort by the United States to achieve some progress in the permanently stalled MBFR negotiations in Vienna. NATO Eurostrategic nuclear capability is required to offset Soviet nuclear systems targeted on Europe, not those targeted on the United States.

"The development of a mobile, intermediate-range ballistic missile now under consideration by the United States and its NATO allies, based on a project known as 'Longbow', should be approved as a matter of urgency and not subjected to the delays and procrastinations that have characterised the development of the enhanced radiation warhead and the cruise missiles. In addition, the possibility of extending the range of the Pershing II ballistic missile from the present 460 miles to 1,000 miles should be given serious consideration. A force of 250 long-range Pershing II missiles and 250 new IRBMs in addition to cruise missiles would do much to correct the dangerous imbalance in Eurostrategic nuclear delivery systems that exists today. It would also go some way towards restoring NATO capability to what it was in the early 1960s, before the United States removed the Thor and Jupiter IRBMs from Britain, Italy and Turkey. . . .

EUROPEAN STRATEGIC NUCLEAR FORCE BUILD-UP NEEDED

"Cruise missiles may be launched from ground bases, surface ships, submarines or manned aircraft; they may be short, medium or long-range and armed with conventional or nuclear warheads.

They could be deployed in strategic nuclear, theater nuclear, Eurostrategic nuclear or conventional roles. Range limitations imposed on cruise missiles to comply with the requirements of SALT II should not be accepted by Europeans, since such limitations would prevent NATO members, other than the United States, from developing the new and potentially highly effective weapons systems for deployment in roles other than close support or short-range interdiction, i.e. to pose a threat to such military targets in the Soviet Union as headquarters, communications, airfields and concentration areas. . . .

"Restrictions on submarine launched cruise missiles (SLCM) could prevent Britain from developing SLCMs as replacement systems for the Polaris A3 missiles if it otherwise wished to do so. France, on the other hand, would not be affected, since it appears to favor development of a mobile missiles system as part of the strategic nuclear forces during the next decade. Cruise missiles deployed in Europe in addition to existing systems and the introduction of long-range Pershing IIs and new IRBMs could, within an acceptable time scale, redress the balance in Eurostrategic nuclear delivery systems. They could also strengthen NATO's nuclear and conventional defensive posture, thereby enhancing the deterrent triad.

"European nations have the technology to produce cruise missiles from their own resources, and studies are already being undertaken in Britain and France, but development would be speeded up with American assistance, which would in any case be required, at least in the initial stages, in preparing stored data for the terrain contour matching guidance system (TERCOM). Thus, any limitations on the transfer of the relevant technology imposed by a SALT II agreement would place these European powers at a serious disadvantage.

The author concludes:

"The NATO alliance must now accept the reality of the world situation and give urgent and serious consideration to building up its Eurostrategic nuclear forces. Europeans must also demand a more effective voice in any future nuclear arms control negotiations between the United States and the Soviet Union, the results of which could have a profound effect on the cohesion of the NATO alliance and on the future security of Western Europe." ●

CLINTON, IOWA, FLOOD CONTROL PROJECT HEADS TOWARD COMPLETION

● Mr. **CULVER.** Mr. President, the citizens of Clinton, Iowa, recently were given the good news that its flood control project is on schedule for completion in 1981. When built, this facility will provide residents of this rapidly expanding and dynamic community much-needed protection from the ravages of recurring flooding.

Over the years, Clinton has been vulnerable to severe floods which have hampered its economic growth. Prior to the beginning of construction on the flood control measure in 1974, average flood damage had ranged as high as $1 million annually. One particularly serious flood in 1965 caused over $5.5 million in damages and temporarily closed over 50 major businesses and industrial firms.

One of my major efforts as a Member of the House of Representatives from the district which included Clinton was to secure a flood wall for the city. Congress authorized a comprehensive flood protection system in 1968, which consists of 8.1 miles of earthen levee and concrete floodwall along the city's waterfront.

A hallmark of the Clinton project since its inception has been the cooperation between the Corps of Engineers and the community to assure that the measure would have no adverse environmental or esthetic consequences. In areas where trees were cleared prior to soil removal, brush piles have been built in order to provide additional wildlife habitat. Trees are being planted along portions of the levee as part of an overall beautification effort.

To permit the construction of recreational facilities as part of the project design, I have introduced legislation to authorize the corps to construct a bicycle path on top of the flood control levee and a small park outside the levee with open fields and equipment. The city of Clinton and the Federal Government will each pay half of the cost of including these facilities in the flood control project. These recreational features have the strong support of the citizens of Clinton, and I will continue to work for final congressional approval.

Mr. President, the Clinton flood control project is a model of close cooperation between public officials and private citizens. When completed in 1982, it will provide outstanding flood control and recreational benefits to the community, and I am pleased to have had the opportunity to secure congressional approval of this important measure.

I ask that a recent article from the Clinton, Iowa, Herald describing the progress made on this project be printed in the RECORD.

The article follows:

[From the Clinton (Iowa) Herald, Thursday, May 17, 1979]

FLOOD CONTROL PROJECTS SHOULD BE COMPLETED BY 1982

Clinton's flood control project should be completed by late 1981 or early 1982 and Fulton's sometime in 1982, Clinton Engineers' Club members were told Wednesday.

Dale Rossmiller, chief project engineer for the Rock Island District, Corps of Engineers, said that even now enough progress has been made on both projects to protect major portions of the two cities from high water in the Mississippi River.

He predicted by this time in 1980 even larger areas would be safe from flooding.

Rossmiller and John Copeland, project manager for the Beaver Slough portion of the Clinton levee, illustrated discussions of engineering phases of the projects with slides.

Col. Frederick Mueller Jr., Rock Island District engineer, said the excellent progress on both projects had resulted greatly from the cooperation given the corps by both communities.

Because the shores of Beaver Slough arc lined with industry, Copeland said various aspects of the work had to be carried on carefully to avoid disruption of operations.

This necessitated arrangements between them and Shappert Engineering Co., the contractor. As an example, he cited the scheduling of work in the Peavey Co. grain terminal area during the winter months when there would be no interference with river shipping.

Copeland said it was necessary to dredge material from Beaver Island and move it to the opposite bank to provide a base for sections of the levee. In one section it was necessary to move 400,000 cubic yards of earth by truck from an area west of the city and to dredge 350,000 cubic yards of sand from the slough to build the levee.

In some areas the contractor had to remove cinders and trash to a considerable depth to reach a stable foundation for the flood wall.

In both the Beaver Slough and Fulton areas the Corps of Engineers and the U.S. Fish and Wildlife Service cooperated to protect the environment. Rossmiller said near Fulton a dead water area was dredged resulting in improved fish and wildlife habitat.

When the Beaver Island area was cleared of trees before soil was removed the two federal agencies cooperated in building brush piles to provide wildlife habitat. Mature logs were taken to Fort Madison for processing.

Rossmiller said the levee between Turtle Creek and the Chicago and North Western Railroad tracks is nearly complete with the exception of some plantings and beautification work now in progress.

Three members of the Fulton Drainage District Commission attended the session. ●

ENERGY ACTION

● Mr. **SCHMITT.** Mr. President, one of the best attempts to synthesize a set of recommendations for Federal action to combat our dependence on high priced imports of foreign energy is contained in last week's Newsweek. Although I would question a few of the recommendations and add a few more, this article none the less shows an overall understanding of what must be done which is the best I have read in the popular press.

I ask that this article be printed in the RECORD.

The article follows:

[From Newsweek, July 16, 1979]

WHAT MUST BE DONE

Though energy may never again be cheap and America may never produce enough of its own energy to be self-sufficient, a national energy policy can pave the way to a more secure and balanced energy future. The main goal is to reduce U.S. dependence on imported oil, making the transition with minimum shock to the economy, the environment and American life by the late 1980's. But the foundation must be laid now.

Newsweek presents a series of proposals that demand national consensus and immediate action. Many have been mentioned before, and a few have been enacted into law. No exotic and distant technologies, like fusion, are offered. There is no panacea, but used in concert, the proposals can shift the nation from paralysis to progress on energy.

The program rests on certain fundamental assumptions. First, free markets tend to allocate scarce resources far more efficiently than government bureaucracies—a fact driven home as never before by the long gasoline lines and closed service stations of recent weeks. Second, some trade-offs on environmental, economic and social issues will doubtless be necessary if the U.S. is to achieve its long-range goal. They must be made cautiously, wisely, and with every effort to correct inequities and minimize damage. Finally, the policies must be wide-ranging, flexible and resilient enough to retrieve error. There is no one solution to the energy crisis, merely a chance to guarantee that national policy will provide for a more secure future.

DECONTROL

Decontrol of domestic oil, natural gas and gasoline prices, a course on which the Carter Administration has finally embarked, is absolutely necessary. By keeping a cap on prices and holding them below world market levels, the U.S. Government has sought to "protect" American consumers. What price controls have actually done is to insulate Americans from world reality—the end of the era of cheap oil. They have encouraged consumption at a time when conservation should be a top national priority. They have subsidized costly imports just when the U.S. should be trying to kick its foreign-oil habit. And they have effectively discouraged alternative energy sources that become economic only as the price of petroleum rises. It is time to get on with decontrol as fast as possible.

Decontrol of oil prices. Carter's plan to life the price lids on domestic production by 1981 is on the right track. But the schedule should be simplified. Rather than permit domestic prices to rise toward the world price in tortuously defined categories, all newly discovered oil and oil produced by enhanced-recovery techniques should be allowed to fetch the world price immediately. "New" oil (from fields discovered after 1972 or post-1972 additions to old production) should rise to the world price level in January 1980. "Old" oil should rise to the highest controlled price in January 1980—and to the world level a year later.

Newsweek supports a tax of approximately 50 per cent on the "windfall" profits oil companies will realize through decontrol. The billions of dollars in revenues from such a tax will be needed to ease inequities and to help fund other energy projects. But all newly discovered oil, oil from enhanced-recovery and Alaskan production should be exempt from the tax. And after 1990, the "windfall" excise tax should be dropped altogether.

Decontrol of natural gas prices. All price controls on natural gas should be lifted immediately. The Byzantine schedule for decontrol enacted last year is confusing and may unnecessarily delay the development of new resources. Producers correctly complain that the legislation, which sets separate decontrol schedules for about twenty classes of gas, makes rational investment difficult. Since gas is a clean and efficient fuel that may prove plentiful, every effort should be made to speed production.

Decontrol of gasoline prices. The controls must be lifted and the government allocation system abolished. In trying to regulate and distribute the nation's gasoline supplies, the system has merely succeeded in turning a 5 per cent shortfall caused by Iran's crisis into a 15 per cent shortage of gasoline at the nation's pumps.

If gasoline price controls and the allocation system were abolished, the market would be permitted to ration supply by price. Service stations, acting through gasoline wholesalers, would buy whatever gas they could get and supplies would flow where demand, measured by price, was highest. If gas were selling for $1.05 a gallon in Newark and $1.25 in nearby New York City, for instance, the network of suppliers would shift gasoline to New York faster than government bureaucrats would. Motorists, meanwhile, would "shop" service stations for the best price, and some semblance of order would be restored. Over time, prices would stabilize and might actually decline to levels only slightly higher than the old controlled prices.

No one knows for certain just how decontrol would affect domestic energy production. The Administration estimates that decontrolling oil prices will add nearly 1 million barrels a day by 1985. But even if decontrol merely helps stabilize declining U.S. production, it will be well worth it.

Natural gas provides a much greater opportunity. Historically, it has been the stepchild of the energy industry, produced mostly as a byproduct of oil, and low prices have quashed the incentive to explore for more. But by some estimates, the U.S. has a bonanza of natural gas—trillions of cubic feet in deep basins, coal seams, shale-rock formations and high-pressure salt-water deposits. The cost of finding and producing that gas has been prohibitive under price controls. Only by assuring producers that they can get an adequate return on the huge investments they must make will the U.S. find out how much natural gas it actually has.

In the short run, decontrol of energy prices is sure to add to the U.S. inflation rate as its impact ripples through the economy. Decontrol of gasoline prices alone could add as much as 20 cents to the price of a gallon at the pump. But that is one of the trade-offs that must be accepted. Higher energy prices will also cut demand and dampen economic growth somewhat. But the U.S. is in a better position than it has been in the past to sustain an economic slowdown with minimal damage. According to demographers, the U.S. is likely to experience a labor shortage in the 1980s, which would mean that a slower-growing economy would not cause as much unemployment as in the past.

Certain segments of society are sure to feel the impact of decontrol more than others. The poor, for example, will find it even harder to pay their energy bills. But a variety of Federal mechanisms—including income-tax breaks, direct Federal grants or perhaps heating-oil stamps—could ease the burden. The same holds true for geographical regions, particularly the oil-dependent Northeast, that will be especially hard-hit by higher energy prices. One promising plan, proposed by New York Gov. Hugh Carey, calls for an Energy Corporation of the Northeast—a bank, funded by the Northeastern states, that would help finance development of regional energy alternatives, such as Appalachian coal. But in designing appropriate policies to help the hardest hit, lawmakers must keep two crucial principles in mind: decontrol must proceed, and measures designed to reduce inequities must not reward increased energy consumption.

COPING WITH OPEC

The U.S. must take steps at once to end its role as helpless hostage to OPEC:

A strict limit on imports. At the recent economic summit conference in Tokyo, Carter agreed to a "goal" of limiting petroleum imports to current levels—8.5 million barrels a day—for the next six years. That goal should be redefined as an iron-clad limit and strengthened: in 1980, the U.S. should import no more than it does this year, and each year thereafter it should lower the ceiling by 250,000 barrels a day until 1986, when the limit would be permanently set at 7 million barrels a day. There are several ways such a system could be administered and all can be easily invoked under existing Federal law. The most equitable and efficient appears to be a fairly straightforward Federal auction system in which refiners would bid for the imported supplies. Once the U.S. took such action, other Western nations might follow suit.

The risk is that a sudden domestic shortage could temporarily drive energy prices even higher that the world market levels. But with decontrol spurring domestic production and conservation suppressing demand in the years ahead, serious shortages are unlikely. The import limit would also give oil companies new incentives to search for domestic oil and to make synthetic fuels from coal and oil shale. And it would serve notice on OPEC that the world's biggest consumer will no longer soak up the cartel's production at any price, and thus might relieve some of the price pressure on the rest of the world.

Closer ties to Mexico and Canada. The U.S. should launch an all-out effort to improve relations and design cooperative energy agreements with Canada and Mexico. The first order of business is clear: patch up the badly bungled negotiations with Mexico to buy its natural gas. It will not be easy; Mexico has a deeply ingrained mistrust of American economic imperialism, and the Carter Administration's rebuff of a Mexican gas deal has exacerbated the ill will. But if the U.S. makes unequivocal its intention to buy Mexican gas, most of which is now flared off as an unwanted byproduct of oil production, a start could be made toward wider cooperation. The U.S. could promise development aid and investment in return for guarantees of oil supplies—a help to both national economies.

At the same time, the U.S. should commit itself, once and for all, to the trans-Canada pipeline that would bring Alaskan gas to the energy-hungry Midwest. Such a commitment would serve a dual purpose: it would please the Canadian Government, which is in favor of the pipeline, and would be a clear signal to American consumers that there will be enough natural gas to avoid disruptions and that industry can safely switch from oil as a boiler fuel.

Export of Alaskan crude. The law prohibiting any export of Alaskan oil should be repealed immediately. It has resulted in an absurd anomaly: a glut of oil at ports in California, where refineries are not equipped to handle all of the heavy, high-sulfur Alaskan crude, even as West Coast drivers queue up in gas lines and the U.S. struggles with a national crude shortage. The excess Alaskan oil could be shipped to Japan; in return, Mexican petroleum intended for Japan could be sent to the U.S., where it could be processed in Gulf Coast refinery.

New world resources. The U.S. must make every effort, through the World Bank and other existing international agencies, to stimulate exploration and development of energy resources in the Third World. Even if new discoveries never reach the American market, they will add to world supplies, relaxing the pressure on consuming nations and weakening OPEC's whip hand.

CONSERVATION

The cheapest "source" of energy is conservation—energy efficiency—so that vehicles, equipment, buildings and appliances do their work with a minimum of waste. Since the first OPEC shocks of 1973–74, cost-conscious industry has cut back waste enough to destroy the old lockstep relationship between economic growth and energy consumption. Since 1974, energy consumed by manufacturing industries has grown at a rate of 0.4 percent a year; over the same period, the gross national product adjusted for inflation has increased at an average rate of 3.3 percent a year.

Americans are buying more fuel-efficient cars, while homeowners, aided by tax incentives, have cut fuel use by insulating their houses. Higher energy prices and limits on oil imports are sure to spur even more such conservation. But national energy policy should make energy efficiency even more economically attractive than it already is. The payoff could be energy saving the equivalent of several million barrels of oil a day by 1990—with little or no loss of economic growth.

Tax reforms. Tax codes should be written to promote energy efficiency. One useful reform would be to give industry faster write-offs for investments in efficient capital equipment, thus increasing the incentive to abandon fuel-guzzling plants in favor of less wasteful factories and equipment. The existing tax credits for homeowners who insulate houses and make other energy-saving modifications should be increased and broadened.

Utility reforms. The Federal government should step up the effort to help state legislatures reform utility-rate structures. Wisconsin's plan could serve as a model; the state has barred power companies from offering discounts to their biggest customers, raised rates to all consumers during the summer peak-use period, and forced the heaviest users to pay more during daytime peak hours than at night. More utilities should be encouraged to enter the conservation business, giving advice to homeowners and commercial customers on how they can save energy, arranging for local contractors to do the necessary job and checking to make sure retrofitting has been properly done.

Cogeneration. Wherever it is feasible, Federal and state officials should press for the adoption of cogeneration—the extremely efficient production of industrial steam and electricity at the same facility. Utilities have generally resisted such competition from industry. But in some areas that are already pressed to meet power needs, the resistance may be wearing down.

COAL

The good news about coal is that we have huge domestic quantities of it—enough to last more than 600 years at current consumption rates. The bad news is that we have to use it. The health, safety and environmental threats posed by mining and burning coal are severe; its emissions cause respiratory ailments, contain carcinogens and release more carbon dioxide into the atmosphere than any other fossil fuel, raising the possibility of a "greenhouse effect"—a warming of the atmosphere that could cause catastrophic climatic changes.

Mining it in the arid West, where it lies near the earth's surface, degrades hard-to-reclaim land. Mining it in the East, where it is trapped deep within the Appalachian hills, means a nightmare of labor and safety problems. Transporting it is awkward and expensive. Burning it is dirty. Coal is hardly the energy savior many proponents have claimed, and it should not be burned where the resulting pollution exceeds the health-related air-quality standards. But in the short term, the U.S. must make better use of coal where possible to free some precious gas and oil for other uses.

Direct coal burning. Outside the most seriously polluted areas, utilities must be ordered to switch from oil to coal-fired power plants as Carter proposed in his original energy plan. The Department of Energy must agree on the appropriate environmental safeguards—and stop sending conflicting signals to the industry.

Environmental protection. The standards in the Clean Air Act Amendments of 1977 should be retained, but Congress should drop the requirement that plants using low-sulfur Western coal install the same kinds of scrubbers as those burning high-sulfur Eastern coal. The resulting improvements in emission are negligible, and the requirement is largely an effort to bail out the troubled Eastern coal industry.

Slurry pipelines. By far the cheapest and most efficient way to transport large quantities of coal is by mixing it with water to form a slurry, then pumping it through a pipeline to its destination. So far, the biggest slurry project is ETSI (Energy Transportation Systems Inc.), which by 1984 will start carrying 25 million tons of coal a year from Wyoming to Louisiana. But in order to win the right of way under railroad tracks in the pipe's path. ETSI had to spend six years in court fighting 65 separate cases.

As a sign of the nation's serious commitment to developing its coal resources, the Federal Government should again press legislation to ease the way for such pipelines. At the same time, however, every proposed slurry-pipeline project must be carefully scrutinized for its impact on scarce water resources in the West.

SYNTHETIC FUELS

The synthetic fuel solution to the energy crisis has suddenly come into vogue, with the House passing its own version of a program and a host of private lawyers, investment bankers and economists plumping for their pet synfuel schemes.

Carter may make synthetic fuels the centerpiece of the new energy program he intends to unveil in the next week or so, and the proposal his advisers have submitted to him is an ambitious one. It would create a new, independent Federal corporation, headed by a full-time chairman chosen by the President and dominated by appointees from outside the government. The corporation would spend up to $46 billion by 1995 to get plants built that would produce 2 million barrels of synthetic fuel a day. Only $6 billion, however, would come directly from the government; the rest would be from the sale of bonds or in the form of loan guarantees.

Newsweek agrees that the nation must phase in a synthetic-fuels capability over the next decade. The goal should be about 2 million barrels a day by 1990, a target that would reduce dependence on OPEC and exploit the nation's vast coal reserves.

But a synfuel capability will not come cheaply. Synfuels—whether derived from oil shale or tar sands or made by liquefying or gasifying coal—will certainly cost more than the prevailing world oil price of $20 a barrel to produce, perhaps as much as $35 a barrel. Because synfuels are not yet económically competitive, some government participation or subsidy will be necessary to encourage private industry to make investments that could total as much as $75 billion by 1990.

Oil shale is fine-grained rock that contains an organic material called kerogen. When heated to temperatures near 900 degrees Fahrenheit, the kerogen yields synthetic oil and gas. The shale can be mined, then heated in surface retorts, or it can be heated underground. But the problems of producing shale oil are formidable. It requires roughly 1.7 tons of rock to produce a single barrel of shale oil. Once the oil is removed, the producer is left with even more rock than he started with because of the "popcorn effect": the rock expands in volume when broken and heated. All the spent rock must be disposed of. Shale mining and oil production also demand huge quantities of water, pose the danger of leaching harmful materials in groundwater and produce a liquid that needs further refining to make it usable.

There are three basic ways to liquefy coal, each involving a different method for breaking down the mix of hydrogen and carbon atoms and recombining them with additional hydrogen. Several liquefaction plants are in operation around the world. South Africa, for instance, produces 20,000 barrels a day of synthetic oil called Sasol (for South African Coal, Oil and Gas Corp.) through a technique that breaks down the coal into carbon monoxide and hydrogen gases, then recombines them in liquid form.

But coal liquefaction is a massive task as well. Each full-scale plant producing 50,000 barrels of synfuel a day would require a staggering 30,000 tons of coal a day to run—enough to keep three to five coal mines going flat out. It may prove difficult to expand coal-production and transportation facilities. The liquefaction plants will also take years to complete. By most estimates, it would take two years simply to design a large coal-liquefaction plant and four more years to build it—provided there were no delays along the way. And the process is expensive: even before the first barrel of synfuel is produced, the plant would cost anywhere from $1 billion to $3 billion.

The government's role in synfuels should be minimized because market forces ought to get maximum attention in any energy policy. One route may be for the government to underwrite and build one commercial-scale demonstration synfuel plant on its own. The production from the plant could supply a strategic petroleum reserve, but far more important, the technological information gathered from production could be made available to all comers.

At the same time, Washington should nurture a private-sector synfuels industry. The government would guarantee to pay a producer for a fixed amount of synfuel at a specified price. If the world oil price at the time of delivery turned out to be above the government guarantee, the producer could sell on the world market and the government would pay nothing. If the world price were below the guarantee at the time of delivery, the government would become the buyer. In either case, the private company would lose money only if its cost of production in dollars per barrel were above both the guarantee and the world price. Thus, if world prices continue to rise at a rapid rate, synfuels would be competitive and the government role would be minimal.

NUCLEAR POWER

There is a strong antinuclear movement demanding that the U.S. close down all existing nuclear power plants and halt construction of any new ones. The U.S. cannot afford to do so. Nuclear power provides 12.5 per cent of all electricity generated in the country, and without it, the U.S. would have to turn to coal on an even greater scale to meet its power demands. Despite the scare at Three Mile Island, the known risks of burning coal are greater than the risk of using nuclear power. The U.S. must retain the nuclear option, but it should make some immediate changes in licensing and regulation and promote a crash program to solve the long-term waste-disposal problem.

Licensing and construction. Since the lead time necessary to bring a nuclear plant on line is at least ten years, the U.S. must immediately end the moratorium on licensing and construction and get planned nuclear power plants into operation.

Operations. Tough new standards should be set for the certification of plants, the training of operators and Federal oversight procedures. Key nuclear workers should be trained and licensed according to strict government standards, much as U.S. pilots must pass required certification procedures set by the Federal Aviation Administration. Every nuclear plant in the U.S. should be required to have a Federal inspector on the premises with full authority to shut down the reactor in case of an emergency.

Nuclear wastes. The Carter Administration's ban on reprocessing spent nuclear fuel should be kept in force for the time being; so far, there is simply no way to guarantee against terrorist attempts to plunder the plutonium produced during reprocessing—and, in any event, uranium will probably remain abundant enough to make the recycling economically unnecessary in this century.

Meanwhile, the spent fuel rods now stored in "swimming pools" at reactor sites should be moved to Federal dump sites, perhaps in Nevada and Washington State. With tough standards governing their transport and entombment, they can be made safe for the next few decades—and the relatively small amounts of added waste that will be produced by the end of the century will not jeopardize national safety. Later, if a uranium shortage develops or changes in national policy make reprocessing more attractive, the rods will be retrievable.

At the same time, the Federal government should launch a crash program—to be completed within five years—to find out whether there is a more satisfactory way to dispose of the long-lived, highly toxic waste. If no solution is feasible within five years, the U.S. may well have to abandon plans to build any more nuclear reactors. No solution to the nuclear-waste problem will ever satisfy everyone. The best that can be attained is a plan that reduces the risk to a level acceptable to a blue-ribbon commission of scientists appointed by the President.

SOLAR POWER

To many Americans, the promise of cheap, clean, renewable solar power is the most attractive energy solution of all. But existing solar technologies can provide only limited help over the next twenty years or so. America's energy problem is largely a shortage of liquid fuel, and solar-power technology is still too primative to make a dent much before well into the next century. But the government should step up its research in the hope of a long-term payoff.

At present, the hot-water, space and industrial-process heat that solar can provide simply cannot be stored efficiently. And such systems require the added expense and complication of conventional energy backup systems to provide power on cloudy days. High-tech solar solutions—instant electricity from photovoltaic cells, for example—are useful in isloated circumstances, but they are still far too costly for everyday energy applications. And though sudden breakthroughs in technology are always possible, large-scale applications for power generation are remote.

Even so, the energy-saving potential of sun power should be exploited for all it is worth. Banks should be pressed to reform lending policies to give every possible break to the builder who contracts for a house using passive solar design or the homeowner who installs solar devices such as hot-water heaters. And the government should broaden tax credits to nurture the infant solar industry.

TRANSPORTATION

Transportation takes 55 per cent of all the petroleum used in the U.S.—roughly 10 million barrels of oil a day, or more than all the oil the U.S. imports. But despite the tremendous importance of transportation in the energy equation, transportation policy is a mess. Thirty Congressional committees and 64 Federal agencies have a hand in transportation, and there are at least 1,000 separate policies and programs governing it—many of them at odds with one another. According to a report published last month by the National Transportation Policy Study Commission, U.S. public transportation is worse than that of any other developed country. Obviously, some sensible reforms are long overdue.

Mass transit. Both train and bus commuter lines should be beefed up. Already, Congress plans to cut back subsidies of Amtrak's lightly traveled longer routes; the money saved should be plowed back into Amtrak's shorter, heavily-used lines—for instance, the densely populated Boston-Washington corridor. Cut-rate group fares should be instituted on rail lines to lure families away from the automobile travel that eats up 85 per cent of the fuel used in transportation. Government subsidies will be required, but the money will return substantial energy and environmental dividends.

The opportunity for greater emphasis on urban bus systems is particularly alluring, but the problem is that most of them lose money, which then results in reduced service and prevents city hall from buying new, efficient equipment. This means that buses ought to be subsidized to a greater degree than they are now.

Diesel fuel. The government must resolve, as quickly as possible, the questions surrounding the health and environmental effects of diesel engines in automobiles. Until important uncertainties about carcinogenic emissions are settled, Detroit cannot plan on manufacturing diesel-engine cars in large quantities during the 1980s. The answer is critical: diesel-powered cars get far better mileage than conventional cars and it is much easier to refine diesel from synfuels than it is gasoline.

FEDERAL ROLE

Much of the past government role in energy has been ineffective, misguided and counterproductive. But there are some things the Federal government can and should do:

Massive research projects. Only the Federal government has the financial resources necessary for a resolution of the most pressing questions that must be solved: nuclear-waste disposal, for instance, and the long-term effects of carbon dioxide on the earth's atmosphere. In addition, there are both short-term and long-term projects that require an appropriate Federal role—for example, a synfuels capacity. And there are exotic technologies with considerable, though distant, promise that require government help. The most obvious example is nuclear fusion.

Decision-making. A first order of business should be to establish a fast-track decision-making process for large-scale energy projects—especially for coal development, nuclear plants and pipeline projects. The interminable delays that can hold up such projects—years of regulatory squabbling and court fights—are simply intolerable in the current atmosphere; they add to industry's costs, make rational planning impossible and feed the national confusion over energy policy. The fast track must include time limits for the approval of new projects—and it must ensure that all appropriate questions on health, safety and the environment are thoroughly considered. Even prominent environmentalists now support such a move; national policy on energy is simply too important for maneuvers by special-interest groups that endlessly stall potential additions to supply.

Information and education. Currently the Federal government depends almost entirely on Big Oil for data, a fact that has understandably fostered distrust and inaction. But setting up a new oil-industry auditing staff in Washington, as some oil-company critics suggest, would probably be a mistake.

The much-maligned Department of Energy has the capacity to gather the needed information, and its techniques are slowly improving. The point is that more oil-industry information ought to be made available to the public by DOE. At the same time, there should be a much better Federal program to educate Americans about energy—what the situation is and how useful steps, such as conservation measures, can be taken to deal with it.

Strategic reserves. The government must get on with the job of establishing a strategic petroleum stockpile of at least 1 billion barrels (about two months' worth) that could be used in case of unforeseen shortfall—the recent Iranian situation, for instance. After nearly two years, the existing strategic reserve contains only four days' supply. In future years, the strategic reserve might be a sensible use for any synfuels the government contracts to buy.

Federal lands. Although America's vast wilderness areas must be carefully protected, the Federal Government should quickly open some new areas for exploration by the oil industry so that the U.S. finds out as soon as possible what new reserves of oil and natural gas it may have. There are a number of geological formations, such as some on Alaska's outer continental shelf, that exploration experts consider especially promising.

In the current atmosphere of crisis, there is real danger that Congress will fix upon a costly program such as synfuel development—a risky enterprise at best—then argue that it has met the emergency and settle back to business as usual. But as Newsweek has repeatedly emphasized, America cannot count on any single solution to its energy problem. A rational policy must include many elements, rely heavily on private markets and satisfy a basic requirement—to wean the nation from oil in general and from imported OPEC oil in particular. The transition will not be easy, cheap or painless, but it can be done. It must begin now.●

TRIBUTE TO CHRIS MARSHALL

● Mr. WILLIAMS. Mr. President, I know my colleagues and I were deeply saddened to learn of the passing last week of Christopher Dow Marshall, the 16-year-old son of Secretary of Labor Ray Marshall. I had the privilege in the past year to become personally acquainted with this extraordinary young man who celebrated life with uncommon vigor. His unbridled enthusiasm for sports, his country and his native Texas brought joy to all around him.

Chris died of cancer last Wednesday at the National Institutes of Health. Doctors discovered the disease in his left arm in late 1977 and the arm was amputated in January 1978. But the disease had spread throughout his body and he had been going to NIH for treatment ever since.

I know the past year and a half have been deeply trying for Ray and his family and they deserve our understanding and compassion at this most difficult time. My wife Jeanette and I offer our most profound and heartful condolences to Secretary Marshall, his wife Patricia, and the other Marshall children; Jill, Susan, Sarah and John. On Saturday, I attended a moving memorial service for Chris and I request that the truly inspirational eulogy delivered by the Rev. William B. Payne, Chaplain at NIH, be printed in the RECORD.

The eulogy follows:

IN MEMORY OF CHRIS MARSHALL

We are gathered here this morning in memory of Chris Marshall. All of you who knew him have your own special memories of Chris—experiences and interests you shared with him. There were many facets to his personality; he was a vital, vibrant person who packed many, many things into his all too brief life.

He loved sports and enjoyed participating in track. He was an avid football fan, always, of course, rooting for the Texas teams and last year he really thought there would be an all Texas superbowl with Houston and Dallas and he never could quite believe that Pittsburgh beat Dallas.

He was a movie buff and a T.V. fan—he especially loved Saturday Night Live and to have Chris share a scene from a movie or a television show with you was a true delight; he relished sharing his excitement and joy.

His interests in reading varied widely. He read almost every Agatha Christie mystery he could find and was fascinated with the history of ancient cultures.

He had a great interest in archaeology—he loved artifacts and relics, gems and stones of all kinds—and this is the field he wished to pursue.

Those of you who knew him in school knew him as a good student, sharp and witty—able to enjoy the fun and the good times, but also aware of the challenge to grow, to learn, to explore.

He loved his country and took great pride in it; it hurt him to hear people put it down or disparage it, to pollute it by word or action, and he was committed to making a positive contribution in his own life. He would become quite emotional, have tears in his eyes as he shared these feelings with you—feelings aroused by watching a segment of a television program such as Centennial. Just talking about it, he would get all caught up in it.

He loved his family and took great pride in them as they did in him. His interaction with his parents, his sisters and brother, and Helen reflected that love in many ways. One of the most touching moments I have ever experienced occurred the last time Chris came to the hospital. He was having great difficulty breathing and having some very severe pain. His mother was standing by the bed holding his hand, just a few tears trickling down her cheeks. Chris looked up at her and said, "Mom, I don't want you to be upset, I only have one problem. I don't know whether I want to go to Heaven or to Texas."

Chris had an unbelievable strength and courage as he faced his illness. Nurses, physicians, technicians, therapists—all of those who worked with him were impressed by this. One of his physicians said, "I've never seen anyone who handled his illness with such grace and such courage."

Chris had the most delightful sense of humor. I have heard more Texas Aggie jokes since I've known Chris than there are Texas Aggies, and the beautiful thing about Chris was that no matter how corny the joke might be, you enjoyed it because Chris so much enjoyed sharing it with you—it was a gift. And I know that wherever Chris is there will be laughter and joy and I'm sure that even God will hear a few Aggie jokes and maybe even gain some wisdom as we all did from knowing Chris.

Peter Marshall, late pastor of the New York Avenue Presbyterian Church said, "the measure of a life, after all, is not its duration, but its donation. How much will you be missed?"

Chris will be greatly missed by all of us in different ways—missed because of his donation, his contribution about the meaning of life. So, I would encourage each of you to remember something that Chris shared with you out of his treasure of love—something that made you face the day with a sense of joy—remember that and hold on to it, for that was what Chris was all about.

"In a word, three things last, faith, hope and love, but the greatest of these is love."

I thank God for the life of Chris Marshall and I thank God for the love and joy he brought into my life.

Someone once said that most of us live life backward—we are to love people and use things, but many of us love things and use people. Chris had it straight; his priorities were right. Whatever Chris did, he did with enthusiasm and out of a spirit of love. For a young man of 16 he had developed a keen sensitivity to people of all ages. Time after time I saw people who went to visit Chris to cheer him up, make him feel better, encourage him—and they did—but the strange thing is that they came away, cheerful, feeling better, encouraged because Chris had a way of doing that for others—everyone whose life he touched, he enriched. He had a simple yet complex kind of faith and he strove so hard to see the good in everything and everybody. He loved people.

"God, our Father, we come this morning to remember Chris and to commit him to your love. Each heart has its own memories of love and warmth for the many things he shared with them. Help those who knew him and loved him to hold to and remember all the good memories that gather round his life. May the life and love we shared be for us a rich treasure that we may be constantly strengthened by these memories for the fulfilling of our own lives."

"We thank you that for Chris death is past and pain is ended and we pray that he may enter and enjoy your peace. You are a God of compassion and comfort and we commend to your care his family. Be especially close to those who shared his life and most intimately—with his parents, with Jill and Susan, John and Sarah, with Helen—with those who in their own lives will feel his loss most keenly. May the comfort of your presence fill their minds and hearts, be their guide, their comfort and their strength in the days and years which are ahead. Amen."●

FIFTIETH ANNIVERSARY OF THE INAUGURATION OF HERBERT HOOVER

● Mr. HATFIELD. Mr. President, much has been written of the difference between the policies of Herbert Hoover, our 31st President and his successor, Franklin Roosevelt, and indeed there was a great deal to distinguish their two administrations. Hoover was a well-publicized opponent of many of Roosevelt's New Deal policies, such as the elimination of the gold standard. Roosevelt found it in his political interest to emphasize the differences as well. The personal hostility which developed between the two men also contributed to the general sense that their policies were diametrically opposed.

Because of these notable differences, the elements of continuity between the two administrations have generally been lost, even on many historians of the period. Prof. Frank Freidel of Harvard University has submitted an essay, for publication in the series honoring the 50th anniversary of the inauguration of Hoover as President in 1929, which examines the many similarities in the policies of the two Presidents. Freidel writes of the new deal:

> There were dramatic changes . . . beneath there was a solid underpinning of continuity running from the progressive era, and Wilson's war administration, through the Hoover years into the new deal.

I will mention just a few of the examples Freidel cites. Both men sought reorganization of the Federal Government, to increase efficiency, and both were thwarted to some degree by Congress. Both Presidents relied heavily on planning. Hoover appointed the President's research committee on social trends in 1929, which drew up a national social plan for the future, which could have served as a blueprint for a second Hoover term. Roosevelt not only had Hoover's penchant for planning, but in many cases his planners were the same men who served Hoover in this capacity.

There were many similarities in the foreign affairs and defense fields. Both men emerged from World War I determined to avoid another such conflict, and both believed the armed services should be kept at a minimal level commensurate with National Security. Nonrecognition of territory taken by force, the so-called Stimson doctrine, was a pillar of the foreign policy of both men. According to Freidel, the foreign economic policy of the two men differed more in the means than the ends.

Professor Freidel's paper represents a new look at an important period in our history, and I commend this fine essay to my colleagues and other readers of the Record.

Mr. President, I ask that the essay by Professor Freidel, and a brief biographical sketch of the author, be printed in the Record.

The material follows:

Biographic Sketch of Frank Freidel, Jr.

Present Position: Charles Warren Professor of History, Harvard University, 1976–.

Education: University Southern California, A.B. 1937, A.M., 1939; University of Wisconsin, Ph.D., 1942.

Professional Experience: Associate Professor of History, Shurtleff College, 1941–1943; Assistant Professor, University of Maryland, 1943–1945; Assistant Professor, Pennsylvania State College, 1946–1948; Assistant Professor, Vassar College, 1948–1949; from Assistant Professor to Associate Professor, University of Illinois, 1949–1953; Associate Professor, Stanford University, 1953–1955; Professor, 1955–1976, Charles Warren, Professor of History, Harvard University, 1976—Concurrent Position; Harmsworth Professor, Oxford University, 1955–1956; Fellow, Center Advanced Studies Behavioral Sciences, 1959–1960; Guggenheim Fellow, 1964–1965.

Memberships: AHA; Organization of American Historians.

Publications: America in the Twentieth Century, Knopf, 1960; The Presidents of the United States, White House Historical Association, 1964; Over There, Little, 1964; FDR and the South, Louisiana State University, 1965; Our Country's Presidents, National Geographic, 1966; Union Pamphlets of the Civil War, Harvard University, 1967; Roosevelt: Launching the New Deal, Little, 1973; Co-editor, Harvard Guide to American History, Harvard University, 1974.

Hoover and Roosevelt and Historical Continuity

The March 4, 1933—inauguration day—issue of the Saturday Evening Post carried an article by William Allen White with the striking title, "Herbert Hoover—The Last of the Old Presidents or the First of the New?" It is a question as germane today as when White asked it more than forty years ago, since it suggests an inquiry into both change and continuity between the Republican New Era of the 1920's and the Democratic New Deal.

The two great heirs to Theodore Roosevelt, Woodrow Wilson, and the Progressive tradition were Presidents Herbert Hoover and Franklin D. Roosevelt. It is not surprising therefore that there is a marked continuity between the Hoover program and that of his successor. There are also, as is generally recognized, sharp distinctions. Much has been made of these. It is the continuity that I wish to emphasize today. The degree to which it existed is quite considerable, although it is something that neither man would have wished to acknowledge in the years after their early friendship and admiration had curdled into mutual distrust and antagonism.

Both future Presidents learned much from Theodore Roosevelt and the New Nationalism, especially from Theodore Roosevelt's intense interest in fact-gathering through commissions and his emphasis upon planning. Like the first Roosevelt, both these later Presidents were to give strong encouragement to planners. Franklin Roosevelt, although nominally a Democrat, in 1900 joined the Harvard Republican Club, and in 1904 cast his first Presidential vote for Theodore Roosevelt. He married Theodore Roosevelt's niece, and was never very far out of the Theodore Roosevelt's orbit. As for Hoover, he remembered in his old age that he had contributed to Roosevelt's campaign fund in 1912, although he said at the same time that he had always been a Republican.

The impress of Wilson on both Hoover and Roosevelt was even greater. Hoover served with spectacular success in the Wilson administration, while Roosevelt, although overshadowed, was successful enough to win the 1920 Democratic nomination for Vice President while he was still in his thirties. Both men in subsequent years demonstrated their fealty to Wilson, Roosevelt by helping found the Woodrow Wilson Foundation, and Hoover in writing the poignant *Ordeal of Woodrow*

Wilson. Both men had absorbed a great deal of Wilson's outlook, his opposition to large government closely allied with large business, his preference for small decentralized economic activity which would give opportunities to the rising entrepreneur.

Theodore Roosevelt in 1912 had attacked these concepts of the New Freedom as "rural toryism." Whether or not that is what it was, certainly Hoover was particularly interested in helping smaller business and disturbed by the concentration of financial and monetary power in eastern centers. Roosevelt's keenest interest as Governor of New York and at the time he took office as President was in redressing the economic wrongs of the farmers. If anything, Hoover stood steadfast longer and more completely to Wilson's principles, while Roosevelt early incorporated Wilsonian concepts into a larger, more complex political amalgam.

Much of the differentiation between the two men grew out of their widely differing backgrounds and personalities. What a contrast there is between Hoover, the Iowa orphan boy growing up on the Pacific Coast, working his way through Stanford University, earning a fortune in mining enterprises, then while still a young man turning to public service, and that of Roosevelt, born into a family of economic security and social prominence, giving something of the appearance of a social butterfly at Harvard and for some years thereafter, and then after several years of boredom as a law clerk, also turning to public service. Considerable of the early experiences of both men marked them in these public careers. The contrast between them has been well set forth by Raymond Moley, who witnessed their meeting in the White House after the election of 1932 when President Hoover summoned President-elect Roosevelt to seek his cooperation in facing the grim financial problems.

The shy, nervous, Hoover, distrustful of his recent opponent, fixing his eyes firmly on the carpet, set forth the facts and figures with "a mastery of detail and a clarity of arrangement that compelled admiration." Roosevelt, on the other hand, thoroughly confident, beaming, knowing little of details, giving a misleading impression of accommodation, in the end followed his own firm course. Hoover was, above all, an organizational genius, sure of his grasp of facts and figures, quite certain of the rightness of his course, and, alas, the wrongness of any deviation from it. He had a tendency to be suspicious of his opponents. Roosevelt, on the other hand, was a brilliant political accommodator, who always could give an appearance of understanding if not agreement, and who prided himself on his ability to charm opponents—even while they were scorning him as superficial. He was usually quite clear about the ends he wished to achieve, but vague about the means. President Hoover was absolutely certain concerning both ends and means.

The beginning point in the relationship between the two future Presidents was in the Wilson administration when they knew each other somewhat, especially through their membership in a small group which from time to time met in each other's homes for Sunday suppers. Each had a certain admiration, or at least respect, for the other. Roosevelt's frequently quoted letter of 1920 saying how much he would like to see Hoover President was quite sincere. So, a few months later, was Hoover's carefully worded, quite warm note to Roosevelt congratulating him upon his nomination for Vice President.

After the 1920 election, Hoover became one of the most prominent figures in the Harding and Coolidge administrations, and Roosevelt, crippled with polio, engaged in a variety of private enterprises. Interestingly enough, they cooperated with each other as they followed fairly parallel paths. Roosevelt became the president of one of the trade associations—not a very successful one—the National Construction Council, and enlisted the support of Secretary of Commerce Hoover, who was promoting these associations. Concerning the key domestic issues of the day, they saw eye to eye. Both wanted administrative reorganization, economy in the government, and some government encouragement to business. The great contrast between them in the 1920's was that Roosevelt seemed to be a has-been, and Hoover a statesman almost certain to become President.

Hoover could have brought a logical succession to the Wilson administration had he only been elected President in 1920. One can visualize him serving two highly successful terms. As it was, functioning according to the mandate President Harding gave him as Secretary of Commerce, but with a finger in every other department, he was responsible for a large part of what could be looked upon as the persistence of progressivism in the national administration of the 1920's. One looks not to Presidents Harding and Coolidge, but to Secretary Hoover for the notable progress in the Federal Government from 1921 to 1929. Roosevelt, politically ambitious, could only be envious.

In 1928, Hoover won the Presidency by a landslide—too late, as it was, since the forces leading to depression had already passed the point of no return. Franklin Roosevelt, almost too early, squeaked through to become Governor of New York. It gave him the base from which to challenge Herbert Hoover—since already FDR was the most likely Democratic nominee for 1932. In the logical course of events, had it not been for the depression, in 1932 Hoover would have run for a second term against a Roosevelt seeming to offer a pale imitation of his program, and the result would have been a second overwhelming Hoover victory and the political end of Franklin Roosevelt.

The depression intervened, and began to bring divergencies between the two men and their policies. By 1931, Roosevelt was a good bit more boldly experimental than Hoover, and talked of using the state of New York as a laboratory to test what might later be applied on a national level. By 1932 when Roosevelt ran for President he was, in vague and sometimes most contradictory terms, promising broad innovations. Hoover in his most telling criticism of Roosevelt during the campaign, compared Roosevelt's equivocations on the tariff to a chameleon on plaid. A kinder, and more accurate, long-range evaluation of the Roosevelt 1932 campaign would be to compare it with Wilson's on domestic issues in 1916. As Arthur Link has pointed out, Wilson in 1916 not only could campaign on the achievements of the New Freedom, but also on his cooption of Theodore Roosevelt's New Nationalism. In 1932, Roosevelt rallied behind him the one-time Wilsonian Democrats, and in addition gathered up the issues and even some of the surviving leaders of the earlier Republican progressivism. He succeeded less through his own skill, although that was considerable, than through the fact that Herbert Hoover had become a repudiated leader, quite unfairly excoriated as the scapegoat for the depression. There was nothing Hoover could do to forestall the avalanche that buried his hapless administration.

In the aftermath, President Hoover was unshaken in his faith in his own program. The electorate had erred in Hoover's view, and it was up to him to save the country by persuading the President-elect in advance to abandon the New Deal with its promise of disaster. That is the background for the series of interchanges between the outgoing and incoming Presidents over the war debt question, and the banking crisis of February, 1933.

What Hoover was demanding of Roosevelt during the banking crisis was at the heart of the difference between his recovery program and that which his succesor was quietly planning. President Hoover was steadfast in his view that the gold standard was the one safe anchor for the economy and had fought as doggedly to maintain it as had Grover Cleveland in the depression of the 1890's. "It would steady the country greatly," Hoover wrote FDR, "if there could be prompt assurance that there will be no tampering or inflation of the currency; that the budget will be unquestionably balanced, even if further taxation is necessary; that the Government credit will be maintained by refusal to exhaust it in the issue of securities."

It was quite clear to President Hoover how fundamental a demand he was making upon Roosevelt. He gave the Republican Senator David A. Reed a letter to show his Democratic colleagues, apparently in the hope that they would pressure Roosevelt, in which he asserted:

"I realize that if these declarations be made by the President-elect, he will have ratified the whole major program of the Republican Administration; that is, it means the abandonment of 90 percent of the so-called new deal. But unless this is done, they run a grave danger of precipitating a complete financial debacle. If it is precipitated, the responsibility lies squarely with them for they have had ample warning—unless, of course, such a debacle is part of the 'new deal'."

Roosevelt stood firm against this pressure, taking the view during the banking crisis that he must not assume responsibility before he held power, and that there was nothing additional Hoover could undertake with Roosevelt's cooperation beyond what Hoover already possessed the power to do. The latter part of this thesis was open to question, since the Democrats in Congress were responsive to the President-elect. Be that as it may, Roosevelt took office on March 4, 1933, with almost every bank in the nation closed through state proclamation, and immediately resolved the banking crisis with a most conservative piece of legislation which had been devised in President Hoover's Treasury Department. There were few subsequent bank failures and no banking panic thereafter. But in addition, Roosevelt made the move so repugnant to Hoover—he took the United States off the gold standard.

This episode points up the obvious relationship between the Hoover and Roosevelt policies. There were dramatic changes, of which the abandonment of the gold standard was one of the more notable. Beneath there was a solid underpinning of continuity, running from the Progressive era, and Wilson's war administration, through the Hoover years into the New Deal.

So much of what Hoover undertook, either as Secretary of Commerce or as President, survived into the New Deal that some enthusiasts look upon the New Deal as having been erected largely upon Hoover's precedents. They can make a rather persuasive case. But as the abandonment of gold, and a number of other breaks with Hoover's policies indicate, for better or worse, there was a good deal more to the New Deal. Nor can it correctly be described simply as the program of Hoover, a moderate progressive, carried to a point of dangerous folly by his thoughtless successor, though here too a case can be made. What becomes apparent from a detailed examination of the New Deal is that in considerable areas it did build upon Hoover's agencies, programs, or ideas he had helped popularize, in part utilizing government employees who had served in his administration.

A survey at points is rather dull, but is necessary as the basis for some generalizations. If you will bear with me, I shall rapidly run through a number of points:

First, there is the general category of administration, in which the consensus at the time and since was that Hoover was especially effective. Since the civil service reform movement after the Civil War experts had sought to bring greater efficiency to government. The mobilization for war in Washington from 1916 to 1918 had speeded the movement, and in the aftermath both vigorous young Democrats like Roosevelt and knowledgeable Republicans like Hoover placed much emphasis on government efficiency.

Through the 1920's, Hoover was the great efficiency expert in the Federal government and achieved a great deal. As President he sought to bring about a sweeping administrative reorganization, but was frustrated at the end of his four years in office by Congressional Democrats, who purportedly wished to preserve the reorganization of the government for Franklin D. Roosevelt. President Roosevelt fundamentally agreed with Hoover on the need for reorganization, but he too ran afoul of Congress in his second term when he tried to bring about sweeping changes. In 1939 he did obtain legislation to establish the Executive Office of the President, to be staffed with administrative assistants—thus formalizing a system which Hoover had brought from the Food Administration to the Department of Commerce to the White House, but which he had financed largely out of his own pocket. It was fitting that when President Harry S. Truman returned to the task of government reorganization he appointed President Hoover to head the commission which bore his name. What had eluded both Hoover and Roosevelt as Presidents came into being in the Truman Administration under the leadership of Hoover, the elder statesman.

The continuity in personnel between the outgoing and incoming administration was, of course, except at the very top levels almost complete. Roosevelt made serious personnel cuts as part of his economy program, but the operation of the departments and administrative agencies continued with the same career Federal employees who had served under Hoover. The patronage power of Roosevelt, in which Democratic Congressmen were so keenly interested, extended over about 5,000 top positions. For several months Hoover appointees filled even many of these.

The larger part of Roosevelt's new appointments were to the freshly created New Deal agencies. Not much more than a tenth of the 660,000 men and women in the Federal executive civil service as of June 30, 1934 were staffing the New Deal agencies. Above 80 percent of these employees outside of the emergency agencies were under Civil Service protection, relatively little affected by the change in administrations. In a few agencies, like the Army Corps of Engineers, which undertook to prepare a pork barrel for Congress each year, the ties were with Congress leaving both Presidents Hoover and Roosevelt with little recourse except to vent their indignation against the rivers and harbors bills. There was a considerable part of the bureaucracy that neither President could very seriously modify.

What was much more significant was the way in which Preident Hoover had always relied on bright young experts, loyal to him, ready to carry out his innovations. He and his subordinates brought many of them into the government, either on a full-time, consulting basis, or to serve without compensation on commissions. Many of the young agricultural economists like Mordecai Ezekiel, were already in the Department of Agriculture; Thomas Corcoran (whom Roosevelt later called "Tommy the Cork") was the counsel to the RFC; a young Yale law professor, William O. Douglas, was a consultant to the Department of Commerce on bankruptcy matters, and Douglas together with his Yale colleague Thurman Arnold, prepared a statistical report for the Wickersham Commission. Herbert Feis was long since Economic Adviser to the State Department but then, most of Henry L. Stimson's men remained in power, and Stimson himself was only barely off stage as an informal adviser before he returned to become Secretary of War in 1940. Not only a good many of Hoover's concepts, but even some of Hoover's personnel thus became embodied in the New Deal.

One of the strong elements of continuity between the Hoover Administration and that of Roosevelt was in the field of planning, although it is doubtful that either of the two Presidents would have admitted it. The culmination of the numerous planning conferences and commissions which Hoover had fostered before becoming President was the President's Research Committee on Social Trends, which he appointed in December 1929.

Under the joint leadership of Professor Charles E. Merriam and Wesley Mitchell it was the most advanced project of its day, producing a broad social survey, and a national social plan for the future. In a happier era, it would have been the blueprint for Hoover's program in his second term, but appearing at the close of his first team attracted little attention outside of the scholarly community. The University of Chicago social scientists in the forefront of the enterprise offered to send advance copies of it to President-elect Rosevelt's brain trusters, but they do not seem to have taken advantage of the offer. Rather, during the interregnum they were engaged in their own highly intensive planning projects in a dozen or more areas. No matter.

As Barry Karl has pointed out, Merriam and his cohorts soon became enlisted in New Deal planning. In July 1933 Secretary of the Interior Harold Ickes established a national planning board of three members, one of whom was Merriam and another the economist Mitchell, who had produced for Hoover the study on Recent Economic Trends.

In the following year, the national planning board became an executive board, advisory to a Cabinet board advising the President. In 1939, under the reorganization act of that year, it became the National Resources Planning Board, part of the Executive Office of the President. Planning by this time had come to have an evil connotation in the minds of Congressional conservatives who were horrified that during the war it recommended such future steps as the augmentation of Social Security. In 1943, therefore, they mustered their strength and voted it out of existence. The reason for the conservative wrath is not hard to locate. Under Hoover, government planning seemed as safe and American as the free enterprise system itself. The plans it produced were ones that the government should encourage private enterprise to put into effect.

As a matter of fact, Hoover did not even feel justified in asking for Federal funds to finance his committee on Recent Social Trends, but depended on a grant from the Social Science Research Council, which in turn was Rockefeller financed. Under the New Deal, the planners had made the transition to government financing and the drawing up of plans which would involve Federal action and usually appropriations. What had seemed an augmentation of the American way of life under Hoover seemed to critics of the New Deal blueprints for statism.

The transformation that took place in planning was typical of a good deal of the Hoover program as it came to create precedents and underwent modification in the New Deal. At the crux was the change from President Hoover's emphasis upon government encouragement of private, voluntary action to the creation of either government economic incentives or outright coercion. Roosevelt's programs also tended to become infinitely larger and astronomically more expensive. Somehow in one way or another, things almost never turned out as President Hoover would have ordered them, or in a way of which he could approve. Almost every aspect of the economic recovery program is illustrative.

Hoover wished to base it upon encouragement to businessmen, working men, and farmers to straighten out their own affairs. Roosevelt wished to give them stronger incentives, including both rewards and penalties. On monetary policy there was a sharp discontinuity as Roosevelt, seeking to counter acute deflation, took the nation off of gold and resorted to other mild inflationary devices. Hoover always considered this action one of the major offenses of the New Deal.

In his initial approach to economic recovery, Roosevelt did not go particularly far beyond Hoover. Like Hoover, he firmly believed in balancing the budget, if necessary in increasing taxation, and in developing both an agricultural and recovery program which would not place an added burden upon the tax payer. It was 1935 before Roosevelt proposed drastically higher income taxes, partly as a response to pressure from Senators Huey P. Long, and the Republican progressive Robert M. LaFollette, Jr. Newspapers headlined the proposal the "soak-the-rich tax". Hoover commented mildly enough in private: "When I put the top brackets of inheritance and income taxes up from Mr. Coolidge's level of 24 to 55 percent, I felt I had gone the full distance of maximum revenue and avoidance of destruction of wealth."

President Hoover's contribution to regulation of security exchanges and stock issues was to instigate a Senate investigation. The startling disclosures that the Wall Street investigation brought forth rallied Congressional and public support behind the New Deal proposals.

Hoover's attitude toward the New Deal business recovery agency, the National Recovery Administration, is so well known that it needs only brief mention. At the outset of the Depression a number of businessmen felt that by returning to some government rationalization of the economy comparable to the War Industries Board, and its industrial committee of the Wilson era, that a way could be found toward recovery. On the surface, President Hoover might have been expected to favor the proposal, since he had sponsored trade associations during his years as Secretary of Commerce.

These trade associations were a direct precedent for the NRA committees, and the codes of fair practice also bore a strong resemblance. When the coffee roasters in 1926 reported to Dr. Julius Klein, Hoover's subordinate in the Department of Commerce, that they were planning a National Coffee Council, Klein reported, "I just showed the letter to Mr. Hoover, who is much encouraged by it . . . especially if you follow the original proposal of having one spokesman of the labor element and another from the larger women's organizations [as] representatives of the consumers." This suggestion of Hoover's was the precise formula to be followed in 1933 in the NRA code drafting committees. But Hoover was interested in trade associations as a means of promoting efficiency among small enterprises, both in production and marketing; the thought of collusion to raise prices was repugnant to him. As President, he indignantly rejected all proposals for an NRA type of program. In his memoirs he has stated:

"The New Deal subsequently declared that the NRA was merely an expansion of my ideas. That is, they made this assertion after the NRA went sour. The fact of the matter is that they were the exact contrary. We were seeking to eliminate combinations in restraint of trade. There was no relation between these ideas except a common use of the word 'code.' The New Deal set up committees of trade associations to fix prices and limit production in each trade. It gave sanction to wholesale violations of the Anti-Trust laws. This was a long step away from free competition and into sheer economic fascism with all its implications."

The contrast between Hoover's trade associations and the NRA was the fact that the NRA put the teeth of Federal law, at least in theory, behind the enforcement of the codes of fair practice. As for collusion, and fixing prices, it had been the curse both of the Hoover era trade associations and the NRA; in the 1920's, as the Supreme Court cases involving the Maple Flooring Association and other groups, and in the 1930's, as the constant pleas of Roosevelt and his NRA administrator indicated, the practice was almost impossible to eradicate.

Both Presidents Hoover and Roosevelt favored the enforcement of anti-trust laws, and in the late New Deal, after the NRA code system had been invalidated by the Supreme Court, Roosevelt turned in part toward a reinvigorated anti-trust program.

There were certain peripheral effects of the NRA experience which were in keeping with Hoover's long-range objectives. One of these was the national abolition of child labor, not through the amendment which Hoover had favored during the 1920's, but as a part of recovery legislation.

In his policies toward organized labor President Hoover, like so many of progressive background, including Roosevelt, would have preferred to pursue a course of benign paternalism. Early in the Harding administration he had succeeded in obtaining better working conditions for steel employees after their strike had been broken, and had expressed his dislike of anti-labor injunctions. In his Memoirs, he expresses the wish that he could have applied the anti-trust laws to labor monopoly which he felt was as dangerous to the country as business monopoly: In 1932 he signed the Norris-LaGuardia Act, outlawing anti-labor injunctions and yellow dog contracts, but there is some indication that he did so with the same sort of reluctance with which Roosevelt, three years later, accepted the Wagner Act with its grant of powerful Federal protection to unions.

There is a bit of irony in the fact that the two Presidents were not much different in their basic thinking on labor problems, yet Roosevelt went so far that Hoover's response can be summed up in the title he gave his chapter on New Deal labor policies, "Fascism Comes to Labor—with Consequences."

There was more continuity than might have been expected in the functioning of the Department of Commerce, which Hoover had built into one of the most conspicuous branches of the administration. At first President Roosevelt grumbled a good deal about services that it was providing to businessmen, and transferred the commercial attachés, who had been drumming up business overseas, to the jurisdiction of the State Department. Gradually, after the initial cuts, the Department of Commerce began to increase its services. Hoover had concentrated upon two aspects of it, the promotion of foreign commerce, and the great efficiencies and savings that could come out of standardizing products, whether locomotives, beds, or screws, through the National Bureau of Standards.

Under Roosevelt, the Domestic Commerce division expanded from a quite narrow survey of the Philadelphia market area done in 1925, to quite broad economic studies in the New Deal years on national income, wholesale and retail distribution, and real property. Further, Gerard Swope of General Electric, who had offended Hoover by proposing an NRA, in June 1933 esatblished a Business Advisory Council, a volunteer group of some 50 businessmen who took their positions quite seriously, and had some influence in such areas as the revision of the capital gains tax.

President Hoover's Reconstruction Finance Corporation is perhaps the best example of continuity with relatively little change. The Democrats had criticized it for making large loans at the top in order to prevent the collapse of banks and businesses and increases in unemployment, and proclaimed that it would focus upon helping those at the bottom. Nevertheless, Jesse H. Jones, a conservative Texas financier, a Democrat who had served on the RFC since 1932, became the director and ran it much as before. It was the key loan agency of the New Deal and World War II.

The line of demarcation between the Hoover and Roosevelt power policies was drawn clearly during the Hoover administration when the President fought against Senator George Norris. Hoover favored, and finally obtained, a Federal Power Commission to regulate public utilities engaged in interstate operations. As Hoover Dam on the Colorado River illustrates, he also favored construction of dams with a potential for developing electric power, providing they were too large for private utilities to undertake, and would be of flood control or irrigation purpose. He was insistent that power from such enterprises must be sold to private utilities for them to distribute. Norris, on the contrary, wished the Federal government to engage in power production and distribution from the great Wilson Dam on the Tennessee River, partly as a "yardstick" to indicate the proper rates that private utilities should charge.

President Hoover wrote a vigorous message to accompany his veto of Norris' bill, "I am firmly opposed to the Government entering into any business the major purpose of which is competition with our citizens." Roosevelt, accepting Norris' view as his own campaign position in 1932, early in his administration signed the measure creating the Tennessee Valley Authority.

In the area of Federal aid to agriculture, there was more continuity between the two administrations than would appear on the surface. President Hoover consistently opposed the crop restriction programs beginning with the McNary-Haugan bills in the 1920's, and running through the Domestic Allotment, which became the prime scheme in the Agricultural Adjustment Act in 1933.

The idea of parity, that is, that farm prices should be brought up to an equitable relationship with the prices of manufactured goods, re-establishing the ratio of some favorable base year like 1914, was not an especially palatable one to Hoover. He may not have realized that his Department of Agriculture was gathering and publishing statistics on this ratio. Yet while Hoover strongly objected to crops being subsidized or federally enforced crop restriction, he was willing to give limited endorsement to crop price supports. He embodied his program in the Agricultural Marketing Act of 1929, and persuaded the Federal Farm Board to establish cotton and wheat stabilization corporations, comparable to the corporations for buying up staples in the Food Administration in 1918.

With a half a billion dollar revolving fund, these corporations began buying up wheat and cotton to prevent a total collapse of the price. They made "commodity advances" or loans to cooperatives, which in turn passed them on to grower members, as a means of trying to bring price stabilization. The revolving fund was too small to be effective in countering the massive agricultural disaster; prices toppled, and the Farm Board resorted to exhortations to the farmers to grow less, and ultimately by the end of the Hoover Administration was advocating crop controls. Some of its members were asking cotton farmers to plow up every third row of cotton—one of the devices of the AAA in the spring of 1933.

Roosevelt's first agricultural legislation did not permit commodity loans, but the National Industrial Recovery Act did, and under its authorization the AAA in the fall of 1933 began making crop loans. By 1935 authorization was written into agricultural legislation, and throughout the New Deal years commodity loans became, according to John D. Black, a renowned agricultural economist, "the most popular part of the New Deal agricultural program." It was the forerunner of Secretary Henry A. Wallace's concept of the ever-normal granary.

The Great Depression gave an urgency to the discussions of questions of relief and Social Security which had been lacking through the 1920's. As Secretary of Commerce, Hoover had been interested in the idea of scheduling public works on a counter-cyclical basis, an idea which greatly appealed to Roosevelt with his interest in the construction industry. Hoover favored private unemployment insurance schemes, and was disappointed to find that insurance companies were not interested. He came in time to feel that there should be some sort of a government old age insurance program, limited to those poor enough not to have to pay income tax, which in those years would have meant a very substantial part of the population. As the Depression began, he hoped that the Red Cross and other private relief agencies, together if necessary with community and state aid, could prevent suffering. He was most reluctant, as he said again and again, to permit the Federal government to get into the business of relief. When he consented for the Federal Farm Board to give large quantities of its surplus cotton and wheat to aid the suffering through the agency of the Red Cross, he insisted that Federal money should not be used to pay for the transportation and distribution. Rather, part of the commodities were sold to raise these expenses. A quarter of the cotton reached the needy.

As more and more millions of people became destitute, pressures upon the President became increasingly great, and the Democrats wrongly attacked him as heartless. Rather, Hoover was inclined to be optimistic, to feel that there was not yet need for the Federal Government to counter the acute deprivation, that other agencies could still suffice. Humanitarian that he was, he did not want people to suffer. In the summer of 1932, he became convinced the Federal Government must intervene and signed legislation authorizing RFC loans to states for relief purposes. These funds, channeled into state relief agencies went for both direct and work relief. This first large Federal grant set the precedent and established some of the procedures for Roosevelt's Federal Emergency Relief Administration and the later work programs. I must add that Roosevelt already in New York had established a Temporary Emergency Relief Administration under Harry Hopkins, whom he brought to Washington in April, 1933 to run the Federal program. The New Deal program grew out of Roosevelt's own precedents, as well as the experiences of the Hoover administration.

The Hoover public works program similarly provided precedents, and in addition a good deal of working personnel, for the New Deal. President Hoover was quicker than Governor Roosevelt to emphasize the need of public works to counter the deepening Depression in 1930. The sums that his administration allotted to public works were larger than any in previous American history. Roosevelt under considerable pressure accepted a far larger sum in the spring of 1933, an appropriation of $3.3 billion, a half billion dollars more than the total of all public and private expenditure for construction in 1932. His administration continued the tested techniques in planning and contracting for public works projects. It was a slow process, and the number of qualified personnel to process projects was inadequate. In consequence, it was not for several years, until the second Roosevelt administration, that public works expenditures became a major factor in the New Deal program.

A corollary was housing. In December 1931, Hoover sponsored the President's Conference on Home Building and Home Ownership, at which Hoover encouraged architects, city planners, and others to construct sound homes and encourage widespread ownership of them, but gave almost no attention to financing. Little more than two years later, the National Public Housing Conference in Washington studied the Federal and local financing, construction, and renting of public housing. Numerous New Deal agencies provided funds either to refinance mortgages, or to encourage private construction and ownership of homes, and by the end of the New Deal were becoming heavily engaged in slum clearance and construction of public housing.

In the realm of Social Security, again President Hoover was one of the prime sponsors of planning and discussion, as has been seen, favoring private programs, but being willing in certain aspects to accept Federal financing. Roosevelt promised Frances Perkins when she accepted appointment as Secretary of Labor, that he would favor a Social Security program. Two further years of intensive discussion and planning followed, clearing the way for the overwhelming enactment in 1935 of the Social Security Act, one of the most notable of the New Deal contributions. It was a tentative, rather imperfect measure, which Congress has strengthened from time to time in the years since in administrations both Democratic and Republican.

In defense and military policy, there were more similarities than disparities between the Hoover and Roosevelt administrations, although in time both men made much of the distinctions. Hoover after World War II once commented with some asperity that during his administration the nation had spent more on defense than it did during Roosevelt's first term—he was overlooking emergency monies that Roosevelt diverted to the rebuilding of the Navy. Both Presidents abhorred war, had come out of the World War I experience determined that the nation must not repeat the experience, and that the armed forces should be kept to a minimal level commensurate with national security, and international endeavors—for example, membership in the World Court, leadership in seeking disarmament, and nonrecognition of territories wrested from victim nations by force.

The non-recognition policy, usually called the Stimson Doctrine after Secretary of State Stimson, might better, as Richard N. Current has suggested, be called the Hoover Doctrine. Roosevelt endorsed it. In all these areas it is not surprising that Roosevelt's policies differed only slightly from Hoover's, since leadership in the State Department changed only slightly. In the spring of 1933 Roosevelt would have liked to embark upon a more vigorous American leadership towards disarmament and a countering of the threat from Hitler. He ran into strong tempering influences in Congress, and rather than run the risk of losing part of his domestic legislation, backtracked. He developed stronger initiatives only in the crises of the late thirties, and Hoover, out of office, was quite critical.

In the economic aspect of foreign policy Hoover and Roosevelt differed more on means than on ends. Both were, in addition to their avowal of internationalism (stronger on Hoover's part than on Roosevelt's), fundamentally committed to programs of economic nationalism. Both were interested in promoting trade with other nations; both were pledging economic fair play, and to a considerable extent bringing it about. The story of the London Economic Conference and its background is too complex to repeat here. Suffice it to say that Hoover's formula to trade American concessions on the war debts for European concessions on trade and the gold standard, was illusory, since Britain and France had no intentions of making any concessions whatsoever in return for debt cancellation. As for Roosevelt sending his bombshell message, breaking up the Conference, he was rather like a small boy slipping a lighted firecracker into his own pocket. The Conference was foredoomed under either President.

More significant in the long run were the continuities of Latin American policy, in which the "Good Neighbor" policy of Roosevelt was little more than a successful dramatization of what Hoover had worked long and hard in developing. And it was behind the high Republican tariff wall of the Hoover administration that the Roosevelt administration developed its reciprocal trade program. It was Hoover who in the early twenties, to the dismay of Secretary of State Charles Evans Hughes, had begun the promotion of trade with the Soviet Union; it was Roosevelt, in hope of stimulating that trade, who in 1933 recognized Russia. In 1940, Hoover wrote sternly, "The recognition of Soviet Russia was a gigantic political and moral mistake. It was not a mistake proved from change of circumstance. It was a mistake obvious from the beginning." Hoover wrote these words at a time of widespread American outrage over the deal between Stalin and Hitler which was a preliminary to World War II, and the subsequent Soviet invasion of Finland.

Strictures like these should not obscure the basic contribution President Hoover made to Roosevelt's foreign policy. Yet it was with horror and vigorous protest that Hoover watched the Roosevelt administration move closer and closer to involvement in World War II. In that administration, after June 1940, impatient with Roosevelt's reluctance to act more rapidly, was Hoover's own former Secretary of State, Henry L. Stimson. It is impossible to say whether, if Hoover had been President, the United States would have stayed out of World War II. Circumstances had altered drastically, and as we have already seen, both President Hoover and President Roosevelt again and again had been forced by crises to accept previously unpalatable policies.

Congress, the legislative branch of the government, was a strong check on each man, often modifying what they wanted, sometimes making substantial improvements. Some of the similarities between the programs of the two men in both domestic and foreign policy were similarities growing out of these continuing pressures from a Congress that was always powerful and never, even in Roosevelt's Hundred Days, a supine "rubber stamp" body.

Overall, this run-down of the Hoover and Roosevelt policies gives a view of the Hoover administration as creating a wide variety of precedents for the New Deal, and of Roosevelt as modifying many of these programs, carrying them from voluntarism and private finance to higher degrees of Federal support and enforcement. The scale usually enlarged greatly.

At the outset, there was not a great deal of difference between the groups to whom Hoover was appealing those from whom Roosevelt was seeking support. Both like Wilson started out as the candidate of suburban America, of the growing towns and cities in the hinterland, and of ambitious businessmen challenging corporate giants and Wall Street. When Roosevelt announced himself the champion of the "forgotten man" in the 1932 campaign, he was doing so in the William Graham Sumner meaning of the phrase, the middle class American. Yet, when two candidates are relatively alike as these were in 1932, the more disgruntled tend to fall away from the person in power, and in this case already the dispossessed and the farmers were moving toward Roosevelt. Gradually President Roosevelt framed his appeal more and more toward farmers, organized labor, and the underprivileged third of the nation. In 1932, 70 percent of the Negro voters in the North cast their ballots for Hoover and the party of Lincoln; in 1936 they had moved strongly to Roosevelt.

By the fall of 1934 former President Hoover had emerged as the most powerful of the many voices denouncing the New Deal. His criticisms in The Challenge to Liberty, and in countless addresses and articles, made him appear to be a thorough-going rightwinger. Basically, his theme was a castigation of the New Deal, but he continued to be faithful to the mild progressivism which had marked his Presidency. He was a Jeremiah proclaiming the advent of socialism or Fascism in the United States unless the New Deal were thrown out, but he was also an American optimist, predicting a future of abundance and the good life for all Americans.

The 1970's is a pessimistic era, yet the advances over the 1920's and '30's in the material well-being of most Americans is phenomenal. Time has buried the old political quarrels to such a degree that in his 1969 inaugural address President Richard Nixon paid tribute to Franklin D. Roosevelt. Republican administrations and Democratic alike have built upon the foundations of modern America that Presidents Herbert Hoover and Franklin D. Roosevelt helped lay. But for President Hoover's particular role, which I have meant to emphasize it is indeed what William Allen White suggested at the time that he left office. He was the last of the old Presidents in his heavy emphasis upon voluntarism in an era already so complex economically that voluntarism alone was not enough. He was the first of the new in his vision of "an organized society wherein men and women in normal times have, in the main, secured the right to enjoy the blessings of his commonwealth and a certain minimum of security." As he was about to leave office in 1933, he told White:

"My conviction is that we have the productive capacity, we have the natural resources by which there is and can be a standard of living below which no American citizen who is willing to work should be asked to go. And with it should be security—security in his job for every man. By that we abolish fear, and fear is the greatest of all human torments and the greatest limitation on spiritual and intellectual liberty.

"Then from that minimum standard, which should include good food, good clothes, decent, self-respecting housing, education of children and leisure to develop personality, men should be allowed to grow according to their talents. That liberty is the most precious possession of society. We have fought for it through a century and a half—the liberty of every man to make of himself what he will and to go as far up as he can, providing he goes honestly and gives service to society for what he gets.

"Ours is a great opportunity to make a new civilization, builded upon the accomplishments of the past."

It is for this vision, and his vigorous leadership toward its accomplishment that today we remember Herbert Hoover—the first of the new Presidents.●

AFTER THE PULPIT MUST COME THE POLITICS

● **Mr. DURENBERGER.** Mr. President, I am pleased that in the past 2 days President Carter has used the authority and visibility of his office to identify our pressing energy crisis and to propose an agenda of action.

We all understand, however, that a few speeches will not cure our energy-related ills. As an editorial in the Minneapolis Tribune stated:

> . . . A break in the clouds is not necessarily a change in the weather. To achieve that, Carter must now come down from his pulpit and deal directly with Congress. The sketchy proposals put forth in his speeches Sunday and Monday still fall far short of a worthwhile energy program.

We—the President, Congress, business, and private citizens—must work together to define and implement the necessary policies that will protect the security and welfare of all people and will guide our country to continued growth.

This policy will require difficult choices and some sacrifice by every member of our society. As representatives of the public, it is our duty and sacred responsibility to implement a policy that is reasonable and equitable to everyone.

As the Minneapolis Tribune editorial correctly points out, President Carter must continue in his effort to work with Congress. The Tribune is right in saying:

> . . . Only skillful and persistent political follow-up will get the job done. That is the President's test ahead.

I ask that the July 17 editorial from the Minneapolis Tribune be printed in the Record.

The editorial follows:

After the Pulpit Must Come the Politics

President Carter wiped the smile off his face and used most of his time on TV Sunday night summoning the nation to a morality of self-discipline, tradition of self-reliance and a rekindling of self-confidence. "Too many of us," be pointed out by way of putting energy problems in context, "tend to worship self-indulgence and consumption." "Stop crying and start sweating," he approvingly quoted one of his visitors at Camp David, "stop talking and start walking."

That homiletic, hortatory note was necessary and bracing. For six years, the least attractive and most futile aspect of America's energy situation has been the public's denial that energy realities have changed intermittently. Three presidents, including Carter, have sought to persuade the nation that its appetite for fuel must not be satisfied by overdependence on oil imports. But the same three presidents, including Carter, have set price and supply policies which guaranteed that overdependence would increase. Whenever the shoe began to pinch, as it did this spring, both the presidents and Congress have encouraged a search for villains to blame. They have fed the assumption that any change in national habits of energy extravagance must be felt as a defeat for the American way. They have not dared the leadership which links national pride to facing the facts and seeking solutions, instead of falling back on wishful thinking and clinging to the past.

By the mood and manner of an uncommonly strong speech Carter may at last have reversed that pattern. If so, the reversal will be good for the nation and for Carter personally. He used his presidential pulpit well. Without shifting the blame by populist demagoguery, he opened ownership of the energy problem to every family and institution in the country. Without defensiveness or painting himself as a hero, he accepted the validity of people's disappointment with his own performance. In a way that spoke volumes for the strength of the country's political stability, he deeply criticized the government he heads. Those are not the signs of a weak man in the White House; this speech had the marks of a leader leading. Some of that may rub off on Congress. At the very least Carter has brought a break in the clouds of quarrelsomeness and drift on energy policy.

But a break in the clouds is not necessarily a change in the weather. To achieve that Carter must now come down from his pulpit and deal directly with Congress. The sketchy proposals put forth in his speeches Sunday and Monday still fall far short of a workable energy program. Some of them imply far too much reliance on a distant salvation through chancy synthetic fuels. None suggests a sufficient change in the allocations and price controls that make fuel supplies so erratic now. As a package, the proposals require enormous gains through energy conservation, without adequately improving the rewards for conserving. In a word, Carter has set himself and Congress an imposing agenda. The retreat at Camp David and Sunday's inspirational speech provide the necessary first momentum. But only skillful and persistent political follow-up will get the job done. That is the president's leadership test ahead.●

CASH VERSUS PERKS

● **Mr. HAYAKAWA.** Mr. President, recently the new conservative government of the United Kingdom under the leadership of Prime Minister Thatcher announced a program of lower income tax rates. An interesting piece appeared in the "Asides" column of the July 5, 1979, Wall Street Journal entitled "Cash vs. Perks." I ask that this short article be printed in the Record.

The article follows:

Cash Versus Perks

Since Margaret Thatcher announced that she is reducing income tax rates for Britain's highest-paid employees, something interesting and wholly predictable has been happening: British companies have started deemphasizing perquisites in executive compensation, and reemphasizing cash. Indeed, according to a British organization that samples relative pay scales, British executives have begun narrowing the pay gap that has kept their salaries well below those of Americans and continental Europeans in similar jobs. We doubt that the British Treasury will suffer heavily from the rate cuts, if at all. The rates may be lower, but there will henceforth be more income to tax.●

GASOHOL AT THE CRANE NAVAL WEAPONS SUPPORT CENTER

● **Mr. BAYH.** Mr. President, I would like to alert my colleagues in the Senate to a plethora of articles which have recently appeared in newspapers all over the United States. All of these articles concern gasohol—the increasingly popular blend of 90 percent gasoline and 10 percent alcohol from domestic, renewable resources.

One article in particular, Mr. President, concerns an experiment being conducted in my own State of Indiana. This experiment, at the Crane Naval Weapons Support Center, is testing gasohol on a large scale basis. The gasohol test is part of an effort to conserve and reduce consumption of petroleum-based fuels through innovative techniques. The alcohol-mixed fuel is being used by security guards during 24-hour patrols of the base in 20 half-ton pickup trucks. Better performance has been reported as well as easier starting and better power in the vehicles.

I am pleased to note that this study is being done and would hope that others around the Nation will soon follow suit.

Mr. President, I ask unanimous consent that this article as well as the others be printed in the Record.

The articles follow:

[From the Bloomington, (Ind.) Herald-Telephone]

Crane Conducts Gasohol Test for Widespread Use

Crane.—An experiment to test gasohol for large scale use is being conducted at Naval Weapons Support Center Crane as part of its energy conservation program.

The fuel will be used by security guards during 24-hour patrols of the installation in 20 half-ton pickup trucks. An estimated 6,000 gallons will be used each month.

Crane's Director of Administration, Dick McGarvey, said gasohol was first delivered in May from the Martin County Farm Bureau Cooperative in Loogootee.

The gasohol experiment is part of an effort to conserve energy and reduce consumption of petroleum-based fuels through innovative techniques, as directed by the Chief of Naval Operations.

The decision to study gasohol at Crane was a logical one, McGarvey said, because "we're one of the few Navy activities from the heartland where gasohol is available."

Gasohol, the 10 percent alcohol, 90 percent gasoline mixture, is being tested in lieu of a premium unleaded gasoline previously used, at 2.4 cents per gallon less.

Crane reports that security guards who have operated the vehicles are reporting better performance, easier starting and more power.

Periodic reports will be directed to Navy officials to determine if gasohol can be used in other Naval activities.

McGarvey said that while the experiment has not yet been conducted under different conditions, "preliminary results are encouraging."

He said Crane will continue with the gasohol program as long as it appears productive.

[From the Cedar Rapids Gazette, June 22, 1979]

University of Indiana Experimenting With Gasohol in Vehicles

Iowa City.—All of the University of Iowa's 300 gasoline-powered vehicles have been running on gasohol this week, officials said Thursday.

That fact may make the university the first in the nation to go "all-gasohol," officials said.

The move is part of the university's six-month experiment to see if the gasoline-alcohol mixture provides better mileage and fuel performance in its vehicles.

George B. Klein, business manager for the university's physical plant, said the conversion began earlier this month when the university received only 70 percent of its allotment from major suppliers.

Klein said to help compensate for the reduction of the gasoline supply, the university bought 3,000 gallons of alcohol and began mixing it on a 9 to 1 ratio with unleaded gasoline.

"We're now using a little more alcohol—about 15 percent," Klein said, adding that the university may experiment with a ratio of 5 to 1.

Commercial gasohol is 10 percent alcohol and 90 percent gasoline.

The university's motor pool manufactures the gasohol in two tanks in which it has been storing fuel, one holding 10,000 gallons and the other 12,000, Klein said.

Klein emphasized that the conversion is not cheap.

"We are buying alcohol for $1.75 a gallon, which increases the overall cost 11 to 12 cents a gallon," Klein said.

However, he said gasohol "makes engines perform a little better and we hope our vehicles get better mileage."

He said after the six-month trial period, if a shortage of gasoline still exists, the university may decide to use gasohol permanently.

[From the U.S. Oil Week, July 2, 1979]

Amoco Ruling May Spur Refiners To Sell Gasohol

The Dept. of Energy (DOE) last week gave jobbers and dealers an added incentive to market Gasohol—an automatic, hefty increase in their fuel supply.

In a precedent-setting decision allowing Amoco to become the first major refiner to market Gasohol, DOE said marketers who buy the 10 percent alcohol-90 percent gasoline blend from their suppliers will still be allowed to pull their full unleaded allocation because the allocation will be based only on the gasoline portion of Gasohol.

For example, if a marketer's unleaded allocation is 9,000 gallons/month, he will get 10,000 gallons of Gasohol. The additional 1,000 gallons is 11 percent of the marketer's original 9,000 allocation. Thus, an Amoco marketer will have 11 percent more fuel available if he sells Gasohol.

Amoco also received temporary relief from a refiner price regulation that discourages refiners from marketing Gasohol because it forces them to price Gasohol below competing jobbers and dealers.

The two decisions—in the form of temporary stays from DOE's Office of Hearings and Appeals (OHA)—are expected to open the door for other refiners to apply for such exemptions. The door might be flung wide open if DOE approves a proposal to make the relief sought by Amoco a permanent part of the refiners regs.

Already Hudson, BP, Sohio, Sun, Gulf and ARCO have expressed an interest in marketing Gasohol, says DOE. Several of those companies were represented at a recent hearing on Amoco's exception.

The decision allows Amoco to start marketing Gasohol today at five dealer-owned stations in Ottumwa, Iowa. The year-long market test is expected to be expanded until a million gallons/month of Gasohol are being sold in Amoco stations in 13 states. Amoco says it hasn't decided yet where else Gasohol will be tested.

"Amoco Gasohol" will replace Amoco's premium unleaded for the test, which will examine customer acceptance, demand and distribution and marketing problems.

In his decision granting the temporary stay, OHA Director Mel Goldstein strongly urged Amoco to increase its use of Gasohol above the million-gallons-per-month level. He also ordered Amoco to notify all its customers of the market test and to consider requests from other marketers wanting to participate in the program.

"A refiner with Amoco's nationwide marketing resources could easily engage in a Gasohol program that involves a greater amount of product," said Goldstein, pointing out that there is already plenty of market test information available from other sources showing the technical performance and safety of Gasohol.

In addition, Archer Daniels Midland of Decatur, Ill., the firm supplying Amoco with alcohol, testified at the hearing that it has far more alcohol available for sale than the amount Amoco has contracted to buy.

Goldstein also said a company the size of Amoco could easily market Gasohol without the price relief it was seeking.

"It is most improbable that a firm with Amoco's assets and resources would experience a finanical hardship if it were to conduct its program despite any current regulatory disincentives," said Goldstein. Nevertheless, he said, he was granting the temporary stay because it will boost much-needed unleaded supplies and because of President Carter's policy of promoting the use of alternative fuels.

The pricing regs Amoco was exempted from require refiners to spread the cost of all gasoline additives, such as alcohol, MMT and lead, across the board to all refined products, including heating oil and jet fuels, etc. That means higher alcohol costs would have been borne by other products, lowering significantly Gasohol's price.

At the same time, the regs allow wholesalers and retailers selling Gasohol to pass through the total cost of alcohol to only Gasohol. Thus, refiners are forced to price Gasohol below their competitors, and possibly below the current price of unleaded regular, even though Gasohol is equivalent to premium unleaded.

"Amoco would not only lose money on its sales of Gasohol but might also expose itself to lawsuits from competitors," says an Amoco exec.

DOE held a hearing last week asking refiners for comments on a proposal to change the refiner regs to allow all the costs for blending and marketing Gasohol to be passed through only to Gasohol, rather than to all products.

[From the Sioux Falls, (S. Dak.) Argus-Leader, June 29, 1979]

Two Stations Pumping Gas-Alcohol Mixture—Gasohol Comes to Sioux Falls

(By Tim Schreiner)

Sioux Falls drivers will get their first chance to fill up with gasohol today when two independent stations begin pumping the gasoline and grain alcohol mixture.

The blend of 90 percent unleaded gasoline and 10 percent alcohol will go on sale at 6 p.m. The price per gallon was not available.

Tom Taylor, owner of Taylor Oil Co., distributor of the mixture, said he decided in March to market gasohol after more than a year of research.

"Where it's been introduced in the Midwest, in the predominantly agricultural areas, it's had good acceptance," he said. "People here are more tuned in to agricultural commodities."

Taylor will mix a corn-based alcohol, distilled in Decatur, Ill., with his normal supplies of unleaded gasoline from refineries in Oklahoma and Kansas. He will combine the two at his terminal at 3600 S. Minnesota Ave. in Sioux Falls.

Customers of Pro Shop Liquors, which also has gas pumps, will now be able to buy two different kinds of alcohol-based products, making the liquor store one of two service stations that will begin selling gasohol today.

"I'm looking forward to it," said Steve Holubar, Pro Shop owner. "It's a terrific combination—alcohol and alcohol."

The other outlet to unveil a gasohol pump is Taylor's own Taylor's Pantry at 10th Street and Minnesota Avenue. Taylor hopes to have all four of his stations selling the mixture by July 15.

Gasohol buyers in Iowa, Nebraska and Illinois have generally increased gas mileage by 2–3 miles per gallon, he said, but he will make no guarantee for potential buyers here.

For the outlets selling gasohol, supplies could increase as much as 10 percent—the amount of alcohol added for the blend—causing "better utilization of existing supplies, which are obviously limited," Taylor said. "(And) we fell that it's going to have a good effect on the agricultural economy."

While there are currently no plants in South Dakota distilling corn for alcohol, several are planned, including one near Garretson, S.D.

"If gasohol can increase supplies in South Dakota by 10 percent, it will obviously have a favorable impact on tourism, which I hear is hurting. It'll help tourism and agriculture," which are the state's two largest industries, he said.

Major oil companies are also seriously considering adding gasohol to their marketed products, Taylor said.

"As far as I'm concerned, it's just a question of time."

[From the Los Angeles Times, June 6, 1979]

Bill Would Require All Cars to Use Gasohol

(By Larry Stammer)

Sacramento.—Despite heavy opposition from oil companies, an Assembly committee Tuesday approved legislation requiring all California motor vehicles to run on gasohol by 1982.

Under terms of the bill approved 10 to 0 by the Assembly Transportation Committee, by Jan. 1, 1982, all gasoline sold in the state would have to contain 1 percent methanol or ethanol.

By 1985, the 1 percent blend—which is expected to save 10 million gallons of gasoline a month—would be increased to 5 percent unless studies indicated adverse effects on air quality and vehicle durability and performance.

Assemblyman Victor Calvo (D-Mountain View), author of the bill, said gasohol would cost from 2 cents to 4 cents more per gallon than pure gasoline.

But he said he believes that Americans are anxious to buy domestic fuel, conserve gasoline, reduce dependence on foreign oil and keep dollars at home.

His bill, he said, would force oil companies, that for years have talked about developing synthetic fuels, to "put their money where their mouth is."

"Since the 1973–74 Arab oil embargo," Calvo declared, "American oil companies have made only superficial efforts to develop synthetic fuel sources such as gasohol. We've had a lot of talk. Now it's time for action."

Calvo's bill, which now goes to the Assembly Ways and Means Committee, would also require electrical utilities with a generating capacity of 1,000 megawatts or more to use methanol as an additive to fuel oil, or as a primary boiler fuel.

That requirement would take effect in May, 1982, but would apply only during periods when violations of state or federal clean air standards were expected. The reasoning behind the requirement is that methanol when burned constantly, as in a boiler, is cleaner than other fuels.

But oil companies and utilities which opposed the bills warned Tuesday that the large quantities of methanol envisioned by the Calvo bill could not be produced as fast as the bill required, and not without environmental damage.

Dennis Monge, attorney for the Southern California Edison Co., testified that use of coal was the only way to get sufficient quantities of methanol and that it would take from eight to 10 years to build a coal methanol conversion plant.

Others said the use of coal to produce methanol raised serious questions of environmental damage caused by mining and manufacturing operations.

Committee chairman Walter Ingalls (D-Riverside), while voting for the bill, warned that methanol would become very expensive because the state was creating a demand before there was an adequate supply.

"I'm going to vote for the bill as a gesture, because it seems like people are looking for gestures," Ingalls said.

Calvo countered that the price of gasohol had to be compared with the "escalating price of foreign oil" and the flow of dollars overseas.

Moreover, Calvo argued that gasohol was "clean burning," a claim disputed by oil company lobbyists during testimony, as well as by studies conducted by the state Air Resources Board.

According to the ARB, the use of gasohol will increase NOX emissions in some cars, and hydrocarbons in others.

In addition, the ARB has reported that methanol can corrode the interior lining of a car's fuel tank, the fuel lines, gaskets, seals and other components of the carburetor.

Under terms of the Calvo bill, the methanol content of fuel would increase to 5 percent on Jan. 1, 1985, only if the ARB, after a public hearing, found:

The use of alcohol fuel at the 5 percent level would not adversely affect vehicle performance and durability, and would not cause damage to the vehicle or its emission control system.

The use of alcohol fuel would not increase vehicular emissions.

Utilities would not be required to add methanol to fuel oil unless the board found that sufficient amounts of natural gas and domestic low-sulfur fuel oil were not available, that sufficient quantities of methanol were available, and that utilities could use methanol without requiring substantial modifications to electrical generating equipment.

Meanwhile, the Assembly on a 79–0 vote approved another bill by Assemblyman Daniel E. Boatwright (D-Concord) which would establish a 10-year experimental program to determine if methanol could serve as a complete substitute for gasoline and diesel fuels.

[From the Kansas City Times, June 19, 1979]

GASOHOL TOTALS FIFTH OF MFA MARKET

COLUMBIA, MO.—MFA Oil Co. says gasohol has accounted for more than 20 percent of its combined sales in six test markets in Missouri. But the firm adds it has not decided whether to expand the availability of the fuel, a mixture of alcohol and gasoline.

Walter Strait, regional sales manager for MFA Oil in Columbia, said Monday the sales were "substantially greater" than expected. He added the company probably would have sold more if stations had been able to sell all the gasoline they wanted.

"The customers have been satisfied," he added. "We really haven't had any big problems."

Strait said the company would come up with more plans for gasohol after July.

MFA sells gasohol at stations in Bethany, Clinton, Columbia, Qulin, Sikeston and Kahoka. Gasohol has averaged about 20.2 percent of combined sales at the stations.

Gasohol has accounted for 19.6 percent of total gas sales at the Columbia station, 33 percent at Qulin, 49 percent at Sikeston, 15.7 percent at Clinton, 16.5 percent at Bethany and 12 percent at Kahoka, according to MFA.

Gasohol was selling for 95 cents a gallon at the Clinton station Monday, about seven cents higher than unleaded gas.

Three of the stations opened Feb. 16 and the other three opened later that month.

[From the Omaha, Morning World-Herald, June 22, 1979]

DERBY ANNOUNCES INTENTION TO SELL GASOHOL IN STATIONS

LINCOLN.—In what Nebraska Gasohol backers consider an important development, the Derby Refining Co. has announced that it will offer Gasohol to its customers.

The announcement came in a brochure mailed to the Lincoln-based National Gasohol Commission from Derby's office in Wichita, Kan.

Commission President Holly Hodge said it is the first entry into the Gasohol field by a major oil company following years of what Gasohol backers considered snubs and outright opposition from the nation's oil interests.

Hodge said he was not aware that Derby was interested in Gasohol although two other major firms, which he said he could not identify, have contacted commission officials recently seeking information about the product. Gasohol is a mixture of 10 percent alcohol and 90 percent gasoline.

The program has been pushed in Nebraska since legislation by State Sen. Loran Schmit of Bellwood, creating a Nebraska Gasohol program, was enacted in 1971. Backers say it offers a renewable fuel extender and a market for surplus grains, which can be converted into alcohol.

Hodge said he knew of no details on the Derby plan other than what was contained in the brochure.

He termed the development "significant."

"It lends credibility to the product," he said. "Now it's time to build alcohol plants."

The State of Nebraska is pioneering programs under which such plants can be built under state-local arrangements with bonds backed by a recent 1 cent increase in the gasoline tax. No contracts have been awarded yet.

The Derby brochure lists three service stations, apparently in Wichita, where Gasohol is to be offered. Other Derby stations will follow, it said.

Headlines on the brochure say, "Derby introduces Gasohol—The first step in easing the oil squeeze."

It says alcohol could replace $4.5 billion worth of Arab oil each year, benefit farmers and lead to cleaner motor operation in automobiles.

BENEFIT

"We don't mind telling you that we as a business hope to benefit from the introduction of Gasohol," the text continues.

"Ironically enough, we found one of the answers to the energy crisis literally growing in our back yard—in the wheat and milo fields of Kansas and the Midwest."

The cover of the brochure shows an Arab at a gas pump with the caption: "Isn't it time someone else played king of the pump?" On the back page is a picture of a farmer, in the same pose with the pump, smiling.

Hodge said the brochure came in the mail without additional comment from the company.

He attributed the interest in the oil shortage and to actions by state and federal governments reducing fuel taxes on alcohol-blended fuels.

"The major oil companies have said for some time that they will go in when the economics are favorable," Hodge said. "The economics for Gasohol are getting more and more favorable all the time."

[From the Omaha World-Herald, June 13, 1979]

ARMY TO TEST GASOHOL; CHECKS NEBRASKA DATA

LINCOLN—Lt. Col. Richard Kail said Tuesday the Army will begin testing Gasohol in its vehicles in July or August to determine whether it is feasible for Army vehicles.

Kail said the test, to be conducted at Fort Belvoir, Va., probably will last about two years.

"The Army is interested first of all . . . in being able to use whatever (fuel) is available in the marketplace," said Kail, a deputy logistics director. "It's obvious that Gasohol has potential. If its use becomes widespread, we want to be able to use it."

Kail and several other Army officials announced their Gasohol test after a two-hour meeting with members of Nebraska's Gasohol Committee.

Kail said the Army decided to visit Nebraska, a pioneer in Gasohol research, to "benefit from your experiments."

Asked whether the Army was optimistic about its Gasohol test, John Christians, chief of the energy and water resources laboratory at Fort Belvoir, said, "Based on what I heard today I feel that it will be successful."

Kail said the Army probably would buy most of its Gasohol, a 90–10 blend of unleaded gasoline and agriculturally produced alcohol. But he said the Army may do some of its own mixing of the fuel extender.

During the Army's experiment, Kail said Gasohol may be tested at other Army installations to determine whether its effectiveness changes because of altitude or temperature variances.

In addition, Kail said the Army expects President Carter eventually to direct federal agencies to use Gasohol in their vehicles, providing the fuel extender is locally available.

"We anticipate that we will get that directive in the near future," Kail said.

Kail also said the Army primarily is interested in determining whether Gasohol is feasible in Army vehicles in case the fuel becomes widely used. But he said fuel conservation also is an underlying motive for the test.

"If in the process of seeing if Gasohol is feasible in our vehicles . . . we conserve fuel, that's a plus for us."

[From the Watsonville (Calif.) Register, May 31, 1979]

STATE TO BEGIN USING GASOHOL

SACRAMENTO.—To ease the gasoline crunch state government next month will begin using gasohol in its fleet of 17,000 passenger cars.

David Janssen, Gov. Edmund G. Brown Jr.'s director of General Services, Wednesday said: "We will use gasohol in every car that it is practicable to use it in."

Gasohol, although expensive and not particularly energy efficient, stretches the supply of gasoline. And expensive as gasohol is, Brown energy adviser Wilson Clark said it is still cheaper than buying oil on the international oil market.

"This may be a good short-term solution to many of the fuel problems in California," he said.

Janssen said it is not yet clear how many of the cars will be able to use gasohol and how soon they can be switched.

"I talked to the general services director in Iowa and they are using ethyl alcohol in both unleaded and regular gasoline," he said.

Gasohol is a blend of about 10 percent ethyl alcohol with about 90 percent gasoline. The ethyl alcohol is usually derived from corn or grain.

Top members of the administration of Gov. Edmund G. Brown Jr. held a series of meetings with oil company representatives and a major producer of gasohol to clear the way for the use of gasohol both in state cars and for sale to the public.

Jane Hall, an assistant to Air Resources Board Chairman Tom Quinn, said that gasohol in cars would meet air pollution standards.

In fact, administration representatives agreed that no additional legislation is needed for gasohol.

Finance Director Richard Silberman, one of Brown's closest advisers, said that sale of the fuel is "a marketing question."

"Serious consideration should be given to changing the tax structure to help determine if gasohol works," Silberman said. Such tax breaks, which would require legislative action, would lower the price of gasohol at the pump.

Industry estimates are that gasohol would cost about 7 cents more per gallon than gasoline. The state tax on gasoline is 7 cents.

Any state tax break would be on top of a 4 cent per gallon federal tax break for gasohol already provided.

[From the Anderson (S.C.), Independent, June 12, 1979]

In Carolinas Gasohol Catching On

Henry Ford used it to run the nation's first autos, the Germans used it to stretch fuel supplies during World War II and now it's taking the second gasoline crisis within five years for the product to become popular.

"It" is gasohol, a mixture of alcohol and unleaded gasoline and motorists who use it swear by its performance.

"It's the best I've ever used," said mechanic Steve Pearce of Raleigh, N.C., one of the city's gasohol customers.

Pearce said he pays an additional two cents per gallon—85.9—for gasohol. "This is all I've been running since it came out. It doesn't harm anything and I get better mileage. I don't care where it comes from. It works better," he said.

The fuel comes from Midwestern corn distilled into alcohol in Philadelphia and Decatur, Ill.

Wake Auto Sales in downtown Raleigh became the first service station in the Carolinas to begin selling the mixture on May 17.

This week, five service stations in the Carolinas were pumping about 7,500 gallons of gasohol a day. By next weekend five more stations will be selling it, and by the end of the year gasohol may be available at more than 150 Carolinas outlets.

[From the U.S. Oil Week, June 18, 1979]

Protection Offered for Gasohol Marketers

If you've been wanting to sell Gasohol, but your branded supplier says you can't without violating your franchise agreement, two Washington lawmakers would like to hear from you.

Sen. Birch Bayh, D-Ind., and Rep. Thomas Daschle, D-S.D., have introduced legislation to protect branded dealers against economic reprisals from their suppliers if they want to sell Gasohol.

Called the Gasohol Marketing Freedom Act, Daschle's bill would give service station lessee dealers the right to choose whether their stations will sell Gasohol. It will prohibit the franchiser from terminating the dealer's contract, refusing to renew the contract or lease, or raising the dealer's rent.

Bayh's bill is similar in nature, and has been referred to the Senate Energy Committee. Daschle's bill is pending before the House Interstate and Foreign Commerce Committee.

Bayh introduced his bill after learning that many dealers in his state were interested in marketing Gasohol, but had been told they would lose their credit card privileges, their brand, and in some cases that their rents would increase.

Both lawmakers say they have received many such complaints from dealers and jobbers but many are afraid to come forward to testify at a hearing because they're afraid of losing their leases.

Anyone wanting to give information about oil company threats of reprisal may call Bayh's office at 202-224-5623, or Daschle's office at 202-225-2801.

In addition, Daschle and Rep. Dan Glickman, D-Kan., have asked the Dept. of Energy's (DOE) Office of Policy Evaluation to look into anti-Gasohol materials being circulated by the oil industry, to see if they are possible antitrust violations.

In other recent Gasohol action:

The Louisiana Agri-Fuels Corp. announced plans to build a 30 million gallon/year alcohol fuels plant in New Iberia, La., using sugar cane as the feedstock.

California announced it will begin using Gasohol in 17,000 state vehicles next month to ease the fuel shortage there.

The DOE proposed allowing automatic entitlements for alcohol fuels.

[From the San Francisco Chronicle, June 29, 1979]

Governor Brown attached a "powered by gasohol" sticker to his car yesterday in Sacramento after it was filled up in a state garage with the fuel that is 90 percent gasoline and 10 percent alcohol. The publicity ceremony marked the start of a program to fill the tanks of the state's 17,000 vehicles with the gasoline-stretching fuel.

[From the Los Angeles Times, June 28, 1979]

State Auto Fleet Gets First Taste of Gasohol

(By Judith Michaelson)

The state of California will begin running on gasohol today.

As the first of the 17,000 state-owned vehicles pull up to pumps at the five state-owned gas stations between Sacramento and Los Angeles, they will get a fill-up of the new mixture (90 percent gasoline, 10 percent alcohol) that is seen as one antidote to high foreign-oil prices.

"Like everyone else, our gasoline allocation is down, 80 percent of what is was from last year," said Robert Van Der Volgen of the Department of General Services in Sacramento. "And this seemed an attractive alternative, particularly with the rise in the Organization of Petroleum Exporting Countries' prices."

"The governor," he added, "is pretty excited about it."

However—for the time being, at least—it will cost the state more to gas up with gasohol. According to General Services, the current price at their pumps is 71 cents per gallon for 100 percent gasoline. The cost includes the wholesale price, said Van Der Volgen, plus 10 cents for service costs.

With gasohol, it will cost the state between 83 and 85 cents a gallon.

But state officials expect the costs to come down eventually, as gasohol itself becomes more popular. "Just like pocket calculators used to be $75, and you can now get them for $9.95, the same should hold true for gasohol," Van Der Volgen said.

And, he emphasized, it also will stretch the actual supply of gasoline. At the moment, he estimates that only 15 percent of all the gas used in state vehicles comes from state pumps. He hopes that within six months that percentage will increase. Even at 85 cents, it is cheaper than filling up at commercial outlets, where prices today average 96.9 cents a gallon.

On Sunday the state received its first shipment of 200-proof ethyl alcohol from a Georgia Pacific Corp. facility in Bellingham, Wash. The shipment was nearly 7,000 gallons at $1.53 a gallon. This type of alcohol, also known as ethanol, is distilled from the sugar in wood byproducts.

According to Van Der Volgen, it is far more difficult and expensive to make 200-proof rather than 190-proof ethanol, which contains 5 percent water. But, he said, the water would cause corrosion in car engines.

[From the Festus (Mo.), News Democrat, June 21, 1979]

Gasohol Test by Bell and DOE

The largest privately owned fleet of motor vehicles in the country is well into a field trial with the U.S. government to determine the facts about gasohol.

The Bell System, with a nationwide fleet of 180,352 vehicles, and the Department of Energy (DOE) are conducting an 18-month study of the effects of gasohol, a blend of 90 percent gasoline and 10 percent ethanol (ethyl alcohol).

The study involves a fleet of 100 Southwestern Bell installation and repair vans in Tulsa, Oklahoma. Fifty of the vehicles are operating on gasohol, while the other 50 use gasoline as usual.

The vehicles' performance is being measured at the DOE's Energy Research center in nearby Bartlesville, using precision instruments and the same methods as those employed by the Environmental Protection Agency (EPA) to determine miles per gallon and vehicle emissions.

Southwestern Bell employees who drive the vans fill out daily logs on how well the engines start, overall driveability and in-service miles per gallon.

The test began in November, 1978, and will run through May, 1980. It is the first joint effort between government and industry to separate fact from faith in this particularly volatile issue. And it's the first test to involve so many vehicles.

The Bell System's interest in gasohol is obvious. Next to the federal government, AT and T has the largest fleet of vehicles in the country.

These trucks use a lot of fuel visiting homes and offices across the country to install or repair telephones and sophisticated telecommunications equipment. Nationwide, Bell companies serve about 135 million telephones.

Carl Merlotti, Southwestern Bell's energy spokesman, points out that since the Bell System must continue using large quantities of gasoline, the company is taking a long hard look at gasohol as an alternate fuel to improve fuel efficiency.

Preliminary results from the Oklahoma test are taken from a very small sample—only 15 vehicles to date—and are inconclusive. However, Jerry Allsup, an engineer who is DOE's representative at the Bartlesville center, reports that 10 of the 15 vehicles averaged about one tenth of a mile per gallon less with gasohol than with gasoline.

Lower fuel economy could be expected using gasohol, Allsup said, since burning a gallon of gasohol produces about three percent less heat than burning a gallon of gasoline.

Exhaust emissions on the vehicles tested to date show gasohol produces an average of 27 percent less carbon monoxide than gasoline. Unburned fuel and nitric oxide emissions from the test vehicles are comparable for the two fuels.

How do these admittedly preliminary and inconclusive results square with statements from a variety of sources that gasohol improves mileage for many drivers?

"That's impossible to say at this point, since we're so early into the field trial," Merlotti said.

"Remember, however, that DOE's initial results are from machines, and in-use vehicle mileage can be affected by any number of things: individual driver differences, weather, traffic and so on.

"This wide range of variables is why Southwestern Bell is not putting together any results at this time," he said.

"To be completely fair and objective, we have to look at results over time. We want to compare winter driving to summer driving and to analyze driver differences and the long term effects on engine components.

"Because the energy situation is worsening, there is a temptation for us to jump out with preliminary observations. But doing that wouldn't be giving gasohol a fair trial," he added.

A large part of gasohol's widespread public appeal is that ethanol (10 percent of the mixture) can be made from agricultural products such as grain. Alcohol is a "replaceable" fuel: more can be grown each year.

And while gasohol now costs roughly 5-7 percent more than gasoline, the equation may change if gas prices continue to rise.

"We intended to find out if gasohol can really help us," Merlotti said, "or whether it's another promise that can't be fulfilled."

[From the San Mateo (Calif.) Times, May 31, 1979]

ALCOHOL FUEL USE URGED FOR WORLD

(By Janet Parker)

MONTEREY.—It fuels the fastest autos in the world, the racing cars of the Indianapolis 500.

Independent gasoline station dealers in Nebraska, Kansas and Missouri have been selling it for months. Dealers in other states are rapidly joining in and the backlog of applications to sell it has grown to 4,000.

But, that's insignificant compared to Brazil where cars have been running on it for 50 years.

New Zealand, West Germany, Japan, Canada. These countries and many others have been investigating, studying and experimenting with the various forms of this fuel source—alcohol—for years and they are ready for worldwide action.

"We personally think Congress should pass a law requiring all new cars to be able to accept alcohol fuels," said Richard Pefley of Santa Clara University, one of the world's leading alcohol fuel researchers.

It was a small but dedicated group of 50 experts who gathered in Stockholm two years ago to share their knowledge of this a then little-publicized fuel potential.

Since then, the momentum has grown and the body of shared knowledge has blossomed. The attendance at that same Alcohol Fuels Technology International Symposium, had grown to 500 scientists, economists, and engineers from some 20 countries when it gather at Asilomar on the Monterey Peninsula this week.

They couldn't have asked for better timing, as they rode on the crest of the second major fuel crisis in five years. Their driving force is common—a universal fear that increasing dependence upon petroleum will drive nations including the United States into economic ruin.

"This is the second major warning," Pefley, chairman of the symposium, said. "If we don't do something now, this country is committing suicide." The technology exists to implement alcohol fuels and the symposium was a means of proving it to the world, Pefley said.

Take, for example, the fleet of cars owned by the Santa Clara University Mechanical Engineering Department, hosts of the conclave this year. They look and ride like ordinary Pintos and Hondas. They accelerate as might be expected for compact cars, with perhaps just a bit more pep.

But, posted inside is a warning. "Do Not Fuel This Vehicle With Gas." The autos are energized by alcohol and alcohol blends. Pefley and his crew have been testing the autos for 10 years and they are satisfied that the time for the alcohol-fueled auto has come.

Pefley believes it will take from 20 to 30 years for the United States to develop a sufficient alcohol supply to replace gasoline, a position many others at the symposium viewed as pessimistic. In the meantime, he contends, pure alcohol fuels and blends can be used as extenders or supplements to the petroleum supply.

With $\frac{1}{15}$th of the world's population, the United States uses one-third of the world's supply of oil, Pefley noted. There were scientists at the symposium who contended that a worldwide fuel disaster could occur as early as 1985 if alternative fuels aren't taken seriously.

Some 69 papers were presented from Tuesday through today focusing on technology, production, politics, economics and the future of this fuel source.

Ulrich Seiffert of Germany's Volkswagen Research Division said succinctly that the world must move away from its petroleum based dependence sooner than it thinks. Volkswagen, he said, believes practical substitutes are methanol—made from natural gas, coal, tree trimmings and municipal waste—and ethanol—derived from grains and other agricultural products.

"(We) found that the alcohol fuels are the most readily obtainable alternatives of all substitutes and that they might be made available in substantial quantities in the foreseeable future," Seiffert said.

Automobile makers such as Volkswagen can produce vehicles for operation on either pure alcohol or alcohol-gasoline blends," he said.

The alcohol fuel most widely discussed in the United States today by the interest group most concerned—the gas-consuming public—is gasohol a blend of 90 percent gas and 10 percent alcohol.

It is one of the fastest growing energy sources, primarily because of a grassroots effort that began in the midwest cornbelt where an abundance of agricultural products are ripe for fermentation and has begun spreading eastward.

Richard Merritt, the sole volunteer lobbyist for the gasohol industry, explained the product offers more power, burns cooler and cleaner in the motor, reduces heat build up in the engine, curbs carbon deposits, increases mileage and eliminates engine knock and ping.

His contentions are largely confirmed in studies by the Department of Energy and Environmental Protection Agency.

And, the major bonus with gasohol is that it requires no modification to an auto engine. In fact, Merritt contends the alcohol in the blend could be safely increased to as much as 20 percent.

Gasohol tends to cost several cents more than regular unleaded gasoline but its proponents claimed that its performance makes up for that difference. There's no doubt where it is available today, drivers are buying it, they said.

[From the Utica (N.Y.) Observer-Dispatch, May 25, 1979]

STATE TRIES GASOHOL

ALBANY.—Calling it the "hamburger helper" of gasoline, state Energy Commissioner James Larocca helped inaugurate a test of gasohol in state vehicles here Thursday.

Larocca and other state officials gathered at several Offices of General Services gas pumps as the alcohol-gasoline mixture was fed into the first of 10 small state trucks which will take part in the test.

"A 10 percent savings in gasoline consumption in New York state could reduce our dependency on foreign crude," said Commissioner James O'Shea of the Office of General Services. "A total gasohol program in New York state could save as much as 14 million barrels of gasoline annually."

Gasohol is 10 percent alcohol and 90 percent gasoline. The product is not widely available in New York state. O'Shea said the test of gasohol will run until March 1, 1980.●

1979 CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

● Mr. ROTH. Mr. President, the congressional senior citizen intern program celebrated its sixth anniversary this year, and the largest participation since 1973 when Congressmen Hillis, Biester, and I began the program. Between May 7 and May 18, 165 senior citizen interns from 38 States and the District of Columbia, sponsored by 132 Members of Congress, came to the Hill to gain insight into the legislative process and to share with us their unique perspective on issues of special concern to our Nation's elderly. I am sure my colleagues who sponsored senior citizen interns would agree the opportunity for exchange of ideas offers as much to us as to the interns themselves.

The sharing of ideas was not limited to the Congress. The senior citizen interns also met with various leaders in the field of aging from the executive branch and had the opportunity to express their concerns on Government programs and policy directly.

Clearly, the elderly are an important political force. There are 25 million persons in our country age 65 or older. They account for one in every nine Americans. Traditionally they have been an active constituency. In 1976, while they represented only 10 percent of the total population, they cast 16 percent of the total votes.

Throughout my career in Congress, I have maintained an interest in the needs and concerns of the elderly citizens of our country. I believe the yearly increases in participation in the senior citizen intern program reflect the growing awareness of the part of the Congress of the tremendous capabilities of older Americans. Their contribution to society and to the American way of life is invaluable.

It was my pleasure to have Norma Shaw of Newark, Del. and Herman Schneider of Wilmington, Del. serve as interns in my office.

Mr. President, I submit for the Record a list of the 1979 Senate senior citizen interns and their sponsors.

The list follows:

1979 SENATE SENIOR CITIZEN INTERNS AND THEIR SPONSORS

Sen. Lloyd Bentsen:

Mr. R. Lee Clark, 3208 Dominique, Galveston, Tex. 77551.

Mr. J. Waldo Whitfield, 830 LeGreen St., Houston, Tex. 77008.

Sen. David L. Boren:

Mr. John Womack, 2909 E. Post Oak Rd., Norman, Oklahoma (residence), R.R. 2, Box 25, Nobel, Oklahoma 73068 (mailing).

Sen. Rudy Boschwitz:

Mr. Ariel Bloedel Maas, 6145 Upton Ave., Minneapolis, Minn. 55410.

Mr. Fred McComb, 237 W. Minnehaha Parkway, Minneapolis, Minn. 55419.

Sen. Lawton Chiles:

Mrs. Bluetta Jenkins, 711 W. South St., Orlando, Florida 32805.

Sen. Thad Cochran:

Mr. Edward S. Bishop, 410 South Penn, Corinth, Mississippi 38834.

Sen. Alan Cranston:

Mr. Harry K. Traber, 5763 Spyglass Lane, Citrus Hghts, California 95610.

Sen. Dennis DeConcini:

Ms. Mary Fran Leisk, 1738 E. Cypress St., Cottonwood, Arizona 86326.

Sen. Bob Dole:

Mrs. Margaret J. Barok, 3813 W. 79th St., Prairie Village, Kansas 66208.

Mr. Walter J. Campbell, 605 N. Commercial, Makato, Kansas 66956.

Mrs. Alice Larsen, Route 3, Concordia, Kansas 66901.

Mr. Ralph J. Turner, 2713 Ousdahl Road, Lawrence, Kansas 66044.

Sen. Thomas Eagleton:

Mr. & Mrs. Evan Agenstein (Ethel), 3016 Faraon, St. Joseph, Missouri 64501.

Mr. & Mrs. Stephan Zeilman (Gertrude), Linn, Missouri 65051.

Sen. Orrin Hatch:

Mr. Thomas Bradford Barnes, 1372 Atherton Dr., Salt Lake City, Utah 84107.

Sen. Howell Heflin:

Mr. & Mrs. Rubin Hanan (Julia), 3144 Pinehurst St., Montgomery, Alabama 36111.

Dr. & Mrs David Horton (Janet), Route 5, Box 243 H, Mobile, Alabama 36608.

Sen. Ernest Hollings:

Miss Caroline G. Richardson, 192 Carolina St. N.W., Orangeburg, S.C. 29115.

Sen. Nancy Landon Kassebaum:

Ms. Lillian Calhoun, 641 North Terrace, Wichita, Kansas 67208.

Sen. James A. McClure:

Mr. & Mrs. George T. Mitchel (Myrle), 1919 Connant Ave., Curley, Idaho.

Sen. Charles McC. Mathias:

Mr. Joseph Brandt, 2311 Ross Road, Silver Spring, Maryland 20910.

Mr. Dale Bormouth, 7015 Wake Forest Dr., College Park, Maryland 20740.

Sen. Robert Morgan:

Mrs. Helen Bradley, P.O. Box 894, Clinton, N.C. 28328.

Mr. John H. Williams, 1260–10 Fifth St., N.E., Hickory, N.C. 28601.

Sen. Bob Packwood:

Mr. & Mrs. Rex Griggs, 3450 9th Dr., Baker, Oregon 97814.

Ms. Lela Humiston, 211 River Loop No. 1, Eugene, Oregon 97404.

Sen. Larry Pressler:

Mrs. Ruth Williams, Box 194, Chester, South Dakota 57016.

Sen. David Pryor:

Mr. Harold Jinks, P.O. Drawer 348, Piggot, Arkansas 72454.

Sen. William V. Roth, Jr.: Mr. Herman Schneider, 1312 Copley Dr., Wilmington, Delaware 19803.

Mrs. Norma Shaw, University Garden Apts., Apt. B–3, Beverly Road, Newark, Delaware 19711.

Sen. Alan Simpson: Mrs. Amy Pease, 1115½ 19th St., Cody, Wyoming 82414.

Sen. Donald Stewart: Mrs. Mabel Hollingsworth, 102 Perdido St., Atmore, Alabama 36502.

Mr. E. P. Wallace, 462 S. Union St., Montgomery, Alabama 36104.

Sen. Richard Stone: Mr. Robert Zeger, 27601 S.W. 145th Ave., Naranja, Florida 33032.

Ms. Anita Tassinari, 2001 N.W. 10th Ave., Gainesville, Florida 32605.

Sen. John Tower: Mr. Lincoln W. Klemm, 5911 Rimkus Dr., San Antonio, Texas 78238.

Mr. Robert C. McNab, 926 W. 8th St., Tyler, Texas 75701.

Sen. Harrison A. Williams, Jr.: Ms. Louise Basile, Box 583, Atlantic Ave., Minotola, N.J. 08341.

Sen. Malcom Wallop: Mr. Maylon Peterson, 1917 East B St., Torrington, Wyoming 82240.●

A TAG FOR TERRORIST BOMBS

○ Mr. RIBICOFF. Mr. President, terrorists are continuing their unabated worldwide campaign of destruction and murder. Recently, we were shocked to learn that a very high-ranking American official—former NATO Commander General Alexander Haig—was almost assassinated in Europe by a terrorist bomb.

The U.S. Government has got to get tough and take the lead in international efforts to combat terrorism. American citizens and officials increasingly are becoming prime targets, as the Haig incident so clearly illustrates.

Strong legislation is needed to further develop our counterterrorist strategy and response. Earlier this year, Senator JAVITS and I introduced S. 333, the Omnibus Antiterrorism Act of 1979. The bill would give the Federal Government a variety of tools to combat terrorism. One of these, the mandatory use of taggants in explosives, would go far toward deterring terrorists from using their favorite weapon—bombs.

Mr. President, on July 3, 1979 the New York Times editorialized in support of this new and encouraging technology.

I ask that the editorial be printed in the RECORD.

The editorial follows:

A TAG FOR TERRORIST BOMBS

One would think everybody in a modern society would be relieved to learn that there exists a way to mark explosives so that the police could trace their origin after detonation. When investigating a terrorist attack or gangland bombing, detectives could learn as much about the explosives as if they had in hand a distinctive laundry mark.

Yet the National Rifle Association and the chemical companies that manufacture explosives are not so pleased. In fact, they have succeeded in holding up legislation that would require such tracers in gunpowder and high explosives. They say the tags create too many technical problems. And so Congress has asked its Office of Technology Assessment to study the complaints for two months, after which the lobbying struggle will no doubt begin again.

There are about a thousand bombings in the United States each year and very few of them result in an arrest. Part of the reason is that explosives are now almost impossible to trace. But the Treasury Department's Bureau of Alcohol, Tobacco and Firearms has been sponsoring experiments in which laboratory explosions can be identified. And a pilot program has accidentally proved that the procedure works under real conditions.

These marker-substances, or "taggants," can be matched against the records of sales and so allow investigators to trace the explosives through the distribution system. There exists another kind of marker as well that betrays the presence of explosives—when, for example, a bomb is carried through an airport screening device.

The gun lobby opposes mandatory tagging on the grounds that it would be costly, unlikely to aid law enforcement, pose a safety hazard and become a burden. But these are dubious objections. No one knows for sure what the markers would cost, but they are likely to be cheaper than the damage caused by unsolved crimes. The tagged explosives that have been sold under a pilot program so far appear quite safe, although it's hard to evaluate charges that the markers might make the explosives unstable while in storage. We would prefer to trust independent authority on that point. As for the burden of keeping another set of records, it doesn't seem particularly great in an industry already subject to strict record-keeping requirements.

The impressive argument for mandatory tagging is the testimony of law-enforcement authorities and airline officials that they find it must useful. In fact, Federal agents last month made their first arrest with the help of the new markers. They sifted through the debris from a bombing murder, discovered the markers, identified the batch of dynamite from which they came, traced the dynamite to a small number of buyers and eventually found that one buyer had recently argued with the slain man. The detective work—an unexpected result of the pilot tagging program—seems to explode the argument that tagging won't help.●

PULLMAN AND TRANSIT—END OF AN ERA

● Mr. HAYAKAWA. Mr. President, although the word was released in March that Pullman, Inc. would no longer be in the business of building railway passenger cars it was not until I read the article by David Young in the July 1979 edition of Mass Transit, "Pullman and Transit—End of An Era" that I realized the full significance of that announcement. Over the years the name Pullman has become synonymous with the train. and it is with some sadness that we view the passing of that era. Mr. Young brings to our attention some of serious economic problems that have reduced the number of railcar manufacturers to one within the last decade.

I ask that Mr. Young's article be printed in the RECORD.

The article follows:

PULLMAN AND TRANSIT: END OF AN ERA

(By David Young)

Last March 21, the press wire services carried a brief item that was routinely edited into the financial pages of newspapers around the country:

Pullman, Inc., was withdrawing from the business of building railway passenger cars.

The decision, which had been approved by the firm's board of directors earlier that day on the recommendation of management, had been brewing for eight years as the railcar building industry in the United States continued to deteriorate. Thus Pullman became the fourth American railcar builder in this decade to seek its fortunes in other lines of work. The decision also left Philadelphia's Budd Co. as the only U.S. prime contractor still actively seeking business.

Although industry insiders had been expecting the Pullman announcement for months, the decision took many unaware. The company had been a fixture—at one time a dominant giant—in the industry. It had been building railway passenger cars for 110 years, and at one time the name Pullman was synonymous with the railway sleeping car.

Since entrepreneur George Mortimer Pullman (1831–1897) built his first railway car in 1859, his name had gone on thousands of railway sleepers, coaches, dining cars, trolleys, interurbans, rapid transit equipment and freight cars. The Pullman name was on the railway car that carried Abraham Lincoln's body back to Springfield, Ill., for burial in 1865, as well as the brand new bilevel Superliner coaches Amtrak placed into service in February.

The company name was also associated with one of the most famous strikes in the history of the labor movement and with one of the largest antitrust actions in U.S. history. Even today there stands on the industrial South Side of Chicago a charming neighborhood of red brick buildings which gives visitors the impression they have just stepped back into the last century. That neighborhood is called Pullman and was once the company town George M. Pullman built for his employees.

There seems to be little room for nostalgia in the board rooms of modern corporations, and Pullman, Inc., is not an exception. The company has not even bothered to commission an official history to document its rich tradition. The decision to stop building railway passenger cars was based strictly upon economics.

"We've been going in that direction since 1972," said corporate Chairman Samuel B. Casey. "It's a lousy market and we're getting out. We've had gigantic losses."

Thus Pullman joined three other American manufacturers in abandoning the passenger railcar business since 1970. The others were St. Louis Car Co., Rohr Industries and Boeing-Vertol Co., a subsidiary of the airplane maker. A fourth manufacturer, General Electric Co., has not bid on a major order as a prime contractor in more than two years although it continues to supply components for transit vehicles.

Although Boeing has announced it is withdrawing from the market as a prime contractor, the company has been negotiating with Japan's Nisho-Iwai (Kawasaki) to fabricate cars in its Philadelphia plant. Kawasaki was successful bidder on a recent order for cars for Philadelphia.

Pullman's withdrawal from the business resurrects questions that have been asked for years about the car procurement process in this country which has resulted in systematic reduction of the number of manufacturers to one and allowed apparently subsidized foreign manufacturers to walk away with choice contracts paid by U.S. tax dollars. Pulman officials are obviously bitter.

"The government is your only customer any more," added Casey. "It's a market dreadfully managed by the regional transit authorities. No matter what you do you can't win."

Railcar manufacturers have been complaining for years that the procurement process is loaded in favor of the transit agency, leaving the prime contractor with all the risks. Foreign competition has skimmed off enough transit business to make it difficult for U.S. manufacturers to keep production lines going with any regularity.

With Pullman's withdrawal, however, a new issue has been raised. That is the ability of the surviving U.S. industry to keep pace with the demand for new cars. The surviving industry is Budd, and it has the capacity in its Red Lion plant in north suburban Philadelphia to build up to 300 cars a year, although the practical capacity is somewhere between 150 and 300 cars per year. The demand for new cars in this country is expected to be between 3,000 and 4,000 over the next five years, according to R. H. VanSteenkiste, Budd group vice president for the railcar operation.

"There may be some time in the future when Budd will not have the capacity to handle the business," he admitted. "However, we have the option of adding facilities or buying components from other manufacturers."

Budd is now glutted with car orders. Besides the SPV-2000 self-propelled diesel car the company has launched with its own funds, Budd has an order for 34 bilevel gallery cars from the Chicago Regional Transportation Authority (RTA), up to 600 rapid transit cars from the Chicago Transit Authority (CTA) and 208 rapid transit cars from Baltimore and Miami.

The company's position worries at least one Chicago RTA official. That agency had been counting on Budd to produce at least 20 new gallery cars for the next half decade. "With the other orders they have received, I'm not sure they have the capacity to continue to handle us, despite the fact that we were their best customer during the lean years," he said.

He was referring to the fact that Budd, reeling from losses suffered on orders for Philadelphia's Lindenwold Line, Long Island M-1 cars and the Amtrak Metroliners, temporarily withdrew from the self-propelled car market and subsisted mainly on orders from Amtrak for Amfleet cars and bilevels for Chicago for a few years.

Complicating the picture is the fact that Congress included a "Buy America" clause in its 1978 Surface Transportation Act. It requires at least half the parts for all cars financed by federal funds to be manufactured in the United States and vehicles to be assembled in this country. Waivers from the clause are possible, but foreign firms must be at least 10 per cent below the lowest American bidder to get the contract.

The "Buy America" clause could result in a scramble by foreign firms to find U.S. partners for consortia to bid on transit contracts, some transit officials believe. The first such consortia could lure Boeing back into the business as a partner of Kawasaki.

Pullman officials indicated they were not particularly interested in such deals, although they did not rule them out. The company has big car building plants in Chicago and Hammond, Ind., as well as freight car plants in Butler, Pa., and Bessemer, Ala. About 2,000 persons are employed in the two passenger car facilities.

Casey said that Pullman officials have been troubled by the decreasing control the company has had over its products because so many components on complex modern railcars must be subcontracted.

"By the time we put in all the electrical components, we just don't have that much proprietary interest in the car any more," he said. "We build less than half the car."

Such was not the case back in 1859 when Brockton, N.Y., native George M. Pullman, a cabinetmaker by trade, got into the business by remodeling two coaches into sleeping cars for the Chicago & Alton Railroad. He then designed a larger and more elaborate sleeper which was named "Pioneer" and entered service in 1865 in time to bear Lincoln's body to its grave in Springfield, Ill. The car was unique because it could be converted from a coach for daytime use to a sleeper by night by folding the seats into beds. Upper berths folded down from the ceiling for added capacity, and the berths were separated by curtains for privacy—a feature used on railroad sleeping cars for the next century.

Pullman introduced the dining car in 1868, the parlor car in 1875, and the vestibule for connecting cars in 1887. His other innovations included the first washrooms on trains. In 1867 he organized the Pullman Palace Car Co. to build and operate sleepers for the railroads. By 1880, the company was in good enough financial shape to build a large factory south of Chicago (since annexed) and a company town around it to house employees.

It was in 1893 that the Pullman company became embroiled in one of the most famous labor disputes in U.S. history. The company town that Pullman had built was the precipitating factor. Pullman insisted that the company town in which he owned everything—the houses, stores, streets, trees, churches and places of recreation—turn a profit of at least six per cent.

When the depression of 1893 hit Chicago, Pullman cut workers' salaries by 25 per cent, but refused to cut rents and utility charges in the company town to compensate. When an employee committee called on him to protest, he fired many of its members. The rest of the workers walked off the job on May 11, 1894, beginning the famed Pullman strike.

Pioneer labor leader Eugene V. Debs came to the side of the striking workers, and attorney Robert Todd Lincoln, son of the Civil War president, sought a court order on behalf of Pullman restricting the strike. Rioting broke out and President Cleveland sent federal troops to break the strike. Debs was arrested and defended by fledgling labor lawyer Clarence S. Darrow, who later went on to fame in the Scopes Monkey Trial and Leopold-Loeb thrill killing case.

The company eventually resolved its labor problems and went on to become the dominant giant among passenger car manufacturers. With the introduction of the electric traction motor, the company branched into the manufacture of trolley cars, interurbans and rapid transit equipment. However, its most profitable line continued to be the locomotive-hauled intercity passenger car and the arrangement Pullman had with the railroads for its sleeping cars.

By 1940, the company had become so dominant in intercity passenger service that the government sought antitrust action against it. That and the general erosion of the mass transit and railroad passenger business for the next few decades began the long slide downhill which led to the decision this March to abandon the business.

The 1940 Justice Department suit against Pullman charged the company and some of the most famous captains of American industry with virtually monopolizing the railroad sleeping car business. Besides Pullman and its subsidiaries, defendants in the case included J. Pierpont Morgan; Alfred P. Sloan, board chairman of General Motors Corp.; Richard K. Mellon, Pittsburgh industrialist; Sewell L. Avery; and Harold S. Vanderbilt—all Pullman directors.

The case dragged through the courts for four years until a federal court in Philadelphia ruled that the company had to divest itself of either the passenger car manufacturing business or the sleeping car subsidiary. Pullman chose the latter, and a few years later sold its leasing subsidiary to a group of 45 railroads.

A few months after that court decision in 1944, Pullman, Inc., took an important step toward diversification that would pave the way toward the abandonment of its car manufacturing unit 35 years later. It purchased M. W. Kellogg Co., of Jersey City, N.J., a petroleum and chemical engineering firm. It was the first acquisition by the company not directly related to railroad equipment.

In 1951, Pullman acquired Trailmobile, a truck trailer builder. As the railroad's passenger business and mass transit went into their long decline following World War II, the diversification continued. By the mid-1970's, revenues from Pullman's non-rail subsidiaries equalled those from its transportation units. By 1975, the non-transportation revenues topped those from transportation, and have done so ever since.

The handful of surviving railcar manufacturers hung on during the 1960s in the hope that the promise of federal aid to mass transportation would improve things in the 1970s. Budd, Pullman and St. Louis Car all took that option. The interstate railroads had stopped acquiring cars for their money-losing passenger trains, and the capital-starved mass transit systems were not in much better shape. Chicago, the nation's second largest transit system, bought only 330 new cars during the decade of the 1960s—180 of them from Pullman.

The creation of Amtrak and the dramatic

increase in federal funds earmarked for mass transit brightened the picture in the early 1970s, but the entrance into the market of aerospace firms, like Boeing and Rohr, cut into sales by the old line builders.

The improved technology being specified for new transit cars; the strings attached to federal money, especially the requirement that the contract be awarded to the low bidder where many transit contracts in the past had been negotiated; and accelerating inflation all took their toll. The first victim was Budd, which took a bath on the Lindenwold, Long Island and Metroliner cars before retreating temporarily from the market. The second was St. Louis Car, which strangled on orders for the Illinois Central Gulf Railroad highliner cars and New York's R-44 subway order.

"The business had changed and the old line companies had trouble adjusting to a new ball game," said one industry official. "Some never did adjust."

By 1972, all eyes were turned toward New York, where the New York City Transit Authority was ready to acquire 754 new subway cars—the largest order in U.S. history. The specifications prepared by New York for its R-46 car were based on the R-44 St. Louis Car was then building, and Pullman officials were determined to win the order.

When the bids were opened, Pullman's bid of $210 million was lowest, underselling General Electric by $27 million and Rohr by $40 million.

Unfortunately for Pullman, the R-46 turned into a horror story. Technical problems encountered when the R-44 was placed in service delayed production of the R-46 until the bugs could be worked out, and double-digit inflation drove up Pullman's costs. Internal problems plagued production. Pullman had to increase its work force from 250 to 1,700 to build the R-46, and that meant a susbtantial learning curve on the production line.

However, the situation as late as 1975 looked far from hopeless. Pullman won a coveted order from Amtrak to produce 284 bilevel intercity passenger cars, later named Superliner. That required buying another factory in Hammond, Ind., to build them and hiring and training even more employees.

By then, the R-46 was in deep trouble. The company that year hired James A. McDivitt, former head of the U.S. moon shot program, to head its Pullman Standard car building subsidiary. McDivitt proceeded to shake up the management and streamlined it along lines familar to aerospace firms, complete with project managers.

It was too late for the R-46 program. Pullman utilmately lost $44.75 million building that subway car, causing its transportation equipment divisions to slip into the red to the tune of $18 million during 1976 and 1977—despite $1.46 billion in revenues.

The Amtrak program developed difficulties soon thereafter. A horde of Amtrak change orders slowed production and required the redesign of one type of car, the first 12 prototypes developed problems during tests at Pueblo, Colo., and a 27-week strike by Pullman workers late in 1977 and early 1978 put the program hopelessly behind schedule. By the time the strike ended, one official estimated it would be cheaper for Pullman to default on that contract than to pay the late production penalties that were accruing. Pullman was then 18 months behind schedule and had just delivered its first car.

Harry Yousoff, assistant vice president of operations support for Amtrak, claimed that much of the delay was due to Pullman's poor management of the program in its Hammond plant. "I think the workers here do a good job on the cars, but are overwhelmed by the lack of management," Yousoff said.

He claimed that at one point he had more inspectors on the project than did Pullman.

While the R-46 order was being finished and before the Amtrak order got into trouble, Pullman began looking for additional business to keep its Chicago plant lines busy. A likely target was the nation's modest streetcar market. Pullman had not built any streetcars since it delivered PCC (President's Conference Committee) cars to Boston in 1951, but decided to chance bidding on a car Cleveland intended to buy.

When the bids were opened (Cleveland had specified 4,000 seats and left the number of cars up to the bidders), Pullman was lowest among U.S. bidders at $33.7 million but still finished fourth behind three foreign companies, including an Italian firm, Breda Costruzioni Ferroviarrie, the winner at $30.9 million. Budd placed behind Pullman at $34.7 million and Boeing, the only U.S. firm with any experience at light rail construction, was high at $51.3 million.

Pullman unsuccessfully challenged the award in federal court before turning its attention to what was going to be the firm's final attempt at staying in the industry it helped found.

Chicago was preparing to buy up to 600 rapid transit cars with a potential value of more than $300 million. (Actually the CTA order called for 300 cars with an option on 300 more.) The car that CTA wanted and was essentially an upgraded version of the 2400 series car recently delivered to it by Boeing, a car that was proving reliable in early revenue service. The CTA's tight specifications in effect precluded the foreign competition about which Pullman officials had been complaining for years.

When the bids were opened, Budd won the contract hands down at $133.3 million—about $440,000 per car. Pullman was dead last at $248 million, or at $827,000 per car, nearly double Budd's price.

It was assumed by many of the people attending that bid opening that Pullman for all intents and purpose was out of the business.

Confirmation of that would occur two months later on Jan. 30 when bids were opened for 208 rapid transit cars for new systems being built in Baltimore and Miami. Pullman did not bid, and Budd won the order for $145.7 million without any competition.

"It was an emotional decision for us," Casey said of Pullman's decision to get out. "It's a tragedy, but passenger cars are a very small part of our business and we've had some big losses on them."

Budd's VanSteenkiste believes that many of the factors which took their toll on railcar manufacturers during this decade are being corrected to take the risk out of the business.

Escalation clauses in recent contracts have helped nullify the effects of inflation that hurt manufacturers during the days of fixed price contracts, and the transit agencies are no longer dabbling with high-risk technology.

"The customers have learned they cannot re-invent the wheel," he said. "UMTA (Urban Mass Transportation Administration) has also done a better job of overseeing projects.

"Being alone in this business is not good," VanSteenkiste added. "Having a competitor in the United States would be good for both us and the customer. Being alone in the market makes us vulnerable to foreign competition."●

CAPTIVE NATIONS WEEK

● Mr. BAYH. Mr. President, this week our Nation commemorates the struggle of the brave people of the Captive Nations—Latvia, Lithuania, and Estonia.

The several million people of those nations who still yearn to be free of Russian domination under the Soviet system have demonstrated courage and conviction through a determination to maintain their religious and cultural traditions. It is, therefore, that this occasion is as much one of hope as it is one of sadness. Clearly, the strictures of Communist society can never hope to bound the human spirit as was so dramatically demonstrated some weeks ago in Poland during the visit of Pope John Paul II.

The continuing denial of the human right of political self-determination is a profound obstruction to the full realization of the goals of the Helsinki Final Act which are peace and security in Europe. Our own moral support in this struggle is an important factor in underscoring the point that the hopes and aspirations of the peoples of Estonia, Latvia, and Lithuania are not irrelevant to our own. I know I join with so many of my colleagues here in the Senate at this time of commemoration of and appreciation for their struggle and for its basic rightness and future peaceful resolution.●

FOOD POWER

● Mr. BAUCUS. Mr. President, the United States should use its food power aggressively to improve farm income and the balance of trade.

IMPORTANCE OF AGRICULTURAL EXPORTS

For several years, agricultural exports have been the single bright spot in a generally dismal balance-of-trade picture. Agricultural exports are projected to reach $32 billion in 1979. This compares with $27 billion in 1978, $24 billion in 1977, and less than $6 billion only 10 years ago.

Export income is vitally important to domestic agriculture. Over 20 percent of our total agricultural output is exported.

Exports are particularly important for some commodities. Roughly 60 percent of our soybeans and soybean products, 55 percent of our rice, 45 percent of our cotton and 40 percent of our wheat are exported.

Agricultural exports not only contribute to farm income, but provide necessary revenues to offset massive U.S. imports. Without income from wheat and soybeans, the United States would be hard-pressed to pay for oil, foreign cars, electronic equipment, and all the other goods we import.

The value of the U.S. dollar is closely related to balance-of-trade deficits. Massive trade deficits—$27 billion in 1977, $28 bililon in 1978, and $25 billion projected for 1979—have driven down the value of the U.S. dollar. Dollar devaluation makes imported products more expensive and contributes to domestic inflation.

To summarize, income from agricultural exports is a vital part of domestic farm income and contributes positively to our balance of trade. It follows that U.S. policy should aim to maximize both the quantity sold and prices received for agricultural exports.

THE POTENTIAL FOR FOOD POWER

Only a few nations produce substantial quantities of food for export, and of these the United States is by far the most important.

For example, the United States produces almost half of the wheat moving in world trade. Five countries—the United States, Canada, Australia, Argentina, and France—control 85 percent of world wheat exports.

The United States controls 88 percent of the soybeans, 24 percent of the rice, and 28 percent of the cotton traded in world markets.

Foreign nations with large food needs necessarily turn to the United States for supplies. The Soviet Union is expected to purchase 15 million tons of United States wheat and feedgrains this year. The OPEC nations will purchase about 10 million tons. Mexico annually imports almost a million tons of wheat which comes almost exclusively from the United States.

All of these nations are major oil producers. Just as the United States needs oil, these foreign countries need grain. Increasingly, they look to the United States for grain supplies.

Few countries have potential to significantly expand grain production. The Soviet Union has poured vast sums of money into new wheatlands since the late 1950's, but is still importing grain. Brazil, the Sudan, and other tropical countries have not achieved expected food production results.

The yield potential of hybrid seeds and short-stemmed wheats has largely been achieved. Higher energy costs are driving up fertilizer costs, making it more expensive to increase yields on marginal lands.

While world food production is stagnating, demand is increasing. Many developing nations are determined to improve the diets of their citizens, and world population continues to increase.

The point is that the United States has considerable leverage to use food power to improve farm income and the balance of payments. The administration should use this leverage aggressively in its dealings with foreign nations.

U.S. EXPORTS SUBSIDIZE FOREIGN NATIONS

Nearly every nation in the world supports grain prices above world levels. Guaranteed wheat prices per bushel are $3.89 in the U.S.S.R., $5.39 in Iran, $7.02 in West Germany, and $22.97 in Japan—compared to $2.35 in the United States.

Foreign nations commonly use profits from underpriced United States grain to subsidize their own farmers. For example, Common Market countries impose a "variable levy" on incoming grain. This variable levy is the difference between the world price and the support or "threshold" price of the Common Market.

Revenues from the variable levy—which frequently amounts to $2 or $3 per bushel—help finance Common Market farm support programs.

A similar system operates in Japan. Japan's state food purchasing agency buys grain at world prices, then resells it at an enormous markup to Japanese processors. The profits are used to subsidize Japanese wheat and rice producers.

UNITED STATES NEEDS NEW FOOD POLICIES

Mr. President, I have a few specific suggestions for using food power to improve farm income and the balance of trade.

First, U.S. loan rates—which effectively set floors for both domestic and international prices—should be increased.

Second, the administration should begin a major effort to negotiate a cooperative agreement with other wheat-exporting countries to establish minimum prices for wheat exports.

Finally, the administration should institute trade agreements which reflect the high value of U.S. grain supplies. I have cosponsored Senate Resolution 194, directing the administration to make full use of food power in negotiations with foreign oil producers.

I ask that a copy of the resolution be printed at this point in the RECORD, and urge the support of my colleagues for this important step in addressing U.S. agricultural and energy problems.

The resolution follows:

S. RES. 194

Whereas, the United States is the largest grain-producing nation in the world; and

Whereas, it is in the national interest of the United States to assure that exports of surplus American grain are made in a manner that will protect the interests of both American farmers and consumers; and

Whereas, the Soviet Union is potentially a regular, large quantity customer for American grain exports; and

Whereas, the Soviet Union is now one of the largest oil-producing nations in the world; and

Whereas, the OPEC nations are a regular large quantity consumer for American grain exports; and

Whereas, the OPEC nations supply a large percentage of American imported oil; and

Whereas, it would be mutually advantageous for a trade of commodities vital to the interests of each country: Now therefore, be it

Resolved, That it is the sense of the Senate that the President should undertake to ensure that American grain is not sold abroad without the full use of the sale of grain used as a bargaining tool to provide adequate, and equitably priced, supplies of foreign oil.

SEC. 2. It is further the sense of the Senate that the United States negotiators shall negotiate the purchase price for oil at a level which reflects the high value the United States attaches to its grain resources.

SEC. 3. The Secretary of the Senate is directed to furnish a copy of this Resolution to the President of the United States.●

WE WILL BUILD

● Mr. CULVER. Mr. President, several weeks ago a devastating tornado struck the north Iowa communities of Algona and Manson, causing several deaths and enormous property destruction. The residents of Algona and Manson, however, have not given in to despair or given up on their communities.

Within hours, the people were on their feet starting the vast rebuilding work and expressing their faith in the future. On July 8, nearly 1,000 people in Manson got together for a community religious service with "Thanksgiving" the theme. On July 4, the citizens of Algona began celebrating their community's 125th anniversary, which had been postponed because of the disaster, with a new name for the observance—"Bounce Back."

Mr. President, the people of these communities have rebounded from disaster with courage, good humor, and faith. A recent editorial in the Des Moines Register salutes the citizens of Algona and Manson for their reaction to this tragic ordeal. The title of that editorial, "We Will Build . . .", reaffirms the optimism and commitment to the future that is an integral part of the spirit of Iowans, in the face of adversity or in good times. I want to share that spirit with my colleagues today.

Mr. President, I ask that the editorial be printed in the RECORD.

The editorial follows:

"WE WILL BUILD . . ."

Although the destruction was widespread in tornado-torn Algona and Manson, despair has not been. The townspeople, most of them, at any rate, are determined to give new shape to what was so badly disfigured by the wild winds.

In Manson on Sunday nearly 1,000 persons—half of the population—gathered in the high school gymnasium for a community religious service. Thanksgiving was the theme. Hope—seeing the future with the will to overcome adversity—was the prevalent mood.

In Algona on Wednesday, Independence Day, the citizens will begin a belated celebration of the community's 125th anniversary. The twister disrupted plans for a big celebration last weekend with big-name celebrities. The twister also gave community leaders a new theme for the anniversary: "Bounce Back."

If the people who live in Algona today have the same fearless determination of the first settlers, this Fourth of July will surely become one of the most memorable holidays in the city's history.

Algona traces its history to the arrival of Ambrose and Asa Call in July 1854. The brothers were warned at the Fort Dodge army post that northern Iowa was dangerous territory, especially at that time because the Sioux Indians were supposedly on the rampage to avenge the murder of Chief Bidominadotah.

The Calls went anyway, and on July 10 they stood on high ground near the east fork of the Des Moines River. A grove of trees interrupted the sweep of prairie. According to one version of the incident, the brothers found ashes that still were warm in a large but apparently abandoned Indian camp nearby.

They did not flee. Instead, Asa said to his brother "Ambrose I believe this is the place for our city. We will build the courthouse right here on this high ground."

Two years later the town first known as Calls Grove had not only a courthouse but a small store an office building, a blacksmith shop, and two sawmills turning out lumber for the new settlers.

Again in Algona—and in Manson, too—people hear the words that defy fear and despair: "We will build . . ."●

THE WAGE-PRICE DECISION

● Mr. HAYAKAWA. Mr. President, by declining to hear the case the Supreme Court recently upheld the June 22, 1979, ruling by the United States Court of Appeals for the District of Columbia Circuit confirming the President's authority for his "voluntary" wage and price program. The July 5, 1979, Wall Street Journal printed an editorial on this subject and reprinted part of Federal Circuit Judge George E. MacKinnon's dissenting opinion in the appellate case. I will comment no further than to say that I consider the President's program neither voluntary nor useful in the fight against inflation. I ask that the editorial, "Kindness from the Bench," and the excerpt from Judge MacKinnon's opinion titled "The Wage-Price Decision: Hornbook Law?" be printed in the Record.

The material follows:

[From the Wall Street Journal, July 5, 1979]

Kindness from the Bench

Before adjourning for its summer vacation, the Supreme Court exhibited a remarkable generosity towards the Executive and Legislative branches. But the integrity of law was not much served by its kindness.

In the Weber case last week, the court relieved Congress of any immediate need to resolve a fundamental contradiction in the Civil Rights Act—specifically whether it says an employer must or must not discriminate between racial groups. To any literal-minded reader, it says both, but the court decided that employers can live with this ambiguity.

This week, the court was equally kind to the Executive Branch in declining to interfere with the President's wage and price guidelines. It let stand a June 22 appeals court finding that the President can legally withhold federal contracts to enforce his "voluntary" guidelines.

In the Weber decision, which we discussed here last Friday, the high court can perhaps be excused for trying to do its best with a law that was ambiguous partly because Congress itself could never entirely agree. One might say that Congress has been happy to delegate, implicitly at least, civil rights legislation to the courts. In Weber, the court, by use of some rather tortured logic, was able to achieve something approaching a social and political compromise, at least for the time being. Employers are free to give special treatment to blacks.

The guidelines case, however, is another matter. It was purposely speeded through the lower courts to enable the Supreme Court to settle a fundamental question of presidential prerogatives and power. Instead of doing that, the Justices went on vacation. They did not have to, and consequently did not, explain their unwillingness to hear the case.

Although a nine-judge District of Columbia Appeals Court ruled 6–3 in favor of the President in the guidelines case, it was not a ruling offered with much confidence or likely to inspire much confidence. The majority took great pains to stress that this was not a broad grant of Executive power, but never explained very clearly why not.

In essence, the appeals bench upheld the contention of the President's Attorney General that the Procurement Act of 1949 authorizes the President to withhold contracts from people who don't "voluntarily" limit wage and price increases. This is because the procurement act permits the Executive to procure supplies in a manner "advantageous to the government in terms of economy, efficiency, or service and with due regard to the program activities of the agencies concerned."

But as Judge George E. MacKinnon wrote in a long dissenting opinion, portions of which are reprinted on this page today, there is nothing in the history of the procurement act to suggest that Congress intended those words to justify enforcement of a broad economic policy. They were only intended to make government purchasing more effective.

A tip-off to what was really in the minds of the Appeals Court majority can be found in the last paragraph of the court's opinion, written by Chief Judge James Skelly Wright. It says, in effect, that the court felt it shouldn't rock the boat when the President is trying to deal with a "cruel period of economic inflation."

No one would quarrel with the description of the present inflation as "cruel," but it could be argued with some force that the courts owe their duty to the law, not to a President's economic policy. This would be true even if the policy were a good one, a condition the President's policy fairly obviously doesn't meet. Price and wage controls, whether you call them "voluntary" or mandatory, do not stop inflation—they make it worse. There is no economic justification for the court to say that the government becomes a more efficient buyer by forcing its suppliers to suffer balance sheet damage and quite possibly strikes or to compete at a disadvantage for commodities priced at world market levels.

The Appeals Court ventured from the firm ground of law into the mysterious world of economics and public policy. It got lost, and the Supreme Court left it there. The courts can never remove themselves entirely from political and social considerations, but neither do they have to wrestle the law to the ground as a favor to the Legislative and Executive branches. There is such a thing as carrying kindness too far.

[From the Wall Street Journal, July 5, 1979]

The Wage-Price Decision: Hornbook Law?

It is no accident that the majority opinion cannot point to any legislative history of the 1949 [Procurement] Act to justify its holding that the President can use his procurement power to control wage and prices of federal government contractors, for there is not a single passage in that history—not even an offhand remark—remotely supporting the use of the procurement power to achieve non-procurement objectives. Congress did not enact the 1949 Act to give the President an unguided instrument with which to establish price and wage controls on business which have no bearing on federal government procurement needs. The problem faced by the government in 1949 was the disorderly administration of mammoth federal supply operations that were uncoordinated, duplicative and without rational procedures.

Executive Order 12092, which professes to rest exclusively on this moderate power, is a general nationwide edict that materially affects the entire economy of the United States. The purpose of this Order is not to streamline federal government procurement. It is not to ensure the efficient management of government property. It is not to guarantee that the government receives the best possible product at the lowest possible cost.

Rather the order is an attempt to grapple with the admittedly obstinate problem of inflation, and to do so through *sub rosa* controls of wages and prices. However noble that effort may seem, the 1949 Act contains no warrant for using the procurement process as a tool for controlling the nation's economy. Presidential attempts to handle inflation must occur within a framework of powers provided by Congress and the Constitution. There may be several ways to skin a cat, but the President here has reached into an arsenal Congress did not provide for that purpose to unsheathe a knife designed for and restricted to more limited chores.

[The Act] continues to express Congress' determination that there shall be *"full and free competition"* for federal government procurement contracts. Whatever else Executive Order 12092 may do, it plainly does not permit full and free competition among businesses wishing to obtain federal procurement contracts. Indeed it is the very antithesis of that congressional command, for it restricts such competition on the basis of what everyone concedes are arbitrary wage and price guidelines.

The concept of full and free competition presupposes the existence of free market forces. It is apparent from the statute that Congress envisioned the federal government purchasing its goods and services at fair market value, and that the 1949 Act was fashioned to ensure that the federal government's purchasing decisions were economical and efficient within the market structure. The President's attempt to bludgeon the market for government contracts is completely foreign to the expressed legislative intent.

Indeed Executive Order 12092 *penalizes* the economical and efficient supplier of goods and services under predictable and common circumstances, thereby undermining the very purposes of the statute on which it professes to rest.

Take for instance Supplier A and Supplier B, each of whom produces widgets for sale to the federal government. The cost of producing a widget is the same to each, say, $25. For reasons of their own, the two suppliers operate at very different profit margins: Supplier A charges a modest $26 per widget, leaving a profit of $1, while Supplier B greedily charges $30.

Under normal conditions, one can safely assume that a federal government procurement officer with a charter to seek the most economical and efficient supplier of widgets would hasten to Supplier A's door. But suppose that after the imposition of the President's guidelines inflation causes a relatively dramatic increase in the costs of producing widgets, say $3 worth.

Supplier A cannot survive producing widgets at a loss, so he must increase the cost of his widgets by an amount greater than $2 and likely by as much as $3. This increase places Supplier A in violation of the guidelines. Supplier B, on the other hand, can absorb the increased cost while still enjoying a profit, and, being greedy, is likely to raise the costs of his widgets by some amount within the guidelines.

Despite his increases, Supplier A remains the most economical and efficient supplier of widgets, for his product still costs at least $1 less than Supplier B's. Nonetheless, under Executive Order 12092, the federal government officer cannot approach his door.

Suppose the President issued an order declaring that federal government contractors could only buy American goods or could only hire American workers. He could offer the same reasoning he uses here to justify those actions. Or suppose, on the same reasoning, the President decided that government contractors must pay a certain minimum wage to their employees.

Indeed it is not unreasonable to ask why under the majority's reasoning the President could not direct the Secretary of Commerce to seize control of the oil companies doing business with the federal government. The President could reason that oil, natural gas, and gasoline (much like steel during the Korean Crisis) are crucial to the nation's economy, and seizure followed by government control would lead to improved economic conditions, which in turn would engender a lowering of the federal government's cost of doing business.

These examples are no different in kind and only slightly different in degree from the exercise of power the President has taken through the vehicle of Executive Order 12092. Plainly there is no difference in the fact that Congress has traditionally exercised authority over minimum wage and the taking of property, for it has played an equally vigorous role in determining if, when, and under what conditions wages and prices could be stabilized. Nor is there any qualitative difference in the nature of the relationship between the 1949 Act's goals as defined (or left undefined) by the majority and the potential residual consequences for the nation's economy (and from there to the procurement program) of any one of the examples.

Before today's ruling I would have thought it hornbook law that a delegated statutory power is circumscribed by the purposes of the statute which occasion it. I also would have thought that when a statute made the exercise of a power contingent upon consistency with other provisions of the same statute, an exercise of the power that was in fact inconsistent would be deemed unlawful.

The flaw in the majority's reasoning does not solely lie in its failure to show any direct relationship between Executive Order 12092 and the purposes of the 1949 Act. Far more perilous is its willingness to read section 205 (a) of that statute as a sweeping and unlimited invitation to the President to establish any policy he wants to impose on federal government contractors as long as he can proffer some remote connection between that policy and the price the federal government pays for its goods and services.

Under the majority's reasoning it matters for naught that the policy he implements infringes on a territory long preserved by Congress to itself and contradicts oft-expressed indications of contrary legislative intent. The majority also achieves this result by ignoring both the well-established rules of statutory interpretation and the fundamental principles of separation of powers.●

COWHIDES HAVE IMPORTANT IMPLICATIONS FOR TRADE POLICY

● Mr. BAUCUS. Mr. President, many Members of Congress have been contacted by constituents who are distressed by rising prices of cowhides.

Leather industry representatives are pushing for an export embargo on cowhides. On the surface, the issue of cowhide exports may seem minor.

In fact, Senate action on this issue has great implications for U.S. trade policy. We should not take any action that might lead to an export embargo on cowhides without a clear understanding of the issues involved.

There is no question that the domestic leather industry has problems. Prices of cowhides have increased rapidly, from 37 cents per pound in 1977 to nearly $1 per pound now.

Low prices from 1974 through 1977 forced cattlemen throughout the world to reduce their herds. Consequently, hide supplies are short throughout the world. Major cattle-producing nations, including Argentina and Brazil, have imposed export controls on their hides.

As a result, foreign hide users, especially the Japanese, increasingly depend on U.S. cowhides. The United States is currently exporting 75 percent of its cowhides. Ten years ago only 33 percent were exported, and as recently as 1975, only 50 percent were exported.

Domestic tanners, leather product manufacturers, the shoe industry, saddle makers, and consumers are being adversely affected by rising prices and short supplies of hides. I certainly sympathize with the serious problems of the domestic industry.

However, imposing an embargo on hide exports would be a serious policy error. I intend to oppose any action by the Senate that might lead to an embargo.

Such a response by the United States fails to recognize the crucial importance of fair trade policies.

The United States cannot afford to be a protectionist nation. To pay for foreign products that we cannot do without—oil for example—we have to sell domestic products overseas. In the long run, everyone benefits from free and open trade policies.

For example, hide exports reduce our balance of trade deficit by $600 million per year. Without these exports, we would face a larger deficit and resulting devaluation of the dollar and higher inflation.

It is important for a free trade policy that the "rules of the game" be understood by all nations involved and that these rules not fluctuate at the whims of individual nations.

"Light switch diplomacy" has seriously disrupted U.S. trade efforts in the past. It has cost American companies business, impaired long-standing commercial relationships, and damaged our overall reputation as a reliable supplier.

One of the most famous examples of this damaging "light switch diplomacy" was President Nixon's decision to restrict the export of soybeans to Japan in 1974. As an island nation with almost no natural resources, Japan has developed an overriding concern about securing constant and adequate supplies of imports. The U.S. soybean embargo led to the development of production in Brazil to the lasting detriment of American farmers.

Another example of capricious export decisions disrupting trade can be drawn from U.S. beef import policy.

Beef import quotas are determined by the Meat Import Act of 1964. However, the President has authority to suspend import quotas and frequently exercises this authority.

The results can seriously disrupt the domestic beef industry. In June of 1977 the President increased meat imports by 200 million pounds. As a result, domestic prices quickly plunged 20 percent. There was no corresponding drop in consumer prices; in fact, consumer prices increased 2½ percent during June.

Further, foreign countries were not able to supply the higher quota without disrupting their own beef industries. Several nations suspended beef exports as their own prices increased rapidly. Without knowing in advance what the U.S. quotas would be, our foreign suppliers could not easily supply our needs.

I strongly support a countercyclical beef import formula which would increase our imports when domestic supplies are low, and reduce them when domestic supplies are large. The President's authority to suspend quotas should be sharply restricted so that both foreign suppliers and domestic cattlemen know in advance what import rules will be.

The Federal Government can help the domestic leather industry without resorting to disruptive trade embargos. The solutions I suggest will promote free trade, not protectionism.

First, the United States should encourage other beef producing countries to make hides available for world consumption. Major livestock producing countries in South America, Africa, and Asia have imposed export controls on cowhides. The United States should discourage such controls and embargos as strongly as possible.

Second, a major effort should be made to open markets for leather and leather products that are currently closed to U.S. producers. Restrictive import policies are keeping U.S. leather products out of many world markets.

For example, Japan is the largest consumer of U.S. hides, but maintains highly restrictive quotas on imports of leather products and shoes. Other countries who are major hide purchasers and who restrict imports of leather or leather products include Mexico, Korea, and Spain.

To summarize briefly, let me restate my strong opposition to any congressional action that could lead to an export embargo on cowhides. An embargo would disrupt the domestic livestock industry and damage trade relationships with foreign nations.

Instead, we need an aggressive effort by the administration to remove restrictions on worldwide trade in leather and leather products.

Mr. President, I would like to submit for the RECORD a copy of a letter I have sent to the Special Trade Representative. The letter outlines actions I believe the administration should take to deal with leather industry problems.

The letter follows:

U.S. SENATE,
Washington, D.C., July 6, 1979.

Hon. ROBERT S. STRAUSS,
Special Representative for Trade Negotiations, Washington, D.C.

DEAR BOB: I'm writing regarding current problems of the United States leather industry.

Let me express at the onset my opposition to any embargo on United States cowhides. An embargo would disrupt the domestic livestock industry and damage trade relationships with foreign countries.

On the other hand, I am sympathetic with the problems of the domestic industry and believe that your office should act to deal with these problems. Strong action is needed in at least two areas.

First, the United States should encourage other beef producing countries to make hides available for world consumption. I understand that major livestock producing countries in South America, Africa and Asia have imposed export controls on cowhides. The United States should discourage such controls and embargos as strongly as possible.

Second, retrictive import policies are keeping United States leather products out of many world markets. Major hide importing countries, including Japan, Korea and Spain should be forced to dismantle their restrictions on imports of U.S. leather goods.

Please contact me as soon as possible to discuss steps the Administration has taken or intends to take to deal with problems of the leather industry, including efforts made as part of the recently completed Multilateral Trade Negotiations.

With best personal regards, I am

Sincerely,

MAX BAUCUS.●

BUDGET FUN AND GAMES

● Mr. HAYAKAWA. Mr. President, during consideration of the national debt ceiling, I warned the Senate that any balance-the-budget legislation which did not state otherwise would accomplish its goal by raising taxes—not by lowering spending. With the first concurrent resolution behind us and the second in the offing. I came across a Wall Street Journal editorial which echoed my own thoughts. I ask that the editorial titled, "Budget Fun and Games," be printed in the RECORD.

The editorial follows:

BUDGET FUN AND GAMES

The Congress has maneuvered its way through another budget resolution. After weeks of committee hearings, debates, amendments and compromises, the Congress cut $0.3 billion from the budget proposed by the President.

The result seems hardly commensurate with the effort, to say nothing of the press releases. Something had to be done to make it look like more had been achieved, so the budget players upped their revenue assumption $5 billion above the President's. And, lo and behold, the Congress has come in with a "stringent budget resolution" that cut the deficit $5 billion below the President's figure.

Actually, inflation may pull the deficit figure down even lower. Inflation is currently running at a higher rate than is assumed in the budget resolution. That means, the tax revenues from people being pushed into higher brackets by inflation will be higher than assumed. The government's costs, of course, will also rise with inflation, but progressive income taxation insures that the government's revenues rise faster than the rate of inflation.

Balancing the budget through higher taxes is not what the proponents of a balanced budget had in mind. But it is what the Congress has in mind. It is true that the growth in expenditures in the 1980 budget is less than the rates of the last several years. But under examination the "austere" 1980 budget looks more like a temporary effort to hold down spending increases rather than the start of a genuine shift away from big government. All the programs are intact, and spending can resume whenever the spenders believe the issue is sufficiently defused.

The Brookings Institution says that the reduction in the growth in spending in the 1980 budget "in some respects looks like a one-time effort," because many of the reductions involve savings for only one year. In its annual publication, Setting National Priorities, Brookings say the President may have missed the chance to reorder priorities by seeking instead modest cuts across the board. Before priorities get reordered, attitudes will have to change, and the Brookings report doesn't see much evidence of that. "The budget hints at, but does not engage in, a basic debate about the domestic role of the federal government."

We still don't have a Congress, or a President, who wants to tax less and spend less. Until Washington changes, posturing, automatic tax increases from inflation and manipulation of economic assumptions will substitute for the real thing.●

DEPARTMENT OF DEFENSE ANNUAL REPORT ON INDEPENDENT RESEARCH AND DEVELOPMENT

● Mr. CULVER. Mr. President, section 203, paragraph (c) of Public Law 91–441, the 1971 Department of Defense Appropriation Authorization Act, requires the submittal of an annual report by the Department of Defense to the Congress on independent research and development (I.R. & D.), and bid and proposal (B. & P.) costs. I ask that the report for fiscal year 1978 printed in the RECORD at the conclusion of my remarks.

I.R. & D. and bid and proposal costs are not directly funded by the Department of Defense but are included as a percentage of the cost of weapons and equipment procured by armed services. These funds are then used by private companies for research and development work of their own choosing in order to be technologically competitive for future weapon systems developments. These funds are part of the Department of Defense program to provide a strong base of technology for future needs. The unique characteristic of these funds is that the private companies choose how they are to be used. This decentralization of decision authority results in a richer base of technology than if all funds were controlled by a centralized decision process within the Department of Defense.

For fiscal year 1978, the total I.R. & D. and B. & P. costs for the Department of Defense is $1.106 billion of which $107 million was borne by foreign military sales so that the costs to DOD is $999 million. This total is based on sales of $28.3 billion to DOD. Both sales and I.R. & D. and B. & P. costs increased about 9 percent from fiscal year 1977.

The report follows:

REPORT TO THE CONGRESS ON INDEPENDENT RESEARCH AND DEVELOPMENT COSTS AND BID AND PROPOSAL COSTS

PART I

Companies with which negotiations were held pursuant to Section 203 prior to or during the preceding fiscal year of the Federal Government and the results of those negotiations.

In accordance with the above requirement the attached Schedule A provides data pertaining to the negotiations conducted in the Government's fiscal year 1978.

SCHEDULE A

IR&D/B&P REPORT—PART I

NEGOTIATIONS COMPLETED IN FISCAL YEAR 1978 AND RESULTS OF THOSE NEGOTIATIONS

[Dollars in thousands]

Contractors' fiscal year	Companies	Total program dollars proposed by contractors			Total advance agreement ceiling dollars negotiated by DOD			Estimated DOD share of ceiling dollars negotiated		
		I. R. & D.	B. & P.	Total	I. R. & D.	B. & P.	Total	I. R. & D.	B. & P.	Total
1977	3	$3,086	$6,487	$9.573	$3,042	$6,313	$9,355	$1,537	$3,691	$5,228
1978	75	1,756,056	790,360	2,546,416	1,323,803	673,502	1,997,305	585,834	454,091	1,039,925
1979	14	972,540	234,639	1,207,179	622,585	199,016	821,601	204,000	134,176	338,176
1980	3	306,643	26,939	333,582	218,575	23,425	242,000	22,619	18,601	41,220

PART II

Latest available Defense Contract Audit Agency statistics, estimated to the extent necessary, on the Independent Research and Development (IR & D) or Bid and Proposal (B & P) payments made to major defense contractors whether or not covered by Subsection (a)(1) of this Section [203, PL 91–441] during the preceding calendar years.

The statistics required are provided in the attached DCAA report. The report shows total IR & D and total B & P costs incurred by the contractors reviewed, the amount accepted or recognized by the Department of Defense and DoD share. In addition, total sales of the contractors are shown along with the portion representing DoD sales.

The amount listed on Page 1 under the column heading "Amount Accepted by Government" represents the sum of the ceiling negotiated with individual contracts as well as the sum of amounts recognized for other contractors who had no advance agreements. These accepted amounts are not the costs reimbursed by the DoD but are the amounts that the DoD recognizes for allocation to all the contractors' business. The DoD portion is shown under the column headed "DoD share." Please note that the FMS portion has been broken out separately, because these costs are not costs to the DoD. Thus, the IR & D costs to the DoD for 1977 and 1978 are as follows:

[In millions]

	1977	1978
IR & D	$524	$567
B & P	393	432
Total	917	999

On pages 2 and 3 of the report the totals shown on page 1 are broken down to show, respectively, the portions applicable to contractors for which advance agreements were required, and the portion applicable to contractors for which advance agreements were not required. The foreword appearing in the DCAA report explains the basis for the cost data reported.

It will be noted that data for both 1977 and 1978 are furnished. It has been the practice to update data previously furnished because latest year figures include significant amounts of estimated information. The 1977 figures presented here have had most of the estimated data replaced with actual data. The report furnished next year will similarly update the 1978 figures.

PART III

The manner of his compliance with the provisions of this section, and any major policy changes proposed to be made by the Department of Defense in the administration of its contractors' Independent Research and Development and Bid and Proposal Programs.

During the past year, we believe our implementation of Section 203, PL 91–441, has been in full compliance with that section. We have not revised any of our major policies for administration of contractors' Independent Research and Development and Bid and Proposal programs.

SUMMARY OF INDEPENDENT RESEARCH AND DEVELOPMENT AND BID AND PROPOSAL COSTS INCURRED BY MAJOR DEFENSE CONTRACTORS IN THE YEARS 1977 AND 1978

FOREWORD

This summary report presents the latest available Defense Contract Audit Agency

(DCAA) statistics on the independent research and development (IR&D) and bid and proposal (B&P) payments to defense contractors. The statistical data are to be included in the Secretary of Defense's annual report to the Congress on or before 15 March 1979, in accordance with paragraph (c), Section 203, Public Law 91–441. The data in this summary report are similar to that previously furnished to the Office of the Under Secretary of Defense, Research and Engineering (Contracts and System Acquisition), for contractor fiscal year 1976 and 1977.

Page 1 shows the overall IR&D and B&P costs incurred by 91 defense contractors during their fiscal years 1977 and 1978, amounts accepted by the Government, and the Department of Defense (DoD) share of amounts accepted. The amounts accepted by the Government are allowable and allocable to all contractor work performed—Government and commercial. The DoD share of the costs accepted each year is the contractors' allocation of such costs to DoD work. In addition, this summary shows related sales achieved by the 91 contractors, comprising 233 reporting divisions and/or operating groups.

The major defense contractors in this summary are those which had an annual volume of costs incurred of $30 million or required 5,000 or more man-hours of DCAA's direct audit work a year. This summary also includes other contractors which, although not meeting the above criteria, negotiated IR&D/B&P advance agreements so that the summary on page 2 will be compatible with the advance agreement reports prepared by Army, Navy, Air Force, and the Defense Logistics Agency. Contractors specifically excluded from this summary are construction companies, educational institutions, foreign contractors and overseas operations of U.S. contractors, insurance companies, marine transport contractors, and military medicare contractors. These contracting activities incurred nominal or no IR&D/B&P costs.

DCAA obtained the IR&D/B&P cost and sales data from contractors' records, but such data do not necessarily represent audited amounts. Included in the costs shown are amounts accepted by the Government in overhead negotiations and through advance agreements. Where actual cost and sales data were not available, as in the case of contractors which had not closed their books for 1978, DCAA auditors obtained reasonable estimates. Where costs not charged to IR&D were determined to be more properly classified as IR&D, these costs were reclassified by the auditors and included in IR&D costs incurred. The amounts of such reclassifications are $.4 million per year for 1977 and 1978. Reclassified costs are accepted to the extent that the adjusted IR&D costs accepted do not exceed negotiated advance agreement ceilings.

Page 2 shows the extent of advance agreements in effect during 1977 and 1978. Page 3 shows costs not subject to advance agreements.

SUMMARY OF INDEPENDENT RESEARCH AND DEVELOPMENT AND BID AND PROPOSAL COSTS INCURRED AND SALES ACHIEVED BY MAJOR DEFENSE CONTRACTORS, FOR CONTRACTOR FISCAL YEARS 1977 AND 1978

[In millions]

	1977			1978		
	Costs incurred	Accepted by Government	DOD share	Costs incurred	Accepted by Government	DOD share
Independent research and development (I.R. & D.)	$1,569	$1,199		$1,776	$1,349	
DOD Excluding foreign Military sales (FMS)			$524			$567
DOD FMS			74			63
Bid and proposal (B. & P.)	738	607		771	667	
DOD excluding FMS			393			432
DOD			48			44
Total I.R. & D. and B. & P. costs	2,307	1,806	1,039	2,547	2,016	1,106
Sales:						
Total Government and commercial	$52,442			$61,518		
DOD excluding FMS			26,130			28,290
DOD FMS			3,801			3,749
Total, DOD			29,931			32,039

	1977				1978			
	Incurred	Amount by Government	Share	Divisions	Incurred	Amount by Government	Share	Divisions
With advance agreements:								
Independent research and development (I.R. & D.)	$1,558	$1,191	$593	202	$1,765	$1,342	$625	208
Bid and proposal (B. & P.)	728	597	435	202	758	655	470	208
Total, I.R. & D. and B. & P.	2,286	1,788	(***)		2,523	1,997	(***)	
Without advance agreements:								
Independent research and development (I.R. & D.)	11	9	6	31	10	7	5	25
Bid and proposal (B. & P.)	10	10	6	31	13	11	6	25
Total, I.R. & D. and B. & P.	21	19	12		23	18	11	

SUBSIDIZED ENERGY SCHEMES

● Mr. DURENBERGER. Mr. President, as a result of the recent gasoline shortages and the dramatic price increases by the OPEC nations, new attention has been focused on synthetic fuels both in the U.S. Congress and in the press. Expedited development of oil shale, coal liquefaction, coal gasification, and alcohol fuels from biomass materials is contemplated by several measures being heard in the committees and on the floor of the Congress. These alternative fuels also have a significant role in the new energy plan presented by the President on July 15.

I am sure that I speak for my colleagues when I say that any new source of energy would be a welcome addition to our dwindling supplies of oil and natural gas from conventional sources. However, I hope that I also speak for my colleagues when I express concern as to the proper role for Government in the development of these new resources. Some have suggested that Government be an energy producer in these new fields. Others have supported measures like H.R. 3930 that would put Government in the role of consumer and ask that Congress guarantee a market for synfuels in the future. Other proposals would have the Government act as banker to private interests and state that if the Government shares the risk, rapid development will result.

Mr. President, in the interests of caution and a full record on these matters, I recommend to my colleagues two articles that have recently appeared in the press. The first is a guest editorial by Congressman Dave Stockman of Michigan which appeared in the Washington Post on Sunday. The second is a Wall Street Journal editorial of Monday, July 2, 1979 by Profs. Paul Joskow and Robert S. Pindyck of the Department of Economics at the Massachusetts Institute of Technology. Mr. President I ask that the text of these articles be printed in the Record after these comments.

The articles follow:

[From the Washington Post, July 17, 1979]

The Senseless Stampede to "Synfuels"

(By Dave Stockman)

The current synfuels stampede is official Washington's version of tank-topping—a momentary eruption of the herd instinct based on yesterday's news and today's apprehensions. Fortunately, the nation's gasoline lines are already diminishing in response to improving news, marginally better fuel supplies and the recovery of public composure.

Our best interests now will be served if the synfuels line on Capitol Hill dissipates and if President Carter, if he is to avoid yet another bad idea, forswears support for the synfuels stampede in his televised speech scheduled for tonight.

To be sure, synthetic fuels produced from heavy oils, tar sands, shale or coal will someday be as commonplace as imitation brick fireplaces. The energy appetites of industrial societies, the prodigious deposits of these substitutes that are available and our existing technical knowledge virtually guarantee this. But what will happen someday is not the issue.

The question is whether on this side of the horizon, a $60 billion to $150 billion program to turn out 2 million to 4 million barrels a day of synthetic fuels would accomplish any of its backers' aims. The answer, despite all the rhetoric and breast-beating, is that it wouldn't.

A crash program of this kind would have virtually no impact on the OPEC oil cartel's power in the 1980s and little impact in the 1990s. It would not significantly enhance our national security or our energy independence. It would not lower the current high world oil price or appreciably slow future price increases. Most important, it would not reduce our vulnerability to Iranian-type oil supply interruptions resulting from political instability, which are currently at the heart of our problem.

Yes, there may well be reason for Washington to promote a few demonstration synfuel plants at present, and there are other important steps we can take. But the last thing we need is a multibillion-dollar illusion to satisfy our national macho, to stroke ourselves with the mistaken belief that, finally, we are "doing something" about the energy problem.

What's happened amid the current synfuels euphoria is that many inconvenient facts have been ignored. The proposed plants, for example, wouldn't come off some Department of Energy cookie cutter. They would require massive engineering and construction feats for "first of a kind" projects.

Coal-liquids and shale-plant technologies, feed-stock characteristics and site potentials vary so widely that they are not likely to become standardized any faster than light-water nuclear reactors have been. Yet there are only a handful of world-scale engineering firms with the resources and specialized manpower to handle detailed, final plant designs and construction management.

These plants would also result in major environmental assaults, involving many air and water pollutants and, in the case of shale, the disposal of massive volumes of toxic tailings. Even a fast-track approval process, by environmental regulators would likely take two to three years because of the irrational complexities of Clean Air Act pre-construction requirements.

In addition, simultaneous construction of 10 to 25 such plants would severely tax the skilled manpower and manufacturing capacity for a long list of critical components and sub-systems. Finally, we should not ignore the experience of the only large-scale syncrude plant functioning today, the 130,000-barrel Canadian tar sands facility. It has been plagued with start-up problems for nearly a year and is currently producing at substantially below rated capacity.

All this should make it clear that a massive synfuels program authorized this summer would not affect the world oil price by so much as a dime before 1987. We would be fortunate to have 500,000 barrels a day of reliable output by the end of the next decade. That would be less than a 1 percent addition to the 50 million-barrel-a-day world petroleum market—not much of a lever on oil prices. Even if we managed to turn out 2 million barrels a day by the early 1990s—which would take an estimated 40 synfuels plants—it would increase world supply by only 3 percent, again with only a modest impact on price.

Whatever the long-run prospects, then, a major U.S. synfuels program would do practically nothing about OPEC, and precious little about the world oil price, for at least a decade and a half.

Or you might want to consider the cost-benefit equation another way: A 2-mile-a-gallon increase in the average fuel economy of the U.S. auto fleet in 1985 would equal the annual output of 10 synfuel plants.

ESTIMATES V. REALITY

Another misleading notion of the synfuels crusaders is that the world oil price now is rising fast enough and production costs will be low enough for coal and shale liquids to be competitive by the time the synfuel plants are operating. The ease of taking giant risks with other people's money, of course, often makes bureaucrats and politicians overlook critical distinctions that private investors can ignore only at the peril of losing their own money.

Private investors, for example, do not believe the cost estimates derived from their own DOE-financed pilot projects. There is a world of difference between back-of-the-envelope estimates drawn from small-scale experiments and the detailed engineering specifications needed for full-scale plants.

The experience of the Colony Group that planned to build a surface retort shale plant shortly after the first oil embargo is instructive. The back-of-the-envelope estimate before November, 1973, was under $7 a barrel. By the time the detailed engineering specifications had been completed in August, 1975, the break-even price had jumped to $22 a barrel. That figure is now nearly $30 a barrel, and that doesn't include addition expenses stemming from toxic-substance and environmental regulations.

There should be no illusions, therefore, that most synfuels would cost anything less than the equivalent of $30 to $40 a barrel of crude oil—and that is in real dollars. If we keep inflating our economy at 10 percent a year, the nominal dollar cost would double to the $60 to $80 range before 1985.

Indeed, the naive assumption that the world oil price is rapidly closing in on the range at which synfuels will become competitive stems from our habit of measuring the world oil price in terms of the counterfeit money we print at home. What matters to foreign oil sellers, naturally, is not the nominal dollar price but the real terms of trade—the command over western steel, engineering services and foodstuffs held by each exported barrel of a wasting asset.

In the context of that buying power, a substantial share of the oil price increase this year was necessary just to restore the terms of trade established in the fall of 1975. From then until last December, the real OPEC oil price—adjusted for dollar-exchange value loss and western inflation—declined by a full 20 percent. If the new $19 average price sticks, by year-end the real price of oil will have risen by less than 9 cents a gallon over the past four years.

In short, it would take a 4 percent annual increase in the real oil price over the next 15 years to close the present competitive gap. In light of the prospects for new production outside OPEC and continued fuel substitution and energy efficiencies around the world, that rate of real price escalation is by no means guaranteed. Scratch another argument.

THE IRANIAN SYNDROME

What the synfuel stampeders fail to recognize is that our current vulnerability does not stem from price pronouncements following the theatrics of oil ministers' meeting in Geneva. The real dangers for us are unplanned and undesired convulsions in the producing areas themselves—the Iranian syndrome—and our failure to be prepared for them. The synfuels panacea would do almost nothing to ease this problem.

Our vulnerability lies in the structure of the world oil production system, not in our absolute level of daily imports. There is simply no spare production capacity available now anywhere in the world, with the questionable exception of Saudi Arabia. This means that the mammoth free world oil supply system is balanced precariously on a "ragged edge." Any significant production curtailment will touch off a worldwide scramble for suddenly scarcer supplies, with enormous upward pressure on prices until production is restored or a new price equilibrium is reached.

The key question here is whether the proposed new synfuel plants, if and when they are ever built, would be held in reserve as spare capacity or would simply become part of the world's base capacity.

It is inconceivable to me that synfuel crusaders intend for these multibillion-dollar giants to stand idle most of the time, waiting for a bomb-thrower in Baghdad to require a throttle-up to full production. Just a million barrels a day of stand-by synfuel capacity would cost nearly $100 million a week to maintain in idle plants, even at today's optimistic estimates of capital costs.

Given the determination of politicians and others to keep plants operating and feeding local economies, it seems much more probable that any new synfuel production would be immediately absorbed in a fuel-hungry world marketplace. True, such production would back out a modest equivalent volume of U.S. oil imports. But the effect would be to lower marginally the average world price and thereby increase global consumption, rather than to create spare production capacity abroad and stand-by protection against sudden supply disruptions.

In a world in which the marginal sources of petroleum supply carry an exceedingly high cost, the only way to get off the "ragged edge" is with low-cost storage.

Crude petroleum can be stored in salt domes and other geological formations for substantially less than $1 a barrel. An internationally coordinated, 2-billion-barrel storage program for all the non-communist industrialized nation that are members of the Organization for Economic Cooperation and Development (OECD) would cover a production outage of up to 5.5 million barrels a day for a year—or two years' worth of last winter's net loss from the Iranian interruption.

Spread over annual petroleum consumption in the industrial world, that amounts to an insurance premium of less than a half penny a gallon. Admittedly, periodic storage filling would subtract from current consumption and raise oil prices. But the alternative—with or without synfuels—is in effect to own a flammable house without fire insurance. If only a fraction of the political energies now being expended to grease the synfuels pork barrel were devoted to a domestic and international stockpile program, our energy security would be substantially greater for the rest of the century.

PAYING THE PRICE

This is not all we can do to ease our oil problems. First and foremost among other practical solutions is the need to pay the full world price for petroleum, particularly gasoline. Regardless of the rhetoric of so-called consumer spokesmen, consumption responds powerfully to price. In the five years from 1973 through 1978, energy consumption in the OECD area dropped by a staggering 5.5 million barrels a day relative to the pre-embargo relationship between real economic growth and energy demand. Moreover, these efficiencies will persist and grow over time simply because of the long turnover cycle for the major energy-consuming capital stock—homes, autos and industrial plants.

We also must realize that there are numerous ways to use our most abundant domestic fuel resource—coal—far more cheaply than via multibillion-dollar liquefaction plants. Substantial amounts of residual and heating oils could be freed up from the steam-generation sector for transportation and chemical feedstock use if we were to adopt sensible sulphur-control rules for direct coal combustion. Moreover, clean coal conversion technologies are already commercially proven and will increasingly penetrate industrial and commercial markets in the years ahead.

Finally, we need to get off our home-canning kick. The best prospects for moderately priced liquid hydrocarbons do not lie in the coal of Appalachia or the shale of Colorado. Instead, they lie in the vast heavy oil and tar sand reserves of the Western hemisphere and in unexplored sedimentary basins throughout the non-OPEC developing world. The development of these former resources is already proceeding apace, with two Canadian tar sands plants already on-stream and three more on the way.

In the latter case, there remains a political and institutional barrier: the reluctance of developing nations to share their irreplaceable hydrocarbon resources with the likes of Exxon or Mobil. But U.S. dollars invested in the World Bank program designed to bridge this barrier are likely to do far more to improve our future energy condition than all the grain ethanol, solar power towers and coal liquid plants that the congressional pork barrel can possibly build at home.

There may well be a persuasive rationale for a few demonstration synfuels plants at present. But the suspicion that these plants are not yet competitive could be readily tested simply by taking bids at a guaranteed purchase price of no more than $5 a barrel above the world price over the life of the plants. If such a limited arrangement does not coax private capital out of the banks, it would be good reason to keep billions in public capital in the Treasury.

[From the Wall Street Journal, July 2, 1979]

THOSE SUBSIDIZED ENERGY SCHEMES

(By Paul L. Joskow and Robert S. Pindyck)

Support is growing rapidly for a new government program to "solve" our energy problems. Like the space program of the 1960s, this program would rally the public around a national project involving new technology. Given the disaccord that has plagued American energy policy for so long, it is not surprising that this program is finding champions in the administration, the Congress and, increasingly, the public.

Proposals vary, and the exact form of this program is yet to be determined, but the main thrust would be to provide large-scale government subsidies for the commercial development of a number of non-conventional energy supplies. The subsidies might take the form of loan guarantees, price guarantees, government-financed demonstration plants, joint government ventures or simply direct payments. The recipient energy sources will include oil from shale rock, gas and liquid fuel from coal, solar energy, wind power and others.

The U.S. is indeed becoming more and more dependent on imported energy from sources that are increasingly insecure, and energy markets have become increasingly vulnerable to shortages and disruption. But a program subsidizing commercial development of new energy technologies is an inefficient and wasteful way to solve our energy problem. Such a program is particularly undesirable today when there is growing pressure to limit expenditures in other important areas such as health, education and the environment. And indications are that the politicians are likely to choose the most inefficient of several possible means of subsidizing "synthetic" fuels.

The problem is not that there is no future for these energy sources. They are expensive now, but as energy prices continue to rise, some of them eventually will become commercially viable, and will someday displace conventional oil and natural gas as major fuels. But as they become economical they will be produced by private firms with or without a program of government subsidies.

MISTAKEN ARGUMENTS

The arguments in favor of a government subsidy program are old ones (former presidential advisor Walt Rostow raised some of them on this page June 1). They basically claim that these energy sources have special characteristics—advance technology, large capital requirements, long lead times and various uncertainties—that make it difficult for them to be undertaken by the private sector without government assistance. These arguments are mistaken and misleading.

To begin with, the production of these energy sources does not require or represent fundamental new scientific or technological advances. On the contrary, shale oil was first produced in Britain in the 1850s, and gaseous and liquid hydrocarbons were produced from coal in Germany during World War II and are being produced today in South Africa. Government demonstration plants, which would provide limited cost data, are simply not needed.

It is true that large capital expenditures are required to produce some of these energy sources on a commercial scale, but this has been true for many other projects undertaken by the private sector. The capital required for the Alaskan oil pipeline, for example, dwarfs the cost of any shale oil or coal gasification project.

It is true that there are significant uncertainties involved in the commercialization of these new energy sources, uncertainties about ultimate costs as well as the future world market prices of conventional fuels. But these uncertainties are no greater than those involved in many other ventures regularly undertaken by private companies and financed by the capital market (offshore drilling is an example). Furthermore, the risks associated with these uncertainties can be reduced by the formation of joint ventures (a method widely used for offshore drilling projects).

It is also true that the construction and licensing of operating plants for several of these energy sources would require lead times of five to ten years, but they are no longer than those involved in many other private ventures. The lead time is longer, for example, in designing and introducing a new commercial aircraft.

A crash government subsidized fuel program might cut down on the time involved in getting gasoline from non-conventional sources to the fuel pumps. Proponents like to cite synthetic rubber production in World War II as a successful example of such a program. But in wartime there simply was no alternative. Whether such a performance could be repeated is problematic. And we should carefully consider whether gaining a year or two in production of non-conventional fuel would be worth the longer term consequences.

Under a subsidy program for non-conventional fuel, the government in effect would be asking taxpayers to finance the difference between the high cost of producing such supplies and the low price that consumers are asked to pay. But Americans would in fact be much worse off with higher taxes than with higher energy prices. Individuals can choose to avoid paying higher energy prices by limiting their consumption, but they have no choice regarding the taxes they must pay.

Thus there would be less incentive to conserve energy under a subsidy program, and consumption will grow. But production from conventional sources will fall because producers will not want to spend their own money looking for oil; it will be much easier and less risky to take government handouts for, say, coal gasification. A growing tax burden will then be required to finance a growing share of subsidized production. Government and corporate bureaucrats will thrive.

At this time there are really only two major impediments to the private commercialization of new energy technologies—the uncertainties associated with possible future price regulation or taxation, and uncertainties about environmental restrictions. Both could be removed at no cost.

Firms considering shale oil projects, for example, rightly fear that should the world price of conventional oil rise considerably over the next decade so that the shale oil facility does turn out to be an economic success, the government would probably regulate the price of the shale oil they produce, reducing the profits that could be earned. Private firms usually have no problem with risky projects as long as there is a commensurate potential for profit. The problem with development of new energy technologies today is that firms are unwilling to take a downside risk when they perceive a probable government ceiling on their upside potential.

What is needed is the removal of controls on the current *and future* prices of energy supplies. This, together with a revision of those environmental regulations that are unnecessary and unreasonable, and the clarification of environmental standards and regulations that would apply in the future, would permit private firms to develop economical new energy technologies efficiently and without any need for government subsidies. While continued government support for basic energy research is highly desirable, subsidies for the production of energy supplies is no more warranted than subsidies for the production of sugar, peanuts, tobacco or any other good.

Unfortunately, after over five years of trying, this country has been unsuccessful in structuring a sensible and effective energy policy. The debate over energy policy has been acrimonious and frustrating for all concerned. As a result, there is a strong political consensus developing to "do something." Large-scale subsidies of non-conventional energy technologies have attractive political characteristics. Congress can demonstrate that it is doing something by spending more money on energy, many energy producing companies will find the scheme attractive because it is a direct subsidy to them, and consumers will feel the costs only indirectly through their taxes and the loss of other government services that will be sacrificed to finance such a program.

Some form of subsidy program may therefore be a political inevitability. But if we are destined to spend upwards of $5 billion to $10 billion a year to subsidize energy production, we should at least try to get as much as we can for this money.

To do this, we should structure any subsidy program so that the private sector has incentives to develop those new energy technologies which have the most economic potential and to respond quickly and efficiently to technological and economic developments. In this regard, the government should stay out of the process of choosing the specific technologies that are to be developed. It is private industry, and not the Department of Energy, that is in the best position to determine which new technologies are most economical and most promising, and to manage their commercial development most effectively.

EFFECT OF POLITICAL FORCES

Equally important, private industry is much better able than government bureaucracy to stop the development of a particular project if it later turns out that it is not as promising as it once appeared. By choosing a particular plant located in a particular congressional district and creating a government bureaucracy to manage the project, we inevitably create a set of political forces which makes termination of an undesirable project difficult and increased subsidies to make the project "successful" very likely. The Clinch River Breeder Project is an example of these problems.

If a subsidy program is the inevitable path that we are on, the government should take a much more passive role in the process. An initial decision should be made on how much we are willing to spend and how much non-conventional energy supply we expect this expenditure to yield.

For example, it may be decided that Congress is willing to spend $75 billion to bring forth 1 million barrels per day of synthetic fuels between 1985 and 1990 and 2 million barrels per day between 1990 and 1995. To provide the appropriate incentives the government would simply announce that over this period of time it will pay $5 per barrel over and above the market price for every barrel of synthetic fuel produced. Such a program specifies clearly how much Congress anticipates spending and how much additional energy supply the country will get for the money, but leaves it to the private sector to determine the most efficient means of responding to these incentives.

While any massive subsidy program to producers is undesirable, a program with this structure will at least ensure that we will get something more than porkbarrel for our money.●

ARMADA OF MERCY

● **Mr. HAYAKAWA.** Mr. President, as President Carter said Sunday night, the United States is experiencing a "crisis of confidence" in its spirit. We have been paralyzed by a series of catastrophic events in the past two decades—the assassination of a President, the loss of a war, another President's disgrace—tragic events which have resulted in nationwide guilt and this crisis of confidence. We have been crippled into selfishness by our fears about the energy shortage. It has left us unable to help ourselves, and in the face of an international emergency, unwilling to help others.

While ordinary citizens sit in line and wait for gas, homeless refugees sit in boats and wait for water, food, the sight of land on the horizon. In their desperate situations, they wait for help.

The ordinary citizen can only do so much to help these refugees—send money or supplies to the Red Cross, volunteer time to relief organizations, offer to sponsor a refugee family once they have reached America.

As a nation we can do more. We need to do more, for our sake as well as that of the refugees. As stated by George W. Ball in the Sunday edition of the Washington Post, an American rescue operation would elevate our national spirit and lift our hearts. I submit his article for printing in the RECORD, and ask each of my colleagues, as America's representatives, to ask themselves what they can do to help.

Bold steps have been taken to deal with the energy crisis. The refugees, to the shame of those on safer ground, still wait. And they are waiting for life itself.

The article follows:

ARMADA OF MERCY

(By George W. Ball)

As the monsoons gather speed, sinking hundreds of tiny boats and drowning thousands of frightened people will we experience the same remorse we feel—or should feel—because we failed to rescue Jews from the Holocaust?

If we do not move quickly to collect those now afloat, the monsoons will settle the matter. But we could quickly mobilize an armada of ships to save thousands from death. That is not beyond our resources—far from it. The Department of Defense has transports available; it should be directed to use them. Ships can be chartered on the West Coast, in Hong Kong, throughout the world. The Navy should stop interpreting the rules of the sea too literally; they need not find a vessel actually foundering before rescuing its otherwise doomed passengers.

Today, the Carter administration is, within the stifling limits of cautious diplomacy, properly seeking to share the burden of the boat people with other governments. The president discussed the problem in Tokyo, and United Nations Secretary General Waldheim is convening another solemn conclave in Geneva on July 21. Yet the diplomatic mills grind at a pace indifferent to monsoons or other phenomena. We have seen it all before. Forty-one years ago, in July 1938, President Roosevelt called the nations together at Evian to concert efforts to rescue German Jews from the oncoming Holocaust. The statesmen arrived, made speeches and departed. They left behind an Inter-Governmental Committee on Refugees that dawdled until the war made further efforts impossible. We have had to live with our shame ever since.

In rescuing the Jewish people, we first had to persuade Hitler to let them out. But the boat people are already out—pushed out—precariously drifting in international waters and crying to be helped. Nobody knows the number already drowned—perhaps 30 to 50 percent of the thousands who squandered their savings for a ticket to death. Still the process goes relentlessly forward. Vietnam is regurgitating its Chinese residents at a rate of 45,000 a month, while 10,000 to 15,000 Vietnamese are escaping.

In spite of the heroic efforts of a handful of dedicated officials, our government is paralyzed by bureaucratic flatulence. There are a dozen glib rationalizations for inaction. We cannot afford to save suffering humanity, we are told, because we must balance the budget. Were our government to take too strong a lead, other nations, it is argued, would wash their hands of the matter, dismissing it as our problem—another sour fruit of the Vietnam War. Moreover, if we save those now afloat, won't Vietnam simply push out more Chinese?

What a defeatist litany and what craven nonsense! The problem is finite, not open-ended; Vietnam had only 1.8 million people of Chinese extraction and probably more than half have already been expelled. We can shame other nations into contributing ships and funds. We spend billions for weapons to kill masses of people; should we not spend a small amount more to save masses of lives?

Sending ships stocked with supplies will, of course, only buy time, preventing thousands from drowning or starving while diplomacy plods. The Philippines and Indonesia may make islands available as at least temporary havens, and our diplomats are exploring other possibilities. Meanwhile, we must use full diplomatic leverage to find the refugees permanent homes. Since most of them are of Chinese derivation, we should not let our current infatuation deter us from pressing Peking to take a larger share. The casual relationship—if any—between this new diaspora and China's military "lesson" to Hanoi is far from clear. But, though perhaps a quarter million have already been pushed across the border into China, what is another million more or less, in a population a thousand times that large?

We think of ourselves as a humane people, talking incessantly of human rights. If we execute a convicted murderer, many Americans have hysterics. But is our imagination so feeble that we feel compassion only in the narrow focus of individual agony, while averting our eyes from the death of thousands? Have we become so self-centered that we cannot concentrate long on the suffering of anonymous humanity with whom our only common experience is living on the same planet?

We Americans need a cathartic experience to purge us of self-pity. Far too preoccupied with our own psyches, we are on the way to becoming a petulant, selfish, ingrown people. What could more elevate our national spirit than participation in a great humane enterprise? What could more lift our hearts—or better evoke world admiration—than the spectacle of a flotilla of our own ships embarked on the most spacious operation of mercy ever undertaken? It would help us recognize the essential pettiness of our domestic concerns. After all, we could be worse off than spending an extra hour in a gas line. We could be in an open boat as thick with wretched humanity as flies on a sugar loaf, rolling ceaselessly on a turbulent sea and rifting toward almost certain death.

Let us think about that as Americans—for the good of our souls.●

GOOD NEWS FOR WHALES

● **Mr. WILLIAMS.** Mr. President, last week the International Whaling Commission took two steps which could make the difference between survival and extinction of the great whales. The Commission approved a worldwide moratorium on whaling from factory ships of all but one species, and voted to make the Indian Ocean a whale sanctuary.

As the Senate sponsor of the Marine Mammal Protection Act, I have long been active in efforts to bring an end to commercial exploitation of whales. In 1972, I was honored to be a member of the U.S. delegation to the United Nations Conference on the Human Environment, which, by a vote of 53 to 0, approved a resolution calling for a moratorium on commercial whaling.

For the past several years, the United States has used its membership in the International Whaling Commission to press for such a moratorium. Some progress has been made in reducing the destruction of some species of whales, as the Commission has attempted to put whale conservation on a scientific footing. But deficiencies in scientific data and uncontrolled whaling by nonmember nations have served to undermine this progress.

Particularly troubling are reports that member nations such as Japan have been assisting nonmember whalers by furnishing them with whaling equipment and technology and by importing their whale products. Clearly, such actions run counter to the Commission's purpose and effectiveness. Because of my concern about repeated reports that Japan was engaging in such activities, I wrote to Prime Minister Ohira on the occasion of his visit to Washington in

May. In response to the concerns expressed by so many conservationists, Japan has recently announced its decision to ban the importation of whale products from nonmember nations. A Senate-passed bill to bar fishing in our 200-mile zone by any nation which undermines international conservation efforts should help to reinforce Japan's decision and encourage other nations to take similar steps.

This action by the Senate is consistent with its repeated expressions of support for an end to whaling. Most recently, the Senate passed a resolution, which I joined in sponsoring, calling for the IWC to impose a whaling moratorium. I wrote to the Secretaries of State and Commerce urging them to make every effort to secure passage of a moratorium resolution at this year's IWC meeting.

While our delegation did not succeed in polling a total moratorium, the two measures which were approved represent a major victory for the whales. The relatively populous Minke whale will continue to be the target of factory ships, and land-based whaling of other species will still be permitted. But the end of most factory ship whaling could save the sperm whale and other species from extinction. Moreover, the Indian Ocean sanctuary will protect an important whale habitat and spawning area.

Mr. President, I applaud the IWC for these great steps, and I congratulate the many people throughout the world whose perseverance in the struggle to save the whales has made these steps possible.

Mr. President, recent editorials in the Washington Star and the Washington Post discuss this good news for the whales. I ask that they be printed in the RECORD.

The editorials follow:

[From the Washington Post, July 14, 1979]

GOOD NEWS FOR WHALES

A long struggle to save the whales from extinction ended in success this week when the International Whaling Commission (IWC) approved a worldwide ban on whaling from the huge factory ships that can cruise for months at a time, killing and processing thousands of whales. Though not a total victory—the measure exempts the small Minke whale, which is still used for food in Japan, and landbased whaling is still allowed—the vote is still a grand achievement for conservation and for international cooperation in protecting global resources.

Unhappily, the IWC's action may have come too late for some of the species. It seems that by the time it becomes clear that a whale species is declining, there may be too few left to make a comeback. Scientists don't know exactly why this is so, though the whales' long infancy, small number of offspring and wide range are thought to be key factors. But unlike many other animals, such as the American bison, which has made a spectacular comeback since being protected, whale populations have generally not recovered. The Atlantic grey whale, for example, has been protected for 50 years and is still commercially extinct. The Great Blue—everyone's mental image of this magnificent animal—has been protected since 1965 but has not made a recovery. Some other populations seem to be growing, but the only real success story is the Pacific grey whale, whose migration down the California coast each year attracts thousands of thrilled onlookers. This species was once hunted down to 800 individuals, but, under complete protection, now numbers 18,000. One can only hope that it is not too late for the others.

Credit for the ban belongs to many. The United States has been steady and persistent in working for at least a 10-year moratorium while scientists search for more information. Australia provided a big impetus this year by adopting a permanent ban on all whaling by Australians and urging a global ban. But the ban is mainly the result of a worldwide movement of organized private groups, who have worked diligently to save these great sea mammals and who have made the whale the symbol of all endangered and extinct species. Now that an international body has actually done what many thought impossible, maybe action can be taken more quickly to deal with the dozens of similar problems still on the international environmental agenda.

[From the Washington Star, July 14, 1979]

CLOSED SEASON ON MOBY DICK

For anyone who cares at all about endangered life forms, the moratorium on factory ship whaling that has just been adopted by the International Whaling Commission in London is good news. The only question is whether it is too little and too late.

Land-based whaling is still permitted under the new agreement, which means that, at best, there will be continued killings among such whales as the seas still hold. Furthermore, pirate whalers—and there are a lot of them—are, by definition, beyond the reach of international authority. Furthermore, there is a danger that Japan, the nation with the largest whaling industry, may decide to bolt the commission and deal with the whales on its own terms.

Meanwhile, of course, unregulated whaling has decimated the largest mammals on the planet to the point where some species—notably the sperm whale, biggest of them all—are in serious danger of extinction. And where the power-driven harpoon does not threaten them, oil spills, atomic waste and other forms of pollution do. As befits their size, whales have a long gestation period and few offspring, so their ability to replenish lost population is limited.

There is a bright side to the picture, though. It is estimated that the new restrictions should stop most further killing of sperm whales, at least. For all the indignation of a whaling country at becoming the target of moralistic fingerwagging by countries with no economic stake in whaling, Japan is likely to stay with the IWC if only because other members, the United States in particular, do have a certain amount of leverage for enforcing its decisions. Keeping the ships of other nations out of a 200-mile zone off the American coast offers many disciplinary possibilities.

Furthermore, and perhaps more important, the whalers' indiscriminate killing of all the cetaceans they could find has made a once highly profitable enterprise economically marginal. There simply aren't enough whales left to make it worthwhile. Several countries, including Norway, Denmark and Iceland and an assortment of Latin American countries, are phasing out their whaling operations altogether.

History shows that it is possible for a threatened species to come back from pretty close to the edge of the precipice once official policy and public opinion are directed toward making it happen. It is said that there were only 23 bison left in North America when Theodore Roosevelt's conservation leadership put an end to unrestricted hunting. Now the protected herds have increased so greatly that there is a need for periodic thinning of their numbers.

To take the whale situation seriously is not to endorse every environmentalist demand for protection of a disappearing plant or animal. What is required is a perspective, balancing different kinds of human needs against each other and weighing into the equation what Albert Schweitzer called reverence for life.

Appraised by this standard, the snail darter probably wouldn't make it as an assisted survivor, but the sperm whale would. Had there been no whaling industry lighting the lamps of 19th-century New England, there would have been no Herman Melville to tell us about the awesome beings that were its stock in trade. There was, though, and he did.

Moby Dick touches many deeps in the human psyche, but never more profoundly than in its final chastisement of Captain Ahab's hubris in asserting his will over the primal forces of nature. Mingled with the sense of catharsis one feels as the *Pequod* sinks and Captain Ahab dies, a sacrifice to his own obsession, is a primordial gratification. What reader of Melville's masterpiece is not glad Moby Dick gets away? And which of us does not hope his descendents do too? ●

WORKFARE—AN ALTERNATIVE TO THE WELFARE SYSTEM

● Mr. HATCH. Mr. President, I believe, as do many Americans, that our welfare system is in need of repair. What was supposed to be a system of temporary supplemental income for the needy has turned into a $25 billion-a-year forest of redtape, bureaucracy, and waste. Most welfare recipients receive no incentive, no training, and no preparation for a future of financial independence. And the longer we permit this system to continue, the harder it will be to reform it.

Perhaps the best method for reducing the welfare burden is to find employment for those under its financial jurisdiction. A job can provide the incentive necessary for a person to better himself. A job can mean the difference between financial dependence and financial security. And a job can provide the opportunity for a person to make an honest dollar and thus gain the pride and self-respect which he might never know while on welfare.

The workfare program is an alternative to the current welfare system. Under workfare, all persons who qualify for general assistance and who are physically able are required to work at the minimum wage toward the amount necessary for their lifestyle. We have employed workfare in Utah since 1974 with excellent results.

I believe that workfare is a real alternative to welfare. And I believe that workfare would become more widespread were it not for the many Federal, State, and local regulations governing changes to the welfare program.

Marvin Scott wrote an article entitled "It's Workfare, Not Welfare in This Town," which discussed the idea of workfare and the legal problems associated with its implementation.

Mr. President, it is my hope that my colleagues in the Senate will benefit from this article which appeared in the "Parade" section of The Washington Post on July 1. I ask that it be printed in the RECORD.

The article follows:

IT'S WORKFARE, NOT WELFARE IN THIS TOWN

(By Marvin Scott)

Chiseled in a granite tombstone erected in front of City Hall in Bordentown, N.J., are the words: "In memory of New Jersey welfare bureaucracy."

Bordentown, a community of 5,000 located between New York and Philadelphia, did something that Americans have talked about for years. The city seized control of the welfare program operated by the state and initiated its own program, which required able-bodied men and women to earn their welfare benefits by participating in a project city fathers dubbed "Workfare."

The New Jersey Division of Public Welfare said "nothing doing." It was contrary to state law, they claimed, for municipalities to require welfare recipients to work for their public assistance.

The controversy pitted the city's 29-year-old Mayor Joseph Malone in a David-and-Goliath battle with the State of New Jersey. It rattled the very foundations of the nation's welfare program, which costs taxpayers an estimated $25 billion a year.

Mayor Malone, whose roots go back four generations in Bordentown, says he "doesn't get along with bureaucrats very well." His welfare revolt began last summer after the city's part-time welfare director of 19 years decided to retire. He claims that state welfare officials directed him to hire a new, full-time director and a case worker as well. "Furthermore, they told us we needed a waiting room for welfare clients and a $500 petty cash fund," Malone recalls. "With a full-time staff, it would have cost us $30,000 a year to operate a $20,000 program."

Matters became more complex when members of the local welfare board quit after the state threatened to sue them personally if they failed to immediately hire a full-time director. Unable to find anyone who wanted the job, the mayor and Commissioners Joseph Bowker and James Kelly decided to run the welfare program themselves. Their way was simple: no work, no welfare.

Bordentown's workfare program applied only to those who qualified for general assistance, the welfare plan designed for single adults or childless couples. Physically able applicants were required to work at the minimum hourly wage toward what they required in assistance. They were assigned jobs such as dusting, raking leaves, repairing street signs, painting, and other tasks that needed doing in the municipality. "We felt people would have a little more pride and dignity if they could work for what they got," explains Commissioner Bowker.

Confronted with the work requirement, 23 of the 26 people who had been on welfare dropped from the rolls. From August to November 1978, Bordentown shelled out $1,000 in welfare payments, compared to $8,500 during the same period one year earlier. The number of people applying for welfare dropped 90 percent within four months after the workfare program was introduced.

Despite these seemingly impressive figures, state welfare officials called the Bordentown program "callous, arbitrary and illegal."

Instead of complying with directives, Bordentown pulled out of the state's welfare system and forfeited the 75 percent to which it was entitled in state reimbursement funds.

Last November the state brought the issue into court. After Deputy Attorney General Andrea Sekowitz insisted that the workfare program caused "anarchy to reign in Bordentown" and contended that it was "illegal and detrimental to the public interest," Superior Court Judge Alexander Wood 3rd ordered the city to "cease and desist." He ruled that New Jersey law prohibits municipalities from setting work as a condition for welfare payments, and he directed the city to hire a new welfare director and board. Bordentown complied with the court order, but the mayor vowed to keep on fighting.

State Welfare Director G. Thomas Riti, the official who must enforce the state's welfare laws, says he doesn't take issue with the small city's workfare concept. "The real dispute between the state and Bordentown," he maintains, "is the fundamental issue of whether a municipality and its officials are subject to state statutes."

Mayor Malone believes that in this case, "the law has been misused." He says the state has challenged his alternative to welfare because it upstaged a similar program implemented by the state over a year ago. Malone says this program is designed for larger cities and is "hopelessly bogged down in red tape."

Under the state plan, welfare officials certify those who can perform at least menial tasks, and the Department of Labor and Industry finds them jobs where they live. Of 500,000 welfare recipients in New Jersey, 26,000 get general assistance funds. Of that number, 16,000 are considered physically capable of working. Welfare director Riti, one of the architects of the state's workfare program, has declared it a success.

Convinced that his idea was better, Mayor Malone reinstituted his local workfare program earlier this year. He did it in a way that would not defy the court's cease and desist order, the city offered welfare recipients the option of either participating in the state program or the local one.

"Nobody signed up with the state," beams Malone. "Right now we have two people in our program and none in the state-operated plan. We're using our own money, not state funds. They can moan all they want, but they can't force people to do what they don't want to do."

"I'd rather work than collect welfare," declares Carl Robert Reeder, a lifelong resident of Bordentown who became eligible for welfare after losing his job. "There is nothing physically wrong with me," he says, adding, "I couldn't see myself collecting something I feel someone else really deserves. I want to make an honest dollar." He's been doing that since January, working an average of 28 hours a week on various municipal projects. The city plans to hire him within a few months as a full-time employee at $8,000 a year.

Mayor Malone is confident that workfare would cut welfare fraud nationally by 90 percent. He has received over 2,000 letters of encouragement from all over the country. He's also received inquiries about his program from state and municipal officials in more than 20 states, Guam, Canada and Australia.

Many states are concerned with the problems of welfare. Connecticut and Pennsylvania (the latter spends approximately $1 billion each year in welfare costs) currently have workfare bills before their legislatures. Alaska's legislature has submitted a resolution calling on Congress to allow states to adopt such a program without fear of losing federal welfare funds.

The fear is a real one. More than $500,000 was withheld from Utah for almost two years until HEW finally approved a workfare program there in 1974.

New York State has a version of workfare that HEW is studying for possible implementation in other parts of the country. New York's Public Works Program requires recipients of general assistance funds to work in a public agency job at the prevailing rate of pay for that job.

In New Jersey, Bordentown's stand caused the state legislature to approve an amended workfare bill, requiring town officials to place employable welfare recipients in local jobs until the state can find ones for them.

In Washington, the Carter Administration is calling for the creation of more federally subsidized jobs to enable employable recipients to gain some training that will help them to eventually find a position in private industry or business.

So change may be on the way. If welfare reform is ever achieved on a national scale, the monument in front of Bordentown's City Hall will symbolize one of the major turning points, contributed by an embattled New Jersey town.●

NICKELODEON

● Mr. MOYNIHAN. Mr. President, the wife of our United Nations Ambassador, Mrs. Andrew Young, who is chairperson of the U.S. National Commission on the International Year of the Child, recently took part on behalf of the Commission in the announcement celebration of a new media offering for children—"Nickelodeon."

"Nickelodeon" is a new concept in educational television programing for children, and is offered by Warner Cable Corp. of New York City. Using the most innovative techniques in space-age communications, "Nickelodeon" will feature 13 hours of children's programing 7 days per week. This is an important advance in children's television, because it will utilize modern technology to broaden the scope of educational entertainment for preschoolers through young adults.

The New York Times has done a brief story on this exciting new approach to children's television programing and I commend it to my colleagues.

Mr. President, I ask unanimous consent that the article and a letter from Mrs. Young to Gustave Hauser, chairman of Warner Communications, be printed in the Record.

The material follows:

March 21, 1979.

Mr. Gustave Hauser,
Chairman, Warner Cable Corporation, Rockefeller Plaza, New York, N.Y.

Dear Mr. Hauser: The U.S. National Commission on the International Year of the Child is very pleased to be taking part in the announcement celebration of "Nickelodeon" and to have this opportunity to laud your accomplishments in putting together such a significant media offering for children.

As the first American television facility to commit exclusively to children's programming, and as an advocate of the media, Warner Cable TV and "Nickelodeon" share the goals and purposes of the U.S. National Commission. Indeed, we would hope to see the action taken by you serve as a stimulus for commercial stations to improve the quality of their children's and family programming and better place the hours devoted to it.

Today's conference celebrates the first of its kind in children's television. We are very appreciative of Warner Cable TV's work to provide for responsible children's programming, quality entertainment, and appealing exposure to the arts.

Sincerely,

Jean Young.

[From the New York Times, Dec. 6, 1978]

New Children's Space Shows To Come From Space

(By Richard F. Shepard)

Youngsters, who seem to be charmed by television shows about space, will now be able to get television shows designed specifically for them from out in space under a new satellite network to be started by next February by the Warner Cable Corporation.

The project, called "Nickelodeon," will present 13 hours a day of children's programs seven days a week to cable-television operators equipped to get satellite transmissions beamed to receiving stations on Earth. Gustave M. Hauser, chairman of Warner Cable, a subsidiary of Warner Communications Inc., said that the programming would be "nonviolent" in nature and that it would be aimed for youngsters from preschool age to the stage known as young adults.

The innovation is an outgrowth of Warner's two-way QUBE cable system in Columbus, Ohio, which serves more than 20,000 households and gives the viewer an opportunity to talk back to the system in some programming situations. QUBE will be the production facility for the "Nickelodeon" programming.

Warner recently leased two channels on the RCA Satcom 1 Satellite to feed the company's "Star Channel" monthly package of motion pictures. The channels will be used for that and for "Nickelodeon." "Star Channel" will also be offered to the cable operators who want it.

Mr. Hauser, in a telephone interview from California, said that the nation's cable-television operators were now swiftly moving from a situation in which their main concerns were technical to a new phase in which programming and marketing were moving to the fore. He noted the recent announcement by RCA that it would put up a third satellite and he said that this represented demands for more programming by telecasters.

The fast-growing cable-television system now serves more than five million subscribers. The new children's programming will be furnished to cable operators for a monthly fee of 10 cents a subscriber.

Two of the programs to be offered are "Pinwheel," for pre-school children, and "Bananaz", which is directed to teen-agers; both are now shown by QUBE. Other programs to be shown by "Nickleodeon" include "Video Comic Books," in which such comic standbys as Green Lantern and the Space Ranger will be seen in a read-along situation for young viewers; "Pocket Money," a program for young people that will touch on such matters as how-things-work, politics and youth; "Nickel Flicks," which will consist of cliffhanging serials such as those that starred Tom Mix and Rin Tin Tin.

SERIOUS SOCIAL THEME A TOPIC

Talk about quick reaction, here's a new show coming along that not only presents a drama but also has the studio audience dissecting it immediately after it concludes.

The half-hour show, which has no title yet, will present a play dealing with some serious social theme. Immediately after that, the audience in the studio will offer opinions, not on the acting, but on the issue. The program will be syndicated to individual stations around the country by its makers, Boston Broadcasters Inc., parent company of Boston's WCVB–TV, which created the concept, and TAT Communications Company, a concern owned in part by Norman Lear, the prolific creator of such shows as "All in the Family," "Mary Hartman, Mary Hartman" and "Soap." It is designed to be shown in prime access time, the period before 8 p.m. that is filled by station rather than network programming.

The show, combining entertainment (the play) and public affairs (the audience reaction), will tackle topics similar to those often approached on Lear shows, such controversial and pervasive matters as premarital sex, Proposition 13, abortion and equal rights for women.

SHOW IS AN OFFSHOOT

Actually the program is based on a similar non-Lear show, "The Baxters," which started on WCVB–TV in 1976, the handiwork of Bruce Jessup, producer, and Bruce Marson, program manager, who created and developed it. It began as part of Mr. Jessup's religious program, "New Heaven, New Earth," and later became a show in its own right.

In announcing the new program, which will go on the air next September and will be produced in Hollywood, it was said that the local stations may either add their own local audiences or, if they prefer, use one packaged with the performance part of the program on the West Coast.

REVERSING THE ARMS RACE IN SALT III

● Mr. McGOVERN. Mr. President, yesterday I announced my intention to propose an amendment to the SALT II resolution of ratification which would instruct our negotiators in SALT III to work to freeze new strategic weapon development and deployment and to reduce annually existing arsenals by 10 percent. This arms reversal legislation is necessary both for security reasons and for arms control reasons. Therefore it offers an opportunity for Senators who usually perceive an irreconcilable conflict between concrete security measures and genuine arms control measures to work together to have the Senate put its imprint on the future direction of SALT and the arms race.

Following my statement yesterday, the Senate Foreign Relations Committee heard excellent testimony from two witnesses who endorsed this freeze and reductions legislation. Dr. Richard Barnet is a senior fellow of the Institute for Policy Studies and was an official of the State Department and the Arms Control and Disarmament Agency during the Kennedy administration. Dr. Jeremy Stone is the director of the Federation of American Scientists, a public interest civic organization of 5,000 scientists and he is the author of several books and numerous articles on arms control.

Dr. Barnet and Dr. Stone brought a fresh perspective and superb analysis to the political and technical dimensions of the SALT treaty and process. I want to commend both of them for their important contributions to the committee's deliberations. Dr. Barnet made it clear that one of the functions of arms control agreements should be to clarify the intentions of the other party. Unless the agreement mandates genuine reductions, the intentions of the Soviet Union will remain ambiguous because it will be able both to obey the treaty and enlarge its nuclear arsenal. The same holds true for American programs and intentions from the Soviet perspective. Dr. Stone testified that unless the SALT process actually produces concrete results in terms of weapons reduced and dollars saved, the SALT process may self-destruct militarily and politically by the expiration of SALT II.

I want to bring these important statements to the attention of my colleagues. They confirm my belief that the SALT debate will best serve our Nation if it includes a wide range of views and does not become a narrow duel between the administration and its hard-line critics. There is a third alternative: the position that our national security and economic vitality can best be served by genuine arms reductions. These statements show why such a strategy represents the only way out of our current military and diplomatic dilemmas.

I request that the following statements be printed in the RECORD.

The statements follow:

TESTIMONY OF JEREMY J. STONE

Mr. Chairman and Members of the Committee. It is a great privilege, indeed, to appear before this most distinguished Committee of Congress, on this historic occasion, to discuss this important matter. I propose to treat the Committee invitation to appear, as I believe it was meant, as a request for my personal views.[1]

In my opinion, the American people are tired of hearing that disarmament is either at hand or around the corner but that, just now, ceilings are being put on the arms race, after which the real progress will follow. Americans are becoming cynical about the failure of the superpowers to reverse the arms race. And they understand quite well that this treaty is not really providing disarmament.

In these circumstances, the Congress's job, in dealing with this treaty—and the treaty-making process—is to shape the future rather than to massage a fait accompli. And, in this testimony, I suggest one man's analysis of how a Senate (and wider) consensus might be achieved to prevent future treaties from suffering the weaknesses of this one.

The thesis of this testimony is that there are two roads which our Government might pursue to secure, and maintain, a national consensus for arms control treaties on offensive strategic weapons. One road leads to largely cosmetic treaties which, like this one, as President Carter told Congress, "constrains none of the reasonable programs we have planned." Here pro-ratification doves support the treaty because it is a treaty, and pro-ratification hawks do so because it constrains nothing we were planning.

This is the easy path politically and bureaucratically. But it treats disarmament as a means mainly to detente, and secures few, if any, of the real potential security and economic advantages to disarmament. As progress in disarmament falls behind expectations and desires, public cynicism sets in, and the SALT process itself loses support.

There is another road upon which the Carter Administration sought to embark in March, 1977, and upon which it could, with Senate support, make a new effort with renewed determination and stiffened backbone. This is the road of major reductions in strategic weapons—reductions that would, as a by-product of lowering weapons levels, redress the asymmetries and imbalances seen by the hawks even as it made unnecessary new weapons systems opposed by the doves.

It is the thesis of this testimony that the Senate should make its mark upon this treaty, not by amending its substantive proposals, or by adopting declarations of minor significance, but by attempting to forge a new consensus about what should be done in SALT III—and then instructing the Administration and the Soviet Union, by Senate resolution, of the terms without which a subsequent treaty would not be acceptable.

TREATY IS "SOMETHING FOR NOTHING"

Let me say at the outset that this treaty is far, far more vulnerable to criticism from doves than from hawks. The strong Soviet interest in securing an agreement with the United States, for various political reasons, has led that country to agree to:

(a) Greater U.S. ability to inspect and verify than would be the case in the absence of the treaty;

(b) Limits on numbers of Soviet warheads

Footnotes at end of article.

per missile lower than might otherwise be maintained; and

(c) Lower limits on numbers of missiles than might otherwise be maintained and, indeed, reductions of 250 Soviet strategic delivery vehicles.

And this agreement has been reached without the U.S. giving up, to my knowledge, any programs which we might otherwise have desired. Thus the treaty is, from the U.S. point of view, something for nothing. The Russians have agreed to such a treaty, in my opinion, because they consider SALT to be the "spearpoint" of a detente policy. Further, they see detente as an imperative created by fear of China, and their desire to trade with the West. Moreover, the Soviets recognize that the basic momentum of their strategic program can be continued and maintained under the strictures of SALT II, notwithstanding the above limits, so their concessions are marginal in strategic terms.

I do not believe the treaty has any significant military flaw, as witness the support of the agreement by the Joint Chiefs of Staff before the Committee earlier this week.

True, the Soviet Union has permission to have 308 heavy missiles and we none—but we did not, and do not, want any;

True, the Backfire bomber is only included by letter rather than treaty, but this is a reasonable solution to a grey area of negotiation.

In these and other ways, the hawk dissenters have very little to complain about in the treaty; in my opinion, they are really concerned about the Soviet buildup of strategic weapons—not the treaty itself—and this is quite a different matter.

DOVES ARE THE ONES WITH THE RIGHT TO COMPLAIN

By contrast, the doves—though gagged by their fear of treaty rejection [2]—have a great deal to complain about, in reflecting how the SALT process on offensive weapons is working out.

The SALT I (1972) and Vladivostok Agreement (1974) focused on numbers of bombers and missiles when, it was already clear, these numbers had saturated in favor of exploitation of the newest breakthrough: multiple warheads on each missile (MIRV). Now the SALT II Agreement puts an upper limit on numbers of warheads but, too late again, at a level that is basically one of saturation of the interests of either side.[3]

Meanwhile, the new breakthrough of cruise missiles has, at U.S. insistence, been embedded in the treaty rather than precluded. Just as failing to stop MIRV in earlier agreements represented a time bomb for SALT II and III, so also will the modern cruise missiles, with their verification problems, afflict future generations for decades hence.

There can be no doubt that both sides will be further from disarmament in 1985 when the treaty expires than they are today, just as we are worse off today than we were when negotiations for SALT II began in 1972.

The treaty permits each side to build an entirely new type of missile with up to ten warheads; this will take the United States more time than the six-year term of the treaty. Because the two sides could not agree on missile flight test bans, the treaty right to modernize existing missiles permits improvements in accuracy, and confidence in that accuracy, which are the critical strategic element of this time period. The Treaty Protocol limiting certain U.S. programs for a few years was negotiable because none of the programs in question were ready to be deployed during that period. And the Treaty Statement of Principles shows only too clearly, as does talk around Washington, that no concrete plans exist for what to do next in SALT III.

Arms control and disarmament is supposed to *do* something! It should help provide a solution to such problems as land-based missile vulnerability. It should make weapons systems unnecessary and save money. Above all, it should reduce the risks of war and reduce the destruction if war occurs. This treaty is doing these things, at best, by saying that matters would otherwise be worse.

Arms control is not, as one Administration official suggested in a recent article, at bottom "an exercise in confidence building." High Administration officials are reduced to talking of the treaty providing "predictability"—which simply means that we have some idea of what, for the next six years, at least, the other side might do—as if this were an important arms control goal. And to saying, again, that things would otherwise be still worse. Meanwhile, other such officials talk of the permitted MX missile as providing stability—when by every ordinary meaning of the term in arms control, it provides just the opposite; what they have in mind is that it will, they think, "match the Russians." Thus even arms control language is being destroyed in the effort to paint this treaty as doing things which it patently does not.

Thus far, the SALT Agreements on offensive weapons have had little more provable effect on the course of the strategic arms race than scaffolding has on the shape of a building.[4]

In effect, thus far, the treaties on offensive weapons suggest a negotiation between two alcoholics. The addicts readily agree that they will not engage in binges which neither really had in mind—the better to persuade onlookers that they are indeed going on the wagon. But when the issue arises of putting significant restraints on their real drinking plans, they find it easy to define alcoholic content in such ways as to permit each to continue.

Thus the treaty permits the entire eight-point program of the Committee on the Present Danger, as witness Jan Lodal's article in the Winter, 1978–79 Foreign Affairs.

Still worse, as will be documented below, the effort to secure a two-thirds vote in the Senate in favor of the treaties has had, and is having, a tangible escalatory effect on our arms program. As Admiral Thomas Moorer has written about the period he was Chairman of the Joint Chiefs of Staff, the Joint Chiefs agreed to support SALT I only if: such things were undertaken as: "vigorous research and development programs designed to maintain technological superiority of our weapons systems; . . . [and] aggressive improvement and modernization of strategic forces . . . These improvement and modernization programs were to include acceleration of Trident construction; maintenance of the B–1 bomber program on schedule so as to provide an option to deploy the first aircraft in the late 1970's; a national command authority defense as permitted by the ABM treaty; a satellite basing program for strategic bombers; deployment of the submarine-launched cruise missile; and, finally, an improved re-entry vehicle for ballistic missiles." (National Review, June 22, 1979, p. 787)

And recently, with regard to SALT II, the Administration has been forced to commit itself to development of the MX missile without even knowing how it planned to base the missile—so strong are the pressures to reassure reluctant treaty supporters. Also, a new U.S. bomber is being encouraged by the flap over Backfire as a price for overlooking the way it enters into the agreement.

THE HAWK-DOVE CONTROVERSY

Now in order to avoid duplicating recent history, we must learn from it. What exactly do the contending "hawks" and "doves" want? Ironically, today, they are, at least on paper, in surprising agreement: Both want "real" arms control!

In fact, the SALT II debate is not so much about the SALT II Agreement itself as it is, instead, a now pointless echo of a generation-old struggle between two schools of American strategic thought. Following the invention of the atomic and hydrogen bombs, one school of thought, often characterized as "hawkish," took the traditional military view that the danger, as before, lay primarily in the adversary which, if he could not be defeated, would, at least, have to be deterred. Adversary attack was the dominant problem in surprise nuclear attacks, nuclear first strikes, nuclear shows of force, and/or nuclear aggression against allies.

A second school of thought, often characterized as "dovish," saw the major source of nuclear danger in the arms race itself. Considering that any sane person, or plausible Government, would be well deterred by the fear of nuclear response, it saw residual dangers of "wars nobody wanted" arising from uncontrolled escalation.

Thus, while the first school was predisposed just to buy more weapons so as to stay ahead of the Russians, the second school was disposed to "stop the arms race" itself. Naturally, the two schools apply quite different yardsticks to proposed treaties, and their dialogues are therefore often dialogues of the deaf—the hawks focusing first on the relative military balance implied by the treaty, while the doves focus on its effect in restraining the competition.

In past years, U.S. superiority in the arms competition led hawks to reject treaties as unnecessary mechanisms that might just constrain us in some kind of "unilateral disarmament," without constraining the Russians. Doves, for their part, saw treaties as useful vehicles for securing at least a modicum of detente, and were prepared to take pretty much any treaty that both sides could negotiate.

POTENTIAL NEW CONSENSUS EMERGING

In recent years, Soviet progress in matching U.S. weapons levels has provided hawks with a potential regard for treaties. Treaties could in principle at least, redress the very imbalances of concern to the hawks. It was with this in mind that Senator Jackson made a number of disarmament proposals.[5] Ironically, much recent complaint from Senate hawks about this treaty, such as that of Senator Jake Garn, is based upon the view that arms control has not done enough, and should do more.

At the same time, traditionally pro-arms control Senators, such as Senators McGovern, Hatfield, and Proxmire, have recognized that—especially in an age in which detente has gone about as far as it is going—treaties must be held to a higher standard than that of basically cosmetic agreement only. And they feel that this is especially so if hawkish support for treaties is purchased with commitments to weapons systems they consider wasteful. So they are also complaining that arms control is not doing enough to carry its freight.[6]

For all these reasons, our Nation ought to be ready, in logic and in politics, for an aggressive policy of hard-nosed bargaining for real disarmament subsequent to the ratification of the treaty. And this is what I propose.

In 1977, to its credit, and to the credit of the United States, the Carter Administration proposed sharp cuts. It sought to forge precisely the kind of coalition here advocated—disarmament for the doves but disarmament of specific kinds desired by the hawks. The Russians objected violently, but there was one reason at least that does not now apply. The Russians rightly considered themselves near the end of negotiations on SALT II and were unwilling to start on new proposals in the midst of that negotiation.[7]

The Administration should try again with new far-reaching proposals and the Senate should pass resolutions of instruction that

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Footnotes at end of article.

will give these proposals momentum and bargaining leverage.

Would it work, and could the Senate really help? Nothing is certain. But considering the current alternatives before the Senate reinforces the idea that this is the best course.

SENATE OPTIONS FAVOR A RESOLUTION OF INSTRUCTION

The Senate has before it three approaches. It can:

(a) Adopt amendments, reservations, interpretations, and resolutions concerning the treaty itself but which are of such a nature that they do not require Soviet concurrence or do so on noncontroversial issues;

(b) Adopt amendments to the treaty that would require renegotiations;

(c) Pass resolutions, in conjunction with ratification of the SALT II Agreement, that will attempt to shape the future course of negotiations in SALT III.

Option (a), restricting the Senate's action to noncontroversial issues, simply guarantees that nothing substantial will be secured.

Option (b), amending the treaty in such a way as to require renegotiation, is more likely to undermine our bargaining position than to enhance it, since it virtually requires the Soviet Union to complain bitterly for months before reentering negotiations. And there is no reason to believe that there is bargaining leverage left in this treaty yet to be exploited.

But, option (c), a resolution of instruction for the future, that captured the support of a majority of the Senate, including both hawks and doves, would provide a vehicle upon which the Administration might rely in hanging tough on far-reaching reductions that would, at the same time, redress instabilities.

A similar resolution of instruction was passed by the Senate on September 13, 1972 in conjunction with SALT I. The Jackson resolution (S.J. Res. 241, 92nd Cong., 2nd sess.) passed by 56–35. The resolution requested the President to seek a future treaty that, inter alia, would not limit the United States to "levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union."

What effect this resolution had on the subsequent negotiations is a subject of debate. Perhaps it only led the superpowers to seize upon the cosmetic fact that if numbers of bombers were added to the earlier limits on missiles in the 1972 Interim Agreement, the two sides would be close enough in overall numbers of missiles and bombers to reach agreement on a common bound of 2,400 strategic delivery vehicles.

But even if that resolution had, in retrospect, only limited significance, it does not mean that the Senate could not now have still more influence with some other, perhaps more precisely formulated, resolution. And it is obvious, anyway, to the Executive Branches of both superpowers that the U.S. Senate is becoming impatient with the present course of things. They know that something new must be added to get subsequent approval of a future treaty. Should not the Senate announce what this new element might be?

THE COMMON GROUND: SUSTAINED AND SHARP REDUCTIONS, IN PARTICULAR, OF MIRVED LAND-BASED MISSILES

But is there scope for agreement between hawks and doves upon what they would like next to do? I think there is.

MIRV (Multiple Independently Retargetable Reentry Vehicles) is a root cause of the concern of both hawks and doves. Introduced by the United States in 1970, and by the Soviet Union in 1975, MIRV makes it possible for a single missile to destroy several missiles on the other side. Soviet exploitation of this new technology puts it within reach, on paper at least, of the ability to destroy U.S. land-based missiles with only a fraction of its land-based force. That such an attack might be threatened, implicitly or explicitly, or even occur as a show of force, is a major current preoccupation of the hawks.

While denying the reality and political relevance of these attack scenarios, doves have their own reasons for concern about the same development. The current Administration planning is to replace the fixed Minuteman missiles with the MX missile in one deployment or another, probably a shellgame or trench deployment. Doves believe:

(a) That the missile will be too expensive, as well as unnecesary—a $35 billion downpayment on a new round of land-based missile arms race;

(b) That with increasing numbers of Soviet warheads MX will be, conceptually, no less vulnerable to Soviet attack than the existing land-based missile force, and will, therefore, tranquilize none of the fears thus far raised;

(c) That MX will be an offensive, as well as defensive, missile, thereby encouraging the Soviet Union to set its missiles on a lighter, rather than a heavier, "trigger," and/or to redeploy its land-based missile force, precluding for many future years, some agreed halt in the constant redeployment of land-based missiles;

(d) That, overall, two opposing missile forces, each capable of destroying the other's entire land-based force with a fraction of its own, will increase the chances of a war nobody wants.

In short, both hawks and doves would, today, prefer a return to the pre-MIRV period, at least insofar as land-based missiles are concerned. In such a pre-MIRV period, no one missile could destroy several and, hence, there would be no particular advantage in missiles firing first because, for each missile wasted in firing, at most one opposing missile would be destroyed.

Now a complete return to the pre–MIRV era is obviously going to be difficult. But sharp reductions in MIRVed land-based missiles are by no means impossible. The SALT II Agreement provides for each side to have 820 fixed land-based missiles with MIRV, and, in so doing, it confirms that we have the means by which we can verify which Soviet missiles are counted against that 820 total, and which need not. Thus SALT II provides, in particular, a method for verifying reductions of that number.

SALT III would go a long way toward satisfying the interests of hawks and doves if it would provide for sharp reductions in that 820 limit, with a view to the ultimate elimination of MIRVed land-based missiles. Such a program would not give up the triad concept—since several hundred unMIRVed land-based missiles would remain on both sides. But it would moot the issue of having an entire land-based missile force vulnerable to a fraction of the other's land-based force. And it would thus make any concerns about reciprocal fear of attacks by land-based missiles upon each other transitional.

The reduction in land-based missiles, coming over about a decade, would be in the narrow military interests of both sides, as well since land-based missile forces are becoming increasingly unreliable as second-strike (survivable) weapons in any case. Each side should want to diminish its present degree of emphasis on such land-based weapons, while decreasing the other's ability to attack them.

Unfortunately, the Administration position, at present, is to try to use SALT to move in the opposite direction. In what is surely one of the poorest arguments ever made in the strategic arena by an Administration, the President told Congress:

"Without the SALT II limits, the Soviet Union could build so many warheads that any land-based system, fixed or mobile could be jeopardized."

But, obviously, no multi-billion dollar strategic weapon system should be based on a piece of paper, certainly not a piece of paper that could be abrogated by the Russians. Most bizarre of all, this particular piece of paper expires in 1986, before the MX will be even initially deployed. No good can come of purchasing systems that will require our negotiators to seek unilateral Soviet concessions in subsequent negotiations, so as to keep our weapons system viable.

Thus, instead of rushing to deploy the MX missile, and then begging the Russians to keep it viable, we should make a major effort in SALT III to make MX deployment unnecessary. We would do this by negotiating a sustained and continuous process of reductions, in particular of land-based MIRVed missiles.

Whatever the concerns of hawks and doves, they can, in principle at least, be resolved by suitable disarmament agreements. Every wobbly table can be made stable by a round of cutting off of legs; we need not always buildup to seek stability.

If the SALT II Agreement has any advantage, it is precisely to provide a context of agreed definitions and background in which such subsequent negotiations take place. But unless a consensus of hawks and doves in the Senate pushes a major effort to secure such reductions, history suggests they will not take place.

Let me emphasize that, while we need a consensus of hawks and doves to get the SALT process moving, the road of progress in SALT reductions is not that difficult. We ought not despair at the present inability to make progress.

For example, using the SALT II treaty to provide agreed definitions and qualitative limitations, one could embark on SALT III by negotiating a single number. Each side would agree to reduce its agreed number of strategic delivery vehicles (2,250), and its MIRV limits also, by an agreed percentage each year, e.g., 10 percent, for a number of years until, for whatever reason, the agreement had to be modified. This method, called Percentage Annual Reduction (PAR) would, I believe, have various specific advantages besides simplicity commending it to: hawks, doves, strategists, Presidents, the Defense Department, the Senate, the Armed Services Committee, the Russians, and others. I attach a relevant article from the Washington Post Outlook section for those who want to pursue it. But perhaps Senators might want to look at the attached PAR chart for a second to see also why doves have a right to complain about the SALT II Agreement.

The post-World War II buildup in strategic delivery vehicles is compared with what would happen if a 5 percent reduction each year went on for a generation or more. What has happened in the last thirty years may take many more decades to reverse, even if we start now.

AND IF WE FAIL?

It is only too clear that reductions in strategic weapons cannot be secured by doves alone. Therefore, if it is impossible for hawks and doves to agree on a program of subsequent real reductions—as here proposed—these reductions, patently, will simply not occur.

In the wake of such a failure, I predict that SALT on offensive weapons will self-destruct by 1985. Doves would return to urging a unilateral policy of "buy only what you need." And since the U.S. already has so much nuclear fire power, squirreled away in so many ways, public support for constant additions to our stockpiles would wane. In this case, the hawkish concern for keeping up with those nuclear Joneses on the other side of the world would not be assuaged. Instead, the domestic debate would be increasingly polarized. A consensus would disappear, not only for SALT negotiations, but also for major additions to our strategic posture.

Worst of all, our Nation would then face the prospect of continued reliance on deterrence for its safety for generations hence. Hanging over us, for decades and decades, would be the possibility that—notwithstanding the highest quality deterrence achievable—a nuclear war that nobody wanted would nevertheless occur, through miscalculation and escalation. Our entire Republic could then disappear in 30 minutes. As I advised the Committee in hearings on March 16, 1977, this probability may be on the order of .5 percent to 1 percent a year.

We—and the Russians—are uniquely vulnerable to destruction. Unlike the Latin Americans, the Africans, and many Asians, we and the Russians (and the Europeans) are living dangerously on the edge of a nuclear abyss. While strategists argue the finer points of "who is ahead," the truth is that both sides are falling behind.

The Founding Fathers must be rotating in their graves at the diminution in our security that has occurred in the last thirty years. To maximize the likelihood that our Nation will reach its 300th and 400th birthdays, the disarmament process has got to be started. I would therefore hope that the Senate could rise to the occasion and formally announce in a suitable resolution the already existing latent consensus on pointing the negotiations in the direction of a disarmament that is both real and strategically meaningful.

FOOTNOTES

[1] This course is also indicated by time constraints precluding the circulation of the written document inside our group, but even more so by the fact that our Federation of American Scientists members—while largely agreed on the underlying strategic facts—are understandably divided on some tactical issues in the shifting political context in which the ratification debate is taking place. However, the major policy conclusion of what follows was, in fact, approved without dissent by our policy-formulating body, the elected National Council, in an editorial of our Public Interest Report of March, 1979, which I have appended to these remarks.

For the record also, these personal views are based on observing and studying the arms race since 1962, for one or two year stints at such institutions as the Hudson Insitute, the Harvard Center for International Affairs and the Council on Foreign Relations, and, subsequently, for the last nine years, as Director of the Federation of American Scientists, a public interest civic organization of 5,000 scientists, founded in 1946 by atomic scientists in their effort to control the bomb they had created. During this period, I have authored two books, various articles, and have functioned as the editorial writer of the FAS Public Interest Report in drafting and catalyzing what consensus exists among us on science and society issues such as this one. My Ph. D. is in mathematics.

[2] An example of this fear was a letter to the New York Times of April 3, 1979, in which eleven arms control specialists condemned "poormouthing" the SALT II Agreement and listed its advantages without significant qualification. (The signers were members of FAS, including seven Sponsors; ten other FAS officials, including eight elected Council Members, responded in a letter printed in the New York Times on April 29, 1979.)

[3] Against a Soviet Union with only about 100 significant cities, we have 10,000 warheads at the ready—or one hundred to one—and this number will rise to more than 12,000 during the period of the treaty. This simple "overkill" calculation may seem oversimplified, but a factor of one hundred provides a lot of room for error! Meanwhile, the Soviet Union has 5,000 warheads which could rise, under the treaty, to 10,000.

Under these circumstances, a kind of "saturation parity" exists in which warheads are ample for city attack and deterrence. (As soon as their accuracies improve, which is simply a question of time, the numbers of warheads already existing on each side will be ample also for attacks on the fixed land-based missile forces as they presently exist.)

[4] This situation is in marked contrast to the success of the Atmospheric Test Ban in preventing radioactive pollution of the atmosphere, and the success in the ABM treaty in cutting off a new (defensive) dimension in the arms race. But it resembles the Nixon Administration Threshold Test Ban Treaty which set the level of underground tests at 150 kilotons—a level high enough to prevent any significant complaints from either side's defense ministry—simply and solely to get agreement, and without any justification from verification considerations.

[5] For example, March 29, 1971 (S4035), a proposal that would have stopped MIRV deployments; April 23, 1974, a proposal that would have limited ICBMs to 800, submarine-launched missiles to 560, bombers to 400 and provided for equalization of throw-weight.

[6] Hawks who, heretofore, often assumed that defeat of the treaty would rouse the Nation to procure felt-to-be necessary weapons systems may be having second thoughts as to whether such a defeat would lead Americans to get mad at the Russians and buy more weapons, or just to get mad at each other. Meanwhile, those doves who assumed that MX would be easier to defeat in the context of the treaty, rather than in its absence, may also be uneasy following the President's speech tying MX to SALT. Thus a shared perception that ratification could lead to more weapons than defeat is providing a slight backlash in position for both hawks and doves.

[7] One example of this was Brezhnev's responding speech in Tula when he said the USSR "is prepared to go further in limiting strategic armaments, but first one should consolidate the gains already made, all the more so since the Interim Agreement expires in October this year. Then one could go directly into negotiations on more far-reaching measures."

AN ARMS RACE IN REVERSE

(By Jeremy J. Stone)

The United States and the Soviet Union are now in the final throes of negotiating a second strategic arms limitation (SALT II) agreement. Soon the Senate will debate its ratification.

But SALT will not end with SALT II. And if it did, SALT II would not, by itself, be worth very much. Senators will be forced to ask—and all observers will want to know—to what kind of far-reaching agreement might SALT II lead.

As the SALT negotiations have amply proven thus far, it is no easy task to satisfy all the participants and institutions here and abroad. Ironically, the simplest conceivable treaty may satisfy all the actors best. Still more ironically, the approach underlying this simplest treaty might be described as running the arms race in reverse.

SALT is already structured around the fortuitous fact that—measured in a certain easily verifiable way—both sides have about the same number of weapons. Thus, if one adds the number of long-range bombers, the number of land-based intercontinental missiles and the number of submarine-based strategic missiles, one gets a roughly similar number of so-called "strategic delivery vehicles" on each side. (Indeed, SALT II will bring the two sides into appriximate equality by this measure with an overall limit of 2,250.)

Under these circumstances, one could set in motion a far-reaching disarmament program simply by bringing these overall limits steadily down. One would negotiate with the Russians nothing more than a single number reflecting the rate of reduction. The proposal, in short is this:

The superpowers would agree to dismantle a small percentage (somewhere between 5 and 15 percent) of their strategic delivery vehicles each year, with each side retaining the "freedom to choose" those weapons that it would dismantle in any given year. Retained weapons could be modernized or replaced (within the agreed restraints, perhaps, of SALT II). The duration of the agreement would be indefinite, with conferences each five years to review its progress and the possibility of its prolongation.

Let us call this simple underlying proposal PAR for "Percentage Annual Reduction." How would it suit the different participants?

The Senate would be faced with a simple, understandable, easily verifiable concept rather than a complicated agreement, and Senate ratification would be once and for all.

The Defense Department would confront something akin to a simple budget cut which it gets to implement. It would get a maximum of freedom, and a year-by-year opportunity to decide what to dismantle after it has seen the whites of the eyes of the then current technology and the exact form of the previous year's Soviet cutback.

For President Carter, PAR would provide the possibility of an announcement of eventual major disarmament without the otherwise insurmountable necessity for any major action in the short run. Even U.S.-Soviet agreement in principles to PAR, without agreement to a specific percentage, would be electrifying. In particular, PAR would fulfill Carter's desire to set in motion a sustainable trend toward zero nuclear weapons without requiring him to gain an administration consensus on precisely which weapons would be dismantled in any given year. Considering the uncertainties that perpetually cloud the future of weapons technology, there may well be no other responsible way to undertake to reduce weapons levels beyond the next several years.

For the hawks, who have lost confidence in the U.S. negotiating machinery, PAR would replace an untrustworthy network of doves and bureaucrats with the Joint Chiefs of Staff and the secretary of defense.

For the doves, PAR would give hope that SALT II will really lead to something by building, as a starting point, on the one equality thus far in sight—numbers of delivery vehicles.

For the strategists, PAR would offer strategic advantages because the U.S. force is, at its core, considerably more invulnerable, and less exposed, than that of the Soviet Union and can thus make more effective use of the freedom to choose what will be dismantled.

For the Russians, PAR would provide a continuing disarmament process assuring a modicum of detente—their major goal.

For Sen. Henry Jackson and his supporters, PAR would leave the supervision of U.S. SALT reductions primarily in the hands of the two congressional Armed Services committees, one of which he will soon chair. Furthermore, Sen. Jackson in 1975 proposed something quite similar to PAR: the dismantlement by each side of 700 of the most obsolescent nuclear delivery vehicles (the quota of a 5 percent PAR agreement for almost 10 years.)

One important advantage of PAR's simplicity is that Carter and Secretary General

Brezhnev could discuss it together and agree on it in principle. Both leaders are undoubtedly searching for some such announcement of future progress so as to enhance the attractiveness of SALT II. And both may be looking for a simple way of inducing their bureaucracies to take the possibility of true disarmament seriously.

What problems might this agreement have? In the first place, what about the fact that it does not control the number of bombs and of missile warheads—which are, after all, the implements that actually kill people? Indeed, if the PAR percentage negotiated were low—say, 2 percent—and if both sides were permitted to do so, each could, for a time at least, actually increase its total number of bombs and warheads by loading up each retained plane and missile with still more weapons, or by buying new and bigger planes and missiles.

But if the percentage reduction negotiated were significant—say, 10 percent—both powers would have to increase the size or loadings of these planes and missiles dramatically every several years just to keep up. And this they would find difficult to do because of payload limitations, the cost of new systems, and the military ineffectiveness of overloading any one missile or bomber with extra warheads.

SALT II already has restraints on just such subdivision of missile payloads and on the numbers of cruise missiles permitted per bomber; these restraints would, if carried over to SALT III, go far to limit such offsetting increases, and to induce an eventual decline.

Precisely because PAR is so simple, it could be built upon with such side conditions. For example, those who are concerned with throw-weight imbalances, or gross missile size, of the two sides, could ask that larger missiles be eliminated as quickly as smaller ones. Similarly, it would be natural to require that multiple warhead (MIRVed) missiles be dismantled at least as rapidly as non-MIRVed missiles. Such conditions can, like the basic PAR percentage, be negotiated clearly once and for all.

Would PAR take one to zero nuclear weapons in an unrealistically short span of years? Not at all. Because the percentage applied is applied always to a smaller total, one does not ever reach nuclear abolition—for instance, at a 5 percent PAR one does not get to zero in 20 years. Instead, it would take 30 years to get even to one-quarter of the number of strategic delivery vehicles which we have today, i.e., to about 400.

Obviously, at some point, a superpower PAR agreement would require the inclusion and cooperation of such evolving strategic forces as those of China. But one might be able to secure very large reductions before that time. And one might be able to get Chinese cooperation at, or before, that time to reduce its forces as well. The goal, of course, would be to move toward a world in which, if nuclear war somehow occurred, we would not lose our entire nation and most of our population. Meanwhile, these cooperative efforts would reduce the chance of the war itself.

What of the much-discussed problem of land-based missile vulnerability? There seems little, if anything, that the United States would want to do about this problem that we could not do under PAR. After all, PAR would permit each side to replace and modernize the missiles retained. And by setting in motion a process of reductions, the United States would gain the option of paring down the number of exposed land-based missiles, thereby reducing the percentage of the overall force that is vulnerable.

There are, of course, undiscussed complexities: for example, "gray area" systems based in Europe that are partly strategic weapons and partly tactical. These will surely be problems in SALT III. But there is nothing about PAR that would make these problems—which we already have—more difficult.

In his farewell press conference as U.S. SALT negotiator, Paul C. Warnke said one of his main problems was that arms control was, for humanity, "an unnatural act." No doubt it is. But PAR seems to come as close as one can to turning arms control into the more familiar and little feared "budget reduction." Melvin Laird and Charles E. Wilson may have shared nothing else, but each knew the wisdom of letting the Defense Department implement the financial cuts each was obligated to impose. Might we not have to do the same with weapons cuts?

In effect, PAR would be a way of running the arms race in reverse. In an arms race, each side builds weapons as it prefers. But the two sides are linked implicitly by a rate of growth of weaponry, because neither wants the other to get too far ahead. Under PAR, the rate would, of course, be negotiated and oit wuld be a rate of reducing armament. But, as in the arms race, each side would maintain stability independently, as each did before. If the two sides are not willing to accept PAR as their underlying approach, one wonders if anything will ever work to achieve the disarmament that all participants declare is their goal.

Both Hawks and Doves Should Insist on Reductions of MIRVed ICBMs

The burning strategic issue of the day is the issue of land-based (Minuteman) missile vulnerability. Will the Soviet Union have—in fact or appearance—the ability to destroy the land-based ICBM component of the U.S. triad by the mid-1980s? If so, should America buy a new land-based missile with new basing? And should it equip its MX land-based missiles with the accuracy to do the same to the Soviet force?

The first alternative is expensive (tens of billions of dollars). Nevertheless, last month, the Administration decided to move into full scale development of the MX missile without even knowing how it would be based. Why is it violating, at such potential expense, the most elemental "fly before you buy" rule—and doing so despite the discouraging recent experience of finding that 30 different basing methods have already been found wanting? The answer, of course, is the pressure to placate the hawkish-leaning undecided Senate votes on SALT.

PRECIPITOUS MX DECISIONS: A PRICE OF SALT

Individuals will have to decide for themselves how far this major price of SALT goes to negate its overall advantages. But the technological future impending is absolutely clear. Unless something intervenes, the period of the SALT agreement, running to 1985, will see the vulnerability of U.S. land-based missiles to Soviet land-based missiles. And with the 1985 deployment of MX, undoubtedly armed with the requisite warheads and accuracy to do the same to the Soviets, the Soviet land-based force will be forced to redeployment. Thus the period of SALT III, as well as of SALT II, will be bedeviled by events set in motion right now.

Still worse, the alternative of counterforce is likely, should nuclear escalation begin, to encourage each side to fire first—in a reciprocating cycle of fear of otherwise firing last.

The one obvious solution to this new round of arms race that has, predictably, not reached public consciousness is: disarmament. The two sides could agree to phase out the MIRVed component of their land-based missile force. With only single-headed missiles left, the party firing first would succeed in destroying, at most, only one missile with each single-warheaded attacking missile. He would therefore lack positive incentive to strike first. And he would have no negative incentive to do so (no fear of waiting) because there would be no danger that the other side might have incentive to strike him first. The agreement would be verified by prohibiting all flight tests of MIRVed land-based missiles.

It is true that such disarmament would not return the superpowers to the pre-MIRV era because submarines would still have MIRVed missiles. But the size, accuracy and numbers of the sub-launched missiles are not such, in this era, as would threaten the land-based missile forces.

WHY NOT PHASE OUT THE MIRVED ICBM'S

The two sides have agreed in SALT II to have at most 820 land-based MIRVed missiles. In fact, the United States now has 550 and the USSR about 570, but theirs are growing. If each side were to dismantle a sizable fraction each year, the mid-1980s would see the absence of land-based MIRVed missiles, rather than a dramatic threat to Minuteman.

But would the Russians agree? These MIRVed missiles are their newest ones and expensive. Nor are our own Minuteman III missiles obsolete. Would the two sides agree to dismantle usable equipment? This is, of course, like asking: Could disarmanent be "for real"?

There is a live opportunity to make it so during the ratification of the SALT II treaty. Doves who want disarmament could, if they had the wit to do so, join with hawks concerned over the vulnerability of Minuteman, to instruct negotiators to resolve promptly the forthcoming concerns of Minuteman vulnerability through reductions of strategic weapons, in the subsequent negotiations.

This would be in analogy to the resolution passed after SALT I in which negotiators in SALT II were instructed to assure "equal aggregates" in any subsequent agreement. It would not amend the SALT II agreement, but simply give the sense of the Senate as to its desires for the future—a sense strengthened by being attached to the treaty document and subsequently signed by the President.

The Administration would, at the moment, surely oppose such an effort because it would fear an inability to strike the requisite bargain with the Russians. It really wants disarmament agreements to maintain detente even as do the Russians. Neither superpower administration now expects disarmament to matter except in a largely cosmetic fashion, if ever they did.

Thus, while agreements once touted as "better than nothing" are sold now as "maintaining the process," few believe the process is going anywhere on comprehensive offensive weapon agreements. Those who will still urge that it be taken seriously are normally called by the press "ardent" disarmers. On the contrary, smart money in the Administration, shaken by the prospect of a close SALT II vote, is already scaling down its ambitions for SALT III to a series of bite-size agreements or, alternatively, a grand (show up the Russians) proposal. The later is unlikely to be agreed if only because it will be proposed in 1980 after the SALT II agreement has set back any Soviet incentive to agree to 1985 (when the SALT II agreement runs out and it needs a new SALT agreement to achieve its motivating political goals of maintaining a modicum of detente).

DETENTE OR DISARMAMENT?

The unity of the disarmament community is itself hampered by a feeling that detente rather than disarmament is the only achievable goal. But recognition is growing that the institutionalized misuse of disarmament to achieve only political goals will eventually wear thin and backfire.

There is, thus far, little second-guessing of the ABM treaty on defensive weapons. But the results of the effort, in SALT I, and SALT II, to limit offensive weapons have persuaded a segment of the defense community that the Russians have exploited the previous treaties to improve their defense situation vis a vis our own. Obviously a certain amount of jockeying is inevitable under treaties. If the treaties themselves give a good downward impulse to the arms situation, each side will still be advantaged, notwithstanding minor shifts in relative position. Unfortunately, if the treaties in question are not sufficiently substantive, the jockeying, or even the appearance of it, can dominate the terms of the agreements.

In any case, in this instance, the costs of not agreeing to rid oneself of the MIRVed missiles is going to be: tens of billions of dollars on our side in MX missile and new basing; tens of billions on the Soviet side in new basing—since our MX will threaten their existing land-based force; and a conceptually dangerous situation in which each side can, if it strikes first, rid the other of its land-based force with only a fraction of its own. All this plus a prolongation of arms race redeployment over a decade or two.

Here surely is a situation in which disarmament can represent a clear and immediate solution to a pressing strategic problem; can save tens of billions of dollars; and can avoid the arms control problem of temptations to fire first.

If such an effort is not made, the problem will not be traceable to the flaws in the plan but to flaws in the thinking of the superpower administrations. As Secretary of Defense Brown said in his recent posture statement, SALT agreements "can make the achievement of destabilizing future advantage even more difficult than is already the case, while allowing current vulnerabilities to be removed." This is such a case. This is a job for negotiated reductions. Can't one side or the other rise to the occasion and make a suitable proposal?

SUPPLEMENTAL TESTIMONY OF JEREMY J. STONE

On listening to the first week of testimony, these five observations came to mind that might usefully supplement my earlier prepared remarks:

(1) In assessing General Edward Rowney's relative enthusiasm for the March, 1977 proposal over the existing treaty, the Committee should ask the Defense Department to confirm that DOD studies show that even the entire March, 1977 proposal would not have changed the prospect of impending Minuteman vulnerability. In short, even the better proposal which General Rowney thinks we might have reached would not have been that different in its strategic implications.

(2) In assessing Paul Nitze's concern to protect the possibility of a multiple Protective Shelter System (MPS) in which the MX missile would be moved between vertical shelters, the Committee should investigate these allegations, which I would make:

(a) The U.S. would not find it desirable to run a race in which it built holes to match the Soviet capability to destroy holes (with additional warheads) unless it abrogated the ABM treaty and used ABM systems to selectively defend the holes in which the MX missiles would be hidden; the risks here of losing the best arms control treaty the United States has would be prohibitive.

(b) Were the Soviet Union to construct the same kind of MPS shelter system, the risks of rapid Soviet expansion of its missile force into those empty shelters (the problem of "break-out") would become a dominant concern of American strategists, as would be related problems of verification as to whether the holes had or had not already been filled with real missiles.

(3) In assessing Secretary of Defense Brown's support for the MX missile, the Committee should note that he defended it on the basis of the possible future need for a survivable land-based system in the light of the possibility that, in the nineties, our submarine based force might become vulnerable. The Committee should ask itself whether it seems plausible that a land-based MX system whose invulnerability, on paper, is already a subject of massive controversy (after 30 possible basing schemes have been examined) is likely to be a useful backup to the submarine-based force should the submarine ever appear to have become vulnerable. Further, the Committee should note Secretary Brown's remark that it was the President who assumed that some suitable basing scheme would be found and, therefore, announced the decision for MX in June. There is a real likelihood of enormous error in strategic planning in the rush to deploy MX. What will the U.S. do for an encore if this multibillion dollar scheme fails?

(4) In assessing the judgment of both General Rowney and Mr. Nitze that the strategic situation is becoming unbalanced against us, the Committee should observe that both witnesses denied the likelihood of Soviet attack based upon this imbalance because of the strength of our retaliatory forces; instead, both analyzed the problems as one of perceptions of superpower leaders or third parties. Thus the Committee is being provided with a political, not a military judgment; the Committee should therefore ask itself, as a body wholly qualified to make such political judgments, whether it believes, in this case, that military imbalances that are devoid of military significance would, or would not, have political significance.

(5) In determining whether the treaty is "equitable", the Committee should recognize that, by the nature of the U.S. political process, there is no advocate here for the Soviet view of what is equitable. These points might be made, however, were such advocate here.

(a) The U.S. got belated permission for the air-launched cruise missile which the Soviets do not have and get it at unlimited range: The U.S. succeeded in winning post-Vladivostok permission to deploy the cruise missile on bombers, a weapon which the Soviet Union does not have and which adds thousands of warheads to our arsenal, a number comparable to those associated with the SS-18 heavy missile—which we do not have but did not and do not want.

Moreover, although the U.S. gets to trade bombers with cruise missiles off against missiles with MIRV under a 1320 total, the Soviet Union must stay below 1200 in MIRVed missiles and cannot fill the 120 additional slots with MIRV or cruise missiles on bombers (since it does not have them). In effect, we are permitted 10 percent higher MIRV limits!

(b) The U.S. got belated limits on backfire for questionable reasons: The Soviets have every reason to believe that the Backfire concern was a "make-weight" argument to give the U.S. the bargaining leverage to get the cruise missile permitted (since by oversight, neither of these weapons systems were raised at Vladivostok) and to limit a Soviet weapon that is effective against our naval forces.

(c) The Soviet force continues to be more vulnerable than the U.S. Force: Because a larger percentage of Soviet retaliatory power is in its land-based force (perhaps 70–80 percent) the U.S. ability to destroy 50 percent of that force, which we shall have in the 80's, is more significant than the Soviet ability to destroy our entire land-based missile force representing, after all, only about 25 percent of our entire force. In short, the Soviet Union must have concern, even in the 80's, about its land-based force as do we, and it has our greater anti-submarine warfare capability to be concerned about as well.

(d) Above All, For the U.S., the Treaty Is Something for Nothing: As the Joint Chiefs of Staff admitted, the Treaty has a "quite nominal" effect on our program, but it does restrain the Soviet program, as Secretary Brown testifies, in numbers of missiles and warheads per missiles in ways which the Soviets might otherwise have pursued.

TESTIMONY OF RICHARD J. BARNET

I am honored to be asked to present my views to the Committee at this critical point in your deliberations. The SALT II treaty is before you at an historic moment. The United States and the Soviet Union are about to take some major forward steps in the arms race—with or without SALT. The Congressional Research Service of the Library of Congress recently compiled an imposing list of strategic weapons that can be built lawfully under the SALT II agreement and which, in the present climate, no doubt will be built. The Trident, the M-X, and the other technological "improvements," as they are mistakenly called, are creating a much more dangerous military environment.

Not only is the military environment becoming much less stable but the political environment as well. The world is no longer held in check by the projection of American power in the way it was during the first postwar generation. American power has declined from that extraordinary moment when we were the only undamaged economy emerging from the Second World War, the only possessor of atomic weapons, and our dollars were better than gold. That decline was inevitable. No other power can now play that role, and there is no evidence that any other power believes that it can play that role or seeks it. But the consequence of the enormous shift of power in the world is instability and violence and increased dangers of confrontation between the United States and the Soviet Union. The war no one wants will come, in my view, only if two preconditions are met. One is the development of hair-trigger counterforce technology that puts pressure on military planners on both sides to insure that their weapons are not caught on the ground. That means a world of more weapons rather than less and one in which weapons are fired sooner rather than later. It is a world in which the time for decisions about war and peace becomes dangerously compressed and the chances of fatal human error multiply. That world is now being created—with or without SALT II.

The other pre-condition for a nuclear war is a political confrontation in which nuclear weapons might credibly be involved. Such life and death struggles over which the shadow of nuclear weapons hangs face us across the world—the Middle East, despite great efforts still a danger point; southern Africa, Iran, and the Sino-Soviet dispute. The risk that the U.S. and the Soviet Union will be sucked into a fateful confrontation around one of these struggles is increasing. If neither the arms race nor U.S.-Soviet competitive interventions can be controlled, the outbreak of a nuclear war involving both is inevitable.

Judged by the magnitude of the crisis of national security we face the SALT II agreement is totally inadequate. It will not stop the arms race. It does not stop the dangerous development of "first-strike" counterforce technology; indeed the most destabilizing developments occurred during the long years in which the "SALT process" was unfolding. The SALT agreement does not call for the destruction of missile stockpiles, except for 250 obsolete Soviet missiles. There is evidence that the "SALT process" accelerates weapons stockpiling on both sides in anticipation of an agreement. To secure the acquiescence of the military in both countries and to secure ratification in the United States, weapons developments have been approved which increase the dangers of the arms race more than the minimal agreements reduce it. It is extraordinary that almost ten years of negotiation have produced so little.

The SALT agreement, in my view, raises two overriding questions. But the one that is now often asked, "Will the treaty leave the U.S. number one?" is meaningless. Stockpiles are so high, destructive power so enormous, that the notion of "superiority" which had a real meaning in the days of U.S. nucelar monopoly and near-monopoly is an empty word today. There is no way a Soviet leader could confidently calculate victory in today's world with or without SALT II.

We need first to understand what the agreement is and what it isn't. It is not disarmament, certainly. It is not even arms control for it does not touch the most dangerous aspects of the arms race. It is an effort at joint arms planning by the U.S. and the Soviet Union. A highly complex document has been painstakingly negotiated over a very long time which represents a consensus on the new direction the arms race should take. It is, arguably, a better direction than that which would result from market forces and domestic politics.

The second question is the crucial question of conscience which on the day of the ratification vote every senator must answer for himself—and for his constituents and his children. Will the coming into effect of SALT II make war more likely or less likely? That is the fundamental issue. In my view the provisions of the SALT treaty themselves because they permit so much of the arms race to continue, would not substantially reduce the dangers of war. The managed arms race under SALT is a more dangerous race than the unmanaged arms race of the last ten years, although the chances are that without SALT the news arms race would proceed even faster.

Claims for what is called the "SALT process" have been much exaggerated. Indeed, a strong case can be made that in the last few years the SALT negotiations have exacerbated tensions between the two superpowers The unfavorable political climate for the development of better U.S.-Soviet relations that has developed in the United States is a predictable, perhaps inevitable, consequence of the process of negotiation. One reason why the opposition to SALT is more enthusiastic than the support is that the goals of SALT are not clear. The opponents can rightly note that any agreement, however minimal, raises the emotion-laden issue of whether we can trust the Russians. But the supporters cannot maintain that the arms race will be stepped or "capped," since the technological competition is intensifying. The military buildup of each adversary can be interpreted by the other in different ways—either as an effort to amass "bargaining chips" for future negotiations, or as an indication of lack of faith in the possibilities of negotiations, or as a strategy of increased reliance on military power to achieve political goals. The most important function of arms agreements is to reduce the element of ambiguity in U.S.-Soviet relations and to clarify intentions in such a way as to build confidence and political support in both societies. This the "SALT process" does not do.

Whether any agreement on arms is feasible depends upon the intentions of the two powers. Most Americans assume that U.S. intentions are clear, and they focus on Soviet intentions. Indeed, the debate over SALT really comes down to a disagreement about Soviet goals, a fact that tends to be masked by discussions of numbers, throw-weights, and other technical details. American opponents of an agreement believe that this country should not accept limitations on the right to acquire, test, deploy, and use weapons (unless the agreements are clearly one-sided) because Soviet leaders are bent on expanding their military power one way or another. Creating uncertainty, to their mind, is the best guarantee of security. They would argue that stabilization of the nuclear arms race decreases uncertainty, creates illusions for Soviet leaders that they might bring off a successful surprise attack and thus increases the risk that they may resort to war or the threat of war.

The other view, which I share, is that Soviet leaders have no such fixed intentions. There are already enough nuclear weapons in the world to make any rational leader sufficiently uncertain about the consequences to his own society of starting a nuclear war that he would never launch one as an instrument of national policy. But increasing the level of uncertainty increases the risk of preemptive war, because it creates a tense military environment in which Russian fears about what the United States is about to do may cause them to strike first. In the nuclear age no one chooses war over peace, but there are circumstances in which one might well choose war now over war later if those were believed to be the only choices.

The opponents of arms reduction believe that military power is assuming an ever greater importance in Soviet policy because the Soviet system has lost some of its attraction for other countries and military power is the best, perhaps the only, vehicle available for them for projecting their influence. This leads to a belief that the Soviets are uninterested in any significant arms reduction except under clearly one-sided agreements and that, accordingly, it would be unsafe for us to commit ourselves to that effort. But a surer guide for a rational U.S. policy than such specualtion are these considerations: the historic concern of the Russians with territorial security, their growing apprehension about the de facto NATO-Chinese alliance, and the fact that their weapons programs, military doctrines, and political uses of military power have been imitative of and responsive to U.S. programs, doctrines and operations. The role of military power in Soviet foreign policy will be determined, to a very great extent, by what other powers, principally the United States and China do.

There is a third view of Soviet intentions, which says that since those intentions are unknowable they should be ignored. The classic military approach is to prepare against capabilities and assume the worst intentions. But that is a prescription for an unending arms race, and almost certainly for a war, since in that situation each side will consider itself secure only if it makes pessimistic assumptions and ensures that its capabilities exceed those of its adversary. What one side regards as a responsible "defensive" response to a threatening military posture looks to the other side like a preparation for aggressive war or political blackmail.

There is no way, then, of avoiding a serious assessment of Soviet intentions in developing a sensible arms policy. Such assessments are in fact always made, either explicitly or implicity. To adopt either the view of the pessimists—that the U.S.S.R. will relentlessly project its power by military means until opposed by equal or greater power—or the view of the optimists—that it is a status quo power beset with internal problems—is unwise and unnecessary. A serious view of Soviet intentions must be dynamic, that is, it must try to understand the relationship between Soviet decisions and external pressures, particularly the impact of U.S. policies. Arms reduction agreements should be designed to create controlled situations for testing intentions. In order to do so, they must be sufficiently broad and unambiguous to provide a framework for a significant demilitarization of the relationship between the United States and the Soviet Union that is quite different from the regulated arms race provided by SALT II.

To create situations for testing intentions requires a hypothesis about Soviet behavior from which to start. What do the Soviets want? Their 62-year history suggests that, like the leaders of most nations, the managers of the Soviet state have a hierarchy of foreign policy objectives. The most basic is to safeguard the physical security of the czarist empire they inherited. The next is to maintain control over the ancient kingdoms of Eastern Europe and the half of Germany they occupied during the Second World War. The third is to protect their political influence in the world on a scale equal to the United States, and some day to become the number one power. There is no clash between the first objective and American security. It is a long time since this country defined its security as requiring the return of capitalism to Russia. As for the second objective, the situation in Eastern Europe is not ideal from a human rights standpoint, to say the least, but it does not threaten the United States, nor is there any way that the intrusion of U.S. military power could change the status quo. That was shown long ago in the streets of Budapest, when it proved impossible to turn Captive Nations Day rhetoric into an effective American foreign policy. The real clash between Soviet and American objectives concerns the role the Soviet Union aspires to play on the world stage.

Ever since the end of World War II the Soviet Union has tried to establish its legitimacy as a world power. In the beginning the strategy was merely to assert the claim. "The Soviet Union should take the place that is due it and therefore should have bases in the Mediterranean for its merchant fleet," said Foreign Minister Vyacheslav Molotov at the London Foreign Ministers Conference in December 1945. In the same period they also asked for a share in the occupation of Japan. When the claims were summarily rejected by the West, nothing more was said about them. The early crises of the cold war—the Czechoslovak coup, the tightening of control over Eastern Europe, the Berlin Blockade—were attempts to consolidate power over the World War II conquests.

As the Soviet Union recovered from the war it became more active abroad. In the Khrushchev years (1957–63), a time Zbigniew Brzezinski has called the era of "premature Soviet globalism," the Soviet Union gave aid to such far-flung regimes as Sukarno's in Indonesia and Castro's in Cuba. At the same time, a general support for "wars of national liberation" was proclaimed, although actual support was selective and, except for Vietnam and Cuba, largely ineffective. The culmination of the era of "premature globalism" was the Cuban missile crisis, which had two objectives: first, to defend the communist regime 90 miles from Florida with the same sort of bold stroke the United States had used many times to protect Turkey, Iran, and Lebanon, its clients close to the Soviet Union; second, to proclaim that the era of U.S. nuclear superiority had come to an end. The Soviets could now directly threaten U.S. territory and bring their missiles to bear on political crises as the United States had done so many times. The move succeeded in its first purpose and failed in its second. Indeed, the confrontation dramatized the reality that the United States had a huge military superiority which, American officials immediately made clear, they intended to keep. Secretary of Defense Robert McNamara told a Senate Committee in 1944 that "any disarmament treaty or agreement . . . that we participate in must be one in which we maintain what I call our favorable differential balance of power." The theory remained that U.S. strategic power to threaten the Soviet homeland and the capacity to project conventional forces to every corner of the globe were necessary to contain Soviet expansion.

The Soviets immediately launched a military buildup that was designed to erase the American political advantage, and to make sure, as their diplomats kept saying, that future confrontations would never be resolved in the same humiliating way. In the intervening years the military buildup has continued at a steady pace; Soviet rhetoric is much more moderate than in Khrushchev's time, with the former chairman openly condemned as an adventurer; and as the Soviets have built up their missiles they have stopped rattling them. But they are exhibiting a greater willingness to project power at a distance where the opportunity presents itself, notably in Africa.

Just as in military hardware, the Soviet Union has been three to five years behind the United States in developing major new weapons systems, so in acquiring the political accoutrements of superpower status—"show the flag" naval power, proxy armies, military aid—the Soviets have been imitators. Compared with the far-flung network of bases, alliances, aid programs and covert operations maintained over the years by the United States, the Soviet effort is modest; but we should assume that in the present environment it will increase. Like their now impressive military forces, the increased propensity to take political risks in, say, Africa, are designed to make a statement: anything the United States can do, we can do—perhaps not on the same scale, but for the first time we are now in the same league.

As Soviet military power has increased, their political problems have multiplied. The Chinese enmity is an obsession and the U.S.-China rapprochement poses the nightmare of a two-front war. The splintering of the international communist movement has made it clear, if illusions ever existed, that the triumph of political movements in other countries calling themselves Marxist does not necessarily add to the power of the Soviet state. The record of Soviet expulsions from the Middle East and Africa—Egypt, Sudan, Somalia—suggest that even in areas of great political vulnerability for the United States, the Soviet Union finds it hard to triumph.

There is nothing to suggest from the history of the arms race so far that either a weapons buildup by the United States or the achievement of marginal arms control arrangements will cause the Soviet Union to downgrade the importance of military power in its foreign policy. Indeed, the contrary is true. It is vital to U.S. security and to its economic health to induce the Soviet Union to accept a significant demilitarization of superpower relationships, because such a step is crucial for reducing the growing risks of nuclear war. It is also a precondition for limiting the worldwide arms traffic and the proliferation of nuclear weapons.

A negotiating framework for demilitarizing the U.S.-Soviet relationship and for reversing the arms race would need to have clear goals and make explicit recognition of the interrelatedness of such crucial matters as strategic weapons, conventional forces in Europe and overseas bases. Such a framework would really represent a return to the approach embodied in the McCloy-Zorin Agreement of Principles of 1961 for staged comprehensive disarmament agreements leading to "general and complete disarmament." That approach was abandoned in the mid-1960s in favor of piecemeal negotiations on strategic weapons systems and later on conventional force reductions in Europe, because broad agreements were considered visionary or worse—cynical propaganda. Step-by-step negotiations were considered the "serious" way to confront the arms race. When the Soviets stopped talking about "general and complete disarmament" and entered negotiations for the control of ICBMs, they demonstrated, as Henry Kissinger and others used to say, that they were "serious." But for many reasons—the relentless pace of technological development, the volatility of political moods in the United States, the cumbersome Soviet bureaucracy—small agreements may turn out to be more visionary than substantial agreements, that is, agreements with benefits for both sides that clearly outweigh the risks, and with the ability to communicate unambiguous intentions.

Nevertheless, for all its inadequacies, I believe that rejection of SALT II by the Senate will increase the risk of war for reasons having nothing to do with the text of the treaty, and for that reason I recommend ratification. My reason is a simple one. In the present state of relations between the United States and the Soviet Union there is no way to arrive at a meaningful measure of arms control, let alone substantial arms reduction, which is now our only road to national security, without ratifying SALT. If it were politically possible to draft a new and better treaty in the Senate which the Soviets would sign, I would favor it. But it is not possible.

I am not reassured by the sudden conversion of long-time advocates of ever greater military spending into apostles of disarmament. Many of these national leaders who now oppose SALT because it does not go far enough had the opportunity for a generation to press for disarmament and genuine arms control and instead they pressed the futile policy of seeking security through terror and opposed every constructive step towards reversing the arms race. The sense of the Senate could be expressed in the strongest terms that the SALT II treaty should not be allowed to stand for more than a few months, that it should be immediately superceded by a negotiated moratorium on new weapons and a program of substantial reductions. But the tactic of defeating an inadequate treaty by writing a better one at this late date, knowing that the Russians will not sign it under these conditions, should not be permitted. The result will be a negotiating atmosphere in which the Soviet Union for reasons of pride and reasons of suspicion, will hesitate about all negotiation. When we meet again at the negotiating table, if we ever do, the problems will be far worse because of the new weapons and the political environment in which to negotiate will be worse.

Those of us who believe that the treaty does not go far enough have to judge what will take its place if it is rejected. The answer over the next two years at least is not a better agreement but no agreement. Major weapons programs will go forward in both countries. The Soviet Union will proceed to MIRV its remaining un-MIRV'd missiles. The U.S. will develop the dangerously destabilizing technologies, including the M–X missile which greatly complicates the problem of verification. Most important, leaders in both countries will lose hope in the possibility of controlling the arms race through agreements.

The only road to national security is to stop and to reverse the arms race. We have the technological capability to match any conceivable Soviet buildup. But we cannot continue to spend hundreds of billions on the military without risking mortal danger to our economy which is the foundation of our national strength. In a time of austerity, increasing the military budget while the domestic programs are being slashed raises the issue, not of guns versus butter, but of missiles versus the local police and firefighters. The distortion of priorities has become so acute that as the Administration counsels a three percent "real" increase in military spending each year, essential services in every major American city are being cut. To suggest that the threat of "Finlandization" in Europe is a greater threat to the people of Chicago, Cleveland, Los Angeles or Detroit than the loss of social services, the breakdown of the education system, the rise in crime, the alarming increase in infant mortality, the impending municipal bankruptcies, or the failure to invest in an alternative energy system is to distort national security strategy, and to misconstrue the meaning of "strength."

The same is also true of the Soviet Union. For both of us the return on investment in the military is declining. The heavy burden of the military preempts not just scarce capital, but political energy and managerial skill needed to address the real threats facing Soviet society. Because of the military burden, the Soviet Union is unable to develop its productive capacity. Instead of developing a domestic capacity to satisfy the sharply increased expectations of Soviet citizens for a better diet and a better standard of living, Soviet leaders find themselves importing grain to support the new meat-eating habits of the population and deferring critical investments in the engines of the economy.

We can spend almost two trillion dollars in the next ten years in pursuit of a "defense" that no longer exists and they can spend an equivalent sum, and in the end both will be poorer and more vulnerable because the level of destructive power in the world will have gone up. Neither will have a secure defense because there is no defense in the nuclear age.

The Soviet leaders, I believe, understand this fact of life. For the Soviet Union SALT is a political symbol. If this treaty cannot be ratified, as minimal and as hedged as it is, then no agreement with the U.S. on arms is possible. The whole history of U.S.-Soviet negotiations since 1974 has given the Soviets little reason for confidence. On crucial issues the Administration has changed positions, as in the March 1977 proposals, and the Senate has refused to approve credits and most-favored-nation status which the Soviets had been led to expect. These developments, it will be said, are inherent in our system of separation of powers and quadrennial elections. They were risks the Soviets took in negotiating with us. That is true, but whatever the merits of the new negotiating positions and Senate reservations, they make up a picture from the Soviet perspective of an unreliable negotiating partner.

It is not in the American interest to have the Soviet leadership conclude that negotiations with the U.S. are hopeless. Were that to happen, we would face, in my opinion, an accelerated military buildup and the possibility of a more activist foreign policy designed to break out of the increasingly isolated position in which the Soviet Union finds itself. In a world without arms control the U.S.-West German-Japanese-Chinese relationship becomes more threatening in Soviet eyes. Every missile not in the Soviet Union is now assumed to be aimed at the Soviet Union. It is not in the interests of the U.S. that Soviet leaders feel isolated or cornered.

It is not hard to imagine a better agreement than SALT II. A simple agreement that would force the two sides to choose between continuing the arms race or stopping it would be far preferable. Both the U.S. and the Soviet Union can and should establish a realistic set of common goals for substantial disarmament and demilitarization that could significantly improve the political climate, reduce the risks of confrontation, and improve the security of both the American and Soviet peoples. To create a positive political climate in which it becomes possible to reverse the arms race, arms agreements should meet three criteria. First, the agreements should demonstrably increase perceptions of security on both sides. Second, a stable new arms relationship should have clear economic payoffs for both sides. Third, the primary purpose of the agreement should be to remove ambiguities about intentions. The greatest perceived threats are not the weapons already built, although they are more than adequate to destroy both societies, but the weapons about to be built. New weapons systems convey threatening intentions and raise unanswerable questions: Are the Soviets seeking "superiority"? If so, is it to neutralize the effects of 30 years of U.S. "superiority," or do they really expect to play a similar role themselves in the next 30 years? No one can provide definitive answers about these matters. To have the questions occupy center stage is already disturbing the political atmosphere, and introducing a note of hysteria into a set of issues on which the soberest judgments must be made.

The question of ultimate intentions cannot be answered, but it can be rendered irrelevant by an agreement which is sufficiently clear and comprehensive. Within a controlled but continuing nuclear arms race there is always room for arguing that the ageement favors one side or the other. However, a freeze on all new nuclear weapons systems would make it clear that both sides indeed intend to stop the arms race.

It is in the interest of the United States to press for a halt of nuclear weapons and missile production this year. A rough balance of nuclear forces now exists—a balance which, in the view of the Administration, still favors the United States. The next round of the arms race can only work to the economic and strategic disadvantage of this country and create new perils for the entire world.

A more comprehensive agreement would have fewer exceptions and fewer technicalities. The simpler and more comprehensive, the fairer it is likely to appear to both sides. It would be simpler to understand and verify. It would fulfill the primary purpose of arms agreements by removing ambiguities about intentions. I believe that a mutually agreed upon moratorium on the procurement, testing, and deployment of all bombers, missiles, and warheads for three years is in the interests of both the United States and the Soviet Union. During such a period the two sides could, I would hope, negotiate deep cuts in strategic nuclear weapons and delivery systems. Such agreements would require significant internal changes in the national security establishments of both societies, including a serious program for conversion of military industry. Such changes represent the most reliable form of verification for they require leaders in both countries to reverse major policies and to confront powerful domestic interests in order to commit the society to arms reduction. Real internal changes in the direction of peace are far more reassuring than professions of peace or agreements like SALT II that are compatible with either an intention to move to arms limitation or to a new stage in the arms race.

For those who believe that SALT II is inadequate because it does not go far enough the proper strategy seems clear. The goal should be to supersede SALT II as quickly as possible with a treaty that moves the world to real arms reduction. But the treaty for all its inadequacies and all the exaggerated claims that have been made for it, cannot be avoided. We are limited by the history we have made. The road to arms reduction and increased security cannot bypass SALT II.●

THE POLITICS OF DESPAIR

● Mr. HATCH. Mr. President, Sunday night President Carter spoke to the Nation about his ideas for solving our major economic ills and energy problems. Response to President Carter's speech has been mixed. Several commentators have complimented him on his performance. However, we must go beyond the rhetoric and examine the substance of his proposals. Close scrutiny finds the speech lacking in sound economic foundations. For what the President was telling the American people was that they can expect no more economic growth in the future, that they cannot expect their standards of living to increase, that they cannot expect their children to face a better world than they do.

The message of no economic growth is a tough one to deliver, particularly since it is not necessary. But in order to be able to continue the statist and interventionist policies toward energy which have produced our present energy problems, but which also appeal to the left wing of his political party, President Carter had to sell the American people on this dismal future. He used two despicable techniques.

First, he appealed to the patriotism of the American people to wage war against OPEC through economic self-sacrifice. But comparing our present energy problems, which have been created by the Federal price controls and allocation scheme, to the situation that existed during World War II, when Americans were asked to make economic sacrifices in order to gear our economy to wartime production to fight one of the world's worst tyrants, is unfair to every individual's sense of good will and patriotism.

And second, President Carter told us that the economic sacrifice we would have to make to allow him to follow his no growth policies would be good for our souls. I do not believe, and most Americans do not believe, that economic progress is bad for our souls. Indeed, when an economy fails to grow, one group can only gain at the expense of another, and this leads to jealousies, political maneuvering, and hatred among groups. When an economy does grow, everyone has an opportunity to progress without taking anything away from anyone else.

There is one group that benefits from a no-growth economy, however. That is the Government bureaucrats who must then decide how to split up the pie among competing interests. As economies stagnate, their people turn to their governments to solve their economic problems. I am sure that the bureaucrats at the Department of Energy are licking their chops at the prospect of being able to allocate all of the energy resources in our country as the government expands its involvement in the expensive synthetic fuels area and must allocate scarce fuel and gasoline when the import quotas begin to reduce supply below demand at the world price. With our present policies discouraging domestic oil development and production, and with import quotas, it is only a matter of time until a shortage develops that will require a Government allocation system—a bureaucrat's dream.

Mr. President, the problems with President Carter's energy message have been spelled out clearly and forcefully in two editorials and two articles in today's Wall Street Journal. The articles are entitled "The Carter Speech: Nothing New" by Lindley H. Clark, Jr., and "And a Misreading of the Nation's 'Soul'" by Roger Ricklefs. I commend these editorials and articles to my colleagues and ask that they be printed in the RECORD.

The editorials follow:

THE REAL JIMMY CARTER

Out of all the sermonic and confusing rhetoric President Carter has showered on the American public these last two days, at least one thing is clear. The President has weighed the merits of either getting the government out of the energy business or getting it more deeply in. He has chosen to get it further in, on a massive, almost unbelievable scale. The real Jimmy Carter has finally stood up, on the far left of the Democratic Party.

There'll be a new government "Energy Security Corp." to siphon $140 billion in "windfall profits" from the oil companies over the next 10 years. That would pretty much eliminate oil profits of any kind. While the oil companies quietly pass out of business, the ESC would squander this money on expensive and technologically risky forms of energy.

There'll be an Energy Mobilization Board to ride roughshod over normal legal processes, except maybe those that are mainly responsible for retarding energy development, the environmental laws, for example.

There'll be a new army of government inspectors scouring the country, levying $10,000 fines on any hapless building operator whose thermostats are showing something less than 78 degrees. Electric utilities will be "made" to switch out of oil—as if they themselves, and not the government, are to blame for their not doing that.

There'll be a federal "Solar Bank" finally to capture the elusive riches of solar power. The President will set conservation goals for states, import quotas for the nation, etc.

In short, Mr. Carter has reacted to the public's low opinion of his administration by "getting tough" and proposing a further suspension of private freedoms. He justifies this on grounds that it is the American people, not his administration and the Congress, who deserve the blame for our economic problems. He summons up the memory of Franklin Roosevelt as he casts himself in the role of a President leading the country out of awful crisis; except where FDR confronted Depression and poverty, Mr. Carter seems to find his crisis in excessive affluence:

"Too many of us now tend to worship self-indulgence and consumption . . . we have learned that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose . . . the symptoms of this crisis of the American spirit are all around us: two-thirds of our people do not even vote, the productivity of American workers is actually dropping and the willingness of Americans to save for the future has fallen below that of all other people in the Western world . . . there is a growing disrespect for government and for churches and for schools, the news media and other institutions. . . ."

Quite an indictment. It is the kind of indictment clergymen use to lash their congregations with on Sunday mornings and it is appropriate in that setting of spiritual redemption. But it is highly inappropriate coming from the man who is supposed to be managing the affairs of the United States government. The two key problems that provoked this rhetorical outburst—inflation and gasoline lines—are clearly and directly attributable to the policies of the Carter administration.

The gasoline lines are caused by the government's refusal to remove price controls, and hence supply allocations. Given the enormous economic inefficiencies that have resulted from this refusal, it now seems clear that prices of gasoline would fall, not rise further, after decontrol. Other forms of government intervention—energy use regulation and draconian environmental rules, in particular—have added to the dislocations and inefficiencies. It doesn't take a $140 billion government program to solve the energy problem; the problem would evaporate if the government would simply get out of energy.

As to those other problems of the American "spirit," low savings and productivity and low confidence in institutions—the main cause is inflation. Why should anyone have confidence in a government that can't balance its budget or run a stable monetary policy? Or why should they save the money it prints?

Now, it seems, it will be necessary to print still more money, and generate still more inflation, to finance the latest grandiose schemes dreamed up by the statists who hold the President in their grip. They are in the saddle and they are exultant about the President's vigorous showmanship Sunday night and Monday. The only trouble is that the policies he has proposed will only get the country into a deeper tangle. And next year, the voters will have a chance to decide which side they're on—or at least so we hope.

From Homily to Demagogy

For about five minutes Sunday night, President Carter's rhetorical offensive struck the right note. The appeal to American confidence and the attack on the isolation of the federal government recalled the best of the grass-roots campaign that brought this political unknown to the White House. But just 12 hours later, in his Kansas City speech to the National Association of Counties, the President reverted to the dark side of grass-roots rhetoric. Instead of providing "honest answers" and "clear leadership," he sought to obscure the true causes of the current energy debacle with some old-fashioned populist scape-goating.

This tactic was signaled Sunday in the untrue statement that our excessive dependence on OPEC "is the direct cause of the long lines that have made millions of you spend aggravating hours waiting for gasoline." OPEC can be attacked for high prices, but the one thing this cartel has not been able to enforce are production cutbacks by its members. The current shortfall in world oil production comes directly from a revolution in Iran, in which U.S. foreign policy played a considerably larger role than OPEC decisions. But even this shortfall wouldn't have caused the gas lines, as it didn't in most of Europe, were it not for the massive market distortions of the federal price control and allocation systems. But it's far easier to attack dark-skinned foreigners, along the lines of the famous Eizenstat memo, than to admit that one's own policies and administrators have failed.

The Kansas City speech broadened the rhetorical offensive. "The oil companies must cooperate!" Mr. Carter declared. "We will bring the full force of the law to bear on those who profiteer . . . or who try to cheat the American public." Six hundred auditors will be deployed to keep refiners and oil dealers in line. Energy statistics will be checked and rechecked.

The President must know that auditors don't drill oil wells and that collecting figures on energy reserves doesn't create energy reserves. But government policies can depress production and keep drilling rigs idle. When these policies go wrong, as they have to an awesome extent, it's easy and popular to shift the blame to the refiner unwilling to produce unleaded gasoline at a loss or the wildcatter so confused by new natural gas legislation that he suspends drilling.

But even these scapegoats may not be enough. Say President Carter raises $140 billion to develop uneconomic fuels through a "strong permanent windfall profits tax" on the supposed bonanza from a price decontrol which now seems indefinitely postponed. And suppose that through his "shuffling allocations," the gas lines and disruptions broaden. Then who will he blame for the grumbling and dissatisfaction?

Since Americans are not at all demoralized and corrupt, they will respond to President Carter's challenge with more enthusiasm than his policies deserve. Throughout history, the call to war has been the easy way to gain public support. But the public has the right to demand that the war strategy be sound, that the generals know their business, and that they are fighting the right enemies. When the first flush of support dies down, it will become clear that President Carter's strategy for energy war will produce disasters that no amount of demagogy can conceal.

The Carter Speech: Nothing New

(By Lindley H. Clark, Jr.)

Jimmy Carter was clear and forceful. There were none of those odd pauses in the middle of sentences, none of the hesitancy that has marred other presentations. It was, without doubt, his best television performance.

It's too bad he found nothing worthwhile to say.

On Sunday night he told the nation that its economic and energy problems were the fault of the Organization of Petroleum Exporting Countries. "This," he said, with a perfectly straight face, "is the direct cause of the long lines that have made millions of you spend aggravating hours waiting for gasoline. It's a cause of the increased inflation and unemployment that we now face."

He didn't explain how OPEC could so neatly have arranged for gasoline lines in New York and Washington and none in the Midwest. There was no hint that a congressionally mandated allocations system could have played a part in the mess. Nor did Mr. Carter suggest that big budget deficits and expansive monetary policy could have had something to do with the inflation.

Instead he urged more government to attack problems fundamentally caused by too much government. It was ever thus.

Last week I talked with William E. Simon, who served as Treasury Secretary from 1974 to 1977 and before that spent several uneasy months in the midst of Energy Crisis I.

Mr. Simon set down his thoughts on energy in his best-selling book, "A Time for Truth" (Reader's Digest Press). He feels that matters were badly mishandled under a Republican administration and that things haven't gotten any better under Mr. Carter.

LOSS OF CONFIDENCE

"This fellow in the White House is a bigger disaster than even his worst detractors said," Mr. Simon commented. "He has lost confidence in himself. Traveling around the world, talking with former colleagues, government officias and businessmen, it's embarrassing. This man is held in contempt."

Mr. Simon's energy plan is simple enough: "The U.S. is blessed with a super-abundance of natural resources and technology. We should use that technology to achieve energy self-sufficiency. We should exercise the leadership that would persuade OPEC to moderate its prices. All the pieces are there; the only reason the right things aren't done is politics."

The former Treasury Secretary would like to see the Energy Department abolished, but he isn't optimistic. In his book he recalls the time when the Federal Energy Administration, the ancestor of the Energy Department, was scheduled to go out of existence. A newspaper reporter called him at the Treasury and asked what he thought of extending the life of the FEA:

"I exclaimed, 'Extend its life! That place is a menace. It's strangling the energy industry at the very time when we need production. It should be wiped out of existence.' . . . But that day I learned that President Ford had already decided to extend the life of this bureaucratic abortion."

Republicans tend to oppose regulation firmly—unless they're doing the regulating. What they forget, Mr. Simon warns, is that Republicans go out of office and their sins sometimes linger on behind them.

One Republican sin that didn't get anywhere, fortunately, was Nelson Rockefeller's $100 billion energy corporations that would have lent money to private industry to develp new fuel technologies. Mr. Carter's energy subsidy scheme differs from the Rockefeller-Ford boondoggle in detail but not in substance, so Mr. Simon's comments on the earlier incarnation are appropriate:

"Even with taxation and inflation set aside," he wrote, "there is no conceivable justification for the government to subsidize a massive construction program for an industry that the same government has actively prevented from functioning. If the energy industries are simply freed from their regulatory bondage and are allowed to function sanely, they will pay for their own expansion out of their own profits.

"That is free enterprise, and in the entire history of mankind nothing has ever served better as a 'catalyst and stimulant' to invention and innovation than the profit system. That system will quickly bring about the increased production necessary for self-sufficiency. There is time, using fossil fuels alone, the resources yet to be discovered . . . and nuclear energy for the energy industries to devise synthetic fuels and new technologies like solar, geothermal and tidal energy."

Ralph Nader, the self-appointed consumer spokesman, found only one flaw in Mr. Carter's speech: no specific attack on nuclear energy. Nuclear power does entail risks, as the accident at Pennsylvania's Three Mile Island plant has emphasized.

"Three Mile Island hasn't changed the need for nuclear energy," Mr. Simon says. "Some people talk as though we should have a government that removes all risks. Nothing is risk-free, but we should minimize the risk." He calls for frequent inspections and safety checks.

ENERGY MOBILIZATION BOARD

One of the more touching aspects of Mr. Carter's speech was the proposal to create an energy mobilization board which "like the War Production Board in World War II," would have the responsibility and authority to "cut through red tape, the delay and the endless roadblocks to completing key energy projects."

The first question that sparks is whether Mr. Carter (or his writers) bothered to read the history of World War II and WPB. War production got rolling in spite of the WPB and its competing agencies, not because of them.

Donald Nelson, the Sears executive who headed WPB, tried hard to gear the nation for war. But for some time he was still surrounded by conflicting agencies. He found it impossible to strictly control priorities or to prevent expansion of production in unneeded directions.

The second question is whether Mr. Carter or anyone else considered the fact that the best way to deal with the red tape and delays would be to eliminate or drastically cut the governmental regulations that are the root of the problem. That would free a few regulators (and an entire energy mobilization board) for more productive tasks.

In Washington, of course, things don't work that way. As Mr. Simon says, "People spend hours down there figuring out the best way for the government to do things that it shouldn't be doing in the first place. The regulatory system has gotten completely out of control. No matter how well-intentioned the administration may be, it won't be able to persuade the regulators to behave any differently."

All in all, it seems that 10 days on the mountain at Camp David did not produce much. The New York Times noted that one of the television programs canceled for the Sunday night speech was an episide of "Moses the Lawgiver" in which Moses comes down from the mountain with the Ten Commandments.

Mr. Carter is out of his league.

AND A MISREADING OF THE NATION'S "SOUL"

(By Roger Ricklefs)

Dear President Carter:

That was a remarkable speech Sunday night, but I wonder if you're missing the point. Mr. President, we're not out of confidence, we're out of gas.

You have taken a hard and long look at a national problem and found exactly what one might expect of a man who doesn't actually sit in gas lines himself—a spiritual crisis. But is that what is really happening?

You say that the gap between the citizens and Washington has never been so wide, and perhaps you are right. But now you have taken this a step farther and defined the country's energy problem not merely in Washington's terms, but in your own.

You roam America in your Boeing 707 and helicopter seeking insight into the nation's soul. But all the while, the voter wanders America in his Chevrolet Impala seeking only a green flag and a little unleaded.

You asked in your speech, "Why have we not been able to get together as a nation to resolve our serious energy problem?" Perhaps the reason is that almost nobody sees this as quite the religious crusade that it seems to you. You may tie it all in with the decline of the family and self-indulgence, but to many of us, it has more to do with prosaic old supply and demand. Obviously, the energy crisis is a critical problem, but it's a problem to be solved, the stuff of normal life rather than a symptom of spiritual crisis. Perhaps we can say it is the moral equivalent of some wars, but it somehow doesn't measure up to Iwo Jima and Guadalcanal.

A Southern governor you quote told you, "Mr. President, you're not leading this nation, you're just managing the government." The fact is, though, that an awfully big crowd of non-governors would happily settle for a little more effective managing of the government.

This isn't because people like to think small, but because they suspect your broader leadership might address problems that are a bit overblown in your mind and not quite central to their lives.

For instance, you worry that we are losing our confidence as a nation, and undoubtedly there is a fair bit of truth here. But perhaps what we've mainly lost is our overconfidence. The "confidence" of the 1960s that we have lost is what made smart people pay 40 times earnings for "concept" stocks and delude themselves that we could never lose a war.

Perhaps people today feel that the unusual combination of happy circumstances in the years after World War II, including ludicrously cheap energy, is ending. Today, people see that there are limits. They've learned that you never really solve your problems; at best, you only trade them in for problems you like better. Some goals you achieve, while others you don't quite meet. But is this a spiritual crisis or simply a rational adjustment to reality?

What is happening is that we increasingly realize we are in the same boat as other countries. For instance, much is made of our growing dependence on foreign oil as some sort of sign of national collapse. Certainly, most of us are willing to sacrifice to reduce this dependence, as well we should.

But let us keep this in perspective. These days, ironically, a degree of dependence goes hand in hand with a high standard of living. Before two car families came into vogue, this country exported oil. But everybody else is in the same situation. If Russians are willing to eat potatoes and cabbage, they don't need us for grain. But if the Soviet leaders want to put meat on the dinner tables of Leningrad and Minsk, they will have to get the grain to feed the cattle from us, their most powerful adversary.

While we depend on Saudi Arabia for oil, that underpopulated vast nation, surrounded by hostile states, depends on us for military security. We must import some of our oil, but Japan must import it all. Without trade, Britain goes hungry. Yet people adjust. Britain may strive to improve its agriculture, but it doesn't feel a spiritual collapse just because oranges don't grow there.

But what seemed the most far-fetched was your effort to link the energy crisis to the decline of the "strong families, close-knit communities and faith in God" of yesteryear. Mr. President, in the real world, the main connection between declining gasoline supplies and rising divorce rates is that a divorced couple is more likely to own two cars. One person may spend the weekend in church while another spends it in a disco. It's hard to tell which contributes more to the energy crisis.

If millions of people aren't living the way you would like, perhaps it is because they don't want to. Grandma hasn't moved out of the family homestead because she is suffering from a spiritual collapse. She's done it because nowadays she can afford her own pad.

Mr. President, a great many of us respect your religious and social views even if we don't subscribe to them ourselves. Some people may look to you for spiritual awakening. But more people look to you for heating oil.

One of the great joys of living in countries like ours is that people can live their lives as they see fit without taking their cues from the leader's social and religious views. Some people like to party, and some people, like to teach Sunday school. What nobody likes is setting the thermostat at 78 degrees.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on June 26, 1979.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

The notification follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., June 26, 1979.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA.

Attachments.

PROPOSED ARMS SALES

Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the two notifications I have just received.

The notifications follow:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., June 26, 1979.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79–42, concerning the Department of the Army's proposed Letter of Offer to Israel for defense articles and services estimated to cost $28.5 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA.

Attachments.

[Transmittal No. 79–42]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.
(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$27.1
Other	1.4
Total	$28.5

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Two hundred fifty (250) AN/VSG-2 thermal sights for use with main battle tanks.

(iv) Military Department: Army (XGQ).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: June 26, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 26, 1979.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-43, concerning the Department of the Army's proposed Letter of Offer to Israel for defense articles and services estimated to cost $15.3 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
ERNEST GRAVES,
Lieutenant General, USA.

Attachments.

[Transmittal No. 79-43]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value:

[In millions]	
Major defense equipment *	$13.5
Other	1.8
Total	15.3

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Twenty five thousand (25,000) rounds of M483A1 155mm howitzer high explosive ammunition.

(iv) Military Department: Army (XHD).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: June 26, 1979.

PROPOSED ARMS SALES

Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD at this point the notification I have just received.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 5, 1979.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-53, concerning the Department of the Air Force's proposed Letter of Offer to Egypt for defense articles and services estimated to cost $594.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,
ERNEST GRAVES,
Lieutenant General, USA.

Attachments.

[Transmittal No. 79-53]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS IMPORT ACT

(i) Prospective Purchaser: Egypt.

(ii) Total Estimated Value:

[In millions]	
Major Defense Equipment*	$375.0
Other	219.0
Total	594.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Thirty-five (35) F-4E fighter aircraft accompanied by 100 AIM-9E, 250 AIM-9P Sidewinder, 70 AIM-7E Sparrow and 500 AGM-65A Maverick missiles, support equipment, spare parts, training, technical services, and other necessary support.

(iv) Military Department: Air Force (SKA)

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 5, 1979.

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the record in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on July 6, 1979.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

The notification follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., July 6, 1979.
Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,
ERNEST GRAVES,
Lieutenant General, USA.●

ORDER FOR THE RECOGNITION OF THE TWO LEADERS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of the two leaders, which is a standing order, be modified for tomorrow to allow each leader not to exceed 5 minutes.

Mr. STEVENS. There is no objection to that.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any time remaining after the time allotted to the two leaders on tomorrow, and between that time and 11:30 a.m., be utilized for routine morning business and that Senators may speak therein up to 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, the Senate will resume consideration of the energy water appropriation bill at 11:30 a.m. tomorrow; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I say to my colleagues that there will be rollcall votes tomorrow.

The energy water appropriation bill, which has been the pending measure this afternoon, before routine morning business was ordered, will be disposed of tomorrow, it is hoped.

Upon disposition of this measure, the Senate will take up the agriculture appropriation bill, on which there is a time agreement and on which there will be rollcall votes in connection with amendments and motions relating to the same.

RECESS UNTIL 11:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order entered previously, that the Senate stand in recess until 11:15 a.m. tomorrow.

The motion was agreed to; and at 7:29 p.m. the Senate recessed until tomorrow, Wednesday, July 19, 1979, at 11:15 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, July 17, 1979*

The House met at 12 o'clock noon.

The Reverend Mr. John C. Macon, executive director of the Eastern Association of Christian Schools, formerly pastor of the Bible Baptist Church, Upper Marlboro, Md., offered the following prayer:

Our dear heavenly Father, we want to pause and thank Thee for the thrill of living in America. We thank Thee for the founders of this great Nation who gave us the freedom to live, study, work, and worship in the place of our own choosing. We thank Thee for the great accomplishments of our Nation. And we thank Thee that in spite of our sins as individuals and failures as a nation that Thy love for us is with us still.

Many confusing and frustrating conditions have made us sense our renewed need of Thy help. May we turn back to Thee for guidance, knowing Thou hast not given us the spirit of fear, but of power, and of love, and of a sound mind.

We pray for the President and the Members of the Senate and of the House that Thou wilt direct these our representatives in Government and give them discernment and wisdom for the tasks that are before them this day.

In Jesus' name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3875. An act to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes.

THE REVEREND MR. JOHN C. MACON

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, it gives me great pleasure to welcome the Reverend Mr. John C. Macon and thank him for his inspiring opening prayer this morning.

Mr. Macon is a graduate of Bob Jones University of Greenville, S.C. Upon graduation Mr. Macon worked at the Miracle Hills School for Underprivileged Children for 5 years and then served for 1 year as director of the Washington Christian Businessmen's Committee.

In 1964, he became pastor of the Bible Baptist Church of Upper Marlboro, Md. From an initial congregation of 7 people, this church has now grown to over 350 under Mr. Macon's leadership. In 1966 he founded the Clinton Christian School with 9 pupils and nurtured its growth to its current size of 1,000 students.

Most recently, Mr. Macon has left the Bible Baptist Church to accept the position of executive director of the Eastern Association of Christian Schools.

I am pleased to welcome Mr. Macon and his wife Twila Faith and three children—April, Angel, and John—who are with us here today.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the bill on the Private Calendar.

OBSOLETE VESSEL SALE

The Clerk called the bill (H.R. 3094) to authorize the Secretary of Commerce to sell five obsolete vessels to the Inter-Ocean Management Co., a California corporation, and for other purposes.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

U.S.-U.S.S.R. MILITARY BALANCE—MYTHS AND FACTS IV

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, last Friday I mentioned four criteria for comparing Warsaw Pact and NATO tank capabilities. I pointed out that NATO's advantage in preparing for a defensive war with tanks of superior quality offset the pact's numerical advantage. Today I will look at the other two factors: The quality of the tank crews and antitank weaponry.

Experts have noted glaring deficiencies in pact training techniques and command procedures. Pact crews are not trained on the type of tanks they would operate in combat, they have to use a small number of training tanks on a rotating basis. Thus, in the event of war pact tank crews will have to operate tanks with which they have had little real experience. NATO, by contrast, trains its crews on the same type of tanks they would use if war breaks out. Further, Warsaw Pact troops are trained to follow a rigid command structure which allows little room for deviations from attack plans to deal with inevitable unforeseen tactical developments. In contrast, tactical flexibility is stressed by NATO.

NATO antitank superiority is unquestioned. NATO antitank weapons are capable of penetrating up to 20 inches of armor. One hit is sufficient to knock out any tank currently used by the Warsaw Pact. NATO forces have 193,000 antitank missiles, more than nine times the number of tanks in the pact's arsenal. Many of these antitank missiles are accurate from distances of over 3 kilometers, well outside the cannon range of virtually all pact tanks. The fact that NATO will be fighting a defensive war means that its antitank weapons can remain hidden from exposed pact tanks.

I submit, therefore, that NATO's superior equipment, troops, and defensive weaponry, coupled with the tactical advantages of fighting a defensive war, offset the Warsaw Pact's numerical advantage in tanks.

SARAH MOORE GRIMKE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, throughout America's history women have fought for those basic freedoms for which our country was founded. Yet women were not given the basic right to vote until 1920 and still await passage of the equal rights amendment.

In 1837 Sarah Moore Grimke wrote the first tract on women's rights in America, "Letters on the Equality of the Sexes and the Condition of Woman," which proposed political, economic, educational, and religious equality for all women.

A Quaker and ardent abolitionist, Sarah Grimke had a profound understanding of theology and Biblical analysis. Her vision of human equality was based upon Scripture but seemed totally outside the official moral code of her time. She offered the radical idea that God had created man and woman in absolute equality.

With her sister, Angelina, Sarah Grimke demonstrated a new reality where women might travel, speak out against oppression, and learn about a larger world. Although a storm of opposition and censure confronted her, Sarah Grimke held her ground.

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

PERMISSION FOR SUBCOMMITTEE ON CRIME OF COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE TOMORROW

Mr. SYNAR. Mr. Speaker, I ask unanimous consent that the Subcommittee on Crime of the Committee on the Judiciary be allowed to sit during the 5-minute rule tomorrow for the purpose of marking up S. 961, amendments to the Speedy Trial Act of 1974.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

AMERICANS NEED A TAX CUT NOW

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, President John F. Kennedy's Chief Economic Adviser, Dr. Walter Heller, testified before our House Budget Committee this morning that Congress should cut taxes by at least $30 billion to help get our country out of the impending economic recession.

Republican leaders of the House have also called for such tax relief for the American people and their productive enterprises in order to bolster the economy.

Also endorsing this proposal, and action by Congress to cut the Government deficit by reducing Federal spending, was Lief Olsen, economic policy chairman for Citibank.

I hope that the leadership of Congress will get behind this call to reduce the time that American citizens have to work each day just to satisfy the Federal tax collector.

In the President's words the other evening, this is "a call to patriotism" for elected representatives of our people.

A $30 to $40 billion tax cut now will give all our working people and their productive enterprises a larger share of their income for job-producing economic expansion that we need right now in the private sector to help avert a major recession.

☐ 1210

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair wishes to make a statement.

In recent days the Congress has undertaken measures to comply with the President's Executive order implementing thermostat controls for nonresidential buildings, most particularly by raising the temperature in the Capitol and congressional office buildings to 78 degrees. This effort to conserve energy has undoubtedly resulted in some discomfort for Members, staff, and visitors to the Capitol. As a result, some questions have arisen concerning proper dress for Members when they are in the House Chamber. Over many years and during some uncomfortable seasons, Members have respected an unwritten standard. Historically, a coat and tie has always been required for male Members and appropriate attire for female Members. The Chair believes that the House should continue to adhere to this practice. The Chair certainly intends to. Perhaps the Chair reflects the views of his own generation but he feels that this is one of the ways in which he shows his respect for this institution.

The Chair does not believe he should become an arbiter of style. What color a persons wears or the manner in which he or she combs his hair is certainly a matter for individual determination.

But the older Members will recall previous occasions when this Chamber has been uncomfortable. We have now had about 3 days of seasonal temperatures and humidity, and the Chair has had various parts of the Chamber monitored for temperature readings. On occasion, those readings have indicated temperatures in the high eighties. The Chair does not believe those temperatures are conducive to efficiency. It makes it more difficult for Members to carry out their legislative duties, particularly when we are facing many weeks of hard legislative work and long hours in this Chamber.

While adhering to the President's guidelines, and while maintaining the energy conservation steps which have been undertaken by the Architect, at the Chair's direction, the Chair does intend to see that steps are taken to provide for a better circulation of air in the Chamber. The Architect informs us that some large circulating fans can be installed which should significantly improve the situation. Some have been installed. The Chair would hope that these measures would permit us to maintain our present standards of dress and, thus, some degree of formality.

If any Member would desire to offer a resolution raising a question of privilege of the House to the effect that Members may relax their dress, such Member may so offer the resolution and the Chair would recognize him for such purposes.

Through the years, Members in this Chamber, long before air-conditioning, wore wigs and swallow-tailed coats and high mufflers. The Chair thinks this history shows the respect for the Congress. The Chair would ask the gentleman from Texas if he would kindly remove himself from the floor and appear in the customary attire that the Members of the Congress wear.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, in view of the ruling by the distinguished Speaker of the House, in the future would it be in order, under clause 2 of rule I, which grants the Speaker power to preserve order and decorum, to make a point of order against any Members of the House who do not accede to the dress code that the Speaker has described?

The SPEAKER. The Chair will advise the gentleman from Maryland that the Chair hopes not to have to rule on a point of order concerning a dress code for Members and would prefer that the standards of dress be voluntarily maintained and accepted by the Members.

Mr. BAUMAN. Mr. Speaker, would the Chair entertain such a point of order if it were made?

The SPEAKER. The Chair would not foreclose that at this time.

Mr. BAUMAN. I thank the Chair.

The SPEAKER. The Chair would ask the gentleman from Texas to remove himself from the floor, and the gentleman can address the House at such time as he is in the proper attire.

Mr. MATTOX. Mr. Speaker——

The SPEAKER. The Chair is not recognizing the gentleman. The Chair has made his statement.

If any Member desires to offer a resolution to change the customs and attire with regard to dress, as a point of privilege of the House, the Chair would recognize the Member.

For what purpose does the gentleman from Mississippi (Mr. MONTGOMERY) rise?

Mr. MONTGOMERY. Mr. Speaker, I rise to commend the Chair. I think what the Chair has done today is certainly in line and upholds the dignity and decorum of the House. I would hope that the gentleman from Texas would remove himself and come back in proper attire, and that at a later date a resolution could be offered if some Member disagrees with the Chair's ruling.

I commend the Speaker. I think you are standing tall, sir. Thank you.

The SPEAKER. The Chair will say that he knows the gentleman from Texas is embarrassing the Chair. Maybe the gentleman does not feel this embarrassment himself, but the Chair would be more than happy to recognize the gentleman if he will put on the proper attire. He may then make the statement he desires to make.

HEATING OIL

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I, too, would like to commend the Chair for its ruling in this matter concerning the dignity of this House.

Mr. Speaker, the matter that I would like to bring to the attention of the Speaker and the Members of the House is a very serious one. It concerns heating oil for our homes next winter.

The Department of Energy has said, quite happily, that they expect to have 240 or perhaps 249 million barrels in storage by October 1. That, in my opinion, is a totally insufficient response to the problem we are faced with, because, in order to make those primary storage facilities full with 249 million barrels, the companies are now being ordered to stop filling their distributors' storage tanks, the secondary storage level; and distributors, therefore, will have to stop filling their consumers' tanks—the tertiary storage level. We then have a situation in which the home heating oil tank is not full, as it was last year, and neither are the local distributors' tanks full, as they were last year. So we are fooling ourselves.

In order to meet DOE's goal of 249 million barrels in primary storage by October 1, the companies will have to cut back on deliveries to local dealers, and they—as I have said—will have to cut back in turn on deliveries to the homeowners. For example, one company which reports 10 million barrels of home heating oil in stock now, will have to cut deliveries to local dealers to meet their 18 million barrel quota as their share of the 249 million DOE has set as the target.

Two hundred forty-nine million barrels in primary storage by October 1 is totally unrealistic. It is not good enough when homeowners' tanks are not full, as they usually are by that time, and neither are the distributors' storage tanks, which usually are also full. We are facing the possibility of a serious shortage unless refining of middle distillates increases sharply. We need more information on this subject and an open consideration of the total reserves now in stock and planned for October 1—in primary, secondary, and tertiary storage.

□ 1220

THE HIGH COST OF AN ENERGY PROGRAM

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, with his job approval rating having sunk to an alltime record low of 21 percent, it is easy to understand why the President's energy speech on Sunday dealt with a "crisis of confidence." What is more difficult to understand, impossible in fact, is the logic behind his proposal to spend $142 billion out of the U.S. Treasury between now and 1990 for energy independence when the job can be done far more effectively for far less money by private enterprise.

Consider, for a moment, two key cornerstones of the President's program—the 4.5-million-barrel-a-day reduction in oil imports by 1990 and the creation of an $88 billion Energy Security Corporation. No one argues with the need to become less dependent on foreign oil; that is not the point. The point is—there are a lot cheaper ways to go about it. Take the development of shale oil for example. Reliable estimates indicate there are at least 1.8 billion barrels of high grade shale oil just waiting to be tapped in Colorado, Wyoming, and Utah. Even if one assumes only a third of that is recoverable, we could add 4.5 million barrels a day to our oil supplies for the next 400 years before running out. Taking this example one step further, if we were to give a $3 a barrel tax credit for every barrel of shale oil produced, something this distinguished gentleman from Georgia (Mr. JENKINS) has recommended, the cost to the Federal Government, assuming the entire $3 credit was granted, would come to $4.927 billion per year or $49.27 billion by 1990. That is a whole lot less than $142 billion, to say nothing of the fact that there would be a whole lot less Federal bureaucracy and redtape.

Mr. Speaker, there are those who would like us to believe that our current shortages justify the reincarnation of the New Deal. But just as greater Federal intervention in, and control over, the economy then did not produce prosperity, neither will greater intervention in, and control over energy, produce self-sufficiency now. The key to energy self-sufficiency is production and the fastest, cheapest, and best way to produce is to give private enterprise the incentive. If there is any doubt, the $49.27 billion in tax credits for 4.5 million barrels of shale oil as compared to a $142 billion plan designed to reduce imports by 4.5 million barrels a day, should resolve them for once and for all.

WASHINGTON SHOULD GET ITS GREEDY FINGERS OUT OF ENERGY BUSINESS

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the American people have not lost confidence in freedom, in their country, or in themselves, despite what the President says. But they have lost faith in Government, and rightly so, because it is Government that has brought us all our problems.

The President's $142 billion program will cost each taxpayer at least $1,400. But when did a Government program ever cost what the Government said it would? The price tag is bound to be much higher. And let us not be fooled by talk of the cost being paid by "windfall profits" taxes. Companies do not pay taxes; only consumers pay taxes.

A minimum of $1,400 is a high price to pay to avoid OPEC "rip-offs." In fact, the rip-offs of the Federal Government through taxes and inflation make OPEC look like the Salvation Army.

Despite his rhetoric and grandiose Big Brother plans, the President did quietly take one action that will help: yesterday he deregulated the price of heavy crude oil, and exempted it from the "windfall profits" tax. This will indeed stimulate production, as the administration claims.

If this is true, as I believe it is, why not apply this principle to all energy? We can have economic growth and all the energy we need, if we get Washington's greedy fingers out of the energy business. My bill, H.R. 4639, would do just that. Plentiful energy exists within our borders. Let us free the market to do the job of getting it.

MR. CARTER'S FEDERAL ENERGY CORPORATION

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, we have disagreed from time to time on issues, but I think we have never disagreed on the way that this House should be operated and in the decorum which would be expected of Members. I certainly do not disagree with the Speaker now. I congratulate the Speaker now on the ruling that he has made and I agree with it completely.

Mr. Speaker, I feel it necessary to point out a glaring contradiction in President Carter's energy proposals.

The President went to great lengths to describe how the American people are dissatisfied with Government, with the inability of Federal agencies to solve problems, or handle functions.

Then he turns around and proposes that a massive Government energy corporation be established to handle our vital energy challenge. He proposes to take $142 billion out of the private sector and turn it over to an as yet nonexistent corporation. He proposes to ignore the expertise of energy firms that have spent this century developing ways to find, recover, process, and deliver energy to the American people.

There is not one shred of evidence that the Federal Government is capable of handling development of energy. There is plenty of evidence that the Government has succeeded so far in fouling up our present energy industry. I submit to all of those who have sat in the gasoline lines, created by the misallocation of supplies by the Federal Department of Energy, that in the words of a great entertainer they "ain't seen nothing yet" compared with the snafus that a lavishly financed Federal energy corporation would produce.

RESOLUTION ON PRESIDENT'S POWER TO BREAK TREATIES

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I would first say that the Speaker has this Member's respect and admiration in his expressed views on the dress code of the House. I think that such slight discomfort as we might feel from wearing a coat and tie, which this Member has not yet felt, is far outweighed by the dignity of the House and the respect that we should have for it.

Mr. Speaker, today I am introducing a resolution stating that it is the sense of the House of Representatives that approval of the Congress is required to terminate any mutual defense treaty between the United States and another nation. This legislation stems from the President's abrupt cancellation of our treaty with Taiwan. I believe the Carter administration far overstepped its authority when it ignored the constitutional provision that treaties are made, and presumably broken, only with the Senate's consent.

Passage of this resolution would clarify beyond any doubt that Congress must give explicit approval before a President may terminate any future treaty. It is primarily designed to protect other existing treaties such as NATO and the United States-Japan Defense Treaty. Arbitrarily allowing a President to kill a treaty will damage our foreign policy as our friends and our adversaries doubt the credibility of our treaty commitments. A treaty is a nation's word, and we must work hard to keep our promises, not disregard them at a convenient moment. I encourage you to cosponsor this resolution.

☐ 1230

RESIGNATION AS MEMBER AND ELECTION AS MEMBER OF JOINT COMMITTEE ON THE LIBRARY

The SPEAKER laid before the House the following resignation as a member of the Joint Committee on the Library:

WASHINGTON, D.C.,
June 26, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Having been elected Chairman of the Republican Conference, and pursuant to the rules of said Conference, I hereby resign, effective this date, as a Member of the Joint Committee on the Library.

Sincerely,
SAMUEL L. DEVINE,
Representative to U.S. Congress.

The SPEAKER. Without objection, the resignation was accepted.

There was no objection.

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 361) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 361

Resolved, That Bill Frenzel, of Minnesota, be, and he is hereby elected a member of the Joint Committee of Congress on the Library.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 4289, SUPPLEMENTAL APPROPRIATIONS, 1979

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 4289) making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. NEDZI). Pursuant to the provisions of clause 2, rule XXVIII, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of July 11, 1979.)

The SPEAKER pro tempore. The gentleman from Mississippi (Mr. WHITTEN), will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 4289, as well as the Senate amendments reported in disagreement, and that I may insert extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my colleagues, I bring to you today the first conference report on an appropriation bill in the 96th Congress. This is a supplemental appropriation bill for the fiscal year ending September 30 which passed the House on June 6. This bill contains over 450 individual appropriation accounts. It involves 12 of the 13 appropriation subcommittees and affects virtually every department and agency.

I believe that we have done a good job on this bill. May I here say that I find it most enjoyable to deal with my colleagues on the Appropriations Committee, and particularly with the ranking members and the chairmen of the various subcommittees. Of course, the hearings and the decisions are almost exactly as the subcommittees have determined. A few minor changes were made in the full committee when we met, but I wish to call to the Members' attention the fact that after going over the bill very carefully as the budget requests came in from the President, the bill before you is $3.1 billion under the total requested by the President. This is the largest percentage reduction for such a bill in recent memory. Mr. Speaker, I believe this bill shows our commitment toward achieving greater fiscal responsibility and ultimately a balanced budget while still providing for essential government.

In summary, the conference agreement provides a total of $13.6 billion in budget authority in response to the $16.8 billion of budget estimates submitted by the President and considered in connection with the bill.

The bill, as it passed the House, contained $11.4 billion. Subsequent to House consideration some $1.6 billion in additional budget requests were submitted by the President, the largest being for advances to the unemployment trust fund, the food stamp program and the black lung disability program which come under the head of entitlements.

The other body, Mr. Speaker, amended the bill in 182 instances. I am really proud to say our conferees met with the Senate and worked out these differences in a short period of time. I could add that we worked through the lunch hour, but that was what we were there for, and we were glad to work this matter out.

The conference agreement which we bring back to the House is $243 million below the Senate bill and, as I indicated, $3.1 billion below the requests of the President. It is under the revised ceiling contained in the current resolution on the budget by $462 million in budget authority and $221 million in outlays.

While there appears to be this relatively small amount of room remaining under the ceilings for possible additional supplementals during the 2½ months remaining in this fiscal year, I would point out that last Thursday the so-called midsession review of the budget was transmitted to Congress. This document which is required by law updates certain estimates and assumptions for both fiscal years 1979 and 1980. The updated figures from the Office of Management and Budget show fiscal year 1979 spending at $496.2 billion which is $1.2 billion over the previous estimates and $1.7 billion over the most recent concurrent resolution on the budget. I am advised that the Budget Committee in concert with the Congressional Budget Office is in the process of analyzing the fiscal 1979 figures in the mid-session review. Should there be agreement with updated figures or substantial agreement with estimated increase in spending, we would assume that the Budget Committee would file reestimates for fiscal year 1979 which would exceed the ceilings in the budget resolution. As Members will recall, such reestimates were filed earlier this year for fiscal 1979 which had the same effect. Under the rules then, Mr. Speaker, no further supplementals would be in order unless the Congress agreed to adjust the current budget resolution which would amount to a fourth concurrent resolution on the budget for fiscal year 1979.

Mr. Speaker, as I indicated there are over 450 accounts in this supplement and there were 182 Senate amendments. It is not possible in the time available to address each item but I shall include in my remarks a detailed table showing the action taken on all appropriation items in title I and summary of title II, which contains increased pay costs.

The largest category in the bill is increased pay costs; $2,389,000,000. Other large items of expenditure include:

Middle East Peace Treaty	$1,470,000,000
Purchase of 4 Iranian ships	1,353,000,000
Veterans compensation and pensions	1,129,000,000
Veterans readjustment benefits	301,000,000
SBA disaster loans	1,018,000,000
Food stamp program	900,000,000
Medicaid	554,000,000
Unemployment trust fund	500,000,000
Civil service retirement	335,000,000
Black lung program	300,000,000
Student loan insurance fund	243,000,000
ConRail	239,000,000
Elderly funding	27,000,000

Mr. Speaker, while this bill is of importance to the entire Nation in a wide variety of ways, it is of particular importance to my own State of Mississippi.

It will provide immediate disaster relief assistance for the heavily damaged flood and tornado areas of Mississippi, as well as the States of Texas, Oklahoma, Louisiana, North Dakota, and others that have these tragedies. Some $1,018,000,000 is provided for the Small Business Administration to accomplish this purpose.

Under the terms of the conference report, residential or personal property owners shall be eligible to borrow up to $55,000 at 3 percent interest and business owners, if they cannot obtain help from private sources, shall be eligible for loans not to exceed 5 percent interest.

Additionally, the conferees agreed on $106 million for an emergency fund for the Corps of Engineers for use in repairing and preventing flood damages across the Nation.

Another major item affecting Mississippi includes full funding for the continuation of construction of four destroyers at the Ingalls Shipyard in Pascagoula. These ships were originally contracted for by the Government of Iran. They will now be used by the U.S. Navy and will provide valuable additions to our fleet. It is stated this action will result in a savings of $800 million in the cost of these ships.

Mr. Speaker, in connection to amendment No. 1 which is in disagreement, I plan to offer an amendment which provides for cost increases for two research facilities. My amendment will provide an additional $720,000 for the soil erosion facility at Purdue University and an additional $300,000 for the feed mill at El Reno, Okla.

Mr. Speaker, the House conferees are of the opinion that when the $1,500,000 was appropriated for the El Reno facility and the $3,600,000 appropriated for the Purdue facility, it was the intent of the Congress that construction costs were to be kept within those limitations respectively. However, since this fact was not made clear at that time, the House conferees agreed to the increase.

The conferees have agreed that hereafter all construction or construction bids, in order to be considered, would have to be within the sum appropriated by the Congress.

Mr. Speaker, it was further agreed that the soil erosion facility at Purdue University was to work in cooperation with the National Sedimentation Laboratory at Oxford, Miss., the mission for which is spelled out in its charter which reads as follows:

> The USDA Sedimentation Laboratory seeks solutions to erosion and sedimentation problems of our country with emphasis on those associated with the agricultural use of lands. These problems involve: the mechanics of erosion; sediment production; the delivery of sediment by streams; hydraulic relationships of alluvial streams; sediment transport capacity, sediment deposition in stream channels, on flood plains, and in reservoirs; stream channel stability; the chemical, physical, and biological attributes of the complex of water and sediments in streams and impoundments; and hydrology. Of primary importance is the concept of sediment as a pollutant and as a carrier of pollutants including agricultural chemicals. The mission is to seek, through research, better methods, practices, and techniques for control of sediment and the effect of sediment on the quality of the environment.

Mr. Speaker, in the conference report on the Agriculture and related agencies appropriation bill for fiscal year 1978, which is dated July 21, 1978, we first approved the funds for the Purdue facility. At that time, the conferees spelled out that they would:

> . . . expect this laboratory (Purdue) to coordinate its activities with the National Soil Sedimentation Laboratory at Oxford, Mississippi. The conferees will also expect the Department to maintain a regularly scheduled flow of work through the National Soil Sedimentation Laboratory rather than scheduling work on an intermittent basis.

Mr. Speaker, digressing from my remarks in explanation of this bill, I would like to point out that this is the first year that I have had the honor to head the Committee on Appropriations. I was on the special committee that studied the congressional budget control. I was on the preliminary committee that made a study and made recommendations to the Rules Committee.

Subsequent to that I served on the Committee on the Budget and I would just like to point out to the Members some of the problems that I see that we must deal with. We have heard the distinguished chairman of the Rules Committee many times express himself publicly in our hearings before the Rules Committee, about certain problems which have arisen in operating under the Budget Act. First let me say that the Budget Act provides only a target in the first budget resolution. But in the process of the deliberations on fixing the budgetary target, where individual items were debated, it went out to the country and perhaps some Members thought that it was a matter of final discussions on individual items. That, of course, was not the fact, but that is the way it was taken.

But the matter I call to the Members' attention is that under this new rule that we have imposed upon ourselves, and I agree that something had to be done, the legislative committees are required to report their authorizing legislation by May 15—not enacted but reported. Not only that, but the timetable invisioned in the Budgeting Act mandates that the Appropriations Committee have its appropriations before the House by early or mid-June.

Our Committee on Appropriations was about 1 week later than previous years in reporting bills by reason of facts beyond our control. But we did get our bills reported, with the exception of two, within a week of the time that we were supposed to. But we are finding now that the May 15 date for reporting authorizing legislation means in many cases that the Committee on Appropriations has to ask for a rule from the Rules Committee waiving points of order due to the lack of enacted authorizing legislation.

It happens that the subcommittee that I continue to chair and two others I believe did not ask for a rule. That means that bills contain items which one objection will knock out. That is not good legislating.

I wish I could suggest an answer at this time. Maybe a delay in the dates would be worthwhile. But I am agreeing with statements that were made publicly by the chairman of the Rules Committee, Mr. Bolling, that it is evident that changes will have to be made in the Congressional Budgeting Act to adjust these deadlines if for no other purpose.

I repeat again that I shall not go into further detail here about the bill that is before us. This conference report was filed last Wednesday and the Members have had a chance to go over it. It reflects the action of 12 or 13 subcommittees and I believe that each of those subcommittees is headed by as able a Member as we have in Congress. It represents many days of hearings, and after all of those hearings I repeat again, your Committee on Appropriations brings up a supplemental, the first supplemental I have had the honor to handle, and the first one of the year. It is $3.1 billion below the budgetary requests of the President and it is within the ceiling contained in the recent budget resolution.

I am glad to say too that all 11 of the appropriation bills which our Committee on Appropriations has reported out are below the budget. It appears that one of the two remaining bills will be over the budget, but I do submit to the Members that this supplemental appropriation bill, reflects the combined judgment of the 54 members of the Appropriations Committee. In its formulation we have had the cooperation of our good friend, Silvio Conte the ranking minority member of the full committee and the ranking Republican members of the subcommittees.

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So, we submit to the Members our best effort. We think it is a good effort. We also recommend to the Members that we find out some way to provide relief to the Appropriations Committee and the legislative committees from problems we are having in operating under the Congressional Budget Act. Some adjustments must be made but the whole matter needs careful study.

Mr. Speaker, under leave to revise and extend my remarks, I include in the Record at this point a comparative table showing House, Senate, and conference action on the bill:

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS							
	CHAPTER I							
	DEPARTMENT OF AGRICULTURE							
	Agricultural Research Service (buildings and facilities)			$3,400,000	$1,020,000	+$1,020,000	+$1,020,000	−$2,380,000
	Food Safety and Quality Service		$750,000		750,000	+750,000		+750,000
	Extension Service			4,973,000				−4,973,000
	Agricultural Stabilization and Conservation Service—Dairy and beekeeper indemnity programs			1,943,000				−1,943,000
	Farmers Home Administration							
	Rural Housing Insurance Fund:							
	Home ownership assistance (authority to borrow)	$954,960,000				−954,960,000		
	Home ownership assistance payments	30,000,000				−30,000,000		
	Total, Rural housing insurance fund	984,960,000				−984,960,000		
	Agricultural Credit Insurance Fund: Operating loans		(100,000,000)	(100,000,000)	(100,000,000)	(+100,000,000)		
	Food and Nutrition Service							
96-132	Child nutrition programs	133,000,000	100,000,000	133,000,000	116,500,000	−16,500,000	+16,500,000	−16,500,000
96-132	Food stamp program	1,038,786,000	379,700,000	988,786,000	900,000,000	−138,786,000	+520,300,000	−88,786,000
	Food donations programs:							
	Needy family programs	24,901,000				−24,901,000		
96-132	Elderly feeding program	27,000,000	27,000,000		27,000,000			+27,000,000
	Total, Food and Nutrition Service	1,223,687,000	506,700,000	1,121,786,000	1,043,500,000	−180,187,000	+536,800,000	−78,286,000
	Total, chapter I:							
	New budget (obligational) authority	2,208,647,000	507,450,000	1,132,102,000	1,045,270,000	−1,163,377,000	+537,820,000	−86,832,000
	Appropriations	(1,253,687,000)	(507,450,000)	(1,132,102,000)	(1,045,270,000)	(−208,417,000)	(+537,820,000)	(−86,832,000)
	Authority to borrow	(954,960,000)				(−954,960,000)		
	CHAPTER II							
	DEPARTMENT OF DEFENSE—MILITARY							
	Military Personnel							
96-64	Military personnel, Army	76,200,000	76,200,000	56,200,000	56,200,000	−20,000,000	−20,000,000	
96-64	Military personnel, Navy	29,200,000	29,200,000	28,000,000	28,000,000	−1,200,000	−1,200,000	
96-64	Military personnel, Marine Corps	5,800,000	5,800,000	900,000	900,000	−4,900,000	−4,900,000	
96-64	Military personnel, Air Force	14,500,000	14,500,000	42,400,000	42,400,000	+27,900,000	+27,900,000	
	Reserve personnel, Marine Corps	500,000	500,000			−500,000	−500,000	
	Reserve personnel, Air Force	4,100,000	4,100,000	2,800,000	2,800,000	−1,300,000	−1,300,000	
96-64	National Guard personnel, Army	2,000,000	2,000,000	2,000,000	2,000,000			
	Total, Military personnel	132,300,000	132,300,000	132,300,000	132,300,000			
	Retired Military Personnel							
	Retired pay, Defense	178,662,000	133,662,000	128,662,000	128,662,000	−50,000,000	−5,000,000	
	Operation and Maintenance							
96-64	Operation and maintenance, Army	27,200,000		10,000,000	10,000,000	−17,200,000	+10,000,000	
96-64	Operation and maintenance, Navy	36,000,000		36,000,000		−36,000,000		−36,000,000
	Operation and maintenance, Marine Corps			10,500,000				−10,500,000
96-64	Operation and maintenance, Air Force	22,200,000		21,700,000	5,900,000	−16,300,000	+5,900,000	−15,800,000
	Transfer from other account			(50,000,000)				(−50,000,000)
96-64	Operation and maintenance, Defense agencies	2,000,000		600,000	600,000	−1,400,000	+600,000	
	Total, Operation and maintenance	87,400,000		78,800,000	16,500,000	−70,900,000	+16,500,000	−62,300,000
	Transfer from other account			(50,000,000)				(−50,000,000)
	Procurement							
96-64	Missile procurement, Army	25,000,000				−25,000,000		
96-64	Other procurement, Army	16,900,000		16,900,000	8,600,000	−8,300,000	+8,600,000	−8,300,000
96-64	Weapons procurement, Navy	219,900,000				−219,900,000		
96-64	Shipbuilding and conversion, Navy	725,700,000	628,000,000	1,450,700,000	1,353,000,000	+627,300,000	+725,000,000	−97,700,000
96-64	Aircraft procurement, Air Force	566,100,000		20,000,000		−566,100,000		−20,000,000
	Transfer from other account		(80,100,000)	(80,100,000)	(80,100,000)	(+80,100,000)		
96-64	Other procurement, Air Force	2,100,000				−2,100,000		
	Procurement, Defense agencies	800,000		800,000	800,000		+800,000	
	Total, Procurement	1,556,500,000	628,000,000	1,488,400,000	1,362,400,000	−194,100,000	+734,400,000	−126,000,000
	Transfer from other account		(80,100,000)	(80,100,000)	(80,100,000)	(+80,100,000)		
	Research, Development, Test, and Evaluation							
96-64	Research, development, test, and evaluation, Army	60,700,000		43,700,000	5,000,000	−55,700,000	+5,000,000	−38,700,000
96-64	Research, development, test, and evaluation, Navy	23,000,000	20,000,000	3,000,000	3,000,000	−20,000,000	−17,000,000	
96-64	Research, development, test, and evaluation, Air Force	357,800,000	190,000,000	233,000,000	190,000,000	−167,800,000		−43,000,000
96-64	Research, development, test, and evaluation, Defense agencies	24,000,000				−24,000,000		
	Total, Research, development, test, and evaluation	465,500,000	210,000,000	279,700,000	198,000,000	−267,500,000	−12,000,000	−81,700,000
	Total, chapter II:							
	New budget (obligational) authority	2,420,362,000	1,103,962,000	2,107,862,000	1,837,862,000	−582,500,000	+733,900,000	−270,000,000
	Transfer from other account		(80,100,000)	(130,100,000)	(80,100,000)	(+80,100,000)		(−50,000,000)

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS—Con.							
	CHAPTER III							
	DEPARTMENT OF ENERGY							
	Energy, Science, and Defense Activities							
	Operating expenses	$45, 350, 000	$12, 800, 000	$12, 800, 000	$12, 800, 000	−$32, 550, 000		
96-82	Plant and capital equipment	42, 000, 000	23, 500, 000	23, 500, 000	23, 500, 000	−18, 500, 000		
	Total, Energy, science, and defense activities	87, 350, 000	36, 300, 000	36, 300, 000	36, 300, 000	−51, 050, 000		
	Federal Energy Regulatory Commission	10, 600, 000		2, 700, 000	2, 700, 000	−7, 900, 000	+$2, 700, 000	
	Total, Department of Energy	97, 950, 000	36, 300, 000	39, 000, 000	39, 000, 000	−58, 950, 000	+2, 700, 000	
	DEPARTMENT OF DEFENSE—CIVIL							
	DEPARTMENT OF THE ARMY							
	Corps of Engineers—Civil							
96-132	Operation and maintenance, general	21, 000, 000	21, 000, 000	21, 000, 000	21, 000, 000			
96-132	Flood control and coastal emergencies	106, 000, 000	106, 000, 000	106, 000, 000	106, 000, 000			
	Total, Corps of Engineers—Civil	127, 000, 000	127, 000, 000	127, 000, 000	127, 000, 000			
	DEPARTMENT OF THE INTERIOR							
	Bureau of Reclamation							
96-108	Coloardo River Basin project (by transfer)	(20, 000, 000)	(20, 000, 000)	(20, 000, 000)	(20, 000, 000)			
96-108	General administrative expenses (by transfer)	(1, 900, 000)	(1, 900, 000)	(1, 900, 000)	(1, 900, 000)			
	Total, Department of the Interior (by transfer)	(21, 900, 000)	(21, 900, 000)	(21, 900, 000)	(21, 900, 000)			
	INDEPENDENT AGENCIES							
	Funds Appropriated to the President							
	Appalachian regional development programs (by transfer)		(10, 000, 000)	(10, 000, 000)	(10, 000, 000)	(+10, 000, 000)		
	Water Resources Council							
	Water resources planning	49, 186, 000	2, 000, 000	2, 000, 000	2, 000, 000	−47, 186, 000		
	Total, chapter III:							
	New budget (obligational) authority	274, 136, 000	165, 300, 000	168, 000, 000	168, 000, 000	−106, 136, 000	+2, 700, 000	
	By transfer	(21, 900, 000)	(31, 900, 000)	(31, 900, 000)	(31, 900, 000)	(+10, 000, 000)		
	CHAPTER IV							
	FOREIGN OPERATIONS							
	Funds Appropriated to the President							
	Payment to the Foreign Service retirement and disability fund	856, 000	856, 000	856, 000	856, 000			
96-96	Economic support fund (Turkey)	100, 000, 000	100, 000, 000	100, 000, 000	100, 000, 000			
	Military assistance program (reappropriation)	33, 000, 000	22, 500, 000	27, 500, 000	25, 000, 000	−8, 000, 000	+2, 500, 000	−$2, 500, 000
96-92	Economic support fund (Egypt)	300, 000, 000	300, 000, 000	300, 000, 000	300, 000, 000			
96-92	Assistance for relocation of facilities in Israel	800, 000, 000	800, 000, 000	800, 000, 000	800, 000, 000			
96-92	Foreign military credit sales	370, 000, 000	370, 000, 000	370, 000, 000	370, 000, 000			
	Total, Funds appropriated to the President	1, 603, 856, 000	1, 593, 356, 000	1, 598, 356, 000	1, 595, 856, 000	−8, 000, 000	+2, 500, 000	−2, 500, 000
	INDEPENDENT AGENCY							
	ACTION—International Programs							
	Peace Corps	4, 400, 000	3, 221, 000	3, 480, 000	3, 221, 000	−1, 179, 000		−259, 000
	DEPARTMENT OF STATE							
96-85	Migration and refugee assistance	104, 910, 000	104, 910, 000	108, 910, 000	108, 910, 000	+4, 000, 000	+4, 000, 000	
	U.S. emergency refugee and migration assistance fund	10, 000. 000	10, 000, 000	17, 200, 000	17, 200, 000	+7, 200, 000	+7, 200, 000	
	Total, Department of State	114, 910, 000	114, 910, 000	126, 110, 000	126, 110, 000	+11, 200, 000	+11, 200, 000	
	Total, chapter IV:							
	New budget (obligational) authority	1, 723, 166, 000	1, 711, 487, 000	1, 727, 946, 000	1, 725, 187, 000	+2, 021, 000	+13, 700, 000	−2, 759, 000
	Appropriations	(1, 690, 166, 000)	(1, 688, 987, 000)	(1, 700, 446, 000)	(1, 700, 187, 000)	(+10, 021, 000)	(+11, 200, 000)	(−259, 000)
	Reappropriation	(33, 000, 000)	(22, 500, 000)	(27, 500, 000)	(25, 000, 000)	(−8, 000, 000)	(+2, 500, 000)	(−2, 500, 000)
	CHAPTER V							
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
	Neighborhoods, Voluntary Associations and Consumer Protection							
	Neighborhood self-help development program	15, 000, 000	5, 000, 000	5, 000, 000	5, 000, 000	−10, 000, 000		
	Livable cities program	5, 000, 000				−5, 000, 000		
	Total, Department of Housing and Urban Development	20, 000, 000	5, 000, 000	5, 000, 000	5, 000, 000	−15, 000, 000		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS—Con.							
	CHAPTER V—Continued							
	FUNDS APPROPRIATED TO THE PRESIDENT							
96-113	Disaster relief	$200,000,000	$194,000,000	$194,000,000	$194,000,000	—$6,000,000		
	INDEPENDENT AGENCIES							
	CONSUMER PRODUCT SAFETY COMMISSION							
	Salaries and expenses	2,190,000	2,190,000	2,190,000	2,190,000			
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
	Research and development	185,000,000	185,000,000	185,000,000	185,000,000			
	NATIONAL COMMISSION ON AIR QUALITY							
96-130	Salaries and expenses (increase in limitation)	(45,000)	(35,000)	(45,000)	(40,000)	(—5,000)	(+$5,000)	(—$5,000)
	NATIONAL CONSUMER COOPERATIVE BANK							
	Salaries and expenses	4,000,000	1,500,000	1,500,000	1,500,000	—2,500,000		
	Self-help development	10,000,000	3,000,000		1,000,000	—9,000,000	—2,000,000	+1,000,000
	Total, National Consumer Cooperative Bank	14,000,000	4,500,000	1,500,000	2,500,000	—11,500,000	—2,000,000	+1,000,000
	SELECTIVE SERVICE SYSTEM							
	Salaries and expenses	1,735,000	600,000	600,000	600,000	—1,135,000		
	DEPARTMENT OF THE TREASURY							
	Investment in National Consumer Cooperative Bank	40,000,000	8,000,000		1,000,000	—39,000,000	—7,000,000	+1,000,000
	VETERANS' ADMINISTRATION							
	Compensation and pensions	1,129,400,000	1,129,400,000	1,129,400,000	1,129,400,000			
	Readjustment benefits	301,700,000	301,700,000	301,700,000	301,700,000			
96-130	General operating expenses	3,091,000	3,091,000	3,091,000	3,091,000			
	Assistance for health manpower training institutions	57,468,000	57,468,000	57,468,000	57,468,000			
96-130	Grants to the Republic of the Philippines	500,000	500,000	500,000	500,000			
	Total, Veterans Administration	1,492,159,000	1,492,159,000	1,492,159,000	1,492,159,000			
	CORPORATIONS							
	Federal Home Loan Bank Board: Limitation on administrative expenses	(313,000)	(50,000)	(50,000)	(50,000)	(—263,000)		
	Total, Chapter V:							
	New budget (obligational) authority	1,955,084,000	1,891,449,000	1,880,449,000	1,882,449,000	—72,635,000	—9,000,000	+2,000,000
	Limitation	(358,000)	(85,000)	(95,000)	(90,000)	(—268,000)	(+5,000)	(—5,000)
	CHAPTER VI							
	DEPARTMENT OF THE INTERIOR							
	Bureau of Land Management							
96-145	Management of lands and resources	55,850,000	44,850,000	55,850,000	52,603,000	—3,247,000	+7,753,000	—3,247,000
	Heritage Conservation and Recreation Service							
	Urban park and recreation fund	37,500,000	20,000,000	20,000,000	20,000,000	—17,500,000		
	National Park Service							
	Operation of the National Park System	1,727,000	1,727,000	1,727,000	1,727,000			
	Geological Survey							
	Surveys, investigations, and research	1,700,000				—1,700,000		
	Office of Surface Mining—Reclamation and Enforcement							
	Regulation and technology	2,241,000				—2,241,000		
	Bureau of Indian Affairs							
	Operation of Indian programs	7,000,000	7,000,000	7,000,000	7,000,000			
	Office of Territorial Affairs							
	Administration of territories	1,419,000	1,419,000	23,312,000	3,312,000	+1,893,000	+1,893,000	—20,000,000
	Secretarial Offices							
	Office of the Secretary							
	Departmental management	200,000				—200,000		
	Total, Department of the Interior	107,637,000	74,996,000	107,889,000	84,642,000	—22,995,000	+9,646,000	—23,247,000

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS—Con.							
	CHAPTER VI—Continued							
	RELATED AGENCIES							
	DEPARTMENT OF AGRICULTURE							
	Forest Service							
	Forest protection and utilization	$60,000,000	$60,000,000	$57,245,000	$57,245,000	−$2,755,000	−$2,755,000	
	DEPARTMENT OF ENERGY							
	Energy production, demonstration, and distribution	3,000,000				−3,000,000		
	Energy conservation	43,025,000		1,200,000	1,200,000	−41,825,000	+1,200,000	
	Economic Regulatory Administration	42,100,000	5,600,000	10,900,000	8,600,000	−33,500,000	+3,000,000	−$2,300,000
	Energy information administration	14,780,000		2,000,000	1,000,000	−13,780,000	+1,000,000	−1,000,000
	Total, Department of Energy	102,905,000	5,600,000	14,100,000	10,800,000	−92,105,000	+5,200,000	−3,300,000
	SMITHSONIAN INSTITUTION							
	Salaries and expenses	350,000	200,000	200,000	200,000	−150,000		
	Restoration and renovation of buildings	300,000				−300,000		
	Salaries and expenses, Woodrow Wilson International Center for Scholars	1,000,000				−1,000,000		
	Total, Smithsonian Institution	1,650,000	200,000	200,000	200,000	−1,450,000		
	NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES							
	National Endowment for the Arts							
	Salaries and expenses	1,400,000				−1,400,000		
	National Endowment for the Humanities							
	Salaries and expenses	1,400,000				−1,400,000		
	Total, National Foundation on the Arts and the Humanities	2,800,000				−2,800,000		
	PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION							
	Land acquisition and development fund (authority to borrow)	19,600,000	19,600,000	19,600,000	19,600,000			
	Public development	17,900,000	17,900,000	17,900,000	17,900,000			
	Total, Pennsylvania Avenue Development Corporation	37,500,000	37,500,000	37,500,000	37,500,000			
	Total, Related agencies	204,855,000	103,300,000	109,045,000	105,745,000	−99,110,000	+2,445,000	−3,300,000
	Total, chapter VI:							
	New budget (obligational) authority	312,492,000	178,296,000	216,934,000	190,387,000	−122,105,000	+12,091,000	−26,547,000
	Appropriations	(292,892,000)	(158,696,000)	(197,334,000)	(170,787,000)	(−122,105,000)	(+12,091,000)	(−26,547,000)
	Authority to borrow	(19,600,000)	(19,600,000)	(19,600,000)	(19,600,000)			
	CHAPTER VII							
	DEPARTMENT OF LABOR							
	Employment and Training Administration							
	Employment and training assistance	400,000,000				−400,000,000		
	Community service employment for older Americans	8,900,000	8,900,000	8,900,000	8,900,000			
96-145	Advances to the unemployment trust fund and other funds	500,000,000		500,000,000	500,000,000		+500,000,000	
	Total, Employment and Training Administration	908,900,000	8,900,000	508,900,000	508,900,000	−400,000,000	+500,000,000	
	Employment Standards Administration							
	Salaries and expenses	8,218,000	8,218,000	8,218,000	8,218,000			
96-145	Black lung disability trust fund	300,000,000		300,000,000	300,000,000		+300,000,000	
	Total, Department of Labor	1,217,118,000	17,118,000	817,118,000	817,118,000	−400,000,000	+800,000,000	
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
	Health Services Administration							
	Health services	100,219,000		14,969,000	4,969,000	−95,250,000	+4,969,000	−10,000,000
	Center for Disease Control							
	Preventive health services	20,600,000	12,000,000	12,000,000	12,000,000	−8,600,000		
	National Institutes of Health							
	National Institute of Child Health and Human Development	10,713,000	5,000,000	10,713,000	7,500,000	−3,213,000	+2,500,000	−3,213,000

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96–41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS—Con.							
	CHAPTER VII—Continued							
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued							
	Alcohol, Drug Abuse, and Mental Health Administration							
	Alcohol, drug abuse, and mental health	$4, 118, 000		$2, 554, 000		$−4, 118, 000		−$2, 554, 000
	Assistant Secretary for Health							
	Salaries and expenses	23, 490, 000	$10, 000, 000	11, 000, 000	$11, 000, 000	−12, 490, 000	$+1, 000, 000	
	Health Care Financing Administration							
	Grants to states for Medicaid	554, 429, 000	554, 429, 000	554, 429, 000	554, 429, 000			
	Office of Education							
	Elementary and secondary education	258, 000, 000	200, 000, 000		150, 000, 000	−108, 000, 000	−50, 000, 000	+150, 000, 000
	Student loan insurance fund: appropriation	243, 189, 000	243, 189, 000	243, 189, 000	243, 189, 000			
	Special projects and training	1, 000, 000		300, 000	300, 000	−700, 000	+300, 000	
	Educational activities overseas (special foreign-currency program)	2, 000, 000	500, 000	500, 000	500, 000	−1, 500, 000		
	Total, Office of Education	504, 189, 000	443, 689, 000	243, 989, 000	393, 989, 000	−110, 200, 000	−49, 700, 000	+150, 000, 000
	Social Security Administration							
	Assistance payments program	4, 985, 000	1, 200, 000	1, 200, 000	1, 200, 000	−3, 695, 000		
	Refugee assistance	51, 664, 000	59, 964, 000	59, 964, 000	59, 964, 000	+8, 300, 000		
	Total, Social Security Administration	56, 559, 000	61, 164, 000	61, 164, 000	61, 164, 000	+4, 605, 000		
	Assistant Secretary for Human Development Services							
	Grants to States for social and child welfare services	188, 548, 000	188, 548, 000	188, 548, 000	188, 548, 000			
	Human development services	129, 028, 000	151, 528, 000	149, 528, 000	151, 528, 000	+22, 500, 000		+2, 000, 000
	Research and training activities overseas (special foreign currency program)	3, 490, 000	1, 000, 000	1, 000, 000	1, 000, 000	−2, 490, 000		
	Total, Assistant Secretary for Human Development Services	321, 066, 000	341, 076, 000	339, 076, 000	341, 076, 000	+20, 010, 000		+2, 000, 000
	Total, Department of Health, Education, and Welfare	1, 595, 383, 000	1, 427, 358, 000	1, 249, 894, 000	1, 386, 127, 000	−209, 256, 000	−41, 231, 000	+136, 233, 000
	RELATED AGENCIES							
	Action, operating expenses, domestic programs	15, 313, 000				−15, 313, 000		
	Corporation for Public Broadcasting: Advance appropriations for 1981	162, 000, 000	162, 000, 000	162, 000, 000	162, 000, 000			
	National Commission on Social Security	2, 000, 000	2, 000, 000	2, 000, 000	2, 000, 000			
	Railroad Retirement Board:							
	Regional rail transportation protective account	18, 870, 000	18, 870, 000	18, 870, 000	18, 870, 000			
	Reappropriation/extended availability	37, 646, 000		37, 646, 000	37, 646, 000		+37, 646, 000	
	Limitation on salaries and expenses	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)			
	National Commission on the International Year of the Child	685, 000		685, 000	685, 000		+685, 000	
	Community Services Administration			4, 226, 000				−4, 226, 000
	Total, Related agencies	74, 514, 000	20, 870, 000	63, 427, 000	59, 201, 000	−15, 313, 000	+38, 331, 000	−4, 226, 000
	Limitation on salaries and expenses	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)			
	Total, chapter VII:							
	New budget (obligational) authority	3, 049, 015, 000	1, 627, 346, 000	2, 292, 439, 000	2, 424, 446, 000	−624, 569, 000	+797, 100, 000	+132, 007, 000
	Fiscal year 1979	(2, 349, 369, 000)	(1, 465, 346, 000)	(2, 092, 793, 000)	(2, 224, 800, 000)	(−624, 569, 000)	(+759, 454, 000)	(+132, 007, 000)
	Fiscal year 1981	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)			
	Reappropriation/extended availability	(37, 646, 000)		(37, 646, 000)	(37, 646, 000)		(+37, 646, 000)	
	Limitation	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)			
	CHAPTER VIII							
	LEGISLATIVE BRANCH							
	Senate							
	Salaries, Officers and Employees							
	Committee employees	664, 000		482, 000	482, 000	−182, 000	+482, 000	
96–58	Administrative, clerical, and legislative assistance to Senators	204, 000		204, 000	204, 000		+204, 000	
	Agency contributions and longevity compensation	908, 000		908, 000	908, 000		+908, 000	
	Total, Salaries, officers and employees	1, 776, 000		1, 594, 000	1, 594, 000	−182, 000	+1, 594, 000	
	Total, Senate	1, 776, 000		1, 594, 000	1, 594, 000	−182, 000	+1, 594, 000	
	House of Representatives							
	Salaries, Officers and Employees							
96–97	Office of the Clerk	264, 000	264, 000	264, 000	264, 000			
96–108	Office of the Sergeant at Arms	2, 029, 000	1, 450, 000	1, 450, 000	1, 450, 000	−579, 000		
	Total, House of Representatives	2, 293, 000	1, 714, 000	1, 714, 000	1, 714, 000	−579, 000		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS—Con.							
	CHAPTER VIII—Continued							
	LEGISLATIVE BRANCH—Continued							
	Joint Items							
	Contingent Expenses of the Senate							
96-58	Joint Committee on Printing	$95,000	$60,000	$60,000	$60,000	−$35,000		
	Education of Pages							
	Education of congressional pages and pages of the Supreme Court	27,600				−27,600		
	Capitol Guide Service							
	Salaries and expenses	20,000	20,000	20,000	20,000			
	Total, Joint items	142,600	80,000	80,000	80,000	−62,600		
	ARCHITECT OF THE CAPITOL							
	Capitol Buildings and Grounds							
96-108	Senate office buildings	600,000		600,000	600,000		+$600,000	
96-82	House office buildings	400,000	400,000	400,000	400,000			
	Installation of solar collectors in House office buildings	3,000,000	1,500,000	1,500,000	1,500,000	−1,500,000		
	Total, Capitol buildings and grounds	4,000,000	1,900,000	2,500,000	2,500,000	−1,500,000	+600,000	
	Library Buildings and Grounds							
	Structural and mechanical care	425,000	71,000	71,000	71,000	−354,000		
	Total, Architect of the Capitol	4,425,000	1,971,000	2,571,000	2,571,000	−1,854,000	+600,000	
	LIBRARY OF CONGRESS							
	Salaries and expenses	3,360,000				−3,360,000		
	Furniture and furnishings	500,000				−500,000		
	Release of sec. 311 funds	(2,500,000)				(−2,500,000)		
	Total, Library of Congress	3,860,000				−3,860,000		
	Release of sec. 311 funds	(2,500,000)				(−2,500,000)		
	GOVERNMENT PRINTING OFFICE							
96-58	Office of Superintendent of Documents: Salaries and expenses	980,000	413,000	413,000	413,000	−567,000		
	GENERAL ACCOUNTING OFFICE							
	Salaries and expenses	5,500,000	150,000	150,000	150,000	−5,350,000		
	Total, Chapter VIII:							
	New budget (obligational) authority	18,976,600	4,328,000	6,522,000	6,522,000	−12,454,600	+2,194,000	
	Release of sec. 311 funds	(2,500,000)				(−2,500,000)		
	CHAPTER IX							
	DEPARTMENT OF STATE							
	Administration of Foreign Affairs							
	Salaries and expenses	13,892,000	4,100,000	4,100,000	4,100,000	−9,792,000		
	Payment to the Foreign Service retirement and disability fund	3,462,000	3,462,000	3,462,000	3,462,000			
	Total, Administration of foreign affairs	17,354,000	7,562,000	7,562,000	7,562,000	−9,792,000		
	International Organizations and Conferences							
	Contributions to international organizations	58,357,000	58,357,000	30,641,000	58,357,000			+$27,716,000
	Contributions for international peacekeeping activities	40,000,000	40,000,000	40,000,000	40,000,000			
	Missions to international organizations	961,000	750,000	750,000	750,000	−211,000		
	Total, International organizations and conferences	99,318,000	99,107,000	71,391,000	99,107,000	−211,000		+27,716,000
	International Commissions							
	International fisheries commissions	$30,000				−$30,000		
	Total, Department of State	116,702,000	$106,669,000	$78,953,000	$106,669,000	−10,033,000		+$27,716,000
	DEPARTMENT OF JUSTICE							
	General Administration							
	Salaries and expenses			250,000	150,000	+150,000	+$150,000	−100,000
96-145	By transfer	(490,000)				(−490,000)		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS—Con.							
	CHAPTER IX—Continued							
	DEPARTMENT OF JUSTICE—Continued							
	Legal Activities							
	Salaries and expenses, general legal activities			974,000	874,000	+874,000	+874,000	−100,000
96-145	By transfer	(974,000)				(−974,000)		
	Salaries and expenses, U.S. attorneys and marshals	226,000				−226,000		
	By transfer		(185,000)	(185,000)	(185,000)	(+185,000)		
	Fees and expenses of witnesses	6,464,000	6,464,000	6,464,000	6,464,000			
	Total, Legal activities	6,690,000	6,464,000	7,438,000	7,338,000	+648,000	+874,000	−100,000
	Federal Bureau of Investigation							
	Salaries and expenses			2,636,000	2,636,000	+2,636,000	+2,636,000	
96-145	By transfer	(2,636,000)				(−2,636,000)		
	Immigration and Naturalization Service							
96-85	Salaries and expenses	200,000		3,935,000	3,935,000	+3,735,000	+3,935,000	
96-145	By transfer	(3,935,000)				(−3,935,000)		
	Total, Department of Justice	6,890,000	6,464,000	14,259,000	14,059,000	+7,169,000	+7,595,000	−200,000
	DEPARTMENT OF COMMERCE							
	General Administration							
	Participation in United States expositions	200,000				−200,000		
	Economic Development Administration							
	Economic Development Assistance Programs: Increase in limitation	(96,000,000)	(96,000,000)	(96,000,000)	(96,000,000)			
	National Oceanic and Atmospheric Administration							
96-132	Construction	52,000,000		60,000,000	60,000,000	+8,000,000	+60,000,000	
	Coastal zone management	7,000,000	6,500,000	6,500,000	6,500,000	−500,000		
	Fishing vessel and gear damage compensation fund	3,500,000	500,000	2,000,000	1,000,000	−2,500,000	+500,000	−1,000,000
	Fishermen's contingency fund	600,000	300,000	600,000	450,000	−150,000	+150,000	−150,000
	Total, National Oceanic and Atmospheric Administration	63,100,000	7,300,000	69,100,000	67,950,000	+4,850,000	+60,650,000	−1,150,000
	National Telecommunications and Information Administration							
	Salaries and expenses	541,000				−541,000		
	Total, Department of Commerce	63,841,000	7,300,000	69,100,000	67,950,000	+4,109,000	+60,650,000	−1,150,000
	THE JUDICIARY							
	Courts of Appeals, District Courts, and Other Judicial Services							
	Salaries of judges	3,550,000	1,200,000	1,200,000	1,200,000	−2,350,000		
	Salaries of supporting personnel	5,690,000	1,800,000	1,800,000	1,800,000	−3,890,000		
	Fees of jurors and commissioners	4,000,000	4,000,000	4,000,000	4,000,000			
	Travel and miscellaneous expenses	7,229,000	3,600,000	3,600,000	3,600,000	−3,629,000		
	Salaries and expenses of magistrates	50,000				−50,000		
	Space and facilities	2,377,000				−2,377,000		
	Furniture and furnishings	8,505,000	4,200,000	4,200,000	4,200,000	−4,305,000		
	Total, Courts of appeals, district courts, and other judicial services	31,401,000	14,800,000	14,800,000	14,800,000	−16,601,000		
	Administrative Office of the United States Courts							
	Salaries and expenses	338,000	150,000	150,000	150,000	−188,000		
	Federal Judicial Center							
	Salaries and expenses	300,000	150,000	150,000	150,000	−150,000		
	Total, The Judiciary	32,039,000	15,100,000	15,100,000	15,100,000	−16,939,000		
	RELATED AGENCIES							
	Arms Control and Disarmament Agency							
	Arms control and disarmament activities	$1,010,000	$850,000	$1,000,000	$925,000	−$85,000	+$75,000	−$75,000
	Board for International Broadcasting							
	Grants and expenses	3,000,000	2,000,000	3,000,000	2,000,000	−1,000,000		−1,000,000
	Equal Employment Opportunity Commission							
	Salaries and expenses: Increase in limitation	(3,500,000)				(−3,500,000)		
	International Communication Agency							
	Salaries and expenses	737,000				−737,000		
	Salaries and expenses (special foreign currency program)	454,000	300,000	300,000	300,000	−154,000		
	Total, International Communication Agency	1,191,000	300,000	300,000	300,000	−891,000		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS—Con.							
	CHAPTER IX—Continued							
	RELATED AGENCIES—Continued							
	Renegotiation Board							
	Salaries and expenses	1,103,000				−1,103,000		
	Select Commission on Immigration and Refugee Policy							
	Salaries and expenses	224,000	224,000	224,000	224,000			
	Small Business Administration							
96-128	Salaries and expenses	2,000,000	2,000,000	2,000,000	2,000,000			
96-128	Disaster loan fund	1,018,000,000	1,018,000,000	1,018,000,000	1,018,000,000			
	Total, Small Business Administration	1,020,000,000	1,020,000,000	1,020,000,000	1,020,000,000			
	Total, Related agencies	1,026,528,000	1,023,374,000	1,024,524,000	1,023,449,000	−3,079,000	+75,000	−1,075,000
	Total, chapter IX:							
	New budget (obligational) authority	1,246,000,000	1,158,907,000	1,201,936,000	1,227,227,000	−18,773,000	+68,320,000	+25,291,000
	Limitation	(99,500,000)	(96,000,000)	(96,000,000)	(96,000,000)	(−3,500,000)		
	By transfer	(8,035,000)	(185,000)	(185,000)	(185,000)	(−7,850,000)		
	CHAPTER X							
	DEPARTMENT OF TRANSPORTATION							
	Office of the Secretary							
	Transportation planning, research, and development	5,000,000		5,000,000	1,000,000	−4,000,000	+1,000,000	−4,000,000
	Coast Guard							
	Retired pay	4,000,000	4,000,000	4,000,000	4,000,000			
96-130	Pollution fund	23,000,000		13,000,000	13,000,000	−10,000,000	+13,000,000	
	Offshore oil pollution compensation fund:							
	Appropriation	5,000,000	5,000,000	5,000,000	5,000,000			
	Authority to borrow	3,000,000	3,000,000	3,000,000	3,000,000			
	Total, Coast Guard	35,000,000	12,000,000	25,000,000	25,000,000	−10,000,000	+13,000,000	
	Federal Aviation Administration							
	Facilities and equipment (airport and airway trust fund)	13,563,000	10,850,000		8,700,000	−4,863,000	−2,150,000	+8,700,000
	Research, engineering and development (airport and airway trust fund)	3,500,000		3,500,000		−3,500,000		−3,500,000
	Total, Federal Aviation Administration	17,063,000	10,850,000	3,500,000	8,700,000	−8,363,000	−2,150,000	+5,200,000
	Federal Highway Administration							
	Off-system roads (appropriation to liquidate contract authorization)	(18,500,000)	(18,500,000)	(18,500,000)	(18,500,000)			
	Federal Railroad Administration							
	Northeast Corridor improvement program	35,000,000	35,000,000	35,000,000	35,000,000			
	Grants to the National Railroad Passenger Corporation	119,000,000	119,000,000	119,000,000	119,000,000			
	Total, Federal Railroad Administration	154,000,000	154,000,000	154,000,000	154,000,000			
	Urban Mass Transportation Administration							
	Urban formula grants (by transfer)		(40,000,000)				(−40,000,000)	
	Waterborne transportation demonstration project		5,000,000		5,000,000	+5,000,000		+5,000,000
	RELATED AGENCIES							
	Civil Aeronautics Board							
	Payments to air carriers	$4,000,000	$4,000,000	$4,000,000	$4,000,000			
	The Panama Canal							
	Canal Zone Government: Operating expenses	4,934,000	4,934,000	4,934,000	4,934,000			
	Panama Canal Company: Limitation on General and administrative expenses	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)			
	U.S. Railway Association							
	Administrative expenses	4,200,000	4,200,000	4,200,000	4,200,000			
	Payments for purchase of Conrail securities	239,000,000	239,000,000	239,000,000	239,000,000			
	Total, U.S. Railway Association	243,200,000	243,200,000	243,200,000	243,200,000			
	Washington Metropolitan Area Transit Authority							
	Interest payments	16,102,000	16,102,000	23,201,000	23,201,000	+$7,099,000	+$7,099,000	
	By transfer		(7,099,000)				(−7,099,000)	
	National Alcohol Fuels Commission							
96-156	Salaries and expenses	1,500,000		1,500,000	1,500,000		+1,500,000	
	GENERAL PROVISIONS							
	Coast Guard: Offshore oil pollution compensation fund: Limitation on obligations	(60,000,000)	(60,000,000)	(60,000,000)	(60,000,000)			
	Federal Aviation Administration: Loan guarantee program: Limitation on loan guarantees	(50,000,000)	(100,000,000)	(100,000,000)	(100,000,000)	(+50,000,000)		
	Total, General provisions	(110,000,000)	(160,000,000)	(160,000,000)	(160,000,000)	(+50,000,000)		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS—Con.							
	CHAPTER X—Continued							
	GENERAL PROVISIONS—Continued							
	Total, chapter X:							
	New budget (obligational) authority	480, 799, 000	450, 086, 000	464, 335, 000	470, 535, 000	−10, 264, 000	+20, 449, 000	+6, 200, 000
	Appropriations	(477, 799, 000)	(447, 086, 000)	(461, 335, 000)	(467, 535, 000)	(−10, 264, 000)	(+20, 449, 000)	(+6, 200, 000)
	Authority to borrow	(3, 000, 000)	(3, 000, 000)	(3, 000, 000)	(3, 000, 000)			
	Appropriation to liquidate contract authorization	(18, 500, 000)	(18, 500, 000)	(18, 500, 000)	(18, 500, 000)			
	By transfer		(47, 099, 000)				(−47, 099, 000)	
	Limitation	(1, 837, 000)	(1, 837, 000)	(1, 837, 000)	(1, 837, 000)			
	CHAPTER XI							
	DEPARTMENT OF THE TREASURY							
	International affairs	5, 442, 000				−5, 442, 000		
	Bureau of Government Financial Operations:							
	Salaries and expenses	9, 017, 000	9, 017, 000	9, 017, 000	9, 017, 000			
	Payment to the Government of Guam	216, 000	216, 000	216, 000	216, 000			
	Total, Bureau of Government Financial Operations	9, 233, 000	9, 233, 000	9, 233, 000	9, 233, 000			
	Bureau of Alcohol, Tobacco, and Firearms	1, 700, 000	400, 000	400, 000	400, 000	−1, 300, 000		
	U.S. Customs Service	2, 848, 000				−2, 848, 000		
96-145	Bureau of the Mint	1, 600, 000	1, 531, 000			−1, 600, 000	−1, 531, 000	
	Internal Revenue Service:							
	Salaries and expenses	1, 492, 000	1, 362, 000	1, 362, 000	1, 362, 000	−130, 000		
	Taxpayer service and returns processing	35, 445, 000	27, 555, 000	27, 555, 000	27, 555, 000	−7, 890, 000		
	Examinations and appeals	1, 721, 000				−1, 721, 000		
	Investigations and collections	859, 000				−859, 000		
	Payment where energy credit exceeds liability for tax	700, 000	700, 000	700, 000	700, 000			
	Total, Internal Revenue Service	40, 217, 000	29, 617, 000	29, 617, 000	29, 617, 000	−10, 600, 000		
	U.S. Secret Service	700, 000				−700, 000		
	Total, Department of the Treasury	61, 740, 000	40, 781, 000	39, 250, 000	39, 250, 000	−22, 490, 000	−1, 531, 000	
	U.S. POSTAL SERVICE							
	Payment to the Postal Service fund	18, 233, 000	18, 233, 000			−18, 233, 000	−18, 233, 000	
	EXECUTIVE OFFICE OF THE PRESIDENT							
96-54	Council on Wage and Price Stability	5, 199, 000	3, 199, 000	3, 199, 000	3, 199, 000	−2, 000, 000		
	INDEPENDENT AGENCIES							
	General Services Administration:							
	Federal buildings fund:							
	Limitation on availability of revenue:							
96-82	Construction of buildings	($4, 436, 205)	($36, 205)	($36, 205)	($36, 205)	(−$4, 400, 000)		
96-82	Rental of space	(14, 000, 000)	(14, 000, 000)	(14, 000, 000)	(14, 000, 000)			
....	Real property operations		(−7, 000, 000)	(−7, 000, 000)	(−7, 000, 000)	(−7, 000, 000)		
	Total, Federal buildings fund	(18, 436, 205)	(7, 036, 205)	(7, 036, 205)	(7, 036, 205)	(−11, 400, 000)		
	Federal Supply Service: General supply fund	81, 300, 000	10, 000, 000	10, 000, 000	10, 000, 000	−71, 300, 000		
	National Archives and Records Service: Records declassification	1, 460, 000	1, 000, 000			−1, 460, 000	−$1, 000, 000	
	General activities:							
	General Management and Agency Operations:							
	Salaries and expenses	1, 700, 000	1, 700, 000			−1, 700, 000	−1, 700, 000	
....	Office of the Inspector General			1, 700, 000	1, 700, 000	+1, 700, 000	+1, 700, 000	
	Total, General Services Administration	84, 460, 000	12, 700, 000	11, 700, 000	11, 700, 000	−72, 760, 000	−1, 000, 000	
	Office of Personnel Management:							
	Salaries and expenses	440, 000		240, 000	240, 000	−200, 000	+240, 000	
	Payment to civil service retirement and disability fund	335, 355, 000	335, 355, 000	335, 355, 000	335, 355, 000			
	Total, Office of Personnel Management	335, 795, 000	335, 355, 000	335, 595, 000	335, 595, 000	−200, 000	+240, 000	
	Merit Systems Protection Board:							
....	Salaries and expenses		750, 000	1, 048, 000	1, 048, 000	+1, 048, 000	+298, 000	
	Office of Special Counsel	842, 000	700, 000	842, 000	842, 000		+142, 000	
	Total, Merit Systems Protection Board	842, 000	1, 450, 000	1, 890, 000	1, 890, 000	+1, 048, 000	+440, 000	
	Federal Labor Relations Authority: Salaries and expenses	1, 360, 000	1, 360, 000	1, 360, 000	1, 360, 000			
	International Commodity Agreements: Investment in international tin buffer stocks	60, 000, 000				−60, 000, 000		
	Total, Independent agencies	482, 457, 000	350, 865, 000	350, 545, 000	350, 545, 000	−131, 912, 000	−320, 000	
	Total, chapter XI: New budget (obligational) authority	567, 629, 000	413, 078, 000	392, 994, 000	392, 994, 000	−174, 635, 000	−20, 084, 000	
	CHAPTER XII							
96-58	Temporary Commission on Financial Oversight of the District of Columbia	4, 500, 000		4, 500, 000	4, 500, 000		+4, 500, 000	
	DISTRICT OF COLUMBIA							
	Federal Funds							
96-138	Federal payment to the District of Columbia	69, 465, 000		19, 465, 000	19, 465, 000	−50, 000, 000	+19, 465, 000	
	Total, Federal payment to the District of Columbia	73, 965, 000		23, 965, 000	23, 965, 000	−50, 000, 000	+23, 965, 000	

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96–41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE I—GENERAL SUPPLEMENTALS—Con.							
	CHAPTER XII—Continued							
	DISTRICT OF COLUMBIA FUNDS							
96–138	General operating expenses	(22, 637, 900)		(15, 223, 400)	(16, 408, 100)	(−6, 229, 800)	(+16, 408, 100)	(+$1, 184, 700)
96–138	Public Safety	(14, 984, 100)		(11, 111, 000)	(11, 111, 000)	(−3, 873, 100)	(+11, 111, 000)	
96–138	Education	(2, 387, 500)		(1, 823, 900)	(723, 900)	(−1, 663, 600)	(+723, 900)	(−1, 100, 000)
96–138	Recreation	(151, 800)		(43, 000)	(43, 000)	(−108, 800)	(+43, 000)	
96–138	Human resources	(9, 435, 700)		(5, 161, 700)	(5, 161, 700)	(−4, 274, 000)	(+5, 161, 700)	
96–138	Transportaton	(5, 277, 000)		(4, 194, 900)	(4, 194, 900)	(−1, 082, 100)	(+4, 194, 900)	
96–138	Environmental services	(5, 256, 400)		(1, 144, 600)	(1, 144, 600)	(−4, 111, 800)	(+1, 144, 600)	
96–138	Personal services	(16, 000, 000)		(12, 000, 000)	(9, 000, 000)	(−7, 000, 000)	(+9, 000, 000)	(−3, 000, 000)
96–138	Settlement of claims and suits	(291, 500)		(291, 500)	(291, 500)		(+291, 500)	
96–138	Transition expense	(71, 700)				(−71, 700)		
96–138	Demonstration expenses	(2, 565, 000)		(2, 656, 000)	(2, 656, 000)		(+2, 565, 000)	
96–138	Capital outlay	(48, 728, 000)				(−48, 728, 000)		
	Total, District of Columbia Funds	(127, 786, 600)		(53, 559, 000)	(50, 643, 700)	(−77, 142, 900)	(+50, 643, 700)	(−2, 915, 300)
	Total chapter XII:							
	New budget (obligational) authority	73, 965, 000		23, 965, 000	23, 965, 000	−50, 000, 000	+23, 965, 000	
	District of Columbia funds	(127, 786, 600)		(53, 559, 000)	(50, 643, 700)	(−77, 142, 900)	(+50, 643, 700)	(−2, 915, 300)
	Total, title I, General supplementals:							
	New budget (obligational) authority	14, 330, 271, 600	9, 211, 689, 000	11, 615, 484, 000	11, 394, 844, 000	−2, 935, 427, 600	+2, 183, 155, 000	−220, 640, 000
	Appropriations, 1979	(13, 120, 065, 600)	(9, 004, 589, 000	(11, 365, 738, 000)	(11, 147, 598, 000)	(−1, 972, 467, 600)	(+2, 143, 009, 000)	(−218, 140, 000)
	Appropriations, 1981	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)			
	Authority to borrow, 1979	(977, 560, 000)	(22, 600, 000)	(22, 600, 000)	(22, 600, 000)	(−954, 960, 000)		
	Reappropriations, 1979	(70, 646, 000)	(22, 500, 000)	(65, 146, 000)	(62, 646, 000)	(−8, 000, 000)	(+40, 146, 000)	(−2, 500, 000)
	Appropriation to liquidate contract authorization	(18, 500, 000)	(18, 500, 000)	(18, 500, 000)	(18, 500, 000)			
	By transfer	(29, 935, 000)	(159, 284, 000)	(162, 185, 000)	(112, 185, 000)	(+82, 250, 000)	(−47, 099, 000)	(−50, 000, 000)
	Increase in limitations	(102, 695, 000)	(98, 922, 000)	(98, 932, 000)	(98, 927, 000)	(−3, 768, 000)	(+5, 000)	(−5, 000)
	Release of sec. 311 funds	(2, 500, 000)				(−2, 500, 000)		
	District of Columbia funds	(127, 786, 600)		(53, 559, 000)	(50, 643, 700)	(−77, 142, 900)	(+50, 643, 700)	(−2, 915, 300)
	TITLE II—INCREASED PAY COSTS							
	LEGISLATIVE BRANCH							
	Senate							
	Salaries, officers and employees	$6, 019, 000		$6, 019, 000	$6, 019, 000		+$6, 019, 000	
	Office of the Legislative Counsel of the Senate	25, 000		25, 000	25, 000		+25, 000	
	Senate policy committees	74, 000		74, 000	74, 000		+74, 000	
	Inquiries and investigations	1, 330, 000		1, 330, 000	1, 330, 000		+1, 330, 000	
	Folding documents	6, 000		6, 000	6, 000		+6, 000	
	Miscellaneous items	13, 000		13, 000	13, 000		+13, 000	
	Total, Senate	7, 467, 000		7, 467, 000	7, 467, 000		+7, 467, 000	
	House of Representatives							
	House leadership offices	75, 200	$75, 200	75, 200	75, 200			
	Salaries, officers and employees	1, 357, 700	1, 357, 700	1, 357, 700	1, 357, 700			
	Committee on Appropriations (studics and investigations)	8, 900	8, 900	8, 900	8, 900			
	Office of the Law Revision Counsel	14, 000	14, 000	14, 000	14, 000			
	Office of the Legislative Counsel	60, 400	60, 400	60, 400	60, 400			
	Members' clerk hire	5, 142, 400	5, 142, 400	5, 142, 400	5, 142, 400			
	Allowances and expenses	773, 600	773, 600	773, 600	773, 600			
	Special and select committees	2, 572, 000				−$2, 572, 000		
	Total, House of Representatives	10, 004, 200	7, 432, 200	7, 432, 200	7, 432, 200	−2, 572, 000		
	Joint Items							
	Joint Economic Committee	70, 000				−70, 000		
	Release of sec. 311 funds		(70, 000)	(70, 000)	(70, 000)	(+70, 000)		
	Joint Committee on Taxation	77, 100				−77, 100		
	Release of sec. 311 funds		(75, 100)	(75, 100)	(75, 100)	(+75, 100)		
	Education of pages	10, 900	10, 900	10, 900	10, 900			
	Capitol Guide Service	29, 000	29, 000	29, 000	29, 000			
	Total, Joint items	187, 000	39, 900	39, 900	39, 900	−147, 100		
	Release of sec. 311 funds		(145, 100)	(145, 100)	(145, 100)	(+145, 100)		
	Office of Technology Assessment							
	Salaries and expenses	196, 000				−196, 000		
	Congressional Budget Office							
	Salaries and expenses	261, 100				−261, 100		
	Release of sec. 311 funds		(261, 100)	(261, 100)	(261, 100)	(+261, 100)		
	Architect of the Capitol							
	Office of the Architect of the Capitol: Salaries	108, 000				−108, 000		
	By transfer of sec. 311 from House office buildings		(108, 000)	(108, 000)	(108, 000)	(+108, 000)		
	Capitol buildings	223, 000				−223, 000		
	By transfer of sec. 311 from House office buildings		(223, 000)	(223, 000)	(223, 000)	(+223, 000)		
	Capitol grounds	79, 000				−79, 000		
	By transfer of sec. 311 from House office buildings		(79, 000)	(79, 000)	(79, 000)	(+79, 000)		
	Senate office buildings	389, 000				−389, 000		
	By release of $55,000 of sec. 311 funds and transfer of $273,000 of sec. 311 funds from Capitol Power Plant and $61,000 from House office buildings			(389, 000)	(389, 000)	(+389, 000)	(+389, 000)	
	Senate garage	7, 000				−7, 000		
	By transfer of sec. 311 funds from Capitol Power Plant			(7, 000)	(7, 000)	(+7, 000)	(+7, 000)	
	House office buildings	570, 000				−570, 000		
	Release of sec. 311 funds		(570, 000)	(570, 000)	(570, 000)	(+570, 000)		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE II—INCREASED PAY COSTS—Con.							
	LEGISLATIVE BRANCH—Continud							
	Architect of the Capitol—Continued							
	Capitol Power Plant	100,000				−100,000		
	Release of sec. 311 funds		(100,000)	(100,000)	(100,000)	(+100,000)		
	Structural and mechanical care, Library buildings and grounds	95,000				−95,000		
	By transfer of sec. 311 from House office buildings		(95,000)	(95,000)	(95,000)	(+95,000)		
	Total, Architect of the Capitol	1,571,000				−1,571,000		
	Release of sec. 311 funds and transfers		(1,175,000)	(1,571,000)	(1,571,000)	(+1,571,000)	(+396,000)	
	Botanic Garden							
	Salaries and expenses	56,000				−56,000		
	By transfer of sec. 311 from House office buildings		(56,000)	(56,000)	(56,000)	(+56,000)		
	Library of Congress							
	Salaries and expenses	3,320,000				−3,320,000		
	Release of sec. 311 funds		(1,387,000)	(1,387,000)	(1,387,000)	(+1,387,000)		
	By transfer of sec. 311 from books for the blind and physically handicapped		(1,933,000)	(1,933,000)	(1,933,000)	(+1,933,000)		
	Copyright Office: Salaries and expenses	561,000				−561,000		
	By transfer of sec. 311 from books for the blind and physically handicapped		(61,000)	(61,000)	(61,000)	(+61,000)		
	Congressional Research Service: Salaries and expenses	1,031,000				−1,031,000		
	Release of sec. 311 funds		(1,031,000)	(1,031,000)	(1,031,000)	(+1,031,000)		
	Books for the blind and physically handicapped: Salaries and expenses	$115,000				−$115,000		
	Release of sec. 311 funds		($115,000)	($115,000)	($115,000)	(+115,000)		
	Collection and distribution of library materials (special foreign currency program)	17,000				−17,000		
	Total, Library of Congress	5,044,000				−5,044,000		
	Release of sec. 311 funds and transfers		(4,527,000)	(4,527,000)	(4,527,000)	(+4,527,000)		
	Government Printing Office							
	Office of Superintendent of Documents: Salaries and expenses	285,000				−285,000		
	General Accounting Office							
	Salaries and expenses	7,281,000				−7,281,000		
	Release of sec. 311 funds		(7,281,000)	(7,281,000)	(7,281,000)	(+7,281,000)		
	Total, legislative branch	32,352,300	7,472,100	14,939,100	14,939,100	−17,413,200	+$7,467,000	
	Release of sec. 311 funds and transfers		(13,445,200)	(13,841,200)	(13,841,200)	(+13,841,200)	(+396,000)	
	THE JUDICIARY							
	Supreme Court of the United States							
	Salaries and expenses	400,000				−400,000		
	Care of the building and grounds	36,000	25,000	25,000	25,000	−11,000		
	Total, Supreme Court of the United States	436,000	25,000	25,000	25,000	−411,000		
	Court of Customs and Patent Appeals							
	Salaries and expenses	39,000	22,000	22,000	22,000	−17,000		
	Customs Court							
	Salaries and expenses	129,000	40,000	40,000	40,000	−89,000		
	Court of Claims							
	Salaries and expenses	95,000	50,000	50,000	50,000	−45,000		
	Courts of Appeals, District Courts, and Other Judicial Services							
	Salaries of supporting personnel	8,954,000	7,500,000	7,500,000	7,500,000	−1,454,000		
	Defender services	408,000				−408,000		
	Salaries and expenses of magistrates	296,000				−296,000		
	Salaries and expenses of referees	1,358,000	1,358,000	1,358,000	1,358,000			
	Total, courts of appeals, district courts, and other judicial services	11,016,000	8,858,000	8,858,000	8,858,000	−2,158,000		
	Administrative Office of the U.S. Courts							
	Salaries and expenses	499,000	499,000	499,000	499,000			
	Federal Judicial Center							
	Salaries and expenses	132,000	104,000	104,000	104,000	−28,000		
	Total, the judiciary	12,346,000	9,598,000	9,598,000	9,598,000	−2,748,000		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96–41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE II—INCREASED PAY COSTS—Con.							
	EXECUTIVE OFFICE OF THE PRESIDENT							
	The White House Office: Salaries and expenses	452, 000	452, 000	452, 000	452, 000			
	Executive Residence at the White House: Operating expenses	108, 000	108, 000	108, 000	108, 000			
	Special Assistance to the President: Salaries and expenses	35, 000	35, 000	35, 000	35, 000			
	Domestic policy staff: Salaries and expenses	44, 000	44, 000	44, 000	44, 000			
	National Security Council: Salaries and expenses	125, 000	125, 000	125, 000	125, 000			
	Office of Administration: Salaries and expenses	183, 000	183, 000	183, 000	183, 000			
	Office of Management and Budget: Salaries and expenses	844, 000	844, 000	844, 000	844, 000			
	Office of Science and Technology Policy: Salaries and expenses	37, 000	20, 000	20, 000	20, 000	−17, 000		
	Office of the Special Representative for Trade Negotiations: Salaries and expenses	42, 000	42, 000	42, 000	42, 000			
	Total, Executive Office of the President	1, 870, 000	1, 853, 000	1, 853, 000	1, 853, 000	−17, 000		
	DEPARTMENT OF AGRICULTURE							
	Office of the Secretary	105, 000	105, 000	105, 000	105, 000			
	Departmental administration	508, 000	508, 000	508, 000	508, 000			
	Working capital fund	(1, 252, 000)	(1, 252, 000)	(1, 252, 000)	(1, 252, 000)			
	Office of the Inspector General	557, 000	150, 000	150, 000	150, 000	−407, 000		
	Transfer from food stamp program	(303, 000)	(303, 000)	(303, 000)	(303, 000)			
	Total, Office of Inspector General	(860, 000)	(453, 000)	(453, 000)	(453, 000)	(−407, 000)		
	Office of the General Counsel	$347, 000	$347, 000	$347, 000	$347, 000			
	Agricultural Research Service	10, 050, 000	2, 500, 000	7, 500, 000	5, 000, 000	−$5, 050, 000	+$2, 500, 000	−$2, 500, 000
	National Agricultural Library	200, 000				−200, 000		
	Economics, Statistics, and Cooperatives Service	2, 966, 000	2, 450, 000	2, 450, 000	2, 450, 000	−516, 000		
	World food and agricultural outlook and situation board	40, 000				−40, 000		
	Foreign Agricultural Service	570, 000	570, 000	570, 000	570, 000			
	Federal Crop Insurance Corporation: Federal Crop Insurance Corporation fund: Increase in limitation	(560, 000)	(560, 000)	(560, 000)	(560, 000)			
	Rural Electrification Administration: Salaries and expenses	756, 000	756, 000	256, 000	256, 000	−500, 000	−500, 000	
	Farmers Home Administration: Salaries and expenses	6, 813, 000	6, 813, 000	6, 813, 000	6, 813, 000			
	Soil Conservation Service:							
	Conservation operations	8, 587, 000	6, 000, 000	6, 936, 000	6, 936, 000	−1, 651, 000	+936, 000	
	River basin surveys and investigations	490, 000	490, 000			−490, 000	−490, 000	
	Watershed planning	446, 000	446, 000			−446, 000	−446, 000	
	Great plains conservation program	401, 000	401, 000	401, 000	401, 000			
	Resource conservation and development	441, 000	441, 000	441, 000	441, 000			
	Total, Soil Conservation Service	10, 365, 000	7, 778, 000	7, 778, 000	7, 778, 000	−2, 587, 000		
	Animal and Plant Health Inspection Service	5, 178, 000	5, 178, 000	5, 178, 000	5, 178, 000			
	Agricultural Marketing Service: Marketing services	1, 352, 000	1, 352, 000	1, 352, 000	1, 352, 000			
	Food Safety and Quality Service	10, 677, 000	6, 677, 000	8, 677, 000	7, 677, 000	−3, 000, 000	+1, 000, 000	−1, 000, 000
	Funds for strengthening markets, income, and supply (sec. 32): Increase in limitation	(197, 000)	(197, 000)	(197, 000)	(197, 000)			
	Food and Nutrition Service: Food program administration	2, 149, 000	2, 149, 000	2, 149, 000	2, 149, 000			
	Forest Service:							
	Forest protection and utilization	28, 741, 000	21, 556, 000	21, 556, 000	21, 556, 000	−7, 185, 000		
	Construction and land acquisition	442, 000	332, 000	332, 000	332, 000	−110, 000		
	Forest roads and trails	9, 489, 000	7, 117, 000	7, 117, 000	7, 117, 000	−2, 372, 000		
	Assistance to States for tree improvement	18, 000	14, 000	14, 000	14, 000	−4, 000		
	Total, Forest Service	38, 690, 000	29, 019, 000	29, 019, 000	29, 019, 000	−9, 671, 000		
	Total, Department of Agriculture	91, 323, 000	66, 352, 000	72, 852, 000	69, 352, 000	−21, 971, 000	+3, 000, 000	−3, 500, 000
	Increase in limitations	(757, 000)	(757, 000)	(757, 000)	(757, 000)			
	DEPARTMENT OF COMMERCE							
	General Administration							
	Salaries and expenses	780, 000	740, 000	740, 000	740, 000	−40, 000		
	Bureau of the Census							
	Salaries and expenses	1, 837, 000	1, 747, 000	1, 747, 000	1, 747, 000	−90, 000		
	Periodic censuses and programs	5, 398, 000	5, 128, 000	5, 128, 000	5, 128, 000	−270, 000		
	Total, Bureau of the Census	7, 235, 000	6, 875, 000	6, 875, 000	6, 875, 000	−360, 000		
	Economic and Statistical Analysis							
	Salaries and expenses	547, 000	547, 000	547, 000	547, 000			
	Economic Development Administration							
	Salaries and expenses	1, 301, 000	1, 236, 000	1, 236, 000	1, 236, 000	−65, 000		
	Local Public Works Program	387, 000	368, 000	368, 000	368, 000	−19, 000		
	Total, Economic Development Administration	1, 688, 000	1, 604, 000	1, 604, 000	1, 604, 000	−84, 000		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96–41 as amended by—		New budget authority				Conference compared with—		
		Estimates fiscal year 1979	House fiscal year 1979	Senate fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE II—INCREASED PAY COSTS—Con.							
	DEEPARTMENT OF COMMERCE—Continued							
	Industry and Trade Administration							
	Operations and administration	1, 888, 000	1, 798, 000	1, 798, 000	1, 798, 000	−90, 000		
	U.S. Travel Service							
	Salaries and expenses	97, 000	97, 000	97, 000	97, 000			
	National Oceanic and Atmospheric Administration							
	Operations, research, and facilities	16, 503, 000	15, 703, 000	15, 703, 000	15, 703, 000	−800, 000		
	Coastal zone management	140, 000	140, 000	140, 000	140, 000			
	Total, National Oceanic and Atmospheric Administration	16, 643, 000	15, 843, 000	15, 843, 000	15, 843, 000	−800, 000		
	Patent and Trademark Office							
	Salaries and expenses	3, 054, 000	3, 054, 000	3, 054, 000	3, 054, 000			
	Science and Technical Research							
	Scientific and technical research and services	2, 740, 000	2, 600, 000	2, 600, 000	2, 600, 000	−140, 000		
	National Telecommunications and Information Administration							
	Salaries and expenses	130, 000	120, 000	120, 000	120, 000	−10, 000		
	Maritime Administration							
	Operations and training	$1, 437, 000	$1, 366, 000	$1, 366, 000	$1, 366, 000	−$71, 000		
	Total, Department of Commerce	36, 239, 000	34, 644, 000	34, 644, 000	34, 644, 000	−1, 595, 000		
	DEPARTMENT OF DEFENSE—MILITARY							
	Military Personnel							
	Military personnel, Army	440, 375, 000	437, 448, 000	437, 448, 000	437, 448, 000	−2, 927, 000		
	Military personnel, Navy	306, 700, 000	297, 433, 000	297, 433, 000	297, 433, 000	−9, 267, 000		
	Military personnel, Marine Corps	97, 425, 000	96, 525, 000	96, 525, 000	96, 525, 000	−900, 000		
	Military personnel, Air Force	366, 199, 000	362, 134, 000	366, 199, 000	362, 134, 000	−4, 065, 000		−$4, 065, 000
	Reserve personnel, Army	18, 950, 000	9, 950, 000	13, 550, 000	13, 550, 000	−5, 400, 000	+$3, 600, 000	
	Reserve personnel, Navy	8, 975, 000		4, 475, 000	4, 475, 000	−4, 500, 000	+4, 475, 000	
	Reserve personnel, Marine Corps	3, 075, 000	3, 075, 000	3, 075, 000	3, 075, 000			
	Reserve personnel, Air Force	7, 750, 000	7, 750, 000	7, 750, 000	7, 750, 000			
	National Guard personnel, Army	36, 600, 000	31, 600, 000	36, 600, 000	31, 600, 000	−5, 000, 000		−5, 000, 000
	National Guard personnel, Air Force	8, 123, 000	8, 123, 000	10, 023, 000	10, 023, 000	+1, 900, 000	+1, 900, 000	
	Total, military personnel	1, 294, 172, 000	1, 254, 038, 000	1, 273, 078, 000	1, 264, 013, 000	−30, 159, 000	+9, 975, 000	−9, 065, 000
	Operation and Maintenance							
	Operation and maintenance, Army	174, 200, 000	174, 200, 000	174, 200, 000	174, 200, 000			
	Operation and maintenance, Navy	128, 200, 000	128, 200, 000	128, 200, 000	128, 200, 000			
	Operation and maintenance, Marine Corps	2, 800, 000	2, 800, 000	2, 800, 000	2, 800, 000			
	Operation and maintenance, Air Force	97, 900, 000	97, 900, 000	97, 900, 000	97, 900, 000			
	Operation and maintenance, Defense agencies	102, 200, 000	82, 200, 000	102, 200, 000	90, 200, 000	−12, 000, 000	+8, 000, 000	−12, 000, 000
	Operation and maintenance, Army Reserve	3, 400, 000	3, 400, 000	3, 400, 000	3, 400, 000			
	Operation and maintenance, Air Force Reserve	8, 600, 000	8, 600, 000	8, 600, 000	8, 600, 000			
	Operation and maintenance, Army National Guard	9, 700, 000	9, 700, 000	9, 700, 000	9, 700, 000			
	Operation and maintenance, Air National Guard	19, 200, 000	19, 200, 000	17, 300, 000	17, 300, 000	−1, 900, 000	−1, 900, 000	
	National Board for the Promotion of Rifle Practice, Army	10, 000	10, 000	10, 000	10, 000			
	Court of Military Appeals, Defense	90, 000	90, 000	90, 000	90, 000			
	Total, operation and maintenance	546, 300, 000	526, 300, 000	544, 400, 000	532, 400, 000	−13, 900, 000	+6, 100, 000	−12, 000, 000
	Family Housing							
	Family housing, Defense	8, 619, 000				−8, 619, 000		
	Total, Department of Defense—Military	1, 849, 091 000	1, 780, 338, 000	1, 817, 478, 000	1, 796, 413, 000	−52, 678, 000	+16, 075, 000	−21, 065, 000
	DEPARTMENT OF DEFENSE—CIVIL							
	DEPARTMENT OF THE ARMY							
	Corps of Engineers—Civil							
	Construction, general			10, 000, 000	10, 000, 000	+10, 000, 000	+10, 000, 000	
	General expenses	2, 400, 000	2, 400, 000	2, 400, 000	2, 400, 000			
	Operation and maintenance, general	16, 600, 000	16, 600, 000	16, 600, 000	16, 600, 000			
	Total, Corps of Engineers—Civil	19, 000, 000	19, 000, 000	29, 000, 000	29, 000, 000	+10, 000, 000	+10, 000, 000	
	Soldiers' and Airmen's Home							
	Operation and maintenance	590, 000	590, 000	590, 000	590, 000			
	The Panama Canal							
	Operating expenses	1, 234, 000	1, 048, 000	1, 048, 000	1, 048, 000	−186, 000		
	By transfer		(186, 000)	(186, 000)	(186, 000)	(+186, 000)		
	Corporation: Panama Canal Company, increase in limitation	(795, 000)	(795, 000)	(795, 000)	(795, 000)			
	Total, Department of Defense—Civil	20, 824, 000	20, 638, 000	30, 638, 000	30, 638, 000	+9, 814, 000	+10, 000, 000	
	(Increase in limitations)	(795, 000)	(795, 000)	(795, 000)	(795, 000)			

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates fiscal year 1979	House fiscal year 1979	Senate fiscal year 1979	Conference fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE II—INCREASED PAY COSTS—Con.							
	DEPARTMENT OF ENERGY							
	Energy, science, and defense activities, operating expenses	15, 617, 000	15, 000, 000	15, 000, 000	15, 000, 000	−617, 000		
	Federal Energy Regulatory Commission, salaries and expenses	1, 930, 000				−1, 930, 000		
	Power Marketing Administrations	1, 457, 000	209, 000	209, 000	209, 000	−1, 248, 000		
	Fossil energy research and development	2, 154, 000	1, 301, 000	1, 571, 000	1, 301, 000	−853, 000		−270, 000
	Energy production, demonstration, and distribution	312, 000	234, 000	234, 000	234, 000	−78, 000		
	Energy conservation	472, 000	354, 000	354, 000	354, 000	−118, 000		
	Strategic petroleum reserve	289, 000	217, 000	217, 000	217, 000	−72, 000		
	Energy information administration, operating expenses	1, 258, 000	1, 258, 000	1, 258, 000	1, 258, 000			
	Total, Department of Energy	23, 489, 000	18, 573, 000	18, 843, 000	18, 573, 000	−4, 916, 000		−270, 000
	DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
	Food and Drug Administration							
	Salaries and expenses	$8, 705, 000	$6, 800, 000	$6, 800, 000	$6, 800, 000	$−1, 905, 000		
	Health Services Administration							
	Indian health services		5, 664, 000	8, 364, 000	8, 364, 000	+8, 364, 000	+$2, 700, 000	
	By transfer	(11, 152, 000)	(3, 600, 000)			(−11, 152, 000)	(−3, 600, 000)	
	Center for Disease Control							
	Preventive health services	2, 973, 000	2, 673, 000	2, 673, 000	2, 673, 000	−300, 000		
	National Institutes of Health							
	Office of the Director, by transfer	(784, 000)	(784, 000)	(784, 000)	(784, 000)			
	Assistant Secretary for Health							
	Salaries and expenses	1, 672, 000	1, 138, 000	1, 138, 000	1, 138, 000	−534, 000		
	National Institute of Education							
	National Institute of Education	160, 000				−160, 000		
	Alcohol, Drug Abuse, and Mental Health Administration							
96-54	St. Elizabeths Hospital, by transfer	(3, 428, 000)	(3, 428, 000)	(3, 428, 000)	(3, 428, 000)			
	Health Care Financing Administration							
	Quality Care management, research and administration	2, 600, 000	2, 600, 000	2, 600, 000	2, 600, 000			
96-54	Trust fund transfer	(3, 800, 000)	(3, 800, 000)	(3, 800, 000)	(3, 800, 000)			
	Social Security Administration							
	Limitation on salaries and expenses: Increase in limitation	(71, 500, 000)	(37, 500, 000)	(37, 500, 000)	(37, 500, 000)	(−34, 000, 000)		
	Public assistance	1, 105, 000	1, 105, 000	1, 105, 000	1, 105, 000			
	Assistant Secretary for Human Development Services							
	Human development services	2, 387, 000	2, 387, 000	2, 387, 000	2, 387, 000			
	Departmental Management							
	Office of Consumer Affairs	32, 000	20, 000	32, 000	32, 000		+12, 000	
	General departmental management	3, 545, 000	2, 265, 000	2, 265, 000	2, 265, 000	−1, 280, 000		
	Total, departmental management	3, 577, 000	2, 285, 000	2, 297, 000	2, 297, 000	−1, 280, 000	+12, 000	
	Total, Department of Health, Education, and Welfare	23, 179, 000	24, 652, 000	27, 364, 000	27, 364, 000	+4, 185, 000	+2, 712, 000	
	Increase in limitations	(71, 500, 000)	(37, 500, 000)	(37, 500, 000)	(37, 500, 000)	(−34, 000, 000)		
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
	Management and Administration							
	Salaries and expenses, Department of Housing and Urban Development	16, 890, 000	10, 000, 000	10, 000, 000	10, 000, 000	−6, 890, 000		
	DEPARTMENT OF THE INTERIOR							
	Bureau of Land Development							
	Management of lands and resources	4, 418, 000	3, 300, 000	3, 300, 000	3, 300, 000	−1, 118, 000		
	Bureau of Reclamation							
	Operation and maintenance	2, 363, 000	2, 363, 000	2, 363, 000	2, 363, 000			
	General administrative expenses	760, 000	760, 000	760, 000	760, 000			
	Total, Bureau of Reclamation	3, 123, 000	3, 123, 000	3, 123, 000	3, 123, 000			
	Heritage Conservation and Recreation Service							
	Salaries and expenses	406, 000	300, 000	300, 000	300, 000	−106, 000		
	Land and water conservation fund: Increase in limitation	(258, 000)	(188, 000)	(188, 000)	(188, 000)	(−70, 000)		
	U.S. Fish and Wildlife Service							
	Resource management	5, 410, 000	4, 500, 000	4, 310, 000	4, 310, 000	−1, 100, 000	−190, 000	

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE II—INCREASED PAY COSTS—Con.							
	DEPARTMENT OF THE INTERIOR—Continued							
	National Park Service							
	Operation of the National Park System	$9, 121, 000	$5, 000, 000	$7, 041, 000	$6, 000, 000	−$3, 121, 000	+$1, 000, 000	−$1, 041, 000
	John F. Kennedy Center for the Performing Arts	83, 000				−83, 000		
	Planning, development, and operation of recreation facilities	350, 000				−350, 000		
	Total, National Park Service	9, 554, 000	5, 000, 000	7, 041, 000	6, 000, 000	−3, 554, 000	+1, 000, 000	−1, 041, 000
	Geological Survey							
	Surveys, investigations and research	10, 414, 000	9, 511, 000	9, 511, 000	9, 511, 000	−903, 000		
	Bureau of Mines							
	Mines and minerals	2, 186, 000	1, 500, 000	1, 500, 000	1, 500, 000	−686, 000		
	Bureau of Indian Affairs							
	Operation of Indian programs	13, 704, 000	10, 300, 000	10, 300, 000	10, 300, 000	−3, 404, 000		
	Office of Territorial Affairs							
	Administration of territories	100, 000	75, 000	75, 000	75, 000	−25, 000		
	Trust Territory of the Pacific Islands	130, 000	98, 000	98, 000	98, 000	−32, 000		
	Total, Office of Territorial Affairs	230, 000	173, 000	173, 000	173, 000	−57, 000		
	Office of the Solicitor							
	Salaries and expenses	526, 000	500, 000	500, 000	500, 000	−26, 000		
	Office of the Secretary							
	Departmental management	1, 217, 000	900, 000	900, 000	900, 000	−317, 000		
	Total, Department of the Interior	51, 188, 000	39, 107, 000	40, 958, 000	39, 917, 000	−11, 271, 000	+810, 000	−1, 041, 000
	DEPARTMENT OF JUSTICE							
	General Administration							
	Salaries and expenses	967, 000				−967, 000		
	By transfer		(1, 165, 000)	(1, 165, 000)	(1, 165, 000)	(+1, 165, 000)		
	Legal Activities							
	Salaries and expenses, general legal activities	457, 000				−457, 000		
	By transfer		(750, 000)	(750, 000)	(750, 000)	(+750, 000)		
	Salaries and expenses, Antitrust Division	1, 131, 000				−1, 131, 000		
	By transfer		(1, 131, 000)	(1, 131, 000)	(1, 131, 000)	(+1, 131, 000)		
	Salaries and expenses, U.S. attorneys and marshals	7, 293, 000				−7, 293, 000		
	By transfer		(7, 293, 000)	(7, 293, 000)	(7, 293, 000)	(+7, 293, 000)		
	Total, Legal activities	8, 881, 000				−8, 881, 000		
	Federal Bureau of Investigation							
	Salaries and expenses	20, 506, 000	17, 293, 000	16, 593, 000	16, 593, 000	−3, 913, 000	−700, 000	
	By transfer		(3, 213, 000)	(3, 913, 000)	(3, 913, 000)	(+3, 913, 000)	(+700, 000)	
	Immigration and Naturalization Service							
	Salaries and expenses	6, 000, 000	6, 000, 000	6, 000, 000	6, 000, 000			
	Drug Enforcement Administration							
	Salaries and expenses	700, 000				−700, 000		
	By transfer	(572, 000)	(1, 272, 000)	(772, 000)	(772, 000)	(+200, 000)	(−500, 000)	
	Law Enforcement Assistance Administration							
	Salaries and expenses	1, 437, 000				−1, 437, 000		
	Total, Department of Justice	38, 491, 000	23, 293, 000	22, 593, 000	22, 593, 000	−15, 898, 000	−700, 000	
	By transfer	(572, 000)	(14, 824, 000)	(15, 024, 000)	(15, 024, 000)	(+14, 452, 000)	(+200, 000)	
	DEPARTMENT OF LABOR							
	Employment and Training Administration							
	Program administration	676, 000	676, 000	676, 000	676, 000			
	Trust fund transfer	(1, 403, 000)	(1, 403, 000)	(1, 403, 000)	(1, 403, 000)			
	Employment Standards Administration							
	Salaries and expenses	6, 069, 000				−6, 069, 000		
	Trust fund transfer	(13, 000)	(13, 000)	(13, 000)	(13, 000)			
	Occupational Safety and Health Administration							
	Salaries and expenses	1, 810, 000	1, 810, 000	1, 810, 000	1, 810, 000			

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96–41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE II—INCREASED PAY COSTS—Con.							
	DEPARTMENT OF LABOR—Continued							
	Mine Safety and Health Administration							
	Salaries and expenses	$2, 730, 000	$2, 480, 000	$2, 480, 000	$2, 480, 000	−$250, 000		
	Bureau of Labor Statistics							
	Salaries and expenses	715, 000				−715, 000		
	Departmental Management							
	Salaries and expenses	2, 442, 000	2, 167, 000	2, 167, 000	2, 167, 000	−275, 000		
	Trust fund transfer	(60, 000)	(60, 000)	(60, 000)	(60, 000			
	Total, Department of Labor	14, 442, 000	7, 133, 000	7, 133, 000	7, 133, 000	−7, 309, 000		
	Trust fund transfers	(1, 476, 000)	(1, 476, 000)	(1, 476, 000)	(1, 476, 000)			
	DEPARTMENT OF STATE							
	Administration of Foreign Affairs							
	Salaries and expenses	13, 460, 000	11, 460, 000	11, 460, 000	11, 460, 000	−2, 000, 000		
	Acquisition, operation, and maintenance of buildings abroad	177, 000	177, 000	177, 000	177, 000			
	Total, Administration of foreign affairs	13, 637, 000	11, 637, 000	11, 637, 000	11, 637, 000	−2, 000, 000		
	International Organizations and Conferences							
	Missions to international organizations	235, 000	235, 000	235, 000	235, 000			
	International Commissions							
	International Boundary and Water Commission, United States and Mexico, salaries and expenses	189, 000	189, 000	189, 000	189, 000			
	American sections, international commissions	65, 000	65, 000	65, 000	65, 000			
	Total, International commissions	254, 000	254, 000	254, 000	254, 000			
	Other							
	Migration and refugee assistance	35, 000	35, 000	35, 000	35, 000			
	Total, Department of State	14, 161, 000	12, 161, 000	12, 161, 000	12, 161, 000	−2, 000, 000		
	DEPARTMENT OF TRANSPORTATION							
	Office of the Secretary							
	Salaries and expenses	843, 000	700, 000	700, 000	700, 000	−143, 000		
	By transfer	(63, 331)	(63, 331)	(63, 331)	(63, 331)			
	Coast Guard							
	Operating expenses	24, 470, 000	22, 670, 000	22, 670, 000	22, 670, 000	−1, 800, 000		
	Reserve training	1, 680, 000	1, 600, 000	1, 600, 000	1, 600, 000	−80, 000		
	Total, Coast Guard	26, 150, 000	24, 270, 000	24, 270, 000	24, 270, 000	−1, 880, 000		
	Federal Aviation Administration							
	Operations	60, 000, 000	54, 000, 000	54, 000, 000	54, 000, 000	−6, 000, 000		
	By transfer		(5, 000, 000)	(5, 000, 000)	(5, 000, 000)	(+5, 000, 000)		
	Operation and maintenance, Metropolitan Washington Airports	630, 000	630, 000	630, 000	630, 000			
	Total, Federal Aviation Administration	60, 630, 000	54, 630, 000	54, 630, 000	54, 630, 000	−6, 000, 000		
	Federal Highway Administration							
	Motor carrier safety	244, 000	220, 000	220, 000	220, 000	−24, 000		
	Federal-aid highways, trust fund: Increase in limitation	(4, 770, 000)	(4, 200, 000)	(4, 200, 000)	(4, 200, 000)	(−570, 000)		
	National Highway Traffic Safety Administration							
	Traffic and highway safety	1, 000, 000	400, 000	400, 000	400, 000	−600, 000		
	Federal Railroad Administration							
	Office of the Administrator	335, 000	335, 000	335, 000	335, 000			
	Railroad safety	570, 000	500, 000	500, 000	500, 000	−70, 000		
	Total, Federal Railroad Administration	905, 000	835, 000	835, 000	835, 000	−70, 000		
	St. Lawrence Seaway Development Corporation: Increase In limitation	(32, 000)	(32, 000)	(32, 000)	(32, 000)			
	Total, Department of Transportation	89, 772, 000	81, 055, 000	81, 055, 000	81, 055, 000	−8, 717, 000		
	Increase in limitations	(4, 802, 000)	(4, 232, 000)	(4, 232, 000)	(4, 232, 000)	(−570, 000)		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

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	TITLE II—INCREASED PAY COSTS—Con.							
	DEPARTMENT OF THE TREASURY							
	Office of the Secretary: Salaries and expenses, by transfer	($979,000)	($979,000)	($979,000)	($979,000)			
	Bureau of Government Financial Operations:							
	Salaries and expenses, by transfer	(2,289,000)	(2,289,000)	(2,289,000)	(2,289,000)			
	New York City loan guarantee program, by transfer	(34,000)				(−$34,000)		
	Bureau of Alcohol, Tobacco and Firearms:							
	Salaries and expenses, by transfer	(4,900,000)	(4,900,000)	(4,900,000)	(4,900,000)			
	U.S. Customs Service: Salaries and expenses	9,409,000	13,459,000	10,833,000	13,459,000	+4,050,000		+$2,626,000
	Bureau of the Mint: Salaries and expenses, by transfer	(584,000)	(584,000)	(584,000)	(584,000)			
	Internal Revenue Service:							
	Salaries and expenses	5,727,000	5,727,000	5,727,000	5,727,000			
	Taxpayer service and returns processing	24,133,000	24,133,000	24,133,000	24,133,000			
	Examinations and appeals	20,609,000	20,609,000	20,609,000	20,609,000			
	Investigations and collections	19,369,000	19,369,000	19,369,000	19,369,000			
	Total, Internal Revenue Service	69,838,000	69,838,000	69,838,000	69,838,000			
	U.S. Secret Service: Salaries and expenses	1,314,000	1,314,000	1,314,000	1,314,000			
	By transfer	(3,214,000)	(3,214,000)	(3,214,000)	(3,241,000)			
	Total, Department of the Treasury	80,561,000	84,611,000	81,985,000	84,611,000	+4,050,000		+2,626,000
	By transfer	(12,000,000)	(11,966,000)	(11,966,000)	(11,966,000)	(−34,000)		
	ENVIRONMENTAL PROTECTION AGENCY							
	Agency and regional management	2,000,000				−2,000,000		
	Research and development	1,800,000				−1,800,000		
	Abatement and control	2,600,000				−2,600,000		
	Enforcement	1,700,000				−1,700,000		
	Total, Environmental Protection Agency	8,100,000				−8,100,000		
	GENERAL SERVICES ADMINISTRATION							
	Federal buildings fund: Limitations on availability of revenue: Increase in limitations:							
	Real property operations	(9,079,000)	(9,079,000)	(9,079,000)	(9,079,000)			
	Program direction and centralized services	(2,565,000)	(2,565,000)	(2,565,000)	(2,565,000)			
	Total, Federal buildings fund	(11,644,000)	(11,644,000)	(11,644,000)	(11,644,000)			
	Personal property activities: Federal Supply Service, operating expenses	5,116,000	5,116,000	5,116,000	5,116,000			
	Records Activities:							
	National Archives and Records Service, operating expenses	1,938,000	1,938,000	1,938,000	1,938,000			
	Records declassification	90,000	90,000	90,000	90,000			
	Total, records activities	2,028,000	2,028,000	2,028,000	2,028,000			
	Automated Data and Telecommunications Service: Operating expenses	386,000	386,000	386,000	386,000			
	Federal Property Resources Service: Operating expenses	1,279,000	1,279,000	1,279,000	1,279,000			
	General activities:							
	General management and agency operations:							
	Salaries and expenses	732,000	732,000	732,000	732,000			
	Indian trust accounting	115,000	115,000	115,000	115,000			
	Administrative and staff support services:							
	Salaries and expenses	3,492,000	3,492,000	3,492,000	3,492,000			
	Consumer Information Center	26,000	16,000	16,000	16,000	−10,000		
	Total, general activities	4,365,000	4,355,000	4,355,000	4,355,000	−10,000		
	Total, General Services Administration	13,174,000	13,164,000	13,164,000	13,164,000	−10,000		
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
	Research and program management	30,969,000	25,969,000	25,969,000	25,969,000	−5,000,000		
	VETERANS ADMINISTRATION							
	Medical care	74,538,000	50,000,000	40,000,000	40,000,000	−34,538,000	−10,000,000	
	Medical administration and miscellaneous operating expenses	1,266,000				−1,266,000		
	General operating expenses	20,620,000	12,620,000	12,620,000	12,620,000	−8,000,000		
	Construction, minor projects	944,000	944,000	944,000	944,000			
	Total, Veterans Administration	97,368,000	63,564,000	53,564,000	53,564,000	−43,804,000	−10,000,000	

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

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	TITLE II—INCREASED PAY COSTS—Con.							
	OTHER INDEPENDENT AGENCIES							
	Action:							
	Operating expenses, international programs	$958,000	$958,000	$958,000	$958,000			
	Operating expenses, domestic programs	898,000	798,000	798,000	798,000	−$100,000		
	Total, Action	1,856,000	1,756,000	1,756,000	1,756,000	−100,000		
	Advisory Council on Historic Preservation: Salaries and expenses	34,000	26,000	26,000	26,000	−8,000		
96–132	American Battle Monuments Commission: Salaries and expenses	1,185,000	873,000	1,185,000	1,185,000		+$312,000	
	Arms Control and Disarmament Agency: Arms control and disarmament activities	400,000	400,000	400,000	400,000			
96–130	Civil Aeronautics Board: Salaries and expenses	694,000	694,000	694,000	694,000			
	Commission on Civil Rights: Salaries and expenses	341,000	100,000	100,000	100,000	−241,000		
	Commodity Futures Trading Commission: Salaries and expenses	532,000	532,000	532,000	532,000			
	Consumer Product Safety Commission: Salaries and expenses	1,300,000	750,000	750,000	750,000	−550,000		
	Equal Employment Opportunity Commission: Salaries and expenses	3,827,000				−3,827,000		
	Export-Import Bank of the United States: Increase in limitation	(225,000)	(175,000)	(175,000)	(175,000)	(−50,000)		
	Farm Credit Administration: Revolving fund for administrative expenses: Increase in limitation	(350,000)	(350,000)	(350,000)	(350,000)			
	Federal Election Commission: Salaries and expenses	293,000	293,000	293,000	293,000			
	Federal Emergency Management Agency:							
	Emergency planning, preparedness, and mobilization	2,285,000	1,885,000	1,885,000	1,885,000	−400,000		
	Hazard mitigation and disaster assistance	1,255,000	635,000	635,000	635,000	−620,000		
	Total, Federal Emergency Management Agency	3,540,000	2,520,000	2,520,000	2,520,000	−1,020,000		
	Federal Home Loan Bank Board: Increase in limitations:							
	Limitation on administrative expenses	(616,000)	(200,000)	(200,000)	(200,000)	(−416,000)		
	Limitation on nonadministrative expenses	(1,161,000)	(700,000)	(700,000)	(700,000)	(−461,000)		
	Federal Savings and Loan Insurance Corporation: Limitation on administrative expenses: Increase in limitation	(35,000)				(−35,000)		
	Federal Labor Relations Authority: Salaries and expenses	429,000	429,000	429,000	429,000			
	Federal Maritime Commission: Salaries and expenses	330,000	230,000	200,000	200,000	−130,000	−30,000	
	Federal Mediation and Conciliation Service: Salaries and expenses	528,000	528,000	528,000	528,000			
	Federal Trade Commission: Salaries and expenses	2,000,000	1,750,000	550,000	550,000	−1,450,000	−1,200,000	
	Intergovernmental agencies:							
	Advisory Commission on Intergovernmental Relations: Salaries and expenses	39,000	39,000	39,000	39,000			
	Appalachian Regional Commission: Salaries and expenses, by transfer	(77,000)	(77,000)	(77,000)	(77,000)			
	Delaware River Basin Commission: Salaries and expenses	2,000	2,000	2,000	2,000			
	Susquehanna River Basin Commission: Salaries and expenses	2,000	2,000	2,000	2,000			
	Total, Intergovernmental agencies	43,000	43,000	43,000	43,000			
	By transfer	(77,000)	(77,000)	(77,000)	(77,000)			
	International Communication Agency: Salaries and expenses	6,038,000	5,938,000	5,938,000	5,938,000	−100,000		
	International Trade Commission: Salaries and expenses	482,000	300,000	300,000	300,000	−182,000		
	Interstate Commerce Commission: Salaries and expenses	2,750,000	2,475,000	2,475,000	2,475,000	−275,000		
	Merit Systems Protection Board:							
	Salaries and expenses	378,000	378,000	378,000	378,000			
	Increase in limitation	(9,000)	(9,000)	(9,000)	(9,000)			
	Office of Special Counsel	14,000	14,000	14,000	14,000			
	Total, Merit Systems Protection Board	392,000	392,000	392,000	392,000			
	National Capital Planning Commission: Salaries and expenses	74,000	56,000	56,000	56,000	−18,000		
	National Commission on Libraries and Information Science: Salaries and expenses	12,000	12,000	12,000	12,000			
	National Foundation on the Arts and the Humanities:							
	National Endowment for the Arts: Salaries and expenses	205,000	150,000	150,000	150,000	−55,000		
	National Endowment for the Humanities: Salaries and expenses	247,000	185,000	185,000	185,000	−62,000		
	National Labor Relations Board: Salaries and expenses	2,545,000	2,295,000	2,295,000	2,295,000	−250,000		
	National Mediation Board: Salaries and expenses	64,000	64,000	64,000	64,000			
	National Science Foundation: Research and related activities	625,000				−625,000		

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96–41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	TITLE II—INCREASED PAY COSTS—Con.							
	OTHER INDEPENDENT AGENCIES—Continued							
	National Transportation Safety Board: Salaries and expenses	$500, 000	$480, 000	$480, 000	$480, 000	−$20, 000		
	Nuclear Regulatory Commission: Salaries and expenses	4, 300, 000	4, 300, 000	4, 300, 000	4, 300, 000			
	Office of Personnel Management: Salaries and expenses	4, 248, 000	4, 248, 000	4, 248, 000	4, 248, 000			
	Increase in limitation	(1, 164, 000)	(1, 164, 000)	(1, 164, 000)	(1, 164, 000)			
	Pennslyvania Avenue Development Corporation: Salaries and expenses	39, 000	29, 000	29, 000	29, 000	−10, 000		
	Railroad Retirement Board: Increase in limitation	(1, 386, 000)	(1, 386, 000)	(1, 386, 000)	(1, 386, 000)			
	Renegotiation Board: Salaries and expenses	137, 000				−137, 000		
	Securities and Exchange Commission: Salaries and expenses	2, 450, 000	2, 450, 000	2, 450, 000	2, 450, 000			
	Selective Service System: Salaries and expenses	306, 000	185, 000	185, 000	185, 000	−121, 000		
	Smithsonian Institution:							
	Salaries and expenses	2, 316, 000	1, 700, 000	1, 700, 000	1, 700, 000	−616, 000		
	Science Information Exchange	84, 000	63, 000	63, 000	63, 000	−21, 000		
	Salaries and expenses, National Gallery of Art	317, 000	240, 000			−317, 000	−$240, 000	
	Salaries and expenses, Woodrow Wilson International Center for Scholars	28, 000	21, 000	21, 000	21, 000	−7, 000		
	Total, Smithsonian Institution	2, 745, 000	2, 024, 000	1, 784, 000	1, 784, 000	−961, 000	−240, 000	
	U.S. Tax Court: Salaries and expenses	88, 000	88, 000	88, 000	88, 000			
	Total, title II—Increased pay costs:							
	New budget (obligational) authority	2, 591, 408, 300	2, 360, 772, 100	2, 412, 228, 100	2, 388, 978, 100	−202, 430, 200	+28, 206, 000	−$23, 250, 000
	By transfer	(28, 379, 331)	(40, 231, 331)	(36, 831, 331)	(36, 831, 331)	(+8, 452, 000)	(−3, 400, 000)	
	Trust fund transfer	(5, 276, 000)	(5, 276, 000)	(5, 276, 000)	(5, 276, 000)			
	Increase in limitations	(83, 058, 000)	(47, 456, 000)	(47, 456, 000)	(47, 456, 000)	(−35, 602, 000)		
	Release of sec. 311 funds and transfers		(13, 445, 200)	(13, 841, 200)	(13, 841, 220)	(+13, 841, 200)	(+396, 000)	
	SUMMARY							
	TITLE I—GENERAL SUPPLEMENTS							
	I—Agriculture:							
	New budget (obligational) authority	2, 208, 647, 000	507, 450, 000	1, 132, 102, 000	1, 045, 270, 000	−1, 163, 377, 000	+537, 820, 000	−86, 832, 000
	Appropriations	(1, 253, 687, 000)	(507, 450, 000)	(1, 132, 102, 000)	(1, 045, 270, 000)	(−208, 417, 000)	(+537, 820, 000)	(−86, 832, 000)
	Authority to borrow	(954, 960, 000)				(−954, 960, 000)		
	II—Defense:							
	New budget (obligational) authority	2, 420, 362, 000	1, 103, 962, 000	2, 107, 862, 000	1, 837, 862, 000	−582, 500, 000	+733, 900, 000	−270, 000, 000
	Transfer from other account		(80, 100, 000)	(130, 100, 000)	(80, 100, 000)	(+80, 100, 000)		(−50, 000, 000)
	III—Energy and Water Development:							
	New budget (obligational) authority	274, 136, 000	165, 300, 000	168, 000, 000	168, 000, 000	−106, 136, 000	+2, 700, 000	
	By transfer	(21, 900, 000)	(31, 900, 000)	(31, 900, 000)	(31, 900, 000)	(+10, 000, 000)		
	IV—Foreign Operations:							
	New budget (obligational) authority	1, 723, 166, 000	1, 711, 487, 000	1, 727, 946, 000	1, 725, 187, 000	+2, 021, 000	+13, 700, 000	−2, 759, 000
	Appropriations	(1, 690, 166, 000)	(1, 688, 987, 000)	(1, 700, 446, 000)	(1, 700, 187, 000)	(+10, 021, 000)	(+11, 200, 000)	(−259, 000)
	Reappropriations, 1979	(33, 000, 000)	(22, 500, 000)	(27, 500, 000)	(25, 000, 000)	(+8, 000, 000)	(+2, 500, 000)	(−2, 500, 000)
	V—Housing and Urban Development—Independent agencies:							
	New budget (obligational) authority	1, 955, 084, 000	1, 891, 449, 000	1, 880, 449, 000	1, 882, 449, 000	−72, 635, 000	−9, 000, 000	+2, 000, 000
	Increase in limitations	(358, 000)	(85, 000)	(95, 000)	(90, 000	(−268, 000)	(+5, 000)	(−5, 000)
	VI—Interior and Related Agencies:							
	New budget (obligational) authority	312, 942, 000	178, 296, 000	216, 934, 000	190, 387, 000	−122, 105, 000	+12, 091, 000	−26, 547, 000
	Appropriations	(292, 892, 000)	(158, 696, 000)	(197, 334, 000)	(170, 787, 000)	(−122, 105, 000)	(+12, 091, 000)	(−26, 547, 000)
	Authority to borrow	(19, 600, 000)	(19, 600, 000)	(19, 600, 000)	(19, 600, 000)			
	VII—Labor and Health, Education and Welfare:							
	New budget (obligational) authority	3, 049, 015, 000	1, 627, 346, 000	2, 292, 439, 000	2, 424, 446, 000	−624, 569, 000	+797, 100, 000	+132, 007, 000
	Appropriations, 1979	(2, 849, 369, 000)	(1, 465, 346, 000)	(2, 092, 793, 000)	(2, 224, 800, 000)	(−624, 569, 000)	(+759, 454, 000)	(+132, 007, 000)
	Appropriations, 1981	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)			
	Reappropriations, 1979	(37, 646, 000.		(37, 646, 000)	(37, 646, 000)		(+37, 646, 000)	
	Increase in limitations	(1, 000, 000	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)			
	VIII—Legislative Branch:							
	New budget (obligational) authority	18, 976, 600	4, 328, 000	6, 522, 000	6, 522, 000	−12, 454, 600	+2, 194, 000	
	Release of sec. 311 funds	(2, 500, 000)				(−2, 500, 000)		
	Military construction: New budget (obligational) authority	(138, 861, 000)				(−138, 861, 000)		
	IX—State, Justice, Commerce and the Judiciary:							
	New budget (obligational) authority	1, 246, 000, 000	1, 158, 907, 000	1, 201, 936, 000	1, 227, 227, 000	−18, 773, 000	+68, 320, 000	+25, 291, 000
	Increase in limitations	(99, 500, 000)	(96, 000, 000)	(96, 000, 000)	(96, 000, 000)	(−3, 500, 000)		
	By transfer	(8, 035, 000)	(185, 000)	(185, 000)	(185, 000)	(−7, 850, 000)		
	X—Transportation:							
	New budget (obligational) authority	480, 799, 000	450, 086, 000	464, 335, 000	470, 535, 000	−10, 264, 000	+20, 449, 000	+6, 200, 000
	Appropriations	(477, 799, 000)	(447, 086, 000)	(461, 335, 000)	(467, 535, 000)	(−10, 264, 000)	(+20, 449, 000)	(+6, 200, 000)
	Authority to borrow	(3, 000, 000)	(3, 000, 000)	(3, 000, 000)	(3, 000, 000)			
	By transfer		(47, 099, 000)				(−47, 099, 000)	
	Appropriations to liquidate contract authorization	(18, 500, 000)	(18, 500, 000)	(18, 500, 000)	(18, 500, 000)			
	Increase in limitations	(1, 837, 000)	(1, 837, 000)	(1, 837, 000)	(1, 837, 000)			
	XI—Treasury, Postal Service and General Government: New budget (obligational) authority	567, 629, 000	413, 078, 000	392, 994, 000	392, 994, 000	−174, 635, 000	−20, 084, 000	
	XII—District of Columbia:							
	New budget (obligational) authority	73, 965, 000		23, 965, 000	23, 965, 000	−50, 000, 000	+23, 965, 000	
	District of Columbia funds	(127, 786, 600)		(53, 559, 000)	(50, 643, 700)	(−77, 142, 900)	(+50, 643, 700)	(−2, 915, 300)
	Total, title I—General supplementals:							
	New budget (obligational) authority	14, 330, 271, 600	9, 211, 689, 000	11, 615, 484, 000	11, 394, 844, 000	−2, 935, 427, 600	+2, 183, 155, 000	−220, 640, 000
	Appropriations, 1979	(13, 120, 065, 600)	(9, 004, 589, 000)	(11, 365, 738, 000)	(11, 147, 598, 000)	(−1, 972, 467, 600)	(+2, 143, 009, 000)	−218, 140, 000)
	Appropriations, 1981	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)	(162, 000, 000)			
	Authority to borrow, 1979	(977, 560, 000)	(22, 600, 000)	(22, 600, 000)	(22, 600, 000)	(−954, 960, 000)		
	Reappropriations, 1979	(70, 646, 000)	(22, 500, 000)	(65, 146, 000)	(62, 646, 000)	(−8, 000, 000)	(+40, 146, 000)	(−2, 500, 00 0

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—Continued

Requested in H. Doc. 96-41 as amended by—		New budget authority				Conference compared with—		
		Estimates, fiscal year 1979	House, fiscal year 1979	Senate, fiscal year 1979	Conference, fiscal year 1979	1979 estimate	House bill	Senate bill
	SUMMARY—Continued							
	TITLE I—GENERAL SUPPLEMENTS—Continued							
	Total, title I—General supplementals—Continued							
	New budget (obligational) authority—Con.							
	Appropriation to liquidate contract authorization	($18,500,000)	($18,500,000)	($18,500,000)	($18,500,000)			
	By transfer	(29,935,000)	(159,284,000)	(162,185,000)	(112,185,000)	(+$82,250,000)	(−$47,099,000)	(−$50,000,000)
	Increase in limitations	(102,695,000)	(98,922,000)	(98,932,000)	(98,927,000)	(−3,768,000)	(+5,000)	(−5,000)
	Release of sec. 311 funds	(2,500,000)				(−2,500,000)		
	District of Columbia funds	(127,786,600)		(53,559,000)	(50,643,700)	(−77,142,900)	(+50,643,700)	(−2,915,300)
	Total, title II—Increased pay costs:							
	New budget (obligational) authority	2,591,408,300	2,360,772,100	2,412,228,100	2,388,978,100	−202,430,200	+28,206,000	−23,250,000
	By transfer	(28,379,331)	(40,231,331)	(36,831,331)	(36,831,331)	(+8,452,000)	(−3,400,000)	
	Trust fund transfer	(5,276,000)	(5,276,000)	(5,276,000)	(5,276,000)			
	Increases in limitations	(83,058,000)	(47,456,000)	(47,456,000)	(47,456,000)	(−35,602,000)		
	Release of sec. 311 funds and transfers		(13,445,200)	(13,841,200)	(13,841,200)	(+13,841,200)	(+396,000)	
	Grand total—titles I and II:							
	New budget (obligational) authority	16,921,679,900	11,572,461,100	14,027,712,100	13,783,822,100	−3,137,857,800	+2,211,361,000	−243,890,000
	Appropriations, 1979	(15,711,473,900)	(11,365,351,100)	(13,777,966,100)	(13,536,576,100)	(−2,174,897,800)	(+2,171,215,000)	(−241,390,000)
	Appropriations, 1981	(162,000,000)	(162,000,000)	(162,000,000)	(162,000,000)			
	Authority to borrow, 1979	(977,560,000)	(22,600,000)	(22,600,000)	(22,600,000)	(−954,960,000)		
	Reappropriations, 1979	(70,646,000)	(22,500,000)	(65,146,000)	(62,646,000)	(−8,000,000)	(+40,146,000)	(−2,500,000)
	Total, new budget (obligational) authority, 1979	(16,759,679,900)	(11,410,461,100)	(13,865,712,100)	(13,621,822,100)	(−3,137,857,800)	(+2,211,361,000)	(−243,890,000)
	Appropriation to liquidate contract authorization	(18,500,000)	(18,500,000)	(18,500,000)	(18,500,000)			
	By transfer	(58,314,331)	(199,515,331)	(199,016,331)	(149,016,331)	(+90,702,000)	(−50,499,000)	(−50,000,000)
	Trust fund transfer	(5,276,000)	(5,276,000)	(5,276,000)	(5,276,000)			
	Increase in limitations	(185,753,000)	(146,378,000)	(146,388,000)	(146,383,000)	(−39,370,000)	(+5,000)	(−5,000)
	Release of sec. 311 funds and transfers	(2,500,000)	(13,445,200)	(13,841,200)	(13,841,200)	(−11,341,200)	(+396,000)	
	District of Columbia funds	(127,786,600)		(53,559,000)	(50,643,700)	(−77,142,900)	(+50,643,700)	(−2,915,300)

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Speaker, at this time I would just like to state to the House that this is a good conference report. It is due mainly to the fact that the disinguished chairman of our Committee on Appropriations, Mr. WHITTEN of Mississippi, held firm in all matters pertaining to the bill as it applied to our body. It was a distinct privilege and an honor for me to go to conference with our chairman on this, his first supplemental bill. I want the Members to know that the way the conference was held brings credit to the House and to our distinguished chairman.

Mr. Speaker, the Labor-HEW chapter (chapter VII) of this supplemental conference report includes $2,124,446,000 in new budget authority. This is a reduction of $617,556,000 from the President's budget request, and an increase of $497,100,000 over the House bill.

The increase over the House bill is accounted for by agreeing to a Senate amendment of $500 million in the Labor Department for making advances as required to the black lung disability trust fund and to the Federal unemployment benefits and allowances account. The budget request for this purpose was transmitted too late for House consideration. There were no other conference items in the Labor Department.

There were a number of conference items in HEW.

The conferees agreed to the Senate figure of $4,969,000 for the National Health Service Corps. The House bill had included no additional funds for the corps. The conference agreement is the same as the budget request.

The conferees deleted the $10,000,000 proposed by the Senate for family planning. The House bill contained no funds for this.

For population research at the National Institutes of Health, the conference agreement includes $7,500,000. This is a compromise between the $5,000,000 proposed by the House and the $10,713,000 proposed by the Senate.

The conferees dropped the $2,554,000 proposed by the Senate for training of mental health researchers. The House bill included no funds for this.

The conference agreement includes $1,000,000, as proposed by the Senate, to initiate an adolescent pregnancy program. There were no funds in the House bill for this. The budget request was for $7,000,000.

The conferees agreed to earmark $1,500,000 to initiate a new management training and technical assistance program for health maintenance organizations (HMO's).

The conference agreement includes $150 million for a new program of concentration grants under title I of the Elementary and Secondary Education Act. This is $50 million less than the House bill and $108 million under the budget request. The Senate bill included no funds for this program.

For the push for excellence program, the conferees agreed to the Senate figure of $300,000.

The conferees retained the $2,000,000 in the House bill for a new rehabilitation program for independent living. The Senate bill included no funds for it.

With respect to nutrition services for the elderly, the conferees restored the bill language proposed by the House cerning the distribution of $22,500,000 for meeting shortfalls. Both Houses had the same dollar amount. The only issue was the distribution of the funds among the States.

The conference agreement includes bill language proposed by the Senate to extend the availability of certain funds appropriated in fiscal year 1976 for the Railroad Retirement Board. These funds, amounting to $37,646,000, will be paid to ConRail and other railroads as reimbursement for payments made to employees who are protected under the provisions of the Regional Rail Reorganization Act of 1973.

With respect to the National Commission on the International Year of the Child, the conferees agreed to the Senate figure of $685,000, the amount of the budget request. The House bill included no funds for this item.

The conferees deleted language proposed by the Senate which would have made available an additional $4,226,000 for the Community Services Administration for emergency energy conservation services. This was not requested in the budget and there was nothing in the House bill.

The conferees agreed to Senate language to transfer the National Mine Health and Safety Academy from the Department of the Interior to the Department of Labor.

Finally, the conferees agreed to bill language modifying section 201 of the Labor-HEW Appropriations Act for 1979, the so-called Michel amendment. The Michel amendment specified a $1 billion reduction in HEW for fraud, abuse and waste. The modification contained in this conference agreement changes the amount of the reduction to

$301,500,000 and provides that HEW may borrow, to the extent necessary, from 1980 appropriations to achieve the reduction. The conferees also direct the Secretary to issue regulations requiring that all States must reduce their AFDC and medicaid erroneous excess payment rates to 4 percent by September 30, 1982.

Mr. Speaker, I am including with my remarks a detailed table showing the programs in chapter VII and the amounts agreed to for each one:

H.R. 4289, CH. VII—SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES, FISCAL YEAR 1979

	NEW EA enacted law, fiscal year 1979	President's supplemental request	House bill	Senate bill	Conference agreement
SUMMARY					
Department of Labor: Federal funds	440, 409, 000	917, 118, 000	17, 118, 000	517, 118, 000	517, 118, 000
Department of Health, Education, and Welfare: Federal funds	17, 240, 042, 000	1, 603, 683, 000	1, 427, 358, 000	1, 249, 894, 000	1, 386, 127, 000
Related agencies:					
Federal funds	25, 500, 000	221, 201, 000	182, 870, 000	221, 201, 000	221, 201, 000
Trust funds	34, 317, 000	1, 000, 000	1, 000, 000	1, 000, 000	1, 000, 000
Unauthorized, not considered: Federal funds	(56, 377, 000)	(15, 313, 000)	(***)	(***)	(***)
Grand total:					
Federal funds	17, 705, 951, 000	2, 742, 002, 000	1, 627, 346, 000	1, 988, 213, 000	2, 124, 446, 000
Trust funds	(34, 317, 000)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)
Unauthorized, not considered: Federal funds	(56, 377, 000)	(15, 313, 000)	(***)	(***)	(***)
DEPARTMENT OF LABOR					
EMPLOYMENT AND TRAINING ADMINISTRATION					
CETA, private sector programs		400, 000, 000			
Community services employment for older Americans	211, 700, 000	8, 900, 000	8, 900, 000	8, 900, 000	8, 900, 000
Advances to unemployment trust fund and other funds	200, 000, 000	500, 000, 000		500, 000, 000	500, 000, 000
Subtotal, Employment and Training Administration	411, 700, 000	908, 900, 000	8, 900, 000	508, 900, 000	508, 900, 000
EMPLOYMENT STANDARDS ADMINISTRATION					
Salaries and expenses: Workers' compensation	28, 709, 000	8, 218, 000	8, 218, 000	8, 218, 000	8, 218, 000
Black lung disability trust fund (nonadd)	(422, 265, 000)	(300, 000, 000)		(300, 000, 000)	(300, 000, 000)
Total, Labor Department	440, 409, 000	917, 118, 000	17, 118, 000	517, 118, 000	517, 118, 000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
HEALTH SERVICES ADMINISTRATION					
Community health services:					
Community health centers	258, 936, 000	81, 500, 000			
Genetic information and counseling	10, 567, 000	3, 567, 000			
Family planning	135, 000, 000	10, 000, 000		10, 000, 000	
National Health Service Corps	57, 000, 000	4, 969, 000		4, 969, 000	4, 969, 000
Program support	30, 046, 000	183, 000			
Subtotal, Health Services Administration	491, 549, 000	100, 219, 000		14, 969, 000	4, 969, 000
CENTER FOR DISEASE CONTROL					
Disease control:					
Childhood immunization	23, 000, 000	12, 000, 000	12, 000, 000	12, 000, 000	12, 000, 000
Influenza immunization	6, 400, 000	8, 600, 000			
Subtotal, preventive health	29, 400, 000	20, 600, 000	12, 000, 000	12, 000, 000	12, 000, 000
NATIONAL INSTITUTES OF HEALTH					
National Institute of Child Health and Human Development	190, 130, 000	10, 713, 000	5, 000, 000	10, 713, 000	7, 500, 000
ALCOHOL, DRUG ABUSE AND MENTAL HEALTH ADMINISTRATION					
General mental health:					
Research	130, 807, 000	1, 564, 000			
Training	90, 400, 000	2, 554, 000		2, 554, 000	
Subtotal, mental health	221, 207, 000	4, 118, 000		2, 554, 000	
ASSISTANT SECRETARY FOR HEALTH					
Health maintenance organizations:					
Grants and contracts	16, 717, 000	14, 490, 000	10, 000, 000	8, 500, 000	8, 500, 000
Program support	6, 090, 000	2, 000, 000		1, 500, 000	1, 500, 000
Subtotal	22, 807, 000	16, 490, 000	10, 000, 000	10, 000, 000	10, 000, 000
Adolescent pregnancy services		7, 000, 000		1, 000, 000	1, 000, 000
Subtotal, Assistant Secretary for Health	22, 807, 000	23, 490, 000	10, 000, 000	11, 000, 000	11, 000, 000
Total, Public Health Service	955, 093, 000	159, 140, 000	27, 000, 000	51, 236, 000	35, 469, 000
HEALTH CARE FINANCING ADMINISTRATION					
Grants to States for medicaid:					
Medical vendor payments	10, 576, 000, 000	453, 958, 000	453, 958, 000	453, 958, 000	453, 958, 000
State and local administration	674, 000, 000	100, 471, 000	100, 471, 000	100, 471, 000	100, 471, 000
Subtotal, Health Care Financing Administration	11, 250, 000, 000	554, 429, 000	554, 429, 000	554, 429, 000	554, 429, 000
EDUCATION DIVISION—OFFICE OF EDUCATION					
ELEMENTARY AND SECONDARY EDUCATION					
Grants for disadvantaged children (title I): Concentration grants:					
Grants to local educational agencies		252, 916, 000	196, 000, 000		147, 050, 000
State administration		3, 794, 000	3, 000, 000		2, 200, 000
Evaluation and studies		1, 290, 000	1, 000, 000		750,000
Subtotal		258, 000, 000	200, 000, 000		150, 000, 000

H.R. 4289, CH. VII—SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES, FISCAL YEAR 1979—Continued

	NEW EA enacted law, fiscal year 1979	President's supplemental request	House bill	Senate bill	Conference agreement
STUDENT ASSISTANCE					
Guaranteed student loan program: Interest subsidies	517, 206, 000	243, 189, 000	243, 189, 000	243, 189, 000	243, 189, 000
SPECIAL PROJECTS AND TRAINING					
PUSH for excellence		1, 000, 000		300, 000	300, 000
EDUCATIONAL ACTIVITIES OVERSEAS					
Special foreign currency program		2, 000, 000	500, 000	500, 000	500, 000
Total, Education Division	517, 206, 000	504, 189, 000	443, 689, 000	243, 989, 000	393, 989, 000
SOCIAL SECURITY ADMINISTRATION (FEDERAL FUNDS)					
Assistance payments programs: Administrative expenses	30, 000, 000	4, 895, 000	1, 200, 000	1, 200, 000	1, 200, 000
Refugee assistance:					
Indochinese assistance	96, 487, 000	51, 464, 000	51, 464, 000	51, 464, 000	51, 464, 000
Soviet and other refugees	20, 000, 000	8, 300, 000	8, 300, 000	8, 300, 000	8, 300, 000
Federal administration	2, 232, 000	200, 000	200, 000	200, 000	200, 000
Subtotal, refugee assistance	118, 719, 000	59, 964, 000	59, 964, 000	59, 964, 000	59, 964, 000
Subtotal, Social Security Administration: Federal funds	148, 719, 000	64, 859, 000	61, 164, 000	61, 164, 000	61, 164, 000
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT					
Grants to States for social and child welfare services:					
Grants to States for social services	2, 450, 000, 000	170, 100, 000	170, 100, 000	170, 100, 000	170, 100, 000
States and local training	71, 552, 000	18, 448, 000	18, 448, 000	18, 448, 000	18, 448, 000
Subtotal	2, 521, 552, 000	188, 548, 000	188, 548, 000	188, 548, 000	188, 548, 00
HUMAN DEVELOPMENT SERVICES					
Child development: Head Start	625, 000, 000	55, 000, 000	55, 000, 000	55, 000, 000	55, 000, 000
Aging programs:					
State agency activities	19, 000, 000	3, 500, 000	3, 500, 000	3, 500, 000	3, 500, 000
Area agency services and centers	193, 000, 000	3, 970, 000	3, 970, 000	3, 970, 000	3, 970, 000
Nutrition	250, 000, 000	4, 546, 000	27, 046, 000	27, 046, 000	27, 046, 000
Subtotal, aging programs	462, 000, 000	12, 016, 000	34, 516, 000	34, 516, 000	34, 516, 000
Rehabilitation service and facilities:					
Basic State grants	760, 472, 000	57, 012, 000	57, 012, 000	57, 012, 000	57, 012, 000
Independent living		2, 000, 000	2, 000, 000		2, 000, 000
White House Conference on Aging		3, 000, 000	3, 000, 000	3, 000, 000	3, 000, 000
Subtotal, human development services	1, 847, 472, 000	129, 028, 000	151, 528, 000	149, 528, 000	151, 528, 000
Research and training activities overseas		3, 490, 000	1, 000, 000	1, 000, 000	1, 000, 000
Total, Health, Education, and Welfare	17, 240, 042, 000	1, 603, 683, 000	1, 427, 358, 000	1, 249, 894, 000	1, 386, 127, 000
RELATED AGENCIES					
Action (domestic programs) (unauthorized):					
Volunteers in Service to America	(30, 804, 000)	(4, 931, 000)	(***)	(***)	(***)
Urban Volunteer Programs		(4, 680, 000)	(***)	(***)	(***)
Demonstration Programs	(2, 500, 000)	(4, 086, 000)	(***)	(***)	(***)
Program Support	(23, 073, 000)	(1, 616, 000)	(***)	(***)	(***)
Subtotal, Action	(56, 377, 000)	(15, 313, 000)	(***)	(***)	(***)
Corporation for Public Broadcasting: Fiscal year 1981 (advance in fiscal year 1979)		162, 000, 000	162, 000, 000	162, 000, 000	162, 000, 000
National Commission on the International Year of the Child		685, 000		685, 000	685, 000
National Commission on Social Security	500, 000	2, 000, 000	2, 000, 000	2, 000, 000	2, 000, 000
Railroad Retirement Board:					
Railroad Transportation Protective Account	25, 000, 000	18, 870, 000	18, 870, 000	18, 870, 000	18, 870, 000
Reappropriation		37, 646, 000		37, 646, 000	37, 646, 000
Limitation on salaries and expenses	(34, 317, 000)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)
Total, related agencies:					
Federal funds	25, 500, 000	221, 201, 000	182, 870, 000	221, 201, 000	221, 201, 000
Unauthorized, not considered	(56, 377, 000)	(15, 313, 000)	(***)	(***)	(***)
Trust funds	(34, 317, 000)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000)	(1, 000, 000

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague, the gentleman from from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of this conference report and urge its passage by my colleagues. I would like to commend the chairman of the Appropriations Committee, Mr. WHITTEN, and his fellow committee member, Mr. SMITH of Iowa, for their efforts to include the supplemental funding needed for Small Business Administration disaster loans. This supplemental funding is very much needed by the people of Mississippi so they can be about the business of repairing their damaged homes.

I also commend the two gentlemen and other conferees for accepting Senate language which clears the way for low-interest disaster loans. I am very pleased that this conference report will finally authorize the 3-percent disaster loan for repairs to homes and 5-percent loans for businesses who are unable to find credit elsewhere. This provision is also extremely important to the people of Mississippi.

I urge adoption of the conference report and hope the President will sign the legislation as soon as possible.

Mr. WHITTEN. I thank the gentleman.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is the first completed appropriation bill under the leadership of our good friend and chairman of the committee, JAMIE WHITTEN, and myself as the ranking minority member of the Appropriations Committee.

Mr. Speaker, I rise in support of the conference report on H.R. 4289, the first Supplemental Appropriations Act for 1979.

As reported from conference, H.R. 4289 provides supplemental appropriations and other budget authority of $13.8 billion for 1979 and future years.

This conference agreement is $2.2 billion over the House passed bill, but $3.1 billion under the President's budget request. That $2.2 billion figure is very misleading, and I would like to take a moment to discuss it with my colleagues.

Of the $2.2 billion difference between the conference agreement and the House bill, $1.4 billion consists of budget estimates which were not considered by the House because they had not been transmitted to the House, or because they were not authorized at the time: $500 million for advances to the unemployment trust fund; $300 million for the black lung disability trust fund; $60 million for NOAA construction at Sand Point, Wash.; and $520 million for food stamps.

If these items are excluded from the comparison, the conference agreement is $831 million over the House bill, and $244.9 million under the Senate bill. And of this $831 million over the House bill, $725 million represents the amount agreed upon by the conferees, over the House bill, for the purchase of four DD-993 guided missile destroyers as proposed by the Senate, instead of two such ships as proposed by the House.

Looked at in this light, the total conference agreement does in fact correspond very closely to the House totals, and I believe that the recommendations of the House conferees deserve the support of my colleagues.

Fifty amendments are reported by the conferees in disagreement. Only two are in true disagreement: Amendment No. 1, relating to construction of buildings and facilities for the Agricultural Research Service, and amendment No. 82, relating to pay increases for Senate staff.

The remaining 48 amendments are reported in technical disagreement, in accord with rule XX clause 2 which provides for a separate vote in the House on any Senate amendment reported from conference which provides an unauthorized appropriation, or which constitutes legislation in a general appropriation bill.

Of the 48 amendments reported in technical disagreement, 30 will be considered separately, and 18 which relate to housekeeping items of the other body will be considered, by unanimous consent, en bloc.

Mr. Speaker, at a later time I will discuss several of the individual conference agreements. However, at this time I would like to list the major conference recommendations for the benefit of my colleagues: $900 million for the food stamp program; $116.5 million for child nutrition programs; $27 million for elderly feeding programs; $1.353 billion for four DD-993 guided missile destroyers terminated by Iran; $208.9 million for migration and refugee assistance; $500 million for advances to the unemployment trust fund; $300 million for the black lung disability trust fund; $150 million for elementary and secondary education; $56.5 million for the Railroad Retirement Board; $58.4 million for contributions to international organization; $60 million for construction of a NOAA facility at Sand Point, Wash.; and $19.5 million for the Federal payment to the District of Columbia.

Language in the act reduces the interest rate on SBA loans for disasters occurring between October 1, 1978, and October 1, 1982, to 3 percent on the first $55,000 on loans for primary residences and personal property, and also provides that the interest rate on loans for business concerns which are unable to obtain sufficient credit elsewhere shall be set by the SBA, but shall not exceed 5 percent.

Language in the act allows HEW to reduce from $1 billion to $301.5 million the amount required to be withheld by reductions in fraud, abuse, and waste, if 75 percent of the $1 billion reduction has not been achieved during the first three quarters of fiscal 1979, and allows HEW to borrow from future appropriations if necessary to pay entitlements. The conferees direct "that under no circumstances are payments to legitimate recipients to be curtailed or even delayed."

Language in the conference report directs the Secretary of HEW to issue regulations requiring that by September 30, 1982, all States reduce to 4 percent their erroneous excess payments rates for AFDC and medicaid.

Here again, because of the hard work and the forceful arguments and stalwart stand of our good friend, Mr. MICHEL, of Peoria, Ill., this was inserted, and we owe plaudits and compliments to his leadership in this field.

Mr. Speaker, I recommend the adoption of the conference report.

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Kentucky.

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Mr. NATCHER. Mr. Speaker, I would like to say to the Members of the House it is a distinct honor for those of us on this side to serve with the distinguished gentleman in the well from Massachusetts (Mr. CONTE). This is the first year, Mr. Speaker, that the gentleman has served as the ranking minority member of our committee. He serves well. The gentleman as the ranking member joined with our chairman and the other members of the committee to make it possible to bring back to the House a good conference report.

Our friend, the gentleman from Massachusetts (Mr. CONTE) not only serves on the Subcommittee on Labor-Health, Education, and Welfare, but as the ranking minority member on the full Committee on Appropriations.

Mr. Chairman, the gentleman has done a fine job and I think he should be commended.

Mr. CONTE. I want to thank the gentleman from Kentucky from the bottom of my heart for those kind words.

Mr. MYERS of Indiana. Will the gentleman yield, Mr. Speaker?

Mr. CONTE. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank my colleague for yielding.

I rise to ask a question regarding the shipbuilding appropriation provided in this report of $1,353 million for the purchase of the four destroyers which have been discussed before the House on a previous occasion.

This is my concern, Mr. Speaker: To whom will this appropriation of $1,353 million be paid?

Mr. CONTE. The gentleman from Alabama would like to address himself to this.

I yield to the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. I thank the gentleman for yielding.

What we are actually doing is buying the Iranian position in the four destroyers. The money that has been paid out of the trust fund for the partial completion of the destroyers will be put back into the trust fund. The balance of the money will be paid directly to the shipbuilder as any other normal purchase of a ship would call for.

The money that is put into the trust fund would then be available to settle other military-type claims as a result of cancelled purchases. Once that is done, if any money is still in the trust fund in the Iranian account, it would then be available to be used to settle any other nonmilitary claims that we may have against Iran.

If you want to look far enough down the road to perhaps 10 years from now when all these claims have been settled, if there is anything left it would then be available to turn over the Iranian Government.

The chances are very likely there will be nothing left in the trust fund at that time.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield further

Mr. CONTE. I will yield further for a question.

Mr. MYERS of Indiana. Will the $1,353,000,000 appropriated today be enough to completely purchase and complete the construction of the four destroyers.

Mr. EDWARDS of Alabama. That will be enough to complete the four destroyers.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield

Mr. CONTE. I yield to the gentleman from New York for further comment.

Mr. ADDABBO. According to the Department of Defense that will be sufficient to purchase the four ships. However, there is a provision in the contract. Ships Nos. 3 and 4 are not completed. Ships Nos. 1 and 2 are completed. Nos. 3 and 4 are under construction. There is a provision in the contract, if there are additional costs because of inflation we will have to pay that but at the present time this buys out the entire contract on the four ships.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman continue to yield?

Mr. CONTE. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. As the experience has been, there will be possibly a cost overrun on the construction of these four destroyers. In that event, would the shipbuilding company go back against the trust first for that overrun and then come back to us or will they come to Congress first for the overruns?

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I will be glad to yield to my good friend from New York.

Mr. ADDABBO. We are purchasing the contract. We now become the purchaser of those ships and if there is any additional cost we will be paying that out of the Department of Defense budget.

The House conferees worked hard to hold the supplemental appropriations for the Defense Department to the minimum amount required. At a time when inflation is a major problem and a time in which there are not enough funds to provide fully for all of the needs of our people, we felt that only those funds of an urgent or emergency nature should be added to the huge sums already provided for defense in the current fiscal year.

We were not entirely successful but we did as well as was possible considering the position taken by the Senate. The total budget request for the Defense Department in both titles I and II is $4.3 billion. The House provided $2.9 billion and the Senate $3.9 billion. The conference agreed on $3.6 billion, $700 million more than the House amount and $300 million less than the Senate provided.

The major item of difference was the number of DD-993 destroyers funded. The House funded two in the supplemental and planned to consider two more in fiscal year 1980 as requested in the budget. The Senate funded all four in the supplemental. The Senate was adamant and the House receded.

In order to keep the total as low as reasonably possible, many other programs were deferred.

I had hoped that the supplemental total would be lower than the final sum agreed to, but considering the addition of $725 million for two unbudgeted destroyers, we were able to achieve a reasonably satisfactory conclusion.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. What the gentleman says is correct. We are buying the position of the Iranian Government in those four ships. This is at a savings of approximately $200 million per ship so there is a lot of leeway in there and a great savings. If, in fact, there is an overrun we are now the contracting party and we would be responsible.

Mr. MYERS of Indiana. Mr. Speaker, if my colleague would yield one more time.

Mr. CONTE. I yield one more time to the gentleman from Indiana.

Mr. MYERS of Indiana. As everyone is aware my concern here is not that I do think we need the four destroyers. I congratulate the committee for seeing fit to purchase the equity in these four destroyers.

What does concern me, in the dialogue I had 3 or 4 weeks ago with the chairman of the Committee on Armed Services, the gentleman from Illinois (Mr. PRICE), he gave assurance that day that the Iranian Government would not receive any funds from the trust account.

Mr. CONTE. That is right.

Mr. MYERS of Indiana. I do not believe the American taxpayers want to pay the Iranian Government today, who puts a bounty on certain people's heads because they are not in political favor with that particular government today, that we as taxpayers should pay the Iranian Government. If there is cost overrun I think that should be paid from the trust account. There should be some assurance today that the Iranian Government will not be benefited here through not completing the contract. We did not cancel the contract, they canceled it. I do not believe we should allow any of that trust money ever to be paid to the Iranian Government. I think every claim including cost overrun should be paid out of that trust account before there is any distribution made beyond that point.

Mr. EDWARDS of Alabama. Mr. Speaker, will the gentleman yield further?

Mr. CONTE. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. That point was raised during the debate on this supplemental. An amendment was offered to prohibit any funds from going to the Iranian Government. That amendment was defeated, primarily for this reason, if I may refresh the gentleman's memory, that there would be no payments in any case to the Iranian Government, as I said a moment ago, for 10 or 15 years.

We have no earthly idea what kind of government the Iranians will have 10 or 15 years from now, No. 1, and No. 2, whether any money will be due that government.

My argument then, and it still is, is that that would be the time to decide whether, in fact, we are going to refund any money to the Iranian Government. Then, if there is money available, we can then look 10 years or so down the road and say: Is this the kind of government to which we want to refund money?

Mr. MYERS of Indiana. Mr. Speaker, would the gentleman yield one more time?

Mr. CONTE. I will yield again to the gentleman from Indiana.

Mr. MYERS of Indiana. My concern here is, who terminated this contract? We did not. Iran did. Are we going to reward those who cancel contracts? That is regardless of whether you favor the present Iranian Government. We are rewarding people who renege on their contracts. I do not think that should be a policy this country should follow.

Mr. CONTE. I think the gentleman from Alabama convinced me on this. This is a really good buy. You are getting four destroyers through an old contract. If you were to go out and contract for those four destroyers now they would cost a great deal more money than the four destroyers that you are going to get under the old contract.

Going back to the gentleman's point, if we did not take the contract right now the Iranians would have a hull perhaps on one or two ships. They could drag them out there and possibly could make homing places for fish out of them on the shores of Iran. We are getting a good buy here through an old contract for four destroyers.

Mr. MYERS of Indiana. Mr. Speaker, if the gentleman will yield, it is my understanding that Iran just walked away from this contract. It is not a situation where we are buying out Iran. We are paying the shipbuilding companies in this country and I think that is who we should protect. That is the purpose of the trust account.

Mr. CONTE. We are getting those destroyers under the old price.

Mr. MYERS of Indiana. I do not disagree with that but I disagree about any remainder in that trust account being paid to the country that terminated the contract, canceled it out. I see no reason why we should reward them for this cancellation.

Mr. CONTE. Mr. Speaker, I personally would like to see us go out and buy those airplanes back at the old price, too. We would save a lot of money.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. ADDABBO. Actually, there was no true termination by the Iranian Government. There was a memorandum of agreement between the Navy and the Iranian Government. The Iranian Government could have kept the ships and they could have sold them to other governments and, thereby, possibly have made a profit.

The Navy felt we needed the ships, we could get them at a bargain price at this time. If there is going to be any additional cost we have to make certain changes to accommodate those ships into our Navy and our systems and everything else. It may be an additional cost as far as that is concerned by the chances of any moneys going back to the Iranian Government by the purchase of these four ships are nil.

Mr. CONTE. Let me make this observation. If we will get support from the gentleman from New York, who is chairman of the Subcommittee on Defense of our Committee on Appropriations, it must be a good buy.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I thank the highly respected ranking member of the committee for yielding. Perhaps the question I have is for the distinguished chairman with regard to the conference report.

This conference report includes an additional $600 million for food stamps and $24 million for the District of Columbia. Is that correct?

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Mr. WHITTEN. Mr. Speaker, I am not sure I understood the gentleman.

Mr. RUDD. I say, I think that the conference report coming back from the conference has an additional $600 million in it for food stamps and an additional $24 million in it for the District of Columbia.

Mr. WHITTEN. The conference agreement is $520 million over the House level for food stamps, which is less than the estimate which came down. It is $139 million less than the projected amounts that were requested in the budget estimate.

Now, under the regular bill for fiscal year 1980 we provide for a reserve of 5 percent in an effort to put a squeeze on some of the waste that we are told goes on in this program. We have provided the funds in this bill subject to authorization, which I understand is in the process of being worked out at the present time. We provided funds in there in line with the best estimates we had as to what the needs might be for the balance of this fiscal year.

Mr. RUDD. Mr. Speaker, if the gentleman will yield further, this had not been previously considered in the House or in the committee at all.

Mr. CONTE. No, because it had not been authorized by the time when it came through the House.

Mr. WHITTEN. When it passed through the House, the higher level had not been authorized.

Mr. RUDD. Mr. Speaker, I thank the gentleman for yielding.

Mr. DAVIS of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. DAVIS of Michigan. Mr. Speaker, I notice amendment No. 11 appropriates $27 million for the elderly feeding program. My question is was the $27 million a compromise between the Senate and the House or is that the amount that the House had in the bill that the Senate bought?

Mr. CONTE. That was the amount, if the gentleman will recall, I had in the bill here on the floor and it was adopted, so that is our figure.

Mr. DAVIS of Michigan. Is that supposedly enough money to keep the programs going around the country without a loss of funds?

Mr. CONTE. Definitely. That was the reason for the amendment, that a lot of States were meeting deficits and there were a lot of meals that were not being served. As a result, myself and the gentleman from New York (Mr. BIAGGI) offered an amendment which will take care of the deficit of those States that fell short of the money for the elderly and the nutrition program.

Mr. WHITTEN. Mr. Speaker, I yield to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I thank the gentleman for yielding and congratulate the entire leadership of the Appropriations Committee for the remarkable job it has done.

I have two questions I would like to pose to the chairman of the subcommittee, the gentleman from Kentucky (Mr. NATCHER), who has clearly demonstrated his concern for the elderly and his compassion over the years.

My questions, obviously, are for the RECORD and for the purpose of reaffirming the colloquy that we engaged in under the deliberation of H.R. 4289.

Is my understanding correct that the first priority for the distribution of the $22.5 million will be the 21 States identified by the Administration on Aging as the so-called deficit States?

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I am delighted to yield.

Mr. NATCHER. Mr. Speaker, before answering the gentleman's question, I would like to commend the gentleman, along with the ranking minority member on our committee, the gentleman from Massachusetts (Mr. CONTE), and also one of the members of the subcommittee, one of the distinguished subcommittee members, the gentleman from California (Mr. ROYBAL), for offering the amendment on the floor that corrected the matter that the gentleman from New York is now directing to the attention of the House.

In answer to the gentleman's question, the gentleman from New York (Mr. BIAGGI), the answer is yes.

Mr. BIAGGI. It is my further understanding that the intent of this new allocation plan is not to change that original list; is that correct?

Mr. NATCHER. The gentleman is correct.

Mr. BIAGGI. It is my understanding that the remaining funds after the distribution to the 21 States can go to States which have incurred actual service reductions during this fiscal year to avert a deficit; is that correct?

Mr. NATCHER. The gentleman is correct.

I would like to say to the gentleman from New York that as the gentleman knows, when we went to conference under the leadership of our chairman, the gentleman from Mississippi (Mr. WHITTEN), we requested the other body to restore to the bill our language which protected the matter that the gentleman is now pointing out to the Members of the House. Also the language that we carry in the statement on the part of the managers protects the matter that the gentleman is now asking about.

The answer to the gentleman's question again is yes.

Mr. BIAGGI. Mr. Speaker, the final question. Is the definition of "have made during the fiscal year" apply to those reductions incurred between October 1, 1978, and September 30, 1979?

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I would be pleased to yield.

Mr. NATCHER. In answer to the gentleman's question, the answer to that question again is yes.

Mr. BIAGGI. Mr. Speaker, I thank the gentleman.

Mr. WHITTEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Speaker, I would like to direct a question through the gentleman to the chairman of the subcommittee who has been so responsive to the needs of the elderly in this country and especially responsive from the perspective of Connecticut to the needs of Connecticut's 460,000 very important people over the age of 60.

It is my understanding, Mr. Speaker, that the intent of the conference committee was that the Administration on Aging would conduct a survey within the next 20 days and prior to making an allocation would report back to the Appropriations Committee on two questions: The question of the deficit level of the States based on figures as of June 1; and second, the question of decreases in operating levels which have or will occur during the fiscal year ending September 30, 1979; is that correct?

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. RATCHFORD. I would be happy to yield to my distinguished friend.

Mr. NATCHER. Mr. Speaker, before answering the gentleman's question, I would like to commend the gentleman from Connecticut (Mr. RATCHFORD) for the gentleman's interest in this matter. All during the time that the supplemental appropriations bill was before the House, while it was in the conference and now when we bring it back, the distinguished gentleman from Connecticut (Mr. RATCHFORD) has shown his interest in this particular matter not only as far as Connecticut is concerned, but also the other States that are involved.

Mr. Speaker, I want to commend the gentleman on a job well done.

Mr. Speaker, in answer to the gentleman's question, on page 27 of the bill we placed in the bill the following language:

> $22,500,000 shall be for meeting state requirements to maintain operating levels for activities under part (c) of title III of the Older Americans Act during fiscal year 1979.

On the other side, they removed this language, I would say to the distinguished gentleman from Connecticut (Mr. RATCHFORD). They never bothered the money. They removed the language.

In the conference, we insisted upon the language. The conference report shows that the language was restored. In addition to that, I say to the gentleman from Connecticut (Mr. RATCHFORD) the statement of the managers on page 19, the paragraph under Human Development Services says:

> The conferees direct the Commissioner on Aging to determine the exact level of deficit spending among the States as of June 1, 1979 in the nutrition for the elderly program, to develop standard criteria for allocating the $22,500,000 increase over the budget provided in this bill. The conferees further direct the Commissioner to submit an allocation plan within 20 days and prior to making the allocation, to both House and Senate Appropriations Committees as to the amounts necessary to cover deficits and decreases in operating levels which have occurred during the fiscal year. The intent of the conferees is that these funds be used to cover the increased costs of actual service levels in 1979, not to undertake program increases at this late point in the fiscal year.

Mr. Speaker, in further answer to the gentleman from Connecticut, I would like to say that if the State of Connecticut requires money to maintain their operating level, the State would be covered under the language in the bill and under the language in the report. It is mainly due to the gentleman's concern and the action that the gentlemen has taken, and I say that to the gentleman frankly.

Mr. RATCHFORD. Mr. Speaker, I thank the gentleman, because the Department on Aging in the State of Connecticut believes that it can demonstrate and prove that based upon June 1 figures it has an actual deficit of $118,000, and based upon the second category, namely, reduction in services, it can demonstrate in this area that it has an additional shortfall of $180,000.

It is my understanding, I say to the distinguished subcommittee chairman, that if Connecticut can verify these figures, the intent of what we do today is to give to a State like Connecticut the opportunity to do so, and to qualify for this supplemental funding, so that it can continue quality services for nutrition programs for its 460,000 aged.

Mr. NATCHER. Mr. Speaker, will the gentleman yield further?

Mr. RATCHFORD. I certainly yield to the gentleman.

Mr. NATCHER. Mr. Speaker, I would like to say that the gentleman is correct.

Mr. RATCHFORD. Mr. Speaker, I thank the gentleman.

Mr. WHITTEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. GLICKMAN) for a question.

Mr. GLICKMAN. Mr. Speaker, I would like to raise a question to the gentleman from Oklahoma (Mr. STEED) if possible in reference to amendment No. 116.

☐ 1310

This amendment deletes the appropriation of over $18 million for payment to the Postal Service fund for reduced mailings on national and State political party committees. In amendment No. 116, the language directs that the Postal Service adjust the applicable rates of mailings of these committees accordingly.

I am in accord with that statement, and I would like to ask the subcommittee chairman, the gentleman from Oklahoma (Mr. STEED), this question: Does he have assurance from the Postal Service that the Postal Service has, under 39 United States Code, 3627, the authority and discretion to in fact do this?

Mr. STEED. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I will be glad to yield to the subcommittee chairman.

Mr. STEED. Mr. Speaker, I think that the letter we have from Postmaster General Bolger will clarify this, and I will ask permission to make this letter a part of the RECORD. He cites a case in which this same matter was decided by the courts in favor of doing exactly what we are doing here.

What the other body and the conferees were trying to do is this: Since the Attorney General's ruling had changed this whole thing from the original action by the Congress in starting this program, we felt by doing it this way, the Post Office Department would be able to protect itself.

As the Members know, in the regular appropriation bill—and it is my understanding the other body will accept it—we have a new version, and the new program can start October 1 and do what we intend it to do, so we can open it up without these abuses that we were concerned we were going to get into.

Mr. GLICKMAN. Mr. Speaker, I thank the gentleman from Oklahoma (Mr. STEED). I hope the gentleman will be successful in seeing to it that no funds are available in next year's appropriation bill either for this purpose, and I appreciate the gentleman's response.

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Speaker, I rise in support of the legislation and the conference report.

I am particularly pleased that the wording was put in here in such a manner that it helps people who have had disasters. I am pleased with this area of the legislation.

Mr. WHITTEN. Mr. Speaker, I have no further requests for time.

Mr. CONTE. Mr. Speaker, I yield 6 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I want to take a few minutes to describe what the conference did with respect to the amendment we adopted last year cutting waste, fraud, and abuse in HEW by a billion dollars.

As you know, Secretary Califano took the position that the amendment did not require such a reduction, and so for most of this fiscal year he made no effort to comply with its provisions only after receiving two legal opinions stating that the Department was wrong did the Secretary last month reverse himself and belatedly seek to obey the law. By then, however, it was discovered that only $169 million of the $1 billion had been saved, so the Secretary then acted to impose the entire burden for making the remainder of the reductions on the States in the fourth quarter.

This was clearly an unfair action, and the conference has acted to alleviate the burden on the States by lowering the mandated reduction in the law from $1 billion to $301.5 million. Of this amount, $169 million has already been saved, so the net effect will be to require an additional $132.5 million in fourth quarter savings. If these additional savings cannot be made, either by HEW or the States, and I would certainly hope that every effort will be made to make the savings, then HEW would be permitted to borrow against 1980 funds to prevent any legitimate recipients from being denied their rightful benefits.

The result, then, is that no State would be denied the necessary funds in 1979 to make their legal entitlement payments, and beneficiaries legally entitled to such benefits would not have them either reduced or eliminated.

Unquestionably, this action for the most part lets both HEW and the States off the hook as far as compliance with the Michel amendment this year is concerned. From a practical standpoint, there was little else we could do, because it is obvious that the required reductions in waste, fraud, and abuse are not going to be made by September 30. This action also avoids large-scale borrowing against 1980 funds, and thus the necessity for an excessively large supplemental next year to repay those accounts.

The key element in all this, however, is the language we included in the conference report directing HEW to issue regulations requiring all States to reduce their AFDC and medicaid error rates to 4 percent by September 30, 1982. This is designed to insure that the relaxation of fiscal constraints does not have the unintended effect of reducing the effort against waste, fraud, and abuse. What we have in effect done, is loosen the immediate requirements for reduced waste, fraud, and abuse in exchange for greater assurances of long-run progress in this regard through the imposition of tighter quality control standards on the States.

At present, HEW has quality control regulations in effect, but they are so weak as to be almost meaningless. For instance, there is no specific nationwide error-rate standard for the States to meet, but instead a floating target called a weighted average mean. For AFDC, that mean has been at a very high 8.7 percent, with only 14 States exceeding it. When nearly three-quarters of the States are in compliance with a standard in a program that is still losing over 500 million Federal dollars a year, you know it is not a standard designed to make much of a reduction in waste, fraud, and abuse.

By requiring that all States reduce their error rates to 4 percent in 3 years, and, holding to that figure in succeeding years, we would be insuring that solid progress will have to be made if the States wish to avoid incurring a penalty. At the same time, we would be giving them a specific target to shoot for, and we would be giving them sufficient time to achieve the target.

The report language requires that the States achieve at least one-third of the reduction each year from the beginning of fiscal year 1980 until the 4 percent target date of September 30, 1982. This is designed to assure that the States make a continual effort each year and that we realize a reduction in waste each year.

The practical application of this reduction is that if a State currently has an error rate of 10 percent, it would have to reduce it by 2 percent each year, so that it would have to be down to 8 percent next year, 6 percent in 1981, and then 4 percent in 1982.

If these targets are not met, the report requires application of a penalty equal to the difference between the State's existing rate that year and the target rate. So, in this example, if the State's total Federal AFDC payment is $100 million, and it only reduces its error rate in the first year to 9 percent, rather than to the required 8 percent, the penalty would be the difference between 8 percent and 9 percent, or 1 percent of the Federal payment. One percent of $100 million represents a penalty of $1 million, and the State's Federal payment would be reduced by that amount.

We use the figure of 4 percent because that is a figure already written in the law. The Social Security Amendments of 1977 established a program of bonus payments for those States who have reduced their AFDC error rates below 4 percent. That is a benchmark established by Congress, in other words, and if we are going to reward States below it, we should be penalizing those above it.

A number of States, of course, particularly those with high error rates, are unhappy with the 4 percent figure and the time frame in which they have to achieve it. We have, however, had an AFDC quality control program in effect since 1973 and a somewhat lesser period for medicaid, so the States have had a number of years to get their programs moving in the right direction, during which they have had considerable technical assistance from the Federal Government. It is thus not as though we are asking them to undertake a new effort from scratch that requires a lengthy period for implementation.

A number of States, in fact, have already improved their programs to the levels we are mandating. Based on the latest figures available, some 14 States have reduced their AFDC error rates to 4 percent or below, so that indicates we are not asking for something beyond the realm of the possible. Among those 14 States are California, Indiana, Wisconsin, and Minnesota, which also shows that large industrial States with big cities can do the job.

There are a number of things the States can do to reduce waste in their programs. They can implement monthly retrospective accounting systems, which produce substantial savings in most areas where they have been instituted. They can simplify their eligibility standards and standardize their forms. They can retrain their employees and give them clear and simple instructions.

If changes in Federal laws and regulations are needed to give the States better tools to do the job, then they ought to tell us what they need and we should act accordingly.

Some States have expressed concern that the audit samples used to determine error rates vary by States and thus may give some States better rates than others, even though there may be little difference in actual program performance. Accordingly, we have included report language requiring the Department to "establish a system for determining error rates that insures equal treatment for all States." The intent is to insure that we have in effect a standardized system for measuring error rates which does not permit States making only perfunctory efforts to detect errors to end up with better rates than those States making more diligent efforts. The system should require uniform and diligent efforts on the part of all States to detect errors, and should contain safeguards designed to prevent States from manipulating the error rate sampling process to produce lower rates, in order to avoid penalties, than what the actual program performance would warrant.

The report language specifies the error rate base periods to be used in determining the yearly reductions for each State, in order to eliminate any doubt on the part of the Department. These are the same base periods provided in the current quality control regulations.

In conclusion, we have mandated specific levels of performance because, with current Federal losses due to waste, fraud, and abuse ranging between $1 and $2 billion a year in just the AFDC and medicaid programs alone, it is clear that specific action must be taken to bring these losses down. Achievement of the standards we are requiring would cut these losses approximately in half.

We have also acted because there is currently a void in the law in the area of quality control standards. HEW has sought over the years to establish such standards through regulation, but because of the absence of any specific congressional direction, the Department has been on very weak ground in this regard.

It has been reluctant to establish strong standards because of a fear that such standards would be struck down in the courts, as did happen in 1976. Because of this, HEW has sought to negotiate standards with the States and the special interest groups, in order to avoid a court challenge, but the result has been development of the very weak, almost meaningless, standards I referred to earlier.

The congressional direction we provide leaves no doubt as to HEW's authority, and will place the Department in a much better position in both working with the States and in dealing with any court challenge. The effort against waste, fraud, and abuse in these areas will no longer be dependent on negotiations and backscratching with those who want no standards, and this can only work to the benefit of those who have to foot the bill for all these losses—the American taxpayers.

One final note. The action of the conference committee in no way negates the amendment we adopted as part of the 1980 Labor-HEW appropriation bill cutting waste, fraud, and abuse by $500 million. In fact, that amendment was offered precisely because of the expectation that HEW would not be making the billion dollar savings in 1979. If the amendment ultimately clears Congress, we will still in effect be mandating a billion dollar savings, but by the end of 1980 rather than 1979. The quality control standards provided here complement that amendment and will help the Department achieve those required reductions.

Mr. CONTE. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, this supplemental appropriation bill includes $1,018 million for the disaster loan fund.

So often the American taxpayer is pushed to the end of the line when his own Government starts handing out his own hard-earned tax dollars. It seems that while we deny or delay help for our citizens in our own country, we turn right around and provide those same services to people in other countries with no delay at all.

Let me tell the Members about a specific situation. On May 8 of this year, in several areas of Florida we had a severe storm which left flood water up to the rooftops in some places. At the same time we suffered loss of life, tornadoes, and millions of dollars worth of property damage.

We asked the Governor to request a disaster declaration, and he did within days. We asked the President to make a disaster declaration, and he did within an hour or so.

But now, more than 2 months later, there are still hundreds of people who have filled out all the forms and seen all the adjustors and estimators, but most of them, despite the efforts of their Congressman, still have not gotten the promised help from their own Government because the money supply is "not available." Maybe it is not available for Americans, but in contrast, let me read from page 202 of the presentation by the Agency for International Development for this fiscal year where they say, "The U.S. Government is capable of responding within hours to unexpected disaster occurring throughout the world." Not days or months, Mr. Speaker, but hours.

Look at last year's list: $5 million for a cyclone in India; $3 million for a drought in Mauritania; and $4.7 million for displaced persons in Lebanon. The list goes on to a total of $20 million. For the last 5 years it has amounted to $148,500,000.

To some that might appear to be small change, but try explaining it to an American taxpayer who has been sleeping on a musty, soggy sofa for 2 months waiting for Congress to appropriate the money for him.

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At the same time, his government is telling how, using his tax money, it can respond to foreign disasters within hours.

Mr. Speaker, this bill will, finally, make available those funds necessary to meet our commitment to our own people.

Mr. Speaker, another portion of this bill provides funding for our refugee program, a program which I support and most of the Members of the Congress support. It appropriates a lot of money, much of which will be used for the so-called boat people and the Indochinese refugees, those people who are being pushed out of Vietnam by people who are the most vicious government rulers that I think history will ever record.

In fiscal year 1979, this Congress appropriated $9 million for the United Nations High Commission for Refugees. This bill includes an additional $34 million for the UNHCR, for a total of $43 million.

For fiscal year 1980, the bill that we will take up later today, there is another $41,500,000.

For direct bilateral aid for these Indochinese refugees last year we appropriated $29,391,000.

This supplement that we consider today includes an additional $34,176,000, for a total of $63,567,000, or a total for the 2 years of $97,344,000.

We are talking about, Mr. Speaker, in 2 years a quarter of a billion dollars mostly for refugees who are being pushed out of Vietnam. I want to help those refugees, and I believe that my colleagues do too. As the ranking minority Member on the subcommittee with that jurisdiction, I supported the funding in this supplemental bill for that account.

Mr. Speaker, I want to say this: That the bill that we take up later today is not only going to provide additional funds for these Indochinese refugees, the so-called boat people, those who have been set adrift on the seas, those who have been murdered, those who have had to resort to cannibalism to survive, the bill we are going to take up this afternoon is going to reward the very government that is reasponsible for these boat people being in the boats, for these refugees dying and suffering, and for the American economy to have to take in 14,000 refugees per month.

Mr. Speaker, there is something wrong when, on the one hand, we are paying to solve the problem and, on the other hand, we are rewarding the very vicious government that is causing the problem.

Through our foreign assistance bills, one of which we will consider this afternoon, we are providing funding for international organizations and international financial institutions that will, in turn, be providing some of those American tax dollars to Vietnam.

Mr. WHITTEN. Mr. Speaker, I yield myself 1 minute, and I do this to call attention to the gentleman from Iowa (Mr. SMITH), who is a veteran member of our Committee on Appropriations. He is also chairman of the Committee on Small Business. His work not only in that area, but in this conference, has been of great value.

The other body, may I say, added a complete legislative act as an amendment to the Small Business Administration section of the supplemental bill.

Through the efforts of my colleague, the gentleman from Iowa (Mr. SMITH), who knew that subject and who deals with it, the language in the supplemental bill has been kept to a level where we can meet the needs of the country but at the same time not usurp the right of the legislative committees.

I want to say that, prior to yielding 5 minutes at this time to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Speaker, I want to commend the chairman of the committee, and also the ranking minority Member, the gentleman from Massachusetts (Mr. CONTE), the gentleman from Pennsylvania (Mr. McDADE), and others who have worked on this.

Mr. Speaker, I rise in support of the conference report on H.R. 4289, making supplemental appropriations, fiscal year 1979.

I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

As was indicated earlier, this bill contains $1,018 million for the disaster loan fund.

Mr. Speaker, Senate amendment No. 103 inserted amendments to the Small Business Act concerning the SBA administered program of loan assistance to disaster victims. This Senate amendment included most of the disaster related provisions which were agreed to by House and Senate conferees on a bill now in conference (S. 918), the 1979 omnibus small business bill.

Prior to the expiration of Public Law 95–89 last year, victims of natural disasters occurring prior to October 1, 1978, could receive loans under the SBA administered program for their net losses at lower interest rates: For loans due to loss or damage to a primary residence or personal property, the interest rate was 1 percent on the first $10,000 of the loan and 3 percent on the next $30,000; and for losses to businesses and other victims, the rate was 3 percent on the first $250,000 of such loans. With the expiration of that law, however, these rates under the SBA administered program reverted to a formula based on the cost of money to the Federal Government and these borrowers are now paying 7⅜ percent.

Under the provisions agreed to by the conferees for H.R. 4289, a reduction in interest rates is provided for victims of disasters occurring since last October 1 to two major categories of disaster victims.

First, homeowners or tenants may borrow from SBA at an interest rate of 3 percent on the first $55,000 of loans made to repair or replace primary residences; on loan amounts to refinance existing mortgages, an additional $50,000 is available under existing law to qualified applicants at an interest rate based on the cost of money to the Federal Government.

Second, businesses which are not able to obtain sufficient credit elsewhere may borrow from SBA to repair or replace damaged or destroyed property at an interest rate of 5 percent; although there is no statutory maximum on these loans, SBA has administratively limited them to a $500,000 maximum unless the Administrator approves a higher amount.

As I stated, these provisions are retroactive and cover disasters occurring since last October 1. Victims who have already received loans in this period will have the interest rate on their loans reduced as provided in this bill.

All other disaster victims who borrow from SBA will continue to be eligible for loans based on a formula involving cost of money to the Federal Government. They are in no way adversely affected by this act. These victims include those who have incurred a loss to a secondary residence, businesses which are unable to prove they could not obtain sufficient credit elsewhere, and other disaster victims such as churches and schools. The interest rate to these victims at the present time is 7⅜ percent.

The conferees for the 1979 omnibus small business bill (S. 918) have also agreed to these provisions. In addition, the conferees have agreed that those businesses which can obtain sufficient credit elsewhere should be able to obtain disaster loan assistance from the Farmers Home Administration or SBA for a shorter period of time, up to 3 years initially, and at an interest rate based on the cost of money to the Federal Government for comparable periods of time. This new formula could result, at the present time, in an interest rate of over 10 percent. They also agreed to shift more farm disaster victims to FmHA by requiring farm businesses to go to FmHA unless they are or would be declined for substantially similar emergency loan assistance from FmHA.

The administration and some others have objected to the inclusion of the words "substantially similar" in the SBA statute, although they maintain that it is their intent to provide substantially similar assistance through the FmHA program. These words insure that farm businesses which incur net disaster loss will not be relegated to what might again be changed into an inferior FmHA program. Until or unless that conference report or subsequent legislation is passed, all such borrowers will continue to be eligible under permanent laws under a formula which at the present time results in a 7⅜-percent interest rate. Also, all businesses, including agricultural related borrowers, will have a right to choose the SBA administered program and need not be declined by FmHA.

I urge the adoption of the conference report now under consideration.

● Mr. HINSON. Mr. Speaker, I rise in strong support of the disaster relief provisions of the conference report on supplemental appropriations for fiscal year 1979, H.R. 4289. Families in Mississippi, Louisiana, Texas, and several other States are living in damaged homes and are unable to begin repairs because the Small Business Administration has no funds to loan. It is no small irony that on this very day when are considering this overdue appropriation of $1,018,000,000 for our own citizens stricken by disasters we will also consider a $7.9 billion appropriation for foreign aid. It would be a slander to argue that charity begins at home; the aid to disaster victims which this bill offers is not charity but is a significant contribution to the economic well being of the entire Nation, its terms are equal to or less than those which Americans have been able to expect for many years, and it should have been available, and would have been at the time of disaster but for last year's vetoed authorizations bill.

The disaster appropriations are for loans. There is every reason to believe that prompt passage will not cost American taxpayers one dime. We are not discussing funds which will be taken out of American control and used to maintain the tyranny of people like General Torrijos of Panama.

We are talking about government at its most responsible, at its very best; a fiscally sound response to alleviate the human distress and economic interruptions resulting from natural disasters.

Surely, when we can consider appropriations like the ones submitted today for foreign aid, we cannot turn our backs on our obligations to our own people. I strongly urge passage of the disaster relief provisions of H.R. 4289.●

Mr. BIAGGI. Mr. Speaker, I rise to express my full support to the pending conference report. Especially worthy of support is the inclusion of $27 million in vitally needed funds to insure the continuation of the older Americans nutrition program.

The House's passage of this conference report will culminate an effort which began some 3 months ago when the supplemental appropriations bill first began to be considered in committee. I testified in my capacity as a member of the House Select Committee on Aging that unless at supplemental appropriations above that proposed by the President were approved, upwards of 9,000 senior citizens would be turned away from meal sites by the end of this fiscal year. The Appropriations Committee responded by providing an additional $7.5 million aimed at coping with the problems of 14 States identified by the Administration on Aging as so-called deficit States.

When the House considered this legislation, it was apparent that the information provided to the committee by the Administration on Aging was to say the least incomplete and inaccurate. First, the calculation was done on the basis of an inflation rate of 8 percent. Second the designation of 14 States prompted an outcry from other States claiming that they, too, were deficit States. The result was a modification of the original AOA list to increase it to 21 deficit States and a recalculation of the inflation rate to a more realistic 12 percent. Consequently, I joined with my distinguished colleague from Massachusetts (Mr. CONTE) in offering an amendment increasing the appropriation by $15 million. At that time I made it clear that the first priority for the use of these funds would be those 21 States identified as deficits. I wish to insert those States into the RECORD at this time.

In earlier colloquy with the chairman it was reaffirmed that the funds were to be used for the deficit States followed by those States who were forced to make service reductions during this fiscal year to avert a deficit.

We have come to the rescue of a fine program which really never should have been subjected to this problem. Under the older Americans nutrition program more than 560,000 seniors are provided with one hot meal a day 5 days a week. For some it is the sole source of nutrition they receive daily, especially if they are homebound. For others, it is an opportunity for them to associate with friends at a nutrition center.

When Congress enacted into law the Comprehensive 1978 Older Americans Act Amendments, it did so by voting for a major increase in the authorization level for the nutrition program. As an original cosponsor of the bill, it provided for a combined $430 million authorization level both for the existing congregate program and the new national home-delivered meals program provided under the act. Even with this supplemental we have brought the appropriation level only to $277 million but at least this amount is sufficient to avert the trauma of having to send senior citizens home from nutrition centers hungry.

At this time I commend my colleague Mr. NATCHER who has been an instrumental leader in this effort. Also my colleague Mr. CONTE who I joined in sponsoring the $15 million amendment, Chairman CLAUDE PEPPER of the House Select Committee on Aging for his support and finally Mr. RATCHFORD of Connecticut whom I worked with closely on this issue.

It is important for us to recognize that we can respond to those most in need and still keep our commitment to fiscal responsibility. To achieve economy without compassion is no virtue.

The table follows:

TABLE 2A.—INCREASED

	Fiscal year 1979 operating level	Fiscal year 1978 unliquidated obligations	Balance required	1979 allotment	Balance, end of 1979
Alabama	$5,726,368	$797,927	$4,928,441	$4,046,672	($881,769)
Arizona	2,786,991	46,974	2,740,017	2,536,791	(203,226)
Delaware	1,838,262	497,518	1,340,744	1,260,000	(80,744)
District of Columbia	1,748,849	394,380	1,354,469	1,260,000	(94,469)
Idaho	1,405,262	26,800	1,378,462	1,260,000	(118,462)
Iowa	5,027,699	224,897	4,802,802	3,674,378	(1,128,424)
Kansas	3,756,414	301,321	3,455,093	2,890,068	(565,025)
Louisiana	4,979,098	673,034	4,306,064	3,713,853	(592,211)
Maine	1,830,403	251,246	1,579,157	1,301,427	(277,730)
Massachusetts	10,712,000	1,870,491	8,841,509	6,953,329	(1,888,180)
Michigan	11,876,818	3,046,029	8,830,789	8,825,445	(5,344)
Missouri	$9,053,021	$303,287	$8,749,734	$6,072,533	($2,677,201)
Montana	1,645,063	328,619	1,316,444	1,260,000	(56,444)
New York	33,246,145	11,642,751	21,603,394	21,349,605	(253,789)
Rhode Island	1,495,781	208,705	1,287,076	1,260,000	(27,076)
Vermont	1,578,521	160,678	1,417,843	1,260,000	(157,843)
West Virginia	2,868,947	337,629	2,531,318	2,275,094	(256,224)
Wisconsin	7,238,569	1,383,411	5,855,158	5,375,883	(479,275)
American Samoa	683,102	10,575	672,527	618,750	(53,777)
Guam	1,088,535	17,650	1,070,885	630,000	(440,885)
Northern Marianas Islands	163,800	....	163,800	157,500	(6,300)

The SPEAKER pro tempore. The Chair advises the gentleman from Massachusetts (Mr. CONTE) that all of his time has expired.

Mr. WHITTEN. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Speaker, I am delighted that the House and Senate conferees have recognized the immediate need to complete the land acquisition program on the Buffalo National River and have included in this conference agreement under the land and water conservation fund $3 million to be reprogramed from National Park Service inholdings for land acquisition. I appreciate Senator BUMPERS initiative in the other body to make sure that these funds were included even though they were not in the President's budget request.

As the original sponsor in the House of Representatives, of legislation to preserve the Buffalo River for the enjoyment of future generations, I have a long-standing commitment to the protection and maintenance of this area. This reprograming of $3 million is urgently needed because as of March 31, 1979, only $86,386 remained in the land acquisition fund. Presently, over 14,000 acres of private land remain to be acquired and these lands must be obtained as soon as possible since any further delays could cause a substantial increase in project costs to the Federal Government due to continuing price escalation. Lands which sold for $450 per acre in early 1975 are now selling for $850 per acre. Moreover, I have witnessed the hardships of many landowners due to the delays in acquisition. The Government's inability to acquire their land leaves the owners with no feasible alternative to disposing of their property.

This additional funding will provide for continuity in the land acquisition program on the Buffalo National River and will permit the National Park Service to initiate immediate action to complete the land acquisition program while paying landowners a fair price for their lands. The beauty of the Buffalo National River is unsurpassed and it is indeed fitting that it should be preserved. In the master plan for the Buffalo National River, by the Department of Interior in 1977, the river was described in the following manner:

> Take pure, clear, flowing water: send it down a 148-mile meandering course; pour it over rapids; strain it through gravel bars; drift it through long pools; let it caress tree-covered banks. Then dot a valley bottom with open grassy meadows; punctuate the shores with frequent tall bluffs; and fill the countryside with steep, wooded hills. Now interject an occasional turtle sunning on a log in the water; slide in a snake searching for a frog; add a bass breaking the water surface; and stand a heron stalking at the river edge. Accent the whole with birds warbling in the trees and insects buzzing close above the water. Finally, place yourself in a canoe drifting down the river surrounded by the peaceful and inspiring mood of these natural elements.
>
> But on the land there is even more: caves with hidden formations and untrodden passageways; solution pits and sinks and underground waterways; tall cliffs on side-stream courses that force long waterfall leaps; ancient Indian dwelling sites; abandoned pioneer farmsteads on ridgetops hidden in regrowing forests; a wildflower unexpected. Now you have the essence of the Buffalo National River."

Again, I would like to commend the distinguished chairman of the conference, Mr. Whitten, along with my colleagues who served as conferees and recognized the essential need for these moneys to give the Buffalo National River the attention that it rightfully deserves, not for any single quality, but for an array of qualities that makes the river an outstanding remnant of early America, worthy of saving.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 284, nays 132, not voting 18, as follows:

[Roll No. 341]

YEAS—284

Addabbo
Akaka
Albosta
Alexander
Ambro
Andrews, N. Dak.
Annunzio
Anthony
Ashley
Aspin
Bailey
Baldus
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonker
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Buchanan
Burlison
Burton, Phillip
Butler
Byron
Chappell
Chisholm
Clay
Cleveland
Clinger
Coleman
Collins, Ill.
Conte
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Danielson
Davis, Mich.
Davis, S.C.
de la Garza
Derrick
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gilman
Ginn
Gonzalez
Gore
Gradison
Gray
Green
Grisham
Guarini
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holtzman
Horton
Howard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Leach, La.
Leath, Tex.
Lederer
Lehman
Leland
Lent
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Sabo
Scheuer
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Synar
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NAYS—132

Abdnor
Anderson, Calif.
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Bonior
Bouquard
Brodhead
Broyhill
Burgener
Burton, John
Campbell
Carney
Carr
Cavanaugh
Cheney
Clausen
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Daschle
Deckard
Dellums
Derwinski
Devine
Downey
Edwards, Okla.
English
Erdahl
Evans, Ind.
Fenwick
Fountain
Frenzel
Gephardt
Gingrich
Glickman
Goldwater
Goodling
Gramm
Grassley
Gudger
Guyer
Hance
Hansen
Harkin
Heckler
Hollenbeck
Holt
Hopkins
Hubbard
Hughes
Jacobs
Jeffries
Johnson, Colo.
Jones, Okla.
Kelly
Kemp
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lee
Levitas
Lewis
Loeffler
Lujan
Lungren
McDonald
Madigan
Maguire
Marlenee
Marriott
Martin
Miller, Ohio
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Neal
Pashayan
Paul
Pease
Petri
Pursell
Regula
Ritter
Roth
Rousselot
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stenholm
Stockman
Studds
Stump
Symms
Tauke
Thomas
Vander Jagt
Volkmer
Walker
Weaver
Wylie

NOT VOTING—18

Anderson, Ill.
Andrews, N.C.
Bolling
Brown, Ohio
Carter
Coelho
Conyers
Emery
Flood
Forsythe
Giaimo
Gibbons
Jeffords
Shannon
Staggers
Swift
Taylor
Young, Mo.

□ 1340

The Clerk announced the following pairs:

Mr. Staggers with Mr. Emery.

Mr. Giaimo with Mr. Jeffords.

Mr. Flood with Mr. Brown of Ohio.

Mr. Conyers with Mr. Carter.

Mr. Young of Missouri with Mr. Forsythe.

Mr. Coelho with Mr. Taylor.

Mr. Gibbons with Mr. Swift.

Mr. Shannon with Mr. Andrews of North Carolina.

Mr. MURPHY of Pennsylvania, Mrs. SMITH of Nebraska, and Messrs. MARLENEE, SNYDER, CAMPBELL, DOWNEY, DELLUMS, and BONIOR changed their votes from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 2, after line 5, insert:

BUILDINGS AND FACILITIES

For an additional amount for "Buildings and Facilities" of the Agricultural Research Service, $3,400,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Whitten moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment insert "$1,020,000".

Mr. CONTE. Mr. Speaker, I am sorry to say that we were unable to reach a compromise on the first item we had in conference. Amendment No. 1 provides an additional $1.7 million for each of two agricultural research facilities, the National Soil Erosion Laboratory at Purdue University, and a feedmill at El Reno, Okla. The House conferees felt we could not agree to this. This is not a question of whether or not we need these two facilities, construction funds have already been appropriated. However, the bids for construction came in way over the amount provided by Congress. Not a shovel of dirt has been turned, we are only talking about bids. This Congress is now being asked to fund cost over runs on bids of 47 and 113 percent. I think we would be setting a very bad precedent if we agreed to fund these large over runs. As a compromise we are proposing to allow a 20-percent increase for each facility. We also want to make it clear that this is not to set a precedent for future projects.

I hope that the House will strongly back the conferees on this.

There is one other item in the Agriculture chapter that I would like to comment on briefly. We had a budget request for $1 billion for food stamps. The bill, as passed the House, included only the $380 million that is currently authorized. We knew when this bill passed the House that this would not be sufficient, but we felt that the House could only provide what was currently authorized under the cap. Since that time the House has approved additional authorization. The conferees have agreed that additional funds are needed, however, we felt that some program savings could be made, so we approved $900 million for food stamps. That is $89 million under the amount approved by the Senate.

I am very pleased to report to my colleagues that the House conferees prevailed on the Senate conferees to yield on $1.9 million for indemnity payments to beekeepers. I fought this program for years, and I hope it is finally as dead as the bees we have been paying for.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 3, line 15, after "$100,000,000" insert ": *Provided*, That only claims for reimbursement for meals served during 1979 received by the Secretary of Agriculture before April 1980 shall be eligible for reimbursement".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert ": *Provided*, That only claims for reimbursement for meals served during fiscal year 1979 submitted to State agencies prior to January 1, 1980, shall be eligible for reimbursement".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 3, line 18, after "reimbursement" insert: ": *Provided further*, That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966, as amended, shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 8 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 4, line 5, strike out "$379,700,000" and insert "$988,786,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "$900,000,000, of which $520,300,000 shall be available only upon the enactment of authorizing legislation".

The motion was agreed to.

☐ 1350

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 39: Page 10, line 12, insert:

FEDERAL ENERGY REGULATORY COMMISSION

For an additional amount for the "Federal Energy Regulatory Commission", $2,700,000, to remain available until expended: *Provided*, That one of these funds or any other funds available to the Commission shall be used to pay the expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 39 and concur therein.

Mr. CONTE. Mr. Speaker, in chapter II, dealing with the Department of Defense, the House agreed to several changes, most notable in connection with the procurement of four destroyers which had been ordered by the Government of Iran.

In the House version of the supplemental, provision had been made for two destroyers at a cost of $628 million for the payment of shipbuilding claims. The conference wisely settled on all four ships, but deleted funds for the claims.

The procurement of the ships now means the United States can save about $800 million in total, or $200 million per ship, below what procurement would cost if construction were beginning today. In addition, procurement in the supplemental means we will not have to look to 1980 shipbuilding funds for these ships.

The money for the destroyers, in fact, was generated when the President vetoed the fiscal year 1979 authorization bill which had contained funds for a nuclear powered aircraft carrier. When that veto was sustained, the House cleared the way for the application of some $2 billion to other programs in a supplemental.

The conference report before you now is the culmination of that action.

Other changes were made in conference to the House bill.

Funds were provided to reopen certain Army and Air Force installations in Turkey, essential to the U.S. nuclear monitoring missions in that nation.

Cruise missile associated funding is provided to enable the Defense Mapping Agency to support this new mission. In addition, we provided money for the continuing testing program to integrate the cruise missile into the B–52 bomber fleet. The Cruise missile test and integration funds, totaling $43 million do not represent an increase in dollars over the House bill, however. M–X missile funding was reduced to include the cruise missile funding within the $190 million in M–X money. This is a prudent cut because it is doubtful the Department of Defense could use all of the M–X money for that purpose in the remaining weeks of the 1979 fiscal year.

Also included in the conference report is $5 million for TOW antitank missile warhead, and guidance work, and $3 million for research on a small ship design incorporating new technology in hull design, as well as $8.6 million for combat support equipment.

In the Defense portion then, the major change is in the Navy's shipbuilding and conversion account with several small changes, in items of dollars, in other accounts. But, this major change represents a huge dollar savings, and at the same time allowing for relatively early deployment of the ships by the Navy.

The Defense portion of the bill is an excellent compromise and should be supported.

Both the House and Senate included the full budget request of $1,470,000,000 in budget authority for the Middle East peace package, the amount necessary to generate total assistance totals of $3 billion for Israel and $1.8 billion for Egypt over the next 3 years. No conference action was needed for this item.

Both Houses also provided the requested $100 million in economic assistance for Turkey.

The conference report includes a reappropriation of $25 million for military assistance grants, a split between the $22.5 million provided by the House and the $27.5 million provided by the Senate. Most of these funds are for the eastern Mediterranean, including funds previously held up by the Turkish arms embargo.

The conference report provides $3,221,000 for the Peace Corps as provided by the House. This is a reduction of $1,179,000 below the budget request, and $259,000 below the Senate amount.

Due to burgeoning worldwide refugee problems, House conferees receded to higher Senate recommendations for two refugee accounts in the Department of State. The bill includes $108,910,000 for migration and refugee assistance and $17,200,000 for the U.S. Emergency Refugee and Migration Assistance Fund. The additional funds will be used for the care of Indochinese refugees in Southeast Asia, for transportation and initial settlement of these refugees in the United States, and for similar efforts for the increased number of refugees from the Soviet Union and Eastern Europe.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 46: Page 16, line 15, after "$35,000" insert ": *Provided*, That this increase will be available for the payment of travel expenses incurred by the Commission at any time during the fiscal year.".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 46 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 50: Page 19, line 6, after "$44,850,000" insert ", of which $11,000,000 shall remain available through September 30, 1980".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein with an amendment, as follows: In lieu of the sum named by said amendment insert "$7,753,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 56: Page 21, line 7, strike out "$5,600,000" and insert "$10,900,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 56 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$8,600,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 58: Page 21, line 9, insert:

ENERGY INFORMATION ADMINISTRATION

For an additional amount for "Energy Information Administration", $2,000,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 58 and concur therein with an amendment, as follows: In lieu of the sum named by said amendment insert "$1,000,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 59: Page 22, line 8, insert:

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For an additional amount for "Advances to the unemployment trust fund and other funds", $500,000,000, to remain available until September 30, 1980.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 59 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 72: Page 28, line 22, after "$18,870,000" insert ": *Provided*, That notwithstanding any other provisions of law, the unexpended amount provided for this account in Public Law 94–206 shall remain available until expended".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 72 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 75: Page 29, line 23, insert:

GENERAL PROVISION

Section 301(a)(1) of Public Law 95–164 is amended by adding the following sentence at the end thereof: "Effective on the date of enactment of this Act, Health and Safety Academy is transferred to the Secretary of Labor."

Paragraph (1) of Section 502(c) of Public Law 91–173 as amended by Section (h) of Public Law 95–164 is amended by striking out: "Department of the Interior" and inserting in lieu thereof "Department of Labor", and striking out "Secretaries of Labor and Interior" and inserting in lieu thereof "Secretary of Labor."

Paragraph (2) of Section 502(c) of Public Law 91–173 as amended by Section 303(h) of Public Law 95–164 is deleted.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 75 and concur therein.

The motion was agreed to.

Mr. CONTE. Mr. Speaker, I would like to say a few words about the Labor-HEW part of the supplemental. I feel that good compromises have been made in this area, and that the bill provides sufficient money for many key programs. The Senate receded to the House on five amendments, numbers 63, 69, 70, 71, and 74, and the House receded to the Senate on five amendments, numbers 60, 64, 65, 66, and 68. Three amendments were reported in technical disagreement, numbers 59, 72, and 75. The remaining amendments, numbers 61, 62, 67, and 73 are all compromises between the House and Senate appropriation levels and I feel that they are uniformly good ones.

It will be noted that the amount of money in this section has increased significantly. This is due almost entirely to amendments 59 and 60, the amendments which provide a total of $500 million: $300 million for the black lung trust fund, and $200 million for the unemployment trust fund. It is not pleasant to have to appropriate such large sums of money, but I feel that we have a responsibility to provide these funds and keep our obligations to the workers of this country.

The Senate acceded to the House completely on all the appropriations for the Office of Human Development Services. This means that $2 million will be spent to initiate a very important independent living program, which I believe will prove to be of much benefit to our handicapped. It also means that the $22.5 million in supplemental appropriations for the elderly nutrition program can now go out to States which have had funding deficits and operating level decreases in this most worthy program.

The House and Senate reached a very good compromise on the matter of supplemental appropriation for the Center for Population Research at the National Institute of Child Health and Human Development (NICHD). The House had recommended $5 million, the Senate $10.713 million, and the conferees agreed upon $7.5 million. I am very happy to accept this higher figure, since the Center for Population Research performs very important work in the areas of research on contraception and population growth, and deserves our highest support.

I am also pleased that the House receded to the Senate in the matter of a $1 million supplemental to start up the adolescent pregnancy prevention and services program. This is an important initiative for our Government to take to try to deal with the more and more serious problem of the epidemic of teenage pregnancies in our country.

The major compromise which the Senate made to the House was in the area of concentration grants. The House had provided $200 million for this item, and the Senate completely deleted all funds for this program. The conferees have agreed upon a figure of $150 million; enough, I feel, to get this program off to the strong start that it deserves.

Most of the other compromises reached in conference are relatively uncontroversial, and have already been explained most ably. In summation, let me just say that I am very happy with the way the Labor-HEW section of this bill was dealt with, and hope that its provisions are accepted smoothly and quickly.

Mr. WHITTEN. Mr. Speaker, inasmuch as amendments Nos. 76 through 81 relate solely to housekeeping operations of the other body in which, by practice, the House concurs without intervention, I ask unanimous consent that Senate amendments Nos. 76 through 81 be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Mississippi can tell us whether there are any controversial items included in the amendments which he is asking en bloc permission to consider.

Mr. WHITTEN. Mr. Speaker, if the gentleman will yield, the group does not include anything controversial.

Mr. BAUMAN. Nothing like a new office building for the other body or anything like that?

Mr. WHITTEN. It does not.

Mr. BAUMAN. I thank the gentleman,

and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The Clerk will designate the next amendments in disagreement.

The Clerk designated Senate amendments Nos. 76 through 81 as follows:

(76) Page 30, after line 13, insert "SENATE".

(77) Page 30, after line 14, insert:

SALARIES, OFFICERS, AND EMPLOYEES

For an additional amount for "Salaries, officers, and employees", $1,594,000.

(78) Page 30, after line 17, insert:

ADMINISTRATIVE PROVISIONS

(79) Page 30, after line 18, insert:

SEC. 101. Effective October 1, 1979, the President pro tempore is authorized to appoint and fix the compensation of such employees as he deems appropriate: *Provided*, That the gross compensation paid to such employees shall not exceed $123,000 each fiscal year: *Provided further*, That the positions established by the Supplemental Appropriations Act, 1977, for the Office of the President pro tempore are abolished effective October 1, 1979.

(80) Page 31, after line 2, insert:

SEC. 102. Effective October 1, 1979, the Secretary of the Conference of the Majority and the Secretary of the Conference of the Minority are each authorized to appoint and fix the compensation of such employees as they deem appropriate: *Provided*, That the gross compensation paid to such employees shall not exceed $70,000 each fiscal year for each Secretary: *Provided further*, That the positions established by the Supplemental Appropriations Act, 1977, for the Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority are abolished effective October 1, 1979.

(81) Page 20, after line 13, insert:

SEC. 103. Effective January 15, 1979, the compensation of the Chaplain of the Senate shall be $34,398 per annum in lieu of $24,948 per annum, and the Chaplain may appoint and fix the compensation of a secretary at not to exceed $20,034 per annum in lieu of not to exceed $16,632 per annum. The Chaplain may authorize such change in the compensation of his secretary on such effective date if certified in writing to the disbursing office of the Senate not later than ten days after the date of the enactment of this Act. During the fiscal year ending September 30, 1979, the compensation of the Chaplain and his secretary may be paid out of any funds available in any appropriation under the headings "SENATE", "Salaries, officers and employees" in any appropriation Act.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendments of the Senate numbered 76 through 81 inclusive and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 82: Page 32, line 3, insert:

SEC. 104. Effective August 1, 1979, the annual rates of compensation and maximum annual rates of compensation provided in the Order of the President pro tempore of the Senate issued on October 9, 1978, under authority of section 4 of the Federal Pay Comparability Act of 1970 shall be payable to employees covered by such Order, notwithstanding any other provision of law. During the fiscal year ending September 30, 1979, any increase in compensation payable by reason of the preceding sentence to employees covered by such Order may be paid out of any funds available in any appropriation under the heading "SENATE" in any appropriation Act.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House insist on its disagreement to Senate amendment numbered 82.

PREFERENTIAL MOTION OFFERED BY MR. MURTHA

Mr. MURTHA. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. MURTHA moves that the House recede from its disagreement to the amendment of the Senate numbered 82 and concur therein with an amendment:

Effective August 1, 1979, the annual rates of compensation payable under authority of section 4 of the Federal Pay Comparability Act of 1970 shall be payable to employees covered by section 304 of the Legislative Branch Appropriation Act, 1979, notwithstanding any other provision of law.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, does the gentleman desire time to explain his amendment?

Mr. Speaker, I insist on the provisions as reported by the committee. Could we have a vote at this point?

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Would the gentleman from Mississippi or the author of the motion give us some explanation what this is precisely? Is this an extension of pay raises both to top level employees of the House and the other body?

Mr. WHITTEN. I asked the gentleman from Pennsylvania if he cared for time.

Mr. BAUMAN. I am sorry. If the gentleman declined to speak but the House ought to know what it is voting on.

Would the gentleman from Mississippi yield further?

Mr. WHITTEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Then what we are doing if we accept the motion of the gentleman from Pennsylvania is giving a $2,612.50 pay raise to every employee of both Houses of Congress who is now receiving $47,500, and comparable pay raises to all other top employees, is that correct?

Mr. WHITTEN. May I say to the gentleman from Maryland that I did not see the amendment before it was offered. I have not had it explained to me. I personally said that I stood by the position that the conferees had reported to the House. That is as it appears in the conference report.

The gentleman from Pennsylvania can best define his amendment as he intended.

Mr. BAUMAN. Do we know how many employees of the two bodies fall under this category, and what the cost to the taxpayers will be?

Mr. BENJAMIN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. BENJAMIN. Mr. Speaker, the number of employees that fall under the category of this amendment will be approximately 540 employees, and the annual cost is about $1.5 million.

Mr. BAUMAN. Two million dollars?

Mr. BENJAMIN. Let me retract that. The cost on an annual basis would be $1.5 million. We are talking about a period of 2 months, so consequently, taking one-sixth of that cost, it will be approximately $250,000.

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Mr. WHITTEN. Mr. Speaker, am I correct that I have control of the time?

The SPEAKER pro tempore. The gentleman from Mississippi controls the time.

Mr. WHITTEN. May I inquire of the gentleman from Indiana (Mr. BENJAMIN) am I right that the basic law provides for the automatic increases, based on the 1970 act to offset increases in inflation?

Mr. BENJAMIN. That is absolutely correct.

Mr. WHITTEN. Am I correct, too, that in that law that the estimated increase in inflation for the foreseeable period, which means through October, is approximately 10.5 percent?

Mr. BENJAMIN. About 10.8 percent.

Mr. WHITTEN. And then am I right, too, that the amendment here provides for a limitation of 5.5 percent; is that correct?

Mr. BENJAMIN. That is correct.

Mr. WHITTEN. In the event the provisions take effect, would this allow the employees an additional 5.5 percent as well as 10.8 under the general law?

Mr. BENJAMIN. That is correct.

Mr. BAUMAN. Mr. Speaker, would the gentleman yield for further questions?

Mr. WHITTEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. I wanted to address a question to the gentleman from Indiana. Do I understand from the questions asked by the chairman of the committee that these employees would receive an automatic pay increase anyway and this motion is in fact a limitation? It was hard to hear what was being said.

Mr. BENJAMIN. If the gentleman will yield, the limitation was placed on the Legislative Branch Appropriations Act of 1979. The Senate, in amendment 82, eliminated the limitation for only the Senate employees. This would allow it for the last 2 months of 1979 and until the legislative branch appropriations bill for 1980 is acted upon there has been no determination made beyond that point.

Mr. BAUMAN. When did this class of top level pay employees in the House and the other body last receive a pay raise?

Mr. BENJAMIN. On March 1, 1977.

Mr. BAUMAN. Does this then mean, based on past experience, that all levels of pay will have to be increased for all employees of both bodies?

Mr. BENJAMIN. Those employees that were frozen, yes.

Mr. GRASSLEY. Mr. Speaker, would the gentleman yield to me?

Mr. WHITTEN. I yield to the gentleman from Iowa for the purpose of asking questions.

Mr. GRASSLEY. Not for the purpose of making a comment?

Mr. WHITTEN. Certainly I will yield yield to the gentleman.

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman from Mississippi for yielding to me for the purpose of comment on this subject.

Mr. Speaker, I would ask the Members of this House to consider very carefully this preferential motion which is being offered by the gentleman from Pennsylvania (Mr. MURTHA). I ask them to do so because its passage will open the door when we have further consideration of legislative appropriations, legislative pay issues not only for Members, but for employees of the House, for the possibility of argument being made that since these few employees received a pay raise in this bill, quite obviously Members of the House ought to have a pay raise, too. We should not open ourselves up to that strategy, because as it is one that is often used very openly in debate to justify pay raises for Congressmen.

Mr. Speaker, I would ask the Members consider that there is no urgency for the Murtha amendment at this point. The issue the gentleman brings up can be adequately dealt with when we deal with the legislative appropriations bill. The committee will come out with such a bill very shortly. We should not in any way, during a period of high inflation like this, give any excuse to the House or Senate to raise the pay of the Members or the top-level employees of the House and Senate as well as the 15,000 employees in the civil service that will be in here asking for a raise. That adds up to $50 million.

I thank the gentleman for yielding.

Mr. WHITTEN. Mr. Speaker, the motion I made was to insist on the House position. That has been superseded by a preferential motion, with an amendment, which would add the House as well as the Senate.

I ask, and I think I am right about it, that if this preferential motion were to prevail, would it not still leave the existing law where it would provide for the increase up to 10.8 percent? I shall vote against the preferential motion which would add 5.5 percent. Incidentally, I also voted against the 1970 act which provides for these automatic increases.

The SPEAKER pro tempore. The question is on the preferential motion offered by the gentleman from Pennsylvania (Mr. MURTHA).

The question was taken; and on a division (demanded by Mr. DICKS) there were—ayes 23, noes 26.

So the preferential motion was rejected.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. WHITTEN).

The motion was agreed to.

Mr. CONTE. Mr. Speaker, I rise in strong support of the motion offered by the gentleman from Mississippi, to insist on disagreement to the Senate amendment.

Amendment No. 82 is being brought back to the House in true disagreement. The amendment was added by the Senate and would have the effect of giving approximately 200 top Senate staff members last October's 5.5-percent pay raise, effective August 1, 1979. While the House did not address this issue in the supplemental bill, on June 13, 1979, the House defeated the fiscal year 1980 legislative branch appropriations bill which included a similar pay increase for Members of Congress and top legislative, executive, and judicial branch employees by a vote of 186 to 232. A motion will be offered to insist on the House position against this amendment.

The conference report includes no funds for the Hart Senate Office Building.

The SPEAKER pro tempore. The question is on the preferential motion offered by the gentleman from Pennsylvania (Mr. MURTHA).

The question was taken; and on a division (demanded by Mr. DICKS) there were—ayes 23, noes 26.

So the preferential motion was rejected.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. WHITTEN).

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

Mr. WHITTEN. Mr. Speaker, inasmuch as amendments Nos. 83 through 87 relate solely to housekeeping operations of the other body in which, by practice, the House concurs without intervention, I ask unanimous consent that Senate amendments Nos. 83 through 87 be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk designated Senate amendments Nos. 83 through 87, as follows:

(83) Page 32, after line 14, insert:

SEC. 105. Effective on the first day of the first month which begins after the date of the enactment of this Act—

(1) the maximum annual rate of compensation of the Chief Reporter of Debates, Office of the Secretary of the Senate, shall be the maximum rate prescribed in section 105(f) of the Legislative Branch Appropriation Act, 1968, as amended and modified (2 U.S.C. 61-1(f));

(2) the maximum annual rate of compensation of the Registrar, Office of the Secretary of the Senate, is increased to $24,948; and

(3) the title of a Reference Assistant, Office of the Secretary of the Senate, is changed to Chief, Bill Status Unit.

(84) Page 33, after line 3, insert:

SEC. 106. Effective on the first day of the first month which begins after the date of the enactment of this Act—

(1) the maximum annual rate of compensation of the Deputy Sergeant at Arms and Doorkeeper of the Senate shall be the same as the maximum annual rate of compensation of the Assistant Secretary of the Senate;

(2) the maximum annual rate of compensation of the Administrative Assistant to the Sergeant at Arms and Doorkeeper of the Senate shall be the same as the highest maximum annual rate of compensation that may be paid to an employee in the office of a Senator; and

(3) the maximum annual rate of compensation of the Executive Assistant to the Sergeant at Arms and Doorkeeper of the Senate shall be the same as the second highest maximum annual rate of compensation that may be paid to an employee in the office of a Senator.

During the fiscal year ending September 30, 1979, the increases in compensation payable under this section may be paid out of any funds available in any appropriation under the headings "SENATE", "Salaries, officers and employees" in any appropriation Act.

(85) Page 34, after line 2, insert:

SEC. 107. (a) Effective July 1, 1979, there is authorized an expense allowance for the Office of the Secretary of the Senate and the Office of Sergeant at Arms and Doorkeeper of the Senate which shall not exceed $2,000 each fiscal year for each such office. Payments made under this section shall be reimbursements only for actual expenses (including meals and food-related expenses) incurred in the course of conducting orientation seminars for Senators and members of their staffs, and other similar meetings, in the Capitol Building or the Senate Office Buildings. Such payments shall be made upon certification and documentation of such expenses by the Secretary and Sergeant at Arms, respectively, and shall be made out of the contingent fund of the Senate upon vouchers signed by the Secretary and the Sergeant at Arms, respectively. Amounts received as reimbursement of such expenses shall not be reported as income, and the expenses so reimbursed shall not be allowed as a deduction, under the Internal Revenue Code of 1954.

(b) Effective July 1, 1979, section 105 of the Legislative Branch Appropriation Act, 1978 (2 U.S.C. 69a) is repealed.

(86) Page 34, after line 23, insert:

SEC. 108 (a) The first section of the joint resolution entitled "Joint Resolution relating to the payment of salaries of employees of the Senate", approved April 20, 1960 (2 U.S.C. 60c-1), is amended by adding at the end thereof the following new sentence: "In any case in which an officer or employee of the Senate dies during the month of December and the full compensation of such officer or employee for such month has been disbursed by the Secretary of the Senate before he receives notice of such death, no recovery shall be made of any portion of the compensation so disbursed.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1978.

(87) Page 35, after line 10, insert:

SEC. 109. (a) Any funds made available for obligation during the fiscal year ending September 30, 1979, by section 101 of the Legislative Branch Appropriation Act, 1979, shall be merged with the funds appropriated for the same purposes by such Act and shall remain available until expended.

(b) Any funds appropriated or made available for the fiscal year ending September 30, 1979, under the heading "SENATE" in any appropriation Act shall, notwithstanding any other provision of law, remain available for obligation through September 30, 1980, for the same purposes for which appropriated or made available, and shall be merged with the funds appropriated for such purposes for the fiscal year ending September 30, 1980, and shall remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 83 through 87 inclusive and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 88: Page 36, line 16, insert:

SENATE OFFICE BUILDINGS

For an additional amount for "Senate Office buildings", $600,000, to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 88 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 89: Page 37, line 18, insert:

GENERAL PROVISION

SEC. 101. Any funds appropriated under the heading "JOINT ITEMS", "Official Mail Costs" in any appropriation Act for the Legislative Branch for the fiscal year ending September 30, 1979, shall remain available until expended, for the same purposes for which appropriated.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 89 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 93: Page 39, line 17, after "Prisoners" insert "and repeal of the numerical ceiling provisions of the Department of Justice Appropriation Act, 1979, that pertain to the lease and purchase of vehicles for the U.S. Marshals Service".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 93 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 94: Page 40, line 1, insert:

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $2,636,000 to be available only upon the enactment of all necessary authorizing legislation: *Provided*, That $3,500,000 appropriated in the Department of Justice Appropriations Act, 1979 for the purpose of constructing a forensic science training and research facility at Quantico, Virginia, shall remain available until September 30, 1980.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 94 and concur therein with an amendment, as follows: In lieu of of the matter proposed by said amendment, insert:

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $2,636,000: *Provided*, That $3,500,000 appropriated in the Department of Justice Appropriation Act, 1979 for the purpose of constructing a forensic science training and research facility at Quantico, Virginia, shall remain available until September 30, 1980.

The motion was agreed to.

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The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 95: Page 40, line 10, insert:

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $3,935,000: *Provided*, That $3,335,000 of this amount shall remain available until September 30, 1980 for the purpose of renovating the former Border Patrol Academy at Port Isabel, Texas, into a Service Processing Center.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 95 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 96: Page 41, line 2, insert:

CONSTRUCTION

For an additional amount for "Construction", $60,000,000, to remain available until expended.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 96 and concur therein.

The motion was agreed to.

Mr. CONTE. Mr. Speaker, in chapter IX of the bill the Senate added $60 million for construction of the National Oceanic and Atmospheric Administration's Western Regional Center at Sand Point, Seattle, Wash. The conferees decided to approve this request with the clear understanding that this is sufficient to complete the project and that no additional funding would be required. We agree that NOAA needs to consolidate their Washington facilities, but we do not want to open the door for a run on the Treasury to construct it.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 99: Page 42, line 14, after "$4,000,000" insert ": *Provided*, That funds under this heading shall be available for refreshments for jurors".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 99 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 102: Page 44, line 6, insert:

ACQUISITION AND CONSTRUCTION OF RADIO FACILITIES

Notwithstanding the provisions of section 801(3) of the United States Information and Educational Exchange Act of 1948, as the section applies to funds provided for "Acquisition and construction of radio facilities" in the Departments of State, Justice and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1979, the International Communication Agency is authorized to enter into a lease of up to twenty-five years in duration for the establishment and operation of a radio station in Botswana.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 102 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 103: Page 45, line 8, after "limitation" insert ": *Provided*, That (a) The first undesignated paragraph of section 7(b) of the Small Business Act is amended by inserting after "under subsection (b)" the following ", except as provided in subsection (c),";

"(b) Section 7(c) of the Small Business Act is amended by adding the following new paragraphs:

""(3) With respect to a disaster occurring on or after October 1, 1978, and prior to October 1, 1982, on the Administration's share of loans made pursuant to paragraph (1) of subsection (b)—

""(A) if the loan proceeds are to repair or replace a primary residence and/or repair or replace damaged or destroyed personal property, the interest rate shall be 3 percent on the first $55,000 of such loan;

""(B) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is unable to obtain sufficient credit elsewhere, the interest rate shall be as determined by the Administration, but not in excess of 5 percent per annum; and

""(C) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is able to obtain sufficient credit elsewhere, the interest rate shall not exceed the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans and adjusted to the nearest one-eighth of 1 percent, and an additional amount as determined by the Administration but not to exceed 1 percent: *Provided,* That three years after such loan is fully disbursed and every two years thereafter for the term of the loan, if the Administration determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Administration, apply for and accept such loan in sufficient amount to repay the Administration: *Provided further,* That no loan under subsection (b) (1) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under such subsection would exceed $500,000 for each disaster, unless an applicant constitutes a major source of employment in an area suffering a disaster, in which case the Administration, in its discretion, may waive the $500,000 limitation.".

"(c) Section 18 of the Small Business Act is amended by—

"(1) inserting after "Sec. 18." "(a)";

"(2) striking the comma after the phrase "agricultural related industries" and inserting the following: ": *Provided,* That, prior to October 1, 1982 an agricultural enterprise shall not be eligible for loan assistance under paragraph (1) of section 7(b) to repair or replace property other than residences and/or personal property unless it is declined for, or would be declined for emergency loan assistance from the Farmers Home Administration under subchapter III of the Consolidated Farm and Rural Development Act;" and

"(3) inserting a new subsection as follows:

"(b) As used in this Act—

" "(1) "agricultural enterprises" means those businesses engaged in the production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural related industries; and

" "(2) "credit elsewhere" means the availability of sufficient credit from non-Federal sources at reasonable terms, taking into consideration prevailing private rates and terms in the community in or near where the concern transacts business for similar purposes and periods of time.".

"(d) The amendments made by this section to sections 7(c) (3) (C) and 18 of the Small Business Act shall not apply to any disaster which commenced on or before the effective date of this Act.

"(e) Section 321 of the Consolidated Farm and Rural Development Act is amended by striking out in the first sentence all that follows after "with the assistance of such loan" through the end of the sentence and inserting in lieu thereof a period.

"(f) Section 324(a) of the Consolidated Farm and Rural Development Act is amended by—

"(1) striking out the first sentence and inserting in lieu thereof the following: "Loans made or insured under this subtitle shall be at rates of interest as follows:

" "(1) with respect to loans or portions of loans up to the amount of the applicant's actual loss caused by the disaster, (A) if the applicant is unable to obtain sufficient credit elsewhere to finance the applicant's actual needs at reasonable rates and terms taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time, the interest rate shall be a rate prescribed by the Secretary not in excess of 5 per centum per annum, and (B) if the applicant is able to obtain sufficient credit elsewhere, the interest rates shall be the rate prescribed by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus not to exceed 1 per centum, as determined by the Secretary, and adjusted to the nearest one-eighth of 1 per centum: *Provided,* That the total amount outstanding and committed to the borrower under this paragraph (1) shall not exceed $500,000 for each disaster; and

" "(2) with respect to loans or portions of loans exceeding the amount of actual loss caused by the disaster, the interest rate shall be that prevailing in the private market for similar loans, as determined by the Secretary."; and

"(2) inserting in the second sentence after "*Provided,* That" the following: "for loans approved under subsection (a) (1) (B), three years after such loan is made or insured and every two years thereafter for the terms of the loans, if the Secretary determines that the borrower is able to obtain a loan from non-Federal sources at reasonable rates and terms for loans of similar purposes and periods of time, the borrower shall, upon request by the Secretary, apply for and accept such loan in sufficient amount to repay the Secretary: *Provided further,* That"."

Mr. WHITTEN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 103 and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert "; *Provided,* That (a) The first undesignated paragraph of section 7(b) of the Small Business Act is amended by inserting after "under subsection (b)" the following ", except as provided in subsection (c),";

"(b) Section 7(c) of the Small Business Act is amended by adding the following new paragraphs:

" "(3) With respect to a disaster occurring on or after October 1, 1978, and prior to October 1, 1982, on the Administration's share of loans made pursuant to paragraph (1) of subsection (b)—

" "(A) if the loan proceeds are to repair or replace a primary residence and/or repair or replace damaged or destroyed personal property, the interest rate shall be 3 percent on the first $55,000 of such loan;

" "(B) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is unable to obtain sufficient credit elsewhere, the interest rate shall be as determined by the Administration, but not in excess of 5 percent per annum."

"(c) Section 18 of the Small Business Act is amended by—

"(1) inserting after "Sec. 18." "(a)";

"(2) inserting a new subsection as follows:

" "(b) As used in this Act, 'credit elsewhere' means the availability of sufficient credit from non-Federal sources at reasonable rates and terms, taking into consideration prevailing private rates and terms in the community in or near where the concern transacts business for similar purposes and periods of time."."

The motion was agreed to.

Mr. CONTE. Mr. Speaker, in the chapter on transportation, the bill provides $1 million for transportation planning, research, and development. This amount is intended to fund the waterway user fee study.

Also, in recognition of the increased responsibility of the Coast Guard with respect to oil spills and hazardous substances cleanup, the bill provides $13 million for the pollution fund.

And finally, the conferees direct that $50 million of the $100 million limitation on the aircraft loan guarantee program be used to purchase aircraft within the size limitations prescribed by 3416(b) (4) of the Federal Aviation Act, as amended. This should assure the continued or improved air service to those small local communities that were contemplated by the Airline Deregulation Act of 1978.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 114: Page 57, line 18, insert:

U.S. CUSTOMS SERVICE

Notwithstanding any other provision of law, the proceeds of customs duties collected in the Virgin Islands less the cost of collecting all said duties shall, effective for fiscal years beginning after September 30, 1978, be covered into the Treasury of the Virgin Islands, and shall be available for expenditure as the Legislature of the Virgin Islands may provide.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 114 and concur therein.

The motion was agreed to.

Mr. CONTE. Mr. Speaker, the conference report deletes the House-approved $18,233,000 to pay the costs of reduced mail rates for national and State political party committees.

The report also deletes $1,531,000 for the Bureau of the Mint for the Susan B. Anthony coin. Subsequent to House approval of this amount, adequate funds were reprogramed within the Department of the Treasury which eliminated the need for additional appropriations.

House conferees receded to a Senate provision setting up a separate independent account for the Inspector General of the General Services Administration to further insulate that office from political pressures.

Items not subject to conference include $3.2 million for the Council on Wage and Price Stability, which is $2 million below the budget request, and $335 million for payments to the civil service retirement and disability fund, a mandatory item.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 117: Page 58, line 22, insert:

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

In addition to the amount made available in the appropriation under this heading in the Treasury, Postal Service, and General Government Appropriation Act, 1979, for expenses of travel, $10,000 more shall be available in that appropriation for such expenses.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 117 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 120: Page 61, line 11, insert:

OFFICE OF INSPECTOR GENERAL

To establish and fund, "Office of Inspector General", $1,700,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 120 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 129: Page 63, line 5, insert:

GENERAL OPERATING EXPENSES

For an additional amount for "General operating expenses", $15,223,400: *Provided*, That not to exceed $250,000 of this appropriation shall be available for settlement of property damage claims not in excess of $1,500 each and personal injury claims not in excess of $5,000 each.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 129 and concur therein with an amendment, as follows: In lieu of the sum of $15,223,400 proposed by said amendment, insert "$16,408,100".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

Mr. WHITTEN. Mr. Speaker, inasmuch as amendments Nos. 140 through 146 relate solely to housekeeping operations of the other body in which, by practice the House concurs without intervention, I ask unanimous consent that Senate amendments Nos. 140 through 146 be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk designated Senate amendments Nos. 140 through 146, as follows:

(140) Page 65, line 2, insert "SENATE".
(141) Page 40, line 3 insert " "Salaries, officers and employees", $6,019,000;".
(142) Page 65, line 4 insert " "Office of the Legislative Counsel of the Senate", $25,000;".
(143) Page 65, after line 6, insert " "Senate policy committees", $74,000;".
(144) Page 65, after line 7, insert " "Inquiries and investigations", $1,330,000;".
(145) Page 65, line 8, insert " "Folding documents", $6,000;".
(146) Page 65, after line 9, insert " "Miscellaneous items", $13,000;".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 140 through 146 inclusive and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 147: Page 67, line 1, insert: " "Senate office buildings", $389,000, to be derived by release of $55,000 from "Senate office buildings", withheld from obligation by the Architect of the Capitol pursuant to Section 311 of Public Law 95–391, and by transfer of $273,000 from "Capitol power plant" and $61,000 from "House office buildings" by release of those amounts withheld from obligation by the Architect of the Capitol pursuant to Section 311 of Public Law 95–391;".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 147 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 148: Page 67, line 9, insert: " "Senate garage", $7,000, to be derived by transfer from "Capitol power plant" by release of that amount withheld from obligation by the Architect of the Capitol pursuant to Section 311 of Public Law 95–391;".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 148 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 180: Page 94, strike out lines 4 and 5.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 180 and concur therein with an amendment, as follows: Strike the matter stricken by said amendment and insert "Pursuant to the requirements of 31 U.S.C. 638a(b), (e), the Smithsonian Institution is authorized to acquire two aircraft from Federal excess property;".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 181: Page 95, line 1, insert:

SEC. 303. The provisions of sections 491(c) and 491(d) of the Legislative Reorganization Act of 1970, as amended (2 U.S.C. 88b–1), shall not apply to the pay of pages of the Senate and House of Representatives during the period when the Senate and/or the House of Representatives adjourns or recesses on or after the first of August for a period of at least thirty days but not more than forty-five days, such pay may continue until the end of such period of adjournment or recess.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 181 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 182: Page 95, line 10, insert:

SEC. 304. It is the sense of the Senate that the Secretary of the Treasury and the Secretary of Health, Education, and Welfare, as the case may be, shall borrow funds to comply with the provisons of section 201 of the Departments of Labor, Health, Education, and Welfare Appropriations Act, 1979, and that such funds shall be repaid from appropriations made for fiscal year 1980 for the programs assisted by the provisions of this section.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 182 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

SEC. 304. Section 201 of Public Law 95–480 is amended by inserting before the period at the end thereof the following: "*Provided further*, That if by the beginning of the fourth quarter, 75 percent of the reduction required by this section has not been achieved, the aggregate amount of budget authority under this act shall not be reduced by an amount in excess of $301,500,000: *Provided further*, that if the reduction required by this section results in total budget authority insufficient to pay legal entitlements in the fourth quarter, the Department may borrow from succeeding year funds to pay such entitlements".

Mr. CONTE. Mr. Speaker, I fully support the compromise worked out in conference which amendment No. 182 of section 304 of this bill represents. I feel that HEW has a large responsibility to reduce waste, fraud, and abuse in the bureaucracy. I do not feel, however, that the States should have to pay so heavy a price for HEW's failure to act to reduce this waste.

As has been pointed out already, HEW let three-fourths of this fiscal year pass before it began to even act as though it had a responsibility to implement Congress mandate to reduce waste by $1 billion. At this late date, HEW "discovered" that it still had $831 million in reduced expenditures it was responsible for. In one quarter of the fiscal year then, the States would have to accept a massive reduction in Federal payments for AFDC and medicaid.

This was clearly not fair. The compromise worked out by the conferees decreases the total amount of money which cannot be spent to $301 million. Of this new total, $169 million has already been saved. Thus the amount of reduced payments to States equals only $132 million, not $831 million, as had originally been feared.

It is my hope that despite this compromise, HEW, and the States, will know that Congress is very serious in its insistence that expenditures for AFDC and medicaid be reduced through improved management of these programs. Congress is not backing off on its avowed goal.

I therefore urge acceptance of this compromise proposal. This compromise will relieve the States of an undue financial burden while at the same time it will maintain the congressional commitment to improved management of HEW programs.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

☐ 1410

PRINTING OF SECRET SESSION OF PANAMA CANAL DEBATE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the transcript of the proceedings of the House and the secret session held on June 20, 1979, be printed in today's edition of the CONGRESSIONAL RECORD, with the revisions and deletions made in that transcript by Members who participated in that debate, and which are mutually agreeable to the chairmen of the Committee on Merchant Marine and Fisheries and the Permanent Select Committee on Intelligence.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SECRET SESSION OF THE HOUSE

The secret session of the House met at 12:38 p.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

The SPEAKER pro tempore. Members will take their seats. Officers and employees of the House designated to remain will come to the pages' desk and sign the oath of secrecy. That includes any committee staff designated by the chairman of the committee in writing who are to remain in the Chamber.

The Chair is going to recognize the gentleman from Maryland (Mr. BAUMAN) for 1 hour, during which time the gentleman from Maryland (Mr. BAUMAN) may yield to such others as he deems desirable.

Mr. BAUMAN. Mr. Speaker, are motions in order during the 1 hour in the sense that motions are in order in the Committee of the Whole? Are any motions in order?

The SPEAKER pro tempore. The Chair will respond to the gentleman that the House is in the House. This is not the Committee of the Whole House. The House is prepared to take such action as under the rules it might otherwise take.

Mr. BAUMAN. If the gentleman does not yield for any motions, however, then they would not be in order?

The SPEAKER pro tempore. That is correct.

Mr. BAUMAN. Mr Speaker, I would yield 30 minutes to the gentleman from New York (Mr. MURPHY) for the purposes of debate only.

Mr. MURPHY of New York. Mr. Speaker, the classification which is higher than top secret is the classification that goes to the sources of intelligence. There are many intelligence-collection mechanisms from electronic to personnel. Of course, to compromise personnel is very dangerous; to compromise the source is dangerous because we would then be denied that source.

When we had the confidential or closed session of the committee, there was no reporter present, and only members of the subcommittee. At that time I had asked General McAuliffe, who was the witness, not to disclose the source of his intelligence even at that session, and it was agreed upon amongst the members that the source would not be disclosed but that the information that General McAuliffe corroborated would be sufficient for the purposes of the committee.

The gentleman from Maryland (Mr. BAUMAN) and I have an understanding that we will not disclose those sources because that in effect is the highest classification and why things are classified. If we permit people to know what the collection source is, I think then we are on some dangerous ground.

POINT OF ORDER

Ms. HOLTZMAN. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore. The gentlewoman will state her point of order.

Ms. HOLTZMAN. Mr. Speaker, I understand that the nature of this secret session is to receive material claimed to be secret or confidential. In order for us to determine such for the materials that we receive, it would seem to me to be in order to require the person presenting the material claimed to be secret or confidential to identify the material claimed to be secret or confidential when it is being presented for purposes ultimately for the House to make a decision as to whether in fact these are confidential or secret materials.

The SPEAKER pro tempore (Mr. WRIGHT). The Chair would respond that the commentary of the gentlewoman from New York (Ms. HOLTZMAN) is not truly in the nature of a point of order and that a point of order will not lie in that regard.

Ms. HOLTZMAN. May I make a parliamentary inquiry, Mr. Speaker?

The SPEAKER pro tempore. The gentlewoman will state it.

Mr. BAUMAN. From whose time do the gentlewoman's inquires come?

The SPEAKER pro tempore. Does the gentleman from Maryland yield for a parliamentary inquiry?

Mr. BAUMAN. I would like to be heard, and then I am sure there will be many questions to be asked at that point.

The SPEAKER pro tempore. Does the gentleman decline to yield for a further parliamentary inquiry?

Mr. BAUMAN. I do decline at this point for further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from Maryland (Mr. BAUMAN) has been recognized for 1 hour.

Mr. BAUMAN. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, the reason I asked for this session is so that the House can intelligently vote on the amendments that might be offered during the debate today and to permit us to judge whether or not our final vote should be for or against this legislation. I have in the past said in general debate on this floor that I feel implementing legislation is necessary, that on October 1 we must have some legislation in place in order to carry out the terms of the treaties in a manner that will be acceptable to the Congress and to the American public and to protect our interests. So I want to again state what I said in the full House.

It is not my intention to bring this information forth or to ask for this session in any way to try to damage the chance of the eventual passage of legislation.

There are two questions that I would like to present to the House. The first one has to do with whether or not there has been a violation of the permanent neutrality treaty that was signed with the Panamanian Government. Let me just read to the Members briefly article II of that treaty:

> The Republic of Panama declares the neutrality of the Canal in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality, so that there will be no discrimination against any nation, or its citizens or subjects, concerning the conditions or charges of transit, or for any other reason, and so that the Canal, and therefore the Isthmus of Panama, shall not be the target of reprisals in any armed conflict between other nations of the world.

The second point that I want to raise with the Members—and the reason I raise these two at the beginning is so that we can make intelligent judgments—is that we will be voting on amendments later in the day that deal with portions of the bill regarding the neutrality of the canal. For instance, there is a section in the bill that allows the U.S. military to take over the canal in a time of war, and that provision I know is in contention with the administration. So there may very well be evidence revealed here today in this secret session to inform the Members on the judgments they wish to make. I am drawing on classified sources from which that evidence has been revealed to me and to other members of our committee.

I have been in Panama in the last year on three occasions, and twice I have received briefings from General McAuliffe and his G-2 staff, as have other Members of the House. During the hearings which we held before the Panama Canal Subcommittee only a few days ago—we held 2 days of hearings—at one point General McAuliffe—who I should explain to the Members is the Commanding General of SouthCom, our Armed Forces in South America headquartered in Panama—made the statement when the question was put to him whether or not the officials of the Government of Panama were engaged in any activity which would constitute illegal arms shipment from the United States or direct aid to the Sandinista guerrillas in Nicaragua, that he could not in fact discuss these matters fully in open session. As I understand it, at the suggestion of the Department of Defense, Chairman MURPHY and myself with other Members, the gentleman from Mississippi (Mr. BOWEN), the gentleman from Washington (Mr. LOWRY), and the gentleman from New York (Mr. CARNEY), and the gentleman from Kentucky (Mr. HUBBARD), subsequently on June 11 conducted an informal closed session with General McAuliffe. I would like to make these salient points based on that meeting and I am sure there will be questions and perhaps some disputation.

As some of the Members know, there is a court case pending now in U.S. District Court of Miami in which a number of people have been indicted in Miami. The incident involves the illegal shipment of arms from the United States to a Panamanian front organization which was alleged to be headed by Col. Manuel Noriega, the head of G-2 in Panama and the second in command under General Torrijos. This front organization then was alleged to have shipped these arms directly to the Sandinista guerrillas through Costa Rica with the apparent cooperation of that government. [Deleted]

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We tried to pin down this evidence, and my estimate of what we heard is that the Panamanian Government has in fact been officially involved in these activities and that General Torrijos told General Sumner on at least two occasions of his intention to assist the Sandinista guerrillas. He said this without preference whether one is for or against Somoza. The fact of the matter is that that support constitutes a violation of the charter of the OAS, and possibly of other international treaties, in that the Government of Panama has in fact aided the Sandinistas with the shipment of some of the arms. General McAuliffe suggested certain equipment may have been American equipment shipped to the Guardia Nacionale in Panama, and that on some occasions there are reports and records in the hands of General McAuliffe and of this administration which clearly show that at least events seem to have occurred that would prove official Panamanian involvement.

I have to raise the question, if that is the case, whether or not the neutrality treaty which requires Panama not to subject the canal to outside intervention has not already been violated. It also raises the question of the need for more restrictions in this implementing legislation. While we were not able to confirm that definitely, General McAuliffe told us that, indeed, [deleted].

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I have to tell the Members [deleted].

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Others have been described as conservatives. But the fact of the matter is that that information has been mentioned to us. [Deleted.]

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The question is whether or not we have a reliable partner, even though the treaties are in effect, and if we do not have a reliable partner, we should consider this in particular regarding the amendments and judgments we must make today and in subsequent days on this legislation. I would just say that there is definitely cause for concern, it seems from the information we have received.

I would add this one further point before I yield to the gentleman from New York (Mr. MURPHY) for his time. We have also talked with a coconspirator in the Miami trial, the gentleman from New York (Mr. MURPHY) and myself and counsel for our committee, and he has been subpenaed by our committee. He [deleted]

claims to be an employee of the Panamanian Guardia Nacionale G-2, their intelligence. There is also the possibility that he may have been paid by the U.S. Government as a double agent. He is willing to provide first-hand information, once immunity has been granted—and I believe that request has been made of our committee—that, indeed, a number of officials of Panama knew all of this was going on and have engaged in this course of conduct over a period of months, starting last September. In fact, apparently he will testify, and I think the subpenas have already been issued.

Regarding all of this, you say, What is the relevance? I have at least suggested to you there is some relevance to our deliberations, and I have not by any means gone into all of the points General McAuliffe raised in briefings, or the talks we had with an alleged Panamanian representative. But the information we have received is labeled by General McAuliffe as classified; we were not permitted to discuss it in public, and that is the reason for the secret session.

I now yield to the gentleman from New York (Mr. MURPHY).

The SPEAKER pro tempore. The gentleman from New York (Mr. MURPHY) has 30 minutes.

Mr. MURPHY of New York. Mr. Speaker, I yield 6 minutes to the gentleman from Mississippi (Mr. BOWEN).

POINT OF ORDER

Mr. BURLISON. Mr. Speaker, will the gentleman yield for a point of order?

Mr. BOWEN. I yield to the gentleman from Missouri.

Mr. BURLISON. I thank the gentleman for yielding.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Missouri (Mr. BURLISON). The gentleman will state the point of order.

Mr. BURLISON. I will state my point of order that the House is not in compliance with rule XXIX, the secret session section under which we are now convened. That is a very brief section with two sentences, I think. Let me read that and specify my point of order.

> Whenever confidential communications are received from the President of the United States, or whenever the Speaker or any Member shall inform the House that he has communications which he believes ought to be kept secret for the present, the House shall be cleared of all persons except the Members and officers thereof, and so continue during the reading of such communications, the debates and proceedings thereon, unless otherwise ordered by the House.

Mr. Speaker, my point of order is that from my observation there are a number of people on the floor who are not Members or officers of the House.

The SPEAKER pro tempore (Mr. WRIGHT). The Chair will respond to the gentleman's point of order. The motion made by the gentleman from Maryland (Mr. BAUMAN) and agreed to by a vote of the Members of the House, included the provision that the galleries of the House Chamber be cleared of all persons except the Members of the House and those officers and employees specified by the Speaker whose attendance on the floor is essential to the functioning of the House, and who have subscribed to the notarized oath of confidentiality. The Chair has taken steps to assure that this requirement be observed and that that restriction apply.

The Chair believes that any persons so designated by the Chair fulfill the broad and generic description of officers as specified in rule XXIX and as required in the motion.

The Chair recognizes the gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. I thank the Speaker.

Mr. Speaker, I had the opportunity, as the gentleman from Maryland (Mr. BAUMAN) pointed out, to sit through the top-secret hearings provided to several of us by General McAuliffe. My personal reaction was that I heard very little in that hearing with which I was not already familiar, which I had not read in newspapers and which had not already been presented in open hearings. I talked with General McAuliffe on the telephone this morning when I learned that this secret session was to be held, and from Panama he reinforced the reactions and recollections which I had from that hearing.

I would like simply to go over a few of the points which I recall that he made to us in that hearing for the Members—and I am sure that the gentleman from Maryland (Mr. Bauman) and others may want to take the opportunity to comment as well, since we did not take notes, and there were not recordings in that meeting room. As I recall, General McAuliffe pointed out to us that certainly there had been some degree of Panamanian Government assistance in several areas regarding the troubles in Nicaragua. First of all, of course, the brigade which was organized of Panamanians was given the time, space, and facilities to organize, to train before they went into Nicaragua. I do not think that that surprised anybody very much. He indicated that there probably had been some weapons which had gone from the Guardia Nacionale of Panama into Nicaragua. And there again I do not think that was particularly surprising. He indicated also that there had been some R. & R. facilities provided for some of the Panamanians, and possibly for some of the Nicaraguans who had been fighting with the Sandinista, to come into Panama and to regroup, rest, and then go back into combat.

He indicated that insofar as the issue of aircraft was concerned, an Iluysin 62 [deleted]
which was in the Cuban Airlines, known as Air Cubana—that plane which was flown into Tocument airport [deleted] and which apparently flew on to Nicaragua—that information came to him secondhand. He said he could not confirm that there were any Sandinistas or any Cubans on that aircraft. One might presume, he said, that they might contain such personnel, but he did not know that.

Of course, he described the Florida gun transaction, which I am sure others will want to talk about. He simply indicated that in other instances weapons may have flown through Panama.

I found personally very little in these revelations which was in any way different from what I had seen or read in the press. There just was nothing very surprising to me. It was the same sort of thing that Costa Rica is doing and to a similar extent Venezuela. [Deleted]
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I want to point out to my colleagues that I regret very deeply that this activity has taken place. I have taken the well of this House on occasion when my good friend, the gentleman from New York (Mr. Murphy) has had special orders in defense of the government of President Somoza, and I have spoken out on behalf of the Government of Nicaragua and have been extremely critical of the Sandinista. So I regret very deeply that these activities are taking place and that several Latin American nations have seen fit to intervene in the affairs of Nicaragua.

At the same time I would like to point out to the Members that I feel that these events are totally irrelevant to the matter which is being discussed in the House of Representatives today. It is my feeling that if we are disturbed by the fact that there may have been, and probably was, some Panamanian involvement in support of the Sandinista forces in Nicaragua, then that is all the more reason for us to want to support the legislation which we will be considering today. I feel that the last thing in the world we would want to do, if we are upset about possible Panamanian involvement, is to pack up our bags, give the canal to Panama, and come home.

I think what we need to do is to stay down there for the next 20 years. We need to continue the presence of our 10,000 military personnel and we need to keep our 4,000 civilians there. We need to continue to run the canal and continue to insure its neutrality for the remainder of this century, as the treaties spell out.

On the other hand, if we fail to pass this legislation, or if we amend it in a manner which would lead to violations of the treaty, then quite certainly the United States would have the option only of leaving Panama. So I feel regarding the troubles we are discussing here that I am perfectly prepared to accept the allegations that have been made.

I do not disagree with the gentleman from Maryland (Mr. Bauman) or others who argue that there has been Panamanian involvement. In fact, I feel that is the strongest possible argument for support of this legislation, which is to assure that we will stay in Panama, so that later this year we will not see the canal transferred to Panama and American forces withdrawn. I happen to believe we can exert a great deal more influence over the course of events in Central America if we stay there for the remainder of the century.

Regarding one further matter that the gentleman from Maryland (Mr. Bauman) mentioned, and that was the Neutrality Treaty, I would draw to the attention of the Members article II, if they happen to have copies of the treaties with them—and we will try to provide them if they do not. Article II of the Neutrality Treaty refers to the fact that:

> The Republic of Panama declares the neutrality of the Canal in order that both in time of peace and in time of war it shall remain secure . . . so that the Canal, and therefore the Isthmus of Panama, shall not be the target of reprisals in any armed conflict. . . .

I am sure the gentleman fully realizes that Panama cannot have violated this section. It is not yet in force. This treaty will not come into force until the first day of October. Both those treaties will come into force at that time. As a consequence, Panama could not have violated them at this point. After October 1 the language here refers to the fact that Panama and the United States undertake to insure the neutrality of the canal so that it will not be a target of attack. It does not say that we shall have our foreign policy paralyzed or Panama shall have its foreign policy paralyzed for fear someone might drop a bomb there. Panama might say the United States should not enter into any kind of confrontation with the Soviet Union in Europe or any other place for fear they might bomb the canal. They could say Panama should not support our position on Puerto Rico, which they do, for fear Puerto Rican nationalists might bomb the canal. Or we could say that Panama could say we should not support Israel in the United Nations for fear the PLO might sabotage the canal.

I think the language found right here in the treaty indicates that the neutrality of the canal shall be of such neutrality so that the canal will not be the target of attack. It does not attempt to dictate the foreign policy of Panama or the United States.

Mr. MURPHY of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. Bonior).

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield for a parliamentary inquiry before speaking?

Mr. BONIOR of Michigan. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

I would like to direct a question to all three, the gentleman in the well (Mr. Bonior), the gentleman from Maryland (Mr. Bauman), and the gentleman from New York (Mr. Murphy). Is there anything in any area that is to be brought out in this so-called secret hearing that has not been already addressed? Do the gentlemen have some new areas they want to address, because what we have heard up to this point has not been secret at all. Every one of us knows about it. Is there additional secret material we are going to hear?

Mr. BONIOR of Michigan. I will yield to the chairman of the committee, the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. The gentleman from Maryland (Mr. Mitchell) is not making a parliamentary inquiry. I have yielded 5 minutes to the gentleman from Michigan (Mr. Bonior).

Mr. MITCHELL of Maryland. It might not be a parliamentary inquiry.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan (Mr. Bonior).

Mr. BONIOR of Michigan. Mr. Speaker, while I was not present at the briefing on this issue that was privy to the gentleman from Maryland (Mr. Bauman) and the gentleman from Mississippi (Mr. Bowen) and others, I have talked to General McAuliffe on many occasions. I was present at his public testimony and have followed this issue with deep interest as a member of the subcommittee dealing with this issue. I have talked to the gentleman from Mississippi (Mr. Bowen), with whom I have worked on this piece of legislation, concerning the testimony of General McAuliffe.

There were some comments made by

the gentleman from Maryland (Mr. BAUMAN) that [deleted].
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Torrijos has been attacked vehemently by the other side in terms of being sympathetic to the Cubans and Soviets; yet we have before us one of the most vociferous opponents of the treaty, Lieutenant General Sumners, retired, who testified to our committee that in discussions with General Torrijos, Torrijos told him that neither black nor Red was right. What he meant by that is that neither the Cubans nor the Soviets are right, nor are the Americans right in terms of the future destiny of Panama, that they want to lead their own destiny. I believe in that firmly.

I think if we look specifically at the makeup of the Panamanian Government, we will find that the gentleman from Maryland (Mr. BAUMAN) has indicated there are as many conservatives and as many moderates as there are as many people on the left in key positions of the government. It is equally divided. It is not one-sided.

Let me move just quickly, if I can, to the assertion that was laid before the House that somehow the actions are in violation of the neutrality treaty, and I think my friend, the gentleman from Mississippi, addressed this quite well.

The argument being made is that this provision prohibits Panama from adopting policies or taking actions which could result in reprisals being taken against the canal. The proponents of this argument assert that by taking sides in the Nicaraguan conflicts, Panama has created a risk that the Nicaraguan Government would take military action against Panama in reprisal. They go on to speculate that if Nicaragua were to take reprisals against Panama, it might well attack or sabotage the canal, since the canal is one of Panama's principal economic assets.

One response made quite well by the gentleman from Mississippi, (Mr. BOWEN) is that, indeed, the treaties are not in effect. But let us look at it as though the treaties were in effect.

It states that Panama declares the canal to be neutral in order that it will remain open to ships of all nations in time of peace and war without discrimination "so that the canal * * * shall not be the target of reprisals. * * *"

To me, the clear meaning of this language is that the canal is to be operated in such a fashion that no nation will be excluded from using it and that therefore no nation will have occasion to take reprisals against the canal by reason of having been excluded from it. Under this reading—which comports with the plain meaning of the treaty text—the phrase about avoiding reprisals is merely an explanatory clause indicating why the parties decided to provide for nondiscriminatory access to the canal.

Let us look at the implications of the interpretation being advanced by those Members who are grasping for a way to kill the treaties at this late date. They are saying in effect that the treaty imposes an obligation on Panama to avoid any action that might conceivably cause someone to sabotage the canal as a means of getting back at Panama.

If this reading were correct, I would assume that the gentlemen arguing for it would insist that Panama stop its consistent practice of voting in favor of Israel in the U.N. Certainly unneutral activities of this nature threaten reprisals by the PLO. I would assume they would also insist that Panama drop its support for the U.S. position on Puerto Rico, since that position raises the specter of reprisals by the Puerto Rican independence factions and their Cuban Communist supporters.

I would also note that the implications of the proposed interpretation would not affect only Panama. The United States is also charged under the treaty with maintaining the regime of neutrality established in the treaty. Therefore, if avoiding any policy that might lead to reprisals is part of the concept of neutrality, the United States would be obligated to alter its policies significantly.

Are we willing to have Panama insist that we are obligated to ratify the SALT Treaty without amendment to reduce the risk of a war with the Soviet Union?

It seems clear to me that the neutrality treaty was not intended to govern all foreign policy of Panama and the United States. So I think the response to the gentleman from Maryland's (Mr. BAUMAN) argument that it is a violation is that he reads it too closely and that, indeed, it is not a violation. I hope that the Members will keep that in mind as we continue the debate on this issue.

Mr. BAUMAN. Mr. Speaker, I am pleased to know that some Members were aware of the content of the briefings we had. I fully expect that some Members would not be as concerned about the information we received as others, but I would think, and I still believe, that the House had a right to know precisely what we were told.

The Members have to understand that the President of the United States, at a dinner that many of us attended only last week, essentially denied that there was any Panamanian involvement in Nicaragua and then dismissed it by saying—I think I recall his remarks—that even if there were, it was a minor matter. We have proven in our hearings and in our private briefings that there has been a systematic policy by the Panamanian Government of engaging in illegal actions, several of which have been the subject of this indictment in Miami. The President of Panama, Mr. Royo, has denied there was any implication; yet we have been told that [deleted]
there was in fact, and that General Torrijos on two occasions in recent months told General Sumner that it is his intention to continue this kind of activity in Central America.

[Paragraphs deleted.]
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Now that may or may not be relevant. We will work our will on all kinds of amendments today, many of which will go to the issue of the trust that we place in the other partner to the treaties. It seems to me that this information will have an important impact on the judgments we make on this legislation. I felt, since the House had not had the same access to the information the gentleman from Kentucky (Mr. HUBBARD) and I and others had that the Members ought to know that the Panamanian Government officials are lying, that the administration is downgrading their illegal activities, that they have violated the longstanding OAS Charter, and that they have done things which could in the future jeopardize our operation of the canal which, of course, is the central goal in this legislation, to preserve that activity.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

The gentleman on June 11, along with his colleague, the gentleman from Kentucky (Mr. HUBBARD), sent out a "Dear Colleague" letter that contained much of this information, which I have read over. What I have heard here, to try to distinguish between what has been said here so far and what is in this "Dear Colleague" letter that went to every Member, I suppose, are the admissions by General Torrijos to General McAuliffe, the two admissions [deleted].
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Mr. BAUMAN. I am pleased to know the gentleman has read the letter, because the gentleman from Kentucky (Mr. HUBBARD) and I have gone to great detail listing in that letter evidence in the 2 days of hearings. What happened in the private briefing with General McAuliffe is that he confirmed all of our findings that he knew [deleted].
We have to understand the Panamanian Government denied all of this at the hearings.

Mr. VOLKMER. Yes, but the thing is now we have verification. We do have the Dear Colleague letter.

Mr. BAUMAN. That is correct.

Mr. VOLKMER. Does the gentleman

also believe that the American people should know that Torrijos is doing what he is doing?

Mr. BAUMAN. Of course.

Mr. VOLKMER. Does the gentleman see anything wrong with the American people knowing that?

Mr. BAUMAN. I have unfortunately been placed, as we all have, under the restrictions of our information-classification system, and I was not able to say on the floor of the House what I will say in this session today.

Mr. VOLKMER. I agree on that.

Mr. BAUMAN. I think they should know that, but I cannot, having taken an oath of this office as we all have, reveal this publicly.

Mr. VOLKMER. I am not saying that. I am going back to where we are. Then General McAuliffe is the one who said it is top secret or confidential, is that correct?

Mr. BAUMAN. Yes.

Mr. VOLKMER. I think it would be up to each of us to decide, then.

Mr. BAUMAN. That is correct.

Mr. MURPHY of New York. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. I thank my distinguished colleague, the gentleman from New York, for yielding.

I would simply like to ask any of the persons who have spoken whether the substance of the material that has been presented here is in any way classified.

Mr. BAUMAN. I will say in response to the gentlewoman it is.

Ms. HOLTZMAN. The gentleman said that the session was classified as top secret. Was the substance?

Mr. BAUMAN. Yes, the substance was taken from classified documents which General McAuliffe had in his possession during our briefing.

Ms. HOLTZMAN. Everything the gentleman said has been classified?

Mr. BAUMAN. As I understand it, that is correct.

Ms. HOLTZMAN. The material with respect to the trial taking place, the allegations in the trial are classified?

Mr. BAUMAN. Allegations in the case may involve the use of information which is now classified. The indictment is public.

Ms. HOLTZMAN. I see.

Mr. BAUMAN. The fact that some of the facts in the affidavit were confirmed in our classified briefing was not, of course, publicly known.

Ms. HOLTZMAN. Was the meeting with the coconspirator also classified?

Mr. BAUMAN. That is not classified, but he has been offered immunity and subpenaed to testify. I am not sure whether that will be in executive session or not. That is for the committee to determine.

Ms. HOLTZMAN. Now that the gentleman has retracted his general statement in two respects, does he still say everything else is classified?

Mr. BAUMAN. I have not retracted any statement, I will say to the gentlewoman, and I will ask her to allow me to speak for myself.

Ms. HOLTZMAN. I would like to ask the gentleman from Mississippi whether he understands that any of this material is classified?

Mr. BOWEN. I would have to say that some of the observations made by General McAuliffe were classified. I would say further, though, that I do not recall his saying anything that I had not already read in newspapers or that there had not been speculation on. However, I would not be in a position at all to make a determination, a personal judgment that it should be declassified. I attended that meeting under personal obligation not to reveal it, although I would be less than frank if I did not tell the gentlewoman that I heard absolutely nothing in the meeting which I had not heard before and which had not been presumed to be true.

Ms. HOLTZMAN. So the gentleman has answered that the materials have already appeared in public records?

Mr. BOWEN. Not with actual factual certainty. The press has speculated on this and people have generally presumed they were true. General McAuliffe simply indicated that some of them were true.

Mr. CARNEY. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from New York.

Mr. CARNEY. I thank the gentleman for yielding.

I think the words of my colleague, the gentleman from Mississippi, should be echoed again. Speculation of what has been said here has been all around and has been in newsprint. The confirmation from General McAuliffe was given to us at a closed session, and he asked us, because it was of a confidential nature and of a top-secret nature, not to reveal it.

I think what we are attempting to do is to convince the Members of this body that in fact what has been in the paper is real. If General McAuliffe tells us not to repeat that, we have to take this step. If the newspapers speculate, then that is not confidential, but when General McAuliffe says it is confidential, then I think we have taken the right step in holding this secret meeting.

Mr. MURPHY of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, when it was requested of the Speaker and the leadership that the gentleman from Maryland (Mr. BAUMAN) should have the opportunity to present information to the Members of the House in a confidential session, it was decided and agreed that he should be given that privilege, notwithstanding the lack of precedents in recent time. I should not want any Member to be in the position of having had any information denied to him or her. I think Members are entitled to have any information that bears directly or indirectly upon legislation we are expected to vote on.

Really, what have we learned today? What we have learned is perhaps classified under the classification of certain individuals in the executive branch of Government, and yet it really is not anything secret. It is information that I had been told on many occasions previously both by our military people and by people I know in Panama.

I do not think it has been any secret that General Torrijos during his leadership of Panama sympathized with the Sandinistas and had a vendetta against President Somoza. He made no secret of that.

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I do not know President Royo. I know his predecessor in title, a man named Demetrio Lakas, who was the titular president during the time when General Torrijos actually was the head of state or the head of government. Jimmy Lakas is a man who loves this country. I assure the Members that he is not a Communist, not influenced by Communist ideology. He attended a college and a university, Texas Wesleyan at Fort Worth, my home community, and Texas Tech in Lubbock. He loves this country deeply.

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I do not sympathize with the Sandinistas. I do not sympathize with them at all. But I do not think there is anything in this treaty which confers upon us the right or the power to require or force Panama to abide by our foreign policy, whatever it may be. And if there were, it would not be right; it would not be the kind of treaty we would impose upon any friend.

The basic question which the gentleman from Maryland (Mr. BAUMAN) places before us in his words is, Do we have a reliable partner? Do we have a reliable partner in Panama? That is the reason he says he brought this to our attention.

Let us assume that we do not have a wholly compliant partner. Let us assume that we do not have a subservient partner. I do not think there is anything in the treaty that requires we shall have, and I do not think anything has been presented here today to indicate that we have anything less than a cooperative partner and one who is willing to carry out its part of the treaties that have been signed and agreed to and have become the law of the land.

Now the question comes, Do they have a reliable partner? Do our friends in Latin America have in us a reliable partner? Do they have a partner who will keep its word?

Many years ago—I guess the first time I went to Panama—I met a grizzled, old hand who said to me, almost with tears in his eyes, that when he was a young man working there in the Canal Zone there was a phrase which could be used to seal a bargain. The phrase was la palabra inglesa—the word of an Englishman—the Englishman's word. And if you said to a Latin American, "Si, la palabra inglesa," you were saying, "on my word as a man, as an American." He said for many years that sealed the bargain. There was not any question.

It is as Sam Rayburn said one day when a Member questioned the right of another Member to have his vote recorded, asking whether that Member had been in the House when his name was called. Back in those days the names were called and verbal responses recorded. Mr. Rayburn banged the gavel, and I thought his face would turn tomato red when he exclaimed, "Why, the Chair always takes the word of a Member."

The word of an American, an American's word, la palabra inglesa. The old man sighed, "Now when you say to them, 'la palabra inglesa,' they laugh at you."

If respect for the United States is to be maintained at all, then respect for la palabra inglesa has got to be restored—the word of the United States—and we have given our word. I happen to believe, and I may be in the minority in this body, that the treaties were fair. I do not think the way we were treating those people was right. We were treating them like second-class citizens. We were treating them in a way we would not put up with if the situation had been reversed.

Let us assume that the French had retained a broad swath of territory on either side of the Mississippi River, right across our country, and that in order to cross from one part of our country to another we had to get permission from France. Would we have put up with that? And in order to gain admission to that territory we would be frisked by the French military guards. And if we committed any violation, a traffic infraction for example, while crossing that territory into another part of our own country, we would be tried before the French military courts, in the French language. No American would be permitted to engage in any business enterprise in that area, while the Fernch preached free enterprise, and any American employed in that zone would be paid about one-third what a Frenchman would be paid to perform the same work in that zone, within our Nation. We would have been outraged. Yet, my friends, every one of those is a condition, unbeknownst to most Americans, that we in derogation of everything we believe as a people have been foisting upon the uncomplaining people of Panama.

The time came when they were not uncomplaining any more. Winds of change are sweeping through Latin America.

Yes, many of those countries sympathize with the Sandinistas. I wish they did not, but they do, and they will do more so if we give to them the impression that we are looking for a way to welsh on our word, that they cannot trust the United States, that its word, formally, solemnly, sacredly given in a treaty which is the law of our land, is not going to be observed. That message allowed to go throughout Latin America would sweep like prairie fire.

To reject this implementing legislation would not be in our national interests. It would not permit us to have any say in how that canal is run for these next 20 years. It would deny us the mechanism by which to create this governing board on which we will have five of the nine representatives. It would deny us the means to maintain sufficient military strength to defend the canal, as guaranteed by the treaty.

Mr. Speaker, what we have heard here today may be relevant. I do not think it relevant to the central issue. The central issue is, Are we in the United States going to exercise a benign and inspiring influence in Latin America by standing for what we profess to believe and practicing what we preach, or are we going to give the impression that this country has given too often? We know what the Indians said about the white man's word. As we successively abrogated our treaties and solemn agreements with the American Indians we were said to speak with forked tongues. Just because we are big enough, cramming it down their throats does not make it right.

We agreed. Now let us keep our agreement. The only way we can protect that canal and protect those 400,000 barrels of oil that come through there every day to the United States from Alaska is to keep our word. The way we keep our word is not to abrogate the treaty. I know a lot of you are unhappy about the treaty. I am not, but I grant you the right to be. But, for heaven's sake, whatever you think of the treaty, do not do that which will prejudice the rights and the best interests of the United States and blacken our name throughout that great sweep of the continent where live our best customers and our best friends and our closest neighbors, and the most rapidly growing populations in the world. Do not break our nation's word with them. For if we do—if we do—we will live to regret it.

So in fairness to our friend, the gentleman from Maryland (Mr. BAUMAN), I am glad we gave him this opportunity, and I am glad that we have listened. I honestly believe, though, that we have a responsibility. Maybe it is not going to be popular back home if enough folks there do not understand it. I wish every action we took could be fully understood by every citizen of this land. But we know that is not always so.

We took an oath to uphold the Constitution of the United States, not the way we wish it were, but the way it is. Maybe we wish that the House of Representatives had the right to ratify treaties, but it does not. We took an oath to uphold that Constitution and the laws of this country and one of those laws is the Panama Canal Treaty. I have every confidence that we are going to be responsible and look to the future and do the right thing today and prove that we are a nation that keeps its word and a reliable partner for our friends in Latin America.

The SPEAKER. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. I yield myself 2 minutes.

Mr. Speaker, I would just say that the gentleman from Texas (Mr. WRIGHT), as usual, has comported himself admirably with his eloquence. His speech perhaps should be repeated later today so that the public can hear that plea in behalf of the legislation.

Of course, all of us will have to judge whether we should vote for it or against it. But what is the central question that the information that we have raises? We have a duty under the Constitution—and I do not think the gentleman would disagree with it—to act on this treaty implementing legislation. The Supreme Court has made that clear. We have a right to refuse to implement it; we have a right to refuse to finance it or finance it partially, or place restrictions on the treaties not inconsistent with terms of the treaties.

I felt strongly, and I still feel strongly, that when we have a partner in this arrangement, despite all of the eloquence of the gentleman from Texas (Mr. WRIGHT), that is publicly lying about its role in these activities, that is in fact engaged in activities inconsistent with international law, be it our own laws, and several [deleted]

Panamanians have been indicted now by our Department of Justice, we should be aware of these facts when we go to writing the implementing legislation, and that is the reason for asking for this session today. I suggest to the Members also that this treaty, once implemented on October 1, will make available to the Government of Panama approximately $75 million or $80 million annually, and we have been told here today [deleted]

that General Torrijos has made clear his intention to continue his activities in Latin America in which he is now engaged, and that is overthrowing Somoza's government, and when we are going to make available to him vast amounts of money under the treaties, I think we should know those facts before we proceed to vote on these amendments.

Mr. Speaker, I yield 5 minutes to the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Speaker, I appreciate the concurrence of the Speaker and the majority leader in this secret session. I am pleased that the gentleman from Maryland (Mr. BAUMAN) asked for it. I think we have learned some things that we needed to know. I understand, and I can understand, that there are some people who do not think they have learned anything. I suggest that they have. It is not anything that is news if I say thus and so happened in Panama, or that the Panamanian Government believes this or believes that, but if the Commanding General of the American forces in that part of the world says he believes this or believes that, that is news, and that is confidential, and that is classified. We heard that today. I do not think after this session there should be any Member who has any doubt about the possibility, in fact, the probability that the present Government of Panama has been involved in trying to overthrow the regime of the neighboring country. I do not think there is anybody who feels that there is any doubt about the present Government of Panama having actually been a part of a conspiracy, if you will, to bring arms to rebels involved in the overthrow of what is a friendly government.

That being the situation, what is the relevance to this particular discussion? I think the relevance is, as the gentleman from Texas (Mr. WRIGHT) has said, "Will we have a reliable partner to this treaty?"

A treaty is a contract, and it is a long-term contract, and it is only as good as the members who are the parties to that treaty make it. For the next 20 years until the year 2000 we will be in partnership with Panama. After that time Panama will be, for all intents and purposes, as far as we know, almost the sole arbiter of everything having to do with that Canal, other than the defense of it, and even that, as far as our ability to defend it, will be somewhat precluded after that particular date.

So is it important? Is it important for us to send a message to the present Government of Panama that, No. 1, we understand what they are doing, and, No. 2, we do not approve of it, and, No. 3, under the words in that treaty—which I think are in effect now, and certainly if they are not in effect, will be in effect after October 1—concerning fitting around, if you will, flitting around the country, around the world, becoming involved in the affairs of other nations, that we regard such activities as being a violation of the treaty, and we regard them as being dangerous to the welfare of that canal. I do not think there is anybody who deprecates or downgrades the importance of that canal to not only the United States, but to the whole hemisphere, the whole world. It is absolutely important that the canal be defended and that we leave no stone unturned to make sure that it will be defended. In order to do this, we need a reliable partner. So what we are doing here today—and, believe me, since we have not done this sort of thing since 1830—the mere fact that we went into secret session will be a sufficient shock to send a message, and I think that the shock which I assume and trust will be received in Panama will be that we do not like it. We expect them to live up to the world which they gave when they signed that treaty. We expect the foundation, the cornerstone of their foreign policy, to be to make sure that there is no danger to that canal.

It has been said, Well, we are not going to base our foreign policy on whether or not the canal is safe. I think that is like comparing horses and rabbits. After all, the canal is not in the United States; it is in Panama. An attack on the United States will not be an attack on the canal, but an attack on Panama will be an attack on the canal, and it is entirely different. In other words, the future of the foreign policy of Panama is something that we have always been worried about and we always will be worried about as long as we have an interest in the operation of this canal. So I think that this has been very healthy and that the time we have spent has been worthwhile. I trust that the Members of this House will, as the day passes, consider the amendments which will be offered in the light of the knowledge which they have gained.

I do not mind telling the Members that when this is all over, I, undoubtedly, will vote for the bill.

I agree with the gentleman from Texas (Mr. WRIGHT) that it is important that we go ahead and pass this bill. I do not agree that I am in favor of a treaty. If I had been a Member of the Senate, I would not have voted for the treaty. I would not have voted for it for lots of reasons, and one of them is the fact that we do have a nation off the flanks of Panama named Cuba which has shown itself very willing and very able to transport troops for the purpose of propagating the Communist ideology.

I am worried. I understand the evidence is not clear as to whether or not Panama actually participated in the transportation of Cuban troops, but I am worried for fear that they might someday, and I think it is absolutely important that this Government go on record right now as being absolutely opposed to any participation by the Goverment of Panama in the propagation of rebellion, and particularly Communist rebellion, in that part of the world.

Mr. BAUMAN. I yield 3 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, first I would like to commend the gentleman from Maryland (Mr. BAUMAN). I think it has been a useful, if not a blockbuster, session. I also commend the gentleman from New York (Mr. MURPHY). I trust some of the Members should keep in mind that he was a classmate—in fact, I think a roommate of "Sam" Somoza at West Point—and I think he has suffered personally greatly through this period as he recognized what some people in our Government have done to try to hurt that lot, and it will go down as one of the black marks in the history of United States diplomacy when the full story of what is going on in Nicaragua is told.

I commend the gentleman from Texas (Mr. WRIGHT) for what, in the 20 years I have served here with him, was his most eloquent address and speech. As a partisan Republican, I am pleased he is not always that effective when he addresses the House.

But having just said these pretty nice things, let me just point out the guts of the issue before us. We have had this session to provide information which will supposedly influence our judgment and permit us to vote properly when we are back in the House and when we are voting on amendments and final passage of the bill. The bill that we will have before us later is directed at two things: First, to guarantee that the canal will continue to function, and when the canal functions, it is the United States that benefits because it is our cargo, our commerce, our ships, our traffic to and from the east coast and the west and so on.

There are provisions in the bill by which we provide the necessary support, retirement benefits, and so on, to the Americans, the skilled employees who run that canal. I am sure the Members are going to want to support that phase of the bill and vote against amendments that would in any way affect that.

The second point is the defense of the canal. Again, I am sure you will not be supporting amendments that will legally or otherwise make it difficult for us to defend the canal.

The one other point that has come up is this thing about the reliability of the Government of Panama. The Panamanian Government is never going to look very reliable. Panama is a typical Latin American country, which means that basically it is going to have if not an absolute dictator, a benevolent oligarchy running the country. But a democracy it may never have been, a democracy it may never be, but it is the government we are going to work with for the next 20 years.

The currency of Panama is the dollar. They have a greater investment in the canal than we have. If that canal does not function, Panama collapses immediately. That is going to force them to be reliable.

I would suggest, in just summing up my thoughts this morning, that the gentleman from Maryland (Mr. BAUMAN) has performed a great service by holding this session which should clear up a lot of doubts. Frankly, I was expecting a lot more information, a lot more information in comparison, a lot more information that would be embarrassing, to listen to the Carter administration and the Government of Panama. The absence of further embarrassing information leads me to believe that my contention is correct that we have got to deal with the realities of this less-than-perfect government in Panama. We have to deal with the reality that our operation of the canal for the next 20 years is the only practical course of action for this Congress to sanction, and that we are not going to take any step that will in any way violate the treaty provisions so that we can continue to maintain our proper, legal position as the defense changes in the next 20 years.

We are going to hear a lot of rhetoric; we are going to have a lot of amendments. But just remember, the Senate has spoken. We are here in the House to pass a solid piece of legislation to protect American interests, and the American interests are protected by the Murphy bill. When we get back to our normal procedure, I urge the Members to keep all of these thoughts in mind, keep this information in mind. But nothing I have heard this afternoon in any way touches upon the validity of our legislative procedure.

Mr. MURPHY of New York. Mr. Speaker, I yield myself so much time as I may consume.

Mr. Speaker, intelligence is evaluated information and, of course, it is classified into various classifications based on its sensitivity and its effect on operations or on policy. Let me read for the record just why the committee went into an executive session with the executive branch during questioning by the chief counsel of the committee when General McAuliffe was the witness. The chief counsel said:

> Could you indicate what the level of classification would be for that type of material?

At the time we were talking about Cuban involvement in the gunrunning in the Americas. General McAuliffe responded, and I quote:

> I think the kind I am referring to is what I would call compartmentalized intelligence.

The Chief Counsel. That is above top secret?

General McAuliffe. Correct.

The Chief Counsel. And you could provide that for us in a closed session?

General McAuliffe. Such information could be marshaled for a closed session, yes.

So the administration was not going out in that closed session is the question that the committee had unless we went into a closed session. What we did find out in that closed session is the question before the Members here today. What we did find out, and what at the very outset when the gentleman from Maryland (Mr. Bauman) yielded to me, was we found out that, No. 1, the sources of our intelligence to find out the information that was presented are the highest degree of classification.

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Information is classified on a time basis, as we all know. Some information is classified for 20 years. Most operational intelligence is classified for about 24 hours. It could be top secret today; it could be routine tomorrow, because that is the nature of intelligence.

This information which was presented to the committee has a limited life as far as its classification is concerned. The fact that the administration made these admissions in closed session to this committee of the Congress was important. Because it was made in closed session, it meant that those members of the committee were restricted, and if they came on this floor and started to speak to certain facts that came out, they could be prejudiced and their political careers could be jeopardized because they could be accused of revealing classified information.

So I think the gentleman from Maryland (Mr. Bauman) was certainly within his rights, and the members of the committee were in their rights to agree that we go into closed session.

Perhaps what is now going to be debated at 4 o'clock this afternoon in the Organization of American States, which will be that the OAS Charter has been violated by Panama, the Rio Pact has been violated by Panama by this gun running, by this promotion of insurrection in the hemisphere—that is going to be taken up by the OAS, and we are going to find out whether that is just a debating society or whether they are going to be a peace-keeping force on the border between Nicaragua and Costa Rica and try and bring about a cease-fire. I think once we finally act on all of this that has been going on, perhaps the security classification has been compromised, but the committee and this Congress has not been notified that the classification has been released and, therefore, we are still under the responsibility to adhere to that classification.

I compliment the gentleman from Maryland (Mr. Bauman) for doing that.

Now what are we going to do here today? I have served in the Congress under five Presidents, and I have watched the executive branch criticize the Congress for doing nothing and doing nothing and doing nothing. If we do not pass an implementation piece of legislation from this House, and hopefully today, what are we going to do? We are going to let that Panama Canal Treaty in all its vagueness, probably purposeful vagueness, become effective as the law to implement that treaty, and then we are not going to have H.R. 111, the bill we are going to debate today itself.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BAUMAN. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York.

Mr. MURPHY of New York. It puts the Department of Defense in control of this Panama Canal Commission. It gives us the protection of this Congress throughout the next 20 years appropriationswise as to how the funds are spent, because every dollar that is collected will come into the general Treasury and go out from the appropriations process of the Congress. We are going to insure that the American workers are there to maintain and operate that canal, and if we do not do that, if we do not pass a bill out of here today, we are definitely going to be accused as a Congress that cannot meet its responsibility, not only to the country but also to the international world.

I fully subscribe to the very eloquent remarks of the gentleman from Texas (Mr. Wright). If this debate here on this classified part of the debate does anything, it should indicate to the Members, let us pass this legislation and meet our responsibility.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

There are times, I think, when all of us feel a great deal of pride in the House, and I think there is a corollary issue as to whether we make this debate public. I want to advise the House I have sat on the Government Information Subcommittee for 8 years. We have dealt with classification, and we have fought a long battle to force the administrative branch of the Government to reveal facts to the Congress. I think it is important with a nation watching us that, if at all possible, we make all of this debate completely public and publish it. I want to say it is my opinion as a lawyer—with some familiarity with the Nixon administration and its efforts to withhold information from the House and to classify information that did not rate classification—that I have heard nothing in this debate with one exception that would justify either a top-secret, a secret, or a confidential classification. That one exception is whether or not the statements that were made by the President of Panama to General McAuliffe were made in confidence. If they were, then I think this House should treat them in confidence.

The SPEAKER. The time of the gentleman has expired.

Mr. MURPHY of New York. Will the gentleman yield 1 additional minute?

Mr. BAUMAN. I yield 1 additional minute.

Mr. MURPHY of New York. I thank the gentleman for yielding.

I would subscribe to the comments of the gentleman from California (Mr. McCloskey) and I would say that before we make a motion—and we can make a motion at any time today, tomorrow, or maybe next week or the week after that, we should certainly circumspeculatively evaluate what has come out in this debate, and we should bring back in those executive branch people who were the basis for this information, and I think we should screen through that process before we make public this information.

Mr. McCLOSKEY. If the gentleman will yield for just one comment on that point, what General McAuliffe said he received from the President of Panama—did he state to the committee in closed session that that was confidential?

Mr. MURPHY of New York. Yes, he did.

Mr. McCLOSKEY. Then it seems to me that in our duty to a Nation as a whole we ought to, at an appropriate time today, have a motion to make this entire debate public with the exception of what General McAuliffe said he was told by the President of Panama in that session.

PARLIAMENTARY INQUIRY

If I may, I would like to make a parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. McCLOSKEY. To order that the proceedings of this closed session be made public with that single exception of what was said to the General by the President of Panama, what would be required?

The SPEAKER. On a proper motion in writing, the gentleman would be recognized.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

I should just like the House to know that the secret session is on the tape. The information from the secret session is on the tape.

The SPEAKER. The time of the gentleman has expired.

The Chair recognizes the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Speaker, I certainly have no objection to making the proceedings public in their entirety. My own feeling is that I was restricted by the Rules of the House to discussing this in this manner because the information was classified. But I think the American people have the right to know these facts. If I had not been prohibited under the rules from bringing them out, I would have brought them out in debate, but I was restricted. I would make such a motion that the proceedings of these debates today be made public immediately.

MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

> Mr. BAUMAN moves that the proceedings of this Secret Session be made public.

The SPEAKER. The gentleman from Maryland (Mr. BAUMAN) is recognized for 1 hour. The motion is debatable within narrow limits.

Mr. BAUMAN. I yield 2 minutes to the gentleman from Louisiana (Mr. TREEN).

Mr. TREEN. The motion is, as I understand it—correct me if I am wrong—to make public everything that has been said here during the session, is that correct? I think we would cause very grave harm in our international affairs, because one of the remarks made here was a statement of opinion by an American general that [deleted].

I suggest to the Members that that would do grave damage to us to have that sort of thing revealed. I doubt very much that General McAuliffe would have said that if he had felt that his words would be revealed, and I think that would prejudice the entire proceedings on this legislation today. So, for that very reason, I would urge caution about adopting the pending motion.

Mr. BAUMAN. I yield 2 minutes to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. I thank the gentleman from Maryland for yielding to me. I would like to commend the gentleman very highly for the exercise which he has caused the House to participate in today. That in my view is simply this, that the gentleman, as is so often the case, was precluded from bringing unclassified information to the American people by a device oft used by the administration, and that is, "I will answer you, but I will only answer you in closed session."

Now we have a situation whereby an action of the House, if agreed to in the gentleman's motion, will allow the American people to know truly what the case is in Panama, and I think that is a splendid thing that we are doing. So I commend the gentleman for his motion. I support the gentleman's motion because this will now allow not only the Congress but the American people to know what the situation is in Panama. For any Member of this House to vote against such a motion would be a vote to gag the Congress and a vote which would gag the American people, and I do not think they want that.

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman.

Mr. MURPHY of New York. I would like to address a question to the gentleman from Maryland (Mr. BAUMAN).

The gentleman from Maryland's motion is to make public all of the debate here in this secret session. I would ask the gentleman if he would accept an amendment that would except from his motion the corroboration by General Sumner of his personal conversion with Torrijos and reference to it, as well as his corroboration of General Sumners' testimony, as well as the references to someone who is presently under indictment, who has already had threats made on his life and is a defector from Panama? Those deletions I think should be made for the obvious reasons.

Mr. BAUMAN. Mr. Speaker, I decline to yield for amendment. I yield for debate only.

The SPEAKER pro tempore (Mr. FOLEY). Does the gentleman from Maryland (Mr. BAUMAN) yield additional time?

Mr. BAUMAN. I will yield additional time to myself at this point.

I would say that it would not be my intention to accept amendments to the pending motion. If the House has heard this information before—and we have heard a number of Members say that they feel this session has not produced anything they have not heard before; some of us feel it is—I think the American people ought to know that.

Mr. BADHAM. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. BADHAM. I thank the gentleman for yielding. I will not use the whole time, but I do want to add this point. If the Members on the other side of the aisle are convinced that everything we have discussed in the proceedings this morning has been in the newspapers and has been all over the media, then there is no reason why they should disagree to opening the transcript of this record to the public so that the American people might truly know what is going on in Panama and in here.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. For purposes of debate only, I yield 1 minute to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

I think this is a form of madness. Yes, we would be revealing something to the American people, and what would we be revealing? That we have no sense of honor? That they cannot tell us anything in secret that we are not going to tell the next day? I cannot understand my colleagues taking this point of view. Are we going to be reliable partners in the business of running this country, or are we just going to take everything in secret, when a general comes before us in good faith, and spill it all out the next day because we want to look good in the newspapers? There is a difference between what is said in the newspapers as rumor and what is said on the floor of the House as coming from an official general in our Army in charge of Central America.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. For purposes of debate only, I yield 5 minutes to the Speaker.

Mr. O'NEILL. Mr. Speaker, we could very well be setting a precedent here today. When was it—1830—the last time that the House went into a secret session like this? I have seen rules of this House not used for many, many years, and suddenly some bright young luminary discovers one, and it becomes a common practice. I do not say that in criticism. I respect the ability of the gentleman. But it becomes a common practice.

There are those of us who would like to reveal everything that was said or everything that is known about the Panamanian Government. Probably it should be done that way, but how do we receive that information? We receive that information by every type of intelligence means that we have. Interestingly, when we disclose our sources, what happens? Once it is revealed that we have an intelligence source in a country, what do the other countries do? They immediately change their procedures and it takes us days and weeks and sometimes months to again have the intelligence we need.

We are in a very, very sensitive position. Most of this conversation today on this debate was extremely interesting. I would not say it was classified. Certainly the gentleman from Texas, Mr. WRIGHT's beautiful speech was not classified. But I do think that we ought to table this matter, send it to the Committee on Intelligence, let them look it over, and let the proper authorities from downtown look over what was classified. Let them strike or delete what is classified. Then let us report to this body, and let us again, if necessary in secret session go in and accept it and reveal to the American public that which we know does not hurt the U.S. Government or hurt the individual who may have said it on the floor. I think we are doing something in fairness to our own Government.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from Arizona.

Mr. RHODES. I thank the gentleman for yielding.

I agree with the Speaker. In thinking back over the debate of the last hour, I can think of several things that were said and quotations that were made that could be embarrassing and possibly be deleterious to the relationships of our country with other countries and certainly might be harmful to a very dedicated member of the Armed Forces, General McAuliffe. It would be my hope that a committee of the House, the Intelligence Committee if the Speaker so says, would look at the transcript and expunge whatever matters might be that sensitive or classified, and then at the appropriate time a motion be made for the remainder of the debate to be published and made public to the American people.

Mr. O'NEILL. I thank the gentleman.

The document would be ready in print for the Members of the House, for the committee for their evaluation, for the evaluation of the members of the committee. I think we could very well protect everybody. If there are things that have to be deleted, they would be deleted, and then bring it back to the House and, if necessary, have a secret session, or if not necessary, if they want to debate something that was stricken from the record, we could go into secret session. If they do not want to go into secret session at that time, we could release it on the floor of the House.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the Speaker for yielding.

I would like to express the concern expressed by the Speaker and by the gentleman from Arizona (Mr. RHODES). We are going into uncharted waters. I voted against having the Secret Session. I think it has been productive, and my vote in that sense I think was an ill-advised one. I see no real harm to be done to give us a chance to pause. We have not really done this in the life span of any of us. I would be highly prone to join with my colleagues and dear personal friend, the gentleman from Maryland (Mr. BAUMAN), if we are dissatisfied in that that which is cleared, if you will, does violence to the tone and the flavor and the sense of this important discussion; but I think it useful when we launch into a new area, particularly one of this potentially sensitive nature by precedent as well as perhaps in the individual case, that we go a little slower and kind of make a collective assumption honorably in the national interests and in the interests of this institution, and I strongly lean toward heeding the admonition of our distinguished Speaker and the minority leader. If we override that judgment, it is an irreversible error; if we go along with it, it will give us time to redress it if we find going along with it is in error.

Mr. O'NEILL. Mr. Speaker, I hope the Chair will take cognizance of the fact that when the gentleman's time has expired at the end of the hour, or when he yields his time, I would move to table this motion and would hope to be recognized for that motion.

Mr. BAUMAN. I yield 1 minute to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, I wish to sincerely commend our distinguished Speaker for his incisive concern and his reasoning in this matter. I think one thing that we passed over too lightly is this: We compare, and we say that we have this information from public sources, the speculation of people who have delved into this on their own without any responsible notion of where they are going to go, but all of the sources that were available to General McAuliffe were confidential sources of the nature of which the distinguished Speaker described. So he was speaking from truly classified material, and I think we should really consider that in agreeing to the motion that the Speaker has made or will make.

Mr. BAUMAN. I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, if I may address a question to the Speaker, to whom do we delegate this authority—to the Intelligence Committee, or what was the gentleman's suggestion?

Mr. O'NEILL. I would suggest, if the gentleman will yield, that the matter be looked over by the Committee on Merchant Marine and Fisheries who has had jurisdiction over this legislation, and the Intelligence Committee.

Mr. ROUSSELOT. Those would be the two committees of jurisdiction?

Mr. O'NEILL. The Members, of course, would make an evaluation, but their evaluation, I should think, would be to the Committee on Intelligence, and we should get a report. It would be my opinion that it would go to the Committee on Merchant Marine and Fisheries and they would refer it to the Intelligence Committee. I see no great problem to that whatsoever.

Mr. ROUSSELOT. Then they would report back to the House?

Mr. O'NEILL. They would report back to the House, and at that time each Member would get a report of what was deleted, and if we have to go into a session of this type to debate whether information should be revealed or not I think would be a very simple matter.

Mr. ROUSSELOT. I thank the Speaker.

I have another question. Is the information that the country of Panama has basically been found lacking in truthfulness confidential? Does somebody want to comment on that? Is that confidential? I would like to ask the committee. Was the information that the committee received that Panama is greatly lacking in truthfulness confidential, or can we talk about that?

Mr. MURPHY of New York. If the gentleman will yield, I think that that certainly is a question open to judgment as far as the statements made by that Government.

Mr. ROUSSELOT. I am just wondering if we are in trouble if we talk about that too much.

Mr. BAUMAN. I yield 1 minute to the gentleman from California (Mr. DORNAN), for purposes of debate only.

Mr. DORNAN. Mr. Speaker, at this moment I do not know how I will vote on this motion, and I would hope that we will not now begin to rush this process to vote too quickly until we have had a chance to deliberate on everything that has taken place today and the total effect of this motion.

In my office yesterday I received a classified briefing on the world's strategic implications on energy. The name of the distinguished gentleman from Washington (Mr. McCORMACK) came up, and words were used like "catastrophic," "disaster," "we have had it," and, "our society is undone." This is by naval officers. They talked of only a 25-percent embargo by OPEC throwing this country into an immediate depression that certainly should require a secret session.

If we take a wrong move today and discredit what has happened here, the press with a pack of bloodhounds will be after every one of us to find out everything that took place here. This motion is critical to whether we will ever do this again.

I would like to go over, if we can, some of the things that were said. It is McCarthyism in the extreme if we [deleted].

[ ]

[ ]

However, this administration sent a four-star general to Iran. When Gen. Alex Haig turned down the mission, it went to Bob "Dutch" Heyser who talked to our allies there, including the Commanding General of the Iranian Air Force. They did not take action, and all of those Iranian officers paid with their lives. After Fascist kangaroo court trials, they were executed at dawn.

General McAuliffe testified in that committee meeting, which I attended because I am a subcommittee member. He admitted he was sent on a Department of State mission to Nicaragua where discussions took place as to whether or not Somoza should resign.

I thought we learned in Vietnam that generals do not make good political or diplomatic messenger boys. Is the general's reputation at stake? He is retiring. Does General Sumners have to retire to get his points on record?

I hope we will continue this debate before we vote on this motion. I do not know how I am going to vote yet .

Mr. BAUMAN. Mr. Speaker, I say when I yield throughout this debate, it is for purposes of debate only.

I yield 2 minutes to the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. I thank the gentleman for yielding.

Mr. Speaker, I share the concerns of the Speaker and the Minority Leader, but I feel there is one other important thing we have perhaps overlooked at this point. The Speaker has pointed out—and perhaps we do not know—there may be dozens of codes we may be violating with our international neighbors, but I suggest to the Members of this House there is one other thing we are really placing in jeopardy by putting us on public record today, even though it gets out some other way, and that is the integrity of the House and the ability of the House and its committees in the future to get confidential information and classified information that we need. If we do this to General McAuliffe and others, agencies who come down here in confidence and talk to this committee with the understanding that it is not going to be made public, and we make it public by a vote of the House, which apparently we can do, we are not going to get it again, and it may be on some very critical matters where the committees and the House need that information very desperately. They are going to be very reluctant to give it, and they will rightly be reluctant to give it. We place all of that in jeopardy. We need information from time to time that is confidential in our various committees of the House, and we should not place that ability in jeopardy without the due consideration that the Speaker suggests.

Mr. BAUMAN. Mr. Speaker, frankly, I made this motion simply because I understood somebody on the other side was going to make it. I do not feel strongly attached to it. Nothing new was said here but now we are told it must remain secret. Does the gentleman from Maryland require unanimous consent to withdraw the motion?

The SPEAKER pro tempore. The gentleman can withdraw the motion.

Mr. BAUMAN. The gentleman withdraws the motion.

MOTION OFFERED BY MR. BAUMAN

Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BAUMAN moves that the Secret Session be dissolved.

The motion was agreed to.

Accordingly (at 2 o'clock and 11 minutes p.m.), the House stood in recess subject to the call of the Chair.

Mr. BOLAND. Mr. Speaker, the procedures followed by the Permanent Select Committee on Intelligence in considering the transcript of the secret session of the House on June 20 are as follows:

Upon receipt of the transcript from the Speaker, the committee identified areas which involved classified intelligence sources and methods and other classified material. The committee then consulted with representatives from the Department of Defense, Central Intelligence Agency, Department of State and the Department of Justice and noted each item suggested by any of the above as involving classified matter. The committee then made recommendations concerning each item so noted to the Speaker.

Thereafter, the committee was called in to resolve the differences between its approach and the Committee on Merchant Marine and Fisheries to which the transcript had also been referred. The committee did this and prepared a revised transcript embodying the recommendations of both committees and reflective of such other revisions and extensions as were suggested by individual Members involved in the debate.

It is my understanding that the completed transcript which is provided to the House today represents a careful, yet critical, revision of the transcript to exclude only that material which was genuinely sensitive. I believe that the resulting document fairly represents the debate that occurred during the closed session of the House while protecting essential national security information. I want to thank the Committee on Merchant Marine and Fisheries, chaired by the distinguished gentleman from New York (Mr. MURPHY) and for all the Members who participated in the debate and whose perusal and agreement was necessary to resolve the matters associated with this transcript and the charge given to the Permanent Select Committee on Intelligence by the House.

TRUTH ABOUT PANAMANIAN INVOLVEMENT IN REVOLUTION NOW OBVIOUS TO ALL

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I would say that it is most appropriate that the proceedings of the secret session of the House held on June 20, 1979 are printed in the RECORD today in view of the fact that this is the date on which Fidel Castro, his pro-Communist allies and the U.S. State Department have finally achieved their objective of forcing out of office the duly elected President of Nicaragua, Anastasio Somoza. I would predict that this is only the beginning of a massive Cuban effort to subvert the governments of Central and South America, a policy which our own Government seems powerless to stop and even to encourage with its own blindness.

Mr. Speaker, I asked for the secret session in order to impart to my colleagues the full extent of the involvement of the Government of Panama in the efforts to overthrow the Government of Nicaragua. I would have preferred that the full transcript be made public.

The hearings referred to in the secret session which were held before our Subcommittee on the Panama Canal proved without question the deep involvement of the Panamanian Government, including its actual head, Gen. Omar Torrijos, and other officials, in overthrowing the government of another sovereign nation. It remains to be seen what the final outcome of this insidious enterprise will be, but we have seen that the President of Panama, Ariste Royo lied to the American people when he denied such involvement.

Worse than that, since the secret session was held, a State Department memorandum was leaked to the press which shows that the Carter administration has known about these actions by Panama but covered up the facts in an effort to deceive the American people and get the Panama Canal implementing legislation passed.

Mr. Speaker, I do not wish to burden the House with further comment at this time, but I would urge all Members to read carefully the extension of remarks by the gentleman from Idaho (Mr. HANSEN) which appears on pages 17677–17680 of the RECORD of July 9. There you can read in full the extent of Cuban and Communist expansion in the Caribbean, as well as the fact that the American people have not been told the truth.

The gentleman from Idaho has done the American people the service of reprinting a news article from the Chicago Tribune together with the State Department memorandum which already had been leaked to the press. That the Government of Panama was a willing accomplice in this endeavor is unquestionable, a fact acknowledged only recently by its government officials proudly boasting of their actions. These are the partners President Carter has provided us to carry out the terms of the Panama Canal treaties.

I have no doubt that the American people will live to regret, all too soon, the day these treaties were signed and ratified.

At the very least the House had before it the extent of this Panamanian involvement before they voted on the implementing legislation so that no Members can claim to have not known the truth.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1980

Mr. NATCHER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4580) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. NATCHER).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4580, with Mr. GORE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, July 11, 1979, the gentleman from Texas (Mr. CHARLES WILSON) had consumed 14 minutes of general debate, and the gentleman from Michigan (Mr. PURSELL) had consumed 25 minutes of general debate.

The Chair now recognizes the gentleman from Texas (Mr. CHARLES WILSON).

Mr. CHARLES WILSON of Texas. Mr. Chairman, I have no further requests for time, and I ask that the Clerk do now read.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. PURSELL).

Mr. PURSELL. Mr. Chairman, I yield back the balance of my time so that we may proceed with the reading.

The CHAIRMAN. The Clerk will read.

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1430

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk commenced the reading of the bill.

Mr. CHARLES WILSON of Texas. Mr.

Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk continued the reading of the bill.

AMENDMENT OFFERED BY MR. CHARLES WILSON OF TEXAS

Mr. CHARLES WILSON of Texas. Mr. Chairman, I offer three amendments, and I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read the first amendment as follows:

> Amendment offered by Mr. Charles Wilson of Texas: Page 3, line 4, delete "$191,500,000" and insert in lieu thereof "$200,500,000".

The CHAIRMAN. The Chair will advise the gentleman from Texas (Mr. Charles Wilson) that the first amendment reported is to a section already passed. It can be considered under a unanimous-consent request.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I ask unanimous consent that the amendment be considered at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will report the next amendment.

The Clerk read as follows:

> Amendment offered by Mr. Charles Wilson of Texas: Page 4, line 2, delete "$67,399,700" and insert in lieu thereof "$70,899,700".

The CHAIRMAN. The Chair will advise the gentleman from Texas (Mr. Charles Wilson) that the same ruling applies to the amendment just read. Unanimous consent is required for its consideration.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I ask unanimous consent that the amendment just read be considered at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will report the third amendment.

The Clerk read as follows:

> Amendment offered by Mr. Charles Wilson of Texas: Page 9, line 5, delete "$47,354,500" and insert in lieu thereof "$52,854,500.".

Mr. CHARLES WILSON of Texas. Mr. Chairman, I would like to withdraw the last amendment which was read.

The CHAIRMAN. The amendment is to a portion of the bill that has not yet been read. It is being considered en bloc under the previous unanimous consent request.

The amendment is withdrawn.

Th Clerk will read.

The Clerk read as follows:

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, $13,810,900.

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of one hundred and thirty-five passenger motor vehicles for replacement only (including one hundred and thirty for police-type use and five for fire-type use without regard to the general purchase price limitation for the current fiscal year); $293,247,700, of which $5,863,400 shall be payable from the revenue sharing trust fund: *Provided*, That the Police Department is authorized to replace not to exceed twenty-five passenger carrying vehicles, and the Fire Department not to exceed five such vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths the cost of the replacement: *Provided further*, That funds appropriated for expenses under the Criminal Justice Act of 1974 (Public Law 93–412) for fiscal year 1980 shall be available for obligations incurred under that Act in each fiscal year since inception in fiscal year 1975: *Provided further*, That not to exceed $200,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That $50,000 of any appropriations available to the District of Columbia may be used to match financial contributions from the Department of Defense to the District of Columbia Office of Emergency Preparedness for the purchase of civil defense equipment and supplies approved by the Department of Defense, when authorized by the Mayor.

☐ 1440

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Dornan: Page 17, after line 2, add the following new section:
>
> "Sec. 220. None of the funds appropriated under this Act shall be used to pay for abortions except to save the life of the mother."

POINT OF ORDER

Mr. CHARLES WILSON of Texas. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Texas reserves a point of order.

Mr. DORNAN. Mr. Chairman, I realize that this has a controversial aspect to it, because it involves the District of Columbia, and the distinguished Black Caucus of this House has taken, I believe, a unified position on this issue of abortion.

However, there were 30,000 abortions a year performed in the District of Columbia for residents and nonresidents last year.

For District of Columbia residents alone, we have reached an amazing historical position in the 203-year history of our Nation. There were, in round figures, 10,000 live births and 13,000 abortions. It is 130 percent more than the live birth rate. No American city has ever reached that position. No city in all of Western civilization has reached that position, not even the Communist cities, post-World War II period, when abortion was not only accepted but recommended in those countries before they began a slow reversal of that process over the last 10 years.

The District of Columbia government pays for 5,250 or 40 percent of those abortions.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I would respectfully like to insist on my point of order and be heard on my point of order.

The CHAIRMAN. The gentleman from California has been recognized for 5 minutes in support of his amendment. He is entitled to finish his 5 minutes. At that time it would be proper for the gentleman from Texas to make his point of order.

Mr. DORNAN. Thank you, Mr. Chairman.

I might tell the chairman I will try and be brief, because we have debated this extensively not only in the 95th Congress, but once already in this Congress.

The annual D.C. payment for abortions is $2 million, almost $2 million. That money obviously could be used for health and welfare programs and to obtain matching funds of 50 or 90 percent from the Federal Government.

I am well aware of the conservative argument that I hear in my own district and across the country—I underline the words "conservative argument"—that to terminate the lives of so-called unwanted children is somewhere in the neighborhood of $200 an operation, where if these fetuses are allowed to be born and begin a life in our country, it can cost taxpayers upward of $18,000 if that child remains indigent, or in a rather ugly and tortured use of the word, unwanted, if they remain unwanted for a period of life up through their 18th year.

I am waiting for a call now from Rev. Jesse Jackson. I had hoped to receive the call by now. This distinguished American has clearly stated regarding such an abortion policy that, quoting him:

> As a matter of conscience, I must oppose the use of Federal funds for a policy of killing infants. The money would be much better expended to meet human needs.

I hope the debate will be brief today. I will defend any points of order against it, and I would ask for a voice vote on this if it can be handled that way.

I am not intending at this point to ask for a recorded vote if I win the voice vote.

I yield back the balance of my time.

Mr. CHARLES WILSON of Texas. Mr. Chairman, this amendment is clearly legislation on an appropriation bill since it imposes additional duties on District officials and, as such, is in violation of clause 2 of rule XXI of the House.

Implicit in the language of the amendment is the duty on the part of District officials to ascertain from a physician that the life of the mother would be endangered if the fetus is carried to term. This imposes an additional burden on District officials to make new determinations and judgments not required of them by law at the present time.

Therefore, Mr. Chairman, I make a point of order that this amendment is clearly in violation of clause 2, rule XXI, of the House.

The CHAIRMAN. Does the gentleman from California (Mr. Dornan) wish to be heard on the point of order?

Mr. DORNAN. One point, Mr. Chairman, and that is, physicians are already determining this factor in every case across the country, where a birth or an abortion is in progress, and given some of the more infamous and in one case loathsome trials—I refer to the Sherman case in this city—and the Waddell case. I cannot conceive in the wildest stretch of my imagination any doctor being prosecuted or persecuted anywhere in this country in a surgical procedure trying to save the life of a mother. Doctors are already making that determination.

So I do not believe that this puts any burden on any medical authorities anywhere in the country where it could be construed as legislating on an appropriation bill.

The CHAIRMAN. The Chair is prepared to rule.

A paragraph in a general appropriation bill prohibiting the use of funds in the bill to perform abortions except where the mother's life would be in danger if the fetus was carried to term was ruled out of order as legislation since it required Federal officials to make new determinations and judgment not required by law as to the danger to the mother in each individual case.

This ruling was by Chairman Bolling on June 17, 1977, when the circumstances presented were extremely similar to the circumstances here.

A provision in the general appropriation bill requiring new determinations by Federal officials is legislation and subject to a point of order regardless of whether or not private or State officials who administer the Federal funds in question routinely make such determinations.

The point of order is sustained.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dornan: Page 17, after line 2, add the following new section:

"Sec. 220. None of the funds appropriated herein for the medical expenses necessary to saving the life of a pregnant woman entitled to receive medical benefits under this Act shall be denied."

Mr. DORNAN. Mr. Chairman, because of the peculiar situation in which the proabortion forces in the House have placed the antiabortion, or prolife forces in the House, where special rules are needed from the Rules Committee to bring about a fair and equitable vote such as the Hyde vote a few weeks ago, we have to proceed in this somewhat constricted manner. I decided to take the D.C. appropriations bill, even though there are, sad to say, still overtones of racism in America, and a vote of indifference might result because it involved the taking of innocent black life in their mothers' wombs.

I decided to go through the procedure just prior, with a previously accepted wording in an antiabortion amendment that has in its language a clause providing that abortion could be performed to save the life of the mother, and go through a two-amendment process, the first amendment being the one that the clerk has just read, where we nailed down in appropriations language that no appropriated medical expenses necessary for saving the life of a pregnant woman who is otherwise entitled to receive her medical benefits, shall ever be denied under this act.

□ 1450

Anticipating a point of order on this procedure, I will cite relevant precedents.

On January 8, 1923, Chairman Frederick C. Hicks of New York put forth some tests whereby such questions may be decided. I will paraphrase them in my explanation.

One, this limitation on the D.C. appropriations bill applies solely to the appropriation under consideration. Two, the liimitation operates only in the fiscal year for which the appropriation is made, and three, there is no additional eligibility requirement imposed as a condition of receiving medical assistance under this amendment. Therefore, there are no additional burdens placed on any executive officers of the D.C. Department of Human Resources or the District of Columbia General Hospital. The law already authorizes that persons whose lives are in jeopardy including pregnant women, and who are eligible according to current standards of law will be treated by doctors who will be compensated for their services. My limitation alters none of this.

In addition, I will quote from the previous rulings of the Chair, one of which, by the way, dealt with a District of Columbia appropriations bill.

From Deschler's Procedure 26 11.11:

§ 11.11 It is in order on a general appropriation bill to make the availability of funds therein contingent upon the implementation of a policy already enacted into law, providing the description of that policy is precise and does not impose additional duties on the officials responsible for its implementation. 117 Cong. Rec. 41838, 92d Cong. 1st Sess., Nov. 17, 1971 [H.R. 11731], where an amendment prohibiting the use of funds in an appropriations bill after a date certain for military operations in Indochina if all American prisoners of war have been released and missing Americans accounted for by that date was held not to impose additional duties upon executive officials, who were already under the obligation imposed by a law to implement the policy described by the amendment.

Also on that same page of Deschler's Procedure, 11.16:

§ 11.16 Where existing law authorized the availability of funds for the FBI for emergency expenses of a confidential nature when certified by the Attorney General, language in a general appropriation bill containing funds for that purpose to be accounted for solely upon the certificate of the Attorney General was held in order as not constituting a change in existing law. 120 Cong. Rec. 19715, 19716, 93d Cong. 2d Sess., June 18, 1974 [H.R. 15405].

Mr. GORE. The Chair advises the gentleman since he is addressing a point of order that the gentleman's remaining time is quite short and the point of order cannot be timely made since debate has occurred on the amendment. In case the gentleman wishes to speak to the merits of the amendment in the time remaining, the gentleman has approximately a minute remaining.

Mr. DORNAN. Thank you, Mr. Chairman, but given the circumstances that currently surround, and will continue to surround prolife amendments to appropriations bills, I will continue:

From a ruling of the Chair, in the 62d Congress, 2d session, Congressional Record, page 8428 on June 21, 1912, which held that—

The law already directs that these transfers shall be made upon the accounts between the District of Columbia and the Federal Government. This paragraph is not, therefore, new . . . the Chair is, as said, of the opinion that this is not new legislation, because no change in the law is made hereby. It is simply a congressional direction to the executive officers to do that which they should have done without it. The Chair therefore, overrules the point of order.

I wanted to get this historical background in because I think events are moving so quickly this year on special rules for special bills for special votes on special departments of Government, including further votes on appropriations bills this year, and an amendment which I hope, God willing, to offer next year on the Treasury bill denying a special "perk" to Congressmen and their families and their staffs through their health plans cutting money used for elective abortion. The Congress should be consistent, and since we have cut tax-funded abortions for certain poor people, and I use the word poor people in quotes, I think a historic background and a body of historicity should be built up concerning what amendments may be offered and under what circumstances.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment goes beyond the use of Federal funds; it restricts the use of local revenues—revenues generated by local real estate taxes, local sales taxes and local water and sewer payments. It prohibits the city from using these revenues to carry out its policies and programs.

Our committee might disagree with District officials as to how much money should be spent for certain programs, but we do not believe the Congress should completely cut-off the use of local funds for programs which locally elected officials have decided to fund. To cite an example, our subcommittee felt the so-called Speculation Tax Act was not a very good idea as far as trying to increase the city's tax base; however, we have included funds in this bill to implement that act.

It is one thing for the Federal Government to prohibit the use of Federal funds to perform abortions—that does not interfere with the use of local funds—but if we adopt the gentleman's amendment, we would be prohibiting a local government from using its own funds—funds derived from local sources—for purposes which it has made a conscious decision to fund.

Mr. Chairman, this is wrong and should not be done.

I urge defeat of the amendment.

Mr. FAUNTROY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, rise in opposition to the amendment of the gentleman from California. This is a matter which I believe would be better considered by the elected officials of the District of Columbia.

More than 85 percent of the funds in this budget will have been raised by the residents of the District of Columbia. It would seem to me only proper that the decision and such a policy as the one which the gentleman seeks to have the House impose upon the citizens of the District of Columbia, who do not vote for him, or for the Members of Congress, should be made by the citizens through their elected government.

While I understand the concern of the gentleman about the number of abortions which have occurred in the District of Columbia, I hasten to point out that very large numbers of those abortions are not performed on District of Columbia residents. The gentleman's amendment simply would not reach those who have ample funds of their own to have an abortion. The amendment, therefore, is fundamentally discriminatory against poor residents of the District of Columbia.

I simply cannot believe we would want to impose a policy such as this without hearings or an investigation into its impact on the District and the surrounding areas.

The gentleman has already had the opportunity to detemine the will of the House on this matter in the vote on the HEW appropriation. Here at least Members were voting on a policy to affect those whom they govern with their consent. I urge a "no" vote on this amendment.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to ask the proposer of the amendment, if I may, the gentleman from California, I want to be sure I understand the amendment. As I gather it is to strike all of the moneys in the D.C. appropriation for use for abortions; is that correct?

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. Yes, I will yield to the gentleman.

Mr. DORNAN. I have not submitted that particular amendment yet. I have two amendments that, if I may loosely describe them as book ends, the first serves the second. There are Members in this House who deeply resent being boxed into a corner by game-playing with the rules of the House, which resulted from a Chair ruling by Congressman BOLLING of last year where they are not entitled to votes against taxpayers' money being used for abortion without being able to say they feel it is perfectly moral and legitimate if it is to save the life of the mother. Because of that game-playing I have submitted this amendment which simply says in no way can any funds under this bill ever be denied as compensation to a doctor or to anyone who is trying to save the life of a pregnant woman eligible to receive medical treatment under this Appropriations Act.

Once having gotten that very simple, benign and by itself maybe seemingly unnecessary amendment, I will then submit straight antiabortion language, having by a point of order been denied the right to offer an amendment with the important "except to save the life of the mother" clause.

□ 1500

Then, with that amendment adopted I will then offer shortly here an amendment which my colleagues will be able to vote for without any feeling of being accused of the charge that they do not care for lives of pregnant women.

Mr. PEYSER. The effect of the gentleman's amendment, though, is basically to deny funds for abortions for the people in the District of Columbia who would come under this——

Mr. DORNAN. Not this amendment; a coming amendment.

Mr. PEYSER. I think the effect is much the same. What I am getting at is, it raises a question in my mind that in the District of Columbia a certain amount of their taxes collected here by the people in the District of Columbia are moneys that are involved in this particular legislative effort.

Mr. DORNAN. True.

Mr. PEYSER. It would seem to me that whether one is pro or con on the abortion issue, that we cannot deny people of their own taxes and their own districts the right of deciding what they want to do with their money. I think that this goes beyond the question of whether I would be supportive of an abortion amendment or not.

It would seem to me that the gentleman wants to offer an abortion amendment withholding funds for abortions, which maybe is his amendment No. 2. Then, we can discuss the pros and cons of whether the abortion should be denied to the people on the grounds of whatever we want to argue. But, it seems to me here that the gentleman is basically depriving American citizens and taxpayers of a very basic right. It would appear, particularly on that side of the aisle, if you will, those Members should be defending, because the position is one that says American taxpayer ought to have control of what their taxes may do in that particular situation.

I will be delighted to get to the gentleman's second amendment and discuss it, but this one certainly should go down.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to my colleague from New York.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for yielding. I would just point out to my colleagues, despite the claims made for this amendment, it does not say that funds to save the life of a pregnant woman shall be denied in all circumstances. It just says, "shall be denied."

Therefore, it does not go to the point the gentleman from California raised, namely, that this will in all cases, including abortion, assure that the life of the mother will be saved. It does not say that at all. I think this is just pure persiflage. It has absolutely no meaning whatsoever.

I tell the gentleman that he may be very sincere in his intention, but it will not do what the gentleman says it will do.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. DORNAN and by unanimous consent Mr. PEYSER was allowed to proceed for 1 additional minute.)

Mr. DORNAN. Mr. Chairman, will the gentleman yield further?

Mr. PEYSER. I yield to the gentleman from California.

Mr. DORNAN. On the gentleman's interesting observation about the fact that many of the tax dollars are raised in the District, there is a word on the Hill that now strikes terror into the hearts of Congress people. It did not used to, and I am glad it does now. That word is, "commingling of funds."

Even though a portion of this appropriations bill is raised in the District of Columbia, they are commingled with Federal moneys, and this House is given that responsibility. Although there is a debate raging across the country upon which I have not made up my own mind about home rule and voting rights for the distinguished gentleman from the District of Columbia, we have the responsibility. I remind the House that the Congress has denied certain transportation funds to any State which has a speed limit greater than 55 miles per hour. This amendment embodies the same principle.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(By unanimous consent Mr. PEYSER was allowed to proceed for 1 additional minute.)

Mr. PEYSER. I think the real issue is on the gentleman's second amendment and not on this amendment. I think this amendment has got to be defeated. I think the implications of this amendment are that we could be getting into many other areas where there might be Federal funds in other Federal programs, where we could begin to say to any State, "You cannot do this." We could object even though most of the money may be the State's money.

We should defeat this amendment.

Mr. PURSELL. Mr. Chairman, I move to strike the last word, and I rise to oppose the amendment.

Mr. Chairman, I think this House has already debated the issue of abortion in the HEW appropriation bill. I would have to ask my colleague if this language, this new abortion language as offered by the gentleman from California, would apply only to a certain number of people in the United States and therefore would be in conflict with our present position. What we would be doing here is establishing new language on a subject already considered in the

HEW appropriations. We would have dual sets of statutes to apply to different people within the country—one set for the district, another set for the rest of the Nation. This is blatantly discriminatory and in conflict with the House position as passed in the Labor/HEW bill.

I would oppose the amendment on the basis of its discriminatory classification.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. PURSELL. I yield to the gentleman from California.

Mr. DORNAN. The language we adopted in the HYDE amendment with the exception clause, as the gentleman well knows, is denied to us. He has just seen it denied by a point of order. So, I have come up with these two book-end amendments. The gentleman from New York is correct, a vote on this is also a vote, in some respect, on the second. But, this is not my idea to bring it up in a dual-amendment process. It was because of the point of order game-playing, and also that the Rules Committee did not provide a special rule to allow amendments like my prolife mentor and good friend of life, Mr. HYDE of Illinois, has placed on Labor-HEW appropriations.

I believe these two together accomplish the exact same thing as the Hyde amendment voted upon under HEW, so I would recommend a yes vote on both these amendments. Anybody who voted against the Obey language and voted for the Hyde amendment should vote yes on these two amendments I offer, and they are protected from demagoguing in their districts that they do not care about the life of the mother.

Mr. PURSELL. If I may reclaim my time, I think the language is different than the language in the HEW appropriation bill. Therefore, I would oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DORNAN).

The question was taken; and the chairman announced that the noes appeared to have it.

Mr. DORNAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1520

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 342]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson,
  Calif.
Andrews, N.C.
Andrews,
  N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-
  schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead,
  Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1530

The CHAIRMAN. Four hundred eight Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The pending business is the demand of the gentleman from California (Mr. DORNAN) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair will remind the Members that the time for this vote has been reduced, pursuant to clause 2, rule XXIII, to a minimum of 5 minutes.

The vote was taken by electronic device, and there were—ayes 309, noes 112, not voting 13, as follows:

[Roll No. 343]

AYES—309

Abdnor
Addabbo
Albosta
Ambro
Anderson,
  Calif.
Andrews,
  N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan

Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Tenn.
Early
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries

Jenkins
Johnson, Calif.
Jones, Okla.
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Livingston
Loeffler
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Panetta
Pashayan
Paul
Pease
Pepper
Perkins
Petri
Price
Quayle

Quillen
Rahall
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Swift
Symms
Synar
Tauke
Thomas
Traxler
Treen
Trible
Udall
Vander Jagt
Vento
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Wolff
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—112

Akaka
Alexander
Andrews, N.C.
AuCoin
Barnes
Beilenson
Bevill
Bingham
Brademas
Brodhead
Brooks
Brown, Calif.
Burton, John
Burton, Phillip
Butler
Carr
Chisholm
Clay

Cleveland
Collins, Ill.
Conable
Corman
Davis, S.C.
Dellums
Derrick
Dixon
Downey
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Fascell
Fazio
Fenwick
Ferraro

Findley
Ford, Tenn.
Garcia
Giaimo
Gilman
Gonzalez
Gray
Green
Harris
Hawkins
Holland
Hollenbeck
Holtzman
Horton
Jeffords
Jenrette
Johnson, Colo.
Jones, N.C.

Jones, Tenn.
Kastenmeier
Kogovsek
Lehman
Leland
Lewis
Lloyd
Long, Md.
McKinney
Matsui
Mattox
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Moorhead, Pa.
Nolan
Ottinger

Patten
Patterson
Peyser
Pickle
Preyer
Pritchard
Pursell
Rangel
Reuss
Richmond
Rose
Rosenthal
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Stack
Stark

Stewart
Stockman
Stokes
Studds
Thompson
Ullman
Van Deerlin
Vanik
Walgren
Waxman
Weaver
Weiss
Whitley
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Yates

NOT VOTING—13

Anderson, Ill.
Bolling
Brown, Ohio
Conyers
Diggs

Emery
Flood
Forsythe
Gibbons
Hanley

Long, La.
Taylor
Wright

☐ 1540

The Clerk announced the following pairs:

On this vote:

Mr. Long of Louisiana for, with Mr. Conyers against.

Messrs. WOLPE, ULLMAN, RITTER, FINDLEY, LELAND, LONG of Maryland, and LEWIS changed their vote from "aye" to "no."

Messrs. VENTO, GUDGER, RITTER, and KOSTMAYER changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1550

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORNAN: Page 17, after line 2, add the following new section:

"SEC. 221. None of the funds appropriated under this Act shall be used to pay for abortions."

Mr. DORNAN. Mr. Chairman, if the Members will indulge me for a brief moment here, I have enough Members committed to prolife votes times three, the number necessary for a recorded vote on the floor right now who have personally promised me they will stay, so that I can guarantee a record vote shortly, depending upon how long the debate will be.

Out of deference to everyone's sensitivity on this issue on both sides, I ask that the House suspend debate, and I simply will reread the amendment for purposes of clarity:

None of the funds appropriated under this Act shall be used to pay for abortions.

Those Members like myself who want to always include the exception clause to save the life of the mother which is not technically necessary from the medical point of view, can tell their constituents that this rare circumstance has been explicitly covered by the amendment that was overwhelmingly passed, so they do not have to be concerned that that language, "except to save the life of the mother," was excluded by a point of order.

Everyone who is prolife but who desires amendments with an exception clause to defend the mother's life can now vote for this amendment, section 221 cutting abortions to the D.C. appropriations bill.

I yield back the balance of my time.

Thank you, Mr. Chairman.

AMENDMENT OFFERED BY MR. CHARLES WILSON OF TEXAS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DORNAN

Mr. CHARLES WILSON of Texas. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. CHARLES WILSON of Texas as a substitute for the amendment offered by Mr. DORNAN: "None of the funds in this Act provided by the Federal payment shall be used to perform abortions.".

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Chairman, this amendment requires that some unspecified officials of the District government or the Treasury or the Department of Health, Education, and Welfare or those who in the District of Columbia administer the medicare, would have to divine whether or not the specific payments for the performance of an abortion were out of the Federal payment or were out of District of Columbia funds raised through District of Columbia tax purposes.

There is no such requirement for any official to make such a determination at this point. It would require duties not now authorized in law, and therefore, it is legislation on an appropriations bill.

The CHAIRMAN. Does the gentleman from Texas (Mr. CHARLES WILSON) wish to be heard on the point of order?

Mr. CHARLES WILSON of Texas. Yes, Mr. Chairman.

The point of order is inappropriate, because Federal funds are always accounted for by the District government; and it would require no additional clerical work. If it did, it would be so incidental as to have ample precedent.

The CHAIRMAN. The Chair is ready to rule.

In the opinion of the Chair, the officials have a preexisting duty and responsibility to know where the Federal funds provided in a separate paragraph in this bill are going.

In the opinion of the Chair, this duty is not new under the amendment.

The point of order is overruled.

The gentleman from Texas (Mr. CHARLES WILSON) is recognized for 5 minutes in support of the substitute amendment.

Mr. CHARLES WILSON of Texas. Mr. Chairman, if my substitute amendment is adopted, then the District of Columbia will be treated just as the 50 States are treated. The substitute applies only to the Federal payment and would prohibit the use of those funds to perform abortions in the District of Columbia. Certainly this House should not put itself in the position of telling the District of Columbia that it cannot use its own funds—funds that it has taxed its own citizens to acquire—to perform abortions if that is the policy adopted by the elected officials of the District.

I would ask my colleagues to vote the substitute.

Mr. BAUMAN. Mr. Chairman, I rise in opposition to the amendment.

Unfortunately or fortunately, depending upon your viewpoint, it is up to the Congress of the United States to legislate on this matter since we are in fact facing the District of Columbia appropriations bill.

The gentleman from Texas offers an ingenious amendment from the viewpoint of those who do not support the prolife position and who in fact would like to allow abortions to be performed in the District of Columbia.

The fact of the matter is that the District would easily be able to divert Federal funds to other functions rather than using them to pay for abortions. The same rate of abortions would continue in the District of Columbia, and the local government would lose no money; and there would be no impact at all.

I, therefore, urge all Members to vote against this amendment and to adopt the amendment by the gentleman from California (Mr. DORNAN).

Mr. PURSELL. Mr. Chairman, our committee supports the amendment offered by the ranking chairman. I think what we are doing here, we should be very careful whether we are proabortion or antiabortion. This is rather discriminatory. We are going to apply two sets of abortion statutes in the United States. One for the District of Columbia and one for the rest of the United States with the language in the HEW appropriations committee.

So I would support the gentleman from Texas and ask that his amendment be adopted.

Mr. PEYSER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, quite often on abortion votes, one of the problems that many Members have is trying to explain the difference in what these various votes are to their own constituencies; even, Mr. Chairman, those who are prolife or right-to-life in some cases would like to vote another way, if it were clear that they were not voting against their conscience on the right-to-life issue.

The gentleman from Texas has given us that opportunity, because what he is saying is that Federal funds will not be used to support abortion. I do not happen to agree with that point of view, but I am going to vote for this amendment because if we carry the amendment of the gentleman from California through, we place ourselves in the Congress of telling individuals, not only in the District of Columbia, but in any State in this Union, of what they can or cannot do with their own tax dollar.

So we can support the gentleman from Texas, because all we are doing is voting to prevent Federal funds from being used for abortions.

I would ask those Members who have in the past voted against this type of an amendment, in other words, have voted in favor of letting the poor people receive Federal funds for abortion, to vote with the gentleman from Texas, because it is an opportunity of striking down what is a basic inequity for the people of the District of Columbia; and it still is removing Federal funds from abortion.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Texas.

Mr. KAZEN. Is it the gentleman's understanding that the amendment excludes the performance of abortions in hospitals that are not supported with Federal funds?

□ 1600

Mr. PEYSER. All this amendment would do, in answer to the gentleman, is that this would exclude any Federal funds being used by the District of Columbia for the use of abortion.

Mr. KAZEN. That means also those facilities like hospitals that are supported by Federal funds will be barred from performing these abortions?

Mr. PEYSER. No.

Mr. KAZEN. With D.C. funds?

Mr. PEYSER. No, only the monies in this appropriation bill for the District of Columbia will be involved.

Mr. RUDD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not know how one distinguishes between Federal funds and non-Federal funds in this amendment. I do know that it has been traditional with this House to deny the use of funds for abortion, and I urge a defeat of the substitute and adoption of the amendment offered by the gentleman from California.

Mr. Chairman, I rise in support of this amendment offered by the gentleman from California (Mr. DORNAN).

There are currently more abortions performed in the District of Columbia than there are live births each year.

The question of Federal funds for abortions has been the subject of repeated action by this body, in connection with Labor/HEW appropriations.

It is a credit to Congress that we have consistently denied the use of taxpayer funds for discretionary abortions to suit the convenience of pregnant women.

The exact same principle applies in connection with this bill.

The important difference is that the $191.5 million Federal payment to be appropriated under this act is not subject to the current restrictions of HEW appropriations barring the use of Federal funds for abortions.

Furthermore, Federal funds appropriated under this bill are commingled with locally generated District of Columbia revenues, which by law are also appropriated by Congress.

By commingling Federal and District of Columbia funds, both can be and are used to pay for abortions by the Department of Human Resources.

Local funds used for abortions, that would otherwise be available for other purposes by the Department of Human Resources or D.C. General Hospital, can be and are replaced by Federal dollars whenever Federal dollars are not themselves used directly by the city to pay for abortions.

This is a sound amendment in principle. An abortion is an abortion.

Federal funds appropriated under past District of Columbia appropriations acts, outside the scope of so-called Hyde amendment restrictions, have been used to pay for abortions in the District, which is the Nation's leader in infant mortality through abortions.

To millions of Americans, it makes no difference whatsoever whether the babies being aborted are white or black.

It makes no difference whether they are conceived to a family that is poor, or not poor.

What matters to millions of Americans is that they find abortion morally abhorrent, and that Federal funds—their tax dollars—are still being used to pay for abortions.

A vote for this amendment can take care of this misuse of taxpayer dollars.

I urge my colleagues to vote as they have in the past to prohibit the use of taxpayer dollars for abortions, and to adopt this amendment.

Mr. DOUGHERTY. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, I find it very interesting that we are hung up in technicalities. We are supposed to be able to vote for the substitute because it will not allow Federal funds to be used for abortion. It seems to me, Mr. Chairman, that the question is much clearer than that. If we are committed to the prolife cause, committed to the preservation of the lives of the unborn, whether or not we are going to terminate the pregnancy by Federal funds or by D.C. funds is irrelevant. What we have here, if we reject the substitute amendment and adopt the Dornan amendment, is the opportunity to save the lives of more unborn children.

If we buy the substitute amendment, all we are doing is saving less lives. I do not know how anybody who says they are committed to the prolife cause can buy the substitute instead of buying the Dornan Amendment.

The Dornan amendment gives us the maximum chance to save the lives of the unborn children of the District of Columbia. The substitute, just a technicality, is an opportunity to make "a prolife vote" while favoring abortions that are funded by D.C. funds.

Let us not cloud the issue, let us not cloud the issue with the technicality of who is going to pay for the abortion. Let us address the issue on its merits. If we are committed to saving the lives of unborn children we must reject the substitute and adopt the Dornan amendment. No matter how we dress it up, no matter how we phrase it, the substitute is a cop-out, it is an opportunity to duck the tough question. It is a cop-out because then the Members can go home and say, oh I voted to cut off Federal funds in the District of Columbia for abortions, but did not address the real issue. The real issue is will we make the maximum effort to eliminate funding that destroys the lives of unborn children. That is the question.

Mr. FAUNTROY. Mr. Chairman, I move to strike the last word and I rise in reluctant support of the substitute.

Mr. Chairman, I say I rise in reluctant support because, as the Members know, three-quarters of a million people in the District of Columbia for whom the House will today set policy over their budget have no vote on this matter. We ought to know however that 85 percent of the budget upon which the House will vote here is raised by the people of the District of Columbia. Without taking a position as pro- or anti-abortion on this question, it is very clear to me that we should at least treat the District of Columbia residents, whom we govern without their consent, as we treat all other citizens of this country pursuant to the Hyde amendment, which was passed, that was limited to Federal funds. Certainly no one here would stand and vote that the entire budget of his State would be governed by a decision made by this body, and in that respect I think the amendment offered by the distinguished chairman of the subcommittee at least provides some equity in terms of the treatment of the District of Columbia residents who pay $1.4 billion Federal taxes a year and who alone among Americans are denied a vote in the House of Representatives.

AMENDMENT OFFERED BY MR. BAUMAN TO THE AMENDMENT OFFERED BY MR. CHARLES WILSON OF TEXAS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. DORNAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN to the amendment offered by Mr. CHARLES WILSON of Texas as a substitute for the amendment offered by Mr. DORNAN: delete from the amendment of the gentleman from Texas the following words: "provided by the Federal payment".

POINT OF ORDER

Mr. CHARLES WILSON of Texas. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. Does the gentleman from Texas wish to pursue a point of order at this time?

Mr. CHARLES WILSON of Texas. Mr. Chairman, I do. As I understand the amendment it in essence takes it back to the original Dornan amendment without providing for the substitute.

The CHAIRMAN. Does the gentleman from Maryland wish to be heard on the point of order?

Mr. BAUMAN. Mr. Chairman, that is not a point of order, it simply is an accurate description of the amendment.

The CHAIRMAN. Does the gentleman from Texas wish to be heard further?

Mr. CHARLES WILSON of Texas. Mr. Chairman, I suppose the point of order is that it is a sham amendment in that it just repeats the intent of the original amendment.

The CHAIRMAN. In the opinion of the Chair, the gentleman from Texas is suggesting that the perfecting amendment broadens the scope of the substitute amendment, and for that reason is not germane. The point of order is sustained under the precedents that a motion to strike cannot broaden the scope of the pending proposition.

Mr. BAUMAN. Mr. Chairman, I wonder if the Chair could cite a precedent for his ruling?

The CHAIRMAN. Deschler's procedure chapter 28, section 15.3.

The question is on the amendment offered by the gentleman from Texas (Mr. CHARLES WILSON) as a substitute for the amendment offered by the gentleman from California (Mr. DORNAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CHARLES WILSON of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 200, noes 217, answered "present" 1, not voting 16, as follows:

[Roll No. 344]

AYES—200

Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bennett
Biaggi
Bingham
Blanchard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carr
Cavanaugh
Chisholm
Clay
Cleveland
Coelho
Conable
Corman
Coughlin
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Ertel
Evans, Del.
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Harkin
Harris
Hawkins
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kindness
Kogovsek
Kostmayer
Lehman
Leland
Lloyd
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McHugh
McKinney
Maguire
Marks
Marlenee
Martin
Matsui
Mattox
Mikulski
Mikva
Miller, Calif.
Mineta
Moffett
Mollohan
Moorhead, Pa.
Neal
Nolan
Obey
Ottinger
Panetta
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Ritter
Roberts
Rodino
Rose
Rosenthal
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Snowe
Solarz
Spellman
Stack
Staggers
Stark
Steed
Stockman
Stokes
Studds
Swift
Synar
Thomas
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Yates

NOES—217

Abdnor
Addabbo
Albosta
Ambro
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bevill
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Breaux
Broomfield
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Evans, Ga.
Evans, Ind.
Fary
Flippo
Fountain
Gaydos
Gephardt
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hanley
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Lewis
Livingston
Loeffler
Long, La.
Lott
Lujan
Luken
Lungren
McDade
McDonald
McEwen
McKay
Markey
Marriott
Mathis
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Pashayan
Patten
Paul
Perkins
Petri
Quayle
Quillen
Regula
Rhodes
Rinaldo
Robinson
Roe
Rostenkowski
Roth
Rousselot
Royer
Rudd
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Stenholm
Stewart
Stratton
Stump
Symms
Tauke
Traxler
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Collins, Ill.

NOT VOTING—16

Anderson, Ill.
Bolling
Brown, Ohio
Conyers
Duncan, Oreg.
Emery
Flood
Forsythe
Gibbons
Levitas
Madigan
Mitchell, Md.
Patterson
Runnels
Taylor
Wright

☐ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Conyers for, with Mr. Runnels against.

Mr. Mitchell of Maryland for, with Mr. Emery against.

Ms. MIKULSKI changed her vote from "no" to "aye."

Mrs. HOLT, and Messrs. HALL, LATTA, MARRIOTT, MOAKLEY, CHARLES H. WILSON of California, JONES of Tennessee, and EDWARDS of Alabama changed their vote from "aye" to "no."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DORNAN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. FAUNTROY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, while the nearly three-quarters of a million citizens who are exclusively and unaffected by the measure have no vote on the floor of this House, I rise to voice the great difficulty that I and the citizens of our Nation's capital have with both the form and the substance of the work of the Committee on Appropriations with respect to the District of Columbia. In form, the committee's action, in my view, not only undermines the intention of the Congress in granting the District a home rule charter in 1973, but also destroys the incentives of the local government to set its own priorities and make its own plans. In substance, the cuts made by the committee, both in line items and across the board, severely impair our city's ability to meet critical needs.

Let me deal first with the substance of the budget cuts you are being asked to approve. And let me preface what I say by indicating that I am as concerned as any Member of this Congress about the rising cost of government, the number of city employees that we have, and the apparent imbalance between administrative and service positions. After all, it is we the taxpayers of the District of Columbia who while being denied access to 50 percent of the land for tax purposes, must raise 86 percent of the budget which is before you.

But I am also concerned about the proper targeting of our city's resources to deal with the serious problems of family disintegration, youth who without our help harden into delinquents, addicts or criminals, homeless and displaced people, and elderly citizens suffering from poverty and helplessness. When one looks at the substance of the cuts made in the budget, he readily sees how the city's ability to meet these needs is impaired.

The across the board cuts in pay increases and general program funds is a case in point. The directive that $25,250,000 in pay increases be absorbed from salaries of departed and separated employees whose positions would be frozen is a mandate to abandon priority setting and to make program decisions dependent upon attrition or chance. This is certainly an irresponsible and unacceptable method of Government and should not be forced upon our city by the Congress. Freezing vacant positions is Government by happenstance and this is irrational.

Let us look at a few more cuts. At a time when double digit inflation is driving our elderly citizens up the wall in terms of higher food, housing and utility costs, now is not the time to deny us an increase of 100 beds at our facility for the elderly at D.C. Village; not when we have 500 elderly citizens waiting desperately to use these beds right now. And yet this is what the committee has done.

Now is not the time to cut $6,227,000 from our public assistance budget; not when our public assistance payments now are 55 percent to 71 percent below the Department of Labor's lowest standard of living levels for metropolitan area.

It is hard for me to believe that the same Congress which 2 years ago deplored conditions at Forest Haven and ordered the city to make major improvements is now about to vote to cut $1,100,200 from a modest $2.1 million budget, thus limiting our ability to comply with both the Pratt and Waddy decrees.

Now is not the time to cut our disadvantaged youth out of the budget process. Now is not the time to limit our ability to pursue fathers who fail to make their child support payments by cutting our budget for paternity and child support enforcement by $27,800; not when we have a backlog of some 21,000 deserted mothers who have asked to go on public welfare; instead, let us make the fathers pay.

At a time when hundreds of our juvenile offenders remain confined to institutions, now is not the time to cut $300,000 from our Juvenile Diversion Services budget; certainly not when that cut jeopardizes an additional $225,000 in Federal funds designed to eliminate the more damaging and expensive programs for keeping these young people in institutions.

When the average caseload for workers handling foster care children is 80 per worker, now is not the time to cut 18 positions from our budget. The $253,310 cut could be quadrupled in savings if we could just reduce that case work load by a third.

When so many of our children require decent day care if their parents are able to work and stay off of more costly public assistance, now is not the time to cut $275,000 from our plans to increase compensation to those who provide that much needed services.

The only way the city can end rent control would be to assure that persons with small incomes can pay higher rents and yet we are about to cut the $1,265,200 rent supplement program. Now is not the time for that kind of thing.

I could go on and on about these proposed cuts. The bottom line is that if the Congress is concerned about our efforts to stem the disintegration of our families, to prevent the hardening of our juveniles into delinquents, addicts or criminals, and to halt the slide of our elderly citizens on limited income into poverty and helplessness, we are going about it in the wrong way. We cannot do it by cutting desperately needed direct services and positions that can only be offset by more costly solutions and that place in jeapody large sums of matching Federal dollars.

Let me turn, finally, to the question of the form that this cut takes, a form which, in my view, undermines the intentions of the Congress in granting the city a home rule charter back in 1973. Aside from the fact of the cuts, which I believe are both unwarranted and overly severe, I have to take great issue with the role of the Appropriations Committee in deciding the policies and directions of the District of Columbia government.

In maintaining a congressional role in the appropriations process, the Home Rule Act contemplated a process that would assure the orderly and adequate operation of city government through the provision of adequate financial resources, one of which would be the Federal payment.

Section 501 of the Home Rule Act specifically notes nine items which should be considered in determining the level of the Federal payment. Each of these contemplate the uniqueness of the city; more importantly, the tone which this section sets further suggests that the Federal payment should operate to encourage efforts on the part of the Government to increase its own revenues and to seek additional efficiencies and economies. Nowhere is it contemplated that the Federal payment or the budget process should be used to either set policies for the city government, punish the city, or discourage helpful programs.

A review of the sufficiency of programs or whether these objectives are proper is made within a complicated process established for the city in the Home Rule Act. Additionally, there is substantial review of every act passed by the Council. Finally, there is continuing overview by the Legislative Committee of the directions of the city government to assure that the policies are in accord with the intentions of the act. I hasten to point out that it is not for the Congress to decide on the merits of a proposal; it is for Congress to decide only whether or not a proposal falls within the intention and powers of the Home Rule Act. This year's Appropriation Committee decisions go far beyond that role.

I would note, for example, that while it is proper to note a concern over the operation of a policy such as rent control, it is an inappropriate exercise of power to deny the city a rent supplement program that is clearly beyond any conceptual impact on the Federal Establishment. Denial of funds to operate a computer in the rental accommodations office is an attention to a degree of detail that clearly ought to be left to the city and the Legislative Committee which would inquire into its use and purpose for assurance that it is within the intentions and powers of the Home Rule Act.

The Advisory Neighborhood Commission, for another example, is authorized by the Home Rule Act funds of not less than that part of such revenues raised by levying 1 cent per $100 of assess valuation which bears the same ratio to the full sum raised thereby as the population of the neighborhood bears to the population of the District. The city accordingly requested $1,067,900 for the ANC's and received $25,000,000 less than was appropriated for the current year.

The Committee has made a policy judgment not to fund the Minority Business Opportunity Commission at the very time when there is an increasing concern over whether or not minorities are receiving their fair share of the purchases by the Government. Similar judgments were made in the Office of Consumer Protection, the Department of Insurance, and the Commission on Licensure of the Healing Arts. These are not proper issues to be considered by the Committee and the Congress after home rule.

Neither is it right or proper to deny funds for increases in public assistance payments in a time when inflation continues to take a heavy toll on the already limited resources of the poor. An expressed concern over the error rates in welfare payments is proper; guidance on how to meet that concern and adequate resources to cure these problems is the proper answer. That is not the answer provided by a punitive cut of more than $5 million.

Finally, I want to comment on the level of the Federal payment. The Federal payment is intended to help the city meet its obligations as the Nation's Capital. This is quite clear in the Home Rule Act and it is also quite clear that there are decisions and reasons which make it more difficult for the city to raise resources that other similar cities may be able to raise. That we have a fine zoo is not compensation for our need to assure the safety of our visitors, to keep our parks and streets clean, to provide ample traffic enforcement, or to set the tone which our Nation wants and demands of its Capital City.

Yet, the citizens of this city raise more than 85 percent of the costs of the operation of the city in this budget. It certainly cannot be said that the Federal Government has overly subsidized the citizens of this community. We have to go back some 15 years—1965—to find a comparable proportion of the sharing of the costs of this city by citizens and the Federal Government. It is wrong that the Federal Government be able to use the services of the city without paying adequately for them. Monuments such as the Kennedy Center, the Visitors Center, the galleries, the museum, and the zoo, while nice and deeply appreciated, were built for the whole Nation and as a repository of our Nation's history just as the Capitol Building and the White House are symbols and a repository of our Nation and its history.

The Federal payment is steadily declining. Each time the city increases its revenues, adds taxes, et cetera the Federal payment declines thereby destroying any incentive to do the hard things which must be done. This process has got to change.

We cannot do much about it in this budget even with the adoption of the amendments offered by the gentleman from Ohio. I hope, however, that we will be able to change this process so that the Congress will end its meddling, which this year has been taken to new heights, in the city's budget by eliminating the appropriations process by Congress over the budget and by authorizing an entitlement in the Federal payment.

□ 1630

Mr. CHARLES WILSON of Texas. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Mr. GORE, chairman of the Committee of the Whole House on the State of the Union, reported that the Committee having had under consideration the bill (H.R. 4580) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CONTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 272, nays 147, not voting 15, as follows:

[Roll No. 345]

YEAS—272

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Carter
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Danielson
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Dickinson
Diggs
Dingell
Dixon
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Fary
Fazio
Ferraro
Findley
Fish
Fisher
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frenzel
Frost
Fuqua
Garcia
Gephardt
Gilman
Gingrich
Ginn
Gonzalez
Gore
Gray
Green
Grisham
Guarini
Gudger
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Holt
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kildee
Kogovsek
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lent
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lujan
Luken
Lundine
McClory
McCloskey
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikva
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Wampler
Waxman
White
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wyatt
Wylie
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—147

Abdnor
Anthony
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Beilenson
Bethune
Broomfield
Brown, Calif.
Burton, John
Byron
Campbell
Carney
Carr
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Deckard
Derwinski
Devine
Dicks
Dodd
Edwards, Calif.
Edwards, Okla.
English
Evans, Ind.
Fascell
Fenwick
Fithian
Fowler
Gaydos
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hinson
Hollenbeck
Holtzman
Hopkins
Hughes
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jones, Okla.
Kastenmeier
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Levitas
Loeffler
Lott
Lowry
Lungren
McCormack
McDonald
Martin
Mikulski
Miller, Calif.
Miller, Ohio
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Obey
Panetta

Pashayan
Paul
Petri
Quayle
Ratchford
Richmond
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sensenbrenner
Shumway
Shuster
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Studds
Stump
Symms
Trible
Vander Jagt
Walgren
Walker
Watkins
Weaver
Weiss
Whitehurst
Whittaker
Williams, Mont.
Wolpe
Wydler
Young, Alaska
Young, Fla.

NOT VOTING—15

Anderson, Ill.
Boggs
Bolling
Brown, Ohio
Conyers
Emery
Erlenborn
Flood
Forsythe
Giaimo
Gibbons
Hall, Ohio
Madigan
Scheuer
Taylor

☐ 1640

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Emery.
Mr. Giaimo with Mr. Forsythe.
Mr. Gibbons with Mr. Madigan.
Mr. Conyers with Mr. Taylor.
Mr. Flood with Mr. Erlenborn.
Mr. Scheuer with Mr. Brown of Ohio.
Mr. Hall of Ohio with Mr. Anderson of Illinois.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CHARLES WILSON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include pertinent extraneous matter, on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT ON THURSDAY, JULY 19, 1979, DURING 5-MINUTE RULE

Mr. GUDGER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit on Thursday, July 19, 1979, while the House is reading for amendment under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 210, DEPARTMENT OF EDUCATION ORGANIZATION ACT OF 1979

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill (S. 210) to establish a Department of Education, and request a conference with the Senate thereon.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ERLENBORN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

MOTION OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Speaker, pursuant to clause 1, rule XX of the rules of the House and the direct instructions of the Committee on Government Operations, I move that the House insist on its amendments to the Senate bill (S. 210) to establish a Department of Education, and request a conference with the Senate thereon.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The genteman from Texas (Mr. BROOKS) is recognized for 1 hour.

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, by direction of the Committee on Government Operations, I have asked that we go to conference. I do not intend to take much of the time of the House. It is essential as part of the legislative process that when the House and Senate disagree on a bill, they go to conference and try to work out their differences.

This is usually done by unanimous consent, but in this case the opponents of the bill, which was passed last week, to establish a Department of Education have indicated their objection. So under the House rules, the Committee on Government Operations has authorized and directed me to offer this motion.

If the motion is approved, it will simply permit the conference procedure to go forward and permit the conferees to bring back a conference report to the House for its acceptance or rejection. That is all it does. It is simply a motion to go to conference instead of a unanimous-consent request to go to conference. It preserves all the rights of the Members to vote the conference report up or down when it comes back.

Mr. Speaker, this is nothing but a routine procedural step, and I urge approval of the motion.

☐ 1650

Mr. Speaker, at this time I yield 4 minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Speaker, this is, as the gentleman from Texas suggested, a somewhat unusual procedure, but it is not without precedent. We have in the past gone this route of having a vote—and I hope in this case it would be record vote—on a motion to send the bill to conference.

Ordinarily, it is not necessary to have a procedure such as this because the general practice of the House is followed in most cases.

Mr. Speaker, what has happened in this case is, this bill, S. 210, passed the House last week. It has been held in the House and is still in the House and has not been transmitted to the Senate.

By requesting the conference at this time, as the gentleman from Texas has done with his motion, we become the first of the two bodies to act in requesting a conference. Then, under the procedures of the Congress, after the conference committee completes its work, the conference report will go to the other body first. If the other body then adopts the conference report and discharges the conferees, when the conference report is considered in the House there will be no motion to recommit the conference report to the conference.

If the usual procedure of the House had been followed, the bill would already be over in the other body, and they would make the request. That would protect the right of the House to have a motion to recommit either with or without instructions when the conference committee report was considered.

It was because the managers of this bill have not followed the usual procedure that it is necessary in the protection of the prerogatives of the House that this objection was made by me a moment ago, and I am going to request a record vote on sending the bill to conference. If we want to protect the prerogatives of the House, we will vote no on the motion to go to conference.

There is another good reason to do this. There are four highly controversial amendments, four or more, in the bill under consideration, one on busing, one on quotas, one on prayer in the school, and one on abortion.

There have been rumors in the debate last week, calls by some Members, for removing these amendments, most of which passed by a better than a 2-to-1 margin in the House, removing them in the conference. The only way we can protect those amendments as adopted overwhelming margins in the House is to retain the right to the motion to recommit.

Therefore, Mr. Speaker, I submit the House must today vote no on the motion to go to conference so that we can protect our prerogatives.

Mr. BROOKS. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS).

The question was taken; and the Speaker pro tempore announced that he was in doubt.

Mr. ERLENBORN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 263, nays 156, not voting 15, as follows:

[Roll No. 346]

YEAS—263

Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Ashley
Aspin
Atkinson
AuCoin
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Boggs
Boland
Boner
Bonior
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon

Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Erdahl
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Grisham
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
LaFalce
Leach, Iowa
Leath, Tex.
Lee
Lehman
Leland
Levitas
Lewis
Lloyd
Long, La.
Lowry
Lujan
Lundine
McCormack
McHugh
McKay
Madigan
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Rinaldo
Roberts
Roe
Rose
Rostenkowski
Roybal
Runnels
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Wampler
Waxman
Weaver
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Alaska
Young, Fla.
Zablocki

NAYS—156

Abdnor
Addabbo
Ambro
Annunzio
Applegate
Archer
Ashbrook
Badham
Bafalis
Bailey
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Biaggi
Bingham
Bowen
Broomfield
Burgener
Butler
Byron
Campbell
Carney
Carter
Cheney
Cleveland
Coleman
Collins, Tex.
Conable
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Oreg.
Edwards, Ala.
Edwards, Okla.
Erlenborn
Evans, Del.
Ferraro
Findley
Fountain
Frenzel
Gaydos
Goldwater
Goodling
Gradison
Grassley
Green
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hinson
Holt
Hopkins
Hyde
Ichord
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, La.
Lederer
Lent
Livingston
Loeffler
Long, Md.
Lott
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Marlenee
Marriott
Martin
Michel
Mikulski
Miller, Ohio
Minish
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nowak
O'Brien
Paul
Peyser
Pickle
Quayle
Regula
Rhodes
Richmond
Ritter
Robinson
Rosenthal
Roth
Rousselot
Royer
Rudd
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Thomas
Treen
Vander Jagt
Walker
Watkins
Weiss
Whitehurst
Wilson, Bob
Winn
Wydler
Wylie
Yatron
Young, Mo.
Zeferetti

NOT VOTING—15

Anderson, Ill.
Blanchard
Bolling
Bonker
Brown, Ohio
Conyers
Emery
Evans, Ga.
Flood
Forsythe
Gibbons
Holtzman
Mathis
Rodino
Taylor

□ 1700

The Clerk announced the following pairs:

On this vote:

Ms. Holtzman for, with Mr. Brown of Ohio against.

Mr. Conyers for, with Mr. Emery against.

Mr. Flood for, with Mr. Taylor against.

Until further notice:

Mr. Rodino with Mr. Anderson of Illinois.

Mr. Mathis with Mr. Evans of Georgia.

Mr. Bonker with Mr. Forsythe.

Mr. Gibbons with Mr. Blanchard.

Mr. GLICKMAN changed his vote from "nay" to "yea."

Mr. WYLIE changed his vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

□ 1710

PREFERENTIAL MOTION OFFERED BY MR. WALKER

Mr. WALKER. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

> Mr. WALKER moves that the managers on the part of the House and the conference on the disagreeing votes of the two Houses on the House amendment to the Senate bill S. 210 be instructed to insist upon the provisions contained in section 101 (2).

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. WALKER) is recognized for 1 hour.

Mr. WALKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is an attempt on my part to assure that the conference will look favorably on language that this House adopted by a vote of 277 to 126. This is specifically the language which was put into the purpose section of the bill which defines the antiquota portion of the legislation passed by the House.

The Members may remember that the language we adopted said that there is a continuous need to insure equal access for all Americans to educational opportunities of a high quality and that no individual should be denied such educational opportunities by rules, regulations, standards, guidelines and orders which utilize any ratios, quotas, or other numerical requirements related to race, creed, color, national origin or sex. In other words, this is specifically antidiscrimination legislation.

I make a very specific point here that this is not antiaffirmative-action legislation or language. I have said time and time again, I have argued this specific language on the floor that in no way does this impact on real affirmative action where there is an attempt to reach out to minorities, where there is an attempt to really help people in their upward mobility. What this does is deny the use of quotas. We have argued this matter in this House many times previously and we have come to the conclusion in this House time and time again that we do not want quotas as a part of American life.

The reason why we should provide instruction language, even on something that was passed as overwhelmingly as 277 to 126 previously, is because this amendment was mentioned over and over again in the debate as being a mischievous amendment, that there was something wrong with this amendment and with language being adopted by the House, and somehow we were doing something that was not educational in nature.

I would say that the Office of Education has been one of those areas that has been very much involved in the whole quota philosophy. If we are going to end quotas in our society, one of the places we are going to have to do it is in the field of education because we have seen in higher education quotas imposed on institutions of higher learning. We have seen quotas imposed on local school districts, and this is what this language is all about, to make certain that a new Department of Education would not use the quota philosophy.

Mr. Speaker, the fact is that this language was mentioned even in the well of the House as we were about to pass this legislation as being one of those things which the conferees would have to strip out in order to get a few votes to pass a conference report. Well, I think it is time that the House goes on record again to show that we do, in fact, mean what we say about antiquota language, that we do, in fact, mean that this Department should stay away from the use of quotas, and that is what this language would do on the motion to instruct. I would ask the House to vote in favor of the motion to instruct.

□ 1720

Mr. BROOKS. Mr. Speaker, would the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman from Texas.

Mr. BROOKS. Mr. Speaker, one can understand that I am, of course, opposed to this motion. I do not think we need a whole lot of discussion about it. I am opposed generally to motions to instruct conferees even when I am not a conferee.

The whole idea of a conference between the House and Senate is to try to come up with some compromise between the differing positions of the two bodies. There has to be some give-and-take if we are ever going to get to a final agreement. The effort to instruct conferees works against that hope of compromise. It says to the Senate, "You give and we will take."

That is not the way everybody gets together. I have said that I will do all I can to sustain the House position, but I have also said that I am not going to stand by and see this conference end in a deadlock. My main purpose in going to conference is to work out an agreement that will lead to the establishment of a Department of Education. Now, that is not the purpose of the Member who has offered this amendment and who is now insisting on instructing the conferees.

So, I hope the motion will be defeated. I hope the House will stand by its conferees by trusting them to do the best job they can. I assure the Members that I will do the best job I can to bring back a bill that will have the support of a substantial majority of the House Members.

Mr. Speaker, I ask for a no vote on the motion.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Speaker, I rise in support of the motion to instruct conferees. Let me say at the outset that I seldom have voted for a motion to instruct. I think, as the gentleman from Texas has aptly put it, the conferees should be given freedom to adjust the differences in a give-and-take atmosphere, the differences between the two bodies.

But, here we have a situation that is somewhat different. I expect, by the way, to be one of the conferees, and I do not take it as a personal affront that the gentleman is making this motion to instruct me and the conferees as to what the House would like us to do. Why do I say that this is different than the usual situation? It is because it was an open secret that prior to the passage of the bill last week there were indications that this and other amendments would be stripped out of the bill in the conference. The gentleman from California (Mr. Dellums) took the well last week and conditioned his support in voting on the bill on this and other amendments being taken out of the bill. Newspaper stories prior to the passage of the bill indicated that those White House lobbyists and the NEA lobbyists were promising Members that if they voted for passage of the bill these amendments would come out in conference.

With that as a background, with the lack of any secrecy about the intentions of at least some people who are an influence over the course of this legislation intending not to stand up for the House position, I think it is altogether fitting and proper that this motion be made and that it be passed by a vote of 277 to 126, as was the amendment itself.

Mr. Speaker, I would hope that the motion to instruct would be supported.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding. I have had the honor and privilege of serving on a number of conferences since I have been in this House. I have been a conferee on the Budget Committee, on the various housing committees, and on small business and other areas. It is awfully hard for me to determine any circumstance—any circumstance—under which we should instruct conferees. It is just exceedingly difficult for me to accept that as a political, philosophical way of life when the design of the conference is to give latitude for movement.

I know the gentleman wants to protect his nonantiaffirmative action amendment—it is nonantiaffirmative. I know he wants to protect that, and I can understand that, but there is a larger issue. I do not think this House wants to start the practice of capriciously instructing conferees everytime there is an amendment a Member has an intense interest in. Also, I do not think this House wants to start instructing conferees on the basis of rumors, stories, rumors that are made about what might happen in conference and who has promised what to whom or under what circumstance. That is Washington. That is the way we operate in terms of these stories and rumors.

If this House is going to degrade its dignity to instruct conferees on the basis of rumors floating around, that is almost disgraceful.

I hope that we would vote down this rush to a very dangerous development to harm this House.

Mr. WALKER. I thank the gentleman for his comments.

Mr. Speaker, I would simply point out to the gentleman that this is not a capricious action, by any stretch of the imagination. I picked the amendment that had the biggest vote on the House floor. This was by far the one in which the House has shown the most interest. I would also say to the gentleman that it is more than rumors we are dealing with; it is specific statements on the Record, on the House floor, that dealt with the deletion of specific amendments in the conference.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the preferential motion offered by the gentleman from Pennsylvania (Mr. Walker).

Mr. WALKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were yeas 214, nays 202, not voting 18, as follows:

[Roll No. 347]

YEAS—214

Abdnor
Ambro
Annunzio
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boland
Boner
Bowen
Breaux
Brinkley
Broomfield
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dingell
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Ferraro
Findley
Flippo
Fountain
Frenzel
Gaydos
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hansen
Harsha
Heckler
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hutto
Hyde
Ichord
Jeffries
Jenkins
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mathis
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nelson
Nichols
O'Brien
Pashayan
Paul
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Russo
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whittaker
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Zeferetti

NAYS—202

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Ashley
Aspin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bingham
Boggs
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Danielson
Daschle
Dellums
Derrick
Dicks
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fary
Fascell
Fazio
Fenwick
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gilman
Ginn
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hance
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Ireland
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Leath, Tex.
Lehman
Leland
Lloyd
Long, La.
Lowry
Lujan
Lundine
McCormack
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard

Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Santini
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Weaver
Weiss
Whitley
Williams, Mont.
Williams, Ohio
Wirth
Wolpe
Yates
Young, Mo.
Zablocki

NOT VOTING—18

Anderson, Ill.
Blanchard
Bolling
Brown, Ohio
Conyers
Davis, S.C.
Diggs
Emery
Evans, Ga.
Flood
Forsythe
Gibbons
LaFalce
Runnels
Taylor
Wilson, C. H.
Wright
Young, Alaska

☐ 1740

The Clerk announced the following pairs:

On this vote:

Mr. Brown of Ohio for, with Mr. Flood against.

Mr. Emery for, with Mr. Conyers against.

Mr. Taylor for, with Mr. Diggs against.

Until further notice:

Mr. Blanchard with Mr. Runnels.

Mr. Davis of South Carolina with Mr. Wright.

Mr. Evans of Georgia with Mr. Young of Alaska.

Mr. Charles H. Wilson of California with Mr. Forsythe.

Mr. LaFalce with Mr. Gibbons.

Mr. WHITTEN and Mr. COELHO changed their vote from "nay" to "yea."

So the preferential motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The Chair appoints the following conferees: Messrs. Brooks, Fuqua, Moorhead of Pennsylvania, Fascell, St Germain, Levitas, Horton, Erlenborn, and Stangeland.

HOUSING AND COMMUNITY DEVELOPMENT ACT AMENDMENTS OF 1979

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3875) to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation, and related programs, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? The Chair hears none, and appoints the following conferees: Messrs. Reuss, Ashley, Moorhead of Pennsylvania, St Germain, Gonzalez, Fauntroy, Patterson, AuCoin, Lundine, Vento, Stanton, Wylie, McKinney, Kelly, and Evans of Delaware.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4040, DEPARTMENT OF DEFENSE AUTHORIZATION, 1980

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–347) on the resolution (H. Res. 368) providing for the consideration of the bill (H.R. 4040) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1980 for civil defense, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2859, DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–346) on the resolution (H. Res. 367) providing for the consideration of the bill, (H.R. 2859), to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, to authorize urban volunteer programs, and for other purposes which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3282, ASBESTOS SCHOOL HAZARD DETECTION AND CONTROL ACT OF 1979

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–345) on the resolution (H. Res. 366) providing for the consideration of the bill (H.R. 3282) to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3434, SOCIAL SERVICES AND CHILD WELFARE AMENDMENTS OF 1979

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–344) on the resolution (H. Res. 365), providing for the consideration of the bill (H.R. 3434) to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4007, FEDERAL UNEMPLOYMENT TAX AMENDMENTS

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–342) on the resolution (H. Res. 363) providing for the consideration of the bill (H.R. 4007) to amend the Internal Revenue Code of 1954 to provide that the provisions which increase the Federal unemployment tax in States which have outstanding loans will not apply if the State makes certain repayments, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3398, AGRICULTURE ADJUSTMENT ACT OF 1979

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–343) on the resolution (H. Res. 364) providing for the consideration of the bill (H.R. 3398) to amend the Food and Agriculture Act of 1977 relating to increases in the target prices of the 1979 crops of wheat, corn, and other crops under certain circumstances, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PRIVILEGES OF THE HOUSE—ATTIRE OF MALE MEMBERS OF HOUSE DURING SUMMER MONTHS

Mr. UDALL. Mr. Speaker, I rise to a question of the privileges of the House, and I send to the desk a privileged resolution (H. Res. 369) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 369

Whereas traditions of the House require that male Members wear coats and ties at all times in the Chamber

Whereas national energy conservation policies now require that temperatures in the Chamber, The Capitol and House Office Buildings be maintained at new and higher levels during the summer months, causing unnecessary discomfort and inefficiency for male Members and employees; now therefore, be it

Resolved, That it is the sense of the House that during the period June 1st to Labor Day in 1979 and each year the current energy or conservation policies are required (as determined by the Speaker for 1980 and subsequent years), Members may dispense with coats and/or ties so long as suitable, dignified, tasteful and appropriate clothes are worn; be it further

Resolved, That at all other times and in all other respects traditional attire shall be appropriate.

☐ 1750

PREFERENTIAL MOTION OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a preferential motion.

The SPEAKER. The Clerk will report the preferential motion.

The Clerk read as follows:

Mr. BAUMAN moves to table the resolution.

The SPEAKER. The question is on the preferential motion to table.

The question was taken; and on a division (demanded by Mr. UDALL) there were—yeas 89, nays 31.

Mr. UDALL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 303, nays 105, not voting 26, as follows:

[Roll No. 348]

YEAS—303

Abdnor
Addabbo
Akaka
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bonker
Bowen
Brademas
Brinkley
Brooks
Broomfield
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fenwick
Fish
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Fountain
Fowler
Frost
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Heftel
Hightower
Hillis
Hinson
Holt
Holtzman
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kostmayer
Lagomarsino
Latta
Leach, La.
Lederer
Lee
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McHugh
McKay
Madigan
Marlenee
Marriott
Martin
Mathis
Matsui
Mavroules
Mazzoli
Michel
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
O'Brien
Oberstar
Panetta
Pashayan
Patten
Paul
Pease
Perkins
Petri
Pickle
Preyer
Price
Quillen
Rahall
Rangel
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stenholm
Stewart
Stockman
Stokes
Stump
Swift
Tauke
Thomas
Traxler
Treen
Trible
Ullman
Van Deerlin
Vander Jagt
Vanik
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Winn
Wirth
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—105

Albosta
Ambro
Anderson, Calif.
Aspin
Baldus
Barnes
Bedell
Bennett
Bingham
Bonior
Bouquard
Breaux
Brodhead
Burton, Phillip
Cavanaugh
Clay
Coelho
Corman
Courter
D'Amours
Daschle
Davis, S.C.
Dellums
Derwinski
Downey
Edgar
Edwards, Calif.
Ertel
Fascell
Fazio
Ferraro
Findley
Florio
Ford, Tenn.
Garcia
Gephardt
Goldwater
Gradison
Gray
Green
Hall, Ohio
Harkin
Hefner
Holland
Hollenbeck
Howard
Jacobs
Jeffords
Jenrette
Jones, N.C.
Kastenmeier
Kogovsek
Kramer
Leach, Iowa
Leath, Tex.
Lehman
Leland
Lent
Luken
Lundine
McCormack
McEwen
McKinney
Maguire
Marks
Mattox
Mica
Mikulski
Mikva
Miller, Calif.
Nolan
Nowak
Oakar
Obey
Ottinger
Patterson
Peyser
Pritchard
Quayle
Railsback
Ratchford
Reuss
Rose
Runnels
Sabo
Santini
Scheuer
Seiberling
Snowe
Solarz
Steed
Stratton
Studds
Symms
Synar
Thompson
Udall
Vento
Volkmer
Walgren
Whittaker
Williams, Mont.
Wilson, Tex.
Wolff
Wolpe

NOT VOTING—26

Anderson, Ill.
Applegate
Blanchard
Bolling
Brown, Calif.
Brown, Ohio
Burton, John
Conyers
Diggs
Duncan, Oreg.
Emery
Flood
Forsythe
Frenzel
Giaimo
Gibbons
Johnson, Colo.
LaFalce
Markey
Pepper
Pursell
Rodino
Stark
Taylor
Waxman
Wilson, C. H.

□ 1800

Mr. STEWART changed his vote from "nay" to "yea."

Ms. HOLTZMAN changed her vote from "present" to "yea."

So the preferential motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1810

PRIVILEGES OF THE HOUSE—DECORUM AND DIGNITY OF THE HOUSE

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I rise to a question of the privileges of the House, and I send to the desk a privileged resolution (H. Res. 370) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 370

Whereas the Speaker has made an announcement to the House with regard to the appropriate attire while Members are in the Hall of the House of Representatives; and

Whereas in accordance with the customs and precedents of the House with regard to decorum and dignity: Now, therefore, be it

Resolved, That in order to maintain that decorum and dignity, Members should be required to wear proper attire as determined by the Speaker and may not be admitted to the Hall of the House of Representatives unless in compliance with the Speaker's announcement.

The SPEAKER. The Chair recognizes the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.) for 1 hour.

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I think we would all agree that there is far more important business to come before the House yet this evening than this vote or the proceeding for that matter.

I think the Speaker described the situation very well today and put it in proper perspective, and the Speaker said it is a question of the dignity of the House and the duty of all of us to uphold that dignity.

The Speaker pointed out, in earlier times, people wore much more burdensome clothing than we wear now; and there was no air-conditioning then.

The gentleman from Arizona said something about discomfort and inefficiency. Well, I would like for him to speak for himself, because I do not feel uncomfortable or inefficient myself.

In the interest of time, I would ask for a vote.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. ROBERT W. DANIEL, JR. I yield to the gentleman from Missouri for one question.

Mr. VOLKMER. What is the cost of the amount of energy that is used to keep this room at the temperature it is?

Mr. ROBERT W. DANIEL, JR. I do not think that is really central to the question, I would respond to the gentleman.

I think that dignity of the House is a higher consideration.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FOREIGN ASSISTANCE APPROPRIATIONS, 1980

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolutions 353 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 353

Resolved, That during the consideration of the bill (H.R. 4473) making appropriations for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6, rule XXI, are hereby waived: beginning on page 2, line 5 through line 24; beginning on page 4 line 22 through page 8, line 22; beginning on page 9, line 8 through

page 10, line 13; beginning on page 11, lines 1 through 5; beginning on page 11, line 16 through page 13, line 25; beginning on page 16, lines 15 through 23; beginning on page 18, line 21 through page 19, line 9; beginning on page 20, lines 18 through 22; and beginning on page 21, line 6 through page 22, line 11.

The SPEAKER. The gentleman from South Carolina (Mr. Derrick) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Mississippi (Mr. Lott), for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 353 provides for the consideration of H.R. 4473 making appropriations for foreign assistance and related programs for fiscal year 1980.

As Members are aware, appropriation bills are privileged under rule 24 of the rules of the House and may be brought up for consideration without a rule. However, in some instances, the Appropriations Committee requests a rule to waive points of order which lie against an appropriation measure in order that the House may consider the legislation in an orderly manner without delay.

House Resolution 353 provides for waivers of clauses 2 and 6 of rule 21. Clause 2, rule 21, prohibits an appropriation for any expenditure not previously authorized by law and further prohibits legislation in an appropriation bill. This waiver is the one most commonly requested by the Committee on Appropriations.

With the implementation of the Budget and Impoundment Control Act, the Congress must complete action on all appropriations prior to adoption of the second concurrent budget resolution. This tighter legislative schedule does, of necessity, require waivers for measures not yet authorized by law.

Clause 6 prohibits the consideration of an appropriation bill or amendment if it contains a provision reappropriating unexpended balances of appropriations. This is necessary because section 503 of the bill makes available up to $24 million of unobligated funds for use in fiscal year 1980.

Under title I of H.R. 4473, authorizations for the Inter-American development Bank, the Asian Development Bank, the African Development Fund and the international organizations and programs are included in two bills, H.R. 3829, authorizations for international development banks which the committee on Banking, Finance and Urban Affairs has reported to the House, and H.R. 3324, the International Development Cooperation Act of 1979, which has passed both bodies and is scheduled for conference.

In title II of the bill, waivers are granted to the paragraphs which appropriate funds for basic economic assistance programs, security assistance programs, migration and refugee assistance, and emergency refugee and migration assistance due to lack of authorizations. Three of the four authorization bills have already passed both houses.

Under title III, authorizations for military assistance, international military education and training and foreign military credit sales are included in the International Security Assistance Act of 1979, H.R. 3173, which the House passed on March 29 and the Senate passed on May 22.

Finally, under the general provisions title of the bill, title 5, waivers are granted to section 503 which reappropriates unobligated balances, section 512 Concerning human rights, section 513 prohibiting aid to Mozambique, section 521 a provision dealing with the availability of documents in the international financial institutions, and to sections 523 and 524 which again this year include provisions dealing with the prohibition of financing the production of surplus commodities for export.

Mr. Speaker, the foreign assistance appropriations bill for fiscal 1980 contains recommended appropriations of $7.8 billion in new budget authority which is $1.2 billion below what the executive branch requested. Included in the recommended appropriation is $2.7 billion for six international financial institutions, of which $1.1 billion is for callable capital which will, theoretically, never result in any budgetary outlays. Approximately 28 percent of the total recommended appropriation is to carry out the middle east programs. The Foreign Operations Subcommittee has reported a bill which reasonably balances the need for fiscal restraint with our international responsibilities.

Mr. Speaker, I urge my colleagues to adopt House resolution 353 so that we may proceed to the consideration of this important legislation.

☐ 1820

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides for the consideration of one of the most controversial of all our appropriation—the foreign assistance and related programs appropriation bill for fiscal year 1980, H.R. 4473. Due to the lack of prior authorization and the inclusion of legislation on a general appropriation bill, clause 2 of rule XXI is waived. Further, clause 6 of rule XXI also is waived because the bill contains reappropriations of unobligated balances.

These waivers apply to so many items in the bill it would almost be easier to list the items against which no points of order would lie. Suffice it to say that over half of H.R. 4473 would be subject to points of order were it not for this rule.

This year's foreign assistance appropriation does not include funding for the International Monetary Fund. If we discount for this item, the fiscal year 1980 appropriation is approximately $432.3 million more than the amount recommended in the fiscal year 1979 appropriation. As a result, this year's bill actually represents about a 6-percent increase over last year's level. In this connection, it should also be mentioned that the total amount of the fiscal year 1980 bill is below the administration's budget request by $1.2 billion and is below the amount allocated in the first concurrent resolution on the budget by around $267 million. The Appropriations Committee, especially the gentleman from Florida, the ranking minority member of the subcommittee, is to be congratulated.

Even so, Mr. Speaker, foreign aid in any form has become a less than popular term in these days of budget consciousness. There remain areas in this bill where we can make substantial and constructive cuts. We simply cannot continue to bankroll the world. The load must be shared if we are to ever get out from under our mounting public debt and our unmanageable balance of payments deficit.

While I have no objections to the passage of this rule, I do intend to support efforts to trim the funding level in this bill during the amending process.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Florida (Mr. Young) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Maryland (Mr. Long).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4473, with Mr. Kazen in the chair.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk proceeded with the first reading of the bill.

☐ 1830

Mr. BAUMAN (during the reading). Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1840

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Mr. LONG of Maryland. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Kazen, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes had come to no resolution thereon.

ALCOHOL ENGINE OFFERS NEW ENERGY CONCEPT

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, last Thursday I introduced H.R. 4760, to provide the forum for debate and discussion on the concept of alcohol-fuel motor vehicles. Before I introduced my bill, I discussed the program with Mr. Edward Lipinsky, senior research leader of the alcohol-fueled motor vehicle program at Battelle, the largest private research organization of its kind in the world, which is in my district.

I would not have had the temerity to introduce such a bill were I not convinced that our dependence on OPEC can be greatly reduced by this process. The alcohol engine is here. It is not a year 2000 concept. The oil crisis is here. Twenty-six percent of all the oil we consume is used in the automobile. It is axiomatic that the automobile, not to speak of trucks, and mass transportation vehicles, are a way of American life and the cornerstone of our economy. But the automobile does not have to run on gas.

I am submitting a letter from Mr. Edward Lipinsky which confirms my belief, and in which he offers to provide Congress with some of his expertise on the subject. Mr. Lipinsky has an engine which runs from alcohol. I think it is something on which we should experiment and on which we should have discussion and debate.

If Ford Motor Co. can make an alcohol engine car for Brazil and Volkswagon can supply Brazil with an oil-free auto engine, why not here?

I hope you will take a look at the bill.

Battelle,
Columbus, Ohio, July 13, 1979.

Congressman Chalmers Wylie,
Rayburn Building,
Washington, D.C.

Dear Congressman Wylie: It was a pleasure to discuss the concept of alcohol-fueled motor vehicles with you yesterday be telephone. This letter is to provide you with some additional information on alcohol-fueled engines and on opportunities to integrate the production of fuels for these engines from carbohydrate crops, forestry residues, and coal. My colleagues and I would be glad to supply additional information or answer your questions on these matters.

As you know, the U.S. Department of Energy has an alcohol fuels program. It is in the Office of Transportation Programs and is headed by E. Eugene Ecklund (376-4892). In that program, a number of contractors are dealing with the use of straight alcohol and gasoline/alcohol mixtures in internal combustion engines for highway vehicles. The efficient use of straight alcohol is being found to require significant engine modifications. For example, one of the contractors (Santa Clara University) modified a stock engine by increasing the compression ratio and modifying the carburetion system with good results.

The telephone company of Sao Paulo, Brazil has tested a Volkswagon design for several years. A limited production of Volkswagons modified to accept straight alcohol derived from sugarcane products is occurring during the 1980 model year. We have been informed that during the 1981 model year a standard VW capable of running on gasoline-free 95% ethanol-5% water will be offered. We are also informed that other automobile companies in Brazil also will make vehicles that use straight ethanol in 1981.

Engineers from Volkswagon Brazil presented a paper concerning the principle that they are using in adapting their standard engine for this purpose. This paper was presented at the 3rd International Symposium on Alcohol-Fuels Technology held at Asilomar, California. Some of the exhaust gases are used to heat the combustion air and to increase the vapor pressure of the ethanol just prior to combustion. Of special interest to you is a paper at the same conference by several Ford Motor Company engineering and research staff in the United States in collaboration with Ford of Brazil. They demonstrate a high level of awareness of the steps required to adapt an automobile for the use of straight alcohol.

With regard to the manufacture of sufficient alcohol fuels to replace significant quantities of gasoline, we at Battelle prefer an integrated approach over selecting one option. The United States needs the flexibility and increased availability that comes from the use of multiple resources. With technology we are developing at Battelle, manufacture of methanol using coal and woody raw materials (forests residues, agricultural residues, and forest-product industry residues) and ethanol from such carbohydrates crops as corn grain and sweet sorghum at an integrated facility appears to be feasible.

Of course, there are costs associated with anything new. Establishment of a major fuel production and distribution system would require high capital investments. As stated earlier, an automobile engine that is optimized for ordinary gasoline would require modifications to run efficiently on alcohol.

We would be glad to discuss further the pros and cons of alcohol-fueled vehicles with you at your convenience.

Cordially,

E. S. Lipinsky,
Senior Research Leader.

LEGISLATION REQUIRING NEW LABELING FOR CONTRACEPTIVE PRODUCTS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, I am today introducing legislation requiring the manufacturers of contraceptive drugs and devices to label their products and to include in their advertising an indication of the effectiveness of these products in preventing pregnancy.

Research into the relative merits and the validity of various claims of effectiveness is incomplete at present, and there is an urgent need for studies of this sort to move forward expeditiously. My legislation in fact stipulates that the Secretary of Health, Education, and Welfare shall develop a reliable standard for determining the effectiveness of contraceptive drugs and devices.

In addition to the effectiveness notice, the bill would mandate that contraceptive labeling include directions for use and a recommendation that professional advice be sought to determine the most appropriate form of contraception.

While available data are not yet fully conclusive, there are strong indications that many forms of contraception fail to fulfill the claims of their manufacturers. The consequences are often tragic for many families and couples.

One finding in this area comes from a preliminary panel report of the Food and Drug Administration dealing with contraceptives. In this 1978 study, the panel notes it has reviewed the claims made by the manufacturers of the various products under the purview. The panel tentatively concludes that "certain claims for effectiveness have been made in the past without adequate, valid supporting data."

Another disturbing finding on contraceptive effectiveness is contained in a 1978 FDA pamphlet entitled "Contraception: Comparing the Options." The report notes that of 100 women who use an IUD for 1 year, 1 to 6 will become pregnant. For every 100 women who use a diaphragm with a spermicidal product for 1 year, 2 to 20 will become pregnant. And of 100 women who use jellies and creams alone for 1 year, 4 to 36 will become pregnant.

Consumers of these drugs and devices have the right to be informed adequately as to the reliability of their chosen method of contraception. Failure rates should be truthfully presented to prospective purchasers so that they can make a crucial decision of this sort based on the most informed judgment possible. The results of unanticipated failure of one of these drugs or devices is frequently irreversible and always undesired.

A fully informed consumer's proper usage of contraceptives can significantly reduce the incidence of unwanted pregnancy and thereby decrease the need to make a choice about abortion. Unplanned pregnancies are not only a burden for many women and couples, they can also become a social and governmental burden as well. Reliable and safe contraception is an essential component of a high-quality health care system in our Nation.

As the Select Committee on Population concluded in its report to the 95th Congress on the importance of family planning and contraceptive research in the United States:

> Despite the "contraceptive revolution," many American men and women . . . still do not have effective, practical, safe and acceptable means of fertility regulation.

My bill would do much to meet this glaring need. I am very pleased that my colleagues HENRY WAXMAN, ANTHONY BEILENSON, BARBARA MIKULSKI, PARREN MITCHELL, SHIRLEY CHISHOLM, and ANDREW MAGUIRE are joining me in this effort to enact a very necessary piece of legislation. I invite other Members to join us in cosponsoring this bill.

A copy of the bill follows:

H.R. 4834

A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the label and advertising for contraceptive drugs and devices state the effectiveness of the drugs and devices in preventing conception in humans, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Contraceptive Labeling and Advertising Act".

SEC. 2. (a) Section 502 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352) is amended by adding at the end the following new paragraph:

"(u) (1) If it is a drug or device to prevent conception in humans, unless—

"(A) its label states (i) in accordance with subparagraph (2), the effectiveness of the drug or device in preventing conception in humans, (ii) directions for use, and (iii) that professional advice should be sought to determine the most appropriate form of contraception; and

"(B) unless the manufacturer, packer, or distributor thereof includes in advertisements and other printed descriptive matter issued or caused to be issued by the manufacturer, packer, or distributor with respect to the drug or device such information respecting the effectiveness of the drug or device in preventing conception in humans as may be required under subparagraph (2).

"(2) The Secretary shall by regulation establish for drugs and devices subject to subparagraph (1) standards for determining the effectiveness of such drugs and devices in preventing conception in humans and the form and manner in which such effectiveness shall be stated in the labels of such drugs and devices and in advertisements and other printed descriptive matter for such drugs and devices.".

(b) The Secretary of Health, Education, and Welfare shall first promulgate the regulation referred to in section 502(u) (2) of the Federal Food, Drug, and Cosmetic Act (as added by subsection (a) of this section) not later than one hundred and eighty days after the date of the enactment of this Act. Such regulation shall take effect upon its promulgation.

ENERGY SCRAMBLE SEEN RISKING WAR

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, the July 4 edition of the Washington Star contained an article that had, among other things, to do with nuclear power. Strangely, the article was representative of an interview with Anatoly P. Alexandrov, of the Soviet Union's Academy of Sciences, in which he says:

> "You know that all gas and oil deposits are likely to run out in 30 to 50 years—Russia's may last close to 50 years—but in 30 years it is impossible to reorganize the world in terms of energy from coal.
>
> "We must therefore build nuclear power reactors in all parts of the world, otherwise wars will one day be fought over the remnants of oil and gas deposits. And they will be wars, however peculiar this may sound, between the capitalist countries, because the Soviet Union will have concentrated on the production of nuclear power and be ahead of everybody else," the Soviet scientist declared.

Mr. Speaker, I think America and Americans are smarter than this. It is too bad that some of our leaders are not that smart.

Mr. Speaker, I include at this point the entire article for the further information of the Members:

[From the Washington Star, July 4, 1979]

SOVIETS CONSIDER NUCLEAR POWER VITAL: ENERGY SCRAMBLE SEEN RISKING WAR

(By Henry Brandon)

MOSCOW.—Without the development of nuclear power as a source of energy, the competition for energy sources in the world could ultimately lead to war, the president of the Soviet Academy of Science warns.

Resistance to the development of nuclear power as an energy source, Anatoly P. Alexandrov said in an exclusive interview, poses more danger for mankind than the original splitting of the atom.

Alexandrov, a nuclear physicist and director of the I. V. Kurchatov Institute for Atomic Energy, blamed regulations in the United States, inadequate safety standards, incompetent supervisory personnel and the news media for the harm done to the use of nuclear energy.

Also present at the interview was Nikolai Inozemtsev, the director of Moscow's prestigious Institute for World Economics and International Relations.

A member of the Academy of Sciences and, like Alexandrov, a member of the Communist Party's Central Committee, Inozemtsev cautioned that a shift of priorities from military to civilian production cannot even begin until the SALT II treaty has been ratified by the U.S. Congress.

The influence of scientists in the Soviet governmental decisionmaking process, Inozemtsev said, exceeded that of their counterparts in the United States.

Alexandrov was interviewed in his spacious office at the headquarters of the Academy of Sciences, located in a well-kept 18th century mansion built for Catherine the Great.

On the future of nuclear power plants, Alexandrov opened his discussion with a reminder that even early in the Middle East conflict, when there was no energy crisis the United States began talking about the possibility of having to protect its oil imports by force of arms.

"You know that all gas and oil deposits are likely to run out in 30 to 50 years—Russia's may last close to 50 years—but in 30 years it is impossible to reorganize the world in terms of energy from coal," Alexandrov said.

"We must therefore build nuclear power reactors in all parts of the world, otherwise wars will one day be fought over the remnants of oil and gas deposits. And they will be wars, however peculiar this may sound, between the capitalist countries, because the Soviet Union will have concentrated on the production of nuclear power and be ahead of everybody else," the Soviet scientist declared.

Alexandrov suspects opponents of nuclear power fear it because they believe a nuclear power plant failure can lead to an atomic bomb explosion akin to that of Hiroshima.

"They have no real idea of the modern safety devices imposed on the risks involved," he said.

Alexandrov voiced strong criticism of the handling of the Three Mile Island nuclear accident, claiming that from the beginning there were faults with the operating methods which accounted for the trouble: negligence regarding security measures taken by the plant management, inferior operating personnel and inadequate technical safeguards built into the plant against accidents.

He said that only specially trained engineers are allowed to operate Soviet nuclear plants, and that at the central control panel two men must always be on duty.

"I can't imagine the kind of (accident) in the Soviet Union, where pump valves remain closed when they were supposed to be open."

(Among other problems, a pump valve remained closed at Three Mile Island and prevented cooling of the reactor.)

Alexandrov added: "And yet, despite all that happened, there was no serious danger, and whatever danger might have existed, was exaggerated."

On the issue of storing radioactive waste, one aspect of the nuclear power problem that troubles the American public, he said he was certain this could be solved.

"There are many ways to go about it because there exist 'hermetic structures' in the outer layer of the earth which are safe storage places," Alexandrov said.

In a reference to the youthful character of the anti-nuclear movement in the United States, Alexandrov countered that he had three sons who were all in favor of it.

The Soviet scientist insists that nuclear energy production is safer than coal mining or production of chemicals.

"People in the vicinity of nuclear power plants are not exposed to greater radiation than that which comes from natural radiation sources. And a worker in a nuclear power plant does not absorb more radiation in a year than you get from one x-ray examination," he said.

"For all practical purposes, we in the Soviet Union have today the same technical know-how as the United States. The United States was ahead at the start, but her nuclear energy development has slowed down, while ours has accelerated," Alexandrov contended.

"All people with common sense should realize that by the end of the century the United States will be compelled to create new great nuclear production facilities, possibly nuclear fusion plants, otherwise she will find herself desperatley short of energy. There is no other way to preserve the modern way of scientific development," Alexandrov said.

Inozemtsev, the Soviet economist, was asked whether the Soviet Union would begin shifting the economic emphasis from military to civilian production now that the SALT II agreement has been signed.

Without hesitation, he seized on the occasion to sound still another Soviet call for the U.S. Senate to ratify the agreement.

His reply: "We live in a very important period when decision as regards industrial production can move in either direction. The Vienna meeting opened the way for decisions to be taken in favor of civilian production, certainly.

"But the history of the last years tells us that progress in the field of armaments can be swift and that newer and newer types of weapons are being invented.

"The only way we can protect ourselves from surprises and a further escalation is through the SALT process, which now includes not only quantitative but also qualitative restrictions."

NEVER HAVE SO MANY WAITED SO LONG FOR SO LITTLE

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROTH. Mr. Speaker, in the aftermath of President Carter's speech Sunday night, one London newspaper wrote:

> Never have so many waited so long for so little.

After 10 days at Camp David and visits with more than 130 opinion leaders in government, business, religion, labor, civil rights, and education, the President gave the impression that a new, dynamic block-buster program would emerge from his "domestic summit."

To the disappointment of millions of Americans, the President's proposals contained little that was new. Congress has already acted on synthetic fuels. A solar development bank was proposed months ago by several of us. Two years ago the President proposed utilities convert from oil to coal.

One of the few new ideas was the Energy Mobilization Board, a concept that is redundant as long as we have a Department of Energy. A new layer of bureaucracy simply is not needed and cannot be justified.

As Columnist Joseph Kraft wrote in today's Washington Post:

> Mr. Carter's six-point energy program shies away from the hard choices.

The President cited a "crisis of confidence" in the Nation; I say it is a crisis of leadership. The problem is not with the American people; the problem is with the Nation's governmental leaders.

John W. Gardner summed it up very well:

> Our system, great as it is, can't function with nonleaders in leadership positions.

The article follows:

CARTER: A CANDIDATE AGAIN

(By Joseph Kraft)

The Jimmy Carter who came off the mountain Sunday night wasn't a president ready to make decisions, bite bullets and cut Gordian knots. He was a candidate currying favor with his constituency. So even as he announced the country was at a "turning point in our history," he missed the turn.

Carter accomplished the regression from president back to candidate by a bold stroke. He rounded on himself. He asserted that in the past three years he had become "increasingly narrow, focused more and more on what the isolated world of Washington thinks is important . . . what the government should do."

Having pleaded guilty to the sin of trying to govern, he swore off and reverted to his original love—campaigning. He cited various people who had said particularly wise things during his recent stay at Camp David. They turned out to be, in this order: "a Southern governor . . . a young woman in Pennsylvania . . . a young Chicano . . . a religious leader . . . a black woman . . . a labor leader."

In other words, the populist constituency, the core Carterites. Having called the roll, he delivered the message that worked so well in 1976. He talked of the awful blows the country had sustained over the "past generation"—which is to say, under other presidents. Assassinations. Vietnam. Watergate. Inflation. Shortages.

He then assured us that all these ills would yield to a new assertion of faith, a rebirth of the old American spirit. When it came down to the sacrifices the ordinary citizen should make, Carter was indulgence itself. "Say something good about our country" was his bottom line.

That syrup might have been useful if it had been served up for the purpose of making hard choices go down easily. But Mr. Carter's six-point energy program shies away from the hard choices. Indeed, the program repeatedly approaches decision, and then out of deference to the Carter constituency, flinches.

Consider, first, the overall goal. "Beginning this moment," Carter said, "this nation will never use more foreign oil than we did in 1977. Never." That sounds like rough stuff. Cold-turkey withdrawal.

But, in fact this year and next year present no problems at all. The drop in economic expansion coming along with the recession assures no increases in oil imports in 1979 and 1980.

As to the future, one way to hold down imports is to increase supplies. The Carter program promotes energy supplies by two devices. First, through establishment of an Energy Security Administration to finance development of fuel from coal, oil shale, plant products and the sun. Next, through the establishment of an Energy Mobilization Board, which "like the War Production Board in World War II will have the responsibility and authority to cut through the red tapes, the delays and the endless road blocks to completing key energy projects."

But the "road blocks" are not just things that happen to be in the way. They are obstacles deliberately thrown up by environmentalists and consumer groups. Carter knows that. But the environmental and consumer lobbies are part of his constituency, so he didn't say their goals might have to be deferred. On the contrary, he said, "We will protect the environment."

The other way to cut imports is to cut down consumption. But how do you get people to use less gasoline? The obvious way is to allow prices to rise rapidly to world levels. But the Carter constituency doesn't want a rapid price increase. So the president has decided not to decontrol gasoline and oil as of now.

Instead, he relies on a series of constraints—rationing, import control, legislation to make utilities back away from oil and toward coal, and subsidies to mass transit. Apart from putting the government, of which the president is so skeptical, further into the allocation business it handles so badly, all these measures have in common what they require now. That is talk, not action.

Once again, in other words, Carter shrinks from decision. He says nothing about the truly hard task of pulling a sick industrial system out of the dumps. He ducks when it comes to raising prices and deferring environmental objectives.

Far from governing, far from paying out popularity to make hard things possible, Carter is now moving to accumulate popularity by doing easy things. So far the tactic has worked—witness the enthusiastic crowds in Kansas City and Detroit. But they only mean that the president has become a candidate, and forced the nation back on its ultimate faith—the faith that the unguided free play of the democratic process, the mere fact that more people are talking about energy, will somehow enable the country to muddle through.

LEGISLATION TO ELIMINATE DOUBLE TAXATION OF DIVIDENDS

(Mr. SAWYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SAWYER. Mr. Speaker, I am today introducing legislation to eliminate the double taxation of corporate dividends. Under my proposal, domestic corporations will be allowed a deduction for all of the dividend distributions which they make in the same manner as they are able to deduct interest payments on debt. The effect of this deduction will reverse the current system by which distributed profits are taxed twice; once at the corporate level and again at the personal level under the individual income tax.

Virtually all middle size and small listed corporations find it impossible to raise capital dollars through equity offerings. The price penalty is far too expensive to offer stock for financing since rarely today or for the last several years, will the market and asking price even roughly approach book value, particularly in the manufacturing companies.

The large investors and institutions are primarily interested in blue chip securities, tax free's or issues involving significant capital gain prospects. Therefore, these buyers offer little market for the type of equity security to which I have made reference.

On the other hand, the great bulk of American middle-class are very much interested in cash return on their investment and very few companies of the type to which I have referred can afford to pay dividends after taxes in an amount exceeding the regular bank interest rates on savings and still accumulate capital for growth purposes. The deductibility of dividends would enable corporations such as these to which I refer, to substantially increase if not double their dividend rate at the same cost as presently.

This would have two totally distinct and separate benefits to the entire economy.

First. These small and middle size listed companies could cease becoming dependent on borrowing for their financing, which is a much more attractive source of funds now because of their availability and the deductibility of interest payments; and

Second. It would get the average American into the equity market and let him share in the ownership of the Nation's businesses, which would be an extremely healthy development.

Additionally, this necessary dependence upon debt financing hazards the very existence of these middle size and small companies that form the backbone of the American economy when a severe downturn in the economy occurs.

The loss of revenue involved will be significantly offset by a reduction of corporate borrowing requirements and hence the payment of tax deductible interest, increased earnings on additional retained capital and increased taxes resulting from receipt of more dividend income by individual stockholders.

WHY THE FREEDOM OF CHOICE AMENDMENT TO H.R. 7 PROVIDES THE BEST SOLUTION TO THE FEDERAL RESERVE MEMBERSHIP PROBLEM

(Mr. STANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANTON. Mr. Speaker, this week the House will debate an extremely important piece of banking legislation—H.R. 7. This legislation addresses the problem of bank withdrawals from the Federal Reserve due to the excessive cost of membership, and the implications for the Fed's ability to control monetary policy. During the debate, I intend to offer an alternative to H.R. 7 in the form of an amendment. My amendment, the freedom of choice compromise, differs significantly from the approach taken by H.R. 7. Where H.R. 7 stops the outflow of banks by mandating reserves at the Fed, my alternative would simply improve the current reserve structure by lowering the level of reserves for member banks. Lowering reserves will reduce the cost of membership and stop the outflow of banks from the system. If, however, my voluntary alternative fails to solve the current problem, I include a safety net. If bank withdrawals continue to decline to a certain level the mandatory provisions of H.R. 7 would replace the voluntary system.

Several criticisms of my freedom of choice amendment have been raised. I am glad these concerns have been brought forth. Before the House votes on an issue as important as this, it is necessary that all Members have an opportunity to fully contrast the provisions of H.R. 7 and my freedom of choice compromise.

As the proponent of the freedom of choice compromise to H.R. 7, I obviously believe that there are no defects in the proposal. It offers a true compromise to a most difficult problem. Furthermore, the freedom of choice compromise does not have the severe negative impacts imposed by H.R. 7 on the dual banking system and our current financial structure.

One criticism of the freedom of choice compromise which has been raised is that the compromise will not halt the attrition of banks from the Fed and that the proposal only delays the day when H.R. 7 will take effect. The primary reason banks have left the Fed is the excessive cost of maintaining sterile reserves with the Fed. The freedom of choice amendment addresses this problem directly by significantly reducing reserve requirements for all member banks. The reductions of the freedom of choice amendment will completely eliminate the burden of membership for banks under $120 million in deposits. For banks between $120 and $500 million in deposits, the burden of membership is reduced by over 75 percent, and for banks over $500 million in deposits over 50 percent of the cost burden is removed. These reductions will solve the problem. Thus, I believe the provisions of H.R. 7 will never be triggered.

A second criticism of the freedom of choice compromise is that if the mandatory provisions of H.R. 7 were put in place by the action of the trigger, the banking system would experience the sudden shock of a totally new system. I have two responses to this criticism. First, the impact of the change in reserves due to the trigger being activated would not be different than the impact of the passage of H.R. 7. That is, the freedom of choice proposal retains the same gradual phase-in of new reserve requirements found in H.R. 7. Second, and more importantly, the reserve requirement ratios of my proposal are almost identical to H.R. 7. The percentage requirement for short-term nonpersonal time deposits is 3 percent under both proposals. The percentage requirement for transaction accounts above $35 million is the same, 11 percent in both proposals, the only differences between the ratios is that, first, transaction accounts below $35 million are exempt from reserves under H.R. 7 and are subject to a 3-percent reserve under the freedom of choice compromise, and second, the $10 million exemption on nonpersonal short-term time accounts found in H.R. 7 is absent in the freedom of choice compromise.

Next, it has been argued that the freedom of choice amendment omits coverage of transaction accounts at nonmember banks, savings and loan associations, credit unions and mutual savings banks. This is absolutely correct. The amendment does not address accounts at these institutions, because I do not believe such an action is presently warranted. To subject nonmember banks, savings and loans, credit unions and mutual savings banks to Federal Reserve control amounts to a major structural change in our banking system. Such a change would place unprecedented power in the hands of the Fed and cannot be presently justified.

Fourth, the critics of my proposal have also indicated that it "continues the present system, with all its faults." This criticism does an injustice to the great minds that devised the Federal Reserve System in 1913. Few would argue that the system has not functioned extremely well during the past 66 years. It is only recently that some banks have found the benefits of membership outweighed by the costs. To discard the current system, because of this recent problem is simply not necessary. A reduction in the cost of membership for those banks which are presently part of the system will enable us to solve the problem and retain the system which has proven its worth over and over again.

Fifth, it has also been argued that the freedom of choice amendment gives foreign banks a free ride. This is inaccurate. In 1978, the Congress enacted the International Banking Act which required virtually all foreign banks operating in the United States to hold reserves with the Fed. Moreover, my amendment has been modified to insure that any foreign bank not covered by the International Banking Act will still be required to hold reserves.

Finally, the underlying value of the freedom of choice amendment is that it leaves the future of the dual banking system and the membership of the Fed in the hands of the bankers themselves. The compromise is consistent with the goals and desires of hundreds of bankers throughout the country who have stated time and time again that they are leaving the Fed most reluctantly, and only because of the excessive cost of reserve requirements. Thus, the compromise reduces the cost of reserves and solves the problem. Furthermore, in doing so, it insures the Fed's ability to control the monetary policy and in turn inflation.

Lastly, I have attached a comparison of the key features of H.R. 7 and the freedom of choice compromise, along with some charts on the impact of the two proposals:

KEY DIFFERENCES BETWEEN H.R. 7 AND FREEDOM OF CHOICE COMPROMISE

H.R. 7

Reserve requirement structure: Mandatory reserves at 11 percent for transaction accounts, 3 percent for commercial time accounts; except for the first $35 million in transaction deposits, and the first $10 million in short-term nonpersonal time deposits.

Depository institutions subject to Fed control: Commercial banks, savings and loans, credit unions, mutual savings banks.

Percentage of deposits subject to reserves for monetary control purposes: 66 percent.

Number of banks holding reserves: 1,020.

Cost of legislation: $155.6 million.

FREEDOM OF CHOICE

Reserve requirement structure: Voluntary reserves at 3 percent on first $35 million in transaction deposits, 11 percent for transaction deposits above $35 million, and 3 percent on all short-term nonpersonal time deposits.

Depository institutions subject to Fed control: Only commercial banks that are presently members of the Federal Reserve System.

Percentage of deposits subject to reserve for monetary control purposes: 72 percent.

Number of banks holding reserves: 5,664.

Cost of legislation: $166.4 million.

[Charts not printed in RECORD.]

AMTRAK RIDERS SHOULD CONTRIBUTE TO ITS OPERATION

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HAGEDORN. Mr. Speaker, the House is scheduled to consider H.R. 3996, the Amtrak Reorganization Act, tomorrow. Once again, the House will deal with what seems to have become an annual problem—how to deal with the necessity of funding the Nation's passenger rail system. This year we have an additional factor to consider—the tremendous surge in ridership on Amtrak, because of the recent gasoline shortage and increase in gasoline prices.

This ridership increase will certainly continue because it will cost more—much more—to use a private automobile for inter-city travel. Therefore, alternatives such as Amtrak will be attractive to the traveling public and so it is inappropriate to call once again upon the general American public to support through its tax money the continuation of a transportation system without additional financial contribution from those who actually use the system.

We must require those who use the system to contribute more to its operation. The National Taxpayers Union strongly supports this position and I ask that a copy of a letter sent to each Member be entered into the RECORD. I call special attention to the remarks in the fourth paragraph which deal with riders of Amtrak assuming a greater share of the cost of operating the trains they ride. When the Amtrak bill is considered tomorrow, my amendment is designed to do just this.

With increased ridership, it is unfair to call upon the taxpayers to pay the cost of two-thirds of the ridership bill. We talk about a shortage of energy in this Nation and everyone in Congress is interested. I remind my colleagues that there is also a shortage of taxpayers' dollars, and I hope they will pay more attention to this problem:

JULY 12, 1979.

Hon. TOM HAGEDORN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HAGEDORN: In the next few weeks, or even days, final action will be taken on the Amtrak issue. I would like to briefly call to your attention again the pressing financial burden Amtrak imposes on the taxpayers of this country. American taxpayers are beset by ever increasing inflation and economic problems. Unreasonably high subsidies to Amtrak are an outstanding example of wasteful Government fiscal policies that have contributed to the economic turmoil presently facing us.

The Department of Transportation's route restructuring plan is a sound first step in correcting the problems of Amtrak. It will cut routes that lose the most money (because they carry the fewest passengers) and thus cut back on the amount of money needed for operating subsidies. As even Amtrak President Alan Boyd recognizes, the system must be streamlined.

Congress has approved this plan. But numerous attempts are now being made to diminish the effect of, or even kill altogether, the restructuring. Various proposals range from adding back a few routes, or even freezing the present system for a year or two. These "back-door" moves are unacceptable to the taxpayers. They are unacceptable not so much because some routes may be added back in, but because in all of them the cost of retaining routes is imposed directly on the taxpayers.

The justification for retaining already dropped routes is that new ridership levels supposedly indicate new health for some routes previously thought unworkable. But if ridership is up, then why are the taxpayers being asked to foot the bill to the same old tune of ⅔ of the costs? There is no reason why the riders of Amtrak cannot assume a greater share of the cost of operating the trains they ride. For this reason, we ask you to demand an increase in the percentage of costs Amtrak recovers from the fare box before you consent to any addition in routes.

A year of hard work went into the adoption of the present plan. Let's not throw all that work out the window in some last minute settlement of the Amtrak issue.

Sincerely,

STEPHEN R. NELSON.

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THE KGB ANSWERS JOAN BAEZ

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, we were pleasantly surprised when Joan Baez, a longtime apologist for the Vietnamese Communists placed an ad in the press protesting the violations of human rights in Communist conquered Vietnam. Some of Miss Baez's anti-Vietnam war buddies joined her in signing the ad. But, other leftists such as Tom Hayden and Jane Fonda ignored the invitation to sign, while William Kunstler condemned those who would criticize a Communist dictatorship.

The latest attack against Miss Baez, for exposing the tortures, murder, and imprisonment perpetrated by the Vietnamese Communist regime, came from the Soviet Secret Police and Intelligence Service, the KGB. It came in the form of an ad, signed by Wilfred Burchett, a self-styled "distinguished journalist," which appeared in the Washington Post of June 27, 1979. Burchett is better known as an identified KGB agent who serves the Soviets in a variety of ways. Yuri Krotkov, a former KGB officer testified before the Senate Subcommittee on Internal Security in November 1969, under the name "George Karlin." Krotkov identified Burchett as a KGB agent and described how he had been used to recruit others to the Soviet service. In addition, Burchett serves as a KGB media asset, by placing propaganda articles in the international press. During both the Korean and Vietnam wars, Burchett visited the POW camps and assisted in the brainwashing of United States, British, and other Western prisoners.

Burchett has served as a correspondent for the Communist newspaper, the Guardian—formerly National Guardian—published in New York. Last February, he resigned from the Guardian because the paper had refused to endorse the Soviet position on the Vietnam-Cambodia dispute. Burchett wrote a confidential letter to the Guardian, dated February 11. Burchett wrote:

> In the name of "evenhandedness" how can you possibly put Socialist Vietnam, with its immense contributions to the revolutionary cause in the same scales with Pol Pot's Kampuchea and pretend there is a balance. Can half a century of exemplary revolutionary activity—admired by progressives and revolutionaries all over the world, and taken as a model wherever people take to arms for national liberation—be equated by almost 4 years of the primitive Fascist dictatorship of Pol Pot.

We can, of course, agree with Burchett's characterization of the Communist regime in Cambodia, despite the peculiar punctuation and grammar. But, of course, the Vietnamese dictatorship is only different in degree from that of Cambodia. The slave labor camps—or reeducation centers—as Burchett likes to call them—the religious and political persecution and the plight of the boat people trying to escape are all typical of the reality of communism. It is interesting that refugees never flee toward communism—always away from it.

Burchett, the man chosen by his KGB masters to defend the Soviet puppet state of Vietnam has been allowed by the State Department to visit the United States on propaganda tours, in violation of the Immigration and Naturalization Act.

Burchett's propaganda ad against Joan Baez was placed in the press by the U.S. Peace Council and signed by Michael Myerson, executive director. Myerson, a longtime member of the Communist Party, U.S.A., takes pride in his travel to Communist countries. In Februray 1970, when Myerson spoke at New York University, the official Communist Party leaflet announcing his speech identified him as, "Invited by the Cuban Government to observe the 10th anniversary of the revolution—first U.S. citizen to visit North Vietnam—Secretary, Peace Commission, New York State Communist Party."

The U.S. Peace Council is the U.S. section of the World Peace Council. The Central Intelligence Agency issued a report last year on Soviet propaganda. The report prepared at my request and released by the House Intelligence Committee cited the World Peace Council as, "the most important Soviet front organization." According to the CIA; "it is usually the first of the various front groups to respond to new Moscow propaganda initiatives."

Moscow has fired some of its "big guns" at Joan Baez because of her concern for human rights in Vietnam. This should be a lesson to all those who lend themselves to Communist propaganda operations. The skilled agents of the Soviet Union take propaganda as a serious business. They know how to use the well meaning but ignorant novices.

SENIOR CITIZENS INTERN PROGRAM

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. HILLIS) is recognized for 60 minutes.

● Mr. HILLIS. Mr. Speaker, I am pleased to be joined today by some of my colleagues who sponsored senior citizen interns this past May. This seventh session of the program brought over 165 interns to Washington for the 2-week program May 7 through May 19. They came from 34 States plus the District of Columbia.

Once again, active older Americans spent 2 weeks in their Congressman's or Senator's office getting a firsthand view of the Federal Government and how it operates—especially in the area of aging. They worked in our offices and attended briefings on subjects of special interest to the elderly.

I must emphasize that this is a most unique internship. It is not self-serving. Used wisely, the program can benefit hundreds of elderly in a congressional district. After completion of the internship period of learning the individual returns home equipped with the knowledge to help fellow seniors. Such is done in many different ways. Each intern has his or her own ideas and particular interests. Each goes about their task at a different speed and in a different manner. Some pursue the role of activist for the elderly in their home community. Others branch out into a new career—we have produced newspaper columnists and a physical fitness coordinator to name a few. Others use their internship as a continuation of an education in the field of gerontology.

Ultimately it is the elderly in our districts who benefit from this internship. A new program or idea of how to do something better develops and is put to work in the community. An alternative housing or transportation concept may be brought back home. A better understanding of the Older Americans Act or other legislation affecting the elderly will be explained by the intern to his or her peers.

My own intern this year, Hazel Teter of Kokomo, was a 65-year-old retired widow. She already has begun a role of advocacy for the elderly in her hometown and the surrounding communities. Only a few weeks after the internship, she led another group of senior citizens to Washington to attend the National Council of Senior Citizens annual meeting. She has been getting together with various groups in my district to share what she learned here. My office receives an update regularly on what she is doing and problems which exist within the elderly segment of our area in Indiana.

Hazel believes in being active after retirement. She still has something to give to others. Her enthusiasm to be a productive part of the community as much after 65 as before is an inspiration to all of us. Since May she has met with over 20 senior groups—and she continues to do so.

In praising my own intern, I could not omit the fact that Hazel Teter is typical of the individuals who participate in the program. I have heard from dozens of "the Class of '79," as they call themselves, who are using the internship in much the same manner as Hazel.

Former Congressman Pete Beister of Pennsylvania and I had no idea when we started this program in 1973 that it would become such an important contribution to the elderly not only in our own districts but to the elderly across the Nation. Nearly 500 older Americans have been a part of the program since that time—hundreds more have benefited. I thank my colleagues for their growing interest through the years because without their cooperation we would not have been able to continue. I especially want to express appreciation to Congressman TONY COELHO and Senator WILLIAM ROTH who have acted as joint coordinating officers. Their assistance in planning the 1979 program helped to make it a successful one.

I could not let this time on the House floor pass without mentioning the legislation which would make the senior citizen intern program an official function of the House and Senate. House Concurrent Resolution 15, pending now before the House Administration Committee with over 130 cosponsors would give us the support mechanisms to continue the intern program in future years. I urge passage of this proposal so that the 1980 program will be aided by its provisions.●

● Mr. COELHO. Mr. Speaker, the seventh annual senior citizen intern program, which was conducted for 2 weeks in May, showed clearly that just because persons may be over 60 does not also mean they are over the hill. The 150 interns were put through a hectic and grueling program and demonstrated exceptional vitality and vibrancy to 106 fortunate House and Senate offices representing 80 different congressional districts.

The interns were all active community leaders. Their trip to Washington afforded them a chance to see how the national leadership works. They observed the House and Senate in session, attended seminars, heard Federal officials, congressional staff, and others active in the Federal policymaking process. These experiences and working in Government offices provided a front row view of how the Government runs.

The program in Washington, the interns agreed, will be very valuable to them back home. In a letter to their sponsors at the end of the program the interns expressed their "thanks and deep appreciation for making possible (their) participation in what (they) found to be a worthwhile and rewarding experience." They also promised to make a "sincere and continuing effort in (their) various congressional districts to make senior citizens aware of the Federal, State, and local efforts in their behalf and to implement what (they) learned."

Consequently, I am convinced that the program should be continued. To try and make sure of this I have joined Congressman BUD HILLIS in introducing a resolution which would authorize every Member of Congress to hire a senior citizen each year for 2 weeks. It would also provide partial compensation for these older interns. This is a very important aspect of the resolution. My office was to have an intern this past year. Unfortunately, the person selected could not finance his trip to Washington, and since I have a full staff I could not pay his way. This was a strong reminder that many senior citizens are on low fixed incomes and must be helped financially—not just in this intern program but in many areas. Moreover this is just one problem the growing population of those over 60 is facing. With what they have learned by coming here to Washington, these senior citizens can now go back home and work toward the solutions to the difficulties that confront our older population. They learned about the problems that plague their segment of society but also about the power they have as members of this population to do something about these problems.

In closing, I would like to commend my colleague, BUD HILLS, and certainly his staff assistant, Donna Norton, for having established and coordinated this exceptional program. I hope we are successful in our efforts to make the senior citizen intern program a permanent fixture in Congress.●

● Ms. OAKAR. Mr. Speaker, I would like to join my colleagues in commending the gentleman from Indiana (Mr. HILLIS) and his assistant, Donna Norton, for their tremendous leadership with the senior citizen intern program this year. Once again I had the pleasure of participating in this worthwhile program, which affords each of us the opportunity to profit from one of our richest resources in America—our senior citizens. My intern this year was Mr. John Cross, an energetic individual who has been involved with the Tenants Council of Lorain Square Estates in Cleveland. He has served as council president for the past 4 years. His activity at Lorain Square and throughout the community enabled him to serve an invaluable function as the 20th District senior liaison in Washington.

The well-organized program of seminars concerned with social security, medicare, retirement, and legislation affecting older Americans gave Mr. Cross a greater insight concerning Federal programs and policies and how they are concerned with the everyday lives of seniors at home. Oftentimes our Older Americans are neglected and ignored. We tend not to listen to the sound advice that comes from years of experience. The senior intern program gives us the opportunity to lend our ears to the elderly who can give us formidable remedies to some of our present day problems.

I would like to share with you a letter I have recently received from Mr. Cross reflecting on his Washington experience.

Again, I urge my colleagues to adopt legislation now to fund and staff this valuable program. Our Older Americans are our most ready resource providing us with so many answers to our questions. As students of life, we must be attentive to the real teachers of our society.

The letter follows:

CUYAHOGA METROPOLITAN
HOUSING AUTHORITY,
Cleveland, Ohio, July 12, 1979.

MS. MARY ROSE OAKAR,
Congresswoman, 20th District, Ohio, Cannon House Office Building, Washington, D.C.

DEAR MISS OAKAR: First of all, I would like to say "Thank You" for selecting me to be the Senior Intern representing Cleveland, Cuyahoga County and the State of Ohio in Washington, D.C. It was a great honor and I shall never forget it.

I was pleasantly surprised to see the interest taken by all the Members of Congress, whom I met, for their sincere interest in the problems of the Senior Citizens and poor people of our country.

There are a growing number of people who think that the elected Members in Congress are do-nothings but I can tell them differently. As I found them to be hard working people and working long hours to try and solve some of our problems and problems of the whole country.

I was very much impressed by President Carter's speech in the Rose Garden at the White House. Contrary to what has been written, I really believe that he has a genuine interest in the welfare of the Senior Citizens and poor people.

In closing, I would like to say "Thank You" to all the Congressmen and residents of Ohio, who have written me cards and letters since I have been home.

Sincerely Yours,

JOHN W. CROSS,
Tenant Council President.●

● Mr. MAGUIRE. Mr. Speaker, this spring I had the opportunity of having a senior citizen from my district, Anna Colnaghi, with me in my office in Washington for 2 weeks as an intern. It was a valuable experience for me and for my staff to be able to work with her on the variety of issues of concern to senior citizens and I am happy to say that she has agreed to continue working for me during the next year in my office in Paramus. I am looking forward to continuing to work on the problems facing senior citizens, and I know that her work will be of great benefit to the seniors in my district.

I want to submit for the RECORD Anna Colnaghi's observations on her 2 weeks here, and on the program in which she participated.

Many thanks to Congressman Maguire and all the members of House and Senate who set up and supported the Senior Intern program. To most of us, who know the "scenic post card" Washington of monuments and museums, this program provided an opportunity to become part of the vibrant, working Legislative, Judicial, and Executive processes that make our country unique and great.

Many thanks to Donna Norton and her staff who provided a carefully balanced program geared to senior desires and abilities. Mrs. Norton anticipated our needs, welcomed our questions, and gave us a feeling of belonging from the first briefing to the closing breakfast.

I could write a book on the benefits I received from my 2 weeks as a Senior intern, but I would like to list the highlights for the sake of brevity.

1. The opportunity to meet and enjoy the company of our counterparts from all over the United States.
2. The opportunity to compare problems, to hear the solutions in the areas, and to brainstorm new ideas. Planning a quarterly publication by this group as a follow-up should benefit the Seniors and their legislative sponsors.
3. Working in the Congressional Office gave me a deeper appreciation of the in-depth exploration of problems by Congressman Maguire and others before voting on bills.
4. The presentations that were most impressive and valuable in answering my questions were: "The House and Senate Committee on Aging," "Medicine, Medicaid, Health," "A Look at Social Security" and "Housing and the Older American."
5. Meeting with President Carter.
6. Attending the Briefing on the President's rationing plan and attending the Congressional deliberating and voting as a follow-up.
7. The closing breakfast—a beautiful way to say, "good-bye and thank you."

As I wrote to Congressman Maguire, my two weeks in Washington went all too quickly, but the memory and the message are indelibly etched."●

● Mr. COUGHLIN. Mr. Speaker, I would like to begin by thanking my colleague, BUD HILLIS, for providing me with the unique opportunity of having senior interns join us in Washington every year in the senior intern program. Congressman HILLIS and his staff work exceptionally hard to make it a valuable experience for all concerned, and he has been very successful over the years. I think the enthusiastic responses we receive from our interns in the months after they have gone home attest to that.

Perhaps a country can be judged by the manner in which it treats its elderly citizens. If this is true, the United States might be accused of insensitivity, unresponsiveness, and shortsightedness. Fortunately, I think this is changing. The development over the years of legislation to disallow further age discrimination in jobs, expansion of programs recently developed to serve the special needs of elderly, and the general elimination of age barriers that have grown up in the past few decades, are all indications of our greater appreciation of our elderly citizens.

Congressman HILLIS has guaranteed that those of us who work on Capitol Hill are aware of not only the problems and needs of senior citizens, but the insight, knowledge, and skills they can offer both the private and public sectors. I find having senior interns in my Washington office to be most rewarding, and hope the interns I have had over the years feel the experience was beneficial to them, as well.

My intern this year was Robert Brown, an auditor by training and experience, who worked earlier this year in my mobile office assisting senior citizens on filing their tax returns. He is a volunteer for several organizations, now that he has retired from Government service.

Of the many volunteer jobs he now holds, one position is counselling prospective small business people and conducting workshops every other week. He delivers meals to the homebound as an advocate and volunteer for the meals on wheels program and is an escort at Chestnut Hill Hospital, helping patients who need assistance in going for treatment.

Though his attendance of committee hearings and briefings and speeches offered by various agencies and associations, Bob got to see firsthand how policies and laws are developed, and said he found the experience to be most beneficial. He thinks the Government can help aid senior citizens in coping with their problems, but that the greatest help to senior adults will continue to come through person to person contact, particularly through volunteer organizations.

I know that Bob's experiences have been of benefit to the many senior adults with whom he is in contact back home. I am sure Congressman HILLIS' program will continue to offer this type of direct contact and communication between Washington, the Congress, and the elderly population. I was most gratified to participate again this year and look forward to more years of joining in the senior intern program.●

● Mr. SAWYER. Mr. Speaker, this past May I had the honor of sponsoring two women from my district in Michigan to the congressional senior citizen intern program. Ths was the first year I was involved in such a program, and I can say it proved to be a very rewarding and learning experience for my staff, myself, and most importantly my two interns.

The two women chosen to be interns were Mary Neal Yourd and Benita Cure Smith.

Mary has always been quite involved in her local community. Beside being a former elementary schoolteacher, she was active in girl scouts, cub scouts, and the Michigan Women's Commission. She remains active in senior activities, R.S.V.P., as well as various church programs.

Benita, for 40 years, was a "professional" civil leader. She also is actively involved in her community, including the Amercan Association of Retired Persons.

I mention their backgrounds only to bring out the fact that I believed they were excellent applicants for the program, and their 2 weeks with my staff and myself did not alter this belief.

I want to mention just how important I believe the congressional senior citizen intern program is. Congressman HILLIS deserves a great deal of credit for the promotion of the program. Since its origin, it has grown from 9 interns in 1973 to 160 in 1979. The few requirements for the internship are that the intern be involved in senior citizens projects back home, and realize that the the year. Those two points are important for the sponsors will be assured of getting responsible, concerned citizens as interns. Also, since they are concerned with their community, they will be able to represent to the full extent their fellow citizens, and be able to go home and report back to their friends just how their elected officials are responding to their special needs.

The program is centered on getting the reactions of representative senior citizens to the Government's response to their needs. The best part of the program is that the senior citizens themselves now have a direct voice in conveying their wants. They are able to come to Washington and familiarize themselves with the Federal Government and learn how it operates, have a congressional office they will observe, and most importantly attend a series of briefings on subjects of interest to the elderly.

My two interns, Benita and Mary, wholeheartedly involved themselves in the above situations. They had a firsthand look at how the Government operates, but more to the point, how the Government responds to the problems faced by the senior citizens. I find it quite logical that the senior citizens themselves have the opportunity to direct to their Government officials their hopes and wishes of how some of their needs can be answered. Benita and Mary know best how to express their needs; what to ask for, what to change, and so forth. I believe they both had an experience that will help them to better understand the difficulty both the Government and senior citizens have in trying to establish programs and benefits for the elderly.

I know that I greatly benefited from Benita's and Mary's views and opinions on matters concerning themselves and fellow senior citizens. They gave me a new perspective which will not go unheeded. I can say I have much more concern and compassion for the desires of our senior citizens now than if I had not participated in the congressional senior citizen intern program.

Benita has evaluated the program, picking out what she believes its strengths and weaknesses are:

> If the purpose of the program is to familiarize seniors with various government resources, it is successful. However, I had hoped there would be more evaluation of present programs. Discussions of imaginative new approaches to meeting not only the needs of older people, but also their desire to make meaningful contributions to society.

Mary also responded to the program as follows:

> The Congressional Senior Citizen Intern Program was a tremendous learning experience for me, and I am grateful for it. Whether or not I learned the intended lesson I do not know, for I am not quite sure what that was. From the formal program I learned something of the process of government and the people involved in it. Meeting and talking with other interns greatly increased my knowledge of my country and of my countrymen and countrywomen. The result of my two weeks internship is that I have returned home more knowledgeable, less parochial than I was before, with enough food for thought and action to last a long time. I am conscious that I am highly privileged to have had this wonderful opportunity. I thank you, each and every one who has made it possible.

Mary's and Benita's critiques of the congressional senior citizen intern program show appreciation of being chosen as interns. It is true there are some points that need to be smoothed over. Benita has made some general suggestions concerning the program. She feels perhaps there are too many lectures for the duration of the 2 weeks, and she also questions why the interns have to be 60 to 70 years old to participate. Benita suggests too that perhaps some of these senior citizen projects funded by Federal tax dollars should be abolished, for they help neither the senior citizen or the taxpayer. Hopefully as the program grows, these points will be addressed. I urge my fellow representatives to realize the opportunities the program offers for both senior citizens and the Government officials that represent them. The outcome of the internship is more beneficial programs for senior citizens, and the opportunity to give senior citizens a bird's eye view of how and why such programs are implemented.

Once again, I would like to commend BUD HILLIS and his staff on this excellent program and urge my colleagues to get involved in an experience that will enrich everyone concerned.●

● Mr. KILDEE. Mr. Speaker, the past 2 years, I have participated in the senior citizens intern program. I feel the senior citizen intern program is an effective method to increase the awareness of Federal programs affecting our older citizens. To observe firsthand is a very beneficial experience. This program provides a forum where senior citizens from across the country who are involved in community activities and projects can learn about the legislative process and the Federal Government and Federal programs. They can, in turn, provide a network to pass on to others information gained.

Senior citizens better than anyone else are aware of the problems and concerns confronting senior citizens. The senior citizens intern program contributes significantly to a two-way communication system whereby seniors are more cognizant of their Federal Government and its programs and thus can better respond and communicate to others. This program puts the senior citizens in touch with the Federal Government. My senior citizen interns have found the program most helpful and have returned to the district with enthusiasm to share what they have learned and apply the knowledge gained. My interns both years continue to be an extension of my office for senior citizen matters. The senior citizen intern program is a very worthwhile and effective program, and I enthusiastically support it.●

● Mr. VENTO. Mr. Speaker, it is a pleasure for me to join with so many of my colleagues today to emphasize the many benefits of the senior citizen intern program.

At the outset, I want to commend Congress BUD HILLIS, my colleague from Indiana, for the many hours of planning and hard work that he and his staff have expended to make this a most successful program. His dedicated efforts are appreciated by all Members of Congress who sponsored interns, but most of all by the interns themselves who were fortunate enough to participate in this year's program.

When Gordon Kinning, my senior intern from St. Paul came to Washington this spring, I am sure he did not know quite what to expect. But, like my senior interns last year, Gordon established a camaraderie with his fellow participants from all over the country and looked forward to each day's hectic schedule with enthusiasm.

I found it particularly impressive that the 130-plus senior citizens who were here trudging around the Capitol attending countless meetings and seminars for 2 full weeks, still radiated lots of energy when the program concluded. I think most of them would have gladly stayed on for another 2 weeks to tackle even more work and to gain even more insight into the legislative process and the issues so important to them.

The senior citizen intern program is an excellent vehicle to allow senior citizens—from all parts of the country—the chance to actively participate in the legislative process. The program focuses on important issues like social security, medicare, transportation, consumer protection, and housing, to name a few, which impact dramatically on the lives of all elderly persons in the United States. Most importantly, the senior intern program provides each Congressman who participated, and effective ombudsman who will return to the district to work actively with seniors and senior groups. I know that my intern last year, Mr. Ted Schmitz, has used his experience and the information he gained to great advantage. He has, in fact, worked actively with senior groups in St. Paul since the spring of 1978 and always comments, when I am back in the district and run into him, how much he appreciated the opportunity he had to participate in the 1978 program. I know that my intern this year, Gordon Kinning, will be equally active as a result of his experience.

I am personally delighted that I chose to participate in the senior program again this year, and I urge my colleagues to give this program their full support in the future.●

● Mr. RICHMOND. Mr. Speaker, it gives me the greatest of pleasure to join with my colleagues in expressing enthusiastic support for the congressional senior intern program and to commend the leadership and commitment of our colleague, BUD HILLIS, whose tireless efforts have made the program so successful.

After participating in the senior intern program for 5 years, I continue to be impressed by the many benefits the program affords—to the senior intern, to me and my staff and, most importantly, to the community.

Each year, the senior intern brings to my office a wealth of experience and insights to share regarding the needs and concerns of the elderly. The senior intern comes to know my staff as coworkers and friends, while participating in our day-to-day office routines. Through a perpetual round of meetings, visits to various committees and agencies, and by observing the legislative process, the senior intern gains a better understanding of our Government.

The senior intern program facilitates that key ingredient so essential to our democracy—effective two-way communication between the people and their representatives. And, when they return to the community, the senior interns are able to share their experiences with the community from their unique perspective of personal involvement in the workings of government.

By involving the elderly in their Government and by providing all participants—Members, staff and the interns—with an opportunity to reexamine programs, policies, and goals affecting the elderly, the senior intern program has proven to be exceptionally valuable.●

● Mr. GOLDWATER. Mr. Speaker, it was a distinct privilege for me to participate in the 1979 senior citizen intern program. Vernon Robinson, a resident of Simi Valley in my congressional district, came to Washington for several weeks of exposure to the legislative branch of Government and the operation of a Member's office. I know that Vernon returned to his wife in California with a better understanding of how our Government works. For him, it was a rewarding experience, one which I hope to make available to other senior citizens with an interest in the machinations of the Federal bureaucracy.

From what I can gather, Vernon was typical of his fellow senior interns in feeling a deep sense of satisfaction about the program. I was fortunate to meet a number of the senior interns who attended several of the functions organized on their behalf, and all of them expressed their pleasure at having this rare opportunity.

Let me commend my colleague Bud Hillis and his most capable staff assistant, Donna Norton, for the outstanding job they did in making the program a success. I look forward to participating in the future and was glad to sponsor someone this year who gained so much from the internship.●

● Mr. GREEN. Mr. Speaker, several months have passed since my office had the pleasure to host Katharine Reed of Manhattan as our first senior citizen intern. Today, the congressional intern program is at the opposite end of the spectrum; my office is currently enjoying the presence of three colleague students. It is clear that a Washington experience, whether it lasts for 2 weeks or for an entire summer, is something which benefits everyone.

On May 21, I had printed in the Record brief remarks by Ms. Reed and I took that opportunity to call for the commitment of this body to the establishment of a permanent senior citizen intern program. Today we are hearing from many more Members of Congress who are expressing similar sentiments. The senior citizen intern program is a valuable and productive idea—both for the participating constituent and the participating office. I look forward to having the opportunity to vote on this legislation and by its passage let our senior citizens know that their participation and presence in Washington is welcomed and encouraged.●

● Mr. WINN. Mr. Speaker, I want to express my gratitude to Mr. Hillis for organizing the successful 1979 senior citizen intern program for the sixth consecutive year. I believe that the program is a valuable learning experience for the participating interns and the congressional staffs. One important benefit from this program is the direct communication between the senior interns and their representatives about the needs of older Americans.

It was a privilege for me to play a role in the senior citizen intern program for the second year. In May of this year, I was fortunate to have two capable and knowledgeable senior citizens from Shawnee Mission, Kans.—Harry and Agnese Mahon.

Mr. Mahon served for 45 years as a superintendent and teacher in Oberlin, Turner, and Shawnee Mission, Kans. Mrs. Mahon was involved in the teaching field for 23 years.

Since retirement, the Mahons have continued their community activity and awareness. Mr. Mahon has served as president and legislative chairman of the Johnson County Retired Teachers Association. As a couple, both have worked directly in political campaigns in Johnson County.

During the Mahons' visit to Capitol Hill, they attended a series of lectures of particular concern to the elderly. Since then, they have taken the insight they gained back to the Third District. Their job has not ended, as they continue to keep me informed on the current issues of concern to the elderly.

As those of us who have participated in this program know, it has developed into a meaningful and productive 2-week period. And with these thoughts in mind, Mr. Speaker, I believe that the program should be developed further to include all congressional districts. I hope to see passage of legislation to fund this necessary and effective effort to meet the needs of our older Americans.●

● Mr. REGULA. Mr. Speaker, I had the privilege again this year of participating in the congressional senior citizen intern program and once again I came away from the experience feeling that everyone involved benefited from the program.

Mr. Lester and Mrs. Carrol Kettering of Canton, Ohio, who were sponsored by my office, graciously briefed me on issues raised during their 2-week tenure. They helped increase my awareness of important matters facing Older Americans such as health care, medical insurance, social security, housing, and transportation. I particularly appreciated their opinions based on what they had learned during their 2 weeks of meetings in the intern program.

I was inspired by the enthusiasm and active participation of the Ketterings, not only in Washington, but in their hometown where they serve as volunteers in several senior citizen programs.

In their followup report, Mr. and Mrs. Kettering indicated that they had greatly expanded their knowledge and awareness of the Federal Government as a result of their experience as senior citizen interns. In their report they stated:

"We only wish that everyone could have our recent experience. If all could see how very hard our representatives in government work for us, they would take heart and feel, as we do, that our government is not all bad." Based on their experiences in Washington, they close their report with this advice, which I echo: "Go to the polls on election day and vote to change what is bad, keep what is good, and support all candidates who work very hard for you and me to keep America the great Nation we know that she is."●

● Mrs. SCHROEDER. Mr. Speaker, my office is still talking about this year's senior citizen intern program and Janet Malloy, our intern.

Janet is known as a rabble-rouser in Denver. I thought it would be good to let her loose on Washington. I was not disappointed. Neither was she. Here is what she had to say on the program:

Denver, Colo.,
July 13, 1979.

In Support of the Congressional Senior Citizen Intern Program

When I answered the phone call from Rep. Pat. Schroeder's Washington office I immediately felt 'Very Special' for I had been selected as the senior citizen to receive the honor from District 1, Colorado. It felt good to be recognized for the feeble efforts that I have made towards a better community—while I am still living and can enjoy that feeling of pride!

Once in Washington I was enthused by the alertness, mobility and knowledge of all of the other selected senior citizens who had also been chosen. Somehow the feelings of emotion, personal conflicts and verbosity on the part of a few who 'always say their piece' at public hearings on senior citizen matters became a thing of the past. These people knew how to act in public with intelligent questions, sincerity of purpose and a keen desire to learn the legislative process in order to get the needed programs in their home states.

Great credit goes to the facilitator (Donna Norton) and the sponsors of this program for the opportunity to be exposed to the many facets of the upper echelons of our government. In my sponsor's office I was surprised to find the oft-repeated phrase 'Write a letter to your Congressperson' really was the effective way to apprise the staff of the local scene. I was afforded the opportunity to trace the channels of communication of a proposal for an innovative program for senior citizens of downtown Denver, and enjoyed the exchange of pertinent information with the Director of that particular H.U.D. program. (I think he learned something, too!)

Perhaps the most important comment is that this program in Washington replaces a lot of 'hot-air emotionalism' with concrete facts about the concerns of senior citizens in all segments of the society. It was a two-way exchange to change the image of seniors and the bureaucrats! It was real—It was personal!

In closing, I whole-heartedly support the concept that this program should be funded by the federal support system to enlighten the senior citizen populace in every state. I hope that I can copy this orientation to the legislative process for senior citizens in Colorado. It would become a powerful tool at election time to have an informed public of such magnitude.

Yours Sincerely,

Janet G. Malloy.●

● Mr. ROBINSON. Mr. Speaker, in each of the last 4 years, I have been privileged to select an individual from Virginia's Seventh Congressional District to participate in the intensive, 2-week congressional senior citizen intern program here in Washington.

Those citizens that have been chosen have always willingly shared with their fellow citizens back home what they learned here about programs and legislation of interest to the elderly. This is the key value of this program, in my opinion, and it is well illustrated by the following letter that I recently received from the Seventh District's participant this year, Mrs. Lucile Lane of Ashland, Va.:

Dear Congressman Robinson: Being in Washington this past May as a Senior Citizen Intern is one of the major highlights of my life. It was a very full, exciting, informative, and instructive two weeks—from our reception the first Monday at The Capitol Hill Club (and seeing all the elephants in the cabinet, flanked by the portraits of the Eisenhowers) to the breakfast on the last day with the Interns, their Congressmen and Senators, and our speaker, the Honorable Robert Ball.

The daily roster of speakers was most impressive and they gave us what was the intent of the program—to educate, inform, and instruct a diverse group of American citizens in the problems, purposes, processes and programs of The Hill, with particular reference to the ever-growing group of Senior Citizens. I came away with a great increase of respect for the tremendous and complex tasks facing our elected representatives as they endeavor to solve the problems of some 200 million Americans and to make life in America better every day in every way. I have become rather vocal in my support of you on The Hill—Republicans and Democrats alike.

It was a rare privilege to meet the President in the Rose Garden at the White House; to spend every spare moment in the House and Senate Galleries, listening to the debates and watching the voting; to see how a Congressman's office works and the magnitude of a Congressman's job; to ride the Capitol Subway to and from our meetings; and yes, to eat bean soup in the Senate Cafeteria.

It was an education in itself to meet and talk with some 160 Senior Citizens from across the nation—retired college vice-president, State Legislature member, retired ranchers, farmers, teachers, secretaries, salespeople, nurses, and housewives, representing many different walks and stations in life and sections of our nation from the Atlantic to the Pacific—but each one facing the one thing all human beings face, if they live long enough—Aging. Some of the group—in their 70's—walked from the hotel to the Capitol, some 2½ miles. One young man of 70 or so wore a pedometer and clocked 52 miles of walking on The Hill. I was most impressed by the fact that these men and women—most in their upper 60's and 70's and a few in their 80's—were concerned, not about the particular problems they personally face as aging Americans, but about other Senior Citizens less fortunate than themselves. Through their questions in the panel discussions, our speakers themselves were given an indepth look at the Aging and their needs.

Our speakers ranged from the Honorable Claude Pepper, a Senior Citizen himself, to some very able and young staff members, informing us on such pertinent subjects as Medicare, Medicaid, Health, Social Security, Consumer Problems, Housing, and Transportation. Each one of us came away from Washington with increased knowledge and inspiration to be better American citizens. I am receiving invitations to speak to various groups concerning what I "learned in Washington" and I look forward to being of service.

There is no better way to spend tax dollars than to continue the Senior Intern program nor can there be any one program that will reap such benefits as these. Senior Citizens go back to their various localities across America as better informed American citizens, better able to help others.

Thank you for allowing me to be your Senior Intern this year.

Sincerely,

LUCILE LANE.●

● Mr. EVANS of Indiana. Mr. Speaker, I am pleased to once again participate in this special order commemorating the senior citizen intern program. I have sponsored senior interns in past Congresses. It has been a meaningful exchange for me and my staff as well as the interns.

We were made aware of their concerns and those of their peers who have entered their retirement years. Their vitality and enthusiasm so aptly indicates that being elderly and retired hardly needs to be synonymous with retirement from being an active, contributing member of society.

I hope that the hundreds of senior interns that descend upon Washington each year will continually bring home the fact that the aging in America comprise the fastest growing segment of our population. It is crucial that we continue to address their future and we must be ever so careful not to be shortsighted.

It hardly takes a statistical genius to realize that as the percentage of our population over 65 increases other facets of our lives will be affected. While the exchange between interns and Members of Congress was only for a short time, messages are imparted to many of our seniors at home, since most interns participate in many local senior organizations. But even more importantly, I think these same individuals and their friends are more inclined to make their views known after witnessing firsthand, by working in the office or attending hearings, the impact of constituent concern.

In closing, I would only like to emphasize my commitment to the senior citizen intern program and ask that our efforts throughout the 96th Congress and subsequent Congresses continue to address issues affecting our Older Americans. During these difficult economic times, we must be careful not to increase the burdens of our elderly, those least capable of bearing them.●

● Mr. CORCORAN. Mr. Speaker, I am very pleased to take this opportunity to commend the gentleman from Indiana (Mr. HILLIS) for his excellent leadership in coordinating, once again, this fine senior citizen internship program, and for taking this special order today. This is the first year I have become involved with this effort, and I feel that the experience has been a good one—for me, my senior intern, and my constituents.

At this point I would like to insert in the CONGRESSIONAL RECORD the following report authored by my 1979 congressional senior citizen intern, Mr. Ernest E. Hanson of DeKalb, Ill. Mr. Hanson's remarks express many of the extremely positive reactions to the program that my staff and I experienced through his work with us. The purpose of the program—to bring Government and the elderly closer together—will continue to be served as Mr. Hanson shares his insights with the many senior citizens througout the 15th District of Illinois. In fact, I held a seminar for senior citizens in Aurora, Ill., on June 16 utilizing the talents of Mr. Hanson and others in trying to make life a little more comfortable and profitable for our seniors. The following remarks by Mr. Hanson indicate the many successes of this year's senior citizen congressional intern program:

I considered it a real privilege to have the opportunity to participate in the 1979 Senior Citizen Congressional Program. After receiving the appointment, I wasn't sure what to expect for two weeks from a program in which I would "receive briefings by a panel of experts on social security, community services, medicare, nursing home care, and consumer affairs. There will also be an opportunity to work closely with my staff and me, learning the legislative process." (Your December 1978 Congressional Report).

Indeed, we did have a panel of experts. Our speakers came from congressional committees, governmental agencies, and private organizations, namely: House Select Committee on Aging, Senate Special Committee on Aging, Counselor to the President on Aging, Administration on Aging, Medicare, Social Security, ACTION, Department of Health, Education and Welfare, Department of Consumer Affairs, Department of Housing and Urban Development, Urban Mass Transportation Administration, National Association of Retired Federal Employees, National Council of Senior Citizens, American Association of Retired Persons, National Retired Teachers Association, and, greetings from the President and a tour of the White House.

The presentations and discussions in each of the sessions were aimed primarily on the problems, programs, and legislation which related to the concerns of the elderly. An effort was made to clarify the responsibilities and functions of the respective committees, agencies, and organizations. The answers to the questions presented by the interns were, on the whole, adequately answered.

The complexity of the Federal programs for the elderly unfolded during the two-week period. Hopefully, the senior Citizen Congressional Intern Program will continue in the future because it provides another means of getting first-hand information back to the elderly in the respective districts.

One of the positive features of the program was the interrelationship that developed in the group of 165 interns. I enjoyed the small dinner groups and the discussion groups that met on short notice at the hotel. Through these groups and sessions, I was able to learn about on-going programs and services for the elderly in many geographical areas other than my own.

As I pointed out earlier, part of the time I was to work closely with you and your staff in learning the legislative process. You and the entire staff made this opportunity available to me. As the "senior" member of your staff I participated in conferences with you and your staff relative to the needs and programs for the elderly.

In addition, I attended committee hearings, answered correspondence from constituents (with proper briefing), reviewed pending legislation, aided in the development of a Bill (which was later introduced), and tried to aid the staff in furthering their resources relating to the elderly. I might add that working in the office with you and your staff was one of the highlights in the two-week experience.

After spending the two-week period in this program, I can honestly say that I believe in the Senior Citizen Congressional Intern Program and certainly hope that it will be continued and that more congressional offices will participate in the program. It helped me to gain insight into the many programs and services available to the elderly. Hopefully, I will be able to share some of the information I received with the elderly in the 15th Congressional District of Illinois. Our group had 165 interns.

I believe the objectives of the program would be difficult to attain if the group gets larger. If this does happen, I would suggest and urge the planning for two sessions a year and divide the group. Earlier I indicated that the presentations and discussion periods that followed were quite adequate. It is unlikely that this would continue to be true if the number of interns in a group would exceed the number in our 1979 sessions.

The housing and available food services left something to be desired. It might be well to explore the possibilities of trying to house the interns in a hotel with better facilities including meeting rooms for small discussion groups. And, possibly try to locate a hotel with better food services within reasonable distance than that in this year's location.

You may be interested in knowing that since returning home I have appeared before two senior groups and currently have two more scheduled. In these sessions I try to bring to the groups some of my experiences in the program, and, at the same time try to bring to the groups some of the programs and services available from the various agencies that appeared before our group of interns. I'll be glad to share information with senior groups in the 15th Congressional District if they care to get in touch with me.●

● Mr. ROE. Mr. Speaker, it has recently been a great privilege for me to serve as a sponsor in the senior citizen 1979 congressional intern program. There can be no questioning the fact that older Americans are this Nation's greatest untapped resource. Far too often, simply because of chronological age, senior citizens are relegated to the backburners of society.

The success of the senior citizen internship program is crystal-clear evidence that the elderly have much to contribute to this great Nation.

I was most fortunate to have the Honorable Eugene Zoppo, a retired labor leader from Paterson, N.J., and immediate past president of the New Jersey Federation of Senior Citizens, in my office as a congressional intern under this program. He is a man of great vitality, intelligence and extreme dedication whose lifetime of service to our people has truly enriched our community, State and Nation. Mr. Zoppo was indeed well qualified to represent the senior members of my congressional district and throughout our State. His 2-week stay as a member of my staff was a most productive time for both of us. I will certainly miss the advice and counsel he guided and provided me with.

Gene Zoppo and the 160 other older Americans who traveled to our Nation's Capital this May to participate took part in events that will have long lasting beneficial effects on senior citizens programs in New Jersey and the rest of our Nation. They attended a series of briefings on such subjects of special interest to the mature senior as consumer problems, medicare/medicaid, nursing homes, social security, housing, physical fitness, and transportation. In addition to a meeting with President Carter at the White House, Mr. Zoppo and the other senior interns also met with representatives from both the House and Senate Select Committees on Aging and several key organizations representing the interests of the seniors.

Projects like the senior citizen internship program engender a communion of interest and bridge-building between the people at home and representatives here in Washington blended together with firsthand experiences in the district that will most assuredly open up new communications channels for the senior citizens on Federal programs that were created to serve them. So it is clear the senior intern program does not end after the 2-week working session in the Member's office. The residents of the Eighth Congressional District and State of New Jersey will reap the benefits of the knowledge Mr. Zoppo obtained here and what can be done at the local level to make them more effective.

It was a pleasure to participate with the distinguished gentleman from Indiana—our colleague, Hon. Elwood Hillis—and other Members of Congress in this most worthwhile and highly productive internship program. The dimensions of adding the seniors' lifetime of rich experiences, practical knowledge and expertise to the legislative process presents a most formidable and exciting challenge, and I do trust we are successful in having the House of Representatives adopt, by formal resolution, the senior citizen intern program as an integral part of each Member's office. I certainly plan to participate in the senior citizen intern program again next year, and I urge every one of my colleagues to take part in this richly rewarding experience.●

● Mr. MAZZOLI. Mr. Speaker, the English poet, Robert Browning, made an astute observation of senior citizens when he said:

> What's a person's age? They must hurry
> more, that's all;
> Cram in a day what their youth took a year
> to hold."

Mrs. Helen Burke, of Louisville, participated in the 1979 congressional senior citizen intern program.

This 2-week program ran from May 7 through May 18 in Washington and consisted of briefings and discussions on issues of interest to older Americans.

Helen Burke came into my office with enthusiasm, a capacity for hard work, and a charm that could only have been found in an "Irish Colleen."

My permanent Washington staff benefited from working with Helen.

Mr. Speaker, I wish to share with my colleagues Helen's report of her observations of her internship:

Ready or Not, Here We Come

(By Helen Burke)

The Senior Citizen population in this nation is expanding at a very rapid rate and represents an ever increasing portion of the population with unique needs—similar to, and yet different than those of other age groups.

The 1979 Intern Program gave us a broad insight into the Federal programs benefitting the elderly such as the Hill Burton Act for the construction and modernization of health delivery services facilities; community mental health centers; construction of nursing homes and intermediate care facilities; Medicaid assistance program to the states; the Medicare program of health insurance for the aged and the disabled; veterans domiciliary care program; and the veterans nursing home care program.

We found all of the foregoing enlightening but, finally, in roundtable-type discussions, we concluded that medical costs for the elderly are beyond the ability of most to pay and that a National System of Health Care Insurance is needed now. We concluded that too many of the medical needs and expenses of the elderly are excluded from private and government health insurance programs and should be incorporated into any and all new programs considered and/or adopted: prescription drugs, eyeglasses, hearing aides, foot care, dentures, and care by licensed practical nurses, to name a few.

Medicare, which was conceived to serve the aging and disabled is making some health care contributions but it could, and should, do more than it does for more people. The elderly pay more for health care than any other segment of the population yet they have less than half of the National Median Income.

When an older person has a need for health care he/she is faced with a maze of fragmented, inefficient, and incomprehensible procedures, regulations, and "paper work" to battle his/her way through. Unfortunately, this sort of fragmentation leads to the denial of certain services to large portions of the population. These services are enjoyed by many others. Perhaps a National Health program would correct these inequities.

It is amazing and somewhat confusing the things I've learned since becoming part of the Intern Program about the complicated way our government functions trying to solve our many and diverse problems the best way government can. The 1979 Congressional Senior Citizen Intern Program gave all of us who participated a deeper knowledge and wider insight into the problems and special needs of the elderly in this country. We represented thirty-four (34) states and the one-hundred-and-sixty-four (164) of us in attendance were unanimous in our agreement that the organizers, daily group leaders, and all of the speakers are to be commended for their organization of activities, and their skills in sharing their talents with us. The United States Senators and Representatives who sponsored us are to be commended also for their genuine demonstration of their commitment to the elderly of the nation.

The insidious nature of inflation is such that all aspects of America's life and people are hurt by it. But, foremost among those hurt earliest and most severely are the aging Americans. Their incomes are greatly reduced and their cost-of-living is rapidly increasing. But, aging Americans are developing new life styles also. They are taking active parts in the affairs of states, their counties, their cities, their political parties. They take part in our society today. They take more interest in what is going on. They are contributing to the growth and development of our nation.

They have ideas: one such idea being that "improved public relations is a very vital need for older citizens." Their image in this country is very obscure.

Nuclear families necessitated by upward mobility, and tremendous influx of the youth into the work force, are some of the factors that go into generation gaps and cast the older citizens into a framework of forgotten people.

Everything in American society is geared to technology and profit. Many young adults hold responsible positions in our system and grew up in a youth-oriented age. Many of them never knew anyone outside their peer group unless it was a parent or teacher; therefore, they just don't know anything about old people or the needs of the elderly. They dismiss older people as an "oddity" or as "cute"—which, of course, is de-humanizing. For this reason, older citizens need good public relations to present a positive image to the country.

Old citizens are real people with real needs who contributed real service to the nation, to the nation's economy, to the nation's children. And, they are deserving of necessary benefits and services because they have earned them through a lifetime of service and meaningful contributions.

"Aging Americans," "the elderly," "older citizens"—whichever they may be called—they vote on election day. They are anxious to vote on such topics as: real estate tax rebates, lower taxes on the interest and/or dividend earned on small, lifetime savings.

When older Americans were younger, they invested in the U.S. Government (such as Series E Bonds) at low-interest over long years. Such bonds, being recalled now in times of exorbitant inflation plus increased tax schedules, have left many elderly people with a questionable return on their "investment in the Government." Many would like to vote on that topic!

It is thought by many that we can dispel the theory that government programs are the main cause of inflation. Only casual attention to the so-called "energy crisis" clearly indicates the too-long delayed needs for widespread trust-busting, anti-monopoly suits against all multi-national corporations and multinational banks as a key to the solutions to global inflation—not just inflation in the U.S.A.

Services to the Senior Citizen need improving. Many millions of Senior Citizens have been around since Teddy Roosevelt stormed San Juan Hill and have, therefore, lived through some of our nation's most trying military campaigns. They are, generally speaking, in favor of America's preparedness but are also apprehensive of our present defense budget and are of the opinion that it can be greatly reduced. Such a reduction would contribute greatly to (so-called) Social Welfare programs for all Americans—Senior Citizens included.

The elderly should have the opportunity to participate in training programs so that they can continue to work after sixty-five (65) years old. Education should be available to them so that they can learn new skills commensurate with their "new" position in the work force: they will no longer be competing in the young-person-upward-mobility-get-ahead syndrome.

Most of the working people now classified as Senior Citizens were unable to accumulate large "nest eggs" because of wars (and their contribution to their nation in the form of prolonged military service); the Depression, dust bowls, low wage scales; and the spiraling inflation of the past twenty years. The more fortunate among them who prospered greatly and invested profitably have no limit on their personal incomes from age 62 through 72. They can collect maximum Social Security regardless of income from investments; whereas, the person without such investment return, who has to work-to-live during that ten year span has to sacrifice . . . has to make a choice: work for highest wages attainable and pass up Social Security payments or take some inferior type of work at some inferior wage scale and, even then, run the risk of having to repay portions of the Social Security income received during the quarters when income exceeds the arbitrary limitation.

Workers as well as investors should also receive their Social Security incomes without income limits. After all, "workers" are not only people but are dignified people as well.

Many Senior Citizens, male and female, have the physical and mental capabilities to perform skillfully many job functions from which they are presently excluded. Foremost among these are social services related occupations dealing with the elderly. Senior Citizens should be given more consideration and employment in these fields. The near equal age status of the worker would contribute greatly to reducing the frustrations of the aid-recipient.

The reduced rate of housing construction in this nation is presently bordering on national disgrace and the money lenders' greed for high interest rates is at the root of the problem for all Americans. In the meantime, increasing millions of elderly Americans are living in quiet desperation as their own homes deteriorate and collapse over their heads because niggardly Social Security incomes and inflation leave them little for sustenance and nothing at all to pay the inflated service charge of home repair companies. And for those in nursing homes—may God be with them. National law is needed without delay to bring about quarterly inspections of nursing homes and to insure that nursing home inspection laws are adhered to.

The so-called "energy crisis" aside, transportation has long represented a special need for the elderly. Failing eyesight, impaired physical condition and age-restrictive auto driver's licensing laws in most states make transportation assistance for the elderly a must. Further, the inability to be able to get about—especially for health care—increases the necessity for in-home care services.

Lobbying efforts are underway at state legislatures and at the U.S. Congressional level to assist other citizens to reduce the cost of prescription medicines. And, efforts will continue, to reduce and/or eliminate those vestiges of discrimination against older people which continue in the United States.

Society is beginning to note the older people.●

● Mr. BAILEY. Mr. Speaker, I wish to extend my heartiest congratulations to Congressman Hillis and his staff, along with all the other hard-working volunteers that made the 1979 congressional senior citizen intern program a success. I feel that this was an excellent program because it brought to Washington active elderly individuals to join in a unique learning experience. I know that the participating senior citizens will share their experiences with fellow seniors and apply what they have learned to benefit the elderly and their community as a whole. The success of the program is obvious since it has grown from 24 participants in 1972 to over 160 participants this year.

I believe that the true worth of this program is best expressed by the interns themselves. Accordingly, I am including the two letters sent to me at the conclusion of the program by our interns, Mary Stoner of Greensburg, Pa., and Nick Pallone of Arnold, Pa.

Dear Congressman Bailey: I wish to express my sincere appreciation for the opportunity afforded me in participating in the Senior Citizens Intern Program, made possible by your devotion of time and resources to this worthy program. A special thanks to you and your staff for all the courtesies shown me, making my visit most enjoyable.

This has been a most enlightening experience, giving me an insight into the task confronting our legislators. I now realize the amount of time and work required of you in studying and evaluating the overwhelming volume of legislation being presented for consideration each day. Knowingly, I now more fully appreciate your efforts of long hours of work on behalf of your constituents.

Meeting with Senior Interns from all areas of our country, exchanging ideas, discussing mutual problems, etc., has been the most rewarding experience. Given top priority in our concerns is the need of a National Health Plan, which, we all agreed, is long overdue.

Our summation: Happiness is a requisite to good health. It is better by far to prevent, rather than to cure illness, if possible. Keeping the elderly active, both mentally and physically would help to achieve that goal. A center with various programs to promote attendance and participation by the elderly, is essential in every community.

Here in Greensburg we are far behind in the establishment of a Senior Center, due mostly to the division existing between the two senior citizen organizations. With the help of our township, city, and county officials, I hope we can unite the two groups.

The knowledge I gained in my internship will be shared with my associates. If I can be of any assistance, feel free to call.

Sincerely,

Mary Stoner.

Congressman Bailey: On behalf of the senior citizens of the 21st congressional district, we wish to thank you and the members of your staff for an enjoyable and informative two-week stay in our nation's capital. Your understanding of the need of senior citizens to know the difficulties of having legislation passed in their behalf is in our opinion very commendable. Your staff extended all the courtesies of your office to attending interns.

Our purpose in attending this internship was to listen to various speakers on present legislation and suggest to them and to your office, its shortcomings and to make suggestions on how it can better serve our senior citizens.

Many areas of legislation were discussed during our two weeks, and we recognize that some legislation now in effect serves our senior citizens quite well. We do, however, hope that you will support several legislative bills that are of immediate concern to our senior citizens.

Areas of need to senior citizens are presented by the 1979 Interns:

1. National Health Plan
2. Social Security
3. Seniors Centers
4. Nursing homes versus in-home care
5. Nutrition Programs
6. Transportation
7. Making the Senior Citizens Intern program a formal function of Congress twice yearly.

Priorities given to numbers 7, 1, and 3.

Sincerely,

Nickolas H. Pallone.●

● Mr. HUGHES. Mr. Speaker, I would like to add my support for the senior citizen intern program. This is the second year that I have been privileged to participate in the program established by our distinguished colleague, Bud Hillis. Once again, the experience was a rich and rewarding one, not only for me and my office, but for our intern as well. The senior citizen intern program which began 7 years ago on an informal basis deserves our continued and enthusiastic support.

In fact, I would like to see the senior citizen intern program attain permanent status by making special funds available to each Member of Congress specifically earmarked for paying a senior intern's expenses for the 2 weeks he or she is in Washington. This would allow every Member the chance to utilize the special talents, maturity, and enthusiasm that an older person brings to the program. I have cosponsored legislation to accomplish this. The costs involved in setting up an official program are small when weighed against the benefits that a program of this kind brings. It has both short- and long-term benefits that work to the mutual betterment of senior citizens and the Congress.

It is easy to become isolated in Washington. We are constantly bombarded by experts in the geriatric field eager to shower us with their expertise on the special needs and problems of the elderly. Many of these suggestions ultimately find their way into our statute books in our attempts to do the right thing for the fastest growing segment of our population.

But, Mr. Speaker, we are missing the surest bet of all if we do not go directly to the source, senior citizens themselves, for some wisdom and guidance on what laws should be enacted and what others should be repealed. The senior citizen intern program also helps the older people understand more clearly the challenges facing legislators working with a limited amount of dollars and trying to stretch them as far as possible to meet the needs of all the American people.

I am delighted that I had the opportunity to participate in the 1979 senior citizen intern program. I hope that by May of 1980 the senior citizen intern program will be available to all Members of Congress who care about the special needs of our elderly and who want to become involved on a firsthand basis with active and eager senior citizens in a mutually beneficial relationship.●

● Mr. MARRIOTT. Mr. Speaker, I wish to express my great appreciation for having had the opportunity to participate in the congressional senior citizen intern program for 1979. For 2 very informative weeks I had on my staff Mrs. Sunday Anderson, who turned 84 years old just 2 months before coming to Washington to participate in the program.

Mrs. Anderson has been active in community and political affairs for over 42 years, having served one term in the Utah House of Representatives (1951–52) and having held several leadership positions at the county, State, and National levels. She received the Senior Citizens Award of the Year from the Utah Jaycees in 1973 and the Hall of Fame Award in 1978.

She is past president of the Utah Chapter of the American Association of Retired Persons (AARP) and was the "moving spirit" behind the Sunday Anderson West Side Senior Citizens Center in Salt Lake City.

I not only learned much from Mrs. Anderson's internship, but we continue to keep in touch as we deal with the issues of vital interest to senior citizens in my home State.

I submit at this time for the benefit of my colleagues a letter I received recently from Mrs. Anderson regarding the internship program:

DEAR CONGRESSMAN: As a senior citizen Congressional intern of 1979, I wish to thank you for selecting me as your candidate. Having worked with the senior citizens for many years, most of the issues of the conference were very familiar to me.

The Older American Act was great. I was delighted on my return to assure our people that the government is concerned about improving social security. The physical fitness program I participated in with everyone else in the program taking part was a thrill.

I attended every meeting that was scheduled, and I appreciated the prompt starting and ending of every one. I would have liked to bring home a sample of all the materials, but the first three rows of each meeting were the lucky ones who got the information, and the rest of us had to write for the materials we didn't get. I hope to receive mine sometime soon.

I was escorted everywhere I went by a member of your staff, including when I was picked up at the airport on May 6 by Greg Korologos and taken to a delightful dinner at her home.

I spent the next five days learning what Congress is trying to do for the senior citizens. There were 32 states represented with 165 interns present.

On May 8 an intern meeting was held on the roof of the hotel. After I returned I spoke at the Nutrition Council on June 15. On July 20 I will speak to the Division on Aging.

As a result of my internship in your office, I hope to organize the site managers of the county Aging Services Division and other interested senior citizens to get comments on the needs of older Utahans. As I told you before I left Washington, I will make recommendations to you about what can be done to help senior citizens in Utah, and I hope to accomplish this real soon.

During the program in Washington, the following statement was issued by Kitty Shaffer, chairperson of the 1979 Senior Interns:

"Washington, D.C., May 10, 1979. The '1979 Senior Interns' held a meeting (posted) at the Park Central Hotel Thursday, May 10, 1979, at 8 p.m. to collate their joint and major concerns. It was the consensus of opinion of those present (unanimously) that we will continue to share both our similar and our diverse concerns through the media of a quarterly Newsletter over a period of time.

"By acclamation (and his offer)—John Cy (Hopkins) of 510–15th Avenue, New Brighton, Pennsylvania 15066, will edit and mail out this letter to all delegates who may wish to participate. He needs your input. (Information must be in by July 15, 1979; newsletter will be out September 1, 1979.)

"His labors will be 'volunteer' at this time; but the cost of paper, printing, and mailing must and should be absorbed by the recipients.

"By unanimous vote, Nick Pallone, 1608 Leishman Avenue, Arnold, Pennsylvania 15608—will serve as treasurer of these funds. Make checks payable to: '1979 Senior Interns.' Submitted by Kitty Shaffer, chairperson."

So as you can see, Congressman, we did accomplish much during our two weeks in Washington, and we will continue to keep in touch and accomplish much more.

Thank you again for allowing me to be your intern. And I hope we can keep in touch and help the senior citizens.

Sincerely,

SUNDAY ANDERSON,
Senior Citizens Council Inc., and Sunday Anderson West Side Senior Citizens Center.

As I said, Mr. Speaker, the program was a success, and I intend to participate in it again next year. As long as people like Sunday Anderson maintain a high level of interest and participation in programs such as these, the interests of senior citizens and all Americans will be protected.

● Mr. CORMAN. Mr. Speaker, I join in congratulating our colleague, BUD HILLIS, on this year's successful and informative congressional senior citizen intern program. His efforts to produce such a worthwhile opportunity for interested participants must be commended. The program's success is witnessed by the ever-increasing numbers of participants. In 1973, only 11 interns participated in the program. This year, a total of 160 individuals from across the Nation journeyed to Washington for the intensive workshops.

This was the first year that my office participated in the program. All signs indicate that it was a most useful and exciting session for Ms. Ida Berkowitz who represented the 21st Congressional District of California. Ms. Berkowitz, of Van Nuys, Calif., spent an exhausting 2 weeks attending extensive meetings on the functions of Congress, medicare/medicaid, health care, transportation, housing, and social security.

At the conclusion of the program, Ms. Berkowitz said she learned a great deal during the seminar session, but was particularly "amazed at the length of time and painstaking process it takes to get legislation passed by Congress and implemented. I do not think many people fully understand the time and effort it takes to get a bill through."

Ms. Berkowitz and some of her new found friends also did independent research on the issue of health care. She summarized her experience this way, "We went from one representative to another getting their views on health care. It was fascinating to learn different sides of the issue and then weigh the pros and cons of conflicting views. It gave each of us an opportunity to gain firsthand information from those Members of Congress whose views most interested us."

Ms. Berkowitz also expressed her concern that "not enough is being done to reeducate older Americans. No one takes the time to help them find reemployment—a second career—or simply allow them to experience the joy of learning. Older people are put on the shelf, given food, shelter, and then forgotten. Older people must stay involved—it's a health benefit. Today, society is sadly lacking in helping older people keep active in community affairs. We have so much more to offer."

The 1979 senior interns plan to continue their interchange of ideas by publishing a newsletter. It will inform interns from across the Nation of what is happening within each of the different communities.

Ms. Berkowitz plans to meet with various community groups back home and share with them her experience in Washington. She believes that it is important to broaden her peers' understanding of the functions of the Government and how it works for them, a feeling shared by many of her colleagues in the program. Ms. Berkowitz hopes to help better organize senior groups in expressing their concerns and suggestions about legislation which comes before the Congress.

It was a delight and great pleasure to have Ms. Berkowitz with us. Her contributions to the program and sharing of her experience and interests with others are beneficial to the citizens of our community. I am grateful to her for giving my office an opportunity to participate in the program, and to Congressman HILLIS for making the senior intern program possible.●

● Mr. QUAYLE. Mr. Speaker, nearly 15 percent or about 69,000 people in the Indiana Fourth District are 60 years and older. As a group they constitute a valuable resource for Indiana and our Nation. We need to establish stronger lines of communication to study their concerns and to seek their ideas on responsible solutions to their problems, and those of our country.

The congressional senior citizen intern program which was held again this year in May proved to be an excellent forum for an exchange of views with senior citizens from across the country.

Two active representatives from the Fourth District of Indiana were on my staff for this year's program. They were Mrs. Edith Schemahorn of LaGrange and Albert G. Jennings of Fort Wayne. After their return from Washington they took the opportunity of sharing their experiences and reactions with others in their communities. They have also met with the 4th District Senior Citizen Advisory Committee to initiate a program of action and recommendations that could be helpful to me.

I wish to commend my able colleague from Indiana (Mr. Hillis) for his leadership in pioneering this program that continues to grow in popularity each year. At the same time, my appreciation also is extended to Congressman Tony Coelho of California and Senator William Roth of Delaware for their contributions to the success of the project.●

● Mr. BEDELL. Mr. Speaker, I want to join my colleagues to express my enthusiastic support for the congressional senior citizen intern program, in which it was my privilege to participate for the first time this year. My distinguished colleague, Mr. Hillis, should be commended for his leadership in this program.

Our office was very fortunate in having Miss Zipora Braunschweig, of Lake City, Iowa, with us for the 2-week period in May. Zipora has been an outstanding leader of Lake City senior citizens for many years. A retired nurse anesthetist she has been secretary of the Stewart Memorial Hospital Board in Lake City for 10 years, and helped form a corporation to build a nursing home in the city. She helped secure a $26,000 grant for the Lake City Senior Center, and was instrumental in forming a taxi service for the Lake City elderly in 1967 which is still functioning today. Further, she was recently reelected to her second term as Senator to the Older Iowans legislature.

Zipora was a great addition to our staff during that 2-week period, partly due to her extraordinary vitality and determination, and also because of the contribution she made to my entire office's awareness of the concerns of senior citizens in northwest Iowa.

While Zipora was very enthusiastic about the amount of personal insight she was able to gain from the intensive seminars which were held on issues of particular interest to the elderly, she indicated that the real benefit of the program would be realized in her subsequent work back in the community.

"The senior citizen interns participating in the 1979 program have comparatively little influence or power as a small group," she said. "Our effectiveness will lie in our ability to communicate our knowledge to senior citizens back in the district, and to convince them that their voices do have an impact and that congressional offices need and want to hear from them."

Zipora has devoted much of her time since returning home to meeting with various senior citizen groups, relaying her experiences to them and relaying their concerns to my office. I expect that, in this capacity, she will be able to do a great deal to enhance the lines of communication between Government officials and older Americans in northwest Iowa.

The congressional senior citizen internship program has been a terrific experience for our office, as I know it has for the growing number of other congressional offices who now participate. I have joined with Congressman Hillis to sponsor legislation to make the program an official internship program of the House, similar to the LBJ internship program for students. I am hopeful that Congress will see fit to give this program the official recognition and support that it so richly deserves.●

● Mr. PHILIP R. SHARP. Mr. Speaker, it is a pleasure for me to join so many of my colleagues in speaking again on behalf of the senior intern program. This was the fifth year my office participated in the program, and once again we have found it to be a productive and rewarding experience.

This year my senior interns were Mrs. Geneva Micklitsch of Bluffton, Ind., and Mr. Alfred Markin of Hartford City, Ind. Both are very active in senior citizen organizations in the 10th District—Mrs. Micklitsch serves on the executive board of the Area III Council on Aged and Aging and on the Wells County Council for Aged and Aging, and Mr. Markin coordinates the Area VI Council on Aging's nutrition program.

Both Mrs. Micklitsch and Mr. Markin were excited about returning to Indiana and sharing their experiences with others, and they felt the information they had gained would be very useful to the efforts of their organizations to expand senior citizen services. Before they left Washington, they evaluated the 2-week program for me, and I would like to share with my colleagues some of their thoughts.

Mrs. Micklitsch reported:

> I am happy and very grateful to you to have this opportunity to participate in the senior intern program and hope that I will be able to bring at least part of this information back to the area. What I liked most about the intern program was the sociability of the other interns, their capability and knowledge about the many programs for the elderly. The lectures were very knowledgeable and the speakers very well versed. Questions and answers have helped us understand some of the programs. It is surprising the vast number of programs and problems that we covered. Some of the things I am personally interested in and especially enjoyed briefings on were National Health Insurance, generic drugs, the food stamp program, home health care, transportation for the elderly, and senior citizen nutrition programs. I also enjoyed working in the Congressional office and learning about the vast amount of mail received daily. Thanks again for this wonderful opportunity.

Mr. Markin reported:

> We commend the founders, Rep. Hillis and Sen. Roth, and their staffs for initiating this fine program which continues to grow year after year. Particularly the excellent planning and leadership of Donna Norton. Her expertise, diplomacy and firm control of every session deserves the highest praise.
>
> I personally feel greatly honored in having the opportunity to participate in this splendid program. In working and associating with our congressional office we fully realize that the interests of constituents are taken very seriously. As representatives of Senior Citizens we can go home with assurance for our areas that the Congress needs and wants meaningful communication and will respond as early and as effectively as possible. Naturally, I am primarily interested in adequate funding of the Nutrition Programs and transportation for the elderly, being actively engaged in these services in Area VI. With contact and communication between state and local agencies on aging and the Federal Administration on Aging, the most advantageous legislation will be enacted on behalf of the growing population of older Americans.●

● Mr. BROYHILL. Mr. Speaker, having taken part in this senior citizen intern program for 2 years, I would like to take this opportunity to say what a privilege it has been to participate. I feel this program is extremely valuable, not only for the interns and what they learn about how Congress and the executive branch of our Government operate, but also for me and the members of my staff as the interns share ideas on various issues and procedures used in our office.

For the past 2 years our office has enjoyed those 2 weeks in May when representatives of our senior citizens in North Carolina have come to Washington to join in a learning internship. This year, I had the good fortune to have Mr. and Mrs. Bob Rosebro of Gastonia, N.C., serve on my staff. Their active participation, comments, and general enthusiasm for the program made their stay most rewarding for my staff and me.

Mr. Rosebro, a retired banker, commented that:

> After being up here, I realize that the shape this nation is in is largely due to the people asking so much of their government.

Demonstrating this discovery of the need for self-reliance, the Rosebros plan to continue their interests in good nursing care for the citizens in their community, a senior citizen center; better transportation for the elderly, especially the handicapped; and additional help for those senior citizens who really need it. After their stay here, though, they know a little more about these programs. And, if they do not know the answers, they have the names of the people who do.

Mr. Speaker, I conclude by saying how delighted I am to have participated in this program. I commend my colleague, Mr. Hillis, for his initiative in implementing the program and urge the continuation of the internship.●

● Mr. OBERSTAR. Mr. Speaker, each year around the first of May, I begin to look forward to the arrival of the Capitol Hill senior citizen interns. This year, I was privileged to sponsor two Eighth District residents as interns. Once again, I was enormously pleased by the program and by the participation of our Eighth District interns.

In the months since then, the interns have fulfilled an essential function of the program—they have brought the message back to their fellow seniors in their communities.

While we can have only a limited number of interns—I wish it could be more—it is essential to have articulate, energetic interns who will communicate their experience to other senior citizens, make them aware of what the Federal Government can do for seniors, and encourage them to become actively involved in the political process.

I want to commend and thank the two Eighth District interns—Arnold Kelling of Lino Lakes, and Emily Pongratz of Duluth.

My staff and I were doubly blessed because each of the interns brought their spouse to Washington to join in the program.

Since their return to Minnesota, Mrs. Pongratz and Mr. Kelling have been the subject of a number of newspaper articles reporting on their internship and on their impressions of Washington.

I know my colleagues who have participated in the program will join me in urging our other colleagues to consider sponsoring interns next year.

We owe a debt of gratitude to Congressman Bud Hillis for his leadership in nurturing and administering this program. He and his staff assistant Donna Norton have done just a great job in developing the intern program.

I would like to share with my colleagues articles on Arnold Kelling and Emily Pongratz which appeared in the Duluth Herald and the Circulating Pines.

[From the Circulating Pines (Circle Pines, Minn.) June 7, 1979]

Kelling's Bring Message From D.C.—Seniors Should Take Part in Politics

(By Grace Gibas)

Arnold and Marcella Kelling, Lino Lakes senior citizens who spent two weeks in Washington D.C. as participants in the Capitol Hill Senior Citizen Internship Program, are home. Sorting out the mountain of information they received in twice-daily sessions they come to a rather pessimistic conclusion:

There are many agencies and programs in Washington working to improve the economic security of the elderly. But unless something is done about inflation their efforts will be futile. They picked up the general feeling that while President Carter was tending to the Middle East the big oil companies made an end run. The resultant high gasoline prices are fueling inflation. And that is especially bad news for the elderly who comprise 45 percent of the poor or near poor.

There is no funding for the Senior Citizen Internship Program which this year brought 165 internees to Washington, D.C., so Kelling went as an employee of Eighth District Congressman James Oberstar. Marcella accompanied her husband and absorbed as much information as possible.

The congresman proved to be a very busy man and was able to spend only a half hour with them. "Oberstar is a good listener," says Kelling. "In that half hour we were able to give him the basics of what senior citizen concerns are." They also discovered that Oberstar does his homework. They felt he was very well informed on issues.

Marcella can't say too many good thing about Oberstar's staff. They work under tremendously crowded conditions but are dedicated workers. "They were very helpful and gave us all the information we wanted."

One of their favorite speakers, in a field of speakers who covered such diverse topics as physical fitness and housing for older America, was Congressman Claude Pepper from Florida. Pepper, a 78-year-old who lost his seat as a Senator in 1950 because he favored comprehensive health insurance and then regained a seat as Congressman 12 years later, is an outspoken opponent of mandatory retirement. He is still plugging hard for comprehensive health care and thinks victims of crime should get compensation.

The Kellings didn't get to shake President Carter's hand during a tour of the White House but they did meet Speaker of the House, "Tip" O'Neil, whom they describe as "a huge man, so ugly he's attractive." They also saw California's Governor Brown being interviewed.

They were pleasantly surprised in a session on Social Security to learn that it is not about to expire, an impression dependence on the mass media gives. Social Security is alive and well, and has a healthy 50 years ahead of it at least. Medicare looks good for at least 70 years.

But people must keep a sharp eye out for legislation that would weaken these two basic programs for senior citizens. It would be political suicide for a politician to attack Social Security head on. But the public must be on the look-out for side-swipes.

For example, there is a move on to eliminate the $255 death benefit. Opponents say that $255 is an insignificant amount, so let's save money by eliminating it. A better alternative, since the amount is so small, is to ask Congress to increase the death benefit to $1,000.

Another tactic is to push for the elimination of the Social Security floor payment, which is now $121.80, and pay a sliding scale. This could mean that an elderly person who had never earned much might get only $10. It's another swipe at the elderly poor. Another gimmick to watch for is a move to limit the cost-of-living increase to five percent even though inflation might be at 10 percent.

"It seems like when the government economizes it picks on the elderly and the poor," says Kelling. The United States and South Africa are the only countries that don't have some form of health insurance. Also the people of the U.S. have the lowest percentage of savings of any Western nation. People see no reason to save. The elderly who have saved sit and watch inflation wipe out their savings, and the young have no incentive to save.

On the health front the Kellings found that government policies are often in conflict with the needs of the elderly. The people who briefed the interns were completely frank and open. "They didn't give us a lot of hogwash," says Kelling.

For example, most senior citizens are happier if they can remain in their own homes. Nursing home costs are astronomical. For an elderly person who is mobile—and this is six out of seven—about $5 would pay someone to look in on them daily. So what does the government cut? Home health care!

And Social Security supplements are not given if a person is cared for by a relative. Supplements go to nursing homes, and that's a way if driving folks into nursing homes when there are less expenses and better alternatives.

"Sometimes we senior citizens feel powerless," says Kelling. "We see things that should be done but to wade through bureaucracy to get them done is another matter."

A brighter spot in the health care scene is the growing willingness to consider socialized medicine. "The time has come for socialized medicine. It may take us some years. But it is an idea whose time has come," says Kelling. Few can stand catastrophic illness.

The Kellings enjoyed speakers on physical fitness and nutrition. "Food is mighty important to health," says Kelling. Too many times we don't know what is in the food we eat. We need to watch for additives and for sodium, especially in processed foods. And we need to watch our fat intake, since too much cholesterol can bring on a heart attack.

Kelling notes that the elderly make up only 10% of the population, but they cast 16 percent of the vote. "We are a mighty force in the state and local level. However, Congress is economy minded, and we cannot expect many added appropriations."

Perhaps the chief advice the Kellings would give after their Washington visit is this: "Be vigilant." Take part in politics. Write your congressman about things that concern you. Find out all you can about benefits for senior citiens. And keep your eye on your government so it won't take things away from you.

"Seniors are more part of solutions than they are of problems," says Kelling.

[From the Duluth Herald, June 27, 1979]

She Had "Seat" In Congress

(By Jim Davidson)

Most visitors to Washington, D.C. are outsiders looking in, trying to catch glimpses of the federal government at work, while touring the museums and other points of interest.

A retired Duluth schoolteacher wasn't a typical visitor during her two-week stay in Washington last month. She had one of the better seats in the House.

Emily Pongratz, 2016 E. 3rd St., was one of 165 senior citizen interns who participated in a series of briefings by congressional committees and administrators on federal and private programs for older Americans.

The congressional internship program for senior citizens has existed for seven years, but only one other Duluthian, Joseph Wiesinger, has participated in it. However, several other area senior citizens have participated.

Pongratz sent in her application at the last minute to the office of Rep. James Oberstar. He chose her from a long list of applicants, and through his office's funds provided a round-trip air ticket as well as a $300 per-week stipend for food and lodging.

Congressional committees scheduled special sessions for the benefit of the interns. Together they discussed issues affecting senior citizens—Medicaid, consumer problems, housing, nursing homes, health, Social Security, transportation and volunteering, among others.

Interns in the audience would get up and ask questions like "Could there be a housing program for moderate-income senior citizens?" Pongratz said, adding "They (committee members) couldn't answer that."

While staying in Washington with her husband Frank, Pongratz also witnessed congressional budget hearings, the debate over gasoline rationing and other energy conservation measures, and part of Senate investigation into the finances of Sen. Herman Talmadge, D.-Ga.

One highlight was a meeting with President Carter in the White House rose garden, where the president assured the interns that the Social Security system would remain sound for another 50 years, Pongratz said. The health of the Social Security program has been a source of concern in recent months.

"The internship program educates senior citizens. The information I get, I scatter around," she said.

Since returning to Duluth, Pongratz has given speeches at meetings of the Senior Citizens Coalition, the American Association of Retired Persons, the Central Body of the AFL–CIO, and the Nutrition Council.

She has also spoken at the Senior Citizen Community Center, 211 N. Third Ave. E., where she is a member of the advisory board.

Pongratz retired in 1977 after teaching 44 years, first in Wisconsin and then for 25 years at Endion Elementary School. She last taught kindergarten at Endion.

She is a member of numerous senior citizen organizations and does volunteer work for the Senior Citizen Community Center, Miller-Dwan Hospital and the Meals on Wheels program.●

● Mr. MYERS of Indiana. Mr. Speaker, today, I wish to express my support of House Concurrent Resolution 15 which would establish a permanent and official senior citizen intern program that would be known as the Claude Pepper Senior Citizen Congressional Intern Program.

The present senior citizen program, organized by Congressman ELWOOD "BUD" HILLIS, began rather informally with only a very few participants. However, this year, nearly 150 senior citizens, representing virtually every region of the country, came to Washington to personally confer with Government officials involved in the special problems of senior citizens, and to have the experience of working with our staffs, and learning about the legislative process. These interns have returned to their home communities and are presently sharing the internship experiences and information with local leaders and other seniors who work together to resolve common problems. Ultimately, it is our communities who benefit from this program through these interns and their experiences.

The senior citizen program is one of the most useful exchanges between a constituent and a Member of Congress that we could have. This program would be enhanced if it were officially recognized and authorized by the Members of the House. I, therefore, urge favorable consideration of House Concurrent Resolution 15.●

● Mr. WYDLER. Mr. Speaker, we strive diligently in the U.S. Congress to fully understand the problems confronting America's elderly and to find appropriate solutions to those problems. Our objective or ultimate goal is understandably to make life better for our senior citizens.

Several years ago, under the careful direction of my colleague BUD HILLIS, the congressional senior intern program was born. Recognizing the acute need to bring together involved citizens who were aware of the needs of their contemporaries, I was one of the early sponsors of the program, and its merits have been well proven over the past few years. The program began in 1973 with less than two dozen participants and I am proud to say that, in comparison, 164 active older Americans participated this year.

The program is designed to bring representative seniors to the Nation's Capital for a 2-week period, involving themselves in the legislative process and studying various Government programs affecting the senior citizen. Any program that facilitates communication between the people and its representatives can only strengthen our democracy.

We were fortunate to have had two very special senior citizens from the Fifth Congressional District of New York representing us in Washington this year. Mrs. Rosalie U. Rosenberger is a practicing attorney active in senior citizen affairs in Rockville Centre, N.Y. Mr. Henry Polk, a retired employee of Union Carbide Corp., makes his contribution to the senior effort in Franklin Square, N.Y.

Every senior citizen club in the Fifth Congressional District was invited to nominate one or two persons who had been active members of their group and who would be interested to serve as interns representing our district. The recommendations of the senior citizen organizations were then referred to an impartial panel of judges consisting of active senior citizen leaders in the area.

The Fifth Congressional District interns, Rosalie and Henry, brought honor to themselves as well as to the district, and I am extremely proud of the effectiveness of their contributions to the program. They were kind enough to submit reports on their activities and impressions of the 2 weeks they spent in Washington and the texts of their reports are as follow:

REPORT OF ROSALIE U. ROSENBERGER

Senior Intern—what a privilege to be selected for this outstanding program! And who is responsible for my participation but our own Congressman John W. Wydler, Congressman of the Fabulous Fifth. Comparatively few of our Congressional legislators—House and Senate—participate in this program by which one to two Seniors, chosen by a committee, meet in Washington for two weeks to attend seminars to learn about every aspect of plans, projects and legislation affecting senior citizens. In addition, participants associate with seniors from other areas in the Nation and exchange views, plans, and reports of activities and developments elsewhere. This gives the participants a greater awareness of our special concerns and how to solve them.

However it is necessary to have a legislator who is far sighted, generous and public spirited to share in this program, for it means he must donate a part of his budget toward the expenses of the seniors selected. Such a one is Congressman Wydler, only one in five in New York State to participate. There were 164 seniors from the entire United States—a small number when we realize how many Senators and Representatives there are in the nation.

One of the important pieces of legislation of special interest is called Medi-gap, which would provide that insurance companies that sell seniors supplemental medical insurance be required to spell out in detail exactly what their policies will provide, for it has been shown that many seniors expend considerable money out of meager incomes for policies from which they can derive no benefit. Other proposals include further health services under Medicare, such as payment for physical examinations which may disclose ailments that can be cared for immediately instead of waiting until severe illness develops and requires expensive hospitalization; and other services such as dental care, etc. which are not compensationable at the present and such other services affecting health which Medicare does not cover.

Considered by Committees specially geared to study the problems of the elderly are proposals to permit outside earned income in determining social security payments since it is inequitable to permit income from investments while limiting earnings. There are also studies to eliminate age in the matter of forced retirement.

Many of us do not know of the Federal government's participation in the R.S.V.P. ACTION program (Retired Senior Volunteer Program) which provides for Foster Grandparent, Senior Companion Programs, Peace Corps, Vista and others. Senior Companions usually serve 20 hours a week. As low income volunteers they receive a tax free stipend, transportation allowance, etc. There are currently 3,500 Senior Companions assigned to more than 60 projects throughout the country. For further information contact ACTION, 26 Federal Plaza, Room 1611, New York, New York 10007.

Housing is desperately needed for our seniors, and we must ask our legislators to enact laws to provide such housing including congregate housing in such facilities that will provide meals and necessary services. Funds are being appropriated for congregate housing programs administered by H.U.D., and we must be alert to request these funds. The object is to provide these services in a home atmosphere and not to incur the huge expenses of hosiptalization for those incapacitated. It is actually an economy measure.

We must also be alert when it comes to budget time at the Federal and State level, and see to it that funds previously appropriated are not cut off and curtailed, e.g. the proposed elimination of the $255.00 payment upon death, which was contemplated.

These are a few of the important matters which we learned, and it is up to each one of us to study, ask questions and take action by notifying our legislators on matters of great concern to seniors. Action is of the greatest value. The 75 plus age group is the fastest growing group in America. There will be 30,000,000 elderly Americans in the year 2,000. Legislators need our votes. If we do not help ourselves, who will.

REPORT OF HENRY POLK

My trip to Washington, as your Senior Citizen Intern, was a challenging and demanding assignment, but inspiring and educational. I brought back to my senior citizens in Franklin Square a wealth of information on many subjects of particular interest to them, and I shall discuss them later in this report. I was also exposed to much pending legislation as concerns us senior citizens. Contrary to popular belief, there are those of you in Washington who are concerned with senior citizen problems, and most heartening of all is the fact that there are no party lines where our welfare is concerned.

Being in Washington for two weeks as a Senior Citizen Intern solved no particular problems, but it did give me an insight as to how legislation is originated, how it is followed through, and the importance and necessity of letting your Representative in Washington know how you feel on certain matters.

Health, I believe, is the most important concern of the older American. Medicare does not cover prescription drugs, hearing aids, dentures, eyeglasses. Consequently, so many indigent seniors suffer because they cannot afford these "luxeries". Mr. Pepper's bills H.R. 646 and H.R. 2567 should be passed overwhelmingly. They would solve many of these problems.

Since the government has no age limit on retirement, industry should have the same privilege. As long as one can produce, and be an asset to his company and/or his country, he should not be penalized because he has reached the age of 70. I will be 69 next month and, while I am retired, I resent the implication that I am over the hill. Good luck to Mr. Pepper.

Housing for the golden agers is so inadequate. I hope we can do something about it real soon.

Upon my return to Franklin Square, from Washington, I discussed with several senior citizen groups, with which I am affiliated, Social Security updated, Medigap insurance, preventive health care, the Hospital Containment bill, and physical fitness exercises for the elderly. I reviewed the Consumer News Bulletins, housing, public transportation for the elderly disabled, nursing homes vs. home health care, etc.

My senior citizen friends sighed with relief when they learned that the President's recommendations to reduce benefits to Social Security recipients were shelved for at least a year. This may not be the place or time to say it, but I could not find one senior citizen who could understand the President's motives.

Mr. Wydler, I do honestly believe that the Senior Citizen Intern Program is one of the most important programs ever established, and I urge you to support Congressman Hillis' bill H. Con. Res. 15 and Senator Roth's bill S. Con. Res. 1, to continue the Senior Citizen Intern Program.

I do sincerely thank you for making it possible for me to have participated in the Intern program.

Mr. Speaker, Rosalie and Henry have now returned to the district and because of the unique opportunities they have shared I have requested them to work closely with me as senior citizen advisers. It is my hope and expectation that they will, in turn, share their experiences and personal involvement in the workings of Government with the community. Working together in this fashion, it will be possible for me to keep more closely attuned to the needs and desires of the seniors in my congressional district and to best assure that the views of area residents are carefully considered in future deliberations before the Congress.●

● Mr. DRINAN. Mr. Speaker, since its beginning in 1973 the congressional senior intern program has emerged as a major event in May—the month designated to honor our Nation's older citizens. Although the program has expanded from nine interns in 1973 to 165 participants this year, representing 115 Members of Congress, we still do not have a formal internship program. The 1979 program has run its course and it is my hope that congressional interest in this effort will not depart with this year's interns. The need for a formal program exists, and I urge my colleagues to consider the advantages that such a program offers.

There has been much said of the success and usefulness of these internships both for the participants and the sponsors. The program provides an opportunity for older citizens to develop a better understanding of the executive and legislative branches of Government. The participants, leaders in their communities, will take what they have learned and put it to practical use when they return home.

Given the abundance of Federal legislation and programs affecting the older population, it makes sense to offer this type of exposure to the workings of Congress and the agencies which administer older Americans programs. Much attention is given to statistics showing the growth of our older population and much tribute paid to the growing political force which this segment of our society represents.

Older Americans are uniting to bring about an end to age discrimination, an end to both social and economic isolation, and an end to the alienation which confronts all too many citizens when they are forced to withdraw from the mainstream of life. A program such as this puts substance behind our words, for although short in duration, it provides a familiarity with the processes of Government which must be used in bringing about change in the treatment of older citizens.

This year I am pleased to have sponsored Mr. Harold Williams, a retired attorney and businessman from Waban, Mass., as a participant in this program. As an active participant in the Newton Council on Aging, the West Suburban Elder Services Home Care Corp., the Newton Highlands Senior Drop-In Center, and the Newton R.S.V.P. Advisory Board, Mr. Williams brought with him a wealth of practical knowledge on the problems that older Americans face. His recommendations and suggestions provided myself and my staff with a great deal of insight into the issues and interests that affect older Americans.

I would also like to commend my colleague Congressman Hillis for his intense dedication to this effort. Without his support and that of his able and dedicated staff member, Ms. Donna Norton, this program could never have met with the level of success that it has, both this year and in the past. Ms. Norton deserves our deepest admiration and appreciation for the truly splendid job she has done each year in organizing and coordinating this program.

Progress has been made toward formalizing the senior internship program, but we must push for more. It is my hope that we can adopt a formal internship program so that older citizens, just as the many students who participate in Washington internships, will have the opportunity to receive firsthand knowledge and experience about the workings of Government.●

● Mr. TAYLOR. Mr. Speaker, I am pleased to join with my colleagues today in support of the senior intern program.

This is the third year that I have participated and I am glad to report that the husband-wife teams I have brought to Washington for the intensive 2 weeks of activities have given their wholehearted endorsement to the program. They have all felt that the experience has been rewarding, extremely interesting, and well worthwhile.

I would like to quote from a letter I received from Mr. and Mrs. Jack G. Cornett of Neosho, Mo., who served as my senior interns this past May:

> A final word to say thanks again to you for the "Senior Internship" to which you invited Ruth and me. We absorbed a great deal of information in the field covered by the programs; and in addition came away from Washington very much updated about the government and about the city. We both appreciated the chance to spend some time there and are grateful to you for having arranged it.

I would further like to commend my colleague Bud Hillis for his sponsorship and give a special word of thanks and praise to Donna Norton of his staff who was chiefly responsible for the well coordinated schedule of events.

Our colleague, Tony Coelho, also loaned a member of his staff who provided valuable assistance as well as our colleague from the other body, Bill Roth.

Mr. Speaker, I believe the senior intern program to be a most worthwhile effort. I urge participation next year by every Member of this body as a way of letting our older Americans know that we are interested in their well-being and are willing to give them an opportunity to be heard at the highest levels of Government.●

● Mr. GRASSLEY. Mr. Speaker, I would like to share my views on the senior citizen intern program with my colleagues. After participating in this program, I would like to congratulate Mr. Hillis on instituting this worthwhile activity. Our two senior citizen interns gained firsthand experience in the electoral process and obtained new insights into the mechanics of a congressional office. Additionally, they were able to meet and work with other older Americans from the rest of the Nation. In a sense, this group of senior citizens met as a sort of congress representing the various regions of the Nation, comparing topics and programs of mutual concern.

From the viewpoint of the congressional office, it was a very enlightening experience for my staff and me. With the hectic pace of Washington, it is easy to overlook our responsibilities as educators of constituents. Although the interns possessed a good understanding of the legislative process upon arrival, it forced us to stop speaking in our own jargon of markups, suspensions, and sine dies and explain what we were doing in an intelligible fashion. In this sense the interns educated us on how to keep people informed about the process of their legislative democracy.

One of our interns, 81-year-old Luther Randall of Gilman, Iowa, has been active in agricultural matters for years. He still is. Mr. Randall has served as president, vice president, and treasurer of the Iowa Farm Bureau Board; delegate to the American Farm Bureau; secretary of the Ferguson School Board; and an active worker in Marshalltown senior citizen programs.

Our other intern, Viola Janssen of Ackley, Iowa, is president of the Ackley Women's Club; chairperson of the shut-in program at St. John's Church of Christ; coordinator for Ackley transportation for the elderly; and an active participant in the Hawkeye area agency on aging.

In addition to seeing the sights of Washington, these seniors were on a busy schedule involving topics of concern to other older Americans throughout the United States. The interns attended seminars on the actions of the House and Senate Committees on Aging, the basic functions of the Administration on Aging, consumer protection efforts on the part of the elderly, health programs (medicaid/medicare) and ACTION. Moreover, they were involved in symposiums on various topics: Organizations representing the elderly; a look at social security; nursing homes/long-term care; housing and the older American; physical fitness; and transportation.

Mr. Hillis and his competent staff are to be commended for their time and effort in compiling such an informative schedule for the interns. I am confident that the interns who were fortunate enough to participate in this program will return to their district with a sound understanding of the major Federal programs which affect their lives. When they communicate their knowledge to their peers, a greater percentage of our older Americans should have increased awareness and accessibility to the Federal programs set up to help them.

The interns should become conduits to the participating congressional offices—keeping them informed on the success and possible improvements in specific programs. As ranking minority member of the Select Committee on Aging, I am particularly concerned with public knowledge and feedback about Federal senior citizen programs. Maintaining a link between older Americans and Congress is vital. This program has provided us with a sound means for judging the efficacy of our programs. It also enables us to have "field representatives" giving us insight into our legislative shortcomings and suggestions for future initiatives.

I urge all Members to participate in this worthwhile program next year. As the average age of the population is increasing, it is imperative that all elective representatives and their staffs are aware of the needs of elderly and that plans are made on the basis of this information for the future.●

● Mr. RHODES. Mr. Speaker, I am extremely pleased to have the opportunity again this year to comment upon my experience with the senior citizen intern program. This was the third year that a constituent from my district and I were able to exchange ideas, share experiences, and partake in this valuable and worthwhile program.

In the past, many intern programs have been characterized by lack of coordination and actual substantive results. This has not been the case with the senior citizen intern program.

My intern this year, Irene Dunkly, and her husband Walter, felt that the intern program was very worthwhile. They not only saw our Federal Government in action firsthand, but were able to participate in seminars given by representatives from the Department of Aging, Social Security Administration, the Veterans' Administration, and other organizations that are of special interest to our senior citizens. Irene and Walter Dunkly have now taken the knowledge they gained here and are sharing it with citizens of Arizona.

I plan to participate in the senior citizen intern program again in 1980, and urge every Member to consider joining in this extremely worthwhile program.●

● Mr. OTTINGER. Mr. Speaker, last May two outstanding senior citizen leaders from my congressional district participated in the congressional senior internship program which I helped to establish. They wrote an exceptional report on their experience which I would like to share with my colleagues:

Congressional Senior Citizen Intern Program, May 6–18, 1979

(By Miriam and Sam Schmuckler)

Two vital weeks in May 1979 will become a time to remember for 165 older Americans from 46 states of the United States who have assembled in Washington, D.C. for participation in the 7th Annual Congressional Senior Citizen Intern Program. Over 100 House and Senate members have sponsored this group, whose members comprised senior power and leadership from the grassroots. They are here to learn from top government officials what can be done legislatively to remedy problems facing the Nation's aging population.

A red carpet welcome was afforded us by Congressman Richard Ottinger and his office staff. We were to begin an enriched series of meetings with top government agencies and Congressmen. This has been a "filled to the brim" learning project; as former educators, we feel this intern program to be an example of excellent teaching. It is an entirely creative action-oriented project, focusing on future positive accomplishments. Numerous concomitants have evolved as a result of this education. Discussions through questions and answers; suggestions; collecting and researching materials; interviewing members of our intern group; getting to see some Senators and Representatives all became daily procedure.

Indicative of the positive aspect of internship enthusiasm is the seven-year period over which this yearly two-week spring session program has occurred. Starting with the sponsorship of four members of Congress, nine interns participated; this year many more senior advocates applied for internships than could be accommodated. Congressman Elwood Hillis, a sponsor of the program, is seeking support for legislation which will make the plan an official and permanent function of the House and Senate. Identical bills in the Congress are S. Con. Res. 1 and H. Con. Res. 15.

The need to establish communication between older Americans and lawmakers is a significant fact when one considers that the elderly population has more than doubled since 1900, growing from 4.1% to a projected 10.6% by the year 2000. By then senior power might well become viable enough to elect a President of the United States!

SERVICES TO THE AGING

Increased services to the aging have been provided, particularly under provisions of the Older Americans Act of 1965, as amended. New emphasis in gerontology has the goal of improving the quality of life for a graying population who do not want to count the years but rather make the years count.

An "Aging Overview" was presented by a panel of speakers, who keynoted our sessions. The Honorable Claude Pepper, chairman of the House Select Committee on Aging; Nelson Cruikshank, Counsellor to the President on Aging; and Dr. Clark Tibbets, Special Assistant to the Commissioner on Aging, proposed the following legislation: elimination of requirements on earnings by seniors on Social Security, expansion of Health Maintenance Organizations (HMOs), increased availability of part-time work, and extension of mandatory retirement beyond 70 years. We have heard that seniors are becoming a new national resource as advocates for better living and humaneness. Our achievements can negate stereotypes of the older population. We are being challenged to accomplish good for all citizens. Edmund Burke said it well, "All that is necessary for evil to triumph in this world is for good men to do nothing."

Unfortunately, one-sixth of our aged live below the poverty line. Further, 23 million older people have vital needs for health, social services, nutrition programs, counseling, housing and transportation. Expenditures on Social Security have been referred to as a "graying of the budget," when, in fact, elderly persons themselves have contributed to the benefits they receive.

"Older Americans have given more to our society than any other age group. Yet they have less than one-half of the national median income and often are forced to retire at 70," said Congressman Pepper. He urged an end to age discrimination in retirement, expanded home health and mental health care under Medicare, protection in the sale of "medigap" health insurance, elimination of Social Security earnings limitations, and improved nursing home care by setting up stricter standards. Inflation is enemy number one for older persons, especially those on fixed incomes. There has been no containment for soaring hospital costs; this is evidenced enough in inflation effects. A strong example of tremendous medical price increases can be noted in a General Motors statement that it paid more for hospital bills of workers than is paid out for steel in its cars!

THE CONGRESSIONAL SCENE

Another session explored the Congressional scene, during which we heard the Honorable Lawton Chiles, chairman of the Senate Special Committee on Aging, and others speak on the prevention of fraud and abuse in the sale of private health insurance to supplement Medicare which has been proposed by the "Medigap" bill, H.R. 2602; abolition of mandatory retirement for all ages is the essence of H.R. 4; H.R. 638 which would permit Medicare payments for HMOs; H.R. 640 would sanction Medicare payments for mental illness and H.R. 2565 would expand counseling for the elderly under the Older Americans Act. Naturally, priorities will be decided by the Appropriations Committee.

ADMINISTRATION ON AGING

The need for comprehensive data in the area of aging has been growing for many years. The Older Americans Act of 1965 specified that the Administration on Aging should serve as a clearinghouse for materials relating to problems of the aging. Donald Smith, director of the National Clearinghouse on Aging, cited Congressional interns as a group of perceptive seniors who could utilize the services of a data center. With the 4th White House Conference on Aging set for 1981, materials on income, taxes, energy, inflation, home care for ill, health, crime, consumer aids, employment, etc. will be compiled by the clearinghouse. We made a visit to Mr. Smith's office, where we had the opportunity to have a further discussion with him and receive considerable statistical data.

CONSUMER PROBLEMS

There is no dearth of information in the halls of government. Midge Shubow, director of consumers information and education for the White House, suggested we write the Consumer Information Center in Pueblo, Colorado 81109 for a free copy of "National Consumers' Buying Alert." This is a must publication for seniors, containing tips on auto repairs, hospital costs, energy, simple language for insurance policies, boycotting of high priced items, etc.

HEALTH/MEDICARE/MEDICAID

Continuing our group meetings we attended a session on Medicare, Medicaid and health. Patricia Schoeni, director, Office of Public Affairs, Health Care Financing Administration, explained the high costs attributed to doctors' services to be caused by lack of competition among doctors. We do not shop for doctors. While Medicare won't cover costs of catastrophic illness, such insurance is being considered in a National Health Plan proposed by several representatives. The possible alternatives must be studied. Would a national health plan cost less in a time period? Are the Administration and Representatives ready for a complete change-over in health care? Are medical lobbyists blocking national health insurance? How much assistance would catastrophic illness insurance offer the average person? The questions are many.

The costs of health care, according to our research, have increased over 275% in the last 10 years and, if present rates continue, 10.2% of the Gross National Product will be committed to health care by 1985. At these rates, cost increases are averaging $1 million per hour! Within the last 2 years, the costs of the Medicare and Medicaid programs have risen over 40%, mostly due to inflation and not to the cost of new beneficiaries or new benefits. Out-of-pocket costs for the elderly have more than doubled in the 10–year period from 1967-77. The Medicare hospital deductible has almost quadrupled in the years from 1969–79. These costs have outpaced the increases in prices of other goods services. The Hospital Cost Containment Act of 1979 would allow hospitals to bring their costs down voluntarily during 1979, with mandatory controls imposed only if the voluntary action fails to meet the reasonable goals established in the bill.

Our further research concerned catastrophic coverage needed by the elderly. The National Retired Teachers Association and the Association of Retired Persons would like a restructuring so that more money is diverted to less expensive alternatives, such as home health care and health maintenance organizations. The opinion expressed is that catastrophic plans would not cover the costs of nursing home care. In the long run the cost of providing catastrophic protection would inevitably exceed the cost of providing the same protection under a national health plan.

TRIP TO THE WHITE HOUSE

As a rare interlude between the end of our first week of meetings and the beginning of our second week of sessions, we were privileged to meet with President Carter in the Rose Garden of the White House. Hemmed in by security guards, the President greeted us most graciously. He stressed the solvency of Social Security funds; this would be true for many years to come. Urging our support for passage of the Hospital Cost Containment Act and S.A.L.T. agreement, he told of their impact on older people. As a first group of senior interns to be greeted by a President of the United States, President Carter hoped we would continue to learn about government and work with our constituencies. Lawmakers would have the benefit of our educational experiences here. The President considered us a vigorous and aware group of concerned citizens. Younger generations can benefit greatly from what we can suggest. He cited his 81-year old mother for her activities. As he talked, we were reminded of that quotation from Oliver W. Holmes—"I had much to learn at 85 and found new business opening all around me."

VOLUNTEER PROGRAMS

While all older citizens are aware of the soaring cost of living, some "well-heeled" seniors comprise a group of persons relatively better off than their predecessors; nevertheless, retirement for many persons still significantly increases the probability of severe income loss, decline in living standard and impoverishment. Six million older citizens exist at the poverty level. Twenty states do not offer supplementation of SSI. Poverty among America's aged, as researched by Rep. Pepper's Committee, deserves Congressional action to alleviate this situation.

Yet economic trials do not keep seniors from their vital work as volunteers in so many public service areas. The federal agency ACTION sponsors older American volunteer programs. These include: Foster Grandparents (FGP), Retired Senior Volunteers Program (RCVP), Service Corps of Retired Executives (SCORE) and Action Corps of Executives (ACE). Erma Bombach, in a serious vein, calls the volunteer program, "the last dream of a decent civilization." Perhaps, the way to really transmit values in our society is through our senior volunteering. What better way to work with intergenerational groups of individuals, offsetting stereotyping of older people. It is significant that senior volunteers save our taxpayers thousands of dollars through their efforts in assisting others. "Seniors have been becoming inflation reducers," said Congressman Elwood Hillis. Older citizens can claim to be non-self-serving. Aristotle said it meaningfully, "The measure of a man lies in that part of himself that he gives in service to his fellow-men."

HOUSING

One more primary illustration for improving senior living conditions was given by HUD. Housing is one of the major expenditure items in the budgets of older Americans. With demand outstripping housing supply, adequacy of housing has become an issue, particularly for the low-income elderly. Federal loans are being made for construction or rehabilitation of multi-family rental housing for the elderly (age 62 and over). Tenants may qualify for rent supplements under the Section 8 program of the amended 1959 Housing Act—Section 202. The federal government insures against loss on mortgages for construction and rehabilitation of multi-family rental housing for the higher income elderly (section 231, of the 1959 act). The federal government makes direct and guaranteed insured loans to construct, improve or repair rental or cooperative housing in rural areas for low-income seniors. Local housing authorities receive federal loans to aid in purchase, rehabilitation, leasing or construction of multi-family housing for low-income families or individuals 62 or older. Rents may not be more than 25% of the family's income (1937 Housing Act, amendment, section 504). Federal loans and grants are given low-income homeowners, age 62 and over, to repair or rehabilitate their homes so as to remove dangers to health and safety. (Housing Act of 1949 as amended, sec. 521). Helen Holt, Departmental Advisor for Consumer Affairs and the Elderly, Department of Housing and Urban Development, and Robert Wilden, Director, Program Development of the same department were our speakers on housing.

TRANSPORTATION

Still, another illustration for improving senior living conditions lies in the transportation area. Kay Regan, of the Urban Mass Transit Authority, spoke to us. She felt adequate transportation is an essential service and must be part of all state-funded programs for the elderly. The Urban Mass Transportation Act of 1964, as amended, authorizes UMTA to make capital grant funds available for equipment for the elderly. Under the Capital Assistance Program (sec. 3) grants are made to states and local public agencies to provide transportation. Applications for such grants may be made to UMTA regional offices. Grants are also made under Section 16(b) (2) of the UMTA for private non-profit organizations. These funds are only made available through the states. Under the act, mass transportation companies receiving federal funds for either capital or operating expenses must charge elderly no more than ½ fare during off-peak hours. A listing of state contacts may be received from the Urban Mass Transportation Administration, 400 7th Street, S.W., Washington, D.C. 20590.

CLOSING BREAKFAST

Robert Ball, senior Scholar, Institute of Medicine National Academy of Sciences and former long-term Social Security Commissioner, gave us good and bad news concerning the future of Social Security. Echoing President Carter's optimism, he said the Social Security system is on a sound financial basis for 50 years, at least. But tension, he feels, exists between the desire to improve the system, on one hand, and to fence it in, on the other.

There are four categories that can influence negative results for the elderly:

Reduce rights of seniors by direct reduction of benefits.

Increase age of eligibility.

Lower paid people on Social Security to be paid minimum amount, regardless of earnings.

Stabilize benefits to recent wages.

Dr. Ball says that seniors sustain losses of many kinds as they age, why add more through Social Security losses. There is a real danger of pitting workers against the recipients—this must be avoided.

OUTLOOK FOR THE FUTURE

It has been gratifying to hear how many of the speakers who addressed our group showed genuine concern for human needs. It's as though there is a Renaissance, an awakening to age and its dignity. Following passage of the Older Americans Act amendments, the Administration on Aging considered its major objective to be the provision of a network on aging, offering the opportunity for those who wish to voice their needs and concerns. These could be considered when drawing up regulations for implementing new amendments. Since it became law, almost 14 years ago, the Older Americans Act has become the focus of federal activity on behalf of the elderly.

As seen by the National Aging Clearinghouse, the outlook for senior priorities over the next two years include: (1) restructuring Social Security, (2) insulation of financing of programs and incomes for seniors from present high inflation, (3) discouraging of early retirement and elimination of age discrimination, (4) humane and cost-effective health care for all, a national health insurance program, and (5) home health care implementation, drugs, lab tests, costs supplementation under Medicare.

Certainly implementation of the priorities listed above would offset the Catch 22, 1984 Orwellian situation that older Americans on limited incomes are now facing. A 206% increase in hospital costs in the last 10 years is a prime example of an "Alice in Wonderland" America.

As Senator Ted Kennedy has said, "Special interests are doing their best to buy every Senator and Representative on issues. Corporations have been creating political action lobbies this year at the rate of one a day." With a growing over 65 population, for example, it is unbelievable to find only one endowed chair of geriatric medicine in the United States; it is established at the Cornell Medical Center in New York. It is also startling to realize that drug companies spend $2400 per doctor in their advertising and in advising the medical profession to use brand name drugs rather than their generic equivalents in prescribing medications.

"If I want to know what the future will be, we had better have a hand in shaping it," said Eric Hoffer, longshoreman philosopher. Certainly our two-week Congressional Senior Citizen Internship program has offered us the knowledge and inspiration to reach out to other seniors in arriving at enriched living for all Americans.

Certainly our people-to-people conferences with government leaders and local community workers for senior citizen's welfare have generated our increased interest and enthusiasm to bring back to our community the many facts and ideas we gleaned for the purpose of keeping our older citizens young. It has been especially gratifying to note how much our Representatives and interns care about building a better society for seniors, strengthening senior rights thereby. This has been the humanities in action.

May we express our deep appreciation to Congressman Richard Ottinger for inviting us to participate in this unique and excellent Congressional Senior Intern program. We are most grateful to Jo Merrill and Oren Teicher for their gracious welcome. They assisted us beyond the call of duty during our stay here. The experience has motivated us to implement the many ideas gathered here. T. S. Eliot's poem has lines in "The Hollow

> Man" which might be rephrased to describe an optimistic attitude expressed by many in our group, as our sessions here conclude: "The world ends not with a whimper but with a bang," for we are not apathetic but eager to accomplish results.
>
> MAY 18, 1979.●

● Mr. GILMAN. Mr. Speaker, I am pleased to join with my distinguished colleagues in expressing my appreciation for the diligence and hard work by my colleague, the gentleman from Indiana (Mr. HILLIS), whose office coordinated the 1979 congressional senior citizen intern program.

A group of us in the Congress have joined under the able leadership of Mr. HILLIS in participating in the yearly program of bringing a senior citizen intern to Washington for a 2-week period.

I have been fortunate in having a senior citizen consultant serve as a member of my staff for the past 6 years. At the present time I have two consultants: Mrs. Mary Delaney, of Pomona, N.Y., who works with me in Rockland County, and Mrs. Ruth Schrauer of Middletown, N.Y., who works with me in Orange and Ulster Counties. Mrs. Schrauer attended the 2-week intern program in May of this year, while Mrs. Delaney had attended it in a previous year.

The 26th Congressional District of New York has a senior citizen advisory committee which works closely with me on the senior citizens related problems in my district. In the past our advisory committee has annually selected the senior citizen consultants, who serve on my staff as liaisons to the senior citizens in my district. To quality, the consultants must be retired senior citizens, 62 years or older, and a resident of our 26th Congressional District.

Our senior citizen consultants keep me abreast of individual views and problems, and, in turn, keep the senior citizens advised of Federal legislative programs affecting them. They are also given assistance on where to seek help when they are unable to resolve problems themselves.

The Washington senior citizen intern program, held each year, has been extremely helpful in enabling my senior citizen consultant to meet with Federal officials, who deal with problems of senior citizens, and to attend various legislative briefings, giving the consultants a broader insight for dealing with senior citizen issues back in my district.

The yearly visit to Washington by my senior citizen consultants has brought about a deeper understanding between me, my Washington staff, and my consultants regarding the problems of senior citizens and how to resolve them.

Mrs. Schrauer has very aptly expressed her views about the program, stating:

> Two weeks in the National Capital as a Senior Citizen Intern has been interesting, informative, and exciting. It has been a beautiful experience and I want to, sincerely, thank you and all your staff for being so gracious and helpful.
>
> The purpose of having this program is well founded as it brings the aging population into the legislative process to see how it affects their lives in housing, economics, health, and transportation. This segment of the population makes up 16½% of the voting power and they should be involved in the policy making. As your consultant I intend to bring this information back into our community and keep you informed of our needs and interests . . .
>
> The trip to Washington was exciting. I shall endeavor to participate in activities, programs and legislation that will benefit our communities and bring the weight of the Congressional 26th District voters in support of such endeavors.

As an active sponsor of this program, I am also a sponsor of House Concurrent Resolution 15 which would authorize each Member to hire for 2 weeks each year, one senior citizen intern, who will serve for that period in Washington, with expenses.

The adoption and implementation of this resolution would enable many other Congressmen to take advantage of the opportunity of having these outstanding senior citizens become more actively involved in the process of how our Government is run and it will give the participants an understanding that can be utilized to help other senior citizens in their districts.●

● Mr. DERWINSKI. Mr. Speaker, because of the success with which the senior intern program was greeted in the Fourth Congressional District of Illinois during the past 5 years, it was my pleasure to again invite representatives from senior citizen clubs to participate in this instructive exchange.

I regard the senior citizen program as an excellent method by which our senior citizens develop a better understanding of the role and responsibilities of the Federal Government. I believe that every Congressman who participates in this program comes away with a better insight into the concerns of our older Americans, who really are one of the Nation's most valuable assets.

Mr. and Mrs. Frank L. Dyer of Palos Park, Ill., were my senior interns this year. They both are very active in senior citizen organizations in their community. They came to Washngton to learn about our Government and to receive a firsthand understanding of how it works. As this was their first visit to our Nation's Capital, they found this opportunity even more exciting and were especially enthusiastic about sharing their experiences with me and members of my staff.

During their short stay in Washington, Mr. and Mrs. Dyer and the other senior citizen interns were given a well-rounded view of the operation of the Federal Government with special emphasis on programs that affect our senior citizens. Question and answer sessions enabled all the participants to make a direct imput into the discussions.

My staff and I had an opportunity to benefit from their experiences as they learned something about the operation of a congressional office in handling constituent inquiries and opinions. This provided them with a ringside vew of a congressional office in action. When they returned to their community, Mr. and Mrs. Dyer were able to share their experiences with their fellow members of their senior citizen club from the unique perspective of personal involvement in the workings of the Government.

During my discussions with Mr. and Mrs. Dyer, I was pleased to learn that they considered the program very beneficial in providing them with an opportunity to learn how our Government administers programs of special interest to them and their fellow senior citizens. In addition, the senior citizen intern program gives us the necessary feedback to become more responsive to the specific needs of seniors.

My interns and I agree that this year's program was a tremendous success. We take this opportunity to thank Congressman HILLIS and his staff assistants who again did such a fine job in coordinating the seminars and other activities and whose dedicated efforts made it a successful, well-run program. This program deserves our continued and enthusiastic support, and I sincerely hope that more of my colleagues will join in the senior intern program next year.●

● Mr. SCHULZE. Mr. Speaker, it gives me great pleasure today to join my colleagues in saluting the Senior citizen internship program.

This is the fifth year my office has participated in this program, and I want to tell you that it is one of the single most outstanding experiences offered to constituents. This year my two interns, Lester Hauck of Perkiomenville and Frieda McMullan of West Chester, were chosen by my senior citizen board, which is comprised of my former interns. Over 30 applicants were interviewed, and the competition was extremely tough. I have found over the last 5 years that many of my district's senior citizens are very concerned with the role of the Federal Government in their lives, and more importantly, in the impact they can have on Government programs.

During these weeks my interns were directly involved in the functions of my office, ranging from opening mail to attending Mushroom Day as my representatives. In addition they attended briefings, legislative hearings, and generally received a comprehensive view of Government programs for senior citizens. After their 2 weeks in Washington my interns went home and spoke at a breakfast of all of the applicants for this year's program, to give them an idea of what they learned and how Federal programs affect their lives. I can honestly tell you that Lester and Frieda gave the senior internship program rave reviews, and it gives me great pleasure to join them in lauding BUD HILLIS and his staff for all of their work to make this year's 2 weeks an exceptional experience.●

● Mr. RHODES. Mr. Speaker, I am extremely pleased to have the opportunity again this year to comment upon my experience with the senior citizen intern program. This was the third year that a constituent from my district and I were able to exchange ideas, share experiences, and partake in this valuable and worthwhile program.

In the past, many intern programs have been characterized by lack of coordination and actual substantive results. This has not been the case with the senior citizen intern program.

My intern this year, Irene Dunkly, and her husband Walter, felt that the intern program was very worthwhile. They not only saw our Federal Government in action firsthand, but were able to participate in seminars given by representatives from the Department of Aging, Social Security Administration, the Veterans' Administration, and other organizations that are of special interest to our senior citizens. Irene and Walter Dunkly have now taken the knowledge they gained here and are sharing it with citizens of Arizona.

I plan to participate in the senior citizen intern program again in 1980, and urge every Member to consider joining in this extremely worthwhile program.●

● Mr. PANETTA. Mr. Speaker, I would like to express my enthusiastic support for the congressional senior intern program and to commend my colleague Mr. Hillis and his staff for their efforts in making the program a success again this year.

This was the second year my office has participated in the program, and I am more convinced than ever of its positive educational value, not only for the interns themselves, but also for the many Members and their staffs who have had the opportunity to work with these dedicated individuals.

Unfortunately, this year's program ended on a sad note for me, due to the recent death of Arthur Carstens, one of the two interns from my district. Art was a true crusader in the field of programs and services for the elderly, and he will be sorely missed by those of us who knew and benefited from his extraordinary wisdom and character.

Nevertheless, I was very pleased to be able to take part in the program again this year, and the reports I received both from Art and from Kitty Shaffer, who also participated from my district, indicated that the experience far surpassed their own expectations.

But just as important as the experience for each individual intern is the knowledge they will take with them to share with others in their communities who are involved in advocacy programs for the elderly. And for the rest of us who have had the opportunity to become involved in this program, the congressional senior internship will contribute to a better understanding of both the needs and the potential of our Nation's older citizens.●

● Mr. BARNES. Mr. Speaker, the senior citizen intern program provides an opportunity for valued members of our communities to make a contribution to the process of government. My office was honored for 2 weeks in May to work with Mr. Louis Landesman of Rockville, who participated as a member of my staff in concerns relating to older Americans.

Mr. Landesman has written his impressions of his participation in the senior citizen intern program. I would like to share them with my colleagues:

SENIOR CITIZENS INTERN'S IMPRESSION OF THE PROGRAM

It was, indeed, an honor for me to have been appointed a member of the 1979 Congressional Senior Intern Program by Congressman Michael D. Barnes of the 8th District of the State of Maryland.

I was just one of a group of 165 senior citizens selected to learn first hand what the federal government is doing in policy areas of special interest to the elderly.

I found the program to be a productive learning experience about the workings of the federal government and the legislative process. It has enabled me to be better equipped to serve the needs, and to use the knowledge I gained, in my reports to the senior citizens groups in my communities of Rockville and Bethesda, Maryland.

We were most cordially received and welcomed, not only by Senators, Congressmen, but also by the efficient and most helpful staff people from all committees that we were invited to attend.

The fine people such as guards, cafeteria workers and other government people that we came upon were most courteous and helpful.

Our meeting with President Jimmy Carter, who greeted each and every one of us personally, was indeed a highlight of our program.

Many of us were indeed fortunate to be able to present our ideas to various committees. I particularly had the opportunity to discuss with Congressman Claude Pepper and Counselor to the President on Aging, Mr. Nelson Cruikshank, programs for Senior Citizens, such as higher rate of interest to be paid on savings accounts and accessibility to buy high interest United States Government bonds and savings certificates in smaller denominations. Also, for certain Senior Citizens, reduction of Federal Income Taxes on savings bank interest. I also discussed Medigap Insurance with the intent that Congress should carefully keep an eye on unscrupulous insurance companies that are cheating Senior Citizens with unnecessary and falsely worded health policies. The panelists were attentive and most willing to try to solve the many problems facing the elderly.

We left with high hopes that solutions shall be found and with grateful thanks and appreciation to all for having had the opportunity to be of service to our beloved country.●

● Mr. ATKINSON. Mr. Speaker, the senior citizen population is a vital segment of U.S. society. Their knowledge and wisdom has enabled us to grow and move forward with a reassurance and a pride in our past. We can learn much from them and it is vitally important that we continue to work with and for them. Yet as our society grows increasingly complex, so do the needs of our senior citizens. As a member of the House Select Committee on Aging, I am continually made aware of the pressing concerns which senior citizens of our country face daily. As legislators, we cannot turn our backs on the ravages of double digit inflation upon fixed incomes, inadequate housing facilities, insufficient transportation, and rising health costs.

The congressional senior citizen intern program, sponsored by our distinguished colleague Congressman "Bud" Hillis, has proven to be one means of addressing the problems besetting older Americans. The program has fostered communication between legislators and senior citizens. As the senior interns met in Washington this past May, they brought with them the concerns and hopes being voiced by a cross section of senior Americans.

Mr. John "Cy" Hopkins, of New Brighton, Pa., a retired school teacher with 34 years experience in the Pennsylvania school systems and an active member in local community organizations, represented the senior citizens of Pennsylvania's 25th Congressional District. Mr. Hopkins found the internship to be a tremendous learning experience as well as an opportunity to make input into the legislative process. He reported to me that the scheduled briefings targeted the most crucial problems facing our older Americans. Our discussions concerning the conditions affecting senior citizens in Pennsylvania were truly informative. I know Mr. Hopkins found his internship in Washington to be singularly helpful in his dealings with other senior citizens back home.

I commend Congressman Hillis and his staff, participating Congressmen, and all of the chosen senior citizens for contributing to one of the most effective programs on behalf of senior citizens. I hope this program will continue for many years. I intend to support it in every way I can.●

● Mr. JONES of Oklahoma. Mr. Speaker, it gives me great pleasure to speak today in behalf of the senior intern program.

This year is the first time my office has participated in the program. I believe that my intern, Mrs. Lu Patrick, benefited almost as much as I and my Washington and district office staffs did from her participation.

Lu was an ideal candidate for our first senior intern. She is active in the Tulsa Coalition for Older People, the Tulsa Area Council on Aging, and a myriad of other organizations that benefit the elderly citizens in my district. In addition, she is moderator of a weekly senior citizen radio program. Lu is acutely aware of the problems of the elderly and is able to disseminate information to assist them through this program. Since serving her internship, Lu has continued her work with my office and the community and appears tireless in her duties.

I wholeheartedly recommend the senior program for interns and urge my colleagues to do the same.●

● Mr. CLAUSEN. Mr. Speaker, it is with great enthusiasm that I rise today to salute the 1979 senior intern program; 1979 was the second year I participated in the senior intern program, and I have found it to be an enormously worthwhile and productive experience. This year, my staff and I had the good fortune of having the Rev. Ralph Shanks and his wife Viola as our senior interns, and this fine couple from Napa, Calif., enriched our office greatly with their enthusiasm and valuable insights.

Ralph and Viola came to Washington with a desire to gain a better understanding of the legislation and agencies affecting our older Americans—a perspective already sharpened through active involvement in various Napa County services for senior citizens. The benefits of their experience, including Ralph's tenure as chairman of the Napa County Commission on Aging, proved both enlightening and informative to myself and my staff, and the intern's opportunity to work and interact in a congresional office was mutually rewarding. The addition to my staff of two such fine people as the Shanks, even for the limited 2 week duration of the senior intern program, could only be an asset, and their ongoing input has proved invaluable. I am sure that the older people of the Redwood Empire will reap many positive benefits from the more detailed knowledge and better appreciation gained from the senior interns' experience.

It is difficult to emphasize enough the importance of the senior intern program, for it recognizes the special needs and concerns of our older Americans—a segment of our population which definitely warrants such consideration. The senior citizen intern program has a dual benefit, advantageous to both the interns and members of the Washington Government community. Not only do the senior interns have the opportunity to come and actively participate in the legislative aspects of our Government, but Government officials have a highly motivated group of senior citizens upon whom to test ideas for legislation. This "sounding board" function may very well be one of the most important attributes of the senior intern program, for these discerning, erudite senior citizens do not hesitate to honestly and intelligently evaluate proposals or field questions put to them. Thus, these senior intern evaluations can result in better legislation and programs which will benefit all senior citizens.

The opportunity for senior citizen leaders to come to Washington and observe the Government firsthand and to return this firsthand knowledge to their communities establishes an essential link in constituent communications. Americans over the age of 62 comprise 13.5 percent of our national population, and this is a steadily increasing figure. The desire and willingness of older Americans to participate in national affairs is evidenced by the fact that this age group is among the highest in terms of voter registration and voter turnout.

The steady growth of the senior intern program, which was the largest ever in 1979 with 165 interns from 34 States, reflects this interest in participation. No longer will our senior citizens allow decisions to be made for and about them without their input, and it is "high time" we accorded them the recognition they deserve.

The senior intern program is a valuable method of directly involving them in the operation of the Congress, and it has been my privilege to participate in it for the past 2 years.●

GENERAL LEAVE

Mr. HILLIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

NUCLEAR WASTE DISPOSAL

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 15 minutes.

Mr. DANNEMEYER. Mr. Speaker, today I am introducing legislation which addresses a problem that is fundamental to the energy dilemma facing us today; namely, nuclear waste disposal. The disposal of waste from nuclear powerplants and other nuclear facilities is an essential step in the process of developing viable alternative power sources for this country. At the present time, we are producing about 12 percent of all the electricity used in the United States from nuclear power. By 1985, this figure should double as larger nuclear power units scheduled for completion in the early 1980's are expected to become operational. If we are to become energy independent in the 1980's we must employ nuclear power and in order to do so we must build facilities to accommodate the waste materials.

The legislation that I am introducing today recognizes the political impasse that has developed at the Federal level. Notwithstanding the delegation of implicit authority to the Department of Energy (DOE) or the Nuclear Regulatory Commission (NRC), neither of these agencies is really exhibiting much of an interest in developing a program for the long-term storage of nuclear waste. The legislation is designed to avoid fragmentation of agency responsibility which is encountered when the NRC gets involved in the licensing process.

To illustrate to you the degree to which this inaction at the Federal level has affected the energy issue down to the State level, let me share with you what has happened in California. As a member of the Resources, Land Use and Energy Committee of the California State Legislature, I was close to the energy issue and the questions surrounding nuclear power generation in particular. In 1978, the California State Assembly considered a bill which would have exempted the Sun Desert nuclear reactor near Blythe from the law which the legislature adopted in 1976, while precludes the further licensing of nuclear powerplants in California, until the Federal Government has demonstrated the technology for long-term storage of nuclear waste.

The State senate overwhelmingly passed the legislation to exempt this particular project from the State law, but the bill became bogged down in the assembly energy committee. In my opinion, the evidence had little to do with the result which developed for the reason that a substantial majority of the members of this particular committee had been handpicked by the speaker of the California State Assembly, Leo McCarthy, to give life to his basic bias that the development of energy sources in the country should be slowed down. This majority had been placed on this particular committee by the speaker in order to pay allegiance to the no new job philosophy, which many in the State are not aware is controlling the development of energy in California.

The State of California created an energy commission in 1973 for the purpose of expediting the processing of powerplants in order to more expeditiously advance the energy needs of Californians. In point of fact, there has not been a powerplant in California approved since the energy commission was created. It is not accidental that the members of the energy commission are all appointees of Governor Brown, who has done a substantial amount of damage to the future energy prospects for Californians because of his myopic no new job philosophy.

This situation in California illustrates two problems created by this Federal inaction. The absence of a demonstration program has placed many States in the position of uncertainty regarding long-term nuclear waste disposal. Second, the lack of progress on this issue has created an aura of doubt surrounding the disposal of nuclear wastes that has spilled over into the total question of the use of nuclear energy. This baseless fear has acted to delay the development of a sorely needed alternative energy supply.

In 1973, the Arab oil embargo brought to the attention of the American people that energy was a very serious problem. At that time we were importing about 26 percent of our oil and in the intervening 6 years, this figure has climbed to an excess of 45 percent. The following table illustrates the dilemma facing this country in terms of where we are going to be getting our energy between now and 1990. The numbers express the equivalent energy value of a million barrels of oil per day.

[Million barrels]

	1978	1990
Domestic oil	10	---
Domestic gas	9	*19
Coal	7	10
Nuclear	1	2
Other	1	2
Total	28	33
Import	8	8–14
Total	36	41–47

*Domestic gas and oil combined.

Five years ago, oil at $12 a barrel was considered very high in price. Today we hear talk of $20 to $22 per barrel on the spot market and it does not take a great deal of speculation to lead one to conclude that in the foreseeable future we may see oil producing nations demanding $30, $40, or $50 per barrel. Considering that our balance-of-payments deficit in 1978 was in excess of $34 billion, much of which was created by our dependence on the importation of oil, to consider further increasing the quantity of oil that we will import at an ever increasing price, which will only increase the adverse balance of payments of our international trade, is a course which our country cannot pursue if we are serious about maintaining our economic viability as a national power. These figures demonstrate that we must exercise every opportunity that we have to continue our options for energy development in order to achieve our national goal of energy independence. In order to keep the nuclear option open, it is vitally important that we specifically, politically, solve the question of the long-term storage of nuclear waste.

Ample testimony was presented to the Subcommittee on Energy Research and Production of the Committee on Science and Technology in hearings held in May of this year to establish that the technology to solidify nuclear wastes exists and is economical. Dr. Larry Hench of the University of Florida said:

> In our judgment, there exists sufficient confidence in glass as a waste encapsulant system that it should be used to begin a national waste solidification program as soon as possible.

Further testimony by Dr. Raul A. Deju, Director of the Basalt Waste Isolation Program at the Hanford site in Washington read in part:

> In conclusion, investigations to date give further confidence that dry storage of various waste forms is feasible and that ultimate disposal of nuclear waste can be ascertained regardless of the solid waste forms being considered for disposal.

It is incumbent upon us to proceed with this necessary step in determining a suitable medium at a proper location for the long-term application of this existing technology that will enable us to isolate nuclear wastes.

Since the mid-sixties, implicit authority has been in the law for the building of a facility for the long-term storage of nuclear waste, but for a variety of reasons the project has not gotten underway. In the early sixties, some salt caverns in Kansas were explored for this purpose, but the effort was not successful.

In 1976, Congress adopted a program called waste isolation pilot program. It was signed into law by the President. It required that military waste be stored long term. Military waste comes from the reprocessing plants at Savannah River, S.C. and Hanford, Wash. The proposal to develop a facility for the long-term storage of military waste was clouded in 1978 when the administration proposed to store 1,000 spent fuel assemblies from commercial usage at the facility. These spent fuel rods require 2½ times more volume than would their disposal in reprocessed form. The Armed Services Committee, which had jurisdiction of the project, discontinued any funding for the program when it became known that it was desired to store spent fuel rods from commercial usage at the facility. It was feared that if civilian spent fuel rods were stored in the facility, it may entail a licensing process which could seriously impede and delay the entire project.

In 1978, the House passed an act called the National Terminal Storage Facility for Civilian Storage. This was a construction item and did not contain any timetable for when the facility was to be constructed. The measure was not taken up in the Senate for a vote.

In the Carter administraton, an inter agency review group (IRG) has been established and it looked at the nuclear waste disposal issue. In 1979, it came up with the conclusion that perhaps by 1995, a long-term storage facility could be in operation. The IRG, operating under the direction of President Carter, is a puzzling group, to say the least. On the one hand, it acknowledges that there is technological feasibility at the present time for long-term storage, but at the same time it suggests that the whole matter be put-off until later. The report contains an inference that the problem of nuclear waste management may still be of such a complexity as to eventually preclude the future use of nuclear power. Although one cannot be sure, written between the lines of the IRG report is the inference that if organizations with respectable credentials, such as itself, can cast enough doubt on the viability of nuclear waste disposal that the public will come to oppose nuclear power altogether. In other words, one gets the feeling that the IRG seeks to swell the minority constituency today which holds to the view that we should stop all use of nuclear power. Or if you prefer, IRG seems to be using a basically scientific question for the purpose of producing a political result which has been predesignated by the group itself, namely, to discontinue the use of nuclear power in the United States. The tragedy of this approach is that it has been estimated that if we would get on with the reprocessing of spent fuel rods from commercial reactors in this country, by 1985, the usable energy from spent fuel rods, now wasted, will amount to the equivalent of 200 billion barrels of oil.

So it is clear to anyone who takes the time to review the facts that this country needs nuclear energy if it is to maintain its position as a major world power. Without alternate energy sources, we are simply at the mercy of the nations who supply us with our power. Let me explain in greater detail how this bill will enable us to more readily respond to this growing challenge to our national integrity.

This legislation would delegate to the DOE the authority to act as one agency to coordinate all activities of other agencies of government in the process. An environmental impact statement would be required, but the licensing procedure of the NRC would not be necessary because this is a demonstration project. The licensing process itself is just one element to be considered in the entire picture, but this approach will speed the process. In the past, dissidents who were unsatisfied with the granting of a license at some stage in the licensing procedure have felt inclined to go into the court system to litigate the public policy question of whether or not the energy source is actually needed and if the environmental quality laws have been properly pursued.

Within 6 months after the adoption of the act, the DOE would be required to select the location from one of three sites: First, basalt media on the Government reservation, Hanford, Wash.; second, salt media on Federal land in the State of New Mexico; third, granite media on Federal land on the Nevada test site.

Within 90 days after the site selection, the DOE would be required, after consulting with other Federal agencies, to select the specific site and to go forward with the construction and operation of a demonstration facility. Title to the nuclear waste would pass to the Federal Government and the DOE would be required to assess a fee against those delivering waste to the facility, which would reflect the cost to the Federal Government of the building and the operation of the repository. The bill contains a completion date for the facility of January 1, 1983, which is ample time to do any of the work that is required.

The entire premise of this legislation is that existing technology has proved itself capable of providing encasement for the safe long-term storage of nuclear waste. This process is sometimes referred to as vitrification. Of the three sites mentioned, the one in Nevada has a facility that would not require a great deal of modification to adapt itself to the long term safe storage of nuclear waste. Tunnels are now in existence on Federal land at the Nevada test site, which has already been contaminated by nuclear tests which have been conducted there. At a fairly modest cost, the facility could be converted to the long term safe storage of nuclear waste. There is plenty of room for more tunnels beyond any conceivable need.

It is my hope that this proposed legislation will serve as an impetus to discussion and action on this matter. As I have stressed earlier, this bill is directed at a major roadblock to a portion of the ultimate solution to this country's energy problems. The importance of prompt positive action on this proposed legislation cannot be overemphasized.

☐ 1900

PESSIMISM MUST GIVE WAY TO CONFIDENCE ON ENERGY ISSUE

The SPEAKER. Under a previous order of the House, the gentleman from Kansas (Mr. WHITTAKER) is recognized for 10 minutes.

Mr. WHITTAKER. Mr. Speaker, in his address to the Nation Sunday evening, President Carter sounded a stirring call to action and sought to rekindle the flickering American spirit.

The President was right when he observed that this Nation is now darkened by a gloom and disillusionment unprecedented in modern times. Even during the darkest days of the Vietnam war and the Watergate crisis, more Americans had faith in the future of our country than they do on this day.

This crisis of confidence and pessimistic outlook must be reversed. America is not a Nation to hang its head; we are not a people to accept defeat. Throughout our history, the American people have always rallied around our leaders and even the most formidable of mountains have been scaled.

We are not a people to shrink from battle, when adversity threatens our very way of life. Even during the darkest of moments, we have always found a shaft of light which led us back to the health and prosperity which forms the bedrock of our land.

This is why I am confident that once again the American people will rally together in a spirit of cooperation to solve this Nation's energy woes. And as we have done in all national crises, I am sure that Americans will work together for the good of all, without regard for party labels. For the energy problem is not a Republican or Democratic crisis, it is an American crisis. And we must respond to this threat not on the basis of our political party affiliation, but on the basis that all of us share as Americans.

While much can and has been said regarding our President's lack of leadership in the field of energy, he has now sounded the call to arms, and left little doubt that as Chief Executive, he is ready to use his powers to their fullest to lead this Nation out of its crisis of confidence and energy dependence.

But this fight cannot be led by just one man. For, when the Founding Fathers developed the framework for this great land, they included assurances that the awesome power of leading our Nation would not fall solely on the shoulders of one man. In creating a government with three separate but equal branches, the Founding Fathers insured that during times of great national stress, that the leadership of our Nation and its burdens could be shared by a group of wise men, all acting together for the good of America.

Therefore, I believe that the U.S. Congress cannot sit back to wait and see if the President's new energy program will succeed or fail. To do so, I believe, would be contrary to the spirit in which this Nation was founded and has prospered.

Instead, I believe that the Congress must join with the President in taking the lead to solve this Nation's energy crisis, and that it is the responsibility of each and every Member of this body to do his part in working to restore American confidence. Instead of hanging our heads, or shifting the blame for our current energy problem, it is time for Members of Congress to take the lead; to hold our heads up high, and to show not only this Nation, but the entire world, that America is still as proud and strong as it has always been, and that we can and will solve the energy problem. The strongest and most advanced nation in the world is not going to be brought to its knees over a barrel of oil. We can, and together we will, overcome.

It is time for Americans to be proud again, and together show the world and each other that the blood and sweat of our ancestors was not expended in vain; for indeed, it is time to realize and prove to all doubters that it is going to take a lot more than an energy shortage to cripple the United States of America.

As the first step on the part of the Congress to join the President in leading this fight, I am now introducing a resolution calling for the establishment of a select committee in the House of Representatives to deal specifically with the present energy goals that the President has laid before us.

I believe that the energy problem is of such great magnitude that it deserves special consideration on the part of the Congress, and that the President's proposals and goals deserve expeditious consideration. The Select Committee on Energy would give us a quick and comprehensive mechanism for handling the President's proposals—while using our present committee system could only lead to a slow and fragmented response to these proposals in this time of national urgency.

This committee would examine and frame the President's Energy Mobilization Board, would develop a quick and economical means of developing alternative energy sources, and would set up a framework for the proposed Energy Security Corporation. In addition to dealing with other specific energy proposals, the Speaker would also have the power to broaden the scope and duties of this committee.

I urge my fellow colleagues to join me in this effort to see that the Nation's energy situation remains on the front burner, and that possible solutions are considered fairly and quickly. This committee would be able to devote its sole and entire attention to the solving of our energy problems, and would not be subject to the delays and splintering of attention that often occurs in our standing committees.

I believe that this is an effective way to show the American people that we are ready to take responsibility for this Nation's energy woes; and that we intend to do something about them right now; not next month or next year—but today.

For if we will all join hands and begin to move forward together from this moment on, with God's help, we will emerge victorious.

THE NUCLEAR SPOOK

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, it was early in the morning of March 28 that the great nuclear accident at Three Mile Island began. In its aftermath, the accident brought forth all the old and haunting questions about nuclear power.

Now that Three Mile Island has faded from the headlines, the nuclear industry is moving to exorcise the troublesome spirits that it left behind. Now we are being told that nobody was killed, so it was not such a bad thing after all. Left unsaid is the fact that the powerplant is a useless wreck which, if it ever can be repaired will have first to be cleaned up and then rebuilt, at a cost of hundreds of millions of dollars. As for the injuries, we do not know about that yet; as a matter of fact, nobody is even certain how much radiation was released from the plant.

We are being told, too, that nuclear power is best and cheapest, as for example, in the testimony of Charles F. Luce to the House Energy Subcommittee last week. Nothing could have been more reassuring than the smooth words of this great industrialist. An account of his statement is illuminating:

ATOMIC POWER URGED AS CHEAPEST OPTION

(By Jaonne Omang)

Electric utilities like atomic power so much they would accept government ownership of nuclear plants in order to hang on to the nuclear option, a utility executive said yesterday.

Charles F. Luce, chairman of the board of Consolidated Edison Co. of New York, told a House energy subcommittee that the future of the industry hinges on regulatory decisions about the costs that result from breakdowns at atomic plants. If utilities are not permitted to recover those costs by raising rates, he said, government financing will be the only way to build new plants.

That, Luce said, "would present a large new set of problems . . . but it would be preferable to abandoning the nuclear option altogether."

The regulatory climate is so bad for the industry right now, Luce said, that if he had to recommend a new power generating unit to his board of directors he would recommend coal. This is in spite of his belief that nuclear power is 20 to 30 percent cheaper, even counting all the so-called "hidden" costs of nuclear power such as decommissioning old plants, spent fuel and waste disposal, tax breaks and so on, he said.

Regulators have not agreed that consumers who benefit from nuclear power's relative cheapness when the plant is running should shoulder the costs when it is not, Luce said. "I couldn't take that kind of risk for my investors . . . on a $2.5 billion investment" in a new plant.

Luce was one of several witnesses who strongly defended nuclear power as the best available. One who disagreed was New York energy consultant Charles Komanoff, who said costs of nuclear plants had risen three times as fast as inflation before the March 28 incident at Three Mile Island.

Since that accident, he said, all figures must be readjusted skyward because of unknown safety changes that will be imposed in the future.

Komanoff attacked industry costs calculations as inaccurate. He said the lower numbers omit figures from poor-performing reactors, understate the costs at some plants, guess too low on the still unknown costs of decommissioning and assume that coal plants run less than they actually would if they replaced nuclear plants.

"Nuclear and coal plants today have about equal total generating costs . . . [but] new nuclear plants are more expensive overall than new coal plants," Komanoff said.

L. F. Sillin, chairman of Northeast Utilities, Inc., which provides a higher proportion of its power from nuclear generation than any other utility (58 percent), emphasized that nuclear power saves oil. "A single new nuclear facility . . . can reduce oil consumption by 10 to 12 million barrels per year," he said. "There is no better way to reduce New England's debilitating dependence on foreign oil."

Luce was asked about proposals to remove the $560 million ceiling that the Price-Anderson Act placed on nuclear plants' liability for damage claims in case of accidents. "The financial community would be very concerned" and the industry would find it very hard to raise funds if the ceiling were lifted, he said. Doubling the limit, to $1.3 billion, "would make electricity more expensive," Luce said, since consumer would have to pay the higher premium costs, 'but it would still be a lot cheaper than oil."

Meanwhile, on another front, representatives of the American Nuclear Society conducted briefings on both sides of the Hill to recount what happened at Three Mile Island. In essence, these missionaries of nuclear power assured their audiences that nothing much really happened. They explained carefully what had happened, as well as can be determined. But they could not explain why things went wrong.

And on a third front, the nuclear lobby sent every Member of Congress a letter that said in essense we have to have nuclear power, because the Russians say so. If it is good for the Russians, it is got to be great for us, they seem to be arguing. But they leave unsaid the vast differences between our resources and those the

Russians have, and the fact that this country, hopefully, places a little more value on human life than that one does. A glimpse at the "Russians are coming" argument should amuse those who have not seen it:

JULY 13, 1979.

Hon. HENRY B. GONZALEZ,
House of Representatives,
Rayburn Building, Washington, D.C.

DEAR MR. GONZALEZ: The July 4 edition of the Washington Star contained a page one article of major importance to world energy policy: an interview with a director of the USSR's Kurchatov Institute for Atomic Energy about his nation's attitudes toward nuclear power. Because of shortages of fossil fuels, Anatoly Alexandrov said, "we must therefore build nuclear power reactors in all parts of the world, otherewise wars will one day be fought over the remnants of oil and gas deposits. There will be wars, however peculiar this may sound, between the captialist countries, because the Soviet Union will have concentrated on the production of nuclear power and be ahead of everybody else." Because July 4 was a holiday and you may have missed the article, I am enclosing a copy.

Sincerely,

CARL WALSKE.

SOVIETS CONSIDER NUCLEAR POWER VITAL—ENERGY SCRAMBLE SEEN RISKING WAR

(By Henry Brandon)

MOSCOW.—Without the development of nuclear power as a source of energy, the competition for energy sources in the world could ultimately lead to war, the president of the Soviet Academy of Science warns.

Resistance to the development of nuclear power as an energy source, Anatoly P. Alexandrov said in an exclusive interview, poses more danger for mankind than the original splitting of the atom.

Alexandrov, a nuclear physicist and director of the I.V. Kurchatov Institute for Atomic Energy, blamed regulations in the United States, inadequate safety standards, incompetent supervisory personnel and the news media for the harm done to the use of nuclear energy.

Also present at the interview was Nikolai Inozemtsev, the director of Moscow's prestigious Institute for World Economics and International Relations.

A member of the Academy of Sciences and, like Alexandrov, a member of the Communist Party's Central Committee, Inozemtsev cautioned that a shift of priorities from military to civilian production cannot even begin until the SALT II treaty has been ratified by the U.S. Congress.

The influence of scientists in the Soviet governmental decisionmaking process, Inozemtsev said, exceeded that of their counterparts in the United States.

Alexandrov was interviewed in his spacious office at the headquarters of the Academy of Sciences, located in a well-kept 18th century mansion built for Catherine the Great.

On the future of nuclear power plants, Alexandrov opened his discussion with a reminder that even early in the Middle East conflict, when there was no energy crisis, the United States began talking about the possibility of having to protect its oil imports by force of arms.

"You know that all gas and oil deposits are likely to run out in 30 to 50 years—Russia's may last close to 50 years—but in 30 years it is impossible to reorganize the world in terms of energy from coal," Alexandrov said.

"We must therefore build nuclear power reactors in all parts of the world, otherwise wars will one day be fought over the remnants of oil and gas deposits. And they will be wars, however peculiar this may sound, between the capitalist countries, because the Soviet Union will have concentrated on the production of nuclear power and be ahead of everybody else," the Soviet scientist declared.

Alexandrov suspects opponents of nuclear power fear it because they believe a nuclear power plant failure can lead to an atomic bomb explosion akin to that of Hiroshima.

"They have no real idea of the modern safety devices imposed on the risks involved," he said.

Alexandrov voiced strong criticism of the handling of the Three Mile Island nuclear accident, claiming that from the beginning there were faults with the operating methods which accounted for the trouble: negligence regarding security measures taken by the plant management, inferior operating personnel and inadequate technical safeguards built into the plant against accidents.

He said that only specially trained engineers are allowed to operate Soviet nuclear plants, and that at the central control panel two men must always be on duty.

"I can't imagine the kind of (accident) in the Soviet Union, where pump valves remain closed when they were supposed to be open."

(Among other problems, a pump valve remained closed at Three Mile Island and prevented cooling of the reactor.)

Alexandrov added: "And yet, despite all that happened, there was no serious danger, and whatever danger might have existed, was exaggerated."

On the issue of storing radioactive waste, one aspect of the nuclear power problem that troubles the American public, he said he was certain this could be solved.

"There are many ways to go about it because there exist 'hermetic structures' in the outer layer of the earth which are safe storage places," Alexandrov said.

In a reference to the youthful character of the anti-nuclear movement in the United States Alexandrov countered that he had three sons who were all in favor of it.

The Soviet scientist insists that nuclear energy production is safer than coal mining or production of chemicals.

"People in the vicinity of nuclear power plants are not exposed to greater radiation than that which comes from natural radiation sources. And a worker in a nuclear power plant does not absorb more radiation in a year than you get from one x-ray examination," he said.

"For all practical purposes, we in the Soviet Union have today the same technical know-how as the United States. The United States was ahead at the start, but her nuclear energy development has slowed down, while ours has accelerated," Alexandrov contended.

"All people with common sense should realize that by the end of the century the United States will be compelled to create new great nuclear production facilities, possibly nuclear fusion plants, otherwise she will find herself desperately short of energy. There is no other way to preserve the modern way of scientific development," Alexandrov said.

Inozemtsev, the Soviet economist, was asked whether the Soviet Union would begin shifting the economic emphasis from military to civilian production now that the SALT II agreement has been signed.

Without hesitation, he seized on the occasion to sound still another Soviet call for the U.S. Senate to ratify the agreement.

His reply: "We live in a very important period when decision as regard industrial production can move in either direction. The Vienna meeting opened the way for decisions to be taken in favor of civilian production, certainly.

"But the history of the last years tells us that progress in the field of armaments can be swift and that newer and newer types of weapons are being invented.

"The only way we can protect ourselves from surprises and a further escalation is through the SALT process, which now includes not only quantitative but also qualitative restrictions."

But despite these efforts to exorcise the ghost of Three Mile Island, questions keep coming up—questions that remain unanswered. The Washington Star for instance, editorially wondered about the quality of training that nuclear plant operators receive. The editors were surprised to find that the quality of training is nowhere near what you might expect, and the fitness standards are nothing like as exacting as those required of, say, an airline pilot. In fact, the standards are notable by their absence. And the low pay for nuclear plant operators reflects that the industry does not place much importance on the people who are in charge of the monster.

No matter how much the industry wants to ignore this, the question keeps coming up: How good are the operators? The Star commentary is a worthy example of how the ghost will not go away:

NUCLEAR INTELLIGENCE

A subsidiary question to emerge from the accident at Three Mile Island concerns the competence of those who operate nuclear power plants. Who are these people, and may they be counted upon to respond properly in case of an emergency? It is much the sort of question one asks upon boarding an airplane.

A study just completed for the Tennessee Valley Authority attempts to deal with these questions. Indeed, this "task force on nuclear safety" recommends significant revisions in the selection and training of licensed plant operators.

What is novel in the TVA study is the emphasis on intelligence-testing for nuclear plant operators—including those currently employed. The report urges not only that, but also giving operators "the equivalent of a college education . . . and paying salaries that will attract the best people into the program." Salaries for senior licensed operators now average between $19,000 and $40,000 nationwide, which makes one wonder if there are parallels between salary and performance.

The emphasis on intelligence comes with this useful working definition: "Intelligence distinguishes those who have merely memorized a series of discrete manual operations from those who can think through a problem and conceptualize solutions based on a fundamental understanding of possible contingencies."

Now, testing intelligence is a strange and controversial business, and so-called IQ tests can't accurately gauge all the complexities and varieties of human intelligence. But such tests can be a reasonable guide as to how someone will react intellectually to certain environments; and few environments have quite the combination of logic and complexity of nuclear power plants.

The report simply proposes that TVA "pursue a long-range goal of having the operator training program accredited as a program culminating in a recognized academic degree or certification"; and it recommends a training and retesting program that goes beyond psychological profiles, simulator training, and written and oral examinations of mathematical and mechanical aptitude. All this, of course, the better to predict an operator's on-the-job responses.

TVA has a special interest here. It not only operates three nuclear plants at Brown's Ferry; it has 14 more reactors either planned or under construction. But the standard proposed seems to us sensible for any utility or, for that matter, any agency charged with regulating nuclear utilities.

The Nuclear Regulatory Commission, which licenses operators and senior operators, is aware of the TVA study, but its own recommendations for change remain very much in the planning stage. The nuclear power indutsry, meanwhile, is planning a "national institute" to "establish industry-wide benchmarks fo rexcellence in the management and operation of nuclear power programs," which seems very promising but also a bit vague.

If nuclear power is going to be with us for a while, and if human reaction remains a significant factor in the safe operation of nuclear plants, it is only sensible to ask that those who operate plants be screened as carefully as possible, trained in the most rigorous fashion and licensed only when these procedures set the highest standard.

The recommendations to TVA suggest ways in which the NRC, too, could broaden its examinations for licensing operators—and strengthen its criteria for approving industry training programs.

The nuclear power industry and the NRC ought to take a close look at the TVA report. If nuclear power is to continue to win public support, the industry must be able to guarantee that those in the control room meet the highest standards of intelligence and training.

Even the dispassionate scientists who think nuclear power is fine and that Three Mile Island was nothing to get upset about have to admit that the accident was compounded by two things: Mechanical failures and operator errors.

Theoretically, once a nuclear plant starts going sour, automatic controls will prevent a serious problem. If the controls fail, the operators will know what to do. But at Three Mile Island, things went wrong and the operators did not know what to do. Their instruments gave them misleading information; things got more and more confused, and the problems grew and compounded until the situation became extremely dangerous. Nobody knew what to expect, and nobody knew what to do. The feckless debates of the Nuclear Regulatory Commission clearly shows that.

But now everyone wants to forget, and the industry is trying its best to encourage nuclear amnesia. We cannot afford to forget how close to a catastrophe we came, or how rotten the situation really was, or how badly the accident was handled. Nuclear power is too unforgiving for that. We would do well to keep asking the questions that have yet to be answered, despite the ardent lobbying that seeks to reassure us that everything is all right. Nuclear power is not all right.

EMBATTLED WEST

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, yesterday I inserted into the RECORD the first of a series of articles dealing with Western States-Eastern States conflicts concerning water, energy, agricultural, and industrial development issues.

The second of these articles explores the fact that because of the East's antagonism toward the western agricultural industry and "subsidies" provided it by the Federal Government, western farmers are now unable to get enough water to even maintain current production.

In addition, the article notes that easterners (the Federal Government) refuse to recognize the need for a solution to the West's serious saline problem. which, if unchecked, will leave the West as barren as Mesopotamia and parts of Africa are today.

Meanwhile, westerners point out that their irrigated farmland produced $18 billion worth of crops in 1974, or nearly a quarter of the Nation's agricultural production. Much of the western produce goes toward relieving the Nation's balance-of-trade deficit abroad. (California alone shipped $1.8 billion abroad in 1976.)

I would like to point out that the entire Nation was drastically affected by the Midwest dustbowls of the 1920's and 1930's. A western dustbowl would be at least, if not more, drastic. I feel the elimination of a significant amount of agricultural lands from receiving water—and, therefore, from production—would be an economic disaster not only for the western region but subsequently for the rest of the country.

At this point, I insert into the RECORD the second of four articles by the Washington Post on the "Embattled West," published June 18, 1979:

AGRICULTURE LOSING THE CONTEST FOR WESTERN WATER

(By Joel Kotkin)

CASA GRANDE, ARIZ.—In the 1920s the Caywoods joined thousands of other Texas and Oklahoma families escaping the Dust Bowl on the great trek west. They came to settle in arid central Arizona, grew cotton and watched with pride as the desert flowered with abundance.

Now, more than half a century later, Tom Caywood, 56, born and bred in Arizona, has been forced, like his Texas forebears, to sell off land as his water supplies diminished beneath the rich, dry soil.

"It used to be fun to farm around here," Caywood, a slight, bespectacled man, says as he points to dying fields, a few pathetic stems of cotton plants rising in the brown wasteland. "But with my water costs and all, I just didn't think I could keep it up. Damn, I would have preferred to farm—I enjoyed watching those plants grow and see what the hell they were going to do next."

Tom Caywood is not the only farmer giving up his land this year in the rich farming areas of Pinal County, 50 miles south of Phoenix. Since 1960 nearly 100,000 acres—more than one-third of the area's irrigated cropland—has gone out of production as ground water tables have dropped an average of 10 feet a year. With electrical rates soaring. the cost of bringing this water to the surface has increased as much as 600 percent since 1973 on some farms.

In Arizona and throughout the West today, water—"the testicles of the universe out here," one Utah planner called it—is becoming an increasingly scarce commodity, fought for and bid on by competing interests. In the struggle for the precious fluid, agriculture—traditionally the user of more than 80 percent of all western water—finds itself unable to gain new supplies or even maintain current allotments against the rising needs of the region's burgeoning metropolitan areas and energy developments.

To men like Tom Caywood, diminishing agricultural water supplies, because of the end of an era of massive, subsided development schemes, means the end of their dreams of keeping the desert blooming. But many in Washington, including top officials in the Interior and Agriculture departments, see the demise of western agriculture as inevitable as scarce water resources seek their true, free-market price.

"The victory of the [administration's water project] "hit list" was a Pyhmic victory," says Colorado Gov. Richard Hamm, whose state lost more than 300,000 acres of farmland last year due to mushrooming urban and energy growth. "These projects represent our last best chance to save some water for something other than energy and metropolitan development. We were going to grow crops. It could have been wheat fields rather than a coal slurry pipeline."

Lamm's fears are borne out by a report late last year by the United States Water Resources Council, an interdepartmental federal water planning group, which predicted large increases in western water used by cities, manufacturing and energy developments. Only agriculture was slated to cut back from current consumption

The water future already is closing in on farmers from California's fertile San Joaquin Valley to the high plains of West Texas. Throughout the West, ground water tables are dropping dramatically, while surface water supplies are diverted increasingly to urban industrial and energy uses.

In Arizona, for instance, the Central Arizona Project, due to be completed in 1985, was designed largely to replace the diminishing ground water supplies in places such as Pinal County. Now, the project, which will deliver more than 1½ million acre-feet (325,000 gallons equals one acre-foot) to the state from the Colorado River, will mostly end up quenching the thirsty, fast-growing metropolises of Phoenix and Tucson.

According to Arizona Water Commission estimates, the state could lose nearly one-third of its approximately 1.4 million acres of irrigated cropland in the first 15 years after completion of the water project, a fact that embitters many farmers.

Similar ground water problems, coupled with an inability to gain new supplies of government-imported water, are also afflicting farmers in California's San Joaquin Valley, which is currently pumping ground water faster than it can be replaced, at a rate of more than 1½ million acre-feet a year.

Recently, the California state government has tried to force farmers to regulate their ground water pumping in the interests of future generations. Agricultural interests, which are battling the proposed regulations in the legislature, claim a move to restrict their pumping would result in the immediate loss of more than 600,000 acres of fertile land with a net value of nearly $1.6 billion.

California Gov. Edmund G. (Jerry) Brown Jr. has warned the valley's growers that if they don't accept ground water controls their whole region could end up in "the dustbin of history." State officials claim the growers have yet to understand that no public official, whether he is Jerry Brown or President Carter, is going to spend billions of dollars to subsidize agriculture's water needs in the post-Proposition 13 era.

Perhaps the nation's most ominous ground water shortage is looming far to the east along the high plains of Texas, Oklahoma, New Mexico, Kansas, Nebraska and Colorado. For years this fertile region, covering some 98,000 square miles, has drawn its sustenance from the massive underground Ogallala aquifer, which many experts in and out of government believe, is now being depleted to the crisis point.

There is widespread concern that, if pumping of the Ogallala continues unabated, the nation's largest irrigated area, which produced more than $1 billion last year in crops and livestock, could be gravely affected. In the Texas portion alone, according to state estimates, about half of the current 6.4 million acres of irrigated cropland could go out of production within 20 years.

Deeply concerned about the impact of so drastic a potential economic debacle, the Commerce Department recently initiated a $6 million, three-year study of the problems facing the Ogallala-fed regions of the West.

But many farmers in the region believe the only help they need is the development of new water schemes that could eliminate the drain on their aquifer.

Among the favorite proposed water projects in the High Plains region is a water pipeline from the Mississippi or Arkansas rivers. There is even some wistful enthusiasm for a $120 billion scheme by the Ralph Parsons Co. of Pasadena, Calif., that calls for the delivery of water to the dry Southwest from the frigid, but water-logged, wilderness of British Columbia, the Yukon and Alaska.

But despite the farmers' pleas, many western states already have accepted the idea that water is far to valuable a commodity to "waste" on farming. This is particularly true in fast-growing, energy-rich states such as New Mexico and Utah where water once used for irrigation is finding its way to power plants and new subdivisions.

Indeed, estimates by the Western States' Water Council, a regional, 11-state planning group, are that new energy developments—including nuclear plants, coal degasification, electrical generating and slurry pipelines as well as the oil shale projects—will eat up an additional 2.3 million acre-feet of water by 1990, enough to irrigate close to 1 million acres of farmland.

Says Reed Searle, director of Utah's State Energy Office: "Everybody knows energy can pay the higher price. It's something which occurs with industrialization."

Many Utah residents believe they saw the shape of things to come when a California utility, building a large coal-fired power plant in agricultural south central Utah, paid local farmers $1.750 per acre-foot for water this year. Farmers in the past had paid less than $25. By removing some 45,000 acre-feet from the land, the plant, known as the Intermountain Power Project, will take 15,000 irrigated acres in the area out of production.

As Utah continues to develop its abundant coal reserves, some observers believe agriculture, which has been declining in the state since the early 1960's, will become anachronistic in the land settled by the hardy followers of Brigham Young.

"If you follow our calculations," says Frank Davis, vice president of Utah Power and Light Co., the state's top utility, "you would end up with our projected energy requirements taking all the rest of the water we have. There wouldn't be anything left over for anything * * *

Interior Department officials insist that reclamation projects have served their purpose—the settling of the West.

"We have created an artificial agricultural economy," claims a top Interior official. "We have to start subjecting it to honest competition in the marketplace."

Such an assessment of their worth is hotly contested by some western farmers who claim the federal government is being totally shortsighted in its view of irrigated agriculture in their states. Irrigated farmland in the western region in 1974 accounted for $18 billion, or nearly one-quarter, of the nation's agricultural production, according to Agriculture Department figures.

Much of this production, western farmers point out, is sent abroad and helps relieve the nation's chronic balance-of-trade deficit. In 1976, for instance, California exported more than $1.8 billion in agriculture goods, while Arizona, which sends more than 60 percent of its cotton crop overseas, shipped more than $300 million worth of farm products to foreign markets.

Despite howls of protest from farmers and western governmental officials, there seems little prospect of any real change in current federal policy toward agriculture in the region. "People here have no sympathy for these western farmers," says one high-ranking Agriculture Department official. "In the East, where the government is run, the bias is completely against western agriculture. We don't even talk about the products they produce out there."

The federal tilt against western farmers is so great, according to some observers, that Washington is virtually incapable of providing assistance to them on even basic soil conservation problems. These observers point out that federal officials refuse to come up with the money and assistance to help solve the region's fast-growing salinity problem, a condition caused by salts left in the soil after irrigation.

One recent study, for instance, conducted by researchers at Montana State University, claims that federal crop policies—designed for eastern-type farms—have led to "saline seepage" across wide areas of the Dakotas and Montana, ruining the productivity of 250,000 acres of cropland. Other major salinity problems are plaguing farmers from the Rio Grande Valley of Texas to northern Utah.

But perhaps the most serious salinization is taking place in California's San Joaquin Valley, where 400,000 acres are suffering production losses as a result. By the year 2000, according to recent state estimates, nearly 700,000 acres will be severely damaged—enough to cause an estimated $320 million in cropland losses unless a major new federal and state effort comes along to correct the problem.

In, some areas, yields have fallen dramatically, and tomatoes poisoned by salt have ripened a ghastly yellow color on the vine.

Some academic and governmental experts in the West fear that the falling water tables, the dried-up fields, the salt piles growing amid the crops, are signs of a growing tendency toward desertification of the entire region. They argue that, as water, which made the land explode with production, is taken away to feed thirsty cities and power plants, the land will return to its natural, barren condition.

Huey Johnson, secretary of California's State Resources Agency, believes the West is drifting toward a sort of ecologically caused decline in the land, which, he maintains, led to the fall of such ancient civilizations as Mesopotamia and Rome. He claims the western region's soils already have deteriorated to a point reminiscent of the great dust bowls that afflicted the Midwest in the 1920s and 1930s.

The great Arvin, Calif., windblow, which occurred at the end of the severe western drought of 1975–76, could be just a dress rehearsal of worse horrors to come, Johnson believes, unless strict controls are placed on water usage and soil policies. In those dark days in December 1977, residents of the San Joaquin Valley watched in terror as soil, left fallow from prolonged drought, rose in big, brown waves across the sky. The blowing dust tore the bark off trees, and cattle were buried alive in seas of dirt.

A year and a half later, local irrigation officials in the windblown area still are cleaning up the damage to canals and grass cover. With more land apparently doomed to go out of production in the future, and a growing amount of salt-infested wasteland, Johnson predicts that even greater disasters may soon sweep across the broad lands of the West.

"We have the landscape but we simply don't have the water," he says. "We have to stop growing. Sure, we can do it in a wet year, but in another dry period, the winds are going to come along and blow all the topsoil from Colorado to Wyoming. It happened to us in 1977 and it's happening now. The classic symptoms are repeating themselves."

VANIK RELEASES LIBRARY OF CONGRESS ANALYSIS OF OIL IMPORT QUOTAS AND THEIR IMPACT ON ECONOMY

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, last week I requested a Library of Congress report on the economic impact of the Tokyo Summit goal of limiting oil imports to 8.5 million barrels per day. I am today releasing that report which was prepared by Mr. Lawrence Kumins of the Congressional Research Service. I would like to summarize the report and draw some observations from it:

First, it is based on a number of economic assumptions regarding GNP, oil demand and production, and conservation. Much of the data used is taken from Data Resources Incorporated models. As in any such study, there is an element of uncertainty in predicting the future.

To quote from the report:

> It can be seen that—if our projections are accurate—an 8.5-million barrel per day quota will not begin to impinge upon demand until sometime during 1982. By 1983 the shortfall stemming from the quota will be significant and will likely be over 1-million barrels per day.

The report does warn that if there is extensive inventory rebuilding this year, imports may come very close to bumping into the 8.2 level set for 1979, and, to quote,

> 1980 and 1981 demand might be very close to the import ceiling (of 8.5) examined here.

The report assumes that import tickets would be auctioned so that the "quota premium" is captured by the public Treasury. If quotas are simply allocated to importers, then the importers rather than the public would receive the gain. But it must be remembered that the quota premium will not only apply to imported crude, "but it will affect all products sold in the country" made from either imported or domestic crude.

Applying the various assumptions, the report finds a possible 1982 shortfall in supply of 0.4 to 1.5 million barrels per day which will result in a rise in oil product prices of between $3 and $8 a barrel. By 1985, the shortfall is estimated to be 0.8 to 1.2 million barrels per day, which will add $7 to $10 to prices paid for refined products.

The report concludes:

> Under the approach outlined above, product prices would rise by between $21.3 and $52.7 billion annually during 1982. Offsetting this would be import savings of $3.9 and $9.9 billion. Similarly in 1985, the quota will cost $49.2 to $68.7 billion and result in import savings of between .8 and 2.2 million barrels per day. Since foreign oil will cost an estimated $36 per barrel in 1985, balance of payments savings of between $10.5 and $28.9 billion will occur.
>
> Revenues will flow to the Treasury in 1982, at between $9.3 and $23.8 billion and oil producers, and to some extent refiners, will receive the remaining scarcity rents of between $11.9 and $28.9 billion. In 1985, similarly, the Treasury would collect between $21.0 and $31.6 billion and producers and refiners would gain by between $28.2 billion and $37.1 billion.

Let me say that I support the President's quota action to free us from OPEC dominance and to insure that we are able to develop alternative domestic sources of energy. But the study clearly reveals a number of points:

The new quota system will have a major impact on our economy—it will cause dislocations and shortages;

We need to begin preparing now for the impact of the quota and for the equitable allocation of available supplies;

We need to insure that the quota premium is captured by the Public Treasury and we should plan for the use of tens of billions which will be generated by the quota;

We need to insure that the windfall profits tax recaptures a major portion of the so-called scarcity rent which will otherwise provide additional, excessive profits to the domestic industry.

The study follows:

AN 8.5 MILLION BARREL PER DAY OIL IMPORT QUOTA

(By Lawrence Kumins, analyst, Environment and Natural Resources Policy Division, July 16, 1979)

INTRODUCTION

This report has been prepared in response to the July 9, 1979 letter of request from the Ways and Means Subcommittee on Trade. The request asked that CRS analyze the effects of an assumed 8.5 million barrel per day (mbd) oil import quota. In his July 15, 1979 televised speech, the President indicated that he would set a quota at the 1977 import level, which was—to be specific—8.787 mbd. Imports began to decline during the latter part of 1977, due to completion of the Alaskan oil pipeline. This permitted North Slope Crude to offset declining lower—48 state output.

During the first half of 1979 oil imports into the U.S. were physically limited by the world supply situations. They have averaged in the 8.1–8.2 mbd range, but would not doubt have been higher had crude been more readily available.

METHODOLOGY

In order to assess the effects which might flow from an 8.5 mbd quota it has been necessary to make projections to 1985 of some key variables, chiefly real GNP, domestic oil demand, domestic oil production and the rate of oil conservation. Clearly these are not easy to predict. They are subject to numerous, and often random, shifts. While we have tried to make some reasonable assumptions about their behavior during the time frame to 1985, any exercise of this nature is fraught with vicissitudes. These pitfalls must be kept in mind by the reader.

PROJECTING OIL DEMAND

We have projected oil demand as a function of real (1972 dollar) GNP and a conservation factor. Real GNP projections are taken from the DRI Data Resources Long-Term Review, Summer 1979. We used their CYCLELONGOG79 projection, which is a simulation of long term behavior based on business cycle characteristics. It resulted in projected average real growth between 1978 and 1985 of about 2.4 percent annually. From today's perspective, in light of recent oil price increases and other factors, this may indeed be an optimistically high rate of growth. If it is too high our analysis would be skewed and would overestimate the effect of a quota. Lower growth would mean less impact from such a quota.

The conservation factor is based on oil consumption relative to GNP. It is expressed as the billions of dollars of real GNP per million barrels per day of oil input. A higher figure means that oil is being used more efficiently in generating GNP; a lower figure means the converse. In 1968, the conservation factor was $78.5 billion 1972 dollars per mbd. By 1972 it had declined to 71.4, its recent low, as shown in Table 1.

Oil demand forecasts are obtained by dividing projected conservation factors into GNP projections. The conservation factor has been estimated based on actual GNP and oil demand. The historical trend during the 1970's has been extrapolated based on the post-embargo experience, and behavior modification accounting for conservation. Business cycle influence has also been included here, to account for increased conservation on the down swing and the opposite on the up swing.

DOMESTIC PRODUCTION

We have adopted the high and low forecasts of domestic oil production from Energy: An Uncertain Future[1] Table 17 (p. 64) contains a range of domestic production estimates. These figures include both crude oil and natural gas liquids (NGL) output. The estimates—9.5 to 10.9 mbd for 1985—seem to fall well within the consensus of current thinking.

The range between high and low shows the uncertainty involved here and the sensitivity of estimated imported requirements to something as unpredictable as estimated oil output just 6 years hence.

IMPORT DEMAND

Based on the estimates of domestic demand, including the effects of conservation and substitution of other fuels, and estimated domestic crude oil and NGL output, plus a 500,000 b/d net processing gain in refining, import demand has been estimated in Table 1. It can be seen that—if our projections are accurate—an 8.5 mbd quota will not begin to impinge upon demand until sometime during 1982. By 1983 the shortfall stemming from the quota will be significant and will likely be over 1 mbd.

KEY YEARS DISCUSSED

Further discussion about some of the key years involved in this analysis seems in order. The time period's early years reflect generally low GNP growth—slightly more than 1 percent for 1979–1981. DRI's projection for 1979, which reflects 3.4 percent growth in 1978, may be too high. When compared to estimated oil demand of 18.2 mbd, unrealistically high conservation may have resulted. The 78.7 conservation factor is the highest in the past decade and represents a big jump over 1978, which Table 1 shows as the best year since the embargo.

Apart from this, 1979 import demand will likely be higher than the 7.8 mbd shown here in order to facilitate inventory rebuilding, assuming more crude becomes available during the remainder of the year.

1980 and 1981 are forecast by DRI to be recession years. Low economic growth—plus conservation and fuel substitution—are projected to keep import demand at or beneath the quota ceiling. Failure of the conservation forecast here to materialize could lead to higher potential demand, as could increased economic activity or an unexpected decline in domestic production. In any event, 1980 and 1981 demand might be very close to the import ceiling examined here.

During 1982, increased economic growth at a 4.9 percent rate is expected to result in higher oil demand as well as a temporary stabilization of conservation. At this point, the quota will likely become an effective constraint on demand.

1985 is forecast to be a recession year under DRI's estimate of cyclic behavior. Here import demand stabilizes because of the decline in GNP and the increase in the conservation factor which could be expected during a recession.

ECONOMIC IMPACT

To a large extent, any economic impacts which might result from an 8.5 mbd quota are a function of how it is administered. We have assumed that import tickets would be auctioned off by the government. However, they could be allocated to refiners and other traditional importers. In the latter case we further assume that the tickets could be freely traded (on a "white market"), and that under these circumstances the ticket value would be the same as under an auction. But any revenues would accrue to those given the tickets rather than the government.

If the quota creates a supply shortfall relative to what demand would be, then oil prices would rise if they are not controlled. Since controls under the Energy Policy and Conservation Act expire in late 1981, it is probable that oil prices would rise. In order to determine how much, we will have to make some assumptions about demand elasticity and product prices. Since any shortfall which might exist will in reality only be perceived at the point of final sale, it is the initial price of refined oil products and the elasticity of products which will be the ultimate measure of what sort of "shortage premium" price will be commanded. Not only will the shortage premium apply to the imported crude, but it will affect all products sold in the country regardless of whether they are refined from domestically produced or foreign crude or are imported foreign refined products, for that matter.

Estimating the economic effects first involves estimating the average value of a barrel of refined products, under the assumption that any shortfall is distributed equally across all products. Table 2 shows the product prices (paid by final consumers) and weights we used for this. It should be noted that these are very rough estimates based on an average 1982 crude oil price of $27/bbl (representing 10 percent annual rise in world price as well as complete decontrol of domestic crude).

TABLE 2—*Weighted average prices of refined products—1982*

Product	Weight (percent)	Per barrel
Gasoline	45	$55.00
Distillate	20	40.00
Aviation fuels	5	42.00
Residual fuel	20	28.00
Other products	10	47.50
Weighted average		45.20

A commonly made assumption about elasticity is that it is about −.1 in the short run and −.3 in the long run. A −.1 figure means, for example, that every 10 percent price rise will result in a 1 percent decline in demand. But if—in 1979—shortfalls are anticipated for 1982, we believe that this is sufficiently far off to conform to long run behavior. It would give sufficient time to plan for conservation and we believe the −.3 figure to be applicable.

Applying these assumptions to the 400,000 b/d to 1.5 mbd shortage which might occur under the quota in 1982, we find that shortfall represents a reduction of between 2 percent and 5 percent of projected total demand (19.8 mbd). This would raise prices by between 7 percent and 17 percent respectively. If this were to happen, oil product prices could rise by $3.00 to $8.00/bbl.

In 1985, the estimated shortages under an 8.5 mbd quota are .8 to 1.2 mbd, 4 percent and 6 percent respectively. If this happened in an environment where long run elasticity were operating, prices would rise by 12 percent to 18 percent. If the average price of oil products had risen by 10 percent annually it would then be $56.50/bbl, and a 12-percent to 18-percent increase would add $7–$10/bbl to prices paid for refined products.

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[1] Senate Energy and Natural Resource Committee Publication No. 95–157, December 1978; prepared by CRS.

Under the approach outlined above, product prices would rise by between $21.3 and $52.7 billion annually during 1982. Offsetting this would be import savings of $3.9 to $9.9 billion. Similarly in 1985, the quota will cost $49.2 to $68.7 billion and result in import savings of between .8 and 2.2 mbd. Since foreign oil will cost an estimated $36/bbl. in 1985 balance of payments savings of between $10.5 and 28.9 billion will occur.

Revenues will flow to the Treasury in 1982, at between $9.3 and $23.8 billion and oil producers, and to some extent refiners, will receive the remaining scarcity rents of between $11.9 and $28.9 billion. In 1985, similarly, the Treasury would collect between $21.0 and $31.6 billion and producers and refiners would gain by between $28.2 billion and $37.1 billion.

All non-governmental revenue flows estimated here are gross revenues before taxes. Normal corporate income taxes would redistribute some of these monies to the Treasury. Additionally, any windfall profits tax enacted by Congress would place a Treasury claim on some further share. The windfall profits tax and the quota will interact strongly and as a policy proscription, the two should be considered together.

TABLE 1.—OIL IMPORTS, PRODUCTION AND DEMAND, 1972–85

Year	GNP (1972 dollars, billions)	Conservation factor	In barrels per day				
			Consumption	Domestic production		Estimated import demand	
				High	Low	High	Low
1972	1171	71.4	16.4	11.2		------	------
1973	1235	71.4	17.3	10.9		------	------
1974	1218	72.9	16.7	10.5		------	------
1975	1202	73.7	16.3	10.0		------	------
1976	1271	72.6	17.5	9.7		------	------
1977	1333	72.4	18.4	9.9		------	------
1978	1386	74.1	18.7	10.3		------	------
1979	1433	78.7	18.2	9.9	9.9	7.8	7.8
1980	1439	76.0	18.9	10.2	9.9	8.2	8.5
1981	1452	77.0	18.9	10.3	9.9	8.1	8.5
1982	1523	77.0	19.8	10.4	9.8	8.9	9.5
1983	1600	78.0	20.5	10.6	9.7	9.4	10.3
1984	1644	78.5	20.9	10.8	9.6	9.6	10.8
1985	1642	79.5	20.7	10.9	9.5	9.3	10.7

MONTHLY LIST OF GAO REPORTS

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The May 1979 list includes:

MONTHLY LIST OF GAO REPORTS

NATIONAL DEFENSE

Improvements Needed in Army's Determination of Manpower Requirements for Support and Administrative Functions. Acc. No. 109425, FPCD–79–32, May 21.

New Alien Identification System—Little Help in Stopping Illegal Aliens. GGD–79–44, May 30.

Problems in Getting People into the Active Force After Mobilization. Acc. No. 109392, FPCD–79–40, May 17.

Opportunities to Improve Decisionmaking and Oversight of Arms Sales. Acc. No. 109422, ID–79–22, May 21.

Centralization: Best Long-range Solution to Financial Management Problems of the Foreign Military Sales Program. Acc. No. 109499, FGMSD–79–33, May 17.

DoD Continues to Subsidize the Foreign Military Sales Program by Not Charging for Normal Inventory Losses. Acc. No. 109357, FGMSD–79–31, May 15.

Should Navstar Be Used for Civil Navigation? FAA Should Improve its Efforts to Decide. Acc. No. 109230, LCD–79–104, April 30.

If Army Helicopter Maintenance is to be Ready for Wartime, it Must be Made Efficient and Effective in Peacetime. Acc. No. 109302, LCD–79–407, May 10.

Congress Should Act to Establish Military Compensation Principles. Acc. No. 109294, FPCD–79–11, May 9.

Defense Use of Military Personnel in Industrial Facilities—Largely Unnecessary and Very Expensive. Acc. No. 109239, FPCD–79–10, May 1.

Letter Reports

Correction of computation errors reduced Air Force aerial port staffing requirements for fiscal year 1979. Acc. No. 109348, LCD–79–216, April 11.

The military services and the Defense Logistics Agency are making sure that prices are reasonable in awarding small purchases. PSAD–79–81, May 7.

The Air Force should increase host nation weather support in Europe. Acc. No. 109303, LCD–79–413, May 11.

The Defense Department is retaining millions of dollars of excess inventories for possible sales to foreign governments. Acc. No. 109393, LCD–79–211, May 11.

Uncollected debts owed the United States by the Republic of Korea Air Force. Acc. No. 109451, ID–79–32, May 16.

Consolidating the Army and Air Force Exchange Service and the Navy Resale System Office would reduce annual non appropriated fund operating costs. Acc. No. 109444, FPCD–79–60, May 22.

Findings of the Defense Audit Service's reports on the F–15 and F–14 combat aircraft. Acc. No. 109441, LCD–79–420, May 22.

Target cost of the contract for 526 Improved Hawk ground-to-air defense missiles was overstated by about $710,000. Acc. No. 109477, PSAD–79–82, May 25.

ENERGY

Questions on the Future of Nuclear Power: Implications and Trade-offs. Acc. No. 107423, EMD–79–56, May 21.

The Clinch River Breeder Reactor—Should Congress Continue to Fund It? Acc. No. 109359, EMD–79–62, May 7.

Nuclear Reactor Options to Reduce the Risk of Proliferation and to Succeed Current Light Water Reactor Technology. Acc. No. 109445, EMD–79–15, May 23.

Improvements Needed in Enforcing Crude Oil Reseller Price Controls. EMD–79–57, May 29.

Difficulties in Determining if Nuclear Training of Foreigners Contributes to Weapons Proliferation. Acc. No. 109350, ID–79–2, April 23.

Letter Reports

The operator-licensing program for nuclear powerplants should be completely reevaluated. EMD–79–67, May 15.

DOE has not given adequate emphasis and attention to the timely organization, staffing, and management of the Office of the Assistant Secretary for Conservation and Solar Applications. Acc. No. 109399, EMD–79–64, May 18.

NATURAL RESOURCES AND ENVIRONMENT

Coal Trespass in the Eastern States—More Federal Oversight Needed. EMD–79–69, May 25.

Enewetak Atoll—Cleaning Up Nuclear Contamination. Acc. No. 109449, PSAD–79–54, May 8.

Ways to Resolve Critical Water Resources Issues Facing the Nation. Acc. No. 109280, CED–79–87, April 27.

Desalting Water Probably Will Not Solve the Nation's Water Problems, But Can Help. Acc. No. 109231, CED–79–60, May 1.

Colorado River Basin Water Problems: How to Reduce Their Impact. Acc. No. 109267, CED–79–11, May 4.

Combined Sewer Flooding Pollution—A National Problem. The Search For Solutions in Chicago: An Executive Summary. Vols. 1–6. Acc. No. 109450, CED–79–77, May 15.

Codisposal of Garbage and Sewage Sludge—a Promising Solution to Two Problems. Acc. No. 109396, CED–79–59, May 16.

EPA Standards of Employee Conduct Need Improvement. Acc. No. 109283, FPCD–79–48, May 8.

Letter reports

Several more years will be needed to eliminate the backlog of lands needing reforestation. Acc. No. 109288, CED–79–88, April 27.

Annual Reports by the Forest Service could be improved. Acc. No. 109442, PAD–79–34, May 22.

The Virgin Islands Comptroller adhered to GAO's standards in auditing the procurement actions for three desalination plants. CED–79–96, May 30.

AGRICULTURE

Colocating Agriculture Field Offices—More Can Be Done. Acc. No. 109264, CED–79–74, April 25.

COMMERCE AND HOUSING

The Maritime Administration and the National Maritime Council—Was their Relationship Appropriate? Acc. No. 109501, CED–79–91, May 18.

Customs' Office of Investigations Needs to Concentrate its Resources on Quality Cases. Acc. No. 109349, GCD–79–33, April 20.

Letter reports

Problems caused by using incorrect Bureau of Census per capita income figures for computing revenue sharing payments to Pitman Township, Ill. GGD–70–34, April 16.

TRANSPORTATION

How Effective is the Coast Guard in Carrying Out Its Commercial Vessel Safety Responsibilities? Acc. No. 109476, CED–79–54, May 25.

Coast Guard Action Needed to Promote Safer Marine Transportation. Acc. No. 109-443, CED–79–37, May 21.

"Weight Bumping"—Falsifying Household Moving Weights to Increase Charges—What ICC Needs to Do. Acc. No. 109282, CED–79–75, May 1.

Federal Actions Are Needed to Improve Safety and Security of Nuclear Materials Transportation. Acc. No. 109421, EMD–79–18, May 7.

Replacing Government Sedans Yearly Would Result in Fuel and Cost Savings. Acc. No. 109281, LCD-78-245, May 8.

Information on Questions About Conrail's Track Abandonment Program. Acc. No. 109278, CED-79-45, April 2.

Information on U.S. Railway Association Contracts With Law Firms. CED-79-78, April 19.

COMMUNITY DEVELOPMENT

More Can Be Done to Identify and Help Communities Adjust to Economic Problems Caused By Increased Imports. Acc. No. 109355, CED-79-42, May 15.

Letter reports

Allegations concerning the sewer project in Eastsound, Washington, were substantiated. Acc. No. 107265, CED-79-80, April 30.

Undated information on the John F. Kennedy Center for the Performing Arts. GGD-79-68, May 11.

Why was construction of the Richard B. Russell Federal Building in Atlanta, Georgia, delayed and what caused a cost overrun? Acc. No. 109500, LCD-79-313, May 16.

SOCIAL SERVICES

Federal Employment Examinations: Do They Achieve Equal Opportunity and Merit Principle Goals? Acc. No. 109356, FPCD-79-46, May 15.

How Can Workplace Injuries Be Prevented? The Answers May Be in OSHA Files. Acc. No. 109243, HRD-79-43, May 3.

Improvements Recommended for Better Oversight of the Capitol Page School. Acc. No. 109351, GGD-79-56, April 26.

Military Child Advocacy Programs—Victims of Neglect. HRD-79-75, May 23.

HEALTH

Home Health Care Services—Tighter Fiscal Controls Needed. Acc. No. 109398, HRD-79-17, May 15.

Health Maintenance Organizations: Federal Financing is Adequate But HEW Must Continue Improving Program Management. Acc. No. 109304, HRD-79-72, May 1.

Evaluation of a proposal to increase Medicare Equity Return Payments to For-Profit Hospitals. Acc. No. 109448, HRD-79-63, April 23.

The Medicare Hospital Certification System Needs Reform. Acc. No. 109358, HRD-79-37, May 14.

Letter reports

HEW adequately audited the swine flu vaccine manufacturing costs of three pharmaceutical firms. Acc. No. 109240, HRD-79-73, May 1.

HEW should give greater consideration to the extent and severity of flu expected in determining the amount of funds the Government should spend. Acc. No. 109352, HRD-79-77, May 14.

INCOME SECURITY

Labor Department is Strengthening Procedures to Recover Costs for Federal Employees' Injuries Caused by Third Parties. Acc. No. 109293, HRD-79-36, May 9.

Letter reports

The office of Personnel and Management should consider providing benefits statements to all Federal employees so that they understand their values. Acc. No. 109353, FPCD-79-53, May 14.

ADMINISTRATION OF JUSTICE

Speedy Trial Act—Its Impact on the Judicial System Still Unknown. Acc. No. 109318, GGD-79-55, May 2.

Management Improvements in the Administrative Law Process: Much Remains to be Done. Acc. No. 109439, FPCD-79-44, May 23.

Impact of the Exclusionary Rule on Federal Criminal Prosecutions. Acc. No. 19279, GGD-79-45, April 19.

GENERAL GOVERNMENT

Most Federal Employees on the Job 40 Hours or More Weekly: Tighter Controls Among Proposals for Those Who Work Less. Acc. No. 109438, FPCD-79-24, May 21.

Annual Adjustments—The Key to Federal Executive Pay. Acc. No. 109395, FPCD-79-31, May 17.

Federally Assisted Employment and Training: A Myriad of Programs Should be Simplified. Acc. No. 109284, HRD-79-11, May 8.

Uses of National Economic Models by Federal Agencies. Acc. No. 109394, PSAD-79-24, May 16.

Ineffective Management of GSA's Multiple Award Schedule Program—A Costly, Serious, Longstanding Problem. Acc. No. 109295, PSAD-79-71, May 2.

After Six Years, Legal Obstacles Continue to Restrict Government Use of the Standard Statistical Establishment List, GGD-79-17, May 25.

The Mandatory Small Business Subcontracting Test: Considerations for Public Law 95-507's New Subcontracting Program. Acc. No. 109317, PSAD-79-66, May 11.

Examination of Financial Statements of the Pension Benefit Guaranty Corporation for the Fiscal Year Ended September 30, 1977. Acc. No. 109242, HRD-79-44, May 3.

Audit of the House Beauty Shop. Calendar Year 1978. Acc. No. 109266, GGD-79-46, May 4.

Examination of Records, House of Representatives Finance Office for Fiscal Year 1978. GGD-79-47, May 30.

Audit of the House Recording Studio revolving Fund for the 9-month Period Ended December 31, 1978. Acc. No. 109401, GGD-79-57, May 18.

Letter reports

GSA and OMB need to improve their management of implementing GAO audit recommendations. LCD-79-311, April 5.

Financial statements of the Export-Import Bank of the United States for fiscal year 1978. Acc. No. 109236, ID-79-19A, April 30.

The Government should have unlimited rights to computer software developed under Government contracts. Acc. No. 109397, PSAD-79-69, May 18.

Internal control weaknesses found in the Environmental Protection Agency accounting system. Acc. No. 109400, FGMSD-79-28, May 18.

Weaknesses noted in survey of accounting controls over revenue and expenditure transactions of accounting stations of the Employment and Training Administration and the Office of the Assistant Secretary for Administration and Management, Department of Labor. Acc. No. 109424, FGMSD-79-29, May 21.

Investigation of allegations that the Milwaukee Indian Health Board has mismanaged Federal funds. Acc. No. 109440, HRD-79-83, May 21.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 257-6241.●

DRIVING WITHOUT RESTRAINT

The SPEAKER. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 5 minutes.

● **Mr. MONTGOMERY.** Mr. Speaker, I believe my colleagues would be interested in this article written by Mr. Will which appeared in the Washington Post.

I think the article is very timely in that in the near future we will vote on the transportation appropriations bill which contains funds for research on automobile safety:

DRIVING WITHOUT RESTRAINT

(By George F. Will)

CHEVY CHASE VILLAGE.—Thinking he heard thunder, my neighbor went to close his car windows. Actually, he had heard a commonplace tragedy, the making of a statistic. A woman died and a man nearly did in an occurrence shocking but routine: an automobile accident.

The car veered out of control on Connecticut Avenue, hit trees, fragmented, broke in half. Three of us arrived immediately. Emergency equipment arrived quickly. Cleaning up took hours.

In 1900, this "village," six miles from the White House, was where Washingtonians came for country breezes. Today, it is a small incorporated area near the center of a sprawling metropolis. It is divided by Connecticut Avenue, which passes around a traffic circle as it enters Maryland. Trees on the circle are heavily scarred. Crumpling steel and crying sirens are common sounds here as on many urban thoroughfares.

Increasingly, American driving reflects, I think, the sublimated fury of persons heading for infuriating jobs, the animal spirits of persons whose lives allow little scope for such spirits. As Daniel Moynihan wrote years ago, the automobile is "both a symbol of aggression and a vehicle thereof. . . . It is a prime agent of risk-taking in a society that still values risk-taking, but does not provide many outlets."

The endless epidemic of accidents is one of the nation's gravest public health problems. Automobile deaths and injuries have costs beyond counting, and are a special plague to the young. Of every 100,000 males at age 15, about 1,100 will die in accidents, most involving automobiles, before age 25—a death rate 20 times worse than polio inflicted at its worst.

As Moynihan notes, the social life of most Americans "now primarily takes the form of driving to a place where alcohol is consumed." And because traffic laws are widely ignored, almost everyone is a lawbreaker, and the incidence of arrest in America may be the highest of any nation in history. Repairing and replacing wrecked cars may provide 20 per cent of the business for the automobile industry, the nation's most important.

Such statistics are as lifeless as the woman who lay beneath blankets on the Connecticut Avenue median strip. But they describe a river of sorrow flowing from monstrously irrational behavior.

Most drivers frequently exceed speed limits, only 25 per cent use seatbelts, only four per cent use harnesses. Because slaughter behind the wheel is deeply rooted in aggression and other irrationality, it is very difficult to substantially reduce accidents by reforming drivers. So government has tried to reduce the severity of injuries received in accidents.

The public disliked, and the government quickly disconnected, the ignition "interlock" system that prevented cars from starting when safety belts were unfastened. Today, new cars just make a brief buzz of disapproval.

Government may yet require "passive restraints"—air bags that instantly inflate to cushion passengers in collisions. There is evidence that they would save many thousands of lives annually and may be one answer to what Moynihan has called "the seeming incompatibility of safe driving and mass driving." That is a considerable problem in a nation where more people drive than pay taxes or vote.

Air bags require no forethought by drivers, so they are suited to the American driving public. The air bags would probably cost manufacturers less than $100, a fraction of what car buyers exuberantly spend when loading their cars with snappy wheel covers and other options.

Long before the most recent Connecticut Avenue death, I regretted having once argued that government has no business requiring drivers to buy and use inexpensive devices that might save them from self-destruction. There is a pitiless abstractness, and disrespect for life, in such dogmatic respect for the right of consenting adults to behave in ways disastrous to themselves. Besides, too many children passengers are sacrificed on that altar. And a large part of the bill for the irrationality of individual drivers is paid by society.

Most important, society desensitizes itself by passively accepting so much carnage.

On Connecticut Avenue that evening, the police operated with the weary patience normal to those who are paid to look unblinkingly at what people do to themselves. "Go home," a policeman finally said, with barely noticeable disgust, to people milling around the debris. "Go home and watch television." After a while, we did.●

LET US UTILIZE OUR ECONOMIC LEVERAGE UPON THOSE WHO WAGE ECONOMIC ENERGY WARFARE AGAINST US

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. Wolff) is recognized for 15 minutes.

● Mr. WOLFF. Mr. Speaker, today I have introduced legislation to utilize our economic leverage upon those who would wage economic energy warfare against us. Those countries which engage in unfair trade practices with regard to price or supply are actually attacking our economic well-being, our economic way of life. President Carter has called our energy crisis the "moral equivalent of war." This is not the equivalent of war—it is war, an economic one. I am not calling upon this Government to engage in counterproductive retaliatory moves. But we should use the leverage that we have, when it can be effective, in order to fight back, in order to respond to this economic challenge.

I am not ignoring the fact that we must cut back on our energy consumption, that we must conserve. This is our future—it is absolutely essential. In this economic war, that is our offensive. OPEC has made the price of oil so high that alternatives are becoming economically feasible. We can and will develop feasible alternatives to oil, such as solar power, synthetic fuels, wind and water power, et cetera. OPEC pricing contains the seed of its own destruction—if it does not destroy us first.

In the meantime, we must protect ourselves with whatever leverage we can muster against this threat. The legislation that I am introducing today imposes export controls over wheat and wheat flour. All wheat exports will require a validated export license, instead of the present system where such export controls are applied to transactions to Communist countries only. In addition, the bill mandates the Secretary of Commerce impose license fees. This will have the effect of raising the price of our grain on the world market, but not on the domestic market. These fees will be determined by the Secretary of Commerce. Wheat going to needy or developing nations is exempted from the provision requiring a license fee.

The revenues from these export license fees would be shared by the farmers who grow the wheat; applied to reductions on Federal taxes on gasoline and heating oil; and the balance to fund an all-out crash program to develop alternate sources of energy.

The bill also states that export controls should be imposed on nations engaging in inequitable trade practices in price and availability of goods which are vital to the American economy, including petroleum. In this way the bill mandates the Commerce Department to withhold technologies or other commercial goods, if such a denial appears to be an effective way to use our economic leverage.

We are no longer the invulnerable world economic giant that we once were. Clearly, given our dependence on imported oil, we are no longer in a position where we can impose our will on other nations through economic sanctions. But we must try to use our influence to our own advantage when we do in fact have economic power. This Nation is the world's grain reserve, the world's breadbasket. In 1978, U.S. wheat exports were valued at $4.3 billion and provided 43 percent of the wheat traded internationally. OPEC nations import nearly 15 percent of U.S. wheat exports, and this provides OPEC countries with close to 50 percent of the wheat consumed in those countries. The United States imports 19 percent of OPEC's oil exports and OPEC provides 38 percent of the oil used in this country.

OPEC has the financial ability to import more food, and at a higher price, because of oil revenues. The OPEC nations' desire for wheat has been growing as they have become richer and richer. Industrialized countries, which can afford to pay the ridiculously high price for oil, can certainly afford to pay more for wheat.

In addition, our farmers certainly deserve more profit on their wheat crops. In 1973 the price of a bushel of American wheat was $3. That, too, was the price of an imported barrel of oil—$3. Now, six years later, the price of a bushel of wheat is still about $3. The spot price of a barrel of oil has topped $30 a barrel. That is 10 times the price of wheat.

In a recent article which appeared in the Washington Post entitled "Using U.S. Wheat Against OPEC: Not as Farfetched as You Think," author Dan Morgan states that the United States does have considerable leverage with regard to OPEC's wheat needs. Mr. Morgan says:

> The clear implication is that, with regard to OPEC's wheat needs, the two criteria for U.S. economic leverage exist:
>
> Doing without grain imports, though possible, would be economically disruptive and possibly politically destabilizing.
>
> Only the United States and Canada can guarantee a continuing supply of wheat of that magnitude.

If the economic leverage is there, I say we should and must use it. It is clearly in our national interest to use our own economic power to try and stabilize oil prices. This is a game of economic hardball. Our national economic survival demands that we respond to this challenge.

Last month I introduced complementary legislation which creates a Council of Oil Importing Nations (COIN), so that oil importing nations can stop competing with each other for oil, and get together to negotiate a reasonable base price for oil. Instead of jacking up the price through competitive bidding, this legislation urges cooperation among importers. With both pieces of legislation, this country can put pressure on OPEC. To get the importing nations together will present a stronger united front to fight destabilizing price rises, and two-tier pricing. This new legislation will allow us more unilateral leverage to secure cooperation from OPEC and our oil importing allies.

Not only will the machinery set up in this bill be useful in pressuring OPEC, but will be in place in the future, should OPEC decide to impose another oil embargo on our Nation. If an embargo is imposed, we can impose one of our own. If no oil, then we can say no to wheat, to technology, to commercial goods. The language to deny these items would be in place in the law, and ready to be implemented. We will have our economic weaponry in place should this economic war escalate to an oil embargo once again.

Mr. Speaker, I believe that the time has come for this legislation to be considered by this body. I urge swift action by the Foreign Affairs Committee on this issue. I would like to insert my legislation into the Record at this point:

H.R. 4835

A bill to amend the Export Administration Act of 1969 to require the imposition of controls on the exportation of wheat and wheat flour, and for other purposes

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 4 of the Export Administration Act of 1969 (50 U.S.C. App. 2403) is amended by adding at the end thereof the following new subsection:

"(n)(1) The Secretary of Commerce shall require a validated license for the export of wheat and wheat flour. In carrying out this paragraph, the Secretary shall impose such export license fees as the Secretary shall determine. Such license fees may be waived in the case of exports to developing countries. Such fees shall be imposed in the case of exports to any country which imposes restrictions on access by the United States to goods where such restrictions have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States.

"(2) The provisions of paragraph (1) shall not apply to a country if and when the President determines that it is in the national interest to remove the requirement of a validated license set forth in such paragraph with respect to that country.".

Sec. 2. Section 4 of the Export Administration Act of 1969 is further amended by adding at the end thereof the following new subsection:

"(o) It is the sense of the Congress that export controls on United States goods and technology should be imposed with respect to any country which engages in inequitable trade practices toward the United States concerning pricing and availability of goods vital to the United States economy, including petroleum.".●

AUTOMOBILE SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. Wirth) is recognized for 5 minutes.

● Mr. WIRTH. Mr. Speaker, tomorrow the House will vote on one of the most pressing issues of our time: Automobile safety. The debate on passive restraints has been long and somewhat acrimonious; today, however, we can certainly say that it has been bipartisan. In a joint letter to our colleagues, Representative Bob Eckhardt and Representative John Rhodes have urged the House to reject an amendment to the Department of Transportation's appropriation which precludes the implementation of the Department's "passive restraint" order.

I commend this letter to my colleagues' attention, and I would hope that they take note of the broad bipartisan support for the Department's position. I urge support for automobile safety, and the defeat of the Dingell amendment to the Department of Transportation's appropriation.

July 17, 1979.

Dear Colleague: Our colleague, John Dingell, has asked you to support an amendment to the Department of Transportation appropriations bill (H.R. 4440) that would prohibit the Department from enforcing its 1977 automobile passive restraint standard in the form in which it was promulgated and approved by the Congress.

The standard currently calls for the manufacture of vehicles capable of protecting their front-seat occupants from injury in frontal crashes of 30 miles per hour, beginning with the 1982 model year. The standard permits the manufacturers to use any technology they wish to meet its performance criteria.

Mr. Dingell's amendment would prevent the DOT from enforcing the standard if the manufacturers chose to use any technology other than belt systems. He is asking you to turn the performance standard required under the National Motor Vehicle Safety Act of 1966 into a design standard, and to rule out the use of the other presently available technology, the air cushion restraint system (or airbag).

We are strongly opposed to Mr. Dingell's amendment. Congress requires the agency to set standards based on broad performance criteria, to permit the highest degree possible of competition and innovation in the market. If the agency should be kept out of the business of designing cars, it is even more appropriate that the Congress stay out of a highly technical judgment on the relative merits of competing passive restraint systems.

The Dingell amendment is, we are afraid, but a prelude to attempts to have Congress outlaw airbags, so that none of the manufacturers will have to compete with each other on the basis of superior safety technology. For this reason, too, we urge you to oppose the amendment. Having told the manufacturers that we want them to produce safer cars, we have no business telling them which technology they must or must not use to comply with the law.

Bob Eckhardt,
Chairman, Subcommittee on Oversight and Investigations.
John J. Rhodes,
Minority Leader.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Dannemeyer) and to revise and extend their remarks and include extraneous matter:)

Mr. Whittaker, for 10 minutes, today.

Mr. Collins of Texas, for 15 minutes, today.

Mr. Dornan, for 60 minutes, on July 18.

(The following Members (at the request of Mr. Volkmer) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 5 minutes today.

Mr. Annunzio, for 5 minutes today.

Mr. Gonzalez, for 5 minutes today.

Mr. Coelho, for 5 minutes today.

Mr. Vanik, for 5 minutes today.

Mr. Wyatt, for 5 minutes today.

Mr. Brooks, for 5 minutes today.

Mr. Montgomery, for 5 minutes today.

Mr. Wolff, for 15 minutes today.

Ms. Oakar, for 5 minutes today.

Mr. Wirth, for 5 minutes today.

Mr. Stratton, for 60 minutes on June 18.

Mr. LaFalce, for 30 minutes on June 18.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Dannemeyer) and to include extraneous matter:)

Mr. Hopkins.

Mr. Wydler in two instances.

Mr. Symms.

Mr. Conte.

Mr. Sawyer.

Mr. Bob Wilson.

Mr. Collins of Texas in two instances.

Mr. Erdahl.

Mr. Young of Alaska.

Mr. Findley.

Mr. Harsha.

Mr. Dannemeyer.

Mr. McKinney.

Mr. Dornan.

(The following Members (at the request of Mr. Volkmer) and to include extraneous material:)

Mr. Moorhead of Pennsylvania in 10 instances.

Mr. Nowak in six instances.

Mr. Barnes in two instances.

Mr. Dingell in three instances.

Mr. Charles H. Wilson of California in five instances.

Mr. Rosenthal.

Mr. Simon.

Mr. McDonald.

Mr. Dixon in three instances.

Mr. Albosta.

Mr. Conyers.

Mr. Rostenkowski in five instances.

Mr. Ottinger in five instances.

Mr. Zablocki in two instances.

Mr. Brooks.

Mr. Skelton.

Mr. Lundine.

Mr. Dellums.

Mrs. Schroeder.

Mr. Maguire.

Mr. Mineta.

Mr. White.

Mr. Carr.

Mr. Nolan.

Mr. Wolff.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House, of the following title, which was thereupon signed by the Speaker:

H.R. 2154. An act to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transaction Fund, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House, of the following title:

H.J. Res. 353. Congratulating the men and women of the Apollo program upon the tenth anniversary of the first manned landing on the Moon and requesting the President to proclaim the period of July 16 through 24, 1979, as "United States Space Observance".

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 18, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2021. A letter from the Secretary of Agriculture and the Secretary of Transportation, transmitting the preliminary report of the Rural Transportation Advisory Task Force, pursuant to section 3 of Public Law 95-580; to the Committee on Agriculture.

2022. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to approve the sale of certain excess naval vessels; to the Committee on Armed Services.

2023. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of the Army's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be included in a contract with the Ministry of Defence of the United Kingdom for the Giant Viper Mine Clearance System, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

2024. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with China Airlines, Ltd., exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

2025. A letter from the Deputy Assistant Secretary of the Interior, transmitting a proposed plan for the use and distribution of the Goshute Indian judgment funds in dockets

326–B and 326–J before the Indian Claims Commission, pursuant to sections 2(a) and 4 of Public Law 93–134; to the Committee on Interior and Insular Affairs.

2026. A letter from the Executive Director, President's Commission on Coal, transmitting a report on acceptable ways to hasten the substitution of coal for oil; to the Committee on Interstate and Foreign Commerce.

2027. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on unauthorized projects in the Grand River Basin, Missouri and Iowa, pursuant to section 204 of Public Law 89–298 and in response to a resolution of the House Committee on Public Works adopted October 19, 1967; to the Committee on Public Works and Transportation.

2028. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final environmental impact statement and supplemental information on the water supply relocation project for Conway, Ark., pursuant to section 404(r) of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

2029. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final supplemental environmental impact statement on the Lewiston, Idaho-Clarkston, Wash., interstate bridge project, pursuant to section 404(a) of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

2030. A letter from the Assistant Secretary of Health, Education, and Welfare for Management and Budget, transmitting the matching program renewal report for Project Match; to the Committee on Ways and Means.

2031. A letter from the Executive Director, Advisory Committee for Trade Negotiations, transmitting the committee's report on the multilateral trade negotiations, pursuant to section 135(e)(1) of the Trade Act of 1974; to the Committee on Ways and Means.

2032. A letter from the Comptroller General of the United States, transmitting a report on the extent of excessively heavy trucking and its effects on highways (CED–79–94, July 16, 1979); jointly, to the Committees on Government Operations and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GARCIA: Committee on Post Office and Civil Service. House Joint Resolution 19. Joint resolution providing for the designation of a week as "National Lupus Week" (Rept. No. 96–340). Referred to the House Calendar.

Mr. GARCIA: Committee on Post Office and Civil Service. House Joint Resolution 209. Joint resolution designating the week of May 14 through May 20, 1979, as "National Diabetes Week"; with amendments (Rept. No. 96–341). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 363. Resolution providing for the consideration of the bill H.R. 4007, a bill to amend the Internal Revenue Code of 1954 to provide that the provisions which increase the Federal unemployment tax in States which have outstanding loans will not apply if the State makes certain repayments. (Rept. No. 96–342). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 364. Resolution providing for the consideration of H.R. 3398, a bill to amend the Food and Agriculture Act of 1977 relating to increases in the target prices of the 1979 crops of wheat, corn, and other crops under certain circumstances, and for other purposes (Rept. No. 96–343). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 365. Resolution providing for the consideration of the bill H.R. 3434, a bill to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes. (Rept. No. 96–344). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 366. Resolution providing for the consideration of the bill H.R. 3282, a bill to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes (Rept. No. 96–345). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 367. Resolution providing for the consideration of the bill H.R. 2859 a bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, to authorize urban volunteer programs, and for other purposes (Rept. No. 96–346). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 368. Resolution providing for the consideration of H.R. 4040, a bill to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1980 for civil defense, and for other purposes (Rept. No. 96–347). Referred to the House Calendar.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 4453. A bill to amend the Saccharin Study and Labeling Act to extend to June 30, 1981, the ban on actions by the Secretary of Health, Education, and Welfare respecting saccharin (Rept. No. 96–348). Referred to the Committee of the Whole House on the State of the Union.

Mr. HANLEY: Committee on Post Office and Civil Service. H.R. 4732. A bill to fix the annual rates of pay for the Architect of the Capitol and the Assistant Architect of the Capitol (Rept. No. 96–349). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABDNOR:

H.R. 4815. A bill to amend the Internal Revenue Code of 1954 to facilitate the production of alcohol fuels; to the Committee on Ways and Means.

By Mr. ALEXANDER:

H.R. 4816. A bill to amend section 103(f) of the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture.

H.R. 4817. A bill to amend the Food and Agriculture Act of 1977 relating to increases in target prices of the 1979 crops of wheat, corn, and other crops under certain circumstances, and for other purposes; to the Committee on Agriculture.

By Mr. DANNEMEYER:

H.R. 4818. A bill to provide for the effective demonstration of the safe and permanent disposal of nuclear wastes from civilian powerplants; to the Committee on Science and Technology.

By Mr. GAYDOS:

H.R. 4819. A bill to provide for the use of alcohol produced from renewable resources as a motor vehicle fuel; to the Committee on Interstate and Foreign Commerce.

H.R. 4820. A bill to provide for an accelerated program to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration and other Federal agencies, of wind energy research, development, and demonstration; to the Committee on Science and Technology.

H.R. 4821. A bill to amend the Internal Revenue Code of 1954 to allow an individual an income tax deduction for the expenses of traveling to and from work by means of mass transportation facilities; to the Committee on Ways and Means.

H.R. 4822. A bill to provide for incentives for the commercial application of solar energy, energy conservation, and renewable resource equipment and devices in homes, neighborhood and community structures, small businesses, and facilities owned or occupied by nonprofit organizations; jointly, to the Committees on Banking, Finance and Urban Affairs and Small Business.

By Mr. GOLDWATER:

H.R. 4823. A bill to amend section 602 of the Federal Aviation Act of 1958 to direct the National Institutes of Health to conduct a study on certain age restrictions on individuals seeking to serve as pilots of aircraft, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. HANCE:

H.R. 4824. A bill to amend the Food Stamp Act of 1977 to limit the eligibility of certain households to participate in the food stamp program, and for other purposes; to the Committee on Agriculture.

By Mr. HARRIS:

H.R. 4825. A bill to amend title 18, United States Code, to impose criminal penalties for the sabotage of a nuclear facility; to the Committee on the Judiciary.

By Mr. HARSHA (for himself, Mr. Snyder, Mr. Taylor, and Mr. Royer):

H.R. 4826. A bill to amend section 602 of the Federal Aviation Act of 1958 with respect to certain age restrictions on individuals seeking to serve as pilots, flight engineers, or flight navigators of aircraft, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. HARSHA (for himself, Mr. Collins of Texas, Mr. Devine, Mr. Johnson of Colorado, Mr. Kindness, Mr. Lagomarsino, Mr. Moore, Mr. Watkins, Mr. Hyde, Mr. Whitehurst, and Mr. McDonald):

H.R. 4827. A bill to prohibit the appropriation or use of funds for the compensation of attorneys, witnesses, or experts for intervening or participating in any rulemaking proceeding of any Federal agency unless such appropriation is specifically authorized by law; jointly, to the Committees on Rules and Government Operations.

By Mr. JACOBS:

H.R. 4828. A bill to amend the Motor Vehicle Information and Cost Savings Act to require EPA automobile fuel economy tests to be based upon actual road conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. JENKINS:

H.R. 4829. A bill to amend section 1114 of title 18, United States Code, to provide for protection of U.S. probation officers and pretrial service officers; to the Committee on the Judiciary.

By Mr. KOSTMAYER:

H.R. 4830. A bill to reimpose controls on home heating oil; to the Committee on Interstate and Foreign Commerce.

By Mr. QUAYLE:

H.R. 4831. A bill to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. SAWYER:

H.R. 4832. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. SAWYER (for himself, Mr. Badham, Mr. Barnard, Mr. Buchanan, Mr. Burgener, Mr. Carter, Mr. Cleveland, Mr. Coelho, Mr. Derwinski, Mr. Dornan, Mr. Edgar, Mr. Erlenborn, Mr. Goodling, Mr. Grisham, Mr. Hyde, Mr. Jeffries, Mr. Johnson of Colorado, Mr. Kindness, Mr. Lagomarsino, Mr. Leach of Louisiana, Mr. Lee, Mr. Lent, Mr. McEwen, Mr. Marriott, Mr. Regula, Mr. Sensenbrenner, Mr. Vander Jagt, and Mr. Winn):

H.R. 4833. A bill to allow a deduction for dividends paid by domestic corporations; to the Committee on Ways and Means.

By Mr. WEISS (for himself, Mr. Waxman, Mr. Beilenson, Ms. Mikulski, Mr. Mitchell of Maryland, Ms. Chisholm, and Mr. Maguire):

H.R. 4834. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the label and advertising for contraceptive drugs and devices state the effectiveness of the drugs and devices in preventing conception in humans, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLFF:

H.R. 4835. A bill to amend the Export Administration Act of 1969 to require the imposition of controls on the exportation of wheat and wheat flour, and for other purposes; to the Committee on Foreign Affairs.

By Mr. STUDDS:

H. Con. Res. 163. Concurrent resolution disapproving the sale of certain defense articles to Saudi Arabia; to the Committee on Foreign Affairs.

By Ms. HOLTZMAN (for herself and Mr. Fish):

H. Res. 362. Resolution expressing the sense of the House of Representatives with respect to the President's providing emergency assistance to Indochinese refugees; jointly, to the Committees on the Judiciary and Foreign Affairs.

By Mr. ROBERT W. DANIEL, JR., (for himself), Mr. Badham, Mr. Bauman, Mr. Bethune, Mr. Burgener, Mr. Collins of Texas, Mr. Derwinski, Mr. Gingrich, Mrs. Holt, Mr. Hyde, Mr. Kindness, Mr. Lagomarsino, Mr. McDonald, Mr. Nichols, Mr. Roe, Mr. Rudd, Mr. Satterfield, Mr. Trible, Mr. Wampler, Mr. Charles H. Wilson of California, Mr. Winn, and Mr. Young of Alaska):

H. Res. 371. Resolution concerning mutual defense treaties; to the Committee on Foreign Affairs.

By Mr. LAGOMARSINO:

H. Res. 372. Resolution urging the President to convene a meeting of grain exporting nations to coordinate grain exporting policies and prices; to the Committee on Foreign Affairs.

By Mr. RUNNELS:

H. Res. 373. Resolution to allow the parties in the case of *New Mexico* v. *Aamodt* to have access to certain records of the House of Representatives; to the Committee on House Administration.

By Mr. WHITTAKER:

H. Res. 374. Resolution establishing a Select Committee on Energy; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

255. By the SPEAKER: Memorial of the Legislature of the Territory of Guam, relative to the Department of Defense Guam land use plan; to the Committee on Armed Services.

256. Also, memorial of the Legislature of the Territory of Guam, relative to relocation of the ammunition wharf at Apra Harbor, Guam; to the Committee on Armed Services.

257. Also, memorial of the Legislature of the State of Louisiana, relative to calling a Constitutional Convention for the purpose of proposing an amendment to the Constitution of the United States regarding Federal rules and regulations; to the Committee on the Judiciary.

258. Also, memorial of the Legislature of the State of California, relative to fishery management; to the Committee on Merchant Marine and Fisheries.

259. Also, memorial of the Legislature of the State of Louisiana, relative to proposed regulations to require that steel shot be used in taking waterfowl in Louisiana during the 1979–80 season; to the Committee on Merchant Marine and Fisheries.

260. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to establishing "National Hawk Watching Week"; to the Committee on Post Office and Civil Service.

261. Also, memorial of the Legislature of the State of Louisiana, relative to granting a tax deduction for the first $1,000 of interest on regular passbook savings accounts; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLINGER:

H.R. 4836. A bill for the relief of Upper Allegheny Sand & Gravel Co., Inc., to the Committee on the Judiciary.

By Mr. COELHO:

H.R. 4837. A bill for the relief of Dale Z. Brown; to the Committee on the Judiciary.

By Mr. LEWIS:

H.R. 4838. A bill for the relief of Remedios Canilas McClanahan; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. Courter, and Mrs. Byron.

H.R. 142: Mr. Mottl, Mr. Benjamin, Mr. Dannemeyer, Mr. Whitehurst, Mr. Lagomarsino, Mr. Stenholm, Mr. Winn, Mr. Bafalis, Mr. Frenzel, Mr. Kindness, Mr. Collins of Texas, Mr. Patten, Mr. Hughes, Mr. Goldwater, Mr. Lott, and Mr. McHugh.

H.R. 809: Mr. Sawyer.

H.R. 953: Mr. Ambro.

H.R. 1572: Mr. Brodhead.

H.R. 1772: Mr. Kildee, Mr. Mazzoli, Mr. Emery, Mr. Bedell, Mrs. Schroeder, Mr. Stokes, and Mr. Corcoran.

H.R. 1775: Mr. Albosta.

H.R. 1918: Mrs. Byron.

H.R. 2247: Mr. Edgar, Mr. Yatron, and Mr. Patterson.

H.R. 2272: Mrs. Byron.

H.R. 3308: Mr. Evans of Georgia, Mr. Shelby, Mr. Ginn, Mr. Lederer, Mr. Dornan, Mr. Won Pat, Mr. Runnels, Mr. Weaver, Mr. Stump, Mr. Ichord, Mr. Beilenson, Mr. Corrada, Mr. Montgomery, Mr. Nolan, Mr. Dan Daniel, Mr. Schulze, Mr. Albosta, Mr. Lujan, and Mr. Charles Wilson of Texas.

H.R. 3720: Mr. de la Garza, Mr. Traxler, Mr. Williams of Montana, Mr. Edgar, Mr. Bevill, Mr. Hutto, Mr. Charles Wilson of Texas, and Mr. Stangeland.

H.R. 3852: Mr. Lent and Mr. Whitehurst.

H.R. 4086: Mr. Coelho, Mr. Oberstar, and Mr. Taylor.

H.R. 4113: Mr. Reuss, Mr. Sensenbrenner, Mr. Pursell, and Mr. Philip M. Crane.

H.R. 4158: Mr. Roth.

H.R. 4345: Mr. Conte, Mr. McCloskey, Mr. Butler, Mr. Solomon, Mr. Hyde, Mr. Lee, Mr. Jeffries, Mr. McClory, Mr. Railsback, Mr. Tauke, Mr. Broomfield, Mr. Guyer, Mr. Erdahl, Mr. Horton, Mr. Pritchard, Mrs. Smith of Nebraska, Mr. Sensenbrenner, Mr. Petri, Mr. Wylie, Mr. Sebelius, Mr. Gudger, Mr. Conable, Mr. Hollenbeck, Mr. Mitchell of New York, Mr. Findley, Mr. McEwen, Mr. Pursell, Mr. Buchanan, Mr. Erlenborn, Mr. Corcoran, and Mr. Seiberling.

H.R. 4441: Mr. Drinan, Mr. Erdahl, Mr. Marriott, Mr. Weiss, Mr. Bedell, Mr. Sebelius, Mr. Carr, Mr. Wolpe, Mr. Brodhead, and Mr. Smith of Iowa.

H.R. 4549: Mr. Snyder.

H.R. 4550: Mr. Snyder.

H.R. 4565: Mr. Badham, Mr. Bafalis, Mr. Corcoran, Mr. Dannemeyer, Mr. Derwinski, Mr. Frenzel, Mr. Frost, Mr. Ginn, Mr. Gudger, Mr. Holland, Mr. Hughes, Mr. Kramer, Mr. Mathis, Mr. Moore, Mr. Mottl, Mr. Rudd, Mr. Simon, Mr. Stangeland, Mr. Stump, Mr. Whitley, Mr. Gingrich, Mr. Hefner, and Mr. Jones of North Carolina.

H.R. 4639: Mr. Collins of Texas and Mr. McDonald.

H.R. 4648: Mr. Bedell, Mr. Bonior of Michigan, Mr. Brodhead, Mrs. Chisholm, Mr. Edgar, Mr. Flood, Mr. Kemp, Mr. Kogovsek, Mr. McHugh, Mr. Moakley, Mr. Stokes, Mr. Thompson, Mr. Weiss, Mr. Wolpe, and Mr. Young of Missouri.

H.R. 4660: Mr. Abdnor, Mr. Addabbo, Mr. Akaka, Mr. Andrews of North Dakota, Mr. Badham, Mr. Baldus, Mr. Barnard, Mr. Bedell, Mr. Bethune, Mr. Bevill, Mr. Biaggi, Mrs. Bouquard, Mr. Bowen, Mr. Broomfield, Mr. Buchanan, Mr. Burgener, Mrs. Byron, Mr. Carr, Mr. Carter, Mr. Cavanaugh, Mr. Chappell, Mr. Cheney, Mr. Cleveland, Mr. Clinger, Mr. Conte, Mr. Corcoran, Mr. Coughlin, Mr. Daniel B. Crane, Mr. D'Amours, Mr. Dan Daniel, Mr. Daschle, Mr. Derwinski, Mr. Dicks, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Erdahl, Mr. Evans of Georgia, Mr. Evans of the Virgin Islands, Mr. Fazio, Mr. Flippo, Mr. Ford of Michigan, Mr. Forsythe, Mr. Fowler, Mr. Fuqua, Mr. Gephardt, Mr. Gibbons, Mr. Gilman, Mr. Gingrich, Mr. Ginn, Mr. Glickman, Mr. Grassley, Mr. Grisham, Mr. Guarini, Mr. Gudger, Mr. Hagedorn, Mr. Hall of Ohio, Mr. Hanley, Mr. Harsha, Mrs. Heckler, Mr. Heftel, Mr. Hinson, Mr. Holland, Mr. Hollenbeck, Mrs. Holt, Mr. Hopkins, Mr. Horton, Mr. Howard, Mr. Hubbard, Mr. Hughes, Mr. Hutto, Mr. Ichord, Mr. Jeffords, Mr. Jenrette, Mr. Johnson of California, Mr. Kemp, Mr. Kogovsek, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lederer, Mr. Livingston, Mr. Lott, Mr. Luken, Mr. Mathis, Mr. Marriott, Mr. McDade, Mr. McHugh, Mr. McKay, Mr. Mineta, Mr. Mitchell of New York, Mr. Montgomery, Mr. Murphy of Illinois, Mr. Murphy of Pennsylvania, Mr. Myers of Indiana, Mr. Natcher, Mr. Neal, Mr. Nichols, Mr. Nolan, Mr. Nowak, Mr. Panetta, Mr. Patten, Mr. Patterson, Mr. Pepper, Mr. Petri, Mr. Pickle, Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Reuss, Mr. Rinaldo, Mr. Robinson, Mr. Roe, Mr. Roth, Mr. Rousselot, Mr. Sabo, Mr. Santini, Mr. Satterfield, Mr. Schulze, Mr. Sebelius, Mr. Shelby, Mr. Skelton, Mr. Slack, Mr. Smith of Iowa, Mrs. Snowe, Mr. Solarz, Mr. Solomon, Mrs. Spellman, Mr. Staggers, Mr. Stangeland, Mr. Stanton, Mr. Steed, Mr. Stokes, Mr. Stump, Mr. Tauke, Mr. Thompson, Mr. Traxler, Mr. Trible, Mr. Volkmer, Mr. Walgren, Mr. Wampler, Mr. Whitehurst, Mr. Whitley, Mr. Whittaker, Mr. Whitten, Mr. Williams of Montana, Mr. Williams of Ohio, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Wolpe, Mr. Won Pat, Mr. Wyatt, Mr. Yatron, Mr. Young of Missouri, Mr. Zeferetti, and Mr. Marks.

H.R. 4672: Mr. Ritter.

H.J. Res. 3: Mr. Gradison, Mr. Miller of Ohio, Mr. Stokes, Mr. Wylie, Mr. Duncan of Oregon, Mr. Quillen, Mr. Flood, Mr. Hance, Mr. Royer, Mr. Van Deerlin, Mr. Johnson of Colorado, Mr Kogovsek, Mr. Fuqua, Mr. Pepper, Mr. Brinkley, Mr. Ginn, Mr. Jacobs, Mr. Myers of Indiana, Mr. Duncan of Tennessee, Mr. Kazen, Mr. Murphy of Pennsylvania, Mr. Collins of Texas, Mr. Hall of Texas, Mr. Charles Wilson of Texas, Mr. Whittaker, Mr. Winn, Mr. Carter, Mr. Sabo, Mr. Perkins, Mr. Vento, Mr. Guarini, Mr. Hughes, Mr. Patten, Mr. Addabbo, Mr. Downey, Mr. Horton, Mr. Lee, Mr. Murphy of New York, Mr. Richmond, Mr. Solomon, Mr. Bevill, Mr. Young of Alaska, Mr. Alexander, Mr. Burgener, Mr. Coelho, Mr. Dornan, Mr. Lagomarsino, Mr. Miller of California, Mr. Panetta, and Mr. Stratton.

H.J. Res. 276: Mr. Dickinson, Mr. English, Mr. Fithian, Mr. Gibbons, Mr. Guyer, Mr. Hamilton, Mr. Howard, Mr. Hyde, Mr. Jones of Tennessee, Mr. LaFalce, Mr. Leach of Louisiana, Mr. Loeffler, Mr. Madigan, Mr. Murtha, Mr. Paul, Mr. Pursell, Mr. Rahall, Mr. St Germain, Mr. Santini, Mr. Stangeland, and Mr. Johnson of California.

H.J. Res. 321: Mr. Cotter.

H.J. Res. 339: Mr. Simon.

H.J. Res. 355: Mr. Stack, Mr. Shumway, and Mr. Zeferetti.

H. Con. Res. 15: Mr. Brinkley and Mrs. Byron.

H. Con. Res. 138: Mr. Applegate, Mr. Winn, Mr. Patten, Mr. Moakley, Mr. Giaimo, Mr. McKinney, Mr. Fish, Mr. Simon, Mr. Whitehurst, Mr. Murphy of Pennsylvania, Mr. Pepper, Mr. Carter, Mr. Dougherty, Mr. Mitchell of New York, Mr. Bereuter, Mr. Edwards of California, Mr. Lehman, Mr. Duncan of Tennessee, Mr. Fazio, Mr. Stokes, Mr. Downey, and Mr. Dornan.

H. Con. Res. 139: Mr. Waxman and Mr. McHugh.

H. Res. 75: Mr. Kildee, Mr. Mazzoli, Mr. Emery, Mr. Gudger, Mrs. Schroeder, Mr. Stokes, and Mrs. Holt.

H. Res. 347: Mr. Edwards of California, Mr. Archer, Mrs. Schroeder, Mr. Dannemeyer, Mr. Kemp, Mr. Markey, Mr. Fithian, and Mr. Kostmayer.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3917

By Mr. YOUNG of Alaska:

—Page 16, beginning in line 20, strike out "or the product of $0.25 and the population of the health service area for which the agency is designated" and insert in lieu thereof "or $200,000 or the product of $0.25 and the population of the health service area for which the agency is designated, whichever is greater".

H.R. 3996

By Mr. JENRETTE:

—Page 89, after line 16, insert the following new section:

FIVE-YEAR PLAN TO MAXIMIZE MAIL AND EXPRESS REVENUES

Sec. 128. The Corporation shall, in conjunction with the United States Postal Service, determine those mail transportation requirements which can be met within the route system and frequently which Amtrak is authorized to operate; and shall, through detailed market analysis determine the maximum level of rail express traffic which can be expected to accrue to the Corporation, within such authorized route structure, and shall develop and furnish the Congress, not later than March 31, 1980, with a five-year capital and operating plan to achieve those levels, including modification of existing facilities to handle mail and express more efficiently, the acquisition of modern materials handling equipment and rolling stock, optimum scheduling, and staffing and/or promotional requirements designed to maximize revenues from these two sources.

At the time of presentation of the plan, the President of the Corporation, in conjunction with the Chairman, Committee on Commerce, Science and Transportation, United States Senate, and the Chairman, Committee on Interstate and Foreign Commerce, United States House of Representatives, will recommend and establish an advisory group of not more than seven members of Congress, or staff alternates, who shall work with the Corporation on the preparation of enabling legislation and the establishment of appropriations levels. This enabling plan shall be completed no later than June 30, 1980.

By Mr. McKINNEY:

—Page 79, line 21, strike out "$230,000,000" and insert in lieu thereof "$272,000,000".

Page 79, line 23, strike out "$253,000,000" and insert in lieu thereof "$295,000,000".

Page 79, line 24, strike out "$271,000,000" and insert in lieu thereof "$313,000,000".

By Mr. PATTERSON:

—Page 68, after line 15, insert the following new paragraph:

"(5) Prior to instituting any fare increase that applies to service provided under this subsection and that represents an increase of more than 5 percent over a 6-month period, the Corporation shall consult with and obtain the views of the appropriate officials of each State to be affected by such fare increase. The Corporation shall provide the officials of each such State with a justification of the proposed fare increase and an explanation of the circumstances warranting such increase (such as the unique costs of or demand for the services involved).

Page 68, line 16, strike out "(5)" and insert in lieu thereof "(6)".

Page 69, line 15, strike out "(6)" and insert in lieu thereof "(7)".

By Mr. PEPPER:

—Page 56, after line 22, insert the following new section:

REDUCED FARE PROGRAM FOR ELDERLY AND HANDICAPPED INDIVIDUALS

Sec. 106. Section 305(c) of the Rail Passenger Service Act (45 U.S.C. 545(c)) is amended—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) The Corporation may establish, on a standby, space available or other basis, a program of reduced fares for elderly and handicapped individuals. Reduced fares established under such program for rail passenger service provided by the Corporation shall not be in excess of 50 per centum of the regular fare for the same service.

"(3) For purposes of this subsection—

"(A) the term 'elderly individual' means a person who has attained the age of sixty-five years; and

"(B) the term 'handicapped individual' means any person who has a physical or mental impairment which substantially limits one or more of such person's major life activities, has record of such an impairment, or is regarded as having such an impairment, but such term does not include any person who is an alcoholic or drug abuser.".

Redesignate the following sections accordingly.

H.R. 4034

By Mr. LAGOMARSINO:

—Page 29, strike out line 23 and all that follows through line 8 on page 35 and insert in lieu thereof the following:

"(c) Intent of Congress.—(1) It is the intent of Congress that any export license application required under this Act shall be approved or disapproved within ninety days after its receipt. Upon the expiration of the ninety-day period beginning on the date of its receipt, any export license application required under this Act which has not been approved or disapproved shall be deemed to be approved and the license shall be issued unless the Secretary finds that additional time is required and notifies the applicant in writing of the specific circumstances requiring such additional time and the estimated date when the decision will be made.

"(2)(A) With respect to any export license application not finally approved or disapproved within ninety days after its receipt as provided in paragraph (1) of this subsection, the applicant shall, to the maximum extent consistent with the national security and foreign policy of the United States. be specifically informed in writing of questions raised and negative considerations or recommendations made by any agency or department of the Government with respect to the license application, and shall be accorded an opportunity to respond to such questions, considerations, or recommendations in writing prior to final approval or disapproval of the application by the Secretary. In making such final approval or disapproval, the Secretary shall take fully into account the applicant's response.

"(B) Whenever the Secretary determines that it is necessary to refer an export license application to an interagency review process for approval, the Secretary shall first, if the applicant so requests, provide the applicant with an opportunity to review any documentation to be submitted to such process for the purpose of describing the export in question, in order to determine whether such documentation accurately describes the proposed export.

"(3) In any denial of an export license application, the applicant shall be informed in writing of the specific statutory basis for the denial.

"(d) Aministrative Procedures.—The Secretary shall, not later than ninety days after the date of enactment of the Export Administration Act Amendments of 1979, institute administrative deadlines designed to carry out the intent of Congress set forth in subsection (c) of this section. Such administrative deadlines shall provide that notification shall be given to the Secretary when a deadline is not met. Not later than fifteen months after such deadlines are instituted, the Secretary shall report to the Congress on the implementation of these deadlines.

Page 35, line 9, strike out "i" and insert in lieu thereof "e".

Page 37, line 8, insert "and with the administrative deadlines instituted pursuant to subsection (d) of this section" after "this section".

Page 37, line 9, strike out "j" and insert in lieu thereof "f".

Page 37, lines 10 and 11, strike out "finally approved under subsection (d), (f), (g), (h), or (i) of" and insert in lieu thereof "otherwise approved under".

Page 37, lines 14 and 15, strike out "as prescribed in such subsections".

Page 38, line 24, strike out "time period prescribed in" and insert in lieu thereof "administrative deadline instituted pursuant to subsection (d) of".

Page 39, strike out line 3 and all that follows through line 2 on page 40.

Page 40, line 3, strike out "m" and insert in lieu thereof "g".

—Page 37, line 9, insert "(A)" after "(1)".

Page 37, line 23, insert after "issued" the following: ", unless the Secretary extends the sixty-day period under subparagraph (B) of this paragraph".

Page 38, insert the following after line 2:

"(B) Upon the request of a country or countries participating in the multilateral review, referred to in subparagraph (A), of an application, the Secretary may extend the sixty-day period prescribed in that subparagraph if the Secretary determines that the application is of exceptional importance and complexity that require the extension. The Secretary shall notify the Congress and the applicant of any such extension and the reasons therefor.

By Mr. SHANNON:

—Page 45, insert the following section after line 21 and redesignate subsequent sections accordingly:

EXPORTS OF HIDES AND SKINS

SEC. 110. Subsection (f)(1) of section 7 of the Export Administration Act of 1969, as such section is redesignated by section 104 (a) of this Act, is amended—

(1) by inserting "(A)" after "(f)(1)"; and

(2) by adding at the end thereof the following:

"(B) Notwithstanding the provisions of subparagraph (A), in order to carry out the policy set forth in section 3(7) of this Act with respect to animal hides and skins, animals hides and skins may not be exported in any year in an amount which is a greater percentage of the total supply of animal hides and skins produced in the United States than the percentage of the total supply of animal hides and skins produced in the United States which were exported during the years 1973 through 1977. The limitation set forth in the preceding sentence shall not apply if the President, after receiving the recommendations of the Secretary and the Secretary of Agriculture, determines that—

"(i) countries which are major producers of animal hides and skins and which, on the effective date of this subparagraph, have in effect restrictions on the export from those countries of animal hides and skins resume reasonable levels of exports of animal hides and skins; or

"(ii) during the last calendar year ending before such determination is made, the supply of animal hides and skins produced in the United States, after deducting the amount of such hides and skins exported during that calendar year, was sufficient to meet the demands of the domestic economy. The Secretary and the Secretary of Agriculture shall submit to the President recommendations so that the President has sufficient information to make the determination described in this subparagraph. Before making such recommendations, the two Secretaries shall hold public hearings, after providing reasonable notice thereof, and shall afford interested parties an opportunity to submit written comments, with or without oral presentation, at such hearings. Any determination of the President made under this subparagraph shall be valid for a period of one year.".

H.R. 4040

By Mr. DELLUMS:

—Page 8, line 5, strike out "$4,940,265,000" and all that follows through "and (2)" on line 10 and insert in lieu thereof "$4,270,265,000 of which".

Page 8, strike line 20 and all that follows down through line 24 on page 9.

—Page 33, after line 8, add the following new section:

RESTRICTION ON TOTAL AMOUNT AVAILABLE FOR OBLIGATION

SEC. 818. Of the total amount appropriated pursuant to the authorizations of appropriations contained in this Act, the total amount that may be obligated or expended is the amount equal to the total amount authorized to be appropriated by this Act less $15,000,000,000.

By Mr. HUGHES:

—Page 33, after line 8, add the following new section:

PURCHASES OF GASOHOL AS FUEL FOR MOTOR VEHICLES

SEC. 818. (a) Gasoline may not be purchased by the Department of Defense from gasoline wholesalers for use as fuel for motor vehicles owned or operated by the Department of Defense unless the Secretary of Defense determines, with respect to a purchase of fuel for motor vehicles, that—

(1) gasohol is not available in sufficient quantities to meet the requirements of such purchase;

(2) the use of gasohol is not compatible with the design or operating conditions of the motor vehicles for which the fuel is being purchased; or

(3) the cost of purchasing gasohol would exceed 115 percent of the cost of purchasing gasoline.

(b) For purposes of this section, the term "gasohol" means a fuel which is suitable, alone or in combination with other fuels, for motor vehicles and which consists of 10 percent methanol or ethanol, manufactured using no petroleum, and 90 percent gasoline.

By Mr. McCLOSKEY:

—Page 29, beginning on line 1, strike out "school records and other existing records" and insert in lieu thereof "existing records other than school records, together with a discussion of the impact of alternative methods of establishing such a registration system on privacy rights under the Constitution and under statutes protecting such rights (including section 552a of title 5, United States Code), and the impact of such alternative methods on other constitutional issues".

By Mr. SKELTON:

—On page 16, strike all of lines 5 through 9, and insert in lieu thereof the following:

"SEC. 701. The Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 through 2297), is amended—

(1) by adding after title IV the following new title:

"TITLE V—ENHANCED PROGRAM FOR THE 1980's

"FINDINGS AND DETERMINATIONS

"SEC. 501. (a) The Congress finds that—

"(1) a program providing for relocating the population of the larger United States cities, and other risk areas, during a period of strategic warning resulting from an international crisis can be effective and cost less than alternative programs;

"(2) the present civil defense program is inadequate;

"(3) a new civil defense program can be developed immediately which, with only a modest increase in resource allocation, can enhance the civil defense capability of the United States.

"(b) The Congress determines that a new civil defense program should be implemented—

"(1) to enhance the survivability of the American people and its leadership in the event of nuclear war and thereby to improve the basis for eventual recovery and to reduce the vulnerability to a major attack;

"(2) to enhance deterrence and stability, to contribute to perceptions of the overall strategic balance and crisis stability, and to reduce the possibility that the United States could be coerced by an enemy in times of increased tension;

"(3) to not suggest any change in the United States policy of relying on strategic nuclear forces as the preponderant factor in maintaining deterrence; and

"(4) to include planning for population relocation during times of international crisis which are adaptable to deal with natural disasters and other peacetime emergencies.

"PROGRAM ELEMENTS

"SEC. 502. To carry out section 501, the President shall develop and implement a civil defense program which includes—

"(1) a survey of the shelter inherent in existing facilities;

"(2) nuclear civil protection planning for both inplace protection and population relocation, during times of international crises;

"(3) planning for the development of additional crisis shelter, of capabilities for shelter management, of the marking and stocking of shelters, and of ventilation kits for shelters;

"(4) the development of emergency evacuation plans in areas where nuclear powerplants are located;

"(5) the improvement of warning systems;

"(6) the improvement of systems and capabilities for the direction and control of emergency operations by civil governments at all levels, including development of a distributed survivable network of emergency operating centers;

"(7) the improvement of radiological defense capabilities;

"(8) the improvement of emergency public information and training programs and capabilities;

"(9) research and development; and

"(10) the development of such other systems and capabilities as are necessary to realize the maximum lifesaving potential of the civil defense program.

"ADMINISTRATIVE PROVISIONS

"SEC. 503. The powers contained in titles II and IV of this Act shall be used in developing and implementing section 502."; and

(2) by adding at the end of the table of contents the following:

"TITLE V—ENHANCED PROGRAM FOR THE 1980'S

"Sec. 501. Findings and determinations.
"Sec. 502. Program elements.
"Sec. 503. Administrative provisions.".

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 702. There are authorized to be appropriated for the purpose of carrying out the provisions of the Federal Civil Defense Act of 1950, in 1979 dollars, the sums of $138,000,000 for the fiscal year ending September 30, 1980, $145,900,000 for the fiscal year ending September 30, 1981, $180,000,000 for the fiscal year ending September 30, 1982, $243,000,000 for the fiscal year ending September 30, 1983, and $283,000,000 for the fiscal year ending September 30, 1984. The sums specified in this section shall be adjusted by the inflation factor used by the Office of Management and Budget in preparing budget estimates submitted to the Congress, so that the actual sum authorized for each fiscal year shall reflect then current dollars."

And, on page 16, line 12, strike "Sec. 702." and insert in lieu thereof "SEC. 703.".

—On page 17, immediately after Line 2 insert the following new section:

SEC. 703. The Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 through 2297), is amended—

(1) by adding after title IV the following new title:

"TITLE V—ENHANCED PROGRAM FOR THE 1980'S

"FINDINGS AND DETERMINATIONS

"Sec. 501. (a) The Congress finds that—

"(1) a program providing for relocating the population of the larger United States cities, and other risk areas, during a period of strategic warning resulting from an international crisis can be effective and cost less than alternative programs;

"(2) the present civil defense program is inadequate;

"(3) a new civil defense program can be developed immediately which, with only a modest increase in resource allocation, can enhance the civil defense capability of the United States.

"(b) The Congress determines that a new civil defense program should be implemented—

"(1) to enhance the survivability of the American people and its leadership in the event of nuclear war and thereby to improve the basis for eventual recovery and to reduce the vulnerability to a major attack;

"(2) to enhance deterrence and stability, to contribute to perceptions of the overall strategic balance and crisis stability, and to reduce the possibility that the United States could be coerced by an enemy in times of increased tension;

"(3) to not suggest any change in the United States policy of relying on strategic nuclear forces as the preponderant factor in maintaining deterrence; and

"(4) to include planning for population relocation during times of international crisis which are adaptable to deal with natural disasters and other peacetime emergencies.

"PROGRAM ELEMENTS

"SEC. 502. To carry out section 501, the President shall develop and implement a civil defense program which includes—

"(1) a survey of the shelter inherent in existing facilities;

"(2) nuclear civil protection planning for both in-place protection and population relocation, during times of international crises;

"(3) planning for the development of additional crisis shelter, of capabilities for shelter management, of the marking and stocking of shelters, and of ventilation kits for shelters;

"(4) the development of emergency evacuation plans in areas where nuclear powerplants are located;

"(5) the improvement of warning systems;

"(6) the improvement of systems and capabilities for the direction and control of emergency operations by civil governments at all levels, including development of a distributed survivable network of emergency operating centers;

"(7) the improvement of radiological defense capabilities;

"(8) the improvement of emergency public information and training programs and capabilities;

"(9) research and development; and

"(10) the development of such other systems and capabilities as are necessary to realize the maximum lifesaving potential of the civil defense program.

"ADMINISTRATIVE PROVISIONS

"SEC. 503. The powers contained in titles II and IV of this Act shall be used in developing and implementing section 502."; and

(2) by adding at the end of the table of contents the following:

"TITLE V—ENHANCED PROGRAM FOR THE 1980's

"Sec. 501. Findings and determinations.
"Sec. 502. Program elements.
"Sec. 503. Administrative provisions.".

—On page 16, strike all of lines 6 through 9 and insert in lieu thereof the following:

"SEC. 701. There are authorized to be appropriated to carry out this Act, in 1979 dollars, the sums of $138,000,000 for the fiscal year ending September 30, 1980, $145,900,000 for the fiscal year ending September 30, 1981, $180,000,000 for the fiscal year ending September 30, 1982, $243,000,000 for the fiscal year ending September 30, 1983, $283,000,000 for the fiscal year ending September 30, 1984. The sums specified in this section shall be adjusted by the inflation factor used by the Office of Mangement and Budget in preparing budget estimates submitted to the Congress, so that the actual sum authorized for each fiscal year shall reflect then current dollars.".

H.R. 4473

By Ms. HOLTZMAN:

—Page 12, line 13, strike "$248,951,000" and insert in lieu thereof "$346,295,000".

By Mr. PAUL:

—On page 19, line 16, after the word Cuba, strike the period and insert a comma and add the following: ", the Union of Soviet Socialist Republics, and the People's Republic of China.".

By Mr. SENSENBRENNER:

—Page 23, insert the following after line 12:

SEC. 527. None of the funds appropriated or otherwise made available pursuant to this Act may be used to furnish assistance to any country that is a member of the Organization of Petroleum Exporting Countries, except that this section shall not be construed to prohibit disaster assistance to any such country.

EXTENSIONS OF REMARKS

RESTRICTIVE AMENDMENTS TASK FORCE ISSUES REPORT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. SIMON. Mr. Speaker, tomorrow, the House will begin debate on the foreign assistance appropriations bill for fiscal year 1980. In recent years, this bill has become a target for a series of amendments which would restrict the ability of the United States in the multilateral financial institutions. My colleague MATT MCHUGH has been chairing an MCPL (Members of Congress for Peace Through Law) Task Force on Restrictive Riders. Under his fine leadership, that task force has recently issued an excellent paper on how these riders affect our participation in multilateral financial institutions. I hope all my colleagues will have a chance to review this paper before debate begins tomorrow.

MEMBERS OF CONGRESS
FOR PEACE THROUGH LAW,
Washington, D.C., July 2, 1979.

RESTRICTIVE AMENDMENTS: CONSTRUCTIVE OR DESTRUCTIVE?

Amendments which seek to earmark or restrict authorizations or appropriations to multilateral development banks (MDBs) and to the United Nations or its specialized agencies actually impair U.S. ability to participate in these programs in *any* capacity, and often put the United States into a position of violating our obligations under international law. This fact sheet will explain the dangers of such amendments.

I. BACKGROUND

Attacks on U.S. participation in the United Nations or in other international organizations, which used to take the form of campaigns to "Get the U.S. Out of the U.N." have now taken the form of annual campaigns to "restrict" our voluntary contributions to these institutions. These amendments, which are offered by conservative members in both the House and the Senate, have impeded to a degree U.S. ability to participate in international organizations and programs of the U.N. family and the development banks.

Generally speaking, these amendments have taken two forms: one deals with our "assessed" contributions to the U.N. and its agencies; the other deals with our voluntary contributions to the U.N., the World Bank, and the regional development banks (the Asian Development Bank, the Inter-American Development Bank, and the African Development Fund.)

II. ATTACKS ON THE UNITED NATIONS

The most recent instance affecting the United Nations has been the Helms Amendment, added last year by the Senate to the State Department Appropriations bill, and accepted by the House. It provided that, of our annual contributions to international organizations, "no part may be made available for the furnishing of technical assistance by the United Nations or any of its specialized agencies."

Since enactment of the Helms language precluded acceptance by the United Nations of any U.S. contributions, the House this year repealed it through passage of an amendment to the International Development Assistance Act. The Senate, following suit, inserted repeal language in the State Department Authorization Act. The Senate also sustained action by the Foreign Relations Committee which had rejected a "Modified Helms Amendment" which purported "merely" to delete that portion of our regular payment to the U.N. ($41.2 million) which would have been used for technical assistance programs.

Reasons for repeal of the Helms Amendment and rejection of the "Modified Helms Amendment."

(1) Under the United Nations Participation Act of 1945, and under Article 17 of the United Nations Charter, contributions by member countries may not be accepted by the United Nations if any restrictions are attached to them. The U.S. has voted to abide by these documents; any departure from them would violate our international legal obligations.

(2) The practical effect of the Helms Amendment was to make it impossible for the U.S. to pay any of the $500 million it owed the U.N. in mandatory payments, since the fall of 1978. The U.S. is now legally in arrears on its payments.

(3) While Senator Helms argued that his "modified" amendment would permit the U.S. to pay the remainder of its mandatory assessments, a majority of Senators agreed that it would still constitute a unilateral reservation by the U.S. on mandated contributions, and therefore was unacceptable.

III. OTHER RESTRICTIVE AMENDMENTS

The second and more frequently offered type of amendment purports to oppose voluntary contributions to multilateral institutions which would aid (a) human rights violators; (b) right or left wing dictatorships; or (c) foreign economic competitors. While the amendments' supporters contend that they are a simple extension of bilateral aid cut-offs, and as such are a logical outgrowth of the legislative history of the Vietnam War and the Human Rights movements in Congress, the actual impact of the amendments is far greater than is at once apparent. The impact, in reality, is similar to the impact of the Helms Amendment: i.e., their adoption would preclude acceptance by the international banks of any U.S. funds for any development aid in developing countries.

What do these amendments do?

These amendments usually seek to prohibit "direct or indirect" aid to specified countries which apparently violate human rights, or to countries which produce specific commodities (sugar, palm oil, citrus, soybeans, etc.) or manufactured products (steel, textiles, shoes, watches, etc.) which compete with our labor force. The two words "or indirect" extend bilateral restrictions to multilateral aid funds.

These amendments have been offered to both the multilateral development banks authorization bill and to foreign aid appropriations bills.

Why are multilateral restrictions so harmful?

For the same reason, basically, that the Helms Amendment had to be repealed.

Like the UN Charter, the Articles of Agreement or the Charters of all the MDBs prohibit both political considerations in considering loans to members and any kinds of restrictions on the property and assests of the banks. Thus, under the very terms of their by-laws, by which the U.S.—as a member—has agreed to be bound, they may not accept conditioned, earmarked or restricted funds from any member nation.

IV. OUTLOOK: UPCOMING AMENDMENTS

Because of the destructive impact of enactment of the Helms Amendment, and because members are becoming increasingly aware of the problems in attaching conditions to our contributions, recent attempts to attach such language have been unsuccessful (See below for 1979 votes.[1]) Despite these failures, conservative members have given notice that they intend to renew their efforts.

(*A*) *Amendments to H.R. 4392, State-Justice appropriations*:

This bill includes $254.2 million to provide for our assessed contributions to the United Nations. In light of past history and in light of recent stories questioning the financial structure of the United Nations and its agencies, amendments might seek to set limits on our contributions, either through specific country-by-country prohibitions (e.g. Vietnam) or through mandated changes in the U.N.'s accounting procedures.

Any such amendments would, like the Helms Amendment, violate the Charters of the United Nations and its agencies, and would make it impossible for the U.N. to accept any part of the U.S. assessed contribution.

(*B*) *Amendments to H.R. 3829, multilateral development banks authorization bill*:

This bill authorizes funds for the three regional development banks: the Inter-American Development Bank (IDB), the Asian Development Bank (ADB), and the African Development Fund (AFDF.) It does not include funds for the World Bank or any of its components. The bill has already passed the Senate without amendment. In the House, a number of amendments are expected.

1. Prohibition on Vietnam: Rep. Bill Young (R–Fla) has indicated that he will attempt to prohibit funds in this bill from going through the Asian Development Bank to Vietnam, in light of its politically repressive government and its consistent denial of human rights to its citizens.

The impact of the amendment would be to prohibit the Asian Development Bank from accepting any U.S. contributions, since its Charter so specifies.

It is interesting to note that the Asian Development Bank has approved no new loans for Vietnam since 1975. While it has reactivated a small number of loans, they had all initially been approved under the previous government. It has no new project proposals under consideration.

2. Prohibition on Cuba: An amendment may be offered to prohibit any funds from going through the Inter-American Development Bank to Cuba.

Again, such an amendment would preclude the IDB from accepting any U.S. funds, consistent with the terms of its Charter. With the help of U.S. contributions, present IDB funds go to a number of Latin American development programs, including one in Mexico which has significantly curbed the flow of illegal aliens from Mexico to the United States.

It is interesting to note that Cuba is not now and never has been a member of the Bank, and has therefore never received any funds.

3. Prohibition on Central African Empire: An amendment may be offered to prohibit the use of any African Development Fund monies to be used in the Central African Empire, due to the repressive nature of its government.

Again, the AFDF Charter, like the others, precludes acceptance of any U.S. contributions so restricted.

AFDF loans are presently targeted to the very poorest nations, with per capita GNP (1976) under $280: 80 percent of all AFDF funds will go to these "poorest" nations in the next two years. Virtually no funds go to nations with a per capita GNP of over $550.

4. Prohibition on Communist countries: Rep. Ron Paul (R–Tex) may offer an amendment which was rejected in the Banking Committee, to prohibit aid through any MDB to any Communist country.

This restriction would preclude all the regional banks from acceptance of any U.S. contributions.

Of the MDB's loans to more than 100 countries world-wide, only a tiny percentage of them—less than one quarter of one per cent—has gone to Communist countries, excluding Yugoslavia and Romania. In the cases of Yugoslavia and Romania, lending (mostly through the World Bank) has encouraged them to decrease their economic dependence on the Soviet Union.

5. Commodities Restrictions: Amendments may be offered to preclude indirect aid to nations establishing or expanding their production of agricultural products such as palm oil, sugar or citrus crops, or of manufactured products such as steel, if U.S. producers were to be harmed by such production.

Again, such restrictions would preclude all the banks from accepting any U.S. contributions.

In 1978, a compromise was reached and enacted as part of the Foreign Assistance Appropriations Act, which directed MDB delegates to oppose any such loans for commodities which were produced for export purposes rather than domestic consumption, and which harmed U.S. producers. This compromise did not preclude the acceptance of U.S. contributions by the banks, but did result in votes by U.S. delegates against certain projects. For instance, the U.S. opposed a project which sought to aid in the production of Tanzanian palm oil.

In addition, the lending policies of the MDBs, including the World Bank, do not permit the financing of new projects for the export of any commodity if there is a worldwide surplus in that commodity.

(*C*) *Amendments to H.R. 4473, foreign assistance appropriations*

Some or all of the amendments listed above may be offered to the Foreign Assistance Appropriations bill in both the House and the Senate. Since House rules preclude "legislation on an appropriations bill," many may be subject to a point of order.

Additional amendments may be offered pertaining specifically to the World Bank.

V. SUMMARY OF PURPOSE AND IMPACT OF RESTRICTIVE AMENDMENTS

While the authors of the "restrictive amendments" hold that they seek merely to ensure that our funds will not go to the worst of all human rights offenders or to competitive producers, it is clear that their impact is to destroy U.S. participation in international organizations. Furthermore, since many such countries receive no loans in the first place, the problem addressed by the authors is in fact a "red herring."

Should the U.S. decide, often correctly, that it wishes to oppose loans to human rights violator countries or economic competitors, it can do so through the actions of its executive director, or delegate, in the specific multilateral institution. In this manner, our views are placed on the record and, if persuasive enough, can effectively reject the proposal without undermining the entire fabric of multilateral aid and development institutions.●

TWO HUNDRED AND THREE YEARS LATER, BRITISH BLAME UNITED STATES

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. WHITEHURST. Mr. Speaker, earlier this month, the New York Times News Service reprinted and circulated an editorial comment from the Manchester Guardian.

One of my constituents, Mrs. Daniel C. Williams of Norfolk, Va., sent me a copy of the article along with her rebuttal. I found her comments so heartwarming that I am pleased to take this opportunity to share them with my colleagues; I think it is particularly fitting that I place it in the RECORD today in light of the President's comments last night—Mrs. Williams makes it very clear that there is still a strong faith in our Nation, and I count it an honor and a privilege to have her as a constituent.

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[1] On April 24, the House rejected, 187-214, the Rousselot Amendment to the FY 80 State Dept. Authorization bill, which was similar to the "Modified Helms Amendment."

On May 15, the Senate rejected, 35–54, the "Modified Helms Amendment."

TWO HUNDRED AND THREE YEARS LATER, BRITISH BLAME UNITED STATES

LONDON.—In an editorial titled "The Fourth of July Fiasco," the Guardian pointed out Wednesday that if the British Empire had not been dissolved, the West might have a good deal more oil than it has and it gently blamed "our cousins" in the United States for having started the trend in 1776.

"By proclaiming themselves independent, the Americans set a fashion which they must now regret," the paper declared. "Had they not given the signal for the dissolution of the British Empire, most of the major oil-producing regions of the world would today be under British Control."

If the British flag still flew over all those oil reserves, "sound administration from Whitehall would have ensured continuity of supply, moderation in price and a freedom to pursue happiness instead of gasoline," the editorial said.

The Guardian conceded that George III was "in some ways, a deficient monarch," but it argued that today "Americans are much more dependent on monarchs speaking foreign tongues than ever they were on King George." In fact, it continued, "Today Americans observe Independence Day when they have never been so dependent in their lives."

"Although it is too late now for harboring regrets and although we wish our cousins well on their national day of rejoicing or atonement," the editorial concluded, "it is hard not to feel that a less abrupt course of action 203 years ago would have stood their country in better stead."

NORFOLK, VA., *July 10, 1979*.

HON. G. WILLIAM WHITEHURST,
Rayburn Bldg.,
Washington, D.C.

DEAR HON. WHITEHURST: I am enclosing my response to an editorial in the Guardian from London. I thought perhaps as you are part of our government, you would like to see how we, the little people, feel about our independence.

This is in regard to the article of July 5 "203 years later, British blame U.S." I think it is about time every American took time to re-read our Declaration of Independence. I did after reading the editorial from the Guardian. Let it be known Americans will never, ever, no matter what regret our independence from Great Britain. Don't tell me King George had our future welfare at heart when he ruled our colonies so tyraniously. I would not have had our ancestors live under that abuse for all of my present happiness. All you can say is "in some ways, a deficient monarch." Have you read what he did? You British would dearly love for us to apologize. We warned you, Tom Jefferson stated, and appealed to no avail.

As for our dependence. My dear chaps, if you paid us the money you owe us and other countries we have so generously given to, that would help. How about it? Well, don't you worry or comment about our oil.

Your queen is charming, but you pay the royal family an enormous amount of money which they accept, I believe, tax free. Is that really to the betterment of your people? That's an expensive price these days for figureheads.

You were dependent at times. Remember WWI and WWII? Oh yes. We shall get through our difficulties, always have. I saw our flag flying many places yesterday and each time reminded myself there is no lovelier country in the world to which I shall belong. This is not my "mother" country or "father" country. It is my homeland. Our government was designed to work. It needs oiling now and then, but will last forever.

Another thing is to be said. We will always have our 4th of July. If we didn't believe in it, we would not have it. We will always be free of you or any other country who ever tries to oppress us so unjustly. America will never need anyone that badly. For long will She wave!

Sincerely,

RUTH M. WILLIAMS.●

LEARNING FROM THE HISTORY OF THE HOLOCAUST

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. RICHMOND. Mr. Speaker, I would like to share with my colleagues some thoughts about a situation of great concern to me and to many others in our Nation and the world. I am referring to the plight of the "boat people", the tragic victims of war and oppression in Southeast Asia.

These homeless refugees, who have fled persecution in their native lands at great risk and with much suffering, are now being turned away by nation after nation. Once again, we are witnessing the rejections of asylum to the oppressed—just as we watched in the 1930's as boatloads of European Jews seeking refuge from Nazi terror were turned away by an indifferent world.

We must never forget—however painful the memories—that in the 1930's, our silence and indifference divided the world into "perpetrators, victims and bystanders." It is inconceivable that we as a nation could now see history repeating itself while we stand idly, thus condemning thousands and thousands of men, women and children to suffering, disease and death.

The seven nation commitment to aid these Indochinese refugees, recently formulated at the Tokyo summit, is an encouraging sign. President Carter is to be commended for being the first of the world leaders to act on that commitment. By doubling the monthly quota of refugees to 14,000, we will be taking an important step toward finding a haven for all of these desperate people.

I wish to share with my colleagues the statements of Mr. Elie Wiesel, Chairman of the President's Commission on the Holocaust; and Mr. Hyman Bookbinder, Washington representative of the American Jewish Committee, a member of the President's Commission on the Holocaust, and chairman of its Subcommittee on Crimes Against Humanity. In their statements, both of these gentlemen provide a thoughtful and compelling parallel between the circumstances of the Jews of the 1930's and today's boat people.

Both Mr. Wiesel and Mr. Bookbinder are emphatic about the need for immediate action by the United States and the rest of the world's nations to provide a refuge for the boat people—in the name of humanity and in memory of the 6 million Jews who were systematically murdered while an apathetic world looked on. Their message is clear: We must learn from the history of the holocaust not to cause more innocent people to die as a result of our apathy and inaction.

The text of the statements follows:

PRESIDENT'S COMMISSION ON THE HOLOCAUST,
June 19, 1979.

We who live with the memory of the Holocaust, we who judge all things by its shadow and in its light are particularly distressed by the specter of silence and apathy which greets the fate of the "boat people." We are outraged at the sight of people set adrift with no country willing to welcome them ashore. We are horrified at the imposition of quotas which exclude women and children in the full knowledge that such a policy of exclusion can be a sentence of death. We know that this failure to act will take its moral toll on those who stand on the sidelines as well as a physical toll on the victims.

Therefore, as Chairman of the President's Commission on the Holocaust, and on behalf of the Commission, I implore all countries to open their borders and to extend rights of refuge and asylum to the boat people. We call upon the nations of the world to coordinate their activities and to extend themselves with humanitarian generosity so that we may not once again be divided into a world of perpetrators, victims, and bystanders.

We know that the President of the United States, in the spirit of this Administration's commitment to human rights and human dignity, will do all within his power to alleviate this situation and assume a leadership role in resolving this problem. We hope that this Nation will grasp this clear opportunity to learn from the history of the Holocaust not to err again.

Now is the time for this country and for the world to take decisive action to save the boat people. Now, before it is too late.

ELIE WIESEL.

JEWS AND BOAT PEOPLE

(By Hyman Bookbinder)

There is an important difference, though not the only one, between the Nazi Holocaust and the one now engulfing hundreds of thousands, perhaps millions of Indo-Chinese refugees.

To this day, there are Germans and non-Germans who insist—never mind the overwhelming evidence that they were not as ignorant as they claim—that they did not know what was happening at Auschwitz or Buckenwald. That excuse for silence for inaction, for indifference to the most horrible crime in human history, simply won't be available for any of us when in years to come we look back at yesterday and today and tomorrow.

How many more tomorrows must there yet be, telling us, on our television screens and in our morning papers, of thousands more turned away from this shore or that one, of boats capsizing, of uncounted numbers dying in places never meant to shelter human life, dying in the unbearable stench of their own excrement and the even worse stench of other people's indifference?

The President's Commission on the Holocaust is now completing its recommendation for an appropriate national memorial for those who died in the Nazi Holocaust But from its earliest deliberations, there has been unanimous agreement that, whatever will be the nature of the memorial itself, the most appropriate way truly to honor the memory of six million Jews and the others slaughtered by Hitler is "to prevent apathy in the face of a potential recurrence for any group."

That is what Elie Wiesel, the Chairman of the Commission and perhaps the world's most noted survivor of the concentration camps, tried to do last week when he called upon the nations of the world "to co-ordinate their activities and to extend themselves with humanitarian generosity so that we may not once again be divided into a world of perpetrators, victims, and bystanders."

And in that same spirit, at the historic Holocaust memorial in the Capitol Rotunda on April 24, President Carter declared that "We must harness the outrage of our memories to banish all human oppression from the world."

The United States has done, in a statistical sense, more than its fair share, accepting 70% of the 300,000 Indochinese refugees resettled in the last four years. But it can do more, and must do more. Every day that it waits for the world community to do more, thousands more will die. Even while we accelerate our diplomatic efforts for long-term solutions, we must do two things at once: Provide safe haven for as many of the refugees as possible on American ships or in Guam or some other life-saving facility; and double our own refugee quota to 14,000 a month.

We can do this, and more, and without any of the dire consequences irresponsibly and ignorantly predicted by critics of a liberalized refugee policy. These critics have always opposed such a policy with calamitous predictions, and they have always been wrong. Despite significant racial and cultural differences, the recent experience in absorbing over 200,000 Indochinese refugees into our American communties has been exemplary. The voluntary agencies and religious groups involved in this proud record have only one complaint: they cannot fill all the pending requests from American homes to receive and help resettle these escapees from tyranny who wish to become Americans. In the tradition of previous refugee movements, the Indochinese have enriched our culture and our economy—in addition to providing us with spiritual nourishment in a world and at a time of massive indifference to human suffering.

The term "boat people" evokes in Jews memories both painful and gratifying. We shall never forget, and expect our children and theirs never to forget, the boats of Nazi escapees who could find no safe haven in an uncaring world. But we remember too those boats at the turn of the century that brought our parents and our grandparents to American shores in their escape from pogroms and the culminating Holocaust years later.

But six million Jews did not board those boats in time. And when their systematic extermination was underway, the world preferred not to note it. Today, in "living" color, we see the anguished faces of Indochinese children and their hysterical mothers trying to wade ashore—knowing that many of these faces will never be seen again. How many Anne Franks are dying every day?

No, we will never be able to tell our grandchildren, thirty years from now, that we didn't know. We know. We've known. Will we have done enough?●

FEDERAL PROGRAMS FOR THE ELDERLY

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. HOPKINS. Mr. Speaker, on Friday, July 6, the House Select Committee on Aging conducted a field hearing in Lexington, Ky., on the success or failure of Federal programs for the elderly. The hearing attracted a great amount of public attention and participation. More than 550 people attended, a majority of them being elderly persons, and there were many informative and worthwhile presentations made by local people involved on a daily basis with delivering services to seniors, and by senior citizens themselves.

Not surprisingly, witnesses emphasized the fact that inflation and the current national energy crisis are cutting into senior citizens' budgets like a double-edged sword: Their buying power on fixed retirement incomes is being eroded, while due to rising costs, programs to assist with meals and other support services are unable to maintain their current levels of participation—much less have room for expansion. Witnesses pointed to many shortcomings in the way some of our programs work, and suggested some new priorities for future endeavors.

In response to urgings of senior citizens at the Lexington field hearing, I am proposing that there be an agenda for aging in the 96th Congress which includes adequate appropriations for title III B social services under the Older Americans Act; a reexamination of medicare reimbursement policies, especially with respect to adult day care; expedited consideration of the bill H.R. 70 to totally remove mandatory retirement; and greater sensivity to the needs of older persons with respect to energy and transportation.

A full transcript of the hearing in Lexington will be available from the Select Committee on Aging; however, because the problems experienced by older Kentuckians are not unique to our region, I would like to share with my colleagues in the House my report to Chairman PEPPER on the findings of the Aging Committee's field hearing. I have briefly outlined some of the highlights of the testimony we received on various issues in the letter which follows:

WASHINGTON, D.C., *July 13, 1979.*

Hon. CLAUDE PEPPER,
Chairman Select Committee on Aging,
Washington. D.C.

DEAR CHAIRMAN PEPPER: I am pleased to take this opportunity to report to you and other Members of the Select Committee on Aging on the field hearing held by the Committee on Friday, July 6, 1979, in Lexington, Kentucky. This field hearing was the first of its kind not only in the bluegrass area, but in all of Kentucky, and it attracted a great deal of public interest and participation.

As you know, Congressman Lamar Gudger and I conducted the hearing at the University of Kentucky Student Center. More than 500 persons attended, including a very large number of senior citizens. It is my understanding from the Committee staff that this is one of the largest audiences ever to have attended a field hearing by the Committee. The large attendance, I believe, reflects favorably on the people of Central Kentucky, and on the level of interest and concern in Kentucky about matters which effect older citizens.

The Committee heard more than four hours of oral testimony, received more than 200 pages of written testimony, from a total of 35 witnesses. The list of witnesses included people who are daily involved in the delivery of services to our elderly population, representatives of public and private organizations, participants and recipients of various programs and services designed to assist elderly persons to live with independence and dignity, educators in the field of gerontology, and individuals. Many of them spoke from convictions forged by their own experiences as senior citizens.

Panels of witnesses addressed the Committee on "Health Issues and the Elderly," "Social Services for Older Americans," "Education, Research and Training in Aging," "Economic Problems in Retirement," and the "Problems of the Rural Elderly." Many witnesses re-emphasized the sad truths of which the Committee is all too aware: inflation is having a double-barrel effect—it not only erodes the buying power of retirees trying to live on fixed monthly incomes, it also forces those programs which serve the elderly population to struggle just to maintain existing levels of service, much less expand to meet the needs of the ever growing elderly population.

National crises such as the current gasoline shortage boost costs and threaten the delivery of life-sustaining services such as home-delivered meals, while rigid retirement policies prevent older persons from continuing to work in the economic sector and to share in its rewards.

In my opening remarks to the witnesses and to the audience present at the field hearing, I charged them with responding to several crucial questions:

Must older Kentuckians sign a pauper's oath and wipe out their savings before they can receive adequate medical care?

Have the villians, inflation and age discrimination, conspired to deny older Kentuckians the right to retirement security and the freedom of choice to remain productive members of the work force?

Have federal, state, and local budget reductions been unfairly made in social services for the elderly and denied older Kentuckians access to their own communities?

Have programs to educate and train personnel in the field of aging received the funding priority they deserve and do older students have equal access to higher education?

Have isolation, distances and the distribution of funds statewide hampered the rural elderly from participation in federal programs to the same extent as the urban elderly?

I would like to briefly summarize for you the responses the witnesses at the field hearing made to these and other questions.

HEALTH CARE

Several witnesses testified on the need for alternatives to costly institutionalization for those older persons with health problem who can live independently, with assistance from the community. Adult day care centers offer such an alternative, and provide support to families who are incapable of caring for an older loved one, but who would like to keep their older relative in their family environment.

One of the pioneer programs for providing this continuum of care was developed in Lexington, Kentucky, and received Medicare funding during an HEW pilot program. Unfortunately, Medicare funding has been discontinued, and despite the success of the program, major cutbacks have already been made as a result of lack of financial support.

SOCIAL SERVICES

The increased cost of providing transportation to and from senior centers, the mandate to provide meals to additional persons as well as the fact that beginning in 1981 transportation will no longer be allowed to be funded from the nutrition budget under Title III–C of the Older Americans Act will mean a curtailment of social services at the senior centers, unless additional Title III–B Social Service funds are appropriated.

Witnesses also testified to the need for congregate services in Section 202 housing, and reported on the success of a demonstration project in one Area Agency on Aging which coordinated Title III and Title XX Social Service funds targeted at senior citizens.

RURAL ELDERLY

New data was revealed on problems faced by the rural elderly in Kentucky, including the following—

The over-60 population in rural Kentucky has twice the suicide rate as in metropolitan areas of Kentucky;

More than twice as many people over 60 in rural areas die in fires than in metropolitan areas of Kentucky.

⅔ of all over-60 admissions to state mental hospitals in Kentucky are from rural areas.

The above data substantiate national findings of unique problems and circumstances affecting rural elderly. Through a grant from the National Institute for Mental Health, faculty at the University of Kentucky are developing course materials on the rural elderly which are available to any interested college or university, and are working to train qualified individuals to better serve the rural elderly population.

GERONTOLOGY

Witnesses from the University of Kentucky's Multi-Disciplinary Center for Gerontology testified to the need for continued funding of Title IV of the Older Americans Act, through which research on the many biological and psychological unknowns associated with the aging process is conducted.

TRANSPORTATION AND ENERGY

Transportation has been repeatedly documented as the number one priority of many elderly in Kentucky. As many as 38 percent of the older population are unable to drive or do not have a car. Voluntary and privately supported programs for the elderly, as well as those federally funded ones, are threatened with curtailing their services because of the increased costs associated with transportation. Rationing of gas poses another threat to these programs.

These are a few of the highlights of the testimony received by the Aging Committee at the Lexington field hearing. The full record of the hearing will provide Members of the Committee with many worthwhile thoughts and suggestions, while pinpointing some of the deficiencies which need to be addressed in the 96th Congress.

On behalf of the more than 550 persons who attended the field hearing, I would like to express my own appreciation to the Committee for the opportunity to conduct this hearing in Central Kentucky. I would also like to express my hope that the record of this hearing will form a springboard for action by the Committee to address the critical needs of our nation's older citizens.

I am,

Respectfully your,

LARRY J. HOPKINS,
Member, Select Committee on Aging.●

1979 LEGISLATIVE QUESTIONNAIRE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. ROTH. Mr. Speaker, more than 30,000 citizens of the Eighth District responded to my 1979 legislative questionnaire. I am pleased to submit the complete results of the survey for the benefit of my colleagues.

[In percent]

1. Do you favor a constitutional amendment to require a balanced federal budget? Yes, 84. No, 16.

2. Should Congress pass the Kemp-Roth bill that cuts federal income taxes by 10% a year over three years and limits the annual growth of spending? Yes, 90. No, 10.

3. Do you think mandatory wage and price controls are needed to combat inflation? Yes, 48. No, 52.

4. Do you support mandatory energy conservation measures, such as closing gas stations on Sunday? Yes, 27. No, 73.

5. Should U.S. defense spending be increased? Yes, 45. No, 55.

6. Should a new SALT agreement be approved by the Senate? Yes, 60. No, 40.

7. Should Congress remove the current ceiling on spending for the food stamp program? Yes, 10. No, 90.

8. Do you agree with the Carter Administration's decision to recognize the People's Republic of China? Yes, 70. No, 30.

9. Should the government require the licensing and registration of all types of firearms? Yes, 32. No, 68.

10. Do you favor a comprehensive national health insurance program? Yes, 34. No, 66.

11. Which three of the following do you consider to be the most important issues facing the United States today?

[In percent]

	Percent voting	Answer		
		No. 1	No. 2	No. 3
No. 1. Inflation	64	54	31	15
No. 2. Government spending	59	31	39	30
No. 3. Energy crisis	46	25	44	31
No. 4. High taxes	42	45	25	30
No. 5. Welfare abuses	31	15	28	57
No. 6. Government regulations	21	14	24	62
No. 7. Crime	16	24	45	31
No. 8. Environment	8	25	33	42
No. 9. Farm income	4	14	26	60
No. 10. Unemployment	4	18	34	48

12. Age:	*Percent*
18–24 years	6
25–34 years	23
35–54 years	37
55–64 years	19
65 and over	15

●

OIL COMPANY PROFITS MUST BE VIEWED IN PROPER PERSPECTIVE

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. DANIEL B. CRANE. Mr. Speaker, I am sure all of us here have received constituent complaints about excessive oil company profits. While it is true that some oil companies did have sizable profits for the first 3 months of 1979, it is time to recognize that the figures cited are usually in comparison to the previous year. It is generally acknowledged that the first quarter of 1978 was a bad period for the oil industry. Thus, one of the reasons the profits look so high is because a good period, the first quarter of 1979, is being compared to a bad period, the first quarter of 1978.

It is also true that, according to Fortune magazine, 5 oil companies rank among the top 10 companies in the United States in terms of sales. This is an often cited statistic. What is rarely mentioned is that oil companies rank near the bottom in terms of profit growth.

According to a June 24, 1979, article in the Danville Commercial-News, profits in the metal industry rose by 50 percent in the first quarter of 1979 as compared to the first quarter of 1978. Textile and vinyl flooring profits were up 31 percent, aerospace profits by almost 26 percent. But profits in mining and crude-oil production were up by less than 2 percent.

Clearly, the increase in oil profits has to be seen in the proper perspective. Mr. Mike Meyers has written an excellent article entitled, "Oil Companies Claim Profits Not Exactly What They Seem" which demonstrates that the oil companies are not exactly making money hand over fist. I commend the article to the attention of my colleagues and urge them to review it carefully:

OIL COMPANIES CLAIM PROFITS NOT EXACTLY WHAT THEY SEEM

(By Mike Meyers)

When the oil companies reported their profits for the first three months of 1979, the numbers were breathtaking.

Compared to the first quarter of 1978, Continental Oil profits soared by 343 percent.

Standard Oil of Ohio profits leaped 303 percent.

The results of other oil companies were almost as dazzling:

Texaco and Mobil profits up 81 percent.

Gulf profits up 61 percent.

Exxon profits up 39 percent.

The amount of money the companies made was almost unimaginable.

These six giant oil companies alone, in three months, had profits of $2.3 billion.

The major reason oil company profits look so huge is that the comparison being made is the first three months of 1979 with the first three months of 1978. The first quarter of 1978 proved to be a very bad period for nearly all American oil companies. The increase in profits looks so large because a good time (the first quarter of this year) is being compared with a bad time.

But such an argument may not convince the person paying high prices at the gasoline pump.

At a time when motorists are paying more than 80 cents for a gallon of gasoline, are the oil companies making "excess profits?"

By some financial measures, the answer is no.

In the latest Fortune 500 ranking of the largest industrial companies in the United States, five oil companies took their place among the top 10 industrial leaders in sales.

Exxon was No. 2, right after General Motors. Mobil, Texaco, Standard Oil of California and Gulf, ranked in a league with Ford, IBM, General Electric and Chrysler.

In terms of profit growth by industry, however, oil companies were near the bottom of the Fortune 500 list.

Comparing 1979 profits to those of the year before, metal industry profits rose by 50 percent, textiles and vinyl flooring profits jumped by more than 31 percent. Aerospace profits climbed by almost 26 percent.

And the oil industry?

Profit increases in petroleum refining were 12 percent, while crude-oil production and mining yielded profit gains of less than 2 percent in 1978 over 1977.

Look at another rule of thumb by which to evaluate a company's profits: Total return to investors.

Again, if the oil companies are reaping wildly excessive profits, stock market investors should jump aboard the gravy train.

But oil company investors, by and large, could have done better elsewhere.

Most people who bought stock in Fortune 500 companies got a more profitable return on their investment—counting appreciation on their stock and dividends reinvested—by buying stock in tobacco or aerospace firms the past 10 years.

At least, that is the view of Jerald Zimmerman, assistant professor of accounting at the University of Rochester, N.Y.

"If the oil companies are making money hand-over-fist, the stock market should send oil stock prices soaring far higher than they have climbed so far," he said. "What it's telling us is that the market didn't view these first quarter, (1979) profits as increasing the value of the firm. They were paper profits. They were numbers on a page."

Comparing profits this year with last year also present problems because in early 1978 many oil companies faced other troubles.

Standard Oil of Ohio and other oil companies, a year ago, were expecting hundreds of millions of dollars worth of oil to flow in from the Alaskan oil pipeline. The plans turned sour. A pump blew out on the pipeline early last year and severely cut back the amount of oil delivered down from the North slope.

For these and a few other reasons, companies such as Continental and Standard Oil of Ohio had relatively poor earnings in the first three months of 1978.

Just how poor can be seen when first quarter 1979 oil company profits are measured against the last three months of 1978 instead of the first last three months of that year.

In the case of Standard Oil of Ohio, for instance, earnings for the first quarter of 1979 inched up by 1.8 percent over the last quarter of 1978. That's far from the 302 percent earnings gain when compared with the first quarter, a year ago.●

FIGHT INFLATION

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. STOCKMAN. Mr. Speaker, I would like to call to the attention of my colleagues a brilliant address on our current stagflation dilemma given by the gentleman from New York (Mr. KEMP). As he aptly points out, we are now drifting into yet another futile effort to fight inflation with increased unemployment, and balance the budget by permitting inflation to raise tax rates. Mr. KEMP has a better solution: Lower tax rates and more production, employment, and business activity. I commend his remarks to the House:

REMARKS OF CONGRESSMAN JACK KEMP

I suppose many of you are wondering what a Republican is doing up here on this platform, rubbing elbows with Teddy Gleason and Al Barkan, and addressing a national convention of such a prestigious labor organization as the International Longshoremen's Association, AFL-CIO. Republicans, especially those who are labeled "conservative," are generally about as welcome at a labor gathering as a hair in a biscuit. Republicans, after all, are supposed to be the party of Scrooge, the party of austerity and sacrifice, the party of big business, and the party that keeps pushing prosperity just around the corner.

It's true that ever since Herbert Hoover, a lot of Republicans have been advocating the economic equivalent of "root canal work for American labor." These Republicans have had a tough job, trying to convince workers that they would really be better off unemployed every now and then. You naturally don't pick up much of a labor constituency by arguing that raising tax rates to balance the budget and slowing down the economy to fight inflation is more important than making sure people have jobs. Not surprisingly, the American people haven't trusted Republicans with either House in Congress for nearly a quarter of a century.

It's also true that many Republicans are beginning to recognize that this whole idea is foolish and counterproductive. If you're really concerned with balancing the budget, you can't do it by raising unemployment, because you lose revenue and have to spend a lot more on unemployment. There are some encouraging signs coming from my party. The House Republican leadership called for an immediate, massive, across-the-board tax cut last Friday to help avoid a recession. But I didn't come here to talk about Republicans and Democrats, or liberals and conservatives.

The issue facing this country, and especially its backbone, the working men and women, transcends all these political and ideological labels. The issue is whether we will have economic growth and opportunity, or contraction and unemployment. The issue is whether people will look forward to the future with hope and optimism, or despair at the prediction of Alfred Kahn, that "there is no way we can avoid a decline in our standard of living. All we can do is adapt to it."

Last week, the Administration and the Congressional Budget Office, which is the economic forecasting arm of the Congress, formally announced something that most of us already knew. We are in a recession, and a lot of working American men and women stand to lose their jobs. The Administration said it hopes that "only" 1.5 million people who now have jobs will lose them by next year. The CBO estimated that the figure could go as high as 2.3 million.

The astonishing thing is that neither the Administration nor a majority of the Congress plans so far to do anything to prevent it. The assistant secretary of the Treasury, Daniel Brill, was asked whether the Administration plans to have a tax cut to try and prevent the increase in unemployment, and he said, "We don't see any justification for hitting the panic button." In other words, 8 million Americans won't have jobs for the next two years, but don't panic, because it's all in the cause of fighting inflation.

Barry Bosworth, who just resigned as head of the Council on Wage and Price Stability, was quoted recently in the Washington Post as saying the reason we're doing this is because inflation is caused by "the average American." At a women's club meeting, he was asked what causes inflation and he said, "I think the problem is the average American, and it's not a pleasant fact."

A woman from Michigan asked President Carter at a press conference a few months ago why the government blames inflation on business and labor, and asked whether it isn't really caused by government, and just filters down to the rest of us. President Carter replied, "The answer is no."

The Administration thinks we have inflation, apparently, because too many people are working too much, business is doing entirely too much business, consumers are consuming too much, and producers are producing too much. So the Administration's answer is for everyone to do less of whatever it is they're doing, especially holding jobs.

According to Bosworth, the Administration sees only three choices: going along with the Administration's wage and price guidelines, mandatory wage and price controls, or a recession. Or all three. "The Carter Administration admits that the government simply does not know how to administer wage and price controls," Bosworth said recently. But "unless something like this works, wages can be held down only by creating fear that workers are going to lose their jobs."

Three years ago, when he was running for President, Jimmy Carter made this promise: he said, "I pledge that if I'm elected, we will never use unemployment and recession as a tool to fight inflation. We will never sacrifice anyone's job, his livelihood, for the sake of an economic game plan."

But today we have an economic game plan which proposes to do just that. The Administration is saying that it's not enough to raise taxes and balance the budget. People have to lose their jobs. To quote Mr. Bosworth again:

"The public should be told that balancing the budget by itself is not going to have any impact on wages or prices anywhere in the economy. . . . Instead, if the restraints are really to have an impact on the rate of inflation, government expenditures must be reduced, and aggregate demand, production and employment must also be reduced. The result will be to throw a few million people out of work. To be sure, if enough of them are out of work, they will cease asking for wage increases. No one likes to say that, but that is what lies at the heart of the proposal for fiscal and monetary restraint."

I want to make it clear that I am not criticizing President Carter personally for not keeping his campaign pledge. I think he is as honest and sincere today as he was when he promised not to use unemployment to fight inflation. I think the problem is really that his advisers have run out of ideas and convinced him that the only way left to fight inflation is to increase unemployment. It's his economic policy I'm criticizing, and I don't need to remind you that this same policy has been used in the past by Republicans as well as Democrats.

Back in 1976, a major Republican figure running for national office came into my District to campaign. At the time, unemployment in Buffalo was running 16 percent, and the factory workers said reducing inflation is fine, but they wanted to know what he planned to do about unemployment. He said not much in the short run, but if we could balance the budget by 1978, by 1980 we could work toward reducing unemployment. He was operating under the same theory that is still guiding us today.

The theory is simply asinine. According to the theory, Bosworth says, the Administration figures that "if the rate of inflation is reduced by one percentage point, one percent more people in the workforce will be unemployed for at least a two-year period. That means about 1 million people will be put out of work for every 1 percent decline in the rate of inflation."

This means at the current rate of inflation, 13.4 percent so far this year, we would need an unemployment rate of more than 19 percent to eliminate inflation. But the Department of Labor estimates that for every one percent increase in unemployment, the government's defict goes up by $20 billion, because the government loses revenue and has to spend more for things like unemployment, we would have a budget deficit next year of more than $400 billion. How is that going to stop inflation?

The notion that we can fight inflation by employing fewer workers for lower wages to produce fewer goods tends to puzzle the factory and blue-collar workers in my district around Buffalo. By this definition, they have been fighting inflation since 1969. That's the last time they had a real wage increase after taxes and inflation, and they have had unemployment as high as 16 percent. They may not all have gone to college to study economics, but it seems to them that when employment goes down and goods get scarcer, prices go up, not down.

But it's amazing how many people go along with this idea.

The chief economists of the National Association of Manufacturers said recently in the Washington Post that recession is the only cure for inflation. "There's no other way to do it," he said. "We have to go through a painful period if we are going to stop inflation." The question is, painful for whom?

Why is no one any longer appalled that 12 percent of the adult minority workers and 40 percent of the black teenagers don't have jobs? It would be a big mistake for the Carter Administration or Congress to downplay the acute problem of minority unemployment in the name of fighting inflation. For one thing, this unemployment is a major source of pressure to increase Federal spending. But the overriding consideration is that to permit the waste of human potential is simply intolerable, even if it did cause inflation. But Margaret Bush Wilson is right: "Inflation is not caused by too many people working."

In fact, inflation is not caused by workers working, business doing business, consumers consuming or producers producing. To say that rising wages or prices cause inflation is like saying that wet streets cause rain. Inflation means prices are rising because there is too much money and too few goods. You can't solve inflation by producing less or controlling wages.

You may have heard or read in the newspapers that 23 Members of Congress, all Republicans, as it turned out, filed a friend-of-the-court brief supporting the AFL–CIO in its challenge of the Administration's authority to enforce a 7 percent limit on wages when inflation is running above 10 percent. You might ask what we had to gain by supporting a labor union on this issue. A lot of Republican businessmen, after all, go along with the wage and price guidelines—especially the wage guideline. And nobody thinks that by filing an obscure legal brief, we were going to get George Meany to change his voter registration. So why did these followers of Adam Smith do it? Well it was Adam Smith who said, "Whenever the law has attempted to regulate the wages of workmen, it has always been to lower them rather than to raise them."

Controlling particular wages or prices doesn't reduce inflation. If there is too much money in circulation, it just means that other prices or wages will rise, distort the market, and penalize those whose wages are controlled. Whenever we try to control all prices and wages, we just get widespread shortages and a big underground economy. Telling workers to settle for 7 percent while the government devalues the currency at 13 percent is robbery. Republicans are quick to defend the profit incentive, but the wage incentive is no different. Take away either incentive, and you ruin people's hopes and lives as you ruin the economy.

There is only one cause for inflation, and that is the government's policy toward the dollar. We didn't have inflation in this country for more than a century. The wholesale price index was exactly the same in 1930 as it was in 1800, because throughout that time, the government guaranteed a constant value for a dollar.

And in this century, when the government suspended its promise to maintain the dollar's value, there is still no evidence that inflation has anything to do with unemployment. Twice in the 1950's we had recessions without inflation. Three times now in the 1970's, we have had recessions with inflation. In the 1920's and the mid-1960's we had unprecedented economic growth and employment without inflation. Between the last recessions, we have had strong economic growth with inflation. Inflation and unemployment are two different problems. Inflation is caused when the government fails to maintain the value of its currency, and recession is caused when the government destroys incentives for employment, saving, investment, and production.

We have been taxed into recession. The way our tax system is now, the more you work, the more you save, the more you invest—the higher your tax bracket. Or you can stand absolutely still, and the government will inflate you into a higher tax bracket. Our 13.4 percent inflation rate is raising income taxes by 21.4 percent, because everyone is being pushed into a higher tax bracket. This is the main reason we are getting less employment, and production, and more inflation. When you tax something, you get less of that thing. We are taxing work, saving, investment, enterprise and excellence, and we are getting less of each. When you subsidize something, you get more of that thing. We are subsidizing welfare, debt, unemployment and mediocrity, and getting more of each.

Slowing down the economy and employment and production actually increases inflation. If you have the same amount of money in circulation, but fewer goods, the price of goods has to rise. Whether we want to reduce inflation, balance the budget, or pay for social programs, we must have growth.

We haven't had a President since Jack Kennedy who understood that we either all move together as a country, or we don't move at all. Kennedy said, "A rising tide lifts all boats." Economic growth benefits everyone.

Ever since Kennedy, we have been afflicted with leaders who don't believe in the necessity of growth and opportunity, leaders who think life is a zero-sum game, where one group wins only if somebody else loses.

According to this view, there are only so many jobs in the world to go around. Only so much energy to go around, because the world will exhaust its resources some Wednesday afternoon. A fixed amount of prosperity, and a fixed amount of poverty. And they think it's the government's job to redistribute these fixed amounts so that the sum of the prosperity and the sum of poverty equal zero.

In this stagnant or contracting climate, politics becomes the art of pitting class against class. Rich against poor. White against black. Capital against labor. Sunbelt against Snowbelt. Old against young. Everybody has to become a special interest group and organize seven ways from Sunday just to protect himself. Opportunities become more attractive for lawyers and lobbyists and bureaucrats and accountants than for workers or businessmen. We have become so concerned with redistributing wealth that we have stopped producing it.

Redistribution is not the answer. I recall back in the 1972 Presidential election, when George McGovern proposed what he called a "demogrant." This plan would tax everyone earning more than $16,000 and give $1,000 to everyone earning less than $16,000 a year. At that time about 60 percent of all Americans were earning less than $16,000 a year. But McGovern took a deep nosedive in the polls shortly after he announced this plan. I remember reporters asking him after the election how he explained this, and he gave a very candid explanation. "I never realized," he said, "how many people there are in this country earning less than $16,000 who someday hope to earn more than $16,000."

I remember, too, a couple of weeks ago I was addressing a group of about 200 union factory workers in my district. I was talking about cutting tax rates to encourage new enterprises and create jobs. But I was talking specifically about abolishing the capital gains tax, as in West Germany. When I had finished speaking, a young black worker stook up in the back and said, "Mr. Kemp, I agree with you. What can we do to help?" This surprised me, and I asked him whether he had any captial gains—a house to sell, or any stocks. He said, "No, but that's what I'm working toward." He had a goal: to buy a house, send his children to college, and watch his children have a better life than he did. There's no reason to be embarrassed about calling it by its name—the American Dream. The American Dream was never that everyone be level with everyone else The American Dream was that everyone had the opportunity to go as far or climb as high as they could with their talents and their effort.

Redistribution is not the answer to our energy problems, either. The answer is not to ration a continual shortage. The answer is not to turn the thermostat up to 80 degrees in the summer and down to 60 in the winter, to swelter or shiver for the rest of the century. The answer is not to ration gasoline. The answer is not to outlaw driving one day a week. The answer is not to spend billions to subsidized Gulf Oil to produce a trickle of synthetic fuel at twice the price we pay for imported oil. The answer is not to turn our back on our neighbors in this hemisphere, and force Mexico to export illegal aliens and unemployment instead of natural gas. The answer is not to artificially control the production of natural gas, or tax away the production of oil with a huge excise tax. The answer is production, and any other answer to our energy problems is the wrong answer. We aren't running out of energy anymore than we were in the 1850's when the United States was running low on whale oil. There are huge reserves of oil and natural gas in this country which are recoverable at or below the OPEC price for oil. And we haven't even begun to touch 90 percent of known energy reserves in the world.

The issue is not rich versus poor, black versus white, capital versus labor, consumer versus producer, or conservative versus liberal. The issue is restoring that dream, getting this country moving again—not just for some, but for all. With economic growth, there is room for everyone to get ahead. Without it, the country tears itself apart competing for pieces of a smaller and smaller pie. And those pieces are getting smaller.

Let me read you a letter I received recently from a factory worker in Buffalo, who received a 6 percent pay increase. He said, "I would like to show you the results of that increase."

Amount of monthly increase	$65.02
Federal tax increased	37.58
State tax increased	21.03
Social security tax increased	7.87
Total increase	66.48

"In other words, Mr. Kemp, the increase has cost me $1.46 a month."

In the meantime, his prices for food, shelter and necessities are going up by 13 percent.

If you think this is an isolated example, take the case of a union which tried to stay ahead of inflation. I understand the Longshoremen negotiated a 30-percent pay increase for 1978, 1979, and 1980. Back when you negotiated the package in 1977, the projected inflation for those three years was about 20 percent. Now the rise in prices is estimated to be 29.6 percent. Because the government has caused inflation to be higher than anticipated in 1977, the longshoremen's pay increase will be only 0.4 percent before taxes, in real terms. But a 30 percent pay increase pushes you into higher tax brackets and raises Federal taxes by more than 45 percent. In real terms, you will lose more than 14 percent as the result of a 30 percent pay increase over three years.

This is the sort of thing that increases the likelihood of strikes and drives an ever-increasing wedge between the wages an employer pays and the wages a worker receives. It isn't capital's fault, and it isn't labor's fault. But they both suffer for it, and often blame each other.

The bottom line is this. Unless Congress and the President act immediately, at least 8 million Americans will be without jobs for the next two years. The budget deficit will grow to at least $60 million. It won't reduce inflation. There is no earthly excuse for permitting the third recession in ten years.

I stand before you as one-half of that infamous tax-cutting team of Kemp and Roth. We have proposed an across-the-board 30 percent cut in individual income tax rates over three years, and proposed to "inflation-proof" the tax code to prevent the tax increases caused by inflation. Kemp-Roth is not the only thing we can do to restore incentives. We should liberalize depreciation rates, freeze social security taxes, and provide more incentives for American energy production. But the most direct thing we can do to immediately increase the amount of employment, saving and investment is to increase the reward or incentive for the next dollar earned by employment, saving, or investment. That means cutting tax rates. Everyone pays income taxes, whether on wages and salaries, interest, dividends, royalties, capital gains or pensions.

If we wait any longer, it will be too late for 8 million unemployed Americans. It will be too late to balance the Federal budget for many years. It will be too late to prevent an increase in inflation caused by a drop in production.

I am not interested in leading a tax revolt against the government or to cut worthwhile programs. What I am interested in is finding a way to pay for government, and right now that means avoiding a recession that will bankrupt us. I want to cut tax rates to restore incentives and get this country moving again. I want to reduce the wedge between labor and capital. I want to restore the dream of that factory worker who wants a better future for himself and his family.

It is time for Congress and the Carter Administration to stop haggling over how much to increase unemployment, how far to hold down wages, how to ration scarcity, and how far around the corner to push prosperity. It is time to get this country moving again.●

ALASKAN OIL: THE NECESSITY FOR EXPORT RESTRICTIONS INCREASE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. McKINNEY. Mr. Speaker, Sunday night, in his address to the Nation, the President underscored the necessity of committing this Nation to the development of every available domestic energy source. One of the most valuable of these resources is the oil from Prudhoe Bay on Alaska's North Slope. Already, 1.2 million barrels of Alaskan crude is being refined and consumed in this country each day. As the price of foreign oil continues to skyrocket and the supply of that oil diminishes the importance of committing ANS crude for domestic use increases dramatically.

You may recall, Mr. Speaker, that 2 years ago 240 Members of this House voted for an amendment I offered to the Export Administration Act Amendments of 1977, banning the export of Alaskan oil. The House did, however, agree to limit that export ban to a period of 2 years based on assurances that within that time frame a domestic distribution system for North Slope crude would be in place. That 2-year period expired on June 22 and still we have no domestic distribution system. That failure represents only one of the reasons which I believe necessitates an extension of the Alaskan oil export restrictions. What is more important, however, is both the House Foreign Affairs Committee and the Senate Banking Committee are equally convinced. Both committees saw fit to include in this year's export administration bill the provisions of H.R. 3301—which I introduced in February—which extends and strengthens the restrictions on the export of Alaskan oil.

Some of the more important economic reasons for continuing a ban on the export of Alaskan crude were examined in a study by Robert R. Nathan Associates entitled "Alaskan North Slope Crude: An Economic and Financial Analysis of Prospective Export Exchanges." I am submitting for the record Mr. Speaker, the executive summary of that report:

EXECUTIVE SUMMARY

This study was prepared by Robert R. Nathan Associates, Inc. for Northville Industries Corporation and the Transportation Institute. The purpose of the study is to provide an objective assessment of the financial and economic impacts of proposed export exchanges of Alaskan North Slope (ANS) oil. These proposals have been stimulated by the combined impact of increased ANS production and the continuing U.S. prohibition against the export of Alaskan crude.

Since ANS production has now reached a level beyond the absorptive capacity of the West Coast, some 350–400,000 barrels per day (b/d) must be shipped to the next available U.S. market; i.e. to the U.S. Gulf through the Panama Canal. Proponents of an export exchange contend that it would be more economical to the United States to send this amount to Japan in exchange for the shipment of a like amount to the U.S. Gulf from a closer point of production, such as Mexico or the North Sea.

The specific objective of an exchange would be to lower the cost of transporting crude oil from the producer to the buyer. All parties to an exchange would, it is assumed, benefit from the lower costs that could be obtained by a reduction of shipping distances. In addition, the oil producers in Alaska would in particular benefit to the extent that Alaskan crude could in an exchange be shipped on foreign flag vessels and thereby avoid higher cost U.S. bottoms; i.e. the so-called "Jones Act" vessels plying the U.S. coastal waters' trade reserved to American ships.

Participants in an exchange would share in some degree negotiated by them in whatever reduction of transport costs could be achieved. ANS producers would benefit, for example, from receiving a higher "netback" or FOB price for their crude since they could market it for a price that would include lower shipping costs than is currently the case. On the other hand, a Japanese purchaser, for example, would benefit from paying a lower price for its crude than would be the case without an exchange.

For purposes of the analysis, it is assumed that an export exchange would involve approximately 400,000 b/d of production incremental to current Alaskan levels, all of which would come from the North Slope. That volume is thus equivalent to the difference between the North Slope's present production of 1.2 million barrels per day (mmb/d) and its approximate peak production potential of 1.6 mmb/d, a level which should be reached within the next two years.

Two export exchanges are analyzed, one involving Mexican crude and the other oil from the North Sea. Each exchange is examined under two transport alternatives. Transportation Alternative A represents the case of shipping on all foreign flag vessels, the least expensive shipping alternative. Transportation Alternative B represents the case of shipping half on foreign bottoms and half on more expensive U.S. Jones Act vessels.

Based on our financial and economic analysis of the two export exchange possibilities, we have reached the following principal findings:

MICROECONOMIC LEVEL

North Slope oil producers would realize considerable gains from a reduction in the cost of transporting ANS crude, and from selling it at higher prices in Japan than it would currently bring in the U.S. Gulf. These financial gains would translate into a substantial increase in after-tax profits on a per barrel basis.

A significant portion of the combined gains realized by the producers would be attributable to an avoidance of U.S. shipping costs and would, therefore, constitute a corresponding transfer of resources from (and financial loss to) the U.S. maritime industry.

Both U.S. refiners and consumers could be disadvantaged by an export exchange. If Gulf shipments were eliminated, then West Coast refiners would lose, as discounting presently practiced would then cease. Gulf Coast refiners could lose if ANS crude is replaced by higher priced import oil. Depending on how refiners reflect crude cost increases in retail product prices, U.S. consumers on the West Coast and Gulf Coasts could also lose under an export exchange. In no event would U.S. consumers benefit from an export exchange.

SUMMARY OF PRODUCER FINANCIAL GAINS[1]

[Millions of dollars annually]

	Mexican Exchange		North Sea Exchange	
	A	B	A	B
1. Net producer gains	371	314	301	199
2. Producer profits attributable to export exchange	$159	$134	$128	$84
Dollars per barrel	$1.09	$.92	$.88	$.58
3. U.S. shipping costs avoided	217	109	217	109
4. Percent of producer gain due to avoidance of U.S. shipping costs (line 3 ÷ line 1)	59	35	72	55

[1] Mexican Exchange: A—All foreign shipping, Alaska to Japan, Mexico to U.S. Gulf. B—Half United States vessels, Alaska to Japan, Mexico to United States Gulf. North Sea Exchange: A—All foreign shipping, Alaska to Japan, North Sea to United States Gulf. B—Half United States vessels, Alaska to Japan, North Sea to United States Gulf.

MACROECONOMIC LEVEL

The United States would incur net economic costs as a result of an export exchange. Resource gains in the form of transportation savings would be more than offset by substantial resource costs due to the difference in crude value between the Alaskan and the higher priced crudes for which it would be exchanged.

An export exchange would also cause the United States to incur losses in gross national product, reduction in employment opportunities and negative balance-of-payments effects.

SUMMARY OF U.S. ECONOMIC GAINS AND LOSSE S

[Millions of dollars annually]

	Mexican Exchange		North Sea Exchange	
	A	B	A	B
Transport resource gains	76	76	6	6
Crude value resource (loss)	(134)	(134)	(237)	(237)
Net resource (loss)	(58)	(58)	(231)	(231)
Balance of payments (loss)	(182)	(133)	(292)	(253)
Gross national product (loss)	(199)	(99)	(290)	(211)
Employment opportunities forgone (man-years)	(12, 470)	(6, 204)	(18, 173)	(13, 222)

These findings on the financial and economic impacts of a proposed export of 400,000 b/d of Alaskan oil to Japan in exchange for a like amount from Mexico or Great Britain/North Sea to the U.S. Gulf lead to the following conclusions.

An export exchange would not be in the economic interest of the United States, at least over the next two to three years.

Assuming that it were a policy objective of the United States to develop and produce new North Slope oil in the near-term, it is far from clear that any decisions ANS producers might take regarding an increase in North Slope production would be materially influenced by the additional profits they could realize in an export exchange.

Increased Alaskan production may, quite independent of an export exchange, be induced by the effects of rising oil prices alone (the profitability impacts being larger than with an export exchange). Or it could, if such is the desired policy goal, be accomplished by the provision of alternative subsidy mechanisms which have neither the negative economic consequences for the United States nor the adverse impacts on specific industries and regions of the United States that could be incurred in an export exchange.●

STEEL—AMERICAN UNEMPLOYMENT

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. WALKER. Mr. Speaker, I would like to take this opportunity to direct the attention of my colleagues to an industry which, in the past, has always played a vital role in the growth of our Nation, the steel industry. Throughout the years, this industry has remained a major source of employment and growth for the United States. Recently, however, these rewards have decreased as the American steel industry has entered an economic crisis. When Government regulations cause our Nation's industries to experience losses in revenue, unemployment inevitably rises as factories slow production. Increased unemployment in the United States because of the crisis in our Nation's steel industry is an issue which we, as our Nation's representatives, cannot afford to overlook.

The following is a report from the American Conservative Union, "The Decline of Steel." I commend this article to my colleagues attention because it serves to clarify what Congress can do to help alleviate this crisis.

The article follows:

"THE DECLINE OF STEEL"

A SPECIAL REPORT FROM THE NATIONAL JOURNALISM CENTER

WASHINGTON.—American steel, world leader throughout the 20th Century to date, and—next to oil and automobiles—largest of American industries, is now in decline. And according to a growing number of critics both inside and outside the industry, environmental regulation—specifically, the Federal government's Environmental Protection Agency (EPA)—is one of the major reasons.

The statistics are dispiriting enough. American steel production has increased by only 1.6 percent annually since 1950. (During the same period—Japan boosted its steel output twentyfold, for a 14 percent annual growth rate.) Steel experts, once a major contributor to the U.S. balance of payments, have dropped to virtually nil in recent years, while imports now make up 18 percent of domestic consumption.

Nineteen seventy-seven was steel's worst year in recent history. Profits fell to six-hundredths of one percent of sales. Sixty thousand steelworkers were laid off, twelve thousand of them at Bethlehem Steel, the nation's second largest producer. Bethlehem ran up a $477 million net loss, the largest quarterly loss ever reported by an American firm. In the decade 1967–1977, employment in the industry fell by more than 100,000.

Not coincidentally, 1977 was the deadline for compliance with the stringent "best practicable technology" EPA guidelines. In that year alone steel producers spent more than $1 billion on environmental projects, compared with $2.5 billion for all other capital projects combined. Five years earlier, they had spent $200 million on pollution control.

On an individual plant level, the burden is often even higher. The cleanup effort at one iron pellet plant in Silver Bay, Minnesota, will cost $370 million, more than the original $350 million cost of the plant itself. The environmental impact statement alone for one proposed plant in Ohio consisted of four volumes and was more than 3,200 pages long.

Regulation boosts operating costs as well: by 1983, the Council on Wage and Price Stability estimates, EPA-mandated spending will mount to ten percent of total production costs. A 1975 study for the Commerce Department concluded that under 1983 EPA standards, the steel industry will consume 323 trillion BTU's of energy annually, a ten percent increase over current usage. The extra consumption, the report observes, is the equivalent of 161,000 barrels of oil a day.

Steel producers have recovered some of these escalating costs by raising prices. But under the pressure of low-cost foreign competition, they have had to offset some expenses by slashing other outlays. Steel industry research, for instance, is smaller as a percentage of sales than that for any other American industry except food and textiles. Steel's rate of adoption of new capital-intensive technology, as Richard Pitler of Allegheny Ludlum notes, "slowed appreciably about 1969 or 1970"—coincident with the arrival of stringent regulation.

Expansion and renovation of existing facilities, and even basic maintenance, are aslo suffering. Part of the problem is that the EPA regulations discourage firms from modernizing or replacing antiquated plants. A producer cannot renovate a blast furnace without upgrading it to the emission standards of a new furnace. Modernized plants generally have tighter compliance schedules and standards.

For many firms the question now is not modernization, but survival. EPA will waive its standards only to forestall economic disasters; it exempted Ohio's Mahoning Valley around Youngstown from 1977 water standards which would have cost up to an estimated 25,000 jobs, 14 percent of the region's work force. But such exemptions are rare: generally EPA enforces its guidelines without regard to economic cost.

The crunch will come in 1984, when ultrastrict "best available technology" standards go into effect. Unless EPA relaxes its grip, many observers expect another wave of plant closings—and more unemployment in America's depressed steel towns.●

FREEDOM FOR SOVIET JEWS A VITAL ISSUE—VI

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. UDALL. Mr. Speaker, I first addressed the House of Representatives about Mr. Daniel Fradkin, a Soviet "refusnik," over a year ago. Today he and his family remain in the Soviet Union, separated from his father in Israel.

Mr. Fradkin first applied for exit visas in 1972. He was denied because as a mathematician he supposedly had "access to secret documents" back in 1963. In fact, Mr. Fradkin was only marginally involved with the mathematical problems in these reports. Certainly the Soviets realize that anything Mr. Fradkin might remember of work done 16 years ago cannot be considered a threat to security. But they have deliberately chosen to ignore this in considering his case. Mr. Fradkin was last turned down in 1977 and told not to reapply until at least 1980, since the Government will not even consider his request until then.

And life has not been easy these past 7 years. Fradkin has been forced into unskilled, lower paying labor since he first lost his job as a result of applying to emigrate. Nevertheless, he insists on giving what little he earns to those less fortunate than himself. As Orthodox Jews, the family is restricted to a kosher diet. With kosher food sometimes difficult to find in Leningrad, and with their limited financial means, the family's health is deteriorating. Daniel's son and daughter are not looking at a very bright future.

Mr. Fradkin was recently thrown out of a Leningrad trial for taking notes on the proceedings. In this celebrated trial Mr. Boris Kalendarov was convicted of "draft evasion." The military service that he was allegedly trying to avoid would not only have delayed his emigration for at least 5 years, but would also have exposed him to military secrets, the knowledge of which would make him subject to the same kind of harassment and endless waiting that Mr. Fradkin and his family have had to endure. Mr. Fradkin's removal from the courtroom was obviously a personal attack, as note taking is permitted by Soviet law.

I have written to various Soviet officials about this matter and have yet to receive more than an acknowledgment of the receipt of my letters. I will continue to do what I can to help bring about some positive action. I urge my colleagues to take similar action, whether it be for the Fradkins or any of the hundreds of families in the same situation. The Soviets must allow these people to exercise their rights as guaranteed in the Universal Declaration of Human Rights and the Helsinki accords. We in the Congress must use our influence to help these people realize their right to emigrate.

Seven years is a long time to wait. Both Daniel and his father look forward to the day when they will be reunited. But their hopes are understandably low. After numerous refusals of their visa requests and instructions to not bother reapplying until at least next year, they are discouraged. Perhaps we can do something through our efforts to help raise those hopes.●

ENERGY RESEARCH AND DEVELOPMENT SAVINGS BOND AND TRUST FUND ACT OF 1979

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. EDGAR. Mr. Speaker, I am reintroducing today a bill which I introduced 2 years ago to provide revenue to finance the major commitment of energy research and development proposed last night by the President.

My bill, the Energy Research and Development Savings Bond and Trust Fund Act of 1979, parallels a proposal made by Mr. Carter to allow our citizens to invest in the quest to find alternatives to imported oil. I commend the President for his suggestion to establish a public corporation to administer this new commitment to energy research and development, and to allow the corporation to issue bonds in small denominations.

The bill I am reintroducing today does not establish a public corporation; rather it establishes an energy research and development trust fund. This assures that the Congress will retain adequate oversight responsibilities for how allocations are made from bond revenues. However, nothing in my bill is intended to preclude channeling funds from the trust fund into a public corporation should the Congress decide to do so.

Just as in the President's proposal, my bill would finance energy research and development from bonds sold to the public, maximizing the participation of our citizens in finding solutions to our energy problems. However, to streamline this program so that it can be administered cheaply and effectively, the bonds would be sold in the same manner as U.S. savings bonds.

To assure that the existing market for U.S. savings bonds and other bonds issued by both the public and private sector would not be adversely affected, the interest rate on these energy bonds would not exceed a tenth of a percent less than the rate applicable to "Series E," U.S. savings bonds.

It is my intention that energy bonds would be purchased primarily as a patriotic act and not because of interest rate is lucrative compared to other investments. In effect, the purchase of such a bond would be a low-interest loan to the Federal Government to be used for a specific purpose—improving our national energy security.

The goal of this legislation is to provide up to $50 billion during the next 10 years to finance energy research and development. Without this legislation, the cost of financing a program on this scale would be staggering.

By promoting additional saving, a secondary effect of this bill would be to reduce inflation.

Mr. Speaker, I authored this bill more than 2 years ago, and our energy situation has deteriorated since then. I certainly do not advance this legislation as the last word in financing energy research and development. I suggest this bill for the purpose of discussion. I expect that the Congress will develop creative financing proposals—such as the windfall profits tax, energy savings bonds, and bonds issued by an energy security corporation—during the 96th Congress. And as provided by my bill, and the President's proposal, I hope that the Congress will approve financing that will allow the average American participate.

There may be a tendency at the present time to think that our greatest needs are to encourage commercialization of new energy technologies and to proceed rapidly with the construction of new production facilities such as synfuels plants. Although these are certainly pressing needs, it is also crucial that we continue to support the less visible and dramatic programs of energy research and development which will have their payoffs in the next decade. It is most surely not an either/or choice with which we are faced—production versus research and development. We must have both. Given the long leadtime necessary to implement new technologies in commercial settings, we must prepare ourselves for the great challenge of the next two decades by doing more than ever for basic research in all of the promising forms of energy, including fossil, nuclear, solar, geothermal, and others. I believe that the bill which I am introducing today will help to assure that we continue to meet these special energy commitments of the present and the future.

The material follows:

H.R. 4802

A bill to finance the acceleration of energy-related research, development, and demonstration by establishing an energy research and development savings bond program, and by establishing an Energy Research and Development Trust Fund, and for other purposes,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Research and Development Savings Bond and Trust Fund Act of 1979".

PURPOSE

SEC. 2. The purpose of this Act is to finance an acceleration of energy-related research and development by establishing a low-interest savings bond program in which all citizens can participate voluntarily for the purpose of reducing our dependence upon foreign energy sources.

FINDINGS

SEC. 3. (a) The Congress reaffirms its findings of the Federal Nonnuclear Energy Research and Development Act of 1974 (Public Law 93-577) that—

(1) the Nation is suffering from a shortage of environmentally acceptable forms of energy;

(2) compounding this energy shortage is our past and present failure to formulate a comprehensive and aggressive research and development program designed to make available to American consumers our large domestic energy reserves including fossil fuels, nuclear fuels, geothermal resources, solar energy, and other forms of energy. This failure is partially because the unconventional energy technologies have not been judged to be economically competitive with traditional energy technologies;

(3) the urgency of the Nation's energy challenge will require commitments similar to those undertaken in the Manhattan and Apollo projects; it will require that the Nation undertake a research, development, and demonstration program in nonnuclear energy technologies with a total Federal investment which may research or exceed $20,000,000,000 over the next decade;

(4) in undertaking such program, full advantage must be taken of the existing technical and managerial expertise in the various energy fields within Federal agencies and particularly in the private sector; and

(5) the Nation's future energy needs can be met if a national commitment is made now to dedicate the necessary financial resources, to enlist our scientific and technological capabilities, and to accord the proper priority to developing new nonnuclear energy options to serve national needs, conserve vital resources, and protect the environment.

(b) The Congress further finds that since the enactment of Public Law 93-577, the United States has increased its dependence on foreign petroleum and petroleum products from 6.7 million barrels to 8.2 million barrels and such dependence is increasing.

(c) The Congress further finds that Federal revenues are low because of high unemployment and are not sufficient to fund the level of energy research and development which will be needed to minimize this Nation's growing dependence on foreign energy.

POLICY

SEC. 4. (a) The Congress reaffirms its policy of the Energy Reorganization Act (Public Law 93-438) which, in part, affirmed that—

(1) the general welfare and the common defense and security require effective action to develop, and increase the efficiency and reliability of use of, all energy sources to meet the needs of present and future generations, to increase the productivity of the national economy and strengthen its position in regard to international trade, to make the Nation self-sufficient in energy, to advance the goals of restoring, protecting, and enhancing environmental quality, and to assure public health and safety;

(2) it is in the public interest and the policy of Congress that small business concerns be given a reasonable opportunity to participate, insofar as is possible, fairly and equitably in grants, contracts, purchases, and other Federal activities relating to research, development, and demonstration of sources of energy efficiency, and utilization and conservation of energy. In carrying out this policy, to the extent practicable, the Secretary of Energy shall consult with the

Administrator of the Small Business Administration; and

(3) determination of priorities which are warranted should be based on such considerations as power-related values of an energy source, preservation of material resources, reduction of pollutants, export market potential (including reduction of imports), among others, and on such a basis, energy sources warranting priority might include, but not be limited to, the various methods of utilizing solar energy.

(b) The Congress further declares it is in the public interest to provide a way for all citizens to voluntarily participate in the effort to finance energy research and development programs, and that many citizens are resistant to participating in existing savings bond programs because such proceeds are used to finance programs which they find objectionable.

GOAL

SEC. 5. The goal of this Act is to provide at least $50,000,000,000 for the financing of energy research and development during the next ten years, without significantly distorting the existing capital market, so that imports of foreign energy can be halved by 1990.

UNITED STATES ENERGY RESEARCH AND DEVELOPMENT SAVINGS BONDS

SEC. 6. (a) The Secretary of the Treasury, with the approval of the President, is authorized to issue, from time to time, through the United States Postal Service or otherwise, United States energy research and development savings bonds. The proceeds of such issue shall be deposited each month in the trust fund established by section 7 and shall be available only to meet the public expenditures described in section 7(e) and to retire principal and interest obligations incurred pursuant to redemption of such issue.

(b) The terms and conditions of such issue, including the limitation of purchases, retention of matured bonds, rate increase on savings bonds on redemption or at maturity as a bonus, taxation treatment, redemption of bonds, appropriation for expenses, qualifications of paying agents, losses resulting from redemption, exemptions and relief of liability, repayments, and reports to Congress, shall be identical to such terms and conditions as apply to the terms and conditions relating to United States savings bonds and Treasury savings certificates described by section 22 of the Second Liberty Bond Act (31 U.S.C. 757c) except as provided for in subsection (c).

(c) To the extent practicable, the Secretary of the Treasury shall coordinate the administration of the program authorized by this section with existing programs for the issue of United States savings bonds and Treasury savings certificates. Notwithstanding subsection (b), the interest rate on, and the issue price of, energy research and development savings bonds and the terms upon which they may be redeemed shall be such as to afford an investment yield not in excess of one-tenth of 1 percentum less than the investment yield provided for United States savings bonds and savings certificates pursuant to subsection (b)(1) of section 22 of the Second Liberty Bond Act (31 U.S.C. 757c(b)(1)). The Secretary of the Treasury may, under such regulations and upon such terms and conditions as the Secretary of the Treasury may prescribe, issue, or cause to be issued, stamps, or may provide any other means to evidence payments for or on account of the energy research and development savings bonds authorized by this section: *Provided*, That the Secretary of the Treasury determines that the administrative expenses incurred by the stamp program authorized by this subsection will be reasonable after taking into account the estimated proceeds of establishment of such a stamp program. The Postmaster General is authorized, for the purposes of such section and to encourage and facilitate the accumulation of funds for the purchase of energy research and development bonds, to prepare and issue such stamps in such denominations as the Postmaster General shall prescribe.

(d) The Secretary of the Treasury is authorized to change the name of the bonds and stamps authorized by this section if the Secretary, in consultation with the Secretary of Energy, determines that such name change will assist in the promotion of such bonds and stamps, or that such a name change will result in greater participation in the program.

(e) Notwithstanding subsection (b), the face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States pursuant to this section shall not exceed in the aggregate $50,000,000,000 outstanding at any one time, and shall not increase by more than $10,000,000,000 in any single fiscal year. The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for purposes of this subsection, to be the face amount of such obligation.

ENERGY RESEARCH AND DEVELOPMENT TRUST FUND

SEC. 7. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "Energy Research and Development Trust Fund" (hereinafter in this section called the "Trust Fund"). The Trust Fund shall consist of such amounts as may be appropriated or credited to the Trust Fund as provided in this Act.

(b) There are hereby authorized to be appropriated to the Trust Fund, as repayable advances, such additional sums as may be required to make the expenditures referred to in subsection (e).

(c) It shall be the duty of the Secretary of the Treasury to hold the Trust Fund, and, after consultation with the Secretary of Energy, to report to the Congress not later than the 20th day of January of each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year, and on its expected conditions and operations during each fiscal year thereafter up to and including the fiscal year ending September 30, 1990. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(d) It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in the Secretary's judgment, required to meet current withdrawals in a manner consistent with existing law regarding investment of trust fund proceeds.

(e) Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for making expenditures two years following the date of enactment of this Act, to meet those obligations of the United States heretofore or hereafter incurred by the Secretary of Energy in meeting the responsibilities (transferred to the Secretary from the Administrator of the Energy Research and Development Administration) described in section 103 of the Energy Research and Development Act (42 U.S.C. 5813), which includes—

(1) exercising central responsibility for policy planning, coordination support, and management of research and development programs respecting all energy sources, including assessing and the requirements for research and development in regard to various energy sources in relation to near-term and long-range needs, policy planning in regard to meeting those requirements, undertaking programs for the optimal development of the various forms of energy sources, managing such programs, and disseminating information resulting therefrom;

(2) encouraging and conducting research and development, including demonstration of commercial feasibility and practical applications of the extraction, conversion, storage, transmission, and utilization phases related to the development and use of energy from fossil (including synthetic fuels) nuclear, solar, geothermal, and other energy sources;

(3) engaging in and supporting environmental, biomedical, physical, and safety research related to the development of energy sources and utilization technologies;

(4) taking into account the existence, progress, and results of other public and private research and development activities including those activities of the Department of Energy relating to the development of energy resources using currently available technology in promoting increased utilization of energy resources, relevant to the Department's mission in formulating its own research and development programs;

(5) participating in and supporting cooperative research and development projects which may involve contributions by public or private persons or agenices, of financial or other resources to the performance of the work;

(6) developing, collecting, distributing, and making available for distribution, scientific and technical information concerning the manufacture or development of energy and its efficient extraction conversion, transmission, and utilization;

(7) creating and encouraging the development of general information to the public on all energy conservation technologies and energy sources as they become available for general use and the Secretary shall, to the extent practicable, disseminate such information through the use of mass communications;

(8) encouraging and conducting research and development in energy conservation which shall be directed toward the goals of reducing total energy consumption to the maximum extent practicable, and toward maximum possible improvement in the efficiency of energy use. Development of new and improved conservation measures shall be conducted with the goal of the most expeditious possible application of these measures;

(9) encouraging and participating in the international cooperation in energy and related environmental research and development;

(10) helping to assure an adequate supply of manpower for the accomplishment of energy research and development programs by sponsoring and assisting in education and training activities in institutions of higher education, vocational schools, and other institutions, and by assuring the collection, analysis, and dissemination of necessary manpower supply and demand data; and

(11) encouraging and conducting research and development relating to clean and renewable energy sources.

(f) Nothing in this Act shall affect or discharge any responsibility or obligation of the Secretary of Energy under any other Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) or the Energy Reorganization Act of 1974 (Public Law 93-438).

SECTION-BY-SECTION ANALYSIS OF THE ENERGY RESEARCH AND DEVELOPMENT SAVINGS BOND AND TRUST FUND ACT OF 1979

Section 1 cites the Act as the "Energy Research and Development Savings Bond and Trust Fund Act of 1979."

Section 2 states the purpose of the Act, which is to "finance an acceleration of energy-related research and development by establishing a low-interest savings bond program in which all citizens can participate voluntarily for the purpose of reducing our dependence upon foreign energy sources.

Section 3 reaffirms the findings of the "Federal Nonnuclear Energy Research and Development Act of 1974" which, in part, state that "The urgency of the Nation's energy challenge will require commitments similar to those undertaken in the Manhattan and Apollo projects . . ."

The section further finds that the dependence of the United States on foreign petroleum and petroleum products is increasing, and that federal revenues, low because of high unemployment levels, are not sufficient to fund needed energy research and development.

Section 4 reaffirms the policy of the Energy Reorganization Act which, in part, states that "determination of priorities which are warranted should be based on such considerations as power-related values of an energy source, preservation of material resources, reduction of pollutants, export market potential (including reduction of imports), among others, and on such basis, energy sources warranting priority might include, but not be limited to, the various methods of utilizing solar energy."

The section further declares it to be the policy to find a way for citizens to voluntarily participate in the financing of energy-related research and development.

Section 5 declares the goal of the Act to provide at least $50 billion for the financing of energy research and development during the next ten years.

Section 6 establishes a United States energy research and development savings bond program. The terms and conditions for the issuance of these bonds are identical to those of Series E United States savings bonds except for two conditions. First, the interest rate for energy research and development bonds is set at one tenth of one per centum less than that of regular savings bonds. Second, energy research and development stamps are authorized only if the Secretary of the Treasury determines that administrative expenses incurred by the stamp program would be reasonable.

The section authorizes the issuance of bonds such that obligations do not exceed $50 billion at any one time, and do not increase by more than $10 billion in any single fiscal year.

Section 7 establishes the "Energy Research and Development Trust Fund" financed by proceeds of sales of energy research and development savings bonds. After two years after the date of enactment of the Act, funds in the Trust Fund are available to meet the expenses of the Secretary of Energy in meeting his responsibilities related to energy research and development described in Section 103 of the Energy Research and Development Act.●

IN HONOR OF CAPTIVE NATIONS WEEK

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. OTTINGER. Mr. Speaker, this week marks the 20th anniversary of Captive Nations Week. It is a week which serves as an annual reminder that there are nations throughout the world denied self-determination and national independence and whose peoples live lives empty of personal liberty and political and economic freedom because they have been trampled by Soviet domination. During this week we must reaffirm our abiding commitment to the extension of basic human freedoms to those now denied by Soviet tyranny.

Cognizant of the Soviet Union's strong desire to see the SALT II Treaty ratified and to sponsor a successful Olympics program, we must use this opportunity to make clear to the Soviets the promise for future détente is integrally related to their willingness to meet their obligations under the Helsinki Final Act and the Universal Declaration of Human Rights. The prospects of the SALT Treaty and a reverse of the arms race, notwithstanding, we must not lose sight of the Soviet's policy and practice of silencing dissent among their own citizens as well as those living in Latin America, Europe, and Asia.

All Americans must remember that those who suffer without the freedoms we so easily take for granted look to us for guidance in the international human rights struggle. Our foreign policy must always reflect that commitment. Captive Nations Week is a time to cast our thoughts on the continuing fight for individual liberty for all people, regardless of the nation in which they reside.●

SYNTHETIC RUBBER

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, in early 1942, faced with the devastating effect of being cut off from its traditional sources of rubber supply in Southeast Asia, the United States embarked on a program to substitute synthetic rubber developed from known but untried synthetic processes. These were critical times in our Nation's history. Decisions as to what process should be used and how accelerated development of production facilities could be accomplished had to be made on the basis of the slimmest of evidence. Nevertheless, choices were made—production began and a new industry was created. The key to our success in that time of national crisis was decisiveness.

In the July 15, 1979, New York Times, Prof. B. R. Sarchet of the University of Missouri at Rolla has described how these decisions were made and has outlined for the reader a plausible version of how we might similarly proceed in our own efforts to meet our energy needs through the development and production of synthetic fuels and chemical feedstocks.

To repeat Professor Sarchet's words:

> It took strong Government leadership to bring this about, a leadership that did not try to raise the price of rubber to keep Americans from buying tires, but tackled the problem in a forthright and business-like manner. The situation today cries for a similar approach.

The article follows:

THE PRECEDENT IN SYNTHETIC RUBBER

(By B. R. Sarchet)

The leadership displayed by the United States Government in dealing with the cutoff of the natural rubber supply after the Japanese attack on Pearl Harbor in 1941 is an excellent model for the present energy crisis. At that time, when it became apparent that this country had lost a vital raw material source, the Government moved decisively to replace the natural rubber supplies from the Far East with synthetic rubber made in the United States. Given the present squeeze on oil and gas supplies, the Federal Government needs to undertake a similar campaign to develop alternate fuel sources.

In the early 1940's, industrial research and development had produced just two potential commercial processes to produce synthetic rubber. One was based upon benzene, and the other upon grain alcohol. Petroleum as a source was not yet viable.

After a number of months spent on the design of the benzene process, it became evident that there was not going to be enough benzene available to produce the butadiene needed for synthetic rubber production as well as to fly military airplanes. So the Government dropped the benzene process.

As a result, America's survival in the war hung on the thin thread of a grain alcohol process pilot planted in about a 3-inch-diameter reactor. Nevertheless the Government moved forward. They contracted for 11 grain alcohol plants each capable of producing each month 6 million pounds of butadiene, one of two essential chemicals required to produce synthetic rubber. Four of these were assigned to the Koppers Company Inc., because it had already started construction of a plant to produce styrene, the second requisite chemical. The Government contracted to purchase the production of the grain alcohol industry to supply the raw material.

Three plants were operating by 1943, one by Koppers, two by the Carbide and Chemical Corporation, and they continued to supply our requirements of butadiene. They performed remarkably well at their designed capacity although they produced butadiene at several times the cost believed to be commercially feasible. Toward the end of the war, the petroleum-based plants began to produce butadiene at a significantly lower cost and at the close of the war the Government mothballed the grain alcohol plants.

If the United States had not recognized the seriousness of the crisis in 1941, America would be in a different situation today. It took strong Government leadership to bring this about, a leadership that didn't try to raise the price of rubber to keep Americans from buying tires, but tackled the problem in a forthright and business-like manner.

The situation today cries for a similar approach.

First, we must look at the overall energy supply problem, both for the short-term—a period of say 30 years—and a long-range period extending indefinitely.

It is obvious that solar energy is several decades away from the type of commercialization that could significantly relieve our dependence upon outside sources of oil. Geothermal energy is likewise several decades down the road. Nuclear energy is important and must be kept as an alternative energy supply. We must solve the problems that surfaced at Three Mile Island and move forward with commercial development.

There are a number of other potential energy supplies that have been written about, including wind, biomass and fusion. Again, I would recommend that research continue on all of these.

For the short-term, however, the United States must take the following steps:

To increase our own domestic oil and gas supplies. Decontrol will certainly help this only marginally and certainly will not be equivalent to 9 or 10 or 11 million barrels a day required to allow us to discontinue all outside sources of supply.

To exploit coal, which many decision makers have already cited as America's most likely short-term source. To this end, a decision needs to be made in unison with the power industry and the Environmental Protection Agency as to whether it is most logical in the next 20 years to look toward gasified coal, liquefied coal or solid coal as the source of fuel. Since the means of sulphur removal is different in each case, however, a long-range plan must be worked out with E.P.A. to choose that one that will best fit the needs of industry and society. The Government must be willing to set reasonable standards for this interim period until some of the alternate energy sources can be developed.

To develop oil from shale. This source has been talked about for a number of years, but has never been given significant Governmental support. It has been conservatively estimated that there is at least 20 years' supply of usable oil shale available—some 2 to 4 trillion tons. Since the United States might only need oil from shale for a few decades in large quantities—until we can get our long-range house in order—this is an adequate amount. There are, many retort processes that have been pilot planted over the last several years and there are at least two large mines that have demonstrated the possibility, of mining shale.

The Federal Government must recognize that developing oil from shale is probably the best answer in the short-range for a liquid fuel. The rising cost of oil from overseas and the present decontrol are making oil from shale economically feasible. There are corporations that would be willing to build plants if the pilot plant work were complete (actually this pilot plant work is far beyond that of the alcohol-butadiene process in 1941). There are corporations that would be willing to complete their pilot plant work except for one problem—uncertain Government restrictions by way of regulations.

It will take several tens of millions of dollars and about two years of work for two or three corporations that have the most logical retort processes to scale them up to full size. For a corporation to build a typical 50,000- to 60,000-barrel-per-day plant would require an investment of $600 or $700 million. No organization is going to be willing to invest that kind of money unless it can be assured that for the foreseeable future—say 30 years—the Government would work with industry to develop a set of standards that would make it commercially feasible to operate these processes.

The E.P.A. certainly cannot decide what is a reasonable way to handle the disposition of spent shale and/or other liquid and gaseous byproducts without some operating experience. However, by working with industry during these three decades it would be possible to develop wholly satisfactory means of protecting the energy lifeline of the United States. An environmental trust fund to cover the costs of restoring the land disturbed by shale mining and returning the spent shale might be set up by placing into it 2 to 3 cents for each barrel of shale oil produced.

Another shale oil process that also has some potential is known as "in situ." Its advantage is that total mining of the shale is not required. On the negative side is the fact that perhaps as much as half of the oil that would be produced from the process is burned to provide heat for the release of the shale oil from the rock. Nevertheless, it is another alternative approach which may or may not have lesser environmental problems.

Let us be realistic about the sources of energy. Let us stop the wishful thinking and set about resolving the problem. And to do that, President Carter and Congress must exhibit the leadership they promised us when we elected them.

(B. R. Sarchet is chairman of the Department of Engineering Management, School of Engineering, University of Missouri at Rolla.) ●

DEPENDENT TRAVEL BENEFITS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. BOB WILSON. Mr. Speaker, many of us were chagrined last year to learn that foreign nationals were holding fundraisers in order to assist in the plight of our junior enlisted personnel stationed overseas. Although much initial concern was expressed that this was due to the fluctuations of the dollar vis-a-vis the Deutsche mark and other foreign currencies, an investigation showed that the heavy indebtedness undertaken by these young people in order to bring their non-command-sponsored dependents overseas to live with them was often the culprit. As a result, Congress last year approved funding for overseas dependents for junior enlisted personnel. I am deeply concerned by the present effort to eliminate dependent travel benefits for junior enlisted people. While I can fully appreciate the concern felt by many with respect to the impact of military dependents during a wartime emergency, they constitute only a portion of the American civilians who are working, traveling, studying, or living in retirement in foreign countries.

The morale factor of having these families with their service member substantially outweighs their liability and I would urge that my colleagues in the House reaffirm our decision last year to fund travel for dependents of junior enlisted personnel. This matter has recently been addressed by several military associations and I ask unanimous consent to include as a portion of my remarks resolutions recently adopted by the national convention of the Reserve Officers Association of the United States and by the 18th annual international convention of the Noncommissioned Officers Association of the United States.

The resolutions follow:

RESOLUTION No. 79-28

JUNIOR ENLISTED TRAVEL AND TRANSPORTATION ENTITLEMENTS OVERSEAS

(By the Reserve Officers Association of the United States)

Whereas, this Association believes that this Nation must maintain military forces of sufficient quantity and quality to protect our National interests—to deter aggression by any and all who might seek to oppose us and, if deterrence should fail, to fight and win, and

Whereas, the benefits of military service have been steadily eroded over the past several years, and

Whereas, military service under any circumstances requires sacrifices greater than those required of civilian contemporaries, and

Whereas, service members assigned overseas have additional hardships imposed upon themselves and their families, and

Whereas, this Association believes that the family is the backbone of American society, and

Whereas, all evidence indicates that dependents make a positive contribution to readiness, morale and retention, and

Whereas, the presence of military dependents in such places as Europe and Japan do not inhibit or interfere with military operations or training during peacetime, create no special evacuation problems which do not already exist during transition to war, and do not constitute the dominant U.S. civilian presence abroad, and

Whereas, the presence of military dependents overseas adds stability and normalcy to the military population, reduces the incidence of crime, and other acts of violence and alcohol/drug abuse, permits the avoidance of the debilitating effects of family separations, and reduces the overall costs of supporting a military presence overseas through reduction of turbulence which shorter tours necessitate, and

Whereas, experience indicates that arbitrary constraints on the number of authorized dependents results in an accompanying increase in the number of dependents who are not subject to military control and with whom problems are substantially greater, and

Whereas, on balance a reduction of military dependents overseas would increase hardships without substantially contributing to the solution of any existing problems: now, therefore, be it

Resolved, That the Reserve Officers Association of the United States oppose mandated reductions of military dependents' overseas and reductions of manpower and funds to coerce the services into reducing their overseas dependent population.

RESOLUTION No. 14

JUNIOR ENLISTED TRAVEL (JET) AND DEPENDENTS OVERSEAS

(By the Non Commissioned Officers Association)

Whereas the Congress of the United States in 1978 agreed to appropriate governmental funds to reimburse travel and transportation expenses for dependents of junior enlisted personnel assigned overseas on official orders from their respective military service, and this practice has been in effect for less than one year; and

Whereas the United States does little to discourage dependent responsibility among its junior enlisted personnel and accepts for enlistment persons who have dependents on entry in the Armed Forces; and

Whereas the military services provide travel and transportation of dependents for Commissioned and Noncommissioned Officers assigned overseas and junior enlisted personnel believe this to be unfair; thereby, causing hostile feelings and perhaps certain disciplinary problems that will be embarrassing to the United States and its Armed Forces; and

Whereas the current socio-economic environment has changed dramatically over the past years, so that the military services now recognize the value of keeping the military family together; and

Whereas in order for the United States to continue to meet its commitments to its allies the federal government must provide for the reasonable care of its uniformed members serving overseas; therefore be it

Resolved, That the Non Commissioned Officers Association of the United States of America this Third day of July 1979, petitions Congress to authorize travel and transportation funds to the Armed Forces so they may reimburse any uniformed member currently eligible to have dependents accompany him or her overseas as a result of permanent change of station orders.●

MINORITY RESEARCH AND DEVELOPMENT SUPPLY STRATEGY

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. WYDLER. Mr. Speaker, I wanted to follow up on the remarks that our distinguished minority leader, JOHN RHODES, made on Tuesday, July 10.

Mr. RHODES pointed out the need for a comprehensive energy policy geared to increasing our energy supply by every reasonable means.

Last May I outlined a supply technology which I thought made sense with a research and development emphasis. I believe it would be most useful for comment on that strategy in the context of the President's Sunday night speech, and Mr. RHODES excellent remarks.

The lynchpin of my major supply strategy was nuclear energy based on three major thrusts: breeder reactor development, nuclear fuel reprocessing, and the expeditious deployment of nuclear powerplants.

We are still embroiled in a controversial battle with the President over the need for a commitment to build a demonstration breeder reactor plant at Clinch River or elsewhere.

As regards the reprocessing question, this country cannot turn its back on the vast amounts of reclaimable energy contained in the spent fuel rods from nuclear powerplants. Last year the administration proposed a nuclear licensing bill as an incentive for the cleanest, safest, most economical way to generate electricity. Unfortunately, as a result of the Three Mile Island accident, and despite the fact there were no serious consequences, the administration has backed off that commitment to deployment of nuclear powerplants.

It is striking to me that the President discussed an energy policy Sunday without once mentioning the word nuclear.

In terms of long-range projects it is important that this country sustain and build its commitment to magnetic fusion energy. This and the breeder reactor are the only real renewable resource paths that we can take. Unfortunately, the administration has remained shortsighted on this major program and is now insisting on flat funding. We on the Science and Technology Committee intended to push for an acceleration of this program so that industry involvement can be enhanced and the commercialization of this electrical power can be realized in this country.

In the field of fossil energy I had urged strongly last spring and the year before that this country develop technology from liquids from coal across the broad front. I did this with concern that despite the need for massive commitments to a synthetic fuels program, Congress and the executive branch working together could assure that such a commitment was well managed and carried out responsibly and ultimately, successfully. I called last year for the formation of a Liquefaction Mobilization Board to prepare and synthesize industry project plans for submission to the Department of Energy. This concept is very similar to the Energy Mobilization Board which the President has finally proposed.

I suggested last spring that the Federal Government guarantee purchase of western shale oil for national security purposes. This is a major element of the Moorhead bill which recently passed the House by an overwhelming margin and will also be the key to the administration's reborn synthetic fuels strategy.

I believe we can complement the aforementioned emphasis in coal conversion with increased research and development on oil from eastern shales and funding high leverage techniques for enhanced oil recovery.

To complement long-term research and development for new technologies for gasification of coal, particularly, eastern coal, I believe the Federal Energy Regulation Commission should move swiftly to provide regulatory incentives. In this way, investment can go ahead on coal gasification plants employing off-the-shelf technology. It is unfortunate that the President does not seem to have focused on the tool of regulatory restraint in his latest energy policy statement.

Last May I also pushed for deregulation of natural gas and yet lamentably we are stuck with an extremely complex deregulation bill which not only extends regulation but aggravates its administration. I hope that the research and development strategy of the administration will at least turn to a heavy research and development thrust for unconventional sources including the methane deposits off the gulf coast, Western Tight Sands, and Devonian shale and coal seams of the East, Midwest, and Southeast.

The President seems to have gotten the message that we have more gas. Let us hope he follows through with research and development dollars that match this rhetoric.

On the field of solar energy I have spent the last 2 years striking a note of caution that we have oversold and overpromised on this technology so much that we cannot possibly deliver. I believe that we must insist on accountability for solar funding in technology development and not simply wish the research and development into being on the basis of massive funding without any evidence of progress. In the solar applications area we must look carefully at requirements for Federal incentives and tailor them carefully to the marketplace. Already, numerous solar businesses have gone under because of the overblown promise of the administration's National Energy Act.

Unfortunately, the administration has not yet rigorously applied any standards of accountability to the solar program and has depended on continued advocacy by the Congress to provide massive funding. The President's suggestion of Sunday night to have a solar bank and his recent commitment to deliver 20 percent of all our energy by the year 2000 ignores the status of technology development and the real world promise of solar.

The commitment to gasohol by the administration must also be looked at carefully since there is no provision for encouraging gasohol production schemes which are least energy-intensive, an oversight, I trust, which will be corrected by the Congress. Finally, I think we must accent research and development programs which have real industrial and utility promise and stop belaboring institutional incentives which involve significant Federal efforts with little promise of real energy savings.

A most useful concept that has emerged this summer on the energy front is that of the priority energy project. Such projects would be considered in an expeditious manner for executive and judicial review such that a fast-track approval process would be assured. I heartily endorse this concept and it appears to me that the President is in sympathy with it since he has assured us that energy facilities which are needed will indeed be built.

In summary, I feel that, outside of synthetic fuels where the President has finally seen the urgency of our situation, there is simply no balance to the rest of his energy supply program. I am dismayed that the administration cannot summon the courage for a strong commitment to nuclear simply because of the major bargains it has made with environmental zealots. The synthetic fuels choice has been a hard one for the President to make because until recently he has ignored energy supply. Other hard choices must be made, but sermonizing will get us nowhere. We need strong leadership.●

CIVIL DEFENSE AMENDMENT

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. SKELTON. Mr. Speaker, when the House considered the HUD-independent agencies appropriations bill recently, our colleague, Mr. MITCHELL of New York, offered an amendment to increase the appropriation for civil defense by $37.4 million. This amendment failed on a division vote.

Although I fully supported the Mitchell amendment, I nevertheless understand the arguments of Chairman BOLAND and other members of his Appropriations Subcommittee who opposed it on the grounds that there is no sense appropriating this increased amount unless we have a multiyear program authorized.

Mr. Speaker, when the House considers H.R. 4040, the Department of Defense Authorization Act for fiscal year 1980, I will offer an amendment which will give the Members of the House the chance to approve such a multiyear program. My amendment would direct the President to develop and execute a truly multipurpose civil defense program which could be used in the event of nuclear war, natural disaster, or nuclear accident similar to that which occurred at Three Mile Island. It specifies the elements which are to be included in a civil defense program, spells out the goals for that program, and establishes a 5-year authorization.

Mr. Speaker, a vote for my amendment will demonstrate congressional support for an enhanced civil defense program, and the determination on the part of Congress to see that program through to completion. I urge all my colleagues to join in its support.●

DOMESTIC ALCOHOL PRODUCTION AND FOREIGN INVESTMENT

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. OTTINGER. Mr. Speaker, recently the Subcommittee on Energy Development and Applications of the House Committee on Science and Technology asked the Department of Energy to clarify its position on domestic and international financing of alcohol production facilities utilizing coal. We asked for this clarification because of information gained during hearings that the ability of the private sector to move ahead on its own might be near.

The letter we received is encouraging and should be helpful to all who are contemplating entering the alternative fuels business.

The letter follows:

DEPARTMENT OF ENERGY,
Washington, D.C., June 15, 1979.

Hon. RICHARD L. OTTINGER,
Chairman, Subcommittee on Energy Development and Applications, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of June 7, 1979, requesting a sttaement on the Department's position on the development of alcohol fuels from coal. I welcome the opportunity to present this statement on the Department's position on Energy Development and Applications in its hearings on the potential for domestically produced alcohol fuels as substitutes for petroleum.

Synthetic liquids derived from coal can be an important source of these replacement fuels. As part of the Alcohol Fuels Policy Review, the Department sponsored work to estimate the economics of producing ethanol and methanol. Production processes ranging from those that are now commercially available to those that are now under development were considered in these analyses.

The results of the study indicate that methanol may be produced at a lower cost than ethanol, and of the methanol feedstocks evaluated, coal appears to be the most economically favorable feedstock Since coal is our most abundant domestic resource, it is important that the government maximize the ability of the private sector to move ahead on projects in this area.

It is in the best interests of the United States to encourage the production and use of alcohol fuels. The Department's general policy with regard to coal-sourced methanol, as with all alcohol fuels, is to let the private sector make the judgments as to the economic viability of such projects. Private capital can be attracted to them if these judgments are favorable. It is, therefore, the intent of the Department to create an environment in which private sector action can proceed.

Some regulatory and financial incentive mechanisms are already available. To further support private sector initiatives, the Department is prepared to:

a. Affirm that several initial methanol and ethanol projects serve an important national interest, and assist sponsors of these projects to secure promptly the governmental decisions required to initiate construction, recognizing that the projects must satisfy all applicable laws and regulations.

b. Provide assurances to other governments, if non-U.S. investment is contemplated in a domestic alcohol fuel project, that such participation is viewed as an important contribution to United States energy policy objectives, and as evidence of mutually productive relations between the United States and other participating governments.

c. Continue to review mechanisms to encourage the development of markets for alcohol fuels.

It should be noted that this policy does not preclude direct government funding of alcohol fuel projects. Indeed, the Department is aggressively investigating program options which may result in a coal-to-methanol demonstration plant. This is in accord with the Department's general policy to encourage private sector initiatives in the belief that they are crucial to the success of United States energy policy.

Sincerely,

JOHN F. O'LEARY,
Deputy Secretary.●

ONE TRILLION CUBIC FEET OF NATURAL GAS DISCOVERED IN APPALACHIAN STATES IN 1978

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, for several years I have been bringing to the attention of this body the potential of natural gas in the Appalachian States as an important contributor to solving the region's and the Nation's energy supply problem. In addition to the future supplies which can come forth from so-called conventional natural gas sources, the region has vast, largely untapped natural gas resources in the Devonian shale and within coal seams.

The American Gas Association has highlighted some interesting facts in its annual report of the results of drilling for natural gas in 1978. Once again the Nation's inventory of this precious fuel declined significantly; while drillers discovered 10.6 trillion cubic feet (Tcf) of gas last year, production of 19.3 Tcf reduced the proved reserve for the United States to 200.3 Tcf.

One of the few bright spots in this report is the success of drilling in the Appalachian region—the States of Pennsylvania, West Virginia, Ohio, Kentucky, Virginia, and New York, as shown in the table below.

One trillion cubic feet of new natural gas reserves, one-tenth of the U.S. total, was found in the region in 1978, continuing an upward trend of the last 3 years. Production of natural gas also increased by 6 percent to 438 billion cubic feet. Most noteworthy for the future, however, is the fact that twice as much gas was discovered as was produced.

To accelerate output of natural gas in the region, as well as other areas of the country, I and many of my colleagues last year urged and won approval for special price incentives for small wells in the Natural Gas Policy Act. These incentives should encourage producers to not only drill more wells, but also recomplete old wells whose production has declined below economic limits.

On November 9 of this year, in another provision of the act, all price regulations and other regulatory authority are eliminated for wells producing from Devonian shale and from coal seams. This action alone should spur immediate activity and drilling for these gas sources.

Mr. Speaker, during this time of heightened uncertainty on energy problems, we in the Appalachian region are moving ahead by increasing natural gas supplies. In the years ahead these volumes of gas can significantly reduce the need for oil imports in our region and other parts of the Nation now becoming over-dependent on OPEC supplies.

The figures follow:

NEW RESERVES AND PRODUCTION OF NATURAL GAS IN THE APPALACHIAN REGION

[Billion cubic feet]

State	New reserves			Production			Reserve-production ratio		
	1976	1977	1978	1976	1977	1978	1976	1977	1978
Pennsylvania	143	282	280	90	92	98	1.58	3.04	2.87
West Virginia	172	188	447	151	147	146	1.15	1.27	3.05
Ohio	147	167	200	90	100	115	1.63	1.67	1.73
Kentucky	22	21	32	59	57	57	.37	.35	.55
Virginia	16	21	18	9	10	13	2.30	2.55	2.21
New York	40	14	25	9	10	13	4.36	1.40	1.90
Total	540	691	1,002	405	414	438	1.33	1.67	2.28

COST OVERRUNS AT LAKE PLACID

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to share with my colleagues an article which appeared in the Los Angeles Times documenting the cost overrun problems experienced at Lake Placid in preparing for the 1980 Winter Olympic games.

The article follows:

WINTER OLYMPICS MAY COST SIX TIMES ORIGINAL ESTIMATE

LAKE PLACID, N.Y.—The costs of staging the 1980 Winter Olympics could top $190 million, or six times an original estimate, according to figures compiled by the Associated Press.

The money is being used to pay for items ranging from new sports facilities and widened roads to a sophisticated medical testing program and lodging for thousands of volunteers who will act as timers and support staff during the Olympics.

Most of the $190-million bill is being footed by the state and federal government. But organizers of the 1980 Games say they hope to be able to raise $45 million from individual and corporate contributions.

The biggest cost increases have occurred in the construction budget, where costs have zoomed from early estimates of between $10 million and $12 million to more that $100 million, virtually all taxpayer-financed.

Cost overruns and inflation account for some of the boost. But another factor was the broadening ambitions of Olympic organizers as planning for the Games proceeded—and the unforeseen complexities of staging the Games.

Initial plans, for example, called for construction of a new 90-meter jump, and the renovation of the existing 70-meter jump. But eventually a whole new 70-meter jump was constructed, and the combined cost for the two is now projected at $3.7 million.

When the Lake Placid Olympic Organizing Committee was awarded the Games by the International Olympic Committee in 1974, it projected construction costs of up to $12 million, with an overall cost of $25 million to $35 million.

But currently the federal government estimates it has spent $70 million on construction of facilities such as a new field house, the ski jumps, an extensive renovation of the town hall to provide offices for the organizing committee, and a speedskating oval.

And state officials currently say they are spending about $32 million on Olympics-related construction.

Most of the state money was used to refrigerate the Mt. Van Hoevenberg bobsled run and upgrade the downhill ski trails at Whiteface Mountain. Some money has also been spent to improve the narrow, winding, two-lane highway to Lake Placid.

The Lake Placid organizing committee projects the total cost of the Games at $150 million. But an AP check has found millions of dollars in expenditures for which the committee is not directly responsible, but which are Olympics-related.

A committee spokesman said Tuesday the estimate of $145 million to $150 million includes only "what we have requested for the LPOOC."

In that total figure, he includes $70 million in federal construction funds, $30 million in state-financed construction, and $45 million to $50 million for administrative expenses, to be raised from private individuals and companies.●

CUTTING AMTRAK'S LOSSES

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. CONTE. Mr. Speaker, the Washington Post recently printed an editorial regarding the desirability of cutting Amtrak's losses. The editorial was generally critical of continuing long-distance trains that consume large subsidies without drawing many passengers.

Although the House Interstate and Foreign Commerce Committee has held extensive hearings and has passed a bill which attempts to address the issue in an objective manner it still looms large.

Because of the brevity and timeliness of this article and the fact that the Amtrak Reorganization Act of 1979 is scheduled for floor action this week, I am including a copy of the article in the RECORD at this point for the benefit of my colleagues who have not seen it:

• • • AND CUTTING AMTRAK'S LOSSES

A lot can be said for passenger trains—and the letters printed today sum up what is being said in opposition to the Amtrak cutbacks that the Department of Transportation has proposed. Those readers are right in maintaining that energy problems strengthen the case for public investment in heavily used trains. But the current controversy is not about the Metroliners or the Empire Builder or other well-traveled routes. The issue is whether to continue the long-distance trains that consume large subsidies *without* drawing many passengers. Those losers, and those losses, are what DOT wants to stop.

Consider one train on the endangered list, the Floridian, which runs between Chicago and Miami or St. Petersburg. That might sound like a popular route. But the Floridian is very, very slow; its 1,597-mile "run" takes over 37 hours, including two nights aboard. (For comparison, the fastest train between New York and Miami, a 1,368-mile trip, takes one night less.) That at least partly explains why last year the Floridian ranked next to last in ridership and had the largest losses-per-passenger-mile of all long-distance trains. According to DOT, its costs in 1978 were $25.2 million. Fares covered only $4.7 million, about 19 percent. The federal subsidy amounted to $163.41 per passenger, more than the cost of a first-class plane ticket from Chicago to Miami.

Of course, almost all trains lose money. On the New York-Florida route, for instance, fares covered about 32 percent of the costs last year, leaving a federal subsidy of $98.55 per passenger. Those figures are not ideal. Yet when federal dollars are limited, it surely makes more sense to cut some losses and concentrate on improving the more efficient and popular routes.

The bill about to be considered by the House takes this approach. It would continue some of the trains that DOT wants to stop—if their ridership increases enough and their costs can be kept down. In an effort to keep the emphasis on performance, not politics, the House bill's sponsors have declined to speculate about which routes might make the grade. However, the latest figures suggest that even the surge in train travel will not help some routes enough. Instead of putting off the hard decisions, Congress ought to accept the fact that some trains have little future—and it's time to concentrate on those that do.●

OTA REPORTS ON AUTOMOTIVE SAFETY

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. BARNES. Mr. Speaker, later this week the House is scheduled to consider H.R. 4440, the transportation appropriations bill for fiscal 1980. One of the subjects likely to be discussed is the use of airbags, passive restraint, and other safety devices.

In February 1979, the Office of Technology Assessment, an arm of the Congress, published a report titled "Technology Assessment of Changes in the Future Use and Characteristics of the Automobile Transportation System." I submit for the information of Members a series of quotations from this report with respect to automotive safety:

The air cushion restraint system (ACRS), or air bag, was first conceived of in the 1950's and the basic principles are unchanged today. A sensor mechanism, activated by a crash (usually a barrier-equivalent crash of 12 mph or greater) activates an inflator (either compressed gas or a chemical gas generator). This fills a nylon bag in the area in front of the driver and front-seat passengers. The driver bag is housed in the steering wheel hub. The passenger bag is in the area typically used for a glove compartment.

Technically, the system is extremely reliable. Operationally, it provides good protection in front-end collisions, which account for more than 50 percent of vehicle occupant fatalities. The probability of inadvertent inflation of the ACRS is virtually nil; experiments have demonstrated that if it does occur, no real problems such as loss of control of the vehicle, are likely to occur. It is possible to utilize air bag technology for protection of other than front-seat vehicle occupants, although that is clearly the most effective use of the system.

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Three-point (passive) safety belts provide a level of protection *almost equivalent to that of the ACRS*. In general, they are better than the current air bag alone in multiple impact, rollover, or side collisions. *The ACRS with the lap belt offers better high-speed protection*. However, there is still a possibility that many individuals will disconnect the passive belts unless they are made to be very comfortable.

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The air bag system is considerably more expensive than the simple seat belt system. Estimates of the cost difference range from $112 to $235. The passive belt system is estimated to cost $25 more than the conventional three-point system.

• • • • •

Over the last decade, vehicle safety improvements have added an estimated $250 to the retail price of a 1978 automobile with no observable negative effect on vehicle sales. The average new car buyer now spends $750 to $1,000 on comfort and convenience options. This indicates that additional vehicle safety, costing perhaps $400 to $800 may be within acceptable limits.

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The marketplace has not provided sufficient incentive to bring about these safety changes. Thus, Federal initiative and Federal involvement appear to be appropriate.

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For small cars, additional mechanisms are required to help decelerate the occupants in high-speed crashes. The only current contenders are energy-absorbing restraint systems, such as air bags, or special belt systems that allow the occupants to decelerate while moving closer to the dash and firewall (thus utilizing all of the available interior space as well as the vehicle crash distance).

* * * * *

For many years highway crashes were generally considered "accidents" caused by individuals, and hence an individual problem. Although this view is still held by some, there is growing awareness that traffic crashes, and the resulting death and injury, are a community problem not borne solely by the individuals involved.

* * * * *

The mechanisms that cause injury and death, and the types of bodily damage incurred in crashes, are well known. The chief mechanism is abrupt decelerative dissipation of kinetic energy in crashes. Vehicle occupants sustain injury when striking the interior of the vehicle during a crash. The method to reduce injury is to spread the impact forces over a greater surface area and a longer time, thus reducing the severity of the contact. Crash severity reduction strategies can be effective, and reasonably amendable to evaluation.

* * * * *

In the last century technology has changed radically the way people live and the way they die. Infectious disease as a cause of death has virtually been eliminated. A child born in the United States today can look forward to a life untroubled by common diseases such as smallpox, scarlet fever, diphtheria, tuberculosis, typhoid fever, and polio, which were major causes of death a few generations ago. Today; however, that same child is confronted with the prospect that from age 1 to 39, he or she is more likely to die in a motor vehicle crash than in any other manner.

* * * * *

The current annual toll of motor vehicle crashes is almost 48,000 deaths and over 4 million injuries. The estimated mandatory cost to society is approximately $44 billion.●

SEVENTY-FIFTH ANNIVERSARY OF BUFFALO'S MERCY HOSPITAL

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. NOWAK. Mr. Speaker, this year, Mercy Hospital of Buffalo, N.Y., is observing its 75th anniversary.

However, this is not an occasion simply marking the passage of time. More importantly, it is a celebration of the sustained service and the quality health care this excellent facility has provided the people of South Buffalo and the greater western New York community for three quarters of a century.

Mercy Hospital officially opened its 30-bed hospital on September 24, 1904. In reality, it began in 1903 when, in response to a need for a hospital in South Buffalo, the Sisters of Mercy purchased a former private residence and began the work of converting it into a hospital facility. Mother Mary Dolores Clancy, the hospital's first supervisor, joined by other nuns from neighboring parishes, helped scrub, paint, and scrape wallpaper to prepare the building for its first patients.

From such a simple, homey beginning, Mercy Hospital today has grown into a 413-bed facility, staffed by more than 1,400.

Mercy Hospital and medicine have advanced with gigantic strides during the last 7½ decades. Since 1904, Mercy Hospital has been a growing hospital, growing to serve a growing community and growing to meet the challenge of increasingly complex-health care needs.

In addition to being a hospital that was constantly changing, learning, and improving, Mercy has also always been a teaching hospital with a reputation for excellence in medical education.

It is also a facility that has enjoyed sustained community support and appreciation as it traversed the years from the horse-and-buggy age to the space age.

As Mercy Hospital begins its fourth-quarter century of caring, curing, and concern for the community, I would like to join its many well-wishers in expressing gratitude for the superlative work of the past and sincere best wishes for the future.

Those felicitations, of course, are a tribute to the dedication and commitment of the Sisters of Mercy and this institution's excellent staff. Their service serves as an example for our total community efforts to preserve the dignity of man and improve the quality of life for all our citizens.●

POLKA MUSIC IN AMERICA

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. ALBOSTA. Mr. Speaker, I feel that it is important that we in the Congress have an appreciation for all kinds of art and music. Polka music is a very important part of the heritage of large numbers of Americans, and it is for this reason that I felt it would be appropriate to present this resolution that was sent to me by the publisher-editor of the Michigan Polka News, in my district:

PROCLAMATION

The United States of America hereby recognizes polka music which also relates to the waltz, oberek, and other cultural forms as the official music that was brought to America by immigrants from their native lands. Many countries of the world have included the polka in the music of their nations.

Each country developed its own style of the polka, thus; America is blessed with many variations all because of those people who came to this country and wanted to bring a part of their homeland so dear to their hearts along to America with them.

In this country, as in no other nation people have a deep concern for their roots and cultural traditions. Many Americans are traveling overseas to visit in the lands where polka music originated. Foreign festivals and tours featuring polka bands from America are scheduled yearly.

Polka music has been and is a source of good will between the United States and foreign nations.●

NEED FOR INCREASED ENERGY PRODUCTION

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. WYDLER. Mr. Speaker, as the long gasoline lines have formed around the country in the past few months, we have all had a chance to observe that bureaucratic regulations do not produce more energy, only messes such as the gas lines. I have repeatedly stated that the answer to our shortages lies in increased production of all forms of energy, not more Government regulations. I would like to insert in the RECORD at this point a recent newspaper editorial which stresses the need for increased energy production:

[From the St. Louis Globe-Democrat, June 29, 1979]

MORE PRODUCTION NEEDED

Rather than wail and moan about the latest price gouge by the OPEC oil pirates, as White House officials are doing, policy makers in Washington should come up with a plan for combating what amounts to economic war against this country.

The urgent need is production, production and more production of all forms of energy in this country, including oil. This means that the present policy of discouraging production of oil, coal, atomic power and other forms of energy should be reversed at once or U.S. dependence on OPEC's astronomically costly oil will continue to grow.

It is estimated that these OPEC price increases will be the equivalent of levying a $30 billion tax on Americans' income. This will come on top of higher Social Security taxes this year of more than $10 billion and about $16 billion in higher taxes the Treasury will collect for the year due to inflation pushing taxpayers' income into higher brackets.

This poses a staggering added burden of about $56 billion a year on taxpayers who already are hard-pressed to make ends meet as inflation roars ahead at a 13 percent annual rate.

The best way to offset these huge new oil costs and steep taxes is to cut federal spending and U.S. taxes across-the-board by at least 10 percent immediately. The cumulative load of the 25 percent oil price increase by OPEC and skyrocketing federal taxes simply is too much to be carried without producing a really drastic blow to the economy.

This is a full-blown national emergency. The OPEC oil ministers have declared economic war on the U.S. and other oil-importing countries. It has become a question of survival. This country has to greatly increase its energy production, improve its conservation, and reduce excessive government spending and taxation or it faces the possibility of being thrown into a 1929-type depression and being totally at the mercy of OPEC leaders, many of whom despise this country and enjoy nothing more than giving the price screw another turn.●

THE MYLAI INQUIRY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. ZABLOCKI. Mr. Speaker, it is very appropriate with the Presidential declaration of tomorrow, July 18, 1979, as National MIA Day, to call attention to the article written by Dick Starnes, journalist with the Washington editorial headquarters of Scripps-Howard News Service. Mr. Starnes recently wrote an insightful article concerning Lt. Gen. William R. Peers, former leader of the Department of Army's investigation into the Mylai massacre.

Lieutenant General Peers conducted a straightforward investigation into the Mylai tragedy notwithstanding his delicate position within the U.S. Army. Mr. Starnes highlights the difficulties facing Lieutenant General Peers during his sensitive assignment as well as his ultimate contribution to this country. Starnes also comments on Peers' recently-published book, "The Mylai Inquiry."

Mr. Speaker, I would like to share with my colleagues the Dick Starnes' article, which addresses the work of this outstanding American:

THE MYLAI INQUIRY

(By Richard Starnes)

On July 1, 1973, Lieut. Gen. William R. Peers retired after a military career that began 36 years earlier and was marked by performance in combat and administrative assignments that early identified him as one of the Army's ablest officers.

Gen. Peers was deputy commander of the American Eighth Army in Korea when he retired. He had been slated to become commanding general of U.S. forces in Korea but the assignment fell to another officer and Peers retired as lieutenant general.

There seems little doubt that Peers was retired short of achieving four-star rank because of his role in leading the Army's investigation of the My Lai massacre, that blackest of black marks in American military history recorded when U.S. troops slaughtered scores of old men, women and children in a Vietnamese village in March, 1968. His report on the massacre was a masterpiece of stark, unrelenting candor, sparing neither the men on the scene at My Lai nor the brass above them all the way up to division commander.

Wholly apart from serving the cause of justice and morality, the report also performed a vital service to the Army, for it started the long and painful process of dispelling the whole miasma of distrust and hostility that had engulfed the American profession of arms as a consequence of an unpopular war climaxed by the atrocities at My Lai.

But the Army didn't see it that way, obviously, and turned Peers out to pasture without awarding him the rank he had earned through a lifetime of brilliant service. Now Peers, retired and living quietly in a suburb of San Francisco, has written his account of the My Lai investigation and his role in it ("The My Lai Inquiry," W. W. Norton and Co., $12.95). The book, like the report Peers authored 10 years ago, is a product of his unflinching sense of duty—scathing in his denunciation of the men who broke down under the pressure of combat and committed a whole succession of war crimes, unsparing in his criticism of the Army that then tried to cover up the breakdown.

"My Lai . . . was an illegal operation in violation of military regulations and of human rights," Peers writes in his book, "starting with the planning, continuing through the brutal, destructive acts of many of the men who were involved, and culminating in aborted efforts to investigate, and, finally, the suppression of the truth."

Peers relates his surprise and consternation at being ordered to conduct the My Lai inquiry, for he knew it was a no-win assignment. If he brought in a finding that fell short of the truth the country would rightly cry out that the Army had whitewashed the whole shameful incident. But Peers was wise enough in the ways of the Pentagon's military bureaucracy to know that if he brought out the truth his military career would be permanently blighted. It is a measure of the man that his report—kept secret by the Army for five years—named 30 individuals who by "omission or commission" shared culpability for the atrocities or the cover-up. Of this number only 16 were charged, four went to trial and three were acquitted. The cases against 12 others were dismissed. Only Lieut. William L. Calley Jr. was found guilty.

In his book Peers documents the chronology of the inquiry he headed, and does a thoroughgoing professional job of explaining, insofar as is possible, what actually happened at My Lai and why it happened. His last chapter, "Some Final Thoughts," is a brilliant and moving analysis of what the profession of arms should aspire to in a free and open society. It should be required reading for every undergraduate at the U.S. Military Academy.

Nowhere in the book is any hint that Peers regrets doing his duty in what was surely his most disagreeable assignment, and nowhere is there any trace of bitterness at the way the Army ill-used him. He is plainly a man at peace with his conscience, and clearly a man who prizes personal integrity above rank or honors.

He speaks with sadness of men involved in My Lai who fell short of his standards. "In order to complete the picture, some persons who did not tell us everything they knew, ceased giving testimony, or refused to testify will have to come forth with the details," he writes. "This, of course, is a matter of personal integrity which only they can decide."●

CURRENT CURRENCY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. McDONALD. Mr. Speaker, Alfred Friendly, formerly of the Washington Post had some interesting observations about the new Susan B. Anthony dollar coin in the Washington Post of July 10, 1979. He notes what a shabby representation it is of the American economy. Mr. Friendly's comments follow in part.

Such is the sorry state of affairs all over that maybe they'll accept the Susan B. Anthony dollar as real money in Salt Lake City, but they wouldn't have in my day. If you tried to tell anyone that that shoddy two-bit-sized copper-nickel piece was worth a dollar, you'd be shipped off to the state insane asylum at Provo * * *.

So, it's a lousy coin, dross in content, disappointing in heft, mischievous in identity, depressing in its loss of Miss Liberty, but perhaps appropriate to the present state of American finances and the value of its money. All too accurately, a piece of current currency. But why proclaim national melancholia and distress in public? Masochism, if engaged in at all, should be confined to consenting adults in private. ●

THE LAKE PLACID OLYMPIC VILLAGE

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to share two articles which have been written on the Olympic Village being constructed at Lake Placid. The first article is from the New York Times and the second one appeared in Commonweal:

[From the New York Times, May 15, 1978]

PLAN TO CONVERT OLYMPIC BUILDINGS INTO PRISON ASSAILED

(By Frank J. Prial)

LAKE PLACID, N.Y.—The complex for the 1980 Winter Olympics, much of it in the steelwork-frame stage, looks like a college campus. In fact, the buildings now rising on a cleared site in Ray Brook, a village five miles west of here, will be used after the Olympics—but not for a college.

They will become a prison. It will be the first time, as far as anyone can determine, that an Olympic facility has been converted into a correctional institution. Some groups find this abhorrent and are already planning protests.

PRISON TO HOUSE 500 INMATES

The Federal Bureau of Prisons, through its parent body, the Department of Justice, is paying $17.3 million of the $22 million cost to build the athletes' housing facilities and will invest $1.5 million more after the games for the conversion to a medium-security prison for 500 inmates between the ages of 18 and 25.

The announcement of a new prison is often greeted with alarm and hostility by people who live near the proposed site. Not this time. "The prison is going to provide more than 200 much-needed jobs and is expected to pump from $5 million to $6 million a year into the local economy," said a spokesman for the Lake Placid Olympic Operating Committee.

"It's a great marriage. Everyone benefits. Lake Placid is in Essex County, which has the highest unemployment rate in New York State—18 to 22 percent. After all, the whole idea of bringing the games back here was to boost the economy." The Winter Olympics were last held here in 1932.

The groups opposed to the prison plan argue against all prison construction and against imprisonment for all but the most violent criminals. The groups include the National Moratorium on Prison Construction, the New York Moratorium on Prison Construction and the National Council on Crime and Delinquency.

SYMBOLS OF BEST AND WORST

Michael A. Kroll, a spokesman for the National Moratorium on Prison Construction, believes the prison plan could become an international issue. "When the Governments of the Netherlands, Norway, Sweden, Japan, Denmark and England, to name a few, learn that their participation in the 1980 Olympics is responsible for the construction of a prison for youths, they may well have second thoughts," he said.

"It takes little imagination to predict the use to which the Soviet Union will put the fact that a building constructed for the Olympiad, which symbolizes the best of the human spirit, will be permanently converted into a prison, which symbolizes society's greatest failure."

Mr. Kroll said that European antiprison groups planned demonstrations against the conversion plan outside United States Embassies in the Hague and London. The antiprison groups contend that the housing could better be used as a permanent training center for Olympic competitors.

The residents of the Lake Placid area are not unfamiliar with government institutions. In fact, the 56-acre Olympic housing site adjoins an existing correction facility. Camp Adirondack, a minimum-security institution for youthful offenders, run by the New York State Department of Corrections.

NEWSPAPER SUPPORTS PROPOSAL

The Adirondack Enterprise, the Saranac Lake daily newspaper, in a recent editorial supporting the plan said:

"We cannot see the disadvantage to placing confused, rebellious, wayward young men in this environment. Perhaps here, if anywhere, they will be able to find some healing for the wounds that city life has inflicted upon them. The area has always taken the unwanted, beginning with the tubercular, then drug addicts, now the men at the state's Camp Adirondack." Part of the developing housing facilities adjoin Saranac Lake.

The fact that most of the inmates of the proposed prison would be from the cities, particularly Boston and New York, is a sore point with the antiprison groups. "The Federal Bureau of Prisons is violating its own principles." Mr. Kroll said. "Their stated goal is to construct new prisons as close as possible to the area from which offenders come. The Olympc site is more than 300 miles from the major Northeastern cities."

SITE SOUGHT FOR FIVE YEARS

"What we would like and what we can do are not always the same," said Gary Mote, a deputy director of the Bureau of Prisons. "It's the policy of most correctional agencies to locate offenders as close to their homes as possible. But we're not always able to achieve that ideal." Mr. Mote said the Bureau of Prisons had been searching for five years for a site in the Northeast for this particular institution.

"Lake Placid is not an ideal location," he said, "but it is far better than any existing alternatives." Because of overcrowding in the Federal prisons, the average distance between an offender's place of incarceration and his home is now 800 miles.

The Lake Placid Olympic Organizing Committee first approached Representative Robert C. McEwen, Republican of Ogdensburg, for Congressional appropriations for construction. "We had to justify expenditure in terms of afteruse," said Thomas Long, an aide to Mr. McEwen. "The housing part was tough. "Then we heard that the Bureau of Prisons had a standing authorization to locate a correction center somewhere in the Northeast," Mr. Long said. "When we checked with them, we found that their needs and ours were virtually identical."

[From the Commonwealth, Mar. 30, 1979]

The 1980 Winter Olympics: Prison Games—From Gold Medals to Handcuffs

Wearing their bronze, silver, and gold medals, in February 1980 the world's youthful monarchs of rink and slope will leave the Winter Olympics at Lake Placid, New York. The joyful cries of these largely European, North American, and Japanese privileged youths will have barely faded away from the domitory corridors when they will be replaced by the doleful voices of ghetto males their own age, 18–25, convicted of federal offenses and drawn mostly from the New York City Metro area. Their voices will convey induction into the macabre rituals of American prison life.

Modern Olympics are expensive, political, and dangerous. Montreal paid $100,000,000 for 1974 Olympic security alone. Quebec, stuck with a $1 billion Olympic debt, is fighting for the Canadian national lottery to pay it off. Colorado citizens rejected the Winter Olympics by statewide referendum. To get the 1980 Olympics the Lake Placid citizens, beset by high unemployment, lobbied in Albany and Washington and got what to date has been a rather open-ended supply of tax monies. They cannily figured that Uncle Sam would not let down such a semi-sacred event as the Olympics once an American locality was committed to it.

To secure federal funds an "after-use" for the Olympic facilities had to be guaranteed. The local Congressman, Robert C. McEwen, rejecting a sports after-use, dovetailed plans for a medium-security federal prison in the Northeast with domitories for Olympic athletes. A $22 million appropriation was waltzed through judicial committee mazes in Congress, the stated *primary* purpose that of housing Olympic athletes (two weeks) and the *secondary* purpose being a prison (perhaps 100 years). Some committee members are not happy about it at all. The Federal Bureau of Prisons is the builder and owner of the dormitories. For $1 New York State sold the FBP 150 acres of prime Adirondack Park land.

Enter major denominational and criminal justice groups. The Olympic Prison's location, 300 miles from the inmates' homes, violates even the Bureau's own standards for location close to family, clergy, and lawyers. Without naming places, it insists that it tried numerous other sites near New York but was rebuffed by area citizens. The FBP hints at a "shuttle bus" for families (600 miles round trip).

Church bodies insist that the location is inhumane, like locating a city jail 300 miles away from the city it serves. Families, mostly low income, will almost never visit their sons, fathers, and husbands. One bus a day 10 months a year from New York City. No bus station in Lake Placid and the prison is five miles out of town. Expensive motels and restaurants. One high ranking FBP official told this writer that even his federal per diem expense allowance was insufficient for Lake Placid living. The minority families (40 percent of federal prisoners are minority and increasing) will not find it easy in this swank resort.

The almost windowless "dormitories" resemble huge round gun emplacements more than structures where human beings will be caged the next hundred years. They are the new sanitized 1984 electronic surveillance type. Though the FBP will host 1800 athletes in these walls it promises to cage no more than 500 prsoners. Some fear the final figure will exceed 1000.

Except for 12 Lake Placid area clergymen all church groups taking a stand so far have condemned the prison after-use. Meanwhile, federal auditors are raising questions about nepotism, double expense accounts, questionable contracts, and slipshod practices. Lawsuits are filed over mail fundraising. Perhaps basic is that small-time operators with no previous practice are playing with tens of millions. The new $100,000-plus czar hired to clamp down the lid said "the fun is over." With the games still 13 months away the scene is one of confusion, rising tempers, and certainly increased opposition to the prison.

Increasing rumblings are coming from foreign nations. What form resentment from athletes themselves may take nobody knows but it could be significant. The combined STOP forces (Stop the Olympic Prison, 3049 East Genesee Street, Syracuse, New York 13224) will continue resistance until the opening gun, and afterwards.

Meanwhile, the Moratorium on Prison Construction group of a wide spectrum of penal experts insists that the FBP is a growth industry dedicated to increased taxes, budget, staff, and buildings. It insists there are better and cheaper ways of handling the largely non-violent federal offenders such as increased probation, restitution, shorter sentences, and work-release programs, and that the upcoming decline in the 18–25-age population means many fewer violent type criminals.

Disturbing questions persist: Would we allow American athletes to live in a Russian prison at the 1980 games? Is it worth it all to place inmates 300 miles from family? To give a depressed area a few jobs is such an arrangement justified? Will the TV programs in 1980 on ABC be worth the macabre prison background? What is America's soul worth?

The skaters and skiers will depart; the handcuffed young men will arrive. And for a century their low-income families will spend their last dime to board the one-a-day bus to a distant place called Lake Placid. Can this grim arrangement be redirected to a purpose truly in keeping with Olympic tradition? Yes, it can be if enough American citizens express their concern to Congresspersons, Senators, and President Carter.—Graham H. Hodges.●

SYNFUEL: STEP ONE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, on June 26, by a vote of 368 to 25, this House boosted the United States along the path toward increased energy independence. I refer to the overwhelming vote of approval given my bill, H.R. 3930, which sets as a national goal the production of 500,000 barrels of crude oil equivalent synthetic fuels and chemical feedstocks by 1985, to increase to 2 million barrels by 1990. Step 1 has been taken, and by inserting the language of H.R. 3930 into S. 932, a simple extension of the Defense Production Act, we have prepared the legislation for prompt Senate action.

I hope my fellow Members will join with me in urging our colleagues in the Senate to complete work on this legislation this month. If the American people must be asked to endure fuel shortages on whatever basis, they can only be asked to do so with the knowledge that the Congress has begun the process of remedy.

Mr. Speaker, a recent editorial appearing in the Pittsburgh Press very appropriately summarizes the need we face and the prospective results of our action. So that my colleagues may share in these observations, I insert the article in the Record at this time:

Synfuel: Step One

As the Organization of Petroleum Exporting Countries was meeting to take its latest gouge out of the world economy, the United States finally took its first step toward regaining control of our nation's energy destiny.

At the initiative not of the White House but of aroused congressmen, the House of Representatives steamrollered through a bill to set up a massive synthetic-fuel program, largely by liquefying coal.

The overwhelming 368-to-25 vote showed two things: The congressmen had heard the howls of their constituents caught in service-station lines, and they had seen the necessity of lessening America's dependence on foreign oil shieks.

Briefly, the bill—introduced by Pittsburgh's Rep. William S. Moorhead—would let the U.S. government spend up to $3 billion to subsidize the output of synthetic fuels. The goal would be the synthetic equivalent of 500,000 barrels of oil a day by 1985 and 2 million barrels daily by 1990.

The latter figure would make a significant dent in U.S. oil imports, now running at 8.6 million barrels a day. Such a "synfuel" capacity could help restrain OPEC's reckless pricing and its temptation to embargo oil for political reasons.

Only one day after the House acted, its Education and Labor Committee approved a bill aiming at 5 million barrels a day of synthetic fuel through a total of $200 billion in loans, loan guarantees, grants and price supports.

At this stage it's impossible to tell exactly what kind of bill will pass Congress and how much it will cost to produce fuel from coal, shale, tar sand and farm products.

Actually, the whole thing may not really cost us anything. This would happen if the OPEC cartel drives the price of oil higher than the cost of making oil from coal. The country then would have at hand a bargain process to lower its overall fuel costs.

It is important that the good work of the House not be stalled now in the Senate by posturing, credit-seeking or jurisdictional disputes among committees.

It will still be about a decade before synthetic fuel could give America practical leverage against OPEC. So it is essential to get cracking.

Final enactment of a huge synfuel bill would send a message to friend and foe alike: The United States at last is tired of submitting to economic piracy and is massing its vast resources to make the energy it needs for jobs and security.●

JEANNETTE PICCARD

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. ERDAHL. Mr. Speaker, in joining with Congresswoman PAT SCHROEDER of Colorado in recognizing and commending women who have made a contribution to our American history, I would like to honor Rev. Dr. Jeannette Piccard, a current resident of Minnesota.

Dr. Piccard's contributions are varied and unique. She holds degrees in philosophy, psychology, and organic chemistry from Bryn Mawr College and the University of Chicago. She received her doctorate in education from the University of Minnesota in 1942.

In 1972 and 1973, Dr. Piccard attended the General Theological Seminary. The following year, she was one of several women to be ordained an Episcopal priest. This controversial ceremony eventually led to the acceptance of women priests by the Episcopal Church.

Dr. Piccard has also had an impact in the aviation world. She was the first woman in space in 1934 when she piloted a stratosphere balloon flight in a pressurized gondola to an altitude of 57,599 feet. She, along with her husband who was a scientist also involved with ballooning, still hold several world records in this area. As an aviation expert, Dr. Piccard served as an aerospace consultant for NASA manned space flights from 1964 to 1970.

Jeannette Piccard has indeed had a great influence on the lives of many. Now in her eighties, she still leads a full and active life. Her schedule of speaking engagements still allows her message to be heard. May her life be an inspiration to us all.●

PLIGHT OF THE BOAT PEOPLE

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. DANNEMEYER. Mr. Speaker, I would like to take this opportunity to address a problem which I believe to be one of the most serious currently facing the world, this being the plight of thousands of Indochinese refugees.

Since Vietnam, Cambodia, and Laos fell to communism, there has been a steady flow of refugees from those countries. Since 1975, almost 1 million people have fled from these repressive regimes in Southeast Asia.

According to a State Department information sheet, there are two major groups of Indochinese refugees: Those who escape overland into Thailand from Laos and Cambodia, and those who escape by boat from Vietnam.

Recent July figures from State Department sources show that there are currently over 368,000 refugees in Southeast Asia. This number includes 50,000 refugees now in Indonesia, 76,000 in Malaysia, 160,000 in Thailand, 60,000 in Hong Kong, and approximately 22,000 scattered throughout various other countries. As more and more refugees arrive daily, these numbers will continue to increase. In fact, additional arrivals in the months of May and June alone totaled over 122,000 homeless victims which were added to already overcrowded refugee camps.

I believe that we must take decisive action to aid and assist these refugees, and address ourselves to the existing problems which have caused these people to risk their very lives rather than remain in a country where they are continually persecuted.

President Carter's decision to double the number of Indochinese refugees allowed to enter the United States each month has certainly helped to alleviate some of the overcrowding in some of the refugee centers around the world by further opening America's doors to these homeless people. Currently we are processing these refugees at a rate close to our prescribed quota of 7,000 refugees per month. In June we processed and resettled 6,600 refugees. State Department officials estimate that we will process approximately 12,000 refugees in July, 13,000 in August, and 14,000 in September.

Our Canadian neighbors have likewise taken steps to assist these refugees by raising their limits on refugee entrance. I recently read an article in the July 11 Washington Post which stated that the city of Ottawa will accept 4,000 more Vietnamese refugees this summer, and the Canadian Ministry of External Affairs is considering raising its quota to 25,000 refugees a year.

Similarly, other nations around the world are also helping to share this burden placed on the world by the Hanoi Government. The French have raised their quota to 17,000 refugees a year. Switzerland, Australia, and Argentina are offering assistance and have also increased their allowances for refugees. Even Japan, which can hardly afford any increased influx of people, has offered large amounts of monetary assistance to aid in resettling the hordes who now wander the world so aimlessly.

But, I would like to suggest that perhaps we are focusing our energies at the wrong target. Of course, we must assist these refugees in every way possible, and it is also true that there are many nations which could easily do more to help alleviate the terrible suffering of these displaced people. However, there is a limit to the assistance which we are able to provide in a material way. The United Nations budget for refugees has been decimated by the increasing number of refugees leaving Vietnam. More importantly, here in our own country problems are beginning to surface concerning our attempts to resettle these Indochinese refugees.

The situation the world faces today concerning these refugees is not an easy one. But while we attempt to meet the critical needs of this refugee population, a population in which the number of "pure" Vietnamese now landing in Malaysia has risen from 14 to 40 percent in recent weeks, I believe we must attack the root of the problem. We must address ourselves to the problems faced by these Indochinese people which cause them to risk a tragic death at the hands of a merciless ocean rather than remain in their own native country.

It is my fervent hope that the U.N.-sponsored conference in Geneva will create an atmosphere of international indignation and bring pressure to bear on Hanoi to change the conditions which have caused this mass exodus. It is only by putting pressure here, at the root of the problem, that we will be able to deal with this tragic situation which now faces these refugees, and the world. If we are forced into a competition to see whether the world can assimilate refugees as fast as Hanoi can produce them, it will be these refugees, and the world, which will be the real losers.

At this time I would like to include in the RECORD a June 25, 1979, editorial from the Fullerton Daily News Tribune. This editorial, entitled "The 'Boat People' Problem" sums this whole situation up very well with the comment:

This crisis will end only when Hanoi decides to end it.

It is my hope that in Geneva on July 20–21 this Nation and all the other concerned nations around the world will combine to convey to the government in Hanoi the message that there can be no further violation of human rights in Southeast Asia. The time for decision has arrived, and the only decision which can be acceptable to our world community is one which will stop this mass exodus of displaced people, and put an end to this tragic suffering.

The editorial follows:

THE "BOAT PEOPLE" PROBLEM

It now looks as if a major United Nations conference on the explosive Indochinese refugee problem will be held in Geneva next month.

If so, the first order of business should be to clearly identify, for all the world to see, the true cause of this human tragedy. Unless this is done, the most the conference can hope to accomplish are temporary palliatives.

The hundreds of thousands of people fleeing from Vietnam and Cambodia are not refugees from an earthquake, or floods or famine. In the case of the Vietnamese, they are being driven out by a regime in Hanoi which has made life unbearable for them and which is earning hard cash by confiscating their wealth and possessions.

Increasing numbers of them are ethnic Chinese, traditionally Vietnam's small capitalists, who are now unwanted on both racial and political counts.

Like the hapless Jewish refugees from Hitler Germany on Katherine Anne Porter's "Ship of Fools," boatload after boatload of Vietnamese seeks a port where they will be accepted and safe.

Eut the human tide has reached the saturation level among Vietnam's nearer neighbors. Malaysia, for one, has begun turning away the boat people and threatens to expel 76,000 refugees already there if they are not resettled soon.

By all means, the nations of the world can and should open their doors wider for these unfortunate human beings. A nation like Japan, which we are told has accepted just three Indochinese refugees for permanent settlement, could do much, much more. The current U.S. figure is about 7,000 a month.

But the terrible paradox, it seems to us, is that the more refugees other countries agree to accept, the more refugees Hanoi will cheerfully manufacture. There are a million and a half Chinese alone it would like to be rid of.

This crisis will end only when Hanoi decides to end it. Some strong indictments lodged against it in Geneva by the world community could hasten that decision.●

ANTOINETTE BROWN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mrs. SCHROEDER. Mr. Speaker, today I would like to honor Antoinette Brown who was the first U.S. woman to be ordained a minister, as well as one of the first American co-eds. I would like to submit an excerpt on Reverend Brown from Lois Decker O'Neill's book, "Women's Book of World Records and Achievements":

On September 15, 1853, Antoinette L. Brown was ordained in the Congregational church in South Butler, New York, making her the first woman minister in the United States. She was a member, with Lucy Stone, the woman suffrage leader, of Oberlin College's class of 1847, and then went on to become its first woman theology student. For many years Oberlin did not list her name among its 1850 theology graduates, but in 1909 finally added her to its alumni rolls and awarded her with an honorary doctor of divinity degree. Horace Greeley, founder of the New York Tribune, was one of her champions and tried to convince her to take up a pulpit in New York City. She declined the offer because of her inexperience, settling instead on the smaller South Butler parish. She and Lucy Stone were related by marriage as well as being classmates, for they married brothers in 1855. Their sisters-in-law were Elizabeth Blackwell, the first woman doctor in the United States, and Emily Blackwell, who founded the New York Infirmary for Women and Children, the first hospital for women in the United States. Reverend Brown was the mother of six daughters, and wrote ten books. While in her 70s she traveled to the Holy Land to get water from the Jordan to baptize her grandchildren and later went on a missionary trip to Alaska. She died in 1921 at the age of 96. A contemporary account estimated that at the time of her death there were 3,000 female ministers in the United States.●

CONGRESSIONAL BLACK CAUCUS OPPOSES THE REINSTITUTION OF THE DRAFT AND DRAFT REGULATIONS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. DELLUMS. Mr. Speaker, as the debate picks up on the issue of reinstating registration for the military draft, I feel it would be helpful for my colleagues to be aware of the statement issued recently by the Congressional Black Caucus on this issue.

The text of their statement follows:

CONGRESSIONAL BLACK CAUCUS STATEMENT IN OPPOSITION TO THE REINSTITUTION OF THE DRAFT AND DRAFT REGISTRATION

The Congressional Black Caucus is strongly opposed to conscription and to any form of draft registration in peacetime. Compulsory military registration and service prior to congressional approval of war are unwarranted, dangerous and possibly illegal. Historically, they have not been tolerated in this country.

The inequities and unnecessary hardships of the draft system are too fresh in the public consciousness to permit its revival. Even during the escalation of the Vietnam War, virtually all college students were exempted from active military service, and many of them successfully extended their exemptions until they had passed the age limit for service. The poor and minorities were forced to serve in numbers far exceeding those who enlisted and out of proportion to their numbers in the draft pool. Even at the height of the Vietnam War, the wealthy and white frequently found means to avoid military service.

Moreover, peacetime military conscription violates civil liberties fundamental to American democracy, including freedom of association, of travel and the right to privacy without providing any greater protection against foreign military aggression. Requiring, without justifiable cause nor substantial purpose, that individuals spend a period of years against their will in the military is a severe limitation on the pursuit of personal and of more compelling national goals. Are we prepared, for no reason, to again ask our young people not interested in the military as a career to give up years of their lives or to face the uncertainties of the draft which disrupt their plans in multiple intangible ways? Clearly those who wish to serve and to pursue military service as a career continue to have the opportunity to do so.

In addition to infringing on individual liberties by requiring military service in the absence of clear evidence of the need to mobilize the civilian population, establishment of the national registration and classification system is also an infringement on civil liberties. The invasion of privacy through the registration of and maintenance of files on every citizen of draft age in time of peace is intolerable, and the draft board system, as it has existed in the past, has been unrepresentative and has fallen short on procedural safeguards. Constitutional experts, such as the American Civil Liberties Union, have argued convincingly that to conscript citizens in time of peace is a violation of the constitutional guarantee against involuntary servitude.

Equally as troubling is the extent to which the draft facilitates involvement in foreign conflicts. A large, combat-ready army is more easily moved into localized wars which can rapidly expand than is the case where congressional action is required to draft individuals for a declared war. As the Vietnam War again illustrates, the burden of stopping an undeclared war through congressional action is exceptionally difficult, no matter how wrong the war, and the burden is rightfully and constitutionally placed on the President to demonstrate to Congress the need for a draft at time of war. We presently have an enormous and effective deterrence capability based on our weapons systems and an adequate ready personnel force.

The success of the volunteer army in meeting military personnel needs is a strong argument against reinstituting the draft. Overall active duty personnel have consistently been within 1.5 percent of congressionally-authorized levels since the draft ended, and was 2.0 percent over the objective in the fourth quarter of 1978, despite a decline in enlistments. Furthermore, Defense Department figures show an increase in standardized intelligence test performance by military personnel, demonstrating the rising capabilities of new recruits. These statistics indicate that the volunteer concept is working well.

One argument for reinstitution of the draft deserves the special attention of the Congressional Black Caucus—the argument advanced by some members of the House Armed Services Committee and others that the All-Volunteer Army is placing too heavy a burden on Black Americans and other minority groups in their increased representation in the armed services.

In the first place, it should be remembered that Blacks are represented only minimally in the Navy and Air Force, which continue policies which result in the exclusion of Black Americans. Secondly, the relatively large number of Black volunteers is the result of continued discrimination and failure of the larger society to provide opportunities and training in other professions. The concern is misplaced. Black Americans will always have the opportunity to enlist; the draft would increase the *number* of Black military personnel while decreasing the *proportion* among uniformed troops. And that increased number would consist of individuals who would not choose to serve in the military.

Finally, we are equally as opposed to a system of universal registration for military service in the future as we are to the actual draft. The registration system facilitates actual conscription, and we believe that it is being offered as a first step in that direction. Also, it is an invasion of privacy, as pointed out above, in maintaining files on every individual of draft age. Registration is only marginally more effective than present means of locating age-eligible potential military personnel, and it is a system now bitterly resented in the light of actual experience by a large portion of the American public.

Clearly the case has not been made to support a drastic shift in national policy by reinstituting the military draft. All Americans should examine carefully all of the arguments put forth by proponents of renewed conscription so that they may see for themselves that the dangers, hardships and inequities which would result far outweigh any purported benefits.●

HELEN BOEHM AND THE "ART" OF DIPLOMACY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. BIAGGI. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues a recent article in the Italian Tribune of June 29, 1979 which underscored the many accomplishments of Helen Boehm, proprietor of the Boehm porcelain enterprise.

Like Helen Boehm, I also am an American of Italian origin, and take personal pride in noting the work of this woman who has successfully melded her creativity with her business interests to carry her accomplishments in the fine arts into the international arena. Born Elena Francesca Stefanie Franzolin in Brooklyn, N.Y., she was able to turn her hard work and determination into a business success story. Starting from a basement in Trenton, N.J., with her late husband, Edward Marshall Boehm, their family firm grew in size and prestige into the internationally reknown product that it is today.

It is the work of talented people such as Helen Boehm which highlight the contributions which Italian-Americans have made to this country and the world. This example should be a compelling reason for us to reaffirm our ethnic identities and be proud of our heritage.

Recently, I was a participant in the First International Conference cosponsored by the National Italian American Foundation and the Giovanni Agnelli Foundation of Turin, Italy. The conference theme was "The Role of the American of Italian Heritage in the 1980" and its goal was "to strengthen the sense of purpose and ethnicity in Italian Americans". One of the recurring points that was made during this most enlightening conference was that we should make a special effort to encourage our young people of Italian origin to be proud of their background and become more actively involved politically, educationally, scientifically, and artistically. As Italian-Americans, we should look to the work of our brothers and sisters with pride and rededicate ourselves to further promoting the inspirations of young, innovative Italian-Americans throughout this Nation so that they may also have the opportunity to contribute to the arts and sciences. People like Helen Boehm provide an important example in this effort.

At this point, I would like to insert the aforementioned article:

HELEN BOEHM: ENTREPRENEUR, "ANGEL OF PEACE"

It has been a long way for a young girl of Italian immigrant parents to where the Crown Prince of England greeted her in her plant in Malvern, England.

The occasion for the historic visit of Mrs. Edward Marshall Boehm, whose plants produce the much sought after Boehm porcelains, was the annual Malvern Festival which celebrates the birthdays of George Bernard Shaw and Sir Edward Elgar, joint founders of the Festival in 1929.

Edward Marshall Boehm was a master creator who worked miracles in porcelain, but with all his genius and creativity he might never have been discovered by the world had it not been for the efforts of his wife of 25 years, the young, Brooklyn born Elena Francesca Stefanie Franzolin.

It was Edward Marshall Boehm's wife who stirred him to great activity in his art, and after he was producing his superb works it was this same Italian girl who proved herself a super saleswoman.

When Elena met Edward Marshall Boehm in 1944, she was a dispensing ophthalmologist on Fifth Avenue, and to this day recalls the thrill of fitting Clark Gable with a new pair of glasses. Five years after her marriage, her husband, after a brief apprenticeship to the noted animal sculptor Herbert Haseltine, settled down in a Trenton basement to produce his first work in porcelain.

While Edward Marshall Boehm worked on his porcelain it was Elena who spent her lunch hours getting the interest of dealers in his product. Today she recalls the breakthrough came when Vincent Andrus, curator of the American wing of the Met, bought a bull and percheron, two of Boehm's earliest works, which he pronounced equal to the finest in the world.

Since Edward Marshall Boehm's death in 1969 his wife has expanded their studios in Trenton and added two ateliers in Malvern, England, where Royalty has often visited. She increased volume to well over $10 million a year, and Boehm porcelains have found their way into the homes of the most important people in the world.

Elena also recalls that in 1973 Paul Richard, writing in The Washington Post, said:

"Edward Marshall Boehm had in him a bit of Henry Ford, a little of Walt Disney and a lot of John James Audubon. Nature he loved, and next to nature art. But Edward Boehm despised business. He might have toiled in obscurity to his death if it had not been for his wife. As for Helen Boehm, she has a dash of Helene Rubinstein, a spice of Catherine de Medici, a panache of Mary Wells Lawrence."

At the Malvern Festival this year Prince Charles of England was the honored guest and the first exhibit he visited was the Edward Marshall Boehm Studio. After opening the Festival in the morning, Prince Charles immediately went to the Boehm studio.

Mrs. Boehm recalls, "Because it was a Saturday when the Prince visited our studio and the Prince had indicated a desire to see our products fashion from start to finish our staff volunteered to be on duty so the Prince could see the studio at full productivity."

English newspaper recording the visit of the Prince to the Boehm studio in Malvern seemed to be more cognizant of the Helen Marshall Boehm's contribution to the world of art than the press of her own country.

In the Women's News, evening division, Melanie Peterson, one of Britain's top writers, said of Mrs. Boehm:

"It is possible that the history books of the future will accord Helen Marshall Boehm a greater place in the sun than just super saleswoman for Boehm porcelain. For the past 10 years, and especially since her association with Boehm's Malvern studio, she has succeeded in making the fine porcelain studies of animals and birds started by her late husband . . . into a household name all over the world.

"In her accomplishments she has also carried this branch of fine arts into the highest diplomatic circles: to the Middle East, America and China, where special presentation pieces created by Boehm artists have many times smoothed the ways for diplomatic maneuvering between politicians and princes."

There are many on the international scene who claim that this woman of Italian heritage has done more to heal wounds in diplomatic circles than all the high powered representatives this country has sent.

One diplomat in Saudi Arabia said, "If Americans get more oil for their gasoline they should plan to spend a day to honor Helen Boehm."

European observers of Mrs. Boehm's tour of the continent have called her an angel of peace. A writer in Vienna reported: "Rarely has the power of art been so strongly wielded in the cause of peace as it has in the hands of Helen Marshall Boehm."●

SYNTHETIC FUEL LEADERSHIP

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, a few days ago I received a letter and paper from a Prof. B. R. Sarchet of the School of Engineering at the University of Missouri-Rolla. Professor Sarchet volunteers that those conditions surrounding the advent of Government production of synthetic rubber during World War II are markedly similar to those surrounding our need to consider accelerated development of synthetic fuels today. I could not agree with him more, nor would I disagree that the devices used to bring synthetic rubber to us are any less attractive now than they were in 1941–42. The fact is we do face a serious national condition of extreme dependence upon imported foreign oil. It is a problem that tends to increase with each passing day and will undoubtedly grow larger unless we take steps for its reduction and elimination.

My bill, H.R. 3930, which passed the House by a vote of 368 to 25, would direct the President to attempt to achieve a daily production figure of 500,000 barrels of crude oil equivalent by using synthetic technologies by 1985 and 2 million by 1990. How that would be done would depend upon the ingenuity and the competitive instinct of American industry. I am convinced that both of these qualities will serve us well in the national interest.

I believe my colleagues will find Professor Sarchet's observations and comments provocative. I ask that the text of his paper be published at the conclusion of my remarks.

The paper follows:

WHERE IS AMERICA'S LEADERSHIP OF 1941-42?

On December 7, 1941, America was severely shaken by the Japanese attack on Pearl Harbor. Shortly thereafter it became apparent that we had lost a vital raw material source, one that kept America rolling—our natural rubber supply. Faced with this crisis, the government moved decisively.

I believe the leadership displayed by the U.S. government in 1941/42 is an excellent model for the situation of today. During this period we were faced with a massive cutoff of our natural rubber supply. We were embroiled in a war, the winning of which required adequate rubber supplies. The decision was made that the only alternative to natural rubber from the Far East was synthetic rubber made within the borders of the U.S.

Industrial research and development had only produced two potential commercial processes at that time. One was based upon benzene, and the other upon grain alcohol. Petroleum as a source was not yet viable.

The most desirable synthetic rubber was known as GRS. It required two chemicals for its production, butadiene and styrene. A styrene process had been well developed by Dow Chemical Company, but butadiene processes were only in the pilot plant stage. One process based on benzene had been developed by Koppers Company, Inc., and another based on ethyl alcohol by Carbide and Carbon Chemical Corp. The petroleum processes, later to become commercial, were not yet ready to produce butadiene in sufficient quantity to take care of the country's needs.

It was known that neither the benzene nor alcohol process would be economically justifiable in peace times. It was also known that both were a significant gamble as far as scale-up to commercial production from the small pilot plants. Nevertheless, with courage, our government made the decisions to support contracts with the two corporations to design and build butadiene plants. Styrene plants based upon the Dow process were assigned to each company.

After a number of months of design of the benzene process, it became evident to the government that there was not going to be enough benzene available to produce butadiene as well as to fly the military airplanes. So the benzene process was cancelled. America's survival hung on the thin thread of a grain alcohol process pilot planted in about a 3" diameter reactor. Nevertheless the government moved forward. They contracted for eleven of the grain alcohol plants each capable of producing 6,000,000 lbs of butadiene per month. Four of these were assigned to Koppers because they had already started construction of a styrene plant. The government contracted to purchase the production of the grain alcohol industry to supply the raw material.

Three plants were operating by 1943, one by Koppers, two by Carbide and continued to supply our requirements of butadiene. They performed remarkably well at their designed capacity although they produced butadiene at several times the cost believed to be commercially feasible. Towards the end of the war the petroleum-based plants began to produce butadiene at a significantly lower cost and at the close of the war the government mothballed the grain alcohol plants.

Natural rubber and the synthetic rubber from oil took care of our needs until the Korean affair. Once more our natural rubber supply was curtailed and so the alcohol units were taken out of mothballs and run once more. Upon the conclusion of this military action they were discontinued and sold.

If the U.S. government in the period of 1941-42 had not been willing to recognize that we did in fact have a crisis and second that we must become self-sufficient in rubber if we were going to win the war, America would be in a different situation today. It took strong government leadership to bring this about. The leadership didn't try to raise the price of rubber to keep us from buying tires. They tackled the problem in a forthright and business-like manner.

The situation today cries for a similar approach. The crisis is at least comparable to the situation in 1941-42 except for the fact that at the moment we are not at war. The fact that we are not at war does not mean that we might not be at war, for when a nation is in a vulnerable position aggressors like to strike. There is no question that we are in a weakened position when half of our oil lifeline comes from outside the U.S. "in a thin line of tankers." It also comes from a very troubled area. The supply could be snuffed out at any time. We do not have to argue whether there is an oil shortage or not. The facts are crystal clear; we have control of only 50 percent of the oil which we need.

It is time for the government to quit trying to solve the problem by such ineffective methods as taxation. Even if you take their figures on their last proposal in 1985 we will save only 740,000 barrels of oil a day. This is a pittance when you consider that today we are bringing in about nine million barrels a day from outside USA. No matter how hard we try to conserve, we all know that our needs will be greater by 1985 so 740,000 barrels might well represent less than 10 percent of our outside supply. Suppose that supply line was cut in 1985, the situation would be as bad as today and probably worse.

What then is the proper solution? We must first look at the overall energy supply problem. It must be divided into a short-range period of say thirty years and a long-range period extending indefinitely beyond. Actual and potential energy sources can then be relegated to one period or the other.

It is obvious that solar energy is several decades away from commercialization to the extent that it will significantly relieve our dependence upon outside sources of oil. This is an accepted fact and we should set this aside as far as any solution to our short-run problems. On the other hand, I believe it has long-term possibilities and research efforts should be continued to make it viable at as early a date as possible.

Geothermal energy is likewise several decades down the road and has difficulty in being universally useful. Again. R. & D. is fine but directed toward that period of history when it will be helpful.

Nuclear energy is important and we must keep it as an alternative energy supply. We must solve the problems that were apparent at the Three Mile Island incident and move forward with commercial development. We must get out of the hysterical attitude of fear. There is not a commercial process available today in the chemical industry, for example, that did not go through some tumultuous times when technical people endeavored to improve the safety of the processes. Three Mile Island is precisely like that. In our response to this difficulty, we have forgotten how many people have been killed in chemical plant exposions; how many rivers have been contaminated because an operator opened the wrong valve; how many people have been killed in coal mines; how many people have been killed in the transportation of these raw materials to satisfy our needs. Let's learn from Three Mile Island but let's not eliminate an excellent source of energy because of this incident. However, again, it is the consensus that nuclear energy as a major source of supply is still some decades into the future.

There are a number of other potential energy supplies that have been written about, including wind, biomass and fusion. Again I would recommend that research continue on all of these that have any practicality but we should do our research with an eye toward when it seems reasonable to commercialize them.

This leaves us with three alternative sources that have current possibilities. First of all is to increase our own domestic oil and gas supply. Decontrol will certainly help this, however, at best it will be marginal and certainly will not be equivalent to nine or ten or eleven million barrels a day required to allow us to discontinue all outside sources of supply.

And then there is a matter of coal. This has been counted as the most likely short-term source. I think this can certainly be looked on as one of the most important short-term sources and that strong government decision making is necessary so that it can be properly exploited. A decision needs to be made in unison with the power industry and EPA as to whether it is most logical in the next twenty years to look toward gasified coal, liquefied coal, or solid coal as the source of fuel. The reason I outline these three is that the means of sulphur removal is different in each case and a long-range plan must be worked out with EPA to choose that one that will best fit the needs of industry and society. The government must, through EPA, be willing to set reasonable standards for this interim period until some of the aforementioned alternate energy sources can be developed. There is no question that the utilization of coal must go forward but it can only do so with such leadership of government.

Lastly, there is another source that has been talked about for a number of years but has never been given significant governmental support. This is oil from shale. It has been conservatively estimated that there is at least 200 years supply of usable oil shale available—some two to four trillion tons. Since we might only need oil from shale for a few decades in large quantities, i.e. until we can get our long-range house in order, this is obviously an adequate amount. There are many retort processes that have been pilot planted over the last several years and there are at least two large mines that have demonstrated the possibility of mining shale. What then is needed?

Government leadership. The government needs to recognize that this is probably the best answer in the short range for a liquid fuel. The rising cost of oil from overseas and the present decontrol are making oil from shale economically feasible. There are corporations that would be willing to build plants if the pilot plant work was complete (actually this pilot plant work is far beyond that of the alcohol-butadiene process in 1941). There are corporations that would be willing to complete their pilot plant work except for one problem—uncertain government restrictions by way of regulations.

It will take several tens of millions of dollars for two or three corporations that have the most logical retort processes to scale them up to full size. Probably two years of elapsed time would be required if they were to start in the near future. For a corporation to build a typical 50-60,000 barrel per day plant would require an investment of six or seven hundred million dollars. No organization is going to be willing to invest that kind of money unless it can be assured for the foreseeable future of short-run needs (say thirty years) the government through EPA will work with the industry to develop a set of standards that will make it commercially feasible to operate these processes. This is a very small sacrifice on the part of government or society to assure the private development of a liquid fuel source that may well save this country at some time during the next thirty years.

The EPA certainly cannot decide what is a reasonable way to handle the disposition of spent shale and/or other liquid and gaseous by-products without some operating experience. However, by working with industry during these three decades it would be possible to develop wholly satisfactory means of protecting the energy lifeline of the U.S. It is entirely feasible that a trust fund might be set up by placing into it two to three cents for each barrel of shale oil produced. The income from this and part or all of the corpus would be available after practical decisions had been made on how to restore the environment—disturbed by mining and returning of spent shale. After practical solutions were developed this industry then could continue on for years into the future providing another alternative source of supply, supplementing nuclear, solar, coal, gas, geothermal, and others.

There is another shale oil process that also has some potential known as "in situ". It has the advantage that total mining of the shale is not required. On the negative side is the fact that perhaps as much as half of the oil is burned to provide heat for the release of the shale oil from the rock. Generally 20% or 30% of it must be mined in order to make room to create a "rubble" which is necessary in order to bring about the underground burning of the shale. Nevertheless, it is another alternative approach which may or may not have lesser environmental problems.

In summary then, my plea is simply this. Let us be realistic about the sources of energy. Let us stop the wishful thinking. Let us recognize that there are probably only two real alternate short-range energy sources today in addition to domestic oil and gas supplies. One is coal and the other is shale oil. Both of these need a common ingredient—that society must make a decision between its effort to preserve the environment and its desire to maintain its way of life and to protect itself from overt actions of other nations. This does not seem to be an unreasonable request and can be simply accomplished if the President and Congress will exhibit the leadership which they promised us when we elected them.●

TURKEY SUPPORTS GREEK RE-ENTRY INTO NATO

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. FINDLEY. Mr. Speaker, there has been considerable confusion in the Congress about Greek and Turkish differences within NATO. Some, unfortunately, have suggested that Turkey would prefer a NATO without Greek participation in the integrated military command. This is not my understanding, and my conviction was reinforced by a brief article which appeared in Turkey Today, a publication of the Turkish Embassy in Washington which quotes Prime Minister Ecevit in a recent speech he made in Strasbourg, France. This article may help clarify Turkey's position on this vital issue. I believe that this is important because of the ongoing concerns in Congress about Greek-Turkish relations and the Turkish role in the defense of the Eastern Mediterranean.

ECEVIT: GREECE VITAL TO NATO STRENGTH

Turkey supports Greece's re-entry into the unified military command of NATO, contrary to statements by pro-Greek legislators in last month's Senate debate on increased grant military assistance to Turkey.

"It would be nonsense to talk of a continued Southeastern flank of NATO if either of the flank countries—Turkey or Greece—was not incorporated . . . it is in the interest not only of the two countries but of NATO that Greece should return," Prime Minister Bulent Ecevit said in Strasbourg recently.

Opponents of grant aid to Turkey had argued that such outright assistance from the United States should be denied "when Turkey is blocking the return of Greece to the NATO military structure."

What is actually behind Greece's problem with rejoining the alliance it dropped out in 1974 is a request for "special status" based on three main conditions:

1. During peacetime Greek forces earmarked for NATO will be under national command and even during war only operational control will be given to NATO command. The largest portion of Greek Armed Forces will remain as a "national force."
2. The NATO command structure for the Southeastern flank should be changed, with two new headquarters established in Greece and attached to AFSOUTH in Naples.
3. Military command/control responsibilities in the Aegean requested by Greece before 1974 and yet undecided by NATO should be granted to Greece by the Alliance.

"Such an arrangement has never been formalized by NATO and has never been recognized in Turkey," Ecevit said recently, adding that "This is primarily, a NATO issue."

Turkey has not objected to the first two points, but has expressed reservations concerning the third. Ecevit, however, continues to be optimistic that efforts by Gen. Alexander Haig, NATO Supreme Allied Commander, will soon lead to a solution.

"Turkey has done all that it can, particularly in recent weeks, to ease a way for Greece's return to the military structure of NATO," Ecevit has said.

SELECT REVENUE MEASURES SUBCOMMITTEE PUBLIC HEARING ON MINOR TAX BILLS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. ROSTENKOWSKI. Mr. Speaker, on July 27, the Subcommittee on Select Revenue Measures of the Committee on Ways and Means will conduct a 1-day hearing on seven bills. Two of these bills relate to simplification projects in the installment sale section and the subtitle F chapter of the Internal Revenue Code. The remaining five bills involve miscellaneous tax matters. Due to the brief amount of time between the formal announcement of these hearings and the hearing date, I am taking the liberty of inserting in the RECORD a copy of the subcommittee press release announcing the hearings so that Members of Congress and interested members of the public may be aware of the details of this hearing.

I should point out that in announcing hearings on H.R. 3899 and H.R. 3900, it is not the intention of the subcommittee to merely duplicate the work that has been done on these matters already in the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance. It is my understanding that during the June 22 hearing held by that subcommittee, several witnesses made a number of constructive suggestions for improving these bills particularly with respect to that part of the installment sales legislation which relates to related parties, and it is our hope to build on those suggestions.

In preparing testimony for our subcommittee hearing on the simplification issues, witnesses should focus on specific suggestions so that the subcommittee can use this hearing as a springboard to the drafting of perfecting amendments to these bills during the month of September.

The press release follows:

PUBLIC HEARINGS ON VARIOUS TAX MEASURES TO BE HELD JULY 27, 1979

The Honorable Dan Rostenkowski (D., Ill.), Chairman, Subcommittee on Select Revenue Measures of the Committee on Ways and Means, today announced that the Subcommittee will conduct a public hearing on miscellaneous tax bills on Friday, July 27, 1979.

The hearing will be held in Room 1100 Longworth House Office Building, starting at 9:00 a.m.

Testimony will be taken at this time on the following bills:

SIMPLIFICATION

H.R. 3899 (Mr. Ullman and Mr. Conable), To amend section 453(b) of the Internal Revenue Code of 1954 to simplify the rules relating to certain installment sales.

H.R. 3900 (Mr. Ullman and Mr. Conable), To simplify certain provisions of subtitle F of the Internal Revenue Code of 1954.

MISCELLANEOUS TAX BILLS

H.R. 2536 (Mr. Archer), To amend the Internal Revenue Code of 1954 to provide that individuals will not be required to make declaration of estimated tax if the amount of estimated tax is less than $500.

H.R. 2770 (Mr. Udall, et al), To amend the tax laws of the United States to encourage the preservation of independent local newspapers.

H.R. 3660 (Mr. Stark, Mr. Corman and Mr. Rousselot), To amend the Internal Revenue Code of 1954 to allow domestic wines to be used by certain foreign governments, organizations, and individuals without payment of tax in the same manner as imported wines may be so used.

H.R. 4201 (Mr. Cotter), To amend the Internal Revenue Code of 1954 with respect to the exempt status of auxiliaries of certain fraternal beneficiary societies.

H.R. 4726 (Mr. Rostenkowski and Mr. Conable), To amend the Internal Revenue Code of 1954 to provide for excise tax refunds in the case of certain uses of tread rubber, and for other purposes.

In announcing these hearings, Chairman Rostenkowski issued the following statement:

The two simplification proposals which are the subject of this hearing are the result of a detailed review of these complex areas by not only the bill sponsors, but the staff and members of the tax community. It is my expectation that the Subcommittee will, in the future, be considering more of these individual simplification projects. The miscellaneous bills being considered by the Subcommittee are similar to those that were the subject of our June 27, 1979 hearing. Again, priority will be given to those miscellaneous bills which are found to be noncontroversial in nature.

DETAILS FOR SUBMISSION OF REQUESTS TO BE HEARD

The cut-off date for requests to testify is the close of business on Tuesday, July 24, 1979. Requests to be heard, therefore, should be submitted by telephone to John M. Martin, Jr., Chief Counsel, Committee on Ways and Means, 1102 Longworth House Office

Building, Washington, D.C. 20515, telephone (202) 225-3625.

Requests to be Heard Must Contain the Following Information:

(1) The name, address, telephone number and capacity in which the witness will appear;

(2) A listing of clients (or the firm or association represented) at whose request or in whose employ the witness is appearing;

(3) Which bill or bills will be discussed, whether in support or opposition; and

(4) A summary of testimony to be presented.

Notification to those scheduled to appear will be made by telephone promptly after the filing deadline. If a witness cannot appear on the day scheduled, he may wish to either substitute another spokesman in his place or file a written statement for the record of the hearing instead of appearing in person. In any event, if a change in the scheduled witness or cancellation is necessary, please advise the Committee office immediately.

Witnesses should submit 50 copies of their prepared statements to the Committee office, 1102 Longworth House Office Building, at least 24 hours in advance of the hearing. An additional supply may be furnished on the date of appearance for distribution to the press and public.

WRITTEN STATEMENT IN LIEU OF PERSONAL APPEARANCE

Instead of appearing in person, written testimony may be submitted for the consideration of the Subcommittee and inclusion in the printed record of the hearing. For this purpose, five copies of the statement should be submitted by the close of business on Friday, August 3, 1979. If those filing for the record want copies of their statement distributed at the hearing to the members of the Subcommittee, press and public, additional copies for this purpose should be delivered to 1102 Longworth House Office Building before the hearing begins.●

PETROLEUM PUBLICATION CALLS FOR U.S. TIES WITH VIETNAM

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. SIMON. Mr. Speaker, one of the most senseless, illogical, inhumane policies this Nation follows is to refuse to recognize the Government of Vietnam.

It is senseless because it forces Vietnam more and more into the Soviet camp. It is illogical because Vietnam is better in the area of civil liberties than most of the other Communist countries. It is inhumane because it is the only way we are really going to solve the refugee problem is to sit down with Hanoi and work things out.

I was pleased to see the Christian Science Monitor publish an article by Mike Morrow, publisher of the Petroleum News, which is based in Hong Kong.

I frankly do not know anything about Mr. Morrow or his publication but what he has to say is something we ought to be listening to.

I would call the attention of my colleagues in the House and Senate, that Members like SONNY MONTGOMERY of Mississippi, BILLY LEE EVANS of Georgia, JAMES BROYHILL of North Carolina, have some insights into this problem and we ought to be listening to them.

[From the Christian Science Monitor, July 11, 1979]

BURYING THE HATCHET WITH HANOI

(By Mike Morrow)

We tend to think of communist regimes as monoliths, single-purposed states commanded by like-minded leaders, America's attitudes toward Vietnam are, in my opinion, particularly affected by such bias.

The Vietnamese will never be easy people with whom to deal. Their instinct for survival, ingrained by a beleaguered history, is frequently unscrupulous, and some among them have yet to learn that duplicity is not always an effective tool of modern statecraft.

Still, Vietnam is the third most populous communist country in the world and an important factor in Asia's future. What is more, Vietnam does not exist in isolation. Policies of other nations toward Vietnam affect the dynamic of its own history.

In Vietnam, as in virtually every country, internal debate and faction-fighting play an important role in the political process. The point is not that Stalinists exist among the leaders of Vietnam, but that they are not the only ones who exist. The options open to Vietnam will have serious bearing on the personalities who prevail among the leadership in Hanoi, particularly at present. A generation of old guard revolutionaries is passing from the scene and a generation of younger leaders is coming to the fore.

My concern is US-Vietnam relations, or rather the lack of them. The US and Vietnam are further from healing wounds of war this year than they were last year, and "The Deer Hunter," the self-indulgent and racist film which received this year's Best Picture Academy Award, expresses the dominant American mood on Vietnam.

Since the end of the Vietnam war the US, like China, has worried about Vietnam becoming a "Southeast Asian Cuba," a Soviet satellite on the fringe of the Asian land mass. Such a description can easily become—to some extent has already become—a self-fulfilling prophecy. A Vietnam cut off from the West and threatened by China has no place to go but to the Soviet camp. Moreover, it is a hardline Vietnamese leadership that such a situation encourages and supports.

For the time being the prevailing Vietnamese attitude toward the US is conciliatory. I was in Vietnam last month as a member of a delegation of the American Chamber of Commerce in Hong Kong, there to learn more about Vietnam's oil industry. The Vietnamese officials we met, including Vietnam's new Minister of State for Foreign Affairs Nguyen Co Thach and Minister in Charge of Petroleum Dinh Duc Thien, were explicit in stating that they want normal commercial and diplomatic relations.

Thach, who at 59 is emerging as one of Vietnam's new generation of leaders, was particularly straightforward. Speaking without the aid of an interpreter, he said:

"I've told my good friend Richard Holbrooke (US Assistant Secretary of State and chief negotiator on normalization) that there are two eventualities facing Vietnam. One is normalization with the US to diversify our relations. The other is no normalization and no diversification. I've told him that we've existed without US relations but wish we could have them. We feel it is in the interest of the US as it is in the interest of Vietnam, and that it is also in the interest of Southeast Asia. Normalization is there without condition from our side. . . . The door is very widely opened."

The American door is shut. The US State Department now cites three obstacles to normalization: Vietnamese troops in Cambodia, the Vietnamese refugee problem, and a growing Soviet military presence in Vietnam. In Thach's view the various obstacles now put forward by the State Department are "pretexts." He implied that the US has chosen to freeze talks with the Vietnamese in the course of consolidating friendly relations with China.

Whatever the reasons, they are, in my opinion, inadequate. As Congress has reaffirmed, negotiation with a foreign government of outstanding issues does not mean approval of that government or of its political-economic system, anymore than recognition does.

Turning swords into plowshares requires that at least one party go to the forge. As the US experience with China has shown, withholding diplomatic relations and blocking trade do not solve the major issues of international relations; they can even render these issues more difficult, particularly if they strengthen the hand of personalities in the foreign government who take similarly narrow views.

What struck me most about Thach was that his speech is bare of rhetoric and his manner with Americans almost free of scars. "Please, I would rather not talk about it," he said when asked about US policy toward Vietnam during the war. "It was a crime, but I don't want to open the past. It is finished."

One meets many Vietnamese who take a similar approach, but there is another approach as well. As our group left Vietnam, for example, security officials singled us out from other passengers at Hanoi's international airport for a two-and-a-half hour baggage search. Letters and documents were confiscated and several of our group were pressured to sign documents saying that they had violated Vietnamese regulations. They were also told that they must appear in court.

Thach, who happened to be taking the same Vietnam Airways flight to Bangkok, was kept waiting by the incident. Aboard the plane, he said he had been unaware of the harassment. He apologized and said he would see that our belongings were returned.

I accept Thach's apology on face value. Nonetheless, the incident was clearly premeditated, organized by the green-insignia-wearing security police. Just as the US Government has factions, so must the Vietnamese.

If Thach and others like him can make no progress in their attempts to diversify Vietnam's relations by means of an "open door" policy toward the US, then it is reasonable to believe that they will meld themselves to a new consensus or that others will replace them, and that attitudes all around will be less flexible.

The US has nothing to lose and much to gain by moving toward normal relations with Vietnam. If normal diplomatic relations are not immediately possible, even partial lifting of the present trade embargo against Vietnam would increase American influence in Vietnam. The petroleum sector offers particular opportunities for selective US involvement. For example, the US Government might permit American consultants, operating on a commercial basis, to advise Vietnam's state oil company, Petrovietnam, on its exploration program off the shore of the Mekong Delta. Such involvement would be extremely valuable to Vietnam in speeding up its development, but it would not yield results for several years. While generating goodwill for the US and creating an American involvement in a critical sector of the Vietnamese economy, it would not affect the immediate strategic situation in Southeast Asia. Moreover, should Vietnamese policies continue to be unacceptable to the US over the long term, the US Government could force the termination of the consultancy agreements.●

A SUCCESS STORY IN BALDWIN HILLS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. DIXON. Mr. Speaker, in the July issue of Black Enterprise, an article appeared about a minority business which has made it. I was proud to read this story, as involves a business located in the 28th Congressional District of California which I represent.

Eugene and Patricia Turner own the Page Optical Co. in the Baldwin Hills section of Los Angeles. Their story is an important one, as it demonstrates the many achievements which have been made in this decade establishing minority enterprises.

Although our country still must strive to insure equal opportunity, it is good to know that progress is being made to promote economic development in the black community. I would like to share this article with my colleagues, and extend my congratulations to Eugene Turner and family:

EYE TO EYE CONTACT AT PAGE OPTICAL

Eugene Turner would never have opened Page Optical Company in the predominantly black Baldwin Hills section of Los Angeles, California, had it not been for his wife, Patricia. In fact, he would never have been an optician had the couple not met while both were working in Toronto, Canada. "She taught me everything I know about the business," he admits.

Turner, a native of Nashville, Tennessee, was teaching at a junior high school in Toronto and she was working as an optician. After they were married, he began learning the business from her, and was soon working with an optical company.

"This has always been a family business," says Turner. "That's why it has been closed to blacks for a long time."

But Turner soon tired of working for others. With a $15,000 personal loan, the 47-year-old Turner became an entrepreneur in 1973.

The middle-class Baldwin Hills community where the couple lived was an ideal location. Many well-known black entertainers and athletes were among his first regular customers. Among them is Sammy Davis Jr., who, according to Turner, is a frequent shopper at Page Optical.

In its first twelve months of operation it grossed $70,000 and Turner found that he had a successful enterprise on his hands. Last year the company nearly doubled that amount, with gross sales exceeding $130,000.

This year Turner expects to do an even larger volume of business. "My promotional efforts are finally showing results," offers Turner. Radio and newspaper advertising have been just as helpful as his subtle sales pitch at social events. One major success is the eyeglasses fashion shows he frequently hosts. Numerous framed photographs of celebrities shopping in the store act as further promotion.

"Los Angeles is a fashion conscious city and since eyeglasses are perceived as part of one's total look," says Turner, "business is great for opticians. I am also known for doing good custom initiating on frames. My wife, daughter and I enjoy the business, so we give that little extra in service," he adds.●

AAA CLUB VOICES CONCERNS ON UNTESTED AIRBAGS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. DINGELL. Mr. Speaker, a major automobile owner and consumers club has communicated to me their serious concerns regarding airbags being installed in motor vehicles.

There is a consistent controversy associated with the Department of Transportation's regulation which went into effect in 1977—that airbags are not undergoing sufficient testing and research.

The American Automobile Association of Michigan notes its strong objections to the airbag mandate and its support for the amendment several of my colleagues and I will offer to the DOT appropriations bill Wednesday, July 18, to safeguard consumers while DOT conducts further testing of the controversial airbag mechanisms.

The automatic safety belt portion of the DOT regulation is left intact by my amendment as safety belts are proven devices while the continued studies on airbags raise numerous questions as to their effectiveness.

I commend the AAA club's communication to the attention of my colleagues:

[Mailgram]

AIRBAGS

Automobile Club of Michigan is informed that on Thursday, June 21, on the floor of the U.S. House of Representatives during consideration of the U.S. Department of Transportation appropriations bill, Congressman John Dingell will offer an amendment to halt funding for implementation or enforcement of a DOT standard requiring installation of airbags on cars while approving funds for more research, and for passive belts, this amendment move was successful last year.

Automobile Club of Michigan on behalf of its 1,250,000 adult members in Michigan who own cars strongly supports Congressman Dingell. Ever since the question of airbags became public we have supported the concept of passive restraints while pointing out that airbags are not tested. Our position has not changed.

Recently the National Transportation Safety Board strongly criticized the National Highway Traffic Safety Administration's program to evaluate effectiveness of the passive restraint standards (FMVSS 208) as "inadequate and unorganized."

Michigan AAA Motor News several years ago compared what happened to persons not protected by airbags, in cars with which airbag cars collided headon or almost headon. While NHTSA and airbag advocates made claims about lives saved by bags, often those claims were negated when it was discovered hidden in their files that nothing serious had happened to unprotected persons in non-bag cars with which they had collided. We were amazed to find that NHTSA up to several years ago had made no attempt to find out what happened to those in other cars; and we were advised that an unreleased GAO draft analysis is most critical of airbags and NHTSA's handling the standard. It recommends more research and development be required before the effective date of the standard. GAO expresses further reservations about proven workability of the bags, pending further research, and has concern about the health effects of sodium azide used in their deployment. GAO study says NHTSA substantially underestimated the cost of airbags when the standard was promulgated in 1977. We are informed that Ford Motor Co., is now estimating cost of the bags at $400, GM from $500 up, and VW Rabbit $500 to $600. GAO further is concerned that unrestrained children can be seriously hurt, killed, or unprotected by airbags which deploy; and new research with live pigs in positions children often ride shows pigs killed by bags.

Auto Club feels strongly that funding for implementation of airbags should be halted, but that funding should go on for more research into both bags and belts.

Many members have written to us to say they will disconnect the bags if they are forced to buy them. We are most concerned about the persons who now wear belts who will not wear them if bags are introduced, since they are better protected with belts than they would be with bags and no belts. We are also concerned about the constantly rising cost of buying and owning an auto, which could get beyond the reach of many who must use a car to get to work, and in whose lifetime, public transportation is not in the cards.

I am mailing two news releases which further explain Auto Club's position, and am prepared to send issues of our magazine which analyze bags and belts. It is Auto Club's strong recommendation, and has been for many years, that NHTSA spend more money promoting use of lifesavers now in our cars—safety belts, work for their further improvement in design, and cease costly efforts to get Americans to accept the idea of airbags until they are proven.

Michigan motorists and AAA members across the country have demonstrated in poll after poll by majorities of 85 to 95 percent that they do not want to be forced to buy cars equipped with airbags.

As matters stand, any but bucket seat cars will have to have airbags to pass the NHTSA standards. That virtually eliminates full front seats, even if only a child could sit in them. This is nonsense. This is not freedom of choice.

Sincerely,

LEONARD R. BARNES,
Editor, Michigan Living,
AAA Motor News.●

PERSONAL EXPLANATION

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. LUNDINE. Mr. Speaker, prior scheduling commitments in my congressional district made it impossible for me to be present and voting on Monday, July 16, when the House of Representatives considered H.R. 3951, to allow for the completion of the full Metrorail system. I support this public transportation system and would have voted in favor of H.R. 3951 had I been present.

As the energy crisis continues to affect us so acutely, it is especially important that we provide efficient transportation alternatives. It is estimated that the completed Metro system will reduce local gas demands by more than 12 million gallons per year. With this kind of energy savings, Metro's completion is essential.●

FEDERAL ASSISTANCE FOR LAKE PLACID

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to share with my colleagues a report which was prepared recently by the Library of Congress on the financing of the 1980 Lake Placid Olympic games. While several of these figures are out of date, it should be, nevertheless, of interest.

The report follows:

LAKE PLACID OLYMPIC WINTER GAMES—1980

FEDERAL GOVERNMENT

Federal financial support for the 1980 Winter Olympics at Lake Placid, New York, was authorized by Public Law 94-427, signed by the President on September 28, 1976. The law authorized the Secretary of Commerce to provide Federal funds to assist the Lake Placid Organizing Committee and State and local government authorities to plan, design, and construct or improve the Winter Games facilities, and for purposes of land acquisition and legal and fiscal fees.[1]

In the House Committee on Interstate and Foreign Commerce Report (94-1167) of May 15, 1976, the estimates and breakdown of Commerce Department's spending levels were listed as follows:

FEDERAL COSTS ESTIMATES[2]

Facility and service	Recommended by—	
	Committee	Administration
Field house	$13,340,800	$13,340,800
90-meter and 70-meter ski jumps	2,560,000	2,560,000
400-meter speed skating oval	1,424,300	1,424,300
Athletes housing	12,008,000	
Administrative offices	700,000	
Existing arena	570,000	
Dressing room, equipment, and storage	605,000	605,000
Luge	3,600,000	3,600,000
Parking for 2,000 automobiles	512,000	
Increased electrical power	600,000	
Sanitary and portable water facilities	320,000	320,000
Land acquisition	500,000	500,000
Subtotal	36,740,100	22,350,100
Fee (A, and E, CM) legal and fiscal, etc.)	9,300,025	5,587,525
Temporary and miscellaneous construction, scoreboard, etc.	2,999,875	
Total	49,040,000	27,937,625

Most of the Federal contribution to the Lake Placid Games will be administered by the Secretary of Commerce[3] by way of the public works programs of the Economic Development Administration (79 Stat. 552).[4] The Bureau of Prisons, which has a standing authorization to build several new Federal prisons over the next few years, was appropriated $22 million to construct the atheletic quarters at Lake Placid, with the idea that the quarters would revert to a minimum security youth prison after the Games in 1980. The Bureau of Outdoor Recreation of the Interior Department will provide about $4 million by way of grants to the State of New York.

Section B, subsection (b) of P.L. 94-427, requires the Comptroller of the Currency and Secretary of Commerce to audit all Federal expenditures for Congress.

STATE OF NEW YORK

The State of New York would contribute to the Lake Placid Olympics by providing an estimated $1.5 million for security, and $10 million in "inkind" contributions toward administrative efforts. State agencies involved with construction and administration are the Environmental Conservation Agency, the Departments of State, and Transportation, and the Adirondack Park Agency. State monies would be spent to expand and modify State-owned facilities at the Whiteface Mountain Ski Center and Mt. Van Hovenberg Park, for alpine and nordic events. The total cost for this undertaking was estimated at $12 million, of which $8 million derives from the State of New York and $4 million from matching grants from the Bureau of Outdoor Recreation, Department of Interior.[5]

LAKE PLACID COMMUNITY

The Lake Placid Community has projected their costs at $13.3 million, to be offset, in part, by projected revenues received from the sale of tickets and television rights to the Games. (See chart for breakdown).[6]

TOTAL COSTS

The cost figures presented in this report reflect early estimates, and are not final: Cost overruns have already been reported by GAO and the Lake Placid Organizing Committee. The earlier total cost estimated in 1976-1977, was $87 million[7] for combined Federal, State and local expenditures. The present combined estimates range from $150 million[8] to $200 million[9] before final completion of the facilities is expected in 1980. Cost figures, more current than those presented here are unavailable at this time.

COST OF 1980 WINTER OLYMPICS TO BE BORNE BY NEW YORK STATE AND THE BUREAU OF OUTDOOR RECREATION[10]

Project	State	Bureau of Outdoor Recreation	Total
WHITEFACE MOUNTAIN			
Consulting services	$344,700		$364,700
Construct and improve trails	350,000	$350,000	700,000
Replace lift No. 1	475,000	475,000	950,000
Construct throughway lift	200,000	200,000	400,000
Expand snowpacking	1,250,000	1,250,000	2,500,000
Construct buildings	2,625,000		2,625,000
Construct parking lots	87,500	87,500	175,000
Rehabilitate utilities	750,000	750,000	1,500,000
Acquisitions equipment	150,000		150,000
Total	6,232,200	3,112,500	9,344,700
MOUNT VAN HOVENBERG			
Bobsled run refrigeration	662,500	662,500	1,325,000
Permanent shading	37,000	37,500	75,000
Closed circuit TV	130,000		130,000
Improve bobrun service road	50,000	50,000	100,000
Curling building	280,000		280,000
Utilities	62,500	62,500	125,000
Biathlon			
Cross-country trails	42,500	42,500	85,000
Consulting services	388,000		388,000
Total	1,653,000	855,000	2,508,000
Grand total	7,885,200	3,967,500	11,852,700

LAKE PLACID ORGANIZING COMMITTEE ADMINISTRATIVE COSTS[11]

1.0 Executive department	$499,605
2.0 General administration	3,126,550
3.0 Administrative department	6,310,855
4.0 Sports department	1,110,155
Total	11,047,165
5.0 Contingency fund (20 percent)	2,209,433
Total expense	13,256,598

Estimated administrative revenue

Television	$2,500,000
Marketing and licensing	4,750,000
Ticket sales	2,500,000
Program sales	$300,000
Estimated donated equipment	2,500,000
Sales of surplus property and equipment	750,000
Total estimated income	13,300,000
Less administrative costs	13,256,998
Difference	[12] 43,402

FOOTNOTES

[1] Public Law 94-427, September 28, 1976, p. 2.

[2] U.S. Congress. House Committee on Interstate and Foreign Commerce. Olympic Winter Games Authorization Act; Report to accompany H.R. 13490. Washington, U.S. Govt. Print. Off. 1976. (97th Congress, 2d session. House Report No. 94-1167), p. 4.

[3] Public Law 94-427, September 28, 1976, p. 3.

[4] The Secretary of Commerce received appropriations of $250,000 to administer Public Law 94-427.

[5] U.S. Congress. House. Committee on Interstate and Foreign Commerce. Olympic Winter Games Authorization Act. Report to accompany H.R. 13490. Washington, U.S. Govt. Print. Off., 1976. (94th Congress, 2d session. House Report No. 94-1167), p. 5.

[6] Ibid. p. 5.

[7] Ibid. p. 7.

[8] Freedman, Eric. Steep Slalom for Olympic Committee Lawyer. The National Law Journal, February 26, 1979: 15.

[9] Ibid. p. 5.

[10] U.S. Congress. House. Committee on Interstate and Foreign Commerce, Subcommittee on Transportation and Commerce, Hearings, Op. cit. p. 71.

[11] Ibid. p. 71.

[12] These figures exclude the estimated $49,040,000 Federal contribution previously enumerated in this report.●

SHATTER THE SILENCE VIGIL

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. OTTINGER. Mr. Speaker, I am honored today to join my colleague, Representative JAMES J. HOWARD, in the fourth annual vigil for freedom in an effort to bring to the attention of all Americans the plight of the Soviet Jewish refuseniks.

Countless Soviet Jews are caught in an intolerable "Catch-22" under the Soviet system. As soon as they file an application for an exit visa to emigrate to Israel, almost as a rule, they are immediately fired from their jobs. Without jobs and a source of income to support themselves, the Soviets arrest them on charges of "parasitism." Once charged, it is almost impossible to be granted an exit visa. Forced into the role of outcast in society, they become the victims of harassment, persecution, and physical and mental abuse. This is an intolerable situation that we, as Americans who can easily take for granted human rights, must not let go unnoticed and uncensured.

Today, I would like to focus my colleagues' attention on the continued incarceration of Mr. Amner Zavurov. Amner and his family and his brother's family lived in an extremely anti-Jewish community; the hostility and hatred for Jews in their town manifested itself in attacks on Jewish homes, wedding ceremonies, and personal harassment. As a result, Amner and his relatives applied for exit visas so that they could emigrate to Israel. The visas were received in August of 1975.

Two weeks later, Zavurov's father was informed that an anonymous letter in the hands of the local authorities was certain to prevent their departure. Undaunted, the Zavurovs traveled to their planned point of departure, Tashkent, where customs officials informed them that it would be impossible to complete the processing of their luggage until their exist visas had expired. They then went to the local OVIR office to extend their visas; instead, the Zavurovs' visas were confiscated by the director of the Tashkent OVIR, Col. Yusopor—allegedly as a result of the anonymous letter under investigation.

Amner's father was called to the Department for Combating Embezzlement of Public Property of the Uzbek SSR on November 30, and shown the letter which alleged that the Zavurovs "were amassing boxes of silver." Upon refutation of these allegations with documentary proof the department head closed the case and all obstacles to their departure had apparently been set aside.

The expected reissued visas never arrived. On January 21, 1976, the Zavurovs received formal refusals on the grounds of "regime considerations" despite the fact that no member of the family had ever been involved in work of a "classified" nature.

Amner and Amnon appealed to the Moscow central OVIR to no avail. They were told to accept return of their internal passports which they had relinquished in order to obtain their visas. The brothers refused. In December, Amner and Amnon were detained for 15 days on charges of "petty hooliganism." Soon after their release, Amner was rearrested in the first week of January for allegedly refusing to accept return of his internal passport, the acceptance of which would have voided his application for emigration—his "Catch-22."

Zavurov, now 29 years old, married, and a father, has spent the last 2½ years imprisoned in a Soviet camp. On January 13, 1977, he was sentenced to 3 years imprisonment on charges of "Malicious Hooliganism," "Parasitism," and "Violation of Passport Regulation." He was tried and convicted without a defense attorney, a right guaranteed even under Soviet law.

To object to Zavurov's imprisonment 26 of my colleagues joined me in contacting President Brezhnev. Although we have received no response and do not expect to, we know our protests are being heard. Recently after continued appeals to Soviet authorities, another of my prisoners-of-conscience, Vulf Zalmanson, was released and allowed to join his family in Israel. I will continue to seek Amner Zavurov's release from prison.

This vigil is intended to make clear that no degree of cooperation on issues of arms, science, and trade with the Soviet Union should blind us to the Soviet's flagrant violations of the Helsinki Final Act and the International Declaration of Human Rights.●

THE NATION NEEDS A RESPONSIBLE SYNTHETIC FUEL PROGRAM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. BROWN of California. Mr. Speaker, in the weeks since gasoline lines have appeared on the east coast, the calls for "crash" energy programs have grown more insistent. Some of the measures which are already working their way through Congress, and some of the proposals by President Carter, have been identified as part of this crash program. In the synthetic fuel area, there is a clear need to do some major work in developing our indigenous energy resources. But we cannot afford to fool ourselves into believing that this effort will be either easy or cheap.

Mr. Speaker, we need a responsible synthetic fuel production program, with ambitious but achievable goals, and a careful parallel program to mitigate the almost certain adverse impacts of synthetic fuel plants. It is irresponsible and will prove to be counterproductive to urge the exemption of these technologies from existing environmental and social laws. In our pursuit of energy independence we must not lose sight of our other national goals, and the need for all of our programs to contribute to our Nation's future stability.

Mr. Speaker, in order to share with my colleagues some of the less well-publicized aspects of synthetic fuel production, I wish to insert in the Record at this time recent articles from the Los Angeles Times.

[From the Los Angeles Times, July 16, 1979]

U.S. Synfuel Vision: Just a Mirage?

(By Robert Gillette)

Ever since the 1920's, when petroleum companies began buying tracts of oil-shale lands in the West, visions of a synthetic-fuel industry have periodically danced mirage-like before American industry and government, always alluring but always just beyond grasp economically.

Now "synfuel fever" has struck again.

Responding to millions of consumers angered by long gasoline lines and record prices, the federal government has abruptly seized on synthetic fuels as a remedy for imported oil. Sunday night, President Carter made synfuels the cornerstone of a new, multibillion-dollar energy plan, calling for 2.5 million barrels a day of alternative fuels by 1990.

And late last month the House of Representatives rushed out a bill offering industry billions of dollars in price supports and loan guarantees to make synthetic fuels from shale, coal and even fermented farm products.

The Senate is expected to follow suit later this month.

In their rush to assuage consumers and voters, however, proponents of synthetic fuel have raised public expectations of energy independence while obscuring a formidable array of unresolved environmental, economic and political problems that for half a century have held synfuel technology beyond the bounds of commercial practicality.

These problems are especially pertinent to the Western states. All of the nation's billions of tons of usable oil shale lie in arid regions of Colorado, Wyoming and Utah. Most of the coal amenable to synthetic natural gas production lies in Western and Northern Great Plains states, where the bulk of it would have to be stripmined.

Among the difficulties:

Making one million barrels of oil shale a day, equivalent to an eighth of the current oil imports, would require moving a billion tons of rock and residue each year, roughly the same amount of material excavated in the building of the Panama Canal. Most of the richest shale is concentrated in one state, Colorado.

One million barrels of synthetic oil from coal would demand 160 million tons of coal annually, a 23 percent increase in current production. Environmental scientists note in addition that reclaiming mined-over arid lands is a painfully slow process requiring substantial amounts of water.

Synfuel production from shale and coal would demand immense amounts of water (2 to 3 barrels for every barrel of shale oil) from two of the nation's most water-starved regions, the Colorado River Basin and the Northern Great Plains.

Some scientists worry that largescale production of synthetic fuels from coal and shale could accelerate the buildup of carbon dioxide in the atmosphere, trapping solar heat and possibly accerating global climatic changes. A report the President's Council on Environmental Quality released last week said that synthetic fuels generate up to twice as much carbon dioxide as conventional fossil fuels for the same amount of heat, releasing it first in their manufacture and then in combustion.

Except for coal gasification, none of the half-dozen synfuel technologies currently regarded as promising has been tried in anything larger than a small pilot plant. Inflation, and a lack of tangible engineering experience with synfuels, has kept their predicted costs running well ahead of world oil prices despite astronomical increases imposed since 1972 by the Organizations of Petroleum Exporting Countries.

A wide variety of energy analysts are concerned that Congress and the White House, in their rush to pacify enraged consumers, risk inflating the promise and obscuring the difficulties—environmental as well as managerial—of launching a major new industry.

"This is not going to solve our problems with gasoline lines," cautioned Mel Horwitch, one of seven coauthors of a six-year study of the nation's energy future published last week by the Harvard Business School and Random House.

"Synthetic fuels are being presented as a short- or medium-term solution to our problems, and they are not. It's not as far out as thermonuclear fusion but it's not as immediate an answer as conservation."

Horwitch is among a number of energy analysts who favor building a small number of demonstration plants—perhaps half a dozen—but fear that an all-out push for production facilities will leave the country burdened with a "massive number of white elephants" that could stigmatize the technology for decades to come.

Walter S. Baer, director of the Rand Corporation's energy policy program, sounded a similar note of caution.

"A target of one or two million barrels a day by 1990 could be technically feasible if the environmental, water and related problems are resolved," Baer said.

Squeezing one million barrels of oil a day from petroleum-rich shales in the Colorado River basin would, for example, require mining between 400 million and a half billion tons of rock a year and disposing of a half billion tons of waste. Water consumption by a shale industry this size could be equivalent to nearly 10% of the Colorado River water currently consumed by the Western states.

Agricultural interests can be expected to resist strenuously any such diversion of water.

The economics of synthetic fuels also temper many analysts' optimism.

In recent years, the dream of a synthetic fuels industry based on shale and coal has been recurring and fading in three-year cycles, concurrent with jarring leaps in world oil prices—followed by even more dizzying jumps in the projected capital costs of synthetic fuel plants.

As recently as 1972, synfuel was thought to be producible at $6 for a 42-gallon barrel. Since then, a combination of inflation and progressively more definitive engineering studies has driven projected production prices to at least $24 a barrel for shale oil and $35 to $45 a barrel for coal-derived liquid fuels.

By contrast, OPEC has set a world ceiling price on its oil of $23.50 a barrel, although actual prices are still averaging about $18 a barrel. This ceiling inevitably will rise, but in recent years the projected prices of synthetic fuels have proven no easier to predict—and have risen even faster—than OPEC's.

"Construction costs for large capital projects have been escalating quite rapidly over the last few years, and this trend is expected to continue in the future," the Congressional Budget Office noted recently.

Congress is nevertheless moving ahead on synfuel legislation with express-train momentum. The House approved a bill on June 26 granting $3 billion in price supports and for synthetic fuels unlimited additional sums for loan guarantees and government loans to industry.

The intent of the House measure is to stimulate production of 500,000 barrels of synthetic fuel a day by 1984 and 2 million barrels a day by 1990. No sooner had the measure sped through the House than some congressmen lined up behind a gargantuan, $205 billion, 8-million barrel-a-day proposed by Rep. Carl D. Perkins (D-Ky.).

The United States imports 8.5 million barrels of oil a day or 43% of its total consumption, at an annual cost of about $60 billion.

Although Congress seized the initiative in synthetic fuels, the White House is not far behind.

Carter is the third successive President to propose a major synthetic fuels production program. The driving force behind each of these waves of government and public interest—in 1973–74 after the Arab oil embargo, in 1975–76 and again this year—has been the hope that coal, oil shale and fermented farm products would alleviate demand for imported oil and place competitive restraints on OPEC prices.

Recent waves of government and public enthusiasm were soon frustrated by the same combination of difficulties: soaring capital cost estimates, which kept predicted synfuel prices racing ahead of world oil prices, environmental opposition and congressional opponents who objected to spending billions of dollars on loan and price guarantees for major oil and pipeline companies.

Five years after the first presidential interest, there is still no commercial production of synthetic fuels in the United States except for negligible amounts of "gasohol," a mixture of gasoline and alcohol.

It is not for lack of enthusiasm in the White House.

On Feb. 11, 1974, for instance, during the Nixon administration, Treasury Secretary William E. Simon declared that the United States was "undertaking a crash program now" to produce 3 million barrels a day of oil from coal by 1985. The crash program never materialized.

On Jan. 15, 1975 President Gerald R. Ford proposed in his State of the Union message that the federal government underwrite 20 private synfuel production plans with a capacity of one million barrels a day. By the next November, however, a 2,200-page interagency study had scaled this plan down to 350,000 barrels a day supported by $11.1 billion federal loan guarantees and price supports.

Congressional committees whittled this proposal to $3.5 billion in loan guarantees and $500 million in price supports. The legislation died in a complex procedural disagreement on Sept. 23, 1976, when the House defeated the synfuel program by a single vote, 193 to 192.

In the rush to launch a synfuel industry, proponents lately have pointed to what they consider a parallel experience during World War II, the creation virtually from scratch, and old German technology, of a synthetic rubber industry to replace natural supplies lost in Japan's conquest of the Far East.

The program was so successful that by 1945 the United States was turning out a million tons of synthetic rubber a year and had freed itself almost totally from dependence on imported natural rubber. It was the beginning of a global peacetime synthetic rubber industry. But some authorities who have examined its history note that circumstances then were not analogous to today's—and that comparisons run the risk of glibness.

The entire enterprise of 27 plants cost only $750 million and led to a synthetic product superior to natural rubber at lower cost. By contrast, there is no expectation that synthetic oil from coal and shale will be superior to light Arabian crude or cost less.

Moreover, the war had shattered natural rubber supply lines along with the international rubber cartel, effectively neutralizing the competition. It also helped that the basic raw material of synthetic rubber—oil—was plentiful and cheap.

"It was merely serendipitous that the synthetic rubber processes subsequently became competitive with natural rubber and (that) commercialization occurred," according to Rand analyst Edward Merrow.

Whether synfuel's champions can count on serendipity is doubtful. The three legendary Princess of Serendip after all, were Iranian.

[From the Los Angeles Times, July 17, 1979]

SYNFUEL: AN ELUSIVE, EXPENSIVE LURE

(By Robert Gillette)

No synthetic fuel process in the United States has yet progressed beyond the pilot stage, and energy experts say that propelling synfuel technology to commercial status requires solving enormous engineering problems and carries a substantial risk of failure.

Neither President Carter nor Congress, in advocating a new synthetic fuel program, has addressed these problems, preferring instead to emphasize the colossal domestic resources to be tapped to alleviate American dependence on imported oil.

Spread across 16,000 square miles of arid sandstone and scrub brush land in Colorado, Wyoming and Utah lies one of the earth's most tantalizing—and in its own peculiar way, elusive—natural resources: 1.8 trillion barrels of oil locked in waxy, mahogany-colored layers of rock.

"Several Saudi Arabias," was how President Carter described the West's oil shales, with some hyperbole, on Sunday in the first of his two major addresses on energy policy.

Like the supersonic transport, synthetic fuels are technologically feasible. Cost is another matter, and so is the rate at which pilot plants can be scaled up to commercial status.

In the view of many energy analysts, launching a synfuel industry large enough to replace 2 million barrels of imported oil a day would probably cost $100 billion. Production on this scale would have major environmental effects in the West.

By the definition currently in vogue, synthetic fuel is any fuel made from coal, unconventional oil resources such as shale and tar sands or from fermented farm products. Commercial production of synfuels is virtually nonexistent in the United States and is almost as uncommon elsewhere.

Canada, an exception to the rule, currently extracts about 90,000 barrels of synthetic crude oil daily from the vast Athabaska tar sands of northern Saskatchewan, partly at a recently completed plant that cost $2.4 billion. Utah has similar but much smaller tar sands deposits, but these have attracted little commercial interest.

Oil shale was mined in Scotland for almost a century after 1860, and for many years Estonia has mined about 25 million tons of oil shale annually, mostly for burning directly in minemouth power plants.

Probably the best-known historical example of synfuel manufacture was Germany's production during World War II of 100,000 barrels a day of oil from coal, a two-step technology that South Africa has refined in its Sasol process.

South Africa currently produces about 40,000 barrels of low-octane gasoline, diesel fuel and petrochemicals from coal, but at premium prices of $25 to $35 a barrel.

Among developing countries, Brazil has embarked on an ambitious program to make alcohol from sugar cane as a substitute for imported oil. Methanol, an alternative to ethyl alcohol fermented from sugar cane or grain, can also be made from coal, and so can several grades of synthetic natural gas.

But of all the alternatives, the immense deposits of oil shale in the American West have offered the strongest and most persistent lure to a would-be synfuel industry. Of the estimated 1.8 trillion barrels of oil in place, 243 billion barrels are thought to be recoverable by available technology, an amount that dwarfs the known resources of the Alaskan north slope and exceeds Saudi Arabia's 200 billion-barrel reserve.

Strictly speaking, oil shale is neither oil nor shale, but a waxy petroleum-like substance called kerogen trapped in layers of marlstone, a variety of limestone.

Half a dozen methods have evolved over the last 30 years for cooking the kerogen out of the rock and turning it into a refinable crude oil. Most involve mining the "shale" underground or in open pits, crushing it and cooking out the oil in steel vessels or retorts at a temperature of about 900 degrees Fahrenheit.

But these processes, which have evolved relatively little since the 1950s, are deceptively simple. An industry producing a million barrels of shale oil daily, for example, would consume as much as 175,000 acre-feet of water annually and require the mining of 475 million tons of rock a year—equivalent to two-thirds of current U.S. coal production.

Besides demanding immense amounts of water and rock, shale processing poses colossal problems of air and water pollution and land reclamation. Shale tailings tend to be both salty and alkaline—condition not conducive to plant growth—and the carbonaceous wastes contain significant concentrations of carcinogenic chemicals.

Water and a morass of Western law may be the key constraints on the size of an oil-shale industry, however.

Roughly 80 percent of the richest shales are in Colorado, where authorities have already promised present and future users more Colorado River water than is legally available for allocations.

Shale developers are among those holding future commitments to Colorado River water. But these commitments are honored on the basis of seniority.

"Water rights now owned by most shale developers are essentially worthless because of their junior status," Edward W. Merrow, a Rand Corp. economist, pointed out in a September, 1978, study for the Department of Energy.

Developers could attempt to purchase other users' allotments, easy tripling the $20 per acre-foot price farmers are willing to pay, with no significant effect on the price of shale oil. But such purchases are subject to intricate court challenges by other users.

"The upper Colorado River is governed by a Byzantine set of water use regulations involving federal and state laws, interstate compacts, Indian treaty obligations and international agreements," Merrow observed. "The Colorado has been called the most regulated river in the United States."

Underground supplies offer no promising alternative, according to the Rand study.

Several companies, notably Occidental Petroleum, have experimented with underground shale-oil extraction techniques in which fires ignited in specially mined-out caverns cook out the oil. But these approaches, while promising to reduce the amounts of water consumed and rock moved, are still in early stages of development.

Yet the above-ground technology, for all its drawbacks, does work. Though no commercial production plants exist, one test facility in Colorado run by a consortium of oil companies recently completed delivery to the Defense Department of a 100,000-barrel test run.

Cost, not technology, has prevented commercial development of oil shale thus far. Inflation and progressively more refined engineering studies quadrupled the projected price of shale oil, from $6 a barrel in 1972 to $24 a barrel at present.

Currently the only shale oil plant close to the start of construction is a $130 million, 9,000 barrel-a-day facility that the Union Oil Co. hopes to build by the end of 1982. A spokesman for Union said the company has been collecting permits for the last 19 months and hoped to obtain the last one, from the state of Colorado, this September.

The spokesman added that duplicate units could expand production to 150,000 barrels a day by 1990, although "if you wanted to go on a war footing it could be done faster."

However, John M. Hopkins, the president of Union's energy mining division, emphasized that the company would not proceed with even the initial demonstration plant unless Congress granted a $3-a-barrel synfuel tax credit currently under consideration.

"We still need that $3 credit as a little cushion against inflation," Hopkins said. "The cost of this project is going up at $1 million a month."

Coal offers a second promising source of synthetic crude oil. But the most modern and appealing techniques have yet to be tried in anything larger than a 100-barrel-a-day pilot plant. Coal-based liquid fuels are also likely to be more expensive than shale oil, with estimates ranging from $28 to $35 a barrel and up to $45 a barrel for coal-based methanol.

"The first plants in the U.S. would have to be South African Sasol plants," said a spokesman for the Fluor Corp. in Irvine, the engineering firm that is building two 40,000-barrel-a-day plants in South Africa for $4.9 billion.

But oil from the Sasol process—in which coal is first converted to a gas, then treated with hydrogen to form a variety of fuels and petrochemicals—would be hugely expensive in the United States. South Africa has not disclosed the price it pays per barrel, but Fluor considers published reports of $25 to $30 a barrel to be accurate.

But coal costs $15 more per ton in the United States than in South Africa's controlled economy. Because the Sasol process consumes roughly a ton of coal per barrel of product, the production price here might be closer to $40 or $45 a barrel.

Three more up-to-date processes for making synthetic crude oil from coal are moving more or less simultaneously toward testing in pilot plants, and in one case, in a quasi-commercial plant. Commercial production, however, is still years away.

Unlike the Sasol process, each of these techniques—known as SRC II, H-Coal, and the Exxon Donor Solvent process—converts pulverized coal to petroleum liquids in a single step by mixing it with a solvent and treating it with hydrogen under high temperature and pressure. The three processes are thought to yield two to three barrels of liquid of coal per ton but none of them has advanced beyond the pilot stage.

Coal gasification offers still another promising source of clean-burning but expensive fuel, but one that some authorities believe would tend to compete less with imported oil than with currently plentiful supplies of natural gas.

The Lurgi coal gasification process is commercially available and familiar to engineers but a complete plant has never been fully designed. After the 1973 Arab oil embargo at least three consortiums of energy firms advanced ambitious plans for gasification plants, only to see them all wither in the face of exploding inflation and a tangle of environmental and pricing regulations.

Only one major gasification project survives, and that is in a state of suspended animation. It exemplifies the dismal history of synthetic fuels.

"We've been to Congress three times for loan guarantees," said a spokesman for American Natural Resources, principal sponsor of the project. "They approved it (authorizing legislation) the third time, but President Carter vetoed it."

President Carter was gunning for the controversial Clinch River breeder reactor in Tennessee, not a coal gasification project in North Dakota. But the loan guarantee was attached to the breeder's funding bill, and in November, 1977, died as an innocent bystander in a fight between the White House and Congress over nuclear power development.

If obstacles to financing can be overcome, some energy technologists foresee a bright future for coal gasification, not only as a source of pipeline gas but as an intermediate step in making methanol. Better known as wood alcohol—though most of it today is made from natural gas (methane)—it burns satisfactorily in automobile engines when mixed with gasoline.

Automobile researchers, however, are quick to point out that methanol attacks the rubber and plastic used in today's fuel systems and would consequently require some major material changes in automotive design.

Methanol could also be burned as an industrial fuel or used in turbine generators for electric power. The advantage is that the technology is already commercially available," says one methanol enthusiast in the Energy Department. "It can be done."

But it is ethanol, or grain alcohol—the variety found in alcoholic beverages—that has caught the imagination of many Congressmen flying the "gasohol" banner.

Not surprisingly, the staunchest ethanol enthusiasts represent Midwestern farm states. Ethanol appears to have one serious drawback, however. The amount of energy expended in planting, cultivating (sometimes irrigating), fertilizing and harvesting and transporting grain—then fermenting and distilling it—appears to exceed the energy value of the alcohol itself.

One Midwestern distiller, for instance, calculates that producing a gallon of ethanol with a heat value of 90,000 BTUs consumes 139,000 BTUs. "It's a net energy loser," insists one Energy Department analyst.

Grain-based gasohol is the only current candidate as a net energy loser. But each of the several synthetic fuel technologies has its distinctive set of environmental, financing, and political problems. An obstacle to commercial success that they all share, however, is one that some analysis term "the people problem."

One facet of the problem is a limited pool of engineering talent with experience in transforming hugh amounts of steel and concrete into smoothly operating energy facilities. There are only six to eight such "world class" firms in the United States specializing in construction of such things as refineries and nuclear power plants.

Rand Corporation analysts estimate that a push to build a national synthetic fuel capacity of more than 1.7 million barrels a day in 10 to 12 years could begin to strain this talent pool.

But even the most talented engineers sometimes fail to scale promising new chemical processes up to commercial, profitmaking magnitude. In a review of the outlook for synthetic fuels the Rand prepared recently for the Department of Energy, analysts examined industry's experience in building a dozen new chemical and 11 new fuel-processing plants. The analysts found a mixed bag of brilliant success and dismal failure.

"Boy, there are plants people just walked away from because they didn't work," said Rand's Merrow, one author of the study. "There are plants that took years to start up. The worst cost underestimate is (a plant) that ran 1,200% higher than expected."

In all fairness, another Rand economist, Stephen Chapel, observes, the chemical industry "has commercialized some incredibly difficult processes. But the more you talk to people who have developed pioneer plants, the more you realize how difficult it is. It requires a strong management team and a tremendous amount of learning as you go."

Synfuel processes, like other chemical technology, are sensitive to the quality of coal and oil shale, and in some cases the chemistry of synfuel processes is still poorly understood.

Engineers, Chapel said, "tend to know what works, but they're not entirely sure why. Organic chemistry is very complicated. It's one thing to do chemistry in a laboratory and something else to build a large plant from concrete and steel that will do the same thing."

In sum, one prominent energy analyst observed, synthetic fuel, like nuclear power "is a nice idea—if you can get it to work."

[From the Los Angeles Times, July 17, 1979]

The Scramble Starts

President Carter showed considerable skill Sunday night in running the obstacle course that he had designed to test his leadership.

Now Congress and the rest of the country must scramble through after him, and that is the real test. Whether they follow depends on whether his message came through.

The message, which was delivered with an intensity and a sense of urgency that was startling in a President who is usually so soft-spoken, seemed clear to us.

It is that the dangers of depending so heavily on foreign oil are clear and present and real, even more so than when he first warned about them more than two years ago.

The message did not get through then. It was partly Carter's fault, unleashing as he did a half-hour of rapid-fire statistics on people who were not prepared for them. It was partly bad luck, coming as it did when a world recession had cut the demand for oil to a point where there was more oil than the world could use.

This time, Carter approached the energy crisis more as an architect sketching out a grand design and less as an engineer showing how to decide where to put load-bearing walls, and it worked much better.

This time, too, the revolution in Iran and the resulting gasoline lines and high costs of fuel helped press the message home.

There is a better balance between conservation and production in Carter's new energy program than there was in the first. He has tried to match programs to tighten up on travel and other uses of oil with some hope for new energy supplies in the years ahead.

Much of that hope rests with his request for an Energy Security Corp. that would spend $88 billion over the next decade to develop synthetic fuels to replace imported fuels. As Times science writer Robert Gillette noted Monday, that may be a false hope. Supplies of water that are needed for the large-scale development of oil shale and for the conversion of coal to gas and liquids may put an absolute limit on what can be produced. But Carter is right to try.

He was right in trying again to persuade Americans that conservation is the most painless way to regain the control over their lives that they have lost as oil imports have risen.

Expanding public transportation, creating an energy mobilization board to accelerate necessary projects by cutting red tape, shifting utilities away from oil and toward coal and natural gas also will help regain that control.

Instead of rationing fuels, Carter has imposed a quota on the amount of oil that the country can import. His first quota will mean that the United States must get by with the amount of oil that it is now using for at least two more years.

That, of course, is rationing from the top in a form that will force Americans to make some real choices over many months between conserving fuels and getting back into lines to scramble for scarce supplies.

There were some awkward and uncomfortable moments in Carter's energy address—uncomfortable because we cannot recall a President's scolding his fellow citizens as Carter did, like a teacher dealing with a woolgathering student or a pastor with a profligate flock.

But there was much truth in what he said, and he was, after all, as hard on himself as he was on the rest of us, sharing as he did some of the criticisms that he heard from visitors during his retreat at Camp David: You are not leading this nation, you are just managing its government.

Despite those awkward moments, we intend to hold the thought that he ment to leave with us: Solving the energy crisis in itself will not restore the nation's confidence in its government, its President, its churches and its other institutions. But making the effort to do so—joining in what Carter called a common purpose of crucial importance to an entire generation—would be a good first step. ●

ASIANS AND OTHER MINORITIES DESERVE EQUITABLE TREATMENT BY 1980 CENSUS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. DIXON. Mr. Speaker, as we prepare for the 1980 census, it is essential that minorities are accurately counted. Unless this census reflects fully our ethnic composition and population funding of many Federal programs will not be allocated fairly.

I have particular concern over the strategy which will be used to reduce the possible undercount of black, Hispanic, and Asian and Pacific communities. I have recently written to the Honorable Juanita Kreps, Secretary of Commerce, to express my concern. I urge my colleagues in the Congress to make similar expressions of concern to insure that these groups are not undercounted.

This issue came to my attention as it particularly impacts upon Asian and Pacific Americans. Recently an article appeared in the "World" published by Americans for Democratic Action, which outlines many of the discriminations perpetuated against Asian Americans. I would like to share this article with my colleagues in the hopes that the 1980 census will not do an injustice to the American Asian community.

ASIANS ARE UNDER-COUNTED, DENIED FULL RIGHTS

(By Stina Santiestevan)

Some 17 different kinds of racial discrimination suffered routinely by Asian Americans and Pacific Islanders were detailed in a lengthy statement which ADA submitted to the U.S. Commission on Civil Rights on the occasion of its two-day meeting in Washington last month during Asian & Pacific American Heritage Week.

Professor Michael Haas of the department of political science, University of Hawaii, prepared the statement at the request of Patsy T. Mink, ADA's national president, formerly a Member of the U.S. Congress from Hawaii.

Echoing complaints of other minorities, notably Hispanics, Haas and ADA charged that the U.S. census fails to count most Asian and Pacific groups properly. "The census fails to employ a methodology appropriate for enumerating Hawaiians," Haas said, and funding programs to alleviate the problems of minorities, the effect of census discrimination is to deprive Asians and Pacific Islanders of their rights in these programs."

Not surprisingly, a number of items dealt with employment discrimination:

"Asian and Pacific Islanders historically have been restricted to caste-like roles in the occupational structure of U.S. society. Many people are accustomed to Chinese laundries and restaurants. Japanese gardeners and secretaries, Filipino nurses and farm laborers, Korean bartenders, and Hawaiian police and firefighters. When well-educated sons and daughters of these ethnic groups enter the job market, they encounter stereotypes which serve to screen them out of positions which few of their race ever have held before; if they manage to be hired, they often are excluded from the informal networks of social communication so vital to securing promotion."

In the performing 'arts, including television, Asians and Pacific Islanders are accorded second class status: "If a part in a play calls for an Asian, casting directors do not hesitate to select whites, using makeup to change the actor's appearance, but the situation is never reversed, so that Asian actors are made up to play roles of whites."

"Asians are well-trained accountants, but they are denied C.P.A. licenses because private accounting firms have systematically rejected the applications of Asians to serve as apprentices. As a result, these accountants seek employment in government agencies, where their numbers constitute employment enclaves."

Asians and Pacific Islanders with advanced degrees from Asian educational institutions find that their degrees are not accepted as the equivalent of those granted by U.S. institutions.

Haas also cited language discrimination: "Asians and Pacific Islanders would prefer to live in a bilingual United States that recognizes the legitimacy of their ancestral languages. . . . To obtain government services, whether food or postage stamps or health care, those without fluency in English all too often encounter government agencies insensitive to their needs.

English is not a language indigenous to the United States, and it seems inappropriate to require facility in English as a requirement for becoming a citizen.

On another issue, he said, "Although some minorities have obtained land redistributions, Bureau-of-Indian-Affairs assistance, and other governmental help as native Americans, opportunities of a similar nature have been largely denied to native Hawaiians, native Samoans, and native Chamorros. These groups feel that they have been treated more like conquered peoples than like groups which voluntarily and peacefully sought the protection of the United States for their ancestral lands and traditions."

He said Asians and Pacific Islanders often are left out of affirmative action plans. In the case of Hawaiians, data from 1970 U.S. census undercounts their numbers, so goals are set below what otherwise would be seen as appropriate.

In addition, "because federal agencies lump all Asians and Pacific Islanders together, discrimination against members of these groups has been obscured. In one case a complaint was filed with HEW in which it was charged that an educational institution had discriminated against a Filipino, selecting a less qualified Japanese applicant instead; the HEW ruling was that there was no discrimination since both were Asians." He added, "Asians and Pacific Islanders still await the first major class action effort on their behalf by federal agencies."

Haas said portrayal of Asians and Pacific Islanders in the media and in textbooks is stereotyped, and "silent" on their culture, history, and traditions. . . . Europe still is seen as the center of civilization in a world increasingly focused on events in the Pacific and in Asia." ●

AUTOMOTIVE PASSIVE RESTRAINTS

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. NOLAN. Mr. Speaker, the House of Representatives will soon consider appropriations for the Department of Transportation. The subject of passive restraints is sure to be heavily debated as efforts are made to maintain the Department of Transportation's passive restraint standard. At this time, I would like to insert into the RECORD an article by William Haddon, Jr., a physician whose most noteworthy professional accomplishments have been in the field of automotive safety. Haddon is the author of an article published in the winter 1978–79 issue of Business & Society Review entitled, "Cars That Don't Protect You in a Crash." In this article, Dr. Haddon describes how most vehicles fail to safely package their human cargo and how vulnerable passengers are in auto crashes. Haddon is a firm believer in the capability of air bags to substantially reduce the likelihood of deaths or serious injuries from auto accidents. I share his view and attach a condensed version of his article which I find to be especially enlightening.

The article is as follows:

CARS THAT DON'T PROTECT YOU IN A CRASH

(By Dr. William Haddon, Jr.)

The gut issue underlying the motor vehicle safety problem is the number of Americans that end up dead—or mangled, yet alive—after motor vehicle crashes. And, despite gains, the picture remains grim. Motor vehicle crashes produce more quadriplegics and paraplegics each year in the United States than all other causes combined. Of the 70 percent of such individuals injured as vehicle occupants, in 1974 alone these new cases of spinal-cord-damaged people—mostly young, mostly male—total some 3,700, of whom half survived over the long term.

Stated differently, each year sees the addition of some 1,800 persons—mostly young—to the tens of thousands of motor vehicle drivers and passengers already in wheelchairs and neurological wards as the result of crashes—crashes in which inadequately managed crash forces permanently disconnected their brains from large sections of the rest of their bodies. The process goes on year after year, and it is the principal reason we are seeing more and more young people in wheelchairs. There are many other grim statistics. For example:

Improperly managed forces reaching and scarring the brain in motor vehicle crashes are a leading cause of epilepsy.

Major damage to the face in motor vehicle crashes is by far the leading cause of noncosmetic plastic surgery.

Of every 1,000 boys who reach the age of fifteen, 6 will die as the result of motor vehicle crashes before they become twenty-five and 600 will be injured.

By a wide margin, injuries in motor vehicle crashes are the leading cause of death among American teen-agers.

According to the National Health Survey, the most reliable source of such data, almost 13,000 people are injured by motor vehicles in the United States each day; more than four and one-half million each year; and about forty-five million each decade—about a fifth of all the people in the country!

In the face of such suffering and tragedy, it is often suggested that the problem is overstated because the incidence of death and injury per mile traveled is low and declining. There is, however, a much more important standard than such mileage-weighted statistics—namely, the numbers of deaths and injuries expected during the lifetime of each vehicle. This is the most fundamental measure of the effort and success of the manufacturer in designing and building vehicles to protect human life during their use.

Although the available statistics are far from satisfactory, they do indicate that present vehicle designs leave a great deal to be desired. On the basis of reasonable estimates, during their lifetimes every 1,000 new vehicles will be involved in somewhere between 2,000 and 3,000 crashs; they will kill more than 3 people; and they will injure more than 300.

Nonetheless, there is much evidence that practical improvements in motor vehicles would greatly reduce the totals of the maimed and dead. It surely would be an overstatement to suggest that vehicle manufacturers have shown aggressive leadership in providing such life-respecting improvements. In fact, it is already a matter of history that some manufacturers have been fighting—often successfully, by many means, and over a period of many years—to delay even minimal improvements in vehicles.

Americans are indeed finding out that much of the time they and their loved ones don't need to die or be maimed just because crashes take place. And any manufacturers who have not already decided to do so would be well advised to stop fighting this and to start providing the real leadership and agressive competition on this issue, in the best spirit of the free enterprise system.

It is not clear who fabricated that brilliantly negative slogan, "Safety doesn't sell," but whoever did was wrong. The truth is that "Safety isn't sold," by U.S. and many foreign manufacturers. Buyers have even been strongly discouraged from buying safer cars. For example, The Wall Street Journal, in a 1976 investigative report about air bags, showed how "GM Failed to Push (the) Device: (and) Dealers Discouraged Use." The article also quoted a GM spokesman, commenting on a physician who had walked away from a violent head-on collision between his air bag-equipped car and a city bus. The GM spokesman said that the physician was "unusual" and "biased in liking the device. Anybody whose life has been saved by the air bag would be biased in favor of it."

More and more people may be seeking that bias. There is, of course, extensive evidence that the American people have been strongly convinced for years that much more vehicle safety is practical and that manufacturers could, and should, do much more than in the past. A February 1978 Harris poll found that when Americans were asked to rate the importance of nine proposed improvements in the nation's transportation system, auto safety finished far in front, rated as "very important" by 83 percent. The same poll found that Americans by three to one wanted to "spend more money" to improve "auto safety"—the action with the largest majority of support of all of the many specific proposals "to improve transportation in the United States."

Instead of safety, what is sold too often is misinformation about life-saving technology, even when the technology has proved hugely successful. Six years ago, GM made an enthusiastic, 10-minute marketing film for its dealers, very strongly praising its Air Cushion Restraint System (air bags). In emphasizing the practicality of the equipment, the firm states, "Naturally, years of research and testing have gone into the development of the Air Cushion Restraint System." However, although the film reached the National Highway Safety Administration, few car dealers or FM employees ever even learned of its existence, and now it is apparently not available for showing. Furthermore, by the spring of 1978 air bag-equipped vehicles (1972 Mercurys; 1973 Chevrolets; 1975 Volvos; 1974–76 Cadillacs, Buicks, and Oldsmobiles) had been driven over 500 million miles on U.S. and Canadian roads, equivalent to over 20,000 trips around the earth at the equator. This field trial has been outstandingly successful, but one can search fruitlessly to find that fact disseminated with any energy by vehicle manufacturers.

Even more tragic is evidence that decision makers in vehicle manufacturing companies are acting on and communicating incorrect information. Auto industry representatives have stated in many private and public contexts, both in and out of the United States, including in congressional testimony, that a combination of air bag and lap belts was "only about 10 percent effective in reducing significant injuries." Tragically, that statement is hugely incorrect, because the junior GM staff study on which it is based had a fundamental deficiency: GM's analysis failed to consider the effects of multiple injuries—a crucial omission because many of those injured in motor vehicle crashes are seriously injured in several parts of their bodies, and because such multiple, serious injuries (as surgeons and medical research workers concerned with injuries have well known for years) greatly increase the likelihood of death. A reanalysis of GM's data has revealed that the frequency of serious injury was about 40 percent less for the occupants of air bag-equipped cars than for safety-belt-equipped cars. This is the same as the 40 percent fatality reduction estimated by the U.S. Department of Transportation, but four times the figure based on GM's deficient study.

Despite three generations of motor vehicle manufacturing, there is not for sale anywhere in the United States or abroad a car, van, truck, cab, or tank trailer for hazardous cargoes that is not technologically backward in protecting people during the crashes which inevitably occur. This is true whether the manufacturer is in Stuttgart or Detroit, Dearborn or Yokohama.

However, there is some evidence that some major companies gradually are shifting in directions that will make their records in the future far better. Last year Thomas A. Murphy, GM's president, said to dealers:

"It may be that we were late in recognizing the extent of the public's individual and collective dissatisfaction with our combined performance. We were so engrossed—as we need to be—in daily competition for business that we may have let ourselves grow out of touch with the customer's need for satisfaction in a time of heightened expectations and society's concern for environmental improvement and energy conservation."

Let us hope that the industry's recognition includes an understanding of the public's interest in far better protection in crashes, and that improvements in the ability of new motor vehicles to protect people from harm will soon be evident to the millions of people who are watching and waiting.●

UNDERSTANDING THIRD-WORLD NATIONS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. BROWN of California. Mr. Speaker, for some time now we have been hearing about the Group of 77 and the demands of the Third-World countries upon the developed countries. Much of this information has been distorted and incomplete, which has undoubedly contributed to much misunderstanding.

As the North-South dialogue continues, and as we approach the United Nations Conference on Science and Technology for Development in Vienna later this summer, it would be helpful for all of us to better understand who the Group of 77 is and what they want. In this regard, I was very interested in a recent article by President Julius K. Nyerere of Tanzania, which I would like to include in the RECORD at this time.

[From the Bulletin of Atomic Scientists, June 1979]

A TRADE UNION FOR THE POOR

(By Julius K. Nyerere)

The Group of 77 developed out of a felt need for the Third World to speak with one voice at U.N. conferences on technology and development and other meetings concerned with world economic matters. It was our separate weakness which impelled us toward multilateral consultations, and which has caused 40 more nations to join our meetings since Algiers in 1967. Whatever the economic philosophy of our nations, we had all found that individual efforts to develop our own national economy kept running into a solid wall of power—the power of the rich nations and the rich transnational corporations.

So we came together in order to negotiate with the industrialized states for changes in the laws and practices of world exchange and finance. The present system has been developed by the industrialized states to serve their purposes. This is a matter of historical fact, not a moral judgment. For we, the Third World, are now demanding that the systems which make the rich richer and the poor poorer must be changed to keep pace with other changes in the world—the ending of colonialism, the advance of technology, and mankind's new consciousness of human equality and human dignity.

We make this demand, as the Third World, in full awareness of certain basic facts, and because of them. Seventy percent of the world's population—the Third World—commands together no more than 12 percent of the gross world product. Eighty percent of the world's trade and investment, 93 percent of its industry, and almost 100 percent of its research is controlled—in the words of Barbara Ward—by the industrial rich. The income gap is getting wider, even between the industrialized and the so-called "higher-income" Third World countries. The Third World still does most of its trade with the developed nations; its transport links are predominantly with the developed world; the technology it uses is technology developed by and for the developed world, which also controls its use.

In other words, the Third World nations did not shape the world's institutions of production and exchange and have virtually no say in them. But we are dominated by them. It is this domination by forces over which we have no control that each one of us has rejected. And our coming together in the Group of 77 has the purpose of enabling us to deal on terms of greater equality with an existing center of power. Ours is basically a unity of opposition. And it is a unity of nationalisms.

For it was our separate nationalisms which caused us to come together, not the ideals of human brotherhood, or human equality, or love for each other. The immediate reason for each nation joining the Group of 77 depended on the point at which it had experienced the economic frustrations of power external to itself. Whether it wanted to "be developed," or "be industrialized," or "to overcome poverty," or even just to be able to operate as an independent nation, it wanted to do that thing while remaining African, Latin American, or Asian—and within those groups, Tanzanian, Argentinian or Malaysian. It was practical experience of the fact that legal independence did not mean economic freedom which made most of us think in terms of cooperating with others similarly placed.

Ours is a kind a "trade union of the poor." Sometimes, perhaps most of the time, we will negotiate about different aspects of the demand for a new international economic order and settle for the best compromise we can reach at that time. Sometimes, however, we may be forced to call a strike in order to show that certain things are no longer acceptable!

But a trade union is strong relative to its unity. And when deciding upon the acceptability or otherwise of any potential compromise we have to recognize political realities—in our case all 117 of them. For the Third World does not have a strike fund, and hunger strikes are not the weapon of the starving. Asking countries like Zambia and Chile to stop exporting copper to the industrialized nations, for example, is asking them to commit suicide. Their governments will naturally not agree to do that, and asking them to do so would therefore be equivalent to breaking the unity of the Third World. This weakness of ours can be exaggerated. But our conditions are well known to the developed nations; threats of confrontation as an alternative to dialogue does not frighten them.

But it is also true that the kind of dialogue we have been conducting—at UNCTAD, Paris, Geneva, New York and everywhere else—has brought no fundamental changes in the world economic order. This is not to say that it has been useless. There are now groups of people, and even small nations, in the industrialized world which have realized that the present inequities cannot be allowed to continue, and that planned change is necessary in their own interests as well as ours. That is a helpful movement. But the problem remains; we have not succeeded in changing the structure of power. The world order still works against the interests of the poor.

The basic question we should be asking ourselves now, after years of hard talking and little progress, is this. What can we do, among ourselves, to strengthen our position in future negotiations?

My first answer is just what I have been saying until now. We must maintain and strengthen our unity. We must ensure that we continue to speak with one voice and that none of us makes a separate bilateral or multilateral deal which weakens the overall Third World bargaining position. This will not get easier as time goes on.

But we have to do more than stand united when negotiating as the Group of 77. We have to work together; our nations have to cooperate economically. This is where the diversity of the Third World can be our strength also.

We have to cooperate in establishing Third World multinational corporations, owned and controlled by us, to serve our purposes, and to remain independent of the great transitional corporations which now dominate the world economic scene. We need Third World shipping lines to carry our goods, to open new links between us—and to break the strangling monopoly of the conference lines. We need Third World international insurance; it is absurd that our reinsurance premiums should provide capital for the industrialized world. We need to have institutions of research and development directed at serving our needs and developing our resources. We need to plan jointly-owned industries when our separate markets are too small for the economic viability of certain production processes. And it may be that we should be considering the idea of having our own Third World financial clearing institutions instead of paying each other through London, New York, or Paris.

All these things are possible on three conditions:

That there be, on balance, equal benefit for all the participating Third World countries in each package of cooperation.

That we treat obligations—financial or commercial—to each other as seriously as we treat those in the rich and powerful nations or even more seriously.

That we give preference to Third World institutions when these compete with those of the industrialized world.

Building up Third World self-reliance, nationally and collectively, is not a miraculous answer to our problems. It will take time—a long time. And it will be very difficult. Certainly Tanzania is not the one to underestimate the difficulties of this prescription: East Africa is an example of a tragic failure in Third World cooperation. There have been other failures, and there may be more in the future. Yet every successful effort at cooperation strengthens the whole Third World in its dealings with the developed world. We must all keep trying. And we must all encourage and give what help we can to every attempt which is made, whether functional or general, neighborly, regional, or intercontinental. All that we should ask before giving our backing is that it is a truly Third World cooperative effort, and that it is designed to strengthen the independence and the economy of Third World countries.●

OIL IMPORTS ACT OF 1979

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. ROSENTHAL. Mr. Speaker, on July 16 and 17, the Ways and Means Trade Subcommittee held hearings on the oil import crisis. Among the bills under consideration was the Oil Imports Act of 1979 (H.R. 3604) which is cosponsored by Representatives CONYERS, ROSE, myself, and 37 other Members. I would point out to my colleagues that H.R. 3604 creates a Federal nonprofit corporation to import and resell foreign crude oil and that the creation of this agency would make it possible to carry out President Carter's expressed desire to prohibit oil imports above 1977 import levels. Further, I believe it worthy to bring to my colleagues' attention the testimony of Representative JOHN CONYERS relating to this most pressing need.

TESTIMONY OF REP. JOHN CONYERS BEFORE THE HOUSE WAYS AND MEANS SUBCOMMITTEE ON TRADE

Mr. Chairman, the House Ways and Means Subcommittee on Trade would perform a great service to the American people in moving toward mark-up of legislation to establish a Federal nonprofit corporation as the sole purchaser of foreign oil brought into the United States. The hearings of your committee today and tomorrow are an important contribution to this end.

Nothing can be of greater importance in dealing with the energy crisis than to create an alternate to the present oil import structure. Consider for a moment the economics of foreign oil. At Ras Tanura, Saudi Arabia's port, the cost of production of light crude put aboard a tanker is between 15 and 20 cents a barrel (less than one-half cent a gallon). The latest Saudi posted price of $18 a barrel is 100 times the cost of production. The price of this oil has risen a 1,000 percent since the beginning of the decade. This extraordinary spread between cost and price defies every principle of economic behavior that we are taught to believe in. It is, however, the measure of the price-fixing, supply-restricting powers of the OPEC cartel combined with the market power of the big oil companies' to place all the blame for this situation on the shoulders of the cartel and fail to address the major role of the oil companies in sustaining the cartel is bound to lead to erroneous judgment and inadequate policy.

The American people's anxiety about oil is not only directed at its soaring price and uncertain supply. It also reflects the perception of their lack of control over this basic resource. The picture of a small number of oil-producing countries and a handful of multinational oil companies arrogantly lording over this essential resource is an understandably distasteful and infuriating one.

Why should not the sudden shortages and abrupt price hikes confuse and anger the ordinary citizen? As prices at the gas pumps soar, the gasoline supply becomes even more unstable, rather than less, as official theory would have it. On the one hand, citizens are told that America's potential supply of coal, synthetic fuels, and oil is among the greatest in the world. Yet, on the other hand, they observe that little, if anything, is being done to bring this wealth into production. The public learns one day that global petroleum reserves may be vast enough to sustain the current rate of demand for another few hundred years. The next day they are told the world is short of oil. Americans wonder how it happens that history's most powerful Nation has its hands tied by a cartel of small, nonindustrialized countries and their multinational corporate customers.

The bedrock of American economic relief is the solvent power of free-market competition. Yet any impartial survey of the economic scene would reveal otherwise: The enormous control of oil, capital, and other resources exerted by cartels, the "seven sisters" of oil, multinational banks and corporations, and other gigantic economic actors. Nevertheless, Americans continue to worship at the temple of competition, except for their shocking recognition of its singular absence.

The greatest fear of, and threat to, the OPEC cartel and the big oil companies, that control the world oil market, is a world oil glut. A glut would, of course, erode prices and jeopardize profits. It would also weaken, perhaps even eliminate, their market control. The present oil import structure was actually borne of the massive oil glut that occurred in the 1920's. Oil gluts also also threatened the companies in the late 1930s when Mexico nationalized its oil and, again, in the early 1950s when a nationalist regime in Iran attempted to do the same. Since the emergence of the OPEC cartel in 1973–74, the companies have taken every measure to prevent another oil glut. They continue to sustain the OPEC cartel by coordinating worldwide production, manipulating and limiting purchases from non-OPEC producers, and in shutting down operating wells. They have even gone one step further in convincing the world of an oil shortage, the greatest impetus behind the high prices and their extraordinary profits. In addition, the big oil companies have maintained a solid front with the cartel through contractual service, ownership and investment, and privileged access to supply.

An alternative to the present oil import structure has to do three things: First, create an independent purchasing agent for all foreign oil brought into the United States; Second, a capability to engage in long-term contracts with non-OPEC oil producers and other third world countries that hold vast, untapped petroleum reserves so as to spur exploration, development, and production of new oil; and third, establish a Federal authority that could limit imports and oversee their allocation in times of shortage, that the United States alone among the industrial powers presently lacks.

The Oil Imports Act of 1979 (H.R. 3604), which Representatives Benjamin Rosenthal, Charles Rose, and myself, along with 35 other Members, have sponsored provides a workable alternative. It would establish a Federal nonprofit corporation to purchase all foreign oil brought into the U.S. It would shop the world for the lowest prices and the most diverse sources. It would negotiate directly with the producers and among. other things, by utilizing sealed bids and the authority to limit imports would be in the position to play off one producer against another and undermine the cartel. The corporation is given broad latitude and yet has accountability. It would have the capability for the first time to furnish the American people with reliable information on how much oil is purchased abroad, where it is sold and refined, to what uses it is being put, and whether or not a shortage exists.

The corporation would resell the oil to all qualified buyers in the U.S. in ways that spur competition among domestic marketers, ensure equitable distribution in times of shortages, and maximize domestic refining capacity.

Mr. Chairman, the concept of a Federal oil import corporation is not a new one. The Congress gave the President in 1975 the authority to create such a corporation, the authority of which resides in the Energy Policy and Conservation Act. In marking up the Department of Energy organization bill in 1977, the Government Operations Committee at one point approved such an authority within DOE, only to reverse itself after rather considerable pressure from the industry. On a personal note, as the sponsor of the amendment to establish an Oil Import Agency within the not-yet-formed Energy Department, I learned a great deal about the power of the big oil companies over the Federal Government. I recall my amazement at learning of the sheer number of company jets landing at National Airport that crucial day of the committee vote, which settled upon this city quite unlike the gentle rain. We have another chance.

Foreign oil, for better or worse, will remain a major source of our energy for years to come. For this reason, for us to continue to tolerate the existing oil import structure would simply be to perpetuate the intolerable prices and the unsettling supplies.

We have to curb the OPEC cartel and "big oil's" market control. Competition is, indeed, the answer to the oil crisis. A Federal oil corporation would provide the countervailing power to the cartel and the companies and the competitive force that the industry so clearly lacks.

Mr. Chairman, I congratulate you and the committee for undertaking these hearings. I am hopeful they will issue in new import arrangements.

Thank you.●

ABNER MIKVA AND THE NRA

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. DIXON. Mr. Speaker, in the short time I have been a Member of this body, I have come to admire the effectiveness, fairness, and integrity of our colleague from Illinois, ABNER MIKVA. Like most of us, I was delighted at the President's nomination of AB to the U.S. Court of Appeals for the District of Columbia.

As we all know, AB is currently undergoing the kind of searching examination and scrutiny which we legitimately require of all high judicial appointees. In view of the impressive bipartisan support and admiration which has been expressed, his nomination will certainly pass senatorial muster. Nevertheless, this particular confirmation proceeding has been unnecessarily bitter, due to the shrill and unwarranted statements and tactics of the National Rifle Association (NRA).

The NRA has been an ardent, and from all evidence, effective advocate for their views since its inception. While I personally disagree with their position on most issues, I defend their right to seek inform, educate, and persuade the public and its representatives through legitimate legislative channels.

However, in opposing this nomination, they have clearly exceeded the bounds of responsibility and good taste. The remarks of the NRA's legislative director before the Senate Judiciary Committee demonstrate a shallowness, an insensitivity, and a total disregard and contempt for those who have the audacity to challenge their views.

I particularly resent the NRA's attempt to equate Congressman MIKVA's support for gun control with bigotry. According to the NRA testimony,

> There is no qualitative difference between a judge who is prejudiced against blacks and one who is prejudiced against gun owners.

This ridiculous analogy denigrates the cause of basic human rights while elevating the privileges of firearm aficionados to unthought-of-heights.

Such simplistic judgments also ignore the character and temperament of AB MIKVA. Like all of us, he holds strong opinions on certain issues. However, his fairness and judiciousness are exceeded by few persons in public life. The last two minority leaders of the House, JOHN RHODES and former President Ford, have recognized that these attributes are precisely those needed in high-ranking members of our Federal judiciary.

I am concerned over this attack not only for reasons of this nomination, but for the future independence of the judiciary. It is patently unfair to deny an individual such an appointment solely for this reason. Many years ago, John Kennedy opined that an individual should not lose his chance to become President on the day he was baptized a member of the Catholic Church. I don't think a person should lose his chance to become a Federal judge on the day he introduces a bill or makes a speech on such an admittedly difficult and contentious subject.

I hope the rest of my colleagues will join me in condemning these attacks on a fine individual and on the independence of our judicial system.●

STATEMENT OF HON. BENJAMIN ROSENTHAL ON A FEDERAL OIL IMPORT AUTHORITY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. CONYERS. Mr. Speaker, the Ways and Means Subcommittee on Trade is currently examining proposals to create alternatives to the existing oil import system. Among the proposals under consideration is the Oil Imports Act of 1979 (H.R. 3604), which Representatives BENJAMIN ROSENTHAL, CHARLES ROSE, and myself, along with 38 other Members, have sponsored. This legislation would establish a Federal nonprofit corporation as the sole purchaser of foreign oil brought into the United States. It would provide an effective means to curb the OPEC cartel and the big oil companies' market control.

My friend and colleague, Mr. ROSENTHAL, spoke to the oil import crisis in testimony before the subcommittee on Monday, July 16. His statement spells out clearly the nature of the crisis and the soundness of a Federal foreign oil purchase corporation. I commend his statement, that follows, to the attention of my colleagues:

STATEMENT OF BENJAMIN S. ROSENTHAL BEFORE THE SUBCOMMITTEE ON TRADE

I greatly appreciate the opportunity to appear before the Trade Subcomittee in support of H.R. 3604, introduced by Congressmen Conyers, Rose and myself, which would establish a Federal nonprofit corporation as the sole purchaser of foreign oil imported into the United States.

The American people are looking to the Congress for a way out of the energy crisis. Since World War II, it has been U.S. foreign, economic and tax policy to encourage the development of foreign sources of oil and to allow our multi-national oil companies to determine, unilaterally, the availability and price of a commodity essential to the well-being of our Nation. That policy has been responsible, in large measure, for our Nation's lack of energy independence and for our present predicament. At the present level of U.S. imports, the estimated price tag next year for foreign oil—provided there are no further OPEC price hikes—will rise to about $70 billion.

Accordingly, there is no issue of greater importance to our country than how to create an alternative to the present oil import arrangements. The essential question facing this committee, therefore, is whether we should continue the policies that have brought us to this time and place in history; or whether we should take steps to control our own energy and political destiny. The development of alternative sourecs of energy is a vital but long-term solution to our problem.

Through the enactment of H.R. 3604, this committee and this Congress can provide the American people with an opportunity to reduce our Nation's energy bill now. Because foreign crude oil must necessarily remain a primary energy source in the immediate future, ways must be found to assure a reliable supply at the lowest possible price from the most diverse sources. The creation of the nonprofit corporation envisaged in this legislation is a crucial first step in response to this need.

Mr. Chairman, H.R. 3604 represents an effort to address the severe dangers inherent in the existing oil import system. Under that system, our multinational oil companies have absolute discretion to negotiate with the oil exporting nations the amounts of oil to be purchased and imported into the United States and to pay whatever price the oil producing countries demand. Under existing foreign oil tax credit practices and DOE pricing regulations, U.S. multinational oil companies have no incentive to resist increases in the per-barrel price of crude. To the contrary, almost without exception, higher crude oil prices mean higher profits for our oil companies.

Another reason for abandoning the present oil import system and for creating the governmental entity established by H.R. 3604, is that our multi-national oil companies have, at various times, deliberately boycotted the purchase of available foreign crude or have refused to refine foreign crude already purchased. A compelling argument for enacting of H.R. 3604 was Energy Secretary Schlesinger's recent reversal of his intent to use his allocation authority to make refiners increase their capacity utilization out of fear that the U.S. multi-national oil companies might retaliate by withholding crude oil from the United States.

The central premise of H.R. 3604 is that the purchase of foreign crude should be taken out of the hands of a small number of multi-national oil companies whose profits are dependent, in substantial measure, on higher world oil prices and tight supplies and placed instead in an independent and publicly accountable agency whose function would be to import oil at the lowest possible price. At present, the multi-national oil companies have a "sweatheart" relationship with the OPEC and other oil exporting nations and pay whatever price those nations ask.

The basic concept in this bill is not new. Under the Emergency Petroleum Allocation Act of 1973, the Energy Policy and Conservation Act of 1975 and under the 1977 act that established the Department of Energy, Congress provided authority for the Government to import and resell foreign crude. This authority has not been exercised. H.R. 3604 mandates the use of this authority and provides the corporation with the exclusive right to purchase and resell all imported oil brought into the United States for use here.

It would create a countervailing oil purchasing authority that could negotiate, on an arms-length basis, with the OPEC cartel. And, the creation of this agency would increase the effectiveness and enhance the purpose of President Carter's announced determination to prohibit oil imports above 1977 levels.

It is important that we keep in mind that the United States market for imported oil is the world's largest. Virtually every oil producing nation needs dollars and wants its share of the U.S. market. In fact, Saudi Arabia recently announced for their last fiscal year a deficit of $4.9 billion and placed a 4-6 week moratorium on contracting for developmental projects. The others are facing balance of payments deficits and could be expected to bid competitively for portions of the U.S. market.

Indeed, the Federal oil purchasing corporation that would be created by H.R. 3604 would be expected to obtain its purchases of foreign oil through a variety of methods that would stimulate price competition among oil exporting nations, such as the use of long-term contracts, direct purchases, sealed bids and auctions. Moreover, unlike our multinational corporations, the Federal nonprofit corporation would resell crude oil in the United States to all qualified buyers in order to promote competition among domestic marketers and to insure equal distribution in times of shortage. This governmental agency would also be required to disseminate to the public accurate information on the availability of foreign crude and the level of imports.

It is important to note, Mr. Chairman, that other major industrial nations are relying increasingly on government-to-government transactions to purchase oil. For example, prior to 1973, Japan purchased less than 15 percent of its oil needs through government-to-government transactions. In 1978, the percentage of oil purchased in this way rose to 30 percent and in 1979 Japan hopes to increase these type purchases to 50 percent of total oil needs. Canada is another example of a nation that utilizes a state-owned entity for the purchase of its oil imports.

PetroCanada's role came about during the Iranian interruption when cuts in supplies to Canadian companies could not be explained by the actual loss of oil from Iran. The Canadian Government decided that PetroCanada should become a "middleman" purchasing oil from producing countries and selling it to Canadian refiners. This type of middleman function would be carried on by the corporation called for in H.R. 3604.

Let me provide you with one concrete example why our present system of importing oil should be changed. Egypt recently announced that its crude oil prices for the third quarter of 1979 would be $32.50 a barrel for its lightest grade oil, which exceeds OPEC's $23.50 a barrel ceiling by $9. Egypt doubled its price after discussions with its customers which include Standard Oil of Indiana, Mobil and Exxon. Our multi-national oil companies agreed to purchase that crude at higher prices even though similar crude is available elsewhere for less.

As I indicated earlier, DOE pricing regulations will make that transaction exceedingly profitable because its regulations permit the cost of any crude oil brought here to be passed on to consumers regardless of the price paid. Furthermore, other DOE regulations allow the importing oil companies an "entitlement" to "compensate" for the differential between the cost of foreign crude and U.S. crude. This entitlement is a per-barrel allowance equal to the difference between those costs. Under the scenario outlined above the entitlement for the purchase of Egyptian oil would amount to as much as $20 per barrel with the actual value depending on certain other factors.

To pay such high prices for crude oil to provide economic aid or for any other reason has a price escalation effect in today's world. An effect which other oil producing nations will test. The need for a reversal to this process is absolute. A U.S. Government oil import corporation that would purchase all imported oil and oil products through a sealed bid auction would cause the oil producing nations to compete for the opportunity to sell to the United States and at lower prices. I don't think that the oil import corporation created by H.R. 3604 would import crude at $9 per barrel above the world market price. But our multi-nationals would because it is profitable for them to do so.

Mr. Chairman, I think that the American people have a right to expect legislative programs that hold out some realistic hope now for relief from outrageous foreign energy costs. Even the most far-reaching "crash" program for energy independence will require a decade to implement. We must have a program for dealing with the short-term problem of unconscionably high oil prices and their devastating impact on our fight against inflation. Enactment of H.R. 3604 would go a long way toward dealing with our short-term problem.●

STATEMENT OF REPRESENTATIVE NORMAN Y. MINETA IN OPPOSITION TO THE DINGELL AMENDMENT TO THE DEPARTMENT OF TRANSPORTATION APPROPRIATIONS BILL

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. MINETA. Mr. Speaker, an amendment to be offered to the Department of Transportation appropriations bill relating to passive restraints in automobiles is a matter of grave concern to me. I oppose this amendment, which would prohibit DOT expenditures for implementing or enforcing the automatic restraint standard.

The automatic crash protection standard does not mandate use of any particular safety system. It requires that front-seat passengers be automatically protected from serious injury or death in a 30-mile-per-hour crash into a solid barrier. The manufacturer can choose to use an air bag, a passive belt, or any other system they want that meets the performance requirements.

This standard, promulgated by Secretary Brock Adams in 1977 has undergone extensive review in the Congress, in the courts, and at the National Transportation Safety Board. Each time this standard has been reviewed it has been reconfirmed.

An editorial which appeared in my hometown newspaper, the San Jose Mercury, entitled "Sneak Attack on Air Bags," stated: "We see no reason why Americans should be given only one choice in passive restraint systems. Let the marketplace determine customer preferences. That is what the existing legislation does, and that is the way it should remain—without amendments."

I agree with that statement. I urge my colleagues to defeat this amendment and to keep intact DOT's automatic passive restraint rule.

I have inserted in the RECORD a list of those individuals and organizations, all members of the National Committee for Automobile Crash Protection, who also oppose this amendment. I call the list to my colleagues' attention. I urge them to read, as well, the letters from the American Trauma Society, the American Public Health Association, and the full text of the editorial from the San Jose Mercury.

Passive restraints are an important part of our national safety efforts. I hope my colleagues will support the Department's reasonable and effective passive restraint rule and will reject amendments to weaken or alter that rule.

AMERICAN TRAUMA SOCIETY,
Chicago, Ill., July 16, 1979.

Dear Representative: . . . 2 out of 3 Americans are between the ages of 1 and 42, when injuries are the leading cause of death.

. . . 92% of Americans are between the ages of 1 and 70, when injuries in motor vehicle crashes are the most common fatal injury.

The American Trauma Society is dedicated to the reduction of unnecessary injury and death. We strongly support the Department of Transportation's passive restraint standard. It is scientifically sound and its implementation is long overdue. If unchanged, the standard will allow Americans to choose between two basic types of automatic crash protection: air bags and automatic (passive) seat belts. Representative Dingell's amendment to H.R. 4440 would eliminate one of these two options, the air bag.

Air bags give safe, reliable protection, as shown by more than a decade of testing plus the real-world experience of 12,000 air bag-equipped cars. Air bags appeal to many people because they eliminate the need for a safety belt that crosses the shoulder and chest. Unlike automatic belts, they are unobtrusive and, therefore, are not likely to be disconnected.

We believe that a vote against the Dingell Amendment will increase the safety of your constituents by making it possible for them to choose an extremely effective type of crash protection.

Sincerely,
JOHN M. HOWARD, M.D.,
President.

AMERICAN PUBLIC HEALTH ASSOCIATION,
Washington, D.C., July 16, 1979.

DEAR REPRESENTATIVE: To a degree unmatched by any other pending legislation, Representative Dingell's amendment to HR 4440 jeopardizes the safety of the American people. The amendment would eliminate Department of Transportation funding to implement the passive restraint standard as it applies to air bags. By so doing, it would leave Americans with no alternative to seat belts—even though:

(1) 85 percent of Americans don't use their present "active" seat belts, and there is reason to expect that many will disconnect automatic, "passive" seat belts;

(2) air bags have been proved safe and effective, and will cost less than the injuries they prevent;

(3) Many individuals and firms have expressed a desire to buy air bag-equipped cars, singly or in fleets.

The American Public Health Association represents 50,000 health professionals. We strongly urge you to defeat this amendment. You will thereby assure Americans a choice in passive restraints, and will help to reduce death, disability and disfigurement from highway crashes.

In the past, comparable health and safety measures have been delayed for decades after their feasibility and value were well established. Examples include pasteurization of milk and use of the railroad air brake and automatic coupler. In each of these instances, thousands of Americans died because existing technology had not been used. Please don't let this happen now.

Very truly yours,
WILLIAM H. MCBEATH, MD, MPH,
Executive Director.

NATIONAL COMMITTEE FOR AUTOMOBILE CRASH PROTECTION

MEMBERS

Allstate Insurance Companies.
American Academy of Pediatrics.
American Association of Physical Medicine and Rehabilitation.
American Coalition of Citizens with Disabilities.
American Congress of Rehabilitation Medicine.
American Family Insurance Group.
American Insurance Association.
American Nurses Association, Division on Medical Surgical Practice.
American Public Health Association.
American Trauma Society.
Amica Mutual Insurance Company.
Association of Massachusetts Consumers.
The Atlantic Companies.
Automobile Club of Missouri.
Automobile Owners Action Council.
Susan P. Baker, Associate Professor, Johns Hopkins School of Hygiene and Public Health.
Cal Farm Life Insurance Company.
Center for Auto Safety.
Center for Concerned Engineering.
Center for Independent Living.
Chubb & Son, Inc.
Colonial Penn Insurance Company.
Commercial Union Assurance Companies.
Congress Watch.
Craig Hospital, Denver, Colorado.
Crum & Forster Insurance Companies.
Disability Rights Center.
Employers Insurance of Wausau.
Epilepsy Foundation of America.
Farmers Insurance Exchange.
Government Employees Insurance Company.
Harleysville Insurance.
The Hartford Insurance Group.
International Association of Chiefs of Police.
League Insurance Group.
Liberty Mutual Insurance Company.
Maryland Institute for Emergency Medical Services.
Mid-Atlantic Emergency Medical Services Council.
Ralph Nader, Attorney.
National Association of Emergency Medical Technicians.
National Association of Independent Insurers.
National Association of Mutual Insurance Companies.
National Association of Professional Insurance Agents.
National Consumers League.
National Safety Council.
National Spinal Cord Injury Foundation.
Nationwide Insurance Company.
Norte Vista Medical Center, Hobbs, N. Mex.
Ohio Farmers Insurance Company.
Physicians for Auto Safety.
Physicians National Housestaff Association.
Prudential Insurance Company of America.
Prudential Property & Casualty Insurance Company.
Safeco Insurance Company of America.
Saint Paul Fire & Marine Insurance Company.
State Farm Insurance Companies.
S. Lynn Sutcliffe, Attorney.
Travelers Insurance Companies.
United Automobile, Aeropsace, and Agricultural Implement Workers of America (UAW).
United Services Automobile Association.
Wisconsin Consumers League.

[From the San Jose Mercury, July 12, 1979]

SNEAK ATTACK ON AIR BAGS

Should Americans have a choice as to whether seat belts or air bags are installed in the cars that they purchase?

We think so, but evidently a group of 18 congressmen, nine of whom are from Michigan, believe that only passive-restraint safety belts should be permitted in new autos.

And these congressmen plan to launch their attack against air bags via an amendment to the Department of Transportation appropriations bill, which the House is expected to consider next week.

In 1977, the DOT issued a safety standard which, starting in 1983, will begin to give car buyers a choice among various passive-restraint systems: automatic safety belts, air bags, or anything else that advancing technology might develop.

The 18 congressmen want to retain the seat belt option only. They say the DOT should not spend money for regulation or inspection of any other type of safety device, effectively preventing approval of air bags. While the budgetary limitation would apply only for one year, the elimination of funding for air bag regulation could set a precedent.

Passive-restraint seat belts differ from the belts now found in most American-made cars. A passive restraint is anything that protects a driver without requiring him to do anything, such as buckling up. That in itself would be a marked improvement, since present estimates are that 86 percent of car riders do not wear seat belts.

While Detroit automakers have kept relatively silent on the proposed amendment to the DOT's appropriations bill, speculation is that the 18 congressmen have been effectively lobbied by car manufacturers, who see air bags as another government intrusion. Over the years, Detroit's attitude toward safety devices has not been stellar. In fact, their attitude could be characterized as one of constant delays and impediments.

We see no reason why Americans should be given only one choice in passive restraint systems. Air bags have proven safer in many instances than other restraints. DOT estimates that several thousand lives could be saved a year by the addition of air bags.

Let the marketplace determine customer preferences. That's what the existing legislation does, and that's the way it should remain—without amendments.●

LEGISLATION PROHIBITING INTERVENOR PROGRAMS

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. HARSHA. Mr. Speaker, when this body on June 14 debated the question of whether to provide funding in the Energy and Water Appropriations Act, H.R. 4388, to pay parties intervening in Federal regulatory or adjudicatory proceedings, it briefly deals with a matter that has concerned me for quite some time. That is the question of the executive expansion of so-called intervenor programs which provide public financing for intervention or participation of professional litigants and self-appointed experts in Federal regulatory or rulemaking proceedings without affirmative authorization by Congress.

Just as it has on other occasions, this body rejected amendments which would have provided over a half-million dollars in H.R. 4388 to pay expenses of intervenors taking part in regulatory proceedings. Yet the administration did not get the message. There are efforts still underway which will bring about a vast expansion of these unauthorized programs to pay professional litigants unless Congress calls it to a halt.

On May 16 the President ordered each Federal agency now operating such a program to review its explicit or implicit authority to do so—even though he recognizes that specific statutory authority for such programs is lacking. In the last few months alone, several Federal agencies have issued regulations to set up programs to pay lawyers, witnesses and self-appointed experts for taking part in rulemaking proceedings. These agencies took the action despite the protests of parties both in Congress and in private life that the legal authority for agencies to make such payments does not exist.

One tactic used by these agencies is issuance of regulations establishing such programs without approval of the authorizing committees with legislative and oversight responsibilities. Then they go to appropriations committees and ask for money to operate the program on a demonstration basis. It is like the camel getting his nose under the tent; once they get that far, they are hard to stop. We have seen that tactic used in at least two agencies under the jurisdiction of the Public Works and Transportation Committees, without any approval whatsoever from our committee.

Obviously, this expansion of consultant lawyer and witness welfare programs is not going to stop until Congress acts. One way to stop it is the method used in H.R. 4388, as well as the method used in 1978 by the gentleman from Louisiana (Mr. MOORE) on the agriculture appropriations bill. We can insert limiting amendments in each appropriations bill, if that is our will.

I am introducing legislation today which offers a more direct, comprehensive solution—a general bill which states that it shall be illegal for any Federal agency to disburse funds for the operation of intervenor programs not previously authorized by specific statute. My bill further provides that it would not be in order for either the House or Senate to consider any bill, resolution, or amendment providing new budget authority for the operation of intervenor programs unless such programs have been specifically authorized by a provision of law previously enacted. We also would direct the Comptroller General not to authorize the disbursement of any funds for such programs unless the funds have been made available by prior specific statutes.

These steps may seem to be harsh remedies, but it is my judgment that direct, explicit action of this type is needed because the whole history of this abuse shows the agencies are going ahead despite the lack of specific authority to do so and they will continue until they are told they must stop. I believe we have an obligation to take the kind of direct action my bill would authorize. We owe it to the taxpayers of this country to stop the unauthorized expansion of Federal programs by rulemaking actions.

Only in a few instances has this body and the other body ever approved such payment programs. My bill would not affect them—but it certainly would prevent Federal agencies from taking the law into their own hands and paying out tax money right and left to every Tom, Dick, and Harry who considers himself an expert and who wants to get paid from the Treasury for the expression of his personal views. I invite your cosponsorship of my bill which will appear here in the RECORD.●

THE SILENT DOMINO: INFANTICIDE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. DORNAN. Mr. Speaker, I would like to call to the attention of my colleagues a few remarks from the world famous siamese twin separator, Dr. C. Everett Koop, M.D. Sc. D., surgeon in chief at the Children's Hospital of Philadelphia, on the Herod-like practice of infanticide in America.

We need the hippocratic oath brought back into public consciousness, and back into the practice of medicine before we out Mengele, Mengele.

It was only after I listened to this eloquent healer talk in Cincinnati, Ohio, on June 23, 1979, that I fully understood how Hitler's extermination camps became possible and even socially acceptable.

THE SILENT DOMINO: INFANTICIDE

(By C. Everett Koop, M.D., Sc. D.)

Sometime in the last several years an undergraduate at the University of Pennsylvania set up on their ends 16,000 dominoes on the floor of the gymnasium. He then knocked over the first domino so that it hit the second which hit the third which hit the fourth and evenually without any break in continuity, the first domino caused the subsequent orderly fall of the 16,000 dominoes. This colossal waste of time qualified for inclusion in the ever enlarging volume of the Guinness Book of Records. I see certain aspects of our culture today as being akin to these dominoes. I understand this record was broken in April 1979.

I am going to discuss one domino with you today and mention two others. The first domino fell with a crash and caused more polarization among those concerned with social issues in this country than any other issue since slavery. That first domino was abortion on-demand. The second domino was infanticide and it fell silently because although infanticide is being practiced in this country widely today, it is seldom given that appellation and unless you are privy to what goes on in some newborn nurseries or neonatal intensive care units, there is no way you would be aware of infanticide because unlike abortion it is not talked about. The third domino is falling and that is euthanasia.

Infanticide is extraordinarily important to us who are interested in the sanctity of human life because infanticide could never have come about had it not been for abortion. When I read in the months following the January 22nd decision of the Supreme Court in 1973, various references to Justice Blackmun's majority opinion, my blood really ran cold. You will remember that he considered the Hippocratic Oath which forbid abortion to be irrelevant. You will remember that he spurned whatever morality he might have gleaned from the Judeo-Christian heritage of this country but instead he turned to the pagan religions of Rome, of Greece, and of Persia. Although those countries practiced abortion, it was infanticide and euthanasia which were more important inhumanities in their cultures. When I gave the commencement address at Wheaton College in 1973, I predicted ten things that would happen because of the decision on abortion by the Supreme Court, none of which would be to the benefit of our society or to the liking of thinking men and women. One of these predictions was infanticide.

The second important thing to remember about infanticide is that it is euthanasia in an age group. There are many semantic differences in the English language on both sides of the Atlantic and infanticide is one of them. Infanticide in profile circles in Great Britain means the killing of a born infant by the infant's mother. Infanticide in this country is the killing of a born infant either by a direct act or much more commonly by the withholding of something necessary for the survival of that infant such as anything from extraordinary care to ordinary feedings. Its hidden importance in reference to our concerns in the future is that I am certain that they will come when the euthanasia forces will say, "Why are you concerned about euthanasia? We have had euthanasia of infants for a long time and there has been no outcry. Part of the lack of outcry is because of the lack of knowledge.

The third important thing that I would say by way of introduction concerning infanticide is that it is being practiced by a segment of our population that stood as advocates, etc. Fourth, being ignored by a segment of our population from which we should expect more integrity. Infanticide is homicide. The law makes believe it does not happen.

It is really infanticide and all of its implications that involve me in the prolife movement. I have for more than thirty-three years now devoted the major part of my professional life to the management of children who are born with a congenital defect. Because I was the sixth person in the United States to devote his surgical skills to children alone and because of the position I have occupied at the Children's Hospital of Philadelphia since the very start of my professional career, I have probably had more experience personally with the management of congenital anomalies incompatible with life than anyone else practicing pediatric surgery in this country today. So I know what can be accomplished by way of rehabilitation of the child, I know what can be done with the family of such a child. I know that these children become loved and loving, that they are creative, and that their entrance into a family is frequently looked back upon in subsequent years as an extraordinary positive experience. By way of example let me tell you that before I went to lecture at York University in 1977, I wanted to quote the mother of a patient accurately and I asked her the following question: "What is the most awful thing that ever happened to you in your life?" And she said, "Having our son born with all those defects that required twenty-six operations to correct." And I said, "That was an easy answer and I expected it. But now tell me, what is the best thing that ever happened to you." And she said, "Having our son born with all those defects that required twenty-six operations to correct" I know not only this woman and her husband and the patient, but their siblings and collateral members of their family and a large segment of the community that they have influenced and what this good lady said is absolutely right.

It was the schizophrenia of our society that convinced me that I could not just continue to work with children individually and not speak out against what is happening in our society. When I realized perhaps for the first time that while we struggled with the postoperative care of a premature infant upon whom we had operated, and realized the hours of skilled physician and nursing care as well as the extraordinary technological advances that combined to offer this youngster a chance for survival, in the intensive care unit for infants in our institution, while a hundred yards down the street in an equally fine hospital, perfectly normal babies were being destroyed before birth. The day I realized that, I sat down and wrote The Right to Live, the Right to Die.

I am frequently told by people who have never had the privilege of working with handicapped children who are being rehabilitated into our society after the correction of a congenital defect that such infants should be allowed to die or even encouraged to die because their lives could obviously be nothing but unhappy and miserable. Yet it has been my constant experience that disability and unhappiness do not go hand in hand. Some of the most unhappy children I have known have been completely normal. On the other hand there is a remarkable joy and happiness in the lives of most handicapped children. Some have borne burdens which I would have found difficult to face indeed.

With the affluence of our society, it stands to reason that we are merely at the beginning of what we can do for handicapped people both technically and medically as well as in the pursuit of leisure activity. Who knows what happiness is for another person? What about rewards and satisfactions in life to those who work with and succeed in the rehabilitation of handicapped children? Stronger character, compassion, deeper understanding of another's burdens, creativity and deeper family bonds—I am convinced all result from this so-called social burden of raising a child who is less than perfect. When from the materialistic point of view, life seems to be without meaning, it can from the spiritual point of view be extremely useful. Such a life, for example, might provide a source of courage in the manner in which the stress caused by disease and its treatment is accepted. There is also no doubt that the value placed upon the patient by his associates as one who is respected and honored and loved is a source of inspiration to all who see it and a blessing to many.

I mentioned a moment ago the schizophrenia of being able to provide intensive care for a premature infant while destroying another just like it in the uterus. Another bit of schizophrenia of our society is its attitude toward the handicapped. It is now the law of our land that the handicapped individual must have equal access to all of the opportunities that are available to the nonhandicapped. Having worked with handicapped people all my life, I certainly do not find fault with the intent of that law although I do have some criticisms about how it is worked out in practice.

But while we are cutting curbstones in cities in order that wheelchairs can go up and down without a bump, while we contemplate the cost of changing the New York subway system for handicapped persons to be $2,000,000,000 we are at the same time aiding and abetting a search-and-destroy mission for handicapped children by amniocentesis so that all of the benefits we are purchasing for the handicapped would by logical extension eventually be a total waste of money because there would be few handicapped people to use them.

The first medical effort that I know of in this country to educate the profession on the management of a defective newborn with death as one of the options in treatment was the film, "Who Shall Survive?". This film was produced by the Johns Hopkins Hospital and Medical School and it depicts the manner in which a professor of pediatrics, a professor of pediatric surgery, the professor of psychiatry, the hospital chaplain, the social worker and the parents decided that their mongoloid child with intestinal obstruction had a life not worth living and therefore would not be operated upon in a situation where a simple procedure could have saved the child's life. The method of management chosen was to hang a sign on the foot of the bed that said "Nothing by mouth". Fifteen days later the child had starved to death.

The first medical article along these lines appeared in the prestigious New England Journal of Medicine under the title, "Dilemmas of the Newborn Intensive Care Nursery" and was authored by Professor Raymond Duff and Professor A. G. M. Campbell of Yale University School of Medicine. They acknowledged that over a two-year period 14% of the deaths in that unit were deaths that they permitted to happen because it was their considered judgment after discussion with the family that these children had lives not worth living. Here is one of the statements they make in their paper: "Survivors of these neonatal intensive care units may be healthy and their parents grateful but in some instances continue to suffer from such conditions as chronic pulmonary disease, short bowel syndrome or various manifestations of brain damage. Others are severely handicapped by a myriad of congenital malformations that in previous times have resulted in death." You see, this is where I have spent my life, managing these congenital malformations that in previous times have resulted in death.

Duff and Campbell say this also: "Often too parents' and siblings' rights to relief to seemingly crushing burdens were important considerations in our decision." Here two pediatricians have enunciated a new right and that is that parents or siblings are not to have burdens. Even Duff and Campbell use the adverb "seemingly" in reference to pointless and I am sure that word "crushing" as applied to the burden may not be nearly as crushing as the jolt of the parents in days to come when they realize that they have had a part in deciding that their child will die.

Duff and Campbell talk about these parents having deeper meaning in their lives after this experience. If these same parents were seeking deeper meaning in their lives, might they not better have found it in taking care of the child that had been given to them? If they had, I suspect that the deeper meaning they found by deciding to kill their child would have been deeper still and their effectiveness would have been still more effective and that they would have been examples of courage to others less courageous.

Duff and Campbell talk about meaningful humanhood, a term they take from Engelhart. Anytime that someone starts to talk about your humanhood or mine, or whether you have a rightful life or a wrongful life, remember they are beginning to tamper with a right that is exclusively yours and does not belong to anyone else.

Just as infanticide followed abortion, my concern is about the implications of this infanticide thinking on your future and mine. You see, Duff and Campbell have said that parents are able to understand the implications of such things as dyspnea (that is shortness of breath), oxygen dependence, incontinence, paralysis, contractures, and sexual handicaps. Because a newborn child has the possibility of having any one of these defects, it does not seem to me that that entitles any physician to decide that that child's life is not worth living.

If a child like that is to be killed, how long will it be before adults with those same symptoms and signs might be considered candidates for some type of euthanasia program? You see, there are many people who have shortness of breath. In any audience as large as this there is frequently someone who is oxygen dependent at night, who knows who in this room might be incontinent; I am sure there must be some orthopedic defect or a paralysis or a contracture somewhere and a sexual handicap is not a good death warrant.

Arthur Dyck of Boston has the intriguing title of Professor of Population Ethics at Harvard School of Public Health and is also a member of the Divinity School faculty at Harvard. In this liberal era you would think anyone with the title of Professor of Population Ethics would be allied with the thinking of Duff and Campbell, but no. Arthur Dyck puts it this way: "The moral question for us is not whether the suffering and dying are persons but whether we are the kind of persons who will care for them without doubting their worth." You see, Professor Dyck believes more in the equality of life than he does in the quality of life. I agree with Professor Dyck.

The Duff and Campbell article did two things. It evoked response in rebuttal and it made the subject of what is called the "decision making process" or "selection" possible to be talked and written about.

Would you believe, for example, a headline in Pediatric News that says: "M.D.-Parent Decision Needed to Kill Infant"? Would such a headline have even been thinkable before 1973?

Shortly after Duff and Campbell's article appeared in the New England Journal of Medicine this letter to the editor appeared in the same journal signed by Joan L. Venes, M.D., and Peter R. Huttenlocher, M.D., both of Yale University School of Medicine. They described themselves as some of the "specialists based in the medical center" referred to by Duff and Campbell. This is the final paragraph of their letter: "As consultants to the newborn special care unit, we wish to dissociate ourselves from the opinions expressed by the authors. The growing tendency to seek early death as a management option that the authors referred to has been repeatedly called to the attention of those involved and has caused us deep concern. It is troubling to us to hear young pediatric interns ask first, 'Should we treat?' rather than 'How do we treat?'. We are fearful that this feeling of nihilism may not remain restricted to the newborn special care unit. To suggest that the financial and psychological stresses imposed upon a family with the birth of a handicapped child constitutes sufficient justification for such a therapy of nihilism is untenable and allows us to escape what perhaps after all are the real issues—i.e., the obligation of an affluent society to provide financial support and the opportunity for a gainful life to its less fortunate citizens."

Newsweek November 12, 1973, reported the Duff and Campbell article in the New England Journal of Medicine under the title: "Shall This Child Die?" and quoted Duff as saying: "The public has got to decide what to do with vegetated individuals who have no human potential. Sondra Diamond's letter was in answer to that particular sentence. Here it is: "I will wager my entire root system and as much fertilizer as it would take to fill Yale University that you have never received a letter from a vegetable before this one. But, much as I resent the term, I must confess that I fit the description of vegetable as defined in the article "Shall This Child Die?" Due to severe brain damage incurred at birth, I am unable to dress myself, toilet myself, or write; my secretary is typing this letter. Many thousands of dollars had to be spent on my rehabilitation and education in order for me to reach my present professional status as a counseling psychologist. My parents were also told, thirty-five years ago, that there was "little or no hope of achieving meaningful humanhood" for their daughter. Have I reached humanhood? Compared with Drs. Duff and Campbell, I believe I have surpassed it! Instead of changing the law to make it legal to weed out us vegetables, let us change the law so that we may receive quality medical care, education and freedom to live as full and productive lives as our potentials allow.

Another apparent freedom that followed the Duff and Campbell article was the Sonoma Conference on Ethical Issues held in 1975. I would like to focus attention on just one aspect of this conference and that is the response of various people to the issue would it ever be right to directly intervene to kill a self-sustaining infant. The Hegelian attitude of the twenty panelists at the Sonoma Conference is a little bloodchilling. The panel was unanimous in answering yes to the following two questions: would it ever be right not to resuscitate an infant at birth and would it ever be right to withdraw life support from a clearly diagnosed poor prognosis infant?

The remaining question, would it ever be right to displace the poor prognosis infant A in order to provide intensive care to the better prognosis infant B, was answered yes by eighteen of the twenty panelists. The panelists incidentally were bioethicists, lawyers, a nurse, a social worker, a sociobiologist, an anthropologist and a philosopher. It is thoroughly incredible that the nonphysicians could see no difference between passive and active euthanasia. Pediatric News in reporting on the conference said the state of medical ethics in this area is not yet settled. In other words, these learned people having no ethics to bring to the issue are willing to write the law.

In all the years I have dealt with emergencies in a busy hospital I have never known of an instance where Baby B was denied care because Baby A was in the way. Or where Baby A was displaced because Baby B was more deserving. The worst situation was to refer a patient seeking our care to another facility.

Pediatric News quizzed several prominent physicians who had not been associated with the Sonoma Conference. Dr. George M. Ryan of Boston's Hospital for Women said this: "I think this action is so in conflict with the concept of the physician as a 'healer' that such a decision should not be thrust upon the medical profession. Clearly the physician can testify as to the physical and medical status of the patient and can even predict some of the elements of the general human potential of the individual, but beyond this point, the physician has no special talent or training not available to the rest of society that might provide him with the capability of making infallible decisions."

"I am not very sanguine about the wisdom of any one group making such decisions."

"I believe that the medical profession, the family, and society at large by its law-making power must participate in such decisions on an individual basis. Only in this way can checks and balances be assured to prevent any possible abuse of the power of life and death."

Another of the physicians who was asked his opinion about the Sonoma Conference findings was Dr. R. T. F. Schmidt of Cincinnati, at that time president-elect of the American College of Ob-Gyn. He answered from the point of view of traditional, moral and ethical standards by saying this: "The fact that seventeen of twenty expert panelists believe that some severely defective infants should be killed under certain conditions is deeply disturbing. This position is not only deeply disturbing to our traditional concept of the inherent value of human life, but is potentially shattering to the foundation of Western civilization."

Dr. Schmidt concluded his remarks by saying: "Finally the issue is clouded by questions raised as to what state of perfection or imperfection qualifies a human being as a person. The Supreme Court decision of 1973 has already severely limited this qualification. Under current law the existence of every future member of our society may be terminated (within the uterus) according to the value judgment of one or, at the most, two private individuals. To extend this contingency of private value judgment to the newborn infant in either ethical standard or in the law would be another ominous step backward."

The late great Margaret Mead had this to say in reference to the physician as healer just before she died in 1978. Dr. Mead pointed out that before Hippocrates and the Hippocratic Oath the patient never knew whether the approaching physician was coming in the role of healer or in the role of killer. This was because it was the physician who knew the formula for potions and poisons that could be used to terminate the lives of the elderly members of society who were no longer productive. With abortion-on-demand and infanticide and the growing push for euthanasia, we have come full circle in 2,500 years. Once again the patient does not know whether the approaching physician is coming in the role of healer or killer.

Concerning the same Sonoma Conference, Dr. John A. Robertson of the University of Wisconsin Law School and Medical School spoke what seems to me to be a word of wisdom in bringing this kind of discussion down to earth. He said that "One must decide for whose benefit is the decision to withhold treatment from a child with severe birth defects. Is no life better than one of low quality? The person to ask is an individual who has a disabling birth defect." Let me repeat what he said: "The person to ask is an individual who has a disabling birth defect." ●

TAX CUT PACKAGE TO AID SMALL COMPANIES AND SAVERS

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. SAWYER. Mr. Speaker, I am today introducing legislation to eliminate the double taxation of corporate dividends as a means to spur business investment and increase domestic employment. Under my proposals, domestic corporations will be allowed a deduction for all of the dividend distributions which they make in the same manner as they are able to deduct interest payments on debt. The effect of this deduction will reverse the current system by which distributed profits are taxed twice; once at the corporate level and again at the personal level under the individual income tax.

I am also introducing a separate piece of tax legislation which will help boost the economy, the Small Savers Protection Act of 1979. This act is designed to restore the incentive for individuals to maintain a savings account by exempting from taxation the interest earned on savings up to $250 for an individual, and $500 for a joint return.

These two proposals will have the effect of reversing two alarming trends. Virtually all middle size and small listed corporations find it impossible to raise capital through equity offerings and thus are relying heavily on borrowing. At the same time, personal savings as a percentage of disposable income has dropped to a 30 year low. We must make personal savings attractive again to moderate the "buy now philosophy" which is contributing considerably to our present high rate of inflation.

Virtually all middle size and small listed corporations find it impossible to raise capital dollars through equity offerings. The price penalty is far too expensive to offer stock for financing since rarely today or for the last several years, will the market and asking price even roughly approach book value, particularly in the manufacturing companies.

The large investors and institutions are primarily interested in blue chip securities, tax free's or issues involving significant capital gain prospects. Therefore, these buyers offer little market for the type of equity security to which I have made reference.

On the other hand, the great bulk of American middle class are very much interested in cash return on their investment and very few companies of the type to which I have referred can afford to pay dividends after taxes in an amount exceeding the regular bank interest rates on savings and still accumulate capital for growth purposes. The deductibility of dividends would enable corporations such as these to which I refer, to substantially increase if not double their dividend rate at the same cost as presently.

This would have two totally distinct and separate benefits to the entire economy.

First, these small and middle size listed companies could cease becoming dependent on borrowing for their financing, which is a much more attractive source of funds now because of their availability and the deductibility of interest payments; and

Second, it would get the average American into the equity market and let him share in the ownership of the Nation's businesses, which would be an extremely healthy development.

Additionally, this necessary dependence upon debt financing hazards the very existence of these middle-size and small companies that form the backbone of the American economy when a severe down turn in the economy occurs.

The loss of revenue involved will be significantly offset by a reduction of corporate borrowing requirements and hence the payment of tax deductible interest, increased earnings on additional retained capital and increased taxes resulting from receipt of more dividend income by individual stockholders.

The complete text of my bill and a listing of cosponsors follows:

H.R. —

A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"Sec. 128. Interest on Savings.

"(a) Exclusion.—In the case of an individual, gross income does not include amounts received as dividends or interest on deposits or accounts in—

"(1) a bank (as defined in section 581),

"(2) a mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar institution under Federal or State law, or

"(3) a credit union, the deposits or accounts in which are insured under Federal or State law.

"(b) Limitation.—

"(1) In general.—The aggregate amount excluded by reason of subsection (a) for any taxable year shall not exceed $250 ($500 in the case of a joint return under section 6013).

"(2) Ordering rule.—If the amount of dividends or interest described in subsection (a) which is received during a taxable year exceeds the limitation of paragraph (1), the exclusion provided in subsection (a) shall apply to interest or dividends first received during the taxable year. For purposes of the preceding sentence, rules similar to the rules of section 116(c)(3) shall apply."

(b)(1) Paragraph (2) of section 584(c) of such Code (relating to dividends from common trust funds) is amended to read as follows:

"(2) Dividends and certain interest.—The proportionate share of each participant in the amount of dividends to which section 116 applies, and in the amount of dividends or interest to which section 128 applies, received by the common trust shall for purposes of such sections be considered as having been received by such participant."

(2) Subsection (a) of section 643 of such Code (defining distributable net income) is amended by inserting after paragraph (7) the following new paragraph:

"(8) Interest on savings.—There shall be included the amounts of any dividends or interest excluded from gross income under section 128 (relating to interest on savings)."

(3) Paragraph (5) of section 702(a) of such Code (relating to income and credits of partner) is amended by adding at the end thereof the following: "and dividends and interest with respect to which there is provided an exclusion under section 128,".

(4) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 128 and inserting in lieu thereof the following:

"Sec. 128. Interest on savings.
"Sec. 129. Cross references to other Acts."

(c) The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1978.

List of cosponsors follows:

Robert E. Badham (Republican of California).
Doug Barnard (Democrat of Georgia).
John Buchanan (Republican of Alabama).
Clair W. Burgener (Republican of California).
Tim Lee Carter (Republican of Kentucky).
James C. Cleveland (Republican of New Hampshire).
Tony Coelho (Democrat of California).
Edward J. Derwinski (Republican of Illinois).
Robert K. Dornan (Republican of California).
Robert W. Edgar (Democrat of Pennsylvania).
John N. Erlenborn (Republican of Illinois).
William F. Goodling (Republican of Pennsylvania).
Wayne Grisham (Republican of California).
Henry J. Hyde (Republican of Illinois).
Jim Jeffries (Republican of Kansas).
Jim Johnson (Republican of Colorado).
Thomas N. Kindness (Republican of Ohio).
Robert J. Lagomarsino (Republican of California).
Claude (Buddy) Leach (Democrat of Louisiana).
Gary A. Lee (Republican of New York).
Norman F. Lent (Republican of New York).
Robert C. McEwen (Republican of New York).
Dan Marriott (Republican of Utah).
Ralph S. Regula (Republican of Ohio).
F. James Sensenbrenner, Jr. (Republican of Wisconsin).
Guy Vander Jagt (Republican of Michigan).
Larry Winn, Jr. (Republican of Kansas).●

WORLDWIDE MARXIST GUN-RUNNING AND TERRORISM

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. HANSEN. Mr. Speaker, the latest of what appears to have been numerous shipments of tons of weapons to the Sandinista terrorists by the Palestine Liberation Organization (PLO) has failed, mainly due to the vigilance of a Global International Airlines pilot. These shipments were all disguised as medical supplies and marked with Red Cross insignia.

Even more startling is the fact that all of these shipments occurred within the last 3 months, even though the U.S. State Department had called for an "arms embargo" on both sides in the Nicaraguan conflict. Apparently the State Department allowed these shipments and many others to the terrorists while stopping all supplies to the government, and yet publicly maintaining an attitude of working for a peaceful settlement.

The recent Global International flight which was discovered in Tunis carrying over 105,000 pounds of weapons and ammunition was originally scheduled to land at Techumen International Airport in Panama City, according to a preliminary flight plan filed by the Global crew. Only after the recent publicity by several U.S. papers of a secret CIA memo to the State Department which detailed, among other things, the extent of Panamanian aid to the Sandinistas, was the flight plan altered by the PLO to go directly to Costa Rica.

Mr. Speaker, the July 23 issue of Time magazine contains a detailed account of the PLO involvement with the Sandinistas, with particular attention to the circumstances surrounding the Global flight. For the benefit of my colleagues and interested Americans, I include this article for the Record and a related news release dated July 13, 1979, by Congressman Larry McDonald, who traveled with me to Nicaragua this past week (July 10):

Mystery Flight From Beirut

While Sandinista guerrillas consolidated their positions in 25 towns throughout Nicaragua, President Anastasio "Tacho" Somoza seemed in no hurry to fulfill predictions of his imminent demise. Despite the continuing international pressure that he resign, Somoza secretly flew to Guatemala to confer briefly with other military heads of state in Central America and, presumably, to discuss the resupply of his embattled National Guard.

Meanwhile, the U.S. was still involved in complicated diplomatic maneuverings aimed to guarantee that the canny dictator, when and if he goes, will be replaced by a broadly based democratic government rather than an extreme leftist regime. In San José, the capital of neighboring Costa Rica, American Envoy William Bowdler held a series of talks with members of the Sandinista-backed provisional government, which includes two moderates, two leftists and one center-left member. Among the main issues discussed: the creation of a new Nicaraguan army to replace the National Guard, which will be included in the new government, and human rights safeguards for the dictator's supporters in post-Somoza Nicaragua.

Somoza has admitted that he is willing to resign. Trouble is, he keeps making preconditions that are difficult for the U.S. and the opposition junta to accept. He wants guarantees that his Liberal Party will survive as a Nicaraguan institution. More important, he insists that he be given assurances that his 12,000-man National Guard will be preserved, in one form or another, and that his chief subordinates, both military and civilian, will not be imprisoned or executed by the next government. Says one foreign observer who knows Nicaragua well: "Somoza is watching out for himself. If he doesn't get those guarantees for his Guard he might not get out alive."

After several hours of discussion with Bowdler, the opposition junta responded with a program that the U.S. envoy described as "quite a bit different from the one that we were thinking of." In brief, the junta demanded 1) Somoza's immediate resignation, to be accepted by Nicaragua's present servile congress; 2) the installation of the junta as the country's new government under a new constitution; and 3) the amalgamation of acceptable elements of the National Guard with Sandinista fighters in a new law-and-order force. The group promised that all Somoza officers and civil servants, except those involved in, "grave crimes against the people," would be allowed to leave the country.

The population is enraged over the Guard's indiscriminate bombing of civilian areas and by its summary execution of "suspects." The bodies of scores of young people, blindfolded, with their hands tied, litter the shore of Lake Managua. Last week, in an effort to limit the bloodshed of a civil war that has resulted in at least 15,000 deaths so far this year, the U.S. appealed for an end to arms shipments to both sides in the conflict. It remained to be seen whether that call for calm would be honored. Somoza's battered air force was reinforced by several T–28s, which can handle low-level bombing missions against guerrilla forces. U.S. officials in Managua were investigating reports that the planes had been illegally imported from America.

Meanwhile, Time has learned, the Sandinistas have received a dozen or more planeloads of arms from the Palestine Liberation Organization in the past three months. The ties between the P.L.O. and the Sandinistas extend back for at least ten years, but the latest connection came to light only last week during an incident involving a chartered American cargo plane.

The 707 jetliner, owned by Global International Airlines of Kansas City, had been hired for $89,000 by a Belgian company called Young Air Cargo. The plane left Beirut for Costa Rica supposedly carrying 60,000 lbs. of medical supplies. The 707's pilot, Paul Marable, 58, thought it odd that anyone would be flying that kind of cargo from War-torn Lebanon across the Atlantic.

Before takeoff, Marable briefly examined several of the cardboard cartons aboard his plane; they were reassuringly marked with the imprint of the Lebanese Red Crescent, supposedly an equivalent of the Red Cross, although as it happens, no Lebanese organization by that exact name exists. Also on the plane were four passengers who carried false Jordanian and Libyan passports.

As the plane approached Tunis, where it was scheduled to take on more medical supplies, the control tower of Tunis-Carthage Airport diverted it to the Sidi Ahmed military airbase at Bizerte, about 40 miles away. The following day, after spending the night in a nearby hotel. Marable returned to his plane to discover that he had 105,000 lbs. of cargo aboard—15,000 lbs. more than the plane is certified to carry. The pilot could see immediately that the new cargo contained weapons and ammunition. He explained to his passengers that he needed to make some repairs and to get in touch with his employers in Kansas City.

Marable then made an unscheduled stop at Tunis. The plane was so heavily loaded that on landing it narrowly missed the control tower. Once on the ground, it was quickly surrounded by soldiers. The mysterious passengers disappeared. After 24 hours of negotiation between the U.S. and Tunisian governments, the plane was unloaded, and Marable and his crew were permitted to fly the empty craft to Amsterdam.

In Kansas City, the Iranian-born owner of Global International, Farhad Azima, expressed dismay that his airline might have been bamboozled into gun running by the charter firm in Belgium. In Beirut, sources families with P.L.O. operations told Time that other planeloads of weapons had been successfully flown to Central America from Libya and Algeria. All the cargoes were disguised as medical supplies.

Israel Next Target for Betrayal?

Washington, D.C.—Citing documented collaboration between the terrorist Palestine Liberation Organization (PLO) and the Communist Sandinistas which have invaded Nicaragua, Congressman Larry McDonald (D. Ga.) today demanded that the Carter Administration reveal whether Israel is the next U.S. ally scheduled for betrayal.

"We have already—seen the sellout of Taiwan and Nicaragua by the Administration," he said, "and the American people have a right to know if Israel is the next target of our State Department."

Rep. McDonald, who recently returned from a fact-finding humanitarian mission to Nicaragua, charged that small Jewish synagogues in Nicaragua have been viciously destroyed by the Marxist Sandinistas.

"While the Jewish people in Nicaragua are a small minority," he said, "we cannot afford another Holocaust on any scale. The Administration's lack of concern in this area is disturbing because of the implications it has for Israel's future."

Congressman McDonald said his office has discussed the situation in Nicaragua with a former member of the Jewish community there. "Fearful of the Sandinistas, he left Nicaragua last fall and is now residing in Israel. However, he is visiting in the United States and maintains close contacts with members of the Jewish community in Nicaragua.

This is what he told my office, the congressman said:

" 'The Department of State put President Somoza in this position. I am for sure that the fall of Nicaragua will lead to the takeover of the other countries there such as El Salvador and Honduras. And with the sellout of Taiwan and Nicaragua by the State Department, Israelis are very concerned that they may be next. It is not a comfortable feeling.' "

"He also told my office that the PLO apparently has a large number of 'advisors' working with the Sandinistas in Nicaragua," Rep. McDonald said:

The long, friendly relationship between Israel and Nicaragua is well-known, the Georgia Democrat said. President Somoza's father supplied Israel with arms in the late 1940's when the Jewish state was being formed. Also, Nicaragua has always supported Israel's position in the United Nations, he pointed out.

The PLO only last Tuesday and Wednesday attempted to fly 50 tons of weapons from Tunisia to the Sandinistas, Congressman McDonald pointed out.

"There are indications that the Administration is attempting a coverup of the PLO involvement," he charged. "The pilot of the plane which was flying the weapons to Costa Rica for use by the Sandinistas terrorists said he is under orders from the State Department officials not to discuss the affair.

The plane left Beirut, Lebanon last Tuesday, purportedly carrying medical supplies to the Sandinistas, via Costa Rica. However, the crew—which apparently was unaware of the deal—became suspicious of the new cargo. After leaving Bizerte, the pilot landed in Tunisia and the weapons were discovered.

The 707 jet was chartered from Global International Airways, based in Kansas City, Mo., by an unidentified Belgian firm on behalf of the PLO, Rep. McDonald pointed out.

The collaboration between the PLO and the Sandinistas was reported by the Georgia Democrat on Feb. 16, 1978 in his statement to the Subcommittee on International Organizations.

Havana Radio announced that the PLO and the Sandinistas, meeting in Mexico City on Feb. 5, 1978, had signed a joint communique in which they emphasized the bonds of solidarity which exist between the two organizations, he said at the time.

The joint Sandinista-PLO statement was released at the Mexico City meeting of the World Peace Council, an international Communist front run by the International Department of the Central Committee of the Communist Party of the Soviet Union and by the KGB, he added.

The communique was signed for the Sandinistas by its Havana representative, Jose Benito Escobar and by the PLO chief for Latin America, Issam Sali, Rep. McDonald said. This was followed by reports in the Guatemalan press that the PLO had offered to send the Sandinistas some "volunteers" who would fight at the side of the terrorists.

This event was followed the next month with a similar joint communique with the Popular Democratic Front for the Liberation of Palestine, led by Hayif Hwatmeh, he said. This is the group which was responsible for the murder of more than two-dozen Israeli school children in Maalot in May 1974.

Havana Radio also has been broadcasting attacks on Israel for providing military equipment to the Government of Nicaragua.

While the U.S. has placed an arms embargo on Nicaragua, the Sandinistas have had no problem obtaining weapons from Red China, Venezuela, Panama and Cuba, the congressman asserted. However, two ships from Israel loaded with weapons for the legally elected government of Nicaragua were turned back by the U.S. State Department recently.

"I am calling upon the Administration to reveal whether Israel will be the next U.S. ally to be abandoned," he asked. "The American people are tired of the accelerating betrayals of our friends and the place to stop the trend is obviously in Nicaragua—not three or four more countries down the line."

Mr. Speaker, the first nations to recognize the Sandinista junta government included Panama and Grenada and the pro-Marxist governments in the Iran-PLO area. Cuba and Red China are prime sources of weapons. The invasion of Nicaragua has worldwide roots and worldwide impact. And Uncle Sam has strangely thrown his efforts into a parallel course with the Marxists—a strange act that bewilders Americans concerned for our Nation's security.●

MANLEY'S SOVIET LOVE-FEST: IS JAMAICA THE NEXT CUBA?

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. SYMMS. Mr. Speaker, I wish to submit to the Record a column done by John D. Lofton, Jr., a syndicated columnist who writes for the United Feature Syndicate. His column is particularly appropriate for today when the House is considering the foreign assistance appropriations for fiscal year 1980. Lofton shows the close alinement between Jamaica and Cuba and the Soviet Union. But what is more interesting are the loans Jamaica has received through the International Monetary Fund, one of the international financial institutions to which the United States contributes a substantial sum of money. I think it is important for the United States to get a better handle on this indirect funding to countries which pursue policies that are detrimental to the United States and the anti-Communist countries.

I urge my colleagues to read Mr. Lofton's column, as it brings out important information regarding the increasing instability in the Caribbean.

The article follows:

MANLEY'S SOVIET LOVE-FEST: IS JAMAICA THE NEXT CUBA?

WASHINGTON, D.C.—On August 6, 1962, the day his country achieved its independence, Prime Minister Sir Alexander Bustamante announced "the irrevocable decision that Jamaica stands with the West and the United States." The decision was revocable. On March 29 of this year, Michael Manley, Jamaica's present prime minister, setting forth the principles and objectives of his People's National Party, declared that Jamaica is "of the Third World," with "a policy of nonalignment in world affairs."

But Manley's stated policy of neutrality is a fraud, a sham, a snare and a delusion. This was revealed by the Jamaican prime minister's boot-licking performance during his five-day trip last month to the Soviet Union. Commenting on this journey, the Soviet newspaper Pravda gushed: "The U.S.S.R. highly values the non-aligned movement as a positive factor of international politics and welcomes the growth of its role in world affairs." This warm endorsement comes as no surprise, since Manley's views on world affairs, allegedly "nonaligned," are really nothing more than a carbon copy of the Soviet Union's foreign policy.

On April 10, at a dinner in his honor at the Grand Kremlin Palace in Moscow, Manley referred to Leonid Brezhnev as "our respected comrade" hailing him as "the genuine friend of all national liberation movements, the leader and ally of all those who struggle against imperialism." He declared:

"We are profoundly conscious of the epochal significance of the Soviet people's victory in 1917, which not only marked the start of the transition from capitalism to socialism but also created a mighty bulwark of support for revolutionary and progressive forces throughout the world."

Manley approvingly quoted Marcus Garvey on V.I. Lenin, the cutthroat terrorist who was the architect of the Russian communist revolution: "Lenin was the greatest of people because he represented a huge number of people (actually Lenin represented only a handful of Bolsheviks who overthrew the legitimate Russian government) . . . Russia has been a beacon of great hope not only for Negroes but also for all the world's weak peoples. Russia and its system have brought the world the promise of a revolution which will give everyone true spiritual liberation."

The Jamaican prime minister, who has called Fidel Castro "one of the great liberation heroes of all history, not only in Cuba but throughout the rest of the world," told his Soviet hosts:

"Jamaica welcomes the support being given by the Soviet Union to the liberation armies of the Zimbabwe Patriotic Front. This is why we have always believed and now believe that Cuba's heroic people and the Soviet Union did mankind an invaluable service when they saved Angola from the racist South African regime; and they are still insuring Angola's security in the face of the new plans of racists and imperialists.

"In each of these cases, guided by socialist internationalism, you saw your duty as giving support to the just struggle of oppressed peoples. Sometimes the struggle has to be waged using arms. At the present time, the struggle is taking place more frequently in the sphere of economic relations. The efforts aimed at creating a new international economic order are, in our view, a decisive new stage in the liberation process."

On behalf of his government, Soviet Prime Minister Alexei Kosygin praised Manley's "socioeconomic transformations aimed at improving the position of the working masses" in Jamaica. The tribute is a sick joke. Since Manley was elected prime minister in 1972, the economy of his country has nearly collapsed. In order to implement his enormous new government programs, he increased government spending from $627 million to $1.5 billion in 1976. Inflation has soared to the double-digit level and unemployment has substantially increased. As the result of a crushing tax burden, a sizable percentage of Jamaica's middle-class professionals have fled the country (and not to the Soviet Union, incidentally).

In order to swing a $244 million International Monetary Fund loan, in 1978 Jamaica had to meet the following IMF conditions: devalue its currency by 30 percent, tightly restrict its controls on imports, raise taxes even higher on business and tourism, raise interest rates even higher, limit credit expansion, and place a severe wage ceiling on workers' raises.

Writing this month in Harper's magazine, T.D. Allman says that when Jamaicans take to the streets now, "it is not to fight for the revolution, but to protest the dwindling supplies of meat and the soaring price of kerosene." Allman says that Jamaica is a country where people can't afford razor blades, 60-watt bulbs, bicycle tires or radio batteries.

Ronald Hilton, executive director of the California Institute of International Studies and editor of the World Affairs Report, says that the next international trouble spots may be the strategic islands and certain coastal areas around the world. "Why Jamaica?" he asks. Because: "In addition to Jamaica's importance as a source of bauxite and its closeness to the Panama sealanes, the Soviet Union and Cuba are trying to turn it into a focal point of anti-white militancy throughout the English-speaking black Caribbean, from Belize to Guyana. A basic aim of Soviet policy is to destabilize the U.S. and the Caribbean by promoting racial hostility, using not only Cuba but also the Communist Party in the U.S."

In an interview, when I ask Alfred Rattray, Jamaica's ambassador to the United States, if a Soviet military presence would be allowed in his country, he laughs, saying: "Absolutely not. We are basically a nonaligned country."

I wouldn't believe him on a stack of Bibles.●

WHISTLE BLOWER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues two articles which appeared in the Washington Post by Jack Anderson. Both articles discuss a "whistle blower" in the Commerce Department, Larry Brady, who testified before the Armed Services Subcommittee on Research and Development on our export control process for high technology items which have military application.

The Research and Development Subcommittee was holding hearings on a bill which I introduced, H.R. 3216, which institutes a "critical technology approach" to the export of such items. Mr. Brady testified that our export control system was in "shambles," and that end use statements are virtually worthless in preventing diversion of items to military applications.

This body will soon be considering H.R. 4034, the Export Administration Amendments Act of 1979, which reauthorizes our export control system and affirms the lead role of the Commerce Department in administering our export policy. I believe that it is vitally important that major disagreements between the political appointees and the career civil servants not be covered up while Congress is considering this major legislation. Larry Brady was asked to testify by a congressional committee. He answered the questions asked of him honestly and thoroughly. Rather than trying to muzzle Mr. Brady, the Commerce Department should get to the bottom of these allegations and suggest ways that our export control system can be improved. Mr. Brady appears to be a prime candidate for protection given to "whistle blowers" by legislation passed in the 95th Congress.

H.R. 4034 is on the calendar for consideration tomorrow. I plan to offer several amendments which I believe will address some of the problems I find with the bill, and our present export process. At this point I would like to insert Jack Anderson's articles of July 16 and 17, 1979, into the RECORD:

SOVIETS BUYING SENSITIVE U.S. COMPUTERS

Greedy American businessmen, reluctant bureaucratic regulators and detente-smitten presidents have combined to provide the Soviet Union with sophisticated military useful machinery from our technological arsenal.

The workings of this incredible triple whammy were described a few weeks ago to the House Armed Services Committee in secret testimony by Larry Brady, who was then the acting director of the Commerce Department's export office.

Some years ago, remembering Pearl Harbor and the U.S. scrapiron that had helped to build the Japanese war machine, Congress passed a law designed to ban the sale of "sensitive" products that could be converted to military use by our communist adversaries. Several thousand items on the "Commodity Control List" can be exported supposedly only after careful review and approval by federal watchdogs.

But Brady told the House committee bluntly: "The export control system, as it is today, is a total shambles." The safeguards written into the regulations are "not worth the paper they're written on," he said.

For example, before the Russians can get permission to purchase certain products, they must sign a statement that they won't use the American-made hardware for military purposes: "Otherwise, we wouldn't approve it," Brady explained.

But sources told our associate Dale Van Atta that there is no effective way to make sure the Soviets live up to their promise. Instead, the Commerce Department relies on the fox to guard the henhouse; on-site inspections are made by representatives of the U.S. companies that sold the products. Not only are these employees often non-Americans but they have a strong motive for ignoring any Soviet violations. Explained Brady: "The company wants to sell more . . . and he knows very well that if he reports a diversion [to military use], he's not going to be able to sell more."

For the same selfish reason, American company executives are unlikely to squeal on their customers, another Commerce Department official told us. "Unless, they're superpatriots, they have a very large stake in not informing," he said.

Yet sources told us it can be assumed anything that can be used for military purposes will be put to such use by the Russians. Brady cited one example to the committee: the huge Soviet truck plant on the Kama River, largest of its kind in the world. It was built with some $500 million worth of American designs, tools and computers.

Brady testified that he had recently confirmed the use of the Kama River plant to make military vehicles and parts. "The file indicates that we knew at the time the license was made . . . at the White House in 1974 . . . that they would manufacture more engines than trucks," he said.

Another top official told us, "Any reasonable individual knew then that the extra engines and other things would go to the military." Despite objections on this score, then-Secretary of State Henry Kissinger approved the sale.

Computers are the source of the most intense controversy. "For all practical purposes, when you export a computer, you lose control over it," Brady explained. There is, he said, "no real way" it can be determined whether a computer has been diverted to military use. But last year President Carter approved the sale of a large plant for producing oil drill bits, and the plant includes a computer.

One congressman expressed concern over the sale of computers in a fully automated traffic-control system for Kova Airport in Russia, noting the presence of "many bunkers" and jet fighters at the facility.

Business firms and their political allies have been pressuring the Commerce Department to loosen the controls on exports still further. "We should begin to have a little more backbone in the process," the outspoken Brady told the House committee.

Two Who Talked Are Shifted

Now and then, a brave soul will step out of the shadows of government, stand in the glare of publicity and declare the truth to all who will listen. This may lay him open to the most depressing harassments, for our society has not yet outgrown the hoodlum ethos, which honors the man who covers up his boss's deviousness above the employe who exposes it. Here is the story of two men who dared to speak up.

Larry Brady: He is a Commerce Department official who was rash enough to give a congressional committee his honest opinion about the Carter administration's dealings with the Soviet Union. His boss, Stanley Marcuss, had just finished painting a rosy picture of the export office's control over what is sold to the Russians.

As we reported earlier, Brady told the committee that the export office was approving sales to the Soviets of sophisticated computers and other technology that could be diverted to military purposes. The testimony, taken in secret, has not yet been released to the public.

For giving Congress testimony that contradicted the official line, Brady already has been reprimanded, transferred and advised to stop talking to Congress or reporters.

Brady was acting director of the export office when he was called as a witness. He entered a mild demurrer to his superior's testimony, stating that in his opinion the safeguards against military use of American imports were not adequate.

Next day, when Brady resumed his closed-door testimony, he told the congressmen he had been called that morning by Marcuss, who "indicated he was a little uptight with the remark I had made last night about safeguards."

Chairman Richard Ichord (D-Mo.) asserted the committee's right to get straight testimony from government witnesses. He noted that the Office of Management and Budget had threatened several witnesses during the export hearings. Such threats, he warned, "could very well be the subject of separate hearings."

Perhaps emboldened by this encouragement, Brady proceeded to speak frankly: The export control system, he said, "is a total shambles." Shortly after his heretical testimony, he was bounced from his job. Yet sources told our associate Dale Van Atta that Brady had been considered "very competent" until he testified so forthrightly.

Brady wasn't actually fired. He was given the post of deputy director of the export control unit—but only on condition that he not talk to Congress or the press without prior clearance from his higherups. Our sources say he hasn't yet agreed to this condition.

When we contacted him, Brady said he couldn't comment on either his secret congressional testimony or his present job situation.●

NATIONAL POW–MIA DAY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, this is the appropriate time for Congress to consider the MIA's and POW's, since July 18 is National POW–MIA Day. It is time to support House Concurrent Resolution 10, which urges the President to instruct the State Department and the U.N. Secretary General to establish a Special Investigatory Commission to secure a full accounting of Americans missing in Southeast Asia.

The Vietnam war was officially over 5 years ago, but there are still many related problems with which we must deal. A sometimes forgotten issue is the plight of the POW's and MIA's in Vietnam. How can we diplomatically recognize a country that refuses to account for U.S. citizens that were "lost" during the war years? Let us not let them get lost again in political sidestepping and inefficiency.

Are the presumptions of the U.S. Government regarding these "deaths" worthy of the word "fact"? I think not. The Government has made presumptive changes in the status of these men, yet provides no rationale for doing so. Could this be because there is none? Is passage of time a valid reason to determine a man as killed in action? This has been done to all but 127 of the prisoners and the missing.

Some of these "dead" men have been seen, and most of us do not believe in ghosts. The Department of Defense has released over 10,000 pages of "uncorrelated information" of such sightings—some as late as 1978. There are letters to home, pictures from newspapers and magazines, and films of foreign origin of men captured yet never released. These men could not have been killed in action—action they were never in. The Government is saying:

> There is no information to indicate any Americans are being held in Vietnam.

Where are these 2,500 men? Killed in Vietnam? Should we not be concerned if that is the case also?

The Department of Defense lists 1,300 men in their categories of expected and suspected accountability. They feel information and/or their remains should be available. We should get this information rather than prematurely determine them dead.

We should befriend our people before those of our past enemy. We need to help these American families; reconstruct them and help them get what they need—information regarding their sons, fathers, and brothers. When we get these problems worked out, we will be in a much better position to help the Vietnamese reconstruct their families and towns.

We cannot expect miracles from anyone involved, but cooperation can and should be required. The Socialist Republic of Vietnam should not benefit from our aid, trade or diplomatic recognition and expertise until we determine answers to what happened to our men. We must start with our Government making a deliberate effort to find out about our soldiers. There are just too many questions that must be answered before we can close this issue.●

PERSONAL EXPLANATION

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Mr. CAMPBELL. Mr. Speaker, during rollcalls No. 334 and No. 335 today, I was in transit from South Carolina. Had I been present and voting, I would have voted for final passage of H.R. 2282, Veterans' Disability Compensation and Survivors Benefits Act, and for H.R. 3641, Amendments to the Public Health Service Act.●

EXPLANATION OF AMTRAK AUTHORIZATION AMENDMENT

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. McKINNEY, Mr. Speaker, in the Congressional Record of Wednesday, July 11, an amendment I intend to offer to the Amtrak Reorganization Act of 1979 was printed. Due to a typographical error, the substance of the amendment was not accurately reported. Rather than, "and insert in lieu thereof '$242,000,000' ", the second portion of the first sentence should have read, "and insert in lieu thereof '$272,000,000' ". The corrected version appears in another section of today's Record.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 16, 1979

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following votes. If I had been present, I would have voted as indicated:

On July 12, 1979: Rollcall No. 327, "no," rollcall No. 328, "no," rollcall No. 329, "yes," rollcall No. 330, "yes."●

MINUTEWOMEN PROJECT

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 1979

● Mr. CARR. Mr. Speaker, in conjunction with the "Minutewomen" project of my good friend and colleague Mrs. SCHROEDER of Colorado, I would like to call to attention the name of Zelie P. Emerson. Ms. Emerson was born and raised in Jackson, Mich. and is known for carrying the tradition of American suffragettes to Europe.

Shortly after the turn of the 20th century Ms. Emerson became involved with Sylvia Pankhurst, the prominent London suffragette leader. Zelie embraced the cause of securing women's right to vote in London with all the vigor and conviction many other early suffragettes mustered for their cause in this country. Zelie and her British sisters joined in hunger and thirst strikes to publicize their commitment to their cause. Zelie was jailed several times for her militant activities designed to draw attention to the women's suffrage movement.

In 1913, Zelie joined Sylvia Pankhurst in a tour of Romania, Hungary, and Scandinavia in order to contact and motivate women involved in suffrage movements. Her activities were cut short in 1914 when her doctor informed her that her health was broken. She followed his orders by once again taking up residence in Jackson, in the same house occupied by her mother, the first Zelie Passavant Emerson, a friend of Andrew Carnegie, who is credited with obtaining an Andrew Carnegie Library for Jackson. A document acknowledging the donation and Mrs. Emerson's influence hangs in the library's main corridor.

Zelie's participation in the inner circles of the Pankhurst suffrage movement has been acknowledged by historians of the movement, the British Broadcasting Co. and Sylvia herself. Using the words of Patricia W. Romiero, a University of Wisconsin historian in reference to Zelie P. Emerson:

> She experienced the drama that today is regarded as creating history.

Zelie is one of our country's many influential women of history whose activities and accomplishments will long be remembered.●

SENATE—*Wednesday, July 18, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 11:15 a.m., on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Reverend James David Ford, D.D., Chaplain of the House of Representatives, offered the following prayer:

Let us pray.

Eternal and everlasting God, whose blessings are upon us each day, we give thanks that Your grace is sufficient whatever our need, and Your providence gives direction to life.

Remind us, O Lord, of Your mighty acts of redemption on behalf of Your people which, from the beginning, have witnessed to Your power and which demonstrate Your love.

Grant us forgiveness when we have wronged You and our neighbor, and mercy when You judge. Above all, continue to minister to us that we may serve with righteousness and honor.

May we not feel alone or become anxious by the pressures of the time. Cause us always to know the spiritual security that comes when we focus on You and Your way, and grant us always to know the peace that passes all human understanding.

In the name of the Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 18, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Alabama.

THE JOURNAL

Mr. STEWART. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEWART. Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the acting minority leader, the Senator from Alaska.

MEMORIAL SERVICE FOR MRS. EVERETT DIRKSEN

Mr. STEVENS. Mr. President, many of us have just returned from the memorial service for a great lady, Mrs. Everett Dirksen, and heard the very fine statement and eulogy made by her son-in-law, who is our minority leader.

It is a unique family. Mrs. Dirksen was the wife of our minority leader, Everett Dirksen, and she became the mother-in-law of our current minority leader, HOWARD BAKER.

Many of us remember the very interesting and gracious evenings that we spent at the Dirksen home. I remember some of those when Ann and I first came back to the Senate and the Dirksens annually opened their home for a reception for Members of the Senate.

She was indeed a great lady. She has had a good life and has had a tremendous influence on two of the great leaders of this Senate.

So I for one was very privileged to be able to attend that service for her.

TAX-EXEMPT MORTGAGE BONDS

Mr. STEVENS. Mr. President, I am deeply concerned, as I am sure many Members of the Senate are, about the current controversy involving tax-exempt mortgage bonds. I am in favor of the program, but I do believe a strong case has been made for the need to place restrictions on these bonds. The revenue loss to the Treasury, the displacement of conventional mortgage lenders, and the interest subsidization of those families in the higher income brackets are unfortunate realities associated with the burgeoning of this program. In order to protect the future availability of this type of mortgage financing, Congress must act to prevent abuses and to curb the detrimental impact of mortgage bonds, while at the same time, impose guidelines that are responsible and flexible and which further our national housing goals.

However, I caution the Senate on the inevitable drawbacks in attempting to establish limits which apply to all tax-exempt mortgage bond issues in all parts of the country. As a representative of a State that is, in nearly all respects, very far from the national norm, I am well aware of the inapplicability of many of our laws to my State's situation. Nearly every Federal effort to provide safe and sanitary housing in Alaska, especially in the rural areas, has failed, primarily because of the inapplicability of HUD, FHA, BIA, and other agency standards to the Alaskan environment.

The federally subsidized tax-exempt mortgage bond program has begun to

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

make significant inroads by providing much needed housing in all areas of the country. The Senate, I am sure, will understand, therefore, the importance of insuring that any congressional action taken be sensitive to regional and local needs and permit the financing of affordable, and otherwise unavailable, housing.

In conjunction with the issue of flexibility, there are many questions which I hope will be considered. Imposing income limits, for instance, leads to the problem of definition. What is a low or moderate income, and how are they determined in areas where there are inadequate income statistics? How do income levels compare with housing costs, and do limitations placed on both income and purchase price ignore their varying relationship from area to area?

In Washington, D.C., for instance, the median family income is a little below the national average, and yet the housing costs are among the highest in the country. Restrictions on the purchase price may also tend to penalize those prospective homebuyers who have scraped together an adequate savings and can afford a nicer house because of the amount of down payment. Should we penalize savings or encourage the construction of cheap housing through purchase price limits? There currently are several tax breaks for homeowners.

Do we want to further help these individuals through an interest subsidy, or should we direct this program to new homebuyers? I trust that the Governmental Affairs Committee in their current hearing process and the Senate members will study these questions thoroughly before making a decision that would dramatically affect many homebuyers of this Nation, especially those seeking financing for the first time.

I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Alabama yield to me 1 minute?

Mr. STEWART. I yield a minute to the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

TIME LIMITATION AGREEMENT ON AMENDMENT NO. 338—H.R. 4388

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on amendment No. 338 by Mr. Johnston, to which he alluded yesterday afternoon, this amendment having to do with the construction of an extension to the New Senate Office Building, there be a time limit of 45 minutes to the side. This has been cleared with Mr. Johnston, and I understand it is cleared on the minority side. Mr. Stevens is here to speak to that. The time would be controlled as usual.

Mr. STEVENS. Mr. President, reserving the right to object—and there will be no objection—this is the desire, as I understand it, of Senators Chafee and Danforth, and it is my understanding that with the adoption of the agreement Senator Chafee has indicated he will not raise the question of germaneness of this amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. STEWART. I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business to not extend beyond the hour of 11:30 a.m. with statements therein limited to 1 minute each.

Mr. STEWART. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A CAUSE, A MARRIAGE KEEP HIM ON THE ROAD

Mr. STEVENS. Mr. President, recently Alaskans have been traveling throughout the country to alert other citizens of our Nation to the importance of the Alaska lands issue. We feel that the only way to attract attention to our issue is to personally explain to other Americans why the Alaska lands issue is so important to them. One of these Alaskans who has been traveling throughout the Nation is our Lieutenant Governor, Terry Miller. Much of Terry's time has been spent in New England where he attended school at Harvard and where his wife is earning her doctoral degree in experimental psychology at Tufts University.

The Boston Globe featured in a recent article a story on Terry's travels. I would like to call the attention of the Senate to Terry's journey as only one of many which Alaskans are taking throughout the country to alert our fellow citizens to the importance of the Alaska lands issue.

Mr. President, I ask unanimous consent that the article from the Boston Globe entitled "A Cause, a Marriage Keep Him On the Road" be inserted in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A CAUSE, A MARRIAGE KEEP HIM ON THE ROAD

(By Gary McMillan)

Terry Miller, the lieutenant governor of Alaska, was in town again this past week on another 5000-mile commute to see his wife, and once again he got lost trying to find the Southeast Expressway.

"Boston is a charming town, a lot of history, but it's so congested," he said. The definition of congestion is rather loose to a man who comes from a state with 586,412 square miles of land. There are almost half again as many people in Boston's 46 square miles than there are in all of Terry Miller's state.

Still, he says he likes to visit, mainly to see his wife, Dani Bowman, who is earning her doctoral degree in experimental psychology at Tufts University. They were married just before Miller gave up his state Senate seat in 1976 for his own postgraduate stint at Harvard's Kennedy School of Government. He finished in 1978, she's still here except for summertime homecomings and that is what prompts the commutes.

Miller returned to Fairbanks in May 1978 to successfully run as the Republican candidate for lieutenant governor last year with Gov. Jay Hammond.

In the meantime—and while waiting for his own potential gubernatorial campaign in 1982—Miller is traveling around the state and country touting his state's position on what, to Alaskans, is the very controversial wilderness lands bill.

On Thursday, Miller and his cohorts won an initial victory when a bill to put 120 million acres of Alaskan land into federally-controlled wilderness failed to win approval from the US House Interior Committee.

Miller stopped off in Boston long enough to see his wife before returning to Alaska to get Hammond's instructions for the next step in Alaska's battle. Basically, Miller says, the state wants the rest of the 103 million acres promised it and the 44 million acres promised the natives in the Statehood Act of 1959 before the federal government starts fooling around with the rest.

"The issue has been reduced to an environmental versus developer thing," Miller said, "and it's not that simple. One of the things I learned from my time in Boston is that we don't want to make the same mistakes they made in the rest of the United States and that means we have to have participation in the process."

Miller is an affable man of 36 with a touch of natural Western reserve enhanced by a 16-year political career that began with his election to the Fairbanks City Council. He served two years in the state House and eight in the state Senate before heading east.

After four months of campaigning in 1978 he won his primary by a 2–1 margin and wound up not only on Hammond's ticket but also, without his permission, on the slate with former Gov. Walter Hickel, who ran as an independent. His electoral popularity has given him a fairly strong voice in Alaskan affairs.

"The question we're talking about in the state and what this fight in Congress is about is 'What is Alaska going to be when it grows up?' You know there's no other state in the union that can ask that question," he said.

"The time here in Boston was very instructive. I became more sensitive to the very values we're discussing. I'm much more sensitive to keeping the air clean, protecting the land."

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 11:30 a.m. having arrived, the Senate will now resume consideration of the pending business, H.R. 4388, which the clerk will report.

The assistant legislative clerk read as follows:

> Calendar No. 254, H.R. 4388, an act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

The Senate resumed consideration of the bill.

UP AMENDMENT NO. 372

Mr. JOHNSTON. Mr. President, there are errors in the wording of the agreed-to committee amendments which appear in the bill on page 2, line 23, through line 2 on page 3; and on page 5, line 8 to line 11.

I send to the desk technical amendments correcting the wording, which is the same language for both appropriations accounts, and ask unanimous consent that it be in order to consider en bloc the technical amendments, which amend the bill in two separate places.

The ACTING PRESIDENT pro tempore. The amendments will be stated.

The assistant legislative clerk read as follows:

> The Senator from Louisiana (Mr. JOHNSTON) proposes an unprinted technical amendment numbered 372.

The amendments are as follows:

> On page 2, strike out all beginning on line 23 down to and through line 2 on page 3 and insert in lieu thereof:
>
> "The anticipated revenues from Uranium Enrichment activities for the fiscal year and authorized to be retained by Public Law 93-438 shall be deemed to have been appropriated to the Department for purposes of 31 U.S.C. Sec. 665."
>
> On page 5, strike out all beginning on line 8 down to and through line 11 and insert in lieu thereof:
>
> "The anticipated revenues from Uranium Enrichment Activities for the fiscal year and authorized to be retained by Public Law 93-438 shall be deemed to have been appropriated to the Department for purposes of 31 U.S.C. Sec. 665."

The ACTING PRESIDENT pro tempore. Without objection, the amendments will be considered en bloc.

Mr. JOHNSTON. Mr. President, I move the adoption of these technical amendments.

Mr. STEVENS. Mr. President, I am informed that the statement of the Senator from Louisiana is correct, that these are two technical amendments which have been discussed, and in the absence of the floor manager I am prepared to accept them on the basis of the information we have received and do not object to the motion of the Senator from Louisiana.

The ACTING PRESIDENT pro tempore. Without objection, the amendments are agreed to.

Mr. JOHNSTON. I move to reconsider the vote by which the amendments were agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 373

(Purpose: To provide for the completion of the Hart Office Building)

Mr. JOHNSTON. Mr. President, I sent to the desk a committee amendment as recommended by the committee yesterday, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Louisiana (Mr. JOHNSTON) proposes an unprinted amendment numbered 373:
>
> On page 31, after line 25, insert the following: Sec. 502. There is appropriated, out of any money—

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be waived.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

> On page 31, after line 25, insert the following:
>
> SEC. 502. There is appropriated, out of any money in the Treasury not otherwise appropriated, for an additional amount for "Construction of an Extension to the New Senate Office Building" $52,583,400, to remain available until expended: *Provided*, That the amount of $137,730,400 shall constitute a ceiling on the total cost for construction of the Extension to the New Senate Office Building.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. STEVENS. Is this the amendment for which the time agreement was just entered, for 45 minutes on each side?

Mr. JOHNSTON. That is correct.

Mr. STEVENS. It is the amendment on the Hart Building?

Mr. JOHNSTON. That is correct; this is the Hart Building amendment.

Mr. STEVENS. Has time started running on that amendment yet?

The ACTING PRESIDENT pro tempore. The agreement was on amendment No. 338. It would require unanimous consent to transfer the agreement to this amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that there be a quorum call, not to be charged to either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. I thank the Senator from Louisiana.

Mr. JOHNSTON. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, this is the Hart Senate Office Building amendment. As I have said a number of times before, I am chairman of the Senate Office Building Commission. It is a job I did not seek; it is a job I do not want; it is a job I would be a lot better off without, Mr. President. There is no political credit in building the Senate Office Building, because the American people, or at least a lot of them, believe that the Senators are providing for themselves in great luxury, and that Congress is wasting the taxpayers' money.

Mr. President, I received this appointment only a few weeks ago, and what I have tried to do as chairman of this Commission is do the best I could, in a responsible way, to do the best possible job for the taxpayers of this country.

I believe the amendment we have here does such a job, because the completing of that building, Mr. President, is the only responsible thing that the Senate can do. I repeat, it is the only responsible thing we can do.

We can argue about dollars here and about particular kinds of finish on this wall or that wall, or about whether we ought to finish off the cafeteria or not. But as between leaving that building an uninhabitable hulk and finishing it off, at a time when the Senate needs space, Mr. President, there is no choice.

Mr. President, the Hart Senate Office Building began with hearings back in 1967. At that time, 72 Members of Senate testified that they needed more space; and I am sure the other 28 also agreed, but probably lacked the courage to come in and testify.

There were a large number of committees which testified at that time. Twenty-four committees and subcommittees petitioned the Senate Public Works Committee for additional space.

Were those 72 Senators and all of those committees correct back in 1967? There is no question but that they were correct, Mr. President. In 1972 we did a study, undertaken by the Architect of the Capitol, that showed that the average Senate employee has 65 square feet of space. That compares with a minimum standard put out by GSA of 150 square feet. So in 1972 we had 65 square feet, and now it is less; and, as I say, that compares with the 150-square-foot GSA minimum.

Mr. President, does it make any sense when the Senate has less than 65 square feet, almost less than a third of what GSA requires as a minimum? I mean is that supposed to be in the taxpayers' interest, when the Senate is making tremendous decisions every day? The President has sent down a $142 billion energy bill, and we are supposed to have our Senate staff—my subcommittee on the Energy Committee handles a very large part of that $142 billion. He have two committee staffers. Are they to have 65 square feet apiece? Does that make any sense, Mr. President? Is that supposed to be economy? I submit to the Senate that it is not.

Mr. President, what I have recommended and what this amendment would do is seek a total of $142,627,700. That calls for an appropriation this year of $57,480,700. Last year, Mr. President, the

Senate approved legislation appropriating $140 million.

I have submitted to all of my colleagues in the Senate and to the press a "Dear Colleague" letter in which I recommended that we appropriate somewhat less than this, in order to be under last year's figure. I recommended, Mr. President, that we appropriate $54,853,000.

That figure was arrived at by a number of deductions. All of these deductions and my recommendations are listed in the CONGRESSIONAL RECORD, July 17, 1979, p. 18940.

This is a stripped down version of the building which I have recommended, Mr. President, taking out almost 20 different deductives. I believe, Mr. President, that it gives us a building which is habitable, which is in keeping with the style of architecture of other buildings in Washington, and which is a building which will last a long time.

AMENDMENT NO. 338

(Purpose: To provide for the completion of the Hart Office Building)

Mr. JOHNSTON. Mr. President, I am just advised that there is an error in the amendment. I ask unanimous consent that the amendment I sent to the desk be withdrawn and that the printed amendment No. 338 be substituted in lieu thereof.

Mr. CHAFEE. Mr. President, I would like to withhold my objection to that for a moment until I find out exactly what is in the substituted amendment.

Mr. JOHNSTON. Mr. President, apparently there is a printing error in it. It is an error in the numbers.

Mr. CHAFEE. Could we have the corrected amendment? I have before me——

Mr. JOHNSTON. That is the amendment I want to substitute for the amendment sent to the desk.

Mr. CHAFEE. What does the amendment sent to the desk do differently? Does it change the total?

Mr. JOHNSTON. Perhaps the Chair can tell us.

The ACTING PRESIDENT pro tempore. It changes the figure.

Mr. CHAFEE. The figure is fairly important in this. It changes the figure to what?

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes amendment number 338.

On page 31, after line 25, insert the following:

SEC. 502. There is appropriated, out of any money in the Treasury not otherwise appropriated, for an additional amount for "Construction of an Extension to the New Senate Office Building" $57,480,700, to remain available until expended: *Provided*, That the amount of $142,627,700 shall constitute a ceiling on the total cost for construction of the Extension to the New Senate Office Building.

Mr. CHAFEE. That is the amendment I have before me.

The ACTING PRESIDENT pro tempore. This is the amendment, as printed. Of course, the Senator from Louisiana has a right to do that.

Mr. CHAFEE. So the printed one is the one we are dealing with?

Mr. JOHNSTON. Yes; as I announced a moment ago I want to substitute the printed amendment No. 338 for the amendment which was inadvertently sent to the desk.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. CHAFEE. No objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSTON. The difference between the two amendments was caused by the actions of the Committee on Appropriations yesterday. In the recommendations I made to the Committee on Appropriations and the Senate I recommended a figure which resulted in a total cost of slightly under $140 million, $137 million. To get to that figure, I recommended a number of deductives, all of which are listed in the pages of the CONGRESSIONAL RECORD of yesterday where my recommendations were listed.

In the consideration of the matter before the Committee on Appropriations and before the Commission, it was suggested by Senator BELLMON, who put in an amendment in the Commission where the amendment was voted down but in the Committee on Appropriations where the amendment was accepted, that deductive No. 1 relating to paneling in Senate offices should not be deducted but should be included. Senator BELLMON offered testimony to the effect that in the long run it would be cheaper to put in paneling because you would not have to come in and paint and plaster on a regular basis.

He also suggested that we should include No. 3. My recommendation was to deduct the 9th floor dining facility. It was my recommendation that we could get along without it, but Senator BELLMON pointed out that the dining facility is basically not for the accommodation of the Senators, as there is plenty of dining space right now for Senators to eat, but the 9th floor dining facility is principally for visitors, for guests, for tourists on Capitol Hill, for Americans who come to see their Capitol and want a place to eat.

He also suggested that item No. 16, the central hearing room, which is specially outfitted for multimedia, should be finished and included. I recommended that we not finish the room, that we could get along without it. He suggested that it is a needed facility and ought to be finished.

It was my feeling, Mr. President, that we ought to make this as frugal, as austere as possible. The Committee on Appropriations agreed, save the three amendments which Senator BELLMON offered at the committee and which were accepted by the committee.

This increases the total cost to the figure listed in the amendment, which is approximately $142 million. That is the reason for the differences between the two. I thought I had offered an amendment that had these three changes.

Mr. President, with these changes we will now have space which, I believe, will put the Senate in compliance with the GSA minimum standards. It will put the Senate in compliance with the OSHA standards. It will given the Senate an office building, Mr. President, which, with all the ballyhoo about its cost, is still considerably cheaper on a square foot basis than the Rayburn building.

Mr. President, using 1981 dollars, which we are using for both buildings, the Hart Building would cost $172 per square foot and the Rayburn $212 per square foot, or substantially more.

I have just one final word, Mr. President, and then I will let the opponents speak. For every month which goes by without completing that building, it is costing the American taxpayer $700,000. That is the reason for which I have come in and sought expedited consideration of this amendment on this bill. It is time for the Senate to make up its mind. If in fact we would accept what I consider to be the absolutely asinine idea of leaving that building with its exposed steel to rust away in the weather, or an almost equally asinine idea of just fiinishing off the shell, then when we come in and finally present that building we will present a nice bill to the American taxpayer that goes up at the rate of $700,000 a month.

Our friends in the House of Representatives, Mr. President, last year——

Mr. DANFORTH. Will the Senator yield?

Mr. JOHNSTON. In just a moment.

Mr. DANFORTH. I wanted to ask a question at the appropriate time.

Mr. JOHNSTON. I have one more comment, and then I shall yield.

Mr. President, our friends in the House of Representatives last year killed the Senate appropriation on economy grounds. Do you know what has happened in the meantime, Mr. President, because of that delay? The sum of $20 million has been added to the tax bill of the taxpayers. I do not think that is the kind of economy we want in this Government.

I yield.

Mr. DANFORTH. I would like to ask a question. It is my understanding that 1972 was the first year, is that correct, when this building was proposed or the first authorization was made?

Mr. JOHNSTON. The first public law, yes, was passed in 1972, that is correct.

Mr. DANFORTH. At that time, the building was estimated to cost $48 million. Is that right?

Mr. JOHNSTON. Not this building. That was an estimate based on a sort of replication of the Dirksen Senate Office Building. By the way, that was before I came to the Senate.

Mr. DANFORTH. A third Senate office building at that time was supposed to cost $48 million. Is that correct?

Mr. JOHNSTON. Yes. If the Senator is interested in all the figures, in 1972, it was $48 million. In 1974, the design of this building, rounding off, was $69 million. In 1974——

Mr. DANFORTH. I am sorry. The Senator said 1972 was $48 million. Then he moved to 1974.

Mr. JOHNSTON. Yes, I have $68,825,000 appropriated.

Mr. DANFORTH. In 1974?

Mr. JOHNSTON. That is 1974. In December of 1974, it went up to $85 million. Last year, it was $122 million. This year, based on this amendment, $142 million.

Mr. DANFORTH. The $142 million in this amendment would pay the entire cost. Is that going to be the end of it?

Mr. JOHNSTON. I say to my friend that the Architect of the Capitol hired an outside estimating firm to come in and estimate everything. It is a nationally recognized firm. What we did is take those figures of the outside firm, concurred in by the Architect of the Capitol. We increased that by the inflationary factors which the Architect of the Capitol was using. Then we increased the contingency fund from 5 percent to 15 percent. Then we made our deductions and, based on that, we have this figure of $142 million, which I sincerely hope and have done everything that I know of possible to say, is a final, complete figure that will not change.

Mr. DANFORTH. It is my recollection, Mr. President, that last year, in the vote we had on the floor of the Senate, after extensive debate critical of this building, we attempted to put an absolute cap on the cost of this building of $135 million. Is that not right?

Mr. JOHNSTON. It is a rather curious situation. We put on a cap of $135 million, then we appropriated $140 million.

Mr. DANFORTH. The authorization was $135 million?

Mr. JOHNSTON. No, Mr. President, there was language purporting to put a ceiling of $135 million on it, but the cumulative appropriation—last year's appropriation plus the previous year's appropriation—amount to $140 million. I have treated the $140 million as if it were a ceiling.

Mr. DANFORTH. So the cap we attempted to put on last year of $135 million meant absolutely nothing, is that right? Now we are up to $142 million.

Mr. JOHNSTON. If the Senator will yield——

Mr. DANFORTH. The Senator has the floor.

Mr. JOHNSTON. We would be well within the money if the House had not killed the appropriation last year.

Mr. DANFORTH. I am not interested in fixing blame on the House or anybody else. What I am saying is that last year, we went through the charade—it turns out to have been just wasted motion, just beating our gums—of having a cap of $135 million. We said, oh, no, we had a previous estimate that was $140 million. Now the Senator says it is $142 million. Now I am asking, Is that the absolute cap? Will we have a building for $142 million?

Mr. JOHNSTON. I believe so.

Mr. DANFORTH. And we are not going to come back next year and say we are going to go over $142 million?

Mr. JOHNSTON. I have done everything I can.

Mr. DANFORTH. Can I have the Senator's total, absolute, unqualified assurance that $142 million is the absolute cap?

Mr. JOHNSTON. The Senator has my total, absolute, unqualified assurance that so far as I know, I have done the best I can. (Laughter.)

Mr. DANFORTH. This is exactly the point, one of the two points that should be made. I do not want to take up too much of the Senator's time, because we shall have our own.

Mr. President, the first of the points is that this is Government extravagance in its quintessential form.

Mr. JOHNSTON. Does the Senator mean this amendment?

Mr. DANFORTH. This building is the very model for the whole country to look at of the extravagance of the Federal Government.

The second point that should be made is that at a time when the President of the United States is trying to convince the American people that he has a grip on things, that he has some control of Government, some control of what is going on in the country, some control of the energy problem, what we are saying when, over a period of 7 years, the figure for this building goes from $48 million to $69 million to $85 million to $122 million to $135 million to $140 million to $142 million over a period of 7 years—it seems to me we are conceding to the people of this country, "Folks, we do not have any control over anything in America, much less even on how to build an office building in our own backyard."

Mr. JOHNSTON. Let us wait just a minute. Is the Senator saying we do not need a building?

Mr. DANFORTH. Yes, I think we do not need a building. But that is not the point. The point I am putting to the Senator is this: Are we not conceding that we in Washington, we in the U.S. Senate, we in this Federal Government, have absolutely no way of controlling anything that goes on in this country, including the cost of one lousy office building?

Mr. JOHNSTON. No, we are not doing that.

It is very easy for all the Senators to sit up here and throw knives at me. I have put myself in this position. I did not ask for the job, but I have it, and here I am. You can call me a profligate spender if you want. I cannot unscramble that egg. When they appointed me chairman of this Senate office building, I had a building up there. I have the practical responsibility to try to determine what to do with that building.

Are you telling me that, for the sake of appearances, we are not going to finance that building, we are going to let the steel rust away, just so the American people will, somehow, have more confidence in the Senate?

Listen, I do not hold a back seat to you or any of you on balanced budget. It is my motion that passed the balanced budget in the Budget Committee, that cut $7 billion off President Carter's budget. It was my motion, that was adopted, that gave us a balanced budget by fiscal year 1981.

How did you vote when I came up with the first budget-cutting amendment here, on the floor of the Senate, on cost of medical school cutback, and on the other cost-cutting things which I have been behind?

Look, do not call me a big profligate spender.

Mr. DANFORTH. I am not calling you anything at all. I am saying that, regardless of BENNETT JOHNSTON, for whom I have the highest personal regard—the highest personal regard—I am not calling you anything at all. I am saying to the American people that institutionally, we in Washington, we in the U.S. Senate, the President of the United States, who is trying to convince the American people that he has a grip on things—that we in Washington have a grip on absolutely nothing; that the country is spinning out of control and we cannot even control the cost of one office building.

Call it the Taj Mahal or Versailles or whatever you want to call it, this palatial, grandiose structure.

Mr. JOHNSTON. What is palatial about it?

Mr. DANFORTH. It is a symbol for the entire country of a government run out of control.

Mr. JOHNSTON. What would you have done had you been called upon by the majority leader to take on this chairmanship a few weeks ago? I would like to know.

Mr. DANFORTH. I would have said the same thing I said last year.

Mr. JOHNSTON. You would have said no to the appointment?

Mr. DANFORTH. I would have said stop the darned thing.

Mr. JOHNSTON. And what, let it rust away out there?

Mr. DANFORTH. Absolutely. Call it a museum if you want. Over at the Hirshhorn Museum, there are a few I-beams put up that they call a work of art. You can go over to the Hirshhorn and they have a bow of a boat and some I-beams and they call it something or other. They paid a guy to do that.

We have the same thing over here. Last year, the Senate went along and said, "OK, we are in a trap now. You keep building the thing and we have to go along."

What the Senator is saying now is that we have no control over the situation because it is under construction and therefore, we have to pay any darned bill that the contractor submits to us.

Mr. JOHNSTON. No. We do not have to pay any darn bill. I will tell you that if you get 51 Senators——

The ACTING PRESIDENT pro tempore. The Chair would like to interrupt for just a moment to remind the Senator that it is customary for the Senators to address the Chair on their remarks.

Mr. JOHNSTON. Very well, Mr. President.

The ACTING PRESIDENT pro tempore. To proceed, the Chair recognizes the Senator from Louisiana.

Mr. DANFORTH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. DANFORTH. It was my understanding that I was engaging in a colloquy with the distinguished junior Senator from Louisiana on his time in answering questions. But am I mistaken on that?

The ACTING PRESIDENT pro tempore. The Chair would not become engaged, but is just reminding Senators that, even in the terms of a colloquy, it is customary to address the Chair and not each other.

Mr. JOHNSTON addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, in reply to my distinguished colleague, we have about $70 million in that building now, on contracts we have now, and, yes, we could leave it there, not finish it.

We would have a parking garage we could use and not one whit of space; $70 million spent. And there is not the slightest doubt some future Congress would come along and finish it, because why did they commission it in the first place? Because we need the space.

Perhaps the Senator does not. In my office, I have one office with five people in it, another with five people in it, one person has his office in a very small bathroom, another office with four people in it.

I do not know what the Senator has. But, listen, my office staff works hard. I do not make the slightest apology for Senate employees and the numbers of them. They are among the hardest working group I know. To say we need to cut down the amount of staff we have around here is just poppycock.

The Senate staff and its proliferation is not the problem in this country. Look at the Budget Committee. It is a brand new committee, put together for the sole purpose of controlling the budget, and I think they are doing a pretty good job.

The CBO, the same thing.

Yes, staff is growing. But we need office space around here. That is the reason this building was started in the first place.

But if the Senator can get together 51 Senators and stop this building, it is all right with me.

I can get along with the people I have. We will just keep that $70 million, the $70 million memorial to the idiocy of the Senate, and just leave it up to the people to decide which side of that argument was the most idiotic.

We would probably have been better off just to strangle ourselves without a building at all. But we have $70 million in the process now and I think we have to continue it.

I yield the floor, Mr. President.

The PRESIDING OFFICER (Mr. TSONGAS). Who yields time?

Mr. CHAFEE. Mr. President, I think one important statistic has been left out in this debate. The proponents stated that the rising cost has gone, starting off from $48 million, then to $69 million, then to $85 million, then to $122 million, then just a year ago it was $135 million.

Yesterday morning the presentation by the distinguished chairman of the Building Committee stated it was going to be $137 million, and in 10 hours yesterday it jumped $5 million.

Mr. JOHNSTON. Will the Senator yield?

Mr. CHAFEE. Let me just finish.

I appreciate that the figures he came in with yesterday morning were the stripped-down building. But within 10 hours the Appropriations Committee had added $5 million.

I think we ought to get one thing straight here, Mr. President. We are kidding ourselves completely if we think this figure of $142 million is going to stick. It showed yesterday, it became unglued immediately. Three items were added back in, and every item has a justification for it.

The paneling is actually going to save us money, we were told. That is only a $2.2 million item. But we cannot cut it out, as the chairman originally proposed. The Finance Committee restored it, and the restaurant for the public. They restored the central hearing room.

Does anybody really think as we sit here they will not restore the furniture?

Those of us on the other side are accused of being asinine, idiotic, all those terms are tossed around. But does anybody really believe, do the proponents of this bill really believe, that furniture will not be added in?

He testified yesterday, as chairman of the Building Committee, everybody will pick up his furniture and move it over to the other building. We all know that is not so.

Every one of these items will be restored. They may not be restored within 10 hours. That was a record yesterday: $5 million in 10 hours.

Mr. PROXMIRE. Will the Senator yield on the matter of the furniture?

Mr. CHAFEE. Yes.

Mr. PROXMIRE. What was the cost for the furniture? How much did that add—$13 million?

Mr. CHAFEE. $13 million. That is right; $13 million of furniture that was cut out.

But everybody knows that is going to be back in. Every single one of these items will be restored.

One of the most attractive items they cut out was an energy control item, something to save energy. That will go whipping right back in, in these times. Actually, it is one of the items that ought to be in there if we go ahead with this building.

So as to the real cost of this building, judging from the world's worst estimators, which the group handling estimations on this building have proven themselves to be, they say now it will cost $174,600,000, and we all know they are wrong, and they are wrong on the down side. So it will come right back to that figure we discussed last year, $200 million.

Mr. President, that does not include one important item. That is, does anybody believe those 50 Senators are going to sit over there in their imperial majesty, 16-foot ceilings, paneled walls, atriums, Calder mobiles, and does anybody think the Dirksen and the Russell Buildings will be left the way they are?

Who is going to get along with an undignified 8-foot ceiling when across the hall, down the street a bit, they have 16-foot ceilings?

Just as sure as we are sitting here, we know that those buildings are going to be gutted so there will be similar offices, so the other 50 can live in the same style.

It seems to me, Mr. President, that the key thing is that this country of ours is in trouble, and who knows it better than the President of the United States? The majority party all cheered his speech the other night. He said that there is a troubled spirit in this country—and, certainly, there is. We have inflation. We have energy. We have every different kind of problem. The President appealed to the people: "Be with me," he said, "Are you with me?" And they cheered. And they are with him and they will do all they can.

Is it right for us, 100 Senators, sitting here, not exactly in undignified surroundings, to proceed with this building that will cost $200 million and say to the people, "Well, you save. You fight inflation, but not us. We need more staff. We need bigger offices. We need rooftop restaurants. We need paneled offices. But you save, you peasants out there, but not us. Don't have us cut back."

Now, it is characterized as being asinine for anybody to suggest, "Let's say stop. Let's close this thing in, seal it in. Some day, hopefully, this country will have its budget balanced again. Some day maybe we will have inflation under control, and at that time we can proceed."

Now, the distinguished junior Senator from Louisiana undoubtedly will be here at that time and when we proceed to go ahead with that building, he will say, "Look, we could have had it for $200 million. Now it is going to cost x million dollars."

That is not the point. The point is, can we afford it now? Is it the right thing to do?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Louisiana was asked by the majority leader if he would take on the onerous job of acting as chairman of the Senate Building Commission.

Mr. CHAFEE. May I break in for 1 minute? Is this on my time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time not be charged to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. ROBERT C. BYRD. I did not create the Senate Building Commission, but I have a responsibility to try to get Senators to serve on that Commission. Nobody wants the job. I did not want it. The Senator from Louisiana did not ask for it, and he does not want it. However, out of a sense of responsibility, to fulfill the duties that are incumbent upon the Senate, he accepted that chore. He does not relish the job, but someone has to assume the duty. He has devoted time to it. He has made a recommendation, based on the hearings that were conducted by his Commission, and based on the discussions that were had in the Appropriations Committee.

I respect the able Senator from Rhode Island. I respect his opposition to the item. I have no quarrel about that. But let us not be critical of the Senator from Louisiana, who is attempting to do his duty. I hope we will not get personal about this.

Mr. DANFORTH. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. I will yield in a moment.

I do not think any Senator intends to do that; but I think the record should be clear as to why the Senator from Louisiana is in this position today, in bringing this recommendation to the Senate.

I also want to make clear that I admire him and respect him for taking on this chore; for taking on the responsibility that nobody wants, for taking on this duty that somebody has to perform.

The Senator from Louisiana is presenting a case, and I think he has done it in a masterful way. Those in opposition to it are presenting their case. They have a right to do that. They have a right to vote against the building.

I hope a little consideration will be given to the Senator from Louisiana, and that he may be accorded all due respect that he would accord to those who hold opposite views.

Mr. DANFORTH. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. DANFORTH. Exactly what has been said that in the Senator's opinion has cast reflections on the Senator from Louisiana? I have not heard anything at all.

What we are casting reflection on is the excessive spending for this building and the fact that we have absolutely no control over the cost of that building.

Mr. ROBERT C. BYRD. I yielded for a question.

Mr. DANFORTH. Are we supposed to be——

Mr. ROBERT C. BYRD. Mr. President, I yielded for a question.

Mr. DANFORTH. Pardon?

Mr. ROBERT C. BYRD. Mr. President, I yielded for a question.

Mr. DANFORTH. You have a question.

Mr. ROBERT C. BYRD. What is the question?

Mr. DANFORTH. What is the reflection that has been cast on the Senator from Louisiana?

Mr. ROBERT C. BYRD. The Senator may speak against the building, if he wishes to; that is his business. I do not find any fault with that. I do not know how the Senate will come down on this. That is up to each Senator.

As I listened, I felt that the Senator from Louisiana was being made the target of criticism that I do not believe is justified; and I am sure Senators do not want to leave the impression that the Senator personally is being criticized. I hope that is not the case.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. JOHNSTON. Mr. President, I was not offended by the remarks of my good friends, the Senator from Missouri and the Senator from Rhode Island. But I must say that I am awfully glad the majority leader came in and did make clear that I did not ask for this job.

However, I must say that I am a big boy and I knew what I was getting into when I accepted it. When you are chairman of an Office Building Commission which has been written up around this country as being a Taj Mahal and you come in and ask the Senate to finish it, you are leading with your chin, and you are asking for it. So I guess I asked for it.

All I want to do is do the most responsible thing I can recommend.

I did not take the remarks as being personal. I knew that whoever had the job would be criticized.

I do not think the building is a Taj Mahal. I think it is in keeping with the other buildings around here. It cost a whole lot less than the Rayburn Building, and I guess that is a Taj Mahal. It costs the same as the FBI Building per square foot and the same as the other buildings around here.

Mr. CHAFEE. Mr. President, I am always conscious of time.

The PRESIDING OFFICER. We are proceeding under the unanimous-consent request of the majority leader.

Mr. CHAFEE. Which is that the time is charged to nobody?

The PRESIDING OFFICER. To no one.

Mr. ROBERT C. BYRD. As soon as I yield the floor, the time will be charged.

Mr. JOHNSTON. Mr. President, back in 1972, before I came to the Senate, the Public Works Committee, which first recommended——

The PRESIDING OFFICER. The Chair informs the Senator that he is now using his own time.

Mr. ROBERT C. BYRD. Mr. President, I do not want to continue to yield, just now.

Let me just say that I respect the viewpoint of all Senators on the issue. As I listened to the debate in my office, I heard Senators referring to each other in the first person. The Chair called attention to the fact that Senators should address other Senators through the Chair. It is also the rule that Senators should refer to other Senators in the third person. This is in order that acerbities might be avoided and that the debate might not get too personal.

I just felt that it should be made clear as to why the Senator from Louisiana is acting in his present capacity, and I felt that I should accord him the honor and respect he deserves for taking on that onerous burden.

Mr. JOHNSTON. I thank the Senator.

Mr. ROBERT C. BYRD. I have done that for the RECORD.

I hope that the Senator from Connecticut and the Senator from Missouri will not take umbrage at my doing this. I certainly do not mean to cast any reflection on them because of the position they are taking. I respect them for it, as I said earlier. If they want to oppose the item, that is all right. Any Senator may vote as he wishes. I just thought it should be made clear as to why the Senator from Louisiana is the chairman, and I wanted to pay him this tribute on the record.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. YOUNG. Mr. President, I commend the distinguished Senator from Louisiana for taking on a very thankless job.

I was here when this new building was first authorized and began. The newer Members of the Senate wanted a bigger staff and more room. I said there was room enough. They claimed there was not. They started this thing of more staff and a new office building. I voted against extra staff. I did not think they were necessary, but we have them.

I, for one, do not want to leave the building half built. Because of inflation it is bound to cost much more in the future. I will not be here, because I will leave when my term is up next year; so it will be of no benefit to me. If I vote for it, it will be an unpopular vote, and I will get a lot of hell for it. But I will vote for what I think is right, and that is to finish this building after the huge amount of money we already put into it.

Mr. CHAFEE. One question: I say to the distinguished majority leader that I am not prepared to concede that any remarks I made were personal, because my respect for the proponent is great, and I think everyone knows that. But if, perhaps, we are feeling a little prickly when the opponents are described as being asinine and idiotic, I suppose that does get the juices flowing a little.

However, we are prepared to proceed whenever the majority leader wants to yield the floor.

Mr. ROBERT C. BYRD. Mr. President, before I yield the floor, may I say that there is no more redoubtable a supporter on an issue in the Senate than the distinguished Senator from Connecticut.

Mr. CHAFEE. Rhode Island. That is the first mistake the Senator has made today.

Mr. ROBERT C. BYRD. That is the second time I have made the same mistake.

The Senator from Rhode Island, stood toe to toe with this Senator and other Senators in the effort to grant $50 million in military aid for Turkey, and I think that was in the best interests of the United States.

I found him to be a strong supporter in what he and I thought was the right cause. Yet, may I say, when he is on the other side of an issue, he is a formidable opponent. Not for once would I think that either he or the Senator from Missouri would intentionally cast any reflection on the Senator from Louisiana or any other Senator.

But I thought the debate was waxing a little warm and that there were references to Senators in the first person that could be misunderstood or misinterpreted. The Senator from Louisiana had taken on an onerous burden in agreeing to chair the Senate Building Commission. May I say I am going to support his position also.

Mr. DANFORTH. Mr. President, before the majority leader yields the floor, I wish to ask him a question.

Mr. ROBERT C. BYRD. Yes.

Mr. DANFORTH. I appreciate his willingness and sense of duty in policing the decorum in the Chamber. I did not believe that we were departing from that traditional Senate debate. But I hope that the majority leader is not suggesting that we in the name of decorum tone down our attack on a building.

Mr. ROBERT C. BYRD. Oh, no. Never.

Mr. DANFORTH. It is not a breach of decorum, as I understand it——

Mr. ROBERT C. BYRD. Perish the thought. Never.

Mr. DANFORTH. To call a building ridiculous or to call the building a Taj Mahal.

Mr. ROBERT C. BYRD. Oh, the Senator may call the building whatever he wishes.

Mr. DANFORTH. Or a Versailles.

Mr. ROBERT C. BYRD. Anything he wants.

Mr. DANFORTH. The distinguished majority leader might even consider that to be a compliment in the third Senate Office Building.

Mr. ROBERT C. BYRD. I would not go that far. The Senator may talk about the building any way he wishes. He may call it by any name he thinks it deserves.

But just please let us address one another in accordance with the Rules of the Senate in the third person and let us have a little mercy on the Senator from Louisiana who is here doing his duty—as the Senators are doing theirs.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Twenty-six minutes.

Mr. JOHNSTON. I yield myself 3 minutes.

Mr. President, I am ready to recognize that it does not violate the rule to do those things that the Senator from Missouri spoke of. It probably should, but it does not, and I am willing to play by the rules of today.

Mr. President, in 1972 when the Senate, before I got here, passed the original Senate office building authorization, they were faced with certain imperatives in the Senate office building. One of those was you have to build a building that lasts for a couple hundred years. I mean that is the way we must build on Capitol Hill in our Nation's Capital. Second, it must be in keeping with the other buildings around it. It should not be an eyesore that looks like a Holiday Inn. However good those are as motels they are not very good as national buildings and monuments.

We spend an enormous amount of money in this Capital keeping up appearances. We are spending almost $200 million for the facade of the Pennsylvania Avenue Corporation, not even public buildings, just so that they will look right on that important arena.

That is what the Senate had to do in 1972, build a permanent building, build it to last 200 years, and I might also add they had to build a tramway to this Senate, an underground subway, because otherwise the Nation's business would have been held up.

Those three things contributed a great deal to the cost. I do not frankly know why the cost has escalated this much. I do not defend the fact that the cost escalated from $68 million to last year $122 million. I do not defend that at all.

I know something about the process where the miscalculations were made. But, Mr. President, it happened. The egg is scrambled and I cannot unscramble it except to complete the building. That is the only responsible thing I believe that this Senate can do.

Will the furniture be ordered? All I said was I am not recommending that it be ordered. Each Senator, each employee, now has a desk and a chair and whatever he needs in terms of furniture.

If some future Senate feels that is not sufficient, so be it. But it is not necessary for this building to have new furniture. We can occupy it with the existing furniture. I mean I do not know—maybe we will build a fourth Senate office building someday—but that is no argument against this proposition because this proposition does not include it.

Mr. President, I hope the Senate will pass this amendment, and I yield the floor.

Mr. PROXMIRE. Mr. President, will the Senator from Rhode Island yield me 4 minutes?

Mr. CHAFEE. I yield.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, first, I express my admiration and sympathy to the distinguished Senator from Louisiana, Senator JOHNSTON. I think he has done a marvelous job with a very weak case. He has indicated once again his great intelligence, his great ability, and his great courage to stand up on the floor and defend this kind of a boondoggle. I mean that. I mean he is an outstanding Senator, and there is nothing tougher than to have to do this.

We were joking about it pretty much in the Appropriations Committee yesterday. What a terrible job it is to have to take this on. Those Senators who defended it last time spoke about how difficult it was with their constituents.

I think it is difficult. I think we should give Senator BENNETT JOHNSTON credit for the way in which he has handled this and I think, as I say, he has done a very good job under very difficult circumstances.

Mr. President, the House of Representatives voted no on this. It is very, very rare that the House of Representatives or the Senate turns down an action by the other body. There is always a feeling of comity between the two bodies and between the two Houses, and that has been respected. But in this case, the House of Representatives said no. That was a surprise, and it should be a message to us.

After all, they were reacting to the angry feeling of constituents throughout the country. I am sure that they would like to have gone along with us but they felt and they are in a much more objective position because they would not be affected one way or the other by whether we built a building, but they recognized that it was wrong, and I think we should consider that decision very carefully.

In the second place, what kind of an example are we setting here at a time when inflation is overwhelmingly our No. 1 domestic problem, when inflation is moving along at 10 or 12 percent, when we are trying to do all we can to cope with inflation in every way we know how and when we have a serious budget problem as it is in 1980 and 1981? How very difficult it is going to be for us to say no as we are going to have to say no to programs that are well justified and that we would all like to support.

Recently, just the other day, the Senate by majority vote voted against a housing program for which there was a very strong case. We voted to reduce that and reduce it sharply so that low-income-housing people would be housed in a lesser way than they would be if we had been more generous. We did that because, in my judgment—I was one of the majority; in fact it was my amendment—we felt that at this time under these circumstances, inflation the problem that it is, we simply had to say no. It was a tough decision.

We have also voted for a lower budget for health, for education, and for public works in every State and congressional district. We turned down a couple of public works proposals yesterday. We have been called on and we are going to hold down the farm program. We voted to hold down the food stamp program. We held down help for our cities and in combating crimes and assistance to the elderly.

All these programs have great appeal and great justification, and they are needed.

But we recognize that in a time of inflation and a time with a swollen Federal budget we have to say no.

How in good conscience can we really go back to our constituents and say we voted against education, against health, against housing, but on the other hand when it comes to our own Senate office building we felt we had to go ahead?

Mr. President, just one more point: the argument has been made that the House of Representatives by acting as they did, as indicated, increased the costs of this building by 20 percent because it is delayed. Anyone with eyes to see knows that construction of that building was virtually idle month after month after month. It was an empty hole.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. PROXMIRE. Mr. President, I ask if the Senator from Rhode Island will yield me an additional 2 minutes?

Mr. CHAFEE. I yield.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for an additional 2 minutes.

Mr. PROXMIRE. Then Senator CHAFEE made it clear that he was going to make this an issue and Senator DANFORTH and others joined him, and the House of Representatives voted no. Then I have never seen such activity. I happen to be in the Banking Committee room a great deal near the front end on that Hart Building, and they have been very busy ever since that action by the House of Representatives. The action by the House of Representatives did not slow them down. It galvanized them to action. It pushed them ahead.

Mr. President, the toughest question here is what do we do now? We are in a tough position. The Senator from Louisiana so well said we are faced with $70 million invested in nothing but steel beams. What do we do?

Just for this Senator and I know all Senators may have their answer, I think it would be a good reminder to the country as well as to the Senate that we did say no and if we have a framework standing there that is not used and not occupied I think that that kind of grim reminder would indicate to the country that we had the will under tough circumstances to say because of inflation, because of the difficulties this country is facing, because we were determined to hold down spending we said no under those circumstances. This is a monument to the kind of thrift and the kind of restraint that we should continue to show in the future.

Mr. President, I thank my good friend.

Mr. CHAFEE. I wish to congratulate the distinguished senior Senator from Wisconsin for those very fine remarks on an extremely important topic.

It seems to me there are a lot of jokes made about this, and there is joshing back and forth. But I think we are really talking about a serious matter, and it is a question of what kind of a symbol are we going to hold out to the Nation. The Senator from Wisconsin touched on that in his remarks.

It seems to me that in these difficult times, if we in the Senate cannot exercise any restraint then we are in a bad way. It has been talked about the difficulties we have without adequate staff. Well, Mr. President, the staff of the Senate has continued to grow, and as they have grown the space available for the staff has continued to grow.

I would just like to point out that since the beginning of this decade, the beginning of 1970, there have been the following totally owned Senate buildings added for staff for the U.S. Senate: 14,000 feet in the Plaza Hotel. This is all over in the Monocle block just north of the Dirksen Building.

Then came the Immigration Building of 54,000 feet. Then the Capitol Hill Hotel 23,000 square feet. Then the Senate Court apartments 44,000 square feet; then followed subsequently by the Carroll Arms apartments of 15,000 square feet.

Then we rented space at 400 North Capitol for 38,000 square feet.

Mr. President, there are 190,000 square feet of additional office space for staff alone that have been added for the U.S. Senate in 9 years. Where do we draw the line? Do we say there is no line, that we just keep expanding?

It is clear that the only limitation on staff in the U.S. Senate is space. All of us have extra money for staff, unspent money. I have it, I suspect everybody does, extra money, and the constraining factor is space. There is no place to put them, and thank goodness for that. Otherwise not only will the staffs expand but the expense with them.

There will be space in this new building, if it is ever opened, for 3,000 new staff.

It is suggested we are just going to spread out and have more room. Everybody will have a little more room. But it just plain does not work that way, and I think the proponents of this measure must acknowledge that.

Does anybody seriously think when we add 3,000 more spaces over there that we are just going to flee out of the Dirksen Building and out of the Russell Building and out of some of these other buildings and that soon everybody will meet the OSHA requirement of 125 square feet per staff member? Well, of course not. I know just as sure as we are standing here that that new building, so inappropriately named the Hart Building, is going to be just as jam packed as every staff office space is at the current time.

Mr. DANFORTH. Mr. President, will the Senator yield?

Mr. CHAFEE. I yield.

Mr. DANFORTH. Mr. President, I do not know if the Senator from Rhode Island has had an opportunity to read the history of the Senate desks that was distributed by the Secretary of the Senate about a week or so ago. I did.

One of the interesting points that was made in that little handout was that it was not until, I think, 1909 that we had the first Senate Office Building. Before that there was no Senate Office Building, and most Members of the Senate, according to that booklet, operated out of the Senate Chamber. Their desks in the Chamber served as their offices.

Since the beginning of this century we have had an explosion in geometric terms, as the Senator from Rhode Island has pointed out, not only in the number of buildings and the quantity of square feet, but also in staff.

I am told that Senate staff size has doubled in the last 10 years. As the Senator from Rhode Island pointed out, it has been estimated that another 3,000 staff members will be added within the next 10 years to fill the available space.

The question this presents is very interesting, and that is this: Is it really true that we do not have enough staff around here or perhaps can the argument be made that we are trying to do so much, trying to read so many memoranda, trying to keep on top of so many things, because we have so many staff people moving around that there is no sense of priority about what a Senator can do?

A very interesting book was written by Elizabeth Drew based on two articles she wrote for the New Yorker magazine, the book being entitled "The Senator." It was a book relating her experiences following Senator CULVER around for a period of time about a year ago.

One of the points that really struck home to me in reading that book, which struck me as true, was the relationship between a Senator and his staff. It is obviously important to have good staff, and it is obviously important to have sufficent staff to get the work done. But is it not possible, and has not the point already been reached, that when the number of staff who work in the Senate has reached a point of diminishing returns that not only are they less productive by virtue of their quantity, but a Senator is less productive in the quality of work that he is called upon to do, simply because he is being pulled apart in the number of directions at the same time by various different initiatives that he is following, as opposed to concentrating on a few things that could be done at a very high quality of performance?

It would seem to me that the notion that a building has to be created in order to house additional staff, and then additional staff are hired to fill the available space, is an unending snowballing kind of an effect where we can see that the U.S. Senate as an institution will get bigger and bigger and more and more complex, while there still will be under our Constitution but two U.S. Senators per State, no more. There will only be 24 hours in a day.

I am wondering if we are not just going to build in the possibility of spreading ourselves too thin by this argument that we must constantly have more staff and constantly have more buildings to house them.

I would like to return to the argument which was made last year, and it was made again this year, and that is that here is a building already under construction. It is irresponsible, asinine, idiotic, whatever word you want to use, to try to stop the building in midprocess. What are the available alternatives to stopping it at construction? The available alternative that has been suggested last year and again this year on the floor of the Senate is that the only thing you can do is to just keep building, just keep writing checks. The sky is the limit. The $135 million cap means nothing, the $140 million cap means nothing, the $142 million cap means nothing.

The cost of the building continues to escalate, and there is absolutely no handle that the Senate has on the cost, except writing checks.

I do not know, and I would like someone to tell me, when this building is scheduled to be completed. But I can see in the future coming back next year, the year after, and the year after that, and the same argument is going to be made. Inertia has set in. Inertia has set in, and you cannot stop the snowball. The American people ask, "How do you stop inflation?" The American people asks, "How do you stop the growth and expansion of Government?" The American people ask, "How do you stop the energy problem?" And our answer is, "We can do nothing."

Mr. CHAFEE. Mr. President, will the Senator yield for a few comments at this point?

Mr. DANFORTH. Of course. It is your time.

Mr. CHAFEE. Mr. President, I commend the Senator from Missouri for the very, very persuasive points he has made. He did indicate a little history. We stood on this floor a year ago, trying to stop this building, and at that time there was just a skeleton. We heard the same arguments we hear now, "You cannot stop it, is has gone on too far." We tried to stop it when it was just a hole in the ground, but quickly the steel started rising after that. Then we brought it to the floor. The skeleton was up then, and we heard it had gone too far. Each time they bring that argument: "It has gone too far; we cannot stop it."

I think, to set an example for the rest of the country, that now is the time to stop it. It should have been dead by now, not later.

Two points I would like to make briefly. First, we heard last year, and we are hearing it again: "We hear that this building is too expensive, but it is no more expensive than the Rayburn Building." Mr. President, the facts do not bear that out. The Architect of the Capitol testified in 1974 that the Rayburn Building cost $60 a square foot. This building will cost in the area of $180 a square foot. Is the argument that costs have gone up three times since 1974?

That argument does not hold water.

The next item is: "The House cost of $20 million." Well, where do they get those statistics? They got them from the world's most inaccurate authors of statistics, the Office of the Architect of the Capitol. He has not been right in the figures he has put out since 1972. Yet we are relying on those statistics to tell us that the House action cost us $20 million.

Anyone can look out his window. I am in the Dirksen Building; I can see that construction going on. There are people all over that building. And this proposal is from that source of bad information, the Architect of the Captiol's bad estimates. They have not been right in any estimate; yet there is where they get their statistics of $20 million. Obviously, I think that is wrong. Just by looking we can see it is wrong, and we ought not to pay any attention to it. And, by the way, that is water over the dam anyway; let us take the situation we are in now.

Finally, the argument about lack of space. We are so fraught with lack of space. We have been given plenty of space over the years, but we just gobble it up; and we will gobble up this additional space within a short time. I do not know what the proponents of the measure suggest is enough space for each staff member. I think we talked about OSHA estimates of 125 or 150 square feet, but we all know we will soon be right back where we are now. I just do not understand the proponents' argument that that situation will be taken care of with this new building.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Whose side does the Senator wish to be on?

Mr. PELL. I have not yet determined.

Mr. CHAFEE. I will yield my colleague from Rhode Island 2 minutes.

Mr. PELL. Mr. President, I think one thing that might clinch this argument is to make sure, if the new building is completed, when the Senate employees move into the new building, that the buildings now known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments be immediately vacated by the Senate.

I ask unanimous consent to offer an amendment to this effect for consideration at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Rhode Island?

Mr. CHAFEE. I would have to understand that.

Mr. PELL. May I read the amendment?

Mr. CHAFEE. We are in the middle of one amendment now.

Mr. PELL. Right; but this would clinch at least the point the Senator was making about personnel. It would insure that we would not be left with the old buildings and the new building, spreading out even more like an octopus.

Will the Senator permit me to read the amendment?

The PRESIDING OFFICER. What is the unanimous-consent request now?

Mr. PELL. My unanimous-consent request is that an amendment be considered at this time. I guess it would be an amendment to the committee amendment.

Mr. CHAFEE. Why do we not take that up later? I am for the amendment.

Mr. JOHNSTON. Mr. President, I would have no objection to it if it is in line with what I understand to be the Senator's argument, that we vacate these other buildings. I do not think a record vote is necessary. If the Senator wants to wait until all time is yielded back, it is OK with me, but I am perfectly willing to accept it.

Mr. PELL. I have no intention——

Mr. CHAFEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAFEE. Can we accept an amendment in the middle of the discussion of another amendment?

The PRESIDING OFFICEER. By unanimous consent it can be done.

Mr. CHAFEE. What does the amendment say?

Mr. PELL. May I read it?

Provided further, That it is the will of the Senate that upon completion of the Hart Senate Office building, the Committee on Rules and Administration shall provide for the expeditious removal of personnel, equipment, and furnishings from the buildings known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments and that said buildings shall remain unoccupied by the Senate until demolished; Provided further that the Architect of the Capitol shall, within six months of the vacating of the buildings known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments, submit to the Senate Committee on Appropriations estimates of the cost of razing and demolishing said buildings together with recommendations for future use, renovation, or demolition of the building known as the Immigration Building.

It is certainly not my desire, and I do not think the desire of the Senate, to keep 1,700 employees in these outbuildings where they are now, in unsafe conditions, keep them there and then staff this new building with new employees. The idea is to take those 1,700 employees and put them in the new building, and shut down the others.

The PRESIDING OFFICER. Is there objection?

Mr. DANFORTH. Mr. President, reserving the right to object, does the amendment compel any specific use of the buildings? In other words, does the amendment compel the razing of the buildings to make it a parking lot, or anything like that?

Mr. PELL. No; it just says "said buildings shall remain unoccupied by the Senate until demolished." If they are not demolished, that does not change that phrase. Or we can knock out that phrase "until demolished" if you like. But the intent is to keep the Senate employees out of those buildings if we are going into this new, huge building.

What I can see happening, if I am still chairman of the Rules Committee, is people coming along and saying, "Please, I want to both move into the new building and keep the old building."

Mr. DANFORTH. Yes. Well, further reserving the right to object, there is no prohibition, as I understand, in the amendment to a future decision to sell those buildings to somebody else?

Mr. PELL. Absolutely not.

Mr. EXON. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 22 minutes remaining.

Is there objection to the request of the Senator from Rhode Island?

Does the Senator indicate a reservation?

Mr. EXON. No.

The PRESIDING OFFICER. If there is no objection, the suggestion of the Senator from Rhode Island will be considered a modification of the committee amendment. Without objection, it is so ordered.

The modification is as follows:

At the end of Amendment No. 338, insert the following:

Provided further, That it is the will of the Senate that upon completion of the Hart Senate Office building, the Committee on Rules and Administration shall provide for the expeditious removal of personnel, equipment, and furnishings from the buildings know as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments and that said buildings shall remain unoccupied by the Senate vacant until demolished; *Provided further* that the Architect of the Capitol shall, within six months of the vacating of the buildings known as the Carroll Arms, the Senate Courts, the Plaza Hotel, and the Capitol Hill Apartments, submit to the Senate Committee on Appropriations estimates of the cost of razing and demolishing said buildings together with recommendations for future use, renovation, or demolition of the building known as the Immigration Building.

Mr. PELL. I thank my colleagues.

Mr. JOHNSTON. I yield 2 minutes to the Senator from Nebraska.

Mr. EXON. I thank my colleague.

The reason I sought recognition, Mr. President, was that I would have liked to have added my name as a cosponsor to the very worthy amendment just offered by the Senator which I think gets to the heart of the key issue in this problem. I have been listening with great interest to the debate. It seems to me that whether or not the decision was right or wrong when it was made some time ago, the most irresponsible position that we could take in the Senate would be to say that we created an expenditure of millions and millions of dollars and now we are going to let it stand there and rust and wither away.

It seems to me, as I suggested in a letter to the committee when it was addressing this yesterday, what we should do is move as many people who are in rented buildings into that new building, when and if it is completed. Therefore, it seems to me that the taxpayers are best served by the suggestion made when we adopted the amendment by the Senator from Rhode Island, to move people from rented buildings and dispose of those buildings, if we own them, and, therefore, make a saving to the taxpayer.

Certainly, I would think that if we abandon the building as it is now it would be the worst possible choice of all.

Mr. CHAFEE. Mr. President, I yield myself 2 minutes.

I would like to point out to the Senator from Nebraska that there will not be savings as far as rent goes, because we own those buildings anyway. So concerning the savings he looks forward to, with the exception of the North Capitol Street building, which was not mentioned by the senior Senator from Rhode Island in his proposal, that is the only rented building. With the others, the Plaza, the Immigration Building, the Capitol Hill Hotel, the Senate Arms Apartment, and so on, we will not save a nickel by leaving them vacant. There is no rent paid. We own them.

Mr. EXON. If the Senator will yield, I thought during the statement made by the senior Senator from Rhode Island he did say that we would have the option of selling those older and I would assume less energy efficient buildings than the new one would be if and when it is completed. Is the junior Senator from Rhode Island suggesting that we would not be able to make any saving whatsoever in total cost?

Mr. CHAFEE. No. I do not think anyone has suggested that we are going to sell off those buildings. The Architect of the Capitol has ideas for further office buildings in that space. That space is there right across the street from the so-called block, and the master plan down the future is for more office buildings. I do not think anybody should look for a bonanza from the sale of that property to some private investor. It is just not there.

Second, of course there will be added savings, but there will be added costs when we go into this new building. Any time you try and heat 16-foot ceilings, or try to cool them, there are a lot of problems. The operation and maintenance of this new building will be far greater than the buildings we are operating in now. There is no question.

It will be more commodious, more luxurious, more marble, more paneling, but it will not be less expensive in any way.

Mr. EXON. Are there facts and figures which back up the statements which have just been made by the junior Senator from Rhode Island? Certainly, I do not agree that we need more office space in general for Members of the Senate or their staff, but I had suspected that with staff scattered all over Capitol Hill we probably could be more efficient, both in the use of time and hopefully more efficient from the standpoint of conserving energy, if we could centralize that staff in a more centralized location. That was my point.

Mr. CHAFEE. Trying to quantify efficiency, of course, is always a little difficult. The suggestion inevitably made by the proponents is that there will be more efficiency in this area where they will have twice as much square footage as they presently have. The Senator from Nebraska will have to make his own judgment on that.

My own judgment is that experience has clearly shown us that staff rises to meet available space and experience is clear that in giving the Senate more space, whether in the Plaza Hotel, the Immigration Building, Capitol Hill Hotel, Senate Court Apartments, Hill Apartments, 400 North Capitol Street, immediately we fill it. That is what we do. We just add more and more staff. Out they go to fill up every single available square inch.

The chairman of the Building Committee has pointed out that he has a staff member who works in a bathroom. That is what we do with any space. I do not think anyone would be prepared to stand before this Senate and say that when we move into this new area where there is going to be twice as much square footage that will not soon be filled and we will be right back where we are now.

Mr. EXON. I agree with the statements made by the junior Senator from Rhode Island and eloquently made by the Senator from Missouri, who is on the floor now, and I agree, that when you have more space, you expand staff and move into it. That is why I am supporting enthusiastically a motion made by the senior Senator from Rhode Island which was the heart of what I wrote to the committee yesterday, that we should use that building for existing staff and, if necessary, get rid of the old buildings which are not necessary. What I am saying to the junior Senator from Rhode Island is I am agreeing with his theory which I believe has been proven, that if we have more room we do indeed get more staff. I think by transferring staff we could eliminate the most part of that very reasonable objection.

Mr. CHAFEE. I thank the Senator.

Mr. President, I reserve the remainder of my time.

● Mr. DOMENICI. Mr. President, I oppose any additional appropriations to the Hart Building. I believe we should enclose the building, complete the shell, and mothball it for the future decision by the Senate.

As a member of the Senate Office Building Commission, I can tell you that the Senate has been treated shabbily in the way this building has been handled. For years we were never told of the delays and added costs. We were told by the Capitol Architect that the Associate Architect was never able to provide accurate cost figures. A year ago, the building was to cost $122 million. Now, it is to cost $174 million. As tough as it is, I intend to vote to stop work on the Hart Building now and mothball this bad project.

Such a decision would serve as an example to the American public—an example that the Senate can stop a bad project. Such an action will save as much as $100 million in the costs to finish the building. It will save the cost of remodeling the existing building at tens of millions of dollars, and we will save the cost of the additional legislative bureaucracy. This will cost at least $75 million yearly for the 3,000 additional staff that will inevitably cram that building as thoroughly as our present buildings are now crammed.

The American people have no desire that the U.S. Senate complete this extravagant project—even without frills—and to bring with it the associated growth of the congressional bureaucracy. Stopping now would give Congress the opportunity and the time to assess what we need for the future, both in buildings and bureaucracy.

I urge the Senate to oppose any further appropriations for this building and to direct the Architect of the Capitol to complete work now under contract and mothball the building for the future.●

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Will the Senator yield for a request?

Mr. CHAFEE. Yes.

Mr. NELSON. I have been in the Finance Committee all morning listening to testimony on the windfall profits tax so I am not acquainted with the debate which has been going on. What, precisely, is the proposal being made by the distinguished Senator which is different from last year? What precisely is the proposal made at this time?

Mr. CHAFEE. What to do with the building?

Mr. NELSON. Yes.

Mr. CHAFEE. Those who oppose the amendment propose to close the building in and leave it there until this country is able to finance the many, many things we wish to finance, including this building. We have before the Senate motions to cut food stamp programs. It just does not seem to us to be the appropriate time to go ahead with a building such as this.

Mr. NELSON. So the proposal is not to utilize it for any other personnel who are in other buildings, just to close it up?

Mr. CHAFEE. To close it up, to stop where we are now, with no more expenditures, to not go ahead with this additional $54 million which has been requested, but to take the available money and close it in. There have been a lot of suggestions that it will all rust away, but I do not follow that argument at all. When it is closed in, why should it rust away?

Mr. NELSON. What would be the total figure for completing the closing in of the building, plus what has been put in it now? Does the Senator have that?

Mr. CHAFEE. The total amount would be in the neighborhood of $70 million.

Mr. NELSON. To close it in and just leave the building standing.

Mr. CHAFEE. Right. Not additional—total, which has been already appropriated. What is sought today is some $54 million more, which will complete the building without the features which we all—which I very firmly believe are going to be added in very quickly, just as, yesterday, $5 million was added in before the Appropriations Committee.

I reserve the remainder of my time.

Mr. DANFORTH. Mr. President, I wonder if I could ask the Senator from Rhode Island some questions?

Mr. CHAFEE. Yes.

Mr. DANFORTH. I did not follow the proceedings in the committee yesterday, the Commission, as the Senator did. I was wondering exactly what has been done to delete some of the extravagance?

This morning's Washington Post reports that—

> The Senate Office Building Commission yesterday agreed to cut out $36.8 million worth of gymnasium, "monumental stairs," fancy furniture, and other baubles.

Now, then, I take it that, instead of having three gymnasiums for the 100 Members of the Senate, we shall have a mere two, is that right?

Mr. CHAFEE. That is right. But, as I say, I suspect that every one of these items deleted by the Building Commission will soon be added back in. As a matter of fact, three of them were added in within 10 hours of the submission of the Building Commission's report yesterday.

Mr. DANFORTH. Paneling has not been deleted, is that right?

Mr. CHAFEE. That was deleted originally and then added within a 10-hour period.

Mr. DANFORTH. The rooftop dining room, has that been deleted?

Mr. CHAFEE. That was deleted and then added within a 10-hour period.

Mr. DANFORTH. I thank the Senator.

Mr. CHAFEE. I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, I yield 10 minutes to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to oppose both the substance and the implication of the positions of the Senator from Rhode Island.

The easiest thing in the world is to demagogue against politics or politicians. Whenever an editorial writer wants readership, he takes a shot at politicians. That is sure to get favorable letters to the editor.

Whenever a radio or television commentator wants listeners/viewers, with no argument, he lambasts Washington, the State capital—such as Hartford, Conn.

Whenever a politician wants to get a bit of favorable publicity, he does the same thing: Lets his colleagues have it, harangues against politicians.

I suggest to my colleagues today that I think it time a few of us expressed pride in our profession and thus in representative democracy. There is no such thing as Washington. There is no such thing as Hartford. There is representative democracy, there are representatives of people.

I take great pride in my constituency and in the trust imposed on me. If I do not measure up to the mark, the system is here to remove me. But in the meantime I am going to fight against making headlines at the expense of the political system of this country which in practice is insulting to all of us.

I was not going to get involved in this debate until yesterday when at the Appropriations Committee, the distinguished Senator from Rhode Island entered the room and left with the following parting shot:

> And if sometime in the future, we have enough money or we are feeling rich enough and the budget is in balance, we can go ahead and create marvelous suites for ourselves so we can all live like kings. Until then, I think it is improper.

Well, I have been in this business for 6 years in the Connecticut State Legislature, 4 years in the townhall of Greenwich, 2 years in Congress, 9 years, now, in the U.S. Senate. I can assure you, I have not seen any of the men and women who serve at any of these levels of Government living like kings. I see an extraordinary dedicated group of people working under very adverse circumstances in terms of facilities, in terms of salaries, in terms of hours, in terms of commitment required.

That is not the picture given on the Senate floor today, or through the media every day. Sure, there are 5 percent at all levels of Government who, I am sure, disgrace their profession. The same percentage holds true in any other endeavor in this country.

No, I do not want the cheapest building built and I do not want the cheapest man or woman serving. Already we have done a number on ourselves salary-wise, so as to have made this a rich man's club. Thanks to our own demagoguery. No one can afford to serve in Government.

We have denied the Nation the talent that exists across America when we made political hay on the question of salaries. It does not affect me, but it sure as hell is going to affect the kind of representation and civil service we have in this country.

Now let us talk about facilities. Every day, I hear about all the "perks" we have, how we are ripping off the taxpayers. I just came back from getting my hair cut—not free, what hair there is; not free. Thirteen dollars. Not free. I pay what everybody else pays for some of the lousiest food in the world—served right here in the Capitol. Indeed, more than is warranted.

And, no, I do not use taxpayer funded facilities for exercise. I belong to my own club, I play my own tennis, I pay my own way.

But just to get a little headline, a little more publicity, sell a few more papers, have a few more people watching the tube, it is easy to refer to this great palace, this great monument.

But, that is not reality. Pretty soon we are going to chew ourselves up around here. All the institutions of this country, be it Government, be it the media, be it business—we are just going to chew each other up, devour ourselves.

Do you want to take your constituents through the present annex office facilities? Has any one of you on this floor taken your constituents through there? Has the Senator from Missouri taken them through or the Senator from Rhode Island? No, you take them through the Capitol, through the rotunda. You take them, into the Senate Chamber. These belong to the people of the United States and are matters of pride. But not the annex.

Since when have they wanted the cheapest? There is more here than just the mortar, the stone, the flesh, and the blood. There is or should be the element of excellence.

Do you want to talk about buildings? Do you want to know what money is spent on? Without the bat of an eye, right after we heard all the squawking in the Appropriations Committee yesterday, along comes a $20 million Federal building for Knoxville, Tenn., for an energy exposition. Nobody said boo. One hundred million dollars for the winter Olympic facilities in Lake Placid, N.Y.; nobody objects.

The John F. Kennedy Center in Boston—does anybody want to ask the cost of that?

All of these are buildings for votes and are OK.

But not Washington, the seat of Government. There is a safe target to badmouth.

Well, I will not remain silent during exercises in self-destruction.

Then we come to the business of staff itself. We are proliferating staff. Well, all right. I believe every Senator should be able to do his own thing on this floor. If you want to pass a law to get staff off the floor, go and do your own debating, that is fair enough. But on the issue of whether or not the legislative branch of Government is prepared to handle its end of this system, may I point out to you that we have just gotten through an exercise where many felt we created an imperial Presidency and it was time that Congress exercised its prerogatives. Now, how to do that inadequately staffed, as, indeed, how can a minority effectively go against a majority unless it is properly staffed? It cannot.

Maybe we would like to have the President once again do everything for us so that there does not have to be congressional oversight.

How do we oversee? As in the old days of Johnson, Nixon, by sitting and rubberstamping. Or by careful looks, both in terms of evaluating and in terms of initiating, ideas, and situations that will make this a better government?

Yes. We have to have staff to do that job.

Then the opponents look back with nostalgia and fondness on when there were only a few Senators and staff here in Washington.

Gentlemen, the population of the country is 250 million. It has not gotten better, because of wacky ideas of Senators.

The Government of this Nation is its people. People have asked for and demanded a more sensitive government—not just Senators.

Obviously, Government is more complex, because the demands, the aspirations are more complex. It would be great to go back 200 years, environmentally. But certainly not in terms of the human condition that existed in this Nation.

I am fed up about hearing about big government as if it were something self-created. It did not drop from on high. It is not here by force of arms.

I am my constituency. My response to the name callers that say all politicians are inept, all are crooks, all are lazy, all are sex maniacs is if I am so are you.

Well, such is not the case, as far as the Nation is concerned. You, me, we are decent, honest people, hardworking, and not ripping each other off.

That holds for the Senate of the United States and the House of Representatives, for those in the executive branch, the media, business, labor, whatever. I have great pride as to what it is we are all about.

I am not going to participate in demagoguery to cheapen this institution, because when that happens the end of it is not far off.

The PRESIDING OFFICER. (Mr. BRADLEY). The Senator's time has expired.

Mr. WEICKER. One more minute.

Mr. JOHNSTON. Yes.

Mr. WEICKER. I will stand up and vote for exactly what the Senator from Louisiana is proposing, because it is the best and my constituency will have pride in it.

Nobody is talking about restaurants for Senators. The public cannot eat right now. They have to eat breakfast at 10 o'clock in the morning and lunch at 3 o'clock.

Nobody is talking about luxurious facilities. The reason why the paneling is included is because it is cheaper than it is to paint the walls every year.

In the final analysis it is not just a matter of this building. It is the whole business of politics and what we stand for in this country.

We are not an entertainment for the American people and we are not forever a target of opportunity for the media of this Nation.

What we have created has been created, because we never accepted second best either as to ideas, buildings or programs.

Just because today's opposition brings a little political limelight to some of our colleagues, I am not prepared to cave in to second best.

The PRESIDING OFFICER. Who yields time?

If no one yields time——

Mr. JOHNSTON. Mr. President, how much time is left on each side?

The PRESIDING OFFICER. The Senator from Louisiana has 8½ minutes. The Senator from Rhode Island has 3 minutes and 37 seconds.

Mr. JOHNSTON. Mr. President, I think I am just about ready to yield back the remainder of my time.

The issue is quite clear, Mr. President. Our choice is not whether we should start a building from scratch and build a second Senate office building. Our choice is whether to leave a $70 million monument to nothing remaining on the landscape of the Senate, or whether to build for $142 million the space we need.

Mr. President, we have 1,700 employees now occupying facilities away from the Senate office buildings. They are substandard. In some cases they are dangerous.

We will make a tour for the press this afternoon at 3 o'clock. If any Senator wants to see those buildings or the new Senate office building this afternoon, please come. I invite them to come because it is dangerous. I think if we look at it closely, it is dangerous.

There are some people on the fourth floor of some of those buildings with a very slow elevator that cannot be used in case of fire, and no outside stairs.

That is dangerous, Mr. President, and that is what we are subjecting our Senate staff to. That, plus 65 square feet, and less, per employee when the GSA says we need 150 square feet.

The basic question is, Do we need the space? There is not any doubt about that, Mr. President. There is no doubt at all.

In 1967, 72 Senators testified to that effect and over 30 Senate committees passed resolutions to that effect.

Of course we need space. The distinguished Senator from Rhode Island said so yesterday, and I appreciated his being fair in that respect.

We do need space. This building is an answer to that space problem. It is the most stripped down, austere thing, with the exception of the 3 items, which I did not recommend, but which the Appropriations Committee recommended the addition of, 3 deductions out of some 20. Even with the restoration of those, it is still austere from a comparative basis.

It is still the most stripped down version we could have and still have full use of the office space. I hope the Senate will pass this amendment.

Mr. CHAFEE. Mr. President, we have had some interesting debate here today.

The opponents have been characterized as being idiotic. They have been characterized as being asinine. The latest characterization is that they all wish the limelight. There are some who suggest that those of us who oppose this building seek the publicity. Some people seem to have a monopoly on virtue around here, and others are on the other side.

I might say, I first opposed this building when it was a hole in the ground when there was nothing there. I was opposed to it then. I was opposed to it when the steel skeleton went up. I am opposed to it now.

Somehow, there seems to be a new virtue attached to those who are protecting the Senate, they are the ones who are on the side of right. Somehow it comes out in this topsy-turvy world, that here we are in an age of inflation, when this country is doing everything it can to fight inflation, the President imploring us, but not for us to join in it. Oh, no. The courageous ones, apparently, are those who want to spend the public's money. They are willing to stand up.

It sort of reminds me of George Orwell's "1984," the topsy-turvy world.

I remember the slogans in that, war is peace, and freedom is slavery, and ignorance is strength. Those are some of the Orwellian quotes.

Those who wanted to make this building fit for the American public, as they say, they had an opportunity in the Appropriations Committee to restore these 20 items. I did not hear anybody speak up then. I have not heard anybody on this floor seek to amend, to add these other facilities, to make it a building the American public will really be proud of. Not a word.

What we are debating here today, Mr. President, is what kind of example we are going to set for the American public. Are we willing to draw the line? Are we willing to say we will do our part and we want everybody else to do their part, too? Are we to say, "No, we are separate; we are different; we are going our own way"?

I think the issues are very clearly drawn, and I urge my colleagues to vote against this amendment.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me a couple of minutes?

Mr. JOHNSTON. Yes.

Mr. CHAFEE. I reserve the remainder of my time.

Mr. ROBERT C. BYRD. I ask unanimous consent that I may proceed for 2 minutes, without it being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPORT ADMINISTRATION ACT OF 1979—TIME AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 737, the Export Administration Act of 1979, is called up and made the pending business before the Senate, there will be a time agreement as follows thereon:

Two hours on the bill to be equally divided between Mr. STEVENS and Mr. HEINZ.

One hour, equally divided, on amendments in the first degree.

Thirty minutes, equally divided, on amendments in the second degree.

Twenty minutes, equally divided, on any debatable motion, appeal, or point of order, at the discretion of the Chair, if such is discussed by the Senate.

That the agreement be in the usual order, except that there be a total of 4 hours, equally divided between Senators STEVENS and RIEGLE, on an amendment or amendments to be offered by Mr. STEVENS on the subject of Alaskan oil. Senator STEVENS may divide the 2 hours under his control among three amendments, if he chooses to do so.

One hour on each of three amendments to be offered by Mr. HELMS on the subject of U.S. oil exports.

One hour on an amendment by Mr. MCCLURE on the subject of legislative veto on farm exports.

Mr. STEVENS. Mr. President, reserving the right to object, I know of no other amendments that have been discussed with the minority.

I believe this is a comprehensive agreement on the Export Control Administration bill, and it is acceptable from our point of view. I do not object.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader and all Senators who have cooperated in securing this agreement.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 737 (Order No. 181), a bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce, debate on any amendment in the first degree (except on an amendment or amendments to be offered by Senator Stevens on Alaskan oil, on which there shall be a total of 4 hours, to be equally divided and controlled by Senators Stevens and Riegle, with Senator Stevens able to divide his 2 hours among 3 amendments if he so chooses; 3 amendments by Senator Helms on U.S. oil exports, on each of which there shall be 1 hour; and an amendment by Senator McClure on legislative vetoes on farm exports, on which there shall be 1 hour) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill; debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Illinois (Mr. Stevenson) and the Senator from Pennsylvania (Mr. Heinz): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

(July 18, 1979).

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

The Senate continued with the consideration of H.R. 4388.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. Mr. President, a parliamentary inquiry. How much time remains?

The PRESIDING OFFICER. The opponents have 1 minute and 2 seconds.

Mr. DANFORTH. I wonder if the manager for the opposition will yield that 1 minute and 2 seconds to me.

Mr. CHAFEE. I yield.

The PRESIDING OFFICER. Fifty-five seconds.

Mr. DANFORTH. Mr. President, suddenly we have been told that those who oppose a $142 million boondoggle are demagogs. I think we spend enough time promoting ourselves as politicians that we also can be self-critical and critical of some of the wastes we engage in without being demagogs. It is honesty, not demogoguery.

The Senator from Connecticut stated that government is people, that the American people are identical with their Government. I wish the American people would believe that. But in point of fact, the American people are beginning to feel that their Government is different, that it is different, that it operates in a different world, that it is expensive, that it is extravagant, that it has lost control of what is going on. That is what the American people think of their Government.

We have a symbolic opportunity right now to do something about it.

Mr. JOHNSTON. Mr. President, I point out that most of those who call this the Taj Mahal and other names have not seen the plans of the new building and have not been in the new building. That is No. 1.

No. 2, most of those have never taken time to see how 1,700 Senate employees live in the various buildings—the Carroll Arms and the other buildings in which they are housed. I wish they would take a look.

It is a disgrace, Mr. President. It is unsafe. It is crowded. It is inefficient. It is unmanageable in terms of their relationship to the Senate, and I think it is inadmissible.

I wish to stress one point: When this building is occupied, as the Pell modification would indicate, we will vacate those buildings and be able to sell them or put them to other use, thereby diminishing the cost of this building.

Mr. President, we have a critical choice to make here. As I say, I did not ask for this job. If the Senate turns down these recommendations of the Committee on Appropriations, it is OK with me. I just want Senators to know that they are going to leave a $70 million monument to nothing other than the imbecility of the Senate—$70 million, unoccupied, unable to be used—while 1,700 employees languish in unsafe facilities, crowded, less than 65 square feet per person, about a third of what the GSA says is minimal.

If that is economy, I do not know what economy means.

If there is anybody in this body who thinks that you are going to finish off that building and have a $70 million monument that is going to stand there forever and never be occupied, I would be very surprised if anyone present believes that. I think every Member of this body believes that that building is going to be finished ultimately. I do not think there is any question about that.

The question is whether we finish it now or whether we come in at some other time. Senator CHAFEE says the time will be when the budget is balanced and times are good and unemployment has gone and all these other never-never land things happen. But everybody believes that ultimately we are going to be in that building.

The basic issue is, do you do it now or do you let costs accumulate at $700,000 a month? That is the issue. Do you want to spend $700,000 a month to make yourself feel good and say, "We are minimizing"? Do you want to hope you get past the next election and say, "I saved money on the Senate Office Building," while in the meantime you occupy unsafe, crowded conditions? Or do you want to do it now? That is our choice.

I do not say you can turn back the clock. I was not in the Senate when the legislation was passed in 1972 to commence this building. I was not even here, and I suspect that more than half of our colleagues were not here, either.

We are faced with a fait accompli. We are faced with a $70 million framework, steel and concrete, marble ordered, and I think it is time we finished it. It is the most prudent thing to do. It is the only prudent thing to do. It is the only economical thing to do.

The House delayed it last year, and maybe they will turn us down again, and it cost us $20 million—$20 million for 1 year's delay. I hope the Senate does not make that mistake today.

I urge the Senate to adopt the amendment.

● Mr. PERCY. Mr. President, I support the amendment offered by Senator JOHNSTON appropriating the final funds needed to complete the Hart Senate Office Building.

I recognize the importance of completing the Hart Senate Office Building, not only because I am convinced that additional office space is needed, but because a termination of the project at this late date would create a loss of a major investment by the taxpayers. This amendment, by appropriating an additional $57,480,700 in funds for the project with a ceiling of $142,627,700 on total construction and furnishing costs, will delete certain items from the building's design. I commend the Senate Office Building Commission and its distinguished chairman for this recommendation to reduce the cost of the Hart Building and eliminate the items in its design which are not absolutely necessary to the efficient operation of the Senate.

During debate on this matter last year, the Senate agreed to appropriate an additional $54.8 million for the Hart Building with a ceiling of $135 million on total construction and furnishing costs. That additional appropriation was then defeated in the House of Representatives, preventing the Architect of the Capitol from awarding the final contracts for the Hart Building. It was an expensive delay. If we were today considering the Hart Building appropriations without deleting any items from the project's design, the price tag would be $174,550,000, or an additional appropriation of $89,403,000. It is clear that we must act now to cut the cost of this project.

Last year, I introduced a resolution directing the Architect of the Capitol to make several deletions in the design of the Hart Building and I am pleased that all of them are included in Senator JOHNSTON's amendment. At that time, I pledged that I would not vote for any additional appropriations for the Hart Building until these items were deleted. The Commission has done an excellent job in cutting costs wherever possible.●

● Mr. ROTH. Mr. President, I concur in the statement offered by the Senator from Rhode Island.

Mr. President, the American people are tired of more costly Government and constantly increasing governmental size. They have spoken out clearly in the last few months all across this Nation. In over 30 States this year, citizens' movements rose to force State and local governments to cut back on their spending and reduce the tax burdens shouldered by the American taxpayer. Thirty States have passed resolutions asking the Congress to call a constitutional convention for the purpose of formulating an amendment to the Constitution which would place limits on spending by the Federal Government.

Yet, we in the Congress refuse to recognize the demands of the American people. We have decided we need a new marble and bronze gilded castle so we can coddle ourselves and work in palatial surroundings. How can we expect labor, business, and all sectors of our economy to make sacrifices in the fight against inflation when we spend $142 million to add another building to the eight we already occupy? How can we expect the bureaucracy to cut back on wastetful spending when we spend lavishly on ourselves?

This proposed new building is an extravagant and unnecessary expense. It will contain more floor space than would be contained in 580 average American homes, based on the average size of all homes sold in the United States in 1977. The cost of the building when money was first appropriated in 1972 was $48 million. Present projections indicate it could cost well over $170 million when completed. And what of the many other uncalculated costs? Maintenance, police protection, utilities, and additional staff will all be expensive and their costs will undoubtedly rise over the years. And, it is not exaggeration to say that congressional staff will expand to fill the newly available space.

The Philip A. Hart Building—a designation that parodies the late Senator's unostentatious style—will be nine stories in height. It is to be crowned by a terraced rooftop restaurant and filled with 50 lavishly paneled offices for Senators.

I am aware that the Senator from Louisiana and the members of the Senate Office Building Commission recommended reductions in the cost of the new Senate domain. They proposed "savings" totaling nearly $37 million, although the Appropriations Committee added $4.8 million to that figure. Yet, even with these "savings" the office complex will still cost $142 million with no certainty that we may not have to raise the ante at some future date.

Mr. President, this is not the first time that I have spoken against the marble barn raising we are funding by plowing the taxpayers under. Last year, I supported Senator CHAFEE and others as we offered an amendment to remove funding proposed in a supplemental appropriation bill. I have opposed this project since its inception. We have made a mistake in beginning this edifice and it is time we admitted that. I oppose the amendment offered by the committee and urge my colleagues to do likewise.●

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHAFEE. Mr. President, do I have a few seconds?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. LONG), the Senator from Tennessee (Mr. SASSER), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "nay."

Mr. CHAFEE. Regular order, Mr. President.

The PRESIDING OFFICER. Are there any Senators in the Chamber desiring to vote who have not done so?

The result was announced—yeas 47, nays 47, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—47

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Culver
Durkin
Eagleton
Exon
Ford
Glenn
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Levin
Mathias
Matsunaga
McGovern
Melcher
Morgan
Muskie
Nelson
Nunn
Pell
Percy
Ribicoff
Riegle
Schmitt
Schweiker
Stafford
Stennis
Stevens
Weicker
Williams
Young

NAYS—47

Armstrong
Boschwitz
Byrd, Harry F., Jr.
Chafee
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Durenberger
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Leahy
Lugar
Magnuson
McClure
Metzenbaum
Moynihan
Packwood
Pressler
Proxmire
Pryor
Randolph
Roth
Sarbanes
Simpson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Zorinsky

NOT VOTING—6

Baker
Domenici
Gravel
Long
Sasser
Stevenson

So Mr. JOHNSTON'S amendment (No. 338), as amended, was rejected.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was rejected, and I ask for the yeas and nays.

Mr. CHAFEE. I move to lay that motion on the table.

Mr. President, a point of order. Can the Senator from Louisiana make that motion to reconsider when he was not on the prevailing side?

The PRESIDING OFFICER. The Senator from Louisiana voted "yea" and that is not the prevailing side. The point of order is well taken.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHAFEE. Mr. President, I move to lay that motion on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Tennessee (Mr. SASSER), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent attending a funeral.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "yea."

Mr. CHAFEE. Regular order, Mr. President.

Several Senators voted.

Mr. JOHNSTON. Regular order, Mr. President.

Several Senators voted.

Mr. JOHNSTON. Regular order, Mr. President.

The PRESIDING OFFICER (Mr. PRYOR). Are there other Senators in the Chamber who have not voted?

Mr. BAYH voted in the negative.

The PRESIDING OFFICER. The Senate will be in order.

The result was announced—yeas 45, nays 50, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—45

Armstrong
Boschwitz
Byrd, Harry F., Jr.
Chafee
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Durenberger
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Leahy
Lugar
Magnuson
McClure
Moynihan
Packwood
Pressler
Proxmire
Randolph
Roth
Sarbanes
Simpson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Zorinsky

NAYS—50

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Culver
Durkin
Eagleton
Exon
Ford
Glenn
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Levin
Long
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Nunn
Pell
Percy
Pryor
Ribicoff
Riegle
Schmitt
Schweiker
Stafford
Stennis
Stevens
Weicker
Williams
Young

NOT VOTING—5

Baker
Domenici
Gravel
Sasser
Stevenson

So the motion to lay on the table the motion to reconsider was rejected.

The PRESIDING OFFICER. The question now recurs on the motion to reconsider.

Mr. CHAFEE. Mr. President, I ask for the yeas and nays on the motion to reconsider.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time? Do the Senators yield back their time?

Mr. CHAFEE. Mr. President.

The PRESIDING OFFICER. The Senator from Kansas controls the time.

Mr. DOLE. Mr. President, I yield my time to the distinguished Senator from Rhode Island.

Mr. CHAFEE. Mr. President, what is the time situation? Each side has 10 minutes?

The PRESIDING OFFICER. There are 10 minutes on each side.

Mr. CHAFEE. Mr. President, I shall not take all my time. It seems to me this is a very,.very important vote. Here is a chance for the Senate of the United States to set an example for the rest of the country in a time of great inflation, a time when the President is calling on everyone to save, to do what they can to keep down escalating costs, to keep down spending. The Senate has voted to cut back on housing, we have cut back on innumerable programs. There have even been attempts to cut back on food. stamps.

Mr. President, the total cost of this building is one-sixth of a billion dollars. It seems to me that we have made different efforts to stop the building. We tried to stop it when it was a hole in the ground, we tried to stop it when it was a skeleton. Let us draw the line and stop it now. The building can be enclosed. When the country has balanced its budget, when inflation is more under control, then we can proceed. But by going ahead with this building, it is a clear indication to the rest of the Nation, Mr. President, that saving and concern about inflation are for those people out there, but not for us.

I think it would be a wonderful symbol to the Nation if we just stopped, if we voted "no" on proceeding with this building.

I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, this Senate office building was authorized before I ever got here. I did not ask for this job as chairman of the Senate Office Building Commission. But, Mr. President, it has been my duty, as I have been charged by the majority leader, to come up with the most sensible, economical plan that is possible.

I do not take a back seat to anybody in cutting the budget around here, on trying to save the Federal dollar. But, Mr. President, as chairman of the Commission, I have recommended a list of 20 deductions that save about $40 million from the total cost.

It is a stripped-down version. It fails to finish a lot of things that I would like to finish. But in the spirit of economy, I think we can spend it. I think we can afford to finish it at this time.

Mr. President, the choice is this: Spend $80 million for a 500-car parking garage in an enclosed shell that will take care of not one Senate employee—not one—or spend a total of $142 million, which is well less than the Rayburn House Office Building, about the same as the FBI Building—spend less than for the Rayburn House Office Building and put the Senate employees—1,700 of them, who now languish in four substandard buildings around the Capitol area—where they ought to be, in a Senate office building.

Mr. President, the square footage per Senate employee is less than 65 feet. That, in 1979, when GSA says that the necessary minimum is 150 square feet per employee. We make our employees do with about one-third of the space right now.

I ask the Members of this body: Is it sensible, when we have one-third the space that GSA says is the minimum, to have a monument out there, at a cost of $80 million, that we cannot use when we need the space? That does not make any sense. That is not economy.

If we are going to talk about economy, Mr. President, let us really cut some money where we can save. All this will do is, for every month that goes by that we do not complete it, add $7 million to the taxpayers' bill in this country. Our friends in the House last year killed this bill. Maybe they will do it this year. Do you know what it did to the taxpayers? It added $20 million, according to the Architect of the Capitol, to the cost of this building. I say, in the spirit of economy, let us complete this building in the most stripped-down, economical way we can. I think this amendment responds to that need. I hope we will pass it, Mr. President.

Mr. CHAFEE. Mr. President, the facts regarding the Rayburn Building are not as stated. The Rayburn Building was not more expensive than this building, even taking the escalated costs since then. The $20 million cost apparently suggested, that came from the House inaction last year, that figure came from the Architect of the Capitol's office. There is one thing consistent about his figures: They have been wrong right from the beginning, when he started saying this building would cost $46 million.

This talk about a stripped-down version—yes, this is a stripped-down version. The total cost of the building, not stripped down, they say, will be $174 million. I do not think anybody here thinks that that $174 million will not be reached.

Yesterday alone, the stripped-down version was presented at 10 o'clock in the morning. By 6 o'clock in the evening, five more million dollars had been added. The paneling was put back in, the restaurant was put back in, the central hearing room put back in. Every one of these features will be added in. So the building will be, at the minimum, at $174 million and a great deal more than that before we are through. One thing that is accurate is that their figures are so inaccurate, nobody can have confidence in them.

Furthermore, I do not think anyone will suggest that when this building is completed, they will not remodel the Dirksen and the Russell Office Buildings to make similar offices.

It seems to me this is a tremendously important, symbolic effort we are taking today. If this building can be stopped cold, we shall say to the American people, "We are serious about this inflation and we are willing to do our part."

I yield back the remainder of our time.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that a statement of the relative per square foot cost of the Hart, Rayburn, and Hoover Buildings be printed in the RECORD at this time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONSTRUCTION COST ANALYSIS—HART, RAYBURN, HOOVER—PHASE I, BUILDINGS

	Philip A. Hart Office Bldg.	Rayburn Office Bldg.	J. Edgar Hoover Bldg. (FBI)	Labor Department Bldg
1. Construction cost (present day value)	[1] $140, 101, 000	[2] $294, 858, 186	[3] $222, 152, 169	[4] $122, 905, 461
2. Total gross square feet	1, 176, 424	2, 374, 522	2, 397, 500	1, 801, 750
3. Cost per square foot	$119. 09	$124. 18	$92. 66	$68. 21
4. Total gross office space	949, 124	1, 189, 137	2, 056, 518	1, 400, 000
5. Total gross garage space	227, 300	1, 185, 385	340, 982	400, 000
6. Gross cost of garage space (assigning value of $30/sq. ft.)	$6, 819, 000	$35, 561, 500	$10, 229, 460	$12, 000, 000
7. Gross cost of office space (line 1 minus line 6)	$133, 282, 000	$259, 296, 686	$211, 922, 709	$110, 905, 461
8. Gross square foot cost of office space (line 7 divided by line 4)	$140. 43	$218. 05	$103. 05	$79. 00

[1] Projected construction cost through June 1981 (mid-construction date).
[2] Original 1964 construction cost of $79,476,600 escalated through June 1981.
[3] Original 1974 construction cost of $110,523,476 escalated through June 1981.
[4] Original 1975 construction cost of $77,445,155 escalated through June 1981.

Note: Escalation is based on W. F. Dodge Digest of Building Cost and Specifications, edition No. 26.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question now is on agreeing to the motion to reconsider vote No. 181. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee (Mr. SASSER) and the Senator from Illinois (Mr. STEVENSON), are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI), is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent attending a funeral.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "nay."

The PRESIDING OFFICER. Have all Senators who desire to vote cast their vote?

The result was announced—yeas 49, nays 47, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—49

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Culver
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Levin
Long
Mathias
Matsunaga
McGovern
Melcher
Morgan
Muskie
Nelson
Nunn
Pell
Percy
Ribicoff
Riegle
Schmitt
Schweiker
Stafford
Stennis
Stevens
Weicker
Williams
Young

NAYS—47

Armstrong
Boschwitz
Byrd, Harry F., Jr.
Chafee
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Durenberger
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Leahy
Lugar
Magnuson
McClure
Metzenbaum
Moynihan
Packwood
Pressler
Proxmire
Pryor
Randolph
Roth
Sarbanes
Simpson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Zorinsky

NOT VOTING—4

Baker
Domenici
Sasser
Stevenson

So the motion to reconsider vote No. 181 was agreed to.

The PRESIDING OFFICER. The question now occurs on the amendment.

Mr. CHAFEE. I ask for the yeas and nays, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, the yeas and nays are automatic.

The PRESIDING OFFICER. The Senator is correct.

The yeas and nays are automatic on this vote, there having been a rollcall vote on the amendment the first time it was voted on.

The question is on agreeing to the amendment. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Tennessee (Mr. SASSER), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI) would vote "nay."

Mr. CHAFEE. Regular order, Mr. President.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 49, nays 46, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—49

Baucus
Bayh
Bellmon
Bentsen
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Culver
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Levin
Long
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Nelson
Nunn
Pell
Percy
Ribicoff
Riegle
Schmitt
Schweiker
Stafford
Stennis
Stevens
Weicker
Williams
Young

NAYS—46

Armstrong
Boschwitz
Byrd, Harry F., Jr.
Chafee
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Durenberger
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Leahy
Lugar
Magnuson
McClure
Moynihan
Packwood
Pressler
Proxmire
Pryor
Randolph
Roth
Sarbanes
Simpson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Zorinsky

NOT VOTING—5

Baker
Biden
Domenici
Sasser
Stevenson

So Mr. JOHNSTON's amendment (No. 338, as modified), was agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The PRESIDING OFFICER. The motion to reconsider is not in order.

Mr. JOHNSTON. Mr. President, I think we are ready to move to third reading if no one else has any amendments.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I was listening on my squawk box and I understood that a Senator wanted to move to reconsider, and the Chair said that motion was not in order.

The motion is in order; am I correct?

The PRESIDING OFFICER. The Senator from West Virginia is entirely correct.

Mr. ROBERT C. BYRD. I would like to give any Senator who desires to make that motion an opportunity to do so, any Senator who qualifies.

Mr. JOHNSTON. I move to reconsider the vote by which the amendment was agreed to.

Mr. MATSUNAGA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, we are awaiting a Senator who has one amendment to offer. I do not know what the time consideration is. Parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. What is the time situation now?

The PRESIDING OFFICER. The Senator from Oregon has 87 minutes and the Senator from Louisiana has 77 minutes remaining.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum and ask that it be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOREN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Louisiana yield me a couple of minutes?

Mr. JOHNSTON. I yield.

Mr. ROBERT C. BYRD. Mr. President, this was not a popular vote that was just completed, and I do not say what I am saying as being a reflection against any Senator or against either side. Some Senators in their own good conscience took one side, and other Senators in equally good conscience took the other side.

But it was a difficult position for the manager of the bill to advocate.

He came to the Senate with his facts. He presented them in a systematic way. He went about this job in a thorough and comprehensive way. He did not ask for the job as chairman of the Senate Building Commission. The majority leader asked him to take that job, and he took it out of a sense of duty.

He said at the time he did not want it. As to a new Senate office building, he realized that this was a difficult question, a controversial one, and one that could be easily misunderstood. But the Commission went about the matter in the right way. They asked the Architect to present new estimates. These estimates were prepared by Contractors/Managers, Inc., an independent consulting firm from Texas. The Commission held a public hearing. The chairman then presented the facts to the Appropriations Committee, and it was the opinion of most members of the Appropriations Committee that the amendment offered by the distinguished chairman of the Commission deserved support.

I supported his position. I feel that the Senate has done the right thing, for the following reasons:

First. If funds are not appropriated and the project is stopped, it would cost $100 million to pay off the contractors and dismantle what has already been constructed.

Second. There is no question but that the space is needed. The whole matter has been the subject of extensive hearings dating back to 1967 when 72 Members of the Senate and 24 committees and subcommittees petitioned the Senate Public Works Committee for space.

Third. Subsequently, on September 13, 1972, the Senate voted 65 yeas to 17 nays on S. 3917 which authorized the construction of an addition to the New Senate Office Building (later named the Hart Building) under the direction of the Architect of the Capitol with the approval and review by the Senate Office Building Commission and the Senate Committee on Public Works.

Fourth. On October 12, 1972, the Senate voted 52 yeas to 7 nays and on October 14, 1972 the Senate voted 58 yeas to 0 nays for $47,925,000 to initiate the Hart Building.

Fifth. On December 12, 1973, the Senate voted 90 yeas to 0 nays for an additional amount of $20,900,000 for the Hart Building.

Sixth. On December 9, 1974, the Senate voted 80 yeas to 9 nays for an additional $16,322,000 for the Hart Building.

Seventh. On August 4, 1978, the Senate voted 65 yeas to 13 nays for a ceiling on the construction costs of the Hart Building. Unfortunately, the House of Representatives voted down this ceiling and the associated appropriation, and, as a consequence, has driven up the cost by $20,000,000.

Eighth. The funds are needed now. Each month of delay results in $700,000 in additional inflationary costs.

Ninth. A comprehensive study revealed that space occupancy by Senate employees averaged less than 65 square feet per person, less than half the General Services Administration's minimum standard of 150 square feet per person.

Tenth. To those who claim that the additional space will promote requests for ever larger staffs, it should be noted that Senate employees who are currently working in temporary facilties (old apartment houses and hotels) will be moved into the permanent complex when the Hart Building is completed. This is not space for additional staff. It is space for the staff who are on the payroll now and who now work in substandard facilities in which no file cabinets larger than two drawers are allowed because larger furniture may crash through the weak flooring.

Eleventh. The plan advocated today on the floor would allow completion of a barebones building at approximately $30 million below the cost for completion of the original design.

Twelfth. The Hart Building is designed to stand for 100 to 200 years. Yet it is no more expensive than commercial office buildings which are designed to last for a much shorter time, for example, A.T. & T. Long Lines Building, Bedminster, N.J., and the Underwood Headquarters Building, Westwood, Mass.

I yield the floor.

Mr. STEVENS. Mr. President, if the Senator is finished, I yield myself 5 minutes.

Mr. ROBERT C. BYRD. Yes, I yielded the floor.

Mr. STEVENS. This is a very difficult proposition we have just voted for. I am sure if Senator Baker were here, he would commend Senator Chafee and Senator Danforth for the manner in which they presented their position.

I think it is important for every one to realize that this building actually was conceived in 1966. The first money was made available in 1972.

What makes it extremely difficult to face a problem like this is that more than 50 percent of the Members of the Senate have been here only 4½ years. This is the problem that we face, and it is a problem of some Senators feeling responsible for what was started and others legitimately having the right to question what we did before they came here

For myself, having been one of those who served on the committee at the time that the original funds were authorized I, too, commend the Senator from Louisiana for bringing this matter to the floor, and I hope that this time the House will understand the situation.

And I would hope that those who oppose the building will understand the situation. If there is a case to be made for watching the construction of new buildings, it is downtown. Each employee in those buildings we are building downtown is entitled to more space than eight of our own employees. By the regulations set by HEW, they have a specific amount of space which they must have. Rightly or wrongly, we have additional staff for the purpose of oversight of the executive branch, and in particular right now for our job of trying to be the watchdog of the Federal Treasury, trying to limit Federal expenditures, and ultimately to balance the budget.

I think this building is necessary. I thought it was necessary in the first instance, and I still think it is necessary. But I think that as we look at an issue like this, we must congratulate the Members on both sides of the argument who were willing to enter into a reasonable time agreement, and have presented the issue, I think, very succinctly for the public also to make up its mind as to what was right and what was wrong

Back in 1967, when the matter was discussed at that time, it was almost not debatable that there was not enough space here. Now, because of acceleration of costs, I can understand the feelings of those who have come to the Senate since the decision was made. It is one of the things we must watch, I think, in terms of the rapidity of change in the Senate The decisions that lead on into subsequent years and into subsequent terms.

I hope that we have learned a lesson from this. We should have appropriated the full amount for the building in the first instance, and had it built. It would have cost us a lot less money if we had done that, anyway.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I do yield.

Mr. ROBERT C. BYRD. I want to congratulate Mr. Danforth and Mr. Chafee on the fine case that they made for their point of view. They could have raised a point of order; they decided to face the issue up or down on its merits, and not go the point of order route. I commend them for that.

Mr. EXON. Mr. President, will the Senator yield?

Mr. STEVENS. Mr. President, may I inquire, does the Senator from Delaware wish to offer an amendment at this time? We have reserved time for it.

Mr. ROTH. Yes.

UP AMENDMENT NO. 374

Mr. ROTH. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. Roth) proposes an unprinted amendment numbered 374: On page 12 after line 21, insert the following new section:

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, after line 21, insert the following new section:

Sec. 105. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Energy is hereby reduced in the amount of $6,880,000: *Provided*, That Congress intends that this reduction shall be achieved by a reduction in the use of all motor vehicles, including those owned by the Federal Government, commercial rental, leased trip and interagency motor pool vehicles as defined in the Federal Motor Vehicle Fleet Report dated September 1978, of the General Services Administration: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

Mr. ROTH. Mr. President, this amendment will reduce the appropriation for the Department of Energy by $6,880,000. This figure represents 25 percent of the total costs associated with the use of motor vehicles by the Department of Energy in fiscal year 1978. It includes commercial rental vehicles, interagency motor pool and those motor vehicles owned through the Department of Energy.

This reduction is targeted at motor vehicle use in order to force the Department of Energy to curtail its consumption of gasoline and diesel fuel. According to U.S. News & World Report, the Department of Energy has used 29 percent more fuel for vehicles and equipment over the last 3 years than the agencies it was formed to replace. This record would certainly be an embarrassment for any agency. But it is inexcusable for the Department of Energy and it is a record we must not permit to continue.

Mr. President, this amendment will serve as more than a reminder that the Department of Energy should lead the way in conserving energy, not in consuming it.

In the past few weeks, Americans have been forced to endure significant inconvenience to obtain gasoline. Getting enough gas to go to work has become an ordeal. Gas for leisure activities is even more unsure. The uncertainty has forced families to make sacrifices, change plans and, in many cases, to simply do without.

It is obvious we all must reduce our fuel consumption if we are to emerge from this period of strain and uncertainty. But thus far, the biggest gas guzzler of all, the Federal Government, has made very small sacrifices.

The Federal Government now has some 450,000 cars, trucks and buses in its civilian fleet, or 1 vehicle for every 6 employees. Three hundred thirty-eight million gallons of gasoline were consumed by the Federal Government in fiscal year 1977. The cost of this gasoline, used to operate the world's largest motor pool, was $700 million.

The number of gallons of gasoline used by the Federal Government is awesome. But even worse is the rate of increase in Government driving. Over the last 5 years, the Government has driven 21.2 percent more miles.

This compares with an overall 5-year increase of only 13.4 percent for the American public.

Mr. President, I submit that the Federal Government should not sacrifice as much as the American people; it should sacrifice more.

I believe, in view of the record of accelerating Government driving, that my proposal to cut 25 percent of the gasoline expenditure is in order.

Mr. President, I yield the floor.

Mr. JOHNSTON. Mr. President, I am very much tempted, on first blush, to accept any amendment that cuts gasoline use, but I wonder whethter this is the proper way to do it and whether we can afford to cut it in this manner.

I wonder if the Senator is aware that all the power administrations are included in the Department of Energy budget: The Alaska Power Administration, Bonneville, Southeastern, Southwestern, Western Power, Colorado Basin, and the Emergency Fund for the Western Area Power Administration.

Is the Senator aware that those are included in the Department of Energy, and does he mean to cut those as well?

Mr. ROTH. I would say to the Senator from Louisiana that we are only cutting 25 percent of the fuel for vehicles and equipment in the Department of Energy.

Mr. JOHNSTON. Well, those are included in the Department of Energy, and they have to—most of their fuel is for the policing, construction, operation and maintenance of the transmission lines and power facilities. They have broad areas of lines to police, and they must have power for that.

Is the Senator also aware that the Nevada test site and other weapons program activities are under the Department of Energy? Of course, this involves huge amounts of energy. Would that not be cut, too?

Mr. ROTH. I would just point out to the distinguished Senator that we are asking the American people, who have very real needs, to make sacrifices, to be more efficient. As I pointed out, we are unable to get a clear picture, but apparently the Department of Energy is using 29 percent more fuel for vehicles and equipment over the last 3 years than the agencies it was formed to replace.

I am sure we can find, as in any appropriation, areas where no exceptions should be made. But somehow, if we are going to persuade the American people that we are serious about this energy crisis, that they have to do a better job with less gasoline, they have the right to expect the Department of Energy to do so.

I would say if there is any specific agency where the Senator feels they should be expressly exempt, this Senator would have no objection to doing so. But somehow I do not see how we can say to the American people to do with less while we in Government use more.

Mr. JOHNSTON. I say to the Senator that I believe that most of the heavy driving is associated with work in the field, such as the power administrations and the weapons programs and not with just the messenger cars around Washington, D.C. That is a very small part of it.

The problem with this kind of an amendment is I might be inclined to accept it and say, "Yes, we want to cut energy," but then we will find out we cannot operate and maintain the electric transmission lines which carry thousands of megawatts of electricity via the Bonneville system down throughout the Pacific Northwest, down to California, and elsewhere, and if they could not carry on with their work on the lines perhaps there will be a foul-up in the lines with thousands of megawatts involved for the sake of a few gallons of gasoline.

I do not say that to oppose the Senator's amendment. I wonder if he might bring this kind of an amendment before the committee next year where I would be more than happy to cut everything we can find. We have tried to do that in this budget.

Mr. ROTH. The problem is we are always talking about making cuts next year when in fact we are telling the American people they have to do with less now. If there are, as I say, emergency situations where the distinguished Senator feels an exception should be made, we can either perfect the amendment now or do it in conference. But somehow I think it is of critical importance to tell the American people that we are putting pressure on the executive branch, on each department, to use as little gasoline as possible. I do not think they are going to be satisfied if we tell them to wait until next year.

Let me reiterate what the figures show for the Government as a whole. The Federal Government now has something like 450,000 cars, trucks, and buses in its civilian fleet. That is one vehicle for every six employees. Three hundred thirty-eight million gallons of gasoline were consumed by the Federal Government in fiscal year 1977. The cost of that gasoline was $700 million.

Mr. JOHNSTON. If the Senator will yield, I believe if the Senator is willing to have this matter considered in conference on the basis that we will save everything we can find there—we do not want to cut out the power administrations from building new lines, stringing new electric wires, or policing the ones they have, and we do not want to cut the weapons programs work unless there is waste—I would be willing to accept it on the basis that we will save as much as we can in conference. We will have to drop it in whole or in part in conference unless we can find a solid basis for it.

I will certainly join the Senator in trying to find the savings. Based upon that, I would be willing to accept the amendment.

Mr. ROTH. I would say this to the distinguished Senator. I know the particularity with which he works. I would assume that in accepting it a real effort would be made to substantially cut this. I think the Government employees have to expect to be hurt a little bit. When we are telling people back home, "Do not drive," they expect us to say the same thing to the Government. No one wants essential services to be eliminated. But as the Senator well knows, to be perfectly candid, every time one of us not on the committee brings up a revision or a cutback, Senators can always point to essential services that might be affected.

Mr. JOHNSTON. If the Senator will yield, we have not accepted any other amendment on the floor on the basis that we will drop it in conference. If we can substantiate it in whole or in part, I would be delighted to proceed. But I do believe we have a real responsibility to insure that the power administrations and the weapons programs, which are the principal users of the fuel in the Department of Energy, be protected. To cut back on wastes is our objective also.

Mr. ROTH. Can the Senator say what portion of the gasoline is consumed by them?

Mr. JOHNSTON. We think the bulk of it is, but I cannot give a percentage. I did not see the amendment before a few minutes ago and I have not had the chance to research it.

I am not trying to scuttle the amendment. If I were trying to scuttle it, I would not be willing to accept it.

Mr. ROTH. I understand the Senator's willingness to accept it. There will be opposition, I know, from the agencies, and they will try to make a strong case. I will be happy to have it accepted on that condition. I will say that we are concerned about the kind of leadership we give in Government. I think the American people have the right to see whether or not—as I am sure the Senator would agree—this is working in the conservation area. I appreciate the Senator's willingness to accept the amendment. I want to make this further request, that my staff will keep in contact with the Senator so we can determine exactly what happens in this area and, if necessary, bring it up later.

Mr. JOHNSTON. I will be happy to be in contact with the staff and would be glad to have whatever facts the Senator can show in particular areas of waste. We will take it to conference on that basis.

Mr. MAGNUSON. Will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. MAGNUSON. I will say to the Senator from Delaware that the cause he is talking about is good. Where the amendment ought to come, or at least as a separate amendment, would be with regard to the General Services Administration, where they have control of these immense Government carpools. That is where the bulk of the cars are located, and all the agencies use them. But, as the Senator from Louisiana points out, a lot of these vehicles are used along powerlines, trucks and things like that, which are assigned directly to the energy agency. However, the big waste of gasoline it seems to me we should cut down is in the GSA, when that appropriation comes up, with their carpools. I hope the Senator will pursue his amendment at that point, or a similar amendment.

It seems to me that the Senator from Louisiana does take a good position.

I will say it is difficult where the vehicles are assigned to the agencies particularly out West, with all the powerlines and so forth, and the different uses where the cars are required. The carpools are really where the amendment should be directed.

Mr. ROTH. I appreciate the advice of the distinguished chairman and do intend to pursue it. I believe his point is very valid.

I am concerned, I will say to the distinguished Senator from Washington, when the figures show that we have one car for every six employees of the Federal Government. Unquestionably, many of those cars are essential and used in a business-like manner. At the same time, in the past the question of energy has not been the serious one it is today. I just think it is extraordinarily important if we are going to get the American people to do their utmost in this energy crisis to have them recognize that we are making real sacrifices and compromises of services that otherwise would have been satisfactory.

It may be that no one wants to hamstring any agency or any department in doing what is necessary. But I think most people feel, myself included, that when you look at the general figures of one car in six, under today's situation—that may have been all right 5 or 10 years ago, when we did not have that energy crisis, or at least, did not recognize it. But today, the situation has changed and we should make sure that we are taking a careful look, that vehicles are only used where absolutely essential.

With that understanding, I am happy to yield back the floor. I thank the distinguished Senator from Washington for his suggestion.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JOHNSTON. I ask for third reading, Mr. President.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. JOHNSTON. I yield such time, Mr. President, as he may want to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, the Senate is about to vote on H.R. 4388, the Energy and Water Development Appropriations bill for fiscal year 1980. As reported, the bill calls for budget authority of $10.8 billion and estimated outlays of $5.9 billion. In addition to the funds contained in this appropriations bill, it is anticipated that additional later requirements of at least $0.7 billion in budget authority and $0.5 billion in outlays will be necessary. Thus, H.R. 4388, along with anticipated later requirements, are projected to exceed first budget resolution targets by $0.4 billion in budget authority and $0.7 billion in outlays.

Mr. President, I realize that there have been major developments in the energy situation since the first budget resolution and that we may have to commit additional resources to encourage new energy supplies. President Carter is certainly correct when he says that we must give a high priority to solving the Nation's energy problems. Further energy initiatives will almost certainly result in new spending proposals which we will review during markup on the second budget resolution. A decision to make major new commitments to energy development, however, will require that Congress avoid unnecessary increases for low priority programs.

Unfortunately, Mr. President, it does not appear that this restraint is being exercised. Currently, it appears that the Appropriations Committee may actually exceed the amount allocated to it in the first budget resolution by up to $5.5 billion in budget authority and $4.6 billion in outlays when all regular appropriations bills and all fiscal year 1980 supplemental requirements are taken into account. This means that we now face the prospect that the fiscal year 1980 deficit may be increased by $5 to $6 billion. This fact, plus the expected economic slowdown, could result in a fiscal year 1980 deficit higher than fiscal year 1979. A deficit of this magnitude will fan the fires of inflation and further undermine public confidence in the ability of the Federal Government to develop sound fiscal policy.

Mr. President, I am certain that the chairman and members of the Appropriations Committee understand the need for fiscal restraint. It is not easy to resist strong pressures for increased spending, and I appreciate the efforts which the distinguished chairman (Mr. MAGNUSON) has made in an attempt to keep total funding levels within budget targets. The necessity for restraint will become even more important because of spending levels in this bill and the pressures which will be exerted to expand energy programs.

Failure to keep spending levels within first resolution targets will result in a reversal of the trend in the past 5 years of reducing the deficit and will virtually eliminate the possibility of the balanced budget in fiscal year 1981. I am certain that most Members of Congress, as well as the American public, would find such a situation totally unacceptable.

Mr. THURMOND. Mr. President, I rise in support of H.R. 4388, the Energy and Water appropriation bill for fiscal year 1980. I would especially like to thank the members of the Senate Appropriations Committee for their decision during deliberations on this bill to continue funding of the Barnwell nuclear fuel plant and a number of water projects in my State of South Carolina.

I particularly commend them for their wisdom and foresight in supporting the ongoing research activities at the Barnwell nuclear fuel plant. For the past 2 fiscal years, Congress has appropriated funds for research and development efforts at the Barnwell facility. I would like to assure my colleagues that money which Congress has given to talented technical staff has produced concrete results. For example, some very useful data has been provided to the Department of Energy for use in the 2-year international nuclear fuel cycle evaluation (INFCE). As a result of the fiscal year 1978 program, a plutonium heat spike concept was developed which would make plutonium in spent fuel less attractive for weapons purposes. Research has also been conducted on problems related to spent fuel receiving, handling, and storage.

Aside from these contributions in the research field, continued funding has so far prevented this very valuable facility from being prematurely "mothballed" before conclusions can be reached on the viability of alternative, proliferation-resistant fuel cycles and their possible applications to Barnwell. Mr. President, I continue to strongly favor commercial reprocessing at Barnwell and hope the present administration will ultimately see the wisdom of this course. However, even if this decision is not reversed, continued funding of Barnwell will facilitate development of alternative uses of the facility, such as safety training and military applications.

Furthermore, I would like to point out that the $11.5 million included in H.R. 4388 for the Barnwell plant represents a significant reduction from the fiscal year 1979 funding level of $18.5 million. This lower figure is in keeping with our efforts to reduce Federal spending, but it is sufficient to allow the BNFP staff to maintain the plant's capability and to contribute meaningful research and development results to the INFCE.

Mr. President, H.R. 4388 also contains funding for a number of Corps of Engineers' water projects in South Carolina. Construction projects, such as the Richard B. Russell Dam and the construction of a fifth power generation unit at Lake Hartwell and the navigation projects in various rivers and harbors will be extremely beneficial to the continued economic growth of South Carolina and Georgia.

Mr. President, in addition to containing funding for a number of projects of special interest to the citizens of South Carolina, H.R. 4388 contains funds for a number of important programs in the Departments of Energy and Interior, as well as various independent agencies, including the Appalachian Regional Commission, Tennessee Valley Authority, Nuclear Regulatory Commission and others. The total amount appropriated is within the budget estimates, and, accordingly, I urge that the bill be passed.

● Mr. CRANSTON. Mr. President, I would like to ask the floor manager of the bill a question relating to the Bureau of Reclamation's feasibility study of the Mid-Valley Canal in California. As the floor manager knows, the President's fiscal year 1980 budget does not include any moneys for the Mid-Valley Canal. The Bureau of Reclamation recently suspended the study and is preparing a concluding report on the proposed Mid-Valley Canal because there is not presently an adequate supply of water for the project. The State of California and the farmers on the east side of the San Joaquin Valley want the Bureau of Reclamation to complete the feasibility study nevertheless. The Bureau has already invested $546,000 and 8 years in the study. I think that it makes little sense not to complete the study as additional water supplies may well be available in the future. Shasta Dam, for example, may be enlarged, thus providing the necessary water supply.

I understand that an appropriation of $150,000 in fiscal year 1980 would permit the Bureau of Reclamation to complete the Mid-Valley feasibility study. I have talked to the floor manager of the bill, and appreciate his concern about accepting any increases in this bill, regardless of the merit of the request. However, I understood the Senator from Louisiana to say that he would include funds for the Mid-Valley Canal study in the supplemental appropriations bill, or if there is no fiscal year 1980 supplemental, in the regular bill next year. Is that correct?

Mr. JOHNSTON. That is correct, based on the information that there are potential additional water supplies. In that case, we will fund the Mid-Valley Canal feasibility study in the next annual appropriations bill, either the fiscal year 1980 supplemental or the fiscal year 1981 bill, or possibly even a transfer of funds, or reprograming request.

Mr. CRANSTON. That being the case, would the Senator agree with me that the Bureau of Reclamation should resume the Mid-Valley study and not prepare the concluding report?

Mr. JOHNSTON. Yes, I agree with the Senator from California that the Bureau of Reclamation should keep the study open as we intend to follow up on this to see that the funds necessary to complete the Mid-Valley Canal feasibility study are made available.●

● Mr. MUSKIE. Mr. President, the Senate has before it H.R. 4388, the Energy and Water Development appropriation bill for fiscal year 1980.

The bill as reported provides $10.8 billion in new budget authority. Outlays associated with the bill total $5.9 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution. The Appropriations Committee has allocated $11.1 billion in budget authority and $9.7 billion in outlays to the Energy and Water Development Subcommittee.

The funds provided by H.R. 4388 as reported, together with action completed or under way, plus possible later requirements known at this time put the subcommittee $0.4 billion above its budget authority allocation and $0.7 billion above its outlays allocation. This would not be consistent with the targets in the first budget resolution.

Mr. President, I ask unanimous consent that a table showing the relationship of this bill and possible later requirements to the subcommittee allocation be printed in the RECORD at this point.

H.R. 4388, Energy and water development appropriation bill, relationship to subcommittee's section 302(b) allocation

[$ in billions]

	Budget authority	Outlays
Subcommittee's section 302(b) allocation	11.1	9.7
Action completed or underway	—	4.1
H.R. 4388, as reported	10.8	5.9
Amount over (+) or under (−) subcommittee allocation	−0.3	+0.2
Possible later requirements:		
Energy supply	+0.5	+0.3
Water resources	+0.1	+0.1
October 1979 pay raises	+0.1	+0.1
Possible amount over (+) or under (−) subcommittee allocation	+0.4	+0.7

Even though this bill, together with possible later requirements will exceed the subcommittee's allocation, I support it. I realize, as I am sure my colleagues do, that events since the first budget resolution have developed a consensus in the Congress and in the country on broader based energy programs.

But, Mr. President, the Senate should be aware that there are serious pressures on the Appropriations Committee regarding the fiscal year 1980 budget. Unfortunately, there do not appear to be any compensating surpluses available in any other subcommittee allocations to make up for the overages in this bill. In fact, several other subcommittees may exceed their allocation when foreseeable supplemental requirements are taken into account.

It now appears that the Appropriations Committee may actually exceed the amount allocated to it in the budget resolution by up to $5.6 billion in budget authority and $4.7 billion in outlays when all the regular 1980 appropriation bills and all the 1980 supplemental requirements are taken into account.

We now face the prospect that these appropriations excesses may increase the 1980 deficit by as much as $5 to $6 billion. In fact, the combinations of these additional appropriations and the apparent economic slowdown threaten to drive the 1980 deficit higher than 1979. It now appears that the deficit for 1979 will be about $30 billion. Instead of the $23 billion figure we contemplated for the first resolution, it appears that the deficit for 1980 will rise by $6 billion. Taking into account the appropriation bill increases over the budget resolution, the deficit may rise to $34 or $35 billion, reversing the trend of the last 5 years and increasing the deficit to unacceptable levels.

Today, Mr. President, Senator BELLMON, the ranking Republican member of the Budget Committee, and I have written to the distinguished chairman of the Senate Appropriations Committee and his ranking member to discuss the total appropriations situation. In our letter we described the circumstances creating the pressures for these increases.

First, some other committees have failed to make about $1 billion in legislative savings contemplated in the budget resolution in appropriated programs.

Second, costs for some programs sanctioned by the resolution have risen unforeseeably.

Third, the President's new energy initiatives exceed those contemplated in the budget resolution by up to $2.9 billion in budget authority and $1.2 billion in outlays.

Fourth, for reasons apart from these first three causes, the Appropriations Committee itself has spent as much as $1.5 billion in budget authority and $1.2 billion in outlays above the budget resolution allocation to it.

In light of these increases, Mr. President, I hope that the Appropriations Committee will reduce other appropriations for fiscal year 1980 to make room for the supplemental needs now anticipated in the energy and Labor-HEW areas.

In the event that such reductions are not made, there will be no alternative but to support amendments to reduce appropriations which are not of compelling necessity at this time.

Finally, in the event floor amendments prove inadequate to reduce these increases for the first time a reconciliation instruction to the Appropriations Committee may be required in the second budget resolution.

Mr. President, support of the higher funding levels for the energy programs in this bill because of changed national priorities must not preclude close scrutiny of all future appropriations bills.

We will work with the Appropriations Committee and do everything possible to assure that the deficit for fiscal year 1980 remains below the fiscal year 1979 deficit.●

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BELLMON. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee (Mr. SASSER), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER. Are there other Senators present desiring to vote?

Are there others present desiring to vote?

The result was announced—yeas 90, nays 6, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—90

Armstrong
Baucus
Bayh
Bellmon
Bentsen
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—6

Biden
Byrd,
Harry F., Jr.
Chafee
Helms
Proxmire
Roth

NOT VOTING—4

Baker
Domenici
Sasser
Stevenson

So the bill (H.R. 4388) was passed.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSTON. Mr. President, I move that the Senate insist on its amendments and request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Messrs. JOHNSTON, STENNIS, MAGNUSON, ROBERT C. BYRD, HOLLINGS, HUDDLESTON, BURDICK, SASSER, DECONCINI, HATFIELD, YOUNG, SCHWEIKER, BELLMON, MCCLURE, GARN, and SCHMITT conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, for the third time today, I compliment Mr. JOHNSTON.

The Energy and Water Development appropriations bill, considered by the Senate today is a complex measure which contains vitally important projects. The distinguished Senator from Louisiana (Mr. JOHNSTON) has managed this bill admirably under trying circumstances. As chairman of the Energy and Water Subcommittee of the Appropriations Committee, he has overseen the formulation of this bill in great detail.

The distinguished Senator from Oregon (Mr. HATFIELD) has contributed in equal measure to the consideration of this bill. His long experience as ranking member of the subcommittee provided additional expertise to the Senate in its deliberations on the Energy and Water Development bill.

Two key areas of national policy are affected by this measure—energy research and development and improvement of our water resources. In many cases, these two issues are inseparable. Hydroelectric projects are the prime examples of that fact. Transportation of energy resources is facilitated by the improvements to navigable waterways included in the bill.

Basic science research carried out by the Department of Energy is funded at a level which will provide the maximum amount of benefit for each dollar. More advanced research into solar power is provided for in order for the United States to have as many energy options available as possible.

In short, the Energy and Water Development appropriations bill coupled with the Interior appropriations bill, which we will consider at a later point, provide a sound structure on which to shape our energy policy and promote the efficient use of our natural resources.

Once again, I commend the subcommittee for its fine work on this difficult matter.

Mr. JOHNSTON. I thank the majority leader.

Mr. President, I thank again the distinguished ranking majority member, Senator HATFIELD, and his excellent staff for the cooperation we have had throughout this bill. It really has been a team effort and a bipartisan effort.

I especially thank Proctor Jones, Dave Gwaltney, and Mrs. Gloria Butland, of the committee staff, who have worked day and night, literally, sometimes through the night, for days on end, to put together a very difficult bill.

I think we have an excellent bill here, one that has been well thought out.

I thank all those responsible for their help in getting the bill passed.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. MAGNUSON. Mr. President, as chairman of the Appropriations Committee, I congratulate the Senator for the fine work that has been done on this bill. I know how difficult it is. It is not necessarily the most complex bill. I will not give way to the HEW bill. It is next to the HEW bill in complexity.

Proctor and the others have done a tremendous amount of work. I do not know how many witnesses the committee heard this year. I recall that I used to hear 600 or 700 witnesses.

Mr. JOHNSTON. More than 2,000 appeared this year. We have large groups and delegations—and about 700 or 800 witnesses presented testimony.

Mr. MAGNUSON. It is a tremendous job, and I congratulate the Senator from Louisiana as well as the Senator from Oregon for the way the bill was handled on the floor.

Mr. JOHNSTON. I thank the distinguished chairman of the full committee, who has been a great help in getting this bill passed. He attended many of our committee meetings and has been a great help.

Also, the distinguished ranking minority member, Senator YOUNG, I believe, attended every meeting of the committee. He is an expert on water resource matters as well as an expert on energy, and he has been a great help with the bill.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. YOUNG. Mr. President, this bill has become much more complicated than it used to be. I would not want to be the ranking minority member on the subcommittee now.

The energy part of it is so vast and complicated now that I do not know how the committee can even deal with it. The excellent staff is most helpful.

I commend both the Senator from Louisiana (Mr. JOHNSTON) and the Senator from Oregon (Mr. HATFIELD) for the fine job they have done and for the patience and understanding they have exhibited. I also commend the able staff members on both sides, especially Proctor Jones, who I consider one of the most able staff members in the Senate.

Mr. JOHNSTON. I thank the Senator, and I share the Senator's opinion of Proctor Jones.

EXPORT ADMINISTRATION ACT OF 1979

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of S. 737, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 737) to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing, and

Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Export Administration Act of 1979".

FINDINGS

SEC. 2. The Congress makes the following findings:

(1) The ability of United States citizens to engage in international commerce is a fundamental concern of United States policy.

(2) Exports contribute significantly to the balance of trade, employment, and production of the United States.

(3) The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

(4) Exports of goods or technology without regard to whether they make a significant contribution to the miltary potential of individual countries or combinations of countries may adversely affect the national security of the United States.

(5) The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries.

(6) Uncertainty of export control policy can curtail the efforts of American business to the detriment of the overall attempt to improve the trade balance of the United States and to decrease domestic unemployment.

(7) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.

(8) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combination of countries which would be detrimental to the national security of the United States.

DECLARATION OF POLICY

SEC. 3. The Congress makes the following declarations:

(1) It is the policy of the United States to minimize uncertainties in export control policy and to encourage trade with all countries with which we have diplomatic or trading relations, except those countries with which such trade has been determined by the President to be against the national interest.

(2) It is the policy of the United States to restrict the ability to export only after full consideration of the impact on the economy of the United States and only to the extent necessary—

(A) to prevent the export of goods and technology which would make a significant contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States;

(B) to further significantly the foreign policy of the United States or to fulfill its declared international obligations; and

(C) to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.

(3) It is the policy of the United States (A) to apply any necessary controls to the maximum extent possible in cooperation with all nations, and (B) to encourage observance of a uniform export control policy by all nations with which the United States has defense treaty commitments.

(4) It is the policy of the United States to use its economic resources and trade potential to further the sound growth and stability of its economy as well as to further its national security and foreign policy objectives.

(5) It is the policy of the United States—

(A) to oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person;

(B) to encourage and, in specified cases, require United States persons engaged in the export of goods and technology or other information to refuse to take actions, including furnishing information or entering into or implementing agreements, which have the effect of furthering or supporting the restrictive trade practices or boycotts fostered or imposed by any foreign country against a country friendly to the United States or against any United States person; and

(C) to foster international cooperation and the development of international rules and institutions to assure reasonable access to world supplies.

(6) It is the policy of the United States that the desirability of subjecting, or continuing to subject, particular goods or technology or other information to United States export controls should be subjected to review by and consultation with representatives of appropriate United States Government agencies and private industry.

(7) It is the policy of the United States to use export controls, including license fees, to secure the removal by foreign countries of restrictions on access to supplies where such restrictions have or may have a serious domestic inflationary impact, have caused or may cause a serious domestic shortage, or have been imposed for purposes of influencing the foreign policy of the United States. In effecting this policy, the President shall make every reasonable effort to secure the removal or reduction of such restrictions, policies, or actions through international cooperation and agreement before resorting to the imposition of controls on exports from the United States. No action taken in fulfillment of the policy set forth in this paragraph shall apply to the export of medicine or medical supplies.

(8) It is the policy of the United States to use export controls to encourage other countries to take immediate steps to prevent the use of their territories or resources to aid, encourage, or give sanctuary to those persons involved in directing, supporting, or participating in acts of international terrorism. To achieve this objective, the President shall make every reasonable effort to secure the removal or reduction of such assistance to international terrorists through international cooperation and agreement before resorting to the imposition of export controls.

(9) It is the policy of the United States to cooperate with other nations with which the United States has defense treaty commitments in restricting the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the security of the United States or to the security of those countries with which the United States has defense treaty commitments.

AUTHORITY

SEC. 4. (a) (1) To the extent necessary to carry out the policies set forth in section 3 of this Act, the President, by rule or regulation, may prohibit or curtail the export of any goods or technology, or for the purpose of section 5 information, subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. To the extent necessary to achieve effective enforcement of this Act, these rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person. In curtailing exports to carry out the policy set forth in section 3(2) (C) of this Act, the President is authorized and directed to allocate a portion of export licenses on the basis of factors other than a prior history of exportation.

(2) (A) In administering export controls for national security purposes as prescribed in section 3(2) (A) of this Act, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors as the President may deem appropriate. The President shall review not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, United States policy toward individual countries to determine whether such policy is appropriate in light of the factors specified in the preceding sentence.

(B) Rules and regulations under this subsection to carry out the policy set forth in section 3(2) (A) of this Act may provide for denial of any request or application for authority to export goods or technology from the United States, its territories and possessions, which would make a significant contribution to the military potential of any nation or combination of nations theatening the national security of the United States if the President determines that their export could prove detrimental to the national security of the United States. In administering export controls for national security purposes as prescribed in section 3 (2) (A) of this Act, priority shall be given to preventing the effective transfer to countries to which exports are controlled for national security purposes of goods and technology critical to the design, development, production, or use of military systems which would make a significant contribution to the military potential of any nation or nations which could prove detrimental to the national security of the United States. The Secretary of Commerce, in consultation with the Secretary of Defense, shall review and revise not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, export controls maintained for national security purposes pursuant to this Act for the purpose of insuring that such controls are limited, to the maximum extent possible consistent with the purposes of this Act, to such militarily critical goods and technologies and the mechanisms through which they may be effectively transferred.

(C) Export controls maintained for foreign policy purposes shall expire on December 31, 1979, or one year after imposition, whichever is later, unless extended by the President in accordance with this subparagraph and subparagraph (D). Any such extension and any subsequent extension shall not be for a period of more than one year. When imposing, increasing, or extending export controls for foreign policy purposes pursuant to the authority provided by this Act, the President shall consider—

(i) alternative means to further the foreign policy purposes in question;

(ii) the likelihood that foreign competitors will join the United States in effectively controlling such exports;

(iii) the probability that such controls will achieve the intended foreign policy purpose;

(iv) the effect of such controls on United States exports, employment, and production, and on the international reputation of the United States as a supplier of goods and technology;

(v) the reaction of other countries to the imposition or enlargement of such export controls by the United States; and

(vi) the foreign policy consequences of not imposing controls.

(D) Whenever the President imposes, increases, or extends export controls for foreign policy purposes pursuant to authority provided by this Act, he shall inform the Congress of his action within thirty days and, to the extent consistent with the national interest, make public a report specifying his conclusions with respect to each of the matters considered as provided in subparagraph (C) of this paragraph and indicating how such export controls will further significantly the foreign policy of the United States or fulfill its declared international obligations.

(E) The President shall not impose export controls for foreign policy or national security purposes on the export from the United States of goods or technology which he determines are available without restriction from sources outside the United States in significant quantities and comparable in quality to those produced in the United States, unless the President determines that adequate evidence has been presented to him demonstrating that the absence of such controls would prove detrimental to the foreign policy or national security of the United States. Where, in accordance with this paragraph, export controls are imposed for foreign policy or national security purposes notwithstanding foreign availability, the President shall take steps to initiate negotiations with the governments of the appropriate foreign countries for the purpose of eliminating such availability.

(b)(1) Except as otherwise provided in this Act, the Secretary of Commerce shall reorganize the Department of Commerce as necessary to effectuate the policies set forth in this Act. The Secretary of Commerce shall prepare and maintain a list of goods and technology the export of which from the United States, its territories and possessions, is prohibited or regulated pursuant to this Act. The Secretary shall review such list not less frequently than every three years in the case of controls maintained cooperatively with other nations, and annually in the case of all other controls, in order to make promptly such changes and revisions as may be necessary or desirable in furtherance of the policies set forth in this Act. The Secretary shall include in each review an assessment of the availability from sources outside the United States, its territories and possessions, of goods and technology in significant quantities and comparable in quality to those items included on such list. In order to further effectuate the policies set forth in this Act, the Secretary shall establish within the Office of Export Administration a capability for monitoring and gathering information on the foreign availability of goods and technology subject to export control.

(2) The Secretary of Commerce shall keep the public fully apprised of changes in export control policy and procedures instituted in conformity with this Act with a view to encouraging trade. The Secretary shall meet regularly with representatives of the business sector in order to obtain their views on export control policy and the foreign availability of goods and technology.

(c)(1)(A) To effectuate the policies set forth in this Act, the Secretary of Commerce shall establish at least the following three types of licenses in addition to such other types as the Secretary may deem appropriate:

(i) A validated license.

(ii) A qualified general license.

(iii) A general license.

(B) As used in this subsection—

(i) a "validated license" is a license authorizing the export of goods or technology pursuant to an application by an exporter in accordance with rules and regulations issued pursuant to this Act. A validated license may be required for the export of goods and technology subject to multilateral controls in which the United States participates or as determined pursuant to paragraph (2) of this subsection;

(ii) a "qualified general license" is a license authorizing the export to any destination of goods or technology, or a class of goods or technology, subject to the conditions contained in rules and regulations issued pursuant to this Act, including conditions pertaining to approval of the particular consignee and end-use of the goods or technology. The goods and technology subject to control by qualified general license shall be determined pursuant to paragraph (2) of this subsection; and

(iii) a "general license" is a license authorizing the export of a class of goods or technology without specific approval if the export is effected in accordance with the conditions contained in rules and regulations issued pursuant to this Act.

(2) To effectuate the policies set forth in section 3 of this Act, it is the intent of Congress that the use of validated licenses be limited to the greatest extent possible to the control of the export of goods and technology which are subject to multilateral controls in which the United States participates. To the extent that the President determines that the policies set forth in section 3 of this Act require the control of the export of other goods and technology, or more stringent controls than the multilateral controls, he will report to the Congress not later than six months after the date of enactment of this Act, and thereafter in each annual report, the reasons for the need to impose, or to continue to impose, such controls. It is further the intent of Congress that export controls which exceed the multilateral controls shall be effected to the greatest extent possible consistent with the purposes of this Act by means of qualified general licenses.

(3) Not later than sixty days after the date of enactment of this Act, the Secretary of Commerce shall establish procedures for the approval of goods and technology that may be exported pursuant to a qualified general license.

(d)(1)(A) All export license applications required under this Act shall be submitted by the applicant to the Secretary. All determinations with respect to any such application shall be made by the Secretary, subject to the procedures provided in this subsection.

(B) It is the intent of Congress that a determination with respect to any export license application be made to the maximum extent possible by the Secretary without referral of such application to any other Government agency.

(C) To the extent necessary, the Secretary shall seek information and recommendations from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. These departments and agencies shall cooperate fully in rendering such information and recommendations.

(2) Within ten days after the date on which any export license application is received, the Secretary shall—

(A) send the applicant an acknowledgement of the receipt of the application and the date of the receipt;

(B) submit to the applicant a written description of the procedures required by this subsection, the responsibilities of the Secretary and of other agencies with respect to the application, and the rights of the applicant;

(C) return the application without action if the application is improperly completed or if additional information is required, with sufficient information to permit the application to be properly resubmitted, in which case if such application is resubmitted, it shall be treated as a new application for the purpose of calculating the time periods prescribed in this subsection;

(D) determine whether it is necessary to submit the application to any other agency and, if such submission is determined to be necessary, inform the applicant of the agency or agencies to which the application will be referred; and

(E) determine whether it is necessary to submit the application to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party and, if so, inform the applicant of this requirement.

(3) In each case in which the Secretary determines that it is not necessary to submit an application to any other agency for its information and recommendations, a license shall be formally issued or denied within ninety days of the receipt of a properly completed application, unless additional time is required and the applicant specifically requests an extension.

(4) In each case in which the Secretary determines that it is necessary to submit an application to any other agency for its information and recommendations, the Secretary shall, within thirty days of the receipt of a properly completed application—

(A) submit the application together with all necessary analysis and recommendations of the Department of Commerce concurrently to other appropriate agencies; and

(B) if the applicant so requests, provide the applicant with an opportunity to review for accuracy any documentation to be submitted to such other agencies with respect to such application for the purpose of describing the export in question in order to determine whether such documentation accurately describes the proposed export.

(5)(A) Any agency to which an application is submitted pursuant to paragraph (4) shall submit to the Secretary, within thirty days after its receipt of the application, the information or recommendations requested with respect to such application. Except as provided in subparagraph (B), any such agency which does not submit its recommendations within the time period prescribed in the preceding sentence shall be deemed by the Secretary to have no objection to the approval of such application.

(B) If the head or acting head of any such agency notifies the Secretary before the expiration of the time period provided in subparagraph (A) for submission of its recommendations that more time is required for review by such agency, such agency shall have an additional thirty-day period to submit its recommendations to the Secretary. If such agency does not so submit its recommendations within the time period prescribed by the preceding sentence, it shall be deemed by the Secretary to have no objection to the approval of such application.

(6)(A) Within ninety days after receipt of other agency recommendations, as provided for in paragraph (5), the Secretary shall formally issue or deny a license, unless additional time is required and the applicant specifically requests an extension. In deciding whether to issue or deny a license, the Secretary shall take into account any recommendation of an agency advising on the application in question. In cases where the Secretary receives conflicting recommendations, the Secretary shall, within the ninety days provided for in this subsection, take such action as may be necessary to resolve such conflicting recommendations.

(B) In cases where the Secretary receives questions or negative considerations or recommendations from other agencies advising on an application, the Secretary shall, to the maximum extent consistent with the national security or foreign policy of the United States, inform the applicant of the specific questions raised and any negative considerations or recommendations made by an agency, and shall accord the applicant an opportunity, before the final determination with respect to the application is made, to respond in writing to such questions, considerations, or recommendations.

(C) In cases where the Secretary has determined that an application should be denied, at the time of the formal denial, the applicant shall be informed, to the maximum extent consistent with the national security or foreign policy of the United States, of the specific reasons for such denial.

(7) (A) Notwithstanding any other provision of this subsection, the Secretary of Defense is authorized to review any proposed export of any goods or technology to any country to which exports are controlled for national security purposes and, whenever he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of any such country, to recommend to the President that such export be disapproved,

(B) Notwithstanding any other provision of law, the Secretary of Defense shall determine, in consultation with the Secretary, and confirm in writing the types and categories of transactions which should be received by him in order to make a determination referred to in subparagraph (A). Whenever a license or other authority is requested for the export to any country to which exports are controlled for national security purposes of goods or technology within any such type or category, the Secretary shall notify the Secretary of Defense of such request, and the Secretary may not issue any license or other authority pursuant to such request before the expiration of the period within which the President may disapprove such export. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this subparagraph and, not later than thirty days after notification of the request, shall—

(i) recommend to the President that he disapprove any request for the export of any goods or technology to any such country if he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country;

(ii) notify the Secretary that he would recommend approval subject to specified conditions; or

(iii) recommend to the Secretary that the export of goods or technology be approved.

If the President notifies the Secretary, within thirty days after receiving a recommendation from the Secretary of Defense, that he disapproves such export, no license or other authority may be issued for the export of such goods or technology to such country.

(C) The Secretary shall approve or disapprove a license application, and issue or deny a license, in accordance with the provisions of this paragraph, and, to the extent applicable in accordance with the time periods and procedures otherwise set forth in this subsection.

(8) In any case in which an application, which has been finally approved under paragraph (4), (7), or (8) of this subsection, is required to be submitted to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the license shall not be issued as prescribed in such paragraphs, but the Secretary shall notify the applicant of the approval (and the date of such approval) of the application by the Secretary subject to such multilateral review. The license shall be issued upon approval of the application under such multilateral review.

(9) The Secretary and any agency to which any application is referred under this subsection shall keep accurate records with respect to all applications considered by the Secretary or by any such agency.

(e) (1) To effectuate the policy set forth in section 3(2) (C) of this Act, the Secretary of Commerce shall monitor exports, and contracts for exports, of any goods (other than a commodity which is subject to the reporting requirements of section 812 of the Agricultural Act of 1970) when the volume of such exports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage, and such price increase or shortage has, or may have, a serious adverse impact on the economy, any sector thereof, or any industry or substantial segment thereof. Such monitoring shall commence at a time adequate to insure that data will be available which is sufficient to permit achievement of the policies of this Act, and shall include the gathering of data concerning the volume of exports indicated under all contracts providing for the export of such goods following the date of the filing of the petition under section 7(a) (1). Information which the Secretary requires to be furnished in effecting such monitoring shall be confidential, except as provided in paragraph (2) of this subsection and in the last two sentences of section 10(c) of this Act.

(2) The results of such monitoring shall, to the extent practicable, be aggregated and included in weekly reports setting forth, with respect to each item monitored, actual and anticipated exports, the destination by country, and the domestic and worldwide price, supply, and demand. Such reports may be made monthly if the Secretary determines that there is insufficient information to justify weekly reports.

(f) In imposing export controls to effectuate the policy stated in section 3(2) (C) of this Act, the President's authority shall include but not be limited to, the imposition of export license fees.

(g) (1) Notwithstanding any other provision of this Act and notwithstanding subsection (u) of section 28 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 185), no domestically produced crude oil transported by pipeline over right-of-way granted pursuant to the requirements of section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1653) (except any such crude oil which (A) is exported, for the purpose of effectuating an exchange in which the crude oil is exported to an adjacent foreign state to be refined and consumed therein, in exchange for the same quantity of crude oil being exported from that state to the United States; such exchange must result through convenience or increased efficiency of transportation in lower prices for consumers of petroleum products in the United States as described in paragraph (2) (A) (ii) of this subsection, or (B) is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States) may be exported from the United States, its territories and possessions, unless the requirements of paragraph (2) of this subsection are met.

(2) Crude oil subject to the prohibition contained in paragraph (1) may be exported only if—

(A) the President makes and publishes an express finding that exports of such crude oil, including exchanges—

(i) will not diminish the total quantity or quality of petroleum refined within, stored within, or legally committed to be transported to and sold within the United States;

(ii) will, within three months following the initiation of such exports or exchanges, result in (a) acquisition costs to the refiners being lower than the acquisition costs such refiners would have to pay for the domestically produced crude oil in the absence of such an export of exchange and (b) that not less than 75 per centum of the savings shall be reflected in reduced wholesale and retail prices of products refined from such imported crude oil;

(iii) will be made only pursuant to contract which may be terminted if the crude oil supplies of the United States are interrupted, threatened, or diminished;

(iv) are clearly necessary to protect the national interest; and

(v) are in accordance with the provisions of this Act; and

(B) the President reports such finding to the Congress and the Congress within sixty days thereafter passes a concurrent resolution of approval.

(3) Notwithstanding the foregoing provisions of this subsection or any other provision of law including subsection (u) of section 28 of the Mineral Leasing Act of 1920, the President may export oil otherwise subject to this subsection to any foreign nation with whom the United States has entered into a bilateral international oil supply agreement prior to June 25, 1979, or to any foreign nation with whom the United States has entered into a multilateral supply arrangement pursuant to section 251(d) of the Energy Policy and Conservation Act, provided, that the President promptly notifies Congress of each such agreement.

(h) Petroleum products refined in United States Foreign Trade Zones, or in the United States Territory of Guam, from foreign crude oil shall be excluded from any quantitative restrictions imposed pursuant to section 3(2) (C) of this Act, except that, if the Secretary of Commerce finds that a product is in short supply, the Secretary of Commerce may issue such rules and regulations as may be necessary to limit exports.

(i) (1) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils or animal hides or skins, without the approval of the Secretary of Agriculture. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity during any period for which the supply of such commodity is determined by him to be in excess of the requirements of the domestic economy, except to the extent the President determines that such exercise of authority is required to effectuate the policies set forth in sections 3(2) (A) or (B) of this Act. The Secretary of Agriculture shall not approve the exercise of such authority with respect to any such commodity unless he has (i) given full consideration to the alternative of using the Commodity Credit Corporation to purchase such commodity and arrange sales to foreign governments in accordance with the provisions of the Commodity Credit Corporation Charter Act so as to stabilize markets and maximize returns to agricultural producers, and (ii) determined that export controls are preferable to such use of the authority granted by the Commodity Credit Corporation Charter Act.

(2) Upon approval of the Secretary of Commerce, in consultation with the Secretary of Agriculture, agricultural commodities purchased by or for use in a foreign country may remain in the United States for export at a later date free from any quantitative limitations on export which may be imposed pursuant to section 3(2)(C) of this Act subsequent to such approval. The Secretary of Commerce may not grant approval hereunder unless he receives adequate assurance and, in conjunction with the Secretary of Agriculture, finds (A) that such commodities will eventually be exported, (B) that neither the sale nor export thereof will result in an excessive drain of scarce materials and have a serious domestic inflationary impact, (C) that storage of such commodities in the United States will not unduly limit the space available for storage of domestically owned commodities, and (D) that the purpose of such storage is to establish a reserve of such commodities for later use, not including resale to or use by another country. The Secretary of Commerce is authorized to issue such rules and regulations as may be necessary to implement this paragraph.

(j) Nothing in this Act or the rules or regulations thereunder shall be construed to require authority or permission to export, except where required by the President to effect the policies set forth in section 3 of this Act.

(k) The President may delegate the power, authority, and discretion conferred upon him by this Act to such departments, agencies, or officials of the Government as he may deem appropriate, except that no authority under this Act may be delegated to, or exercised by, any official of any department or agency the head of which is not appointed by and with the advice and consent of the Senate.

(l)(1) Any United States firm, enterprise, or other nongovernmental entity which, for commercial purposes, enters into an agreement with an agency of a government in another country to which exports are restricted for national security purposes, which agreement cites an intergovernmental agreement calling for the encouragement of technical cooperation and is intended to result in the export from the United States to the other party of unpublished technical data of United States origin, shall report such agreement to the Secretary of Commerce.

(2) The provisions of this subsection shall not apply to colleges, universities, or other educational institutions.

(3) The Secretary of Commerce is authorized to issue such rules and regulations as are necessary to implement the provisions of this subsection.

(m) The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other appropriate departments and agencies, shall be responsible for negotiations with other countries regarding their cooperation in restricting the export of goods and technologies whose export should be restricted pursuant to section 3(9) of this Act, as authorized under section 4(a)(1) of this Act, including negotiations on the basis of approved administration positions as to which goods and technologies should be subject to multilaterally agreed export restrictions and what conditions should apply for exceptions from those restrictions.

(n) The President shall enter into negotiations with the governments participating in the group known as the Coordinating Committee (hereinafter in this subsection referred to as the "Committee") with a view toward reaching—

(A) an agreement to publish the list of items controlled for export by agreement of the Committee, together with all notes, understandings, and other aspects of such list, and all changes thereto;

(B) an agreement to hold periodic meetings of such governments with high-level representation from such governments, for the purpose of providing guidance on export control policy issues to the Committee;

(C) an agreement to modify the scope of the export controls imposed by agreement of the Committee to a level accepted and enforced by all governments participating in the Committee; and

(D) an agreement on more effective procedures for enforcing the export controls agreed to pursuant to subparagraph (C).

(o) In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed as goods or technology subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for annual increases in the performance levels of goods or technology subject to any such licensing requirement. Any such goods or technology which no longer meet the performance levels established by the latest such increase shall be removed from the list established pursuant to subsection (b)(1) of this section unless, under such exceptions and under such procedures as the Secretary shall prescribe, any other Government agency objects to such removal and the Secretary determines, on the basis of such objection, that the goods or technology shall not be removed from the list. Consideration shall also be given by the Secretary, where appropriate, to removing site visitation requirements for goods and technology which are removed from the above-mentioned list unless objections described in this subsection are raised.

(p)(1) Notwithstanding any other provision of this Act, no horse may be exported by sea from the United States, its territories and possessions, unless such horse is part of a consignment of horse with respect to which a waiver has been granted under paragraph (2) of this subsection.

(2) The Secretary of Commerce, in consultation with the Secretary of Agriculture, may issue rules and regulations providing for the granting of waivers permitting the export by sea of a specified consignment of horses, if the Secretary of Commerce, in consultation with the Secretary of Agriculture, determines that no horse in that consignment is being exported for purposes of slaughter.

FOREIGN BOYCOTTS

SEC. 5. (a)(1) For the purpose of implementing the policies set forth in section 3(5)(A) and (B), the President shall issue rules and regulations prohibiting any United States person, with respect to his activities in the interstate or foreign commerce of the United States, from taking or knowingly agreeing to take any of the following actions with intent to comply with, further, or support any boycott fostered or imposed by a foreign country against a country which is friendly to the United States and which is not itself the object of any form of boycott pursuant to United States law or regulation:

(A) Refusing, or requiring any other person to refuse, to do business with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, pursuant to an agreement with, a requirement of, or a request from or on behalf of the boycotting country. The mere absence of a business relationship with or in the boycotted country with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person, does not indicate the existence of the intent required to establish a violation of rules and regulations issued to carry out this subparagraph.

(B) Refusing, or requiring any other person to refuse, to employ or otherwise discriminating against any United States person on the basis of race, religion, sex, or national origin of that person or of any owner, officer, director, or employee of such person.

(C) Furnishing information with respect to the race, religion, sex, or national origin of any United States person or of any owner, officer, director, or employee of such person.

(D) Furnishing information about whether any person has, has had, or proposes to have any business relationship (including a relationship by way of sale, purchase, legal or commercial representation, shipping or other transport, insurance, investment, or supply) with or in the boycotted country, with any business concern organized under the laws of the boycotted country, with any national or resident of the boycotted country, or with any other person which is known or believed to be restricted from having any business relationship with or in the boycotting country. Nothing in this paragraph shall prohibit the furnishing of normal business information in a commercial context as defined by the Secretary of Commerce.

(E) Furnishing information about whether any person is a member of, has made contributions to, or is otherwise associated with or involved in the activities of any charitable or fraternal organization which supports the boycotted country.

(F) Paying, honoring, confirming, or otherwise implementing a letter of credit which contains any condition or requirement compliance with which is prohibited by rules and regulations issued pursuant to this paragraph, and no United States person shall, as a result of the application of this paragraph, be obligated to pay or otherwise honor or implement such letter of credit.

(2) Rules and regulations issued pursuant to paragraph (1) shall provide exceptions for—

(A) complying or agreeing to comply with requirements (i) prohibiting the import of goods or services from the boycotted country or goods produced or services provided by any business concern organized under the laws of the boycotted country or by nationals or residents of the boycotted country, or (ii) prohibiting the shipment of goods to the boycotting country on a carrier of the boycotted country, or by a route other than that prescribed by the boycotting country or the recipient of the shipment;

(B) complying or agreeing to comply with import and shipping document requirements with respect to the country of origin, the name of the carrier and route of shipment, the name of the supplier of the shipment or the name of the provider of other services, except that no information knowingly furnished or conveyed in response to such requirements may be stated in negative, blacklisting, or similar exclusionary terms on or after June 22, 1978, other than with respect to carriers or route of shipment as may be permitted by such rules and regulations in order to comply with precautionary requirements protecting against war risks and confiscation;

(C) complying or agreeing to comply in the normal course of business with the unilateral and specific selection by a boycotting country or national or resident thereof, of carriers, insurers, suppliers of services to be performed within the boycotting country or specific goods which, in the normal course of business, are identifiable by source when imported into the boycotting country;

(D) complying or agreeing to comply with export requirements of the boycotting country relating to shipments or transshipments of exports to the boycotted country, to any business concern of or organized under the laws of the boycotted country, or to any national or resident of the boycotted country;

(E) compliance by an individual or agreement by an individual to comply with the immigration or passport requirements of any country with respect to such individual or any member of such individual's family or with requests for information regardng requirements of employment of such individual within the boycotting country; and

(F) compliance by a United States person resident in a foreign country or agreement by such person to comply with the laws of that country with respect to his activities exclusively therein, and such rules and regulations may contain exceptions for such resident complying with the laws or regulations of that foreign country governing imports into such country of trademarked, trade named, or similarly specifically identifiable products, or components of products for his own use, including the performance of contractual services within that country, as may be defined by such rules and regulations.

(3) Rules and regulations issued pursuant to paragraphs (2)(C) and (2)(F) shall not provide exceptions from paragraphs (1)(B) and (1)(C).

(4) Nothing in this subsection may be construed to supersede or limit the operation of the antitrust or civil rights laws of the United States.

(5) Rules and regulations pursuant to this subsection shall be issued not later than ninety days after the date of enactment of this section and shall be issued in final form and become effective not later than one hundred and twenty days after they are first issued, except that (A) rules and regulations prohibiting negative certification may take effect not later than one year after the date of enactment of this section, and (B) a grace period shall be provided for the application of the rules and regulations issued pursuant to this subsection to actions taken pursuant to a written contract or other agreement entered into on or before May 16, 1977. Such grace period shall end on December 31, 1978, except that the Secretary of Commerce may extend the grace period for not to exceed one additional year in any case in which the Secretary finds that good faith efforts are being made to renegotiate the contract or agreement in order to eliminate the provisions which are inconsistent with the rules and regulations issued pursuant to paragraph (1).

(6) This Act shall apply to any transaction or activity undertaken, by or through a United States or other person, with intent to evade the provisions of this Act as implemented by the rules and regulations issued pursuant to this subsection, and such rules and regulations shall expressly provide that the exceptions set forth in paragraph (2) shall not permit activities or agreements (expressed or implied by a course of conduct, including a pattern of responses) otherwise prohibited, which are not within the intent of such exceptions.

(b)(1) In addition to the rules and regulations issued pursuant to subsection (a) of this section, rules and regulations issued under section 4(a) of this Act shall implement the policies set forth in section 3(5).

(2) Such rules and regulations shall require that any United States person receiving a request for the furnishing of information, the entering into or implementing of agreements, or the taking of any other action referred to in section 3(5) shall report that fact to the Secretary of Commerce, together with such other information concerning such request as the Secretary may require for such action as he may deem appropriate for carrying out the policies of that section. Such person shall also report to the Secretary of Commerce whether he intends to comply and whether he has complied with such request. Any report filed pursuant to this paragraph after the date of enactment of this section shall be made available promptly for public inspection and copying, except that information regarding the quantity, description, and value of any goods or technology to which such report relates may be kept confidential if the Secretary determines that disclosure thereof would place the United States person involved at a competitive disadvantage. The Secretary of Commerce shall periodically transmit summaries of the information contained in such reports to the Secretary of State for such action as the Secretary of State, in consultation with the Secretary of Commerce, may deem appropriate for carrying out the policies set forth in section 3(5) of this Act.

(c) The provisions of this section and the rules and regulations issued pursuant thereto shall preempt any law, rule, or regulation of any of the several States or the District of Columbia, and any of the territories or possessions of the United States, or of any governmental sudivision thereof, which law, rule, or regulation pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries.

PROCEDURES FOR HARDSHIP RELIEF FROM EXPORT CONTROLS

SEC. 6 (a) Any person who, in his domestic manufacturing process or other domestic business operation, utilizes a product produced abroad in whole or in part from a commodity historically obtained from the United States but which has been made subject to export controls, or any person who historically has exported such a commodity, may transmit a petition of hardship to the Secretary of Commerce requesting an exemption from such controls in order to alleviate any unique hardship resulting from the imposition of such controls. A petition under this section shall be in such form as the Secretary of Commerce shall prescribe and shall contain information demonstrating the need for the relief requested.

(b) Not later than thirty days after receipt of any petition under subsection (a), the Secretary of Commerce shall transmit a written decision to the petitioner granting or denying the requested relief. Such decision shall contain a statement setting forth the Secretary's basis for the grant or denial. Any exemption granted may be subject to such conditions as the Secretary deems appropriate.

(c) For purposes of this section, the Secretary's decision with respect to the grant or denial of relief from unique hardship resulting directly or indirectly from the imposition of controls shall reflect the Secretary's consideration of such factors as—

(1) whether denial would cause a unique hardship to the petitioner which can be alleviated only by granting an exception to the applicable regulations. In determining whether relief shall be granted, the Secretary will take into account:

(A) ownership of material for which there is no practicable domestic market by virtue of the location or nature of the material;

(B) potential serious financial loss to the applicant if not granted an exception;

(C) inability to obtain, except through import, an item essential for domestic use which is produced abroad from the commodity under control;

(D) the extent to which denial would conflict, to the particular detriment of the applicant, with other national policies including those reflected in any international agreement to which the United States is a party;

(E) possible adverse effects on the economy (including unemployment) in any locality or region of the United States; and

(F) other relevant factors, including the applicant's lack of an exporting history during any base period that may be established with respect to export quotas for the particular commodity; and

(2) the effect a finding in favor of the applicant would have on attainment of the basic objectives of the short supply control program.

In all cases, the desire to sell at higher prices and thereby obtain greater profits will not be considered as evidence of a unique hardship, nor will circumstances where the hardship is due to imprundent acts or failure to act on the part of the petitioner.

PETITIONS FOR MONITORING OR CONTROLS

SEC. 7. (a)(1) Any entity, including a trade association, firm, or certified or recognized union or group of workers, which is representative of an industry or a substantial segment of an industry which processes any material or commodity may transmit a written petition to the Secretary of Commerce requesting the imposition of export controls, or the monitoring of exports, or both, with respect to such material or commodity.

(2) Each petition shall be in such form as the Secretary of Commerce shall prescribe and shall contain information in support of the action requested.

(b) Within fifteen days of receipt of any petition described in subsection (a), the Secretary of Commerce shall cause to be published a notice in the Federal Register. The notice shall include (1) the name of the material or commodity which is the subject of the petition, (2) the Schedule B number of the material or commodity as set forth in the Statistical Classification of Domestic and Foreign Commodities Exported from the United States, (3) whether the petitioners is requested that control or monitoring, or both, be imposed with respect to the exportation of such material or commodity, and (4) provide that interested persons shall have a period of thirty days commencing with the date of publication of such notice to submit to the Secretary of Commerce written data, views, or arguments, with or without opportunity for oral presentation. At the request of any person, the Secretary shall conduct public hearings with respect to the subject of the petition, in which event the thirty-day period shall be extended to forty-five days.

(c) Within thirty days after the end of the thirty-day or forty-five-day period described in subsection (b), the Secretary of Commerce shall—

(1) determine whether to impose monitoring or controls or both on the exportation of such material or commodity; or

(2) publish in the Federal Register a detailed statement of the reasons for such determination.

(d) Within fifteen days following a decision under subsection (c) to impose monitoring or controls on the exportation of a material or commodity, the Secretary shall publish in the Federal Register proposed regulations with respect to such monitoring or controls. Within thirty days following the publication of such notice, and after considering any public comments, the Secretary shall publish and implement final regulations.

(e) The procedures and time limits set forth in this section shall take precedence over any review undertaken at the initiative of the Secretary.

(f) The Secretary shall have the authority to impose monitoring or controls on a temporary basis during the period following the filing of a petition under subsection (a)(1) and his determination under subsection (c) if he deems such action to be necessary to effectuate the policy set forth in section 3(2) (C) of this Act.

(g) The authority under this section shall not be construed to affect the authority of the Secretary of Commerce under any other provision of this Act.

CONSULTATION AND STANDARDS

SEC. 8. (a) In determining what shall be controlled or monitored under this Act, and in determining the extent to which exports shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports. Such departments and agencies shall fully cooperate in rendering such advice and information. Consistent with considerations of national security, the President shall seek information and advice from various segments of private industry in connection with the making of these determinations. In addition, the Secretary of Commerce shall consult with the Secretary of Energy to determine whether, in order to effectuate the policy stated in section 3(2)(C) of this Act, monitoring or controls are necessary with respect to exports of facilities, machinery, or equipment normally and principally used, or intended to be used, in the production, conversion, or transportation of fuels and energy (except nuclear energy), including but not limited to, drilling rigs, platforms, and equipment; petroleum refineries, natural gas processing, liquefaction, and gasification plants; facilities for production of synthetic natural gas or synthetic crude oil; oil and gas pipelines, pumping stations, and associated equipment; and vessels for transporting oil, gas, coal, and other fuels.

(b)(1) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department, or agency, or official to carry out the policies of this Act.

(2) Upon imposing quantitative restrictions on exports of any goods to carry out the policy stated in section 3(2)(C) of this Act, the Secretary of Commerce shall include in the notice published in the Federal Register an invitation to all interested parties to submit written comments within fifteen days from the date of publication of the impact of such restrictions and the method of licensing used to implement them.

(c)(1) Upon written request by representatives of a substantial segment of any industry which produces goods or technology which are subject to export controls or are being considered for such controls because of their significance to the national security of the United States, or whenever he deems appropriate to further the purposes of this Act, the Secretary of Commerce shall appoint a technical advisory committee for any grouping of such goods or technology which he determines is difficult to evaluate because of questions concerning technical matters, worldwide availability and actual utilization of production and technology, or licensing procedures. Each such committee shall consist of representatives of United States industry and government, including the Departments of Commerce, Defense, and State, and, when appropriate, other Government departments and agencies. No person serving on any such committee who is representative of industry shall serve on such committee for more than four consecutive years.

(2) It shall be the duty and function of the technical advisory committees established under paragraph (1) to advise and assist the Secretary of Commerce and any other department, agency, or official of the Government of the United States to which the President has delegated power, authority, and discretion under section 4(e) with respect to actions designed to carry out the policy set forth in section 3 of this Act. Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any goods or technology, and (D) exports subject to multilateral controls in which the United States participates including proposed revisions of any such multilateral controls. Nothing in this subsection shall prevent the Secretary from consulting, at any time, with any person representing industry or the general public regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary of Commerce, to present evidence to such committees.

(3) Upon request of any member of any such committee, the Secretary may, if he determines it appropriate, reimburse such member for travel, subsistence, and other necessary expenses incurred by him in connection with his duties as a member.

(4) Each such committee shall elect a chairman, and shall meet at least every three months at the call of the Chairman, unless the Chairman determines, in consultation with the other members of the committee, that such a meeting is not necessary to achieve the purposes of this Act. Each such committee shall be terminated after a period of two years, unless extended by the Secretary for additional periods of two years. The Secretary shall consult each such committee with regard to such termination or extension of that committee.

(5) To facilitate the work of the technical advisory committees, the Secretary of Commerce, in conjunction with other departments and agencies participating in the administration of this Act, shall disclose to each such committee adequate information, consistent with national security and foreign policy, pertaining to the reasons for the export controls which are in effect or contemplated for the grouping of goods or technology with respect to which that committee furnishes advice.

(6) Whenever a technical advisory committee certifies to the Secretary of Commerce that goods or technology are available in fact from sources outside the United States in sufficient quantity and of comparable quality so as to render United States export controls ineffective in achieving the purposes of this Act, and provides adequate documentation for such certification, the Secretary of Commerce shall investigate and report to the technical advisory committee on whether the Secretary concurs with the certification. If the Secretary concurs, the Secretary shall submit a recommendation to the President who shall act in accordance with section 4(a)(2)(E) of this Act.

VIOLATIONS

SEC. 9. (a) Except as provided in subsection (b) of this section, whoever knowingly violates any provision of this Act or any regulation, order, or license issued thereunder shall be fined not more than five times the value of the exports involved or $50,000, whichever is greater, or imprisoned not more than five years, or both.

(b) Whoever willfully exports anything contrary to any provision of this Act or any regulation, order, or license issued thereunder, with knowledge that such exports will be used for the benefit of any country to which exports are restricted for national security or foreign policy purposes, shall be fined not more than five times the value of the exports involved or $100,000, whichever is greater, or imprisoned not more than ten years, or both.

(c)(1) The head of any department or agency exercising any functions under this Act, or any officer or employee of such department or agency specifically designated by the head thereof, may impose a civil penalty not to exceed $10,000 for each violation of this Act or any regulation, order, or license issued under this Act, either in addition to or in lieu of any other liability or penalty which may be imposed.

(2)(A) The authority under this Act to suspend or revoke the authority of any United States person to export goods or technology may be used with respect to any violation of the rules and regulations issued pursuant to section 5(a) of this Act.

(B) Any admininstrative sanction (including any civil penalty or any suspension or revocation of authority to export) imposed under this Act for a violation of the rules and regulations issued pursuant to section 5(a) of this Act may be imposed only after notice and opportunity for an agency hearing on the record in accordance with sections 554 through 557 of title 5, United States Code.

(C) Any charging letter or other document initiating administrative proceedings for the imposition of sanctions for violations of the rules and regulations issued pursuant to section 5(a) of this Act shall be made available for public inspection and copying.

(d) The payment of any penalty imposed pursuant to subsection (c) may be made a condition, for a period not exceeding one year after the imposition of such penalty, to the granting, restoration, or continuing validity of any export license, permission, or privilege granted or to be granted to the person upon whom such penalty is imposed. In addition, the payment of any penalty imposed under subsection (c) may be deferred or suspended in whole or in part for a period of time no longer than any probation period (which may exceed one year) that may be imposed upon such person. Such a deferral or suspension shall not operate as a bar to the collection of the penalty in the event that the conditions of the suspension, deferral, or probation are not fulfilled.

(e) Any amount paid in satisfaction of any penalty imposed pursuant to subsection (c) shall be covered into the Treasury as a miscellaneous receipt. The head of the department or agency concerned may, in his discretion, refund any such penalty, within two years after payment, on the ground of a material error of fact or law in the imposition. Notwithstanding section 1346(a) of title 28, United States Code, no action for the refund of any such penalty may be maintained in any court.

(f) In the event of the failure of any person to pay a penalty imposed pursuant to subsection (c), a civil action for the recovery thereof may, in the discretion of the head of the department or agency concerned, be brought in the name of the United States. In any such action, the court shall determine de novo all issues neecssary to the establishment of liability. Except as provided in this subsection and in subsection (d), no such liability shall be asserted, claimed, or recovered upon by the United States in any way unless it has previously been reduced to judgment.

(g) Nothing in subsection (c), (d), or (f) limits—

(1) the availability of other administrative or judicial remedies with respect to violations of this Act, or any regulation, order, or license issued under this Act;

(2) the authority to compromise and settle administrative proceedings brought with re-

spect to violations of this Act, or any regulation, order, or license issued under this Act; or

(3) the authority to compromise, remit or mitigate seizures and forfeitures pursuant to section 1(b) of title VI of the Act of June 15, 1917 (22 U.S.C. 401(b)).

ENFORCEMENT

SEC. 10. (a) To the extent necessary or appropriate to the enforcement of this Act or to the imposition of any penalty, forfeiture, or liability arising under the Export Control Act of 1949, the head of any department or agency exercising any function thereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in the case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and after notice to any such person and hearing, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443; 49 U.S.C. 46) shall apply with respect to any individual who specifically claims such privilege.

(c) Except as otherwise provided by the third sentence of section 5(b)(2) and by section 9(c)(2)(C) of this Act, information obtained under this Act, which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, shall be exempt from disclosure under section 552(b)(3)(B) of title 5, United States Code, and such information shall not be published or disclosed unless the Secretary of Commerce determines that the withholding thereof is contrary to the national interest. Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and all information obtained at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under section 4(b), shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction. No such committee or subcommittee shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest.

(d) In the administration of this Act, reporting requirements shall be so designed as to reduce the cost of reporting, recordkeeping, and export documentation required under this Act to the extent feasible consistent with effective enforcement and compilation of useful trade statistics. Reporting, recordkeeping, and export documentation requirements shall be periodically reviewed and revised in the light of developments in the field of information technology.

EXEMPTION FROM CERTAIN PROVISIONS RELATING TO ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

SEC. 11. (a) Except as provided in section 9(c)(2), the functions exercised under this Act are excluded from the operation of sections 551, 553 through 559, and 701 through 706 of title 5, United States Code.

(b) It is the intent of Congress that, to the extent practicable, all regulations imposing controls on exports under this Act be issued in proposed form with meaningful opportunity for public comment before taking effect. In cases where a regulation imposing controls under this Act is issued with immediate effect, it is the intent of Congress that meaningful opportunity for public comment also be provided and that the regulation be reissued in final form after public comments have been fully considered. The Secretary shall include in the annual report required by this Act a detailed accounting of the issuance of regulations under the authority of this Act, including an explanation of each case in which regulations were not issued in accordance with the first sentence of this subsection.

ANNUAL REPORT

SEC. 12. (a) The Secretary of Commerce shall make an annual report to the President and to the Congress on the implementation of this Act.

(b) Each annual report shall include an accounting of—

(1) actions taken by the President and the Secretary of Commerce to effect the antiboycott polices set forth in section 3(5) of this Act;

(2) organizational and procedural changes instituted and any reviews undertaken in furtherance of the policies set forth in this Act;

(3) efforts to keep the business sector of the Nation informed about policies and procedures adopted under this Act;

(4) any changes in the exercise of the authorities of section 4(a) of this Act;

(5) the results of review of United States policy toward individual countries called for in section 4(a)(2)(A);

(6) the results, in as much detail as may be included consistent with the national security and the need to maintain the confidentiality of proprietary information, of the actions, including reviews and revisions of export controls maintained for national security purposes, required by section 4(a)(2)(B);

(7) actions taken pursuant to section 4(b)(1), including changes made in control lists and assessments of foreign availability;

(8) evidence demonstrating a need to impose export controls for national security or foreign policy purposes in the face of foreign availability as set forth in section 4(a)(2)(E);

(9) the information contained in the reports required by section 4(e)(2) of this Act, together with an analysis of—

(A) the impact on the economy and world trade of shortages or increased prices for commodities subject to monitoring under this Act or section 812 of the Agricultural Act of 1970;

(B) the worldwide supply of such commodities; and

(C) actions being taken by other nations in response to such shortages or increased prices;

(10) delegations of authority by the President as provided for under section 4(k) of this Act;

(11) the progress of negotiations under section 4(n) of this Act;

(12) the number and disposition of export license applications taking more than 90 days to process pursuant to section 4(d) of this Act;

(13) consultations undertaken with technical advisory committees pursuant to section 8(c) of this Act, the use made of advice given, and the contribution such committees made in carrying out the policies of this Act;

(14) violations of the provisions of this Act and penalties imposed pursuant to this Act; and

(15) any revisions to reporting requirements prescribed in section 10(d).

(c) The heads of other involved departments and agencies shall fully cooperate with the Secretary of Commerce in providing all information required by the Secretary of Commerce to complete the annual reports.

DEFINITIONS

SEC. 13. As used in this Act—

(1) the term "person" includes the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof;

(2) the term "United States person" means any United States resident or national (other than an individual resident outside the United States and employed by other than a United States person), any domestic concern (including any permanent domestic establishment of any foreign concern) and any foreign subsidiary or affiliate (including any permanent foreign establishment) of any domestic concern which is controlled in fact by such domestic concern, as determined under regulations of the President;

(3) the term "goods" means any article, material, supply or manufactured product, including inspection and test equipment, and excluding technical data; and

(4) the term "technology" means the information and know-how that can be used to design, produce, manufacture, utilize, or reconstruct goods, including computer software and technical data, but not the goods themselves.

EFFECTS ON OTHER ACTS

SEC. 14. (a) The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tinplate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

(b) The authority granted to the President under this Act shall be exercised in such manner as to achieve effective coordination with the authority exercised under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(c) On October 1, 1979, the Mutual Defense Assistance Control Act of 1951, as amended (22 U.S.C. 1611–1613d), is superseded.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. (a) Notwithstanding any other provision of law, no appropriation shall be made under any law to the Department of Commerce for expenses to carry out the purposes of this Act for any fiscal year commencing on or after October 1, 1980, unless previously and specifically authorized by legislation.

(b) There are authorized to be appropriated to the Department of Commerce $8,000,000 (and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs) for fiscal year 1980 to carry out the purposes of this Act, of which $1,250,000 shall be available only for purposes of establishing and maintaining the capability to make foreign availability assessments called for by section 4(b)(1).

EFFECTIVE DATE

SEC. 16. (a) This Act takes effect upon the expiration of the Export Administration Act of 1969.

(b) All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under the Export Control Act of 1949 or section 6 of the Act of July 2, 1940 (54 Stat. 714), or the Export Administration Act of 1969 shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 17. The authority granted by this Act terminates on September 30, 1983, or upon any prior date which the President by proclamation may designate.

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

The PRESIDING OFFICER. Under the previous order, S. 737 will be set aside, and the Senate will proceed to the consideration of H.R. 4387, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4387) making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with an amendment in the nature of a substitute.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, I ask unanimous consent that Andrew Jacobs, of the Agriculture Appropriations Subcommittee staff, be granted the privilege of the floor during the consideration of H.R. 4387.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, after I deliver my opening statement, I will yield to the Senator from Oklahoma (Mr. BELLMON). I must then leave the floor temporarily to introduce a witness at a confirmation hearing, and I will be absent during Senator BELLMON's statement.

Mr. President, the 1980 agriculture appropriations bill includes $16,840,597,000 in budget authority, plus $1,831,086,000 in section 32 transfers and $84,726,000 in other transfers, for total obligational authority of $18,756,409,000.

In gross terms, the bill is $1,482,937,000 less than the President's request in budget authority, and $1,278,208,000 less than the total obligational authority requested in the budget, but these figures mask the real totals because of the food stamp authorization ceiling which has resulted in an unrealistically low food stamp figure in the bill. As I explained earlier, this could require some $2.4 billion more than is included in the bill.

Making adjustments for food stamps, section 32 receipts which were higher than estimated in the President's budget, and the home ownership assistance program, which is unusual in that it is a 33-year housing program, the bill before the Senate, according to the calculations of the committee staff, is actually $189 million more than the President's budget in new budget authority. This is shown on table I attached.

Mr. President, review of this bill has been a difficult task this year, given the competing pressures of fiscal tightness in overall budget and the many requests from both outside groups and Members of the Congress as well. Outside witnesses appearing before the committee requested total add-ons to the budget of $2.9 billion in budget authority. Senators appearing before the committee or communicating their views to us, requested add-ons to the budget of about $700 million. We have tried to fashion a reasonable bill that adds in the items that are of most merit, but keeps these add-ons to a minimum.

The committee report contains a section on pages 7 and 8 that summarizes major changes to the House bill, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

Now, I would like to summarize what is in the bill by title.

Title I, agricultural programs, includes:

The sum of $859,515,000 for the Science and Education Administration, including $370,679,000 for agricultural research in-house, $198,484,000 for cooperative research, and $274,767,000 for extension. The grand total for all SEA programs is $59.8 million above the budget and $16.9 million above the House allowance. Included here are many restorations of items cut in the budget, and funding for the competitive grants progam as well as formula grant programs.

The sum of $248,241,000 for the Animal and Plant Health Inspection Service, a figure which is $27,265,000 above the budget and $10,658,000 above the House figure. Included here are funds for plant and animal disease and pest control, including a significant increase to fund a 10-year brucellosis eradication program.

The sum of $278,430,000 for activities of the Food Safety and Quality Service. This principally involves meat, poultry and egg inspection, as well as voluntary grading activities.

The sum of $334,935,000 including both appropriations and transfers, for salaries and expenses of the Agricultural Stabilization and Conservation Service, principally to run the farm price support programs.

The sum of $3,056,189,000 for reimbursements for net realized losses of the Commodity Credit Corporation for prior year price support and loan programs.

In title II, rural development programs, the bill provides $5 billion for loans and programs of the rural housing insurance fund. This includes various low, moderate and above-moderate income programs, as well as the new home ownership assistance program (HOAP).

This title also provides $2.7 billion for loans and programs of the agricultural credit insurance fund, including $870 million in authorizations for farm ownership and $875 million for farm operating loans.

For the rural development insurance fund, the bill includes a total authorization of $2.1 billion. This fund finances water and sewer facility loans, as well as business and industrial loans, which are authorized at the $1.1 billion level.

Grants for various rural development programs are also included in this title, totaling $377.7 million, and involving $300 million for water and waste disposal, section 111 rural development planning, business and industrial and other programs.

Salaries and expenses of the Farmers Home Administration total $228,278,000 in the bill. Also funded in this title are salaries and expenses for the Rural Electrification Administration for $26,045,000, along with loan authorizations of $850 million for electric loans and $250 million for telephone loans.

For the Soil Conservation Service, a total of $564,134,000 is included. This involves over $254 million for conservation operations and technical assistance, $162.5 million for watershed and flood prevention operations under Public Laws 566 and 534, $32 million to begin a 3-year closeout of the resource conservation and development program, and $75 million for a new rural clean water program.

The bill also includes $225 million for conservation programs of the ASCS, including $190 million for the agricultural conservation program.

For title III, domestic programs, the bill includes $8,528,987,000, funding all of the child nutrition programs, the special milk program, the special supplemental feeding programs, food stamps, food donations as well as the necessary food program administration of the Food and Nutrition Service.

For title IV, international programs, the bill includes $56,807,000 for the Foreign Agricultural Service for agricultural attaches and market development activities, plus authority for the various titles of food for peace, Public Law 480. Here, the committee recommends funding the budget request, using available unobligated balances.

Title V of the bill includes $353,534,000 to finance activities of the Food and Drug Administration and the Commodity Futures Trading Commission. Included in this title is $27 million to fund an urgently needed new laboratory building for the Food and Drug Administration.

Title VI includes various general provisions, most of which have previously appeared in agriculture appropriations acts. A new provision would mandate that whenever personnel ceilings result in savings of salaries and expense funding, these savings revert to the Treasury without rescission, instead of becoming available for expenditure for nonpersonnel costs.

There is one final matter concerning budgetary scorekeeping. Page 3 of the committee report on the bill includes a budgetary impact table that was prepared by CBO. This table is somewhat misleading, in that all amounts counted against the Agriculture Subcommittee's allocations are not shown thereon. I have included a table at the conclusion of my remarks, showing that the bill as reported is $1,633,000,000 under the subcommittee allocation for budget authority and $1,631,000,000 under the subcommittee allocation for outlays. Of course, neither amount takes into account any future supplementals required, including food stamps which I discussed earlier.

Mr. President, I ask unanimous consent that pertinent material be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

HIGHLIGHTS OF MAJOR CHANGES RECOMMENDED TO HOUSE BILL

Highlights of major recommendations and changes to the House bill are:

Science and Education Administration (Agricultural Research).—The Committee concurs in the House action to retain inhouse laboratory funding at the 1979 level, except for nonrecurring and completed projects. Other small adjustments have been made in numerous programs.

Science and Education Administration (Cooperative Research).—The Committee recommends an appropriation of $119,566,000 for Hatch Act grants, $4,500,000 more than the House allowance.

The Committee recommends funding a competitive grants program of $25,000,000, $5,000,000 below the budget request, but has also recommended deleting $20,000,000 of House-added special grants. Also included in the bill is $10,000,000 for formula grants for animal health and disease research.

Science and Education Administration (Extension).—The Committee added $5,000,000 to fully fund retirement costs as well as $9,500,000 for grants under the Smith-Lever Act, but deleted House-proposed increases for rural development, farm safety, urban gardening, and the expanded food and nutrition education program.

The Committee has included $3,000,000 in the bill for funding of the Bankhead-Jones Act (higher education) and stipulated in the bill that these funds are for agricultural education only.

Animal and Plant Health Inspection Service.—The Committee increased the House bill by $15,000,000 to place the Brucellosis eradication program on a 10-year schedule, and also added funds for noxious weeds, range caterpillar, diagnostic assistance, multiflora rose, and mediterranean fruit fly. House increases above the budget for the following programs were deleted or reduced: imported fire ant, Japanese beetle, tri-fly in Hawaii, West Indian sugarcane root borer, cattle ticks poultry diseases, scabies, screwworm, and tuberculosis.

Agricultural Stabilization and Conservation Service.—Reduces funds for county office staffing by $8,000,000 because of likely workload decreases resulting from better commodity prices and reduced loan activity.

Farmers Home Administration.—Generally concurs in House actions on Farmers Home programs, but does provide a 3,000 unit, $202,000,000 Home Ownership Assistance Program on a targeted, pilot basis. The House bill included no funding. Insured subsidized low-income housing loans as well as rental loans have been restored to the budget level.

Conservation.—Deletes $6,000,000 of the House allowance for new watershed planning starts because of large backlog, and incrementally funds 25 new Public Law 566 watersheds. Provides $32,000,000 for Resource Conservation and Development, the same as the House bill, but eliminates new area authorizations.

Rural clean water program.—Provides $75,000,000 to initiate a new agricultural conservation cost-sharing program to address non-point sources of water pollution as requested by the administration. The House bill did not fund this program.

Agricultural conservation program.—Provides $190,000,000 for the agricultural conservation program, the same as the House bill.

Feeding programs.—Deletes $8,000,000 of the House allowance for equipment assistance, and also reforms summer feeding, thus saving $47,000,000. Concurs in House bill and budget request for food donations and makes a nominal reduction for the food stamp program as discussed above. Funds the special supplemental feeding program (WIC) at $750,000,000 using available prior year unobligated balances plus new appropriations.

Public Law 480.—Provides $281,000,000 for titles I and III programs as requested in the budget, but finances part of the program with unobligated prior year balances.

Food and Drug Administration.—Deletes $10,500,000 from salaries and expenses, but adds $27,000,000 for first phase of new laboratory construction.

TABLE I.—H.R. 4387, 1980 AGRICULTURE APPROPRIATIONS

[In millions of dollars]

	President's request	House	Senate bill as reported
Total new budget authority	18, 324	16, 701	16, 841
Homeownership assistance program	−1, 015	0	−202
Sec. 32 transfers	−120	(1)	(1)
Food stamps	−6, 927	−6, 189	−6, 188
Revised, President's budget	10, 262	10, 512	10, 451
Comparison with President's budget	0	+250	+189

[1] Accepted.

TABLE II.—BUDGETARY IMPACT OF H.R. 4387

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in bill as reported with the committee allocation to the Agriculture Subcommittee of amounts in the First Concurrent Resolution for 1980	20, 500	16, 841	16, 700	12, 961
Permanent appropriations		2, 026		298
Outlays from prior year budget authority				1, 701
Outlays from H.R. 4289, fiscal year 1979 supplemental (conference agreement)				109
Total of above	20, 500	18, 867	16, 700	15, 069
Amount under allocation		1, 633		1, 631

Mr. EAGLETON. Mr. President, I am pleased at this time to yield to my distinguished colleague, Senator Bellmon.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, before he leaves, I wish to compliment the distinguished chairman of the subcommittee for the excellent job he has done in perfecting and managing what is really a very complicated and highly important bill. He has done a remarkable job under some difficult circumstances in screening and setting priorities, and I compliment him and his staff for the fine work they have done here.

Mr. President, the bill we have before the Senate, H.R. 4387, making appropriations for agriculture, rural development and related agencies for fiscal year 1980, is a broad ranging measure. In it are funds to assure a more adequate diet for Americans through the food stamp and child nutrition programs, and programs to safeguard the quality and safety of our food supply through the Food and Drug Administration and the Food Safety and Quality Service.

The Public Law 480 program, funded in this bill, aids in meeting food and development problems around the world and in the export of agricultural commodities to countries that otherwise could not afford to obtain needed food.

This bill also funds programs to assure the enhancement and protection of our soil and water resources and to protect our Nation's agricultural producers from pests and diseases. Research programs are necessary to improve the productivity of American agriculture, to combat inflation, and provide for a higher standard of living for all our people. These are also included in this bill.

This measure also assists in the development of rural America so that more of our citizens will have an opportunity to obtain adequate incomes, decent housing and public services, and will thereby be able to continue to live in rural areas if that is their preference.

Mr. President, it is largely due to the leadership, as I have said and hard work of the distinguished Senator from Missouri that this bill reflects and addresses these needs as well as it does. As chairman of the Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies, Senator Eagleton did an outstanding job in exploring the issues in the bill and dedicated himself to the difficult task of determining priorities in the context of controlling Federal expenditures.

The bill, as reported, and as our subcommittee chairman has said, provides $16,840,597,000. This is $139,782,000 more than the House allowance but $1,482,937,000 less than the administration's request. But to back up what the chairman said, I note, however, that $739 million of the apparent $1.5 billion reduction from the President's budget request relates to the fact that the fiscal year 1980 authorization ceiling for the food stamp program has not yet been lifted as it inevitably will be and the other $800 million is due to the failure of the committee to fully fund a new and presently unfunded program initiative, the homeownership assistance program, otherwise known as HOAP. I am deeply disturbed by the decision of the committee to provide $200 million for initial HOAP funding and I continue to be alarmed at the spiraling cost of food stamps.

I am concernned that, despite our continuing attempts to hold down Federal expenditures, we are far too ready to fund new and untested programs like HOAP at a time when the costs of existing Federal programs like food stamps are increasing rapidly and threaten the budgetary targets contained in the first concurrent budget resolution and also our efforts to balance our Federal budget. I intend to offer two amendments to this bill to reduce appropriations for HOAP and the special milk program.

I hope these amendments will be approved and I hope we will resist efforts to add any additional amounts to this bill.

As I have noted earlier the bill, as recommended by the Appropriations Committee, attempts to address the highest priority needs within its jurisdiction. The distinguished Senator from Missouri has already outlined the major actions of the committee and I wish to talk on only a few items of special concern.

The committee has recommended an increase of $46 million over the budget request for agricultural research. I point out this is $46 million additional over the President's request for agricultural research. While this may appear to some to be a generous increase, it is less than 10 percent, which is less than the rate of inflation, over the amount provided in fiscal year 1979.

So, Mr. President, in real terms we are not increasing funds for agricultural research; we are merely trying to hold it at the same level.

American agricultural exports will contribute an estimated $30 billion to our Nation's balance of trade in fiscal year 1979, and that is a conservative figure. It represents one of the few sectors of our economy which is holding its own in an increasingly competitive world market.

These exports thus generate urgently needed foreign exchange to pay for petroleum and other products our country must import. Only by investing wisely in agricultural research will continued agricultural progress and leadership be possible for future years.

To keep these markets for our agricultural commodities, we must help provide our producers with the technology needed to maintain and improve their operations, reduce energy consumption and meet environmental concerns. The bill restores many of the reductions proposed by the President in vital agricultural research programs which have contributed so much toward making American agriculture the world leader in productivity.

Another issue that I would like to briefly comment on is soil and water conservation. It has often been said that farmers were our Nation's earliest and still are its most important conservationists. This is true because farmers know from firsthand knowledge that the long-term productivity of their land is directly dependent on how these natural resources are protected and enhanced.

Economic stress and conservation efforts that are only marginally related to agricultural production have expanded the role of the Federal Government in this area. Through cost-sharing programs, such as the Great Plains conservation program and the agricultural conservation program, farmers have been encouraged to adopt conservation practices to reduce soil and water runoff. Two years ago, Congress enacted the rural clean water program—a cost-sharing program to address nonpoint sources of water pollution. This year, the administration proposed that funds be appropriated to implement this program, but also recommended that the Great Plains program and ACP be consolidated and reduced.

The House rejected this proposal and simply restored the two programs. The committee agrees with the House action that these two programs are of continuing value and should be maintained. However, the committee also concurs with the administration that the rural clean water program should be funded and this bill contains a $75 million appropriation for this program.

I would also like to address the funding levels for Federal pest management programs. The U.S. Department of Agriculture operates a number of quarantine and control programs to combat plant and animal pests. These problems cannot be effectively controlled by individual private action alone and generally return many times their cost to the consumers of our country. Because of budgetary constraints, the administration held down funding for many of these activities to levels which would be counterproductive or ineffective.

One such activity was the brucellosis eradication program. Costing $65.2 million annually, this is the largest disease control program operated by the Department. I might add parenthetically this effort to control brucellosis has now been going on for over 40 years, and we are so far not close to eradication. No increase was requestetd in the fiscal year 1980 budget despite clear indication that an expansion of this effort would yield a highly favorable benefit/cost ratio as well as reduce total Federal costs through the accelerated eradication of this disease which is a serious threat to humans as well as livestock.

So, Mr. President, what we are trying to do here is to step up the spending to a level that will make it possible to eradicate brucellosis over the next 10 years and not merely go on spending a large sum of money into the indefinite future. What we have done is to recommend an increase of $20 million for this program. This will allow the Department to move toward a 10-year eradication schedule rather than merely perpetuate the current inadequate effort to control this important disease which, as I have said, is already being supported at a cost of $65.2 million a year.

In other pest and disease control programs, budgetary constraints have required that we not proceed with an optimal level of funding, and in some cases, the entire elimination of otherwise worthwhile programs.

Although this bill furthers goals that many of my colleagues in the Senate and I have long supported, our progress is not without cost. The level of funding in H.R. 4387 will leave very little budget room for supplemental appropriations requests if the subcommittee is to remain within its allocation. Moreover, there are indications the other appropriations bills may also be in excess of the subcommittee allocations when future requirements are taken into account. Without offsetting reductions in appropriations bills which have yet to be reported—and these do not appear at the moment to be forthcoming—the Appropriations Committee may exceed its allocation under the budget resolution by as much as $5 billion. That is a figure that I hope will register on all Members. It looks like we are going to be over our target by some $5 billion. This is the first time in the 5-year history of the budget process that we have encountered such a problem. In the past, the Appropriations Committee has consistently developed bills well under the budget assumptions.

There are many reasons for this possible overage, some of which are outside of the control of the Appropriations Committee.

I would like to enumerate a few.

First, a number of authorizing committees have failed to make legislative savings. Second, the costs of some programs, like food stamps, have far exceeded the estimate reflected in the first budget resolution. Finally, the President's new energy initiatives were not foreseen at the time the spending targets for fiscal year 1980 were set. But perhaps the major reason we are having this new problem stems from the fact that the first budget resolution for fiscal year 1980 was the first really tight congressional budget we have had, at least in the 10 years or more, I have been here. The chairman of the Budget Committee (Mr. MUSKIE) and I warned the Senate before the budget resolution was adopted that it was a tough one and would require continuing rigid discipline. I am not persuaded that the Congress has, as yet, shown that it can implement the type of restraint it committed itself to in the budget resolution.

Let us look at the numbers. The Appropriations Committee allocated $20.5 billion in budget authority to the Agriculture Subcommittee, of which $16.8 billion is distributed by this bill. An addition of $2 billion is permanent appropriations for child nutrition programs. This leaves only $1.6 billion for future contingencies. These funds will be rapidly absorbed by increased funding requirements for food stamps and other nutrition programs. As a matter of fact, I understand that the Department of Agriculture already is concerned that the Public Law 480 appropriation contained in this bill is inadequate and that a $200 to $300 million supplemental appropriation may be necessary in order to maintain the present food shipment level which the Senate has supported frequently in the past.

If the kind of hardships we hear about around the world are as serious as they appear to be then even additional funds may be required.

Any supplemental like this would cause the Agriculture Subcommittee to exceed its allocation, place pressure for restraint on other subcommittees and funding priorities, and put the budget spending aggregates in jeopardy.

Under these circumstances, it is extremely important that the Congress seek to reduce or hold down spending every way possible. For this reason, I am introducing an amendment to delete funding for the homeownership assistance program. I find it impossible to justify funding a costly new program at this time. In addition, I will offer an amendment to reduce funding for the special milk program for nonneedy children by $40 million. This is an example of duplication and poor program targeting which I have long opposed. I will discuss these amendments in detail in separate statements. I hope the Senate will support both amendments.

Mr. President, again I would like to thank the Senator from Missouri for his capable leadership during our consideration of this bill. I would also like to note the fine work of Dick Lieberman, Ken Auer, Irma Hanneman, and Andy Jacobs of the majority staff and Stephen Kohashi and Cathy O'Connor of the minority staff. This is an important and complex bill and it is only with the dedicated and informed assistance of these key staff members that we were able to bring it to the floor in good condition. I compliment them for the hard work they have done, for the very able counsel they have given to the committee, and I feel that the contribution they have made needs the attention and the commendation of the full Senate.

Mr. President, it is my hope that my colleagues in the Senate will join in supporting this bill, hopefully after it has been amended as I have mentioned.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text; provided, no point of order shall be waived by reason of the agreement to this request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The committee amendments, as agreed to, are as follows:

On page 2, line 6, strike "$4,400,000" and insert "$4,534,000";

On page 2, line 16, strike "$2,757,400" and insert "$3,196,000";

On page 2, line 17, strike "$2,622,900; for";

On page 2, line 19, strike "$5,831,700" and insert "$8,455,000";

On page 2, line 22, strike "$8,397,000" and insert "$8,072,000";

On page 2, line 23, strike "$19,609,000" and insert "$19,723,000";

On page 3, line 15, after "(7 U.S.C. 2225)" insert a colon and the following:

Provided further, That no part of this or any other appropriation contained in this Act may be used to reimburse the General Services Administration in excess of $750,000 for publications distributed by the Consumer Information Center.

On page 3, line 24, strike "$24,727,000" and insert "$25,527,000";

On page 4, line 10, strike "$10,786,000" and insert "$11,136,000";

On page 4, line 18, strike "$22,872,000" and insert "$23,372,000";

On page 5, line 16, strike "$363,142,000" and insert "$370,679,000";

On page 6, line 13, after "California" insert a comma and "construction of a greenhouse/headhouse at Stillwater, Oklahoma, construction of a laboratory at West Lafayette, Indiana, construction of a feedmill at El Reno, Oklahoma";

On page 7, line 4, strike "director," and insert "Director, Science and Education Administration";

On page 8, line 7, strike "$115,066,000" and insert "$119,566,000";

On page 8, line 16, strike "$9,500,000" and insert "$10,165,000";

On page 8, line 20, strike "$17,260,000" and insert "$17,934,000";

On page 9, line 2, strike "$1,500,000 for Rural Development Research as authorized under the Rural Development Act of 1979, as amended (7 U.S.C. 2661–2668), including administrative expense;" and insert "$38,023,-000";

On page 9, line 7, after "(7 U.S.C. 4501)" insert "of which $13,023,000 is for special research grants, and $25,000,000 is for competitive research grants, including administrative expenses; $500,000 for grants in accordance with section 1419 of Public Law 95–113; $800,000 for research authorized by the Native Latex Commercialization and Economic Development Act of 1978; $10,000,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95–113,";

On page 9, line 21, strike "$177,527,000" and insert "$198,484,000";

On page 9, line 22, after the period, strike through and including line 24;

On page 10, line 12, strike "$185,831,000" and insert "$195,331,000";

On page 10, line 12, after the semicolon, strike through and including the semicolon in line 17;

On page 10, line 18, strike "$6,435,000" and insert "$5,935,000";

On page 10, line 19, strike "payments for the farm safety program under section 3(d) of the Act, $1,020,000;";

On page 10, line 22, strike "payments for the nonpoint source pollution program under section 3(d) of the Act, $1,300,000;";

On page 10, line 25, after the semicolon, insert "payments for the food and human nutrition education program under section 1425 of Public Law 95–113, $50,560,000;";

On page 11, line 3, strike "$2,500,000 for Rural Development Education as authorized under the Rural Development Education as authorized under the Rural Development Act of 1972 (7 U.S.C. 2661–2668);";

On page 11, line 12, after "(7 U.S.C. 329)" strike through and including "$1,250,000" in line 15 and insert in lieu thereof "$3,000,000 to be used only in support of agricultural education";

On page 11, line 17, strike "$279,044,000" and insert "$268,224,000";

On page 12, line 8, strike "$6,791,000" and insert "$6,543,000";

On page 13, line 1, strike "$237,583,000" and insert "$248,241,000";

On page 13, line 10, beginning with "That" strike through and including the comma in line 13;

On page 17, line 5, strike "$86,050,000" and insert "$86,090,000";

On page 18, line 21, beginning with the comma, strike through and including "States" in line 22;

On page 18, line 25, strike "$48,302,000" and insert "$45,586,000";

On page 18, line 25, beginning with the semicolon, strike through and including page 19, the word "Program" in line 2;

On page 19, beginning with line 8, strike through and including line 12;

On page 20, line 8, strike "$190,586,000" and insert "$182,546,000";

On page 20, line 13, strike "$342,975,000" and insert "$334,935,000";

On page 21, line 7, strike "AND BEEKEEPER INDEMNITY PROGRAMS" and insert "INDEMNITY PROGRAM";

On page 22, line 1, beginning with "and" strike through and including "$3,290,000" in line 4, and insert "$400,000";

On page 23, line 2, strike "$16,500,000" and insert "$16,480,000";

On page 23, line 12, strike "$50,700,000" and insert "$50,690,000";

On page 24, line 19, after "hereof" insert a colon and the following:

Provided further, That none of the funds in the Act may be used to carry out a program of loan guarantees by the Corporation for production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products in excess of $100,000,000.

On page 25, line 10, strike "$4,059,000,000" and insert "$3,766,000,000";

On page 25, line 11, strike "$3,150,000,000" and insert "$2,857,000,000";

On page 26, line 9, strike "an additional amount" and insert "additional amounts";

On page 26, line 12, after "program" insert "and a special home ownership assistance program";

On page 26, line 13, strike "section" and insert "sections 521(a)(1)(C) and";

On page 26, beginning with line 15, insert the following:

During fiscal year 1980, no more than 3,000 units may be assisted under the special home ownership assistance program pursuant to authority under section 521(a)(1)(C) of the Housing Act of 1949, as amended, and the total obligations incurred over the life of the applicable agreements and any renewals thereof, shall not exceed $195,692,000.

On page 27, line 25, after the semicolon, insert "guaranteed";

On page 28, line 1, beginning with "of" strike through and including "loans" in line 3;

On page 29, line 6, strike "$5,000,000" and insert "$9,000,000";

On page 29, line 10, strike "2,500,000" and insert "$1,200,000";

On page 29, line 15, strike "U.S.C" and insert "U.S.C.";

On page 30, line 3, strike "$232,318,000" and insert "$228,278,000";

On page 32, line 20, strike "$259,747,000" and insert "$254,097,000";

On page 33, line 25, strike "$17,061,000" and insert "$15,801,000";

On page 34, line 10, strike "$12,293,000" and insert "$6,023,000";

On page 34, line 24, strike "$172,524,000" and insert "$162,524,000";

On page 34, line 25, strike "$23,500,000" and insert "$13,500,000";

On page 36, line 1, after "$32,000,000" strike through and including "1979" in line 5;

On page 36, line 12, after "3109" insert a colon and the following:

Provided further, That this appropriation shall be used solely to meet current project commitments of the United States Government in authorized Reserve Conservation and Development areas.

On page 36, beginning with line 23, insert the following:

RURAL CLEAN WATER PROGRAM

For necessary expenses for carrying out Section 35 of the Clean Water Act of December 27, 1977 (33 U.S.C. 1251; 1288), and, in accordance with the provisions of the Federal Water Pollution Control Act of October 18, 1972, as amended, for application and cost-sharing of water quality measures incorporating best management practices to control nonpoint source pollution for improved water quality, $75,000,000 to remain available until expended.

On page 37, line 24, after "except" insert "where the participants have entered into long-term agreements or";

On page 40, line 22, strike "$20,000,000" and insert "$10,000,000";

On page 41, line 8, strike "$3,165,301,000" and insert "$3,110,301,000";

On page 41, line 9, after "which" insert "$1,275,215,000 is hereby appropriated,";

On page 41, line 17, strike "$24,000,000" and insert "$16,000,000";

On page 41, line 21, after "amended" insert a colon and the following:

Provided further, That only claims for reimbursement for meals served during fiscal year 1980 submitted to State agencies prior to January 1, 1981, shall be eligible for reimbursement: Provided further, That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966, as amended, shall be allocated among the States but the distribution of such funds to an individual State is contingent upon the State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act, as amended, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: Provided further, That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act, as amended, or the Child Nutrition Act of 1966, as amended (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966, as amended, and under section 13(k)(1) of the National School Lunch Act, as amended; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated: Provided further, That no part of the funds appropriated in this Act shall be available to provide direct Federal administration of summer food service operations in States: Provided further, That no part of the funds appropriated in this Act for the summer food service program shall be available for payments other than to: (1) public service institutions, (2) private nonprofit service institutions including residential camps which use self-preparation facilities to prepare meals or obtain meals from a public facility, such as a school district, public hospital, or State university, (3) private nonprofit schools including colleges and universities, (4) private nonprofit migrant farmworker organizations including those that purchase meals from a food service management company, and (5) private nonprofit service institutions which serve not more than 500 children daily at not more than three sites and which purchase meals from a food service management company.

On page 44, line 1, after "$771,500,000," insert "of which $748,500,000 is hereby appropriated and $22,000,000 is to be derived from prior year balances,";

On page 44, line 3, after "1981" insert a colon and the following:

Provided, That section 17(g) of the Child Nutrition Act of 1966, as amended, is hereby amended by striking out the numeral "800,000,000" and inserting in lieu thereof, "750,000,000".

On page 44, line 9, strike "$6,188,600,000" and insert "$6,187,600,000";

On page 44, line 11, strike "1981" and insert "1980";

On page 44, line 20, strike "entitlement" and insert "amount";

On page 45, line 8, after "$90,290,000" insert a comma and "to remain available until September 30, 1981";

On page 45, line 12, beginning with "$80,000,000" strike through and including "law" in line 17, and insert "$84,382,000";

On page 46, line 7, strike "$56,129,000" and insert "$56,807,000";

On page 46, line 19, strike "$2,964,000" and insert "$1,864,000";

On page 47, line 1, after "(22 U.S.C. 2392)" insert a colon and the following:

Provided, That of the amount appropriated herein, $150,000 shall be available for the International Science and Education Council to effectuate the policies authorized in section 1458 of Public Law 95–113.

On page 47, line 15, strike "$901,730,000" and insert "$843,004,000";

On page 47, line 15, strike "$280,776,000" and insert "$222,050,000";

On page 48, line 13, strike "$316,296,000" and insert "$307,796,000";

On page 48, line 18, strike "$4,372,000" and insert "$29,372,000";

On page 50, line 24, strike "Agricultural Stabilization and Conservation Service Salaries and Expenses funds made available to county committees;";

Mr. BELLMON. Mr. President, I ask unanimous consent that the following members of the Budget Committee staff be granted the privileges of the floor during the consideration of H.R. 4387:

Majority staff: Karen Williams, Allen Mandel, Chuck Riemenschneider, and Rodger Schlickeisen.

Minority staff: Bob Boyd, Gail Shelp, Mark Bobseine, and Bob Fulton.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 375

(Purpose: To change the limitation on the use of Commodity Credit Corporation funds for making loan guarantees for gasohol projects)

Mr. TALMADGE. Mr. President, I send an amendment to the desk on behalf of Mr. Dole, Mr. Lugar, and myself, and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Hart). The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Georgia (Mr. Talmadge), for himself, Mr. Dole, and Mr. Lugar, proposes an unprinted amendment numbered 375:

On page 24, line 24, strike out "$100,000,000" and insert "$500,000,000" in lieu thereof.

Mr. TALMADGE. Mr. President, this amendment would change language in the bill placing a $100 million restriction on the amount of Commodity Credit Corporation loan guarantees that may be used to stimulate the production of industrial hydrocarbons and alcohols from agricultural and forest products. Under the amendment, the Commodity Credit Corporation could make loan guarantees for alcohol pilot plants up to a total of $500 million.

I have been a longtime supporter of gasohol—a blend of gasoline and alcohol that is used for motor fuel. During consideration of the Food and Agriculture Act of 1977, the Senate included a requirement that the Secretary of Agriculture provide for four pilot projects for production of gasohol from agricultural and forest products through Commodity Credit loan guarantees of up to $60 million. The Department of Agriculture received 30 formal applications for these four pilot projects—demonstrating willingness in the private sector to use private resources to make alcohol for blending with gasoline.

Since the passage of the 1977 act, I have received many inquiries from persons in Georgia and other States who are vitally interested in alcohol production for fuel and have come up with innovative plans for energy conversion utilizing farm and forest products.

In Georgia, which is a major forestry State, we are particularly interested in greater use of forest products for energy. There is an enormous potential in converting energy from wood waste from other forest-based industries such as paper and lumber. While the Department of Agriculture has processed and tentatively approved the four pilot projects involving a total of $42.7 million in loan guarantees, other imaginative and feasible proposals go begging for the Federal Government to help share some of the risks in developing these new technologies. This seems a shame since the Department of Agriculture has already promulgated the necessary regulations and established an approval process, and could guarantee several more projects without major administrative expense.

Given the interest from the private sector in additional loan guarantees for alcohol production, the Senate Committee on Agriculture, Nutrition, and Forestry responded by bringing a bill, S. 892, to the floor of the Senate. That bill authorized an additional $180 million in loan guarantees for alcohol production.

On June 14, 1979, when the Senate considered S. 892, an amendment was offered by Senator Lugar to increase this amount to $500 million. The amendment also, first, restricted the amount of loan guarantees for any project to $30 million; second, required that no less than 25 percent of these loan guarantees be made available to small-volume producers; third, mandated that priority be given to projects that use Government price-supported commodities as a feedstock; fourth, stipulated that proper consideration be given to projects that propose to use new and innovative technologies in the production of alcohols and industrial hydrocarbons; and fifth, urged that such loan guarantees be approved by no later than December 31, 1980. It did not change, however, the requirement that no alcohol loan guarantees be made unless they would have a positive net energy balance. This amendment was approved overwhelmingly by a vote of 82 to 10, which indicates that the Senate overwhelmingly supports action of this type.

Now, we are going to import energy this year in the amount of about $60 billion from non-American producers. I do not know of any way on Earth we can afford the dollars to pay for that amount of imported energy. It is absolutely essential that this country develop alternative sources of energy.

The President made a very full statement the other evening indicating that this Nation was goiing forward in an economic war to develop alternative sources of energy. This is a very minor part of that program.

We have tremendous amounts of waste wood, urban waste products, packing house byproducts, manure, and other things that can be converted to energy.

While S. 892 has not been considered by the House, it is my understanding that the chances are good that a similar bill will eventually be approved this year by that body of Congress. Given the President's great desire to increase our production of synthetic fuels, it seems very likely that S. 892 could become law before the year's end.

These are some of the reasons why I

cannot understand why the Appropriations Committee has recommended a $100 million limit on this urgently needed energy loan guarantee program. The restriction is unnecessary and contrary to prudent public policy. Just a few weeks ago, the full Senate strongly endorsed a rapid expansion of alcohol production through the adoption of S. 892, which provides pilot project loan guarantees of up to $500 million.

I know there are many skeptics about feasibility of gasohol—both on economic and net energy gain considerations. I am not sure who is right or wrong on these questions, but I do know we are now facing a severe energy crisis—a crisis that will only grow worse unless this Nation develops new renewable sources of energy that are not owned and controlled by OPEC.

I also know that the sale of gasohol in service stations throughout the Nation is increasing rapidly when and where it is available. It is clean burning, high-octane fuel that works well in cars. Car manufacturers apparently have no reservation about gasohol, for they have recently extended new car warranties to cover those who use it.

Mr. President, the vital role that alcohol can play in meeting our Nation's energy needs is well stated in a policy review study just published by the Department of Energy.

Alcohol fuels—both ethanol and methanol—can contribute to U.S. energy resources by using domestic, renewable resources and coal to extend supplies of high-quality liquid fuels, the study reports.

I would like to point out, Mr. President, that methanol is produced from wood as well as from coal.

The Energy Department study goes on to say:

> Indeed, ethanol is the only alternative fuel commercially available now, and the only one likely to be available in quantity before 1985. Methanol can be made from coal using commercially available technology, and could be produced in large quantities in the mid-to-late 1980's, when plants—if begun soon—could be completed and begin operating. Maximizing ethanol's contribution will require minimizing the use of oil and gas in producing feedstocks and converting them to alcohol.

Reading further from the study:

> It is important to note that no one energy source can solve our national energy problems. Though alcohol fuels cannot be a total, or in the near term, even a major solution to our national energy needs, they do represent an important energy component and building block for the longer term. Our national energy needs must be met by actively conserving and by aggressively developing contributions from a large number of energy supplies, building on the nation's abundant resources. Alcohol fuels represent important supplies based on the American agricultural system and on the potential of U.S. coal.

Mr. President, at the present time, most of the alcohol used in blending with gasoline is produced from the alcohol industry's unused plant capacity. Thus, gasohol is now available only on a limited basis. Before private industry will build new plants for greatly expanded alcohol production to make gasohol available nationwide, new technologies must be developed and tested in order to prove that this fuel is competitive economically and is energy efficient.

Alcohol production from farm commodities and forest products is one of many alternatives that we must pursue as a Nation. It is one of the synthetic fuels that can be most quickly developed. The immediate need is for the Federal Government to share risks with the private sector in perfecting existing alcohol technologies, using a number of different feedstocks.

I am convinced that an expanded loan guarantee program is the best and most cost-effective way the Federal Government can stimulate gasohol production and use. Under the loan guarantee program, private capital is used to finance the pilot projects. The Federal Government only guarantees such loans against default. Thus, a $500 million gasohol project loan guarantee program may cost the Government little or nothing if only those projects with demonstrated potential are approved. S. 892, as passed by the Senate, assures that only those projects with such potential will be approved.

The results of this loan guarantee program would be to stimulate private investment in developing new techniques that could lead to greater availability and increased use of gasohol on a nationwide basis. It would assist significantly in reducing our dependence on foreign oil—the goal that President Carter has now set as the highest national priority. But there would also be direct benefits to farmers, consumers, and taxpayers with the development of new markets for farm and forest products, lower costs of Government price support programs for agricultural commodities converted to energy, and increased motor fuel supplies.

This program has a unique potential for meeting the energy needs of American agriculture. It would encourage the development of alcohol fuel production from small plants especially adapted to supply energy needs for essential farm purposes. We may well see the development of on-farm energy production on a major scale as a result of the pilot plants that could be built under this program.

I submit, Mr. President, that it would be extremely shortsighted to place undue limitations on the alcohol pilot plant program. I believe it is in the highest national interest that we move forward vigorously, aggressively, and boldly with this program at the full funding level already endorsed by the Senate.

This program is entirely consistent and fully compatible with the President's declaration of war for energy independence.

We are not dealing with a new program. We are proposing to expand a promising, existing program. The basic administrative machinery is already in place.

The Congress ought to expand and expedite this existing program even as the President's vast new energy scheme is being assembled, enacted, and implemented. The alcohol pilot plan program can be incorporated into the overall energy plan at a later time if this appears to be the best policy and course.

But the time to act on national energy independence is now. The opportunity is here.

My amendment provides the Senate with a means to give force and meaning to our determination to achieve energy independence from OPEC.

I hope the managers of the bill will accept this amendment, and it will be in conference with the House. I think it is much needed, and that this country must move forward to develop alternative sources of energy.

Mr. President, I yield 5 minutes to the distinguished Senator from Indiana, who is the author of the amendment increasing the amount to $500 million, which was agreed to on the floor of the Senate, by a vote of 82 to 10.

Mr. LUGAR. Mr. President, I rise in support of the amendment by the distinguished chairman of the Agriculture Committee. Essentially, the activity of the Appropriations Committee was to cut back the extent of loan guarantees from $500 million, which my amendment provided for, to $100 million.

It occurs to me that at the time when we debated this, and it did have extensive debate on June 14 this year on this floor, and it was approved by a vote of 82 to 10, that there was considerable enthusiasm for loan guarantees for the production of gasohol from various agricultural products that could be used to produce ethanol. This is an idea clearly expressed with enthusiasm by the President of the United States no later than last Sunday. The purpose of attempting to introduce it into the procedures now is that applications have been received by the U.S. Department of Agriculture, at least 30 of them, many with great promise.

The Food and Agriculture Act of 1977, as our chairman has mentioned, limited us to four, and these proposals have great promise in the judgment of many who have followed this technology. Very clearly, ethanol has a market; the loan guarantees have relatively limited risk.

For the moment, in this country, all of the ethanol that is available is being taken up by farm bureau groups and others who are mixing it in a 90–10 ratio to produce gasohol. In my State, at least 73 outlets are available through farm bureau cooperatives now. I have in fact visited the refineries and mixing plants in Indiana, and filled up with a tankful of gasohol. It works. It is available now. It was the response of June 14 that it was seen as urgent by the Senate. It is no less urgent now.

I regret that we must have this debate. I appreciate the fiscal prudence of the Appropriations Committee and their desire not to obligate the Federal Government with years of loan guarantees that, in their judgment, might appear to be more dubious than they do to me, but I applaud the initiative taken by the Senator from Georgia (Mr. TALMADGE), who has essentially given the Appropriations Committee the opportunity for a conferenceable item.

It is a step in the right direction, one that I support, and I appreciate the initiative taken by the distinguished senior Senator from Georgia.

Mr. TALMADGE. Mr. President, I yield 2 minutes to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I would like my name to be added as a cosponsor of the amendment.

Mr. TALMADGE. The Senator is already a cosponsor.

Mr. DOLE. Mr. President, I just want to point out that this is an effort that is being focused on by many Members of this body on both sides of the aisle.

I certainly endorse what has been stated by the distinguished chairman of our committee and by the Senator from Indiana (Mr. LUGAR).

I think it is probably well to know that we are having a second meeting today of the National Alcohol Fuels Commission, of which the Senator from Kansas is proud to be a member, along with the senior Senator from Indiana and the senior Senator from Oregon. We are discussing at this very moment how we can properly address this question so that it will be effective and cost effective, and will not in any way hold out hope that is not justified for so-called gasohol.

Mr. President, I am glad to join as a cosponsor of the amendment offered by the distinguished chairman of the Agriculture Committee, Senator TALMADGE.

In May of this year, I introduced a bill to increase the number of pilot energy projects that could be guaranteed by the U.S. Department of Agriculture. My bill initiated the movement toward increasing the efforts by the USDA to finance pilot energy products.

On May 3, I offered my bill as an amendment to S. 892, which was being considered by the full Senate Agriculture Committee. My amendment was expanded by the committee to include an additional $180 million for pilot projects. The $180 million was later expanded to $500 million by the full Senate when S. 892 was adopted by the full Senate. The amendment was approved overwhelmingly by a vote of 82 to 10.

Broad support exists in the Agriculture Committee and in the Senate to explore alternative fuels made from agricultural commodities and forest products. I believe the Agriculture Committee and the Senate agreed that by expanding the pilot energy program this country can more effectively derive viable energy solutions through alternative, nontraditional sources. This program provides further incentives for the production of gasohol and other fuels made from the production of industrial hydrocarbons.

Mr. President, the Senate has acted responsibly during the authorization process on the issue of energy pilot programs for alcohol production and we should not act irresponsibly now during the appropriation process. It is totally unreasonable that the Appropriations Committee has recommended a $100 million limit on these energy loan guarantee programs. The production of gasohol is still in its embryonic stages and we must not act precipitously to deny the proper funding level.

Mr. President, there is no question that alcohol fuels will in the future play an important role in our energy independence. As a member of the Alcohol Fuels Commission I can honestly say that these programs are not only vital but timely in terms of our current energy situation. Although alcohol fuels are available today on a limited basis we have the opportunity to increase this availability considerably. Leadtime is needed for the construction of alcohol fuels production plants, new technologies must continue to be explored, developed, and tested, and these loan guarantees are the best, most efficient manner in which to achieve these goals.

Mr. President, our energy crisis is not going to be resolved by more and more governmental interference in the areas of energy production. The private actor must be the focal point for any national energy policy. I am convinced that loan guarantees, such as these that aid to stimulate private sector activity in the energy production field, need to be encouraged and should not be discarded. The Congress must continue to help expand the opportunity for private sector activity. It will be good for farmers, consumers, and all Americans.

Mr. President, I would just like to reemphasize that the pilot program is not a grant program, but uses only guaranteed loans from the Commodity Credit Corporation. Each project must show that the total energy content of the products and by-products manufactured will exceed the total energy input from fossil fuels used in the manufacturing process. Another requirement is that the projects must be economically viable in order to qualify.

I do not believe now, in a period of energy unrest, is the best time to be cutting back on the Government's support of alternative energy projects.

I believe, in light of the events of the past 2 months, it would be short-sighted to cut back on this program. Energy independence must be one of our Nation's top domestic priorities. This amendment gives us the opportunity to act positively on the energy independence question.

Mr. President, I strongly urge the Senate to adopt the amendment offered by Senator TALMADGE and myself to restore funding at the $500 million level.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the name of the distinguished senior Senator from New York (Mr. JAVITS) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. I have discussed this matter with the distinguished chairman of the subcommittee. I understand he is agreeable to taking it, and I hope the distinguished senior Senator from Oklahoma (Mr. BELLMON) feels likewise, though he has not indicated that he did.

I reserve the remainder of my time.

Mr. BELLMON. Mr. President, will the Senator from Missouri yield me 3 minutes?

Mr. EAGLETON. I yield the Senator from Oklahoma 3 minutes.

Mr. BELLMON. Mr. President, I do not wish to take the time of the Senate on this matter. I am not going to oppose the amendment, though I have to admit that I am less than enthusiastic about it.

There is going to be, hopefully, very shortly a package of energy legislation coming from the White House, and it is my understanding that the question of gasohol will be a part of the proposals the President will make.

I am also a member of the Gasohol Commission the Senator from Kansas talked about; and in studying documents from that Commission, I was astounded to find out that gasohol is not energy efficient, that it actually takes 30 percent more Btu's to produce than you get from it when it is burned.

I question whether we should commit ourselves to $500 million for a program that needs to be carefully analyzed and studied. I hope between now and the time we get to conference with the House, we can look into this more carefully and be better advised and informed as to whether or not this is a wise commitment of the taxpayers' resources.

It is true that this is a loan guarantee program, and that loan guarantees sometimes have to be paid off. When that happens, it becomes an expenditure. I think we ought not to be careless in committing taxpayers' dollars to such a cause. So, while I am not going to oppose the amendment, I am going to look at it carefully, and I hope be able to deal better with it when we get to conference.

Mr. EAGLETON. Mr. President, I think Senator BELLMON has summed up the situation rather well. If we accept the amendment, the entire matter will be in conference. It will not go to conference until, probably, some time in September, at which time the President's entire energy program will be before Congress, including, perhaps, an energy supplemental; and matters pertaining to gasohol, the use of alcohol, et cetera, will undoubtedly be a part of that package, and we can then, depending on what is in that energy supplemental, make adjustments as between that bill and this agriculture appropriations bill.

So I am willing to accept the amendment and take the matter to conference.

Mr. TALMADGE. Mr. President, I thank my distinguished friend from Missouri and also my distinguished friend from Oklahoma.

I would point out that the amendment that was offered by Senator LUGAR on the floor on June 14 did not change the requirement that no alcohol loan guarantees be made by the Commodity Credit Corporation unless they have a positive net energy balance. That was the amendment that was approved by a vote of 82 to 10.

There are many types of gasohol, Mr. President. There are two forms of alcohol, methanol and ethanol. Methanol is now produced almost entirely from natural gas. It may also be produced from coal, wood, and urban wastes. Ethanol is produced from grain and other agricultural waste products, such as sugarcane bagasse, which is an absolute waste product.

There are many of these items that I think are economically feasible, and I think we must do whatever we can to get as much energy as we can, at the lowest cost, from American products, that will give jobs to American people, that will keep dollars in America rather than sending them to the shieks in Saudi Arabia and other places.

Mr. President, I yield back the remainder of my time and I am ready to vote.

The PRESIDING OFFICER. Is all time yielded back?

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EAGLETON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 376

(Purpose: To make a technical correction in the summer feeding limitation)

Mr. EAGLETON. Mr. President, I send a technical amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 376.

On page 43, line 2, insert the following: "to service institutions" after the word "payments".

Mr. EAGLETON. Mr. President, this is merely a technical amendment which has been cleared on both sides of the aisle. I yield back the remainder of my time.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 377

(Purpose: To delete $200 million in FY 1980 funding for the special home ownership assistance program)

Mr. BELLMON. Mr. President, I have an amendment at the desk offered on behalf of Mr. MUSKIE, Mr. PROXMIRE, Mr. GARN, Mr. CHILES, and myself, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) for himself, Mr. MUSKIE, Mr. PROXMIRE, Mr. GARN, and Mr. CHILES proposes an unprinted amendment numbered 377.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 26, lines 9–10, strike "additional amounts" and insert "an additional amount".

On page 26, lines 12–13, strike "and a special home ownership assistance program".

On page 26, line 13, strike "sections 521 (a)(1)(c) and insert "section".

On page 26, strike lines 15 through 20.

The PRESIDING OFFICER. The Chair wishes to know whether this is the amendment on which there is a 2-hour time limitation.

Mr. BELLMON. This is the amendment, Mr. President. I yield myself 5 minutes.

Mr. President, I offer this amendment because I feel at a time when fiscal restraint is so clearly needed, it is inconceivable for the Senate and for the Congress to initiate funding for a costly new and totally untested program.

There is no question in my mind—and I am not critical of those who support HOAP, that HOAP has attractive goals—attempting to provide homeownership to very low-income families in rural areas where alternate forms of housing, such as rental housing, is limited.

But let us look at the cost: Even though the Appropriations Committee describes the program as only a pilot-demonstration program, the first year appropriations level is $200 million. But this is merely the tip of the iceberg. Since the HOAP subsidy would be an add-on to the existing section 502 mortgage interest subsidy program, we must add the two together to measure the total budget impact. Thus the total fiscal year 1980 cost for a "pilot program" would be $370 million. Had the program been fully funded at the administration request of $1.0 billion, the total cost of the program would have been a whopping $1.8 billion the first year.

The outyear costs of the program are especially disturbing. The $370 million is understated because there was no adjustment for inflation in the original cost estimate. Because the contracts run for 33 years, future inflation will drive costs considerably higher. I am sorry to say we will have inflation in the future. The true cost of HOAP may be 40–50 percent, or even more, higher than the original $370 million for initial funding. This is a tremendously high cost for a program to assist 3,000 families. Three thousand families is, frankly, a drop in the bucket. If we add 3,000 more families a year, the costs will grow proportionately. And, if the program is ever expanded to serve a significant percentage of the people eligible for it, the costs will literally be astronomical.

I think we have to face the fact that there are some things Government simply cannot afford to do in times like these, and trying to meet the total housing needs of this segment of our population I consider to be one of those things.

There are still more costs. Because of the complexity of administering the program, a bureaucracy of FmHA personnel would be needed to check eligibility, to monitor the necessary separate reserve accounts for maintenance, insurance and taxes, and to administer the recapture provision. The recapture provision is touted as a selling point of HOAP, but it will operate only if the property is sold to a noneligible, unsubsidized buyer. This, of course, would leave fewer housing units available to low-income people.

Furthermore, I do not believe that the proposed initiation of HOAP adequately takes into account the efforts already being made under other Federal programs on the housing problems of low-income people living in rural areas. For example, FmHA's section 504 very low-income housing repair grant and loan program provides grants and loans to low-income people to make essential repairs to homes to correct health and safety hazards. The self-help housing program assists groups of families in building homes through so-called "sweat equity."

Although this program originally was targeted to families with incomes of less than $5,000, it is now primarily assisting families with incomes ranging from $7,000 to $11,000. We probably need to rework this program so that it assists the people for whom it was originally targeted, although $7,000 to $11,000 is certainly low income by most standards. FmHA also administers a portion of the section 8 rental assistance program. Under that authority, FmHA will make commitments next year for 10,000 units of newly constructed housing which will cost $1.5 billion or more over the next 40 years.

Modification or expansion of these ongoing programs would be a preferable way of assisting additional lower-income people without producing the budgetary nightmare that HOAP will bring. In addition, various welfare programs provide substantial amounts of money which help low income people pay housing and other living costs. So it simply is inaccurate to suggest that the Federal Government is not doing anything to help house the rural poor.

I believe that even the pilot program, as conceived by the Appropriations Committee, threatens fiscal trouble. The authorization in the housing act is for a fully operational program of $1 billion per year and I fear it would only be a matter of time before the program reached an even higher level.

This year's pilot program will inevitably become next year's full-fledged ongoing program. Moreover, this year's rural homeownership program will inevitably become next year's urban homeownership program.

So what we are starting here, Mr. President, is a vastly expensive new approach to housing which I feel the country can ill afford.

We have already witnessed the disaster of HUD's section 236 program which had to be suspended after only 5 years of operation in 1973. Even though section 235 was later reactivated, the program was substantially revised and subsidies are not nearly as deep as HOAP. We simply cannot allow ourselves to repeat our past mistakes.

If FmHA is allowed to start the HOAP program, Mr. President, I think it is safe to predict that we will soon have costs of $5 billion per year, or even more. Even at that spending level, the program would still reach only a small fraction of those who would qualify. The program would also undoubtedly cause resentment and bitterness on the part of people just above the income limitations. We would have very low income people living in housing substantially better than people with higher incomes can afford.

Congress is simply going to have to accept the fact that there are limitations on how much money we can spend—on how many new programs we can start—and on how many good things we can try to do. It is to this end that I am joining in offering this amendment to the agriculture appropriations bill to delete appropriations for HOAP. I trust that the Senate will join us in defeating funding for this program, and not launch us into this expensive new endeavor.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. BELLMON. Mr. President, I yield whatever time the Senator may require to the distinguished Senator from Maine.

Mr. MUSKIE. I thank my friend from Oklahoma.

Mr. President, I join my good friend and colleague, the ranking minority member of the Committee on the Budget, in support of his amendment. The bill that we have before us, the Agriculture, Rural Development, and related agencies appropriations bill for fiscal 1980, in its present form, is such that I must oppose it as reported and support the Bellmon amendment, which I believe will improve its budgetary impact. Before I discuss the amendment, however, I should like to commend briefly on the relationship of the bill to the overall budget targets.

To begin with, the bill as reported provides $16.8 billion in new budget authority. Outlays associated with the bill total $13 billion.

Under section 302(b) of the Budget Act, the Appropriations Committee divides among its subcommittees the total budget authority and outlays allocated to the committee under the first budget resolution. Technically, H.R. 4387 is within this allocation. However, this is of little-consequence at this point, for it is now clear that pressures for increased spending are projected to force the full Appropriations Committee well above its total budget allocation.

Mr. President, we confront a very difficult and dangerous situation. On May 23, when the Senate passed the first budget resolution by a vote of 72 to 17, I took this as a sign that the Senate was prepared to meet the two major fiscal challenges of controlling inflation and balancing the budget. Yet today, I must report to the Senate that the total of regular and supplemental appropriation bills expected to be reported exceed the targets of the first budget resolution by more than $5 billion.

If enacted, these appropriations will result in the fiscal year 1980 deficit rising to a level higher than the fiscal year 1979 deficit. Clearly such an outcome—coming at a time when the Congress is attempting to shrink and eventually eliminate the Federal budget deficit—is unacceptable.

In this situation, I feel I have no alternative but to support those who seek reductions in appropriations which are not of compelling necessity. Therefore, I shall vote for the Bellmon amendment to eliminate from H.R. 4387 $196 million in startup appropriations for a new homeownership assistance program—commonly referred to by its acronym as HOAP.

By way of background, it should be recalled that this new program was first authorized in the Housing and Community Development Amendments of 1978, as a supplement to the existing section 502 interest credit program of the Farmers Home Administration.

The section 502 program subsidizes down to 1 percent the mortgage interest rates paid by participating low-income rural homeowners. For rural dwellers whose incomes are too low to enable them to use the section 502 program, HOAP would provide supplementary grants. Eligible rural families would pay 25 percent of their adjusted incomes toward mortgage principal and interest payments, taxes, insurance, utilities and maintenance, with the Federal Government paying the remainder. Commitments would run for up to 33 years.

Mr. President, although H.R. 4387 provides appropriations of only $196 million to begin funding for HOAP, once begun, the program is expected to require continuing appropriations of nearly $1 billion per year. Thus this appropriation now before us represents only the opening wedge. Make no mistake about it, once funded, HOAP will become a permanent and enormously expensive addition to the Federal budget.

Mr. President, as I have just noted, the projected cost of HOAP itself is nearly $1 billion per year. However, since the HOAP subsidy would be an add-on to the section 502 interest credit subsidy, it is necessary to add the two together in order to measure the total budget impact involved.

According to FmHA figures, the section 502 subsidy would be expected to require appropriations of $860 million. Therefore, the total fiscal year 1980 cost of section 502 and HOAP together would be $1.8 billion.

Mr. President, it appears likely that even this does not state the true long-term cost of the two programs. Analysis by Senate Budget Committee staff indicates that even this $1.8 billion-per-year cost projection seriously understates the Government's financial exposure at the 16,000 units per year program level intended. This is because these projections do not make any allowance for inflation. Since contracts will run for up to 33 years, inflation must be factored into cost calculations if those calculations are to have any meaning.

Using very conservative assumptions—that both incomes and the variable cost, nonmortgage components of the HOAP subsidy grow at an average annual rate of 6 percent over the next 33 years—it turns out that assistance for 16,000 additional units per year would be expected to cost an average of $2.6 billion per year, or 40 percent more than the $1.8 billion which has been estimated.

Mr. President, even if there were no other problems with HOAP, initial appropriations should not be provided until the program's budgetary implications are fully understood and appreciated, and until something is done to reduce its expected cost. Unfortunately, however, there are other problems with HOAP in addition to those I have already mentioned.

To begin with, it appears that HOAP would be extremely expensive and complex to administer. For each housing until assisted, FmHA personnel could be required to establish and monitor income levels, set up and run separate reserve accounts for maintenance and for insurance and taxes, calculate and make periodic payments of utility allowances, and make sure that the property is well maintained. Because the program is so labor-intensive, staff increases could be required, further adding to the cost.

In addition, one of the major selling points of the program is its so-called recapture provision, under which FmHA would be expected to recover a portion of its subsidy payments from the appreciation in any assisted property's value when that property is sold. However, for the recapture provision to work, the property must be sold to an unsubsidized buyer. Such a sale Mr. President, would reduce the number of housing units available to low-income people, and force the Government to subsidize additional low-income housing units.

Questions have also been raised, Mr. President, about the need for this expensive new program, when we already have so many existing programs providing for various rural housing needs. For example, according to Administration figures, 44 percent of rural people living in substandard housing units are over 60 years of age. Both the section 202 and public housing programs provide subsidized housing for elderly people. In many other cases, substandard rural housing can be brought up to code with the assistance of the section 504 program that makes loans and grants to repair or construct additions to existing housing. And for people whose incomes are so low that costs must be reduced still further if they are to be able to afford decent, safe, and sanitary housing, creative use can be made of a combination of the section 502 interest credit program, the section 504 program providing grants and loans to repair or construct additions to houses, and the mutual and self-help housing program under which groups of 6 to 10 families build their own homes by mutually exchanging labor.

Finally, Mr. President, if the Government begins a major program subsidizing mortgage principal, interest, taxes, insurance, utilities, and maintenance payments for low-income rural people, it will be difficult if not impossible to resist extension of such subsidies to all low-income individuals. The potential cost and budgetary impact of such an extension, which would undermine our efforts to balance the Federal budget, must be considered in deciding whether to fund this new program.

We do have real and significant rural housing needs in this country, Mr. President, and I have always supported efforts to meet those needs through sound well-planned programs. Unfortunately, HOAP does not appear to be such a program, and therefore I oppose its funding. If it is funded, I fear that its enormous cost, combined with the other problems I have cited, would make it that much more difficult for rural housing supporters to convince the Executive and the Congress to give rural housing its fair share of funds. Thus, I believe that in the long run such a poorly designed program would harm, rather than help in the battle to provide decent housing in rural areas.

In conclusion, Mr. President, I would say simply to my colleagues that we face a very serious problem. If we are not careful, at a time when we are seeking to shrink the deficit, we are going to enlarge it instead. Surely we must all find this an extraordinarily unattractive prospect.

We knew at the time we enacted the first budget resolution that there was no room for starting an expensive new program such as this. And since that time the budget targets have become much tighter, not looser. We cannot preach budget balance and inflation fighting when that is good politics—at budget resolution time—and then practice profligate spending when that appears to offer some momentary advantage—at appropriations time—as though the budget and appropriations processes bear no relation to one another.

Mr. President, we just cannot conduct the Nation's fiscal business in that fashion. Rather, we must begin today to demonstrate restraint, or there will be no balanced budget in the foreseeable future, and there will be no fiscal restraint against inflation.

Mr. President, I yield back the remainder of my time.

(During the preceding remarks, Senator Morgan assumed the chair.)

Mr. PROXMIRE. Will the Senator from Oklahoma yield 3 minutes?

Mr. BELLMON. I will be happy to yield to the distinguished chairman of the Committee on Banking, Housing, and Urban Affairs.

But before that, Mr. President, I ask unanimous consent that a "Dear Colleague" letter signed by the distinguished Senator from Wisconsin, the distinguished Senator from Maine, the distinguished Senator from Utah, and myself, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U. S. Senate,
Washington, D.C., July 17, 1979.

Dear Colleague: We confront a very difficult situation. At the present rate—when all the regular and foreseeable supplemental appropriation bills are taken into account—the Appropriations Committee may exceed the funds allocated to it under the Budget Resolution by as much as $5.6 billion in budget authority and $4.7 billion in outlays, contributing to a deficit for 1980 which may actually be higher than the deficit for 1979. Clearly such an outcome—coming at a time when the Congress is attempting to shrink and eventually eliminate the Federal budget deficit—is unacceptable.

In this situation, we feel we have no alternative but to seek reductions in appropriations which are not of compelling necessity at this time. Therefore, we are requesting your support for an amendment that we shall offer to H.R. 4387, the Agriculture Appropriations Bill, to eliminate funding for a new Homeownership Assistance Program (HOAP).

H.R. 4387 contains a $196 million appropriation to provide start-up funding for HOAP. Once begun, this new program is projected to require continuing appropriations of $1 billion per year. Under HOAP, eligible low-income homeowners would pay 25% of their adjusted incomes toward mortgage principal and interest payments, taxes, insurance, utilities and maintenance, with the Government paying the remainder.

As was made clear during Senate consideration of the First Budget Resolution, and again last week during debate on the Rural Housing Amendments (S. 1064), the Congressionally approved budget assumes no funding for this program. Further, the House Agriculture Appropriations Bill provides no funding for the program, and it was included in the Senate bill only on the basis of a razor thin, 14 to 13 vote.

We believe funding for HOAP to be undesirable for the following reasons:

In this tight-budget year, there is no room for this expensive and unnecessary new program. Our scarce resources should be allocated to higher priority uses.

Existing Federal programs already provide for the entire range of rural housing needs, at a cost of well over $5 billion per year.

The $196 million included in the Agriculture Appropriations Bill is merely a foot in the door. Once begun, HOAP itself would cost at least $1 billion per year, and together with the additional costs of the "Section 502" program it supplements, would result in total program housing subsidies of $2.6 billion per year.

Even this estimate in all likelihood understates the effects of inflation since HOAP costs include utilities, which are likely to increase much faster than the average rate of inflation. The subsidy for utility payments, therefore, could become a runaway cost element.

The program would be extremely expensive and complex to administer.

A major selling point of the program, the recapture provision, would require units to be sold to unsubsidized purchasers. This would reduce the number of units occupied by low-income families, and force the government to build additional low-income housing units merely to stay even.

Before the Government begins a major new program subsidizing homeownership costs, the potential costs and budgetary impact, which could undermine our efforts to balance the Federal budget, should be considered in deciding whether to fund this new program.

We agree that there are real and significant rural housing needs, and we support efforts to meet those needs through sound, well-planned programs. Unfortunately, HOAP is not such a program. If funded, its enormous cost, combined with the numerous other problems we have cited could make it more difficult in the future for rural housing supporters to secure a fair share of funds for rural housing.

We ask you to join with us in voting to eliminate the proposed appropriation to begin funding for this expensive and ill-conceived program.

Sincerely,

Henry Bellmon,
Ranking Minority Member, Committee on the Budget.
Jake Garn,
Ranking Minority Member, Committee, on Banking, Housing, and Urban Affairs.
Edmund S. Muskie,
Chairman, Committee on the Budget.
William Proxmire,
Chairman, Committee on Banking, Housing, and Urban Affairs.

Mr. BELLMON. Does the Senator want 3 minutes?

Mr. PROXMIRE. Three minutes.

Mr. BELLMON. I yield to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Oklahoma.

Mr. President, I rise in support of the amendment. Adoption of this amendment is a crucial test of whether or not the Senate is prepared to live by the discipline established by the first budget resolution.

Mr. President, in today's world, combating inflation is our most critical economic priority. Congress must contribute its share to this struggle, and this means we must hold down Federal spending and move toward a balanced budget.

If we are to meet the test of fiscal restraint, we simply cannot afford to ignore the first budget resolution. Unfortunately, with respect to the homeownership assistance program, the bill, as reported by the committee, does just that. The congressionally approved budget assumes no funding for this new program. Thus, the entire $196 million contained in the bill represents an increase above the budget resolution.

Further, it must be stressed that the homeownership assistance program is a new program and the $196 million appropriation contained in the bill is intended merely to provide startup funding. It is anticipated that once the program is in operation, it would cost at least $1 billion a year.

Mr. President, the Nation does have very serious rural housing needs, and we must continue to work to meet these needs. We have substantial existing programs to meet these needs, and the pending amendment would not affect these existing programs. Given the reality of today, I say that now, of all times, is emphatically not the time to begin a new and costly program such as the homeownership assistance program. I urge the Senate to favorably consider the amendment.

Mr. President, I am glad to join in support of the amendment by the Senator from Oklahoma and the Senator from Maine. I think this amendment is essential.

I do so with a heavy heart, though, recognizing how hard the distinguished chairman of the subcommittee (Mr.

EAGLETON) has worked on this bill to try to hold down the cost, conscientiously. He is right about the great need for rural housing.

The occupant of the chair (Mr. MORGAN) has done a fine job on our committee in that respect. But the need is far from met.

The fact is, however, that rural housing is available in the section 502 interest credit program, which subsidizes homeowner mortgage interest payments down to 1 percent. For those who cannot afford that there is public housing, the section 8 program, the Farmers Home Administration rural rental assistance program, and others.

The difficulty, Mr. President, is that we are proposing a new program. The cost of the program in this present bill is one of great concern because, of course, it does exceed the budget resolution.

Therefore, on that ground alone, it would be very hard to support.

But as other Senators pointed out, this is a new program, a startup program, and the potential is perfectly enormous.

As I understand it, the analysis by the staff of the Budget Committee indicates that by 1982, at the program levels intended by the administration, the program could require $3.5 billion in budget authority. After 5 years of operation, the program would require annual outlays of over $400 million.

As I say, we do have other programs to help those who need housing. They are not adequate. We wish they could be. But under present circumstances, we simply have to say "no" and draw the line.

I think the Senator from Maine and the Senator from Oklahoma are exactly right in arguing that if we mean business in standing by the resolution which this body passed only a few short months ago, 2 or 3 months ago, we simply have to adopt this amendment and knock out a program which otherwise would indicate we are on the road to more spending, more deficits, more inflation.

For that reason, Mr. President, I support the amendment.

I recognize, as I say, that the Senator from Missouri and others have worked very hard on it, and have done a fine job on the subcommittee.

Mr. President, I thank my friend for yielding.

Mr. STEWART. Will the Senator yield?

Mr. EAGLETON. I yield 5 minutes to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. STEWART. Mr. President, I support, and I urge my Senate colleagues to support the recommendation of the Committee on Appropriations to fund a limited rural homeownership assistance program (HOAP) in 1980. I urge my colleagues to reject the amendment to eliminate the program proposed by the Senator from Maine.

Rural Americans have sought a homeownership assistance program for lower income families since early in this decade. After much deliberation, Congress enacted the program in the Housing Act of 1978. In January of this year, the administration requested that the program be started with funding for some 15,000 units. The authorizing legislation was introduced and has already been passed. For the Senate now to reverse the recommendation of its Committee on Appropriations to fund a limited program of only 3,000 units and to eliminate the program, would be a betrayal of rural America, and a vote of no confidence in the Farmers Home Administration. I do not believe the Senate would knowingly turn its back on rural Americans, or indicate that it has lost confidence in the Farmers Home Administration.

The Farmers Home Administration has, since the enactment of the Housing Act of 1949, aided more than 1.3 million American families living in smaller communities and rural areas to become homeowners. This achievement has been realized at relatively little cost to the American taxpayer. It is clear, however, that the FmHA can no longer in this period of escalating housing prices reach many rural families who need housing.

Of 4 million rural families now living in substandard housing, 3 million cannot qualify for mortgage loans under present FmHA home ownership programs. Nor can they generally find decent rental housing in their communities.

It was for this group that the Farmers Home Administration, together with concerned rural housing groups, designed the homeownership assistance program which is now part of the national housing law. The program was designed not only to target Federal funds to lower income families in desperate need of housing, but to assure, at the same time, that Federal funds would be prudently used. Homeownership counseling, regular accounting, and maintenance activities, and a special recapture provision, under which subsidies paid out would be returned to the Treasury at the time of the resale of the house, were built into the program.

Through such statutory requirements, the HOAP should protect and minimize the Federal investment.

Mr. President, I believe it is important that the Senate uphold the recommendation of the Committee on Appropriations. I urge the Senate to reject the amendment and to approve the recommended funding for rural homeownership assistance in fiscal year 1980.

It has been argued by those who would amend the bill that the rural homeownership assistance program "is not of compelling necessity at this time."

I would like to know what is more compelling than the facts of rural poverty and the substandard housing conditions that low income rural families are forced to accept today. What can be more compelling, at a time when most Americans are being told they consume too much oil, too much meat, too much of everything, what can be more compelling than the picture of small children being reared in a shack with a slanting front porch roof and windows that are rotting out. What can be more compelling than the picture of an industrious couple that have worked the land for many long years, paid their bills regularly, and find that they cannot afford or find decent housing.

Mr. President, rural America has, for too, long, waited for help from Washington.

Mr. President, I should also like to speak to a question that was raised by people in the housing industry. Some concern was expressed by homebuilders in my State—and other Members of the Senate might have heard from homebuilders in their States—who are concerned that the program we are now discussing would take funds away from the critically needed moderate-income home loan program administered by the Farmers Home Administration.

I want to report, after having heard from Mr. Vandal Guarlee, president of the National Homebuilders Association, who comes from my State, that this concern is no longer held by him or the homebuilders of this country.

Both the Senate and the House appropriation bills have restored funds for the moderate-income housing program that were cut in the administration's budget. Both bills authorize $800 million in loans, the figure thought by the National Association of Homebuilders to meet the demands they saw in that particular program in this country.

In light of this, I am glad to report that the National Association of Homebuilders, according to their president, support the recommended appropriations for this particular program as recommended by the Appropriations Committee.

The PRESIDING OFFICER. The Senator has used 5 minutes.

Mr. EAGLETON. I yield the Senator 2 additional minutes.

Mr. STEWART. I thank the Senator.

Mr. President, I suggest to those who are arguing against this particular amendment that in times of difficulties economically, we often forget those who need our help the most at the national level. I can think of no group of people who need our help more, particularly with regard to housing, than those in the rural communities of this country.

This is a model program. It will not reach all the needs there are, but it is a beginning; and I urge my colleagues to vote with us in opposition to this amendment.

Mr. EAGLETON. I yield myself such time as I may consume.

Mr. President, during 1978, the administration asked Congress to enact legislation and provide funding to complement existing programs to assist low-income rural Americans in need of decent housing. The authorizing legislation was included in the Housing and Community Development Amendments of 1978, but the program has not been funded. I am asking that the Senate provide a limited appropriation to start and test this program.

The deplorable housing situation in the more remote sections of rural America continues to represent a major failure in what we like to think of as our highly developed modern society.

Studies tell us that some 4 million families in rural areas are deprived of adequate housing; one of the most basic ingredients in the quality of life that the rest of us take for granted.

Last year, a study conducted by the Office of Management and Budget, the Department of Agriculture, and the Department of Housing and Urban Development showed that: One out of six families in rural areas live in deficient housing; 1.9 million rural housing units either lack complete plumbing or are physically deteriorating; another 780,000 rural homes are overcrowded; 1.2 million households are paying rents which exceed 25 percent of their income, thus creating an untenable economic burden.

Over 75 percent of families living in substandard rural housing have incomes of less than $7,000 a year. Two-thirds have less than a $5,000 income and 40 percent exist on under $3,000.

Three-fourths of the substandard rural housing is in communities with less than 2,500 population.

People over 60 years old occupy over 40 percent of the deficient housing.

This situation is morally and socially unacceptable.

Current Federal housing programs have been criticized for their failure to serve people on the lower level of the economic scale. Inflation is one of the major culprits in foiling attempts to serve the poor. Families, who may have been able to afford at least a 1-percent interest rate a few years ago, now find themselves priced completely out of the housing market. In 1970, the average cost of homes built by the Farmers Home Administration under its 502 low-income housing program was $12,990. By 1978, that figure rose to $27,947. Undoubtedly the average cost of these moderate homes has increased substantially in the intervening months.

The housing study cited earlier shows that FmHA programs have accounted for about 10 percent of the reduction of substandard rural housing. Although that is commendable, it falls far short of the goal of serving rural residents who need it the most.

The minimum practical eligibility requirement for the existing FmHA home ownership program is $7,000 annual income. That is considered to be the lowest income at which a household can afford home ownership with a 1-percent interest rate. As has been noted, over 75 percent of substandard housing in rural areas is occupied by households having less income than needed to qualify for this program.

The home ownership assistance program (HOAP), which has been provided limited funding in H.R. 4387, is intended to help those most in need obtain decent, safe, and sanitary housing. The program is designed for those unable to afford housing, even at 1 percent interest. It will operate only in areas where assisted rental housing is not available or suitable. Thus it provides a chance for families living in the least populated rural areas who generally exist on incomes of $7,000 per year or less to obtain decent housing.

Some of my colleagues, of course, have some doubts about HOAP, and they have been expressed. They are justifiably concerned over failures in some previous Federal programs and believe the costs will impact the budget to a far greater degree than projected by the administration. I intend to allay those concerns.

The administration's budget authorization request is lower than would be requested for a comparable rental subsidy program. FmHA cites the history of its section 502 program where the average family receiving interest subsidy has moved to an unsubsidized status in 7½ years, and where the average borrower leaves the program in 12 to 14 years. FmHA sees current inflation and interest rates lengthening both average periods, but maintains that few if any families will remain in the HOAP program for the full 33-year life of the loan.

There is little likelihood that funding HOAP will trigger a similar program in urban areas. The law expressly limits HOAP to rural areas where assisted rental housing cannot meet low-income family needs. FmHA provides rental housing loans in many rural communities, as do HUD and the State housing finance agencies. There is no doubt at all that rental housing is economically feasible and available in urban areas.

Mr. President, the Agriculture Appropriations Subcommittee, considered the HOAP proposal in full cognizance of housing needs in relation to the need for economic restraints. The HOAP program contains features which will help obtain a socioeconomic balance. FmHA will build in a priority for existing housing that does or will meet standards. This requirement and HOAP limitation to smaller communities will tend to eliminate the possibility for large concentrations of families receiving this assistance.

Concern has been expressed about the ability of low-income families to manage home maintenance. A number of steps will be taken to assure that HOAP homes will be kept up. Maintenance allowance schedules will be developed for differing house types, sizes, and ages by FmHA in each State and used to guide the agency in counseling with families in the program.

A long-term and extraordinary maintenance reserve will be developed to assure that HOAP families are not left without the capability to pay for major repairs and replacements. Finally, the recapture program, of which I will say more, has been designed to provide financial incentives for families that occupy and keep their homes in good condition. FmHA supervisors will make at least one inspection and counseling visit per year to the homes of HOAP recipients.

FmHA has had some delinquency problems in its regular section 502 home ownership program, which, after all, serves families unable to obtain other credit. Two problem areas which have contributed significantly to these problems have been the absence of tax and insurance escrowing and the effect of rapidly increasing heat and utility costs. There will be escrowing in HOAP and a utility allowance will be included. In addition, FmHA has implemented new and much higher thermal standards which were designed to help keep utility costs down.

Mr. President, a unique feature in the HOAP legislation is the subsidy recapture provision. Under this concept, which is already in force for interest subsidy in the section 502 program, the Government lays claim to a part of the appreciated value of the home when it is sold.

The administration recognized that housing low-income people is expensive. It searched for lesser costing remedies than HOAP and found none. They also recognized the demands on public funds and the need for fiscal integrity. Subsidy recapture was the local answer, wherein low-income families agree to return a portion of their potential appreciation for the opportunity to receive necessary subsidies. FmHA projections indicate that the HOAP subsidies can be funded, even at the administration's requested level, within the recapture of interest subsidy in the existing program.

The rate of recapture depends on a number of factors including the rate of appreciation, the number of years assistance is provided before the borrower graduates into higher categories, the amount of subsidy granted and the number of years that recipients occupy their homes. FmHA estimates that it will recapture over 50 percent of the combined HOAP and interest subsidies. Their estimates were reinforced by a May 1979 limited spot survey of section 502 sales in 20 States where the annual appreciation rate approached 10½ percent.

It is somewhat ironic that the 1980 budget message recognizes almost $20 billion in housing subsidies through tax exemptions, most of which go to middle- and upper-income families, and none of which is recoverable.

Mr. President, I can summarize by noting that HOAP is a well-thought out approach to a severe problem. It counters the necessity for larger subsidy costs with the means to share appreciation. Problems will not go away, because we refuse to look any further than the need to curtail spending.

This spending has been most carefully programed by the administration, and the Committee on Appropriations has limited the targeted pilot demonstration program to very, very limited dimensions.

I think, Mr. President, that HOAP deserves the chance to be tested and I believe it will succeed. I urge my colleagues to vote against the Bellmon amendment.

Mr. President, I ask unanimous consent, on behalf of Senator MOYNIHAN, that Mr. Ted Blanton be accorded the privilege of the floor during the pendancy of this bill.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on the Bellmon amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

● Mr. McGOVERN. Mr. President, H.R. 4387 which provides appropriations for the Department of Agriculture is of major importance to our Nation in general and rural America in particular. I urge passage of the bill as reported by the full Appropriations Committee. A special note of gratitude is due to the subcommittee and its distinguished chairman, Senator EAGLETON, for a fine job under difficult circumstances.

Few of the programs of the USDA are more important than those administered by the Farmers Home Administration (FmHA). The FmHA is the lender of last resort for farmers, families, and communities. The agency has had a remarkable record of service over the years and deserves high commendation. I wish, Mr. President, to address myself to one small program funded for the first time in this bill. This is the homeownership assistance program, known as HOAP.

Few things are as important to people as a decent place to live. As a nation, we have attached special recognition to this fact by making it a matter of national commitment. As a matter of fact, Mr. President, this is the 30th anniversary of that commitment made first in the National Housing Act of 1949 and renewed periodically since then. I want to say that we have made much progress toward that goal and commitment. Unfortunately, we still have a way to go.

There are still millions of Americans who continue to live under terrible conditions having escaped the progress achieved since 1949. Unfortunately, all too many of these Americans live in our Nation's rural communities. These include Indians on reservations, people who live in small midwestern communities, blacks in the South and Chicanos in the Southwest. This is a situation which concerns us all and which the FmHA programs address.

Until this year, however, it was not possible for the FmHA with its authority to deal with all situations in rural America. Large numbers of the rural people who live in substandard housing are very poor and live in the most rural communities. FmHA estimates that in 1975 over 75 percent of the substandard housing was in nonmetropolitan communities of 2,500 or less and most of this was occupied by people who had incomes under $7,000 annually.

These families often live where there are few active housing authorities, developers, or entrepreneurs. Banks and savings and loans do not abound in such areas. The lack of such institutions prevent the delivery of most housing resources. Rising costs made many of these rural people unable to use the section 502 homeownership program, even with full interest credit program. The enactment of HOAP into law in the final days of the 95th Congress was an attempt to deal with this problem. The authority was requested by the administration as were appropriations for fiscal years 1979 and 1980.

The Agriculture Appropriations Subcommittee, acting with a balance which recognizes both the housing needs of rural people and the pressure for fiscal restraint, has recommended a modest amount of money to conduct a highly restricted demonstration program. Some 3,000 families will be provided assistance in fiscal year 1980 to get out of substandard housing and achieve homeownership. Given the fact that there are more than 2 million families living in substandard housing in small rural communities, this is a modest beginning, indeed.

It is incumbent on us to provide the wherewithall to the FmHA to serve those most in need in rural America. HOAP deserves the overwhelming support of this Congress. This is an important program to make it possible for decent housing to be available for all Americans and to maintain viable rural communities.●

Mr. MORGAN. Mr. President, will the Senator yield 5 minutes?

Mr. EAGLETON. I yield 5 minutes to the Senator from North Carolina.

Mr. MORGAN. Mr. President, I urge my colleagues to support the recommendations of the Committee on Appropriations which call for the funding of a limited homeownership assistance program in rural areas in fiscal year 1980. I oppose the amendment offered by the Senators from Maine and Oklahoma, and would like to address some of the concerns they have raised in their remarks.

I say in the beginning, Mr. President, that there are no Members of this Senate for whom I have higher regard than those who are offering and supporting this amendment and especially their concern for a balanced budget. I share the same concern. But it is a question of priorities. Because we have operated at a deficit and because we are trying to balance the budget does not mean that we must or should eliminate meaningful programs that will alleviate problems of great magnitude in this country. And this is one of those programs that I think will assist.

The homeownership assistance program, enacted by Congress in 1978, is an important program for rural America. It fills a gap that has developed in recent years in the services which the Farmers Home Administration provides families in rural areas. Over the years, FmHA has developed programs to assist all families to secure decent housing in areas of the country where mortgage credit is not available. It has a guaranteed loan program to help families with above-moderate income purchase homes. It has a basic homeowners loan program to aid moderate income families in obtaining mortgage credit. It has an interest-credit loan program for families unable to afford a mortgage loan at the Government's borrowing rate. And, since the Housing Act of 1978, it has a low-income homeownership assistance program for families whose incomes are too low now to support even an interest-credit loan.

Studies have shown that there are many low income rural families living in substandard housing in areas where there is no alternative rental housing available. These families are stable, and credit worthy, but cannot afford even an interest credit loan under the inflation that now grips the economy of this country. The homeownership assistance program would enable these credit worthy families to become homebuyers with regular payments of 25 percent of their income. The program has unique requirements to assure that it will work and will minimize Federal outlays. It is targeted by law to aid low income families only when there is no alternative rental housing available. The program will make use of existing housing where it is available. The program will include counseling services, regular housing inspections and income reviews, escrow accounts for the payment of taxes and insurance, and similar measures to assure program effectiveness. In order to reduce Federal outlays, the program provides for the recapture of Federal subsidies from the profits at the time the house is sold.

The homeownership program has been called a budget buster. It is not in my opinion. The homeownership program was included by the administration in its 1980 budget. The budget provided for 15,000 units of homeownership assistance. The Senate authorizing bill, passed last week, contains the administration request. The comparable House bill also authorizes the program, but at a reduced level of some 7,500 units. The first budget resolution also includes the rural homeownership program, as a result of a compromise between the Senate and House positions.

It has been said that the homeownership program understates its real cost. In fact, it probably overstates them. As you know the budget authority for the program in fiscal year 1980 is based on the maximum financial exposure that may be encountered over the 33 year term of the mortgage. The real cost of the program is not however—is not likely to approach the maximum figure used by the budgeteers:

First. The recapture of subsidies provided by statute is very likely to reduce very significantly the Federal outlay.

Second. Most of the families to be benefited by the program can be expected to pay not only the starting 25 percent payment, but an increased amount as their incomes increase. Some families will over a period of years graduate entirely off the subsidy list.

Third. Few families will retain ownership and receive subsidies over the 33 year term of the mortgage.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORGAN. Mr. President, will the Senator yield 3 additional minutes?

Mr. EAGLETON. I yield 3 additional minutes to the Senator from North Carolina.

Mr. MORGAN. Mr. President, under existing FmHA programs, the average term of a mortgage is less than 15 years. It is well that we consider the maximum financial exposure of the Treasury when we consider authorizing a program. But we also should take into account the probability of that occurrence. The budget facts, based on experience and on the statutory requirements of the homeownership program, suggest that the real costs of the program to the Treasury are not likely to equal the costs as presented in the budget.

It has also been said that the rural homeownership assistance program is likely to suffer the same faults that befell the section 235 program administered by HUD.

There are substantial differences between the section 235 program and the rural howeownership program. Section 235 was an urban program, carried out on a large scale and introduced hastily in 1969. It suffered the consequences of mass production with poor quality control.

There were widespread frauds in certain cities. And there were large scale defaults that resulted from the closing of military bases and defense plants in communities where large scale developments of section 235 housing were located. How different this experience with section 235 is from that being planned for the rural homeownership program.

Under the rural program, there will be no large-scale development of assisted housing. There will be no mass production with poor quality control, or fraud on the scale that occurred in Detroit and Philadelphia. There will be no closing of military bases or aircraft plants such as occurred in Columbus, Ga., or Seattle, Wash., to create the conditions for large numbers of defaults. Mr. President, under the Farmers Home Administration, homeownership assistance will be provided on a small scale, on a demonstration basis. Farmers Home programs still operate on a very local and personal basis. The tradition of the county agent and the extension service is very unlike the mass production psychology that dominated Washington during the early days of HUD's section 235 program. The analogy that has been drawn between the two programs of homeownership assistance is flawed.

Mr. President, the Appropriations Committee has recommended that a program of 3,000 units be authorized for the rural homeownership assistance program during fiscal year 1980. This is only one-fifth of the program recommended in the administration's budget and in the Senate's recently passed housing bill. I would not call this a budget-busting recommendation. I would call it modest and prudent. And I would say that this program is needed now—not 10 years from now.

I urge my colleagues in the Senate once again, to support the committee's recommendation and to reject the proposed amendment.

I thank the Chair and my distinguished colleague from Missouri.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 3 minutes.

I have been interested in the comments by the distinguished Senator from North Carolina, but I cannot really understand how he can conclude that HOAP is basically much different from section 235 or other housing programs that have sort of a dismal track record.

As I understand HOAP, it will be a deeper subsidy than any other housing program that has been undertaken; that it will likely prove to be over the term of the program even more expensive than any other program because this subsidy includes not only the cost of housing but also the cost of utilities, maintenance, and insurance, and no other program at this time does that.

So I think what we are launching here is a program on an admittedly relatively small scale in the rural areas, but once there are citizens who live in the cities who find out they are not being as well treated as their rural cousins, the pressure to spread the program nationwide will become enormous.

If I understand the arithmetic appropriately—and I welcome the Senator from North Carolina straightening me out in that if my arithmetic is wrong—we are providing about $370 million to take care of 3,000 units. So this figures out to be about $120,000 per unit. I realize that is over a 33-year life of the program, but I would say that the Members ought to realize that we are providing what is, in effect, an enormous subsidy, and if we do undertake to provide that subsidy for the full million households that are eligible, then the cost becomes about $100 billion.

So I think we ought to realize this is a huge step we are about to take and that we ought to take it fully aware of what the ultimate costs may be.

● Mr. MATHIAS. Mr. President, during its 94th session, Congress passed legislation which authorized the homeownership assistance program (HOAP).

HOAP is a homeownership program of the Farmers Home Administration for lower income residents of rural areas. The program fills a gap in meeting the housing needs of rural residents in the $3,000–$7,000 range who are unable to take advantage of other farmers home housing programs. I am here to support my colleague, Senator EAGLETON, the chairman of the Agricultural Appropriations Subcommittee, in recommending modest funding for fiscal year 1980.

Over the years, some progress has been made in improving rural housing, but we have tended to ignore the brutal effects of inflation on housing opportunities for low-income people. Old programs no longer reach the lowest income people whom they were intended to serve. HOAP is intended to do just that. And in the long term, providing homeownership opportunities rather than renting will prove less costly. HOAP provides a Federal subsidy for mortgage payments, taxes, utilities, insurance and maintenance in excess of 25 percent of the participating family's income. This subsidy will be recaptured over time as the family's income rises.

HOAP has been carefully limited by Congress to those who cannot utilize other assisted housing programs, and to areas where rental programs are not available or suitable. The Farmers Home Administration, which developed and will administer the program, has designed HOAP to cope with the problems normally attributed to low-income housing. They will use utility allowances, a long-term reserve for home maintenance, and escrows for taxes and insurance. FmHA county supervisors will provide regular inspection and counseling activities.

Mr. President, we all know the need exists. Year after year, Congress receives a flood of statistics substantiating this great need, and large backlogs of applications for Federal housing programs continue. National administrations, Democratic and Republican alike, faced with the necessity for curtailing spending, annually recommend far lower levels of Federal funding than are needed, and Congress usually responds somewhat in kind.

This program, however, squarely faces reality. It deserves our attention and support. We cannot continue to say one thing in the oversight and authorization processes, and then ignore our own remonstrations when it is time to appropriate. The fact that low-income housing advocates have supported recapture of subsidy is evidence that the legislation was developed as a serious compromise to effect solutions for a most difficult problem.

The Committee on Appropriations has provided in H.R. 4387 a means by which we can test HOAP before making a decision on expanded use. This makes sense to me. We should agree to the 3,000 unit $6 million outlay program. The committee bill provides limited funding, and places the responsibility for proving the program on FmHA, which developed it.

Mr. President, I urge the Senate to support the homeownership assistance program.●

● Mr. GARN. Mr. President, I rise in support of the Bellmon/Muskie amendment to H.R. 4387, the agriculture appropriations bill, to eliminate funding for the homeownership assistance program (HOAP).

No one is more aware of the need for us to reduce Federal expenditures than I am. But, I am also painfully aware of the serious need to provide housing in our rural areas. Thus, we are confronted with a difficult situation.

Unfortunately, HOAP comes before us at a time when there are simply not enough dollars to go around.

I propose that we work closely with the Department of Agriculture and see if we can resolve some of the unanswered questions and consider funding a demonstration program in fiscal year 1981.

I personally feel that helping the very poor in rural areas where rental housing does not exist is a concept which merits attention, but we need to refine our approach before we start up an expensive demonstration program.

I should remind my colleagues that when this program was first authorized the Congress placed a limitation of $440 million on the total amount of loans that could be made. In the rural housing bill we passed last week, we had language that changed that limitation to $440 million per year. This means that by not appropriating funds this year in light of the budget demands and questions surrounding the HOAP program, we could still come back next year and even consider an accelerated funding schedule after we have had time to carefully review our priorities.

This is one time when the Congress should take the additional time to rethink our goals and priorities versus rushing in with a lot of Federal dollars to start an expensive and not clearly directed new deep subsidy program.●

Mr. LEAHY. Mr. President, I rise to underscore the urgent need for the homeownership assistance program so eloquently stated by my colleague from Missouri (Mr. EAGLETON).

First, I outline some very basic facts of housing the poor in rural America. After reviewing these facts, I believe a very clear argument for the need for the homeownership assistance program will have been made.

Fact, over 2 million rural families live in what the bureaucrats euphamistically call substandard housing. These drafty shacks and hovels of rural America represent virtually one-half of this Nation's substandard housing.

Fact, rural America has a disproportionate share of the poor, the elderly, the sickly, the transportation deprived, and the uneducated citizens of this Nation. Poor housing contributes enormously to many of these ills which plague and hamper rural development.

Fact, the Farmers Home Administration, the primary Federal agency serving the needs of rural America, cannot now meet the housing needs of its poorest clientele.

Fact, we in Congress have the responsibility to give the Farmers Home Administration the tools it needs to serve the poorest of the poor in rural America.

Mr. President, the issue here is clear, the options obvious, the need for action imperative. The facts are plain, we in Congress must act to affirm the President's request to fund the homeownership assistance program.

Today, some of my colleagues will argue that rental housing or the section 502 program is sufficient and appropriate to meet rural America's pressing housing needs. I say to these critics that they understand neither the clientele of the section 502 program nor the housing problems in rural America.

Rental housing is simply not a viable alternative in many small rural communities. And, since the homeownership assistance program will be used only in areas where assisted rental housing is not available, we are talking about assisting people who do not enjoy the luxury of choice.

Moreover, Mr. President, the section 502 program while playing an extremely valuable role in rural housing, now carries an average mortgage loan level of $27,947. In Vermont the average loan is even higher at $31,845. My colleagues in the Senate must recognize that even at a 1-percent interest rate payable over a generous amortization period, many of the rural poor still cannot afford decent housing under section 502. However, the President and Senator EAGLETON are convinced that the homeownership assistance program can meet the rural poor's housing needs, and so am I.

Mr. President, opponents of the homeownership assistance program will argue that the apparent failure of earlier homeownership programs bode poorly for this new Farmers Home Administration program. This is a debatable point. However, past failures should not stop us from seeking new solutions, solutions which build upon and learn from past experiences. The homeownership assistance program is such a solution.

With the homeownership assistance program a family will pay 25 percent of its adjusted income toward principal, interest, taxes, insurance, utilities, and maintenance. Farmers Home Administration will pay the balance, as long as is necessary.

If section 502's delinquency and default rates can be attributed to poor planning for tax payments or rising utility costs, then the homeownership assistance program has been formulated with these pitfalls in mind. To avoid these past mistakes there are escrowing of taxes, insurance, and a consumption based allowance for utilities. Also the new program addresses the maintenance problem through counseling, inspection and a long-term reserve. Finally, the program provides a direct relationship between shelter costs and family income, a feature lacking in most low income housing programs.

Mr. President, I strongly urge my colleagues to retain funding for the Farmers Home Administration homeownership assistance program. It is a program based on experience and guided by a desire to place the poorest rural residents in decent housing. The worthiness of this goal cannot be challenged, and I am confident that the means are equally safe from reasoned attack.

Mr. President, the homeownership assistance program should be given a chance by this Congress, for by appropriating funds here we are giving the poorest of rural Americans the opportunity to secure a decent home for themselves and their family.

Mr. BELLMON. Mr. President, I have no further comments and am willing to yield back the remainder of my time.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. All the time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee (Mr. SASSER) and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Kansas (Mrs. KASSEBAUM) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 60, nays 36, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—60

Armstrong
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Byrd, Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Danforth
DeConcini
Dole
Domenici
Exon
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heinz
Helms
Humphrey
Jackson
Jepsen
Johnston
Laxalt
Lugar
Magnuson
McClure
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Pryor
Ribicoff
Roth
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—36

Bayh
Burdick
Byrd, Robert C.
Cohen
Cranston
Culver
Durenberger
Durkin
Eagleton
Ford
Gravel
Hatfield
Heflin
Hollings
Huddleston
Inouye
Javits
Kennedy
Leahy
Levin
Long
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Pressler
Randolph
Riegle
Sarbanes
Stewart
Tsongas
Weicker
Williams

NOT VOTING—4

Baker
Kassebaum
Sasser
Stevenson

So Mr. BELLMON's amendment (No. UP–377) was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EAGLETON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. HEINZ. Mr. President, I ask unanimous consent that on rollcall No. 186, on the Bellmon amendment on the homeownership program, I be recorded as voting "yea" instead of "nay."

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

ORDER OF PROCEDURE

Mr. DECONCINI was recognized.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield without losing his right to the floor?

Mr. DECONCINI. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. BIDEN be allowed to speak for 1 minute and that he be followed by Mr. DOLE for not to exceed 2 minutes, which has been cleared on the other side of the aisle, without the Senator from Arizona's losing his right to the floor and without the time being charged to the Senator from Arizona.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRATULATIONS TO THE EUROPEAN PARLIAMENT

Mr. BIDEN. Mr. President, today the first directly elected European Parliament convenes, and I think it fitting that the Senate take note of this historic occasion. I therefore ask unanimous consent that the Senate turn to the consideration of a concurrent resolution expressing the congratulations of the Congress to the 410 European parliamentarians who were elected last month, and to the institution of which they are now a part.

The House of Representatives has already passed an identical resolution, and a Representative from the House, Mr.

Sam Gibbons of Florida, is in Strasburg for the opening ceremonies today, where he will present the resolution as a gesture of interparliamentary good will. I think it fitting that the Senate lend its vice to this expression of friendship toward our West European parliamentary counterparts.

Mr. President, I ask unanimous consent that there be placed in the Record at this point three articles—all from Europe, the magazine of the European Community—concerning the newly elected European Parliament and its prospective significance.

There being no objection, the articles were ordered to be printed in the Record, as follows:

What the Elections Mean

(By Flora Lewis)

Four hundred and ten European politicians—there will be 435 when Greece takes part in 1981—have just won new jobs with high pay, about one week's work a month, and an impressive title: Member of the European Assembly. The first European elections, on June 7–10, were of course not intended to serve as unemployment relief. But the campaigns fell so far short of the original goal of stimulating broad new public interest in the Community and giving it a direct, democratic flavor that the first result does seem to be a new kind of patronage. This less than inspiring aspect has been further tarnished by the way many prominent politicians have lent their names to candidates' lists for the sake of their party, but let it be known they do not really intend to shift the focus of their activity from their national parliaments to the European one.

Therefore, the outcome of the elections is not in itself a measure of the level of the new Parliament. It establishes the number of seats each group will hold, but except for Britain, which stuck by its traditional single-member constituency system, it does not reveal who will actually sit in Strasbourg and Luxembourg—the alternate Assembly sites. The Treaty of Rome not only provided for the move from nominated to elected Assembly members; it also said they should all be elected under the same system, but that was one of the provisions cast aside in the long negotiations and compromises which finally led to the actual elections. Each country worked out its own procedure, mostly proportional representation on the basis of regional—but in France and Holland, national—districts. Each decided for itself whether members of the national parliament could also represent voters in Europe. And in most cases the elected candidates reserved the right to step down, to be replaced by lesser personages on their party list, so as to concentrate on national politics.

Willy Brandt of Germany and Simone Veil of France are among those few stars who have committed themselves to serve Europe. The stature of individuals who do take their places in the Assembly was projected as a key measure of its future importance. How many active leaders choose to do so remains to be seen, but on this score, too, the approach to the first elections could only be rated a disappointment.

Basically, domestic politics remained the central arena everywhere. In Britain and Italy national elections shortly before the European vote overshadowed it. In France the 1981 Presidential campaign was the real stake in political maneuvering. Only in Denmark was a clearly European issue at the center of debate—and it was the fundamental question of Denmark's participation in the European Community that had been resolved by referendum six years ago and was presumably not to be reopened.

There are European issues, as commentators continually pointed out. They have to do with energy, environment, laws concerning multinational companies, relations with developing countries. Even what are perceived as national issues are truly common to Community members now, and responsible leaders know these issues cannot be effectively handled in a national context—inflation, unemployment, the painful transition from old, uncompetitive industries to the more advanced technology needed to keep Europe's factories fruitful. But the goal of demonstrating to the world's largest democratic electorate that these are the issues in which all European citizens have a common stake was lost in the personal and partisan campaign debates.

It means that the test of the Assembly's value has been postponed. The hope that it would emerge in the electoral process itself was not fulfilled, but the opportunity has not been foreclosed. Now, it will be a question of who goes there, how they work, how they organize caucuses and procedures, and finally, of course, what they do. The argument heard widely in Germany, Luxembourg, and elsewhere a year or so ago, that the mere fact of direct election would spur the Assembly to seek greater powers had to be played down in the debates. It would have boomeranged too sharply in countries such as France, Britain, and Denmark where vocal politicians are determined not to allow any expansion of supranational power. And given the mood of countries now, there is scarcely any likelihood of a revived federative dynamic. In fact, Europe is settling down to the "Europe of Nations" which the late French President Charles de Gaulle prescribed, with the Council of Ministers and the three-times-yearly summit as its fragmented chief executive.

But, there is another, less advertised area where the direct elections can after all lead to shifts back toward a more cooperative, Europe-wide attitude. That is precisely through the parties, which did demonstrate their central role during the campaign despite the feeling in country after country that they have driven national politics to a series of impotent impasses.

Even in the previous, appointive Assembly, party factions were organized across national lines. The Socialists were the largest group, but only because the conservatives could not get together, with French Gaullists and Britains Tories remaining on their own outside the bloc of Christian Democrats from other countries. Nobody paid much attention to what was going on in the debates. The reasoning behind the shift to direct elections was that constituents would watch the representatives they had chosen, and if it works that way at all, the representatives will feel the urge to introduce livelier issues.

To have a chance of passing resolutions, even though they have no legal force, the Assembly members will have to organize the most effective possible voting blocks. That means compromise and accommodation among national parties. The French, German, Dutch Socialists, for example, will have to find common positions on questions where they do not now see eye to eye. Then, when the questions come up in national legislatures, it will be more difficult for them to revert to their previous divergent stands.

An early test of the binding power of this political urge will come with the election of the Assembly's President, necessarily a more important position now. French President Valéry Giscard d'Estaing would like to see Simone Veil, his former Health Minister who heads the list supporting his policies, become the first President. Britain's new Prime Minister, Margaret Thatcher, said after visiting Giscard recently that her concern about the Assembly was to be sure the center-right will dominate. It won't unless it can organize at least as well as the Socialists and Communists.

Already the elections called into being, an embryonic form of European politics, Italy's Communist leader, Enrico Berlinguer, went to France to help the French Communists campaign in the southeast, where many people have Italian names. Francois Mitterrand, the French Socialist leader, organized a mammoth European rally in Paris with leaders from the Socialist parties of all Community members, and added those of prospective members—Greece, Spain, and Portgual. Once the Assembly starts to work, Europolitics are likely to develop further by the sheer momentum of procedural need and, as a result, to influence the stands parties adopt in their national contexts.

That is not going to add to the Assembly's minimal powers. Institutionally, there is no prospect for a revived effort toward greater union in the foreseeable future. But it could bring about the greater sense of political community that was supposed to be produced by the act of election itself, and was not.

The political blocs can also develop some muscle through the Assembly's committee systems, which can hold hearings, question EC Commissioners, and launch investigations. Whether they do remains to be seen, but the elections provide new incentive to use this function since it is one of the ways that European deputies can try to show constituents that they are doing a job.

The Commission has become a distant bureaucracy whose impact on people's daily lives is seldom perceived. Governments are warier than ever to make a sacrifice of national power for the greater good of Europe. The elected Assembly will still be a talk shop with no legislative prerogatives. But it could be that the politicians will be impelled by the circumstances of their work together to enhance the European dimension of the issues everyone faces. It will take a few years to find the trend. The second European elections are scheduled for 1984. Perhaps perceptions and habits will have reached the point where Europolitics can have a galvanizing impact.

One Hundred and Ten Elected in the World's First International Parliamentary Election

(By James O. Goldsborough)

Critics and skeptics were hardly in short supply, but even they could not deny the single, salient fact: Never before had there been an election like the June popular vote for the European Parliament. There was simply no historical precedent for a group of sovereign nations setting up a supranational assembly with the power to take decisions affecting their destinies. To be sure, the powers of the Parliament were limited, but still there it was, sitting on the banks of the Rhine, in Alsace, which in other times was the symbol of European destruction and division, never of unity.

Some of Western Europe's most illustrious names are now headed for Strasbourg (and Luxembourg, the Parliament's alternate seat)—giving up national cabinet, legislative, and party posts to become members of the 410-strong first directly-elected European Parliament. Although the June vote was politically inconclusive in its results, and occasionally disappointing in its turnouts, few Europeans took it lightly. Even the strongest opponents of European unity made sure they would be represented in the Assembly. For there was an almost tangible feeling that, if initially powers of the Assembly would be limited and its influence weak, here, finally, was momentum.

The election almost never was—might not have been—and it was only by virtue of strong political will and considerable political risk that it was finally held. Although direct election was called for by the Treaty of Rome, the European Economic Community's constitution written 23 years ago, few Europeans held out much hope for it during the 1960's. As late as the EC summit meeting in the Hague in 1969, when the French finally gave the go-ahead on British negotiations for Common Market entry, prospects were so dim for direct elections that the Benelux countries threatened to go ahead with a mini-vote of their own.

It was the new French President, Valery Giscard d'Estaing, who in December 1974 reversed the French position, even though it opened a breach in his own Government that eventually contributed to the disaffection of the strongly nationalist Gaullist Party. Giscard gave his assent as a quid pro quo for the other EC countries agreeing to set up the European Council, the periodic summit meetings of the nine member state leaders to set policy. With a strong executive, it was reasoned, a democratic parliament was needed as balanced. Negotiations began in Brussels that would drag on for three years before the Nine could agree on the size of the Assembly, voting procedure, and election dates. But behind those details lay the true issue that delayed the election almost five years since the compromise of 1974: The powers of the Parliament.

The Treaty of Rome limits the European Parliament's powers to those of consultation, approving part of the EC Commission's annual multi-billion dollar budget and firing the Commission if it is deemed inadequate for some reason. For these powers to be increased would take unanimous agreement by the European Council and possibly a Treaty change (requiring in turn national parliamentary ratification)—not likely at present given the hostility of Britain, Denmark, and France to an increase in powers. But even the Community's most avid opponents of unity and supranationality—men such as British Labourite Tony Benn and French Gaullist Michel Debré—understand that the new Assembly, with a popular mandate behind it, will try to push its powers beyond the limits. Debré, who led a fierce Gaullist nationalist campaign during the elections and was clearly disappointed with his party's mere 16 percent of the vote, called the Parliament, "a mortal danger for French sovereignty and unity." Said Benn during the campaign: "If we are not careful, we will find that fundamental national rights—such as our North Sea oil—will be taken away by this international body."

In none of the Community's four big nation's did an anti-Parliament campaign pay off. The British Labourites and French Gaullists were the big losers, and in Italy and Germany there is no serious opposition either to European unity or the European Parliament. The vote confirmed what the latest national votes also have demonstrated: a swing toward the center in Europe. For the moment, at least, the momentum of European Socialists, Social Democrats, and Communists has been checked. But this is certainly less because the left is more anti-European than the center, which is not always the case, than because of the uncertain economic times in the West today. Says French Socialist Leader François Mitterrand: "Recessions historically have helped the right."

Thwarted, at least temporarily, are the left's dreams of a majority in the European Parliament—which would have provided a check and balance on the more conservative legislatures in many of the national parliaments. Although the European Socialist Group will be the largest, it falls far short of a majority in the 410-seat body. Much of the blame for this was put on the British Labourites, whose lackluster performance in the election cost the European Socialist Group heavily. EC Commissioner Claude Cheysson, a French Socialist, was uncommonly blunt in his criticism of the British: "The British today seem to have a new specialty—missing the train," he said. "One might have thought that the introduction of more democracy into Community life would have interested them more."

This criticism illustrated an important new development: Once it was Community gospel not to criticize one's European partners. Now things will never be the same again. The performance of the British Labourites not only affected Britain, as would be the case in a national election, but affected the Socialists of the Continent, who saw their power in the new Assembly reduced. It was a strikingly new element in European life. The newly elected members will not go to the Assembly as national representatives, but rather as those of their political parties. It was precisely this new element of supranationality that led to the bitter campaigns of nationalists such as Debré.

There was a distinct problem for some of party affiliation. The French Gaullists don't regard themselves as close to either Europe's Christian Democrats or its Conservatives. Some members of former Health Minister Simone Veil's dominant French centrist group will sit with European Liberals, others with Christian Democrats, others as Independents. Socialists, Social Democrats, and Labourites will sit together, despite widely differing views on Europe. Italy will be represented by both Socialists and Social Democrats, who at home can agree on almost nothing. French and Italian Communists will sit together, though the French are deeply hostile to the European Community, while the Italians are favorable. Interestingly, nowhere did opponents of European unity boycott the elections: everybody wants to be present in the Parliament, if only for his nuisance value.

The voting turnout disappointed some Europeans, but not all. EC Commissioner Etienne Davignon of Belgium pointed out that the average turnout of over 60 per cent was better than in US national elections. Subtracting the 31 per cent British result, the turnout was almost 70 per cent of the European electorate—not bad considering that the vote was largely an exercise in abstraction, with no governments forming or falling, for a parliament whose powers at present are limited. For most voters it was a step into the unknown, but one, with exceptions for the voters of Britain and Denmark, apparently taken with faith in the future of Europe. The importance of the election should be seen as part of the long term construction of Europe. The newly elected Parliament will not bring changes overnight. But as part of a process, moving the Community beyond its largely economic aspect, it is important. Ironically, it was best summed up in the words of a French Gaullist, Edgar Faure, who deserted his own party to run with the Giscardian Minister Veil: "These elections," he said, "mark the passage of Europe beyond one that is purely economic to one that is economic, political, and social."

The new parliamentarians who have been christened MEP's, for Members of European Parliament, are elected for five years, with the President of the Assembly, who will yield considerable weight, for two. Some of the names being mentioned for the first Presidency of the popularly-elected Parliament were Germany's Willy Brandt, France's Veil, Italy's Emilio Colombo, Belgium's Leo Tindemans, and Luxembourg's Gaston Thorn.

COUNTRY-BY-COUNTRY RESULTS

Belgium

The small countries of the Community have traditionally been the most fervent Europeans. Belgians are required by law to vote, which helps explain the 82 per cent turnout for the European election, somewhat behind the 92 per cent figure in the national election last year. Final voting figures gave the Christian Democrats 10 seats; Socialists, seven; Liberals, four; and minor parties, three—figures that largely corresponded to the national vote. Once again, Belgian voters showed that they largely follow ethnic lines, with rural Flemish voters preferring the Flemish candidates of the Christian Democratic Party (called Social Democrats in Belgium), while the more dispersed French-speaking Walloons divided their vote among the three major parties. In all, 13 Flemish candidates were elected, and 11 Walloons—practically mirroring the 60–40 national vote favoring the Flemings.

The one exception to the voting rule was the election of former Premier Leo Tindemans, a Fleming, in Walloon-dominated Brussels, the capital. Tindemans had made himself immensely popular in Belgium and throughout Europe a few years ago through his work on what became known as the "Tindemans Report" on European unity. Though his blueprint for unity was largely blocked by the French Gaullists at the time, it did call for an early date for the first direct elections to the European Parliament, something that now has been achieved. Tindemans' thoroughness, his acceptability to both the Northern European and Southern European communities, his staunchly pro-European reputation, and the fact that he is from one of the smaller Community countries made him one of the favorites for the first Presidency of the European Parliament.

Denmark

The Danes, with the British, are the least pro-European of the Nine, and the June vote showed that, seven years after the Danish referendum on Community membership, a third of the Danish electorate still opposes membership. The Danes will send four out of 16 members to Parliament who ran on an anti-EC platform, calling for Danish withdrawal from the Community. Particularly hard hit in the election were the ruling Social Democrats, who, with only three seats, actually trail the anti-Community coalition. One of Denmark's seats, the one allocated to Greenland, was won by a local politician, Finn Lynge, pledged to holding a referendum on Greenland's withdrawal from the Community.

The irony is that Denmark is one of the Nine that has most benefited from the Community's budgetary and agriculture price support system. In 1978, over $1 billion was transferred from other EC members to Denmark, largely as revenues from supports of Danish dairy product exports. But there is little doubt that a large Danish minority believes that EC membership has been inflationary and that Denmark would be better off maintaining its historical links with other Scandinavian countries rather than working toward closer integration with the Europe to the south.

France

France opted for a proportional voting system for the European elections, compared with the two-round, majority system it uses for national elections to assure stable government majorities. Curiously, it was the Gaullist Party that had backed the European proportional vote—to avoid what Gaullists called the "regionalization of France"—and it was the Gaullists who emerged the big losers. Final figures gave them 15 seats, in fourth place behind Simone Veil's Giscardian centrists with 25, the Socialists with 22, and the Communists with 19. The disappointing Gaullist showing set off a minor power struggle within the party, with several older party members openly challenging party leader Jacques Chirac's anti-Community campaign during the elections, and forcing Chirac's two top political lieutenants to resign their posts.

The 61.2 percent voter turnout for France duplicated the 61.2 turnout for France's other European vote, the referendum on British EC entry in 1972, which was deemed a disappointing showing. Still, the French parties waged an active campaign this time, and French voters, whether of the left or the center, had clear choices between enthusiastic European parties, the Giscardians and Socialists, and reluctant ones, the Gaullists and Communists. In each case, it was the enthusiasts who carried the day. The biggest winner of all was Veil, a political figure of immense appeal who ranks second only to Giscard d'Estaing in national popularity polls. She and two other Giscardian ministers, Jean-François Deniau and Pierre Mehaignerie were elected.

Germany

The German vote showed enough of a swing from the Social Democrats to the Christian Democratic opposition to send a shiver through Helmut Schmidt's ruling Government coalition. In an election night telecast, Willy Brandt, the Social Democratic chairman, laid most of the blame on the country's tiny ecologist movement, which won 3.2 per cent of the vote, about what the Social Democrats and its coalition partners, the Free Democrats, lost compared with the 1976 national elections. At 65.9 percent, the German voting turnout was well below the 91 per cent figure for the 1976 elections. In the new European Parliament the Christian Democrats will have 42 seats; the Social Democrats, 35; and the Free Democrats, four.

Brandt, an ardent partisan of European unity, probably will turn out to be too European (not to mention too Socialist) to be elected President of the Assembly. During the campaign he repeatedly called for an extention of the Parliament's powers, something favored by most Community members but opposed by the British, French, and Danes. The Germans also must guard against appearing to give Europe too German a cast. In France, two parties, the Gaullists and Communists, ran their campaigns largely on the theme that a united Europe would come under German tutelage and through it US domination. Kai-Uwe von Hassel, who will lead the Christian Democratic delegation to the Assembly, indicated that he would support France's Veil for the Presidency.

Ireland

Ireland, like Denmark, is a food-exporting nation that has done well in the Community since joining six years ago. Unlike the Danes, however, the Irish have always been enthusiastic members, though their 58 percent turnout for the European Parliament elections was a disappointment. It appeared that Irish voters, more than those of other nations, used the elections as a means of expressing disapproval of their own Government, in this case the Fianna Fail Government of Prime Minister Jack Lynch, which could barely win a third of Ireland's 15 European Parliament seats. The Irish Labour Party did better than expected. But the centrist Fine Gael emerged as the big winner. Most observers felt that the Government's poor showing was due to the present industrial turmoil and particularly the four-month-long postal workers' strike.

Italy

The Italians, required by law to vote, set the Community turnout record at 85.9 per cent—topping even tiny Luxembourg, which had 85.6. The European Parliament vote, which was proportional, largely mirrored the national vote of the preceding week, with the retreat of the two large parties, the Christian Democrats and Communists, and continued progression of the parties in between, the Socialists, Social Democrats, and the Liberals. Unlike Britain, which sent a list of almost totally unknown political figures to the new Parliament, Italy, like France, will send a plate of its top public figures, headed by Emilio Colombo, who was President of the outgoing old European Parliament.

Final figures gave the Christian Democrats 36.5 per cent of the vote (down from 38.3 in the nationals); the Communists, 29.6 per cent (down from 30.4); the Socialists, 11 per cent (up from 9.8); Social Democrats, 4.3 per cent; and the Liberals, 3.6 per cent. Since the Italians, unlike the Germans and French, did not have a minimum vote requirement of 5 per cent for election, the small parties will be represented in Strasbourg as well as the large. The final distribution gives the Christian Democrats 30 seats; the Communists, 24; Socialists, nine; Social Democrats and Neo-Fascist MSI, four each; Liberals and Radicals, three each, and the remaining four seats to even smaller parties.

Luxembourg

The main feature of the vote in Luxembourg was that citizens were voting at the same time for their national Government, and they brought it down. Consistent with the Europe-wide trend, the Liberal-Socialist coalition of Premier Gaston Thorn lost ground, and the big winner in both the national and European Parliament election was the Social Christian (Christian Democratic) Party of Pierre Werner. The Social Christians will have three seats in the European Parliament; the Liberals, two; and the Socialists, one. Werner is favored to become Prime Minister, and outgoing Prime Minister Thorn has been mentioned as a candidate for the European Parliament Presidency.

The Netherlands

The Dutch voting turnout of only 58 per cent was unusually low for a fervently pro-European nation that traditionally records 90 per cent in national elections. As in Britain, the abstentions hurt most the Labour Party, with its vote falling to 30.4 per cent compared with 33.8 per cent in the last national elections. The ruling Christian Democratic Party increased its score to 35.6 per cent from 31.9 per cent and won 10 of the country's 25 seats in the European Parliament.

The United Kingdom

The 31.3 turnout in Britain masked the reality. Latest polls show that 54 per cent of the British are favorable to the Community compared with only 36 per cent a year ago. The Community has taken roots in Britain; and if many of Labour's supporters stayed home during the European Parliament vote, it was largely because of lackluster campaigning by Labour candidates. Britain was the only Community nation to run slates of almost totally unknown figures; only one of them—Labour's Barbara Castle—known well outside the British Isles, and she won easily. In addition, the general election a month earlier left both voters and party machines politically tired.

The "peculiar" British voting system known as "first-past-the-post" effectively assured a crushing domination by the Conservative Party. The Tories will have 60 seats in the European Parliament, compared with 17 for Labour. The Liberal Party, which, with 13.1 per cent of the vote, did better than expected, did not win a single seat under the British system. Calling the voter turnout "disgraceful" and his party's shutout "unpardonable," Liberal Party Leader David Steel said that he would press for changes in the voting system before the next European Parliament election. Under a proportional system, the Liberals would have sent 10 MEP's to Strasbourg.

Which Europe?

(By Jacques Fauvet)

(Note.—On June 9, the day before the direct elections in France, the prestigious Paris daily, Le Monde, carried the following editorial, written by its publisher, Jacques Fauvet. His comments transcend the normal daily journalistic constraints of time and place, and thus are translated and reprinted with permission.)

The goal of the election in France is to appoint 81 representatives to the Assembly of the European Communities or European Parliament by direct universal suffrage. Its purpose is neither to broaden the powers, extend the scope nor to modify the proceedings of this Assembly and certainly not to revise the Treaty of Rome, signed in 1957, whose Article 138 provided for just such an election by an unspecified date.

In attempting to better grasp and to clarify this issue, which has only been further confused and blurred by a long campaign, it should neither be reduced to a mere political problem nor, on the other hand, attributed the stature of a doctrinal conflict.

Obviously, behind any election there is a domestic political issue at stake—in this case, both as a matter of fact, as well as in substance.

The choice of favorites, the constant confrontation between the right and left, the factional rivalries within the opposition as well as the majority, the economic and social issues raised by the campaign, and, last but not least, the approaching Presidential elections—all highlight the political or, better yet, partisan nature of the European elections.

In more basic terms, European politics essentially involves political choices on the domestic level as well. This was true back in 1958 and is still true in 1979. Twenty years ago, France would have been unable to even join, much less maintain its standing within, the Common Market without the dynamic effort to straighten out its finances and to put the nation back on the road toward economic recovery launched in the early days of the Fifth Republic. Today's continuing stagflation, combined with spiraling prices and unemployment, undermines France's position within the Community and the European Monetary System.

It's useless at this stage of the game to attempt to credit the Community with the prosperity of the Sixties or to blame it for aggravating the economic crisis of the Seventies. This brings to mind the partisan accusations levied against the Republic not so very long ago. To the Nation went the victories; to the Republic, the defeats. And, likewise, to Europe our failures, to France our successes.

If, from the standpoint of domestic politics, the issue is, after all, somewhat lackluster, it is because the economic and social situation implies that the basic domestic political choices are the same today as they were a full 12 months ago. Although divisions within the left and the majority may have weakened one of their factions, they have basically failed to shift the overall balance of power.

It may be tempting to underplay the extreme political orientation of the election by raising it to the level of a genuine doctrinal choice. But any such attempt would only be in vain. At this stage, we're no longer merely playing with words: confederation, federation, integration, supranationalism. Everyone's free to suggest their own definition and references. The truth of the matter is that there is no true precedent, either in the past or in the present, for European unity.

In any event, dialogue is impossible. Apparently, there are no longer any advocates of supranationalism among the "Four" They're all keeping silent, or perhaps have gone underground. They're neither to be seen nor heard. For all that, could they have changed their mind? Or are they simply skillfully taking every precaution to ensure that they are temporarily forgotten? No matter. There can be no battle so long as there is no one around to fight.

It's true that the issue has resurfaced with the controversy over the possible broadening of the Assembly's powers. While legal in appearance, it is obviously and predominantly a political issue and the Gaullists were right all along. A move to broaden the Assembly's power, like any amendment to the Treaty, could result in further delegations by individual nations of their sovereign rights—in increasing supranationalism.

As in the past, sooner or later we will have to confront the problem of whether to extend the powers of the European Assembly for two reasons. First, most of the nine member countries currently advocate such a policy, and, among German Socialists and Italian Communists alike, we can easily find a majority willing to demand such a move. Secondly, an Assembly elected by universal suffrage will naturally tend to broaden its powers. Or, it will use the authority drawn from its election by the people to demand and obtain more extensive powers, even if it has failed to exercise all the powers with which it has been previously vested. Or perhaps it will do nothing and the public will soon lose interest. The voters will not be summoned twice to elect European representatives without political power.

Naturally, there's a hitch: The Treaty may be amended only by the unanimous vote of the Council of Ministers representing the nine member countries. And the French President wanted to add another condition, at least in regard to the French public. If broadening the powers of the European Assembly requires an amendment of the Constitution, then such an amendment would have to be submitted to popular vote in the form of a referendum. Although his intentions were to reassure opponents of broader Assembly power, particularly the Gaullists, he only succeeded in arousing new fears. For, in referring to a referendum, he was implying that the French Government had already approved this measure. Such a procedure would give him a means of avoiding opposition by the National Assembly. This dual problem has but a single political solution: provoke a crisis and, at just the right moment, elect a President opposed to any amendment of the Treaty.

But what exactly is the European Economic Community? It would take a smart cookie indeed to categorize it as just another national or international institution. It's a genuine "community"—in a class by itself—whose main organs (such as the Council of Ministers, the Community's executive and legislative arm, and the Commission, a supranational organ that limits itself to making proposals and decisions and then to enforcing such decisions) make it somewhat of a confederation. On the other hand, other aspects of the Community—its rules and regulations which apply to all member states; its Court of Justice; its common agricultural policy; the fact that trade agreements may no longer be negotiated by individual states, only by the Community itself—make it more of a federation, or an authority superior to that of the individual member states.

Now that we have outlined the institutional framework of the European Community, how can we define its present reality or predict its future?

What the Community is. From an operational standpoint, it is:

A common market that, while originally protected by a common import tariff, is gradually shedding its cloak of protectionism, tending toward a European free-trade zone within a universal free-trade area. But the operations of the Common Market thus far, or at least up to the crisis, have succeeded in opening up a vast market for European (and United States) industry and in breaking through the traditional protectionist barriers of the French economy;

A common agricultural policy (consuming three-quarters of the Community budget) which had been by and large highly advantageous to us here in France until the compensatory amounts and the increasingly powerful German agricultural presence changed, or, better yet, distorted, the effects of this policy;

The most sophisticated Third World policy in existence today even if, here again, the crisis has tended to cut back on price and export guarantees for the developing countries.

What the Community should be. The European Community is barely more than a commercial, not to say mercantile, community. The Six and, later, the Nine have failed to exploit the full scope of possibilities written into the Treaty.

The Community should be more democratic and less technocratic, and, in this sense, the direct elections should give the Community new impetus, while ensuring stricter Commission control and better institutional equilibrium. Being more democratic also means being more respectful of individual freedoms, which could suffer as a result of the creation of a "European judicial void."

The Community should be more social-oriented or, in other words, more just. While it is true that we cannot expect the Community to do what the countries, and particularly our own country, have failed to do for themselves, it is also true that our national economies are far too interdependent for them to attempt to adopt a series of incoherent measures with respect to employment or the number of work hours. The problem obviously stems from the fact that a social, if not socialist, Europe presupposes the simultaneous existence of governments in all nine countries which are determined to implement a more equitable, more progressive social policy.

The Community should be more just, not only from a social standpoint but from a geographic standpoint as well. Too much has already been said about the failure of the "North/South Dialogue." But the truth is that there is a North and a South within the European continent. In fact, most European countries have their own North and South which have been traditionally allotted unequal shares of wealth and resources. The Community's regional policy has failed. What's going to happen once it opens its ranks to three new poorer members, two of which are themselves divided into a North and a South—namely Spain and Greece?

The Community should be a community of cultures—of cultural respect but, at the same time, mutual awareness. It should transcend economic and social issues to demonstrate that a production-oriented society alone, despite its promises of physical or material progress, cannot assure a better quality of life, cannot free mankind from its state of alienation or provide a more humane social model. If the campaign had been more constructive in these respects, it might have indulged the people's hopes, and particularly those of the younger generation, in this unprecedented election of representatives to a European Assembly by universal suffrage, for the first time in history, in nine Old World countries.

What the Community cannot or should not be:

Europe must not play vassal to the United States, though it may very well already be—with its economic dependence rooted in the multinational firms; its political servitude resulting from its failure to invest the Community or its members with their own diplomacy, and its cultural submission resulting from its blind conformity to the "US model."

Europe cannot be a unified state. European history, the marked diversity of the languages, of mentalities, of traditions, and interests of the different countries sharing the European continent, to say nothing of the risks or simply the impossibility of mounting a common defense since, to be effective, this would mean the creation of a European deterrent force—all make the vision of a unified European state, or even a European federation within the next decades, highly unrealistic.

Europe must not be a "German-dominated Europe."

Why evade the issue? Is it a dread of reawakening old fears or sleeping myths? Or it is the risk of discouraging a young generation which, more so than any other generation before it, has taken pains to repudiate the concept of German nationalism before the eyes of the world; or, worse yet, the risk of pushing Germany to look East? If what we truly want is a realistic Europe, then none of these objections is valid in the face of present realities.

The "German problem" is first and foremost a French problem. If the German Federal Republic is a dominant European force and if it is destined to remain on top for any length of time, then this is naturally due to the inherent qualities of its people and its leaders. It is also due to France's own lack of forsight and mismanagement of its economy. The entrepreneurial spirit of French and German business and labor is totally different. Social consensus is virtually nonexistent in France. Germany's adaptation to foreign markets, its stepped-up investment program, its industrial rationalization, and the relative restraint of its unions have all placed it in a better position to surmount the crisis and register a formidable trade surplus. France seriously underestimated the extent of the crisis and even went so far as to attempt to camouflage its real causes, with their roots dating back well before the 1973 oil crisis. But if the French leaders have one fault, it's that they are always looking for ways to blame their domestic problems on foreign events. As for the German agricultural miracle, it happened quietly and at our own expense, well before the advent of the infamous compensatory amounts.

The German problem is also one of reunification. Times have changed since the pre-World War I era when it was agreed that while everyone thought about the reunification of Alsace, no one would actually speak out on the issue. Today we do more than simply think about reunification—we talk about it. If there's one word that does not belong in politics, it's the word "never." Is it forbidden to envisage a unified or federated German economic and political superpower within Europe? Can the European balance of power hold its own against such a force?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 32) congratulating the European Parliament.

Mr. JAVITS. Mr. President, will the majority leader yield me time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from New York be recognized for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I think that, before we pass this resolution, we should know what it is and we should know why it is. Then our action will be much more profound than just shoving it through.

As far back as 1948, when we agreed to the original Marshall plan, we committed ourselves to bring about the restoration of Europe. There is nothing that could be more vital in terms of strengthening the European front against its Finlandization by Soviet influence, which is a real threat. Therefore, the European Parliament marks the beginning of a great effort in a direction of critical importance to the security and the national interest of the United States. It is in that sense that I hope the Senate will adopt this resolution, but adopt it knowing what it is doing and why it is so important.

I thank my colleagues for yielding. I am a cosponsor, as are others.

Mr. MATHIAS. Will the Senator yield for just a minute?

Mr. EAGLETON. I yield 1 minute to the Senator from Maryland.

Mr. MATHIAS. I inquire of the Senator from Delaware whether the resolution requires that a copy will be sent to Madame Veil, who has just been elected President of the European Parliament. If not, I request that the Secretary of the Senate be instructed to send a copy to her.

Mr. BIDEN. Mr. President, a copy has already been sent acknowledging its passage through the Foreign Relations Committee. I think the idea is a good one, that upon passage here on the floor, that be done. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to. The concurrent resolution with its preamble, follows:

CONCURRENT RESOLUTION 32

Whereas the United States has maintained close ties with the European Community, dating from the creation of the European Coal and Steel Community;

Whereas these ties have been further strengthened by the continuing exchanges between members of the United States Congress and representatives of the European Parliament;

Whereas the United States and the Community share common respect for democracy, the promotion of human rights under the rule of law, and the observance of democratic practices;

Whereas a Parliament elected by universal suffrage will enable the citizens of the Community to participate more fully, through their elected representatives, in strengthening their common futures;

Whereas June 7-10, 1979, marked the first time that the citizens of the Community have chosen by direct universal suffrage their representatives to Parliament: Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That the first directly elected Parliament of the European Community be welcomed when it assembles for its first meeting in July, 1979.

SEC. 2. The Congress recognizes the election of the Parliament to be an event of great historical significance to the evolution of European unification and integration and to the growth of representative democracy.

SEC. 3. The Congress congratulates the newly elected Parliamentarians and expresses the conviction that, as they assume their responsibilities, they will pursue policies aimed at strengthening the Community and ties between it and the United States.

SEC. 4. The Congress pledges its support for continued close relations with Parliamentarians from the European Community, and, to this end, affirms its readiness to explore with the European Parliament mutually beneficial measures to continue and to strengthen the existing bonds with the Parliament.

SEC. 5. The Congress requests that the President forward a copy of this resolution to the President of the European Parliament the President of the Community's Council of Foreign Ministers, and the President of the European Commission.

(Later the following occurred:)

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate discharge the Senate Committee on Foreign Relations from further consideration of House Concurrent Resolution 159 and proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the resolution by title.

The second assistant legislative clerk read as follows:

A concurrent resolution (H. Con Res. 159) welcoming the first directly elected President of the European Community into the family of freely elected representative bodies.

Mr. BIDEN. Mr. President, I ask unanimous consent that the vote on Senate Concurrent Resolution 32 be vitiated and the concurrent resolution indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. I think it is appropriate for me to ask for passage of House Concurrent Resolution 159 at this point.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (H. Con. Res. 159) was considered and agreed to.

POW/MIA UNITED NATIONS SPECIAL INVESTIGATORY COMMISSION

Mr. DOLE. Mr. President, I send to the desk a concurrent resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 17) to express the sense of Congress that a United Nations Commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. DOLE. Mr. President, in March I introduced a resolution calling for the establishment of a commission to take up where past investigatory groups left off in securing a full and accurate accounting of Americans listed as missing in Southeast Asia. Congressman TENNYSON GUYER of Ohio introduced the same resolution in the House of Representatives, which has just recently been passed unanimously by the House. In the past we have received next to no cooperation from the Socialist governments of Vietnam, Laos and Cambodia, and it appears that most efforts on our part to continue searching have been dropped. It is imperative that we act now on this before too much time elapses, thus making it even more difficult to gather information regarding these men. Let us not let happen what occurred with the Korean war. Hopefully, we have learned from that experience and will truly make an effort for a full accounting of our servicemen from the Vietnam war.

In August of last year, Congress passed House Joint Resolution 963, and President Carter signed the proclamation, designating July 18, 1979, as "National POW-MIA Recognition Day."

I can think of no better time than today, a day proclaimed by the President and recognized by all Americans as a day to pay tribute to these most deserving men and their families, to bring this resolution before the full Senate for its immediate consideration. This morning the Foreign Relations Committee reported this unanimously out of committee for full Senate consideration today. I would like to commend the committee members for their efforts in expediting this resolution, and in so doing, recognizing the great debt we owe to these men. In particular, I would like to thank the distinguished chairman of the Foreign Relations Committee, Senator CHURCH, the distinguished chairman of the East Asian and Pacific Affairs Subcommittee, Senator GLENN, and the distinguished ranking member of that subcommittee, Senator HELMS, for their assistance and show of concern in addressing this most important issue.

It is altogether necessary and appropriate that we not forget these brave men who served our country in armed conflicts, who constantly faced the dangers and hardships of combat. We are honoring these men from all our recent wars who experienced the pain, privations and inhuman treatment of captivity, and who faced this ordeal with dignity and strength. We are also today honoring those men whose fate is still unknown, and to assure their families and friends that they have not been forgotten.

In honor of this day, the White House called upon us to join them and the many veterans groups in observing this day with appropriate ceremonies and speeches. Mr. President, while parades and ceremonies are a very appropriate modern day tribute, they will not ease the suffering and agony experienced by the families and friends of those men still unaccounted for. While I commend the President for his support, what is needed far more is some concrete action to address this concern and to resolve the doubts and questions haunting the loved ones of these servicemen. The desire to know the fate of loved ones lost in armed conflicts is a basic human need which should be satisfied to the greatest extent possible. The passage of this resolution today would be a truly meaningful tribute to these men.

Mr. President, I ask today that my colleagues join me in honoring these men on this day set aside for them with appropriate tributes and speeches. But even further, I ask that my colleagues join me and Senators HOLLINGS, SCHMITT, DOMENICI, DECONCINI, MCCLURE, DANFORTH, HUMPHREY, WALLOP, STEVENS, and BAYH, in supporting the passage of this resolution. I am sure you will agree with the importance of establishing such a commission, one which could finally bring an end to the tragedy and haunting memory associated with the Vietnam war. Human compassion and a deep sense of obligation for their service dictate that this be done.

Mr. President, again I would like to express my gratitude and appreciation to my distinguished colleagues on the Foreign Relations Committee for their efforts in bringing this resolution to the attention of the full Senate today.

Mr. President, in addition to the other cosponsors, I ask unanimous consent that the Senator from Indiana (Mr. BAYH) and the Senator from Kentucky (Mr. FORD) be added as cosponsors to Senate Concurrent Resolution 17. I believe all of the other members of the Foreign Relations Committee are cosponsors.

Mr. HELMS. I thank the Senator from Kansas. Mr. President, on this significant anniversary, it is especially important that the Senate go on record to reassure the families of American MIA's—families whose heartbreak has been compounded by years of inaction in terms of establishing whether missing American fighting men are still alive.

Mr. President, we owe it to these families to pursue this matter until all of our missing men are accounted for. After all, these men were sent to the other side of the world to fight a war they were not allowed to win.

Mr. President, we continue to hear reports that some of these missing men may today be prisoners of the Communists. These reports agonize the families of these men. These families deserve to know the truth.

I commend the Senator from Kansas (Mr. DOLE) on his resolution. I am honored to cosponsor it. I thank him for yielding to me.

● Mr. BAYH. Mr. President, I have joined with several of my colleagues in sponsoring the resolution being considered today to utilize our influence through the United Nations in order to determine the fate of 2,300 American servicemen still unaccounted for in Southeast Asia since the cessation of U.S. military involvement in Vietnam. The General Assembly of the United Nations itself has adopted a resolution which states specifically the importance of such an accounting by declaring that:

> The desire to know the fate of loved ones lost in armed conflicts is a basic human need which should be satisfied to the greatest extent possible, and that provision of information on those who are missing or who have died in armed conflicts should not be delayed merely because other issues remain pending.

Despite assurances by the Socialist Republic of Vietnam that it is conducting an extensive search for Americans listed as missing and for information that might indicate their fate, we seem to obtain the remains of our MIA's only after some official delegation proceeds to Hanoi to talk about normalization of relations with that regime. I think many of my colleagues share a strong resentment over the Communist officials in that country preying on the feelings of the families involved in this way. I know my constituents who are members of the National League of Families of American Prisoners and Missing in Southeast Asia would prefer that Hanoi make a good faith effort, rather than exhibit a crass attempt to win support of their desire for U.S. economic assistance by suddenly "discovering" the remains of U.S. servicemen when it seems to fit a political purpose.

Last year, I made my feelings on this matter clear to the President by stating that such efforts should merit no special acclaim and were not enough to convince me or my colleagues who joined in this message that direct or indirect economic aid to Vietnam was in our interest.

In order to develop an international means to spur cooperation of the SRV in disclosing the fate of U.S. servicemen still listed as MIA, Senate Concurrent Resolution 17 urges the President to instruct the Secretary of State to propose to the U.N. Secretary-General that a Special Investigatory Commission be set up to secure a full accounting of our servicemen listed as missing in Southeast Asia. The Commission would be composed of individuals selected because of their impeccable credentials and longstanding service to the principles embodied in the U.N. charter; it would be authorized to hold hearings, receive written communications, and seek the full cooperation and the facilities of the SRV for the purposes of verifying crash sites, confirming information on the last known whereabouts of missing Americans, and taking other measures to secure a full accounting.

Mr. President, we must insist on behalf of those families who still agonize over the uncertainty of the fates of their loved ones that Hanoi satisfy this basic human need. I would hope the majority of the nations of the world would feel likewise and that the Commission we are proposing today would be quickly established so its humanitarian work could begin. As the Nation pauses this week to commemorate today as "National POW–MIA Recognition Day" we must remain sure in our efforts and purpose to make certain that the fate of every U.S. soldier, sailor, marine, and airman is finally known. To do less would be to forever tarnish our appreciation of their sacrifice.

Mr. President, I ask that a copy of my letter to the President dated September 14, 1978, be placed in the Congressional Record.

The letter follows:

U.S. SENATE,
Washington, D.C., September 14, 1978.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to express our continuing opposition to any form of bilateral economic assistance to the Socialist Republic of Vietnam. Such aid, whether or not it is identified as "war reparations", continues to be a goal sought by the SRV as part of the process leading to the establishment of formal diplomatic relations with the government in Hanoi. We believe you should remain firm in rejecting such a condition for "normalizing" relations with the SRV in any way shape or form. It is regrettable enough that international financial institutions have used U.S. tax dollars for development projects in the SRV, despite our opposition.

While it is encouraging to note that recent decisions by the SRV have resulted in the reunification of families and the recovery of the remains of Americans missing-in-action, such gestures are simply not enough to convince us that direct or indirect economic aid to the SRV is in our national interest. Indeed, these recent steps should merit no special acclaim since they reflect what ought to be the appropriate and routine response of civilized nations everywhere in dealing with humanitarian problems.

Revelations as to the extent of massive and monstrous human rights violations by the Cambodian regime have also tended to cast the human rights abuses of the SRV in a deceptively dim light. Still, any objective observer can only conclude that persistent and permanent patterns of human rights violations exist. Amnesty International reported that over a million people had been registered for "re-education" in 1975. The SRV itself declared in 1977 that 50,000 people were still "remoulding themselves" in order to take their places in the new revolutionary society. Vietnam ought to understand that a marked improvement in its human rights situation is one primary consideration in assessing our future relations with them.

In addition to these considerations, the plain fact is that Hanoi has become a member of the Soviet dominated Council for Economic Mutual Assistance (CEMA) and as such is receiving aid from the USSR and CEMA members. Assistance from the United States can only ease the burden now borne by the Soviets. To do this does not appear to be in our national interest.

Mr. President, we are sure you share the concerns we have touched on in this letter. Our objective in writing is to emphasize support for a post-war Vietnam policy which truly serves our national interest, which is peace with stability and progress in all of Asia. If such a policy rests on clear concepts of justice and fairness for the American people, we are sure it cannot fail to win their support.

Thank you for taking our views into account.

Sincerely,

Robert C. Byrd, Barry Goldwater, Lloyd Bentsen, John Tower, Edward Zorinsky, Robert Morgan, Birch Bayh, Thomas McIntyre, Jennings Randolph, William Proxmire, Milton R. Young, Pete V. Domenici, S. T. Hayakawa, William Scott, Robert P. Griffin, Malcolm Wallop, and J. Bennett Johnston.●

● Mr. SCHWEIKER. Mr. President, July 18 has properly been proclaimed "National POW/MIA Recognition Day" by President Carter. By publicly acknowledging the ordeal of American servicemen held captive during the Vietnam conflict while commemorating those killed or unaccounted for, this Nation responds faithfully to the humanitarian strain of its national and foreign policy tradition. Despite continuing differences over the moral legitimacy and prosecution of the war, one cannot dismiss the plight of the POW/MIA's without surrendering some claim to his own humanity or moral decency.

There is, however, a strong tendency to consign the Vietnam conflict to history and to dissociate ourselves from the problems and emotional scars left in its wake. Nowhere is this tendency more acute, nor more insupportable morally, than in determining the unresolved casualties of the war. Indeed, for the families of those whose fate is unknown, the suffering and bitterness of war endures.

We must, therefore, expend every effort to obtain full accountability of all those whose status has never been definitively resolved. Nothing is accomplished by changing status on a presumptive basis, as congressional and Presidential task forces have done previously. Such changes do little to ease the gnawing problem of those POW/MIA families who must continue to live with uncertainty. Moreover, the recent return of Marine Pfc. Robert Garwood belies the validity of speculative findings that no living American prisoners remain in Vietnam. This occurrence alone confirms my own worst suspicions about the conduct of arbitrary status reviews without sufficient evidence to warrant these changes. Similar eyewitness reports by Vietnamese refugees of American personnel living in Southeast Asia compound the issue, yet the Carter administration has been curiously reluctant to pursue the leads provided.

The controversial question of live prisoners and the repatriation of the remains of the dead must be resolved satisfactorily without further delay. It must be an essential condition to normalizing relations with the Socialist Republic of Vietnam, and not a hoped-for by-product of such a process.

Further Government investigation of this situation must build upon the courageous efforts of the National League of Families of American Prisoners and Missing in Southeast Asia to provide answers to the haunting questions which remain.

As we today honor the POW/MIA's of the Vietnam era, we cannot conscionably do less than to pursue and verify all information concerning those whose fate is undetermined. Failure to do so expeditiously would deny these individuals the inalienable human right to be remembered and cared for by the Government they dutifully served.

The POW/MIA question is ultimately a moral one, and we tarnish our own sense of honor and compassion if we dismiss or demean it for political expediency.•

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (Senate Concurrent Resolution 17) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, follows:

Whereas approximately twenty-three hundred Americans remain unaccounted for in Southeast Asia since the cessation of the Vietnam conflict; and

Whereas learning the fate of those American servicemen and civilians listed as missing remains of utmost importance to the United States, and is considered as such during the negotiations between the United States and the Socialist Republic of Vietnam; and

Whereas the General Assemby of the United Nations adopted Resolution 3220 (XXIX) calling for assistance and cooperation in accounting for persons who are missing or dead in armed conflicts; and

Whereas such resolution recognized "that one of the tragic results of armed conflicts is the lack of information on persons—civilians as well as combatants—who are missing or dead in armed conflicts"; and

Whereas such resolution further states that "the desire to know the fate of loved ones lost in armed conflicts is a basic human need which should be satisfied to the greatest extent possible, and that provision of information on those who are missing or who have died in armed conflicts should not be delayed merely because other issues remain pending"; and

Whereas the Socialist Republic of Vietnam, despite assurances that it is conducting an extensive search for Americans listed as missing and for information that might indicate their fate, has provided but meager information concerning the fate of these missing Americans; and

Whereas present efforts to secure a full accounting of these Americans listed as missing are not productive and are ill-served by existing procedures and institutional frameworks: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the President should instruct the Secretary of State to seek the good offices of the Secretary General of the United Nations for the purpose of establishing a Special Investigatory Commission charged with the responsibility of securing a full accounting of Americans listed as missing in Southeast Asia. The Commission should be composed of individuals selected because of their impeccable credentials and their long-standing service to the principles embodied in the United Nations Charter. The Commission should be authorized to hold hearings, receive written communications, and seek the full cooperation and the facilities of the Socialist Republic of Vietnam for purposes of verifying crash sites, confirming information on the last known whereabouts of missing Americans, and taking other appropriate measures to secure a full accounting of Americans listed as missing in Southeast Asia. The Commission should be directed to submit a report summarizing its findings to the appropriate body of the United Nations.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, earlier today the Senate passed Senate Concurrent Resolution 17, offered by Mr. DOLE and cosponsored by other Senators.

There is a companion resolution (H. Con. Res. 10) in the Senate Committee on Foreign Relations. The request which I am about to make has been cleared.

I ask unanimous consent, and I make this request on behalf of the Senator from Kansas (Mr. DOLE), that the Committee on Foreign Relations be discharged from further consideration of House Concurrent Resolution 10, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 10) to express the sense of Congress that a United Nations special investigatory commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution? Without objection, the Senate will proceed to its consideration.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Kansas.

Mr. STEVENS. Mr. President, pursuant to congressional action and subsequent Presidential proclamation, today is National POW-MIA Recognition Day, therefore, it is particularly significant that the Senate should now consider House Concurrent Resolution 10. I am pleased to join Senator DOLE in sponsoring this legislation to express the sense of Congress that a United Nations Special Investigatory Commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia. As my colleagues may know, Monday, July 9, the House of Representatives passed this measure.

I commend Senator DOLE for initially introducing this measure in the Senate and the chairman of the Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, Senator JOHN GLENN for bringing this legislation to the floor for our consideration today.

There are approximately 2,300 Americans, military and civilian, listed as missing in Southeast Asia and this measure represents a significant step in helping to obtain a full accounting of these individuals.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 10) was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action on Senate Concurrent Resolution 17 be vitiated and that that concurrent resolution be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SCIENCE FOUNDATION AUTHORIZATIONS, 1979—CONFERFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the committee of conference on H.R. 2729, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The second assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2729) to authorize appropriations for activities of the National Science Foundation, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of July 10, 1979.)

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

The Senate resumed consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Arizona for his patience and courtesy.

Mr. DECONCINI. I thank the Senator from Missouri.

UP AMENDMENT NO. 378

(Purpose: To make funds appropriated for the Emergency Conservation Program available prior to the beginning of fiscal year 1983)

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 378.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, line 23, strike out the period and insert in lieu thereof a colon and the following: "*Provided*, That the funds appropriated herein shall be available for obligation on the date of enactment of this Act.".

Mr. DECONCINI. Mr. President, the substance of this amendment is uncomplicated; it simply makes the funds appropriated to the emergency conservation program available upon enactment. Such a procedure is admittedly unusual, but in this case I am convinced that it is justified.

The emergency conservation program was financed at a level of $17 million for the current fiscal year—$10 million in new appropriations and $7 million in carryover funds. Unhappily, this has proved to be insufficient. The last several months have witnessed an extraordinary number of natural disasters. Floods, storms, drought, and every other conceivable form of damaging natural catastrophes have befallen in almost every region of the country. Unfortunately, the full extent and costs of the devastation to our farms and rangelands were not known soon enough to include additional funds in the supplemental bill. Indeed, firm information on the requirements of the emergency conservation program was not available until just yesterday when the Agricultural Stabilization and Conservation Service released the results of a comprehensive inventory of ECP funds. These figures show that the entire $17 million provided for fiscal year 1979 has been obligated and that over $7 million in eligible applications for assistance remain unfinanced. These outstanding applications, I might add, are from 21 States, and I ask that the ASCS document listing the amounts required by State be printed in the RECORD at this point.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

EMERGENCY CONSERVATION PROGRAM

Fiscal 1979 unfinanced requirements as of July 17, 1979

State:	*Amount*
Alabama	$556,000
Arizona	803,000
Colorado	26,000
Connecticut	3,000
Illinois	400,000
Indiana	195,000
Kansas	300,000
Kentucky	35,000
Maine	50,000
Massachusetts	10,000
Michigan	5,000
Minnesota	350,000
Mississippi	45,000
Montana	400,000
New York	20,000
North Dakota	1,000,000
Pennsylvania	25,000
Tennessee	2,131,000
Texas	700,000
West Virginia	5,000
Wisconsin	7,000
Total	7,066,000

NOTE.—This total does not include any funds for disasters that could occur during the rest of the 1979 fiscal year.

Mr. DECONCINI. Mr. President, these figures are not simply numbers; they represent the real needs of hard working men and women who have seen the farms and ranches in which they have invested so much, ravaged by a capricious and sometimes ruthless nature. It is, therefore, absolutely essential that this backlog of unfinanced applications be cleared up with as much dispatch as possible and that is the reason for making the funds provided in the ECP account available upon enactment. Let me emphasize this last point, Mr. President. The sole reason for this amendment is to furnish the funds necessary to provide immediate ECP financing for the eligible applications that remain outstanding from fiscal year 1979. It is my intention that these applications should receive the first priority in the distribution of the funds contained in this bill for the emergency conservation program.

I believe the distinguished floor manager shares my concerns in this regard and has no objection to this amendment. Perhaps he would be willing to support the inclusion of language in the conference report confirming the priority we attach to clearing up the backlog of applications that has developed in this program.

Mr. President, I understand that this has been cleared with the distinguished chairman and I understand they can accept the amendment.

Mr. EAGLETON. Mr. President, I think we are prepared to accept this amendment. The bill does contain $10 million for the emergency conservation programs. These funds could be available upon enactment. We understand, of course, that the 1979 unfinanced requirements would be funded before any request beyond the $7 million.

I am looking at the document the Senator from Arizona referred to. There are 27 States and these are the target States?

Mr. DECONCINI. That is correct.

I thank the distinguished Senator.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. EAGLETON. I yield back the remainder of my time.

Mr. BELLMON. Before I yield back whatever time I have, I want to say the minority has no objection to this amendment, Mr. President.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Arizona.

The amendment was agreed to.

Mr. DECONCINI. I move to reconsider the vote by which the amendment was agreed to.

Mr. EAGLETON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DECONCINI. Mr. President, I had intended to introduce an amendment to this legislation to allow local food banks to participate in the USDA commodity distribution program. The CDP makes agricultural commodities available to needy individuals. Foods so donated to the States are distributed through meals served at senior centers or similar settings.

Food banks can make a very important contribution to meeting the nutritional needs of those who require food assistance in emergency situations in today's inflation-ridden economy. The one in my hometown of Tucson, the Tucson community food bank, has been extremely successful. During the past 3 years, the TCFB has met the critical needs of many Pima County families by providing temporary, emergency food assistance through their emergency food box program. In 1978, for example, nearly 16,000 food boxes were distributed, providing families with a 3-day supply of food, and over 99,700 pounds of salvaged food (edible but not saleable) were distributed to nonprofit charities. All of this food was purchased or acquired through independent contributions and church donations.

However, as might be predictable in these times, donations have not kept up with rampant food price inflation—inflation which creates even greater need for these services. When the bank requested to participate in the commodity distribution program, they were told they were prohibited from doing so as a result of the manner in which their food is distributed. To be eligible, organizations must distribute their food through a formal lunch program, prepared and administered onsite. This seems a somewhat restrictive requirement and serves to exclude food banks from participation.

It should be noted that the commodity distribution program preceded the birth and growth of food banks across the country.

It may well be that the time has come to reassess this restriction which appears to operate to impede public and private cooperation in meeting the nutritional needs of the poor and elderly. Some sort of collaborative arrangement between the USDA and the food banks would, on the face of it, appear to enhance the flexibility and responsiveness of the Federal Government's nutritional effort.

Mr. EAGLETON. I would agree with the Senator from Arizona that this idea has merit. However, our information on the feasibility and costs of expanding the program to include food banks is sketchy at best.

Mr. DeCONCINI. The chairman is quite correct. And, I share his commitment to proceeding with this idea only after a careful look has been taken at the need for and the price tag entailed in expanding this program. That is precisely why I have decided not to pursue my amendment at this point.

Mr. EAGLETON. I thank the Senator and would like to see Congress and the Department of Agriculture look into the possibility of making these commodities available for the worthwhile work of such organizations. Toward this end, I suggest that a letter be sent to Secretary Bergland, over our signatures, requesting the Department to investigate and report to the appropriate committees within 6 months on the feasibility, need, and costs associated with allowing food banks to participate in the commodity distribution program. And, I would be happy to request that appropriate language be included in the conference committee's report.

Mr. DeCONCINI. I thank the distinguished chairman for his assistance and cooperation in this important matter.

AID TO UGANDA

Mr. CHURCH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1019.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1019) entitled "An Act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That (a) section 602 of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 937) is amended by inserting immediately before the period at the end thereof the following: ", except that the President may waive this prohibition with respect to Uganda if he determines, and so reports to the Congress, that the Government of Uganda does not engage in a consistent pattern of gross violations of internationally recognized human rights and that furnishing assistance to Uganda would further the foreign policy interests of the United States".

(b) Section 108 of the Foreign Assistance and Related Programs Appropriations Act, 1979 (Public Law 95–481; 92 Stat. 1591), is amended by adding at the end thereof the following: "The President may waive this prohibition in order to provide assistance (other than assistance under chapter 4 or 5 of part II of the Foreign Assistance Act of 1961 or under the Arms Export Control Act) to Uganda if he determines, and so reports to the Congress, that the Government of Uganda does not engage in a consistent pattern of gross violations of internationally recognized human rights and that furnishing assistance to Uganda would further the foreign policy interests of the United States.".

Mr. CHURCH. Mr. President, I move that the Senate disagree to the amendments offered by the House and request a conference with the House thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. BAUCUS) appointed Mr. CHURCH, Mr. PELL, Mr. MCGOVERN, Mr. GLENN, Mr. JAVITS, Mr. PERCY, and Mr. HAYAKAWA conferees on the part of the Senate.

Mr. BELLMON was recognized.

Mr. BELLMON. I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator. I ask unanimous consent that I may proceed for 2 minutes and that the time not be charged to anyone.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—LABOR–HEW APPROPRIATIONS AND EXPORT BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the disposition of the agriculture appropriations bill, the Senate proceed to the consideration of the Labor-HEW appropriations bill, with the understanding that this not be before tomorrow and that no call for the regular order bring that bill down; provided further that, on Friday, the majority leader be authorized, after consultation with the distinguished acting Republican leader or the Republican leader, to call up Calendar Order No. 181, S. 737, the export bill; provided that if the Labor-HEW appropriations bill has not theretofore been disposed of, only amendments by Mr. Stevens be in order to the export bill on Friday; and that during the consideration of that upon the disposition of those amendments, the Senate then return to the Labor-HEW appropriation bill in the event it has not been disposed of by that time; and that, in that event, the export bill be temporarily laid aside and that no call for the regular order may bring down the Labor-HEW appropriations bill until it has been disposed of.

Mr. STEVENS, Mr. CULVER, and Mr. JAVITS reserved the right to object.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, it is my understanding that, following that sequence, the export bill will be the business taken up after the Labor-HEW bill?

Mr. ROBERT C. BYRD. Yes, the export bill would be and is now the pending business before the Senate, except for the consent order that has been entered to bring up the agricultural appropriations bill.

Mr. STEVENS. Reserving the right to object further, I want to state that I am indebted to the majority leader. I may have to be away on Saturday. I am not sure about that yet. The manager of the bill has consented to allow me to bring up the amendments concerning Alaskan oil on Friday under this arrangement. It will mean putting aside the HEW bill temporarily to consider the Alaska oil questions and going back to HEW once those questions are resolved that pertain to the Riegle amendment.

Mr. ROBERT C. BYRD. After which, may I say, also, to assure the Senator, upon the disposition of the amendments by Mr. STEVENS, the Senate would automatically revert back to the Labor-HEW, and on the disposition of that bill the Senate would automatically go back to the export bill.

Mr. JAVITS. Reserving the right to object, is there any unanimous consent upon the export administration bill?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. There is a time agreement.

Mr. ROBERT C. BYRD. That has already been entered.

Mr. JAVITS. There is?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. Go back to that?

Mr. ROBERT C. BYRD. Yes.

Mr. JAVITS. And this consent is not prejudicing the matter further, other than to consider the Stevens amendment?

Mr. ROBERT C. BYRD. This only permits the Senate to go to the Labor-HEW after the agriculture bill, and that on Friday, if the Labor-HEW has not been disposed of prior to that time, the Senate temporarily go to the export bill to dispose of the Stevens amendment, after which it would go back on Labor-HEW.

Mr. STEVENS. Reserving the right to object, further, there is a time agreement on the amendments that I intend to offer concerning the Riegle amendment to the export bill, that is already agreed to.

Mr. DeCONCINI. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. DeCONCINI. Does the majority leader anticipate returning to HEW and doing that on Saturday?

Mr. ROBERT C. BYRD. Yes. It would be the intention of the leadership to continue Labor-HEW on Saturday, if necessary, or the export bill on Saturday, if necessary.

Mr. DeCONCINI. Either one?

Mr. ROBERT C. BYRD. Yes.

Mr. DeCONCINI. And the agreement does not include any time limitation on HEW?

Mr. ROBERT C. BYRD. It does not.

Mr. DeCONCINI. On amendments.

I thank the Senator.

Mr. MUSKIE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. I have an amendment to the export bill. There would be an opportunity for that, I assume, on either Friday or Saturday?

Mr. ROBERT C. BYRD. I did not understand the Senator.

Mr. STEVENS. The Senator asked if there would be an opportunity to amend the bill.

Mr. MAGNUSON. How long will it take?

Mr. ROBERT C. BYRD. I do not know. But the Labor-HEW appropriation would not be inconvenient except for the time required to dispose of the Stevens amendments on——

Mr. MAGNUSON. There is a time limitation.

Mr. STEVENS. Yes, on those.

Mr. MUSKIE. Since we have the Stevens amendment on Friday, have my amendment on Friday. I would be glad to have a time agreement.

Mr. ROBERT C. BYRD. It is all right with me. But the Senator from Washington would have to give his approval because his bill, the Labor-HEW appropriation bill, will be set aside, and the only reason was to accommodate the Senator from Alaska who may have to be away on Saturday.

If the Senator from Washington would have no objection——

Mr. MUSKIE. I would be willing to have a time agreement.

Mr. ROBERT C. BYRD. To the Senator from Maine also calling up his amendment on Friday to the export bill.

Mr. MAGNUSON. I am just wondering how long the export bill will take. I understood it was to be just a temporary matter, disposed of very quickly, and the amendment from the Senator from Alaska. Then we would go back to HEW.

We may be finished on HEW. I hope we can, but I doubt it. Then we will go on.

But we are going to go on with the HEW bill until it is finished this week. Is that correct?

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. All right.

Mr. MUSKIE. I understand. I would be willing to take a time limitation.

Mr. MAGNUSON. I have no objection to the Senator from Maine, but what is the time limitation? What would be the time limitation?

Mr. MUSKIE. An hour.

Mr. MAGNUSON. All right.

Mr. ROBERT C. BYRD. There is already a time agreement on the bill, may I say to the distinguished Senator from Maine, which would, I think, allow 1 hour on any amendment.

Mr. MUSKIE. All right. That is agreeable.

Mr. ROBERT C. BYRD. If the distinguished Senator from Washington has no objection to allowing the Senator from Maine to call up his amendment to that bill on Friday, I would make that request.

Mr. MAGNUSON. Well, I have no objection, if the Senate will get to work tomorrow and finish the HEW bill, and get it over with. But I have no objection if there is a time limitation.

Mr. MUSKIE. I thank the Senator.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair and I thank all Senators.

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

The Senate continued with the continuation of H.R. 4387.

UP AMENDMENT NO. 379

(Purpose: To limit the availability of appropriated funds for reimbursement for milk served under the Special Milk Program)

Mr. BELLMON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 379.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 43, line 18, strike the material before the period and insert in lieu thereof "$102,700,000 to remain available until September 30, 1981: *Provided,* That no funds appropriated by this Act may be used for payments which exceed five cents per half-pint for milk served in schools, child care institutions and summer camps participating in a meal service program authorized under the National School Lunch Act, as amended, or the Child Nutrition Act of 1966, as amended, except that this provision shall not apply to payments for milk served free of charge."

Mr. BELLMON. Mr. President, this amendment relates to the special milk program, with which I think all Members of the Senate are thoroughly familiar, since we have debated the issue and voted on it here in this body frequently before.

Mr. President, each administration, starting back with President Johnson, recommended reductions——

The PRESIDING OFFICER. Will the Senator suspend? The Senate is not in order.

The Senator from Oklahoma.

Mr. BELLMON. I thank the Chair.

Mr. President, each administration starting with President Johnson has recommended reductions in this program and the present administration not only recommended reductions, but recommended wiping it out.

This subsidy will cost $142 million in fiscal year 1979, and unless we take some action, the program will cost $160 million in fiscal year 1980.

Mr. President, this amendment does not stop the special milk program. We tried to do that and it simply is not politically possible.

What this amendment does is to reduce the subsidy from 7.8 cents per carton down to 5 cents per carton.

Mr. President, we have already sent to each Member of the Senate a "Dear Colleague" letter explaining the amendment in detail. Attached to this is a letter from the Secretary of Agriculture giving his view of this program. I ask unanimous consent that the "Dear Colleague" letter, the letter to the Secretary of Agriculture, plus a legislative update, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 18, 1979.

DEAR COLLEAGUE: I urge your support for an amendment I will offer reducing by $40 million appropriations for the Special Milk Program under H.R. 4387, the Agriculture Appropriations Bill for FY 1980. This bill will probably be considered today. The amendment will make a modest reduction in the Federal subsidy for milk served to non-needy children. It has the support of the Administration.

The Special Milk Program overlaps and duplicates to a great extent the school lunch and school breakfast programs which also serve milk paid for by the Federal Government. Under the Special Milk Program, milk can be served separately at the same time meals are being served (for children who do not eat federally subsidized lunches or breakfasts), or it can be served at other "snack times."

Milk is served free to children from families with incomes below 125 percent of the poverty line. The amendment would make no change in the provision of free milk for poor children.

The amendment would reduce the amount of subsidy provided to non-needy children (i.e., those not eligible for free milk) from approximately 7.8 cents per half-pint carton to 5 cents. In other words, children from non-needy famiiles would pay approximately 3 cents more per half-pint carton of milk. This reduction would not apply, however, to schools which do not have either a breakfast or lunch program.

A fact sheet from the U.S.D.A. along with a letter from Secretary Bergland providing supporting information on this amendment are attached.

The amendment would reduce milk consumption in the schools by only one-half of one percent. It is thus *not* an anti-nutrition amendment. Moreover, the amount of milk purchased by U.S.D.A. child nutrition programs in FY 1980 will grow by an estimated $160 million due primarily to increases in the Women, Infants and Children special feeding program (WIC).

The President's budget for FY 1980 proposed a reduction of $118 million in the Special Milk Program. This reduction was endorsed by both the Agriculture and Appropriations Committees in their March 15 reports to the Budget Committee. The First Budget Resolution assumed that this larger reduction would be made. Based on Senate actions during the consideration of S. 292 (the W.I.C. authorization) earlier this year, it now appears clear that the Senate will not support the larger cut recommended by the President. The smaller reduction proposed by this amendment is not only prudent from a budget standpoint, but is also sound nutrition policy.

I urge your support for the amendment. Please call Bob Fulton (4–1458) or Stephen Kohashi (4–0335) if you or your staff have questions.

Sincerely,

HENRY BELLMON.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., July 12, 1979.
Hon. THOMAS F. EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAGLETON: I understand that an amendment will be offered today in the Senate Appropriations Committee to reduce the funding for the Special Milk Program. While this amendment would not achieve the full amount of savings proposed in the President's budget for FY 1980, I want to assure you that I believe it is a step in the right direction and it has my wholehearted support.

As I understand it, the effect of the amendment is simply to reduce the subsidy provided to non-poor children participating in the Special Milk Program. The amendment would not limit the availability of this program whatsoever and poor children would continue to receive free milk. Children from non-poor families would continue to receive a subsidy of 5 cents per half-pint of milk from the Federal government, even if they are from families with very high incomes. The increased cost per half-pint of milk for these children would be about 3 cents at most.

Let me also point out that this amendment would have only a minor impact on the dairy industry. While this amendment could result in a decrease in milk consumption in the Special Milk Program, this program constitutes only a small proportion of the total milk served is Federal feeding programs. Even including the effects of this amendment, total FY 1980 expenditures on milk served through Federal child nutrition programs (including WIC) would be expected to increase by about $160 million over FY 1979.

I believe that this amendment would achieve the type of spending reduction which must be made in a year in which budgetary resources are limited. It is important that governmental resources be targeted on high priority concerns, and I believe that this amendment would help to focus government spending appropriately.

Sincerely,

BOB BERGLAND,
Secretary.

PROPOSED BUDGET SAVINGS IN SPECIAL MILK PROGRAM

BACKGROUND

The federal government currently subsidizes the cost of milk served to children in various schools and institutions. Federally subsidized milk is made available to these children regardless of their ability to pay—it makes no difference whether they are from families with the lowest of annual incomes or from families with $60,000 and larger annual incomes. Many of these children receive federally subsidized milk under the Special Milk Program (SMP) even though they already receive milk as part of the School Lunch or School Breakfast Programs.

An amendment has been proposed to limit the amount of federal subsidy provided to non-needy children who participate in the SMP. The program would continue to operate in its current fashion but the reimbursement rate for half-pints sold to non-needy children in schools or institutions participating in other federally subsidized meal service programs would be reduced from a projected FY 1980 average of 7.8 cents to 5.0 cents.

PROGRAM IMPACT

The sole effect of the proposed amendment would be a reduction of 3.0 cents in the federal subsidy for each half-pint of milk sold to non-needy children in schools or institutions which participate in another federally subsidized feeding program.

The proposed amendment would not limit the availability of milk for children—they would have the opportunity to receive milk just as often as they do now and in the same quantities as they presently consume.

The proposed amendment would not affect the current reimbursement rate which provides free milk to needy children. Nor would the amendment affect the reimbursement rate for schools and institutions which participate only in the SMP.

EFFECT ON DAIRY INDUSTRY

The 3.0-cent reduction in the federal reimbursement rate for non-needy children is not expected to result in a significant reduction in the amount of milk consumed in schools. USDA estimates that the subsidy reduction for milk sold to non-needy children would result in a maximum 11 percent decline in SMP participation. But since children would continue to receive milk under other federally subsidized child nutrition programs, overall milk consumption among all the school feeding programs is expected to decline by a mere ½ of 1%.

This possible drop in consumption would be far more than offset by the major expansion in FY 1980 funding assured by law for the Special Supplemental Feeding Program for Women, Infants and Children (WIC). The increase in expenditures on dairy products in FY 1980 under the WIC program alone is estimated to be $75 million.

Even with the proposed amendment, the total value of milk consumed in the child nutrition and WIC programs in 1980 will be $1.32 billion, which is $161.2 million more than the value of milk consumed in FY 1979.

The attached charts illustrate the amount and value of milk consumed in the Child Nutrition and WIC Programs during FY 1979 with the amount and value of milk to be consumed in FY 1980, assuming adoption of the proposed amendment.

BUDGET CONSIDERATIONS

The cost savings which would be achieved through adoption of the proposed amendment are considerably less than the $110 million in savings proposed in the President's budget, recommended by the Senate Agricultural and Appropriations Committees in their March 15 reports to the Budget Committee, and assumed in the First Budget Resolution of FY 1980. The proposed amendment would result in an FY 1980 savings of about $50 million.

SPECIAL MILK PROGRAM

[In millions; fiscal years]

	1979 current program		1980[1] proposed amendment		Difference	
	Half pints	Value	Half pints	Value	Half pints	Value
WIC	1,668	$216.8	2,047	$291.7	+379	+$74.9
School feeding programs	7,282	946.7	7,248	1,033.0	[2] −34	+86.3
Total	8,950	1,163.5	9,295	1,324.7	+345	+161.2

[1] Includes proposed amendment to fiscal year 1980 effecting nonneedy children only. Would increase the price of half pint of milk by up to 3 cents for nonneedy children in schools or institutions which participate in another federally subsidized feeding program. This amendment would not affect the reimbursement rate for schools and institutions which participate only in the special milk program (SMP).

[2] 17,000-lb decrease approximately 14/1,000 of 1 percent of annual milk production (1979, 122,000,000,000 lb (revised)).

PROJECTED NUMBER OF HALF-PINTS OF MILK SERVED THROUGH THE CHILD NUTRITION PROGRAMS

[In millions; fiscal years]

Program	1979 current program		1980[1] proposed amendment	
	Half pints	Value[2]	Half pints	Value[2]
NSLP	4,310	$560.3	4,380	$624.2
SBP	547	71.1	590	84.1
SMP	1,900	247.0	1,693	241.3
CCFP	373	48.5	433	61.7
SFSP	152	19.8	152	21.7
Total school feeding program	7,282	946.7	7,248	1,033.0
WIC	1,668	216.8	2,047	291.7
Total	8,950	1,163.5	9,295	1,324.7

[1] Includes proposed amendment to fiscal year-1980 effecting nonneedy children only. Would increase the price of half-pint of milk by up to 3¢ for nonneedy children in schools or institutions which participate in another federally subsidized feeding program. This amendment would not affect the reimbursement rate for schools and institutions which participate only in the special milk program (SMP).

[2] Value of half-pint of milk equals 13.04¢ in fiscal year 1979 and 14.25¢ in fiscal year 1980.

N.B.: NSLP=National school lunch program, SBP=School breakfast program, SMP=Special milk program, CCFP=Child care food program, SFSP=Summer food service program, WIC=Special supplemental food program for women, infants, and children.

Source: Office of Legislative Affairs and Public Information, Food and Nutrition Service, U.S. Department of Agriculture.

Mr. BELLMON. Mr. President, subsidized milk is made available to all children, regardless of ability to pay. It is made available even to those children who already are receiving federally subsidized milk included in the school lunch and school breakfast programs.

This program is excessive and duplicative.

Each administration starting with President Johnson has recommended reductions.

The Senate must keep in mind our earlier decision in the first concurrent budget resolution where we agreed to a $300 million reduction in child nutrition programs. So far, the Senate has passed only $100 million in savings. Unless we take on these difficult issues, Congress would not achieve its goal of balancing the Federal budget in the foreseeable future.

Mr. President, the administration proposed the elimination of the special milk subsidy in those institutions which already provide subsidized milk as a part of the school lunch or school breakfast program.

This would eliminate the duplication in benefits of the program by allowing schools to choose between full meal service programs or the special milk program, and would save $100 million.

The full reduction proposed by the administration is needed; however, it is clear that this reduction is politically impossible at this time. For this reason, I am offering an amendment which would make a smaller cut in the program. Rather than eliminating the program, this amendment would merely restrict the reimbursement to 5 cents per half pint of milk. Projections of reimbursement rates under the program in fiscal year 1980 are 7.8 cents, and this slight change would save about $40 million.

This amendment would have minimal impact on milk consumption in the schools, and, therefore, have almost no impact on the milk industry. Unaffected by the amendment would be milk served to lower income children participating in schools which have no other federally subsidized meal service program.

This amendment is prudent and reasonable. I urge you to join me in supporting this amendment. The amendment will not take milk away from poor children or any other children. The only effect of the amendment is to reduce the milk subsidy for nonneedy children from 7.8 cents per carton to 5 cents per carton.

Mr. PROXMIRE. Mr. President, will the manager of the bill yield time in opposition to the amendment? Will he yield me 5 minutes?

Mr. EAGLETON. Mr. President, I yield all the time on this amendment to Senator PROXMIRE for him to consume or allocate.

Mr. PROXMIRE. Mr. President, I rise in opposition to Senator BELLMON'S amendment to cut the special milk program by $40 million by reducing reimbursement rates from the projected fiscal year 1980 level of 7.75 cents per half pint to 5 cents per half pint in those schools serving school lunches and/or school breakfasts.

I oppose this amendment for the following reasons:

First, this issue—fiscal year 1980 funding for special milk—is one that has been debated and considered exhaustively in the past few months. It went through the complete gamut in the House of Representatives: Agriculture Appropriations Subcommittee, full Appropriations Committee, and House floor. In each case, the result was the same: full funding of $142 million for special milk.

And in the Senate, both the Agriculture Appropriations Subcommittee and the full Appropriations Committee have approved the same figure—$142 million—for special milk for fiscal year 1980.

Moreover, in May, there was a full-scale debate on the Senate floor concerning the merits and proper funding level of the special program. At that time, an attempt was made to cut the authorizing legislation for this program. During the consideration of that amendment, again offered by Senator BELLMON, all aspects of the special milk program received careful scrutiny.

All national farm groups—all of them—and the PTA—12 million strong—came out in strong opposition to the Bellmon amendment at that time. Numerous Senators—I think the total number was about 20—came to the Senate floor to defend the special milk program from attack.

In the face of this overwhelming opposition, Senator BELLMON withdrew his amendment.

Now he has another amendment, for another cut in special milk. This amendment, it is true, would result in a lesser cut than the amendment considered in May.

But my point is this: In all the extensive consideration of special milk in the Congress—both House and Senate—to date, there has been monumental support for this program as it is now constituted.

Let us not tamper with something that is working so well and has so much support.

Second, what the full house and the Senate Appropriations Committee have done hardly amounts to budget-busting when it comes to the special milk program. The figure we are talking about—$142 million—is the same as the fiscal year 1979 funding level for this program. So, special milk has already undergone its "budget cut," inasmuch as it has had to meet all the inflation, and we know how serious inflation has been in the last year and is supposed to be in 1980. The estimates are 8 percent to 10 percent, and it could be much higher than that.

So this program is at the funding level of the previous year, which means there is a cut of about 10 percent in real terms in special milk at the present time. A further cut is not needed or warranted at this time.

Third, the Bellmon proposal would result in a substantial reduction in special milk consumption in our schools. No specific figures are available as to exactly what the cutback effects would be. But we can use data currently available to project an estimate of these effects.

USDA's special milk program study determined that student prices for a la carte milk service rose by 41 percent when special milk was dropped and that sales dropped by 35 percent.

Using this as a basis of comparison, we can assess the effect of the proposed reduction in the reimbursement rate. It is estimated by USDA that children would pay 16 cents per half pint for milk in the total absence of the special milk program. The present 6.75 cent reimbursement means an average student cost of 9.25 cents. A reduction of this rate to 5 cents means a student cost increase of 1.75 cents per half pint—about 18.9 percent. Applying the findings of the special milk study, this would mean a reduction in milk consumed of 16 percent.

If the reimbursement rate were 7.75 cents per half pint, as it is projected to be in fiscal year 1980, the rollback to 5 cents would mean an increase in student costs of 33 percent. This would translate to 28 percent reduction in milk consumption under the special milk program.

Fourth, it is lower income families which would be hardest hit by this proposed cutback. Why is this so? Because the lower your income, the harder it will be to pay for the cost increase to the student that this cutback would cause. This amendment assumes that anyone who is not in poverty—or at 125 percent of the poverty level—will have no trouble picking up the tab for this additional cost per half pint of milk. This makes no sense. While special milk has been a major factor in equalizing milk consumption among children from all income levels in our Nation, clearly the relative cost increase for lower-income families would be greater than for children from more affluent families.

Mr. President, I have addressed some of the key reasons why we should reject this particular Bellmon amendment to cut back special milk.

There are many more reasons as well, and they apply to any attempt to cut special milk, including the Bellmon amendment now before us. Let me briefly cite some of them.

First, children are not receiving excessive milk. USDA figures reveal that even in schools which offer breakfast, lunch, and SMP, children received an average of 1.23 8-ounce cartons of milk per day at school or a total daily average both in school and at home of 2.82 cartons—less than the four 8-ounce servings of milk per day recommended by most leading nutritionists.

Second, special milk is not duplicative. Seventy percent of special milk is consumed by children who do not participate in a school lunch program. These are children who either bring a bag lunch from home, eat away from school, eat a la carte lunches, or eat no lunch at all. Since 1977, children eligible for free lunch or breakfast in schools which operate either of these programs may receive special milk only if it is served at other than mealtimes.

Third, the USDA special milk study shows SMP brought needy children up to approximately the same level of milk consumed per day as that of nonneedy children. Children eligible for free milk depended on SMP to a much greater extent for their daily milk requirements. Needy children received an average of 43 percent more milk at school and 22 percent less milk away from school than nonneedy children.

Fourth, special milk is the most cost effective of all child nutrition programs. Administrative costs represent only about one-half of 1 percent of SMP funds; the other 99½ percent is expended on milk for children.

Fifth, milk is the least wasted item in all child nutrition programs. USDA reports that milk is the least wasted item offered through the child nutrition programs.

Finally, CCC purchases would offset any savings realized by a cutback. The savings to be realized by this cutback in SMP would be partially offset by Commodity Credit Corporation (CCC) purchases and would not result in a total savings of $40 million to the U.S. Treasury. Moreover, it seems much better to me to have good, nutritious fluid milk in the stomachs of our children than to pay for powdered milk to sit in our CCC warehouses, which are already overloaded with this same product.

Mr. President, for all these reasons, I oppose the Bellmon amendment and urge my colleagues to do the same.

I am happy to yield to my colleague from Wisconsin whatever time he requires.

Mr. NELSON. I thank my senior colleague from Wisconsin.

Mr. President, I oppose the amendment proposed by the Senator from Oklahoma (Mr. BELLMON). This amendment would reduce the fiscal year 1980 reimbursement rate for milk purchased under the special milk program from 7.75 cents to 5 cents in schools which offer a federally subsidized meal program. The Bellmon amendment would impact 75,000 schools and institutions currently participating in the program and would cut $40 million from the fiscal year 1980 funding level of $142 million which was recommended by the Senate Appropriations Committee. Eighty-nine percent of the schools currently participating in the special milk program would have their reimbursement rates cut and special milk program funding would be reduced by 29 percent. A budget cut of this proportion in a program which has proven over its 25-year history that it contributes substantially to the health and well-being of our Nation's children is unwarranted.

The proposed reduction in SMP reimbursement rates would have a substantial negative impact on children and schools in Wisconsin. Based on data provided by the State of Wisconsin, 91 percent or 2,912 schools in Wisconsin would have their reimbursement rates for special milk reduced. Wisconsin's current special milk program expenditures would be reduced by at least $1.3 million, which means that, at a minimum, the SMP in Wisconsin would be cut 28 percent.

Attempts to make cuts in the special milk program are not new. This issue has been before the Congress during the administrations of Presidents Johnson, Nixon, Ford, and Carter. On each occasion, Congress has found the proposed reductions to be unjustifiable and has rejected them. Just this past May the Senate debated a similar amendment offered by the Senator from Oklahoma which would have substantially cut the special milk program. At the time there were many Senators who felt compelled to participate in the Senate debate and voice their opposition to reductions in the special milk program. The amendment was subsequently withdrawn.

Since the Senate floor debate in May, the House Appropriations Committee and the Senate Appropriations Committee have both recommended that the special milk program be funded at its current level of $142 million. Despite all the other areas of the budget which the Appropriations Committees felt compelled to cut, these committees decided not to make any reductions in SMP spending. It would seem as if these actions would have finally decided this issue and that further debate would not be necessary at this time.

The SMP and other child nutrition programs are intended to encourage sound nutritional habits in our children. These programs represent an investment against future health costs that are certain to occur if our children fail to obtain their minimum daily nutritional requirements.

It has been estimated that the Bellmon amendment would result in a 16- to 28-percent reduction in the consumption of milk served under the special milk program. Most of the reduction in milk consumption would occur because the price children from low-income working families would have to pay would increase to a level these children and their families could no longer afford. These are children who should not have their nutritional requirements compromised.

A $40 million reduction in expenditures on milk for children represents a step backward from the previous commitments the Congress has made to improve the nutritional status of the Nation's children, and it risks undoing what progress we have made thus far.

Mr. President, in my judgment it makes good economic sense for the Federal Government to encourage consumption of products which make a positive contribution to a child's nutritional status. An investment now in adequate and proper nutrition will serve as an insurance policy against future health costs and will help to reduce the Nation's long range health bill.

I urge my colleagues to vote against the Bellmon amendment.

The PRESIDING OFFICER (Mr. Stewart). Who yields time?

Mr. PROXMIRE. Mr. President, does the Senator from Maine want time in opposition to the amendment or in favor of the amendment?

Mr. MUSKIE. I want time to give support to my colleague, Senator Bellmon, who has ventured into areas where it is very dangerous to venture, and I think he should have some support.

Mr. PROXMIRE. Mr. President, in the absence of Senator Bellmon, I yield time to the Senator from Maine. I am sure Senator Bellmon will make it up.

Mr. MUSKIE. Two minutes.

Mr. President, I will not belabor this point. I fully understand what the Senators from Wisconsin are saying.

The appeal of milk for children, whether needy or nonneedy children, is very great in Congress and, indeed, in the country as a whole.

Mr. President, I support Senator Bellmon's amendment to reduce the average Federal subsidy for special milk for nonneedy students by approximately 3 cents.

The amendment is not expected to cause a significant reduction in the amount of milk consumed in schools. This amendment in no way affects the serving of milk in school lunches and breakfasts, including free and reduced price meals. Also, the amount will not affect the price of milk for children who cannot obtain it as part of the federally subsidized lunch or breakfast program.

This amendment would reduce the fiscal year 1980 appropriation for special milk by $40 million. In the first budget resolution the Senate assumed savings of $118 million in the special milk program; none of these savings have been achieved to date.

This proposal will not affect the provision of free milk to needy children. Neither will it limit the availability of school milk for children—they will be able to get milk as often and in the same amounts as they do now. The amendment merely cuts the Federal subsidy for half pints of milk sold to nonneedy children from 7.8 cents to 5 cents in schools which participate in another federally subsidized feeding program.

The Federal subsidy for milk for nonneedy students would be reduced by 3 cents—but not eliminated—so that a maximum Federal subsidy of 5 cents would still be provided. This is not an unreasonable cost to pass on to families with income in excess of poverty levels.

The amendment is not expected to cause a significant reduction in the amount of milk consumed in schools. Also, the amendment will not affect the price of milk for children who cannot obtain it as part of the federally subsidized lunch or breakfast program.

Mr. President, this is a modest and sensible proposal and I urge my colleagues to give it their support. It will achieve some of the savings in the special milk program that the Senate assumed in the first budget resolution. And it will achieve these savings without affecting the provision of free milk to needy children or reducing the availability of milk in schools.

While this amendment is only a modest step, it is nevertheless a most necessary one. It now appears that the Appropriations Committee may exceed the amount allocated to it in the first budget resolution by up to $5.5 billion in budget authority and $4.7 billion in outlays when both the regular appropriation bills and the 1980 supplemental requirements are taken into account. We now face the prospect that these appropriations excesses plus the apparent economic slowdown may drive the deficit for fiscal year 1980 higher than for fiscal year 1979.

It is essential that we achieve savings, however modest, when we can. That is a principle that the distinguished Senator from Oklahoma, my good friend, undertakes to pursue whenever and wherever he can. Often, it means appearing to be unfriendly to programs such as this, which has great appeal.

Senator Bellmon believes in the milk program as strongly as anyone else, but we do need to find sound proposals which will achieve needed savings without cutting costs in essential programs. It is in pursuit of that principle that the Senator from Oklahoma has offered his amendment, and I think I owe him the duty of supporting it.

Mr. PROXMIRE. Mr. President, I yield the Senator from Vermont such time as he may require.

Mr. LEAHY. I thank the Senator.

Mr. President, I point out that this matter really has been debated before. The House of Representatives approved full funding of $142 million for special milk for fiscal year 1980. The same figures were approved by the Appropriations Subcommittee and by the full Senate Appropriations Committee. Moreover, it was debated on the floor of the Senate before, and the amendment was withdrawn with respect to the authorizing legislation.

I do not think anything I can say here tonight would change the mind of the Senator from Wisconsin or anybody else.

In this regard, I ask unanimous consent to have printed in the Record a "Dear Colleague" letter that Senator Proxmire and I have distributed today, which clearly sets out my feelings in the matter.

There being no objection, the letter was ordered to be printed in the Record, as follows:

July 18, 1979.

Dear Colleague: When H.R. 4387, the Agriculture, Rural Development and Related Agencies Appropriations Bill for Fiscal Year 1980, reaches the Senate floor, we understand that Senator Bellmon may offer an amendment to cut approximately $40 million from the Special Milk Program (SMP) by reducing reimbursement rates from the projected FY80 level of 7.75 cents per half pint to 5 cents per half pint in those schools serving school lunches and/or school breakfasts.

We are opposed to this amendment for the following reasons:

1. Issue already debated. The House of Representatives has approved full funding of $142 million for Special Milk for FY80. This same figure—$142 million—was approved by the Senate Agriculture Appropriations Subcommittee and by the full Senate Appropriations Committee, where it was thoroughly debated and discussed. Moreover, efforts by Senator Bellmon in May to cut Special Milk through a change in the authorizing legislation faced overwhelming opposition on the Senate floor, leading to his withdrawal of the amendment.

2. FY80 figure same as FY79. The amount for Special Milk in the FY80 agriculture appropriations bill approved by the full House and by the Senate Appropriations Committee is exactly the same as the FY79 figure. Special Milk, therefore, has already sustained its budgetary cut. Further cuts are not warranted or necessary.

3. Milk consumption reduced. No specific figures are available on how the Bellmon cut would affect milk consumption. But projections from USDA's own Special Milk study suggest a reduction in milk consumed under SMP of 16 percent (at the present 6.75 cents per half pint reimbursement rate) and 28 percent (at the projected FY80 reimbursement rate of 7.75 cents per half pint.)

4. Lower-income families hardest hit by cut. The burden of the cut would fall most heavily on lower-income families. While SMP has been a major factor in equalizing milk consumption, the relative cost increase for lower-income families would be greater than for children from more affluent families.

5. Children not receiving excessive milk. USDA figures reveal that even in schools which offer breakfast, lunch, and SMP, children received an average of 1.23 eight-ounce cartons of milk per day at school or a total daily average both in school and at home of 2.82 cartons—less than the 4 eight-ounce servings of milk per day recommended by most leading nutritionists.

6. Special Milk not duplicative. Seventy percent of Special Milk is consumed by children who do not participate in a school lunch program. These are children who either bring a bag lunch from home, eat away from school, eat a la carte lunches, or eat no lunch at all. Since 1977, children eligible for free lunch or breakfast in schools which operate either of these programs may receive Special Milk only if it is served at other than meal times.

7. USDA study shows SMP brought needy children up to approximately same level of milk consumed per day as that of non-needy children. Children eligible for free milk depended on SMP to a much greater extent for their daily milk requirements. Needy children received an average of 43 percent more milk at school and 22 percent less milk away from school than non-needy children.

8. Special Milk is most cost effective of all Child Nutrition programs. Administrative costs represent only about one-half of one percent of SMP funds; the other 99 and one-half percent is expended on milk for children.

9. Milk is least wasted item in all Child Nutrition programs. USDA reports that milk is the least wasted item offered through the Child Nutrition programs.

10. CCC purchases offset any savings realized by cutback. The savings to be realized by this cutback in SMP would be partially offset by Commodity Credit Corporation (CCC) purchases and would not result in a total savings of $40 million to the U.S. Treasury. Moreover, it seems much better to us to have good, nutritious fluid milk in the stomachs of our children than to pay for powdered milk to sit in our CCC warehouses, which are already overloaded with this same product.

For these reasons, we urge you to oppose Senator Bellmon's amendment to cut the Special Milk Program. If you have any questions concerning this issue, please call Ken Dameron (4–5653) or David Julyan (4–4242).

Sincerely,

William Proxmire.
Patrick J. Leahy.

Mr. BELLMON. I yield myself 2 minutes.

Mr. President, with reference to the letter which the distinguished Senator from Vermont has put in the Record, which was distributed earlier as a "Dear Colleague" letter, I call attention to some variances that I feel should be brought to the attention of the Senate.

First of all, item No. 3 in the letter says that milk consumption would be reduced.

I previously entered into the Record a statement called "Legislative Update," which relates to this issue, and I shall read what I consider to be the facts of the matter. It says:

> The 3.0 cents reduction in the federal reimbursement rate for non-needy children is not expected to result in a significant reduction in the amount of milk consumed in schools. USDA estimates that the subsidy reduction for milk sold to non-needy children would result in a maximum 11 percent decline in SMP participation. But since children would continue to receive milk under other federally subsidized child nutrition programs, overall milk consumption among all the school feeding programs is expected to decline by a mere ½ of 1%.

That is all we are talking about—one-half of 1 percent. That is not the same view that we get in the "Dear Colleague" letter.

Also, item 4 of the letter states that the lower income families would be hardest hit by the cut. That patently is not the case. This amendment does not touch the lower income families. This amendment only touches children from families whose income is above 125 percent of poverty.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. BELLMON. I yield myself 1 additional minute.

Point 7 of the letter states that the USDA shows that the special milk program brought needy children up to approximately the same level of milk consumed per day as that of nonneedy children.

Again, we are not in any way changing the accessibility of the so-called needy children by this amendment. This amendment does not in any way impact on children in families with incomes below 125 percent of poverty.

Mr. President, I am ready to yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I should like to refer to one specific figure which Senator Bellmon gave.

The fact that there are not any specific figures available as to exactly what the cutback effects would be, but there has been one study, and one study only, as I understand it, by the U.S. Department of Agriculture.

It determined that student prices for a la carte milk service rose by 41 percent when special milk was dropped and that sales dropped by 35 percent.

Using this as a basis of comparison, we can assess the effect of the proposed reduction in the reimbursement rate. It is estimated by USDA that children would pay 16 cents per half pint for milk in the total absence of the special milk program. The present 6.75-cent reimbursement means an average student cost of 9.25 cents. A reduction of this rate to 5 cents means a student cost increase of 1.75 cents per half pint—about 18.9 percent. Applying the findings of the special milk study, this would mean a reduction in milk consumed of 16 percent.

If the reimbursements rate were 7.75 cents per half pint, as it is projected to be in fiscal year 1980, the rollback to 5 cents would mean an increase in student costs of 33 percent.

On the basis of that one study, the only study that has been made of the effect of the increased prices on consumption of milk by the students involved in this program, this would translate to a 28-percent reduction in milk consumption under the special milk program. That is why we said 28 percent.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Maryland.

Mr. MATHIAS. I thank the Senator from Wisconsin for the very able presentation he has made with respect to the value of the special milk program.

I served with him on the Committee on Appropriations, and I know how very frugal he can be. He has put that frugality to work on this particular program, and I think he has discerned a great value of this program and the fact it is a good investment by the people of America in the children of America.

I hope that the amendment will not prevail.

Mr. JAVITS. Mr. President, will the Senator yield for me very briefly?

Mr. PROXMIRE. I yield.

Mr. JAVITS. Mr. President, I thank my colleague and I also join Senator Mathias in thanking the Senator for taking up the cudgels for this particular program.

It is very difficult for all of us to cover everything. So we must be grateful to Members who take a particular subject, think it through, and then expouse the position which may be of very great interest to us both for consumers and for the economic position of milk producers.

I thank the Senator very much for espousing that position.

Mr. PROXMIRE. Mr. President, if the Senator from Oklahoma is ready to yield back the remainder of his time I am ready to yield back the remainder of my time.

The PRESIDING OFFICER (Mr. STEWART). The Senator from Oklahoma.

Mr. BELLMON. Mr. President, let me take only 1 additional minute.

Mr. President, I wish to read one paragraph from a letter to Senator EAGLETON from Secretary Bergland of the Department of Agriculture. He says that:

> Even including the effects of this amendment total fiscal year 1980 expenditures on milk served through the Federal Child Nutrition Program, including WIC, will be expected to increase by about $160 million over FY 1979.

Mr. President, this program is simply a case of excess generosity. It is not necessary as far as the nutrition of the children is concerned.

I strongly urge the approval of the amendment.

I am ready to yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back my time and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legisative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee (Mr. SASSER) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER. Is there any Senator in the Chamber wishing to vote?

The result was announced—yeas 32, nays 66, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—32

Armstrong
Bellmon
Bentsen
Boren
Byrd,
 Harry F., Jr.
Chafee
Chiles
Cohen
Danforth
DeConcini
Domenici
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Kassebaum
Laxalt
Lugar
McClure
Muskie
Ribicoff
Roth
Schmitt
Simpson
Stennis
Stevens
Stone
Thurmond
Tower
Warner
Zorinsky

NAYS—66

Baucus
Bayh
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Church
Cochran
Cranston
Culver
Dole
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Gravel
Hart
Hatfield
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Sarbanes
Schweiker
Stafford
Stevenson
Stewart
Talmadge
Tsongas
Wallop
Weicker
Williams
Young

NOT VOTING—2

Baker
Sasser

So Mr. BELLMON'S amendment (UP No. 379) was rejected.

Mr. ROBERT C. BYRD. Mr. President, for the information of Senators, it is the leadership's intention to complete action on this measure this evening. Senator EAGLETON and Senator BELLMON, the manager and ranking minority member, respectively, are of the opinion that we can do that, and that to proceed in that fashion would be better than to go over until tomorrow. So that is the plan, for the information of the Senate.

UP AMENDMENT NO. 380

Mr. McGOVERN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from South Dakota (Mr. McGOVERN) proposes an unprinted amendment numbered 380:
>
> On page 5, line 16, strike out "$370,679,000" and insert in lieu thereof "$372,479,000".

Mr. McGOVERN. Mr. President, this amendment, which increases the agriculture appropriation by $1.8 million, is submitted in order to insure that we meet the intent of Congress concerning human nutrition research at the Letterman Army Institute of Research as stated in the following language from last year's fiscal year 1979 defense appropriations conference report:

> NUTRITION RESEARCH
>
> The conferees agreed to provide $1,852,000 to continue the nutrition research program of the Army 1 more year. The conferees are in agreement that this shall be the last year of funding as part of the Department of Defense Appropriation bill and that the program shall be transferred to the Department of Agriculture.

I am submitting for the RECORD the history of congressional action concerning human nutrition research at the Letterman Army Institute of Research, including excerpts from a report on military health and research by the House Committee on Government Operations, a letter to Mr. STENNIS from Mr. HOLLINGS to support 1 more year of funding during fiscal year 1979, and report language in the Senate Agriculture Appropriations bill for fiscal year 1979 directing USDA to undertake a feasibility study with respect to acquiring all or part of the Letterman Research facility.

The USDA feasibility study has been completed but has not as yet been formally transmitted to the Senate.

In addition, USDA and the Department of Defense are still negotiating over how much of the space at Letterman Army Institute of Research and how many personnel slots will be transferred from the Department of Defense to USDA.

As a result, my amendment is directed toward maintaining in fiscal year 1980 the same human nutrition research capacity as existed during fiscal year 1979, with the exact details concerning personnel slots and space to be finalized prior to the conference with the House. In addition, $500,000 of the $1,800,000 would be in the form of a transfer of funds that are currently provided for in the defense appropriation. Thus, the overall increase in appropriations is $1,300,000.

I urge its adoption.

Mr. President, I ask unanimous consent that the items to which I have referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE PROPOSED CLOSURE OR UNDERUTILIZATION OF LAIR*

The proposed closure or underutilization of LAIR should probably have come as no surprise to those who know the background of this lab. Although planned as one of MRDC's three major labs in the early 1970's it was not fully staffed or funded at the time of its opening in 1976 at a cost of $40 million. Thereafter, MRDC appeared to treat the lab as a stepchild—taking away funding and manpower, declaring its research efforts of low priority, and failing to locate new research efforts their despite its renowned research facilities.

On six separate occasions in 1976 and 1977, MRDC was required to accept reductions in money and manpower. In each instance, although LAIR was only one of eight labs in MRDC's command, it was forced to take all or the greatest share of the cuts: almost $4 million out of approximately $5.6 million in reductions, and all but four of 166 manpower cuts. Some of the money, it should be noted, that was taken away from LAIR was funneled into missile research because medical research must compete with all other areas of research within the Army. These cuts, intentionally or otherwise, laid the groundwork for MRDC's decision to close LAIR in 1978. Only after the subcommittee's initiation of the investigation did MRDC decide to keep LAIR open. But even today MRDC has no plans for the full utilization of LAIR. It proposes funding this lab for fiscal year 1979 at two-thirds the level authorized in fiscal year 1978.

The major reason given by MRDC for LAIR's proposed closing or underutilization is that it presently is conducting research in low priority programs, especially nutrition and dermatology. The fact is, though, that leading independent medical authorities have strongly protested any termination of these efforts, documenting the need for such research for military health reasons. In addition, the system utilized by MRDC, the Army and DOD for setting research priorities is so subject to criticism that the only conclusion to be drawn is that MDRC appears to rank programs on a parochial rather than scientific basis. In fact, while one priority system was ranking nutrition and dermatology low, two others stressed the need for continued research. Furthermore, other Federal agencies such as the National Cancer Institute, FDA and USDA have indicated a desire to fund nutrition research at LAIR. But MRDC has refused to permit this. Similarly, the Navy, Air Force, and even units within the Army have requested key nutritional research be conducted at LAIR. Again, MRDC has blocked this effort by refusing to fund LAIR's efforts.

Even if it were concluded on the basis of some rational scheme of prioritization that nutritional and dermatological research should be discontinued, that is no basis for closing LAIR. LAIR, as indicated above, is one of the finest research facilities in the Defense Department. It has developed technological research bases in many areas important to the services, including areas in which the Army plans to initiate new research efforts. Programs being conducted at other overcrowded or outmoded labs, such as Walter Reed, could be transferred to LAIR. In fact, the Army Inspector General recommended that all surgical research, including that located at Walter Reed, be located at LAIR. MRDC agreed but then failed to follow suit. And even though MRDC has announced that a new mission area is to be established at LAIR, it is apparent that most programs within this area will be conducted at other labs—continuing to leave LAIR underutilized.

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*Taken from pages 3 and 4, Thirty-Third Report, Military Health and Research, House Committee on Government Operations, Sept. 29, 1978.

Failure of MRDC to develop an effective prioritization system was also found to contribute to the Army's overall loss of medical research funds and manpower. Since medical research must compete with all other areas of research, including missile programs, the medical research budget can be lost in the shuffle (its overall level being so small) unless MRDC effectively advertises its needs and demonstrates its contributions to military preparedness. The development of an effective prioritization system could aid in this endeavor. In addition, the cause of medical research could be helped if it was managed and budgeted as part of health care operations and resources instead of major research programs and budgets, such as weapons systems. Further, the Surgeon General should be designated as a permanent member of the Army's select committee which is charged with responsibility over programing, budgeting, and major policy. Effective management of medical research also requires that the Surgeon General and MRDC seek the advice of prominent outside scientists who can aid in the prioritization process and in publicizing military medical research needs. Finally, if it is found that the Army does not intend to utilize LAIR's facilities effectively, especially those relating to nutritional research, the determination should be made to transfer all or part of LAIR to another Federal agency which would fully utilize these facilities. The Department of Agriculture is presently considering proposals to locate a required Food and Human Nutritional Research Center in the western United States. Employing LAIR's facilities in support of this concept might be the best ultimate use for this major national resource.

U.S. SENATE,
Washington, D.C., August 8, 1978.

Hon. JOHN C. STENNIS,
Committee on Appropriations,
Washington, D.C.

DEAR MR. CHAIRMAN: We are writing to request $2 million in the fiscal year 1979 Department of Defense Appropriations bill to continue nutrition research activities at the Letterman Army Institute of Research (LAIR) in San Francisco. There appear to be several factors relating to LAIR which overwhelm the Army's justification for closing. Generally, the quality of research and personnel at the nutrition laboratory, the potential benefits for all Americans, and the cost of replacing this unit should be thoroughly considered. More specifically, the following points should also be focused on:

1. Last summer, the Subcommittee on Domestic and International Scientific Planning, Analysis, and Cooperation (DISPAC) of the House Science and Technology Committee conducted a series of oversight hearings on the status of federally supported nutrition research. At these hearings a number of expert witnesses reported on the quality and importance of the work done at the Letterman nutrition research laboratory. The laboratory is one of the most productive and respected nutrition research centers in the United States. In fact, its research contributions are world renowned. The Institute's contributions include the development of widely used methods of testing and evaluating the nutritional status of populations, and the determination of human nutritional requirements for a number of innovative techniques for food preservation. A budget reduction would mean major cutbacks in personnel, and thus the loss of the special nutrition research talent and expertise currently available only at LAIR.

2. Both the Senate and the House have recommended that USDA undertake in FY-79 a feasibility study to determine if LAIR might be incorporated into USDA's regional network of human nutrition research centers. Because of the potential that LAIR might become USDA's western research center, it would be very inefficient to phase out its operational staff in FY-79 and then to build it back up in FY-80.

3. The Army is currently examining the status of the entire Presidio complex, of which LAIR is only one component, to ascertain whether it should be continued as an Army installation. This study will be completed sometime in 1979.

4. The Department of Defense is in the process of reviewing its options with respect to either closing, or seismic proofing, at a cost of $50 million for each hospital, the Letterman Army Medical Center (LAMC) and the Oakwood Knoll Navy Hospital. This evaluation will not be completed until April 1979. Construction on both of these hospitals was completed in 1968. LAIR, which was completed in 1976, is physically linked to LAMC, and its operation is closely tied to the Medical Center.

In light of the above, we believe that any action at this time to reduce the nutrition research capability at the Letterman Army Institute of Research would be ill-advised. Therefore, we request that the Senate include $2 million for FY 1979 to maintain the nutrition research function at LAIR until the three studies cited above are completed.

We appreciate your consideration of this matter.

Sincerely,

ROBERT DOLE.
ERNEST F. HOLLINGS.
LAWTON CHILES.
PATRICK LEAHY.
GEORGE MCGOVERN.

Taken from the conference report on making appropriations for the agriculture, rural development, and related agencies programs, September 18, 1978:

> In connection with the feasibility study for a nutrition research center at Letterman Army Hospital at the Presidio in San Francisco, California, the conference agreement deletes the $100,000 included in the House version. The conferees will expect this study to be carried out within available funds with a view toward using this facility in connection with a university.

Mr. McGOVERN. Mr. President, I have discussed this amendment with the distinguished chairman and manager of the bill, the Senator from Missouri (Mr. EAGLETON), and also with the Senator from Oklahoma (Mr. BELLMON). To the best of my knowledge, they have no objection to it. I hope the Senate will see fit to adopt it.

Mr. EAGLETON. Mr. President, in last year's appropriation bill we included $100,000 to study, in essence, the very matter to which the Senator from South Dakota has addressed himself. The study has not brought matters to a head. These matters should be brought to a head. The Senator's amendment will effectuate, I think, the decisionmaking process, and therefore I am willing to accept it.

Mr. BELLMON. Mr. President, the Senate Agriculture Committee and the Agriculture Appropriations Subcommittee have tried to place greater emphasis on human nutrition research. Our approach is that at the present time the most rapidly rising costs are the costs of health care, and we have tried to place emphasis on keeping people well rather than simply doctoring people after they become ill.

I believe the amendment of the Senator from South Dakota will move us in the direction of better nutrition research, and I am pleased to accept it on behalf of the minority.

Mr. McGOVERN. Mr. President, I thank the Senator from Missouri and the Senator from Oklahoma for their willingness to accept the amendment. I do think it is in the public interest.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. McGOVERN. I yield back the remainder of my time.

Mr. BELLMON. I yield back the remainder of my time.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. UP-380) was agreed to.

Mr. McGOVERN. I move to reconsider the vote by which the amendment was agreed to.

Mr. EAGLETON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

UP AMENDMENT NO. 381

Mr. McGOVERN. Mr. President, I have another amendment that I send to the desk on behalf of myself and the Senator from New York (Mr. JAVITS). I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from South Dakota (Mr. McGOVERN), for himself and Mr. JAVITS, proposes an unprinted amendment numbered 381.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 43, line 13, strike the period and insert ", and (6) in areas where no service institutions delineated in items (1) through (5) are available to operate the program, private non-profit service institutions, which purchase meals from a food service management company, determined by the Secretary of Agriculture to have a record of reliable and honest community service in feeding programs."

Mr. McGOVERN. Mr. President, the purpose of this amendment is to correct what I believe is a possible deficiency in the legislation now before us as it relates to the summer feeding program. I commend the Senator from Missouri (Mr. EAGLETON) and the members of the committee for very properly focusing on some of the fraudulent behavior and misoperation that has taken place in the summer feeding program. But the way the bill now stands, it carries a blanket prohibition against the operation of summer feeding programs on the part of nonprofit institutions which contract out those programs to private food purveyors.

This has the effect, of course, of not only knocking out those with a fraudulent record, but also in effect knocks out all of them, regardless of the integrity of the operator. I do not think that is what was intended.

So the purpose of this amendment, which Senator JAVITS and I have discussed and worked out with the managers of the bill, is to open the possibility for the Department of Agriculture to make a finding, where an agency has a record of reliable service to the community, even though it is a private agency, that it be approved for continued operation.

This will get us into conference with the House of Representatives, where the matter can be further refined; but it is a matter that I know the Senator from New York feels deeply about, and he has spoken to me about it here earlier today.

I think this language will go a long way toward correcting the inequities he sees in the present program. I am very happy to join with him in this proposal.

I have a letter from food purveyors, Mr. Chip Goodman, of Gardenia, Calif., who is an excellent businessman, with great experience in the handling and processing of food. I ask unanimous consent that his letter to the majority counsel of the Subcommittee on Nutrition, dated June 7, 1979, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> LARRY'S FOOD PRODUCTS, INC.,
> *June 7, 1979.*
>
> MARSHALL MATZ,
> *Majority Counsel, Subcommittee on Nutrition, U.S. Senate, Washington, D.C.*
>
> DEAR MARSHALL: Thank you for forwarding a copy of Senator Bellmon's summer lunch amendment to S. 292. I note that a number of successful, well-run programs in California may not be spared. In short, the amendment effectively "throws out the baby with the bath water."
>
> Actions should be initiated to save important private agency programs who contract for food such as San Francisco Council of Churches, San Francisco Economic Opportunity Council and Sacramento Area Economic Opportunity Council. In a post-Proposition 13 era, it is unreasonable to expect that the schools will be interested in serving these types of agencies. Nevertheless, they represent a major portion of available summertime nutrition in the San Francisco and Sacramento metropolitan areas. (I'm certain many other urban areas would be similarly impacted.)
>
> One approach which we discussed briefly was to reinstate a portion of the cut by setting aside perhaps $20 million in grant monies for contracting private agencies. States and USDA regional offices could use discretion in approving private agency applications, basing decisions on a sponsor's administrative capability, past performance, etc. This would effectively weed out the undesirable elements in the program.
>
> Marshall, I would appreciate the opportunity to further discuss other possible actions in this vein. Perhaps something could be initiated on the House side. May I hear your assessment of the situation soon?
>
> Best regards,
>
> CHIP GOODMAN,
> *Vice President, Marketing.*

Mr. McGOVERN. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I am very grateful to my colleague from South Dakota and my colleagues from Missouri and Oklahoma for their sympathetic consideration in this particular matter because, quite unwittingly, I am convinced, if the matter had gone through as it is, it would have resulted in probably cutting off one-third of all the children in this summer feeding program. There are 2,782,805 children in it, of whom 588,000, or 21 percent, are in New York, and 391,000, or 10.5 percent, are in California. The reason is that the pattern which has been established is such that they really do not have a prayer if this is an absolute prohibition. They cannot meet it that fast. This will all begin to be done this fall and early spring. They simply cannot get self-preparation facilities that fast, even if they had the capital. So it is a very sensitive matter.

I am sure my colleagues are absolutely right about their findings, that there has been a great deal of fraud, most regrettably because it exploits and imposes upon very poor people.

The Department has done its utmost since 1977 to make a very complete revision and change in the regulations in order to deal with this situation. I believe that the amendment Senator McGOVERN and I have suggested will go even further in strengthening their hand, which I have every desire to do.

For all of those reasons, Mr. President, I am very grateful, as I say to my colleagues, for their having the sensitivity to understand our problem and for doing what they are doing.

May I ask one other favor of Senator McGOVERN? Senator MOYNIHAN was going to join with me in an amendment not nearly as good as this which he and I were going to propose, and which I showed to both Senator EAGLETON and Senator BELLMON. Could we put him on this amendment?

Mr. McGOVERN. By all means. Mr. President, I ask unanimous consent that Senator MOYNIHAN, who I know has been concerned about this matter, be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Again I thank my colleagues. There is no question about this. I believe this is a very constructive way to get at the problem.

Mr. EAGLETON. Mr. President, I am prepared to accept the amendment, but just briefly let me bring to the attention of my colleagues the record we developed on this matter.

The summer feeding program has perhaps suffered from more fraud and abuse than any other USDA feeding program we have reviewed. I think the Senator from South Dakota will bear that out.

Mr. McGOVERN. I not only agree with the Senator on that but at an earlier stage of the legislative action on this I supported him in what he is trying to do. In the committee we found evidence of the kind the Senator has talked about. As Senator JAVITS has said, neither of us are interested in perpetuating that. Quite to the contrary, we are trying to weed that out and preserve the honest operator who should not be punished with a blanket provision.

Mr. EAGLETON. I believe that point is well taken. I cite to my colleagues the testimony of the General Accounting Office, Comptroller General Staats, at page 250 of volume 3 of our hearing record; the testimony of Mrs. Foreman, the Assistant Secretary for Food and Consumer Services at page 271 of volume 3, and then in the testimony from Mr. McBride, the Inspector General of the Department of Agriculture, at page 90 of part 4 of the page proof of our hearings. It has not been printed yet. He goes to some length to point out the considerable problems of fraud that he has had to cope with in this program, and cites several specific cases in different cities around the country.

I am willing to accept the McGovern-Javits amendment because, first, we do not intend to take benefits away from children in the program whatsoever and, second, if other providers, which are set forth in that same section of the bill, on page 43, are not available to render this service, but there is a private, nonprofit institution with a proven track record of reliable and honest service who can render it, and which satisfies the Department of Agriculture that they can have that track record under those conditions I think the Department of Agriculture should have the authority to conduct the summer feeding program.

Mr. BELLMON. Mr. President, the bill as amended by the committee would eliminate as sponsors of a summer food program private nonprofit organizations that either serve 500 meals per day or who serve meals at more than three sites, and who obtain their meals from a food service management company. This will curb widespread fraud and abuse in the program that has been documented by the General Accounting Office and the Department of Agriculture's Office of Inspector General.

Sponsors who serve migrant children as well as private nonprofit schools, including colleges and universities, would continue to be eligible as sponsors.

Mr. President, our concern was the matter of fraud and abuses which have been clearly identified. There have been numerous reports, some by GAO and some by USDA, which bring this out.

I would like to read for the information of the Members of the Senate the conclusion from a GAO report dated March 31, 1978, entitled "The Summer Feeding Program for Children: Reforms Begun, Many More Urgently Needed."

This is the conclusion:

> Almost since its inception in 1971, the summer feeding program for children from economically poor areas has had continually recurring problems adversely affecting program operations and goals.
>
> Some of these past problems were fraudulent bidding and contracting, many meals thrown away, spoiled or otherwise unsatisfactory food, meals given to adults, exces-

sive reimbursement claims, and other program violations.

Although neither GAO nor other entities saw evidence of many of these abuses in the 1977 program, the program still had serious problems.

All the committee intended to do was to stop the fraud and abuse. It was not our intention to take food away from any eligible child in any part of the country. We felt that by giving the States a full year—this would not go into effect during the summer of 1979 but rather the summer of 1980—we made simple provision for the States to adjust to this new requirement.

Particular difficulty has been encountered in maintaining adequate controls over large private nonprofit sponsors that contract with private food vendors. These sponsors have been the source of the program fraud and abuse that has brought disrepute to the summer program and has resulted in the misallocation of Federal funds.

In a similar amendment, which was adopted by the Senate earlier this year, active outreach efforts were required of States.

Two other provisions of that amendment required that an amount up to 2 percent of the funds expended for the program in any State will be used for State audits and makes the current administrative requirements that private nonprofit institutions audit their program. This will lessen the growing trend statute.

The last provision of the amendment provided a minimum grant of $30,000 to States for administration of the program. This will lessen the growing trend of States to turn the program over to direct Federal administration, and will also provide the States resources to do a better job of running the program. This bill, as reported, will prohibit direct Federal administration of this program in States.

Because of the committee actions, $47 million will be saved in fiscal year 1980. If the amendment offered by the Senator from New York is accepted, virtually none of these savings will be obtained. Other provisions of his amendment merely restate what is already in place as part of the administrative regulations governing the program.

States will have a year to prepare themselves for the effect of this amendment. That year's advance warning is certainly sufficient time to identify qualified private sponsors or to assume the program themselves.

Mr. President, what the committee has in mind is trying to tighten down, to eliminate the waste, the fraud, and the abuse, and to make certain that this very worthy program reaches the people who are entitled to the benefits, but does not fatten the pocketbooks of dishonest individuals who get into it and operate it, not for the benefit of the children, but for the selfish benefit of the vendors.

Frankly, I am not enthusiastic about the amendment of the Senators from South Dakota and New York. It seems to me that going this route may delay the kind of cleanup efforts that we have in mind. Yet, I certainly do not want to see us take such a sharp action that we do damage to the people the program is legitimately intended to help. I believe perhaps it would be in order for us to take the matter to conference and see what could be worked out later, so I am not going to raise an objection.

Mr. JAVITS. Mr. President, I can assure the Senator that if he left it as it was, I think it would materially deprive children we do not want to deprive. I deeply appreciate the Senator's openmindedness on the subject. I thoroughly agree with him about what needs to be done and I very deeply appreciate his taking the amendment in this way.

Mr. McGOVERN. Mr. President, I, too, want to thank the distinguished manager of the bill (Mr. EAGLETON) and the ranking minority floor manager of the bill (Mr. BELLMON). We fully appreciate the dilemma they have tried to resolve and I do hope this matter can be satisfactorily resolved in conference. I thank them very much for their understanding.

Mr. President, I yield back the remainder of my time.

Mr. BELLMON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EAGLETON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 382

(Purpose: To add appropriations for rural development cooperative research and extension activities authorized under existing law)

Mr. LEAHY. Mr. President, I send an amendment to the desk for myself, Mr. STAFFORD, Mr. McGOVERN, Mr. HEINZ, Mr. STEWART, Mr. MELCHER, Mr. MOYNIHAN, and Mr. PRYOR, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY), for himself, Mr. STAFFORD, Mr. McGOVERN, Mr. HEINZ, Mr. STEWART, Mr. MELCHER, Mr. MOYNIHAN, and Mr. PRYOR, proposes an unprinted amendment numbered 382.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 1, insert after "Tuskegee Institute;" the following: "$1,500,000 for Rural Development Research as authorized under the Rural Development Act of 1972, as amended (7 U.S.C. 2661–2668), including administrative expenses;";

On page 10, line 12, insert after "$195,331,000;" the following: "payments for rural development work under section 3(d) of the Act, $1,000,000;";

On page 11, line 3, insert after "$910,000" the following: "$2,500,000 for Rural Development Education as authorized under the Rural Development Act of 1972 (7 U.S.C. 2661–2668);".

Mr. LEAHY. Mr. President, this amendment would simply reinstate funding for rural development research and extension activities at the land-grant universities through section 3(d) of the Smith-Lever Act and title V of the Rural Development Act of 1972.

This amendment is cosponsored by Senators STAFFORD, McGOVERN, HEINZ, STEWART, MELCHER, MOYNIHAN, and PRYOR. As you can see, the amendment enjoys strong bipartisan support. Also, the programs my amendment seeks to reinstate offer valuable services and assistance to rural people in every State. As such, I believe every Member of this Chamber will want to support our amendment.

Mr. President, this amendment is not a budget buster. While adding a total of $5 million to the fiscal year 1980 appropriations bill before us today, it actually adds no new funds above the fiscal year 1979 budget levels. This amendment would simply reinstate level funding for these valuable rural development programs at fiscal year 1979 levels. The appropriations we seek to reinstate are already contained in the House version of H.R. 4387.

Mr. President, the specifics of the amendment are as follows: $1 million would be reinstated for rural development research through cooperative research under section 3(d) of the Smith-Lever Act, $1.5 million would be reinstated for rural development research through cooperative research under title V of the Rural Development Act of 1972, and $2.5 million would be reinstated for rural development services by the Extension Service through title V of the Rural Development Act of 1972. It is important to note that we ask for no funding increases here, but only to reinstate level funding for these rural development activities.

Mr. President, twice in the past 18 months I have held hearings which covered title V of the Rural Development Act. In each of these hearings, witness after witness told me of the values and benefits they see accruing to rural America from these title V programs.

With this relatively small amount of title V and Smith-Lever funds, the land-grant universities are able to conduct research on rural issues most pressing in their respective States. This is action oriented, pragmatic research. It does not result in volumes of esoteric studies shoved to the back of some academic's shelf to collect dust. Rather, because this research is conducted through the land-grant system and coupled with extension service activities, its findings result in solutions with direct, concrete, and tangible results for rural people. These research and extension activities have resulted in such diverse benefits as improved water, sewage, solid waste, recreation, and health facilities for small communities. Also, they have helped small cities to improve their housing base, preserve the national environment, and develop economic strategies to bring more jobs to rural America.

Mr. President, a major tenet of development is those who know more can do more. Traditionally, those "in the know" tend to be people and institutions from the major urban centers of this Nation.

The information and assistance generated by the programs we seek to fund provide rural areas with the essential information and knowledge they need to be placed on equal footing with the cities. The provision of this information is critical if we are ever going to achieve truly balanced national growth.

Mr. President, the amendment represents a neat and effective coupling of research and extension activities which exhibit a Federal commitment to locally tailored rural development and spurs State governments to heighten their awareness of and commitment to rural development.

These programs have been highly successful and effective. They enjoy wide support and should be continued. If they are not continued, if the amendment is defeated, then we have lost a very valuable program which aids rural development at the local grassroots level.

Again, we ask for no new funds above the fiscal year 1979 budget. I realize that money is very tight these days and that the spendthrift Congresses of the past can no longer be tolerated. This is why our amendment seeks no increases but only level funding. It is a prudent and fiscally sound approach toward Federal rural development activities for fiscal year 1980. I am most hopeful that my colleagues will exhibit their strong commitment to the rural areas in their respective States by supporting our amendment.

(Mr. MATSUNAGA assumed the chair.)

Mr. LEAHY. Mr. President, I hope that this amendment can be accepted by the managers of the bill.

Mr. HEINZ. Will the Senator yield?

Mr. LEAHY. Certainly, I yield to my friend from Pennsylvania.

Mr. HEINZ. Mr. President, I compliment the Senator from Vermont for offering this excellent amendment.

In 1972, the Congress of the United States enacted legislation that included a mandate for the land grant institutions of this Nation to take a greater role in helping rural communities to help themselves. This assistance includes providing leadership training for rural leaders so they can more effectively identify the needs and aspirations of rural people and mount successful efforts to improve the employment opportunities, recreation facilities, health services, police and fire protection and other services essential to a decent life. I believe, with the Senator from Vermont that we cannot withdraw our support for rural development research and extension . . . to do so would undermine future efforts by land grant institutions to help rural people and communities.

Senator LEAHY's and my amendment will restore $5 million to research and extension efforts under title 5 of the Rural Development Act of 1972 and section 3(d) of the Smith-Lever Act. These are the same levels of funding contained on the House bill. The $1 million for section 3(d) of Smith-Lever, the $1.5 million for cooperative research, and $2.5 million for Extension Service activities under title 5 would simply reinstate funding for these programs at fiscal year 1979 levels.

If the Senate fails to restore these funds, it will be telegraphing a clear and discouraging message to the land grant institutions of this Nation. The message has two parts. First, we are telling them that, contrary to the rhetoric of recent legislation, such as the Rural Development Act of 1972, it is not an important part of the mission of the land grant college to help rural communities to identify their own problems and opportunities, and to increase their self-help capabilities. Second, the Senate will be reneging on its previous commitments to rural people and communities, thereby proving to future generations that its commitments to improving the quality of life and opportunities in the nonmetropolitan communities of this Nation are not to be trusted.

With the funds provided by this amendment, the land-grant institutions will continue to help rural people to assess their priority needs; to bring together the knowledge gained from research and previous experience in designing effective strategies for solving rural problems; and to realize opportunities to improve living and working conditions in rural areas.

The programs we are debating here form a most creative and effective system of research, information dissemination, and technical assistance. The work carried out has practical application, and is directed to the needs of individual States and small communities. These research and extension activities enhance the targeting of limited resources and insure the most cost-effective approaches to meeting rural needs.

By providing these funds we will keep alive the struggling efforts of committed rural development researchers and extension specialists throughout this Nation and we will provide our rural residents with sorely needed information and technical assistance to guide their development efforts.

I am privileged, Mr. President, to be a cosponsor of this amendment.

Mr. EAGLETON. Mr. President, I rise in opposition to the Leahy amendment for the following reasons: First of all, none of these amendments were requested in the budget.

Second, title V rural development research has been implemented on a pilot basis since fiscal year 1974, and is not sufficiently high enough priority on a national basis to warrant continuation.

Third, the research under title V could well be carried out under Hatch Act funding.

Fourth, title V rural development extension is not required as a separate earmarked item. The Federal share of support to extension rural and community development activities currently amounts to $18 million, and State extension services can continue an effective rural development program even without this earmarking of funds under title V.

Also, Mr. President, we have already added in this bill an additional $15.5 million for extension under Smith-Lever formula grants. We have added already another $10.5 million for Hatch Act formula grants.

Frankly, I think this amendment is too much of a good thing. We are over the budget, and we are over the House amount in formula grants. The Hatch Act and the extension programs have been very, very generously treated, and this is an example, in my opinion, of simple overgenerosity.

Mr. LEAHY. Mr. President, of course, I disagree that the amount is not in the House bill; it has been. It obviously did not come from word of mouth. Title V is actually an extremely important area to rural people. We have heard nothing but good things from this. At each of the hearings we have held, witness after witness has told the value and benefits received to rural America from these title V programs.

The amount, basically, goes back to last year's budget levels. It adds no new funds above fiscal year 1979 budget levels. It is not even the amount in the authorization process that the Senate voted for.

Mr. President, I pose a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. Is it appropriate if this amendment were broken into three parts for me to offer as three separate amendments, asking for the yeas and nays on each amendment at the time they were offered?

The PRESIDING OFFICER. The Chair advises the Senator from Vermont that it is proper from the way the amendment is drawn that it be divisible.

Mr. LEAHY. Mr. President, would it be appropriate if I were to offer three separate amendments asking for the yeas and nays on each separate amendment prior to a vote being held on any one of the three?

The PRESIDING OFFICER. The Senator may request a yea-and-nay vote and subsequently ask for a separate vote for the three separate divisions.

Mr. LEAHY. Mr. President, I withdraw my amendment just offered.

UP AMENDMENT NO. 383

(Purpose: To add appropriations for rural development cooperative research authorized under existing law)

Mr. LEAHY. Mr. President, I send to the desk an amendment cosponsored by myself, Senators STAFFORD, MCGOVERN, HEINZ, STEWART, MELCHER, MOYNIHAN, and PRYOR, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. LEAHY), for himself and Messrs. STAFFORD, MCGOVERN, HEINZ, STEWART, MELCHER, MOYNIHAN, and PRYOR, proposes an unprinted amendment numbered 383.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 1, insert after "Tuskegee Institute;" the following: "$1,500,000 for Rural Development Research as authorized under the Rural Development Act of 1972, as amended (7 U.S.C. 2661–2668), including administrative expenses;".

Mr. LEAHY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, I send to the desk an unprinted amendment on behalf of myself and Senators STAFFORD, MCGOVERN, HEINZ, STEWART, MELCHER, MOYNIHAN, and PRYOR and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair would advise the Senator he would need to dispose of the amendment now pending before the second amendment may be offered.

Mr. LEAHY. Mr. President, that was the purpose of my earlier parliamentary inquiry.

The PRESIDING OFFICER. Then the Senator withdrew his amendment and did not ask for a division. The Chair thought perhaps the Senator was taking it the easier way, the less confusing way, so the Chair raised no questions about the actions taken by the Senator from Vermont.

Mr. LEAHY. Mr. President, I appreciate the understanding of the Chair. I misunderstood what the Chair was saying. However, apparently the net result would be the same.

So that my colleagues will understand, I will be presenting a series of three amendments tonight and/or tomorrow, whenever we get to them. They will be the amendment I offered before, broken into three parts, or three separate amendments.

As I understand it, Mr. President, the yeas and nays have been ordered on the one that is presently before the Chair.

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. And it is also my understanding that the original amendment has been withdrawn.

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. So now, Mr. President, we are in a situation where we have to consider these three amendments, one by one.

The PRESIDING OFFICER. The Senator is correct.

Mr. EAGLETON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. EAGLETON. Are there copies of the amendment before the body?

The PRESIDING OFFICER. The amendment is now being duplicated.

Mr. EAGLETON. This amendment, Mr. President, if I may inquire, is not the one we have been debating.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Chair will advise the Senator from Missouri that the Senator from Vermont withdrew his earlier amendment and has offered a new amendment and proposes, as the Chair understands it, to offer two other sections of the earlier amendment as separate amendments.

Mr. LEAHY. It was the intention of the Senator from Vermont, because there are three basic items in my original amendment, that rather than risk the whole lot on one vote, I decided to break it into three votes.

The Senator from Vermont is doing this with the hope that the amendments might be acceptable to the floor managers because of their basic noncontroversial nature.

Mr. EAGLETON addressed the Chair.

Mr. LEAHY. I am perfectly willing to yield if I can do so without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Vermont has the floor. Will the Senator from Vermont yield to the Senator from Missouri?

Mr. LEAHY. Mr. President, I ask unanimous consent that I may be able to yield to my friend from Missouri without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, I will ask a question of the Senator from Vermont.

His original amendment—the one that has been introduced, withdrawn, reintroduced, withdrawn—the one we have been playing ping-pong with, was for $5 million. Do I now understand that the Senator from Vermont wants to break the $5 million down into three amendments, the first of which is this for $1.5 million, and then he wants us to vote on it, and then the next million or so, and then the $2.5 million or so?

Mr. LEAHY. The Senator from Missouri is correct.

The so-called ping-pong amendment has been taken off the court and then put back in smaller amounts.

Mr. EAGLETON. Would it not be simpler to vote on just one amendment in the amount of $5 million? We can vote on it. It is either for or against it. Does the Senator want to go through this three times?

Mr. LEAHY. I considered that. The matters, though, are of such concern to rural areas that they should, perhaps, be considered separately rather than risking their fate on one vote. Each one is important enough to be in the House budget, as I understand it, and I would really hate to see them all lumped together because it may be, for example——

Mr. EAGLETON. Mr. President, I yield back the balance of my time when the Senator finishes.

Mr. LEAHY. I appreciate that.

I understand that some Senators may be in favor of the million dollars that would be reinstated for rural development research through cooperative research under section 3(D) of Smith-Lever Act. Some others might be in favor of the $1.5 million to be reinstated for rural development research and cooperative research under title V of the Rural Development Act of 1972, but they might not be in favor the $2.5 million which would be reinstated for rural development services by the Extension Service through title V of the Rural Development Act of 1972. But those who would be in favor of extension service work under the Rural Development Act of 1972, might not be in favor of the $1 million which would be reinstated for rural development research through cooperative research under section 3(D) of the Smith-Lever Act. I am offering my original amendment as three separate amendments in order to give the Senators a choice if they favor one section of my original amendment but not the remaining sections.

The possibilities are at least three-squared. Because of that, and considering the strong support these programs have received, I am a little worried about putting them all into this one rural basket.

In the last 18 months, as chairman of the Rural Development Subcommittee, I have held hearings covering title V of the Rural Development Act. In each of these hearings, witness after witness told me of the values and benefits they see accruing to rural America from these title V programs.

I know that most Senators have been contacted by people from land grant colleges in their areas. They know the value of this relatively small amount of funds under title V and the Smith-Lever Act.

With this relatively small amount of title V and Smith-Lever funds, the land grant universities are able to conduct research on rural issues most pressing in their respective States. This is action oriented, pragmatic research. It does not result in volumes of esoteric studies shoved to the back of some academic's shelf to collect dust.

In fact, interestingly enough, only a minor amount of those funds go into research, and even these limited funds get direct action; whereas, some of those research programs into which we are pouring tens of millions and hundreds of millions of dollars seem to be the tomes that become Ph. D. studies, and so forth.

Rather, because this research is conducted through the land grants system and coupled with extension service activities, its findings result in solutions with direct, concrete and tangible results for rural people. These research and extension activities have resulted in such diverse benefits as improved water, sewage, solid waste, recreation and health facilities for small communities. Also, they have helped small cities to improve their housing base, preserve the national environment and develop economic strategies to bring more jobs to rural America.

Mr. President, a major tenet of development is those who know more can do more. Traditionally, those "in the know" tend to be people and institutions from the major urban centers of this Nation. The information and assistance generated by the programs we seek to fund provide rural areas with the essential information and knowledge they need to be placed on equal footing with the cities. The provision of this information is critical if we are ever going to achieve truly balanced national growth.

If you take the amendments as a package—the distinguished Presiding Officer is one of the cosponsors of these amendments—and look at all three together, they represent a neat and effective coupling of research and extension activities which exhibit a Federal commitment to locally tailored rural development and spurs State governments to heighten their awareness of and commitment to rural development.

These programs have been highly successful and effective. They enjoy wide support and should be continued. If they are not continued, if the amendment is defeated, then we have lost a very valuable program which aids rural development at the local grassroots level.

Again, we ask for no new funds above the fiscal year 1979 budget. I realize that money is very tight these days and that the spendthrift Congresses of the past can no longer be tolerated. This is why our amendment seeks no increases but only level funding. It is a prudent and fiscally sound approach toward Federal rural development activities for fiscal year 1980. I am most hopeful that my colleagues will exhibit their strong commitment to the rural areas in their respective States by supporting our amendment.

Mr. President, I am very concerned that we seem to have billions of dollars for nearly every program that comes through Congress. However, when we talk about $1.5 million, for rural areas we run into great difficulty funding the program. I sometimes wonder if we had asked for $100 million, instead of $1.5 million, if we would have a better chance of getting it through.

I am not suggesting that it should be an either/or situation. In fact, cosponsors of this amendment are representatives of States that have some of the largest urban areas and rural areas. I think it is a situation where we should provide equitable research funds for rural and urban areas.

I agree with the speech by the Senator from Pennsylvania, who earlier encouraged such action.

The committee report has said that it expects States to continue rural development research efforts as part of ongoing reports, and they do not concur with the House increase of $1.5 million. That, of course, is the rub.

With the problems that State legislatures are having and with the fact that the clout in State legislatures seems to be primarily in urban areas, what happens is that the States are not going to put this money into rural development.

As to the amount of Federal funds, at least we have some kind of coordinated program. We have the results available to all States. It really gives us only a modicum of the kind of rural research we need, a tiny fraction of what we see in urban research. Yet, a third of the Nation's people live in rural areas.

We find a disproportionate number of our substandard housing is in rural areas. A disproportionate amount of our medically underserved areas are in rural areas. A disproportionate amount of inadequate sanitation facilities are in rural areas. Again and again, it is the rural areas that suffer.

Mr. President, I think the amount before us is a relatively minor amount. Even in the original amendment of $1.5 million, the amounts, when you consider the number of different programs——

The PRESIDING OFFICER (Mr. MELCHER). The time of the Senator has expired.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LEAHY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEAHY. What is the time limit on amendments?

The PRESIDING OFFICER. One-half hour equally divided.

Mr. LEAHY. Mr. President, the yeas and nays have been ordered, and the Senator from Missouri has yielded back his time earlier, as I understand it.

The PRESIDING OFFICER. No. The Senator from Missouri has 14 minutes and 12 seconds remaining.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time, move to table the amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Vermont. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON: I announce that the Senator from Tennessee (Mr. SASSER), the Senator from Alaska (Mr. GRAVEL), the Senator from Wisconsin (Mr. NELSON), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

Mr. STEVENS: I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER (Mr. STONE). Are any Senators in the Chamber wishing to vote?

The result was announced—yeas 52, nays 42, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—52

Bellmon
Bentsen
Biden
Boschwitz
Bradley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
Domenici
Eagleton
Exon
Ford
Garn
Glenn
Hart
Hatch
Hayakawa
Helms
Hollings
Huddleston
Humphrey
Inouye
Jepsen
Johnston
Kassebaum
Laxalt
Long
Magnuson
Matsunaga
McClure
Metzenbaum
Muskie
Nunn
Packwood
Pell
Proxmire
Randolph
Roth
Sarbanes
Schmitt
Schweiker
Simpson
Stevens
Stevenson
Talmadge
Tower
Warner
Weicker
Young

NAYS—42

Armstrong
Baucus
Bayh
Boren
Bumpers
Burdick
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Durenberger
Durkin
Hatfield
Heflin
Heinz
Jackson
Javits
Kennedy
Leahy
Levin
Lugar
Mathias
McGovern
Melcher
Morgan
Moynihan
Percy
Pressler
Pryor
Riegle
Stafford
Stennis
Stewart
Stone
Thurmond
Tsongas
Wallop
Williams
Zorinsky

NOT VOTING—6

Baker
Goldwater
Gravel
Nelson
Ribicoff
Sasser

So the motion to lay on the table Mr. LEAHY's UP Amendment No. 383 was agreed to.

Mr. LEAHY. Mr. President, in this form, this is an amendment which had been——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous consent request?

Mr. LEAHY. I yield to the majority leader.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that there be a 10-minute time limitation on any rollcall votes for the remainder of this day, with the warning bells to be sounded after 2½ minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I have two other parts remaining to my earlier amendment. I understand there was a limitation of one-half hour plus the rollcall if we went to the full time; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. Mr. President, I wonder if I might pose a question to the distinguished floor leader. The vote was relatively close on this earlier matter. If I could have the attention of the Senate for just a moment, Mr. President——

The PRESIDING OFFICER. The Senate will be in order.

Mr. LEAHY. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Will the floor manager yield me 3 minutes on the bill, so I will not have to bring up the other amendments at this time?

Mr. EAGLETON. I yield the Senator 3 minutes, by all means.

Mr. LEAHY. Mr. President, the matters that are in the other amendments I would bring up for the same reasons I have talked about before. I believe they are worthy and extremely important for rural areas. I understand, however, that they are in the House bill. I know that the Senator from Missouri shares my concern for rural areas. I know also, however, that he and my good friend from Oklahoma are very much concerned about budgetary matters.

I wonder if I might ask them, without asking for a specific dollar commitment, if they will carry this strong concern with them when they go to conference.

The Senate in the past has tried to put some of these funds back in. Might the Senators at least be predisposed toward that?

Mr. EAGLETON. Mr. President, we always attempt to carry with us into conference the strong concerns of the Senator from Vermont with respect to these matters as they impact upon rural areas. We are sympathetic with his approach. I do not blame the Senator. He supported me earlier today on HOAP, which also expresses Senator LEAHY's concern about people in rural areas as well.

Bearing in mind that we have added $26 million already in Hatch Act funding and extension funding, and that there are some differences between the House bill and the Senate bill, there is some room for negotiation in conference, and I hope the Senator from Vermont will not be too terribly disappointed by the result of our efforts.

Mr. LEAHY. Mr. President, as chairman of the Rural Development Subcommittee, I am well aware of the concerns of the Senator from Missouri and the Senator from Oklahoma. They have both shown consistent concern for the problems of rural areas. In the light of their concern, and considering the lateness of the hour, I want to keep the friendship of my colleagues, and I will not call up the other two amendments.

The PRESIDING OFFICER. The Senator from Delaware.

UP AMENDMENT NO. 384

(Purpose: To reduce total budget authority provided for the Department of Agriculture and related agencies in this Act by $170 million)

Mr. ROTH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) for himself and Mr. PROXMIRE, proposes an unprinted amendment numbered 384:

On page 51, after line 19, insert the following:

SEC. 612.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 51, after line 19, insert the following:

SEC. 612. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act is hereby reduced in the amount of $170,000,000: *Provided,* That Congress intends that this reduction shall be achieved by the improvement of program efficiency and administrative productivity: *Provided further,* That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

Mr. ROTH. Mr. President, the American economy is in serious trouble, far greater trouble than this administration is either aware of or willing to admit. Only 4 years since this country suffered the severe effects of a destructive recession, rising, unrestrained inflation is pushing us right back into the arms of recession again. The Congressional Budget Office now predicts consumer prices will rise 12 percent this year, up from 9 percent last year. That is an incredible 21 percent increase in just 2 years—the largest in peacetime history.

Mr. President, if we are to reduce inflation, we in Congress must begin by conserving tax dollars, stopping excessive spending, and improving efficiency at the Department of Agriculture.

My amendment provides a 1-percent efficiency cut in the administrative costs of the Department of Agriculture in this bill. This will save the taxpayers $170 million and stimulate needed management reforms at the Department of Agriculture.

This amendment is cosponsored by the Senator from Wisconsin (Mr. PROXMIRE) and I ask unanimous consent that his name be added to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, the Senator from Wisconsin (Mr. PROXMIRE) has also joined with me as the SOB's, the Save Our Bucks Task Force, to carefully review each of the various appropriations bills.

In short, if the American people are going to make sacrifices for our national economy, the Federal Government itself is going to have to do more—with less.

Our amendment strikes at the very heart of that which the American taxpayer detests the most—waste and mismanagement. Our amendment does not cut specific programs, projects or hardware—such as plant, and capital equipment, but instead requires reductions in administrative and overhead costs only, in order to improve program efficiency within USDA.

I firmly believe not even the best run Federal agency would contend there is not at least 1 percent waste within its programs that a serious, effective management system could find and correct without destroying worthwhile programs. In addition, by such an efficiency cut, those affected agencies would be put on notice to track the effectiveness of all their programs and set priorities as to the most valuable.

Again, I wish to emphasize we are not advocating irresponsible or precipitous elimination of any programs in this bill. I am actually urging a more reasonable level of funding—a level more consistent with the President's stated goals and certainly more in keeping with those which citizens have been demanding all over the country.

I would suggest there are many areas in the present bill in which increases are highly questionable and efficiencies are possible.

For example, the salaries and expenses of the Farmers Home Administration in this bill have increased 20 percent over fiscal 1978, just when farmers are complaining the FmHA is top heavy with bureaucratic redtape.

This bill also includes $25 million over the House bill for competitive research grants. This program sets up a new bureaucracy in Washington and at the large universities to duplicate research of our productive and proven State research stations and land grant colleges under the cooperative State research service. The State agriculture people have opposed this boondoggle for 3 years now, and so has the House.

I would suggest that modest efficiency cuts could be made in those same areas in title II which the full Senate cutback on the floor last year on the recommendation of the Appropriations Committee. These areas include domestic farm labor assistance, which has increased 24 percent over 1978; housing repair grants, which have increased 263 percent over 1978, and the rural clean water program which, State officials tell me, has $25 million in unobligated, surplus funding.

Finally, food program administration costs for Federal salaries and expenses have skyrocketed 30 percent since 1978.

Our 1-percent efficiency and productivity cut does not tell USDA where to make its management efficiencies. The areas I have suggested are just that, and USDA would be expected to streamline its programs and cut waste and fat for a total reduction of $170 million in its budget. If USDA productivity could improve as much as the productivity of American farmers—15 percent output per man-hour alone in the last 3 years—my 1-percent efficiency cut would be a drop in the bucket in comparison.

There is no question hard choices are necessary to reduce Federal spending. But there is no question these steps are necessary to restrain inflation. When an average American family sits down and makes out their household budget, they set spending limits and establish priorities. They are forced not to spend more money than they have coming in. When times are tough, they do not increase the size of their budget, rather they make sacrifices. Perhaps they do not take a family vacation that year, or they wait another year to buy a new car. If the family budget does exceed the family's means, then the family must pay the consequences.

Likewise, the Federal Government should be forced to stay within the limits of its means. If American families are expected to make sacrifices, no less should be expected of the Government.

In fact, substantial reductions in Federal spending can be achieved merely by focusing on fraud and waste in Government spending programs. Deputy Attorney General Benjamin Civiletti has testified before the Budget Committee that fraud and waste consume between $5 and $50 billion of the Federal budget. Clearly, curbs on spending can be achieved without impairing useful Government functions.

Since the President's budget proposal in January, Federal spending levels have increased $10 billion.

The budget approved last year was the highest in our Nation's history—$494 billion. This year, the President's budget will set a new record—it calls for an increase to $532 billion. This is an increase of 7.7 percent.

For years the Government has been throwing money at our Nation's problems, and when that did not work the solution was to throw more money at our problems. In doing so, we have contributed to the biggest problem in this country—inflation.

I believe Government must begin to clean up its own house before it has any right to look the American people in the eye and demand that they cut back and sacrifice.

Do we need to be hit with a 2-by-4 to reduce the obvious?

I urge my colleagues to vote yea on the coalition amendment to save our taxpayers $170 million in improved efficiency and productivity at USDA.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated March 29, 1979, from myself to Senators EAGLETON and BELLMON, in response to a request for recommendations on agricultural programs.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 29, 1979.

Hon. THOMAS EAGLETON,
Hon. HENRY BELLMON,
Subcommittee on Agriculture, and Related Agencies, Washington, D.C.

DEAR TOM and HENRY: Thank you for inviting me to make recommendations to the Agriculture and Related Agencies Subcommittee on federal assistance for agricultural programs in the 1980 budget.

As your subcommittee considers agriculture appropriations for fiscal 1980, I urge you to maintain your support for the agricultural research programs of our land grant universities.

The State Agricultural Experiment Stations and Extension Services are the backbone of our nation's phenomenal strength in agriculture. Indeed, they sustain the position of the American farm as breadbasket to the world. The formula matching grants which the Hatch Act and Smith-Lever Act provide our land grant universities represent long-term investment in the productivity of American agriculture.

The Extension Service, for example, has been so successful in bringing the farmer and the scientist together that it has been a model for dozens of other federal programs, such as the Sea Grant public information programs funded by NOAA, and, more recently, the state energy extension service pilot programs funded by DOE.

The Experiment Stations provide a much-needed continuity to basic and applied agricultural research programs, and enable farmers to cope on the local level, on a person-to-person basis, with the increasing complexity of agriculture.

However, President Carter in both his fiscal 1979 and his fiscal 1980 budgets has failed to recognize the importance of these programs to our agricultural productivity. In his 1980 budget, he has recommended $81,078,000 for Hatch Act formula grants, the same amount appropriated in FY 1979, and therefore a 10 percent cut in real dollars. He has recommended cutting Smith-Lever Act payments to states from $240,330,000 in 1979 to $186,140,000 in 1980. At the same time as the President is recommending these cuts in our state agricultural research programs, he is recommending doubling competitive agricultural research grants from $14,550,000 to $29,100,000.

Replacing our long-standing state agriculture research institutions with a new national research bureaucracy just does not make sense. We need to cut the waste and fat in government programs. We need to weed out the inefficient programs and make the hard choices necessary to cut the budget deficit. But in an era of declining economic productivity, we need to maintain those programs that sustain the productivity level of the backbone of our economy—at the most efficient, least bureaucratic level.

Therefore, in your committee's deliberations please maintain real dollar level of federal funding for the Hatch Act statutory grants and the Smith-Lever Act payments to the states. I recommend you offset these increases with cuts in other, less productive, less proven programs, such as the competitive research grants.

Thank you for your consideration.

Sincerely,

WILLIAM V. ROTH, Jr.,
U.S. Senate.

Mr. EAGLETON. Mr. President, will the Senator yield for a question?

Mr. ROTH. Yes, I am happy to.

Mr. EAGLETON. With regard to the so-called 1-percent-efficiency cut, the amendment is not drafted as a 1-percent cut across-the-board in every account; is that correct?

Mr. ROTH. That is true.

Mr. EAGLETON. Thus the Secretary, if this amendment becomes law, could cut any account by 2 percent, 4 percent, or 5 percent, depending on where he wanted, wherever he found this so-called inefficiency; is that correct?

Mr. ROTH. I would point out to the distinguished manager of the bill that the amendment just provides for $170 million in cuts, with the proviso that "Congress intends that this reduction shall be achieved by the improvement of program efficiency and administrative productivity."

It is not intended to be a cut in specific programs, per se.

Mr. EAGLETON. Per se. But if this passes, and the Secretary calls in his aides and says, "Let's do a little zero-based budgeting in terms of efficiency, and let's start with the most inefficient program we run, and then go up to the most efficient," those designated as being most inefficient could feel a heavier burden of the cuts; would that not be correct?

Mr. ROTH. That is correct.

Mr. EAGLETON. And did I correctly understand the Senator to say that the Senator from Wisconsin (Mr. PROXMIRE) was now a cosponsor of this amendment?

Mr. ROTH. That is correct.

Mr. EAGLETON. That is very interesting, because in the opinion of some in this Chamber, the special milk program is one of the most inefficient programs, and the Secretary of Agriculture so believes. So if this amendment passes I think I can assure the body that the first heavy measure of this cut will be against the special milk program, and it is interesting that Senator PROXMIRE is a cosponsor of the amendment.

Mr. ROTH. I would point out to the distinguished manager of the bill that it is intended, and the amendment so provides, that these would be cuts from administrative costs and not programs themselves. In my lengthier statement, which in the interest of time I did not read in its entirety, I do mention a number of areas that I suggest where cuts could be made.

I would point out that this bill as reported contains an inflationary 25 percent increase in the administrative costs of Farmers Home and food programs, and a 28 percent increase in rural development program.

Mr. President, I realize that any proposed efficiency cut can be attacked on the ground that it is going to hurt a favorite program of a particular Senator or a particular State. But I think the important point we are trying to make, and I would assume that the Department of Agriculture would move in good faith, particularly with the oversight responsibility in the hands of such people as the manager of the bill and Senator BELLMON, that we can accomplish this 1 percent cut without hurting any of the significant programs in the Department of Agriculture.

I think we are saying to the people back home, because of inflation, "You have to make your dollar go further. You have to be a little more effective. You have to be a little more efficient." I think that is all we are trying to do here, Mr. President, to put the various departments on notice that they are just going to have to do a better job with the funds available, that there are ways and means of improving the administrative efficiency of this department without hurting the many programs approved by this Congress. I do not think anyone would quarrel with that.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I am willing to yield.

Mr. BELLMON. Will the Senator from Missouri yield me 5 minutes?

Mr. EAGLETON. I yield.

Mr. BELLMON. Mr. President, there is something very attractive and tempting about these across-the-board cuts. In voting for these, we can vote for efficiency; we can vote to do away with waste and corruption without being specific. But unfortunately, when we get down to the full effect of these cuts they usually prove to be exactly the wrong way to try to achieve reductions in the appropriations. When we make these kinds of cuts, we hit the high priority and well-managed programs to the same extent that we hit the low priority programs. As the Senator from Missouri has pointed out, we simply give the administration carte blanche to cut wherever they want to, and obviously some of the places they are going to cut will not suit the Members of the Senate.

As a matter of fact, and I think this will be of interest to the Senate, the Subcommittee on Agriculture of the Appropriations Committee this year had requests from a large number of Senators and these requests totaled $700 million for add-ons. There was not one single request, to my knowledge, that even suggested that we cut a program. This includes the Senator from Delaware. There was no request from the Senator from Delaware that we consider these cuts during the process of hearings or marking up of this bill.

Mr. ROTH. I believe I appeared before the Budget Committee.

Mr. BELLMON. I am talking about the Appropriations Subcommittee.

Mr. ROTH. But I think the Senator from Oklahoma recognizes that we have the authorizing committee and the Budget Committee, and I did appear before the Budget Committe and in great detail pointed out where I thought savings could be made. In any event, the real problem, I would point out, is that we really do not know what the Senator will recommend until 3 days before he comes to the Senate floor. This Senator has tried to be cooperative and has not brought up an objection based on the 3-day rule. But I would point out that this Senator, with the Senator from Wisconsin, did appear before the Budget Committee.

Mr. BELLMON. I was present and remember very vividly that testimony. I was speaking of the bill before this body at this time from the Agricultural Appropriations Subcommittee. No Senator recommended any specific cuts to be made in this legislation. The fact is that the members of this committee spent a great deal of time and energy in trying to bring to this floor as responsible a bill as we possibly could. When we meet these across-the-board cuts, we are simply inviting committees not to be as careful in their work as they presently are trying to be, or to add a little cut insurance. To me that would be the worst kind of cut.

I must oppose the amendment of my friend from Delaware, realizing that he has good intentions but believing that this is the wrong way to go about achieving the results he wishes.

Mr. ROTH. Mr. President, to be very brief, down through the years I have offered amendments in the form of across-the-board cuts or by specific purpose. In either case I always run into the same problem, that it cannot be done. I think that is the reason we are in the budget situation we are now in. It is my understanding that the members of the Budget Committee are extrordinarily concerned about the budget deficit this year.

We have forced the American people to do a better job. All I am saying is that American farm productivity has jumped 15 percent in 3 years. I see nothing wrong with asking the USDA to attempt to keep pace by improving its productivity and efficiency.

Mr. EAGLETON. Mr. President, I believe the Senator from Oklahoma has stated our position very well.

Mr. President, I have with me an 18-page document that indexes the request of every Senator made to our committee with respect to funding provisions in this bill. Some Senators write us many letters. The essence of this list is that every Senator who wrote us, Mr. President, asked us to appropriate more money. Every name on this list and every program from every Senator was to spend more, including the Senator from Delaware. He wrote us three times. He wrote us to spend more on Hatch Act grants. He wrote us before we marked up the bill.

He wrote to spend more on Smith-Lever, and to spend more on SCS.

By the way, the bill is in compliance with the 3-day rule.

The reason the Senator does not want to offer a specific amendment is that once he starts cutting into certain specifics, then he knows he will be trespassing on many Members' favorite programs.

In this amendment to cut amorphously, he hopes to muster a great deal of support. I think perhaps a more prudent way for the Senator to go is to recommend specific cuts—say cut the special milk program, cut the brucellosis research, or tell us where he wants to cut and we will vote on it.

Mr. President, I yield back the remainder of my time. I move to table the amendment and ask for the yeas and nays.

Mr. ROTH. Will the chairman withhold for 30 seconds?

Mr. EAGLETON. Yes.

Mr. ROTH. I would like to point out that, as other Senators, of course I have tried to influence the appropriations. I would also point out that in my letter to Senator Bellmon, I also recommended that these increases be cut by eliminating such programs as the competitive research grants. So I think if the Senator is going to attack this Senator, the full story should be given. I yield back the floor.

Mr. EAGLETON. Mr. President, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion to table the amendment of the Senator from Delaware. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. Gravel), the Senator from Michigan (Mr. Levin), the Senator from Wisconsin (Mr. Nelson), the Senator from Connecticut (Mr. Ribicoff), the Senator from Michigan (Mr. Riegle), the Senator from Tennessee (Mr. Sasser), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan (Mr. Levin) would vote "yea."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. Goldwater) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. Baker) is absent to attend a funeral.

The PRESIDING OFFICER (Mr. Pryor). Have all Senators in the Chamber who wish to vote voted?

The result was announced—yeas 65, nays 26, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—65

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
Culver
DeConcini
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Kassebaum
Kennedy
Leahy
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Percy
Pressler
Pryor
Randolph
Sarbanes
Schmitt
Schweiker
Stafford
Stevens
Stevenson
Stewart
Talmadge
Tower
Tsongas
Weicker
Williams
Young
Zorinsky

NAYS—26

Armstrong
Boschwitz
Byrd,
Harry F., Jr.
Chafee
Danforth
Dole
Garn
Hatch
Helms
Humphrey
Jepsen
Johnston
Laxalt
Long
Lugar
McClure
Nunn
Packwood
Pell
Proxmire
Roth
Simpson
Stone
Thurmond
Wallop
Warner

NOT VOTING—9

Baker
Goldwater
Gravel
Levin
Nelson
Ribicoff
Riegle
Sasser
Stennis

So the motion to lay on the table the Roth amendment (UP No. 384) was agreed to.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, if I could just take a minute to inquire as to what the situation is.

May I inquire of the distinguished Senator from Montana (Mr. Melcher) as to how many amendments he has that would require a rollcall vote, if any.

Mr. MELCHER. We have one amendment that the managers of the bill have not seen fit to accept yet and two others I think will be agreeable.

Mr. ROBERT C. BYRD. May I inquire of the manager of the bill, does he intend to say something?

Mr. EAGLETON. It is my understanding that Senator Melcher has one amendment on which he will request a vote. He has two amendments that I think we will be able to work out with some conversation.

The Senator from South Carolina (Mr. Thurmond) has an amendment that we will work out with some discussion. Those are the only amendments I know of.

So if I may make a suggestion, that we proceed with the Melcher amendment on which there is to be a vote, and then have an understanding we will not need a rollcall vote on final passage. I do not require one or think we need one, so if we could have one more rollcall vote, everyone could go and we could do our discussions on the other issues that will not require a rollcall vote.

Mr. ROBERT C. BYRD. Mr. President, may I inquire if any Senator intends to demand the yeas and nays on final passage?

Then Mr. MELCHER is prepared to go with the amendment on which a rollcall vote would be required at this time.

I thank the Senators.

Mr. President, there are indications there will be a rollcall vote requested on final passage. So if we could hold that assurance in abeyance, at least for the moment, there might be a chance that a voice vote would still suffice. We will not say for sure just now.

Mr. MAGNUSON. If the Senator will yield, would the majority leader, while on the floor and there are Senators present, lay out the program now for tomorrow?

PROGRAM FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Washington (Mr. MAGNUSON) has asked about the program for tomorrow.

The Senate will proceed at 11 o'clock a.m. tomorrow on the Labor-HEW appropriation bill. There is no time agreement at this point on that bill. There will be rollcall votes on amendments.

The distinguished Senator from Washington (Mr. MAGNUSON) has indicated that there is a possibility the Senate might finish action on that bill tomorrow, but I do not believe——

Mr. MAGNUSON. I am not optimistic.

Mr ROBERT C. BYRD. He is not optimistic.

That would be the business on tomorrow.

Mr. STEVENS. And work on the agriculture bill at 11 o'clock——

Mr. EAGLETON. I was going to suggest, I think, along the same lines, that we consider the Melcher amendment, discuss the other amendments, then go to third reading tonight and have a rollcall vote on final passage tomorrow morning at 11 o'clock. But, the bill could not be amended any further tomorrow.

Mr. ROBERT C. BYRD. All right.

Would 10:45 be all right, because Mr. MAGNUSON wants to start on the appropriation bill at 11.

Mr. STEVENS. Fine.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a vote on final passage of the agriculture appropriation bill, which will be a rollcall vote, occur tomorrow morning at 10:45 a.m., with the paragraph 3, rule XII waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Then, Mr. President, may we have an understanding that once the Senate has disposed of the Melcher amendment on which there will be a rollcall vote, that there will be no other rollcall vote this evening?

Mr. EAGLETON. Yes.

Mr. ROBERT C. BYRD. And that upon the disposition of the Melcher amendment and Mr. THURMOND'S amendment, the bill will go to third reading, and that will be it for the day.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. If the Senator will yield, I have no objection. I want to ask two questions. One, is the majority leader going to seek a time agreement sometime between now and tomorrow on the Labor-HEW bill?

Mr. ROBERT C. BYRD. No. I will not between now and tomorrow.

Mr. BUMPERS. Two, can the Senator give some idea of the prospects for a Saturday session?

Mr. ROBERT C. BYRD. The prospects, unfortunately, are good.

Several Senators addressed the Chair.

Mr. ROBERT C. BYRD. May I have a word of explanation? The Labor-HEW appropriation bill, we hope to dispose of that this week, and the Export Control Act, also. There is time agreement on the Export Control Act.

So I would say between those two bills we would be in Saturday, and if we dispose of both those, we have other matters.

We have a nomination that has been on the desk here for weeks, and it concerns the nomination of a member of the minority party with some problems on that side of the aisle.

But we will have to dispose of that sooner or later.

Mr. JOHNSTON. If the Senator will yield, reserving the right to object—will the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. JOHNSTON. I wonder if it would be possible to have the debate on these two amendments tonight, vote on them tomorrow back to back, so we can, maybe, slip off to our families?

Mr. ROBERT C. BYRD. Well, Mr. President, could we just take 5 minutes on this amendment?

Mr. MELCHER. Well——

Mr. ROBERT C. BYRD. Or 10.

Mr. MELCHER. Would the majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MELCHER. There are several cosponsors. I have noticed at least two beside myself who would like to speak, and briefly. But I think we could assure all Senators that the vote will probably occur in 15 or 20 minutes.

Mr. ROBERT C. BYRD. Could we limit the time, not to exceed 20 minutes on the amendment, equally divided; is that agreeable to the distinguished Senator, to limit the time on the amendment, not to exceed 20 minutes, equally divided?

Mr. MELCHER. I cannot speak for the others that have asked to speak on it.

It will be a little tight, but the way the manager of the bill is operating, he does not take much time.

Mr. ROBERT C. BYRD. Does the Senator object to my request of 20 minutes, equally divided?

Mr. MELCHER. It will be tight.

Mr. ROBERT C. BYRD. Not to exceed 30 minutes, equally divided?

Mr. MELCHER. Well, it is 30 minutes, anyway. That is all there is.

Mr. ROBERT C. BYRD. I thought there was an hour—is it 30 minutes?

Mr. MELCHER. Yes.

Mr. ROBERT C. BYRD. Then I am gaining nothing.

Several Senators addressed the Chair.

Mr. MELCHER. We could present——

Mr. FORD. We could have had the amendment handled in the time we have wasted.

Mr. ROBERT C. BYRD. Twenty minutes, equally divided, with 5 minutes to the Senator from Missouri?

Mr. MELCHER. Sure.

Mr. ROBERT C. BYRD. I make that request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MELCHER. Mr. President, this amendment will really take a very short time.

Mr. EAGLETON. Mr. President, may we have order so we can hear the Senator?

The PRESIDING OFFICER. The Senator may proceed.

UP AMENDMENT NO. 385

Mr. MELCHER. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself and Messrs. MCGOVERN, BOSCHWITZ, ZORINSKY, JEPSEN, COCHRAN, and DURENBERGER, propose an unprinted amendment numbered 385:

To amend H.R. 4387 making appropriations for Agriculture, Rural Developments, and Related Agencies program for the fiscal year ending September 30, 1980, and for other purposes.

On page 32, line 20—strike $254,097,000 and insert $272,043,000.

Mr. MELCHER. Mr. President and Members of the Senate, what we are seeking to do with this amendment is to provide for soil conservation service, approximately the amount that was available for SCS in this current fiscal year. We are not quite up to that amount. We are asking a few million dollars less than the $276 million that is available this year for Soil Conservation Service.

So I think the amendment is a very reasonable amendment. What was available for Soil Conservation Service in the current fiscal year, including what is in the supplemental, comes to $276 million. There was a $12 million carryover that was available to SCS this year.

Under the terms of the bill and the restructuring of how these agencies work and how their fiscal years end, there is no carryover that will be available henceforth.

So if we review what is in the committee recommended bill, $254 million for fiscal 1980, we are actually looking at $20 million—almost $21 million—less than is available and is being spent in a judicious way for Soil Conservation Services this year.

We are not even trying to correct for inflation. We are just attempting to hold SCS to where it is now.

The President's budget envisions a cut of 1,100 jobs. Eleven hundred jobs is 20 per State, if it were divided equally. Of course, it is not divided equally, but I think Senators would agree that that is a very serious cut in any State.

Mr. President, in fiscal 1979, the appropriations for the conservation operations of the Soil Conservation Service—plus carryover from fiscal 1978—was $276,000,000.

The Senate Appropriations Committee has recommended a level of $254,097,000 for fiscal 1980—a reduction of $20,997,000. Further, the committee has decided that it will no longer permit the carrying over of funds from one year to the next, even though that is the most sensible way to finance conservation work—construction activities in particular.

When the cuts recommended by the committee are corrected for inflation, and to eliminate $2,000,000 in Resource Conservation Act grants in 1979, the net effect of their action is a reduction of $24,600,000.

An adjustment of this size would mean cutting 1,100 staff years of conservation work, or about 22 fewer professional people per State.

Now just what are conservation operations?

First and foremost, it is the payroll—the line item where most of the SCS personnel are paid from.

Conservation operations provide technical assistance to farmers, ranchers, and other landowners in the planning and application of conservation treatment needed to protect the resource base.

This includes assistance to participants of the agricultural conservation program administered by the Agricultural Stabilization and Conservation Service; assistance to Indians; and strip-mined land that has to be reclaimed.

Our distinguished colleagues may tell us that since they included in this bill $75 million for the new rural clean water program, they have created slightly more than 200 jobs, while taking away 1,100 with the other hand. But these people will be committed to the water pollution activities, and will not be detailed to the normal day-to-day activities of the agency which have proven themselves over more than 40 years.

Another part of conservation operations is land inventory and monitoring. It provides soil and water resource data for land conservation, use, and development. It helps local government in making development decisions. The information it produces can be used for making local development decisions, to identify prime farmland and to protect the environment.

A third part of conservation operations is the soil survey. These soil surveys are an inventory of our basic resource to determine land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperating farmers, governments at all levels, and for basic information on land to be surface mined.

Only about half of our Nation's land has been inventoried, mostly because the money has not been provided to do the job. The bill before us today would reduce by half the amount recommended by the House for this purpose. The reason given is that SCS will receive $2 million from the Bureau of Land Management next year for soil survey work. That is fine for BLM, but that bears no relevance to the problem of trying to find out the condition of our privately owned farmland. Unless the BLM is going to become altruistic and let their money be used to survey private land, we are taking a major step backward.

Another part of conservation operations is the snow survey, which is really water forecasting. In many portions of the water-short West, the snow that falls on the mountains in the winter is the water that will be available throughout the rest of the year. Information on the amount of snowpack is vital to everyone who uses water in the West.

The administration wants to turn this program over to the States. Unfortunately, when the snow melts, it does not stop at State lines. It follows the flow of river basins. Therefore, it is not realistic to expect the States to do this work, and it is obviously information which has national implications.

This might be an appropriate time to talk about what the States should do. Over the past 10 years, through succeeding economy measures, the Soil Conservation Service has lost about 3,000 technician jobs. This has concerned the States, and some of them have begun to hire conservationists to supplement the Federal effort. But the States have been rewarded for their desire to expand the work of conservation by having the Federal Government continually try to cut back on the SCS staff. That does not seem like much of an incentive for the States to try to do more. It seems to me it would work just the opposite.

The administration wants to get rid of the plant materials centers and turn them over to the States. There are now 18 SCS-operated plant materials centers which test new plants to determine which ones work best for a particular multi-State region to hold down coast lines, to develop shelter belts or reclaim strip mines, to mention just a few things. If these units are turned over to the States, there is no assurance whatever that the information now shared within regions would continue to be shared.

Finally, conservation operations cover work for the Soil and Water Resource Conservation Act of 1977, a device through which the Congress hopes to get a better quality of conservation effort.

We have to have more knowledge about the status of our resources and the condition of our land and water resources. Soil losses from our lands continue at an unacceptable rate. In Montana alone there are 35 million acres in desperate need of conservation treatment. Our lakes, ponds, and waterways are filling with chemicals and silt. We are not going to win this battle with erosion without a Federal commitment.

Our calculations indicate that 1,000 skilled technicians will be lost from the Soil Conservation Service if this bill is not amended. We have learned from long experience that it takes technical assistance to plan and apply conservation measures to the land.

Therefore, I ask the Senate to accept my amendment to increase the amount for conservation operations to $272 million, a sum that will merely hold us where we are today. It is a current services figure. With inflation and other rising costs it will provide us with a level of operations similar to fiscal 1979 activities and employment.

The conservation programs of the Department of Agriculture have been gutted by inflation. Each year we come here and appropriate the same amounts for soil and water conservation, and sometimes a little less. We do this in the name of economy. But because of inflation we have steadily allowed our conservation efforts to decline, as the same number of dollars each year buys less and less conservation.

The Cedars of Lebanon are renowned throughout history and legend as one of the greatest assets of that land. But the Cedars have been gone for hundreds of years, because the soils of Lebanon were permitted to be wasted. Furthermore, the land will never again permit the planting of these trees.

The fertile crescent, where our civilization began is no longer fertile. It is a desert. Throughout the world the desert is creeping up on our civilization, as in the Sahel, in Africa. Yet we try to economize on spending for the basic resource that makes our society so rich and prosperous—the land. It is the richness of our land which makes us the best fed nation in the world, and which permits us to expand our efforts in manufacturing and other vital areas.

If we do not make the small contributions to the continued productivity of the land today, this Nation will pay through the nose for our poor stewardship down the road in a way that will make the energy crisis seem like small potatoes.

The fact is that if we really believe that our soil and water resources are important, we have to provide for this very important function. These are funds mostly for jobs, but it is the best protection this country has found for avoiding soil damage, for conserving soil.

Another part of the conservation operations is planned inventory and monitoring to provide soil and water resource data for land conservation use and development. It helps local government in making development decisions.

The information it provides can be used for making local government decisions to identify prime farmland and to protect the environment.

A third part of conservation operations is soil conserving. These soil services are an inventory of our basic resources to determine land capabilities and conservation needs. Only about half of our Nation's land has been inventoried, mostly because the money has not been provided to do the job. The bill before us today would reduce by half the amount recommended by the House for this purpose.

If we really want to protect our land and water, if we really believe that that is one of our very basic goals in this country, I think it is time we hold the line on erosion of the Soil Conservation Service. That is exactly what is happening in the President's budget and, unfortunately, in the committee's recommendation for Soil Conservation Services in this bill.

I yield to the Senator from Iowa (Mr. JEPSEN).

Mr. JEPSEN. Mr. President, as ranking minority member of the Environment, Soil Conservation and Forestry Subcommittee of the Senate Agriculture Committee, I have joined the senior Senator from Montana as a cosponsor of this amendment.

Mr. President, our Nation has a responsibility to help farmers protect the long-term public interests in land and water. Attempts to deny that responsibility in order to falsely preserve the budget mislead the American taxpayer. Conservation program dollars, effectively spent mean that soil and water are more productive next year, and every year thereafter. This productivity is our major source of national strength and wealth and failure to utilize conservation dollars now will contribute to a false and limited agriculture economy. Soil quality determines our Nation's crop production. A strong and well staffed soil conservation program will help to maintain and improve the productivity of land resources. This will benefit consumers, our farm communities, the environment and our Nation.

Throughout this great country, we have seen topsoil wash away, fertility decrease and soil quality deteriorate. When land deteriorates, soil loses a high level of productivity, and the ability to absorb moisture that can be released slowly to crops, natural springs, and streams. Deteriorated soils are easily compacted by machines working the land.

Rain beating on deteriorated soils can cause a crust to form reducing penetration and increasing a run-off which carries away millions of tons of sediment. This sediment fills our streams, ponds, and lakes; destroys fish and wildlife, chokes waterway channels, and compounds the problems of obtaining clean water for public and industrial use.

Americans need to be reminded again, in a new and effective way, that soil erosion means a permanent loss of productivity. Consequently, the loss results in increased production costs for grain, pork, beef, and other agricultural products. Those who have talked to farmers recently, like I have, know that they—the farmers—cannot afford these increased costs. Costs will eventually be passed on to consumers and will add to inflation, inflation far greater than we know today. I believe that those who think that we can fight inflation by reducing sound and effective conservation programs are shortsighted. If we are trying to control inflation, we must look at the root causes of inflation. The loss of productive lands by erosion of productive topsoils is one of these root causes.

Mr. President, recently I had the opportunity to visit Allamakee County in my home State of Iowa and observed firsthand, their soil conservation programs. During my tour of the county, I found the district conservationist of the soil conservation service to be knowledgeable and competent. The projects that he planned and implemented were effective to Allamakee County's soil conservation effort.

The U.S. Department of Agriculture's Soil Conservation Service works in Iowa through a total of 100 soil and water conservation districts like Allamakee. Districts now cover 100 percent of the State. During fiscal year 1978 a total of 2,998 land users became new district cooperators, bringing to 105,495 the number of cooperators who voluntarily are applying conservation measures to their land with SCS technical assistance.

The Soil Conservation Service provides technical help to 25,902 individuals and groups and 345 of Government. SCS also gave conservation planning assistance to 2,304 land users. Resource inventory and evaluations were provided to 1,112 land users and 272 units of Government. Effective conservation systems were applied to 197,211 acres.

The vanishing topsoil in Iowa has required of farmers that they increase their concern and implementation of new soil conservation techniques. Half the original topsoil has been lost from Iowa's unprotected sloping soils in the hundred years that they have been farmed. At an average loss of 9 tons per acre per year or one-twelfth of an inch of topsoil a year. The rest could be gone in the next 100 years. It takes nature 250 to 1,000 years to build an inch of topsoil. It is evident that topsoil is being lost much faster than it is being replaced.

Wind and water wear away the soil. Sheet erosion, the loss of topsoil by thin layers or sheets, is one of the major forms of soil erosion. Another form, gully erosion, scars the landscape by cutting into productive fields.

Senator MELCHER has indicated that 1,000 skilled technicians will be lost from the Soil Conservation Service if this bill is not amended. We must act now to maintain the technical assistance necessary to plan and apply conservation measures to the land. The amount indicated in our amendment will increase the amount for conservation operations by $18 million. This will simply help us maintain our present programs. We must invest in the future of American agriculture and I ask for strong support.

As Senator MELCHER has stated, due to a combination of carryover, the budget this year for the soil conservation people was considerably less than the 1979 appropriations. What we are asking for in this amendment is an amount of money that does not count inflation. In fact, it does not quite equal the 1979 appropriations. It is some $3 million less.

Mr. President, I yield to the distinguished Senator from Mississippi (Mr. COCHRAN).

Mr. COCHRAN. I thank the Senator for yielding.

Mr. President, it is with concern for the conservation of our land and water resources in this country and admiration for a program that has served our people well that I rise in support of Senator MELCHER's amendment. It provides a current services level of support to the conservation operations program of the Soil Conservation Service. Let me hasten to add that I am just as concerned about the budget as I know are the other Members of the Senate. And I appreciate the difficult decisions which had to be made by the Appropriations Committee in trying to establish priorities among the various program needs. It is no simple task, and I applaud the fine job they did. Yet I think it is important to stand up for programs which have a proven history of benefits to our people.

The conservation operations program represents one of the most effective programs we have to help preserve our natural resources in this country. They provide technical and other assistance to farmers, ranchers, rural communities and others, in all 50 States, through some 2,934 conservation districts. Projects are identified at the local level by local officials working with private and public landholders. This is truly a joint effort with local, State, and Federal participation.

For every dollar of technical assistance provided through the conservation operation program there is about 1 dollar of additional money provided by State and local governments, private individuals, and organizations. In addition, landowners themselves put in an additional $3 of money, time, and effort. This means that for every dollar of technical assistance provided by the Federal Government there are $4 of non-Federal money and time going into conservation projects. Mr. President, I think it would be a mistake for the Congress to cut a program that provides the technical support to such viable local programs.

Let me remind the Members that the budget for the Soil Conservation Service assistance to soil and water conservation districts has eroded drastically during the past several years. The result has been a decline of nearly 3,000 full-time employees during the last decade. If the budget level proposed by the Appropriations Committee prevails it will mean a reduction of another 1,000 man-years. In my State alone, this would mean a reduction of about 25 to 30 full-time employees. There is no doubt that a cut of this magnitude will substantially reduce the ability to carry out local projects and be an expression of bad faith on the part of the Federal Government by reducing the technical assistance needed.

Therefore, I urge Senators to support the amendment offered by Senator MELCHER so we can maintain the type of conservation programs that provide valuable assistance in the conservation of our land and water resources for future generations.

● Mr. BOSCHWITZ. Mr. President, I am concerned over the funding level of $254,097,000 for the Soil Conservation Service's conservation operations in the current version of H.R. 4387. If this level of funding were kept in the current version of the bill approximately 1,100 SCS employees would lose their jobs.

Like the rest of my colleagues, I feel we should cut out unnecessary Federal spending. However, the Soil Conservation Service is one agency that I feel performs many useful functions for the farmer and the rural landowner. The

Soil Conservation Service has the responsibility for developing and carrying out a national soil and water conservation program in cooperation with landowners, developers, with community planning agencies, and other Government agencies. The SCS also assists in agricultural pollution control, environmental improvement, and rural community development.

A major portion of SCS's soil and water conservation program is implemented by the local soil and water conservation districts. There are presently 3,000 conservation districts in the United States, which cover almost 2 billion acres. Through these local soil and water conservation districts, SCS provides technical assistance to landowners and operators in carrying out locally adapted soil and water conservation programs. These local districts work closely with the rural landowner in the development of his own conservation plans and also in the making of soil surveys.

If the present level of funding were left in this bill, my home State of Minnesota would lose between 25 and 35 SCS employees. This reduction in staff would mean that many farmers and rural landowners in Minnesota would lose valuable technical and financial assistance that had previously been provided for them through the local soil and water conservation districts.

I applaud Senator MELCHER's efforts to restore funding levels for the Soil Conservation Service, and I urge my colleagues to support this most essential amendment.●

Mr. EAGLETON. Mr. President, the committee opposes this amendment, as does the Department of Agriculture, for the following reasons:

First, the budget assumed and the committee concurred in reductions in Federal technical assistance in recognition of the increased role of State, local governments, and the private sector in providing this assistance.

Second, a portion of the reduction proposed in the budget for technical assistance under conservation operations has been picked up by the rural clean water appropriation—technical assistance portion.

Third, additional reimbursements from outside USDA were expected to pick up $3 million of the budgeted reduction, and we believe they will.

Fourth, the Melcher amendment funds the fiscal year 1979 expenditure level of the SCS conservation operations and does not recognize any reductions proposed in the budget.

For example, it does not take into account a $3 million reduction for anticipated reimbursements for soil surveys coming from non-USDA sources; $2 million for resource appraisal and program development that was provided in fiscal year 1979 to meet requiremnts of the Soil and Water Resources Conservation Act but are no longer needed in fiscal year 1980.

We believe that the Soil Conservation Service has been very well taken care of.

In essence, it is just a question of whether we want to add yet another $18 million to this bill.

Mr. President, I yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I join in supporting the manager of the bill with respect to this item.

I probably have had as close a connection with the Soil Conservation Service as any other Member of the Senate. As a matter of fact, for several years after World War II, I made my living by working as a soil conservation contractor, and I know the value of these programs.

The fact is that there is still a great deal of work to be done, but we are beginning to come to the time when some of these programs can be phased back. The fact that we spent a certain amount of money last year does not mean we have to go on spending it forever.

I feel that particularly in a year where we have a severe budget problem to deal with this is one area where the President's budget figure is appropriate, and I support the Senator from Missouri in defending the subcommittee figure.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. I yield back the remainder of our time.

Mr. MELCHER. Mr. President, I ask unanimous consent that Senators CULVER and PRESSLER be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Add me, also.

Mr. MELCHER. Mr. President, I ask unanimous consent that Senator RANDOLPH also be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, the facts I have outlined. $276 million is available this year for Soil Conservation Service, which is absolutely adequate. The $12 million that I mentioned as carryover was available for this year and the supplemental added $7 million to get the SCS through this current fiscal year.

There is no argument at all over those figures. But there is no carryover allowed under the terms of this bill to be available to the Soil Conservation Service.

So what we are dealing with is what is needed. We either provide this amount of money or we take the total 1,100 job cut, and that means a loss of a lot of potential conservation effort.

We are only asking to get back close, not entirely back to the level of the current fiscal year, but just back close within $2 or $3 million of that level.

I think it is an entirely reasonable amendment. I think it is one that is absolutely essential if we really believe in land conservation. I hope the Senate can agree to it.

I yield back the remainder of our time.

Mr. BELLMON. Mr. President, under the current unanimous-consent agreement is a motion to table in order?

The PRESIDING OFFICER. Yes, it is.

Mr. BELLMON. Mr. President, I move to table the amendment of the Senator from Montana and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Montana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Wisconsin (Mr. NELSON), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Tennessee (Mr. SASSER), the Senator from South Dakota (Mr. McGOVERN), the Senator from Michigan (Mr. RIEGLE), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. McGOVERN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent to attend a funeral.

The PRESIDING OFFICER. Have all Senators in the Chamber voted who desire to vote?

The result was announced—yeas 23, nays 68, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—23

Bayh
Bellmon
Bradley
Byrd,
 Harry F., Jr.
Cranston
Eagleton
Glenn
Hart
Hollings
Humphrey
Johnston
Kennedy
Long
Muskie
Pell
Proxmire
Roth
Schmitt
Schweiker
Stevenson
Stone
Warner
Young

NAYS—68

Armstrong
Baucus
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Exon
Ford
Garn
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Huddleston
Inouye
Jackson
Javits
Jepsen
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure
Melcher
Metzenbaum
Morgan
Moynihan
Nunn
Packwood
Percy
Pressler
Pryor
Randolph
Sarbanes
Simpson
Stafford
Stevens
Stewart
Talmadge
Thurmond
Tower
Tsongas
Wallop
Weicker
Williams
Zorinsky

NOT VOTING—9

Baker
Goldwater
Gravel
McGovern
Nelson
Ribicoff
Riegle
Sasser
Stennis

So the motion to lay on the table Mr. MELCHER's amendment (UP No. 385) was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

Mr. MELCHER's amendment (UP No. 385) was agreed to.

Mr. MELCHER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 386

(Purpose: To increase appropriations for section 502 rural housing loans)

Mr. THURMOND. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes an unprinted amendment numbered 386.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, line 10, strike the figure $3,766,000,000 and insert in lieu thereof: $3,979,000,000.

On page 25, line 11, strike the figure $2,857,000,000 and insert in lieu thereof: $3,070,000,000.

Mr. THURMOND. Mr. President, this amendment provides for increasing the funding under section 502 of rural housing and adds $213 million, which is the amount provided by the House bill.

Mr. President, this program is administered by the Farmers Home Administration and assists low- and moderate-income rural families. The Farmers Home Administration informs me that any loan applications are backlogged and waiting nearly a year for funding.

Since this program is for low- and moderate-income families, those who are really in need, I feel we should go forward and provide the funds for this program.

In about 2 minutes I can tell why. First, section 502 is a loan program, and the Government is eventually repaid.

Second, a great need for adequate housing exists throughout our country, particularly in rural areas and among low-income citizens.

Third, the program stimulates the economy, reducing the rate of unemployment which is predicted to rise in the near future.

Fourth, the jobs created by this program are in the private sector and not public employee positions.

And, fifth, it provides immediate stimulus to our economy.

Over 127,000 unfunded loan applications now exist nationwide. In my State alone, for instance, there are over 3,000. Every State has the same situation existing, and this would be good for the economy. It would be good to help these low- and moderate-income people, and I hope the distinguished managers of the bill will accept this amendment.

Mr. EAGLETON. Mr. President, I am quite familiar with the insured loan program and, on balance, it is a very good program.

The committee, in its deliberations, saw fit to cut this section 502 program. Also at the same time we then had in mind a home ownership assistance program. Of course, since that time the home ownership assistance program has been deleted from the bill.

Let me assure the distinguished Senator from South Carolina that I am very, very sympathetic to the aims he has in mind, and I know that many of his colleagues share some of his sentiment on this. I think I speak for the Senator from Oklahoma.

We know there is strong sentiment for this section 502 program in this body, and we will try to reflect that when we go into conference with the House.

We hope we will not be disappointing to the Senator from South Carolina because there is a great deal of merit indeed, in what he says. But I hope he will not press this at this time, but leave the matter, if he can so consider doing, to some negotiation between ourselves and the House when we go into conference. The House does have the higher figure, that the Senator from South Carolina is suggesting here.

Mr. THURMOND. I understood that one reason why the amount was reduced by the committee was because it was expecting that the home assistance program be passed. Since the Senate defeated that tonight, it appears to me this might be in order to go forward with this amount, which is so helpful to these poor people.

Mr. EAGLETON. Yes, there was a connection at least in our minds between section 502 insured loans and the home ownership assistance program.

But I implore the Senator from South Carolina to give us some breathing room between our bill and the bill of the House. I repeat that I think we will do a good job for this program, one in which the Senator from South Carolina can take great pride.

The mere fact that he has raised this amendment with us puts a higher degree of obligation upon us as we go into conference. I know Senator BELLMON and I will certainly keep that in mind.

Mr. THURMOND. Mr. President, would the distinguished Senator from Oklahoma express himself on this?

Mr. BELLMON. Mr. President, without taking undue time, let me simply say that I join the floor manager of the bill in the sentiments he has expressed, and we will do our best to look after the interests of this program when we get to conference.

Mr. THURMOND. This is a very important program, and again I repeat, it is to help these poor people in rural areas. If we do not help them, I do not know who is going to help them. They will go unhelped.

I thank the distinguished Senator from Missouri and the distinguished Senator from Oklahoma for their assurances on this matter. In view of those assurances, Mr. President, I will withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn. The bill is open to further amendment.

UP AMENDMENT NO. 387

(Purpose: Additional support of animal health and disease program under section 1434 of Public Law 95–113).

Mr. MELCHER. Mr. President, I have an amendment at the desk, which I ask be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 387:

On page 9, line 5, strike out "$38,023,000" and insert in lieu hereof "$33,023,000".

On page 9, line 7, strike out "$13,023,000" and insert in lieu thereof "$8,023,000".

On page 9, line 15, after "95–113" insert "$5,000,000 for the support of animal health and disease programs authorized by section 1434 of Public Law 95–113,".

Mr. MELCHER. Mr. President, this is for a part of the animal health research authorization, specifically section 1434.

What we are interested in doing is enhancing the capabilities of research in our veterinary colleges under this particular section.

One of the problems that we have not been successful in addressing involves not just large animals, not just farm animals, not just livestock or poultry, but one of the problems we have not been successful in addressing is whether or not we can have some control of predators, such as feral dogs, through the means of birth control.

I want to make it clear, in offering the amendment, that this is one of the types of programs that we have in mind in this particular section. I hope the managers of the bill can accept the amendment.

Mr. EAGLETON. I believe we can. Senator BELLMON will speak for himself in a moment.

As I understand the Senator, this adds no money to the bill. It transfers $5 million that was in the bill provided under Public Law 89–106 to section 1434 of the 1977 farm bill. Is that correct?

Mr. MELCHER. That is correct.

Mr. EAGLETON. With that understanding, I am willing to accept the amendment.

Mr. BELLMON. Mr. President, let me inquire, the funds for this, to put it bluntly, are to strengthen veterinary medical programs of land-grant colleges; is that correct?

Mr. MELCHER. The veterinary colleges, that is correct, to provide for meeting special regional requirements.

Mr. BELLMON. Mr. President, I appreciate the need for strengthening the animal health programs of the country. I do not know how much additional help could realistically be used, and I am very happy to join in accepting this amendment.

Mr. MELCHER. I thank the Senator. Mr. President, I yield back the remainder of my time.

Mr. EAGLETON. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Montana.

The amendment (UP No. 387) was agreed to.

UP AMENDMENT NO. 388

(Purpose: To prohibit the use of funds by the Department of Agriculture to pay rent for inaccessible or inadequate office and parking space used by agency clientele in intercity areas)

Mr. MELCHER. Mr. President, I have a further amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 388:
>
> On page 51, after line 19, insert a new section as follows:
>
> "SEC. 612. None of the funds made available under this Act for the Department of Agriculture may be used by the Secretary of Agriculture to pay rent for county office space located in inner city areas that are inaccessible to agency clientele or without adequate parking space for farm vehicles, or both, as determined by the Secretary of Agriculture.".

Mr. MELCHER. Mr. President, most of us with substantial agricultural activity in our State have had appeals from State and county officials in the Department of Agriculture to prevent the General Services Administration from forcing their offices into inner city locations.

For several years the USDA has been colocating the Agricultural Stabilization and Conservation Service (ASCS), the Farmers Home Administration, the Soil Conservation Service and Extension Service for convenience to farmers, generally at the edge of county seat towns where there was plenty of parking for both cars and farm trucks.

When producers come to town with a thousand bushel trailer of grain for the elevator, or a load of livestock, they often want to stop at one of the county agricultural offices to pay a loan with the proceeds, to talk to their soil conservationist or their county agent. And they would like to do that without having to jockey a 50- to 65-foot tractor and trailer outfit through crowded city streets to a location where they have not got a chance to find curbside parking, or even to find a parking lot that can handle their rigs.

In at least one instance in Illinois, trucks are barred from the streets where GSA is trying to put the county agricultural offices.

This effort to cram county agricultural offices into inner cities is the consequence of some very dumb, bureaucratic administration of Executive Order 12072, directing that Federal offices be located in inner cities when possible, taking into consideration convenience of the clientele, which has not been done.

As a result of the absurd situations which have arisen as GSA has crowded the farm offices into inner cities, a memorandum of understanding was drafted to be executed by GSA and the Department of Agriculture, but it has never been executed. It should not be so long as it contains a proviso that availability of parking shall not be a consideration in locating the offices.

In my State, one mayor has objected to the traffic complications that would be created by inner city location of the farm offices and at least two other major cities are either going to have to bar farm trucks from inner city streets—so farmers cannot get to the county offices in farm vehicles at all—or face repeated traffic disruptions.

My amendment is intended to allow the Secretary of Agriculture, who knows something about farm vehicles and farmer convenience in the location of offices, to lease up to 5,000 square feet of space for agricultural offices in the counties across the country instead of continuing to allow GSA to look for space for those offices on the top floor of the Empire State Building or equally inaccessible and inconvenient inner city locations.

Mr. EAGLETON. Mr. President, I am not sure whether this is an appropriate way to remedy the problem, but I am inclined to accept the amendment so we can give the matter further study between now and the conference.

There is some merit to what the Senator is suggesting. GSA and USDA could use some incentive to giving greater consideration of rural programmatic factors in reaching office location decisions. This may provide some impetus for GSA and USDA to give appropriate attention to this matter.

We have to provide appropriate space for farmers' vehicles; but I would ask the Senator: What if a big combine came lumbering up? How many parking spaces do we have to have for combines at these offices? Or, did the Senator have in mind smaller vehicles?

Mr. MELCHER. I had in mind smaller vehicles, like pickups and farm trucks.

Mr. EAGLETON. I see.

Mr. MELCHER. It is, of course, under the direction of the Secretary of Agriculture, through the agencies, so they will not be unreasonable on what size vehicle would be provided parking spaces.

Mr. BELLMON. Mr. President, I would agree that this seems to be, perhaps, an unusual way to solve what I feel is a very real problem. Sometimes the officials at GSA are not sufficiently aware of the problems that rural people have in finding these county offices in congested urban areas, or finding a place to park farm trucks, pickups, or tractors, and trailers, which very often farmers do drive when they go to see county officials.

So I am sympathetic to what the Senator from Montana is attempting to accomplish, and I hope in conference we will be able to work for the result he has in mind. I am glad to join in accepting the amendment.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

Mr. MELCHER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. UP 388) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. ROBERT C. BYRD. Mr. President, have the yeas and nays been ordered on passage?

The PRESIDING OFFICER. They have not been ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 15 minutes, with Senators permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITAL INITIATIVE OF UNITED STATES MUST BE COMPLETED

Mr. PROXMIRE. Mr. President, the General Assembly of the United Nations unanimously approved the text of the Convention on the Prevention and Punishment of the Crime of Genocide in 1948. Previous to signing the treaty in 1948, the U.S. delegation acted with a definite sense of responsibility and urgency.

They were aware that deplorable crimes of genocide had been committed in the past, and would continue to be committed in the future unless responsible action was taken by the international community.

The U.S. delegation to the United Nations accepted and fulfilled their responsibility.

It is unfortunate that the U.S. Senate has not brought to fruition their praiseworthy efforts.

Crimes of genocide are still a very real threat to national, racial, ethnical, and religious groups all over the world. They need the assurance that their right to exist will be protected.

Certainly the U.S. Senate by not ratifying the Genocide Convention is not indicating that it intends to approve or even tolerate any crime of genocide committed against any of these groups. Yet, the United States is the only major country in the world that has not ratified the Genocide Convention. The vital role played by the U.S. delegation to the United Nations seems to have been for nothing.

Ratification of the Genocide Convention by the Senate is an action that is definitely deserved and long overdue. I urge my distinguished colleagues to take the time to recall the delegation's attempt to insure that crimes of genocide would not be tolerated. I hope that in the very near future the Senate will complete their efforts which were initiated over 30 years ago.

CURBING PARENTS WHO STEAL CHILDREN

Mr. STEVENS. Mr. President, recently an article by Reynolds Dodson appeared in the Sunday, July 15, issue of Parade magazine regarding Senator WALLOP's bill to curb child-snatching.

The article describes in some detail the legislation which my friend and colleague, along with myself and 16 others, have introduced. This bill, S. 105, deals with a nightmarish practice aptly described by some as a form of child abuse. Mr. Dodson calls S. 105, the Parental Kidnapping Prevention Act of 1979:

> The most carefully constructed bill ever introduced in this area. Addressing itself foremost to the welfare of the victimized child, it also tries to take into account the feelings of aggrieved parents, the crazy-quilt pattern of states' rights concerning custody decisions, and the budget and manpower restrictions of law enforcement agencies.

Mr. President, S. 105 offers tremendous promise to thousands of children and their parents, who are, or may sometime be, the victims of child-snatching. I commend my very able friend, the senior Senator from Wyoming, for his sincere efforts to end this unfortunate situation and join him in his fight to expedite passage of this necessary piece of legislation. I ask unanimous consent that the article be printed in its entirety at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Curbing Parents Who Steal Children

FEDS PREPARE TO CRACK DOWN ON FAMILY KIDNAPING

(By Reynolds Dodson)

It's called S. 105, and it could change the lives of thousands of Americans.

Certainly it will change the lives of Robert S. and his son Timmy, who have been living under assumed names in Phoenix, Ariz. It will also change the life of Robert's ex-wife Michele, who has not seen her son for two and a half years.

It will change the life of Marie F., whose bitterness toward her ex-husband drove her to conceal their daughter for three years in half a dozen states; and it will change the life of her ex-husband Bill, who has spent thousands of dollars tracking them.

S. 105 is a new child-snatching bill currently making its way through the U.S. Senate. It would be the federal government's first step into the murky waters of parental kidnaping.

Public pressure has been building for years. Parade published an article on child-snatching on Oct. 16, 1977, attacking the loopholes in our legal system that has allowed thousands of children to disappear yearly without a whimper from law-enforcement authorities. Other magazines and TV shows have done likewise. But the problems are complex. Child-snatchings are "domestic affairs," and as such they elude the clear-cut evidential standards of guilt and innocence usually associated with criminal cases.

Introduced by Sen. Malcolm Wallop (R., Wyo.) and co-sponsored by 16 other Senators, S. 105 is the most carefully constructed bill ever introduced in this area. Addressing itself foremost to the welfare of the victimized child, it also tries to take into account the feelings of aggrieved parents, the crazy-quilt pattern of states' rights concerning custody decisions, and the budget and manpower restrictions of law-enforcement agencies.

The bill is divided into three parts. The first requires state courts to give "full faith and credit" to custody decrees rendered by other state courts. At present, a parent can flee with a child to another state and gain custody without the consent of the other parent or regard to what the original home state's courts might have decreed. As one mother put it, "My ex-husband can steal my car, and they'll nab him anywhere. He can steal our child, and I have no place to turn."

The second provision extends the authority of a little-known agency called the Federal Parent Locator Service (FPLS) to track down missing parents who have absconded with children. In the past, the FPLS has only been empowered to search for runaway parents who have reneged on child support.

Built on a complicated computer network providing information from the IRS, Social Security and other government branches, the FPLS has been able to collect more than a billion dollars a year in lost child support payments, thereby plugging one of the more gaping holes in our welfare system. S. 105 would empower the FPLS to consider a missing child with the same seriousness it now gives a missing support check. Presumably, unless a parent is willing to change his entire identity and live the life of an underground criminal, it will be fairly hard to remain hidden for long.

Third—and perhaps most important—S. 105 will make it a federal misdemeanor for any "parent, relative or other person" to snatch or transport a child across state lines or to "restrain or conceal" a child from another parent. The maximum penalty can be six months in jail, $10,000, or both.

And the FBI may enter the picture—which is where matters get sticky, for the FBI has been reluctant to extend itself into this twilight area.

An FBI source explains: "First, let's make it clear that the FBI does recognize the seriousness of parental kidnapping. It is an injurious, sometimes violent activity that causes grievous hurt to all parties concerned, particularly the children.

"But this is coming on the FBI at a time when we are facing severe cuts in budget and manpower. We simply don't have the men and resources to involve ourselves in these thousands of cases. Parents who steal their own children may be the most dangerous fugitives of all. Convinced of their rightness, they are likely to have a "come-and-get-me-copper' attitude. These cases require time, prudence, money—and field agents."

The sponsors of S. 105—working with lawyers, HEW officials and concerned parent groups—have taken steps toward ameliorating these problems. Senator Wallop says: "I have no intention of introducing legislation that can't be enforced. The FBI must be provided with adequate means of handling these cases, and we intend to give it to them. If there was ever an appropriate role for the FBI, it's in the area of child-snatching. It's a problem that crosses state lines, causes human suffering, and involves abuse of innocents."

Here in question-and-answer form are some other aspects of S. 105's operations:

Q. How can the federal government enforce a child-snatching law when an estimated 70 percent of such acts occur before proper custody has been determined?

A. S. 105 provides that the "left-behind" parent will have 90 days to report the snatch to proper authorities and obtain a temporary custody order through a state court. Only then will federal officials become involved.

Q. If there are an estimated 25,000 or more child-snatchings a year, how can the FBI handle such a case load?

A. The FBI is only a last resort. The first line of defense will be local police and state-level parent locator services. The second line of defense will be the FPLS, which will have 60 days to track down the fugitive. Only after that will the FBI be called in perhaps for just a few hundred cases a year.

Q. What if the parent flees the country?

A. S. 105 provides that child-snatching across international boundaries will be a federal misdemeanor, a serious type of crime. Depending on treaty arrangements, the fugitive parent will usually be subject to extradition.

Q. Will the law be retroactive?

A. Not for past acts of child-snatching. However, since the law also forbids continued restraint or concealment of a child, fugitive parents who remain in hiding can be charged with a federal crime.

No one realistically expects that S. 105 will magically end all child-snatching. But it is hoped that S. 105 will act as a deterrent and—perhaps equally important—that it will "raise the consciousness" of jurists and legislators. To steal a child is not to love him. At bottom, the act is one of selfishness. A child deserves access to both parents. That's why so many people hope Congress fulfills its duty.

SENATOR RANDOLPH'S CONTRIBUTIONS TO A SOUND NUCLEAR POLICY

Mr. ROBERT C. BYRD. Mr. President, on Tuesday the Senate passed the Nuclear Regulatory Commission authorization bill by an overwhelming vote of 97 to 1. Such a result reflects a bill that has undergone the closest possible scrutiny at every stop on the legislative trail. The process of building a consensus such as we saw demonstrated in the approval of the NRC bill is the first principle on which the Senate operates.

I would be remiss if I did not take a moment to remark on the signal contributions of my distinguished colleague from West Virginia, Jennings Randolph, to the process I have just described. In his capacity as chairman of the Committee on Environment and Public Works, he has played an integral part in the adjustments to our nuclear power policy necessitated by recent events, as has the ranking minority member of the committee, Senator Stafford.

One facet of the chairman's contribution is his bill on nuclear waste disposal. The serious nature of the danger presented by excess nuclear waste is unmistakable. Clearly, the United States must proceed to a fair and reasonable solution to this problem. With that goal in mind, Senator Randolph has introduced S. 1521, the Nuclear Waste Regulation Act of 1979. This bill provides a framework for thorough discussion of the complex jurisdictional issues inherent in the problem of nuclear waste disposal.

In this particular area, and in the entire range of public policy issues involving nuclear power, Senator Randolph's efforts should be noted and appreciated. I once again commend him for his part in the consideration and passage of the NRC bill, and look forward to his continued effort in this regard.

MRS. LOUELLA DIRKSEN: A GALLANT LADY

Mr. HELMS. Mr. President, the services in Washington today for Mrs. Everett Dirksen marked not the end of this gallant lady's impact upon all who knew and loved her, but another beginning. It will be her immortality that she showed us the real meaning of life, and the hope of salvation.

I shall never forget my contacts with this great lady. Particularly do I remember a very special occasion when she visited me in my office a few years ago. We talked of many things; she offered her help, and I gratefully accepted it.

Mr. President, Louella Dirksen's life was a pursuit of service to her community and her Nation. As a member of the President's Committee on Aging, she worked to combat the problems of loneliness of millions of older Americans and was involved in making the "meals on wheels" program effective and national in scope.

But perhaps her greatest commitment was to restore the right of schoolchildren to participate in voluntary prayer in public schools. It was in that connection that she came to my office. As chairman of Leadership Action's National Prayer Committee, she worked tirelessly in behalf of voluntary school prayer, which she described as "my husband's unfinished business."

Prayer played an important role in the lives of Louella and Everett Dirksen. As I am sure some of my colleagues are aware, after 14 years in Congress, Congressman Dirksen began a 2-year fight against blindness; he resigned from office in 1946. Medical specialists could offer no scientific explanation for the restoration of his sight, but the Dirksens knew the answer—they credited it totally to prayer.

Thereafter began Everett Dirksen's brilliant career in the Senate.

Mr. President, Mrs. Helms and I extend our deepest sympathy to Mrs. Dirksen's family and especially to her daughter, Mrs. Howard Baker. At the same time, I would take note of the blessing that so many enjoyed—of loving Mrs. Dirksen and being loved by her.

BUSING AND FUEL WASTE

Mr. HARRY F. BYRD, JR. Mr. President, few policies of the Federal Government have been more inequitable, divisive, and counterproductive than the compulsory busing of children to achieve artificial racial balances in the public schools.

No firm evidence exists that measurable educational advantage has accrued to students subjected of the enormous disruption which busing has wrought in hundreds of communities throughout the Nation.

Today, moreover, compulsory busing is creating a new dimension of hardship in communities where it has been imposed. Because of the skyrocketing price of fuel, busing has become more and more expensive, thereby diverting precious school budget dollars from classrooms to transportation.

Not only is this consumption of huge amounts of fuel for racially motivated busing an unreasonable financial burden for the cities forced to carry it out—it also represents an indefensible waste of energy.

The extent of the cost and waste involved was brought out in an article published in the July 9 edition of the Norfolk Virginian-Pilot. Norfolk, Virginia's largest city, is under court order to bus pupils for racial balance.

The article, written by reporter Jim Spencer, points out that schoolbuses are designed for safety, not efficiency, and that they average only 5 miles a gallon on the road. Currently gasoline is obtained for schoolbuses in the Norfolk area for about 63 cents a gallon—a price which has been rising rapidly and obviously will rise far higher in the immediate future.

At present the cost of school transportation in Norfolk, a city of 287,000, is well over $3 million a year.

In response to questions by Mr. Spencer, Norfolk school superintendent, Albert L. Ayars said this with reference to crosstown busing:

> The courts are going to have to reconsider it. Individual cases are going to force them to do so.
>
> Every time we can cut transportation by consolidating or making unitary schools without affecting the racial balance, we do.
>
> But before there can be any appreciable cut in school transportation there has to be a change in the philosophy of the federal government.

Dr. Ayars stated that he does not expect integration cases to be decided solely on the basis of transportation costs.

In conversation with a member of my staff, Dr. Ayars pointed out that he personally does not oppose busing to achieve racial balance. He was simply stating the facts as he saw them in his interview with Mr. Spencer.

He estimated that approximately one-half of the entire school transportation budget for Norfolk—over $1.5 million and climbing—is imposed by court-ordered busing for racial purposes.

If this is the situation in Norfolk, one can well imagine the cost of court-imposed busing in Detroit, more than four times as large as Norfolk, and in Boston, more than twice as large, both of which are compelled to conduct extensive cross-town busing.

Nationally, the cost burden on community school administrations must be staggering, as is the waste of hard-to-get fuel.

Like Dr. Ayars, I do not expect busing cases to be decided on the basis of school transportation costs.

Important though the waste of energy in busing is, it is not the chief wrong of this mistaken policy. The real damage is being done in the disruption of the lives of children, parents and whole communities.

But I think we must understand that in addition to being a wrong-headed educational policy, busing is a waste of money and fuel.

I ask unanimous consent that the text of the article from the Virginian-Pilot of July 9, "Costs for Busing Taxing Budgets," be printed in full at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Virginian-Pilot, July 9, 1979]

COSTS FOR BUSING TAXING BUDGETS

(By Jim Spencer)

Solid and immense, school buses are yellow monsters sitting on six big wheels, sort of like rolling fortresses.

Engineers designed them for safety, not efficiency. Nothing punctuates that more forcefully than the roar of a high-torque engine and the occasional grinding of gears. Off goes the bus to deliver the kids to school at the rate of five miles per gallon.

Gas mileage isn't going to improve, say the people charged with administering school transportation in the Tidewater. Increasing pollution control may make it worse. Transportation budget increases are only a partial solution because of dwindling fuel supplies.

Something will have to give soon. While area school officials don't have consumption and cost data at their fingertips, they recognize a grim trend.

"Over the past several years transportation budgets have tripled," Virginia Beach School Supt. E. E. Brickell said. "At this point we've had no problem getting gas. We've allowed for some flexibility (about 12 percent) in our budgets for fuel price increases. But if it just skyrockets, we'll have to move some money from other areas. We'll do our best not to go back to City Council for more money."

How long they can hold out is not sure. Portsmouth, Virginia Beach, and Chesapeake school systems experienced a dozen price increases, adding 13 cents per gallon to the cost of gasoline, in the first half of 1979. Norfolk, which contracts out most of its school bus work to a private company, now pays a 12-cent-per-gallon fuel supplement on its contract.

But at least for the next year, savings will have to be realized through reduced service instead of design changes.

"Road speed governors on buses cost in gas, but the safety factor is too important to do without them," Donald G. Travitz, transportation supervisor for Chesapeake's public schools, said. "Who wants a school bus carrying 60 kids traveling 60 miles per hour?"

State specifications regulate the purchase of school buses. Those specifications were authorized before energy crises accompanied every upheaval in the Middle East. The emphasis is on safety. The State Department of Education is exploring the use of diesel engines in school buses, a move which will add about $1,000 to the cost of each vehicle, but will increase gas mileage 60 percent.

"It's been trial and error development up to now," said Rawell A. Bynum, a supervisor in the department's transportation section. "By 1980 we expect the diesel to have gained more acceptance."

Meanwhile, area school systems wrestle with the social and political fallout of reduced service.

"For every school bus we can eliminate from the fleet we save 2,000 gallons of gasoline a year," Travitz said. "But the public is demanding more and more services. The problem is reducing (fleet size) and then facing the taxpayers."

If no one else is willing to make the decision to curtail services, the fuel distributors may do so simply by withholding supplies.

"At this point (with an 80 percent citywide allocation) we haven't been affected by gas problems," Travitz said. "But if they cut us back to 75 percent and stay with it for a year, there's no way we can continue to provide all the services we do."

The short-term answers to the fuel crunch involve keeping school buses in top running condition and conserving wherever possible. State law mandates inspections every 30 days. Like most considerations these checks are required to ensure the safety of the vehicle. More and more, however, fuel economy comes into play.

In the long run priorities will have to change to cut down the amount of money and fuel spent on school transportation. One primary area of concern is cross-town busing.

"The courts are going to have to reconsider it," Norfolk School Supt. Albert L. Ayars said. "Individual (court) cases are going to force them to do so." Ayars, however, doesn't foresee integration cases being based solely on the cost of transportation.

"Every time we can cut transportation by consolidating or making unitary (neighborhood) schools without affecting the racial balance, we do," Ayars said. As an example, he pointed to the consolidation of three special education schools into one.

"But before there can be any appreciable cut in school transportation there has to be a change in the (cross-town busing) philosophy of the federal government," he said.

Right now, school transportation officials must be content with efficiency measures.

Groping for ways to run their fleets more efficiently, officials in Virgina Beach have proposed scheduling changes. To date, however, none of the proposals has been adopted.

"We recommended increasing the walking distance requirement for students living close to schools," said Warren Littleton, director of transportation for the Virginia Beach Schools. "They vary with the presence of sidewalks and whether it's an elementary, junior high, or high school.

"We also want to increase the distances between bus stops, cutting out some stops, which would make some people have to walk a little farther to catch the bus."

Littleton and his staff worked up other suggestions, including using the smallest vehicle possible for each run, operating an empty bus only when absolutely necessary, and cutting down on warmup time.

Portsmouth has reduced field trips to a 60-mile radius. Chesapeake is considering cutting its number of field trips and curtailing extracurricular activities.

Idling buses burn gas. So next winter when Norfolk drivers are waiting for schoolchildren to board, they will sit in one idling bus to share heat instead of running several.

Norfolk's school bus service differs from Portsmouth, Chesapeake, and Virginia Beach because most of it is contracted to ARA Transportation.

ARA uses 230 of its 267 buses for the Norfolk Public Schools, Rae Klabenski said. Ms. Klabenski oversees the $3.1-million Norfolk schools contract, which calls for the city to pay $17.55 per bus per trip. The cost per bus to get a load of students to school and home again is $35.10.

In addition, the city must pay the difference between the cost of gas and 50.45 cents per gallon, the price agreed upon in the contract. In May that difference amounted to 12.22 cents per gallon and a total gas supplement expenditure for the month of $4,804.23.

For its part, ARA this year began a program of monitoring bus capacity once a month, Ms. Klabenski said. In years past the monitoring program to determine just how full each bus is was conducted only once a semester.

"We combined routes where buses weren't running at capacity," Ms. Klabenski said. "We dropped about 30 routes during April and May. The decline in student population contributed to that."

Portsmouth's assistant school superintendent for general services, Horace Savage, explained that route-tightening doesn't work in his city.

"It's standard procedure to combine routes, but we haven't found a lot of economy in doing it, even though we do have a declining enrollment. The routes are too spread out."

Declining enrollments are the rule around Tidewater, which could prove a godsend in the face of dwindling fuel supplies and skyrocketing prices.

Virginia Beach operates the area's largest fleet of school buses with 373 of its 416 vehicles on the road. Norfolk is next with 304 (230 from ARA and 74 special education buses owned by the city). Chesapeake runs 188 of its 209 buses regularly, while Portsmouth uses 110 buses.

Some of these buses never will be parked as long as gas can be gotten to fuel them.

"We're required by law to provide services like buses for handicapped students," Harry Mayo, school plant facilities director in Norfolk, said, "It's door to door. There's no way you can double up."

In the opinion of many School Board members and politicians, there's no way you'd want to. But hard times are not far off because school transportation isn't insulated from the kinds of fuel problems afflicting the rest of the nation and probably not as well equipped to handle them.

THE INDIAN AMBASSADOR SPEAKS

Mr. PERCY. Mr. President, in Bombay on December 28, 1978, Nani A. Palkhivala, who recently departed Washington where he has served superbly as India's Ambassador to the United States, gave a public lecture in which he commented on life and politics in both the United States and India. His remarks were so perceptive and his conclusions so full of wisdom, that I would like to bring them to the attention of my colleagues.

My colleagues will be particularly interested in Ambassador Palkhivala's observations about American politicians when he observes:

> However, I am struck by the fact that most of the persons in political life in the United States are hardworking and professionally qualified individuals who would be able to earn a comfortable living for themselves if they were not in politics. Quite a few of them are men of great ability and wide vision. And the other remarkable feature about American politics is that the majority of Governors and Congressmen are in their thirties or forties or early fifties. The average age of members of the House of Representatives is 48.8 years, and that of members of the Senate is 52.7—while the average span of life is 75 years in the United States. It would open a new chapter in India's democracy when younger people, with well-equipped minds and able to have a bright career outside politics, take to public life as a matter of national service.

I ask unanimous consent that Ambassador Palkhivala's lecture be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MY EXPERIENCES AS AN AMBASSADOR

(By Nani A. Palkhivala)

I am lucky enough to be able to come back alive to report my experiences as an emissary to a foreign country. My forerunners in the diplomatic profession, as history records, did not always have the pleasure of returning to their motherland. In the early stages of history when human beings were cannibals, a tribe would send an emissary to another tribe with which it was at war. Frequently the emissary was unable to deliver the message, because he was eaten before he could deliver it. With the passage of time there was an improvement and the message was first allowed to be communicated before the envoy was eaten. But this was not much of an improvement from the view-point of the envoy himself.

The qualifications which are today considered essential in a diplomat are different from those which prevailed in earlier times. The mother of Empress Catherine of Russia advised Frederick the Great to choose as his Ambassador to St. Petersburg a handsome young man with a good complexion; while a capacity for absorbing large quantities of intoxicating liquor was considered to be a qualification for an envoy to Holland or the German Courts. If such an ambassador had been recounting his experiences to you, I am sure you would find them much more interesting. But I am afraid, having regard to our mores and our prohibition policy, you will have to be content with such dry experiences as I am in a position to recount faithfully.

It has been my great good luck to have the honour of representing India in the United States in the crucial year 1978. As Lord Buckmaster observed, there is a dust which follows the flying feet of the years and that prevents us from seeing clearly the events to which we are very close. This explains why most of us do not realize that since the end of the Second World War in 1945, no other year has been packed with so much historical significance as the year 1978. It witnessed a powerful move in China towards liberalization, and also the Sino-Japan Treaty, and the U.S.-China Joint Communique under which the Government of the Mainland of China has been recognized and the Government of Taiwan re-recognized by the United States. History alone can decide whether the U.S. played the China card or China played the U.S. card.

Going a little westwards, 1978 saw significant developments in the "valuable and vulnerable triangle" formed by Kabul, Ankara and Addis Ababa. Afghanistan, Iran and Turkey have gone through political developments which are likely to change the course of history in the whole region. 1978 was also the year of the Camp David Summit which, while it failed to bring about a peace treaty, at least brought about peace, between Egypt and Israel. The year was marked by changes of great moment in Angola, Ethiopia and Southern Africa. For good measure, it also witnessed the election of the first non-Italian Pope after 450 years, the first Pope ever from a communist country.

1978 was the year of President Carter's visit to India and Prime Minister Morarji Desai's visit to the United States—the trips that have done so much to consolidate friendship between the most powerful and the most populous democracies. President Carter was vastly impressed by what he saw during his all-to-brief visit to India. When Hubert Humphrey died last year there was one quotation in President Carter's tribute to the great Senator, and that was what he had read at the Gandhi Samadhi in Delhi. The words he quoted (which are inscribed at the Samadhi) enumerate the Seven Deadly Sins according to Mahatma Gandhi:

> "Commerce without ethics;
> Knowledge without character;
> Pleasure without conscience;
> Politics without principle;
> Science without humanity;
> Wealth without work;
> Worship without sacrifice."

If these are the seven deadly sins, Hubert Humphrey was a sinless man. Again, at a reception at the White House to inaugurate the Martin Luther King Centre, President Carter referred to Mahatma Gandhi and pointed out that it was Mahatma Gandhi's teachings which had the greatest influence on Martin Luther King whose ceaseless struggle so drastically changed American society.

When Prime Minister Morarji Desai came to the United States, he addressed large meetings of Indians in New York, Washington and San Francisco. Indians who have been settled in the United States for some decades were unanimously of the view that these were the largest meetings of Indians ever held in America.

For the United States itself, 1978 has been a very significant year. One important event was the Panama Canal Treaty whereunder the United States voluntarily relinquished its sovereignty over the Canal. The year saw the distressing decline of the dollar, which resulted in the unassuming Indian Rupee becoming a more stable currency in the world markets than the once almighty dollar. The fall of the dollar is a matter of deep concern for the whole world, because it is still true to some extent that if the United States sneezes the rest of the world catches pneumonia, such being the impact of the giant American economy on financial and industrial trends the world over. The other important domestic event in the United States was the revolt of taxpayers. Howard Jarvis who is 75 years old had been treated for the last 16 years as a right-wing nut who kept on crying in the wilderness for a cut in taxation. But in June last year, Jarvis had his hour of triumph. In the State of California he proposed what has now become world-famous as Proposition 13 which aimed at cutting property tax by 60%. No less than two-thirds of the votes were cast in favour of that Proposition. Sixteen other States of U.S.A. have, on referendum and initiative, put the proposal for tax cut to vote, and 12 out of the 16 have voted in favour of drastic tax cuts. Mr. Howard Jarvis's popular appeal lies in the growing consciousness that while death and taxes are inevitable, being taxed to death is not.

In the political life of India, 1978 confirmed Murphy's Law, "If anything can go wrong, it will", and exemplified Trotsky's remark about the bad luck of 20th century people who wish for quiet lives.

THE UNITED STATES AND ITS CITIZENS

I have been to 34 out of the 50 States which comprise the U.S.A. That country is so richly endowed by nature, and varied resources have been so prodigally gifted to it, that after coming here you almost cease to believe that there is justice in heaven. The country has almost three times the area of India and one-third of our population. By and large, the Americans are a very friendly and warm-hearted people and have a great sense of justice and fairness. It is America's basic friendliness which has made the 300,000 Indians who are settled there so happy and comfortable. Naturally, as in any other country, you do have cases of injustice perpetrated in America, but no one is more critical of such injustice than the Americans themselves. And the Americans are large-hearted to a fault. There is a great tradition in the United States of private giving for public purposes. Their universities are the richest under the sun. The Americans support all institutions which aim at anything higher or nobler, either in theory or in practice. I have seen Indian Ashrams and Yoga Centres flourish in the United States to an extent unparalleled anywhere else.

The Americans have a wonderful sense of humour too. The politicians do not exhibit in public any sense of self-importance. In fact, they cannot afford to. They would be just lacerated by the press as soon as they start showing any sense of egoism. When I went to visit a Congressman in his Chambers on Capitol Hill, I found the walls of the ante-room covered with cartoons mercilessly making fun of himself. The legislators there can laugh at themselves and at one another. Congressmen never speak of the Congress as supreme. They know that the Congress is a creature of the Constitution and it is only the Constitution that is supreme.

The United States is one colossal monument to the spirit of private initiative. Its pre-eminence is in the field of technology. Forty per cent of the world's research is carried out in the United States, and the rest of the world (including Great Britain, France, Germany and Japan) share the remaining 60%. Ten years ago, as much as 60% of the world's research was conducted in the United States. The Americans are dissatisfied with their 40% share of the world's research and want to regain their preeminent position of a commanding 60%! Such is the pride of the people in their own country. $29 billion is spent every year on scientific research conducted by the Government, the Universities and the business houses. $29 billion is equivalent to more than Rs. 24,000 crores. Sixty thousand to 70,000 patents are issued in the United States every year. What we in India have to learn is that in many areas technology does not reduce the number of jobs but merely reduces drudgery.

A typical example of the incredible strides made by technology is provided by the world-famous newspaper Wall Street Journal. At Palo Alto pages are set in type, then scanned by an optical scanner and converted into electronic impulses. The impulses are beamed out into space, at a rate of 300,000 bits of information per second. They are beamed out to a satellite which is 22,300 miles above the earth and whose speed of rotation synchronizes with that of the earth. The satellite's transmissions or signals are received in other cities. The whole process takes just three and a half minutes, and then ten minutes to convert the pages from film to metal. The paper is printed in a dozen different cities from the Atlantic to the Pacific.

Technology is, of course not always to the good. I have delivered speeches in some buildings which did not have a single window; for example, the building of the City College in New York does not have a single aperture for letting light in. These buildings were constructed at a time when oil was cheap and having the building fully lighted and air-conditioned presented no financial problem. I asked the Dean at the City College what would happen if electricity failed and the building was plunged into darkness. He said that they would have to give the day off to the students. Another amusing example of the drawbacks of too much technology is provided by the case of a couple who checked in to a modern hotel at Detroit and asked for a 7 A.M. wake-up call. The husband, having got up early, dialed the hotel switch-board to cancel the alarm call. The reply was, "Sorry, Sir, your call is in the computer and there is no way to get it out now."

Signs of intellectual ferment are writ large all over the United States. Forty-five thousand books are published in that country every year. This means that, leaving aside week-ends and holiday seasons, about 200 books are published per day. They range from utter trash to enduring contributions to human thought.

The national sport of the Americans is no longer football, baseball or basketball. It is law and litigation. There are 467,000 lawyers in the United States. The glut of lawyers is partly responsible for the fact that no less than seven million suits were filed last year—suits by all kinds of people for all kinds of redress. A former student is seeking $853,000 in damages from the University of Michigan, in part for the mental anguish he says he suffered after being given a "D" grade rather than the "A" he expected in an advanced German course. A young mother seeks $500,000 in damages from officials on Long Island for preventing her from breast-feeding her infant beside a community wading pool. A 24-year-old Colorado man is suing his parents for $350,000, charging that they gave him inhuman treatment and inadequate care as a child, making it impossible for him to fit into society as an adult. A 41-year-old California man, upset at a girl failing to keep an appointment, unsuccessfully sued his would-be companion for $38 to compensate him for sprucing up and driving 40 miles for nothing. It was lawyers who encouraged malpractice suits, and now the lawyers are hoist with their own petard. According to a reasonable estimate, one lawyer out of every ten is either sued or threatened with a suit by his client for negligence or malpractice. A delightful cartoon showed a sorely tried father telling his recalcitrant child: "What? If I make you drink your milk, you'll SUE me?"

SOME COMMON PROBLEMS OF INDIA AND THE UNITED STATES

Essentially human frailties and weaknesses are the same the world over. Man is the same trousered ape, whether he is in Delhi or in Detroit, whether he trudges barefoot on dusty roads or flies at 600 miles an hour. Whichever degree of latitude or longitude you traverse, and whether the man is in dhoti or in blue jeans, he is the same selfish, fallible creature with his irresistible impulse to put his personal or sectional interest above the national interest. No wonder the State has to control the anti-social impulses of its citizens. Unfortunately, nothing proliferates so rapidly and so inexorably as bureaucracy; and an ever-growing civil service has become a major problem in the United States as it has in India. Dr. Moynihan, who was formerly the U.S. Ambassador to India, recently described the U.S. bureaucracy as "a pea-brained dinosaur." You find on many occasions that the bureaucracy in the United States, as in India, has more information than knowledge, more knowledge than wisdom, and more intelligence than imagination. Washington, D.C., has been called "the malfunction junction"; and I can name another city which deserves the title equally well. Having worked with government officials for more than a year I have no doubt that the government has at its disposal fantastic human resources—a larger pool of talent, expertise and dedication than the private sector or any other segment of society. But unfortunately there is something in the structure or system of a bureaucratic setup which prevents the highly gifted members of the civil service from giving their best to their country. Happy is the nation which can have civil servants without the bureaucracy!

President Harry Truman used to remark wryly that a President has to learn that he could give all the orders he pleased, but the Federal bureaucracy would not budge. When Jimmy Carter was campaigning for the Presidentship in October 1976 he said that his Administration would provide "incentives to individuals who saved the government money". He was referring to a dedicated civil servant, Ernest Fitzgerald who was fired in 1969 after revealing $2 billion in cost overruns associated with the purchase of a certain plane by the Government. However, Fitzgerald, who sued successfully to get back his job as civilian cost-cutting expert for the Air Force, finds it difficult even now to succeed in his fresh endeavours to save the Government money. If the Fitzgerald case proves anything, it is that Hyman Rickover was only too right when he said, "If you must sin, sin against God, not against the bureaucracy. God may forgive you, but the bureaucracy never will."

In the United States, as in India, you hear constant complaints about excessive regulation and control. A well researched recent article in Newsweek disclosed some mind-boggling facts. There are now no fewer than 87 Federal entities that regulate U.S. business, and to complete the 4,400 different forms they dispense requires 143 million man-hours of executive and clerical effort each year. The regulators are proposing so many new rules that the Federal Register has ballooned in size to nearly 70,000 pages annually. Companies complain that many of the rules are simply unnecessary. One agency often requests information already on file with another, and at times rulings of one regulator conflict with another's. The biggest complaint against regulation, however, is its sheer cost. Murray Weidenbaum of the Center for the Study of American Business at Washington University estimates the total annual bill at $103 billion. At General Motors, for example, more than 20,000 full-time employees work solely on government regulations. Hospitals are hard hit: in New York State, one-fourth of a patient's bill is attributed to the expense of satisfying rules of 164 government agencies. However, President Carter has succeeded in reducing federally mandated paperwork by 12 percent.

Bureaucracy is the same world over. Dr. Aziz Bindari blames the "catastrophic situation" in Egypt on the bureaucracy. "It's the country's fourth great pyramid. It guarantees societal inertia."

Among American politicians as among Indian politicians, there are some who are demagogues and some who make impossible promises to the electorate. In the elections held last November one of the candidates campaigning for a legislative seat promised that if he were elected he would establish schools that would produce "Beethovens and Einsteins". He did not realize that many parents would be quite content if their children learned to spell Beethoven correctly. Another politician campaigned for the Governorship of Wisconsin State on the slogan that the Federal Government at Washington has only three duties: "Deliver the mail, defend the shores, and get the hell out of my life."

Sometimes when you feel distressed that persons with a proven record of public wrong-doing are elected to our Parliament, you may take some consolation from the fact that five members, who had been accused or convicted of mail fraud, misappropriation of government funds and other types of public wrong-doing, were re-elected to the U.S. Congress in the elections last November.

However, I am struck by the fact that most of the persons in political life in the United States are hardworking and professionally qualified individuals who would be able to earn a comfortable living for themselves if they were not in politics. Quite a few of them are men of great ability and wide vision. And the other remarkable feature about American politics is that the majority of Governors and Congressmen are in their thirties or forties or early fifties. The average age of members of the House of Representatives is 48.8 years, and that of members of the Senate is 52.7—while the average span of life is 75 years in the United States. It would open a new chapter in India's democracy when younger people with well-equipped minds and able to have a bright career outside politics, take to public life as a matter of national service.

INDIANS IN AMERICA

There are 25 million people of Indian origin settled in different foreign countries. Beyond question, the largest concentration of Indian talent is in the United States. Outstanding Indian scientists expressed to me their willingness to come and work in India, even on a fraction of their large emoluments in the U.S.A., provided they would be allowed to work without political interference and bureaucratic control. We have been remiss in not showing due appreciation for the lifework of our great men who reside abroad. They, who have won world renown, should be invited here as State guests and publicly honoured. In our obsessive preoccupation with politics we have been neglectful of our men of genius who are transforming thought or enriching human life in the United States—Dr. Harggobind Khorana and Zubin Mehta, Professor Sudarshan and Professor Chandrashekhar, to name only a few. Dr. Khorana has already received the Nobel Prize, Professor Sudarshan was nominated last year for the Nobel Prize. Zubin Mehta is acclaimed as one of the greatest conductors. Professor Chandrashekhar is widely regarded as one of the finest mathematical intellects of our time. There are more than a dozen Indians settled in the United States who have reached the highest pinnacle of world fame in their own walk of life. We need to be reminded that heads go where hearts go—they go where they feel they are wanted. We have never done enough by way of grateful recognition for those who have brought lustre to our country. At Austin in Texas State Dr. Swadesh Mahajan told me about brilliant Indian scientists working on the problem of fusion who are willing to come from the United States to work in the country which gave them birth. Fusion will probably be the most important source of energy in the next century. Dr. Mahajan has already submitted a memorandum to the Government of India expressing his and his colleagues' willingness to pursue their research in India under conditions of freedom. They are still awaiting a governmental reaction to their offer.

There are other Indians in the United States who are well settled and would not like to change their domicile, but who are willing to give a slice of their life to their motherland. They are willing to spend a month or two periodically in India when they can make a gift of their knowledge, research and expertise to their countrymen. The gift of knowledge is the greatest gift a human being can confer upon his fellowmen. I am afraid our response is not at all as positive as it should be to such partriotic spirits.

THE IMPORTANCE OF INDIA IN WORLD AFFAIRS

I have ardent hope and invincible faith as far as the future of India is concerned. There is a close parallel between our history as a republic and the early history of the United States. We are only 29 years old as a republic. And we are going through experiences which the United States went through when it was in its twenties. In the United States the party which was in power and which had suppressed all criticism of the government called for elections in the year 1800. That party was swept out of office by the voters and a new party came to power which restored all the freedoms to the people. India is poor and illiterate. So was the United States in its twenties. The country which counted for little around 1800 triumphed over poverty and illiteracy and is today the most powerful nation on earth. With the genes of our people evolved over 5,000 years of civilization, we are capable of doing no less. All over the United States—from the Boeing workshop in Seattle to Texas Instruments in Dallas, to the Institute of Technology at Massachusetts—Indian talent is employed and the men in charge expressed to me their gratitude to India for giving them such remarkable human resources. Indian physicians, surgeons, scientists, engineers and professors in various disciplines have proved themselves to be as good as those coming from any other country. Surely something is basically wrong with our economic philosophy and political ideology if Indians are able to enrich foreign countries but are not allowed to solve the problem of poverty at home.

Viewed from the right perspective, even our poverty can be harnessed as a tremendous driving force in fulfilling great national purposes. Let us never forget that while several civilizations have perished through affluence, no civilization has ever died of adversity.

We Indians seem to be hardly aware of the momentous destiny which we are called upon to fulfil. Having more than one-seventh of the world's population, we constitute almost half of the free world: when human rights were restored by the present Government after the end of the Emergency, the number of free people in the world doubled. India is the standard-bearer of freedom—it fulfils this role in relation to the Third World as the United States does in relation to the First.

The importance of India in world affairs is now more widely recognized than ever before. The Report submitted last August by the Committee on International Relations to the U.S. Congress mentions that India has "finally achieved the ascendancy that had long eluded it" and that India has emerged as "a significant economic and military power as well as the dominant power in the sub-continent". Professor Rostov of the University of Texas at Austin has expressed his conviction that the most important phenomenon of the post-war era is the survival of the Indian democracy. The English historian, E. P. Thompson, has said, "India is not an important, but perhaps the most important country for the future of the world. All the convergent influences of the world run through this society: Hindu, Moslem, Christian, secular, Stalinist, liberal, Maoist, democratic socialist, Gandhian. There is not a thought that is being thought in the West or East which is not active in some Indian mind. If that sub-continent should be rolled up into authoritarianism—if that varied intelligence and creativity should disappear into conformist darkness—then it would be one of the greatest defeats in the human record, sealing the defeat of a penumbra of other Asiatic nations."

THREE CONCLUSIONS

Many months' stay abroad has made me reach three basic conclusions.

First, the innate intelligence and inborn skills of Indians are so great that India can reach the top—if only we can have education, organization and discipline. It is no doubt a very big "if". India has today the third largest force of scientists and engineers in the world, the first being the United States and the second the Soviet Union. We have this achievement to our credit while two-thirds of our people are still illiterate. Consider what will be the tremendous scientific and industrial strength of this country when education spreads and the populace becomes literate. What heights can we not reach when the entire human potential of our country is deployed and each citizen recognizes his duty as a nation-builder!

It is organization which enables any enterprise or nation to put its talent and manpower to the maximum advantage. At the Cessna Aircraft factory at Wichita in Kansas State I met a couple of Indian technicians who have migrated after having been employed in the Hindustan Aeronautics factory at Bangalore. They told me that 10,000 workers are employed in the Cessna factory and they produce 5,000 planes a year; while 35,000 workers are employed in the Hindustan Aeronautics factory and they produce 500 planes a year. They assured me that the level of talent and skill was as high at Bangalore as it was at Wichita and that the plant at Bangalore was as good. The difference in output is largely due to the absence of competition at Bangalore and the absence of business organization of the type which prevails in first-class American corporations. Organization is the one facet of business management which is continuously kept under review in the United States. On an average, a significant organizational change takes place once in four years in dynamic U.S. corporations. Most enterprises in India have yet to learn the art and science of management.

The sad feature of the post-Emergency era is the lack of discipline. It is agonizing to read about the acts of violence after the rebirth of freedom. We need to be reminded again and again of the great saying of Mahatma Gandhi that non-violence is the law of human beings, even as violence is the law of the brute. Our fledgling democracy has had a very narrow escape. Let us not tempt the fates again. Good fortune may not come our way as it did in January 1977 when general elections were announced. It is the duty of each citizen not only to observe discipline himself but to inculcate it in the people around him. The citizens of Bombay will remember the visit of the Pope several years ago. There were crowds of more than 100,000 people and yet how totally disciplined they were! Look at our Armed Forces,—as disciplined as any in the world. This shows that we are as capable of total discipline as any other people but, as is shown by the traffic on our roads, we have grown accustomed to a sloppy way of behaviour and accept it as a fact of Indian life. This acceptance of indiscipline is even more disastrous than indiscipline itself.

My second conclusion is that we must get away from the fallacy of "the political solubility of all problems." It is this fallacy that makes people willingly countenance unlimited extension of State power which, as Mahatma Gandhi repeatedly observed, is fraught with the greatest mischief. The freedom of the subject is the silence of the laws.

Third, as the late Dr. E. F. Schumacher pointed out in his posthumous book "A Guide for the Perplexed", the western man has become rich in means and poor in ends. The ancient wisdom of India has steadfastly maintained that man's happiness is to move higher, to develop his highest faculties, to gain knowledge of the highest things and, if possible, to see God. The modern experiment of living without faith has failed. Goethe said, "Epochs of faith are epochs of fruitfulness; but epochs of unbelief, however glittering, are barren of all permanent good." The modern man, despite all his comforts and conveniences, is still perplexed. He cannot call home the heart to quietness, because his spirit is not in tune with the Infinite and his is troubled by—

"The restless throbbings and burnings
  That hope unsatisfied brings,
 The weary longings and yearnings
  For the mystical better things."

The greatest force in the world is love,—and there has never been, and never will be, a substitute for it. From a failure to realize this elemental truth, stems the feeling of rootlessness and loneliness in modern society.

Dr. Schumacher's thesis is that one must develop the neglected art of learning to know oneself: "The cultivation of self-knowledge has fallen into virtually total neglect, except, that is, where it is the object of active suppression. That you cannot love your neighbour unless you love yourself; that you cannot understand your neighbour unless you understand yourself; that there can be no knowledge of the 'invisible person' who is your neighbour except on the basis of self-knowledge—these fundamental truths have been forgotten even by many of the professionals in the established religions."

"We see all sights from pole to pole
  And glance and nod and bustle by,
 And never once possess our soul
  Before we die."

In the case of every soul, however troubled, restoration can come only from within. This is the lesson taught by the great Indian sages, from the nameless ones who lived in the twilight of history to Sri Aurobindo. It is the one lesson which we do not remember but which we will never wholly forget. There is still hope for India, and for the world, if we relearn this lesson today.

CAPTIVE NATIONS WEEK

Mr. PERCY. Mr. President, on the occasion of Captive Nations Week each year, it is appropriate that we should express in the Senate our continuing concern for the millions of people who are denied national self-determination, who live under imposed foreign rule and whose natural rights to self-expression and political, cultural and religious liberty are severely restricted.

While international pressures for human rights have mounted, only small progress has been made. Indeed, repression of dissidents and activists, both nationalists and others, has become more acute in some countries and there has been little movement toward self-determination.

It is important that those who struggle for their rights should know that those of us who live in freedom are sympathetic to them and will use our influence in their behalf. We recognize a moral responsibility to work toward the end that freedom will come one day to all the peoples on this planet.

WINDFALL PROFITS

Mr. WALLOP. Mr. President, in recent weeks and in the months ahead, we will hear a great deal of discussion about "windfall profits" and the need for a tax on oil companies. It should be made clear that the so-called windfall profits tax has nothing to do with profits. As an excise tax, the President's proposal would levy a tax on oil producing companies whether they are making a profit or not.

The Senate and the country should be aware that the tax is on domestic oil production, and will have the effect of reducing domestic oil production by some 700,000 barrels per day by 1985. The bill now being considered by Congress should be entitled the "Domestic Crude Oil Production Tax Act of 1979." During the desperate search for evidence of the existence of windfall profits in the oil industry, I hope that my colleagues and the Nation will take note of the instances of windfall losses occurring in the oil and gas industry. Windfall losses occur most often for the independent producers and wildcat drillers who derive their income solely from oil production. Their wildcat wells are no longer finding oil at 4,000 to 6,000 feet. Wildcat wells are now being drilled to depths in excess of 15,000 and even 20,000 feet to find and retrieve domestic oil. Recently the deepest well drilled in the Rocky Mountain region went to a depth of 25,764 feet at a cost of $15.5 million. The capital requirements for exploration are only increasing, as do the chances of a windfall loss.

Recently, Senator Baucus and I held a Finance Committee hearing in Casper, Wyo., and heard testimony from several independent oil producers on the effects of the proposed oil excise tax.

The testimony from oil company, Rainbow Resources, gives a good indication of how independent oil companies reinvest profits in exploration and production of domestic oil. I request unanimous consent to have testimony of Mr. Don Carpenter and Marvin Keller printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement on "Windfall Profits"

(By Don G. Carpenter & Marvin A. Keller)

My name is Don Carpenter. I am an independent geologist. I am the immediate past president of the Petroleum Association of Wyoming. Until April of 1979 I served as President and CEO of Rainbow Resources, Inc., which was operated as an independent publicly owned Oil and Gas Company from February 1970 through August of 1978.

Although I admit to being somewhat rusty as a geologist I have found, over the years, that such a title avoids the almost immediate hostility one experiences when identifying himself as a Corporate President, an oil company executive or, indeed, simply an oilman.

At the time Rainbow Resources was organized, the assets consisted of small interests in oil and gas properties contributed by various founders. Additionally, the Company raised $275,000 through a public offering of 500,000 shares of stock at $.50 per share. This offering closed in February of 1970.

With this minute asset base, Rainbow Resources projected neither a high nor a villainous profile in our home territory, the Rocky Mountain region.

In 1972 Rainbow Resources experienced the only incidence, in nine years as a publicity owned independent company, of what might be considered a "Windfall Profit".

Because we were small, under capitalized and decidedly the "underdog", news of the Company's good fortune was widely welcomed and the story of our overnight success had a fairy tale quality.

The story goes like this: Following an intensive, and somewhat discouraging sales effort which was begun in late 1970, the Rainbow staff finally convinced the True Oil Company of Casper, Wyoming that our "Little Mo" prospect in McKenzie County, North Dakota was worth drilling.

A 13,000 foot wildcat was commenced in the spring of 1972 to test the Ordovician Red River Formation. Rainbow retained a ⅛ interest in the oil and gas properties being tested. In July the Mission Canyon Formation of Mississippian age was encountered in an unexpected structurally high position and the well flowed oil when tested.

When word of the oil flow spread throughout the industry a bizarre sequence of negotiations began. Details of the entire episode are documented in an article by Marvin Keller entitled "Evolution of Redwing Field", published in the August 1973 edition of "The Landman Magazine".

For these proceedings let it suffice to say that in the fall of 1972, before the wildcat well reached total depth, Rainbow sold its entire ⅛ interest in the property for $10,000,000 cash. If not a "Windfall Profit" we at Rainbow most certainly regarded it as a providential infusion of capital.

Tracing Rainbow Resources use of the $10,000,000 is, I believe, a good example of how most funds derived from so-called "Windfall Profits" are employed.

For openers, we paid the Federal Government and the States of North Dakota and Montana $3,500,000 due in taxes. This act should have exploded the local classroom myth that Oil Companies don't pay taxes but, to my knowledge, it did not.

Next, we address ourselves to the question of what to do with our $6,500,000 in change! Should we liquidate our Company for approximately $4 to $5 per share, thus giving our original investors 8 to 10 times their money back, or should we continue to explore for oil? We chose the latter.

Rainbow purchased controlling interest in the Medicine Pole Hills Field in Bowman County, North Dakota for $1,200,000. We paid $1.25 per barrel for reserves in the ground, which at that time were selling for

$2.80 per barrel. This, of course, presented the perfect opportunity to leave the oil in the ground while OPEC escalated the price. Again however, our decision flew in the face of conventional wisdom and we immediately invested another $2,000,000 improving and upgrading the field production! From the day we acquired this property to this day, the field has always been produced at a maximum efficient rate. The only interruptions in production have been caused by mechanical problems or severe blizzard conditions otherwise known as "Windfall Snow".

Over the next several years, Rainbow Resources expanded its payroll from eleven to over forty people situated in Casper and Denver. During this period the Company initiated many drilling projects in North Dakota, Montana, Wyoming and Colorado. In 1974, in another unprecedented action, the Company carried out a 1,000,000 acre lease acquisition project in the Williston Basin of Montana and North Dakota. In conjunction with Farmland Industries and a Houston independent, Rainbow began a wildcat drilling program on this acreage which ushered in a period of intense exploration activity that continues today. Rainbow's original cost for its share of the leases was $1,000,000 and much more has been spent drilling.

As you can tell the game was getting expensive but in July of 1976 Rainbow had paid its bills and employees and was continuing to explore intensively.

At that time the Company began drilling the Game Hill Unit No. 1–35 in the extreme southern portion of Teton County, Wyoming. This well, in which Rainbow had a 25% interest, was set up to test the Frontier Formation at 12,500 feet. The well was located at the eastern edge of the Wyoming Overthrust Belt and was regarded as extremely significant. The projected cost for drilling and completing the well was $1,200,000. However, during the drilling of the well several "Windfall Mishaps" occurred. As the well drilled downward a thrust fault was crossed and the drilling depth required to test the Frontier Formation increased to 16,700 feet instead of the planned-for 12,500 feet. Geologic circumstances notwithstanding, two extremely encouraging gas zones were encountered. A completion attempt was made but the 2⅞ inch casing collapsed across the two zones and the chance of an economically rewarding initial well was forever lost. The well was subsequently completed as a gas producer from a less promising zone and chances of recovering the original investment seems remote and will only come about after 70 miles of expensive pipeline is constructed, a project which will take years. By the way, the well cost over $6,000,000 instead of the projected $1,200,000 and as you can estimate, the "Windfall" $6,500,000 was "Gone With The Wind".

Marvin Keller will now take a hard look at the economic realities experienced by Rainbow and our industry.

My name is Marvin A. Keller. I am Executive Vice President of Rainbow Resources, Inc., Casper, Wyoming. I would like to direct my comments to "Windfall Losses".

The most misused word connected with the current energy crisis is "Windfall Profits". It seems that any profit made in the Oil and Gas business is a "Windfall", while any loss incurred in our business is only the result of ineptness or stupidity on the part of the industry, for example the huge losses incurred in offshore areas of Florida and the east coast of the U.S.

At the present time our company, Rainbow Resources, Inc., is the operator and 23 percent owner of the deepest and probably most expensive exploratory test ever drilled in the Rocky Mountain area. The No. 1-34 Federal well, located at Pacific Creek in Sublette County, Wyoming, has been drilled to a depth of 25,764 feet at a cost of 15.5 million dollars. We are currently testing the deeper zones to determine if commercial quantities of hydro-carbons are present. Our original primary objective, the Madison Formation has already been tested and proved to be non productive.

Because of the extreme depths and expensive well costs involved and the very expensive facilities that would be required to establish production, such as gas plants to remove sulphur, pipelines and development wells, it is estimated that the total investment would be more than 100 million dollars before any gas could be sold. If the volume of gas found is not sufficient to justify these kinds of investments, then the entire project will be a failure and none of the nearly 20 million dollars invested will ever be recovered by the owners. Gentlemen, that is a "Windfall Loss".

Where did this 20 million dollars come from? It came from past profits of Rainbow and its partners, all of which are independent Oil Companies. Banks do not loan money to companies to drill exploratory wells and neither does the Federal Government. All of the risk is borne by the companies, but if the venture is successful any income is suddenly declared "Windfall Profits".

The costs of exploratory drilling have increased approximately 300 percent since 1973. As the search for oil and gas is expanded to the deeper horizons below 15,000 feet and to remote and geologically complex areas like the "Overthrust Belt" the costs of exploration have exploded so that today drilling costs for an exploratory well in the 15,000 foot range may cost from 5 to 10 million dollars.

As a result of this cost squeeze on the companies their drilling budgets are now being used up very quickly on only a few wells. Today there are many drilling rigs shut down in the Rocky Mountain region not because the industry is withholding its funds, but because the industry and particularly the independent companies have used up all their available funds. Think for a minute of how many million barrels of "old oil" have to be produced in order to obtain enough profit to pay for just one new deep exploratory test. Is it any wonder there is a shortage of available funds in the industry?

The only solution is to allow domestic oil and gas prices to rise to world oil prices as soon as possible. The alternative is for America to continue to buy OPEC oil on the spot market at prices up to $40 per barrel.

Who knows, maybe next year the spot market price will be $60—$80—$100—per barrel. The OPEC countries will continue to raise the prices as long as we are standing in line to buy their oil. It's up to Congress and the President to make the decision.

P.S. Rainbow Resources, Inc. merged with The Williams Companies of Tulsa, Oklahoma on August 29, 1978. The primary reason for the merger was that Rainbow Resources was not able to continue to finance its widespread exploration activities with its internal oil and gas revenues, which the Company was forced to sell at below replacement costs because of government price controls.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:57 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2797. An act to make technical corrections related to the Revenue Act of 1978;

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes.

ENROLLED BILL SIGNED

At 8:06 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bill:

H.R. 3661. An act to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712).

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 2797. An act to make technical corrections related to the Revenue Act of 1978; to the Committee on Finance.

H.R. 4580. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1980, and for other purposes; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 195. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1309.

By Mr. STEVENS, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 1479. A bill to make a technical amendment to Public Law 94–204 as amended by Public Law 94–456 (Rept. No. 96–250).

By Mr. BAYH, from the Select Committee on Intelligence, without amendment:

S. Res. 198. An original resolution increasing the limitation on expenditures by the Select Committee on Intelligence for the procurement of consultants. Referred to the Committee on Rules and Administration.

By Mr. DOLE, from the Committee on Foreign Relations, without amendment:

S. Con. Res. 17. A concurrent resolution to express the sense of Congress that a United Nations Special Investigatory Commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Armed Services:

John Howard Moxley III, of California, to be an Assistant Secretary of Defense.

Hans Michael Mark, of Virginia, to be Secretary of the Air Force.

Antonia Handler Chayes, of Massachusetts, to be Under Secretary of the Air Force.

Robert Jay Hermann, of Maryland, to be an Assistant Secretary of the Air Force.

(The above nominations from the Committee on Armed Services were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. TOWER (for himself and Mr. LUGAR):

S. 1533. A bill to amend the Investment Company Act of 1940 to provide an exemption for qualified venture capital companies; to the Commission on Banking, Housing, and Urban Affairs.

By Mr. CHURCH:

S. 1534. A bill to amend the Act of May 31, 1962, which authorized the Secretary of the Interior to sell certain "omitted lands" along the Snake River in Idaho; to the Committee on Energy and Natural Resources.

By Mr. JAVITS (for himself and Mr. MOYNIHAN):

S. 1535. A bill to name a certain Federal building in Rochester, New York, the Kenneth B. Keating Building; to the Committee on Environment and Public Works.

By Mr. HEINZ:

S. 1536. A bill for the relief of the Chinese Cultural and Community Center, Philadelphia, Pennsylvania; to the Committee on Finance.

By Mr. PERCY:

S. 1537. A bill to provide specific encouragement to localities for the development of programs to promote energy conservation and the expanded use of renewable energy resources; to the Committee on Governmental Affairs.

By Mr. JOHNSTON:

S. 1538. A bill to amend section 210 of the Agriculture Act of 1956 (7 U.S.C. 1859) to permit the donation of agricultural commodities acquired through operations under section 32 of P.L. 320, 74th Congress, as amended (7 U.S.C. 612c), to certain penal and correctional institutions; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PROXMIRE:

S. 1539. A bill to provide for a study of foreign acquisitions of domestic financial institutions, to impose a moratorium on such acquisitions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S.J. Res. 96. A joint resolution authorizing the President to proclaim September 28, 1979, as "National Indian Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER (for himself and Mr. LUGAR):

S. 1533. A bill to amend the Investment Company Act of 1940 to provide an exemption for qualified venture capital companies; to the Committee on Banking, Housing, and Urban Affairs.

VENTURE CAPITAL COMPANY ACT OF 1979

● Mr. TOWER. Mr. President, I am introducing today with Senator LUGAR legislation designed to address an important need of our economy: The absence of a continuous stream of venture capital to fuel many small and emerging businesses. The Venture Capital Company Act of 1979 would amend the Investment Company Act of 1940 to make it possible for members of the public to invest in professionally managed firms which in turn provide long-term capital to the successful businesses of tomorrow.

Venture capital firms provide a method of financing to companies that is not otherwise available. This is particularly true with respect to companies which are engaged in the development of new technologies and services, since the risks associated with investments in these companies may be substantial. Venture capital companies often provide long-term risk financing for companies which have progressed beyond the startup phase, but are not yet in a position to attract equity capital on favorable terms through the public securities markets.

In order to encourage investors to participate in venture capital companies, it is of course necessary to allow adequate incentives to do so. The investor who participates in venture capital investments generally does so with the expectation that, if the company is successful, he will be able to resell the investment at a profit. Unfortunately, the Investment Company Act minimizes the prospects for doing so.

The bill would amend the Investment Company Act by exempting from the act venture capital companies which meet certain requirements. The purpose of these requirements is to assure that essential investor protections embodied in the securities laws will be applicable to the exempt companies, while at the same time freeing their operations from ambiguous and inappropriate regulatory requirements of the Investment Company Act.

The Investment Company Act takes an approach different from that of the securities laws governing the vast majority of publicly owned companies, the Securities Act of 1933, and the Securities Exchange Act of 1934. The heart of these latter statutes is disclosure and, by and large, complete disclosure of material facts is what is required. These acts assume that, given full disclosure about securities transactions, people should be free to buy and sell securities and the markets will reward those who do so wisely.

The Investment Company Act, on the other hand, adopts a somewhat paternalistic approach. It established a comprehensive regulatory system which substantively prohibits many kinds of transactions. This approach is based upon the theory that the companies for which the act was designed—mutual funds and closed-end investment companies—consist of large pools of cash and highly liquid assets, and that shareholders of such companies should be more protected from improper dealings than is the case with respect to shareholders of other corporations.

Because of the nature of mutual funds, Congress established a detailed statutory scheme and the Securities and Exchange Commission, which regulates the mutual fund industry, is given broad powers over transactions of mutual funds.

The definition of "investment company" in the act is so broad that it includes venture capital companies, even though these companies do not operate like mutual funds or traditional closed-end investment companies in many respects. An obvious and significant difference is the absence in the portfolio of a venture capital company of liquid investments which are readily and regularly traded. But because the act covers venture capital companies, any venture capital company with more than 100 shareholders is required to register under the Investment Company Act and is bound by provisions which were enacted to prevent abuses in the trading of securities.

This is just one example. All of the restrictions in the act, which may be appropriate for mutual funds, are also applicable to venture capital companies. These restrictions are in many cases so inappropriate that no pure venture company operates under the act.

The consequences of this situation are devastating. Venture capital firms, including those that are well-managed, successful and destined to grow larger, must avoid at virtually all costs acquiring more than 100 shareholders. In other words, a successful firm that, over time, could otherwise be expected to grow and, therefore, to contribute vitally needed capital to new generations of businesses, must at some point either liquidate and distribute its assets to its shareholders or merge with some other company. While it theoretically has one other option—operating under the Investment Company Act—the fact that no pure venture capital company is doing so illustrates that this is no real alternative.

Thus, the Investment Company Act—which was designed to protect public investors—has served in this instance to assure that there are no public investors in venture capital companies to protect. Of course, this also means that there are no public investors to benefit from the expertise of a professionally managed venture capital firm.

The Venture Capital Company Act of 1979 would address this problem in a measured and responsible way. While there is a great deal of merit to the approach of simply exempting all venture capital companies as a class from the Investment Company Act, I am proposing a more limited exemption which would assure that there are adequate safeguards for investor protection.

Specifically, the bill would exempt from the Investment Company Act only those venture capital companies which meet certain requirements. Among these are that each company exempted:

Has been engaged in the venture capital business for at least 5 years;

Has a board of directors a majority of whom are "independent";

Has subjected itself to the full regulatory system embodied in the Securities Act of 1933 and the Securities Exchange Act of 1934, even if it would not otherwise be required to do so.

Is required to refrain from the type of trading activities which are a significant focus of the Investment Company Act; and

Accepts restrictions on the ownership by its officers, directors and controlling persons of securities issued by companies in which it invests.

These restrictions are designed to assure that, in exempting venture capital companies from the act, due regard is given to appropriate investor protections contained in the securities laws.

By limiting the exemption to companies which have been in the venture capital business for at least 5 years, the bill would require that the company have a "track record" which prospective investors can look to before investing. The other limitations are designed to assure adequate investor protection in several ways, including the participation on the board of directors of a majority of independent directors. The Supreme Court said only a few weeks ago that the participation of outside, independent directors on the board of a mutual fund is the "cornerstone of the Investment Company Act's effort to control conflicts of interest within mutual funds." Requiring the participation of independent directors for exempted venture capital companies will be an excellent way of looking out for the interests of investors while at the same time freeing these companies from the unworkable regulatory system of the Investment Company Act. And while the Investment Company Act requires that 40 percent of the directors be independent, this bill would require that an exempted venture capital firm have a majority of independent directors.

Significantly, any exempted venture capital company with more than 100 shareholders would still be subject to all of the provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934, the statutes applicable generally to publicly owned companies. These require, among other things, the disclosure of material facts and the dissemination of periodic information regarding the operations and financial condition of the issuer.

It is incumbent upon the Congress to take decisive actions to untangle the regulatory web impeding the successful operations of the private sector. The Venture Capital Company Act of 1979 will do this by targeting a specific regulatory system unsuited to the needs of the venture capital industry, and replacing it with a simple and rational approach in which members of the private sector assume greater responsibility for the operations of venture capital companies.

I am hopeful that this bill will receive prompt consideration and favorable action by the Senate, so that emerging businesses, enterprises and investors can begin to derive the benefits of a strong, vibrant venture capital industry. These results can be advanced without any costs to the Federal Treasury, and without compromising the legitimate purpose of the Federal securities laws.

Mr. President, I ask unanimous consent that the text of the Venture Capital Company Act of 1979 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1533

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Venture Capital Company Act of 1979".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the economy of the United States would be strengthened and diversified by a policy facilitating the formation and growth of venture capital companies which provide long-term capital to industry, finance the development of promotional enterprises, and engage in similar activities;

(2) the Investment Company Act of 1940 unnecessarily restricts the formation and growth of venture capital companies by imposing on such companies a complex and cumbersome regulatory system unsuited to the operations of venture capital companies;

(3) the interests of investors in qualified venture capital companies will be adequately protected through existing securities laws other than the Investment Company Act of 1940; and

(4) it is therefore in the public interest to amend the Investment Company Act of 1940 to provide an exemption for venture capital companies which meet certain standards assuring the adequate protection of investors in such companies.

DEFINITION OF VENTURE CAPITAL COMPANY

SEC. 3. Section 2 (a) of the Investment Company Act of 1940 (15 U.S.C. 80a-2 (a)) is amended by adding at the end thereof the following:

"(46) 'Venture capital company' means any company which meets both of the following conditions:

"(A) it is engaged or proposes to engage primarily in the business of furnishing capital (other than short-term paper) to industry, financing promotional enterprises, purchasing securities of issuers for which no ready market is in existence, or reorganizing companies or similar activities; and

"(B) at least 60 per centum of its net assets at cost (exclusive of Government securities, short-term paper and cash items) consists of securities which were—

"(i) acquired directly from the issuer thereof in a transaction or transactions not involving the registration of the securities under the Securities Act of 1933 or pursuant to the exercise of options, warrants, or rights acquired in such transactions;

"(ii) received in a reorganization or in an exchange offer in exchange for securities acquired pursuant to clause (i) of this paragraph; or

"(iii) distributed on or with respect to any securities referred to in clause (i) or clause (ii) of this paragraph.".

DEFINITION OF ESTABLISHED VENTURE CAPITAL COMPANY

SEC. 4. Section 2(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)) is amended by adding at the end thereof the following:

"(47) 'Established venture capital company' means any company that is and has been a venture capital company for at least five preceding continuous years.".

EXCLUSION OF ESTABLISHED VENTURE CAPITAL COMPANY

SEC. 5. Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(3)) is amended—

(1) by striking out "or" immediately after "guardian"; and

(2) by inserting immediately before the period at the end thereof the following: "; any established venture capital company having a class of its equity securities registered under section 12 of the Securities Exchange Act of 1934; or (A) any established venture capital company, but only for a period of 180 days after its outstanding securities (other than short-term paper) become beneficially owned by more than one hundred persons as determined under paragraph (1) of this subsection, or (B) any established venture capital company which presently proposes to make a public offering of its securities, but only (i) for a period of 180 days after the filing with the Commission of its registration statement (or its notification under Regulation A) under the Securities Act of 1933, (ii) for a period of 60 days after the effective date of such registration statement (or the first sale of any securities offered by means of an offering circular under Regulation A), or (iii) until the withdrawal of the registration statement without its having become effective (or the withdrawal of the notification under Regulation A), whichever event specified in clause (i), (ii), or (iii) last occurs".

RESTRICTIONS ON ESTABLISHED VENTURE CAPITAL COMPANIES

SEC. 6. Section 7 of the Investment Company Act of 1940 (15 U.S.C. 80a-7) is amended by adding at the end thereof the following:

"(e) An established venture capital company which is not an investment company within the meaning of this title solely by reason of section 3(c)(3) and the outstanding securities of which (other than short-term paper) are beneficially owned by more than one hundred persons as determined under section 3(c)(1) of this title may not—

"(1) engage in any business in interstate commerce unless a majority of the members of the company's board of directors would not be deemed interested persons of the company if it were an investment company within the meaning of this title; or

"(2) sell, or otherwise dispose of, any securities (exclusive of Government securities, short-term paper and cash items) owned by it, whenever and however the securities were acquired by it, except in such manner and amounts and at the times as the company would be permitted to do if the securities had been acquired by it in a transaction not involving any public offering within the meaning of the Securities Act of 1933 and the rules thereunder.

If, by reason of the death, disqualification, or bona fide resignation of any director or directors of any company, the requirements of clause (1) of the preceding sentence are not met, the application of the preceding sentence shall be suspended as to that company for a period of 180 days or for such longer period as the Commission may prescribe, upon its own motion or by order upon application, as not inconsistent with the protection of investors.

"(f) No director, officer, employee, or controlling person of an established venture capital company which is not an investment company within the meaning of this title solely by reason of section 3(c)(3) and the outstanding securities of which (other than short-term paper) are beneficially owned by more than one hundred persons as determined under section 3(c)(1) of this title may beneficially own or purchase securities or other property of any issuer other than the established venture capital company whose securities (other than Government securities, short-term paper and cash items) are beneficially owned by the established venture capital company; and no affiliated person of any such person shall beneficially own or purchase securities or other property of any issuer other than the established venture capital company whose securities (other than Government securities, short-term paper and cash items) are beneficially owned by the established venture capital company, unless the ownership or purchase is approved by a majority of the members of the established venture capital company's board of directors who have no financial interest in the ownership or purchase, including a majority of the members who would not be interested persons of the company if it were an investment company within the meaning of this title, on the basis that—

"(1) terms thereof, including the consideration to be paid or received, are reasonable and fair to the shareholders of the established venture capital company and do not involve overreaching of the company or its shareholders by another party; and

"(2) the ownership or purchase is not contrary to the interests of the shareholders of the established venture capital company and is consistent with the policy of the company as recited in its articles of incorporation and any other documents made available to its shareholders generally.

For purposes of this subsection, beneficial ownership of securities or other property acquired by a director, officer, employee, or controlling person is not prohibited if the beneficial ownership was acquired otherwise than by means of a purchase and if the person, as soon as reasonably practicable, sells or otherwise disposes of the securities or other property upon a determination by the members of a majority of the established venture capital company's board of directors who have no financial interest in the ownership, including a majority of the members who would not be interested persons of the company if it were an investment company withing the meaning of this title, that the terms of the sale or other disposition, including the consideration to be received, are reasonable and fair to the shareholders of the company and do not involve overreaching of the company or its shareholders by another party. The sale or other disposition must be effected within 180 days after the acquisition, unless a majority of the members of the established venture capital company's board of directors who have no financial interest in the sale or other disposition, including a majority of the members who would not be interested persons of the company if it were an investment company within the meaning of this title, approve a longer period, which shall not exceed one year from the date of acquisition of the securities or other property.". ●

● Mr. LUGAR. Mr. President, I am very pleased to join with Senator Tower in introducing the Venture Capital Company Act of 1979. The bill would remove specific statutory and regulatory impediments which act as a powerful disincentive to the formation and growth of the venture capital industry, a segment of the business community which has the potential to make a valuable contribution to our economy.

A great deal has been said recently about the need to reduce the extent of Federal regulation, particularly that which is overbroad and burdensome to the conduct of honest business activities. The application of the Investment Company Act of 1940 to venture capital companies provides a good example of the adverse effects which result from the imposition of a broad regulatory system on the activities of companies which are covered only marginally, if at all, by the purposes of the act. Our bill provides an excellent opportunity for Congress to show its willingness to act positively to encourage the development of new companies, new products and new services for the economy.

The need to encourage the formation and mobilization of venture capital is obvious, and the Venture Capital Company Act of 1979 will do so without compromising the strong investor protections provided by the Securities Act of 1933 and the Securities Exchange Act of 1934. As the ranking Republican member of the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs, I look forward to the prompt consideration of this bill by the subcommittee.●

By Mr. JAVITS (for himself and Mr. Moynihan):

S. 1535. A bill to name a certain Federal building in Rochester, N.Y., the Kenneth B. Keating Building; to the Committee on Environment and Public Works.

● Mr. JAVITS. Mr. President, today I am introducing legislation to name the Federal building in Rochester, N.Y., after one of our country's ablest and most distinguished public servants of the last quarter century: the late Senator Kenneth B. Keating. Companion legislation to this bill is today being introduced in the House of Representatives by Congressmen Stratton, Wydler, Conable, and Horton.

Honored military leader, resourceful legislator in both Houses of Congress, distinguished jurist, and talented ambassador are the distinctions and estimable accomplishments of Ken Keating, a great American. Few people have served this Nation in more ways or with greater distinction. Having worked alongside him in both the House and Senate I knew him as a close personal friend and an esteemed colleague. His was a remarkable record of public service.

Entering the Army as an enlisted man in World War I, he served his country also in World War II and had risen to the rank of brigadier general by the time the war had ended. He spent six terms in the House, representing western New York and the Rochester area, before his election to the Senate in 1958. He was one of the great spokesmen for the 1964 Civil Rights Act. When he was defeated in his bid for a second Senate term, instead of settling back in the well-earned glow of a distinguished congressional career, Ken Keating continued tirelessly to devote his life to the public good.

He ran and was elected to an associate judgeship on the New York Court of Appeals, the State's highest tribunal and one of this land's most respected State courts. Returning to national service in 1969, he was named Ambassador to India and represented the United States during the tension-filled Indo-Pakistani conflict over Bangladesh. As a capstone to his career he became envoy to Israel, helping to steer our course during the Yom Kippur war. His service in Israel for the United States was a source of security and reassurance to Israel's people.

Mr. President, it is, indeed, fitting that the Federal Building in Rochester should be named for Kenneth Keating. He was one of western New York's most revered citizens. A distinguished Rochester attorney in the years prior to World War II, he could not walk through the city's downtown without being greeted by people from all walks of life. His lively spirit and outgoing character, his sound judgment and heartfelt concern made him a friend of all who had contact with him. And it was from Rochester that he was sent to Congress and from which his national career began.

Mr. President, I believe that in recognition of his unparalleled past service to his State and country and his undiminished vigor in working in the people's behalf, it is appropriate that we memorialize Kenneth Keating by naming the Federal Building in Rochester the Kenneth B. Keating Federal Building.●

By Mr. PERCY:

S. 1537. A bill to provide specific encouragement to localities for the development of programs to promote energy conservation and the expanded use of renewable energy resources; to the Committee on Governmental Affairs.

LOCAL ENERGY MANAGEMENT ACT OF 1979

Mr. PERCY. Mr. President, few today would deny the urgent need to reduce our dependence on oil. Gas lines are not merely a temporary inconvenience, and skyrocketing prices are not just a passing phenomenon. Both are signs that the days of cheap, abundant oil have passed.

In recent weeks, many of my colleagues in Congress have turned their focus to synthetic fuels as a new energy panacea. I must warn my colleagues against embracing this new technological "fix" too readily. Synthetic fuels will not contribute significantly to our energy needs before the late 1980's. What we are going to do in the interim, to protect American consumers from rapidly rising oil prices and to gird our economy against crippling oil shortages?

An aggressive national effort to conserve energy offers our brightest energy prospect for the 1980's. The President's Council on Environmental Quality has determined that, by using known conservation techniques, we could reduce our overall energy consumption by 30 to 40 percent, while maintaining our current standard of living.

Developing our Nation's renewable, or "solar," energy resources should be another priority for the 1980's. Numerous "solar" technologies are now ready for widespread commercial development.

These include small-scale hydroelectric dams, solar heating and cooling systems for buildings, wind generators, and "gasohol," a liquid fuel derived partially from grain.

In developing energy alternatives, we must draw fully upon the ingenuity and versatility of the American people. Our Nation's cities, counties, towns, and villages are uniquely capable of tapping this great innovative potential.

Several units of local government have already undertaken impressive energy initiatives. Some have focused their efforts on restructuring their internal operations, while others have branched out into other sectors of the community.

Dade County, Fla., has been particularly effective in eliminating energy waste from its internal operations. By purchasing more fuel-efficient equipment, the county cut the fuel consumption of its automobile fleet by 37 percent between 1972 and 1978. During 1977, the county implemented conservation measures which reduced electricity consumption in nine county-owned buildings by 20 percent. Additionally, the county is now building a solid-waste facility which will recover usable materials such as metals and glass while burning combustible wastes. Seventy megawatts of electricity will be generated by this process—enough to fulfill the needs of 41,000 families.

The city of Davis, Calif., has focused its efforts on the residential sector. In 1975, the city passed an energy-conserving code for new residential construction. Since that time, the use of electricity and natural gas in Davis homes has dropped by an astonishing 18 percent. This major reduction is particularly impressive in light of the fact that only a small percentage of the city's homes have been built since the code went into effect. Local officials attribute much of the savings to voluntary actions taken by Davis residents, whose awareness of the energy problem was heightened by the months of public debate preceding the code's adoption.

Seattle, Wash., offers yet another inspiring example of the enormous energy savings which effective local programs can produce. Faced with rising electricity demand, Seattle's municipal utility proposed to purchase a 10-percent share in a $5 billion regional nuclear power project. Concerned local citizens questioned whether this added capacity was really needed, and asked the city to explore the issue. An "Energy 1990" citizens overview committee undertook the challenge. This committee reflected a broad range of community interests, including industry, labor, commerce, low-income and minority groups, the elderly, and environmentalists. After lengthy study, the committee recommended against the nuclear plan, and instead proposed an aggressive conservation program aimed at reducing Seattle's projected 1990 electricity needs by 20 percent.

In July 1976, the Seattle City Council voted to support the conservation effort; $800,000 was provided for the first year's programs, and the result, by the end of 1977, was an 8-percent reduction in citywide electricity demand. Some claim that unusual weather conditions contributed to this extraordinary reduction. Nevertheless, Seattle officials are optimistic that the 1990 conservation goal will be reached—at a fraction of the cost of purchasing new generating capacity.

Seattle's experience highlights several of the positive impacts which can result from well-conceived local initiatives. First, Seattle's conservation measures yielded significant and immediate energy savings. Second, the citizen's overview committee allowed for broad public participation—an important means of insuring that the resulting policy would not be dominated by any single interest. Third, the programs implemented under the "Energy 1990" banner affected large segments of Seattle's population, thereby enhancing the visibility and credibility of conservation as an energy strategy. Already we have seen, in the Davis case, that heightened public awareness can be a major catalyst to conservation.

I would also like to draw my colleagues' attention to the cost-effectiveness and rapid payback of many local initiatives. In 1978, the city of Oakland, Calif., received $4.7 million from the Economic Development Administration to install energy-efficient street lamps. With annual energy savings of over $900,000, this investment will pay for itself in about 5 years. In my home State of Illinois, the city of Carbondale will soon retrofit its water treatment plant with energy-saving equipment. City officials predict that the $20,000 investment will be recovered in less than a year, through lowered energy costs. Local taxpayers will be the beneficiaries of these savings.

Davis, Calif., offers perhaps the most striking evidence that local initiatives can be cost-effective. Houses which adhere to the new building code require 50 percent less energy for heating and cooling than conventional homes of comparable comfort. Astonishingly, these homes cost no more to build than their conventional counterparts. Sensible siting and design techniques are the keys.

The potential benefits of sound local energy management abound. Yet only a small fraction of America's several thousand local communities have seriously explored the energy options available to them. The lessons learned in Dade County, Davis, Seattle, and elsewhere remain largely hidden from general view. Lacking access to this backlog of experience, localities embarking on new energy initiatives waste valuable time and resources stumbling over terrain which, though new to them, has already been charted.

Mr. President, today I am introducing the Local Energy Act of 1970, as a stimulus local involvement in innovative energy management. The Local Energy Management Act would establish three modestly funded, interlocking programs.

First, the act would create a demonstration grants program, to provide funding to selected localities for the development of energy plans. Participating localities would be required to examine their energy consumption patterns and develop strategies to save energy or expand local use of renewable energy resources.

The demonstration grants program would stimulate energy innovation within individual localities. It would not, however, improve communication between localities—an equally vital need. To achieve this latter purpose, the act establishes two additional programs: A documentation and distribution grants program and a local energy reference center.

The documentation and distribution grants program would provide funding to a limited number of localities which have already developed innovative energy programs. Localities receiving these grants would prepare and publish practical brochures on the energy measures they have undertaken, and would make this information available, free of charge, to other localities.

Localities such as Dade County, Davis, and Seattle would find the documentation and distribution grants program particularly useful. Officials from these localities find themselves flooded with information requests which they have neither the time nor the resources to handle. Davis alone receives over 100 requests per month regarding its energy-conserving building code. This past year, the city has sent out more than $10,000 in printed information to interested localities and individuals. The documentation and distribution grants program would significantly ease this burden.

The act's third component is a local energy reference center. This center would serve as a data bank and information clearinghouse on local energy initiative. The center would draw upon the information gathered through the documentation and distribution grants program as well as other sources.

To date, the Federal Government has done little to tap the innovative energy potential of local governments. Within the Department of Energy, the recently established Energy Extension Service primarily benefits individual consumers and small businesses. Another Department of Energy undertaking, the comprehensive community energy management program, is now assessing the energy management capacities of 17 local communities, but the program has done little to strengthen the flow of information between local government officials.

I first introduced the Local Energy Management Act 3 months ago. Since that time, the bill has attracted widespread interest and support. Among the bill's supporters are the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, and top officials from numerous localities. I am especially pleased that village officials as well as big-city mayors have praised the bill as sensitive to their needs. I will ask that an attachment containing the comments of a few of the bill's supporters be printed in the RECORD following my remarks.

Along with these numerous endorse-ments, I have received valuable and perceptive criticism of the original Local Energy Management Act. The revised bill, which I am introducing today, responds to many of these concerns.

Before closing, I would like to draw my colleagues' attention to a few of the remarks which President Carter made 2 days ago, when he addressed the National Association of Counties, in Kansas City. On that occasion, the President called upon counties and other localities to work actively and aggressively to conserve energy. I would like to quote briefly from the President's remarks:

> The heartbreaks and the triumphs of each county, each city, each neighborhood, the successes or the failures are also the successes and failures, the triumphs and the heartbreaks of our nation.
>
> The tragedy of an elderly family who are not able to pay for heat in the winter is a national tragedy, just as the success of a local weatherization program or car pool program is a triumph of or success for the whole Nation.
>
> I ask you to work with me throughout the counties of America to plan conservation efforts. . . . As you work with local citizens and community leaders in taking up this call to action, you can count on the support and you can count on the help of Federal officials, including myself, to live and to work with you to make this dream, this challenge, a reality.

The Local Energy Management Act provides an important step toward making "this dream a reality." I am very pleased to have Senators BAUCUS, COHEN, DOMENICI, HATFIELD, HEINZ, KENNEDY, SARBANES, and TSONGAS as cosponsors of this bill.

Mr. President, I ask unanimous consent that the attachment containing comments on the Local Energy Management Act, followed by a summary of the bill and the text, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Local Energy Management Act of 1979".

TITLE I—FINDINGS, DECLARATION OF PURPOSE, AND DEFINITIONS FINDINGS AND DECLARATION OF POLICY

SEC. 101. (a) The Congress hereby finds and declares that—

(1) local units of government are highly appropriate vehicles for the promotion of energy conservation and renewable resource-based technologies, because of their sensitivity to geographic and climatic variations, their ability to make effective use of available human skills and economic resources, their high visibility, and their capacity to accommodate a high degree of direct citizen involvement in the study, implementation, and demonstration of new programs;

(2) local units of government can play an important role in stimulating the involvement of private industry, particularly small businesses, in energy conservation and renewable energy resources development;

(3) many localities have already developed innovative and effective programs which promote energy conservation and the development of renewable energy resources;

(4) geographic and economic constraints have generally discouraged localities with successful programs in the energy field from sharing their knowledge and experience with other localities;

(5) the Federal Government has provided only scattered and insufficient information and financial assistance to localities for the purposes of encouraging energy conservation and the development of renewable energy resources; and

(6) the Department of Energy should encourage localities to implement energy conservation measures and to expand their use of renewable energy resources.

(b) It is the purpose of this Act to provide broader Federal assistance to localities by—

(1) establishing a Demonstration Grant Program applicable to localities which propose to develop plans to promote energy conservation or the expanded use of renewable energy resources;

(2) establishing a Documentation and Distribution Grants Program, to enable localities to document and distribute practical information on programs which they have undertaken, or propose to undertake, to promote energy conservation or the expanded use of renewable energy resources; and

(3) establishing a Local Energy Reference Center and a Technical Assistance Panel, to facilitate information-sharing among local officials with respect to energy conservation and the expanded use of renewable energy resources.

DEFINITIONS

SEC. 102. For the purposes of this Act, the term—

(1) "management" means the development and sharing of practical information and plans by local units of government, for the purpose of promoting energy conservation or the expanded use of renewable energy resources;

(2) "Department" means the Department of Energy;

(3) "Secretary" means the Secretary of the Department of Energy;

(4) "Assistant Secretary" means the Assistant Secretary for Conservation and Solar Applications;

(5) "locality" means any city, county, town, municipality, or other political subdivision which is a unit of general purpose local government of a State or United States territory;

(6) "local official" means an elected representative of a unit of local government or, if designated by the elected representative, an employee of a local unit of government;

(7) "energy conservation" means a capital investment or a practice which leads to a net saving in energy;

(8) "renewable energy resources" means those sources of energy which cannot be permanently exhausted, including agricultural and forest products and excluding nuclear fission and fusion materials;

(9) "demonstration" means the development of a local plan, for the purpose of conserving energy or expanding the use of renewable energy resources;

(10) "sector" means a segment of a locality which accounts for an identifiable portion of the locality's energy consumption;

(11) "documentation" means the preparation and publication by a locality of informational materials on local measures fostering energy conservation or the expanded use of renewable energy resources, in accordance with title IV of this Act;

(12) "distribution" means the mailing of informational materials by a locality receiving assistance under title IV of this Act to other localities which have requested information pertaining to the promotion of energy conservation or expanded use of renewable energy resources;

(13) "technical assistance" means the transmittal of practical information to a local official, through printed publications, computer data, or personal visitation, by a member of the Technical Assistance Panel, in accordance with title VII of this Act; and

(14) "Center" means the Local Energy Reference Center established under title VI of this Act; and

(15) "Panel" means the Technical Assistance Panel, established under title VII of this Act.

TITLE II—PROGRAM ADMINISTRATION

GENERAL

SEC. 201. The Department of Energy shall be responsible for carrying out the provisions of this Act. The Secretary shall carry out the responsibilities of this Act through the Assistant Secretary for Conservation and Solar Applications.

REPORTS

SEC. 202. The Secretary shall transmit to the Congress and the President, not later than ninety days after the end of each fiscal year, a comprehensive report on all activities of the programs established under this Act, conducted during the previous fiscal year. Each such report shall include—

(1) a statement of specific and detailed objectives for the activities and programs conducted and assisted under this Act;

(2) a statement of conclusions as to the effectiveness of such activities and programs in meeting the stated objectives and the purposes of this Act, measured through the end of each fiscal year;

(3) a statement outlining the coordination of the activities and programs conducted and assisted under this Act with the activities and programs of other public and private agencies, as described in section 203;

(4) recommendations with respect to such legislation which the Assistant Secretary deems necessary or desirable to assist locally based energy conservation and renewable energy resources development efforts; and

(5) plans for activities and programs during the next fiscal year.

COOPERATIVE EFFORTS

SEC. 203. The Secretary shall consult and cooperate with the Secretary of Housing and Urban Development, the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, the Secretary of Health, Education, and Welfare, the Community Services Administration, the Secretary of Commerce (and the Regional Centers of the Economic Development Administration in the Department of Commerce), the Administrator of the Small Business Administration, and the heads of other Federal agencies administering energy-related programs, with a view toward achieving maximum coordination with other related programs, and for the purpose of ensuring to the maximum extent possible that all energy conservation and new energy technology information disseminated by or through Federal programs in a given area are consistent and are fully coordinated in order to minimize duplication of effort and to maximize public confidence in the credibility of Federal or federally assisted programs. It shall also be the responsibility of the Secretary to promote the coordination of programs under this Act with the activities and programs of other public and private agencies, including the Federal Laboratory Consortium; the National Center for Appropriate Technology; national organizations representing elected State and local government officials; private, nonprofit organizations; and private industry.

TITLE III—DEMONSTRATION GRANTS PROGRAM

ESTABLISHMENT OF PROGRAM

SEC. 301. The Secretary may make nonrenewable grants to localities for the development of measures to conserve energy and develop renewable energy resources. The Secretary shall have discretion to determine whether such grants shall be of one- or two-year duration.

APPLICATION REQUIREMENTS

SEC. 302. (a) Grantees shall be limited to units of local government.

(b) Grant application procedures and grant response time shall be kept to a minimum.

(c) Grant applications shall contain at a minimum—

(1) an estimation of the overall energy consumption if the locality, by sector;

(2) general information as to the population size of the locality, employment by sector, economic activities, transportation facilities, and other demographic characteristics which the Secretary deems relevant to the purposes of this Act; and

(3) a description of projected mechanisms for exploring energy conservation or renewable energy resources development options, including a description of projected mechanisms for involving the public in energy policy development.

PROGRAM REQUIREMENTS

SEC. 303. Each participating locality shall, within one hundred and twenty days after termination of the grant period, submit to the Secretary a report containing—

(1) a description of the measures which the locality has introduced or proposed to introduce, to promote energy conservation or the use of renewable energy resources;

(2) evidence of the effectiveness of such measures in promoting energy conservation or the use of renewable energy resources;

(3) an estimation of the capital requirements and administrative costs of implementing such measures;

(4) a description of funding mechanisms adopted or proposed by the locality to underwrite the capital requirements and administrative costs of such measures;

(5) an estimation of the pay-back period for such measures;

(6) a description, where applicable, of the mechanisms adopted or proposed by the locality for the purpose of stimulating the involvement in private industry, particularly small businesses, in energy conservation or renewable energy resources development;

(7) a description of the mechanisms adopted by the locality for the purpose of involving the public in energy policy development; and

(8) a description of the views of all major interested parties, including low-income individuals where applicable, regarding the established and proposed measures.

FUNDING

SEC. 304. No grant to a locality under this title shall exceed $80,000.

TITLE IV—DOCUMENTATION AND DISTRIBUTION GRANTS PROGRAM ESTABLISHMENT OF PROGRAM

SEC. 401. The Secretary may make renewable, one-year grants to localities to enable such localities to document and distribute practical information on programs which they have undertaken, or propose to undertake, to promote energy conservation or the development of renewable energy resources.

APPLICATION REQUIREMENTS

SEC. 402. (a) Grantees shall be limited to units of local government.

(b) Localities which have received assistance under title III of this Act may apply for assistance under this title, providing that such localities have fulfilled the provisions of section 303, as determined by the Secretary.

(c) Localities which have not received assistance under title III may also apply for assistance under this title.

(d) Grant application procedures and grant response time shall be kept to a minimum. Grants shall be awarded to localities whose proposed publications would offer a unique contribution to the body of knowledge concerning local government measures to conserve energy and develop renewable energy resources.

(e) Localities must, at a minimum, include in their applications—

(1) a brief description of their current and proposed energy conservation and renewable energy resources development measures;

(2) preliminary evidence, where possible, that such programs have been or will be effective in promoting energy conservation or the use of renewable energy resources in at least one sector;

(3) a brief description of the mechanisms adopted for the purpose of involving the public in energy policy development;

(4) a brief description of projected mechanisms for developing documentation which will be of practical use to other localities wishing to promote energy conservation or the use of renewable energy resources; and

(5) a brief description of projected mechanisms for giving major interested local parties an opportunity to have their viewpoints represented in the documentation process.

FUNDING GUIDELINES AND GRANT SELECTION CRITERIA

SEC. 403. (a) The Secretary may award up to sixty grants under this title each year.

(b) Grants given under this title shall compensate recipient localities for the costs of preparing, printing, and mailing the document or documents published under this title.

(c) The Secretary may provide renewed funding to localities which have received grants under this title in previous years, for the purpose of updating published documents, and for the purpose of meeting ongoing printing and mailing costs. Renewed grants shall not be considered as contributing to the total authorized number of grants to be given under this title in a single year, as specified in section 403(a).

PROGRAM REQUIREMENTS

SEC. 404. (a) Each locality receiving assistance under this title shall, within sixty days after grant receipt, publish a document or series of documents describing its current and proposed energy conservation or renewable energy resources development programs. Such document or documents shall include information comparable to that required of title III grant recipients, as established in section 303.

(b) Each locality receiving assistance under this title shall make all materials published in accordance with subsection (a) available to other localities, either in response to direct requests from localities or through the services of the Local Energy Reference Center, in accordance with section 602. No fee shall be charged to distributees of such materials.

(c) Each locality receiving assistance under this title shall designate one person to serve for three years on the Technical Assistance Panel, established under title VII. This person may be a local official or other individual who is knowledgeable and experienced in the areas of energy conservation and renewable energy resources development.

TITLE V—GENERAL GRANT GUIDELINES

GUIDELINES

SEC. 501. Grants under title III and title IV shall be awarded, to the maximum extent feasible, in a manner which ensures—

(1) representation of a broad range of local government energy conservation and renewable energy resource development initiatives;

(2) an equitable distribution among localities of varying population size, and a fair representation of different types of political subdivision;

(3) an equitable distribution among localities within each of the ten Federal administrative regions; and

(4) adequate consideration of other demographic characteristics which the Secretary may deem relevant to the purposes of this Act.

TITLE VI—LOCAL ENERGY REFERENCE CENTER

ESTABLISHMENT OF LOCAL ENERGY REFERENCE CENTER

SEC. 601. (a) The Secretary shall establish a Local Energy Reference Center, to serve as a data bank and information resource for localities throughout the Nation. The Local Energy Reference Center shall be established through a contractual arrangement with an organization experienced in information dissemination to localities, such as a national organization representing elected local government officials, or a consortium of such organizations.

(b) The local Energy Reference Center shall have a paid, full-time director who is responsible for carrying out the provisions of section 602 and 603.

RESPONSIBILITIES

SEC. 602. The Local Energy Reference Center shall, to the maximum extent feasible—

(1) keep on file all documents published under title IV, and compile a periodically updated list of such documents;

(2) collect additional information which is relevant to the purposes of this Act;

(3) develop a computer data base which maximizes the availability, flexibility, and usefulness of all information relevant to the purposes of this Act;

(4) coordinate the activities of the Technical Assistance Panel, established under title VII;

(5) respond to requests by local officials for information on locally based measures to conserve energy or develop renewable energy resources, by—

(A) drawing upon the resources of the computer data base;

(B) providing copies of documents published under title IV of this Act;

(C) referring such requests to a member of the Technical Assistance Panel, established under title VII; or

(D) referring such requests to appropriate public or private agencies, including the Federal Laboratory Consortium; the National Center for Appropriate Technology; national organizations representing elected State and local government officials; private, non-profit organizations; and private industry;

(6) organize conferences and seminars for local officials on issues relevant to the purposes of this Act; and

(7) publicize to units of local government the services offered by the Center.

TITLE VII—TECHNICAL ASSISTANCE PANEL

ESTABLISHMENT OF PANEL

SEC. 701. The Local Energy Reference Center shall have responsibility for coordinating the activities of a Technical Assistance Panel, which shall serve as an information resource for localities seeking to establish measures to conserve energy or develop renewable energy resources.

MEMBERSHIP

SEC. 702. (a) Each locality receiving assistance under title IV shall designate one person to serve on the Technical Assistance Panel, in accordance with the provisions of section 404(c).

(b) The Secretary may appoint to the Panel up to 10 additional persons per year. These persons shall be knowledgeable and experiences in the areas of energy conservation and renewable energy resources development, and may be—

(1) officials from localities which have not received assistance under title IV; or

(2) other members of the public.

PANEL FUNCTIONS

SEC. 703. (a) Panel members shall respond to information requests from localities and the Local Energy Reference Center by—

(1) sending copies of the document or documents which they have published under title IV; or

(2) engaging in direct consultation via telephone or written correspondence.

(b) Panel members may, subject to the approval of the director of the Local Energy Reference Center, undertake site visits to assist local officials in investigating measures to conserve energy or develop renewable energy resources. Localities receiving assistance through site visits shall provide a minimum of 50 percent of the expenses of such visits. The Local Energy Reference Center shall provide the remaining expenses.

TITLE VIII—AUTHORIZATION OF APPROPRIATIONS

AUTHORIZATIONS

SEC. 801. (a) There are authorized to be appropriated for the purpose of carrying out the provisions of this Act, $15,000,000 for the fiscal year ending September 30, 1980; $20,000,000 for the fiscal year ending September 30, 1981; and $20,000,000 for the fiscal year ending September 30, 1982.

(b) Not less than sixty percent of the amount appropriated each year under subsection (a) shall be distributed to localities according to the provisions of title III.

(c) Not less than eight percent of the amount appropriated each year under subsection (a) shall be distributed to localities according to the provisions of title IV.

(d) Not less than seven percent of the amount appropriated each year under subsection (a) shall be used according to the provisions of titles VI and VII.

COMMENTS ON THE LOCAL ENERGY MANAGEMENT ACT

"As mayor of a large Northeastern city, I understand fully the problems of our nation's overdependence on imported oil and the need to develop viable energy conservation measures. The Northeast, with 70 percent of its residential oil and 30 percent of all its petroleum products coming from foreign markets, is particularly vulnerable to rising OPEC prices and is thus intensely concerned with the development of alternatives to energy derived from fossil fuels.

"I am extremely interested in and supportive of the Local Energy Management Act of 1979. . . . This Act would finally provide local governments with both the incentives and the resources to pursue solutions to their energy problems. . . . Given the opportunity, local governments will display a level of creativity in resolving their energy problems seldom seen on either the Federal or State level."—Mayor Kevin H. White, Boston, Mass.

"We read with great pleasure your introduction of the Local Energy Management Act of 1979. . . . We foresee great energy savings from this proposal at a very small Federal investment."—Bernard F. Hillenbrand, Executive Director, National Association of Counties.

"The Local Energy Management Act of 1979 should certainly provide much-needed assistance to local governments. . . .

"Davis has been besieged with demands from all over the United States and other countries . . . for information, presentations, and explanations about its program. . . .

"It is time for the Federal government to recognize and respond to the needs of local governments for information and technical assistance. The type of response at the local level to energy conservation is highly important to the achievement of national goals in the supply of energy."—Mayor Thomas J. Thomasi, Davis, Calif.

"Your legislation shows a clear recognition of what the local level is capable of accomplishing when working to conserve energy."—Mayor Charles Royer, Seattle, Wash.

"I support the Local Energy Management Act as an appropriate means to stimulate energy conservation at the local government level. I am pleased that funds from this proposed legislation will be distributed among localities of varying population. Too often, smaller cities such as Galesburg cannot utilize the technology implemented in larger cities."—Mayor Robert W. Kimble, Galesburg, Ill.

"The Local Energy Management Act. . . . would for the first time provide an organized system of energy assistance to local governments designed to encourage city creativity, fill urban information gaps and make expert advice available to local policymakers. The benefits the nation would derive from this legislation are likely to far outdistance the costs.

". . . we are hopeful that this will be the year in which the door is open for the full participation of cities in the development and implementation of national energy policy."—John J. Gunther, Executive Director, U.S. Conference of Mayors.

SUMMARY: LOCAL ENERGY MANAGEMENT ACT OF 1979 (SENATOR PERCY)

GENERAL PURPOSES

Localities * can play a central role in determining our nation's energy policy. These units of government can stimulate major energy savings and can foster the development of renewable resource-based technologies, through building regulations, zoning codes, procurement guidelines, transportation policies, loan programs, and educational campaigns. A concerted effort by localities nationwide to conserve energy and develop renewable energy resources could significantly lessen America's need for imported oil.

In spite of their enormous potential, localities are often crippled by a lack of information and technical expertise in the energy field. To date, the Federal government has done little to address this problem.

The Local Energy Management Act of 1979 is designed to stimulate broader local involvement in energy conservation and renewable energy resources development. The three interlocking programs created by this Act would be assigned to the Secretary of Energy, who would administer them through the Assistant Secretary for Conservation and Solar Applications. These programs are outlined below.

DEMONSTRATION GRANT PROGRAM

The Demonstration Grants Program would offer grants to selected localities for the development of measures to conserve energy or promote the expanded use of renewable energy resources. In applying for such grants, localities would be required to provide general demographic information and a brief description of their projected mechanisms for exploring energy conservation or renewable energy resources development options.

At the end of the grant period, each participating locality would be required to submit to the Secretary a report describing: (1) those measures which it has introduced, or proposes to introduce, to conserve energy or develop renewable energy resources; (2) the present or potential effectiveness of such measures; (3) the capital requirements and administrative costs of implementing such measures; (4) the adopted or proposed funding mechanisms for such measures; (5) the pay-back period for such measures; (6) the mechanisms adopted or proposed for the purpose of stimulating the involvement, where applicable, of private industry, particularly small businesses; (7) the mechanisms adopted for the purpose of involving the public in energy policy development; and (8) the views of major interested parties, including low-income individuals where applicable, regarding the adopted and proposed measures.

Demonstration Grants would be of one- or two-year duration, to be determined by the Secretary, and in no cases would exceed $80,000 per grantee.

DOCUMENTATION AND DISTRIBUTION GRANTS PROGRAM

The Documentation and Distribution Grants Program would provide funding to a maximum of sixty localities per year, for the purpose of preparing and distributing practical information on measures which they have undertaken, or propose to undertake, to conserve energy or develop renewable energy resources. Grants would be awarded to localities whose proposed publications would offer a unique contribution to the body of knowledge in these areas. Prior recipients of Demonstration Grants as well as other localities would be able to apply for grants under this program.

Each recipient of a Documentation and Distribution Grant would be required to: (1) publish, within 60 days, a document or series of documents describing in detail its current and proposed energy conservation and renewable energy resources development measures; (2) make these published materials available to other localities free of charge, either in response to direct requests from localities or in response to requests from the Local Energy Reference Center (described below); and (3) appoint one person to serve on a Technical Assistance Panel (described below), which would be coordinated by the Local Energy Reference Center.

The Secretary would have discretionary power to waive or amend the general program requirements listed above, in cases where localities presented innovative proposals for preparing and distributing information about their programs (e.g., audiovisual presentations, mobile workshops, etc.)

Documentation and Distribution Grants would be renewable, to meet ongoing printing and mailing costs. Renewed grants would not count towards the yearly maximum of sixty grants.

LOCAL ENERGY REFERENCE CENTER

The Local Energy Reference Center would serve as a data bank and clearinghouse for information on locally based energy conservation and renewable energy resources development efforts. To minimize the Department of Energy's administrative burdens, and to make maximum use of existing resources, the Local Energy Reference Center would be established outside of the Department, through a contractual arrangement with an organization or a consortium of organizations

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* For the purposes of this Act, "locality" or "local unit of government" means any city, county, town, municipality, or other political subdivision which is a unit of general purpose local government of a State or United States territory.

currently involved in disseminating information to local government officials. The contracted organization or consortium of organizations would appoint a paid, full-time director of the Center.

The Center's responsibilities would be: (1) to keep on file and compile a periodically updated list of all materials published through the Documentation and Distribution Grants Program; (2) to collect information on other locally based initiatives; (3) to develop a computer data base to maximize the flexibility and usefulness of the available information; (4) to assemble a Technical Assistance Panel (described below); (5) to respond to information requests from local officials, by drawing upon its own information resources or by referring such requests to a member of the Technical Assistance Panel or an appropriate public or private agency; (6) to organize conferences and seminars for local officials on issues pertaining to energy conservation and renewable energy resources development; and (7) to publicize the services offered by the Center.

The Center would also be responsible for creating and maintaining a Technical Assistance Panel, to provide a vehicle for direct communication between localities which are working to conserve energy or develop renewable energy resources. All localities receiving Documentation and Distribution Grants would be represented on the Panel. The Secretary would be empowered to appoint a maximum of ten additional qualified individuals per year to serve on the Panel.

Panel members would respond to information requests from localities and the Local Energy Reference Center by: (1) sending documents describing efforts with which they have been affiliated; (2) engaging in direct consultation via telephone or written correspondence; or (3) undertaking site visits. Localities receiving assistance through site visits would pay a minimum of 50 percent of the expenses of such visits. The Local Energy Reference Center would pay the remaining expenses.

FUNDING

Funding for the Local Energy Management Act would be $15 million for the first year, and $20 million for each of the second and third years.

The Demonstration Grants Program would receive a minimum of 60 percent of the authorized funds; the Documentation and Distribution Grants Program would receive at least 8 percent of the funds; and a minimum of 7 percent of the funds would be allocated to the Local Energy Reference Center, with some portion thereof, to be determined annually by its Secretary, to be earmarked for site visits by the Technical Assistance Panel.

By Mr. JOHNSTON:

S. 1538. A bill to amend section 210 of the Agriculture Act of 1956 (7 U.S.C. 1859) to permit the donation of agricultural commodities acquired through operations under section 32 of Public Law 320, 74th Congress, as amended (7 U.S.C. 623c), to certain penal and correctional institutions; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. JOHNSTON. Mr. President, today I am introducing legislation to amend section 210 of the Agriculture Act of 1956 to permit the donation of agricultural commodities to certain charitable institutions under section 32 of Public Law 320, the Agriculture Act of 1935.

Section 32 of the Agriculture Act of 1935 empowers the Secretary of Agriculture to purchase and distribute surplus perishable commodities. These commodities including canned and frozen meats, cheeses, and various types of fruits and vegetables, are only available to school lunch programs, senior citizen nutrition programs, and State correctional institutions for minors. This change would allow section 32 commodities to be distributed to State and county correctional facilities classified as charitable institutions.

With local correctional facilities facing the all too familiar budgetary squeeze caused by skyrocketing energy and, food prices, it is becoming increasingly more difficult for these facilities to provide adequate diets for those confined. An extension of section 32 would help ease the squeeze and provide more flexibility for the facilities limited dollar. Inasmuch as these institutions are eligible for section 416 commodities, the mechanism is in place to distribute these commodities with little additional personnel. In addition, this change would save storage costs for surplus goods.

I believe this is a needed change and I hope it will be approved.●

By Mr. PROXMIRE:

S. 1539. A bill to provide for a study of foreign acquisitions of domestic financial institutions, to impose a moratorium on such acquisitions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FOREIGN BANK TAKEOVER ACT

Mr. PROXMIRE. Mr. President, I send to the desk for appropiate reference a bill which will place a moratorium on the acquisition of U.S. banks over $100 million in assets by foreigners until April 1, 1981.

A healthy banking system is essential to the well being of our economy. Bank credit to communities is the lifeblood of commerce and industry. Monetary policy set by the Federal Reserve is translated into reality in the marketplace by banks. Since the banking system is so central to our way of life it is important that Americans control their own financial destiny.

Foreign banks have been and are welcome in the United States. Until recently foreign banks enjoyed privileges that our own banks did not have to establish domestic deposit taking branches across State lines. In the last Congress, with the passage of the International Banking Act, the principle of competitive equality between foreign and domestic banks operating in the United States was established.

Competitive equality means foreign banks are welcome here and are accepted and treated as our own. We expect our banks to be treated the same in countries where they operate.

Unfortunately, foreign banks continue to operate in the United States in a manner which our own banks are forbidden and ways in which our own banks could not operate abroad. I refer, of course, to the ability of large foreign banks to acquire large American banks. Since 1970 59 American banks with assets over $20 billion have been acquired by foreign banks. Many of these have been in the multibillion range.

We must proceed with caution, Mr. President, lest we wake up one morning and find some of our largest banks the subject of foreign takeovers.

That is why this legislation I am today introducing places a moratorium on big bank acquisitions until the matter is thoroughly studied and Congress has had a chance to act.

Mr. President, I want it clearly understood that foreign banks are welcome in the United States. During the period of the moratorium foreign banks can freely enter the United States de novo or by acquiring a small bank. This type of entry improves competition and does not pose a threat of a world oligopoly by big foreign banks or to our own domestic interests.

During the period of the moratorium the President is mandated to study and make recommendations to the Congress on the competitive foreign policy, credit granting, monetary policy, and safety and soundness implications of foreign bank takeovers of large U.S. banks.

Mr. President, this bill will give this Congress a chance to make an informed decision respecting foreign bank takeovers. I commend this legislation to my colleagues and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Foreign Bank Takeover Act".

MORATORIUM

SEC. 2. No foreign person may acquire any United States financial institution with assets of over $100 million prior to April 1, 1981.

STUDY

SEC. 3. The President, in consultation with the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, shall conduct a study to determine—

(1) the effect of foreign takeovers of domestic financial institutions on competition in world banking markets, in the national banking market of the United States, and in the regional banking markets within the United States;

(2) the effect of foreign takeovers on credit-granting by domestic financial institutions;

(3) the effect of foreign takeovers of domestic financial institutions on the monetary policy of the United States;

(4) the potential impact of various possible foreign policy changes, including changes of foreign governments, on domestic financial institutions which are owned or controlled by foreign persons; and

(5) the adequacy of the current regulatory structure and of the laws relating to domestic financial institutions to provide for the effective handling of any problems identified in the course of such study.

The President shall transmit to the Congress, not later than July 1, 1980, a report of the results of such study, including such recommendations for legislative, administrative, or other action as he deems appropriate.

DEFINITIONS

SEC. 4. As used in this Act—

(1) "domestic financial institution" means any bank, mutual savings bank, or savings and loan association organized under the laws of any State or of the United States;

(2) "foreign person" means any foreign organization or individual resident in a foreign country or any organization or individual owned or controlled by such organization or individual; and

(3) "takeover" means any acquisition of the stock or assets of any domestic financial institution if, after such acquisition, the amount of stock or assets held is or will be five percent or more of the institution's stock or assets.

By Mr. GOLDWATER (for himself and Mr. DeConcini):

S.J. Res. 96. A joint resolution authorizing the President to proclaim September 28, 1979, as "National Indian Day"; to the Committee on the Judiciary.

AMERICAN INDIAN DAY

● Mr. GOLDWATER. Mr. President, it is my privilege today to introduce a joint resolution, together with my colleague from Arizona (Mr. DeConcini), to proclaim September 28, 1979, as "National Indian Day."

Mr. President, Indians, as we know them, settled in what we call the United States over 10,000 years ago. They have lived across the length and breadth of this land during those years and became concentrated originally in large tribes which today have been reduced in their numbers but, nevertheless, remain high with about 400 tribes within the continental limits of the United States.

We call ourselves Americans and we do this with great pride, but if there are original Americans living within the confines of the United States, those people have to be the American Indian.

The impact of these people upon our daily lives is little realized by the average citizen of our country. There is hardly a State that does not contain many Indian names within their boundaries, names of rivers, mountains, valleys, and towns. The cultural contributions of the American Indian to our way of life is probably greater than any other source of culture and, yet, we fail to recognize this contribution.

We have days named after nearly every source of origin of people in this country except the original ones, the Indian. Keep in mind that they have been here over 10,000 years and the first non-Indian set foot within the United States just a little over 400 years ago. If there is anyone or any group who should be recognized by an official day by our Government, it is the American Indian.

Mr. President, our proposal passed the Senate unanimously on May 8, 1975, but it was not acted on by the House of Representatives. I hope, and urge, that the legislation will receive prompt attention in both Houses this year, and that the designation of "National Indian Day" will contribute to a greater public understanding of the American Indian.

Mr. President, I ask that the text of the resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 96

Whereas American Indians have made important contributions to the cultural and social history of the Nation; and

Whereas American Indians are now assuming a greater role in the economic life of the Nation; and

Whereas it is appropriate to extend recognition to American Indians for their achievements as citizens of the Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating September 28, 1979, as "National Indian Day", and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 1070

At the request of Mr. Percy, the Senator from Colorado (Mr. Armstrong) was added as a cosponsor of S. 1070, a bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residency to have a sponsor who will contract to support him for 3 years, or to have other means of support.

S. 1112

At the request of Mr. Leahy, the Senator from Michigan (Mr. Levin) was added as a cosponsor of S. 1112, a bill to eliminate the exemption for Congress or for the United States from the application of certain provisions of Federal law relating to employment, privacy, and social security, and for other purposes.

S. 1246

At the request of Mr. Kennedy, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of S. 1246, the Energy Antimonopoly Act of 1979.

S. 1250

At the request of Mr. Stevenson, the Senator from New Jersey (Mr. Bradley) was added as a cosponsor of S. 1250, the National Technology Innovation Act of 1979.

S. 1270

At the request of Mr. Javits, the Senator from West Virginia (Mr. Randolph), the Senator from Rhode Island (Mr. Pell), the Senator from Vermont (Mr. Stafford), and the Senator from Michigan (Mr. Riegle) were added as cosponsors of S. 1270, the Basic Fuel Assistance Act of 1979.

S. 1289

At the request of Mr. Heinz, the Senator from West Virginia (Mr. Randolph) and the Senator from Maine (Mr. Cohen) were added as cosponsors of S. 1289, a bill to amend title XVIII of the Social Security Act to eliminate discrimination with regard to coverage for treatment of mental illness under medicare and to include community mental health centers among the entities which may be qualified providers of service for medicare purposes.

S. 1465

At the request of Mr. Talmadge, the Senator from Mississippi (Mr. Stennis) was added as a cosponsor of S. 1465, a bill to amend the Farm Credit Act of 1971 to permit farm credit system institutions to improve their services to borrowers, and for other purposes.

SENATE RESOLUTION 184

At the request of Mr. Helms, the Senator from California (Mr. Cranston) and the Senator from Indiana (Mr. Bayh) were added as cosponsors of Senate Resolution 184, regarding the matter of Josef Mengele.

SENATE CONCURRENT RESOLUTION 17

At the request of Mr. Glenn, he and the Senator from North Carolina (Mr. Helms) and the Senator from Indiana (Mr. Bayh) were added as cosponsors of Senate Concurrent Resolution 17, to express the sense of the Congress that a United Nations special investigatory commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia.

SENATE RESOLUTION 198—ORIGINAL RESOLUTION REPORTED INCREASING THE LIMITATION ON EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

Mr. BAYH, from the Select Committee on Intelligence, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. Res. 198

Resolved, That the first section of Senate Resolution 76, Ninety-sixth Congress, authorizing expenditures by the Select Committee on Intelligence, agreed to March 7, 1979, is amended by striking out "$12,000" and inserting in lieu thereof "$42,000".

AMENDMENTS SUBMITTED FOR PRINTING

EXPORT ADMINISTRATION ACT OF 1979—S. 737

AMENDMENTS NOS. 340 THROUGH 352

(Ordered to be printed and to lie on the table.)

Mr. JACKSON (for himself, Mr. Nunn, Mr. Hollings, Mr. Cohen, Mr. Hatch, Mr. Harry F. Byrd, Jr., Mr. Tower, and Mr. Moynihan) submitted 13 amendments intended to be proposed by them, jointly, to S. 737, a bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

○ Mr. JACKSON. Mr. President, on behalf of myself and Senators Nunn, Hollings, Cohen, Hatch, Harry F. Byrd, Mr. Tower, and Moynihan, I am today submitting several amendments to S. 737, the Export Administration Act of 1979.

In recent days there have been confirmed reports that the Kama River truck plant, built in the U.S.S.R. with American technology is turning out diesel engines for military vehicles. Also, in recent testimony before a House subcommittee, the then Acting Director of the Office of Export Administration (OEA) at the Commerce Department said that the export control process is "a shambles." In this connection, he pointed out that Department of Commerce's judgments on license applications are not reliable because of the "very, very strong trade promotion focus of the Department and a significant application backlog which precludes adequate analysis of applications. These matters are discussed in newspaper articles by Jack Anderson (Washington Post—July 16 and 17, 1979) and Richard Burt of the New York Times (May 24, June 2 and 18, 1979).

The proposed amendments are intended to encourage a more effective framework for the identification and effective control of exports of critical technologies which would make a significant contribution to the military potential of the Soviet Union and other countries which threaten U.S. national security. The improvements that would result from these amendments would also permit relaxation and elimination of unnecessary controls. These amendments are discussed in a "Dear Colleague" letter and in the explanations following each amendment.

Mr. President, I ask unanimous consent that the aforementioned newspaper articles, the text of the amendments and explanatory statements, and the "Dear Colleague" letter be printed in the RECORD.

There being no objection, the amendments and material were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C. June 16, 1979.

DEAR COLLEAGUE: The Senate will soon be considering S. 737, the Export Administration Act of 1979, which would amend and replace the existing Export Administration Act of 1969. This law is the fundamental legislative charter for the control of exports of commercial and other civilian goods and technologies which also have military applications. Export controls are intended to prevent the transfer to nations which pose a threat to our national security of goods and technologies which would make a significant contribution to their military potential.

In the last decade the Soviet Union has spent, for strategic nuclear forces alone, $104 billion more than the United States. Only because of our considerable lead in sophisticated technology have we been able to maintain a military balance in the face of a massive Soviet investment in armaments and military forces. However, improvident, short-sighted sales of advanced technology to the Soviet Union and a loose and inefficient export control system threaten to undermine the narrowing technology gap on which our security increasingly depends.

In recent days there have been confirmed reports that the Kama River truck plant, built in the USSR with American technology is turning out diesel engines for military vehicles. Also, the Acting Director of the Office of Export Administration (OEA) at the Commerce Department recently testified to a House Subcommittee that the export control process is "a shambles." In this connection, he pointed out that Department of Commerce's judgments on license applications are not reliable because of the "very, very strong trade promotion focus of the Department" and a significant application backlog which precludes adequate analysis of applications.

With a view to encouraging a more coherent system of controls on the export of sophisticated technology to the Soviet Union and other countries whose military forces might threaten the United States and its allies, we have prepared several amendments to S. 737. These amendments would not impose any additional burdens on trade. Rather, they would provide a more effective framework for the identification and effective control of truly security sensitive technologies and for the relaxation and elimination of unnecessary controls.

One series of proposed amendments would place the primary responsibility for formulating a list of technologies and goods that would be subject to national security controls where it properly lies—with the Secretary of Defense. At present and under S. 737 this responsibility is lodged in the Department of Commerce and the Secretary of Defense has only an advisory role. The Commerce Department is over-burdened with some 70,000 license applications each year, and lacks the expertise to formulate the list of critical military technologies.

The bill provides that national security controls should give priority to critical technologies and goods which transfer such technology, but fails to specify the form of control that should be imposed. If a critical technologies approach to national security export controls is to achieve its purpose, there must be a clear policy directive from Congress as to how these technologies and related goods should be controlled.

Experience has shown that the Soviet Union and other Warsaw Pact nations have acquired and will continue to seek advanced American technologies in order to enhance their military power. The bill would merely continue the status quo in which determinations of whether to permit export of an item to a Communist nation are made on an ad hoc basis in the licensing process. Licenses may be granted on the basis that the recipient nation makes a representation that the "end-use" will be non-military or on the basis that there are safeguards against diversions to military use.

However, end-use statements and safeguards provide no protection against the diversion of "critical" technology or goods. By definition, they consist of know-how or products which transfer know-how for which safeguards against diversion cannot be devised. A proposed amendment would direct that, to the maximum practicable extent consistent with the provisions of the Act, exports of critical items shall be prohibited to nations threatening U.S. security. This would also have the benefit of obviating many unnecessary license proceedings.

A related proposed amendment would direct that export of critical goods and technologies to non-Communist nations be subject to validated license controls which are reasonably designed to prevent the re-export of such critical items to Communist nations. Present export regulations generally do not control such exports of technologies. As a consequence, many sensitive technologies—including those employed in the Cruise Missile System—can be exported to most non-Communist nations without having to obtain advance clearance from the Government. Given this loophole, the opportunities for Soviet acquisition of U.S. technologies are alarming.

In order to enable the Department of Defense to carry out its responsibilities under the Act, an amendment would provide a specific authorization for appropriations.

We also propose to amend the Act by setting down a more serious evidentiary test before concluding that advanced technologies or goods are available from sources other than the United States. Too often a mere assertion of "foreign availability" has been used to justify licenses to export when close investigation might have revealed that United States suppliers exercised effective control over the goods or technology involved.

In the event that potential foreign availability exists, a related amendment would require the Secretary of State to certify that negotiations with the appropriate foreign governments to eliminate such availability have not been successful prior to permitting an export. Also, in order to strengthen our Government's hand in eliminating foreign availability of critical goods and technologies, we propose to authorize the President to take effective countermeasures against nations that permit the sale of such technologies or goods to countries threatening U.S. security. This provision would give the United States leverage it does not now have to discourage other countries from exploiting our effort to exercise reasonable controls on the flow of advanced technology to the Soviet Union and adversary nations.

Another proposed amendment deals with a section of the bill which would provide for the automatic decontrol of goods and technologies based upon projections of obsolescence. It is extremely difficult to predict with any degree of accuracy when goods or technologies will become obsolete (i.e., no longer used) by U.S. standards. However, it is impossible to predict the rate of obsolescence by the standards of the Soviet Union or other nations subject to national security controls. To suggest by law that these relative rates of obsolescence can be predicated with mathematical precision is dangerous folly. Accordingly, the amendment would delete this automatic decontrol provision.

We urge your consideration and support of the foregoing and other attached amendments. If you would be interested in sponsoring or co-sponsoring one or more of those amendment, please have a member of your staff contact Richard Perle at Ext. 4–9732 or Peter Sullivan at Ext. 4-9882.

Sincerely,
Henry M. Jackson, Ernest Hollings, Orrin G. Hatch, John Tower, Sam Nunn, Bill Cohen, Harry F. Byrd, Jr., Daniel P. Moynihan.

[From the Washington Post, July 16, 1979]

(By Jack Anderson)

SOVIETS BUYING SENSITIVE U.S. COMPUTERS

Greedy American businessmen, reluctant bureaucratic regulators and detente-smitten presidents have combined to provide the Soviet Union with sophisticated militarily useful machinery from our technological arsenal.

The workings of this incredible triple whammy were described a few weeks ago to the House Armed Services Committee in secret testimony by Larry Brady, who was then the acting director of the Commerce Department's export office.

Some years ago, remembering Pearl Harbor and the U.S. scrap iron that had helped to build the Japanese war machine, Congress passed a law designed to ban the sale of "sensitive" products that could be converted to military use by our communist adversaries. Several thousand items on the "Commodity Control List" can be exported supposedly only after careful review and approval by federal watchdogs.

But Brady told the House committee bluntly "The export control system, as it is today, is a total shambles." The safeguards written into the regulations are "not worth the paper they're written on," he said.

For example, before the Russians can get permission to purchase certain products, they must sign a statetment that they won't use the American-made hardware for military purposes. "Otherwise, we wouldn't approve it," Brady explained.

But sources told our associate Dale Van Atta that there is no effective way to make sure the Soviets live up to their promise. Instead, the Commerce Department relies on the fox to guard the henhouse; on-site inspections are made by representatives of the U.S. companies that sold the products. Not only are these employes often non-Americans but they have a strong motive for ignoring any Soviet violations. Explained Brady: "The company wants to sell more . . . and he knows very well that if he reports a diversion [to military use], he's not going to be able to sell more."

For the same selfish reason, American company executives are unlikely to squeal on their customers, another Commerce Department official told us. "Unless, they're superpatriots, they have a very large stake in not informing," he said.

Yet sources told us it can be assumed anything that can be used for military purposes will be put to such use by the Russians. Brady cited one example to the committee: the huge Soviet truck plant on the Kama River, largest of its kind in the world. It was built with some $500 million worth of American designs, tools and computers.

Brady testified that he had recently confirmed the use of the Kama River plant to make military vehicles and parts. "The file indicates that we knew at the time the license was made . . . at the White House in 1974 . . . that they would manufacture more engines than trucks," he said.

Another top official told us, "Any reasonable individual knew then that the extra engines and other things would go to the military." Despite objections on this score, then-Secretary of State Henry Kissinger approved the sale.

Computers are the source of the most intense controversy. "For all practical purposes, when you export a computer, you lose control over it," Brady explained. There is, he said, "no real way" it can be determined whether a computer has been diverted to military use. But last year President Carter approved the sale of a large plant for producing oil drill bits, and the plant includes a computer.

One congressman expressed concern over the sale of computers in a fully automated traffic-control system for Kova Airport in Russia, noting the presence of "many bunkers" and jet fighters at the facility.

Business firms and their political allies have been pressuring the Commerce Department to loosen the controls on exports still further. "We should begin to have a little more backbone in the process," the outspoken Brady told the House committee.

Washington Whirl—More than one irate motorist has thought it might be worthwhile to "let 'em eat sand"—that is, to withhold U.S. grain and other commodities from the oil-producing nations that are ripping us off. In December 1974, Iran's Shah Mohammed Reza Pahlevi, of all people, had a better idea. Concerned at the way inflation was driving up the cost of necessities the oil exporters were buying from the West, the shah proposed that the price of oil be tied to the price of 20 or 30 imported commodities. The price-indexing system found favor among several of the oil cartel nations, a State Department official told us. But no one in this country took the idea seriously. Lost opportunities get zero miles per gallon.

[From the Washington Post, July 17, 1979]

(By Jack Anderson)

Two Who Talked Are Shifted

Now and then, a brave soul will step out of the shadows of government, stand in the glare of publicity and declare the truth to all who will listen This may lay him open to the most depressing harassments, for our society has not yet outgrown the hoodlum ethos, which honors the man who covers up his boss's deviousness above the employe who exposes it. Here is the story of two men who dared to speak up.

Larry Brady: He is a Commerce Department official who was rash enough to give a congressional committee his honest opinion about the Carter administration's dealings with the Soviet Union. His boss, Stanley Marcuss, had just finished painting a rosy picture of the export office's control over what is sold to the Russians.

As we reported earlier, Brady told the committee that the export office was approving sales to the Soviets of sophisticated computers and other technology that could be diverted to military purposes. The testimony, taken in secret, has not yet been released to the public.

For giving Congress testimony that contradicted the official line, Brady already has been reprimanded, transferred and advised to stop talking to Congress or reporters.

Brady was acting director of the export office when he was called as a witness. He entered a mild demurrer to his superior's testimony, stating that in his opinion the safeguards against military use of American imports were not adequate.

Next day, when Brady resumed his closed-door testimony, he told the congressmen he had been called that morning by Marcuss, who "indicated he was a little uptight with the remark I had made last night about safeguards."

Chairman Richard Ichord (D-Mo.) asserted the committee's right to get straight testimony from government witnesses. He noted that the Office of Management and Budget had threatened several witnesses during the export hearings. Such threats, he warned, "could very well be the subject of separate hearings."

Perhaps emboldened by this encouragement, Brady proceeded to speak frankly: The export control system, he said, "is a total shambles." Shortly after his heretical testimony, he was bounced from his job. Yet sources told our associate Dale Van Atta that Brady had been considered "very competent" until he testified so forthrightly.

Brady wasn't actually fired. He was given the post of deputy director of the export control unit—but only on condition that he not talk to Congress or the press without prior clearance from his higherups. Our sources say he hasn't yet agreed to this condition.

When we contacted him, Brady said he couldn't comment on either his secret congressional testimony or his present job situation.

Dennis Bossard: He was a court stenographer who refused to be bullied into lying to cover up an improper remark by U.S. District Judge John H. Pratt. For defying the judge and sticking to the truth, Bossard was fired.

As we reported earlier, Judge Pratt, aware of the impropriety of a remark he had made on the bench, sent his secretary to persuade Bossard to delete the remark from his transcript of the court proceedings. Destroying court records happens to be a felony, and Bossard quite rightly refused the request. Instead, he blew the whistle on Pratt.

During the subsequent FBI investigation of the incident, Pratt denied having an incriminating conversation with Bossard—unaware that the court reporter had secretly taped the conversation. Despite the damning evidence of the tape, both Pratt and his secretary got off scot free.

Bossard was not so lucky. Though he taped the conversation for his own protection and the tape was turned over to the FBI, he was left to the mercy of the judge's wrath.

Pratt angrily notified Bossard's boss that he no longer would allow the stenographer to work in his courtroom. The judge cited other reasons for his action, but court sources told our associate Gary Cohn there was no doubt Pratt was taking vengeance on Bossard.

Then one of Pratt's buddies, Judge John Lewis Smith Jr., also ruled that Bossard would not be allowed in his courtroom. And another, Judge Oliver Gasch, grilled court employes about Bossard and turned the results of his "investigation" over to Pratt.

The court clerk, James Davey, finally told Bossard he was fired because he had taped the embarrassing conversation with Pratt. Still hoping the system works, Bossard has filed an appeal with Chief Justice William B. Bryant of the Washington, D.C. district. Bryant has put Bossard back on the payroll for the time being until he makes his final decision in the next few weeks.

[From the New York Times, May 24, 1979]

Soviet Truck Plant Linked to Military

(By Richard Burt)

Washington.—United States intelligence officials said today that a Soviet truck-manufacturing plant built with American help was producing engines for military vehicles.

According to the officials, a Central Intelligence Agency officer, testifying at a closed hearing of the House Armed Services subcommittee, confirmed a secret Government report that said some of the 50,000 diesel engines produced annually at the truck plant were being installed in military vehicles.

The witness Hans Heymann, who is the C.I.A.'s national intelligence officer for political and economic affairs, did not say how many of the diesel engines were being diverted for military use.

Officials of the Defense Department and the Commerce Department said the apparent production of the engines for military use did not violate any existing trade understanding. They also said that the equipment sold to the Soviet Union for the construction of the truck plant had been considered to pose no significant security risks to the United States.

DEBATE OVER EXPORT LICENSING

The disclosure comes in the middle of a debate on Capitol Hill over proposed amendments to the 1969 Export Administration Act that would modify procedures for approving the sale of industrial goods to the Soviet Union. Critics of the amendments said Mr. Heymann's testimony demonstrated the risks of loosening restrictions on the transfer of technology.

The truck plant, which is located on the Kama River at Naberezhnyye Chelny, 500 miles east of Moscow, was designed to produce 150,000 trucks and 250,000 engines a year when completed. The first stage of the plant that has been completed assembled its first trucks in 1976 and, according to Soviet plans, is scheduled to turn out 70,000 trucks this year.

About 30 percent of the plant's equipment is said to have been purchased from American concerns, including International Business Machines Corporation, Swindell-Dressler Company of Pittsburgh and Ingersoll-Rand of Rockford, Ill. The equipment consists of $500 million worth of machine tools, computers, foundries and industrial designs..

U.S. EXPECTED SOME MILITARY USE

Pentagon officials have said that, while the United States recognized that the complex could be used for military purposes, the sales had been approved on the assumption that the plant would be used mainly to produce civilian trucks.

But the Defense Department officials acknowledged that the American Embassy in Moscow, in a report to Secretary of Defense Harold Brown in March, said that, in line with Soviet practice, the plant was being used for both civil and military production.

The embassy report, which was obtained by The New York Times, said that a team of Ingersoll-Rand engineers had visited the plant earlier this year and later told embassy officials: "From what we saw, it appears that many of the engines are going into military trucks and other military vehicles, such as armored personnel carriers and assualt vehicles."

"In approving the sales, our basic consideration was that if we did not make the sales, other Western nations would," a Pentagon official said.

Nevertheless the reports of military production have fostered opposition in the House to the amendments to the Export Administration Act, which are being offered by Representative Jonathan B. Bingham, Democrat of New York, and others. The amendments would speed the process of approving export licenses by no longer requiring the Commerce Department to approve sales on a case-by-case basis. Similar legislation is being sponsored in the Senate by Adlai E. Stevenson, Democrat of Illinois.

WOLFF OFFERS OWN AMENDMENTS

The legislation is criticized by some members of Congress who maintain that easing the granting of export licenses could work to enhance Soviet military potential. As a result, Representative Lester L. Wolff, Democrat of New York, and others are supporting their own amendments giving the Defense Department a larger role in the licensing process and restricting basic technologies that could be exploited for military ends.

So far, the Administration's position on the amendments is unclear. Secretary of Commerce Juanita M. Kreps is known to be pressing for fewer controls, but she is being resisted by officials in the Defense Department and in the White House who would like to use trade as a lever in relations with the Soviet Union.

[From the New York Times, June 2, 1979]

U.S. AIDE SAYS CURBS ON EXPORT OF TECHNOLOGY TO SOVIET ARE LAX

(By Richard Burt)

WASHINGTON.—A Commerce Department official responsible for monitoring the sale of advanced technology to the Soviet Union and other Communist countries has told a Congressional subcommittee that the Government's system of export controls is "a total shambles."

The statement was made by Lawrence J. Brady, director of the Office of Export Administration, at a closed hearing last week of the House Armed Services subcommittee on research and development.

Asked to give his view on the trade controls, Mr. Brady asserted that, at present, it was nearly impossible for the Carter Administration to insure that advanced technology equipment shipped to the Soviet Union was not diverted to military uses.

ENGINES PUT IN MILITARY VEHICLES

As an illustration, he cited a recent disclosure that engines produced by the Soviet Union's huge Kama River truck plant, built with large-scale American assistance, were being installed in armored personnel carriers and assault vehicles.

In his testimony and in an interview this week, Mr. Brady also maintained that the Commerce Department and other agencies involved in approving sales to Moscow had not been entirely candid in explaining problems of the export control system to Congress.

"The system is in really bad shape," he told the subcommittee, in testimony obtained by The New York Times. "We have a larger backlog of cases than we've ever had and we're getting more in."

Mr. Brady's views are in sharp contrast with the views of his superior, Stanley J. Marcuss, Senior Deputy Assistant Secretary for Industry and Trade, who told the House subcommittee on May 23 that the Administration's export precautions "are sufficient to insure our national security."

CONTROVERSY GROWS ON ISSUE

The split between Mr. Brady and Mr. Marcuss is indicative of a controversy that is boiling up within the Administration over the effectiveness of controls on the sale of advanced American products to the Soviet Union. In part, the controversy has been stimulated by amendments to the 1969 Export Administration Act, now being debated on Capitol Hill, which would ease the granting of export licenses.

But it also reflects a much wider debate in Government circles over whether the summit meeting between President Carter and Leonid I. Brezhnev, the Soviet leader, later this month should be an occasion for starting a new campaign to expand trade with the Soviet-bloc countries.

Several senior Administration aides, including Secretary of Commerce Juanita M. Kreps and Secretary of State Cyrus R. Vance, are known to favor increased trade, but aides in the Defense Department and the White House's National Security Council are more skeptical.

LACK OF SAFEGUARDS ON USE

A notable concern of critics of the existing export control system is that the Administration has inadvertently added to Moscow's military potential by granting export licenses for equipment and then failing to insure adequate measures to guard against diversions to military use.

According to Mr. Brady, the Administration last year denied only about 200 to 300 sales to Soviet-bloc nations of a total of more than 7,000 cases considered. He said that the Commerce Department supported virtually every sale suggested by private industry and that only objections by the Pentagon had led to certain sales being turned down.

[From the New York Times, June 18, 1979]

TECHNOLOGY SALES RULES UNDER FIRE

(By Richard Burt)

WASHINGTON.—The Carter Administration's system for controlling exports to the Soviet Union is suddenly under fire. Businessmen and politicians complain that it is too cumbersome, and security-minded Government officials fear that it has failed to keep American equipment from being used for military purposes.

The system for approving sales of advanced technology by American companies to Communist nations has frequently aroused controversy in the past. But the issue has taken on new importance with the Administration's interest in finding a way to normalize trade relations with the Soviet Union, one of the matters being discussed at the current meeting between Mr. Carter and Leonid I. Brezhnev, the Soviet leader, in Vienna.

BUREAUCRATIC FEUDS CITED

In recent interviews, White House, Commerce Department and Pentagon aides disclosed that bureaucratic feuding, a lack of high-level interest and gaps in intelligence had created serious problems for administering the export system. The officials said there was also little agreement in the Administration or the Congress over how the complex licensing system might be improved.

Legislators are battling over several proposed amendments to the 1969 Export Administration Act. Some of the amendments, such as imposing deadlines for Government response to sales proposals, are designed to facilitate greater trade. But others, such as giving the Defense Department a larger role in approving trade deals, are meant to do just the opposite.

"What we have is the worst of both worlds," said one Defense official involved in approving export licenses. "Companies are furious over what they see as all the impediments in doing business with Moscow but at the same time, we are not very successful in controlling the technology with real military potential."

Within the Administration, too, proponents of increasing trade are contending with officials who are concerned about the possible danger to Western security of selling Moscow advanced computers, machine tools and electrical equipment.

Under the present system, if an item is one of the several thousand products listed on the Government's Commodity Control List, an interagency Operating Committee, headed by the Commerce Department, must pass on the proposed sale.

Representative Jonathan B. Bingham, Democrat of New York, is sponsoring legislation to streamline this process. He charges that companies can wait months and even years before their proposed sales are approved. Such delays, he added, allow suppliers in other countries to take business away from American companies. By one count, the Commerce Department has a backlog of some 2,000 requests for licenses on exports to the East.

While acknowledging the bureaucratic obstacles, Defense Department and some White House aides said that 95 percent of the nearly 7,000 requests last year for the sale of sophisticated hardware to Moscow were approved.

3-YEAR WAIT HURTS COMPANY

But Mr. Bingham cited one instance in which an American company waited more than three years to obtain an export license to sell a process for fabricating metal skin for commercial aircraft. By the time the deal was approved, he said, Moscow had already bought the technology from a French company.

Upset over the red tape involved in exporting to the East, several companies, particularly computer concerns such as the Control Data Corporation and Sperry-Univac, have begun to push for less restrictive controls on Capitol Hill. They have been aided in this effort by such pro-trade groups as the National Governors Conference.

Other critics of the system are more concerned about the national security consequences of exports.

In most cases, American companies are directed to obtain "end use" agreements with Communist governments that prohibit them from diverting American technology to military uses. But the belief is widespread in the Pentagon that the accords are not properly monitored.

As one example, in closed testimony late last month to a session of the House Armed Services Committee, Lawrence Brady, acting director of the Commerce Department's Office of Export Administration, said there was evidence to suggest that computers installed by the International Business Machines Corporation at the Kama River truck plant were being used in the production of military vehicles.

At the Pentagon, other officials contend that Moscow has used Americans seismic equipment to enhance its antisubmarine warfare potential and that American machine tools for producing precision ball-bearings have probably helped Soviet engineers to develop multiple warheads for new intercontinental missiles.

According to officials in several agencies, the problem is made worse by a lack of high-level attention given to export controls.

At the Central Intelligence Agency, officials asserted that little work had been done on whether American exports had significantly added to Soviet military potential—in part, they said, because the topic failed to excite Stansfield Turner, the C.I.A. director.

SENIOR OFFICIALS DISAGREE

Even when senior Administration aides do focus on export controls, they frequently disagree. Last summer, for example, Zbigniew Brzezinski, Mr. Carter's national security adviser, and James R. Schlesinger, Secretary of Energy, pushed for controls to be placed on the sale of oil technology to Moscow. That move was strongly resisted by Secretary of Commerce Juanita M. Kreps and Secretary of State Cyrus R. Vance.

In the absence of high-level attention, disputes between middle-level officials assumed greater significance.

The infighting is apparently most intense in the Commerce Department. While Mr. Brady of the department's Office of Export Administration favors tougher controls, his superior, Stanley Marcuss, the principal deputy assistant secretary for trade and industry, backs increased trade with the East.

KEY POSTS LEFT UNFILLED

According to Mr. Brady, their dispute has contributed to delays and confusion in the export control system because the two officials have been unable to agree on how specific export requests should be handled. In an interview, he charged that morale in the Office of Export Administration was at "rock bottom" and asserted that senior Commerce Department officials had allowed key posts in the office to remain vacant for months.

In response, Mr. Marcuss denied that he had downgraded the Office of Export Administration and said a "vigorous search" was under way for qualified people for the unfilled positions. He also contended that the problems that beset the export control process were not simply a result of internal disputes.

"This is an inherently difficult system to administer," he said. "Unless you want to impose a strict embargo on trade with the Soviet Union, and nobody does, you are going to encounter differences that lead to a certain amount of delay and confusion."

Beginning with page 60, line 25, through page 61, line 1, strike out "The Secretary of Commerce, in consultation with the Secretary of Defense" and insert in lieu thereof "The Secretary of Defense, in consultation with the Secretary of Commerce, and as appropriate, other departments and agencies and technical advisory committees".

On page 63 line 15, strike out "The Secretary of Commerce" and insert in lieu thereof "Subject to the authority of the Secretary of Defense under subsection (a)(2)(B) of this section, the Secretary of Commerce".

On page 64, line 3, after the period, insert the following: "The provisions of this paragraph relating to revisions and changes in such list and assessment of foreign availability apply also to the functions of the Secretary of Defense under subsection (a)(2)(B) of this section.".

At the bottom of page 99, add the following:

"(d) The Secretary of Defense shall have the same authorities and responsibilities as the Secretary of Commerce under paragraphs (1) through (5) of subsection (c) in order to carry out his responsibilities under this Act.".

Explanation: The first part of this amendment would give the Secretary of Defense primary responsibility for identifying goods and technologies which are subject to national security controls. The primary responsibility for administration and enforcement of these controls would remain with the Secretary of Commerce.

The second part of the amendment is a conforming change reflecting the amendment giving the Secretary of Defense primary responsibility for identifying goods and technologies to be subject to national security controls.

The third party of the amendment is merely a conforming change to reflect the above amendment to Section 4(a)(2)(B) giving the Secretary of Defense the primary responsibility for preparing the list of goods and technologies subject to controls for national security purposes.

The fourth part of the amendment merely specifically authorizes the Secretary of Defense to use technical advisory committees, subject to the same conditions as those applicable to the Secretary of Commerce, to assist him in carrying out his responsibilities under the Act.

On page 60, line 22, strike out "military systems" and insert in lieu thereof "capabilities".

On page 61, lines 6 through 10, strike out "for the purpose of insuring that such controls are limited, to the maximum extent possible consistent with the purposes of this Act, to such militarily critical goods and technologies and the mechanisms through which they may be effectively transferred" and insert in lieu thereof "for the purpose of insuring that such controls cover and (to the maximum extent consistent with the purposes of this Act) are limited to such critical goods and technologies and the mechanisms through which they may be effectively transferred".

Explanation: The substitution of the word "capabilities" for the words "military systems" is intended to remove an ambiguity that could result in a misreading of the criteria for "critical" goods and technologies. The concept of critical technology and goods is not limited to technology and goods critical to the design, production, etc. of "military systems," but to any "capabilities" which would make a significant contribution to the military potential of an adversary nation. This clarifying amendment would reflect the fact that the Act deals with technologies and goods which have dual (civilian/military) uses.

The other part of the amendment would conform other language in Section 4(a)(2)(B) to the foregoing amendment and, in addition, make it clear that the purpose of the review is to insure that controls cover critical goods and technologies, as well as to insure that they are limited to such critical items.

On page 61, line 10, after the period add the following: "Rules and regulations for national security purposes shall, to the maximum possible extent consistent with the provisions of this Act, (i) prohibit the export of critical goods and technologies to nations which are deemed to be a threat to the national security of the United States; and (ii) impose validated license controls which are reasonably designed to prevent the re-export of such critical goods and technologies by other nations to nations threatening the national security of the United States.".

Explanation: There is generally no basis for permitting export to Communist nations of critical goods and technologies. There are no safeguards against directing dual-use critical technologies to military use. Also, critical goods by definition are generally those which would transfer critical technology. Thus, the amendment would direct that critical goods and technologies be subject to embargo. The amendment would have the added benefit of reducing the administrative burden of having to process many applications for licenses to export critical items to Communist nations. At the present time many technologies (including those involved in such important advanced U.S. weapons systems as the Cruise Missile) can be exported to non-Communist nations without having to obtain a validated license. The resulting lack of control creates substantial and unevaluated risks that sensitive technologies may be acquired by firms fronting for Communist nations or otherwise diverted to Communist countries. Thus the amendment would subject critical goods and technologies to validated license control to non-Communist countries. The amendment would also make clear that the types of controls specified should be imposed to maximum possible extent consistent with the policies and provisions of this Act, which would include the foreign availability provisions.

Beginning with "In" on page 81, line 14, strike out through the period on page 82, line 4.

Explanation: The provision of the bill, which this amendment would delete, suggests that the extent to which goods and technologies become "obsolete with respect to the national security of the United States" is predictable and measurable. The thrust of this provision is to use a simple minded litmus paper test of the national security significance of goods and technologies in lieu of factual investigation and technical analysis. It is certainly possible for the United States to determine whether a good or technology is obsolete by U.S. standards. But it is extremely difficult to make reliable predictions as to when goods or technologies not presently obsolete will actually become obsolete; i.e., no longer used by the United States. In any case, an item which is obsolete by U.S. standards may nevertheless make a significant contribution to the military potential of the Soviet Union or other adversary nation. Any index which removes controls on goods and technologies based upon when they will become obsolete by Soviet standards would be an exercise in dangerous speculation. The practical net result would be to assure that the technological gap between Soviets and the United States would never be greater than the increment of obsolescence specified in the index.

The second part of the amendment is only a conforming change.

On page 63, line 6, after the period insert "With respect to controls imposed for national security purposes, a finding of foreign availability which is the basis of a decision to grant a license for, or to remove a control on the export of a good or technology, shall be made in writing and be supported by reliable evidence, such as scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In assessing foreign availability, no weight may be accorded representations as to foreign availability by an applicant for an export license, unless sworn to in writing by the chief executive officer of the applicant. Such sworn representations without adequate independent corroboration shall not constitute reliable evidence.".

Explanation: Control and license decisions are too frequently based upon inadequate evidence of foreign availability, particularly as it pertains to qualitative and quantitative aspects. It appears that many foreign availability determinations are predicated upon unsworn and unverified assertions by perspective exporters. A recent GAO report found that the government has failed to implement the foreign availability provisions of the Export Administration Act. The report pointed out the lack of accountability for this function. This amendment would rectify the situation by specifying that foreign availability findings must be based upon reliable evidence reflected in written findings.

On page 63, line 11, after the period insert the following: "A technology or good which is proposed for, or subject to, export control for national security purposes and which is not possessed in comparable quality or quantity by a nation or combination of nations threatening the national security of the United States shall not be deemed to be available to such nation or nations from foreign sources until the Secretary of State certifies in writing that negotitions with the appropriate foreign governments for the purpose of eliminating foreign availability have not been successful. In order to secure cooperation of foreign governments in eliminating availability of critical goods and technologies, the President is authorized, except as otherwise prohibited by law, to impose trade or other commercial sanctions, including but not limited to prohibiting exports of all or certain technology or goods to such a nation, or prohibiting imports of all or certain technology or goods from such a nation. Within one year after the date of enactment of this Act, the President shall submit a report to Congress on the specific limitations other provisions of law impose on the exercise of his authority under this subparagraph, together with his recommendations.".

Explanation: It appears that foreign availability determinations are frequently predicated upon findings of potential foreign availability without making any real effort to eliminate potential foreign availability by diplomacy. The amendment would require that efforts precede a finding of foreign availability. The Bill would supersede the provisions of the Battle Act which authorize the President to withdraw military or economic assistance from nations which refuse to cooperate with U.S. export controls. As a consequence, in administering controls under the Export Administration Act, the Bill would leave the President with no bargaining leverage to secure cooperation. The Battle Act authorities to withdraw economic and military assistance may have made sense in 1951 when that law was enacted, but such withdrawal is not a very effective tool today. However, the United States has a substantial potential economic leverage which it ought to employ to advance our national security interests.

Section 3(a) (4) of the Bill states that it is the policy of the United States to "use its economic resources and trade potential" to further its national security objectives. However, the Bill fails to confer upon the President any substantive authority to effectuate this policy. Thus the amendment would authorize the President to take trade and other commercial actions to secure cooperation, except as otherwise provided by law. The exception is intended to take into account the possibility that certain U.S. treaty obligations may limit the President's authority. In this connection, the amendment directs the President to report to the Congress within one year of the enactment of this legislation on the specific treaties and statistics and other laws that may limit his authority under the amendment, together with his recommendations.

On page 80, line 19, strike out "The" and insert in lieu thereof "Subject to the provisions of section 4(a) (2) (E), the".

Explanation: Section 4(n) of the Bill directs the President to enter negotiations with COCOM nations with a view toward reaching an agreement to modify the scope of the export controls imposed by COCOM member agreement to a level "accepted and enforced by all governments" participating in COCOM. COCOM operates by the rule of unanimity and one or more member nations may succumb to the temptation of short-term commercial trade advantage at the expense of their own national security.

Prior to both world wars, Germany's greatest trading partners were Great Britain and France. The lessons of history may be lost on some of our allies who want to expand trade with the Soviet Union and other Communist nations. Thus, it is important that the United States not adopt a policy which permits or might lead to controls to be established only at the level agreed to by other nations. Thus, the amendment would make Section 4(n) "subject to" Section 4 (a) (2) (E), which requires negotiations to eliminate foreign availability and authorizes the President to take measures to secure cooperations in eliminating foreign availability and to impose controls notwithstanding foreign availability necessary to protect our national security.

On page 65, line 21, strike out "To" and insert in lieu thereof "Subject to sections 4(a) (2) (B) and 4(a) (2) (E), to".

Explanation: The amendment makes it clear that the preference for multilateral controls and qualified licenses are subject to the provision in Section 4(a) (2) (B) for specific controls of critical goods and technologies and the procedures in Section 4(a) (2) (E) designed to secure cooperation of foreign governments in controlling security sensitive goods and technologies.

On page 64, line 7, after the period, insert the following: "Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, shall furnish information concerning foreign availability of such goods and technologies to the Office of Export Administration and such Office shall furnish the information it gathers and receives to such departments and agencies.".

Explanation: The amendment is intended to make it clear that the various departments and agencies involved in the export control process have an obligation to furnish foreign availability information to the Office of Export Administration and that OEA, in turn, is obligated to make it available to those departments and agencies. OEA's role should be viewed primarily as one of coordination of the existing efforts by departments and agencies to avoid duplication and to assure that information is shared. The provisions of the bill and amendment relative to OEA's foreign availability functions should not be considered as an authorization by departments and agencies to reduce present efforts, unless they are determined to be duplicative. Indeed, the GAO found there is too frequently inadequate foreign availability information and that foreign availability determinations go unattended. Thus, there is a need for more, not less, of an effort to obtain foreign availability information, especially by our intelligence agencies. Obviously, OEA is not capable of performing intelligence gathering functions. Also, other departments and agencies, including DoD, which have important export control functions must continue to make independent assessments of foreign availability and to marshall foreign availability data that they obtain in their research and development, intelligence and other activities. Thus, the intent of the Senate should be clear that the foreign availability functions of OEA shall be deemed to be primarily those of a coordinator and should not be deemed to authorize reduced functions by other agencies except to the extent to avoid unnecessary duplication.

On page 111, between lines 11 and 12, insert the following:

"(c) There are authorized to be appropriated to the Department of Defense for fiscal years commencing on or after October 1, 1979, such sums as may be necessary for the Secretary of Defense to carry out his functions under this Act.".

Explanation: DoD's export control activities are not adequately funded. A major part of the problem is that DoD does not have a specific line item in its budget for this activity. Thus, personnel and funds must be borrowed from other activities. As a consequence, the manpower and financial resources devoted to DoD's export control efforts are grossly inadequate given the importance of this work. This is one important reason for the fact that DoD's undertaking to identify critical goods and technologies is far from completed even though it has been over three years since the Defense Science Board recommended this concept. The amendment would authorize funds for this activity and complement the amendment giving the Secretary of Defense primary responsibility for identifying technologies and goods to be subject to national security controls.

On page 73, strike out lines 12 through 15 and insert in lieu thereof the following:

"(9) The Secretary of Commerce, the Secretary of Defense, and any department or agency consulted in connection with a license application or a revision of a list of controlled goods and technologies and applicable controls shall make and keep accurate records of their respective advice, recommendations, or decisions, including the factual and analytical basis of such advice, recommendations, and decisions.".

Explanation: The language of this bill applies only to license applications. However, of equal, if not greater importance are the more basic decisions as to what and how to control goods and technologies. The amendment thus makes it clear that the recordkeeping requirement extends to the control process. The amendment also specifies that the factual and analytical basis be recorded. These records should facilitate consistency in control and license decisions as well as permit responsible executive branch officials and Congressional Committees with export oversight duties to ascertain whether decisions are factually supported and consistent with the policies and provisions of the Act.

At the bottom of page 72, add the following:

"(D) Whenever the President exercises his authority under this paragraph to modify or overrule a recommendation made by the Secretary of Defense or exercises his authority to modify or overrule any determination made by the Secretary of Defense pursuant to section 4(a) (2) (B) or 4(b) (1) of this Act with respect to list of goods and technologies controlled for national security purposes, the President shall promptly transmit to the Congress a statement indicating his decision, together with the recommendation of the Secretary of Defense.".

Explanation: The amendment as it pertains to the requirement for a report if the President overrules or modifies a *licensing* recommendation by the Secretary of Defense is part of the 1974 Jackson Amendment in the Export Administration Act. In this connection, the Banking Committee Report (p. 10) states that the Bill makes "no substantive changes from those contained in [existing] section 4(h)" of the Act. By deleting the reporting provision, the Bill would effect a substantive change with no apparent justification for doing so. In addition, the amendment would extend the reporting requirement to situations in which the President overrules any determination made by the Secretary of Defense pursuant to the Secretary's authority to formulate a list of goods and technologies to be controlled for national security purposes.

On page 79, line 17, after the period, add the following new sentence: "The President may not delegate or transfer his power, authority, and discretion to overrule or modify any recommendation or decision made by the Secretary of Defense pursuant to the provisions of this Act.".

Explanation: This merely makes explicit what is already implicit in the present Act and the Bill.●

AMENDMENT NO. 353

(Ordered to be printed and to lie on the table.)

Mr. MUSKIE (for himself, Mr. Baker. Mr. Durkin, Mr. Roth, Mr. Cohen, Mr. Tsongas, Mr. Humphrey, Mr. Ford, Mr. Heinz, Mr. Helms, Mr. Leahy, Mr. Nelson, and Mr. Kennedy) submitted an amendment intended to be proposed by them to S. 737, supra.

Mr. MUSKIE. Mr. President, I submit an amendment to S. 737, the Export Administration Act for myself and Senators Baker, Durkin, Roth, Cohen, Tsongas, Humphrey, Ford, Heinz, Helms, Leahy, Nelson, and Kennedy be listed as cosponsors.

It is imperative to take immediate and forceful action to eliminate the threat facing the tanning and leather industries.

The facts of this situation are widely known: A worldwide reduction in cattle slaughter has reduced the supply of hides on the world market. The American supply has come under increased pressure from the major importing countries. Prices have gone through the roof.

The worldwide supply shortage is artificially aggravated by embargoes on hide exports by major producing countries. So American hide and skin production, which makes up 15 percent of the total world supply, now accounts for 75 percent of world trade in cattle hides.

The U.S. hide supply dropped 6.8 percent last year, and 24.5 million hides were exported out of 39.5 million produced. This year's total domestic supply will be no more than 34.2 million, but exports are not expected to decline. That will cut in half the supply of hides available to domestic industry.

Four hundred thousand workers depend directly on the tanning and leather industries. The implications for these 400,000 jobs—and for the $8 billion of associated retail sales—are clear.

Our Government's efforts to make more supplies available to the international market have failed.

Clearly, we must now look to our own resources to solve the price inflation and domestic shortages which threaten our manufacturers and our own people.

It is for this reason that I am submitting an amendment to the Export Administration Act today.

WHY OUR LEATHER AND TANNING INDUSTRIES NEED RELIEF

Mr. President, the Washington Post this morning carried a full-page advertisement that graphically describes the situation facing the domestic tanning and leather industries. Excessive demand for American hides and restrictive export policies in other countries have combined with the cyclical downturn in cattle production to threaten the continued existence of American tanning and leather industries and the 400,000 jobs they provide.

Export restrictions by other major hide-producing nations have artificially exacerbated the hide shortage. Today the United States is the principal world supplier of cattle hides, even though we produce only 15 percent of the world's total skin and hide supply. Simply stated, American industry and American consumers are being asked to absorb all the costs of the worldwide shortage of this commodity.

An article that describes the origins and dimensions of this problem particularly well appeared in Retailweek recently. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

On the Trail for Cattlehides

The recently launched Hide Action Program may turn out to be the domestic leather industry's last stand. Unless export controls are imposed, the U.S. leather industry won't be able to afford the price of U.S. cattlehides.

Time was, the leather industry—from tanning to turning out the finished product—was a major U.S. industry ranking right up there along with the likes of the steel industry. Today, those who are still left in the U.S. leather industry are finding it necessary to band together and attempt to impress upon Washington that this industry is in danger of becoming as extinct as the buggy whip.

Yes, everyone in Washington already knows that the shoe people in particular have been living with a knife in the back known as imports. But what the entire leather industry is trying to explain to Washington is that as difficult as it is to compete with imports of finished goods, the manufacturers of footwear as well as handbags, luggage, outerwear, sportswear *et al.* might as well throw in the sponge if they cannot buy the U.S. hides needed to make U.S. products because the majority of them are being sold to those same countries which produce the finished products, which come back to the U.S. to haunt the industry for the second time around.

The irony of the situation is that the United States is the major supplier of cattle hides to the world, representing about 15 percent of the world supply. But the majority are sold abroad with these exports representing about 75 percent to 80 percent of the world supply. This world-wide demand for U.S. cattlehides is exacerbated by the fact that other countries with substantial herds—such as all the South American countries—totally prohibit the export of hides; preferring to keep them at home to develop and protect their own leather industries. These restrictions create an inordinately high demand for U.S. cattlehides that has been abetted by the cattlemen's restrictions in the size of the cattle slaughter.

This combination of foreign demand, South America's refusal to sell hides, and a reduced U.S. cattle slaughter have caused the price of U.S. hides to skyrocket. The domestic industry's dilemma began in 1972 when Argentina cut off its sale of hides, eliminating about 12-million hides from the world market. Hide prices then jumped from 14 cents to 32 cents a pound, then stabilized in the area of 38 cents a pound. At that time the U.S. exported about 48 percent of its hide supply.

But between 1975 and 1977 U.S. cattlemen began to reduce the size of their herds. Cattle slaughter peaked in 1976 when 43.2 million hides were available, but it is estimated the the number of hides available in 1979 will be down to 34.2 million. While supply has been dwindling, however, world demand for U.S. hides has been escalating; exports are expected to take 24.5 million of the 43.2 million in 1979. This means that the U.S. in 1979 will be exporting 71.6 percent of its hide supply and supplying 75 percent to 80 percent of the world hide trade. This export level also means only about 10 million hides will be left for U.S. producers when domestic requirements for hides are between 18 and 20 million a year.

This shortage has created price levels that the industry cannot afford to pay, even if enough hides were available. The jump from 14 cents to 38 cents in the early 1970s looks like the good old days. By December 1978 prices reached 58 cents a pound; but between December 1978 and May 1979 prices zoomed to more than $1 a pound.

Neither declining supply nor higher prices have dampened the foreign appetite for U.S. hides. Where else are the Far Eastern and Eastern Bloc countries—anxious to build a business in finished leather goods but without a cattle supply of their own—to go for hides? The U.S. is virtually the only country left with both a large cattle supply and free-buying access to this supply.

The country taking the greatest advantage of U.S. policy is Japan. Though it closes its doors to U.S. finished leather products, Japan, nevertheless, has an insatiable appetite for U.S. hides; buying 35.9 percent of U.S. hide exports in 1978. The purchases of Japan and Korea combined account for more than 50 percent of exports with 30 other countries accounting for the rest. Due to an exchange rate advantageous for Japan, the price of U.S. hides has not deterred Japanese purchases. On the contrary, the Japanese have been buying more.

The upshot is that neither Brazil, Argentina, Uruguay, Mexico, India nor Pakistan—countries with substantial herds—will sell hides in the open market. They want to protect their domestic industries. Japan, Korea and the Eastern Bloc will buy almost all the hides the U.S. has to sell, but they will not take finished leather goods. They want to protect their domestic industries. That leaves countries such as Canada, Australia, New Zealand and those in western Europe as world markets for the sale of hides; but it is the U.S. that has the greatest supply. Now the U.S. leather industry is saying—enough is enough. It is saying that it doesn't object to operating within the traditional laws of supply and demand; but it cannot survive when, in reality, this means only the U.S. has the supply and every other country makes the demand.

That is why several trade associations in the industry have banded together to launch what is called the Hide Action Program (HAP). This program is an attempt to bring the plight of the industry to the forefront through demonstrations in cities hosting leather-using industries and by blitzing members of Congress and President Carter with letters and personal visits. The program's goal is to convince Washington that action is needed now in the form of export controls on U.S. hides that would both bring down the price of hides and make more of them available to U.S. producers.

HAP's message is that the alternative to action from Washington is the ultimate extinction of the domestic leather industry with the resulting loss of thousands of jobs or, at best, price increases in leather products that the industry estimates could cost customers over $1-billion a year. Given the high U.S. hide prices and the fact that foreign countries are dependent on these hides, customers switching to imported leather products is no longer a viable alternative in an effort to economize. Neither U.S. nor imported leather goods may be affordable by U.S. consumers.

Unfortunately, this recent mobilization by the industry has only a slim chance of producing results. Though it has been aware of the hide situation since 1972, Washington has never displayed any great sense of urgency in alleviating the problem. In 1972, following Argentina's action, the concept of export controls was entertained and then quickly dropped. Since then, despite preferential tariff treatment for the so-called developing countries, these same countries have ignored Washington's efforts to persuade them to sell their hides on the open market. And, negotiations with Japan have extracted only an unofficial promise that it will reduce purchases of U.S. hides by 10 percent. But, even if Japan were to honor this 'promise'—which it hasn't—this 10 percent figure is meaningless since U.S. cattlehide supplies have decreased by much more than this 10 percent figure.

Leather industry members claim that it is only their current desperate plight and past failures in attempting to resolve the problem through negotiations with foreign countries that have left no choice but to push for export controls. If this means that the U.S. leather industry is going to have to explain this 'protectionist' move—so be it. The industry prefers free trade in hides but has been unable to achieve it. Understandably, the industry is now tired of being "the unwitting patsy in the international free trade game." So it is shooting for export controls because all else has failed.

Unfortunately, there is another and more powerful lobby in Washington; they know how to use a sixshooter, too. This lobby consists of the cattlemen, or as the leather industry prefers to call them, the cowboys. They have already made it clear to Congress and the Administration that they don't hanker for hide controls. They like things just the way they are. Evidently their message has been heard, for the Administration has already also declared itself against export control of hides.

But, never fear, Washington will concoct a solution, even if it is the wrong one. Right now Washington has suggested that it might be willing to provide subsidized loans to enable U.S. industry members to afford U.S. hides. Unfortunately, Washington has overlooked the fact that loaning money to U.S. manufacturers for the purpose of buying hides at already inflated prices will merely drive the price of hides ever higher, insuring that more and more of the domestic leather industry will surely go down the drain.

It is now high noon for the domestic leather industry. The HAP program is, at least, a sure sign that it intends to go down fighting.●

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. GLENN. Mr. President, on July 20, 1979, the Committee on Governmental Affairs will hold an additional day of hearings on S. 1377, the Synthetic Fuels Production Act of 1979, a bill to create a Synthetic Fuels and Alternate Energy Production Authority. Witnesses will include Bernard J. Clarke, chairman of the Columbia Gas System; Mr. Ray Scheppach of the Congressional Budget Office; and representatives of environmental organizations including Friends of the Earth, the Sierra Club, and the Environmental Policy Center.

The hearings will begin at 10 a.m., in room 3302, Dirksen Senate Office Building.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Wednesday, July 25, 1979, at 11 a.m. in room 4232, Dirksen Senate Office Building, on the nomination of William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor.●

JOINT ECONOMIC COMMITTEE

● Mr. BENTSEN. Mr. President, on Thursday, July 26, the Joint Economic Committee will hold its monthly hearing on the inflation situation and the Consumer Price Index figures for June. The witness will be the Honorable Alfred Kahn, Chairman of the Council on Wage and Price Stability. The hearing will begin at 10 a.m. in room 6226 of the Dirksen Senate Office Building.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to continue markup on S. 885, the Pacific Northwest electrical power bill, and other pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE CONGRESSIONAL SENIOR INTERN PROGRAM

● Mr. WILLIAMS. Mr. President, I have been very pleased to have participated in the congressional senior citizen intern program and to have welcomed senior interns to my staff.

This is a program that provides particular satisfaction for me because long before we instituted a formal senior citizen intern program I utilized senior citizens in my office and learned full well the enormous contributions they can make. This point also came through to me continually as chairman of the Special Committee on Aging—senior citizens are a substantial and greatly underutilized reservoir of wisdom and talent. Thus, I was most happy to serve as principal sponsor of the legislation relaxing mandatory retirement requirements. In such a critical time, we, as a nation, can not afford not to fully employ the great abilities of our senior citizens.

This program is indeed a worthwhile one: mutually beneficial to Members of Congress and to the seniors who become valued additions to our staffs. We learn from each other. The seniors bring to us those concerns which are vital to them and give us an accurate and realistic view of how best we can serve them. We, in turn, may provide some answers to their questions, and hopefully, solutions to problems which may face them.

My most recent senior intern, Mrs. Louise Basile of Minotola, N.J., is an illustrious example of an active and caring senior citizen who devotes much of her time and talents to serving the needs of her community in volunteer activities. We were most fortunate to have had her join us for that 2-week period in May and are hopeful that her experiences here were ones which she could share with the senior citizens with whom she works so closely.

I look forward to continued participation in this program because I am convinced of the merits and benefits to all involved. I am also convinced that the senior citizens of our Nation have a great deal to offer all of us and we should never fail to depend on their wisdom and counsel.●

THE OIL GUARANTEE TO ISRAEL

● Mr. GOLDWATER. Mr. President, Americans sweating it out in gas lines and being asked to turn up their thermostats will be interested to know that President Carter's ill-timed promise to guarantee Israel's oil supply for 15 years is going ahead on schedule. Legislation to accomplish this part of the deal for an Israeli-Egyptian peace agreement has been quietly slipped into legislation which is now pending before both Houses. It is contained in identical provisions and bills which would authorize the Export Administration to exempt the Israeli oil guarantee from a general ban on the export of Alaskan oil. According to the very authoritative publication, Congressional Quarterly, the actual intent of the provision is obscured in legal jargon and the guarantee has generally gone unnoticed during congressional debate on oil exports.

As I understand it, Mr. President, the bill is scheduled for floor action in the House next week. Senate action may come as early as Friday.

As Members will recall, as a part of the Middle East treaty negotiation, President Carter promised to sell Israel oil for up to 15 years to meet "normal requirements" if that country was unable to obtain oil on its own. It should also be noted that Iran, which had been supplying half of Israel's oil needs has not exported any petroleum to Israel since October 1978. Since then Israel has been forced to obtain much of its oil from the high priced "spot" market. How long this can go on is anybody's guess. And the chances are that the United States will soon have to start making good on the promise President Carter made.

Mr. President, I bring this question up because I believe it is long past time that this country faced up to the fact that it cannot take care of all the needs throughout the world that happen to come to our official attention. Here we are in an energy crisis in the United States and the big name in that game is oil. We have no assurance that we will be able to supply even our own minimum needs over the next 15 years, but still the administration pushes ahead on a guarantee to supply another country. We can not have it all ways; and it is about time we woke up to that fact.

Mr. President, I request that the article on oil to Israel published by the Congressional Quarterly on July 7 be printed in the Record.

Oil Guarantee to Israel Slipped Into Bills

(By John Felton)

President Carter's promise to guarantee Israel's oil supply for 15 years has been quietly slipped into legislation pending before both houses of Congress.

Virtually identical provisions in legislation reauthorizing the Export Administraion (HR 4034, S 737) would exempt the Israel oil guarantee from a general ban on the export of Alaskan oil. The actual intent of the provisions is obscured in legal jargon, and the guarantee has generally gone unnoticed during congressional debate on oil exports.

"There was absolutely not the slightest bit of controversy" over the provision, said Paul R. Freedenberg, aide to the International Finance Subcommittee of the Senate Banking Committee, which handled the bill.

The bill is scheduled for floor action in the House the week of July 16. Senate action has been delayed because Ted Stevens, R-Alaska, has refused to agree to a time limit on the bill (Committee action, Weekly Report p. 881)

As part of the Middle East peace treaty negotiations, Carter promised to sell Israel oil for up to 15 years to meet its "normal requirements" if it is unable to obtain oil on its own. That promise extended a five-year oil guarantee given Israel by President Ford in 1975. So far, Israel has not called on the United States to honor its guarantee. (Peace treaty, Weekly Report p. 553)

Iran, which had supplied half of Israel's oil, has not exported oil to Israel since October 1978. Since then, Israel has been forced to obtain much of its oil from the high-priced world "spot" market.

Secretary of State Cyrus R. Vance told the Senate Foreign Relations Committee April 11 that the effect of supplying oil to Israel would be minimal. Even if the United States were called on to supply all of Israel's oil requirements, the result would be "hardly noticeable to us," he said. Israel's total oil consumption is about 165,000 barrels a day—less than 1 percent of the daily U.S. consumption of 19 million barrels. (Weekly Report, p. 727)

Vance said the guarantee was "a legal commitment on the United States" that was "an integral part of the negotiating process" toward the Mideast peace treaty. He said the administration would "promptly seek" whatever legislation was necessary to implement the agreement.

THE AGREEMENT

Carter's 15-year guarantee was contained in a March 26 tentative agreement between Vance and Israeli Foreign Minister Moshe Dayan. That agreement was updated June 22.

It will take effect Nov. 25, and will expire Nov. 25, 1994. The agreement provides that:

Israel will make its own arrangements to obtain oil through normal markets. If Israel is unable to meet its "normal domestic requirements" of oil, it will turn to the United States. The agreement does not specify what is meant by Israel's "normal domestic requirements."

If the United States can meet its own normal requirements, it will sell Israel enough oil to meet that nation's normal requirements. The United States "will make every effort" to supply the oil within 60 days of a request.

If the United States is subject to an oil embargo or is unable to meet its own normal requirements for oil, the United States will sell oil to meet Israel's "essential requirements" through the International Energy Agency emergency allocation plan devised by the United States and 19 other industrialized nations.

If Israel is unable to transport the oil bought from the United States, the United States "will make every effort to help Israel" transport it.

Israel will pay the United States "world market prices" for the oil and will reimburse the United States for the cost of supplying the oil.

EXPORT LEGISLATION

Legislation to extend U.S. export controls, which expire Sept. 30, has been reported by the House Foreign Affairs Committee and the Senate Banking Committee (S. Rept. 96–169, H. Rept. 96–200). One of the most controversial sections is a virtual ban on the export of Alaskan crude oil, a toughening of the prohibition already in existing law. Main sponsors of the ban are Rep. Stewart B. McKinney, R-Conn., and Sen. Donald W. Riegle Jr., D-Mich.

Aides to both committees said the subject of the Israel oil guarantee was raised during consideration of the bill, by the State Department and the American-Israel Public Affairs Committee (AIPAC), an influential lobby in support of Israel.

"AIPAC pointed out that President Carter had made this promise, and they said it should be kept," Senate committee aide Freedenberg said.

The Israeli Embassy also lobbied Congress on the issue, according to a State Department official.

With State Department help, the two committees drafted and approved amendments to the bills authorizing the president to export Alaskan crude oil to any nation which has an existing oil supply agreement with the United States. Israel is the only nation with a direct, bilateral oil supply agreement with the United States.

Although neither bill mentions Israel, both committees stated in their reports that the amendment applies to the Israel oil agreement.

Also exempt from the oil export ban are multilateral supply agreements, such as the International Energy Agency emergency allocation system.

Aides to both committees said the Israel amendment was adopted with virtually no debate. "There was no resistance," Freedenberg said. Carol P. Rovner, an aide to the House Foreign Affairs Committee, said, "I don't remember any real discussion of the issue."

State Department attorney David H. Small said the provision "would give us the flexibility to administer [the Israel oil guarantee] in a manner most advantageous to us." The government already has limited authority to export oil drilled from the Outer Continental Shelf, but that oil is of a much higher quality than Israel needs, he said.

OPPOSITION

Since the committees' action, opposition to the amendment has been mounted by the National Association of Arab-Americans, a Washington-based group which claims two million members.

John P. Richardson, public affairs director of the association, said the provision is "really an outrage."

"This makes Israel the sole exception to the ban on crude oil exports, at a time when the United States does not have enough oil to meet its own needs," Richardson said. "We call this the no-gas-lines-in-Israel principle."

The ease with which the amendment was inserted in the legislation shows "the exceptional Israeli access to the U.S. decision-making process," he said.

Richardson said his group will ask both houses to eliminate the Israeli oil guarantee from the bill. If that is not successful, he said, the Arab-Americans will seek amendments to allow exports to Israel only if American requirements are being met, if Israel demonstrates it has "no other recourse" in obtaining oil, if the United States cannot obtain oil for Israel from other nations, and if Israel stops building settlements on the occupied West Bank and Gaza Strip.

If all those amendments fail, Richardson said his group will ask Congress "at least to name Israel in the bill. It should be spelled out who this will benefit." ●

COMMENCEMENT ADDRESS BY SENATOR THURMOND AT ARMED FORCES STAFF COLLEGE

● Mr. LUGAR. Mr. President, on June 29, Senator Strom Thurmond of South Carolina gave the commencement address to the 65th graduating class of the Armed Forces Staff College in Norfolk, Va.

This address is worthy of the full attention of the Senate as it focused on three important issues now receiving the attention of Congress. These issues include the shifting balance of military power, the SALT II agreement and the transfer of military related technology to Communist nations.

Mr. President, Senator Thurmond's remarks were well received by the graduates and commanded considerable attention in the press. It is my view that each member of the Congress and the public at large should have an opportunity to study them as well.

Therefore, I ask that they be printed in the Record.

The remarks follow:

The Challenge of the 1980's

Major General Hill, Chaplain Lecky, graduates, ladies and gentlemen:

It is a distinct privilege to have this opportunity to address this group of military officers and civilians from my own country and the nations of our allies. More than ever, the free nations of the world need to stand together, as those forces which threaten us grow stronger each year and our world becomes a more dangerous place in which to live.

There is a widening opinion in the United States Congress that America's role of leadership in the world is being weakened by idealistic policies. Our defense forces are no longer clearly superior to our adversaries, our dollar's value falls almost daily in foreign currency markets and many of our allies are justifiably questioning our staying power in the long struggle with Communism.

This morning I would like to comment briefly on three topics. First, the shifting balance of power; second, the SALT II agreement; and third, the transfer of Western technology to Communist nations.

1. The Shifting Power Balance:

In 1969, by any measurable standard, our military strength vis-a-vis the Soviets was clearly superior. Our technology had enabled us to counter the massive Soviet buildup which began following the Cuban crisis in 1962.

However, the first four years of the Nixon Administration were spent on supplying our forces in Vietnam and attempting to extract us from that war in an honorable manner. Next came Watergate, which mesmerized the country and saw us embrace SALT I which I supported.

When President Ford assumed office, his efforts went towards healing the wounds of Vietnam and Watergate. Then President Carter was elected, and he initiated policies which not only failed to reserve the shifting balance of military power, but in some respects, moved us towards an even weaker position.

U.S. LEAD ENDING

These trends can be illustrated quite dramatically in the area of strategic military strength. In 1969 the U.S. led the Soviet Union in nearly every measure of defense systems: the numbers of land and sea-based missiles, the accuracy of these weapons, the numbers of warheads, and the megatonnage of our missile forces. Now, with the SALT II Treaty at hand, we find the Soviet Union leads the U.S. in all categories except the numbers of warheads.

Little comfort can be taken from this one category of dominance, as our defense officials admit the Sovets will lead in the numbers of warheads by the time the SALT II Treaty ends in 1985.

Today, because we have not modernized our land-based missile forces these missiles will become vulnerable to a Soviet first strike in the early 1980's. There is little we can do about this fact, except accelerate the long delayed MX program.

The other leg of our TRIAD, besides the sea-based missiles, and the land-based missiles, is the strategic bomber. As you know, the B–1 bomber program has been canceled without any concession from the Soviet Union.

Thus, after experiencing a policy of détente and parity, after embracing SALT I and initiating trade and cultural exchanges with the Soviets, we find our defense position much weaker.

SOVIETS PRESS FOR SUPERIORITY

SALT I, which was promoted on the basis that it would moderate the growth of Soviet strategic forces, failed to do so. In fact, the Soviets have been outspending the U.S. on defense by at least 40% and by three times as much in strategic forces. They use 13% of their GNP for defense, as compared to only 5% by the U.S.

It is clear the Soviets are not interested in a position of parity, but seek a clear military superiority. This shift is better perceived overseas than here in the U.S. Recently, the former Prime Minister of Great Britain, Harold MacMillan, summed up the feelings of many when he stated, "Things are as bad for the West as they could possibly be and they are getting worse."

In my opinion, this shifting balance of power is extremely dangerous. This Soviet buildup is far in excess of any defensive needs. The Soviets view military power as the key to political influence, and rightly so. It is not so much a question of whether or not they will launch a military attack, but rather the leverage this power gives them throughout the world. They intend to use this power to bring other nations into their orbit and to deprive the free nations of access to oil resources, raw materials, and the like.

SOVIETS PROJECT POWER

Examples of their power projections abound even with the current power balance. Through their Cuban proxy troops in Africa and direct military aid, they have brought to power pro-Soviet regimes in Angola, Ethiopa, South Yemen and Afghanistan; supported the insurgents in Rhodesia and Nicaragua;

encouraged the fall of the Shah of Iran; introduced MIG–23 aircraft in Cuba; backed Vietnam in its takeover of Cambodia; and used the Vietnam-China War to gain access to South Vietnamese ports.

These events, along with the Soviet military buildup, have contributed to a deep running apprehension in the Senate as to the worth of any arms agreement with the Soviets. More Senators are coming to the realization that true meaningful arms restraints may not be possible with a Communist state. There is a feeling that the Soviets are rapidly gaining the upper hand and that this Treaty will do little to reverse that trend.

2. SALT II Agreement:

At this point, however, I have reserved final judgment on SALT II. Early this year I joined with a group of Senators urging the President to redress some of our concerns. The President has now been to the summit and returned. I plan to study the Treaty carefully, but many of its features already known to me raise the gravest of issues.

As an example, why should we allow the Soviets 308 heavy missiles, each with 10 warheads, while the U.S. is not allowed any? Even our light missiles are permitted to carry only one-half the number of warheads allowed the Soviets. Is this equality?

Further, the Soviet Backfire bomber does not count in the Treaty, although it clearly has strategic capabilities. On the other hand, the U.S. is forced to count all of our old B–52's, even some which have been cannibalized for spare parts. Is this equality?

Another example is the fact that the Soviet SS–20 missile already deployed against NATO can easily be converted to a strategic missile by adding a booster or by downloading some of the warheads. It is not counted in SALT II, but our cruise missiles are limited to 372 miles in range. Is this equality?

These issues involving our strategic posture are crucial when weighed against the dangers facing the U.S. in the 1980's. Beginning around 1983 we face a period when our land-based ICBM's will be vulnerable. If the Soviets escalate their expansionist activities throughout the world in the 1980's in proportion to their increases in military power, we could face the type of confrontation our policies seek to avoid.

CONVENTIONAL BUILDUP

Besides the strategic area of defense, an examination of the Soviet buildup in conventional arms is equally disturbing. The Soviets have added to their number advantages equipment improvements equal to or superior to those possessed in the West. A new tank, the T–80 nears production. Two new divisional self-propelled artillery pieces have been fielded since 1974. Of special concern is the fact that the Soviets have overtaken the U.S. in theater nuclear capability in NATO and have posed new problems with the deployment of the mobile SS–20 missile.

Soviet airpower forces also seem to increase daily, particularly in the area of helicopters. Growth in the Soviet navy is widely recognized as reflective of a shift from a defensive navy to one designed for sea control around the world.

3. Technology Transfers:

Now I would like to comment briefly on my third topic, the subject of the continued transfer to the Soviet Union of important defense-related technology by Western nations in general, and the U.S. in particular.

For instance, in 1961 the Soviets attempted to obtain from the U.S. grinder machines used to mass produce ultra-high precision miniature ball bearings. Congress interceded and, with the support of President Kennedy, blocked this sale. However, the Soviets persisted and finally in 1972—12 years later—these machines were sold to the Soviets. In 12 years the Soviets could not master this technology, but finally we gave it to them. Now our intelligence community believes this sale played a major role in the dramatic rate at which the Soviets have improved the precision of their own missiles to catch up with the U.S. in the field of MIRVing. The improved accuracy of Soviet missiles now threaten our Minuteman ICBM system and we face a costly $30 billion program to deploy a new mobile system.

TRUCK PLANT SALE

Also, in the early 1970's we sold the Soviets a giant truck plant on the grounds the technology was non-strategic and it would not be used for military purposes. Yet today, that plant is being used to produce military vehicles of all types, including tanks. In fact, this single plant exceeds the total U.S. production capacity of our own heavy truck industry.

Another more recent example is the sale to the Soviets last year of a plant to produce highly specialized bits used in deep-well petroleum drilling. Despite warnings this facility had "strategic implications" the sale was approved by President Carter. Once again, we have aided the Soviets by enabling them to solve some of their own fuel problems and also enter world markets with advanced drilling capabilities, the very same markets in which we are competing.

These ill-advised policy decisions by the U.S. should teach us a lesson. We have already joined with other nations to guard against such mistakes, but there as well as here, internal policies often defeat our efforts. For instance, the U.S. sold the "Redeye" missile technology to Denmark which sold it to Sweden which, in turn, sold it to the Soviets.

We must tighten up our policies in these areas, and do so at once. We must put our own house in order and ask our allies to do the same.

These three subjects—the shifting power balance, SALT II and technology transfers—are areas in which you as military leaders should take a special interest.

CHALLENGE CAN BE MET

While I have highlighted some of our problems, I am confident we can meet this challenge if we act promptly. America is still by far the most powerful nation in the world and our military forces are optimized to meet these new threats. Our biggest asset rests in dedicated military and civilian personnel such as this group here today. Our people are not only dedicated, they possess the ability to meet these increasing technological challenges.

Congress itself is addressing these issues with a new urgency. We have moved to accelerate the MX program and the President has recommended the larger MX missile for advanced development. We have added four ships to our Navy in the military bill this year by ordering conversion of the Iranian destroyers to U.S. type ships. Money is included in this year's bill for concept work on a new strategic bomber and for design of a cruise missile carrier. We have also increased funds for development of the cruise missile programs. Negotiations are underway with our European allies to develop and deploy a longer range ballistic missile and possibly the cruise missile to counter the SS–20 threat in Europe.

Other steps need to be taken. I favor more aggressive efforts in all of these areas, especially in development of an MX basing scheme and use of the cruise missile in land and sea based modes. We also need to increase support of our Reserve forces, accelerate overall modernization of Army equipment and build up the size of our Navy fleet. I am confident that with your help and the increased awareness of our problems America and her allies will continue to provide the military strength necessary to stabilize world events.

INFORM OTHERS

As you return to your jobs in the United States and in foreign countries, I hope you will impart some of the information gained here to your colleagues and, when possible, to the public at large. A wide understanding of the threat we face is essential if we are to counter it effectively. You can make an individual contribution in that respect and I urge that you do so.

In closing, I would like to quote from a book which you have not studied here, but one which I hope you read frequently. First, in the Book of Proverbs, we find this admonition—"where there is no vision, the people perish;" and second, in Luke, "when a strong man armed keepth his place, his goods are in peace."

Thank you and good luck in your career and personal life.●

FUEL ALLOCATION TO THE RECREATION INDUSTRY

● Mr. GARN. Mr. President, yesterday a number of my colleagues discussed on the floor of the Senate the question of fuel allocation to the recreation industry in times of shortage. I am sorry I was unable to be on the floor at that time, but I am too very concerned about the fairness to this important industry.

Problems sometimes have a very helpful tendency to clarify the issues at hand. I believe the spotty gas shortages we are seeing this summer have done just that for a number of people, including myself. It has helped us to see the central importance of transportation in our lives and our economy.

The movement of goods and people is essential to our jobs, to our recreation, to our shopping and to our activities as families and organizations. Take away this mobility and the social fabric of America begins to fray.

Yet actions of this administration have forced mobile users of petroleum products to bear a disproportionate share of the shortfall. In several metropolitan areas of the country, Americans wait in long lines for gas and face limits on when they can buy gas and how much gas they can buy. In other areas of our Nation, trucks are stranded because diesel fuel is unavailable.

The sad part of the story is that a large quantity of petroleum which could be put to use for transportation, particularly as diesel fuel, is now being burned to heat homes, apartments, offices, factories and warehouses. In each case, another source of energy not usable for transportation could be used for heating. And more residential and commercial oil-burning furnaces are being constructed each day, adding to the competition for oil, a competition in which transportation is handicapped because it has no other feasible alternatives.

Mr. President, the primary need of America is to maintain the mobility that has allowed us to become the greatest free society in the world. Mobility is a cornerstone of the freedoms we cherish, an essential element in securing the goals of our Constitution.

Whether it is the energy to allow a worker to get to his job, or to allow a Pennsylvania family to travel to the West by automobile to see our national parks, or the energy needed by snowmobilers to overcome the barriers of freezing temperatures and deep snow, we need to take the steps now which will assure its availability.

As we face spot shortages of fuel in the days ahead, some groups will call upon us to take precipitous actions. We must take care to avoid treating symptoms and actually magnifying the problems we face. We face a challenge, but a challenge which can be won. As we meet the challenge, let us not do needless injustice to any American. The administration's first gas rationing plan would have done just that, as I explained to you in comments made last month.

I am happy to join this colloquy, not in support of frivolous energy use, but in support of the basic principle of fairness in times of shortage. No one is wise enough to say "snowmobiles are unnecessary, but motorboats are vital." That is why we have market systems to allocate resources, and that is the essence of fairness.●

CHURCH AND CITIZEN GROUPS SUPPORT ACTION ON REFUGEES

● Mr. KENNEDY. Mr. President, the continuing refugee tragedy in Southeast Asia illustrates once again the urgent need for Congress to reform our Nation's laws and policies governing our ability to respond to the needs of homeless refugees.

For many years, every major church group in this land—as well as all the voluntary agencies, the AFL–CIO, and many other concerned citizen groups—have urged new legislation to support refugee programs. Most recently, this concern has focused on a bill (S. 643) which I introduced—and which was introduced in the House by Congressman RODINO and Congresswoman HOLTZMAN—to reform our immigration law and vastly improve our ability to meet refugee emergencies, such as that today in Southeast Asia.

I am pleased to note that after 6 months of careful consideration of this legislation, the Judiciary Committee last week unanimously reported out S. 643, and the report on it will be filed next week.

As the Senate considers this legislation in the days ahead, I think it is extremely important to keep the voices of our Nation's church groups, and the voluntary and community agencies, in mind—and to consider their thoughtful comments and recommendations. Since S. 643 was introduced, the Judiciary Committee has received communications from every major religious and voluntary agency leader in our country, and they have been unanimous in their support of the Refugee Act of 1979. We have also received testimony and strong support from the AFL–CIO and other concerned citizen groups around the country.

I would like to share with the Senate some of these statements that have been submitted to the Judiciary Committee as it considered the refugee bill over these last several months. I ask that they be printed in the RECORD.

The statements follows:

NATIONAL CONFERENCE OF
CATHOLIC BISHOPS,
Washington, D.C., June 12, 1979.

Senator EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR KENNEDY: In response to your letter of April 17, I wish to commend you for having introduced S. 643 which will revise and amend our outdated refugee legislation and for having conducted hearings so expeditiously after the introduction of the bill. I hope the measure can be brought to the floor of the Senate with the least possible delay.

As you are well aware, the Catholic Church has been in the forefront of the struggle for revision of our refugee policy, and we were very pleased to have been able to join the other voluntary agencies in testimony before your committee last March. I would like to emphasize a few points of special concern to the United States Catholic Conference.

First, it is imperative that the very restrictive definition of refugee be broadened so that a refugee from tyranny or persecution in any part of the world may be qualified for admission under United States immigration policy. We have long advocated adoption of the definition of refugee contained in the United Nations Convention and Protocol. It has been of special concern to the Church that refugees from certain political systems in Latin America over the years have been unable to qualify for special refugee processing. The definition contained in your bill will go a long way to correct this inequity in our law.

The provision by which a much increased number of refugees can be admitted into the United States under normal processing will certainly bring a great measure of order to the chaos which has marked our *ad hoc* refugee policies of the past. Whether the proposed 50,000 will be sufficient to meet the political and humanitarian concerns of the United States remains to be seen, but in providing that an additional number may be admitted after consultation with the Congress, this bill should meet nearly all of the requirements of what is categorized as the normal flow.

Flexibility of action is absolutely essential when a crisis occurs. Most people become refugees as a result of the unexpected and unanticipated. Thus the plan by which additional refugees can be brought into the country, after proper consultation with the Congress, is certainly endorsed.

Over the years the voluntary agencies have labored under severe handicaps, both in maintaining their structures in the field and in continuing their service of resettling refugees, because of a lack of proper government programs to assist the agencies in this humanitarian effort. Title III of the proposed legislation contains authorization for funding and support services. This provision should go a long way to help the voluntary agencies, in cooperation with public agencies, to provide services which meet the needs of refugees. It is also essential that all refugees be treated alike and that the vast resources of this great country be brought to bear for the benefit of all. Consideration, however, might be given to making social services available to refugees for a period beyond the two years proposed in your bill.

The record of refugee admissions by the United States over the past thirty-five years is a proud one. We of the United States Catholic Conference have been able to play a major role in providing sustenance and comfort to millions of the world's homeless. I wish to assure you that the Church will not falter in its efforts to provide new homes and new lives for the displaced and unwanted of the world.

With cordial good wishes, I remain
Sincerely yours in Christ,
Most Rev. JOHN R. QUINN,
Archbishop of San Francisco.

TESTIMONY BY THE COUNCIL OF JEWISH FEDERATIONS BEFORE THE SENATE JUDICIARY COMMITTEE ON PROPOSED AMENDMENTS TO THE MIGRATION AND REFUGEE ASSISTANCE ACT OF 1962

The Council of Jewish Federations is pleased to submit testimony on proposed amendments to the Migration and Refugee Assistance Act of 1962, which would establish a comprehensive framework for the resettlement of refugees coming to the United States.

The Council of Jewish Federations (CJF) is the umbrella organization for 215 Jewish Federations and 600 affiliated, nonprofit community service agencies which provide a wide range of health, educational, recreational, and social welfare services in over 800 communities throughout the United States. This Jewish communal service structure, represented by the CJF agencies, initially came into being in order to resettle Jewish immigrants to the United States in the 1880s. It has had extensive experience in resettling World War II refugees, and, over the past 25 years, Hungarian, Cuban, and Indochinese refugees. During these years, the Jewish community has developed a full, comprehensive, and highly individualized resettlement program which is sensitive to the refugees' needs and which facilitates self-sufficiency and social integration.

The Jewish Federations' most recent refugee resettlement responsibility has arisen from the rapidly increasing number of Soviet Jewish refugees fleeing religious and political persecution in the Soviet Union. From 1972 through 1976, the Jewish Federations around the country resettled nearly 20,000 Soviet refugees. As the United States' commitment to human rights advanced, and the Helsinki Accords emphasized American steadfastness in human rights policy, the number of refugees leaving the Soviet Union increased dramatically—from 6800 in fiscal year 1977 and 12,500 in fiscal year 1978 to an anticipated 24,000 in fiscal year 1979.

While federal funds have been made available for Soviet refugee transportation to this country through HIAS (Hebrew Immigrant Aid Society), the tasks of resettlement, job training, education, counseling, social services, and care and maintenance have, until recently, been funded almost entirely by the Jewish Federations with philantropic dollars.

Last year, in recognition of the enormous increase in the number of Soviet refugees coming to the United States and in view of the fact that special federal resettlement funds existed for Indochinese and Cuban refugees only, Congress approved a block grant program that provides national voluntary resettlement organizations with up to $1000 per refugee, on a matching basis, to cover the entire refugee resettlement process for Soviet and other refugees not covered by the Cuban and Indochinese programs.

With the aid of these new federal funds, along with an increased use of private contributions and volunteers, the Jewish Federations have continued their tradition of providing a coordinated system of care and training for the rapidly growing Soviet refugee population. The Council of Jewish Federations continues in its role as coordinator of planning and evaluation of resettlement services and distributes the federal refugee resettlement funds to aid Jewish Federations and agencies in 101 communities which are responsible for providing the entire range of Soviet refugee resettlement services.

The local Federations find apartments for the refugees and help pay the rent until the refugee family is economically self-sufficient. The affiliated Jewish Vocational Services, Family Services, and other Federation agencies provide language, job training, and supportive services. Through a network of contacts in the community, the refugees are placed in jobs appropriate to their skills during or immediately after undergoing training. Within one year, almost all Soviet refugees are self-sufficient members of the community.

Even during the initial resettlement period, virtually no employable Soviet refugee is placed on welfare. It is the policy of Jewish Federations that use of state welfare payments for cash assistance to employable refugees would dilute the resettlement policy's insistence on economic self-reliance. Especially in light of the Soviet refugees' attempted transition from a society in which reliance on the government is taken for granted to the American, democratic, free enterprise society, the notion of sending Soviet refugees to the state welfare office is considered inappropriate.

Instead, appropriate maintenance assistance—through cash or loans—is provided to Soviet refugees by the Jewish Federations, in conjunction with training and services, in a manner designed to make the refugees economically and socially self-sufficient as soon as possible. Such a coordinated system of maintenance assistance and services facilitates the efficient resettlement of Soviet refugees.

The proposed refugee legislation should establish an equitable, comprehensive refugee resettlement policy that provides sufficient flexibility for the federal government to deal appropriately with the individual needs of the various refugee populations in the United States. While equity clearly requires that the same care and services be available to all refugees, it is essential that alternative systems of providing these services be permitted where the administering federal agency determines that such alternatives will be the most successful and cost-efficient method of refugee resettlement.

The proposed legislation authorizes federal funds for placement, resettlement and care grants to nonprofit voluntary agencies; federal reimbursement of state welfare expenses for cash and medical assistance to refugees; and grants to states and nonprofit agencies for the provision of training, social services, and special projects. Within this framework, a nationally coordinated system of voluntary agencies should be able to receive federal funds on a per capita basis to help provide the entire range of refugee resettlement services, including care and maintenance. Such a system of total responsibility for a national voluntary agency is especially appropriate for the Soviet refugee population, and it would also serve as a model and a viable alternative to the more fragmented state provision of refugee resettlement services and cash assistance.

As regards Soviet Jewish refugees, Jewish Federations should be allowed to continue to take full responsibility for the successful resettlement of this population, as has traditionally been done. The Federations would make the commitment (as is now the case) that no employable Soviet refugee would make use of cash or medical assistance through the state welfare agencies. Instead, all cash assistance would be made available by the Federation itself in conjunction with appropriate services. Coordination and evaluation would continue to be provided through the Council of Jewish Federations.

It is especially vital to the success of the Soviet refugee resettlement program that low-income Soviet refugees not be required to rely on state welfare payments for cash and medical assistance. Not only would such a requirement tend to create a disincentive for private charitable contributions to refugee resettlement efforts, but it would also militate against the program integration that makes the Soviet refugee resettlement policy successful:

1. The current community resettlement programs for Soviet Jewish refugees integrate financial maintenance with all phases of the resettlement effort. There is close coordination between the Jewish Federation agencies which are providing maintenance assistance and those which are providing training and finding employment. This coordination, and the agencies' accountability to a central planning body, would be severely hampered if separate public and private agencies were responsible for maintenance, training and services.

2. An integral part of the Jewish community resettlement policy relates the amount and form of cash assistance and appropriate services.

The staff of the Jewish Federation agencies are able to implement these policies in a highly individualized fashion because of a good staff-client ratio and the special training and supervision of the staff—including special education in the background and culture of the Soviet refugee. Many staff members are fluent in either Russian or Yiddish.

3. Because private community support of the newly arrived refugee (such as rent payments, food, and clothing) would be likely to make the refugee ineligible for state welfare payments, there would be a disincentive for charitable community contributions to new refugees if cash assistance for low-income refugees is available primarily through the state welfare agencies.

It is essential that the federal agencies administering an equitable national refugee policy have sufficient flexibility of implementation to take into consideration the existence of nationally coordinated voluntary refugee resettlement systems and to recognize the varying needs of different refugee populations. The Jewish Federations' traditional program of Soviet refugee resettlement represents one such system, under which federal grants could be made on a per capita basis to a national coordinating voluntary organization to offset the costs of a total refugee resettlement program—from training and services to cash assistance. Private community contributions for refugee resettlement would continue to support the bulk of the resettlement process. Such a system would expend fewer federal dollars, help continue a traditionally successful refugee resettlement effort, and serve as an alternative model for refugee resettlement.

We therefore hope that legislative history will make clear Congressional intent that funding for resettlement as well as for ongoing programs of maintenance and services to refugees can be made available either through the voluntary agencies or through public agencies—whichever is most appropriate under the circumstances.

Rt. Rev. John M. Allin,
New York, N.Y., May 1, 1979.
Hon. Edward Kennedy,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

Dear Senator Kennedy: As President of the Executive Council of the Episcopal Church I am pleased to convey to you that on April 19, 1979 the Council considered the substance of the Refugee Act of 1979 and unanimously carried the following Resolution:

EXECUTIVE COUNCIL OF THE EPISCOPAL CHURCH RESOLUTION ON THE REFUGEE ACT OF 1979

Whereas, this body has considered the substance of the Refugee Act of 1979 (S. 643 and H.R. 2816) and feels that this bill contains a long-sought-after comprehensive refugee policy and program; and

Whereas, refugee concerns are a high priority with this Council and the Episcopal Church; and

Whereas, under the proposed legislation 50,000 refugees may be admitted annually and further additional refugees may be admitted by the President of the United States after consultation by the President's designees with the House and Senate Judiciary Committees, therefore be it

Resolved, that the Executive Council of the Episcopal Church in the United States of America supports, in principle, the Refugee Act of 1979 currently being considered by the Congress of the United States and urges the membership of the Church to give serious consideration to its contents and, if appropriate, encourage and support its enactment into law; and be it further

Resolved, that this body recommends that said Act be amended to provide that the authorization for any annual admission by the President of the United States over the statutory 50,000 refugees be reviewed and approved either prior or subsequent thereto by the Congress of the United States.

It is my hope and that of the Executive Council that this Resolution will be formally entered into the record of the hearings on the Refugee Act of 1979.

With kind regards and all good wishes.

Faithfully yours,

John M. Allin,
Presiding Bishop.

Lutheran Council in the U.S.A.

RESOLUTIONS CONCERNING THE REFUGEE ACT OF 1979

Be it resolved that the Lutheran Immigration and Refugee Service Regional Consultants assembled in conference in Seattle, Washington, express our strong support for Senate Bill 643, known as the Refugee Act of 1979 as a significant step in the development of a comprehensive U.S. refugee policy. We ask your consideration of the following amendments:

1. That the definition of refugee be broadened to include those seeking political asylum and detainees.

2. That funding for certain services for transitional assistance under Title III be available for a minimum of five years (at which time refugees are eligible for citizenship) including the following:

a. Mental Health Service (Mental health problems normally surface 2–3 years after arrival);

b. English as a Second Language (essential for developing and upgrading skills necessary for self-sufficiency);

c. Social Services (essential to becoming participating and contributing members of society);

d. Employment Services.

3. That services be provided by public and private voluntary agencies who have ongoing experience in refugee resettlement.

4. That services be flexible enough to meet the varying needs of diverse refugee groups.

Statement by the American Federation of Labor and Congress of Industrial Organizations

The AFL–CIO is pleased to submit its views on the "Refugee Act of 1979," a bill which, if passed, will do much to revise the procedures in the Immigration and Nationality Act for the admission of political refugees into the United States.

The American labor movement, which was forged by immigrants and political refugees, as were other movements and institutions throughout this country, has a deep and unabiding commitment to aid refugees from oppression. Our work on behalf of Jews and trade unionists escaping from Hitler's holocaust, and our assistance to Hungarians, other East Europeans, Cubans and most recently, Indochinese testifies to this commitment.

While some in this country have wavered, our resolve to help the victims of totalitarianism has remained unchanged, unaffected by domestic or international political whims. This is because the nature of totalitarianism remains unchanged, while the number of despots controlling the lives of ordinary people has increased dramatically. We are also acutely aware that the response of the American people and their government to the plight of political refugees is a crucial factor in the response of other democratic nations.

The "Refugee Act of 1979" is long overdue. While the Immigration and Nationality Act of 1952 served its purposes well, the last few years have witnessed increasing tension between the Congress and the Executive branch over the process by which political refugees are admitted into the United States. It must be said that each branch of government bears its share of the blame for the *lack* of *a consistent* and *coherent policy toward political refugees*. [This is why the process of consultation that apparently went into the drafting of this bill is so important. It demonstrates a new spirit of cooperation, and end to an unfortunate interlude which made every decision on paroling political refugees an unnecessary skirmish.] President Carter, Senator Kennedy, Representatives Rodino and Holtzman, and others are to be commended for their efforts to rationalize the law. The result will greatly ease the suffering of people who have not yet made the awesome decision to embark upon a life as a political refugee.

In our view there are two principal concerns that opponents of this bill may articulate. One is that the effect of the legislation will be to open the country to unmanageable numbers of refugees. The other is that the cost of resettling the refugees permanently in the United States will be prohibitive. Both conclusions are unwarranted.

While the Act does increase the number of political refugees who could be admitted each year from 17,400 to 50,000, this does not represent an actual increase in the number which have been admitted in recent years. And, the procedures outlined in the bill clearly include and define a role for the Congress in the decision-making process concerning the admission of additional refugees in emergency situatons.

How is it that the AFL–CIO, some might ask, is willing to support the continued admission of refugees when unemployment is already intolerably high? The essential reason is our belief in fundamental American values, values which place a premium on human life and freedom. No organization is more concerned about the problem of unemployment than the AFL–CIO. But that problem will be only marginally affected by the number of refugees the United States is likely to admit annually.

Many of those who voice concern about increasing the number of political refugees admitted into the country are the same people who are unwilling to support effective measures to stem the flow of illegal aliens across our borders. To fail to live up to our international responsibility to grant resettlement opportunities to political refugees because we have failed to prevent millions of illegals from entering is myopic at best, and perverse at worst.

The cost factor is also essentially a non-issue. The proposed legislation calls for the termination of federal assistance to refugees after they have been in the country for two years. Many will be off assistance long before that. In other words, the "Refugee Act of 1979" imposes a limit, albeit a reasonable one, where limits do not presently exists.

Certainly, resettling refugees will cost substantial tax dollars, but, in our view, this is an investment in America's future. The refugees quickly become taxpayers and consumers, thus creating jobs in the long run. Another important factor to keep in mind is that the cost of resettling refugees is not borne solely by the states and the federal government. Dozens of voluntary organizations match government funds dollar for dollar in the resettling process. Thousands of individual Americans contribute their time and money to assist the refugee and his family in making the transition into American life. We are, incidentally proud to point out that the AFL–CIO has collected thousands of dollars, from our international unions as well as our state and city labor centers, to aid in the resettlement of Indochina refugees.

There are other important aspects of the "Refugee Act of 1979" which should be addressed for the record.

The new definition of the term "refugee" in the bill is a change which is necessary if the United States is to maintain a credible human rights policy. The language conforms closely with that in the United Nations Convention and Protocol Relating to the Status of Refugees. Above all, it reflects international reality. While the Communist dictatorships continue to generate the greatest number of political refugees, it is clear that the ideologically bizarre dictatorships which abound in the world today are generating an increasing number. The Act's redefinition takes this into account.

As alluded to earlier, the provisions of the bill which clarify the use of the Attorney General's parole authority and provide a new procedure for admitting refugees in emergency situations are most welcome. It should mean better planning and smoother implementation of the law, while minimizing differences between the Legislative and Executive branches which have, in the past, resulted in needless suffering by the refugees.

The United Nations High Commissioner for Refugees has pointed out that the bill lacks any provision for "granting asylum to individuals who are refugees in accordance with the definition set out in the Bill." While such a provision may not have been necessary in the past because of our relative geographic isolation, changes in modes of international travel, make the UNHCR's suggestions on asylum procedures worthy of inclusion in the bill.

The AFL-CIO's continuing involvement in policy of admitting Indochinese refugees is well-known. We believe that the "Refugee Act of 1979" provides an excellent legal and administrative mechanism for the realization of that goal. But as the attached AFL-CIO Executive Council statement on Indochinese refugees, passed last month, states: "In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing number of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of the refugees from totalitarianism. We call upon the U.S. Government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of refugees."

In concert with U.S. diplomatic initiatives, passage of the "Refugee Act of 1979" will provide the international community with the leadership necessary to develop a comprehensive effort to rescue and resettle hundreds of thousands of desperate political refugees each year.

Statement by the AFL–CIO Executive Council

During the past year the AFL–CIO has worked actively for the adoption of a more compassionate, open-ended policy for the admission of Indochinese refugees into the United States. While the administration, with congressional approval, has more than doubled the number of refugees admitted into the country, much remains to be done.

Thousands continue to flee from Vietnam, Laos and Cambodia. Many people, especially ethnic Chinese, are leaving Vietnam after paying substantial bribes to Communist officials. Repeated claims that these people are not bona fide political refugees have been made by governments in Southeast Asia. Such myopic reasoning defies international law and basic humanitarianism.

At an international consultation held in Geneva last December, under the auspices of the United Nations High Commissioner for Refugees, representatives of 35 free nations expressed sympathy for those making the dangerous exodus. Yet, no nation made firm commitments to accept a sufficient number of refugees for permanent resettlement.

In the final analysis, no single nation and surely no private organizations have the means of providing haven and sustenance for the growing numbers of refugees. Nor can this problem be met by scattered, ad hoc efforts. It requires the cooperation of many governments and the development of an overall plan for the rescue and resettlement of these refugees from totalitarianism. We call upon the U.S. government to press other governments to join in such a coordinated effort. We also call upon the trade union movements of the free world to urge their governments to respond generously to the needs of the refugees.

Meanwhile, the AFL–CIO Executive Council reaffirms its statement of February 1978. The AFL–CIO strongly urges that the administration further increase admissions of Indochinese refugees into the United States. To demonstrate our commitment, the AFL–CIO has established the *Southeast Asian Refugee Fund* to raise money for U.S. voluntary organizations which assist in the resettlement effort. All affiliated unions, state and local central bodies are urged to contribute generously to the fund.

Statement by Bayard Rustin

I am pleased to respond to Senator Kennedy's request for my views on the "Refugee Act of 1979", a much-needed bill to revise procedures in the Immigration and Nationality Act for the admission of political refugees into the United States.

America has a proud tradition of providing haven for political refugees, and this Committee, especially its Chairman, is to be commended for demonstrating leadership by drafting this bill in cooperation with the Administration and the House Subcommittee on Immigration and International Law.

The black community has a deep and continuing iterest in the fate of political refugees, whether they be victims of South Africa's apartheid, Pol Pot's perverse paranoia, Idi Amin's atrocities, Soviet inhumanity, Pinochet's systematic repression, or Vietnamese retribution. Our interest is devoid of abstraction. We experience human misery. We know desperation. We live in constant struggle. We hunger for freedom. And, we understand what it means to be pushed aside and forgotten.

Nearly one year ago, more than 90 black leaders from civil rights, labor, business, community and professional organizations signed a statement, which appeared in the New York Times, urging the admission of Indochinese refugees into the United States. Nothing has happened in the past year, nor is anything likely to happen in the next, to change the attitudes of black leaders towards opening America's doors to greater numbers of political refugees, whether they be Indochinese, Cubans, East European or African. The reason is simple, and can be found in a passage from that statement: "Through our arduous struggle for civil, political and economic rights in America, we have learned a fundamental lesson: the battle against human misery is indivisible. If our government lacks compassion for these dispossessed human beings, it is difficult to believe that the same government can have much compassion for America's black minority, or for America's poor.

For black Americans to allow the linkage between our continuing struggle for economic and political freedom and the struggles of political refugees to be broken would surely diminish our own chances for success.

The most common objection to admitting additional political refugees into our country is that the unemployment situation is already intolerable. No group of people in the United States suffer more from unemployment than do black Americans. And yet, the 90 black leaders who signed the New York Times statement rejected such an argument as dehumanizing both to black people and American ideals. As I am sure you are aware, so has the AFL–CIO Executive Council. To accept this objection is to believe that if the United States had refused to admit 30,000 Hungarians and 660,000 Cubans there would be nearly 700,000 more jobs available for, say, black Americans. Such a notion cloaks a misunderstanding of reality in a cape of concern.

With that introduction allow me to address some of the important aspects of the "Refugee Act of 1979".

The new definition of the term "refugee" contained in the bill is most welcome. By bringing the language of our legislation closer in line with that of the United Nations Convention and Protocol Relating to the Status of Refugees, United States credibility on human rights is enhanced. As important is the fact that a greater number of political refugees from Africa will be eligible for admission if the bill passes.

Raising the admission level of refugees to 50,000 annually and increasing the worldwide limitation to 320,000 is absolutely necessary if the Act is to make our nation responsive to present international realities. There is no better way for the United States to demonstrate its commitment to individual freedom than to open its doors to such a significant number of political refugees on an annual basis. At the same time our government must forcefully urge other free nations to increase the number of refugees they accept for permanent resettlement. Regrettably, our example and attempts at moral suasion have yet to produce meaningful international results in the case of Indochinese refugees. We must, of course, continue to press for international cooperation, and I urge this Committee and other Committees of the Congress to explore ways in which our efforts can have greater effect. While doing this we must be willing to redouble our commitment in crisis situations. We must be bold international leaders in testing our own limits.

The procedures in the bill for handling emergency refugee situations seem to solve a great many problems that have surrounded the use of the Attorney General's parole authority. While the parole authority has been used effectively for large groups of refugees beginning with the Hungarians, in recent years questions have been raised about its legality. With the passage of this bill many of the frustrations associated with the parole process will disappear. And, seemingly endless delays and bottlenecks in the approval process will be a thing of the past. If any members of the Committee doubt this, I urge them to tighten up the language of this bill, making it impossible for anyone to find excuses for delay and obstruction.

My most recent involvement in refugee affairs is as a member of the Citizens Commission on Indochinese Refugees, organized by the International Rescue Committee. After twice visiting refugee camps in Southeast Asia and witnessing the terrible conditions most of these refugees must endure while they await scarce permanent resettlement opportunities, I must add some thoughts for your consideration.

The United States should accept at least 100,000 Indochinese refugees over the next year both to relieve their suffering and the pressures that their presence creates for the ill-equipped developing nations of the region. Once this decision is made, our processing and transporting of these refugees should be rapid, for every senseless bureaucratic delay contributes to unnecessary suffering among men, women, and children who have endured too much misery for too long already.

I offer my unqualified support of the "Refugee Act of 1979", and am confident that my views are shared by many others in the black community.

New Directions,
Washington, D.C., May 8, 1979.
Senator Edward M. Kennedy,
2241 Dirksen Senate Office Building,
Washington, D.C.

Dear Ted: At its last meeting on March 30, the Governing Board of New Directions adopted a resolution urging the passage of the Refugee Act of 1979 (S. 643, H.R. 2816). (New Directions is a citizens lobby working toward world security.)

We feel that the bill commendably reorganizes our refugee programs and will help to elevate refugee issues to a higher priority in our foreign policy.

We believe that the bill acknowledges the size and diversity of refugee populations by extending the definition of "refugee" beyond narrow geographic and ideological criteria and essentially adopting the definition of "refugee" incorporated in the U.N. Protocol Relating to the Status of Refugees, to which we are a party. We would urge, however, that the new definition be made more flexible by including within it persons displaced *in their own country*, specifically prisoners of conscience, either in detention or recently released.

New Directions applauds the realistic provisions for the admission of larger numbers of refugees and urges that the presidential restriction to "groups" and "classes" of refugees be made broad enough to conform to the new definition which abolishes existing geographical and ideological limitations.

We also welcome the reorganization of our domestic assistance programs which provide immigrant status for "normal flow" refugees. These measures will avoid many of the hardships that have existed in recent years for those refugees who have sought a new life in the United States.

The support you have given to the effort to improve our refugee programs is deeply appreciated. We look forward to working with you to secure the passage of strong and humane legislation.

Best wishes.

Sincerely,
Charles W. Whalen, Jr.,
President.

The Episcopal Diocese of Dallas,
Dallas, Tex., June 12, 1979.
Senator Edward Kennedy,
Chairman, Committee on The Judiciary, Russell Senate Office Building, Washington, D.C.

Dear Senator Kennedy: In response to the Resolution adopted unanimously by the Executive Council of the Episcopal Church, I am writing to endorse the Refugee Act of 1979 known as Senate Bill #643. [This Bill, in my opinion contains a long sought after comprehensive refugee policy and should be the highest priority both in the House and Senate.] As you may know this Diocese has long ministered to refugees throughout the world and especially to new Americans and we intend to continue this ministry under such a priority.

We would appreciate your informing the Committee of our interest.

Faithfully,
Rt. Rev. A. Donald Davies,
Bishop of Dallas.

Statement of the American Friends Service Committee

AMENDMENTS TO THE IMMIGRATION AND NATIONALITY ACT AND THE REFUGEE ASSISTANCE ACT OF 1962

The American Friends Service Committee welcomes the initiation of a bill to amend existing legislation regarding the admission of refugees to the United States. We believe the redefinition of the categories of people to whom the bill applies, the increase in "normal flow" to 50,000 a year, the immediate granting of immigrant status to refugees, and the provisions for additional emergency admissions are all important improvements. In what follows, we review briefly the AFSC's involvement with refugee concerns since its founding, note our current involvement and interest, and make some recommendations which we believe would add further to the effectiveness of the proposed legislation.

BACKGROUND OF INVOLVEMENT WITH REFUGEES

AFSC work for the relief of war-related suffering began with the founding of the Committee in 1917, when young conscientious objectors were sent to Europe to work in France, particularly. Major feeding programs followed the war in Germany and in the Soviet Union. During the Spanish Civil War, AFSC staff worked on both sides and, as the war ended, assisted loyalist refugees who fled across the Pyrenees into France.

In the 1930's and 1940's, AFSC was active in Europe, in the United States, and around the world, to facilitate the emigration of Jewish refugees and their resettlement and support. Work continued with displaced persons and with the integration of remaining refugees and of Volksdeutsche in Germany and Austria into the 1950's. AFSC staff were able to assist with both emergency and long-term needs of Hungarian refugees as they crossed into Austria in 1956 and some remained in that country.

Elsewhere, AFSC was one of the private voluntary organizations assisting Palestinian refugees after the partition of Palestine, working from 1948 to 1950 (when UNRRWA took over) to bring assistance to 200,000 refugees in the Gaza Strip. Since that time, AFSC has continued to send material assistance to Palestinian refugees through the Middle East Council of Churches; and since 1971, AFSC has, under UNRRWA auspices, carried on the only educational program for pre-school refugee children in the Gaza Strip, running at present 12 kindergartens serving a total of 1,300 five-year olds—15% of that age group living in the camps.

AFSC also worked with refugees in the Kunsan area of Korea from 1953 to 1957; with Algerian refugees in Tunisia and Morocco beginning in 1959, and continuing in Algeria after the cease-fire between France and Algeria permitted the refugees to return to their own country in 1962; with Chinese refugees in Hong Kong beginning in 1959 and continuing until 1967 when the work was devolved onto other organizations; and with Cuban refugees entering the United States in the 1960's.

RECENT AND CURRENT CONCERNS

Chileans and other Latin Americans from the Southern Cone. The AFSC has had a program in the field in Chile since July, 1973. At the time of the military coup in September 1973, ASFC staff were in a position to offer assistance to refugees in Chile and to Chileans subject to detention and repression because of their beliefs or their activities in support of the previous government and/or its programs of social development, particularly in the field of public health. Supports of various kinds were provided to people in Chile, to some who fled to the United States and elsewhere, and to a small group of Chilean refugees resident in Buenos Aires, Argentina. Concerned that the parole provisions of the present refugee and immigration legislation be extended to include Chilean refugees in countries of immediate asylum and to detainees and others in fear of being detained inside Chile, AFSC staff in the United States called on administration officials and members of Congress, urging such action. In conjunction with other private voluntary and church agencies, AFSC later extended this plea to include refugees from other countries of the Southern Cone, especially Uruguay and Argentina.

Haitians. Haitian refugees who have been arriving in Florida in small boats in considerable numbers (an estimated 8,000 thus far) since 1973 merit special attention. Congress has not moved to authorize their admission—as was done for Cubans and Vietnamese, for example. The Immigration and Naturalization Service has treated the Haitians as unwanted opportunists. Rather than accepting them as asylum claimants within the U.S.-signed Protocol and accommodating them until their status can be established, hundreds of men, dozens of women, and some children have been placed in jails as holding facilities. Some of the men have been held for more than a year.

Adults who had bonded out or been released were denied work authorization for several years. During a brief period in 1978, temporary permits were issued, but in recent months renewal appears to be at the whim of INS officers. Many arrivals since November 1978 have never received work permits; many others of longer residence in Florida have not obtained renewals. Nor are the Haitian refugees eligible for public assistance involving federal funds.

Calixte Lucien was a coast guardsman in Haiti, part of a group who tried to overthrow the Duvalier government. Others in the same group have been granted political asylum. In August 1978, Lucien was told that if he chose to stay in the U.S. he would be put in jail for five years and could not work. He told INS he would rather die than be sent back to Haiti. He was put in jail and kept there. When he and others staged a hunger strike on February 22, 1979, in protest, they were beaten and gassed.

AFSC and members of the Religious Society of Friends have offered assistance to Haitian refugees in two ways, both of them represented in small efforts. In the Miami area Friends have provided and continue to provide minimal material assistance and some counseling, through volunteers, especially in relation to refugees' hearings before the Immigration and Naturalization Service. We have also joined with other church-related groups in an effort to obtain just treatment for and acceptance of Haitians as refugees through appropriate changes in government policies and attitudes.

Indochinese. Beginning in 1967, the AFSC has been concerned for and worked on behalf of people displaced or disabled by the Vietnam war and its aftermath. During the war we supported a child care center and, particularly, a rehabilitation center in Quang Ngai where amputees and paraplegics received care without regard to their politics or station. We also sent medical supplies to the North Vietnamese and to the National Liberation Front, in the long standing Quaker tradition of working to meet human need on all sides of a conflict. A parallel educational effort in the United States was mounted to bring an end to the war and the terrible suffering it imposed on the Vietnamese people.

Since the war, AFSC has continued its concern for Vietnam, that normal relations with the rest of the world be restored and that vast reconstruction needs be met. Manufacturing, fishing, and agricultural equipment have been supplied, as have the necessary materials to allow the Quaker-started rehabilitation center, now in Qui Nhon, to continue to make artificial limbs and assist paraplegics. Education in the United States has focused on the needs of the Vietnamese people and the rightness of U.S. humanitarian assistance and recognition for the present government.

With the end of the fighting in 1975, the AFSC directed its help to people in Vietnam and Laos, many of whom had been displaced by the war or by government policy. In regard to the first, large wave of Vietnamese refugees to the United States. AFSC undertook a study on their conditions and reception in this country, with special concern for the opportunity and information they had to help them prepare for life here, if they wished to stay, or return to Vietnam, if that should be possible.

Because of the chaotic nature of the American evacuation in 1975, many Indochinese who had staked their livelihoods if not their lives on U.S. commitments were left behind. In Vietnam alone tens of thousands of intelligence and security-related people were abandoned, and "well over one million" persons who had been employed by the U.S. government or were their dependents were also abandoned, according to Frank Sneppe reporting in Decent Interval. The situation of refugees from Indochina thus has a special dimension for Americans. Directly or indirectly, their plight is to a large degree a consequence of American intervention. Some observers are inclined to blame the new Socialist governments for harsh policies which in turn create refugees, ignoring both disastrous weather conditions and resulting food shortages (which elsewhere would have drawn American sympathy and response) and also the American role which created or exacerbated so many of the social and economic problems which now have to be resolved—resolved without any financial or technical help from the United States.

Currently two Vietnamese-speaking AFSC staff are on assignment in Malaysia to explore services that AFSC might offer on behalf of the boat people from Vietnam. The AFSC staff are also studying the situation of Indochinese refugees in Thailand and may make recommendations for program with them.*

Southern Africa. The AFSC has been in touch with refugees from white supremicist states in southern Africa since the outset of its work in that part of the world in the 1950's. Direct assistance to refugees began only recently, however. This assistance has included grants to African agencies responsible for South African student refugees in Botswana and shipments of clothing, textiles, shoes, soap and medical supplies through nationalist Rhodesian groups for black Rhodesian refugees in Zambia and Mozambique. The Board of Directors of AFSC has just approved a major new program of technical and material assistance to refugees, especially in Zambia, Tanzania, and Mozambique.

In the United States AFSC works with South Africans exiled for political reasons. It has employed a black South African exile to administer part of its Southern Africa Program and has provided forums for others through which to share their experiences. These refugees have included white South Africans in exile because they have resisted conscription or left their military units.

The AFSC feels there are potentially many thousands of white and black persons from southern Africa who for reasons of conscience or resistance to oppression will need sanctuary in the years ahead. The United States can be one of the places of refuge for them, just as it has tried to be a country of refuge for persons from Communist states.

COMMENT AND RECOMMENDATIONS

Current refugee legislation has led, we believe, to a number of gross inequities and injustices. Hundreds of thousands of refugees have been admitted to the United States from Vietnam, Cuba, and Hungary. From Chile and other southern cone countries suffering under notoriously repressive governments, a total of only 600 refugees and their families have been allowed entry; the program not only was severely limited in size but also has required an unconscionably long time to be realized. Haitian refugeees have been subjected to harsh treatment, to denial of the means of survival while they must wait for their claims of asylum to be heard, and to apparently capricious exclusion and deportation procedures. The federal government provides generous sums for the settlement of certain categories of refugees; for others it provides nothing.

The legislation that is now proposed goes a long way to meet many of these problems, and as noted above we are very grateful for the initiative that has been taken in the introduction of this bill. From our experience with and concern for refugees the world over come the following recommendations for additional change which we believe will also be beneficial.

1. Given the enormous human suffering, upheaval, and loss represented by any refugee flow or need for resettlement or asylum, it is our first and primary recommendation that the government and people of the United States continually and urgently seek ways to prevent forced or involuntary movements of peoples: far better to help people become secure and self-reliant in their own lands than to have to assist them, however generously and capably, in a move they have no wish to make. While this recommendation is clearly outside the scope of the present legislation, we must not lose the ultimate vision of a just world, at peace across and within national boundaries.

2. Following from this recommendation, AFSC recommends that repatriation, where feasible and desired by refugees or displaced persons, be a preferred choice to resettlement outside of their native lands. Further, concern for human rights should be so embedded in our laws and administration that other governments would be called to a high standard of respect and justice in dealing with their own people; and the United States should seek to ameliorate material conditions in less developed countries which may cause people to accept great physical

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*Please see attached article, "Boat People Can Be Helped," Philadelphia Inquirer, 1/5/79, for a fuller explanation of our views on the boat people.

danger as the price of flight. Development assistance which reaches base level communities, through indigenous or outside agencies, may be offered. In the specific case of Vietnam, normalization of relations followed by reconstruction and disaster assistance including food aid and basic medicines, would both be morally right and also would do far more, on a dollar-for-dollar basis, to help the people of the area to an acceptable level of living than assistance to refugees in camps and resettlement schemes in the United States and elsewhere.

3. A distinction between political and economic refugees is extremely difficult to draw in many cases. Legislation should recognize that people who have fled their homelands for economic reasons may by that fact alone become political refugees—as we believe to be the case for some in Haiti, Laos, and Vietnam, for example. Therefore we would recommend a broad and inclusive, rather than a narrow and potentially exclusive, definition of those to be assisted under the proposed bill.

4. We recommend that the legislation recognize the right of asylum and specify a non-refoulement policy on the part of the U.S. government; a provision to include political detainees, even though still in their own country, should be added to the bill.

5. The United Nations High Commissioner for Refugees is mandated by the U.S. to assist refugees and displaced persons and to coordinate work on their behalf. We strongly urge that the proposed legislation provide for the United States vigorously to support that office and its services around the world, work closely with it, and accept as part of that commitment the U.N. definition of refugee.

6. In light of the United Nations resolution recognizing the right of conscientious objection to service in armed or police forces defending apartheid and granting such objectors who flee their countries to avoid such service refugee status, we recommend that the United States make provisions to receive these people under the proposed legislation, as refugees.

7. AFSC strongly supports the recognition of federal financial responsibility to help in resettlement of refugees. We recommend that the legislation provide for assistance on an equitable basis across the board, with no group or individual favored above another except as special handicaps or other particular needs demand.

8. Finally, the AFSC supports the proposed changes in current law and the above further changes on the basis of concern for the individual human beings involved in refugee movements. It is our recommendation that the legislation emphasize the humanitarian criterion as primary and the short-term national interest of the United States as secondary, if it is to be included at all as the human needs of refugees are considered.

TEXAS DEPARTMENT OF HUMAN RESOURCES,
Austin, Tex., April 6, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Senate Committee on the Judiciary, Room 2226, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: As Commissioner of the Texas Department of Human Resources, and through my association with the American Public Welfare Association, I have carefully watched the progress of the refugee program in this country. In that Texas has the second highest Indochinese refugee population in the country, Senate Bill No. 643 is of special interest to me.

Senate Bill No. 643 provides for equitable and humanitarian treatment of all refugees and is a great improvement over the inconsistent assistance offered in the past. In Texas we do anticipate some problems in effectively resettling refugees if all provisions of the bill are passed as written.

I would like to thank you for this opportunity to present written testimony on this bill and for your consideration of it.

Sincerely,

JEROME CHAPMAN.

TESTIMONY OF JEROME CHAPMAN, COMMISSIONER, DEPARTMENT OF HUMAN RESOURCES, THE STATE OF TEXAS

Chairman Kennedy and distinguished members of the Senate Judiciary Committee:

I am Jerome Chapman, Commissioner of the Texas Department of Human Resources. I welcome this opportunity to present our observations and comments on the Refugee Act of 1979. (Senate Bill No. 643)

It has been estimated that there are 22,700 Indochinese refugees residing in the State of Texas. This population is increasing at the rate of approximately 300 refugees per month. These new Texas residents consist of "boat cases" newly admitted to the United States and settled in Texas by the Voluntary Settlement Agencies (VOLAGS); and of Indochinese refugee individuals and families moving to Texas after having previously settled in other states. The basis of this secondary migration has been attributed to the warmer climate, the presence of more jobs, and the residency of relatives in Texas. Voluntary agencies estimate an additional 80,000 to 100,000 new Indochinese refugees will be admitted to this country by December 31, 1979, and anticipate that approximately 11% will settle in Texas.

Traditionally, 10% of the Indochinese refugee population in Texas at any point in time has been served by the Indochinese Refugee Assistance Program. This program is and has been funded with 100% Federal monies and has been administered, through the Department of Health, Education, and Welfare, by the individual states. Services provided under this program have been in the form of financial assistance, medical assistance, and social services. The level of these services has been comparable to the Aid to Families with Dependent Children, Medicaid, and Title XX Social Services programs which are available to U.S. Citizens. Texas has never appropriated any state funds to provide assistance to these refugees; funds to be used for this purpose are not included in legislative appropriation requests for the fiscal years 1980–81.

It is our understanding that the proposed legislation, S. 643, would only allow refugees to be eligible for relocation assistance for two years following their resettlement in the United States. The Texas Department of Human Resources feels two years may not be sufficient time for all refugees to become fully adjusted and self-sufficient. If federal funds end after only two years, a refugee population may remain in Texas which is not self-sufficient and which may be in need of financial and medical assistance. There will be no means for Texas to provide this aid as Texas does not have a general assistance or unemployed parent program. Services provided to eligible refugees through existing programs, such as Aid to Families with Dependent Children and Medicaid, will not be fully reimbursed with federal funds thus resulting in increased state expenditures.

If the two year eligibility period was applied to our current financial assistance caseload, 67.2% of the cases would have to be denied. This represents approximately 1,400 people who would no longer be eligible for any assistance in Texas. The proposed two year limitation for Social Services actually will only provide for about 18 months of assistance since it takes about 6 months to get refugees integrated into the delivery system.

The continuation of the Indochinese Refugee Assistance Program and the extent of federal participation has become a matter of national debate. In our opinion, this debate should carefully consider the following factors:

1. The Indochinese Refugee Program is a federally initiated and mandated program.

2. Federal direction for this program has been inconsistent and erratic due to the lack of uniform national policy in the areas of funding and eligibility.

3. State resources are not available for this program as current expenditures are 100 percent federally reimbursed.

In order to adequately meet the needs of Indochinese refugees, the Texas Department of Human Resources recommends that legislation for this program contain the following provisions:

1. Assistance to refugees should be 100 percent federally reimbursed until the refugee is self-supporting for one year.

2. Services to unaccompanied refugee minors should be paid for with 100 percent federal funds until they reach the age of majority.

3. Maximum use of private agencies to serve unaccompanied refugee minors should be encouraged.

We feel these recommendations best serve the financial, medical, and social needs of Indochinese refugees. Unless financial assistance to the refugee households continues until they become self-sufficient, their adjustment to life in the United States will be very difficult. Texas may be unable to provide this assistance unless 100 percent federal financial participation in the Indochinese Refugee Program is maintained.

SOCIAL DEMOCRATS, USA,
Washington, D.C., May 10, 1979.

DEAR SENATOR KENNEDY: The dangerous conditions which threaten the existence of tens of thousands of Indochinese refugees are cause for increasing concern on the part of numerous American citizens.

To demonstrate this concern, a number of Washingtonians representing a diversity of political views has signed the enclosed Appeal on the Indochinese Refugees.

We want you to know there is considerable support for legislation that will permit the entry of these brave people into our country, which was founded by refugees and built by immigrants.

Legislation has been introduced to help solve this problem, but we are concerned that it will not receive sufficient attention during a period in which other issues seem to crowd the Congressional agenda.

We therefore urge you to support the Refugee Act of 1979 (S. 643 and HR 2816), and to become a co-sponsor of this legislation, if you have not already done so.

Thank you.

Sincerely,

PAUL R. PORTER,
Chairman.●

ADDRESS ON SALT BEFORE PHOENIX CHAMBER OF COMMERCE

● Mr. DECONCINI. Mr. President, I recently delivered an address on the SALT II Treaty to the Phoenix Chamber of Commerce. In that speech, I outlined some aspects of the treaty which I find troublesome. As the formal Senate debate approaches, I believe it is important for all Senators to share with one another their perceptions, analyses, and concerns. This will, I believe, contribute to a more meaningful and informed debate. Thus, I ask that the text of those remarks be printed in the RECORD.

The address follows:

ADDRESS BY SENATOR DENNIS DECONCINI

After many months of delay and with great fanfare, the President has finally submitted the SALT II treaty to the Senate. The Senate must now exercise its solemn constitutional obligation to "advise and consent" on the question of ratification. If two-thirds of those Senators present and voting concur, SALT II will become the supreme law of the land and every American will be bound by it.

I would like to remind President Carter and President Brezhnev that the Senate's role in the treaty-making process is defined by the Constitution of the United States. Our founding fathers believed that the collective wisdom of the Senate should be applied to any potential treaty. The power to "advise and consent" clearly extends to making any changes that we believe are required in the national interest. I would further like to remind President Carter and President Brezhnev that in approving this treaty we are creating law under which all Americans must live. Thus, it is imperative that the American people, through their elected Senators, approve or change that proposed law.

It is not in the interest of President Carter to warn the Senate not to make changes. It is certainly not in the interests of the Soviet Union to threaten the United States Senate with dire consequences if the treaty is either changed or rejected.

President Brezhnev and Foreign Minister Gromyko clearly do not understand the nature of democracy, and the fact that our President shares power with a legislative and judicial branch. But President Carter should know better; rather than scold, threaten or warn the Senate, he should work with us. Perhaps he might have been better off if he had consulted with us before signing the treaty.

I can assure you that the Senate of the United States will act responsibly and in a manner consistent with the best interests of the American people. If this involves making changes in the treaty that are not to the liking of Mr. Carter and Mr. Brezhnev, that is the price we pay for a free and open society.

Before any final action is taken, however, there will be an extensive national debate on the treaty itself, as well as the broader questions of foreign and military policy of which the treaty is inevitably a part. Hopefully, the debate will produce both a general public awareness of the issues involved and some national consensus on the future course of America in the world.

During the last decade, American policy has evolved more by default than by rational determination. Instead of conceptualizing our role and objectives in the world, and then effectuating them through specific policies, we go backwards. We start with a series of unrelated, highly specific proposals and keep adding to them to meet new contingencies. However, the net result of this incremental decision-making is the lack of a coherent, meaningful foreign and military policy. The abysmal position we presently occupy in the world is ample proof that this approach is ineffective.

During the 1950s, under the leadership of President Truman, the "containment" policy was developed. This was no haphazard collection of disparate and contradictory ideas. It was a well thought out concept of the world, including a highly specific set of American goals. For at least a decade and a half, this policy guided American diplomatic and military action.

Today, by contrast, our policy is in shambles. We have completely lost sight of where we are as a Nation and in what direction we should be moving. President Carter speaks of human rights, and who could disagree, but that is hardly more than a pious hope, not a policy to guide and protect the vital interests of a great Nation.

President Carter's predecessor's, Presidents Ford and Nixon, articulated the policy of "detente" which supposedly has supplanted containment and now serves as the basis for Soviet-American relations. Unfortunately, detente is not so much a policy as it is a description of current international realities. The Nixon-Kissinger Administration convinced the American people that detente meant more than it does. In their zeal, they led us to romanticize and misunderstand detente. As a result, we have become dangerously complacent about Soviet objectives.

Detente struck a responsive chord after almost a quarter of a century of Cold War. It implied a new phase in Soviet-American relations which would see us burying the cold war hatchet and walking arm-in-arm into the sunset. When told of detente, we breathed a collective sigh of relief.

In truth, detente is nothing more than the simple recognition that overt, head-to-head conflict between us and the Soviets might eventually produce a miscalculation that could send both nations into oblivion. It was, in fact, a reaction to the Cuban missile crisis. It was also the outgrowth of a more sober Russian leadership, still shaken by the antics of Khrushchev. The new leadership no longer believes, as a matter of doctrine, that nuclear war is either inevitable or that Russia will necessarily win.

The danger for Americans is the failure to appreciate detente in the perspective of the cold war. Detente is NOT an end to the cold war.

It is an evolution of the cold war relationship, an evolution that has modified the style and instruments of policy without affecting its substance. Detente has altered the manner in which the Soviet Union pursues its objectives in the world, but the objectives themselves are indistinguishable from those articulated by Lenin and Stalin.

Russian officials rarely use the word "detente." They prefer "peaceful coexistence" because it more accurately describes the relationship without the connotation of friendliness. When they do speak of detente, they make it abundantly clear that it is a *TACTIC* within the context of the on-going and historically necessary struggle between capitalism and socialism. The Soviets do *NOT* see detente as an acceptance of the status quo. They express no doubt that there will be an eventual Communist victory over the West.

I do not criticize the Soviets for their view of detente. I do, however, criticize our own Administration for indulging in wishful thinking; for believing that somehow detente is an end to Soviet-American conflict. More importantly, I criticize the Administration for deluding itself into believing that detente is a real policy when, in truth, it is little more than a romanticized description of what we wish the world were like. And I ask the Administration to explain to the American people how detente is consistent with both the massive Soviet military build-up and their intense military, diplomatic and economic activity in Africa, Asia and Latin America.

Before we approve the SALT II treaty, we should ask ourselves what American foreign policy IS with regard to the Soviet Union, and how the SALT treaty promotes the objectives of that policy. The Carter Administration has adamantly opposed linking the treaty to general foreign policy questions for two basic reasons. First, such an investigation would inevitably demonstrate that the United States has NO policy. Thus, SALT II, like human rights, is free-standing and is not properly integrated into a cohesive American posture.

Second, a discussion of recent Soviet military and foreign policy would reveal a pattern of behavior inconsistent with the belief that competition between us has abated. In the world of foreign policy we can only deduce intentions from actions.

The actions of the Soviets in Africa, Asia and Latin America suggest that their goal is to undermine the West in every way possible. Wherever we look we find the Soviets fomenting trouble, supplying arms and money, and in some cases even military personnel. The level of their activity is greater than any time in recent memory.

Linkage has two basic components. One involves the question of how SALT II relates to this new level of Soviet activism—does it promote more of the same; does it encourage the Soviets to moderate their policy; or is it essentially unrelated at the operational level.

The other component of linkage questions whether or not the United States should—or, more accurately at this point—should have demanded certain foreign policy concessions from the Soviets. Should the Administration have insisted on a commitment by the Russians that they would withdraw troops from Africa, and that they would discourage their Cuban allies from further incursions? Perhaps, the Carter Administration should have negotiated for some concessions in the Middle East or along the European border. Or, should the Administration have insisted that the Soviets do more in the area of human rights?

Regardless of what the Administration might prefer, I find it impossible to contemplate the SALT treaty without linking it to Soviet behavior. It is impossible to ignore, as President Carter would like us to, the fact that recent estimates place almost 30,000 Soviet and Cuban military "advisors" in Africa. I find it impossible to ignore that these troops were scattered among at least seventeen African nations, including Algeria, Angola, Congo, Equatorial Guinea, Ethiopia, Guinea, Guinea-Bissau, Libya, Mali, Mozambique, Nigeria, Sierra Leone, Somalia, Sudan, Tanzania, Uganda, and Zambia. I find it equally impossible to ignore the billions of dollars worth of arms that Russia has given to Afghanistan, Bangladesh, India, Pakistan, and Rhodesia.

At present, I have no firm position on the SALT II treaty. I must say this: I am extremely disappointed in the Carter Administration for not at least working to extract foreign policy concessions from the Soviet Union.

I am told that no attempt was made. Throughout, the Administration has held that foreign policy issues and SALT II should be kept completely separate.

Besides the relationship between SALT and American-Soviet relations, there are two other broad areas that will undoubtedly be covered by the Senate debate.

Inasmuch as SALT is designed to limit strategic weapons, any discussion must focus on strategic-military doctrines. Here, too, the United States has made policy in a relative vacuum. For example, the dominant strategic theory is "mutual assured destruction"—or, MAD, for short. I doubt if even a small percentage of Americans—including, I dare say, most public officials—have any idea what this means. Yet, we hinge our future as a Nation on this doctrine.

It will be extremely beneficial if the SALT debate serves to inform us about MAD, and allows us the opportunity to determine whether this is the correct, or most reasonable, approach to nuclear deterrence. At the very least, I believe that we must draw attention to the following questions: What types of contingencies are likely; how are our weapons systems designed to deal with such contingencies; what types of weapons are the Soviets building; what can be inferred about their intentions from the nature of their weapons; and, ultimately, is the present mix of weapons ideally suited to meet the challenge of the future.

The final phase of the SALT debate will focus on the treaty itself. Already, verification has become one of the major unanswered questions, dividing both the military and intelligence establishments. Although much of the argument is technical and arcane, it reduces itself to how much verification is necessary to insure that the Russians do not cheat. No one is willing to argue that every provision of the treaty is verifiable. But how much is verifiable? And, would Soviet cheating of a sort that provided them with a strategic advantage be possible? Certainly, I would have to be unreservedly satisfied on this point.

There is the issue of the Protocol to the treaty which limits both the range and deployment of certain types of cruise missiles, and pushes back the date when a mobile ICBM can be deployed. These provisions appear to benefit the Soviet Union with no reciprocal benefit to the United States. The reasons for the Protocol must be thoroughly and adequately discussed.

Regardless of how I ultimately vote on the treaty, I intend to insure that nothing in the treaty can be construed to forbid the United States from deploying the M–X missile in a multiple silo mode. In fact, I have already drafted a reservation to the treaty stating that the American interpretation in no way precludes the deployment of a limited number of missiles to be dispersed among a large number of silos.

Let me conclude by saying that the case for or against the SALT II treaty is by no means an open and shut one. There are too many unanswered questions. It is, in my judgment, the responsibility of each Senator to keep an open mind on both the specific issues raised by SALT and its total impact on our future course in world politics. We should neither accept the treaty as an act of deference to the President, nor should we reject it out of partisan spite. Whether America ratifies the SALT II treaty may well be the most important decision we make in our lifetimes.●

U.S. RELATIONS WITH ROMANIA AND HUNGARY

● Mr. KENNEDY. Mr. President, presently before the U.S. Congress is the extension by President Carter of most-favored-nation (MFN) tariff treatment for Romania and Hungary. I strongly favor extension of MFN treatment for these nations, with whom we have enjoyed steadily improving relations since MFN treatment was first granted—to Romania in 1975 and to Hungary in 1978.

Although many political and ideological differences remain between us, I have always felt that it is an important interest of the United States to seek improved, mutually beneficial relations with individual nations of Eastern Europe. Over time, such improved relations would contribute not only to greater prospects of cooperation and mutual understanding, but also to increased respect of the political and economic rights of our citizens—all of which are recognized in the Helsinki Final Act to which our states are parties.

In the case of Romania, we have seen, we have welcomed, and we should continue to strongly support its independence on foreign policy matters, ranging from its relations with China and the Warsaw Pact to its support of the Israeli-Egyptian Peace Treaty. While problems remain in the human rights field, Romania has permitted increasing numbers of its citizens to go to the United States, from 407 in 1974 to 1,706 in 1978.

The Romanian Government has proved particularly responsive to family reunification requests, including those which I have personally made over the years. Over 80 percent of 216 divided families on the latest representation list presented by the administration to Romania have been on that list for less than 1 year. However, Jewish emigration to Israel has significantly declined over the past 5 years, and I welcome the recent assurances, received by the Conference of Presidents of Major American Jewish Organizations, that are expected to remove remaining impediments to the freedom of Jews to emigrate from Romania. As a result of these assurances, the conference has endorsed renewal of most-favored-nation trade status for Romania.

In terms of both our specific humanitarian interests and our broad foreign policy interests, I believe we should encourage Romanian trade with Western countries and with the United States in particular, which increased by almost 25 percent to $664 million in 1978. In keeping with the 3-year renewal of the United States-Romanian trade agreement last year, we should also seriously consider 3-year extensions of MFN status, which I believe would encourage even greater progress in our political, economic, and humanitarian relations over time.

In the case of Hungary, we have enjoyed steadily improving and broadening relations. They reflect the practical efforts of our two Governments to create ties of mutual respect and mutual benefit, of which the two most important recent examples were the return of the crown of Saint Stephen and the conclusion of our bilateral trade agreement in 1978. Most visitors to Hungary have remarked on that country's relatively high standards of living and relaxed internal conditions, compared to the rest of Eastern Europe. In addition, despite restrictive emigration statutes, the Hungarian Government has approved over 90 percent of its citizens' applications to emigrate for purposes of family reunification, and has permitted large numbers of its citizens to travel abroad. Here again, I welcome the fact that United States-Hungarian trade increased by 32 percent to $166 million in 1978, and I believe we should continue to increase this trade quantitatively as we seek to diversify it qualitatively.

With Hungary, as with Romania, it is important to expand our trade relations not only for their own sake, but for their contribution to our overall bilateral relationships and to East-West détente. The trade agreements have proved of major benefit to our interests—as have the corresponding MFN tariff treatment, the ever-increasing volume of trade, and the important and continuing progress we have made in the humanitarian field.

In conclusion, Mr. President, I strongly support extension of most-favored-nation tariff treatment for both Romania and Hungary. I request that the full text of the persuasive testimony of State Department Counselor Matthew Nimetz, before the House Subcommittee on Trade, be printed in the Record. I also request that the statement of Mr. Jack Spitzer on behalf of the Conference of Presidents of Major Jewish Organizations—which reports on Romanian emigration assurances and endorses renewal of MFN status for Romania—be printed following Mr. Nimetz' testimony.

The material follows:

Statement of the Honorable Matthew Nimetz

Mr. Chairman: I am pleased to have this opportunity today to testify on behalf of further extension of the President's waiver authority under Section 402 of the Trade Act, including his authority to continue the waivers permitting most-favored nation (MFN) tariff treatment for Romania and and Hungary. The President's waiver authority has proven to be a valuable device for the promotion of U.S. interests, including our interest in freedom of emigration. It has permitted us to broaden our relations with Romania and Hungary.

I am particularly gratified to have this opportunity to appear before you since just last month I visited Bucharest and Budapest as the leader of a U.S. delegation which conducted extensive consultations with the Romanian and Hungarian Governments on the implementation of the Helsinki Final Act. These consultations covered the range of issues addressed by the Final Act including military security matters, trade and economic cooperation, and the reunification of divided families and other human rights questions. I personally regard the development of our relations with Romania and Hungary as very important to U.S. interests in Eastern Europe.

Before addressing the two countries in particular, I would like to review briefly the general policy considerations on which our relations with Eastern Europe are based.

In recent years, increasing diversity has come to characterize Eastern Europe. All the Warsaw Pact member states remain loyal to basic Communist ideological tenets and most to Soviet foreign policy positions. But they differ in the patterns of their cultural and social development, in the nuances of their foreign policies, in how they order their economies, and in the amount of personal, religious and intellectual freedom allowed to their citizens. In recognition of these divergences, our general policy is to seek improved relations between the United States and those nations of Eastern Europe which reciprocate a desire for improved relations. We believe that better relations based on principles of mutual advantage will strengthen beneficial ties between East and West, promote the goals of the Helsinki Final Act, and thus contribute to greater respect for human rights and to better living conditions for persons in Eastern Europe.

I would like to emphasize that our efforts to improve relations with Eastern Europe do not imply our approval of the Communist political systems in the countries there. We continue to have profound disagreements with the governments of Eastern Europe over many questions of political freedom and basic human and social values. However, it is important to recognize that the expansion of relations permits us to discuss differences more candidly with their governments. In recent years we have been able to conduct more open and productive exchanges on many topics, including human rights, trade, security and confidence building measures, and other issues embraced by the Helsinki Final Act.

Our relations with Romania and Hungary have evolved significantly during this decade, to the advantage of our nations and peoples. The two countries follow dissimilar domestic and foreign policies. The establishment of non-discriminatory trade relations with Romania in 1975 and with Hungary in 1978 was a watershed in our relations with both countries. Continuation of MFN tariff treatment constitutes a sound basis for further progress. Were this basis to be removed, our relations with these countries would deteriorate rapidly and significantly.

ROMANIA

We continue to believe that it is in our interest to maintain and develop further the good relations which we have with Romania. These relations were strengthened by the meeting in 1978 between President Carter and President Ceausescu when the two Presidents agreed to maintain a continuing dialogue on a variety of bilateral and multilateral issues. Our paramount interest in keeping this close relationship is based on Romania's considerable independence on foreign policy issues. Over the years, Romania has not shrunk from expressing openly and forcefully points of view which differ from those of its Warsaw Pact allies. While I believe Romania's posture is well known, I would like to point some of the more noteworthy developments which have occurred over the past year, specifically since last year's MFN hearings.

In August 1978 Romania hosted Chinese Party Chairman and Prime Minister Hua Guofeng, thus further strengthening its ties with China.

In last November, at the Moscow Warsaw Pact Summit Meeting, Romania opposed initiatives which concerned increased military expenditures, consolidation of the Warsaw Pact command structure, and maintenance of a united front against China.

In several speeches in Bucharest upon his return from the Summit Meeting, President Ceausescu made public Romania's stand on the controversial issues and indicated that under no circumstances would Romania permit its military to take orders from other countries.

Romania strongly condemned Vietnam's invasion of Kampuchea, stressing that no country should infringe upon the territorial sovereignty of another.

Alone among Warsaw Pact countries, Romania supported the Israeli-Egyptian peace treaty and U.S. efforts in that area.

Romania continued its efforts to play a constructive role in the Middle East by attempting to bring together countries with differing points of view.

Economically, Romania continued to broaden its ties with the non-Communist world. Since 1974 more than half its trade has been with non-Communist partners and this proportion has continued to grow.

Romania, as one of the most determined supporters of the concept of European security and cooperation, continued to play an important role in preparations for the Madrid CSCE review meeting in 1980.

Since last year's hearings on the extension of MFN status to Romania, high-level contacts included a visit here last Fall by Foreign Minister Andrei and Secretary Blumenthal's talks in Bucharest in December. In April 1979 Secretary Kreps led the U.S. delegation to a meeting of the Joint U.S.-Romanian Economic Commission which reviewed bilateral economic and trade relations. In early May, as I indicated earlier, we held comprehensive discussions in Bucharest with Romanian officials on the entire spectrum of issues covered by the Helsinki Final Act. In these discussions, which were candid in the best sense of the word, we were able to cover many humanitarian facets of the Final Act of concern to the American public. Within this framework we encouraged, for example, furtherance of the right of individuals to practice their religion and urged that attention be paid to difficulties reportedly facing churches which suffered earthquake damage.

We also stressed the rights of national minorities to equality before the law and their full opportunity for the enjoyment of human rights and fundamental freedoms. In this regard we had a useful discussion of the situation of ethnic Hungarians and other nationalities in Romania and the importance of their continuing access to bilingual education and cultural expression. Of direct relevance to today's subject we also had extensive discussions of the Basket Three provisions meant "to facilitate freer movement and contact" and especially those sections of the Final Act dealing with family reunification. I will report on facts related to this latter area in greater detail in a few moments.

Obviously the practices in Romania do not conform with ours or with what we would consider to be full implementation of the Helsinki Final Act. However, I am pleased to report that, despite fundamental differences in the social, economic and political value systems of our two countries, all of these discussions were carried out in a spirit of cooperation and understanding, with both sides indicating a willingness to exchange ideas and to consider constructive criticisms in an attempt to find practical solutions to our problems and enlarge the areas of mutual understanding. Our dialogue on these various human rights questions will continue in both a bilateral and CSCE context. Overall, our experience convinces us that Romania's efforts in these fields are serious and that together we have built a solid bilateral relationship in which MFN plays a very useful and important role.

I would like to turn now to the specific question of emigration from Romania. As a matter of government policy, Romania does not encourage emigration. This is based both on national pride and on the needs of national development, which require that citizens remain and work in Romania, thus contributing to the country's well-being and eventual prosperity. However, the Government of Romania has continued to maintain that, consistent with its undertakings in the Helsinki Final Act and with various bilateral commitments, it will cooperate in the settlement of cases involving reunification of divided families in a humanitarian manner.

Mr. Chairman, we have provided statistics for you and your Subcommittee which enable us to assess Romanian emigration performance. As reflected in those statistics, emigration from Romania to the United States has continued to increase during the period in which the waiver has been in effect, rising from 407 in 1974 to 1240 in 1977. In 1978, a further substantial increase in overall emigration occurred. Emigration to the United States rose from 1240 in 1977 to 1706 in 1978, an increase of nearly 38 percent. According to the records of our Embassy in Bucharest, 1528 persons received visas for permanent departure for the United States during the period July 1978–May 1979. This figure represents an increase of 50 percent compared with the same previous period.

It should be noted that a considerable number of those who have been allowed to emigrate from Romania are persons who are not qualified to receive immigration visas for direct travel to the United States because they do not have immediate relatives in the U.S. who can file petitions on their behalf. These people are assisted by our Embassy in traveling to a third country from which they are then processed for entry into the United States as refugees.

We presented our most recent divided families Representation List to the Romanian Foreign Ministry on March 30. Out of a total of 216 cases, including 511 persons, less than 20 percent have been on the list over a year. Of the outstanding requests for marriage approvals, nine of the 57 pending cases have been granted since April and we trust that others are on the way to resolution. Only two cases on this list are over a year old. We have been less successful with respect to cases involving dual nationality, i.e., persons who have valid claims to U.S. citizenship and wish to emigrate. However, examining all of the pending cases, our Embassy estimates that if the present rate of approval continues through the remainder of 1979, as many as three-fifths or more of the cases included in our lists should be solved this year.

Romanian emigration procedures continue to be an issue of concern for us. Individuals applying for permanent departure remain subject to bureaucratic delays and cumbersome requirements. We have emphasized to the Government of Romania the importance of simplifying the requirements to be met by prospective emigrants; the advantage of taking expeditious action on emigration requests, and our concerns about reports of economic retaliation and social pressures on those who wish to leave Romania. We are hopeful that our expressions of concern, as well as those of other governments, with regard to procedures will have a positive impact on future Romanian actions in this area.

We continue to make clear to Romanian authorities that we are interested in emigration from Romania to Israel. Unfortunately, statistics for 1978 continue to indicate a decline in the emigration of Romanian Jews to Israel, from 1330 in 1977 to 1144 in 1978. This trend continued over the first five months of 1979. In recent weeks, however, the Romanian Government has approved 29 cases, including some 63 persons. These approvals will be reflected in the statistics for the coming months. The factors determining trends in emigration to Israel remain complex. While it is generally acknowledged that the remaining Romanian Jewish community is small and has a high proportion of aged persons, its exact size is not known with precision, atlhough we estimate it to be in the area of 40–50,000. Nevertheless, regardless of what the actual figure is, it continues to be difficult if not impossible to determine how many Romanians of Jewish origin would depart if they could. Romainian officials have repeatedly told us that, except for a small number of exceptional cases, all Romanian Jews who wish to emigrate will be permitted to do so. We note that of the approximately 450,000 Romanian Jews who survived World War II, 400,000, or roughly 90 percent, have already emigrated to Israel. Although the largest movement to Israel took place soon after the War, since 1971 nearly 20,000 Romanian Jews have emigrated there. We are not aware of any policy to forbid specifically the emigration of those who remain. On the other hand, Romania does not encourage emigration by any Romanian citizens and the application procedures are far from simple. In the final analysis, we believe that an acceptable level of emigration from Romania to Isarel is principally the concern of the two countries involved, although we will continue to keep this matter before the Romanian Government, making clear the interest of this Government in improved performance.

Emigration to the Federal Republic of Germany continues to increase. In 1978 over 11,000 Romanians of German extraction emigrated to the Federal Republic. There is also limited but continuing emigration from Romania to other Western countries, including Canada, Italy and France. These numbers are not large in comparison to those going to the United States, the FRG, and Israel, but indicate an effort on the part of the Romanian authorities to be forthcoming in the solution of what they consider to be humanitarian cases.

U.S.-Romanian trade and economic relations have continued to expand under the U.S.-Romanian Trade Agreement, which was renewed in 1978 for another three-year period. In 1978, our total trade with Romania grew by almost thirty-five percent. U.S. exports reached $317.4 million and were characterized by a large increase in manufactured goods exports in addition to an increase in our traditionally strong agricultural exports. U.S. imports totaled $346.6 million with increases in a variety of categories including light manufacturers and oil products. Figures for the first four months of 1979 continue to show an upward trend in two-way trade with U.S. exports exceeding imports by $74 million.

HUNGARY

Following the return of the Crown of Saint Stephen to the Hungarian people in January 1978, our relations with Hungary have continued to improve and broaden. We anticipated that the Crown's return and the mutual extension of MFN tariff treatment would be the capstone of a gradual, significant improvement in relations which had occurred since the late 1960's. We have not been disappointed. Post-war relations of distrust and hostility have been replaced by an atmosphere of mutual respect, candid and forthright discussions and an ability to deal with each other in a businesslike way on a wide variety of issues including topical international ones.

In the process of consolidating and building upon our improving relations with Hungary, the emphasis now is on economic and trade matters. Hungary has indicated serious interest in expanding its trade relations with the United States and in thereby broadening its Western economic interests beyond their present concentration in Western Europe. We are responding to this interest. The 1978 Trade Agreement was, of course, a major step forward. In other areas, we have just about reached agreement on a comprehensive program document to implement fully our 1977 Cultural and Scientific Exchanges Agreement. As I previously noted, last month we conducted another in a series of comprehensive bilateral reviews of implementation of all aspects of the Final Act of the Conference on Security and Cooperation in Europe. Speaker O'Neill and a distinguished group of Congressmen met with First Secretary Janos Kadar and other Hungarian leaders in Budapest in April. And we continue to be able to discuss humanitarian and emigration problem cases productively with the Hungarian Government.

Let me now address Hungarian emigration practices in some detail. It is true that Hungary has a labor shortage and does not encourage emigration. It is also true that Hungary's emigration law is ostensibly restrictive. However, our experience has verified that approximately 90 percent of applications for emigration for purposes of reunification with close relatives are approved without undue difficulty.

With reapplications and some persistence, problem cases usually are favorably resolved, even if only after some time. We have no evidence of official sanctions applied against persons seeking to emigrate. Emigration and passport fees are modest, totaling about $75 per adult applicant. There is no particular problem concerning Jewish emigration. Demand to emigrate from Hungary appears modest, probably attributable to the country's moderately high standard of living and relatively relaxed internal conditions. The Hungarian Government has indicated that in 1978 less than 2,000 Hungarians applied to emigrate, with intended destinations divided evenly between the East and West. According to Hungarian figures, 90 percent of applications overall were approved and 92 percent of those for persons seeking to go to the United States. (The U.S. Embassy in Budapest issued 125 immigrant visas in 1978). The Hungarian Government noted in passing that in 1979 more persons returned for residence from the U.S. to Hungary than the other way around. (The returnees are mostly retired persons.)

In the last four years, we have discussed 36 problem emigration cases with the Hungarian Government. The great majority of these have been favorably resolved. When MFN went into effect for Hungary last July, seven problem cases were outstanding. Four have subsequently been favorably resolved. Of course, the number of problem cases outstanding at any one time varies since, as older cases are resolved, new ones come up. As of May 31 there were nine cases involving 16 individuals under discussion between our two governments. Most of these cases date from earlier this year. We have indications that three of these cases will be favorably resolved in the near future.

I would also like to note Hungary's positive record in the field of travel. Large numbers of Hungarians travel abroad annually. Most go to other Eastern countries, but some 355,000 annually visit the West. The average Hungarian perceives that he can visit the West if he wishes, at least occasionally. This perception undoubtedly plays a role in reducing overall demand to emigrate. Hungary welcomes foreign visitors. Some 17,000,000 currently visit or transit the country annually.

Let me turn now to U.S.-Hungarian economic relations. Because the Trade Agreement went into effect only last July, it is still too soon to draw long-term conclusions about its effects. U.S. exports to Hungary in 1978 totaled $98 million while Hungarian exports to the U.S. were $68 million. Notably, the 1978 trade turnover of $166 million was up 32 percent from 1977's $126 million. We expect that agricultural products, particularly corn, soybeans and cotton, will continue to dominate U.S. exports to Hungary. However, sales of U.S. manufactured products such as agricultural and data processing equipment are expected to continue to grow. Hungary's exports to the U.S. are diversified. They include food products, pharmaceuticals, and various manufactured products and parts.

There already is clear evidence that the Agreement is having a favorable influence on U.S. commercial interests in Hungary. Since signing of the Agreement, Dow Chemical has received permission to open the first U.S. business office in Budapest, and the National City Bank of Minneapolis has informed us it will open an office in Budapest this summer. Our Embassy in Budapest has observed a substantial increase in Hungarian business inquiries and in issuance of visas to Hungarian businessmen. Both U.S. and Hungarian business sources have reported to the Embassy that the surge in interest on both sides is in large measure due to the Trade Agreement. Late last year, within the framework of the Trade Agreement, the Hungarians received permission to open a government commercial office in Chicago. The office is expected to open this summer. In February 1979 the U.S. and Hungary signed an agreement to avoid double taxation which, when ratified, will further facilitate arrangements for firms doing business in each other's countries.

Hungary ran a large hard currency deficit in 1978 and is trying to correct that situation this year by imposing economic constraints designed to reduce imports. Nevertheless, during the first four months of 1979, U.S. exports to Hungary were somewhat above U.S. exports for the same period of 1978. Hungarian exports to the U.S. were $7 million higher in the first four months of 1979 than in the same period of 1978.

The Trade Agreement constitutes a new chapter in U.S.-Hungarian business relations. Considerable learning by both sides is still occurring as to each other's trading practices, possibilities, and styles. One important dispute did arise in the field of chemical patents. A number of U.S. chemical firms have raised serious complaints concerning the business practices of Hungarian chemical enterprises involving certain products manufactured by the U.S. companies. We have stressed to the Hungarian Government the importance of resolving these problems in a timely and mutually satisfactory manner. Earlier this month, within the framework of our new Joint Economic and Trade Committee, we held government-to-government talks in Budapest on this problem, which also served as a means for the U.S. companies and Hungarian enterprises to resume their direct discussions. We believe that these talks, which produced an Agreed Minute between the two governments reaffirming earlier commitments for the protection of industrial property rights, have led to substantial progress toward resolution of this issue. In the final analysis, settlement of these problems will depend upon the success of the negotiations between the U.S. and Hungarian firms. We are pleased that these direct negotiations are continuing.

In conclusion, Mr. Chairman, we believe that both the Romanian and Hungarian performance, overall, justify an extension of the President's authority to waive Section 402 of the Trade Act and to continue in effect the waivers for Romania and Hungary. Our ability to continue to develop broad and meaningful contacts with these countries depends to a significant extent on the continuation of MFN. We believe that we can best serve the interests of those who wish to emigrate by maintaining an open and constructive dialog with the leaders of these two countries. We also serve our own interests by virtue of the expanded trade and economic relations made possible by the continuation of the provisions of our bilateral trade agreements with Romania and Hungary.

In view of these factors, Mr. Chairman, the Administration strongly recommends the extension of the President's authority to waive Section 402 of the Trade Act to continue in effect the waivers for Romania and Hungary, and to permit the extension of future waivers to other countries as circumstances permit.

Romanian immigration to the United States

(Monthly totals)

1977	*Immigrant Visas Issued* by Embassy Bucharest*
January	69
February	59
March	138
April	101
May	129
June	106
July	111
August	151
September	106
October	101
November	94
December	75
Total	1, 240
1976	
January	78
February	100
March	67
April	99
May	124
June	122
July	145
August	118
September	170
October	246
November	191
December	206
Total (1,706 including dual nationals)	1, 666

Footnote at end of table.

Romanian immigration to the United States—Continued
(Monthly totals)
1979

	Immigrant Visas Issued by Embassy Bucharest*
January	77
February	106
March	99
April	67
May	103
Total	452

*Includes third country processing, but excludes dual nationals.

Romanian emigration to the United States
(Annual totals)

Calendar year:	
1968	68
1969	142
1970	373
1971	362
1972	348
1973	469
1974	407
1975	890
1976	1,021
1977	1,240
1978 (1,706 including dual nationals)	1,666
1979 (January-May)	448

Romanian Jewish immigration to Israel
(Monthly totals)

1977	*Number of immigrants*
January	46
February	62
March	113
April	132
May	105
June	109
July	70
August	113
September	181
October	197
November	118
December	88
Total	1,334
1978	
January	63
February	73
March	96
April	77
May	148
June	111
July	90
August	90
September	99
October	100
November	98
December	98
Total	1,143
1979	
January	31
February	47
March	55
April	60
May	61
Total	254

Romanian Jewish emigration to Israel
(Approximate annual totals)

1971	1,900
1972	3,000
1973	4,000
1974	3,700
1975	2,000
1976	2,000
1977	1,330
1978	1,143
1979 (Jan-May)	254

*Hungarian immigration to the United States**
(Calendar year totals)

1974	146
1975	126
1976	127
1977	98
1978	125
1979 (Jan–May)	27

*Immigrant visas issued by U.S. Embassy, Budapest.

STATEMENT OF MR. JACK SPITZER

Mr. Chairman: I am President of B'nai B'rith International, an organization of a half million American men and women, in addition to our members in 41 other countries. I appreciate this opportunity to present the views of the Conference of Presidents of Major American Jewish Organizations, an umbrella organization made up of 33 constituent bodies.

Romania has enjoyed most-favored-nation trade status with the United States for the past four years, a status granted in expectation that emigration from Romania would become freer. Yet we have been confronted by the fact that though the volume of U.S.-Romanian trade has increased handsomely during this period, the level of Jewish emigration has fallen.

When Congress originally gave its consent to most-favored-nation status for Romania in mid-1975, it was with the advice of the State Department to let Romania's actual performance on emigration substitute for the formal assurances called for in Section 402 of the Trade Reform Act. Regrettably, Jewish emigration to Israel has gone from 3,700 in 1974—the last full year before MFN—to 2,400 in 1975, 2,200 in 1976, 1,500 in 1977, to 1,200 in 1978. Emigration thus far this year is running at approximately half of last year's rate. In the first five months of 1978, 459 Jews were permitted to leave; the same period this year shows only 251 leaving.

The Romanian government has offered several explanations for this decrease, but they have not fully resolved our questions.

This record of Romanian Jewish emigration has been the single exception to an otherwise positive picture of Romanian policy toward both Jews and the State of Israel. The Romanian Jewish community enjoys considerable religious, cultural, and communal freedoms, and Romanian foreign policy, particularly with respect to the Middle East, has been a courageously independent one. Romania alone among the Eastern bloc countries maintains friendly and productive relations with Israel. Indeed, President Ceaucescu was a major catalyst behind the Israeli-Egyptian peace process that culminated in the signing this past March.

But in light of our experience with Romanian emigration policy these past four years, we have been reluctant to recommend another extension of most-favored-nation status. Happily, however, recent developments have given us substantial reason to make a positive recommendation. We have received concrete assurances from the Romanian government—assurances which have been shared with, and endorsed by, the Department of State—that, in the spirit of the Jackson-Vanik amendment, will hopefully remove remaining impediments to the freedom of Jews to emigrate.

It is our belief that these assurances were made in good faith and that they will be honored by the Romanian government. It is on this basis that we believe we can now give our endorsement to renewal for the forthcoming year of most-favored-nation status for Romania.

We hope that our close observance of Romania's emigration performance will enable us to continue to endorse most-favored-nation status in the future. Indeed, we would like to believe that on the basis of recent understandings reached between the Conference of Presidents and the Romanian government, the problem of Jewish emigration from Romania may be resolved once and for all.

The Romanian government has shown a spirit of cooperation and flexibility in helping to resolve the issues which will hopefully serve as a model for resolving other human rights issues which the U.S. government, the Congress, or private organizations may want to bring to the attention of the Romanian government in the future.

We wish to express our gratitude to the Chairman of this Subcommittee for his good offices and to his staff for their personal involvement in the conversations which took place. The Department of State was also extremely helpful in the clarification and resolution of this important matter.

We appreciate your permitting us to state our position.●

LOUELLA DIRKSEN

● Mr. DOLE. Mr. President, I would like to express my sorrow at the passing of a good and noble lady, Mrs. Louella Dirksen. For many years, she was a familiar and welcomed sight in Washington, at the side of her distinguished husband, the late Senator Everett Dirksen. She contributed her warmth, her wit, and her boundless patriotism to a greateful Republican Party, and gave credence to her advice to live creatively on the edge of tomorrow.

Louella Dirksen was an inspiring speaker, and perhaps the best tribute we might pay to her oratory is that she always lived up to her words. As a tireless contributor to the civic life of her beloved Illinois, and as a mainstay of my party, she echoed the devotion that characterized her life as a wife and mother.

She will be missed by all who knew her, and by many more who admired her from a distance. But we have her example to inspire us, and her words to encourage us. When she goes home to Pekin, to lie beside the man she once called "Mr. Marigold," there are a great many of us who will keep a place in our hearts for her memory.

I extend my personal sympathy to her daughter, Joy, and her husband, our distinguished minority leader, and their two children. I know that the years ahead, for them even more than for the rest of us, will be warmed by joyous memories of this vital and loving woman.●

RESIGNATION OF PRESIDENT SOMOZA OF NICARAGUA

● Mr. KENNEDY. Mr. President, the resignation of Anastasio Somoza from his office as President of Nicaragua opens the door at long last to a political solution of the tragic civil war in Nicaragua. I join with the administration in calling upon the interim president, Francisco Urcuyo Malianos, to assure a rapid and peaceful transition to the new Government of National Reconstruction, as previously agreed by all parties. The United States should promptly recognize this new government which is supported by all of the democratic political forces in Nicaragua. We should work closely with it and other Latin American governments to help the unfortunate people of Nicaragua recover from their many months of bloodshed and civil war.

I welcome and support the continuing and important efforts of both the administration and the Government of National Reconstruction toward an early ceasefire and toward the creation of a new leadership committed to peace, unity, democracy, and justice in Nicaragua. In very important part, this progress has depended and will continue to depend on the strong support of the Nicaraguan people and the active cooperation of the democratic governments of Latin America.

On June 29, Acting Secretary of State Warren Christopher communicated to me the administration's active commitment to "an end to the bloodshed in that beleaguered country and an enduring and peaceful solution of the political crisis there." Mr. Christopher stated that:

> The conduct of the Somoza Government is the fundamental cause of the mounting tragedy in Nicaragua, and that it must be promptly replaced by a broadly-based, democratic alternative, which would be a clear break with the past.

On July 8, the leaders of the Government of National Reconstruction communicated to me that:

> We are motivated above all by a desire to shorten the suffering in our embattled Nicaragua. Peace will not be attained without justice and democracy, two things which we have not had in Nicaragua for the last half century and the attainment of which is the reason for the patriotic and heroic struggle of our people.

I hope that both the administration and the new leaders of Nicaragua will now work, in a concerted way, with our friends in Latin America and elsewhere to mount the major relief and reconstruction and effort needed to alleviate the extensive human suffering in the cities and the countryside. At the same time, we must spare no effort to encourage a peaceful transition both to an enduring system of democracy and justice in Nicaragua and to close and friendly relations among Nicaragua, the United States, and the other nations of the hemisphere.

Mr. President, I request that the full text of the June 29, 1979, letter to me from Acting Secretary of State Christopher be printed in the RECORD along with Mr. Chritsopher's important June 23 statement to the Organization of American States. I also request that the text of the State Department's June 17 statement on Nicaragua be printed in the RECORD.

The material follows:

STATEMENT IN THE MEETING OF FOREIGN MINISTERS OF THE OAS BY WARREN CHRISTOPHER, U.S. DEPUTY SECRETARY OF STATE

The resolution adopted represents an extraordinary effort by the nations of the Western Hemisphere to deal with the unique and tragic problem of Nicaragua.

As far as I know, there is no precedent for the broadly-based and far reaching resolution adopted today.

By this resolution, an overwhelming consensus of the nations of the Hemisphere have reached agreement on several important propositions:

(1) The conduct of the Somoza government is the fundamental cause of the tragic situation faced by the Nicaraguan people, and it should be replaced without delay.

(2) A broadly-based democratic alternative should be promptly installed, and free elections should follow as soon as possible.

(3) The human rights of the Nicaraguan people, so long abused, shall be guaranteed.

(4) The member states are urged to take whatever steps may be feasible to facilitate an enduring and peaceful solution to the Nicaraguan problem.

(5) The member states are called upon to scrupulously respect the principle of non-intervention and to abstain from taking any action incompatible with an enduring and peaceful solution.

(6) Finally, the member nations commit their efforts to promote humanitarian assistance to the people of Nicaragua and to contribute to the recovery of the country.

The United States is pleased to join this resolution in the interest of hemispheric solidarity. While the resolution does not have the specificity we had originally desired, it does permit constructive actions by the member countries.

Our support for the resolution is a reflection of the policy of the United States to give full respect and dignity to the views of the other member nations, and to find accommodations which enable us, avoiding unilateral actions, to act in unison.

STATEMENT ON NICARAGUA BY THE DEPARTMENT OF STATE

We hope the resignation this morning of Anastasio Somoza Debayle as President of Nicaragua will end that country's tragic civil war and will enable Nicaraguans to begin the process of reconstructing their country in peace and freedom.

From the beginning of the violence that set Nicaraguans against each other, the Organization of American States and its member nations, including the United States, have worked to facilitate a peaceful and democratic solution to the civil strife in Nicaragua.

After the bloody outbreak of violence and insurrection last September, we joined with other friendly governments to encourage a negotiated solution. The suffering and abuses documented by the Inter-American Human Rights Commission, had already then made clear that the alternative to a negotiated peaceful settlement would be even worse violence.

A three-nation mediating group, in which the U.S. joined with the Dominican Republic and Guatemala, worked with both President Somoza and his growing opposition. The mediators succeeded in obtaining the agreement of major opposition forces to an internationally supervised plebiscite that would have permitted Nicaraguans to determine their future by secret ballot. President Somoza rejected the mediators' proposed formula for plebiscite, despite warnings that rejection would likely lead to renewed violence.

Over the past several months, President Somoza became increasingly isolated. Nicaraguans of many persuasions cast their lot with the armed insurrection against him, and against his family's domination of Nicaraguan life. In June, the nations of the Americas, asembled in the OAS, overwhelmingly called for the "immediate and definitive replacement of the Somoza regime (with) a democratic government."

The result this morning is the end of the most prolonged remaining system of personal rule in the modern world. To facilitate the transition, we will receive Mr. Somoza in this country where he will join his wife, who is an American citizen. While in the United States, Mr. Somoza will have the protection of U.S. law; he will also be subject to its obligations.

Today's events will not end the suffering in Nicaragua. The war has created hundreds of thousands of refugees, both within Nicaragua and in neighboring countries. There is a great need for food, medicine, and emergency shelter. In the last few weeks, we have made nearly 1000 tons of food and a large supply of medicine available to the Nicaraguan Red Cross. Now more can be done.

With the prospect that the hostilities that hindered the administration of humanitarian assistance will be ending, we can expand the emergency airlift to feed the hungry. This effort will be coordinated with the efforts of international agencies and with other nations throughout the hemisphere and the world.

A caretaker regime is in place to begin the process of national reconciliation. A Government of National Reconstruction, formed initially in exile, will assume power from the caretaker regime. It has pledged to avoid reprisals, to provide sanctuary to those in fear, to begin immediately the immense tasks of national reconstruction, and to respect human rights and hold free elections. The Inter-American Human Rights Commission and leaders from throughout the hemisphere, many of whom, like the members of the Andean Group, took the lead in assisting the resolution of the conflict, will be present to offer their support.

Throughout this long and difficult period, we have repeatedly consulted wtih countries in the region. These countries have played an active and important role in facilitating the transition in Nicaragua. We will continue to seek their counsel in the days ahead, as we prepare to work with the new government.

We wish to look to the future and to build a new relationship of mutual respect with the people and government of Nicaragua.

DEPARTMENT OF STATE,
Washington, D.C., June 29, 1979.

Hon. EDWARD M. KENNEDY,
United States Senate

DEAR TED: Thank you for your letter of June 25 and for your forceful and thoughtful statement on the tragic events in Nicaragua. I can assure you that the President, Cy and I fully share your deep concern, and that, in conjunction with our OAS allies, we are actively seeking an end to the bloodshed in that beleaguered country and an enduring and peaceful solution of the political crisis there.

I am enclosing a copy of my statement in the OAS last Saturday, in which I explained our vote in favor of the unprecedented resolution adopted to deal with the Nicaraguan crisis. As I stated, we believe that the conduct of the Somoza Government is the fundamental cause of the mounting tragedy in Nicaragua, and that it must be promptly replaced by a broadly-based, democratic alternative, which would be a clear break with the past.

In seeking to achieve these ends, we are engaged in a wide-ranging diplomatic effort in Washington, in Managua, and throughout the hemisphere. Our goal is a process which would remove Somoza peacefully and would lead to negotiations among a wide spectrum of Nicaraguan society, a ceasefire, and the establishment of a new representative government.

We have no desire to create competing forces within Nicaragua. At the same time, however, we are concerned that Somoza's departure not create a vacuum. We are, therefore, urging the formation of a government of national reconciliation, to include the provisional junta, looking toward the establishment of the new democratic system essential to the restoration of peace in Nicaragua.

I hope that we can count on your support for our efforts.

With regards.

Sincerely,

WARREN CHRISTOPHER,
Acting Secretary.●

A REFUGEE JOURNEY TO BOSTON

● **Mr. KENNEDY.** Mr. President, there has rightly been much written in recent days about the refugees from Indochina, and the desperate plight of the boat people. Against great odds, these refugees seek safe haven and a hope for a new life in a new land.

Amidst the daily reports of the tragedies that all too often overtake the boat people, it is heartening to find a boat story with a happy ending—such as that of Nguyen Van Tich, whose journey as a refugee finally took him to Boston this past weekend, where he had a joyful reunion with his family at Logan Airport.

For Nguyen the road to Boston was a long and dangerous one. Over 4 months ago, he and 200 other Vietnamese refugees left on the high seas in a small 56-foot craft. The third day out, the vessel was attacked by Thai pirates who robbed all on board and attempted to sabotage the boat. In the process, Nguyen, who was a former naval officer, was beaten and tortured.

Finally, they made it to the shore of Malaysia, only to be turned out to sea again. Some days later they landed on a small island in Indonesia, where they were granted safe haven and the protection of the U.N. High Commissioner for Refugees.

But this suffering seemed far away as Nguyen joined his family in Boston, and told his story to the Boston Globe. He repeatedly said:

> I am very happy to be here. I want the kids to go to school. And, me, I am ready to go to work.

Nguyen's story is only a graphic reminder of the great risks and desperate needs of all refugees, and their strong claim upon the attention and concern of the American people. We must, and we can, Mr. President, be generous in our response.

I ask that the story of Nguyen's journey to Boston be printed in the RECORD.

The material follows:

[From the Boston Globe, July 15, 1979]

SAIGON TO MASSACHUSETTS—DANGER RODE WITH BOAT PEOPLE

(By Gary Langer)

It has been a long road for Nguyen Tich Van and his family.

It's a road that has led them from a hideout in their native Saigon to a squalid Indonesian refugee camp, by way of a leaky boat on the South China Sea. It has been a road fraught with the constant dangers of Communist reprisals and pirate attacks.

Nguyen (pronounced 'new-ee-en') and his family reached the end of that road to freedom yesterday—when they arrived to a tearful, joyous welcome at Boston's Logan Airport.

The new life Nguyen has found is one that is being sought by an estimated 350,000 "boat people," the Vietnamese, Laotian and Cambodian refugees who have fled their countries packed in derelict ships, headed toward an uncertain future. The US is allowing 14,000 refugees a month to join the 205,000 who have reached America since 1975. About 5000 Indochinese have settled in New England so far.

"I am very, very happy," said a beaming Nguyen, two of his three young children at his knee, after departing TWA Flight 16 from Los Angeles. "Very happy," he repeated.

Sharing in Nguyen's joy was Cuong Tong, his brother-in-law, who has lived in Chelmsford since 1975. It was through the efforts of both Cuong and John and Elizabeth Minott of Chelmsford that the family was able to come to America.

"Cuong asked us to sponsor his people to come," said Mrs. Minott, the chairwoman of an outreach group at the Central Baptist Church in Chelmsford, where her husband is minister. "We sponsored four other people four years ago, and with the help of the American Baptist Churches Assn., we were able to do it again."

Also helping in the effort was the Catholic Charitable Bureau, which loaned Nguyen the $1600 airfare his family needed to leave Indonesia.

Yesterday, Minott was more than repaid for her months of work arranging the Nguyens' arrival. She quietly wiped the tears of joy from her eyes as Nguyen, speaking through his brother-in-law, described the suffering and uncertainty he and his family had endured.

Nguyen, 39, had served in the South Vietnamese Navy for 14 years as a radar specialist, he said. His 36-year-old wife, Tong Dung Thi Kim, had worked as an executive secretary for the South Vietnamese government.

"After the Communist came, people who worked for the government or in the service had to hide," he said. "We left our house and stayed in town, at the markets where there are many people. If the government found us, we wouldn't be here right now."

An amnesty was declared after several months, Nguyen said, and he came out of hiding. The Communists put him to work on radar systems. "There were many US Navy boats left behind," he said. "They kept me to teach the Communist Navy."

Nguyen continued to seek a way of escaping the Communists, he said, until just over four moths ago—when he, with his family and 200 othef refugees, slipped away on a 56-foot boat. Nguyen, with his navy experience, served as captain.

"The boat was in good condition when we left," he said. "But three days out the Thai pirates came. They took all our supplies and looked for gold. There was no gold and they put a hole in the boat. Then they hung me by the neck."

The pirates—who Nguyen said were equipped with radar—returned 14 hours later to harass the vessel again. Again he was tortured—until, finally, the pirates left.

The boat, jammed to the gunnels with refugees, limped along with the help of sails and a two-cylinder engine, Nguyen said. He said supplies were limited to a few cans of food. Each refugee got only one glass of water each day, he said.

After seven days at sea, with Nguyen navigating, the boat reached Malaysia. But, said Nguyen "conditions were very bad there, and they kicked us out after only two days." The refugees returned to the sea in their crippled boat, arriving at Tang Jung, Pinang, Indonesia, three days later.

"In the refugee camp there I was very nervous," he said. "I didn't know if the US would pick us up."

Gathering around Nguyen were his wife, his daughter Nguyen Nuoc Thi Kim, 12; his sons Nguyen An Huy, 10 and Nguyen Bao Huy, 8; and his nephew Tong Duc Phouc, 14. All wore broad smiles.

They were fortunate to be together, Nguyen said. His nephew was only able to join their escape when Nguyen paid a ransom of eight ounces of gold to have him released from the Vietnamese army.

One of the widest grins was worn by Cuong Tong, the Chelmsford resident who had not seen his sister and brother (Nguyen's wife and nephew) for five years.

"I have written to them once a year," Tong said. "I had to sign different names and use symbolic language so they knew it was from me."

The reason for the secrecy, said Tong, who works as a mechanics consultant in Wellesley, is because "if the Communists knew I was alive, they could make trouble for my family in Vietnam."

Tong's fear for his family and all the uncertainties the refugees have had to live with are over now. They will stay with the Minotts until an apartment is found for them. "And if they work half as hard as Cuong," Mrs. Minott said, "they'll have no problem adjusting. These are the most industrious, gentle people you'll meet."

The still-smiling Nguyen seemed eager to bear out Minott's prediction. His plans for the future, he said, are simple: "I want the kids to go to school. And me, I am ready to go to work."

Asked what he and his family would have done if they were not able to come to America, Uguyen just slowly shook his head. "I am very happy to be here," he said again.●

SALT II AND THE FEDERAL REPUBLIC OF GERMANY

● **Mr. GARN.** Mr. President, a great deal has been said and written about the attitude of our Western European allies concerning the proposed SALT II Treaty. I would, therefore, like to draw the attention of my colleagues to a recent statement by the Chairman of the Christian Democratic Union of Germany, Dr. Helmut Kohl, regarding SALT II. Dr. Kohl's statement is an articulate exposition of his partly's approach to the SALT negotiating process and its concerns with the SALT II Treaty presently under consideration by the U.S. Senate.

The most fundamental concern of the Western Europeans is that the United States maintain a credible nuclear deterrent vis-a-vis the Soviet Union and that the cohesion of the Western Alliance be preserved. Dr. Kohl correctly points out that the SALT process, that is the effort to negotiate meaningful reductions in the nuclear arsenals of the United States, is not incompatible with the goal of a credible deterrent and allied cohesion.

Arms control alone, however, is not the answer. It must be pursued in conjunction with a sound and vigorous defense posture. As Dr. Kohl notes: Arms control initiatives must be accompanied with "a modernization and calculated strengthening of the nuclear medium-range potential in Europe"; it must be accompanied, on the part of the United States, by "further rearmament measures which serve to strengthen European confidence in the real basis of her nuclear guarantee."

Since the signing of SALT I, the national defense efforts of this country have not been vigorous. We have not taken cognizance of the growing Soviet threat. And now we are being asked to put our seal of approval on a SALT II Treaty that legitimizes a massive increase in the Soviet's nuclear arsenal, and legitimizes Soviet nuclear superiority in a number of critical areas. We will reap the fruits of this ill-advised policy in greater Soviet adventurism and increased accommodation by the West to Soviet demands. Dr. Kohl is well aware of the consequences should the credibility of our nuclear deterrent be undermined. He writes:

> If the impression were to arise among the public opinion of Western Europe and the

> Federal Republic of Germany that the global strategic and the continental strategic balance of forces in Europe were to shift against the USA and the Atlantic Alliance, that might encourage trends towards a political adjustment with the Soviet world power . . .

With regard to the specifics of SALT II, Dr. Kohl focuses his attention on the problems raised by the protocol. First, the United States must insure that the terms of the protocol will terminate after 3 years, and will not be unilaterally extended by the President. In clarifying this issue, the Senate has a particularly useful role to play. Second, the range limitation on ground- and sea-launched cruise missiles is of very serious concern to our allies. This is especially so given the growing threat posed by the Soviet buildup in intermediate and theater nuclear weapons.

And finally, there must be no question that the "non-circumvention" clause of the SALT II treaty does not restrict technological exchanges between the United States and its allies in Europe. Dr. Kohl emphasizes that "the CDU believes in the absolute need for watertight safeguards in respect of all the options underlying cooperation within the Alliance."

Mr. President, we will have ample opportunity to hear the views of our allies concerning SALT II in the process of our deliberations, and I believe that Dr. Kohl's remarks warrant our attention in this all-important debate. I ask now that Dr. Kohl's statement be printed in the RECORD.

The statement follows:

STATEMENT BY DR. HELMUT KOHL

1. As the CDU has already declared on a number of occasions in the past, it welcomes the American-Soviet negotiations on the limitation of nuclear strategic weapons. The SALT negotiating process of which SALT II only constitutes one stage and one segment can in fact stabilize the nuclear strategic balance and thus help to preserve peace inasmuch as the Western deterrent remains credible. At the same time, steps must also be taken to ensure under the cover of intercontinental strategic parity that the continental strategic disequilibrium in Europe is not aggravated in such a manner as to impair the credibility of the deterrent and the realization of the strategy of a flexible response. On these assumptions, SALT agreements could exercise a positive influence on the general development of East-West relations—a development in which we have a particular interest.

2. There can be no isolated assessment of SALT II. It must be viewed in the context of American nuclear policy as a whole as well as against the background of the given balance of forces and the world-wide relations between East and West. For this reason, crucial importance also attaches to the forthcoming fundamental and individual decisions to be taken in the USA and in the Alliance on modernizing the global strategic and the continental strategic theater nuclear systems. From our standpoint, the SALT Treaty only represents *one* element, though admittedly a weighty element, in the whole system of American nuclear policy.

With this in mind, we also welcome the fact that the occasion of the ratification procedure in respect of the SALT II Treaty has revived a fundamental debate in the United States not only on the experience gained to date on American-Soviet arms control policy and its future prospects, but also on the USA's overall nuclear policy and its implications for the security of her allies.

As a number of statements made by the American Administration and the Congress go to show, there is clear recogniton in the United States of the fact that American-Soviet arms control policy affects not only the security of the United States herself, but also that of the NATO states as a whole.

A geographically and politically exposed ally like the Federal Republic of Germany—a state whose confidence in the American guarantee of nuclear protection led it upon its accession to NATO to renounce in principle vis-a-vis its allies any self protection through a nuclear deterrent of its own and moreover a state which assumed a corresponding obligation towards the Soviet opponent of the Alliance in the Non-Proliferation Treaty pursuant to American wishes—cannot fail to appreciate just how much is at stake for vital West European security interests in American nuclear strategy. These interests are only safeguarded in a credible manner if the USA at all times explicitly manifests her acceptance of them as her very own.

After all, psychological and political stability in Western Europe and thus also in the Federal Republic of Germany depends to a substantial degree on the general public's continuing belief in the credibility of the USA's nuclear shield.

Hence, the shaping of public opinion in Western Europe will not depend primarily on the issue of whether American-Soviet arms control negotiations and agreements are still possible and desirable. On the contrary, particular significance will attach to the consideration as to whether such negotiations and agreements are linked to an American nuclear strategy which is guided by the principles underlying the credibility of the deterrent, the essential equivalence of the nuclear forces and the axiom of the indivisibility of the risks faced by the Alliance.

Hitherto, the view prevailed in Western Europe that the European NATO partners were allied with a world power who could rightly regard itself as "second to none". Yet the accelerated Soviet nuclear build-up gives rise to misgivings in this context. If the impression were to arise among the public opinion of Western Europe and the Federal Republic of Germany that the global strategic and the continental strategic balance of forces in Europe were to shift against the USA and the Atlantic Alliance, that might encourage trends towards a political adjustment with the Soviet world power—a move which the CDU has unequivocally opposed for decades and which she will continue to oppose.

Thus, the future basic line on foreign policy in Western Europe and Germany will largely depend upon the conclusions drawn by the peoples of the Alliance from the basic discussion on the whole make-up of American nuclear policy.

That explains why clearness on the continuing credibility of all components of the Alliance strategy is just as important as the argument about the more technical aspects of SALT II such as the question of verification, an issue which must be primarily resolved by the USA herself.

The aim of the SALT Treaty is to establish approximate strategic parity between the two world powers. However, the payload advantage of Soviet intercontinental missiles and their improved accuracy may already lead in the early 1980s to a certain superiority on the part of the Soviet Union in the global strategic sector. According to the testimony furnished by the current American Administration, there is a risk that the Soviets will obtain the capacity for a first strike against land-based American intercontinential missiles during the life of the Treaty.

Since these shortcomings cannot be rectified during the life of SALT II due to the long preparatory period prior to introducing new strategic systems, the actual nuclear strategic balance of forces after 1985—irrespective of the ratification of the SALT II Treaty—will hinge upon a timely making and implementing of the requisite decisions about modernizing and strengthening this potential needed to maintain the American deterrent.

Hence, the CDU explicitly welcomes President Carter's recent fundamental decision to produce an MX system.

We expect that the USA will also carry out further rearmament measures which serve to strengthen European confidence in the real basis of her nuclear guarantee.

The USA may well be able to live for a fairly long period of time in a position of significant inferiority vis-a-vis the Soviet Union in the nuclear strategic sector. But in the case of Western Europe, whose military strength compared with the Soviet Union is marked by inferiority in both the nuclear and the conventional sector, the situation would become intolerable in such a development and the political outcome incalculable.

3. However, any attempt to stipulate the approximate intercontinental strategic nuclear parity of the world powers invariably produces a situation whereby regional disequilibria become more and more dangerous—militarily, politically and psychologically. A world power may in the future be sensitive or even vulnerable to blackmail in those areas where it cannot demonstrate its global interests to its international adversary with equal firmness by virtue of regional systems. But in such an event, the allies of a world power which fails to make intensive efforts to diminish regional disequilibria are less secure and even more susceptible to pressure. They are bound to entertain fears in these circumstances that the other side will attempt to use its capacity for applying pressure in order to obtain political influence.

The Soviet Union has clearly discerned the regional consequences of agreements to establish global nuclear strategic parity. Parallel with the negotiations on SALT II, she has been accelerating her build-up of nuclear weapons targeted on Europe during a period of "détente" and this process is in fact continuing. In consequence, the Soviet Union has attained a position of continental strategic superiority in Europe and this is still growing at an alarming rate.

The Federal Republic of Germany is thus faced by the imperative question as to what concrete measures the Alliance in general and the USA in particular should take to counteract the emergence of an escalation gap in medium-range nuclear weapons. In the opinion of the CDU, steps must be taken parallel with the ratification procedure to ensure that the Alliance counters the questioning of the concept of a flexible deterrent and to ascertain how to do this.

As things stand, this cannot be achieved solely by arms control: it calls for a modernization and calculated strengthening of the nuclear medium-range potential in Europe.

Past experience has taught us that East-West negotiations—such as the CDU also deems essential—on continental strategic theater nuclear weapons require a lot of time. On this account, the urgently necessary modernization and strengthening of NATO's theater nuclear potential cannot become dependent upon arms control negotiations between the USA and the Soviet Union.

Furthermore, there are many signs that such arms control negotiations, carefully coordinated within the Alliance, only enjoy any real chance of success if the East is convinced of the seriousness of the Western intention to provide an appropriate reply to the Eastern challenge.

In this context, we would also emphasize the expectation and indeed confidence of the CDU that the USA will pay as much attention to the security interests of Western Europe as to her own in any possible incorporation of the nuclear weapon systems targeted on Europe within a continuation of the SALT negotiating process.

4. It is a matter of great moment in this regard that the SALT II Protocol closes the options on weapons for three years—a period of time which possesses decisive importance for re-establishing an appropriate capability of escalation.

In particular, it prohibits the stationing of land and sea-based cruise missiles with a range over 600 kilometres, a factor whose significance for Western security needs no further explanation.

Since a re-establishment of the impaired balance of forces in Europe hardly seems feasible in the long run without this weapons system, steps must be taken to ensure that this Protocol does in fact expire without any sequel after the agreed term of validity so that the options are legally and politically kept open for all those systems which the West's deterrent potential cannot renounce if it is to retain credibility.

As previous Soviet pronouncements on this subject have intimated, the USSR will probably undertake the attempt after ratification of the Treaty to make any advance in future SALT negotiations dependent upon the actual continued validity of the SALT II Protocol.

There is likely to be considerable Soviet pressure upon the USA to achieve this. Indeed, there is every likelihood that the Federal Republic of Germany would also be subjected to massive efforts designed to influence her towards inducing the USA to take a more pro-Soviet line "for reasons of détente" and in the interest of continuing the arms control dialogue.

The CDU proceeds on the assumption that the USA assigns the highest priority to the interests of the Alliance in this matter and that she will make it unequivocally clear during the ratification procedure that neither the threat of a change in the atmosphere surrounding arms control talks nor a marginal concession on strategic intercontinental weapons can prevent the expiry of the Protocol after three years.

5. The SALT II Treaty contains an ambiguous non-escape clause designed from the Soviet point of view to restrict the requisite military and technological cooperation between the USA and her European allies in sectors which are important for security reasons. Admittedly, the USA has explained her own interpretation of the non-escape clause during internal consultations with her European allies and she has given them appropriate concrete assurances.

Yet in view of the growing Soviet potential to menace Europe—a potential capable of producing an arsenal of options for political intimidation, pressure, threats and blackmail—the SALT Treaty (if ratified) must not burden Western Europe with the political mortgage of American-Soviet differences over correct interpretation and application. As a world power, the USA might be able to indulge in a future dispute with the Soviet Union about interpreting SALT II. On the other hand, the impact of this on an exposed non-nuclear state like the Federal Republic of Germany wooed as she is by Moscow would be incalculable.

On this point, the suggestion has also been put forward that the American interpretation should already be made public during the ratification stage so as to remove any doubts and misunderstandings on either side. At all events, the CDU believes in the absolute need for watertight safeguards in respect of all the options underlying cooperation within the Alliance.●

A SALUTE TO RICHMOND, MICH.

● Mr. RIEGLE. Mr. President, recently the Michigan State Senate passed a resolution commemorating the 100th anniversary of Richmond, Mich. I wanted to add my vote in calling the attention of the U.S. Senate to this resolution honoring the city of Richmond.

The resolution puts forth several of the contributions which the citizens of this community have made over the past 100 years. Among the most notable is its organization of the community's first school in April 1838. Education has remained an important element in the lives of the citizens of this community.

To the citizens, I commend you on your laudable contributions of the past and express my sincere hope that Richmond will continue to prosper in the future.

I request that the resolution be printed in the RECORD.

The resolution follows:

A RESOLUTION COMMEMORATING THE 100TH ANNIVERSARY OF THE CITY OF RICHMOND

Whereas, Upon the occasion of its One Hundredth Anniversary, we offer this resolution of tribute to the City of Richmond, to hail the centennial heritage of one of the State's more prominent communities; and

Whereas, In 1879, three nascent communities, Beebe's Corners, Coopertown, and Lenox, embarked upon a merger that engendered the Village of Richmond, with a population of 750 residents by the year 1880, and that budgeoned into a populated city of 3,600 today; and

Whereas, This community's high interest in the education of the child was established in 1838, when, in April of that year, the first school was organized. From 1874, when the first school district was formed and the first brick building was built, until the present, Richmond schools have been extremely successful in building character and leadership in its youth; and

Whereas, The prosperous future of the City of Richmond is assured by its strong roots in the past, the descendants of its original founders and above all, the long lasting community pride in its heritage, hope for the future and spirit of growth. Because of this, successive generations, and especially the youth of the community, have a great responsibility to the many courageous people that forged the development of this vital community; now, therefore, be it

Resolved by the Senate, That the Michigan Senate hereby commemorates the One Hundredth Anniversary of the City of Richmond, an event which will be an inspiration to its coming generations as they contribute to the largest city in the northern part of Macomb County; and be it further

Resolved, That a copy of this commemorative tribute be transmitted to the City of Richmond in testimony to the esteem held for it by the Michigan Senate.

Adopted by the Senate, June 7, 1979.

BILLIE S. FARNUM,
Secretary of the Senate.●

OIL FROM PORK

● Mr. ARMSTRONG. Mr. President, how much oil can we get from a barrel of pork?

I am afraid we're going to find out.

The centerpiece of President Carter's recent address to the Nation is his proposed Energy Security Corporation, which has been assigned the goal of producing 2½ million barrels of synthetic fuel a day by 1990.

The Energy Security Corporation is not to be just another Government agency, like the Department of Energy. Instead, it is to be an independent Government corporation—like the Postal Service.

The President said the Energy Security Corporation, coupled with the expanded mass transit programs and the additional aid to the poor he proposed Sunday night, will cost about $142 billion over the next 10 years.

That is a big hunk of change. But taxpayers are not to worry. All but $5 billion of the $142 billion, the President said, will come from the "windfall profits" tax on the oil companies that he has proposed.

The President must be expecting some stupendous windfall profits. The $14 billion a year that he says his program will cost is more than the combined profits of the 10 largest American oil companies, and is about as much as we paid for Middle Eastern oil last year.

Of course, $142 billion would not be too high a price to pay for energy independence—especially if just about all of it can be taken out of the hides of the oil companies.

But the President's goal of 2½ million barrels per day of synthetic oil production—which experts say is unrealistically optimistic—falls rather short of energy independence. We imported an average of just under 8 million barrels of oil per day last year. In fact, 2½ million barrels per day is just a trickle more than the loss in world oil production which occurred last year as a result of the turmoil in Iran and the cutback in production in Saudi Arabia.

So the long-term prospects for the President's "crash" program of Government-sponsored synthetic fuel development are not quite so rosy as he made out in Sunday night's speech.

And there are no short-term prospects. The 2½ million barrels per day of Government-sponsored synthetic fuel production will not come on line for at least 10 years. Before then, there will be precious little synthetic fuel production from the Energy Security Corporation, and in the next several years, none at all.

Meanwhile, what do you suppose will happen to domestic production of existing sources of energy, if we levy on the energy producers an additional $14 billion a year in taxes? And people wonder why Mobil is getting out of the oil business and into the department store business.

Despite the rather bleak cost-benefit ratios—the first few million barrels of synthetic fuel production will cost upward of $60 a barrel, even assuming there will be no inflation—legislation to create the Energy Security Corporation mainly will sail through Congress.

Congressmen and Senators have been sensitive, with good reason, about their inaction on the energy issue. Throwing gobs of other people's money at problems always has been their favorite form of action—especially if much of that money can be expected to trickle down into their congressional districts.

So, do not be surprised to see lawmakers who a few short months ago cheerfully blocked huge hydroelectric projects for the sake of an obscure perch and an even more obscure fungus, vote with equal cheer to create a huge new Government agency, empowered to run roughshod over the environmental laws of the land in order to create a diblet of synthetic fuel at three times the OPEC price.

Perhaps, instead of creating this gigantic boondoggle, Congress will overrule the President and restore needed incentives for energy production and conservation through free-market pricing; eliminate redtape retarding exploration, production, development, and marketing of fuel, and provide tax incentives for production of oil from oil shale and coal. Such measures would cost consumers and taxpayers far less than the President's proposals, and would produce much more fuel, more quickly.

Such an approach makes sense and sense has been sorely lacking in Federal energy policy.●

INTERNATIONAL TERRORISM

● Mr. PACKWOOD. Mr. President, few Americans in recent times have been the victims of political violence; few have firsthand experience with acts of terrorism. This thankful state of affairs is not, however, the case everywhere. The indiscriminate bomb, the blast of sniper fire, or the taking of political hostages are becoming more common than rare in many parts of the world. Political tensions, especially in the Middle East, are heightened by the growing role that terrorists are playing.

Terrorism, no matter its purpose or spurious political justification, is condemnable. It is nothing less than the utter disregard for all human life. It places political ends above human values. Every decent human being and every civilized government on Earth must combat and condemn terrorism wherever or however it appears.

Two weeks ago, the Jonathan Institute in Jerusalem opened the first Conference on International Terrorism. The purpose of this unprecedented meeting was to bring together the leaders, educators, and writers from Western nations to address the grave problems the terrorists present, the tactics for combating terrorism, and the need for a unified stand. The United States was proudly and ably represented by two outstanding Members of Congress, Senator JACK DANFORTH of Missouri and Congressman JACK KEMP of New York.

On July 3, JACK DANFORTH spoke to the conference with a special message on the role of democratic governments. He described the vulnerability of all democratic societies to acts of terrorism. An open society is often the ready victim to attacks that totalitarian regimes effectively squash. Yet this weakness, Senator DANFORTH states, is also our strength. The openness of a democratic society is the primary way to earn the support and participation by its members.

JACK KEMP addressed the conference on July 4 with a different message. He offered a careful and accurate review of the U.S. response to and policies regarding terrorism in the past. He also explained the obvious, but largely overlooked role taken by the Soviet Union in training and encouraging transnational terrorist organizations. Most importantly, he concluded with his own recommendations for policies to combat terrorist activities.

Both of these addresses are challenging, articulate, and insightful. I recommend them as important reading to every Member of Congress.

At this time, I ask to have these speeches printed in the RECORD.

The speeches follow:

ADDRESS BY SENATOR JOHN C. DANFORTH

My specific role today is to discuss the effects of terrorism on the democratic societies in which we live. In order to perform this role, I want first to say a few words about the common characteristics of democratic societies. Then, it is my intention to discuss the effects terrorism and the methods used to combat it have on democratic values. Finally, I will make some comments which I hope will be helpful in thinking about the future.

Democratic societies, of course, differ widely in the precise structures of their governments. Some are parliamentary in their organization, others rely on separately chosen executives. Some build upon written constitutions, others point to long traditions which provide the framework for ongoing governmental action. Yet, with all the variations in form, democratic societies share fundamental assumptions about the nature of man and the purpose of government.

Democratic societies share a common respect and concern for the individual person. An individual, no matter who he is, has a special value just because he is an individual. He has his own worth—his own dignity. And that worth and dignity shape our way of thinking about the purpose of government. A population consists of individuals, each with his own distinct worth. Therefore, it is foreign to the nature of a democratic society to think of persons as "the masses" or "the proletariat." They are not masses, and they are not proletariat. They are persons, each of whom is unique and each of whom possesses his own set of hopes and dreams.

Government in a democratic society, by its nature, respects the dignity of its citizens. The state exists to serve and protect the individual, which is the precise opposite of the relationship that exists in a totalitarian regime. Totalitarianism, the total claim of the state on the lives and loyalties of its subjects, is in flat contradiction to the values of democratic society. The purpose of democratic government is not to bully people—to push them around for its own ends—but to provide individuals with the necessary structure so that their opportunities for personal fulfillment are enhanced. In the words of the United States Constitution, a function of government is to "insure domestic tranquility." Thus, the democratic state restrains antisocial behavior and prevents those outbreaks of destructiveness which would make a decent life impossible for the individual citizen.

While democratic governments must preserve order within their countries, they do not possess unlimited power to do so. They themselves are restrained, and this sets them apart from totalitarian regimes.

A totalitarian state can maintain order quite efficiently by the exercise of unrestrained power. By contrast, a democratic society must preserve order without abridging the individual rights of its citizens.

This tension between insuring domestic tranquility and avoiding excessive governmental power is heightened by the growing frequency of terrorism. On the one hand, violent extremists so disrupt the orderly workings of society that effective governmental action is a necessity if we are to enjoy the fruits of civilization. On the other hand, we must be watchful lest, in dealing with the actions of terrorists, the values of a democratic society are weakened by governmental excess.

Clearly, terrorism cannot be ignored on the theory that to deal with it effectively threatens the civil liberties of our citizens. A well-advanced sensitivity to civil liberties is an essential ingredient in a democratic society. Yet, unchecked terrorism is, by itself, a threat to the values of a democratic society. Therefore, not to check it, and to check it effectively, is to invite the destruction of a set of values which were centuries in the making.

Terrorism is the antithesis of democratic values. As democratic societies hold a common respect for the unique worth of each individual, terrorism rejects that concept of personal worth. Terrorism is inherently indiscriminate and arbitrary in its actions. Any innocent civilian killed will serve its purpose. It does not matter who the next victim is. All lives, combatant and, preferably, noncombatant are equally expendable. No matter whether violence produces dismemberment, maiming or death; no matter whether the victims are young or old, male or female; all serve the purpose of the terrorist.

When a locker in a busy airport explodes, it does not matter to the terrorist who may happen to be walking by. When an airplane is hijacked, it does not matter to the terrorist who is in that airplane.

Persons are, to the terrorists, not persons at all. They are not separate and distinct human beings, each possessing his own special value. They are only things—objects—numbers to be counted in some body count when the anonymous phone call is made claiming credit for the most recent outrage.

As terrorism is the antithesis of a democratic society's concept of man, it is obviously the antithesis of a democratic society's concept of the social order.

Unlike a democratic government, which depends for its authority on the consent of the governed, terrorists depend on no consent at all. They exist by stealth in tiny bands, sneaking from one secret hiding place to another to scheme about their next maneuver. With tiny followings, they reject the democratic process. They cannot operate openly. They do not appeal to the public. They hide from it. They are accountable to no one except themselves.

As terrorists destroy lives, their aim is to destroy democratic institutions as well. Their goal is to shake the faith of citizens in their government, or to trigger a repressive military or police response which, in itself, destroys democratic institutions.

Public cooperation with democratic institutions can be seriously weakened by terrorist activity. In Northern Ireland, citizens who under normal circumstances would be willing to cooperate with police and prosecuting officials have refused to do so. The effectiveness of the jury system in criminal prosecutions has been seriously compromised by jurors who fear reprisals at the hands of the terrorists.

Terrorism, then, is far more serious than the ordinary variety of criminal activity. It is destructive of democratic institutions which have taken centuries of persistent effort to develop. For this reason, effective measures to combat terrorism are imperative.

Combating terrorism has not been undertaken without cost to democratic values. Most of us flew to Israel to get to this conference. In order to board our planes, we passed through metal detectors, or were subjected to body searches. Our luggage was X-rayed or searched by hand. These were minor inconveniences, but they were invasions of the personal privacy free people have grown to expect in our normal lives. They were necessary procedures to combat what had become an epidemic of aircraft hijackings.

In the United States, thousands of citizens visit the Capitol each day. As a precaution against terrorists, they must have their briefcases and handbags inspected by police officers.

Of necessity, the government of Italy has responded to terrorism with emergency measures. Police have been given the power to wiretap without written authority, to interrogate suspects without a lawyer present, and to hold them for investigation for extended periods of time.

In Northern Ireland, traditional police and court procedures have been altered to meet emergency conditions. Suspected terrorists have been locked up for indefinite periods of time. In some cases jury trials have been dispensed with, and presumptions normally existing in criminal cases have been modified.

The extent to which democratic governments have gone beyond modification of criminal justice procedures, and have altered governmental policies to placate terrorists is speculative. It is understandable, of course, for political leaders to want to avoid conflict and attain peace by making alterations in public policy. There is always the possibility that such changes in public policy may be justified on their own merits—that a change in political direction has been long overdue. Yet to change policy in order to placate terrorists and buy civil peace is a dangerous process which leads in the end to the encouragement of more disruptive activity and to the further disintegration of democratic values.

We in the United States are not beyond criticism in this regard. Some time ago, I was puzzled by the policy of our Administration with respect to Rhodesia, and especially with respect to what I saw as a bias to guerrilla forces operating from bases in neighboring countries. My inquiry to a very high Administration official was greeted by a response which was disarmingly frank. "That," said the official, referring to the guerrilla forces, "is where the guns are."

I also think it is possible to argue that there have been instances within the United States where our government has overreacted to incidents of violence in the name of a political or economic cause.

One recent situation which exhibits some of these characteristics is the strike by independent truckers. I do not mean to characterize as terrorism the relatively few random acts of violence that accompanied this strike. Nonetheless, there was some violence and the government did respond to the entire situation by modifying its diesel allocation system to improve the situation for these truckers. The Administration also urged states to modify their rules on the size of trucks they permit to use their highways.

The Washington Post described the strike and the Administration's response as follows:

"The Carter Administration moved yesterday on several fronts to try to end the increasingly violent nationwide strike by independent truckers.

"In separate actions, the Department of Energy suspended a federal regulation giving farmers priority status in the purchase of diesel fuel, and the Federal Highway Administration urged governors in a number of states to consider lifting temporarily weight and length limits on trucks using their highways."

When a government tailors its foreign policy according to "where the guns are," when violence in a truck strike appears to yield a change in governmental policy, then the values of a democratic society have been compromised, and the strategies of those who use force to accomplish their purposes have been validated.

This brings us to the basic question I want to raise today. How can we combat terrorism effectively without either adopting undemocratic, police state methods ourselves, or meekly accommodating ourselves to extremist demands made upon us? To answer this question, I offer the following suggestions.

First, it has been said that democracies are especially vulnerable to terrorist acts. Totalitarian regimes, it is said, are better equipped to monitor the activities of dissident groups and to suppress them before they become a serious threat. The openness of a democracy is, it is said, its weakness.

Let me suggest that the openness of a democracy may in fact turn out to be its strength. So long as a vast majority of a population believes that it has a stake in its system of government, so long as normal channels of political participation are open to all, those who resort to violent measures will not gain widespread support. A terrorist cell will not develop into a revolutionary movement if citizens have freedom to express their views and advocate change within existing political and social institutions. Therefore, it is both consistent with our traditions and essential to our future that our legislatures and our courts be readily accessible to all our citizens.

Second, the first duty of any government is to preserve order and defend its own existence. Chaos and constant terror cannot be permitted in a civilized world. Therefore, it is the duty of any government to use such measures as are necessary to maintain order. In appropriate circumstances, searches, seizures, electronic surveillance and detention may have to be used to protect society from destruction.

The challenge is to make sure that such use of the state's police power is not excessive and does not degenerate into the abuse of power. If this challenge is to be met, anticipation and careful planning should supplant sudden reaction to unforeseen emergencies. To the greatest extent possible, governments should consider how to deal with terrorist activities before a crisis is at hand. An appropriate number of police and military officials should be carefully selected professionals who are specially trained in emergency procedures. Above all, a society itself should be given ample opportunity to forsee the problem of terrorism and to discuss in dispassionate terms the options for dealing with it. Such an opportunity for rational planning can be a major contribution of this conference.

Finally, in an era when terrorism is on the increase, a democratic society must resolve that it will continue to stand firmly for its own set of values. To abandon those values in the face of a threat, or to accommodate ourselves to the strident demands of those who resort to violence is to give the terrorists the victory they seek, and to encourage similar outbreaks in the future.

The traditions of democracy have deep roots in the history of western civilization. Over the centuries, men and women have struggled to develop and nurture those traditions. In them are our concepts of the nature of man and his relation to the state. No terrorist effort, however well planned and executed, is sufficient to destroy a democratic society.

Our challenge is to maintain those traditions ourselves, to resist the temptation of responding to terror with naked and unchecked power, to reject the suggestion that our decisions be made to appease the enemies of democracy, and to preserve the values of a democratic society for generations to come.

THE UNITED STATES RESPONSE TO INTERNATIONAL TERRORISM

(By JACK KEMP)

I am doubly honored and challenged to address the Jonathan Institute's Conference on International Terrorism on the Fourth of July.

Yesterday and today mark the third anniversary of the raid on Entebbe and the rescue of innocent civilians from the hands of terrorists. At the same time we inwardly and quietly remember the heroism of "Yoni" Netanyahu, who commanded the rescue and lost his life in doing so. For every lover of freedom in the world, Yoni and Entebbe symbolize the will to resist terrorist compulsion.

The symbol is so exceedingly precious, I think, because it is so exceedingly rare. It may be the last time any of us can remember that showed us, in a world crying for such signs, that somewhere someone has fed and protected the flame of the spirit we know flickers somewhere inside each of us.

This occasion is doubly significant for me, because today also marks the 203rd anniversary of my country's independence. There will be a great show of outward celebration at home today. But in quieter moments, Americans will observe the day with the same sober reflection which we give to Yoni and Entebbe.

No American today will grab his Uzi when the firecrackers explode, nor will the rockets bursting overhead be aimed by terrorists. We Americans enjoy a safety secured by the sacrifices of our ancestors. Like Yoni, they often paid for freedom with a price as high as life itself. Why did they do it? Why do the sons and daughters of Israel risk the same sacrifice today? Because a few knew then, and a few still know today—that freedom is never so costly as losing it.

The state of Israel is to the world today what the United States may have seemed 170 or 180 years ago: a city on the hill, a place where it was important to protect and display the light of freedom, even if you never made it personally to the citadel. Our anniversary at home will flicker and die unless we who enjoy the rewards of independence can also help our friends in Israel pay its price.

This year marks the thirty-first year of the rebirth of Israel. The rallying cry of that state was "never again." Never again would the Jewish people be left without a homeland. There is, however, another anniversary. This year marks the 41st anniversary of Munich, when Hitler cried to the Western World, "All I want is the Sudetenland, and the Western World said, "Yes."

This year, the cry is, "Just give us the West Bank." But last year, this year, next year, terrorists say, "Just give us Israel." Our rallying cry must also be: "Never again."

I am encouraged to participate in a conference not only with figures directly involved in the eradication of terrorism from the international community, but also with my colleagues in Congress who have been in the forefront of formulating American policy initiatives that contribute to the fight against international terrorism.

I hope this conference can stimulate our best efforts to take concrete steps to stop international terrorism before it consumes the democratic societies that are its natural enemies.

Terrorism is not new. It has been used for centuries by the disaffected to impress not only the victims of terrorist acts, but those who witness them. Modern communication merely makes it possible for millions to witness these assaults, instead of only a few less than a generation ago. What is new about terrorism is its transnational character—the internationalizing of what Brian Crozier has called, "motivated violence for political ends."

The internationalization of terrorism has many immediate causes. Vast improvements in transportation allow terrorists to move swiftly and anonymously from nation to nation without fear of detection. The diffusion of modern military technology has simplified the process of inflicting destruction of an unprecedented scale and modern communication eases the international coordination of terrorist activities and the dissemination of its "message." Other matters are also important to the growth of transnational terrorism, but are incidental to explaining why terrorism has become a major threat to the security of every non-Communist nation of the world.

Many views in the Western world of international terrorism have tended to be myopic, identifying only the most immediate motives for a local terrorist incident, and overlooking deeper causes which usually originate outside the national jurisdiction in which the incident occurs. A more thorough examination of international terrorism can help us identify the common elements which have made it the menace it has become. I would like to discuss these common elements before commenting on details of the American response to international terrorism.

Briefly, international terrorists, contrary to their image, are not usually the warped, demented individuals so often portrayed in the news media. They are dedicated, ideological, and highly motivated. They are almost uniformly to the far left politically, unlike strictly local terrorists who reflect every shade of ideology and opinion.

International terrorists are well-financed, able to move throughout the world with changing identities and forged documents, and they have safe places to hide from pursuers in many nations.

International terrorists are well trained in organization, frequently proficient in the use of small arms and explosives, competent with modern communication equipment, and particularly well informed about the vulnerabilities of their local adversaries.

Unlike their local terrorist counterparts, international terrorists are few and rarely represent any serious indigenous mass movement, though they may exploit local opportunities.

Finally, there is one ultimate source of international terrorist support in an overwhelming number of cases—the Soviet Union.

I am convinced it is crucial to our discussions and to the successful multi-lateral effort to combat terrorism that we recognize—at the outset—the central role that the largely unseen hand of the Soviet Union has played and continues to play in both the direct and indirect use of terrorism in this and other regions of the world.

The United States, and allied nations in Western Europe have been engaged in a decade-long effort to improve relations with the Soviet Union. The diplomatic shorthand for the pursuit of better relations between Western nations and the Soviet Union—"Detente"—has become accepted in the vocabulary of the layman. For example, anticipating good faith on the part of the Soviet Union, the United States has embarked on an agreement, if the Senate consents, to limit strategic arms. Should that anticipation be in error, our long-term security may be in jeopardy, should the current "fair" diplomatic weather turn "foul". We have signed a variety of agreements with the Soviet Union in the name of diminishing tensions and reducing the possibility of violent conflict between the two nations. Lofty declarations of principle have been drafted with the Soviet leadership relating to noninterference between nations, in the expectation that it would diminish international Soviet adventurism that could place American security at risk.

But an examination of the Soviet role in promoting international terrorism casts grave doubt on the assumptions about Soviet policy upon which American—and Western—policy toward the Soviet Union is based. The Soviet Union, in fact, has a central role in training, equipping, transporting, and protecting the most important international terrorists and terrorist organizations in the world. Although the initiative for individual terrorist acts rests with the terrorists themselves rather than the Soviet leadership, the Soviet effort has been made and sustained.

The Soviet Union promotes international terrorism because it stands to gain from terrorist success. The Brazilian theorist of international terrorism, Carlos Marighela, has described the purpose of terrorism as to "make life unbearable" for ordinary people, to create a "climate of collapse" in the target regime. This favors the ends of both the terrorists and their Soviet mentors. The Soviet interest lies with disruption and chaos—as in Iran, for example—as often as it lies in outright takeover—as in the cases of Afghanistan, Angola, and Ethiopia. Thus, we face the prospect of continuing to seek formalized improvements in relations with the Soviet Union on both a bilateral and a multilateral basis, while the Soviets continue to support a covert terrorist effort aimed ultimately at Western democracies.

This dangerous predicament of the West deserves some elaboration. The international department of the central committee of the Communist Party of the Soviet Union has established two training schools for foreign terrorists. The first, the Lenin Institute, trains the hardcore Marxist-Leninist cadres, while the second, the Patrice Lumumba University in Moscow for Communist-oriented students, trains terrorists primarily from the developing world. Several hundred foreign nationals are trained each year at several sites within the Soviet Union. Additional training takes place in North Korea and Cuba. In addition, terrorist training is done in Libya, in Palestinian Liberation Organization camps in Lebanon, in East Germany, in Czechoslovakia, and in other East European nations. Many of the terrorists active in West Germany and Italy were trained with K.G.B. assistance at P.L.O. training camps in Lebanon. Terrorists in Northern Ireland have been assisted by Omnipol, an element of the Czech intelligence service controlled by the K.G.B.

The Cuban intelligence service, the D.G.I. has been under the command of a Soviet K.G.B. Major General since 1968. Cuba is now becoming the major Soviet link with the international terrorist movement. The Cuban D.G.I., which has the major role in support of international terrorist activities on behalf of the Soviet government, has sent its representatives to virtually every area of the developing world. Representatives of the Cuban training establishment have been sent to P.L.O. camps in Sidon and Tyre, in Lebanon, to assist terrorists of George Habash's popular front for the liberation of Palestine. In late April of this year, an agreement was made by the Popular Front for the liberation of Palestine to have several hundred terrorists trained in Cuba, following a meeting between Habash and Cuban officials.

P.L.O. terrorists are also being trained under K.G.B. supervision in Hungary and Bulgaria. A vast arsenal intended for use by terrorists is being built up by the Soviet Union in Libya. Equipment sufficient for five Soviet motorized rifle divisions has been stockpiled in Libya ready to support large-scale guerrilla operations. It can be transshipped to Zambia and Mozambique as well as used to support the more modest requirements of small terrorist organizations in West Europe, Africa, and the Western Hemisphere. Indeed, Qaddafi sponsored a conference in Behghazi earlier this year which included a large number of Latin American terrorist organizations with P.L.O. elements. Among the results of the conference is an effort to support the Sandinista terrorists in Nicaragua, via Cuba and Panama, and pressure on Brazil to permit the opening of a P.L.O. office in Brazil—moves likely to be precursors of the spread of transnational terrorism to the Western Hemisphere. Nowhere is the hand of the Soviet Union directly in sight. The nations involved, Libya, Cuba and East European states, are the only nations directly involved. The Soviet Union, the ultimate source of the weapons, the logistic support, the intelligence collection, transportation of terrorists, and related matters, is not routinely identified, either by Western governments or by the press.

The Soviet Union's extensive involvement in international terrorism is a fact few Western governments will acknowledge in public. It is also a fact that no Western government can afford to ignore. Until Western governments face the difficult problem posed by covert Soviet support for international terrorism, many well-intentioned international efforts to control terrorism will be doomed to failure.

Soviet policy has never been more duplicit than on the subject of international terrorism. Soviet propaganda attacks P.L.O. terrorist incidents, while the Soviet Union provides the weapons, intelligence, and training to the P.L.O. and splinter organizations. Soviet propaganda attacks Western European terrorists, but provides a safe haven for fleeing terrorists in East Berlin and Czechoslovakia. Soviet propaganda attacks terrorist hijackers in the West, but assists in the construction of a training facility in Cuba for aircraft hijacking.

The American response to terrorism from the perspective of organization and strategy has, on the whole, been useful, even though it fails to address the fact of Soviet participation in the support of international terrorist activities. Within the logic imposed by responding to the symptoms of terrorist violence, the strategy has succeeded in reducing the attractiveness of directing terrorist incidents against the U.S. government. In the 3,000 terrorist incidents which have taken place since 1970, at least 25 percent of the 5,000 wounded and 2,000 killed have been American nationals. More than 30 U.S. government agencies have a role in dealing with the terrorist threat, and, organizationally, their efforts have been coordinated in a manner which effectively supports the U.S. policy of offering no concessions to terrorists. While this posture has undoubtedly led to some loss of life, it has saved far more than it lost. The wisdom of this posture is reinforced by the experience of every other nation which has adopted this posture.

There has been an unfortunate divergence between the practices of public and private American institutions in responding to terrorist assaults. Too frequently, U.S. corporations operating abroad capitulate to terrorist extortion. Naturally, it is done to save the life of a kidnapping victim or to protect property from destruction by terrorists. But it comes as no surprise then to learn that U.S. corporations abroad have become prime targets for terrorism. As a consequence, tens of millions of dollars extorted from corporations have gone into the coffers of terrorist organizations, financing still further attacks on U.S. commercial interests abroad. The United States is not alone in this problem. This points to a conspicuous shortcoming in the response of most Western governments to terrorism, including the United States. Most of the attention in coping with the terrorist threat has gone into protecting governments from intimidation by terrorists—a necessary first step in meeting the threat. However, it is not sufficient simply to protect governments from terrorist threats if private citizens and property are to become easy victims of extortion, kidnapping, sabotage, and other acts of violence by terrorist organizations. There is little to be gained if governments manage to free themselves of terrorist intimidation only to preside over a wasteland in which no private citizen or business firm is safe from terrorist attack.

A second dimension of the U.S. policy response to international terrorism has been to improve the management of government agencies to assure that crisis management will be effectively carried out during a terrorist incident. Fortunately, the adequacy of this machinery has not been put to a severe test, but preliminary indications suggest that it should serve the needs of senior government officials in mobilizing government resources to deal with a terrorist-induced emergency. As the threat posed by international terrorism has become better understood by the U.S. government, more specialized organizations have been formed within government agencies to permit the most effective response. Much more will depend upon the ability of government officials to improvise successfully in the circumstances. Entebbe may never be repeated in precisely the same manner, and governments which prepare to cope only with types of terrorist incidents which have occurred in the past may find they are incapable of meeting wholly unexpected incidents unless they can institutionalize the capability to develop a response "on the spot."

A third, and hopeful, dimension of the American response to terrorism is the attempt to develop international controls over terrorism. The most notable success to date has been with the problem of aerial hijacking. Yet, hijacking is only a small part of the terrorist menace. Even if this problem were solved by international agreement, it would not address the most dangerous types of terrorist incidents we are likely to see in the coming decade as a result of the profligate Soviet policy of distributing shoulder-launched antiaircraft missiles, sophisticated mines, and advanced high explosives. The international effort is not likely to yield the results we hope for unless some means are identified to induce the Soviet Union to cease its support for international terrorism. It will otherwise be possible for the Soviet Union to sign every international convention dealing with the suppression of terrorism and yet continue to aid and abet the international terrorist movements through its program of aiding Communist-oriented elements on a worldwide basis.

A bill recently introduced into the Congress would require the U.S. government to terminate military and economic assistance to any nation which the President determines has demonstrated a pattern of support for acts of international terrorism. Although this legislation might affect the behavior of some nations, the worst offenders in supporting international terrorism—the Soviet Union, Cuba, Libya, North Korea, and the P.L.O.—do not receive any U.S. assistance, and hence such legislation would have little effect in diminishing terrorist activity.

What is required is a determined effort by the nations most affected by terrorism—the U.S., West Germany, Britain, Israel, and perhaps a few others, to take more direct, and where desirable, joint action against the Soviet conduits for terrorism. Israel has shown the way in attacking terrorist organizations at their centers of operation. This reflects a great determination at the highest levels of government, combined with a well-organized and responsive intelligence establishment, to deal effectively with terrorist organizations.

Similar coordination is also called for from a diplomatic perspective. Greater efforts must be made to deny known representatives of terrorist organizations the undisturbed freedom to travel in Western nations. I regret that the U.S. allowed the entry of known representatives of the P.L.O. into the United States, and I am persuaded that it would be in the interests of all nations affected by terrorism to make a vigorous effort to deny access to known terrorists or representatives of such organizations.

In addition, it would be useful if nations threatened by terrorism would refrain from diplomatic initiatives that lend international status and prestige to terrorist organizations. By affording organizations like the P.L.O. and other terrorist organizations which claim *de facto* "government" status, the slightest gesture of recognition merely serves to establish the legitimacy of terrorism as a means of gaining political ends.

International terrorism must be understood in the form it has taken, namely a transnational weapon, primarily sponsored by the Soviet Union to achieve its political ends. Some years hence, the Soviet Union may be displaced by another nation as the principal sponsor of terrorist organizations. The basic issue remains: international terrorism must be made an illegitimate means of conflict and this can only be accomplished if the intended victims are prepared to take the steps necessary to deny international terrorists the objectives they seek.

Finally, we must scrutinize the concept of detente itself. The adoption of widespread terrorism as a means of covert warfare by the Soviet Union and its allies such as Cuba, Libya, and sub-national terrorist groups reveals the failure of detente as a theory of relations between East and West. Detente has become little more than a means of disabling the West from dealing with less-than-total threats to its survival, especially wars of national liberation and international terrorism. The United States and the nations of Western Europe have been induced to make detente with the Soviet Union a central element of their foreign policy, expecting that it would reduce the threat to their security. In fact, detente has caused a decline in Western security—a decline which has contributed to Soviet power in the world today. There is, in fact, no adequate substitute for a brand of diplomacy which places security first, for this is the lynchpin of an effective foreign policy. International terrorism has, perhaps more than any other problem, exposed the fatal flaws of detente. This conference reflects the emerging consensus among policy-makers that international terrorism is a problem which can be overcome. As the problem of international terrorism is resolved by the nations which are targets of terrorist violence, we must also attend to the diplomatic dimension that has made us so vulnerable to terrorism for so many years.●

PROPOSALS TO REINSTITUTE SELECTIVE SERVICE REGISTRATION

● Mr. LEVIN. Mr. President, the question of whether the Congress should reinstitute registration under the Military Selective Service Act in an effort to address the mobilization deficiencies of our Selective Service System is a highly controversial one.

Currently, there are two different proposals to accomplish this. One is before the House of Representatives as a section of H.R. 4040—that body's proposed version of the fiscal 1980 Defense Authorization Act. The second version is before the Senate as a separate piece of legislation—S. 109. That bill was reported out by the Committee on Armed Services by an 11 to 5 vote.

Both Houses of Congress can be expected to act on these measures in the near future.

As a member of the Committee on Armed Services, I opposed reporting out S. 109, Mr. President, but it is not my purpose in rising today to discuss this particular piece of legislation.

The issue of reinstituting registration is both charged with emotion and extremely complex. It requires the Congress and the American people to analyze and try to understand many complicated considerations which affect our national security, our civil liberties, and our rights and obligations as citizens under our Constitution.

But these many complexities soon will be discussed at length, and today I do not intend to do so. Instead, I want to take this opportunity to share with my colleagues some additional information I have been gathering about the issue and to urge them to carefully consider it as they prepare for the upcoming debate.

This information—about the plans of the Selective Service System to address its mobilization problems without resorting to reinstituting registration—was obtained in response to many questions I submitted to the Acting Director of the Selective Service, Robert E. Shuck, at a special hearing of our committee's Manpower and Personnel Subcommittee. That hearing was held only 9 days ago, on July 10, 1979.

Although I do not sit on that subcommittee, the chairman of that group, our colleague Senator Nunn, graciously consented to my submitting these questions, and I want to thank him for that courtesy.

Unfortunately, the responses to these questions were unavailable when the transcripts of that hearing were printed, Mr. President, so in order to inform my colleagues, I would like to print the questions and answers in the Record.

The material follows:

Questions From U.S. Senator Carl Levin to Robert E. Shuck, Acting Director of the Selective Service System

1. It is your position, and the Administration's position, that with modest additional funding to improve its automatic data processing capabilities, the Selective Service System can meet Department of Defense (DoD) requirements to mobilize adequate manpower in a national emergency. This conclusion has been rejected by both the Senate and House Armed Services Committees. For example, the HASC report on H.R. 4040, the fiscal 1980 DoD authorization bill which include registration provisions, states that:

> "Registration alone will provide the Selective Service System with the capability to fill the Army's surge training capacity."

In its report on S. 109, the Senate registration measure, the SASC concluded:

> "This tight schedule (of mobilization as contemplated under the Administration's plan) and many assumptions about so many different operations at so many different locations lead to great skepticism about its feasibility . . . Trying to implement such a complex new system during a period when the Nation is trying to mobilize rapidly con-

vinces many that such a plan could not work."

Please provide specific positions and comments on every finding and conclusion of each of the committees concerning the ability or inability of the Selective Service System, even with the increased funding proposed by the President, to meet DoD mobilization requirements. Enclosed are copies of both Committee reports.

The significant provisions of the two bills are:

H.R. 4040:

Resume registration as men become 18 after January 1, 1981.

President submit recommendation for reform of Selective Service System by January 15, 1980.

Annual assessment of mobilization capability of the Selective Service System.

Preserve Selective Service System as an independent agency.

S. 109:

Commence registration of men by January 2, 1980, with classification procedures suspended until January 1, 1981.

President to report by July 1, 1980 on categories for deferment and exemption and procedures for classification.

Assign supervision of Manpower Mobilization planning to the Undersecretary of Defense for Policy and require an annual report of mobilization capabilities and requirements.

There are many similar concerns and points made in the Senate and House Armed Services Committee reports. These include:

Concern about the national mobilization capability. The Selective Service System was intended to be maintained with the capability to provide necessary untrained manpower to augment the all volunteer force in the event of an emergency. In October 1977 the Department of Defense revised their requirements for the Selective Service System deliveries of untrained manpower. The system cannot presently meet the revised requirements, however, the President requested an improved budget for fiscal year 1979 to permit the Selective Service System to meet the more demanding requirements. Congress did not approve the increased budget. The President again requested a supplemental appropriation for Selective Service for fiscal year 1979 and an increased budget for fiscal year 1980. At this time Congress approved only a portion of the supplemental request for fiscal year 1979 and the House has approved a portion of the increased budget request for fiscal year 1980. The Senate has yet to complete action on the fiscal year 1980 budget.

Registration removes all doubts as to the capability of the Selective Service System to meet the Department of Defense needs and would reduce the amount of time needed for first delivery of inductees.

Certainly registration and the building of a current data base would give a more assured capability. However, since the Department of Defense does not need significant deliveries within the first 30 days, Selective Service plans and procedures will permit adequate delivery with current requirements.

Evidence that the Department of Defense training base capacity can be enhanced and, therefore, the delivery requirements for the Selective Service may be revised once again. What would the Selective Service System do then?

We believe the Selective Service System must prepare to respond to the current requirements that have been established by the Department of Defense. At this time the Selective Service System has developed and tested plans and procedures that will permit the System to meet the current requirements without peacetime registration, providing the needed resources and appropriations are made available. If the Department of Defense does increase its training base capacity and this results in increased delivery requirements or quicker delivery requirements, then it would be necessary for the Selective Service System to reassess its mobilization readiness planning.

Concern about the "massive risks" inherent in the Selective Service emergency plan.

There are some risks in any contingency planning. We in the Selective Service System believe we can reduce or eliminate most risks as we complete the analysis of various concepts, evaluate alternative and accomplish many tasks before the emergency so that our primary efforts after the emergency can be devoted to the registration and induction processes. We can further reduce the risks by utilizing one of the provisions of H.R. 4040 and S. 109—an annual assessment of the mobilization capability of the Selective Service System. We have conducted special mobilization readiness exercises and plan to continue annually assessing our mobilization capability.

We certainly realize that new and innovative plans can be difficult to initially understand and some will resist new plans because "we have never done it before" or "there appear to be significant risks". In our great nation we have not permitted these objections to prevent or deter moving ahead into previously unexplored endeavors or concepts. If we had heeded those who resist new concepts, our nation would not have computers, missiles, lasers, satellites, and many other technological advances. The Selective Service System emergency plans and procedures have been divided into specific parts and each part has been evaluated, tested, revised, or modified. We will continue this process to ensure we have the best possible plans and assured capability. We can accomplish our assigned mission if we are permitted to move ahead.

Senate Armed Services Committee expressed concern over the classification categories; suggested that the standards should be changed and only conscientious objectors, individuals morally, mentally and physically unfit, and only such other categories as the President believes are necessary in the National interest should be deferred.

There were many changes to the Military Selective Service Act in 1969, 70 and 71 which reduced the categories of registrants eligible for deferment. The law in its present form is nearly as equitable as it can be made. There are very limited categories of deferments and exemptions.

Selective Service does not have the computer capability necessary to conduct and input a rapid registration . . . it will take a long time to obtain adequate computer capability even if adequate appropriations are provided.

We certainly agree that we do not have adequate computer capability. We also realize that the normal procurement process may take one to three years before we possess the required computer capability. However, in our current planning we are exploring various interim computer capabilities. We are evaluating the possible use of contract computer services and equipment with commercial computer firms, while testing our computer programs and concepts on Federal time-sharing agreements with the Department of Commerce and Department of Defense. We are finalizing our Automated Data System study which clearly defines our computer requirements and our timetable for obtaining the resources.

In summary, from the detailed analysis and testing of the various computer capabilities and our mobilization plans, I am confident that our plans will permit us to meet the current Department of Defense delivery requirements. We can dispel the doubts of many if we can obtain the increased budget, accomplish our planned pre-emergency actions, and perform special mobilization exercises which will demonstrate that the Selective Service System will be able to meet the delivery rquirements.

2. What problems do you have with S. 109, should it pass and registration be mandated? With H.R. 4040, should it be enacted?

I do not feel that peacetime registration is necessary at this time. With the requested increase in appropriations, the Selective Service System can develop the capability to meet the Department of Defense current manpower delivery requirements without peacetime registration. The current requirements are (1) begin delivery by M+30; (2) deliver 100,000 by M+60, and deliver 650,000 by M+180. There is no doubt that the Selective Service System can meet these requirements if we are provided adequate resources.

3. What changes in S. 109 would the Administration suggest? In H.R. 4040?

As I mentioned in the previous answer, I do not feel the necessity for passage of either S. 109 or H.R. 4040. With the requested increase in appropriations, the Selective Service System can develop the capability to meet the Department of Defense updated manpower delivery requirements without peacetime registration.

4. How much would S. 109 and H.R. 4040 each cost according to Administration estimates, and why?

The annual additional operating cost of either S. 109 or H.R. 4040 would be approximately $10 million. Start up cost to set up the organization required to hold registration under S. 109 is estimated to be an additional $2 million. This is figured on a reasonable lead time to expand the regional organization, hire and train compensated personnel, and appoint and train volunteer registrars. An additional $1 million would be required under S. 109 to input to the data base from the catch-up registration.

5. How long would it take for the Administration to implement S. 109 and why? To implement H.R. 4040?

It would take approximately 6 to 8 months from passage of the necessary appropriations to get the personnel and resources on hand to implement S. 109 or H.R. 4040. This lead time would be utilized to permit orderly buildup of the Selective Service System and the necessary training of personnel.

6. What are the relative strengths and weakness of S. 109 as compared with the registration provisions in H.R. 4040—the House's Armed Services Committees version of the FY 1980 DoD Authorization?

A comparison of S. 109 and H.R. 4040 provided some distinct similarities and at the same time some wide divergences. Both bills call for registration, but the House version only calls for the registration of those turning 18 years of age after December 31, 1980. This presents a problem for the required data bank including 2–3 year of birth groups necessary to satisfy DoD emergency requirements would not be complete for 2–3 years. There is a serious weakness in the provisions of H.R. 4040 because the registration procedure advocated would not provide Selective Service with the registrants needed to meet the Department of Defense requirements for at least two years. If an emergency occurred prior to January 1, 1983 an emergency registration of 20 and 21 year olds would be required before the inductions are initiated.

S. 109 would involve a more rapid and costly mass registration to get all 18–26 year old men registered.

7. Under the S. 109 timetable, does enough time exist between the due date (July 1, 1980) of the report on changes in registration/classification procedures and the date in S. 109 when classification is to begin (January 1, 1981)? Why or why not?

Any delay in implementing registration

would be the result of a lack of adequate and timely funding rather than the timing of the President's report. It would take approximately 6 to 8 months to recruit and train sufficient personnel for an effective and efficient registration process with our present plans and appropriate funding.

8. If the Congress is to mandate registration, under which proposal would the Administration prefer that it be re-instituted—S. 109 or H.R. 4040? Why?

The Administration would prefer that neither proposal be instituted at this time. I am confident that with passage of our FY 80 appropriations request, the Selective Service System can meet the Department of Defense manpower requirements without peacetime registration. If Congress mandates registration and a special report for reform of the current law, the Administration would prefer that the requirements for registration to begin be delayed until a complete analysis and proposals for reform of the existing law are accomplished.

9. Should you receive the funding you say is necessary for you to meet DoD requirements, how soon would it take you to be in a position to:

a. meet those requirements and

b. test your newly implemented procedures and system to determine whether it will work as you claim?

(a) The Selective Service System can develop and demonstrate the capability for meeting the revised DoD manpower requirements within 6 to 8 months after passage of the appropriations required. To meet a 6 to 8 month assured capability, some of the operational concepts will require negotiation of special "stand-by" contracts until the equipment can be leased or purchased. Plans are to ultimately have an in-house capability for the computer processing equipment and materials. This capability will be identified in the 5 year computer plan study which is nearing completion. The necessary equipment would be leased or purchased over a period of 1 to 3 years.

(b) Our plans for rapid rebuilding of the System in an emergency have already been tested during Mobilization Readiness Exercises with our reserve forces in the states. We are confident these plans are viable. We have just completed a test of the computer capability for input of registrant data. Preliminary results have assured us that this data can be input in the timeframe necessary. An analysis of the remaining computer capability will be available, as mentioned above, in the 5 year plan. A test of the use of state election officials and election sites for registration is being planned.

10. Can you be in a position to make this test before you implement your entire new plan? Why or why not? If so, by when?

We are now in process of developing a five-year Automated Data Systems (ADS) Plan. The plan will be completed by September 1979. Therefore, from an ADP perspective, the first phase of that plan may not be funded until approval of the FY 1981 Budget. Thus implementation of the first phase would not occur before second Quarter 1982 under a competitive procurement cycle. However, an interim ADP plan is in process of being implemented now. In December 1979, a test of our emergency mobilization and delivery system is planned that will utilize a large DoD computer system with the capability of meeting the M-Day Emergency Processing Schedules. The December 1979 test will permit evaluation of four important aspects of our emergency readiness posture:

(1) Data Entry Contractor Keying (encoding) of a low volume of registration data for computer processing;

(2) Data Transmission of large volume of registration data to the central computer;

(3) Evaluation of the EMMPS computer software in a large volume test; and

(4) Exercise of computer hardware under large-volume test conditions.

11. In your testimony before this Committee, you said that "I am confident that we are capable of meeting DoD's manpower needs in almost every contingency except a no-notice condition." What other contingencies are there besides the no-notice condition that you use for planning purposes? In which of these are you not confident that you would be able to meet the specified needs?

There are a large number of scenarios for which our existing registration and reconstitution plans would be adequate. Several examples would be a resumption of peacetime registration such as envisioned in S. 109 and H.R. 4040, or the scenario which provided the background for last year's mobilization exercise, Nifty Nugget, or the type of scenario that preceded World War II where we initiated registration and registrant processing more than a year before we actually entered the war.

The point I was trying to make in my testimony before this committee is that our existing plans will handle almost anything except a "worst case, no-notice" situation where we might not have any opportunity whatsoever to take any actions before M-day. We must, of course, be prepared to respond to a "worst case, no notice" situation. The present DoD requirements, are based on just such a situation.

We certainly anticipate experiencing considerable difficulty if we were requested to produce inductees sooner than 75–85 days, starting from the "deep standby" position in which we find ourselves today. To meet the current requirements to begin delivery of inductees by M+30, the Selective Service System must receive the additional funds requested for Fiscal Year 1980.

12. You state that you have had plans for almost two years to meet the previous DoD requirements. You state that you can meet the current requirements with the requested FY 1980 funding, as well as with additional funding. How much more additional funding annually will the Selective Service need during the next five years?

The estimated additional funding required by the Selective Service System to meet the current requirements will include these items:

(1) Software Development—$350,000 (One time cost).

(2) Computer Hardware and Peripheral equipment—(a) Purchase Cost $4.42 million; (b) Lease Cost $1.33 million.

(3) Communication/Transmission—$833,000.

NOTE.—(Upon completion of 5 year ADS Plan more definitive information and cost will be available).

13. There appear to be approximately 750 reservists employed by the Selective Service for the purpose of training and organizing personnel at local and regional levels. Why are these people paid for by the Selective Service and not by the Department of Defense as other reserve officers are?

Section 10(h) of the Military Selective Service Act requires that there be personnel adequate to reinstitute, immediately, the full operation of the System, including military reservists who are trained to operate such System and can be ordered to active duty for such purpose in the event of a National emergency. The Selective Service System is presently authorized 715 reserve billets. Since the 715 Reserve Forces officers are for the exclusive use of the System, the Administration decided effective July 1, 1972, that responsibility for funding our Reserve Forces would be transferred from the Department of Defense to this agency. We use these reservists so we pay for their services and availability in the event of an emergency.

14. In your statement you say that you will reduce the span of control if you receive the funding requested? What do you mean by "span of control?"

One of the items planned for implementation once the appropriations request is funded is to "reduce the span of control" further in our field operations by expanding from 6 to 10 regional offices. Officials in these regions will be responsible for overseeing the training of our reserve forces, coordinating activities with the provisional state directors in each state, and recruiting and training local and appeal board members to serve on an uncompensated standby basis. With only 6 Regional offices, each Region is larger than desired from an effective management and control point of view. With 10 Regional offices the Selective Service System can provide closer supervision to the mobilization planning and implementation procedures in 4 to 8 states and territories, instead of the present 8 to 12 jurisdictions, which include the 50 states, District of Columbia, Guam, Virgin Islands, and Puerto Rico.

15. How will you choose local and appeal board members? Will they be reimbursed in any way? What type of training will they receive? Before or after mobilization? Have you checked your four year old list recently to see how many of these people will serve again? When? How many on the list said they would serve again? How many addresses on the list are no longer accurate?

A major source for recruitment of local and appeal board members is our list of former members. This list will be screened to eliminate those persons who are no longer eligible to serve. Of the remainder, we estimate that approximately 50% of around 6000 will volunteer to serve again. The balance needed will be recruited in the counties and communities of the states through civic groups, school and college faculties, professional associations, Veteran groups and other like sources. Potential candidates for appointment will be nominated by the Governors and appointed by the President. All board members are uncompensated volunteers and are only reimbursed for their expenses.

Training will essentially be devoted to the area of registration, classification, procedural rights, and registrant processing. Recruiting and training of these uncompensated personnel is planned to be accomplished before mobilization but is dependent upon the availability of appropriate funds requested in the Fiscal Year 1980 budget.

16. In deciding to use state election machinery in order to facilitate registration, what kinds of discussions did you have with each of the state election boards? What types of agreements do you have with the boards? Are you confident that all states will implement your plan according to your specifications and time needs? If so, why? Will you reimburse state election operations for SSS costs? How much will this cost annually?

During 1978 and 1979 all states were contacted to determine the feasibility of using state election operations to conduct a one day mass registration. The initial contacts were to determine: (a) time required to activate the election machinery; (b) estimated workload; (c) training requirements; (d) number of sites required and number of personnel required. All the responses received and on file in this office indicated full support by the state election officials. Additional coordination, in some states, is necessary and is being accomplished but assurance was received that the states would respond. The exact cost to operate the state election machinery was not requested or received. Emergency registration, using state election operations as developed in this plan, would take place after the declaration of a state of emergency and after a proclamation had been issued by the President. It would not be used for an annual registration nor would it be used for a non-emergency registration situation, such as envisioned in S. 109. There would, therefore, be no annual cost.

17. You chose state election machinery to implement a federal plan. Why? Why did you not choose to work through a federal, or quasi-federal agency, such as the Postal Service, which remains active and staffed throughout the year, rather than the election agencies which might only be part-time operations or are active only during an election? What alternative plans were considered? Why did you decide not to propose a plan which would make use of existing records of federal agencies? What are the Privacy Act implications of using these existing records?

The Military Selective Service Act of June 24, 1948, as amended provides that the act be administered through cooperative efforts of the Federal government and the states, territories, possessions, and the District of Columbia. History has proven the necessity to convey the attitude that many operational activities of the system are accomplished through the local government support and assistance. This was very successfully accomplished in WW I and WW II and contributed to the full cooperation of all the citizens of the United States. Some preliminary information we have received in conjunction with our study of registration alternatives indicates that developing a registrant data base from the existing records of other federal and state agencies may be only 80-85% effective. The inability to account for 15 to 20% of eligible citizens is unsatisfactory. In addition the privacy act as well as the statutes governing many government agencies restricts these agencies from the release of this information without a waiver by Congress.

We are carefully analyzing the various alternative concepts of building a registrant data base and the legal implications for each alternative. Upon completion of our analysis, we will be able to determine whether there is a better process or concept for our use.

18. You indicate that "other methods of registration . . . are being studied closely at this time." But on page two you stated that "in order to meet the current DoD requirements we chose to utilize the state election machinery in combination with a system of highly automated data processing procedures for the rapid and efficient input of registration data." This indicates you have already chosen your preferred alternative. If so, what is the purpose of the study of other methods? Does this mean that you are not sure of the system you have chosen? Are there problems with it? What problems have surfaced? When will the report on this study be completed?

Studies performed by the Selective Service System have concluded that a plan for the use of election machinery coupled with automated data processing procedures for input of registration data will give us the capability to meet the revised manpower requirements. It was my decision to concentrate the efforts of my limited staff and resources toward getting that capability on hand. We are not, however, neglecting alternative measures that may, perhaps, enable us to have an even better plan. I have asked my staff, for example, to study the use of other Federal agencies' data banks and/or office configurations for an emergency registration. A report on these measures is scheduled to be completed this fall.

19. What other registration plans are being studied? How much will they cost? How fast can each be implemented? Which involve amendments to the Privacy Act?

The System's study of registration alternatives is considering (along with variations of each):

1. Accomplishment of a participatory registration utilizing the personnel and field organizations of other Federal Agencies/Departments.

2. Establishment of a master list of induction liables from the data bases of other Federal Agencies and/or Departments.

3. Establishment of a master list of induction liables from data bases of the various States.

4. Accomplishment of registration through use of return mail forms or other various concepts (i.e., combination of 2 or more alternatives, volunteers, etc.).

Cast factors for each general plan enumerated have not yet been developed pending completion of the study, input from the specific agencies/departments capable of accomplishing a registration, or establishment of a master list of induction liables. At this time we can not forecast how fast an alternative plan could be implemented, or the cost of each proposed plan or concept pending receipt of valid input. The Federal agencies/departments contacted relative to use of data bases have indicated unofficially, that not only would exemption from or revision of the Privacy Act be necessary, but several cited agency/departmental-related sections of the US Code prevent proposed use of their data.

20. Do you believe that there is any other type of system which could satisfy the requirement that the selection be impartial while at the same time avoiding the need for complete registration of a group of potential inductees?

At this time our primary concern is to have a concept and capability which is perceived by the President, Congress and the public as being "equity under the Law". Our Nation must have an acceptable and equitable system for determining who must serve when all will not be required or needed to serve in the military forces.

Section 5(d) of the Military Selective Service Act calls for the random selection of persons for induction. Thus it would be necessary to have one complete year of birth group registered in order for a random selection to be held.

We must carefully evaluate the other concepts to determine if they would be acceptable and equitable.

21. Do you believe that there are possible amendments to current statutes which might make the operation of the Selective Service System more efficient and equitable while maintaining the current standby, post-mobilization status? If so, please describe them. Is it present statutory requirements which have prohibited the Selective Service from effective operation in recent years?

(a) The Military Selective Service Act has withstood challenges on numerous occasions in the courts. I feel no changes in the law are needed at this time.

(b) The authority to induct young men into the armed forces under Section 17(c) of the Military Selective Service Act expired on July 1, 1973. On April 1, 1975 the President issued a proclamation suspending the registration of young men and placed the Selective Service System in "deep standby."

(c) At this time and with the revised Department of Defense requirements for the capability of early delivery of inductees, the Selective Service System must be given additional funding and resources to permit us to develop the capability to begin deliveries within 30 days.

22. The Department of Defense calculated its requirements partly on the number of people it could handle at its training facilities. Assuming that it is able to train the number of people it claims to be able to handle in the given time periods, how long could you continue to maintain that schedule? Assuming that, in the event of a recognized national crisis, we experienced a surge in voluntary enlistments, how would the volunteers and inductees be accommodated simultaneously? Would this overcrowd the inductions centers, (AFEES) and training facilities? What types of coordination between AFEES and the SSS are there? What precautions have been taken to avoid overcrowding?

The Department of Defense requirements are constrained by the training accession capability. The requirements for Selective Service deliveries envision very limited volunteers or possibly no volunteers. If there is a surge of volunteers, the number of inductees needed would be lowered to prevent the overcrowding of the AFEES or training bases.

We have developed and coordinated our planned induction schedule to avoid overcrowding AFEES and training facilities and maintain some degree of control of accessions. Also we are negotiating with the Department of Defense to permit Selective Service to utilize recruiting office facilities and personnel in the processing of volunteers for induction until Selective Service becomes fully operational.

There is a high degree of continuing coordination between SSS and the Military Enlistment Processing Command (MEPCOM), the command that supervises the administration of the AFEES.

In a mobilization, MEPCOM would provide SSS with a regular schedule for each AFEES so that our calls and orders could be matched to the individual AFEES capacities.

23. On page three of your statement you state that when your ADP plan is fully developed, it will clearly identify the equipment and software requirements and timetables to be followed. Without this plan, how can you make the statements that you have made about your ability to meet DOD requirements? What parts of the plan remain to be finalized? Why do they remain, when you, and the Secretary of Defense have continued to state that the plan will be successful in meeting the nations' needs? How can you be confident about your capabilities to meet these requirements before you even have a plan, much less before you have begun implementing it?

The Selective Service System has conducted a feasibility study to determine if existing computer technology could be used to input the registration data and to issue induction notices from a central computer. The feasibility study conclusively showed that existing computer technology could be used to meet DOD's requirements.

Although the Selective Service System does not have in-house ADP equipment to meet DOD current requirements, we have developed an interim plan which will be in force until we have acquired the in-house ADP equipment. The interim plan calls for use of the private sector to key the registration data and to provide for ADP resources needed for the central site. We have a contract with Itel Corporation to identify, in each regional area, data entry contractors who will commit to key a specific volume of the registration data. This contract will be completed by August 30, 1979 at which time we may negotiate a contract with each of the identified data entry contractors.

The remaining parts of our plan which must be fulfilled are: (1) a detailed analysis of each ADP alternative that can meet DOD requirements and (2) an implementation plan for the selected alternative.

The feasibility study was conducted using an IBM series computer with Cathode ray tubes (CRT) terminals attached. Selective Service System personnel used the CRT terminals to input registration data into a Regional Office Mini-computer. The regional office mini-computer transmitted the registration data to a mini-computer which was located at the Central site. Based on the input speed and the transmission capability of the Series I computer, we concluded that DOD's requirement could be satisfied through this approach. The feasibility of using a central computer to receive registration data and to issue induction notices was established by running a benchmark test. This benchmark test consisted of all the computer programs that must be executed and a sample of the registration data. Based on the time the computer required to process the sample registration data, we were able to extrapolate to the total time required for mobilization which is approximately five days on an IBM 360/65 computer. After analyzing the information from the feasibility study, the SSS is confident that it can meet DOD's requirements.

24. The Secretary of Defense has stated that the Selective Service should be given the opportunity to develop its computers, staffing and planning. He then proposes to test the SSS's capabilities through joint "exercises with the Department of Defense to provide the necessary confidence that the system will work." What would happen if we were forced to a mobilization situation prior to the point where we have that confidence? On what mechanism could this nation rely to mobilize its manpower resources for military service?

We are convinced that registration utilizing the state election machinery and Automated Data Processing procedures is a viable plan for an emergency registration enabling the Selective Service System to deliver the number of individuals in the timeframe requested by the Department of Defense. It is, of course, necessary that the funding level requested of the Congress be appropriated to enable the Selective Service System to develop that capability.

Should an emergency occur prior to passage of the appropriations and therefore prior to the enhancement of SSS capability, reconstitution and regisration plans that have been developed for 2 years would be used. These plans were tested with the Department of Defense during the Nifty Nugget exercise and were found to be workable for a slower delivery schedule. At this time we must develop our capability to meet the revised and more rapid delivery schedule requirements.

25. Can you describe the working relationship you have with the Secretary of Defense and the Department of Defense? How closely do the two organizations work in setting requirements for the Selective Service System and in planning to meet them?

When I became the Acting Director of the Selective Service System one of the first things I did was visit with then Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, John White, concerning the Defense Department's emergency manpower requirements. It was shortly after that meeting that I was advised of the revised manpower requirements. I have been in constant communication with officials at the Defense Department since that time to insure that they understand our process, what our capabilities and limitations are and so that I have an accurate understanding of their requirements and concerns as well as updated knowledge of the mobilization capacities of the Armed Forces Examining and Entrance Stations and training bases, and so forth. We have a very close working relationship and I have personally briefed the Department of Defense and Army Reserve Forces Policy Boards on the requirements and capabilities of the Selective Service System. Followup coordination and discussions are held frequently with the key manpower officials.

26. Do you have a working relationship with each of the Armed Services? Have there been discussions with the Joint Chiefs of Staff, who have been publicly called for the renewal of registration? It would seem that this call for a resumption of registration—in effect a rejection of your plans—implies a lack of confidence in the ability of the Selective Service System to meet the DoD requirements. Do you agree with this assessment? Why or why nott? Does the lack of confidence in the capabilities of your system effect your ability to work with the Services?

As I mentioned, I have been in constant communication with the civilian officials at the Department of Defense, most particularly the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics and the Assistant Secretaries of the Army and Navy for Manpower and Reserve Affairs. I have not been dealing with the Joint Chiefs. I am familiar with their positions on registration, however, and although I do not profess to speak for them, I feel that their advocation of a return to registration lies more with their concerns about the deficiencies in our reserve forces and mobilization capabilities than the adequacy of the plan we have for meeting those requirements.

At this time the Joint Chiefs of Staff are fully aware of the fact that the Selective Service System can not begin the delivery of inductees within 30 days. Their concerns and confidence in our capabilities are well founded. The System must improve its capabilities and we are striving to do so—but we need Congressional support of the President's budget for Selective Service so that we can move ahead on meeting a quicker delivery capability.

27. (a) What Constitutional challenges could your proposed procedures face if implemented? (b) What sort of legal challenges would you expect if one, or more, of the offices was unable to fully process the people from its area of responsibility?

(a) The Military Selective Service Act and the normal registration, classification, and induction procedures have been utilized over a period of several years and we do not anticipate any "constitutional" challenges of the procedures we plan to use.

(b) Should there be difficulty in registering individuals in a certain area, planned backup capability would be used to assure that all eligible individuals will be properly processed. We are carefully evaluating alternative concepts to ensure all individuals will be processed.

28. Under your proposals to upgrade the Selective Service System, will the personnel necessary to man the local and appeal boards be trained and in place on mobilization day? How? Will it be necessary to recruit and train personnel post-mobilization? In your testimony before the House HUD and Independent Agencies Appropriations Subcommittee you state that:

> "Newly assigned officers will be given thorough indoctrination and orientation training immediately after assignment. Additionally, training programs will encompass cross-training and cultivate specialized areas of professional competency. These concepts include training designed to develop the same unique skills required by the mobilization position . . ."

Could you explain what cross-training is?

Once the funding level we have requested from Congress has been approved, we will immediately recruit the local and appeal board individuals who will serve on an uncompensated basis and who will be trained in SSS procedures. Training programs have been designed and are available for application in either a pre- or post-M-Day scenario. These individuals will be prepared to begin immediately serving in an active capacity as local and appeal board members should an emergency occur.

"Cross-training" refers to that preparation necessary to enable our reservists to thoroughly understand the provisions of the Military Selective Service Act and perform adequately in two or more areas, such as an Armed Forces Representative (AFREP) at the Armed Forces Examining and Entrance Stations (AFEES), an Operations Staff Officer, or a Field Reconstitution Officer, or in any one of the other somewhat specialized areas indigenous to the administration of a fully-operational Selective Service System.

29. You also testified that it would take 72 hours to call up Reservists during mobilization. On what basis do you make this claim, that these Reservists will be capable of beginning registration in 72 hours?

Reserve Forces officers assigned to Selective Service are required to sign a mobilization agreement when initially earmarked to our program confirming their availability within 72 hours of a declared emergency. Each assigned officer is required to reconfirm this commitment in writing once a year. This mobilization agreement conforms to Department of Defense Directive 1235.10, Subject: Mobilization of the Ready Reserve. Each officer clearly understands that any prior notification period is waived and he/she must be immediately available with 72 hours being the outside limit. The mobilization agreement signed by each officer contains an initial mobilization location and assignment. A copy is retained by the officer and will serve as authority to report to a specific mobilization location.

Our plans call for national registration to be accomplished on M+10, seven days after the last reporting date for our Reservists. One of the high priority actions Reservists will take immediately upon reporting will be to complete preparations for registration day. Intensive training has been, and will continue to be, directed toward this objective. Most of the plans, pre-distribution of forms, pre-identification of individuals to assist in registration at specific sites, responsibilities for pick-up of completed forms, and the delivery of the completed forms to specific computer input terminals will be completed before the emergency.

30. Furthermore, I was informed by your office that part of your plan may include using men from Army recruiting stations to run registration in the various regions. In the case of mobilization would not the SSS need all its own personnel and likewise would not the Army recruiting stations need all the personnel that they could muster?

We are at present negotiating with DoD to arrange for the temporary use of 1200–1500 military recruiters and recruiting support personnel immediately following M-Day, to assist in registering and processing volunteers for induction. This arrangement would be contingent on the suspension of recruiting and enlistments shortly after M-day. A side benefit of this plan would make available to the Selective Service System, facilities, property and equipment of the recruiting services at a time when the Selective Service System is expanding and the recruiting services are being phased out. The plan to use military recruiters for this purpose would be only until the Selective Service System became fully operational and capable of processing volunteers for induction on its own. At that time, recruiters would be released to their respective services.

31. According to your testimony before the House Subcommittee on HUD and Independent Agencies, you stated that the election machinery was used to register people in 1940. Could you explain how the machinery was used? What agreements, if any, existed between the states and the SSS at that time? You testified that you have made contact and received assurance from all but three or four states, that they would assist in the case of mobilization. Which states have not replied and why not?

There is no evidence that specific agreements existed or were called for between the Federal Government and the States. A Presidential Proclamation was issued announcing the registration, calling for the cooperation of the governors of the states and the Board of Commissioners of the District of Columbia "To provide suitable and sufficient places of registration within their respective jurisdictions and to provide suitable and necessary registration boards to effect such registration". The Presidential proclamation was the convincing instrument that marshalled all states behind a national cause.

In response to the question concerning the three of four states that had not responded at the time I testified on February 21, 1979, we now have received assurance from all states that they would assist with their election operations.

32. Under your plans, would SSS pay any registration/mobilization-related costs incurred by state election organizations? If so, how much will this cost the SSS annually?

We will authorize reimbursement to any state for costs incurred. Since this use of State Election Machinery would be only in an Emergency Registration, registration costs would represent a one-time charge rather than an annual one.

33. What would prevent a state from reneging on such an agreement? Would you have a contract with the state?

The specific short answer to your question on reneging on an agreement is, "Nothing". Plans are to use the state election machinery during a National Emergency proclaimed by the President, with an enjoiner to all governors and other local officials to support this program. The patriotism of the individuals in the several states and the perceived threat to the national security we believe would prevent an individual state from reneging on its commitment. In answer to your follow-on question concerning a contract with each state, we believe this would be unnecessary. We have a mutual understanding and agreement with each state which we believe will work. Meanwhile, we are evaluating alternatives which may be used in lieu of use of the election officials or to supplement the voting locations. It might be possible that we would want to use an alternative registration concept if an emergency occurred just before or during the week of national elections. We plan to do everything we can to ensure a complete and quick registration process can be accomplished within the established 10 day timeframe.

34. What type of computers do you plan to use to upgrade your ADP facilities? What type of computer was used in your recent test in which 2 million people were registered and processed? In the future, do you intend to rent or buy the computer capabilities utilized by the SSS? How much annually will it cost the SSS to rent or buy or contract for these computers?

The Automated Data Systems Plan, to be completed in September 1979 will identify the characteristics of the new ADP equipment. For the data entry test concluded in May 1979, an IBM Series 1 minicomputer was used to control the keying of simulated registration data. Two million registrants were not actually keyed in this test, but the test proved the feasibility of keying a 2 million year group within the timeframe required by the emergency M-Day schedules.

Concerning the acquisition of new ADP equipment, a decision has not been made whether to purchase or lease. Estimated annual lease would be $1.33 million, plus 883,200 for communications or a one-time purchase of $4.42 million with annual maintenance of $0.5 million.

35. Once the polling stations have been carefully selected to register people in accordance with the SSS's plan, what review procedures will be instituted to ensure that these stations are in the best location for registering the maximum number of people?

Registration plans already developed have identified within each political subdivision in each state, facilities that could serve as places of registration when needed. The criteria for identification of facilities include: number of potential registrants, size of the facility, accessibility to public and private transportation, that the site is known in the community, and the potential for availability in a short notice situation. We initially accomplished a similar registration planning program in 1975 when President Ford suspended continuous registration. These lists have been refined and updated by our Reserve Force Officers as part of their training in preparation for mobilization. These facilities were carefully selected in accordance with SSS guidance and will provide for registration of the maximum number of persons with the least amount of personal inconvenience to the registrant.

36. Before the House HUD and Independent Agencies Appropriations Subcommittee you testified that a pre-existing list of former employees who worked on the local and appeal board in 1975 would be used in case of mobilization. What percentage of this list of former workers could report tomorrow if they were called up?

The lists referred to in my testimony before the House HUD and Independent Agencies Appropriations Subcommittee were composed of former local and appeal board members—uncompensated employees of the System. Of the approximately 12,000 individuals on that list who still appear to meet the requirements for the position of local or appeal board member, we estimate that approximately 50% or 6,000 would be available and willing to return to our service in the event of a mobilization. We are confident that we can recruit and train the additional board members before an emergency if our appropriation for FY 1980 is approved.

37. If you had to register, classify, examine and induct people tomorrow, how many offices and boards would be needed and how long would it take to establish these organizations? What plan would be implemented if a national emergency arose tomorrow and how long would it take to have these registrants at DoD training facilities?

If a national emergency occurred tomorrow the reserve and national guard officers assigned to the Selective Service System would be called to active duty to open the necessary field offices of the Selective Service System. Approximately 2,500 additional personnel would be hired under the currently approved emergency hiring authority. We presently plan to establish approximately 600 field offices, approximately 2,000 local boards would be established, and we would have 96 appeal boards. Members would be recruited from existing lists of former board members and through contacts with various civic and religious groups within the local community.

Reconstitution and registration activities would take approximately 50 to 60 days with our current staff and reserve officer configuration. The procedures of the automated Emergency Military Manpower Procurement Systems (EMMPS) would be used to process registrants for induction. With our current resources the first inducted nonvolunteer registrants would report to DoD training facilities between day 75 and 85.

Complete registration and reconstitution plans are on file for each state and have been tested on an annual basis with our reserve forces.

38. What sort of back-up system do you intend to implement if any part of your proposed system fails during a national emergency? In other words, if a terminal at a local office breaks down, how will the information collected at the polling station be transmitted to a regional office?

The Selective Service System plans to have contractors in each region and they will be used to key the registration data using their equipment if a terminal or regional computer malfunctions for a prolonged period of time. At the central site, we will have a contract with the private sector or an agreement with another government agency to provide a back-up computer in the event that the central site becomes inoperative.

39. Your office informed me that in the event of a breakdown in computer capabilities, the key-to-disk utilized in data gathering would be transferred "by vehicle" to one of the regional offices. Is this not a risky procedure to rely upon during a national emergency? How far would these tapes need to be transported and how long would this take?

The duplicate tapes will be taken "by vehicle" from the central computer to the Federal Preparedness Agency/General Services Administration Special Facility in Virginia not to the regional offices. Duplication tapes of registrant data from each region will be held in the regional offices to be used should there be a breakdown of our central computer. Further back-up capabilities are being addressed in the 5 year computer plan study that is presently being conducted.

40. According to your present plan, the SSS intends to recall officers of the Reserves and National Guard to assist during mobilization. You stated in your testimony before the House HUD and Independent Agencies Appropriations Subcommittee that the parent military services have "agreed to expedite the issuance of orders." In what form is this agreement? What makes it certain that these callups will report within 72 hours?

Department of Defense Directive 1235.10, Subject: Mobilization of the Ready Reserve, governs recall procedures. The parent service of each Selective Service Reserve Forces officer will issue recall orders in accordance with established procedures for the selected reserves (those officers with an M-Day or immediate recall designation). An established Selective Service computer program will produce specific information for each service as to administrative instructions concerning individual officers of that service. This request for orders information will be transmitted to the service concerned on M-Day. Each of our Reserve Forces officers is required to sign a mobilization agreement upon assignment to the Selective Service Reserve Program and once a year thereafter. This agreement confirms his/her availability within 72 hours of a declared emergency and contains an initial mobilization location and assignment. Each officer is required to have a copy of this agreement in his/her possession and it will serve as authority to report for duty pending receipt of formal parent services orders.

41. The same testimony before the HUD Appropriations Subcommittee states that: "An agreement has been completed with the General Services Administration for expeditious acquisition of space for office and field locations. Additional agreements are being developed with the General Services Administration to provide immediately availability of communications, equipment, transportation and supply support".

In what form is this agreement. Does this mean that GSA will have to survey existing office space assets to locate available space, and will then have to contract for these support services? How fast can all this government contracting be accomplished?

A written Memorandum of Understanding was finalized with GSA, November 7, 1978, and signed by the Commissioner of Public Buildings Service. We have provided to GSA a list of locations and estimated space requirements. GSA has indicated that under emergency conditions, space will be made available within 5 days. Should any requirements for space be in locations where GSA does not have property and cannot provide a specific location for this agency within 5 days, GSA has given us authority to rent space on a one year term basis with a 30 day cancellation clause. GSA has indicated they have space in all of the capital cities and most of the larger cities. GSA will match our requirements against their computer program for space. The contracting time under emergency conditions to rent space is contingent only upon finding space and issuing a rental agreement. GSA has indicated the Economy Act limitations will not apply and they have waived the advertising requirement. The paper work, under emergency conditions, can follow occupancy.

42. In its report on S. 109—"Requiring Reinstitution of Registration for Certain Persons Under the Military Selective Service Act, and For Other Purposes"—filed by the Senate Armed Services Committee, the SSS mobilization plans are portrayed as a fragile structure which would come tumbling down if one part failed to operate as planned. If one state fails to register would this jeopardize the entire system?

I presume this question addresses the possible refusal of public officials to allow the use of election officials and election sites to carry out the emergency registration in their particular state. If that were the case, an alternative registration plan could be utilized for that state. No individual can receive an induction notice until all persons in one year-of-birth group have registered and have been assigned a random sequence number. This is a basic requirement for equity under the law. We are confident that our basic plan and backup or alternative plans will permit the Selective Service System to have an assured registration capability. If the election activities preclude use of voting places, we would implement our standby registration plan and use alternative sites.

43. If for some reason the SSS is unable to process all the first year-of-birth group in M+5 or M+6 days, what contingency plan would be implemented to deal with this problem?

A test on our computerized concept of processing registration data has recently been completed. We are confident that we can key and transmit all registrant data on one year of birth group within 5 days. Two extra days of "leeway" have been built into the plan. Back-up capabilities will also be built into the plan to cover breakdowns in the operational process as well. No induction notices will be issued until all the registrant data on one year of birth group is available.

44. What if the mailgrams that will be used to notify registrants of inductions are delayed and not delivered in the one day, as currently conceived in the SSS's plan?

A delay of one or two days in delivery of the mailgram would have no impact upon the SSS's capability to deliver inductees in the specified timeframe. The impact, if any, would be on the registrant since it would shorten the time available to him to get his personal affairs in order or to file a claim for postponement or reclassification. The time and place to report is specified in the induction order, and is predicated on the date of issuance of the induction order not the date of its receipt. We are planning to use the mailgram because we were informed that nearly 98% of the induction orders would be delivered within 24 hours.

45. If S. 109 or H.R. 4040 is amended to mandate the registration of women, and then either bill becomes law, how much would it cost the Selective Service System to carry out this mandate? What other facilities, personnel, computer, etc, would be required, and how long would it take for the SSS to be ready to begin such registration? Please provide this information for each bill.

If either S. 109 or H.R. 4040 is amended to mandate the registration of women, and if either approach to continuing registration of eighteen year-olds becomes law, the cost to the System to carry out the mandate would be in the neighborhood of $4 million in addition to the cost estimates provided in question number 4. The extra cost is due mainly to the added personnel and computer terminals required to input twice as many registrants.

46. If the SSS was required by DOD to register women as well as men, what changes would be required in its proposed plans? How much would these changes cost; when could plans for registering both men and women be ready? Would the SSS still be able to deliver the required time period if it was required to register women as well as men?

The Military Selective Service Act calls for the registration of men only. Should Congress pass an amendment to the law calling for the registration of women, no significant operational changes or cost differentials would be involved under our emergency plan, Presently we plan to register two or three year of birth groups, 4 to 6 million men, at M+10 days. Should women be included in the registration we would only register 1 or 2 year of birth groups or 4 to 8 million persons. That would be the only significant change necessary to the plan.

We have not fully evaluated the possible changes which might be required if Congress mandated the registration of men and women without changing the military specialities the inductees would be assigned to. For example, if women were legislatively excluded from serving in combat or combat support units, we anticipate that induction calls from the Department of Defense would provide for disproportionate induction ratios of men to women in each group of inductees. We need to more fully explore this situation from the legal, as well as operational impact on our input and use of the registrant data.●

SENATE RESOLUTION 199—RELEASE OF INFORMATION IN THE CASE OF COMMON CAUSE AGAINST BAILAR, ET AL.

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution and ask that it be stated by the clerk.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 199) authorizing the release of information in the case of Common Cause, et al., against Benjamin Bailar, et al.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection? Without objection, the Senate will proceed to its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, *Common Cause* v. *Bailar*, C.A. No. 1887–73, is an action pending since 1973 in the U.S. District Court for the District of Columbia challenging the constitutionality of the franking statute. Earlier the plaintiffs directed subpenas to employees of the Senate for information about the use of franked mail during the years 1972–75, and the Senate resolved to furnish the requested information.

The plaintiffs have now issued a subpena to William Poulin, Director of the Senate Computer Center, to testify and produce documents about the use of the frank during the period January 1, 1976 through June 1, 1979. It appears from a letter addressed to Mr. Poulin from counsel for Common Cause that plaintiffs seek a report like the reports for the years 1972–75, and do not call for the actual testimony of Mr. Poulin.

The resolution authorizes Mr. Poulin to prepare the report requested by the plaintiffs. The report will include information about the volume of franked mail sent by each Senator, and it will designate the categories of individuals to whom franked mailings were sent. The resolution authorizes that information be provided for the period ending June 30, 1979, rather than June 1, 1979, to assure that current data is furnished about this important legislative function. The adoption of this resolution would be consistent with the prior determination of the Senate to provide information about its use of franked mail.

This litigation has been pending in the District Court for 6 years. The Senate's newly appointed legal counsel has undertaken to report, pursuant to 2 U.S.C. 288(e), his views on actions which the Senate may take to assist a prompt and appropriate resolution of this matter.

Mr. STEVENS. Mr. President, on behalf of the minority leader I submitted a memorandum to the Republican conference on Tuesday concerning this suggested action by the majority leader, and asked for objections if there were any, from Members of our side of the Senate. There have been no such objections.

On the basis of that, I have joined on behalf of the minority leader in supporting the resolution which has been offered by the majority leader.

Mr. ROBERT C. BYRD. Mr. President, on that score, I might say that I took the matter up with the joint leadership group, which is required under the statute, a group which is comprised of the chairmen and ranking members of the Judiciary Committee and the Rules Committee, and the President pro tempore and the majority and minority leaders. This matter was cleared by that group.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 199) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. Res. 199

Whereas, in the case of Common Cause, et al. against Benjamin Bailar, et al. (Civil Action No. 1887–73), pending in the United States District Court for the District of Columbia, a subpoena has been issued to Willian Poulin, Director of the Senate Computer Center, directing him to give testimony and produce documents concerning the use of franked mail by Senators between January 1, 1976 and June 1, 1979.

Whereas the Senate, by previous resolution, had supplied information of this kind for the years 1972, 1973, 1974, and 1975, subject to a protective stipulation in this case.

Whereas the dissemination of information by a Senator to his constituency concerning legislation proposed or enacted by the Congress, the administration of such legislation by the executive branch and the review of such matters by the courts is a part of the official business of a Senator under the Constitution of the United States.

Whereas it may be useful to enlarge the period for which data is requested from June

1, 1979 to June 30, 1979, to provide fuller information about these important functions: Now therefore, be it

Resolved, That by the privileges of the Senate and by Rule XXX of the Standing Rules of the Senate, no officer or employee of the Senate is authorized to produce documents, papers, or records of the Senate, or the information which these contain, but by order of the Senate.

Sec. 2. When it appears that the information contained in Senate documents is needed for use in court to promote the ends of justice the Senate will act to serve these ends in a manner consistent with the privileges and rights of the Senate.

Sec. 3. Therefore, the Director of the Senate Computer Center is authorized to furnish, subject to the protective provisions of the stipulation previously approved in this matter, information on the volume of franked mail sent by each Senator for the period January 1, 1976 through June 30, 1979, including the designation of the categories of individuals (profession codes) to whom these franked mailings were to be sent, all to the extent and in the format used to provide information for earlier years. This information shall be furnished as promptly as possible.

Sec. 4. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider three nominations on the Executive Calendar on page 1 thereof appearing under the Department of Commerce and the Federal Reserve System. I have cleared these three all around. Mr. Stevens has also cleared them, but he is here to speak for himself.

Mr. STEVENS. The statement of the majority leader is correct, Mr. President.

Mr. ROBERT C. BYRD. I thank the distinguished acting minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF COMMERCE

The assistant legislative clerk read the nomination of Samuel B. Nemirow, to be Assistant Secretary of Commerce for Maritime Affairs.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

FEDERAL RESERVE SYSTEM

The assistant legislative clerk read the nomination of Frederick H. Schultz, of Florida, to be a member of the Board of Governors of the Federal Reserve System and to be Vice Chairman of the Board of Governors of the Federal Reserve System.

Mr. CHILES. Mr. President, I want to enthusiastically endorse the nomination of Fred Schultz to be a Governor and Vice Chairman of the Federal Reserve Board. I also urge my colleagues to support his confirmation by the Senate today.

My opportunity to know, work with, and observe Fred goes back many years. We were in law school together at the University of Florida. We also went to the Florida Legislature about the same time and served for a number of years together. During that time Fred was elected speaker of the house, and I had the pleasure of observing his outstanding leadership as speaker.

Fred's involvement in public affairs goes beyond his legislative service. He headed a Governor's task force to revamp much of the way we set up our education system in the State of Florida, and until his current nomination to the Federal Reserve Board, he served on a Federal advisory committee on education.

His private life as a banker and entrepreneur is well known in commercial and investment activities. In addition, his civic contributions in his home city of Jacksonville and the State of Florida are acknowledged by his peers.

Mr. President, through these years of serving and working with Fred Schultz, I feel he brings to this important position a lifetime of diverse experience drawing from his educational background, business, and political activities which will enable him to be a valuable and contributing Governor of the Board. I am convinced the President has proposed an outstanding appointment to the Federal Reserve Board, and I urge his confirmation.

Mr. STONE. Mr. President, Fred Schultz has served Florida as Speaker of the House of Representatives. I know him to be an honorable and successful businessman and banker. He will effectively enhance our Federal Reserve Board as Governor and Vice Chairman.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the nominees were considered and confirmed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW AND REDUCING TIME OF THE LEADERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. tomorrow, and that the time of the two leaders be reduced to 5 minutes each.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if there is any time following the recognition of the two leaders on tomorrow, I ask unanimous consent that such time, up until the hour of 10:45 a.m., be utilized for routine morning business, and that Senators may speak therein up to 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, am I correct that the vote on final passage of the Agriculture appropriations bill will occur at the hour of 10:45 a.m. tomorrow?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Am I also correct that upon the disposition of that bill the Senate will proceed to the consideration of the Labor-HEW appropriations bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. That would be at circa 11 a.m.

Mr. President, that about states the program for tomorrow. I said earlier there will be rollcall votes in connection with the Labor-HEW appropriations bill.

I want to compliment the Members of the Senate today. Action on two appropriations bills has been completed, and we are ready to take up the Labor-HEW appropriations bill tomorrow. Hopefully, the Senate will complete action on that bill tomorrow, but I am not making any statements to that effect by way of guarantees. If the Senate does not complete action on that bill tomorrow, the Senate will resume action on that bill the next day. And if it does not complete action on that bill on Friday, it will resume action on Saturday, if that is the will of the Senate.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10:30 a.m. tomorrow.

The motion was agreed to; and at 9:08 p.m., the Senate recessed until 10:30 a.m. Thursday, July 19, 1979.

NOMINATIONS

Executive nominations received by the Senate on July 18, 1979:

DEPARTMENT OF LABOR

William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor, vice Francis X. Burkhardt, resigned.

THE JUDICIARY

James W. Kehoe, of Florida, to be U.S. district judge for the southern district of Florida, vice a new position created by Public Law 95–486, approved October 20, 1978.

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force to the grade indicated, under the provisions of chapters 35, 831, and 837, title 10, United States Code:

To be major general

Brig. Gen. Jay G. Benton, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Roger W. Gilbert, [redacted]FG, Air National Guard of the United States.

Brig. Gen. Richard M. Scott, [redacted]FG, Air National Guard of the United States.

To be brigadier general

Col. Jack R. Brasher, [redacted]FG, Air National Guard of the United States.

Col. John G. Brosky, [redacted]FG, Air National Guard of the United States.

Col. Fred W. Cross, [redacted]FG, Air National Guard of the United States.

Col. Wayne C. Gatlin, [redacted]FG, Air National Guard of the United States.

Col. Harold G. Holesinger, [redacted]FG, Air National Guard of the United States.

Col. Robert H. Hormann, [redacted]FG, Air National Guard of the United States.

Col. Charles D. Kelley, [redacted]FG, Air National Guard of the United States.

Col. James D. Montgomery, [redacted]FG, Air National Guard of the United States.

Col. Donald E. Richards, [redacted]FG, Air National Guard of the United States.

Col. Curtis D. Roberts, [redacted]FG, Air National Guard of the United States.

Col. Charles A. Sams, [redacted]FG, Air National Guard of the United States.

Col. Floyd E. Snyder, [redacted]FG, Air National Guard of the United States.

Col. David S. Taylor, [redacted]FG, Air National Guard of the United States.

Col. Robert G. Urquhart, [redacted]FG, Air National Guard of the United States.

Col. Dale E. Wainwright, [redacted]FG, Air National Guard of the United States.

Col. Leslie E. Whitehead, [redacted]FG, Air National Guard of the United States.

Col. Willie L. Whitman, Jr., [redacted]FG, Air National Guard of the United States.

Col. Albert W. Wright, [redacted]FG, Air National Guard of the United States.

Col. James E. Young, [redacted]FG, Air National Guard of the United States.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Glenn Kay Otis, [redacted], Army of the United States (colonel, U.S. Army).

Maj. Gen. Glenn Kay Otis, [redacted], Army of the United States (colonel, U.S. Army), for appointment as senior U.S. Army member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 18, 1979:

DEPARTMENT OF COMMERCE

Samuel B. Nemirow, of Virginia, to be Assistant Secretary of Commerce for Maritime Affairs.

FEDERAL RESERVE SYSTEM

Frederick H. Schultz, of Florida, to be a member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1968.

Frederick H. Schultz, of Florida, to be vice chairman of the Board of Governors of the Federal Reserve System for a term of 4 years.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, July 18, 1979*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, giver of every good gift, we thank You for all the blessings of life and hope that we have received.

Remind us, O Lord, that though we know the benefits that Your providence has given, that not all people share in the bounty of liberty and the gift of freedom. Make us conscious of the opportunities we have to express ourselves freely and faithfully worship You in word and deed and truth.

We specially pray for those who do not know the joy of freedom or share the full expression of their faith. Bring us together in the spirit of prayer that all people may be strengthened by our common supplication and by the promise that You are ever with us, world without end. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 3661. An act to increase the authorization of appropriations under the act of December 22, 1974 (88 Stat. 1712).

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3363) entitled "An act to authorize appropriations for fiscal years 1980 and 1981 for the Department of State, the International Communication Agency, and the Board for International Broadcasting," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHURCH, Mr. PELL, Mr. MCGOVERN, Mr. BIDEN, Mr. ZORINSKY, Mr. JAVITS, Mr. PERCY, Mr. HELMS, and Mr. HAYAKAWA to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 210) entitled "An act to establish a Department of Education," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RIBICOFF, Mr. GLENN, Mr. LEVIN, Mr. PERCY, and Mr. JAVITS to be the conferees on the part of the Senate.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make an announcement about the electronic voting system. The Chair has been informed that the board displaying each Member's name behind the Chair and the boards displaying the bill number and vote totals to the left and right of the Chair are not working today. However, all voting stations are operating; and the Chair will direct that all vote monitoring stations be staffed with personnel so any Member may go to any monitor and verify his or her vote. Members may also verify their votes—as they should on any vote—by reinserting their card at the same or another voting station.

The Chair therefore directs that votes be taken by electronic device. Members interested in the progress of the vote may inquire at the vote monitoring stations.

PERMISSION FOR SUBCOMMITTEE ON IMMIGRATION, REFUGEES, AND INTERNATIONAL LAW OF THE COMMITTEE ON THE JUDICIARY TO SIT TODAY DURING 5-MINUTE RULE

Ms. HOLTZMAN. Mr. Speaker, I ask unanimous consent that the Subcommittee on Immigration, Refugees, and International Law of the Committee on the Judiciary may be permitted to sit today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

NATIONAL POW–MIA RECOGNITION DAY

(Mr. EVANS of Delaware asked and was given permission to address the

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, today is National POW-MIA Recognition Day, a time for all Americans to remember and honor those who were asked to sacrifice so much while serving our country.

Several days ago, I had the privilege of spending some time with Capt. Eugene McDaniel, who is working now as congressional liaison with the Congress from the Navy. He wrote a book called "Before Honor," and I would like to share with my colleagues some of the thoughts that he expressed. His was a marvelous testimony of bravery, of courage, and of faith, of faith that enabled Captain McDaniel and so many others to survive unbelievable strains on mind and body.

One of the thoughts that sustained Captain McDaniel and so many others was that America would never forget them.

The same is true of the missing in action, who should never be forgotten.

And if there is only one man who is missing in action, America should never forget. Their families should also be in our thoughts and prayers today for they, too, sacrificed greatly.

Private organizations like the National League of Families should be given support by all in finding and accounting for their loved ones.

PERSONAL EXPLANATION

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, due to a mechanical failure of the vote advisory system in my office, I missed rollcall vote No. 343 on July 17, 1979. Had I been in the Chamber, I would have voted "aye."

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FOLEY. Mr. Speaker, as chairman of the Democratic Caucus and by the authority and direction of the Democratic Caucus, I send to the desk a privileged resolution (H. Res. 375) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 375

Resolved, That the following named Members be, and they are hereby, elected to the following standing committee of the House of Representatives:

Committee on Post Office and Civil Service: Mary Rose Oakar of Ohio; and Gus Yatron of Pennsylvania.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1010

FOREIGN ASSISTANCE APPROPRIATIONS, 1980

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee on the Whole House on the State of the Union for the further consideration of the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER pro tempore (Mr. Rostenkowski). The question is on the motion offered by the gentleman from Maryland (Mr. Long).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 6, present 5, not voting 61, as follows:

[Roll No. 349]

YEAS—362

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Dickinson
Dicks
Diggs
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Flippo
Florio
Foley
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Perkins
Petri
Peyser
Pickle
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stockman
Stratton
Studds
Swift
Symms
Synar
Tauke
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Watkins
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—6

Bauman
Lloyd
Lujan
Mitchell, Md.
Stump
Weaver

ANSWERED "PRESENT"—5

Danielson
Ertel
Marlenee
O'Brien
Vander Jagt

NOT VOTING—61

Ambro
Anderson, Ill.
Anthony
Ashley
Aspin
AuCoin
Beilenson
Bolling
Burton, John
Byron
Chisholm
Clay
Conte
Conyers
Dellums
Devine
Dingell
Dixon
Dodd
Dougherty
Eckhardt
Edgar
Emery
Evans, Ga.
Fithian
Flood
Ford, Mich.
Ford, Tenn.
Forsythe
Giaimo
Gibbons
Guarini
Hinson
Hollenbeck
Ireland
Jeffords
Kostmayer
Lundine
McKinney
Marks
Martin
Mathis
Michel
Moorhead, Pa.
Murphy, N.Y.
Patterson
Pepper
Preyer
Rhodes
Rose
Rosenthal
Sawyer
St Germain
Stewart
Stokes
Taylor
Treen
Wampler
Wilson, Bob
Wilson, C. H.
Wyatt

□ 1020

Mr. MARRIOTT changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committe of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4473, with Mr. Kazen in the chair.

☐ 1030

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 17, 1979, the Clerk had begun the first reading of the bill.

The Clerk will continue to read.

Mr. LONG of Maryland. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN. Under the unanimous-consent agreement the gentleman from Maryland (Mr. Long) will be recognized for 1 hour, and the gentleman from Florida (Mr. Young) will be recognized for 1 hour.

The Chair recognizes the gentleman from Maryland (Mr. Long).

Mr. LONG of Maryland. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I submit for your consideration today the foreign assistance and related programs appropriations bill for fiscal year 1980.

First I want to thank all the members of the subcommittee for their cooperation on this bill which, as usual, is not without its difficulties. Bill Young, the ranking minority member, has always been a joy to work with as is true of David Obey, Charles Wilson, Sidney Yates, Matt McHugh, Bill Lehman, Julian Dixon, Virginia Smith, and Jack Kemp. They have all made valuable contributions, although some of them were not entirely sympathetic to the program.

The committee has held many hours of detailed hearings and has studied the requests with care.

This is an omnibus bill funding a large portion of our foreign policy initiatives and provides for direct development assistance, military assistance, and assistance for the Middle East. It also provides for development assistance in cooperation with other nations through the United Nations, the World Bank, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

The Middle East funding constitutes about 28 percent, a little over a quarter of the funds in the bill and direct U.S. assistance to the Middle East has special significance in light of the recent Middle East settlement.

The committee recommends an appropriation of $7.9 billion. This represents an increase of $432 million or 6 percent above last year's regular appropriation. However, the committee recommendation, I call to your attention, is $1.2 billion or 13 percent below the President's request. It was not easy to get down to that level. I hope the Members appreciate the problems we had in making that reduction.

The committee recommends an appropriation of $2.7 billion for the six international financial institutions requesting funds in fiscal year 1980: the Inter-American Development Bank, the World Bank, the International Finance Corporation, the International Development Association, the Asian Development Bank, and the African Development Fund. This recommendation represents an 8-percent increase or $207 million over the fiscal year 1979 appropriation level. However, a 25-percent decrease or $903 million below the budget request.

You will notice in all these figures what we are trying to do is to keep within something approaching a 7-percent or 8-percent increase, to keep it down to what we held ourselves to in our domestic programs.

In March 1979, about 3 months ago, the surveys and investigations staff of the House Appropriations Committee completed a yearlong study of the international banks and leveled many criticisms regarding their operations. The action taken by the committee regarding this investigative report is outlined on pages 19, 20, and 21 of the report. I recommend that every Member of the House read those pages.

The committee conducted 4 days of oversight hearings on this report and extracted agreement from the U.S. officials directly involved with the banks to pursue certain reforms within these institutions.

The committee plans to monitor the measures taken by the banks and will watch the progress of these reforms throughout the year. Let me tell you, we are very interested in getting those reforms accomplished and we are not going to settle for mere paper reforms or just going through the motions.

The report raised some question about the availability of bank documents to the U.S. executive directors of the various banks. Because of this concern the committee has included a general provision in the bill designed to correct this problem, section 521.

The administration has indicated that many of the issues in the report are valid. They were not terribly happy to make that concession but they came around to it. The administration intends, it says, to push immediately for needed reforms in the banks.

For the Agency for International Development, AID, the committee recommends the appropriation of $3.6 billion, a 5-percent increase over the fiscal year 1979 appropriation level. AID is charged with bilateral development assistance, with Middle East economic assistance, American schools and hospitals abroad, Sahel development program, African refugees, and disaster assistance.

The committee recommends $42 million for the international narcotics program, $16 million for the Inter-American Foundation, $23.7 million for the new Institute for Scientific and Technological Cooperation, $105 million for the Peace Corps, and $288.9 million for various refugee programs. We have given full funding to the refugee programs in recognition of the terrible plight of these pathetic human beings dumped on the high seas by the Communist regime of Vietnam.

Important subjects are addressed in the report. The committee has undertaken to channel funds both bilateral and multilateral into the areas of capital savings technology with the aim of helping the poor directly and encouraging more self-development both to save money for the U.S. taxpayer and to stretch the limited sums available for development.

It has been my feeling for a long time that our foreign aid, insofar as helping the poor is concerned, has been more or less a token program. We have put a lot of money into a lot of highfalutin projects in certain countries which benefit a few people and use up so much capital that we have nothing left to help the great masses of the poor in the world. It has been my feeling, also, that the money which has gone into those programs which have been funded have been helping primarily the rich and well-to-do.

To improve the quality of life of 1 billion to 2 billion poor people in the developing world is, of course, far beyond the resources of the United States even when aided by other developed nations. So, Mr. Chairman, methods must be employed to make maximum use of self-help, self-generating, and self-liquidating processes. It is my feeling and has been, and I think more and more of this is being shared by the development community and by those who have been critical of it, that this aid program has got to be a program primarily of self-help if it is ever going to benefit any large number of people and not just a taken few. We must make sure the developing countries understand that, that while we can help, we can be the catalyst, they must help themselves. They cannot say to Uncle Sam, "You transfer the resources, you give us the money and we will forget about it."

This has to be self-help, it has to be self-generating and self-liquidating so that when projects are found to succeed you terminate them and go on to something else. That is what I have found in so many of these countries, they just think if a project is successful they ought to get even more money. My proposal to them over and over again has been, if a project is successful let us get our money out and go on to something else that needs the funds even more.

☐ 1040

The report addresses land reform in poor countries, the development of renewable energy resources and the reduction of deforestation resulting in erosion of agricultural land and the provision, of course, of safe drinking water for the poor people of the world.

Land reform has been moving very slowly. I have been suggesting that we shift away from a program of land reform which forcibly takes land away from the people who have it and almost certainly in most cases is going to be accompanied by revolution and get into the American system of real estate development. We are breaking up our big estates all over the United States and we are doing it by having the well-to-do sell their land to the poor people. We have discovered in poor countries, that once you break up one of these big estates, the peasants, since they put a lot of energy on each acre of land, produce as much as 10 times as much as that land is capable of producing when it is held in the big estates.

So I say, if it is going to be worth that much more when it is broken up, let us give the landowners a chance to make some money on it and give them an incentive not to fight land reform.

For military grant aid, military training, and military credit sales, the committee recommends an appropriation of $780 million, a reduction of $117 million below the fiscal year 1979 appropriation level and $90 million below the budget request.

The military credit sales program will provide $1 billion for Israel, half in grant aid.

Because of growing concerns over violations of human rights, the committee recommends reductions in the military training and military credit sales accounts, excluding Israel, but the recommendation does not name specific countries, but presents an illustrative list of countries marked as violators.

In addition, a general provision, section 512, is included addressing the human rights issues.

The attention of the Members is directed to pages 7, 8, and 9 of the report, which outlines our action. There are so many countries in which charges of human rights violations have been raised on a frequent basis that the committee felt that this approach would be the most prudent, as well as the most reasonable.

Furthermore, of course, the situation keeps changing all the time. A country may make some progress in dealing with human rights, and we ought to be prepared to recognize that progress, or a country may find itself in even worse violation of human rights than before and there is no way the Congress can keep up with that rapidly changing situation.

Consequently, we simply named a group of countries and made the general cuts and felt that the State Department ought to choose the countries from that list.

The committee recommends the full limitations on the use of corporate funds for the use of the Export-Import Bank of $5.6 billion.

The committee has recommended prohibitions against direct U.S. aid to Vietnam, Cambodia, Laos, the Central African Empire, Mozambique, Angola, Cuba, and has recommended against military aid to Panama. These prohibitions are proposed for human rights reasons and because Congress has expressed its disapproval of these dictatorships, both left-wing dictatorships and right-wing dictatorships.

Our foreign aid has been subsidizing overseas production of commodities in competition with U.S. products. This committee published a report last year indicating what this has done in the steel industries.

The Members may wish to read sections 523 and 524 on pages 21 and 22 of the bill.

Language in section 23 would prohibit direct foreign aid as well as forbid the Export-Import Bank and the Overseas Private Investment Corporation, from assisting in production of any commodity for export which is in surplus on the world markets and which would cause substantial injury to U.S. producers of the same or similar commodities.

I am a strong believer in free trade. We regard any subsidies to our own industries as being in violation of free trade. Why on Earth should we suddenly regard subsidies to industries of other countries as being somehow free trade? Of course, it is not. Those countries which have been accepting our subsidies for their industries that compete with ours have been also adding their subsidies to our subsidies; so these industries, steel and a number of others, have been laboring under increased difficulties in the United States competing against this heavily subsidized foreign competition, which has nothing to do, of course, with the free enterprise system.

Section 524 directs the Secretary of the Treasury to instruct the U.S. directors of the international finance institutions, to use the voice and vote of the United States to oppose any assistance by these institutions for the production of any commodity for export which is in surplus on the world market and which would cause substantial injury to the U.S. producers of the same or similar commodities. .

Let us hope that the administration carries out that provision in good faith.

Mr. Chairman, I especially support foreign aid that is directed at the really poor countries and poor people in poor countries. This has been my feeling, that this is what foreign aid is supposed to be about, all along. Because of Congress redirection of our bilateral aid program, I have supported increases in funding for the Agency for International Development's assistance accounts of 9 percent over fiscal year 1979 appropriation levels, from $1,132,000,000 in fiscal year 1979 to $1,231,000,000 in fiscal year 1980.

AID has shown a willingness to turn away from a heavy capital trickle-down approach toward a capital-saving technology—a bottoms-up approach that will enable the poor people to improve their own lives by marshaling their own underemployed labor time and their own savings, which are not inconsiderable.

Foreign aid needs redirection. Aid-giving countries, especially the United States, suffer an acute shortage of capital.

The aid-receiving countries must stretch their own capital and their aid from us over as many as possible to help any considerable proportion of their poor. The greatest resource of poor nations is the underutilized labor time of their own people, the source of what I call sweat capital.

In addition, the poor nations have scattered money savings that are not now deposited for fear of embezzlement, mishandling, or inflation. Past development strategies that have emphasized large amounts of capital per worker would reach only a small proportion of the world's poor, with a great majority getting nothing and as a result becoming relatively disadvantaged.

What I am hoping to accomplish is the redirection of foreign aid and I think we have already made a start in that direction, away from heavy capital, prestige projects, that benefit the rich and well-to-do and cause a lot of unemployment in the process, toward capital savings, self-help projects, that get to the really poor and to all of them, not just a token few.

Mr. BAUMAN. Mr. Chairman, will the gentleman from Maryland yield for a question?

Mr. LONG of Maryland. I would be glad to yield.

Mr. BAUMAN. Mr. Chairman, I heard the gentleman say in the course of his remarks that the committee had prohibited any military assistance to the Republic of Panama.

As the gentleman quite correctly recalled, there was included in the authorization legislation earlier this year complete prohibitions on all assistance, military and economic, with the exception, I believe, of food for peace and certain medical supplies.

□ 1050

How much money is there remaining if only military aid has been banned in the bill for assistance to Panama? Does the gentleman have a figure on that?

Mr. LONG of Maryland. Mr. Chairman, I will have to get the figure for the gentleman.

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield further, I am told by the staff that the amount for Panama in the bill is $12,760,000. In addition to that, there is $1,250,000 which is for "Food for Peace," but included in another bill.

My question to the gentleman is this: Was the committee aware that under the terms of the Panama Canal Treaty, whereas we were told originally Panama would get an annual payment of about $45 million to $50 million, testimony by Governor Parfitt, Head of the Canal Zone, has shown only this week that under the very first payment Panama will be receiving $70 million and it may go as high as $90 million in the next few years.

My question is: Why should we be giving them $12 million or $13 million in foreign aid when we are immediately giving them this extraordinary type of aid which is the income from the canal"

Mr. LONG of Maryland. Mr. Chairman, the gentleman may understand that this is not a payment to the government. It is intended for development purposes.

I have been through much of Panama, and there are a great many poor people there. I was quite surprised to observe that some of the best development programs I have ever seen anywhere in the world are in Panama.

So I do think it has some value, but I can understand the gentleman's feelings.

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield further, I have also been to Panama, and I am not sure what development programs the gentleman is talking about. The assistance to the reconstruction of Tocumen Airport and Bayono electric power project and various others has been bungled and riddled with graft and corruption. They have wasted our money, and I do not think we have any obligation to give them one thin dime more.

Mr. LONG of Maryland. Mr. Chairman, I have seen some of those instances, too. I have seen areas where a lot of money was wasted. They have a lot of rich people, and they are getting richer.

But there are some fine projects. For example, I saw a fishpond project there which was one of the few projects I had seen in all my travels that was helping any considerable number of really poor people. We had gotten up in the hills and were helping the Indians.

They put these fishponds in, and I believe they have built 90 village fishponds and 150 individual family fishponds which have really worked, believe me. They are taking water and pushing it through pigpens into the ponds, and then they are creating a tremendous algae bloom which feeds the fish.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. Mr. Chairman, I would like to finish first.

They turn out a lot of fish. I saw them fish them out of the ponds. Then they get the people to come in and help with the gardens. The villagers have to come in and hoe those gardens. They are some of the best gardens I have ever seen in my life. Even on the Eastern Shore I have not seen any better gardens than what they have there, and they do have some beauties over there. They have to hoe these gardens and tend to them in order to get the few fish.

So it is a program that works very, very well. They have some ducks, and they get some pigs out of this which they sell to get cash.

Mr. Chairman, this is a well-worked-out program.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, let me ask the gentleman, did the chairman of the committee eat any of these fish?

Mr. LONG of Maryland. Yes, I did. I had them for breakfast.

Mr. CHARLES WILSON of Texas. How were they, let me ask the gentleman?

Mr. LONG of Maryland. Well, at the time I thought I would eat only one, but I ended up eating three.

Mr. CHARLES WILSON of Texas. Were they fried or filleted?

Mr. LONG of Maryland. They were fried, deep-fat fried.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield further?

Mr. LONG of Maryland. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I was not so interested in the gustatory enjoyments of the gentleman from Maryland as I was in the expenditure of the U.S. taxpayers' funds.

Mr. LONG of Maryland. Incidentally, may I say to the gentleman that I turned back some of the money from my trip.

Mr. BAUMAN. I am pleased to know that, too.

But my question is this: We have had evidence before our subcommittee on Panama Canal that the funds we have given that country, for instance, for military assistance have been used to assist the Communist Sandinista guerrillas in Nicaragua. This is American-financed military equipment, and other funds apparently are being used by Panama to overthrow another government. There is some question in my mind whether any aid should be given to Panama in light of their activities.

Mr. LONG of Maryland. Mr. Chairman, I think there is a lot to what the gentleman is saying. I would not want to defend a lot of the things that have gone on in Panama. We have tremendous numbers of anti-American forces down there.

We do have a lot of people down there who would be on our side. I do not want to send American troops down there to defend the Panama Canal.

Mr. BAUMAN. Mr. Chairman, let me say to the gentleman that American troops are already there for that purpose and have been there for some years.

Mr. LONG of Maryland. Well, wait a minute now. I am talking about real fighting.

My son was down there in the 82d Airborne in jungle training at the time this Panama Canal Treaty was underway. I got a phone call from him, and he said:

> Dad, there isn't a single member of the Eighty-Second Airborne down here who is against this Treaty. We would have to do the fighting.

I am sick and tired of that sort of thing. I am older than the gentleman, and I have been through all the Vietnam war experience of sending our kids to fight a war that the American people did not back up. And they would not back up a war in Panama, we all know that. We send them to a war and then bring them back to an ungrateful country.

I am opposed to that kind of thing. Whatever the Panama Canal Treaty costs us, although it is probably more than it should be, it is a heck of a lot cheaper than fighting a war down there. If we sent troops down there to fight a war, we would use a tremendous amount of funds.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, let me ask the gentleman, does his son speak for the 82d Airborne? I did not know that he did.

Mr. LONG of Maryland. I did not hear the gentleman.

Mr. ROUSSELOT. Does the gentleman's son speak for the 82d Airborne? Has he been elected a leader of the 82d Airborne?

Mr. LONG of Maryland. I still did not hear the gentleman.

Mr. ROUSSELOT. Mr. Chairman, the gentleman said that his son said that he spoke for the 82d Airborne?

Is the gentleman's son willing to defend the canal?

Mr. LONG of Maryland. To defend the canal, yes, but he was talking about the treaty. They did not want to go to a war in Panama. My son was not talking about that.

I believe he is the only son of any Congressman or Senator who fought in Vietnam and was wounded in the entire 10 years of the war.

I have talked to a lot of hard-boiled people around here who have said that we should save Asia from the Communists, and I was terribly impressed. But then I checked, and I found out there was not a single one of them who had a son in Vietnam. It is awfully easy to use one's oratory to get other people to go to war. I do not want to send any child in my district down to Panama to fight in a war.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's comments. I did not vote for the Gulf of Tonkin resolution. Did the gentleman?

Mr. LONG of Maryland. No.

Mr. PATTEN. Mr. Chairman, let me suggest, can we get on with the debate here?

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, on the subject to economic aid to Panama, I am not sure of the figures, but the staff there probably has them.

Would the chairman of the subcommittee give us an idea of what the gross national product is for Panama in relation to the other countries in Central America? Is it not the highest?

Mr. LONG of Maryand. It is beyond a doubt very high.

Mr. CHARLES WILSON of Texas. Is it not higher than any other country, and do we not provide them more economic aid than any other country in Central America?

Mr. LONG of Maryland. We are not doing this totally on the basis of need. We are giving this money to Panama so we can get a peaceful situation in Panama. The control of the canal will be changed, and we do not want to send a lot of American kids down there to fight.

Mr. CHARLES WILSON of Texas. Mr. Chairman, did I understand the gentleman to say that we are not providing the economic assistance to Panama on the basis of need?

Mr. LONG of Maryland. Mr. Chairman, I would have to say that an awful lot of the aid to Panama does not go on the basis of need.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I think it is only fair to point out that the GNP figure for Panama has relatively little relevance to most of the people whom we are trying to help in Panama, because the GNP figures are artificially inflated because of the relative wealth of people who live very close to the Canal Zone. But if we get back in rural Panama, we find that the average family's income is 8 bucks a week, and I do not think the gentleman from Texas would like to live on that.

Mr. CHARLES WILSON of Texas. Mr. Chairman, if the gentleman will yield further, I do not believe the gross national product figure is the only measure we have to determine need. I agree with the chairman of the committee that this aid is not being provided on the basis of need; it is being provided to buy the Panama Canal Treaty.

Mr. LONG of Maryland. Mr. Chairman, would the gentleman agree that that could be a worthy purpose, that it is much better to have some friends down there supporting us if we had a real conflict on the basis of the canal rather than to have everybody against us? That is what I am afraid of.

Mr. CHARLES WILSON of Texas. Mr. Chairman, my judgment, in answer to that question, is that once Panama gets this aid and once the treaty implementation agreements are all passed and become law, I do not think we are going to have any friends in Panama.

Mr. LONG of Maryland. That is a matter of opinion.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, the Senate argued this matter for over a year. I think we are beating a dead horse. I came in here to hear debate on this bill. Let us stick to it and not fight over these collateral matters. Let us get this appropriation bill underway and not fight the issue of Panama all over again.

Mr. LONG of Maryland. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Maryland (Mr. Long) has used 29 minutes of his 1 hour.

The Chair recognizes the gentleman from Florida (Mr. Young).

□ 1100

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the Members might have discovered, this is one of the more controversial bills that come before this body. Because it is that type of legislation, I think that the chairman of the subcommittee deserves a lot of commendation for the way he is able to keep the subcommittee together. While we may strongly disagree on many subjects—and we do—the chairman does a good job, and I want to compliment him for the job he does as chairman. The other members of the committee, all of the members of the subcommittee who take part in this activity, do a good job. They are well informed. They disagree with me a lot, I disagree with them a lot, we disagree with each other a lot, but we have a good subcommittee, and I am proud to be a member of that group. The very distinguished gentlewoman from Nebraska (Mrs. Smith) has been a tremendous aid and assistance to me in my responsibilities as the ranking majority member. The gentlewoman is a solid member of the committee, she understands the foreign aid program, which is difficult to do sometimes, and I also want to compliment her for the good job that she does. And we have a good staff on the committee professional staff, with Don Richbourg, Don Denton, and, on the minority side, Jim Conrow and Jim Fairchild. We have a good staff, they know what it is all about, and they give us a lot of help. Believe me, in this area we need that kind of help.

I am going to try to expedite the proceedings today. In the past, as the Members know, we have taken a long time on this bill; we have taken 3 or 4 days sometimes. Last year the bill was scheduled and rescheduled, I think, a half a dozen times before we ever finally got it on the floor, and then it still took nearly 4 days before we got it completed. So I am going to try to expedite it without omitting anything that I think is important to be considered by the House today.

If I had to vote on the bill at this very moment, I would vote "no." In my opinion, it is not a bill that wisely uses the resources of the American taxpayer. What my vote finally will be later on today, or whenever the final vote might come, is going to depend on the shape of that bill after the amendments have been considered and either approved or rejected.

As of the moment, there are some good things in this program. We have one program we can be very proud of—the American schools and hospitals abroad. They not only help the people in the countries where they are being conducted, but it is good for our country, it creates a good image for the United States and Americans in the parts of the world where this takes place.

Also, the Members heard my comments yesterday—and let me briefly repeat today—there is a lot of money in this bill, along with the supplemental that we passed yesterday, to show the compassion of Americans for people who find themselves in a refugee status. In the last 2 years, last year and the bill this year, plus the supplemental, Americans will have provided nearly a quarter of a billion dollars for refugees. I think that is very generous on the part of Americans, especially when you stop to consider that most of these refugees are being created by the vicious people who control the Government of Vietnam. They are the ones who are causing the refugees. Yet we are taking them in. We are providing most of the funds needed to save their lives. I do not think anyone would disagree with saving the lives of those refugees. But we have really fallen flat on our faces by not demanding that the rest of the free world share part of the burden, that they provide homes for more of the refugees, that they provide more of the money needed to save their lives, to feed them, to clothe them. I think that our Government itself is guilty of omission in not demanding that the United Nations hold an immediate emergency session to consider ways and means of solving the problems of the refugees, taking care of the refugees themselves, but even as important, and that is to do something to stop Vietnam from making more refugees. The unfortunate part is that we are not doing anything to stop Vietnam from creating any more refugees. As a matter of fact, as will develop later on in the consideration of this bill today, we will show the Members how the international community in fact is financially rewarding Vietnam. We will talk about that a little later on as we get into the amending process.

This bill would appropirate $7,888,552,251. Of that amount, just a little bit over $2 billion is authorized; $5.8 billion of the money appropriated in this bill is not yet authorized. The rule that we adopted provides a waiver. There is something wrong with that system, though. It is my opinion that, when an appropriation bill comes to the floor, it should come appropriating money for projects and for amounts that have been authorized by the Congress. That is not the case today.

The United States and the American taxpayer, whether they like it or not, have been very generous in the foreign aid programs of this country since we started our foreign aid programs at the end of World War II. We provided $214.9 billion in foreign aid since that time. The way we spend money in Congress, $214 billion does not sound like a lot of money; but apply it to the budgets of your State, apply it to the budgets of your communities or your counties, and then see how big $214 billion really is.

We will probably hear today, during debate on some of the amendments, that we are not doing enough, that other countries are doing more. Well, we will analyze that when the time comes. It is my opinion the American taxpayer has been very generous.

One of the large recipients of the moneys appropriated by this bill will be the World Bank. And those Members who have known me for any length of time know that I have had a few criticisms of the World Bank. I still have a few. Not as many as I did. I want to say, for those who are concerned about the World Bank, they have shown some improvement. But that improvement only came about after this Congress began to apply the pressure. For example, 3 years ago our subcommittee asked for audits of projects funded in developing countries by the World Bank. We were told we could not have audits of projects. We were offered what were at that time called financial evaluations. Well, the financial evaluation was handed to the chairman and to me across the committee table, with this proviso: You can take it, you can look at it, but you cannot let anybody else know what is in it.

Well, we refused it, on the basis that it was public funds and the public had a right to know what was being done with those moneys. Well, point No. 1, the reason we could not get any audits of the projects is because they do not audit the projects. There are no such animals. The improvement is this: Those financial evaluations that we were not allowed to have unless we promised total secrecy are now sent to the Members' offices on a routine basis. The Members get them. I do not know what they do with them, but they get them. And I compliment the World Bank for lifting back the shroud of secrecy that little bit.

And also I would like to say to the Members that, on most occasions, if I need information from the World Bank

I am able to get it now, where, 3 or 4 years ago, I was not able to get much of it. So there has been some improvement. I will say to my colleagues that there is much room for much more improvement in the way the World Bank handles your money. This is a multilateral international organization, and many other countries contribute to it; I want to make sure that everybody knows that I understand that. The United States is by far the largest contributor to the World Bank and every other one of the international financial institutions.

We have quite a bit of interest in the World Bank because it spends a lot of our money. We have practically no control over how that money is used or where it goes and, because of that, the Subcommittee on Foreign Operations of the Committee on Appropriations became quite concerned that we could not get a lot of answers and we assigned, with the acquiescence of the chairman of the Committee on Appropriations and the ranking minority member of the full committee, the investigative staff of the committee, a professional group of investigators, to do a study of the international financial institutions. They put together a 5-member team that worked some 13 months in following many aspects of the operation of the international financial institutions; where the money went and what happened with the money. Their report, in my opinion, was rather devastating.

There are those who will read from that report later on today who will pick out a few points that will be highly laudatory of the World Bank, and I certainly acknowledge that there are some of those in that nearly 200-page report. The unfortunate part is that the adverse conditions are so much greater than those that are laudatory that it certainly convinces me that much more work needs to be done to get more accountability for American taxpayers moneys that are being used by the World Bank.

□ 1110

One program I would like to mention that is of interest to me, and I think should be of interest to the Congress, is the question of the Sahel development program.

The Sahel development program is a good program. What I mean is the motivation, the reason for the Sahel program is good. I support it.

The unfortunate problem about the Sahel program is, it is not working. It is not coordinated. Too much money is being spent in the Sahel program. We are getting no results.

Now, if we are ever going to get any improvement or correction in this type of program, we are going to have to be a little hard-nosed about it.

Let me tell my colleagues what I am talking about in the Sahel. This is the sub-Saharan areas of Africa. In the Sahel program we are providing money to the Sahel area from AID, the Peace Corps, the International Development Association, the World Bank, the International Fund for Agricultural Development, United Nations Development Program, West African Development Bank, African Development Bank, Food and Agriculture Organization, UNESCO, OPEC Special Fund, Kuwait Fund for Arab Economic Development, Arab Bank for Economic Development in Africa, France, Canada, Netherlands, Denmark, Belgium, West Germany, the United Kingdom, Switzerland, and the European Development Fund.

In addition, the recent Club du Sahel conference held in Amsterdam included additional representations from Guinea, Sudan, Nigeria, Australia, Austria, Italy, Japan, the International Labor Organization, the UNCTAD/GATT, International Monetary Fund, World Health Organization, the United Nations Fund for Population Activities, World Food Programs, West African Rice Development Association, and a number of other organizations, private international voluntary organizations.

That is a lot of people contributing a lot of money to a program with a good cause. The problem is the money is being wasted. Most of the money is not being used to accomplish the objective.

Do not take my word for it. The Comptroller General of the United States in a GAO report told us that. On the front page of that report, the theme of the report is that while some progress has been made, we should guard against the commitment of too much financial help too soon. They go on in the report to say that they just cannot absorb the projects. There is too much hitting them all at one time. There is a tremendous lack of coordination.

I submit to my colleagues that while I am not opposed to what we are trying to do in the Sahel, I say we are wasting the money. It is not our money. It is not my money and your money except to a small degree. It is the money—the American share of it—is the money of the taxpayers of this country, who are having economic problems of their own.

If we are going to take their money from them to put into a foreign aid program, at least we should be able to assure them that we are doing something for the people that we intended to help and with the money that we are taking from our own taxpayers.

I want to make just one more point in the area of general debate before yielding to other speakers.

I want to go back to the World Bank. I want to talk about Vietnam. You know, we talked about Vietnam from the standpoint of the refugees and what I think we ought to be doing as a country and as an international community, as well as taking care of those refugees; but some of the rewards that I mentioned for Vietnam are this.

Through the United Nations Development Program there is a 5-year program for Vietnam. The American taxpayer is the largest contributor to the U.N. Development Program. The World Bank, to which we are the largest contributor through IDA, the International Development Association, which is the soft-loan window of the World Bank, in the last year has approved a $60 million loan for Vietnam.

There are either five or six more pending, depending on which person at the World Bank we talk to at any given time.

Now, when we began to come to the floor—by the way, a soft loan, for those who do not know what a soft loan is a loan that for the first 10 years there is no repayment whatsoever. During the next 40 years, the principal is to be repaid with no interest. That is not a bad deal. I wonder how many of our constituents would like to have a deal like that?

But, anyway, when this bill looked like it was reaching the floor, we began to get word from the World Bank, well, do not worry about the Vietnam loan, because the funds have not been distributed, and the other five or six that are pending are not going to be considered. In effect, there is a freeze on at the World Bank relative to Vietnam loans.

Now, the only problem is the World Bank will not deny it, and they will not confirm it. I have called over there on the telephone for confirmation. I cannot get confirmation.

I wrote a letter to Mr. McNamara. In that letter I asked him to comment on the freeze. Is there a freeze, or is there not a freeze? I asked how long is the freeze in effect. I asked how was this freeze accomplished, and is it a formal freeze or informal freeze. Did the Executive Directors meet and vote to stop lending to Vietnam, or was it a decision made by the Bank's management? I asked what are the conditions or requirements which must be met by Vietnam before the Bank will lift the freeze. I asked who would make the decision, whether or not the freeze would be lifted, if in fact there is a freeze.

I asked also, has the World Bank ever imposed a similar freeze on lending to particular countries, and, if so, who were they, and when was it.

The only problem that I have is that I have had no response from the letter. I have had an indication that I might not get a response for 3 or 4 weeks. By that time, it is too late.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, I thank the gentleman for yielding.

I do not know when the gentleman wrote the letter, but if it was recently it is only fair to point out Mr. McNamara is out of the country and is not in a position to respond to that letter.

At a meeting last week in the House Office Building, Mr. McNamara indicated to a group of Members that in fact there was a freeze on lending, and I think the Members should know that. I do not think his failure to respond is an indication that he is afraid to respond to the gentleman's legitimate question.

Mr. YOUNG of Florida. I am happy to have the information from the gentleman. If there is a freeze—and I hope there is—if there is, I am glad, because, as the gentleman knows, that is what I have been after for several years.

I would also like to know, though, is that freeze going to be lifted as soon as this particular foreign aid bill has gone through the House and the Senate and has been signed into law?

You see, a freeze today is one thing,

but if that freeze is going to be lifted 2 weeks after this bill is passed, then that is something else.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I am inclined to agree with the gentleman. I would not trust Mr. McNamara's statement about any freezes. They will last about as long as this foreign aid bill takes to get through Congress. I do have a letter, however, from the Secretary of State, which I will read at the time the gentleman brings up his amendment on the floor, which may perhaps be somewhat more reassuring.

Mr. YOUNG of Florida. I thank the chairman for that. I appreciate all of the cooperation he has shown me and the other members of the subcommittee throughout this year's hearings and the many controversial areas that we have covered together.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) has consumed 19 minutes.

Mr. LONG of Maryland. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I will try not to take the 15 minutes.

I do just want to address a few questions which have been raised about this bill and try to put those questions in some perspective, if I can.

No. 1, the question is raised, why is the bill so big? Well, I think it is important to understand that this bill represents about 1.3 percent of the Federal budget. Except for the D.C. appropriations bill, this bill has been cut by the largest amount from the President's request of any appropriations bill to hit the floor this year. We have cut that bill by $1.2 billion.

I think we have to understand what makes up the dollar amount of the bill that we are talking about today.

□ 1120

The bill first of all contains 10 percent military aid so for those of us who were opposed to economic giveaway programs, I think it is important to understand that we cannot count that military aid against the economic giveaway programs that people say they are opposed to.

Second, I think it is important to understand that 20 percent of this bill is for Middle East funding. I doubt there are very many people on this floor who would vote to take a dime out of that package. In addition to that, I think it is important for Members also to understand that an additional 20 percent to this bill comes in the form of what is known as callable capital, and that will never leave the U.S. Treasury. It has never left the U.S. Treasury in the past. That is simply money which is used to generate additional investment capital for the banks and as such never really leaves the Treasury. The only reason it is in the bill is because the Congress has insisted that it be there.

In addition to that, after that 20 percent is reduced we have to keep in mind that an additional 10 percent in this bill is there simply to keep the commitments made by past presidents. I doubt very seriously that we want to put President Carter in the position of having to explain to the world why he is unable to convince the country that they ought to keep a commitment which was made by President Nixon or a commitment which was made by President Ford. I do not think Presidents ought to be put in that position when they are trying to keep their predecessors' commitments.

We will also hear people say foreign aid does no good. First of all let me refer to the chart here, if I may, which simply shows that if foreign aid does no good, then I wonder if someone could explain to me why life expectancy from birth has risen from 1960 to 1977 from 36.7 years to 54.2 years of age? I wonder if someone could explain how we have been able to increase the number of physicians in the developing world from 2.7 physicians per 100,000 people to 12.7 physicians per 100,000 people. I wonder if someone would be able to explain how the literacy rate has been increased in that same period of time from 38.2 percent to 49 percent of the population.

Those are not great strides by American standards, but they are tremendous strides and they represent a tremendous increase in the livability of the world for all kinds of people. The aid program, while it certainly has not been totally responsible for those gains, has played a part in seeing to it that those gains have occurred.

If my colleagues do not think that the AID program does any good, I would suggest they ask the people who are living in the hovels in the top picture in this chart whether they prefer to live in the houses they were living in beforehand or whether they prefer to live in the rehabilitated housing project which occurred because of bank lending programs in Latin America. If we do not think the AID program does any good, why not ask this gentleman, who is the victim of river blindness? If one gets close enough one can see a hole right straight through the eye. Why not ask him whether or not he feels that it would have been helpful if the bank programs to eliminate river blindness had been generated at an earlier date and much greater resources had been devoted.

I say these things not to claim that the AID program is going to solve all of the problems of the underdeveloped countries of the world, but that the AID program has made significant advances. I think if we ignore it we are simply ignoring facts.

It is also suggested that the AID program does nothing for the United States. I would like to suggest to the Members that they read the comments by the Joint Chiefs of Staff Chairman, General Jones, in the Washington Post of February 1979. General Jones is not generally known to be a leftwing, limpwristed liberal. He is known to be a pretty hard-headed fellow. What he says is this:

> Much of the Third World is a seedbed for turmoil as leaders struggle with the problems stemming from the rising expectations of populations in an era of limited natural resources. We are still the most influential nation in the world, not only because of military power but also because other countries look to the United States for economic and technological help.

I would point out that we ought to measure, those of us who are willing to vote for a defense budget which contains over 120 billion bucks, those of us who are willing to vote for the weapons of war to keep this country strong, ought to ask themselves if they are not willing to vote for an item which is less than one-tenth that amount for weapons of peace, education programs, food programs, and technical assistance programs with all of their other problems. The gentleman from Florida (Mr. YOUNG) is very skilled in pointing out the problems associated with any program. As we know, we can do the same thing with any program that our U.S. budget finances. There is not a domestic program we cannot nit pick to death if we want only to look at the dark side. I suggest I think this Congress ought to have a better degree of balance than that.

I also want to point out that this money is crucial because it develops more money which is used to develop the lesser developed countries in the world. If we put in a buck in paid-in capital, and other countries who have participated in those banks put in $3 more, that gets into the World Bank and they can use that to generate $50 from that $1 that comes from the U.S. Treasury. That is a tremendous multiplying effect and is badly needed all across the world.

We are going to be told also that it has no other real direct effect on our economy. But the fact is that U.S. exports to non-OPEC developing nations, as we can see by this graph, has skyrocketed over the past 7 years. This aid program is substantially responsible for that. We have over a million jobs in this country which are directly related to exports, and this aid. and 25 percent of our exporting to the underdeveloped part of the world, and I think it is essential for us to keep that in mind as well.

Another argument to refute the argument that we have no direct American benefit which occurs because of this bill, if we will take a look at this chart, which will be in the hall later, we will see that for every dollar that we contribute to the funds which support economic development in the underdeveloped part of the world that somewhere between $2.40 and $3.40 comes back to the United States in the form of purchases made in this country.

I want to also point out again, to put in proper context, that the U.S. share of support for these multinational banks has steadily declined because we have been able to generate additional contributions from other countries around the world. I think that that is what has to be done if we are going to have the equitable burden-sharing which several Members have referred to here as being desirable today.

The main political problem this bill is going to have is simply that some money in the bill will be going, in some people's words, to the dreaded seven; Vietnam, Cambodia, Laos, et cetera, et cetera, et cetera. The suggestion will be made that because there is a minuscule amount of money in this bill for those countries that we, therefore, ought to wipe out our participation in the multinational banks. I want to make the point that first of all the countries that we will be talking about today receive no direct aid from the U.S. Treasury, none. All we will be dealing with is the question of whether or not we should refuse to participate in the multinational banks because a few countries we do not like get a pittance in terms of overall share of moneys which are made available in those banks.

□ 1130

I simply want to make one point. No amendment which will be considered here today will in any way prevent money from those international banks from going to Vietnam. The decision to stop money going to Vietnam has been made by Mr. McNamara, and the money will go again to Vietnam if Mr. McNamara and the Board decide that they want it to go. The idea that they are going to temporarily put a freeze on loans to Vietnam until the bill is over is ludicrous. Members will remember what Mr. McNamara did last year during the debate on the foreign aid bill. If they think he is such a clever politician and is going to skillfully manipulate the Congress in this regard, I remind the Members that last year in the middle of the debate on the foreign aid bill he announced that the Bank was going ahead on its first loan to Vietnam. So, the idea that the freeze which is placed on Vietnam now is a temporary gimmick is preposterous. The freeze on money the Bank has placed on Vietnam is for good economic reasons, because there is no way Vietnam can intelligently use any money from the Bank as long as they are continuing in the kind of conduct they have been conducting the last year and a half. Mr. McNamara knows that as well as any individual on this House floor.

I simply want to make the point that the issue on the banks is not whether or not we want to see the banks contribute to Vietnam. Nothing we pass can affect that. The only effect of an amendment which we pass, which would indirectly limit funds to either Vietnam or Laos or any other country, is simply to shut off all America's contribution to both those institutions, because those institutions' charters and interpretation of those charters have made it quite clear that they cannot take funding which is in any way limited or earmarked. In the long run, that is in our best interests, because there are a lot of other countries in the world who would like to cut off funding to countries they do not like, and which we would like to be able to get some help.

The system is analogous to the local bank. If you deposit a thousand dollars in your neighborhood bank, you do not say to the neighborhood banker, "Charlie, you can have my money but I do not want you to use it to lend to old George down the street."

The banker is going to say, "I am sorry, you put your money in the bank and we will put that money where we think it is going to do the most good, and where it is going to return a profit for the bank."

That same thing is true for the World Bank. One country cannot decide where its money is going to be used. If we do that, we destroy the purpose for those international banks, and we might as well admit that that is the real intention of the authors of the amendment.

Mr. Chairman, I do not want to take any more time at this time, and I yield back the remainder of my time.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I am not going to take a lot of time right now to make a rebuttal to some of the points of disagreement between myself and the gentleman from Wisconsin, but he made a suggestion that the operation of the World Bank is much like our own banks, or the banks our constituents deposit their money in. It is not the same thing at all. The money we put in our banks at home, we do it because we want to. We do it voluntarily. We do it because we get paid some interest on it.

The money the American taxpayer puts into the World Bank, he puts in whether he likes it or not, because the Congress, using its taxing power, takes that money from the American taxpayer and then puts it into the World Bank.

Mr. OBEY. Mr. Chairman, will the gentleman yield on that point?

Mr. YOUNG of Florida. Certainly.

Mr. OBEY. Is it not correct that the money which America contributes to that Bank is money which our Government has duly negotiated, a negotiation which has been duly ratified by the Congress when it accepts the authorization for the proposal that provides funds in the first place? That is what the report said when we voted on it. If we did not know that, that is not the Bank's fault; it is ours.

Mr. YOUNG of Florida. We have some disagreement on that point as well. We will discuss that later on at a more appropriate time. The gentleman suggested in his colloquy that this is a real freeze. I hope he is right. If he is right, whatever brought it about, I am going to applaud, because that has been one of my major objectives for a number of years, to stop American dollars from going to Vietnam.

The question about whether or not we can cut off funds for a particular country to a bank, we are going to hear so much argument about that that we are going to get tired of hearing it, because the people who make that argument cannot prove it. To the contrary, we will read the charter today; we will read the articles of agreement; we will read the testimony where the question was asked of representatives of the Treasury Department.

If somebody is prepared to give me a little proof, I would be glad to absorb it, but there has been no proof. There has been a lot of opinion. We will discuss that at greater length later on.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself an additional 2 minutes.

Mr. OBEY. Mr. Chairman, if the gentleman will yield further, is it not correct that the Library of Congress has indicated in its most recent interpretation that that, in fact, is now the fact; and is it not also correct that seven past Secretaries of the Treasury, including Mr. William Simon, the gentleman's good friend, have also indicated by letter to the U.S. Congress that that, in fact, is the fact?

Mr. YOUNG of Florida. The gentleman states the facts as to the Congressional Research Service as they are, yes. The gentleman states the facts as to former Secretaries of the Treasury who have signed the letter, yes. I have not seen their signatures, but I have seen the typed names at the bottom of the letter, yes. I do not dispute those facts.

What I dispute is the interpretation. What I dispute is what they have decided is the case. I suggest that anybody who can read the articles of agreement of the World Bank and the other international financial institutions and still believe that they cannot accept restricted money just does not understand. I merely submit that either they did not read the articles and the charter or they did not understand them. That is my response to that, but as I said, we will get into much more detail on that at a more appropriate time.

Now, the gentleman from Wisconsin also raises the issue of callable capital. He said callable capital never leaves the Treasury, that it is never going to be called. Well, if that is the case, since the World Bank already has $7.8 billion worth of callable capital that they claim that they will never call, will never leave the Treasury, that they will never need, if they already have $7.8 billion, why do they need the other $1.1 billion more that is in this bill? There is something very inconsistent about the argument that they will never call it, and yet want to increase it now from $7.8 billion already on hand to $8.9 billion.

The final point in rebuttal to the gentleman from Wisconsin is that he said we are nit-picking on some of these programs proposed by the Bank. Yes, we are. We do not like it when we see millions of dollars being wasted.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself an additional 2 minutes.

We do not like it when we see American tax dollars being wasted on programs, no matter how good the program. I do not care how good the program is, if the dollars are being wasted in the World Bank or in AID, we ought to nitpick. We ought to save the taxpayer every dollar we can from being wasted.

Mr. OBEY. Will the gentleman yield further?

Mr. YOUNG of Florida. Not at this moment. While I am really warmed up I want to continue.

The gentleman said that we could do the same nit-picking with any program. I submit to the gentleman from Wisconsin and to the Chairman and to every Member of this Congress that that is exactly what we ought to do. We ought to perform oversight on every program that this Government finances with tax dollars and find out where the waste is going. Our taxpayers can use that money just as much as the bureaucrats. We ought to do what the gentleman suggests.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I will be happy to yield.

Mr. OBEY. Just to put the gentleman's concern in proper context, because I doubt that he is the only Member of Congress who is opposed to waste and in favor of motherhood, maybe we should just have every Member of Congress stand who is in favor of waste, and we can settle that question.

Mr. YOUNG of Florida. Maybe we have not done enough in this field or applied enough pressure to the bureaucracies to make sure there is something done about waste rather than just talk. We need a little action for saving the taxpayers' dollars. We need action much more than we need words, and I say that I will be happy to cooperate with the gentleman and join with him in doing something about it.

Mr. OBEY. Does that include elimination of——

The CHAIRMAN. The time of the gentleman has again expired.

☐ 1140

Mr. YOUNG of Florida. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Chairman, I thank the gentleman for yielding. I wish to take this opportunity to again commend the gentleman from Florida for the outstanding job he has done in this area. I do not know what we would do if we did not have him to bring some of the waste and some of the problems with these various programs to our attention so that hopefully we can correct them.

Mr. Chairman, we heard the President speak earlier this week about a "crisis of confidence" in America. I think the gentleman is right. Why does it exist? It is because of what they see in their Government and their leaders in Washington, D.C. What did they see on the news last night? The President's top advisers and his Cabinet submitting their resignations and the Congress debating for about an hour during the day on whether or not to wear coats and ties. These people are out there trying to find a way to pay their taxes and pay their utility bills. No wonder there is a "crisis of confidence."

We see recent polling results showing the respect of Congress continues to decline, I think to 19 percent. Why is that? I think this particular legislation is a classic example of why the respect of the American people is declining for Congress.

We go back to our respective constituencies and we tell them every 2 years that we are going back to Washington and try to get control of the Government and we are going to reduce Federal spending. They say, "That's great, you are a nice guy."

Our constituents send us back for 2 more years so we can get the job done. One of the things the American people consistently say, and certainly my constituents, is that we can and we should cut foreign aid. Yet, year after year, we come back to Washington and we up the ante a little bit more and a little bit more.

I acknowledge the committee has done a good job this year. They have cut back in many areas. I think the chairman and the ranking minority member have done a good job in holding it to only a 6-percent increase. However, instead of increasing we should be rolling it back, at least a little. Oh, but we say, "We have special knowledge about these programs. You people don't understand. This is for peace."

I submit to you, if the American people really knew what all these funds are going for, they would storm the Capitol in disgust, because of the money that is being wasted all over this world.

And then it is said we should do it for humanitarian reasons. Fine, that is well and good. But for how much? Eight billion bucks? And this is not all of it, you know that. I know the people would like to see us spend some money to help other peoples in other countries around the world but I represent the poorest State in this Nation. We have a per capita income of less than $2,600. I can show you pictures from my own State of houses worse than those that we saw here a few minutes ago.

We have tremendous needs in our own State and Nation and I just feel like the people have reached the limit on what they can endure as far as what we are spending for all these Federal programs and particularly in foreign aid.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I will be happy to yield to the gentleman from Wisconsin.

Mr. OBEY. Is the gentleman aware of the fact that the per capita cost of the entire foreign aid program for Americans is about the cost of this pack of cigarettes a week? Does the gentleman think that is too much to help 70 million people on this globe who are going to be dead a year from now, because of malnutrition and disease?

Mr. LOTT. I do not think it is asking too much for the American people to expect us to look after some of our own problems in America, and the person living out there on $229 a month social security, he just cannot endure this sort of thing that contributes to inflation.

Mr. OBEY. Mr. Chairman, will the gentleman yield further?

Mr. LOTT. I will be glad to yield to the gentleman from Wisconsin.

Mr. OBEY. The person who is living on that $229 social security is not paying taxes, No. 1.

Mr. LOTT. But he is influenced by the inflation that is contributed to by the continuously rising Federal debt.

The CHAIRMAN. The gentlemen will suspend. One at a time, please. The gentleman from Mississippi has the time.

Mr. LOTT. Let me continue by saying——

The CHAIRMAN. If the gentleman from Mississippi will yield to the gentleman from Wisconsin, the gentleman from Wisconsin will proceed.

Mr. OBEY. I had understood the gentleman had yielded.

Mr. LOTT. I will be glad to yield to the gentleman from Wisconsin, Mr. Chairman.

Mr. OBEY. I would just like to make the point that while I have a lot of those same people in my district, especially the northern half is in pretty tough shape itself, but it seems to me to compare that to the situation in which the entire per capita income for a year, is less than the average social security check for 1 month for an American, places in better perspective what the real degree of burden is in this program.

I think if the American people understood that the level of sacrifice that is being asked of them is about the cost of the price of a pack of cigarettes per week that they would accept it.

Mr. LOTT. Mr. Chairman, if the gentleman is through, I would like to respond by saying that even the price of a pack of cigarettes, like everything else in America, is going up now and the people have reached their limit.

In Mississippi this year, not in my district, we had floods that damaged and put a lot of people out of their homes. Because of delays and problems here, 3 months later they are still not getting basic assistance from this country in the way of SBA and Farmers Home loans.

The CHAIRMAN. The time of the gentleman has expired.

Mr. YOUNG of Florida. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. LOTT. I urge my colleagues, please support some amendments to make just some cuts in these programs. I think the American people are willing to pay some, but I think there is a limit.

We have evidence here that shows that 58 percent of the IFI's loan commitments have not been dispensed. Almost all of the development programs have been increased, not cut. They are being increased.

Mr. Chairman, I think all we are saying here is, let us try to hold it down some. We are not asking you to kill this thing but the American people are demanding that we make some reduction in the size of this Federal Government and the inflation that it causes.

I ask the House to support these amendments to cut some of these funds so that we can cut America's taxes so the people can help themselves.

I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. YOUNG of Florida. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana (Mr. MYERS), a member of the committee.

Mr. MYERS of Indiana. I thank the chairman and I thank the ranking member for yielding the time.

I join my colleagues in congratulating the committee for making some cuts and I congratulate the ranking member from Florida for the very fine way in which he has once again pointed out some of the areas where we can cut this bill even more. However, I particularly refer to section 519 of this bill which is not a new section of this bill. It has been in the appropriation bill for the past 4 years and this is the fifth time. This is a provision that provides that none of the funds appropriated in this bill may be used to provide assistance to any country who is 12 months in arrears in repayments of loans made to them in the past.

My question to the chairman and the ranking minority member: Were there any hearings in the committee pertaining to the adherence to this particular section? Are we actually carrying this provision of law out in the application of these loans?

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. The provision has had little impact on the AID fiscal year 1979 program. In most cases arrearages have quickly been paid so this section has not been invoked.

You know, usually they do not default on it. They get some sort of renegotiation. That is the way it is done.

Mr. MYERS of Indiana. This is what disturbs me: Is the intent of the law being carried out or is it being circumvented procedurally by Treasury and State Department or the lending institutions here, the banks?

Mr. LONG of Maryland. It is my understanding they are trying to renegotiate the loan, trying to deal with it.

I have a greater worry about the future than what has happened in the past because I am afraid that sometime in the future a lot of these countries that have heavily borrowed from the various private banks and others, that is when the real default may come.

Mr. MYERS of Indiana. A few months ago I read a report that there are $511 million arrearages that would be subject the provisions of this section but that it was not being enforced and this is what concerns me. A great many American taxpayers have trouble with the IRS and they are not given this kind of latitude, they are not given this kind of opportunity to renegotiate. They have to either pay or go to jail, even.

Mr. LONG of Maryland. Let me say to the gentleman, it is my understanding they have been trying to bring this problem under control. As I say, I do not think it is as great a problem as what the future may bring, but in answer to the gentleman I would certainly pledge to monitor this and make sure they are not getting away with anything on this.

□ 1150

Mr. MYERS of Indiana. Mr. Chairman, I thank the chariman for that commitment, because this is what I am concerned about. I share the concern of my colleague, the gentleman from Florida, who is a watchdog, and the chairman, the gentleman from Maryland (Mr. LONG), to make sure that the American taxpayers' money is properly spent; but I am concerned that if this particular section is not being followed, if it is being ignored or being circumvented, I think we should do something about it.

I do not know whether my colleague wants to respond about his view about any hearings they might have had, the ranking member from Florida.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

I have the same concern the gentleman does, because the gentleman knows we have discussed this on occasion. If the gentleman will recall, several times through the year I place into the CONGRESSIONAL RECORD a list of all those countries that are in arrears, how old the arrearage is and how much it is. I am attempting to monitor it.

It is my understanding that because the arrearage relates to a 12-month period, they really do not have as many in default as we might expect. The arrearage generally is normally in excess of 90 days, but not a year.

Mr. MYERS of Indiana. Well, how many of these accounts, though, are refinanced, where the interest is not even paid?

The gentleman or I cannot go to a commercial bank and borrow money and not at least pay the interest when we renew it. We are in violation of law if we add the interest back in on a renewable note. We have to at least pay the interest.

How many are violating the spirit of this act by extending in some fashion, either by arrangements, or renewal or extending on out and not paying any interest or paying anything at all on the principal or interest?

Mr. YOUNG of Florida. Well, if the gentleman will yield further.

Mr. MYERS of Indiana. I yield.

Mr. YOUNG of Florida. Well, the gentleman raises a very good point. The answer is that it is difficult to find out. We will discuss this later on at a more appropriate time in the bill.

We have a lot of concern that moneys that are being loaned through the International Development Banks are multiplying to help pay back private bank loans or to help pay back a first multilateral bank loan.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 additional minute to the gentleman from Indiana (Mr. MYERS).

Mr. MYERS of Indiana. Mr. Chairman, I do appreciate the response. I hope the committee will use all of its efforts in the future to make sure that this section of the law is followed.

Our colleague, the gentleman from Wisconsin, just a moment ago mentioned that the funds appropriated in the act is just one package of cigarettes annually, prorated per capita in the United States. Maybe it is only one pack of cigarettes, but you put a pack of cigarettes here and a few packs in other bills and soon you get a carton; then it becomes real money.

I think we must start considering that it is real money, and not pushing it aside as just equivalent to a pack of cigarettes.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Let me say that I certainly do not regard our foreign aid program as the equivalent of a pack of cigarettes a week per capita.

Mr. MYERS of Indiana. I hope we never do.

Mr. LONG of Maryland. I take it very seriously. It comes to $8 billion. That is one heck of a lot of money. It is going to be a very important factor when we take up our energy program, whether we have that kind of money to do it. I want to make sure that we get as much out of this as we can.

I do think we have an obligation to try to help the poor people of the world. I think we have been getting some commitments.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 additional minute to the gentleman from Indiana.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield further?

Mr. MYERS of Indiana. I continue to yield.

Mr. LONG of Maryland. Mr. Chairman, we have gotten commitments that they are going to do a much better job of helping the poor people of the world, which to me is the only real justification for foreign aid, which I think has been considerably disregarded in the past.

We are going to take a keen interest in the problems that the gentleman has mentioned, including this business of how many countries are in default.

I think a lot of the defaults have been covered up by this renegotiation, restructuring, and so on.

I will have to say we have had so many other things to look into which have been wrong with foreign aid, we have not gotten around to that one. I pledge to the gentleman that we are going to hold hearings on that matter on a very early date.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman for that comment.

I think the American people are generous. They want to help people in other countries that are less fortunate than we are, but what concerns them is the abuse in these programs.

Mr. LONG of Maryland. I agree.

Mr. MYERS of Indiana. Just as we have talked about here.

Mr. LONG of Maryland. I agree with the gentleman.

Mr. MYERS of Indiana. If we can clean this bill up, I think the American people will accept foreign assistance and be willing to help other people.

Mr. LONG of Maryland. I agree with the gentleman completely.

Mr. YOUNG of Florida. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I would appreciate having the attention of my good friend, the gentleman from Illinois (Mr. YATES). I have a question, if I may.

The gentleman knows I have been interested in the amendment for economic support funds to Syria. The gentleman, as I understand it, inserted in the committee markup an amendment that provided for a Presidential determination that Syria must act in good faith in furthering the process of peace initiated by the Camp David accords, of which the treaty between Egypt and Israel is the first step. I believe that is the language.

Mr. YATES. Mr. Chairman, if the gentleman will yield, the gentleman is correct.

Mr. DERWINSKI. Would the gentleman explain to the House the emphasis and interpretation in the gentleman's amendment as it relates to the kind of policy toward peace that Syria is expected to pursue.

Mr. YATES. Well, it would be difficult to specify in words what actions I would expect Syria to take; but I certainly would expect that Syria would not be taking the actions that it took following the signing of the Camp David accords when it joined other nations; in fact, was one of the leaders in the group that tried to sabotage the Camp David accords. It was for that reason that I voted last year against providing money for Syria and voted in committee again this year against providing funds for Syria.

It seems to me, however, that it is to the best interests not only of our country, but of all the nations in the Middle East, including Syria, that the efforts to achieve peace throughout the Middle East be fostered. If Syria could be persuaded along with other Arab nations who have not yet evinced their willingness to join in the peace effort, if Syria could be persuaded to join in that endeavor, then funds should be made available for Syria.

As a matter of fact, if the sum were twice the amount that has been placed in the bill for Syria, if she did join in that effort, I would be willing to vote for that, because I think the cause of peace in the Middle East is that important.

Mr. DERWINSKI. I realize that the gentleman and members of the committee will, in fact, closely monitor this amendment, therefore I ask that the White House do so also, since the role of Syria could be very constructive, but it could also be destructive of peace in the Middle East.

Mr. YATES. May I say to the gentleman that I have the impression that the White House, at least the State Department, knew of the amendment that I offered in committee and at the time that we voted on it had interposed no objection to it.

Mr. DERWINSKI. I appreciate the gentleman's shedding light on this issue.

Mr. LONG of Maryland. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. CHARLES WILSON).

Mr. CHARLES WILSON of Texas. Mr. Chairman, I would like to ask the gentleman a question, or engage in a colloquy with the gentleman.

The authorization Subcommittee on Africa and the authorization Committee on Foreign Affairs added $4.5 million for two patrol boats for the country of Liberia.

Now, in their report the committee says that the request for the patrol boats was made during President Carter's visit to Monrovia in 1978, and of my own knowledge the President did, indeed, make this commitment. They said they were making the increase "in response to Liberia's role as the oldest ally of the United States in Africa."

The reason that the subcommittee and the committee supported this authorization was that Russian and Cuban trawlers do not respect Liberia's territorial waters and overfish its coastline continually. Having these two patrol boats would allow Liberia to protect its waters and to track and fine foreign fishing vessels, as its neighbor, the Ivory Coast, has been able to do with boats furnished by the French.

Now, our committee, as the gentleman will recall, Mr. Chairman, made a reduction in foreign military sales credits because of human rights violations. I simply want to ascertain and to make sure that Liberia was not considered in those countries which we intended to reduce for human rights reasons.

Mr. LONG of Maryland. Let me say that probably every country in the world has some human rights violations, possibly even our own country; but Liberia was not listed as one of those which had human rights violations or suspected human rights violations so serious that it would arouse the concern of the committee and put it in the position of suggesting to the State Department that if any cuts were made that it should come from that list. Liberia was not on that list.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I thank the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Arizona (Mr. RUDD), who is a member of the committee.

Mr. RUDD. Mr. Chairman, I thank the distinguished ranking minority leader for yielding.

Mr. Chairman, it seems almost inconceivable that a nation which is presently suffering an inflation rate of over 10 percent and which is running deeper into debt at the rate of $1 billion a week is even contemplating spending $7.9 billion for the latest and largest ever foreign aid bill. Given our dismal economic condition, one is tempted to wonder if this country should be receiving foreign aid, rather than doling it out.

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There are a number of arguments advanced by those who support foreign aid which have become almost accepted tenants of why such programs are useful. Yet I believe these rationalizations for massive U.S. aid for foreign assistance need to be carefully reexamined.

The American people are demanding more responsible expenditure of their tax dollars. It is, therefore, imperative for the House to reflect on the extravagant and unnecessary appropriations that we have such as the one before us.

I have voted against foreign appropriations bills each year, and I shall continue to do so in the hope that eventually the House will act to eliminate the waste of U.S. tax dollars involved. The rationale for these foreign aid programs, especially those of the United Nations and international financial lending institutions, is simply misguided.

An excellent critical analysis of the rationale underlying foreign aid appeared in the December 1978 edition of Commentary, a highly regarded magazine published by the American Jewish Committee.

The article was written by Prof. P. T. Bauer of the London School of Economics and John O'Sullivan of the London Daily Telegraph.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the distinguished chairman of the subcommittee.

Mr. LONG of Maryland. Mr. Chairman, I did not quite hear from the gentleman whom he was quoting.

Mr. RUDD. I am quoting from excerpts from the December 1978 edition of The Commentary.

Mr. LONG of Maryland. Was the author Peter Bauer, did the gentleman say?

Mr. RUDD. Yes.

Mr. LONG of Maryland. Yes. He is a very distinguished economist.

Mr. RUDD. Mr. Chairman, I thank the gentleman.

Mr. Chairman, the material to which I have referred is as follows:

THE CASE AGAINST FOREIGN AID

(By P. T. Bauer and John O'Sullivan)

The most familiar rationalizations for aid are that it is indispensable for development; that it is necessary for the relief of poverty; that it is an instrument for international redistribution of income; that it represents restitution for past wrongs; and that it serves the political and economic interests of the donors.

DEVELOPMENT

It used to be argued in the early days of foreign aid that it was indispensable for the development of poor countries. Without aid, incomes would be too low to generate the capital required for investment and thus for higher incomes. This argument was popularized as "the vicious circle of poverty."

Yet we know that all the present developed societies began poor and subsequently progressed without external aid. Large areas of what are now less developed countries (LDCs) also progressed rapidly long before foreign aid.

Moreover, Western societies made great progress in the past under conditions far more difficult than those which face LDCs today. These latter can draw on vast external markets, on an abundant supply of capital, and on a wide range of technologies which were not available in the early stages of Western development. It is plainly not true that aid is indispensable for development.

Economic achievement depends principally on people's attitudes, motivations, mores, and government policies. People in LDCs may place a high value on factors that obstruct material progress. They may be reluctant to take animal life, they may prefer the contemplative life over an active one, they may oppose paid work by women, or they may simply be fatalistic.

If, on account of such factors, they are uncongenial to material progress, then external doles will not promote development. For if the conditions for development, other than capital, are present, the capital required will either be generated locally or be available commercially from abroad. If the required conditions are not present, aid will be ineffective and wasteful.

POVERTY

To reduce poverty and distress is an irreproachable and unambiguous aim. That is perhaps one reason why this justification has come to loom large in aid propaganda. But there are certain moral and practical anomalies concealed here.

Aid to relieve poverty is not merely unconnected logically with aid as a spur to development, it is largely at variance with it. These two objectives differ in much the same way as alms to a beggar differs from scholarships to promising students, or assistance to an invalid from loans to establish young people in business.

The poorest people in any society are unlikely to have, to the same extent as the better off, the aptitudes and motivations that encourage economic achievement. Aid based upon the criterion of poverty, therefore, will have little impact on the economic progress of the recipient society as a whole.

This confronts donors with a dilemma familiar to nineteenth-century social reformers. Are they simply to dispense aid and do nothing more? If so, they run the risk of transforming poor people into paupers permanently dependent on the dole. But the alternative is hardly more attractive. It is that donors should intervene extensively to instill in the recipient poor those qualities conducive to economic success.

In many Asian and African societies, such godlike intervention would require wholesale reform of local social institutions and cultural values and therefore large scale coercion of the alleged beneficiaries.

REDISTRIBUTION

Since the UN General Assembly declared its support for a new international economic order in 1974, the redistribution of world income has become a leading aim of foreign aid. But this is a misleading phrase. When "world income" is "redistributed," what happens is that a proportion of incomes in developed countries is confiscated and handed over to the governments of recipient countries and the administrators of aid agencies.

Aid is a transaction between governments. Unlike progressive taxation, it cannot be even imperfectly adjusted to the personal and family circumstances of payers and recipients. Indeed, many people in donor countries are far poorer than many in recipient countries, especially those in recipient countries who actually benefit from aid. Hence, in the now familiar formulation, aid takes money from the poor in rich countries and gives it to the rich in poor countries.

Another argument for international "redistribution" is the need to contain an allegedly widening gap between the rich and poor countries. Yet the concept of such a widening gap is arbitrary, and the evidence for it is nebulous. It is based on faulty statistics and comparisons which overlook differences of physical and social context.

RESTITUTION

When other arguments fail, appeals are addressed to the West's guilty conscience and foreign aid is urged as restitution for past wrongs inflicted on the Third World.

In fact, some of the poorest Third World countries were never colonies. And such victims of colonialism as there were (people killed or maimed in colonial wars, tribal farmers dispossessed by colonists, slaves, etc.) are now dead and beyond the reach even of the World Bank. Their descendants have gained greatly from being born into the modern colonial and postcolonial world rather than into the circumstances of precolonial Africa and Asia.

Indeed, millions of people who would otherwise have died have survived because of Western techniques and ideas, notably medicine and public security, imported by colonial governments. Would the rest really have preferred a low life expectancy, continued poverty, disease, slavery and incessant wars in order to retain undisturbed control of mineral resources they were unable to develop adequately?

Even if it could be established that colonialism was, on balance, harmful to the colonized, any theory of restitution would still fail because of the obvious impossibility of righting historical wrongs. What date would we fix after which crimes might be considered for compensation? Any choice would be arbitrary and therefore unjust. How would we identify the victims and the beneficiaries? Not, surely, on racial grounds alone, with their primitive implication of collective guilt ("his blood be on us, and on our children"). And would all historical crimes be brought to book (Arab slave trading, precolonial wars of aggression in Asia and Africa), or only Western and colonial crimes? A statute of limitations on historical wrongs is more than just; it is unavoidable.

SELF-INTEREST

Finally, there is the suggestion—frequently put forward by aid advocates with Machiavellian pretensions—that aid serves the political strategy of the donors and that it promotes exports.

Yet to serve Western interests, and would need to have clear conditions attached to it and to be adjusted to the conduct of the recipients. Such criteria have been notably absent from its operation. (Only recently the European Economic Commission assured the Marxist government of Angola that EEC aid would be free of political conditions.) Multinational aid, a large and increasing proportion of the total, is specifically supported on the grounds that it does not lend itself to arm-twisting or blackmail—a curious use of the concept, in which it is the payers and not the recipients who engage in blackmail.

But in practice, Western interests are also largely ignored in bilateral aid. Many, possibly most, recipients of aid, especially in Asia and Africa, have confiscated Western enterprises and yet have continued to receive aid. Examples include Algeria, Ghana, India, Mozambique, Sri Lanka, Tanzania, Zaire and Zambia. The hostility of many aid recipients to Western donors and their friendliness toward the Soviet bloc are also a familiar feature of the international scene.

If aid were like manna which simply descended from heaven, both costless and enriching everyone equally, producing no unlooked for damaging consequences, then it could only be beneficial. But mundane aid is not at all like manna. It unleashes a host of repercussions, damaging to economic performance and development, which can easily outweigh the marginal effect of an inflow of subsidized resources.

WHAT'S WRONG WITH FOREIGN AID?

Aid promotes the widespread politicization of life in the Third World. This is because it goes to governments, not to the people at large—a distinction obscured by conventional terminology, which identifies a government with the people. Aid therefore necessarily increases the power, resources, and patronage of government in the society. This result is reinforced by preferential treatment of governments which try to establish state-controlled economies—a preference supported by the spurious argument that comprehensive state planning is necessary for material progress.

The beneficiaries are politically effective groups, especially politicians, but also the military, civil servants and politically acceptable businessmen. The victims are such unpopular groups as landowners, small traders, or members of particular tribes like the Ibo in Nigeria.

Large sections of the rural population are often severely harmed, sometimes directly, more often because measures against minorities disrupt the trading system on which their livelihood largely depends. Ethnic minorities are often the worst affected; in the Third World, economic controls are used widely and sometimes explicitly against the Indians in Burma, or against the Chinese in Malaysia.

In a politicized society, economic success or survival, and often even the physical survival of large numbers of people, come to depend on political developments and administrative decisions. This diverts the energies and activities of ambitious and resourceful men from economic life to politics, to civil service and the politicized military—to the detriment of economic prosperity and progress. All this inevitably raises the political temperature and provokes acute political tension, especially in multiracial, multicultural, and multitribal societies—that is, practically all LDCs.

Aid also often supports projects so wasteful that they not only incur losses year after year, but absorb more domestic resources than the value of their output. Yet they are continued for such political reasons as the reluctance of the government to lose prestige at home or contracts with the donors, especially when these are politically congenial, or a desire to appear technologically up-to-date.

Major psychological repercussions of aid also deserve notice. Aid encourages the delusion that a society can progress from indigence to prosperity without the intermediate stage of economic effort and achievement. Insistence on the need for external donations obscures the necessity for the people of poor countries themselves to develop the faculties and attitudes and to adopt the conduct and the mores required for sustained material progress—if this is what they wish to do. (Of course, they may reasonably prefer to remain poor and to hold on to their traditional ways.)

Aid also subtly confirms and perpetuates ideas and modes of conduct which obstruct economic development—notably the idea that an improvement in one's fortunes depends on other people, the state, the rich, one's superiors, local rulers, or foreigners.

How did it happen, then, that such a far-reaching and momentous policy was advanced on the slender basis of negligible rationalizations; that it was nonetheless supported by public men and prominent academics with a notable lack of caution or skepticism; and that, despite plentiful evidence of its perverse and harmful consequences, it finally achieved the status of an undeniable axiom?

WHO BENEFITS FROM FOREIGN AID?

"In the beginning was the word." The concept of a less developed world, eventually to become the Third World, was forged after World War II, largely under U.S. auspices, to denote the whole of Asia other than Japan; Africa, except occasionally South Africa and Rhodesia; and Latin America. The less developed world, or Third World, is thus in effect the whole world outside the West and Japan, and it includes some two-thirds of mankind.

But "the word" was less a description of reality than an attempt to change it.

* * * * *

In one respect only are these various countries at all united—in distinction to and, as time has progressed, in their opposition to the West (from which they nevertheless demand and receive aid). But this invented and theoretical unity has served an important practical purpose. For Third World governments, agencies, and certain groups within the West, it has become a source of ideological and even financial advantage.

Ideologically, the invention of the Third World both reflects and promotes the radical equalitarian belief that economic and social differences perform no useful function and are therefore abnormal and reprehensible. By this standard, the West stands condemned both for its internal arrangements, which permit of such differences, and also because it is more prosperous than most of the Third World. Removing resources from or otherwise undermining the position of this corrupt metropolis thus becomes an instrument for promoting international equality, reducing the power of the West, and encouraging state-controlled economies in Asia, Africa and Latin America.

In giving practical effect to these ideas, international organizations, notably the UN and its affiliates, have been a major force. Prominent staff members within these bodies—occupying highly paid and prestigious positions—have discarded even the appearance of neutrality to become, in effect, union organizers for the Third World. * * *

Social scientists and academic economists form another pressure group which advocates—and benefits from—official aid. Before World War II, indeed, development economics did not exist as a well-defined academic subject. It owes its birth very largely to the emergence of foreign aid, which led to a proliferation of posts in universities and foundations. Those who toil in the vineyard of development economics can aspire to well-paid and prestigious posts with aid agencies and international bodies or in organizations supported by them.

But there are more subtle advantages to be gained from the extension of aid. For if we try to see the world as aid advocates would wish us to do, it appears to be divided into two sharply distinct categories.

One category is that of the people of the Third World, sunk in poverty, helpless and at the mercy of their environment, exploited by the West, caught in a vicious circle of poverty, unable to control their own fertility, devoid of will and with little capacity for individual action. In short, they are like paupers or children.

On the other side of a vast gulf are the prosperous people in the West, partly conditioned by their environment but with a will of their own; active but villainous; responsible for the plight of the world's poor, but refusing to take the actions required to improve it.

There is no doubt which is the superior in this scenario. We emerged from poverty; they cannot. This poverty is the result of our past exploitation; their chance of a better future rests with us. Whatever happens to the people of the Third World is determined by us.

In short, what poses as compassion comprises much condescension. And this condescension readily leads to coercion by enlightened guardians who will act in everyone's best long-term interests.

The CHAIRMAN. The gentleman from Florida (Mr. Young) has 16 minutes remaining, and the gentleman from Maryland (Mr. Long) has 13 minutes remaining.

The Chair recognizes the gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Chairman, I would like to congratulate the subcommittee chairman and the ranking minority member. I think we have seen today a debate that has been conducted on high ground and seriously, as it should be. The debate is a credit to all concerned.

I would like to say a word about the whole question of foreign aid. Yes, I think it is unpopular, and the reason why it is, is that the words, "foreign aid," have been bandied about irresponsibly as though some enormous sums were being poured out that would compare with the expense of the Defense Department or social security or welfare.

But let us ask the people of our districts, as I do of mine, "Do you want some food to go to this place? Do you want some medicine to go to cure river blindness in Africa?"

The answer is inevitably, "yes." The American people are not devoid of compassion or a sense of responsibility. Certainly our contribution is the biggest, and so it should be.

The CHAIRMAN. The time of the gentlewoman from New Jersey (Mrs. Fenwick) has expired.

Mr. YOUNG of Florida. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio (Mr. Miller), who is a member of the committee.

Mr. MILLER of Ohio. Mr. Chairman, I agreed with what was said just a moment ago that we have a responsibility around the world. But by the same token, I think our foreign assistance program is completely out of hand.

We are considering almost $8 billion that will go to the various nations around the world at a time when we need so many things in our own congressional districts.

I have worked on a project in my own congressional district for the last 10 years, one that would cost approximately $10 million today, but that would have cost not more than $3 million 10 years ago when it was first considered. We are constantly told there are no funds.

This is a public works project, but it is one for which we have no opposition. It is the channeling of a waterway so that flood waters will not go through industrial plants in Appalachia. If those plants move out, we will have people on welfare, and that will cost far more than the project. This project is at Logan and Nelsonville, in Ohio; it is one of the projects that has been under consideration for a 10-year period.

For that reason I feel that some of the dollars we have for foreign assistance could very definitely be used right here at various places in the United States.

I would also like to convey a message about foreign nations that we have aided over the years to the tune of $214 billion that now have purchased our holdings in our national debt to the tune of $134 billion. We have helped Japan. Japan now holds something like $29 billion of our national debt. We have helped West Germany, and in that case they are holding something around $40 billion.

As a matter of fact, the figures are shown in the report, on pages 90 and 91, listing the nations that are holding part of our national debt. These are nations that we have assisted in the past. The money will go in one pocket of the nation and it will come out of the other pocket, and back to us to buy into our national debt. They will lend us the money, and we will, in turn, pay interest on that money borrowed from those various nations, and now some of them are receiving funds in the bill that we have before us today.

Billions of dollars in the bill today will go to nations loaning us money. We hear many times about the problem that India has. We have $638 million in this bill for India. Would the Members believe that they have loaned to us, and we now have, $682 million of their money, and we are paying them interest on that money? That is for our national debt, where we have borrowed money to give to the same people in the past. It hardly makes sense.

For Pakistan, it is $12.4 million that they have loaned us, we have about $1.1 billion in the bill for them today.

I think we have to take into account what direction we are going. We know that we have a responsibility to some of the nations, but we are far out of line, because every year this bill is going higher and higher. The amount last year, in 1978, was $6.8 billion; in 1979, this fiscal year, it was $7.3; and for 1980, in the bill that is before us today, that will start October 1, the figure is $7.9 billion.

I believe it is very important that we look not only at where the money is going, but at what happens after we once develop the nations. We find that when they have their own economy improved, and they have some capital, they loan money back to us to pay our national debt.

Mr. Chairman, I have an amendment that will reduce the amount in the bill, and I hope it will be supported.

Mr. LONG of Maryland. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. McHugh).

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Mr. McHUGH. Mr. Chairman, I rise in support of the bill as reported from committee. Although I consider it deficient in a number of respects, this bill does represent our best judgment as to what is possible during the coming fiscal year, and I hope that my colleagues will support it.

Clearly, the international position and interests of the United States require that we have a sound foreign policy, which includes an effective foreign assistance program. At the same time, in making up this bill, our committee was very sensitive to the serious economic problems confronting our Nation, and the resulting need to exercise fiscal restraint.

Although Chairman Long has explained our recommendations in some detail, there are a number of points that I would like to comment on.

FUNDING LEVELS

The first is that this bill has been substantially reduced below the funding level recommended by the President. Indeed, this is one of the smallest appropriations bills that will come before the House. In absolute dollar terms and in terms of the overall percentage reduction, this bill has sustained one of the largest cuts recommended by our committee.

As Chairman LONG has explained, the President requested over $9.1 billion for foreign military and economic assistance in fiscal year 1980. The Foreign Operations Subcommittee reduced this amount by approximately $955 million, and the full committee made further reductions of $267 million. As a result, this bill now recommends new budget authority of about $7.9 billion, a reduction of over $1.2 billion or 13.5 percent.

Of this amount, $1.3 billion or 16 percent is in the form of callable capital and loan guarantees which should never result in outlays by our Government. This leaves a balance of $6.6 billion, of which $2.1 billion is earmarked for Israel and Egypt. Moreover, loan repayments from other nations will be about $1 billion in fiscal year 1980, an offset against the new budget authority in this bill.

Looked at another way, this bill is only $430 million higher than the amount Congress appropriated last year. That represents a 5.5-percent increase, which is much lower than the 10-percent increase in new budget authority for all programs recommended by President Carter in January.

In short, this bill does not recommend vast new spending on foreign assistance. Indeed, given the rate of inflation and devaluation of the dollar, it calls for some real retrenchment. No doubt this reflects the mood of the House and the need to exercise restraint. At the same time, the interests of our country also require a sound foreign policy, and in view of how deeply this bill has already been cut, I do hope further reductions will be rejected on the House floor.

INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. Chairman, the most significant reductions were made in the President's request for the international financial institutions (IFI's). For example, the President requested over $1 billion as the U.S. contribution to the International Bank for Reconstruction and Development, the hard loan window of the World Bank. The Foreign Operations Subcommittee reduced that request by $500 million—49 percent—and the full Appropriations Committee thereafter cut the figure to $308 million, a total reduction of 70 percent.

For our contribution to the Fund for Special Operations (FSO) of the Inter-American Development Bank, the President asked for $325 million. The subcommittee cut that by $75 million, with the full committee trimming another $50 million. As a result, this development bank sustained a total cut of 35.8 percent, to $200 million.

The total reductions in our contributions to the IFI's are over $900 million, a cut of 23.6 percent below the amount originally requested by the President. In my judgment, these reductions are already too large. Nevertheless, I expect amendments will be offered to reduce this amount still further. Those amendments should be rejected.

The fact is that our participation in the international financial institutions serves a broad range of U.S. interests, and it does so in an especially cost-effective manner since other nations contribute $3 for every $1 that the United States provides.

To cite just one example, every year more than 2 million Mexicans illegally cross the border into the United States searching for jobs. Our Government spends millions of dollars each year to track them down and return them to Mexico, without great success. The causes of this illegal migration are related to economic conditions in Mexico, but we are unable to directly affect those conditions because our bilateral assistance program cannot operate there. Thus, the flow of illegal aliens continues.

However, the World Bank and the Inter-American Development Bank are attacking this problem. For example, a new development project which they jointly finance has significantly curbed the flow of illegal aliens in those areas where the project is now operating, and efforts are underway to extend this project throughout the rural countryside.

Very few would deny the real benefits that accrue to the United States from this type of project, and it is representative of how our participation in the IFI's can serve important U.S. interests.

The United States derives economic benefits from participating in these institutions in other ways as well. On March 14, 1979, Treasury Secretary Blumenthal testified that every U.S. dollar paid into the international financial institutions has generated between $2.39 and $3.39 in real U.S. economic growth annually between 1946 and 1978. This growth was responsible for creating between 60,000 and 100,000 jobs annually between 1972 and 1977 alone, and it produced Federal tax revenues which nearly matched the annual level of our contributions to the IFI's.

To be sure, we do not contribute to these institutions primarily because they benefit our economy in this way. We contribute to help meet the pressing needs of the developing nations because we have a real stake in their growth and stability. That is why the full committee's decision to cut an additional $267 million below the substantial subcommittee reductions is so disappointing, and why further cuts on the House floor should be opposed.

I expect that an amendment will be offered to further reduce our contributions to the World Bank. It will seek to reduce funding for the Bank's soft-loan window, the International Development Association (IDA).

The fact is that the World Bank is the largest and most effective of the IFI's. Since it was established in 1946, it has channeled nearly $50 billion in loans to recipient countries. Over this same period, total U.S. paid-in capital subscriptions have been only $820 million. Thus, for every $1 that we have paid in, more than $50 has been generated to help reconstruct Western Europe and meet the problems of developing nations.

From its very beginning, the World Bank has played a constructive role in promoting positive economic changes in recipient countries. In recent years, and in response to U.S. policy initiatives, the World Bank has shifted the emphasis of its lending to target resources more directly on meeting the basic human needs of the poor.

During the debate on this bill, we will hear numerous charges leveled at the IFI's. Reference will be made to the report of our surveys and investigation staff. While that report was justly critical of some of the procedures of the IFI's, the Treasury Department has already responded by proposing 15 changes to improve those procedures. More importantly, we must keep in mind the report's conclusions on the substantive work of the IFI's. While procedures are important, the crucial issue is how well the IFI's are performing in helping to meet the problems of the poor majority.

Basically, the report makes two points in this regard. First, it notes that the IFI's have made a genuine effort to redirect their lending to target more directly on the problems of the poorest people in the poorest countries. The report states on page 165:

> The Investigative Staff reviewed an abundance of evidence reflecting a clear awareness within the IFI's of the plight of the poor, as well as efforts to shift their lending not only toward the poorer developing countries but also toward reaching the poor elements in all of the LDC's.

This confirms the findings of an independent study done for our subcommittee last year by the Congressional Research Service.

Second, while the report indicates that it is too early to make a final assessment on the results of this effort, it does make this important observation on page 167:

> In general, the 36 projects [visited by the investigative staff] which were designed mainly to assist the poor or had substantial segments so designed were being diligently pursued by local project managers and staff toward the objectives set, and the failures encountered in meeting objectives . . . were outweighed by the accomplishments being achieved.

The report then goes on to cite example after example of how the lives of the poor are being visibly benefited by projects visited by the investigative staff.

If additional cuts are made in our contributions to the IFI's, this effort will be set back and our own national interests will be affected. We cannot build a secure future for the United States on a foundation of human suffering and economic stagnation.

Moreover, additional cuts would further reduce our credibility, and thus our influence, with other nations. The United States has not met its pledges to the IFI's, and we are substantially in arrears on those pledges. More specifically, of the total administration request of $3.6 billion for the IFI's, $990 million represents pledges that we made in previous years that have not been paid. It is time to put those arrearages behind us, but the more we cut from this bill the larger those arrearages will be.

Some suggest that further cuts should be made because U.S. votes in the IFI's on human rights issues have been inconsistent. The report of our surveys and investigations staff confirms this view, but also points out that there is a widespread belief that the IFI's are an inappropriate forum in which to pursue U.S. human rights objectives. The fact is that Congress has directed U.S. representatives to the IFI's to pursue human rights objectives without providing them with any criteria for doing so. Until the authorizing legislation is changed, inconsistencies will continue. Reducing our contributions to the IFI's will not resolve this problem nor improve human rights. However, it will almost certainly punish the poor for a policy that Congress itself has established, an exercise in hypocrisy which is not worthy of this institution.

RESTRICTIVE AMENDMENTS

In addition to amendments which would cut our contributions to the IFI's, Mr. Chairman, we can expect amendments which would place conditions on those contributions. For example, Congressman YOUNG will offer an amendment to prohibit "indirect" assistance to Vietnam through the IFI's. The House wisely rejected this amendment last year, but he now defends it on the ground that we must take a strong stand against the inhumane policies of Vietnam with regard to its ethnic Chinese minority.

I am sure we all join Mr. YOUNG in deploring Vietnam for its outrageous policy. However, his amendment will not help one refugee. Indeed, if his amendment is adopted it will be a blow to all refugees and our own national interests.

By placing such restrictions on our contributions, we effectively preclude the IFI's from accepting all of our contributions. This is because the charters of those institutions prohibit them from accepting contributions which are so conditioned. Legal opinions confirming this have been received from the Comptroller General of the United States, the American Law Division of the Library of Congress, and the International Law Division of the District of Columbia Bar Association.

Moreover, every living former Secretary of the Treasury, including John Connally, George Shultz, and William Simon, have made the same point. In a letter which all members of the House received last year, they stated:

> Unfortunately, it is possible that amendments may be offered again this year which would earmark U.S. contributions to the banks in a way which will prohibit their use for loans for certain countries and certain commodities. If such restrictive amendments were to be adopted, they would effectively end U.S. participation in the banks. The Charters of these multilateral institutions do not permit the banks to accept funds so conditioned by individual members.

In short, the only effect of a restrictive amendment will be to cut off all U.S. participation in the IFI's. How will this help the refugees? It certainly will not provide them with the food, shelter, or medical care which they so desperately need. It will not resettle one person who is now homeless. It also will not have much of an impact on Vietnam, since that government is receiving little or no aid from the IFI's at this time.

What a restrictive amendment will do is to cut off all U.S. funds which would otherwise go to countries such as Malaysia, Thailand, Indonesia, and Hong Kong, countries which need our help and the help of other nations. If the IFI's must reduce their lending to these nations because we fail to keep pledges already made, the resulting economic and political strains could force these governments to adopt even harsher policies toward the refugees.

Between 1976 and 1978, total planned lending to Vietnam by the IFI's amounted to only $82.9 million, of which $60 million has not and most likely will not be expended. During the same period, the IFI's approved over $3.2 billion in assistance to Malaysia, Thailand, Indonesia, and Hong Kong. Passage of the Young amendment, by eliminating all of our contributions to the IFI's, could impose a staggering economic burden on the very nations we should be trying to help without bringing any significant pressure to bear on Vietnam.

Our current policy is to bring as much international pressure as possible to bear on Vietnam in the hope of forcing a change in its policy. In fact, this bill prohibits any direct assistance to Vietnam. In addition, the administration is trying to persuade other nations to reduce or eliminate their bilateral aid to Vietnam, and to oppose any new lending by the IFI's to that nation. This is a responsible policy. Withdrawal from international organizations is not.

The basic issue raised by the Young amendment and by others like it is whether this Nation remains committed to international cooperation, and to multilateral lending institutions in particular. Obviously, the multilateral approach allows us less control over how our funds are spent. At the same time, because others join with us in meeting the problems of developing nations, the financial burden is shared more fairly.

Ultimately, this joint effort at meeting our common problems can succeed only if all nations reject the temptation to use international organizations for their own political purposes. Just recently, the United States led the fight against expelling Israel from the World Health Organization. We were successful only because we took a strong stand against politicizing such institutions. I do not see how we can continue to prevail in such cases if we in Congress try to impose our own political goals.

I therefore hope that this House will reject all restrictive amendments, whether they seek to prohibit assistance to certain countries or to aid in the production of certain commodities.

THE NEW HOLOCAUST

Mr. Chairman, I have mentioned the desperate plight of refugees in the context of restrictive amendments. Since this bill addresses their condition in a positive way, however, I would like to discuss their situation in more detail.

Clearly, we are facing a human tragedy of grave dimensions in Southeast Asia. At the present time, there are almost 400,000 refugees languishing in camps scattered throughout that region, and the number could double in the next 6 months. Approximately 145,000 refugees reached temporary asylum between January and May of this year, but less than 40,000 were resettled.

No one knows how many refugees die at sea, or are shot as they attempt to cross the Mekong River into Thailand. Despite these perils, the refugees continue to leave. Those who make it safely to land live in extreme squalor in the refugee camps. On one small island off the coast of Malaysia, for example, more than 45,000 people are crowded together with virtually no health or sanitation facilities.

Our hearts ache for all of these people, including those with whom we have had a special relationship. I think especially of the Hmong. There are approximately 60,000 Hmong in refugee camps in Thailand. We seem to have forgotten them, perhaps because they do not receive the publicity the boat people receive. Yet I believe we have a special obligation to them.

As you will recall, the Hmong were trained and supplied by the Central Intelligence Agency throughout our long involvement in Southeast Asia. They played an important role in our efforts to frustrate the North Vietnamese and the Pathet Lao, and they fought valiantly on our behalf, sustaining enormous casualties relative to the size of their population.

Because of their support for us, the Hmong have been subjected to a systematic campaign of terror by Vietnamese and Laotian military forces, a campaign that has included the use of toxic chemicals and gases. They deserve our help.

All of the refugees are now facing a new danger. Malaysia and Thailand are sealing their borders against new arrivals. In some cases, refugees already in those nations have been forcibly repatriated. Press reports indicate that many of these people have been killed. Others have been reduced to eating leaves and the bark from trees because they have no food.

Certain events in history present us with a clear moral choice, Mr. Chairman. The Nazi holocaust was one. The present exodus poses another. The very word "exodus" should remind us of a ship loaded with European Jews that was herded from one port to another until finally overtaken by disaster. The tragedy of the passengers on the *St. Louis* is irreversible. The fate of the Indochinese refugees is not.

The very finest traditions of our Nation are now being challenged. We have already done much by accepting over 200,000 refugees. As you know, President Carter recently increased the quota of Indochinese refugees we will resettle from 7,000 to 14,000 per month. This bill contains almost $290 million to support our refugee programs. That will not be enough to implement the President's expanded program, and our committee will undoubtedly be asking for additional funds shortly. However, the funds contained in this bill are desperately needed now and it would be tragic if they were cut.

I doubt that any amendment will be offered to directly reduce the amount of funds for refugee assistance. However, we can be sure that Mr. MILLER of Ohio will offer his usual amendment to reduce spending across the board by a specified percentage.

I believe the House would reject an amendment that called for a 5-percent or 10-percent reduction in our refugee programs. But an amendment to reduce spending across the board would have the same effect.

Such an amendment is tempting to vote for, since it does not expressly mention particular programs. Yet, we should keep in mind that in voting for such an amendment, we are voting to reduce funds for the refugees. Under the circumstances I do not believe we want to do that, and therefore I hope that across-the-board cuts will be rejected.

MILITARY ASSISTANCE

Mr. Chairman, providing aid to refugees is one important way in which the United States manifests its concern for human rights. Another way in which our committee has tried to express its concern is by significantly reducing the amounts requested for the foreign military sales credit program and the international military education and training program.

The committee is concerned about continuing violations of basic human rights in a number of countries to which the administration proposed to provide military and economic assistance. Except in the most egregious situations, we do not think it is appropriate to reduce economic assistance to those nations since that would punish the very people whose rights are being abused. Accordingly, the committee chose to focus upon the military assistance programs since, in many cases, the people derive few benefits from these programs and indeed can be victimized by them.

In the case of the international military education and training program (IMET), we reduced the administration's request by 24 percent. We reduced the request for the foreign military credit sales program (FMS) by 12.6 percent, excluding Israel. At the same time, we decided to give the administration some flexibility in programing these reductions. With the exception of Panama, we did not specifically bar assistance to any country, but in our report we did list a number of countries about which we have some serious reservations. In determining where reductions should be made, we expect that the administration will focus on these countries.

While our concern with human rights was an important factor in making these reductions, I was also personally concerned that some of these nations are spending far too much of their resources on arms, resources that could be better used to meet very pressing economic and social problems.

For example, the Arms Control and Disarmament Agency reports that military budgets are rising at a rapid rate in the developing nations. Whereas the developing countries accounted for only 15 percent of all military spending worldwide in 1967, that figure had grown to 23 percent by 1976. It seems to me that we should not be promoting this kind of growth.

Moreover, in many cases the administration did not provide compelling evidence that its request was truly related to our security needs. In 1977 President Carter stated:

> The United States will henceforth view arms transfers as an exceptional foreign policy implement, to be used only in instances where it can be demonstrated that the transfer will contribute to our national security.

In too many instances the case was simply not made. For example, the justification for providing arms to one country was that the arms transfer would foster "mutual understanding between our two countries and an improved climate for trade and investment."

The fact is that many officials in the executive branch continue to view our military assistance as a routine instrument for promoting better relations with other governments, or as a method for assuring a store of political influence for future contingencies. These are not compelling national security objectives. Each is important to our overall foreign policy, but neither is directly related to U.S. security needs and in many cases, both could be better accomplished through our economic assistance programs.

PHILIPPINE BASES

Mr. Chairman, this bill also includes $142 million for the Philippines, of which $95 million represents the first of five installments on a total of $500 million to be paid to the Philippines in exchange for continued use of certain military facilities there. Although our subcommittee heard testimony from administration witnesses who defended the recently concluded base agreement, I question the wisdom of a continued U.S. military presence in that nation.

Our subcommittee received testimony from a number of nonadministration witnesses who are recognized experts on the Philippines. They argued, with some reason, that the bases play no meaningful role in detecting or defending against an attack on the United States. They also pointed out that the Philippines are not now threatened by any external military force and that the United States is not required to maintain military forces there in order to fulfill its obligations under the Mutual Defense Treaty, points that the administration concedes.

Thus, the strategic value of the bases appears to lie solely in the fact that they manifest a U.S. presence in East Asia and the Pacific, and are perceived by some governments in that region as a stabilizing force. While the United States should continue to play an important role in this region, it is far from clear that bases in the Philippines are necessary for us to do so.

In addition to the cost to the U.S. taxpayer, there is a substantial risk to our long-term interests in maintaining the bases under present conditions. The base agreement was signed with a government that has ruled by martial law since 1972. The State Department concedes that martial law has resulted in the serious curtailment of human rights, and that the Government has taken no steps toward restoring democracy and the exercise of constitutional rights. It is also clear that widespread poverty and inequitable distribution of wealth prevail in the Philippines. As a result, there is considerable discontent among the people, which in part has sustained active Muslim and Communist insurgencies.

For these reasons, I am concerned that substantial assistance to the Marcos regime, together with our military presence, will be perceived by the people of the Philippines as indispensable support for an unpopular and repressive government. In the absence of some overriding U.S. security interest, our policy in the Philippines does not seem sound. We have a long history of friendship and cooperation with the people of the Philippines, a relationship which should be preserved and nourished. Unfortunately, I believe that this relationship is jeopardized by our apparent close ties to the Marcos regime.

While I harbor these reservations about our policy in the Philippines, I realize that there is no possibility of reducing the administration's request. The votes simply are not here to do so. I also can appreciate that a cut in aid at this time could be perceived by other nations in the region as casting doubt upon our commitment to the area of our willingness to live up to a negotiated agreement. Thus, I did not offer an amendment to cut the appropriation in committee, nor will I do so here.

I am encouraged that the committee did adopt very strong report language expressing some of my concerns. More particularly, the report states as follows:

> . . . we believe that a thorough reassessment of this base agreement should be undertaken by Congress and the President during the five years that it remains in force in order to determine whether it should be extended when it expires in 1984. The Committee expects to review the continued viability of a U.S. military presence in the Philippines on an annual basis. . . ."

A thoughtful reassessment of our policy in the Philippines is urgently needed, Mr. Chairman, and I trust that Congress and the administration will undertake it.

INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

Mr. Chairman, as I mentioned at the outset, this bill will require some retrenchment in our foreign assistance programs during the next fiscal year. However, our committee did recommend $23,750,000 for one new initiative, the proposed Institute for Scientific and Technological Cooperation (ISTC). If the Institute is established, an additional $66.5 million in research projects funded through AID will be transferred to it.

This promising new initiative was announced by President Carter in Venezuela in March of 1978. It would build upon the recognized strength of the United States in science and technology, and would respond to some legitimate concerns expressed by the developing nations themselves.

The Institute would have a dual purpose. First, it would strengthen the scientific and technological infrastructure of the developing nations to give them a greater capacity to solve their own critical development problems. As you know, the United Nations Conference on Science and Technology for Development will be held next month. In the preliminary discussion leading up to this Conference, nearly all of the developing nations have cited this as a priority goal. Our action on this request will be a clear signal on whether we are prepared to work with those nations in achieving it.

Clearly, we have an interest in fostering ties with the scientific and technological communities of the developing nations. We will benefit as well as they from knowledge developed in the process.

Secondly, the Institute will focus scientific attention, public and private, on ways of overcoming some of the worst aspects of poverty and disease. At the present time, less than 1 percent of global research and development expenditures are devoted directly to the problems of the 1 billion people of the world who live in abject poverty. With so few resources being devoted to the problems that affect their lives, we need to place a premium on the most promising research strategies. We can do this best by placing responsibility for such research in a single agency, as the Carter administration has now proposed.

ISTC will have a relatively small, highly professional, staff that will encourage and support research in selected fields. The developing nations will participate with us in identifying those critical areas for study. Moreover, while the agency will have sufficient autonomy to assure that the best scientific criteria are applied to these projects, it will be a component of the new International Development Cooperation Agency and thus will not be isolated from our other efforts in the developing world.

In short, the Institute should improve our foreign assistance programs qualitatively at a relatively modest cost. Earlier this year the House voted to authorize ISTC by a margin of 100 votes. Unfortunately, after a brief debate, the Senate voted against establishing it. I therefore expect that an effort will be made to reduce or eliminate the funds in this bill for the Institute.

The proponents of such an amendment will no doubt argue that the mission of the Institute could be performed in AID. However, the experience of the last 18 years clearly demonstrates that AID cannot effectively perform this mission because the short-term pressures of programing and managing country programs tend to override intermediate research goals. One can appreciate how the most immediate problems will almost always win out in the competition for limited resources. Nonetheless, it is essential that some of the longer term, yet critical, problems be addressed. Six separate studies have concluded that if they are to be addressed, there must be a separation of these two functions.

It may also be argued that the studies undertaken by the Institute may be irrelevant to the needs of the poor, and thus will not be used. Of course, this is a risk. However, close monitoring of this new agency by our committee and by the Foreign Affairs Committee can prevent this from happening. In any event, this risk is not unique to the Institute. It is one that we take every time we authorize a new program. In my judgment, it is a risk worth taking in this case.

IN DEFENSE OF FOREIGN AID

Mr. Chairman, it is not easy to vote for a foreign aid bill, particularly when the American people are understandably preoccupied with domestic economic problems.

Indeed, when Americans think about foreign aid at all, they often see it as a kind of international welfare system, not realizing that it serves our interests as well as others. Most are unaware, for example, that over 75 percent of the funds in our bilateral assistance program is spent on goods and services in the United States, thus creating and maintaining jobs for Americans; or that we derive similar economic benefits from our participation in the IFT's.

Many are convinced that our Nation contributes far more of its wealth to foreign aid than other nations do. Actually, as measured by a percentage of gross national product, we spend much less on foreign aid than most other developed nations. In 1949, at the beginning of the Marshall plan, U.S. official development assistance amounted to 2.79 percent of our GNP. Today, 30 years later, we spend less than one-tenth of that, a mere 0.22 percent of our GNP. And this after 30 years, during which the average American's income, adjusted for inflation, more than doubled.

Still, the polls show that most Americans will support a modest foreign assistance program if convinced that it will really improve the lives of the poor. Thus, the most damaging charge that can be leveled against this bill is that it does not work.

To be sure, there have been cases where our assistance was abused, and still others where the funds did not accomplish what we had intended. However, if one takes the long view, it is clear that foreign aid does work and that it has accomplished a great deal.

Between 1950 and 1975, for example, per capita income in the developing nations increased more than 3 percent annually, compared to 2 percent in the industrialized world when it was at a similar stage of development. Life expectancy increased dramatically, from 40 to 50 years. Per capita food production was held relatively steady despite the fact that the population grew by 900 million during that period. The number of pupils enrolled in primary schools tripled in the developing nations, while enrollment in secondary and postsecondary schools increased sixfold. Real progress was made in the battle against communicable disease.

These are achievements without precedent, and development assistance played an important role in bringing them about. Despite this progress, however, much remains to be done. In Africa, for example, one out of every three children will die before the age of 5, and 30 percent of all deaths in Latin America are among children under 5. Statistics are not adequate to describe the misery of the millions who suffer in this world. As Robert McNamara recently put it:

> Malnutrition saps their energy, stunts their bodies, and shortens their lives. Illiteracy darkens their minds, and forecloses their futures. Preventable diseases maim and kill their children. Squalor and ugliness pollute and poison their surroundings.

America has traditionally responded to these conditions which are almost beyond our comprehension. Our concern for our fellow human beings is one reason we maintain a foreign assistance program.

But there are reasons deeply rooted in self-interest as well. A stable world, and a secure America, depend in part upon whether developing nations increase their agricultural production, curb their birth rates, and become more self-sufficient.

Moreover, our economy has become increasingly linked to these developing nations. For example, we are dependent upon them for many of the raw materials needed to fuel our economy; they provide us with more than 50 percent of our tin, rubber and manganese, plus very substantial amounts of tungsten and cobalt. At the same time, they have become vital export markets for us—exports now constitute almost $200 billion of our gross national product. One out of every eight manufacturing jobs in this country is related to exports; and, for every one of those jobs, another is created in a supporting industry. Fully one-third of our agricultural produce is exported, and half of those exports go to the developing nations. In fact, the United States now exports more to those nations than it does to Western Europe, Eastern Europe, China, and the Soviet Union combined. For every $1 of assistance we provided in 1977, we exported $22 in goods and services to the developing nations.

In short, foreign aid is a good investment for America. It serves our economic interests, helps those living in the most dire circumstances, and contributes to a more stable and secure world.

CONCLUSION

Mr. Chairman, this modest bill is an essential part of a sound and responsible foreign policy for America. While it represents little more than 1 percent of our Federal budget for fiscal year 1980, it is one of the more important bills we will consider this year. It deserves our support.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from New Jersey.

Mr. PATTEN. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from New York (Mr. McHUGH) is like a ray of sunshine. If more people would tell the truth like the gentleman has in his statement, there would be 100 more Members listening. I want to compliment the gentleman and, of course, I am not surprised, because I knew he had it in him. This is the way America ought to go, and I am glad the gentleman made that speech. I hope his constituents hear it.

Mr. McHUGH. I thank the gentleman for his remarks.

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The CHAIRMAN. The gentleman from Florida (Mr. Young) has 10 minutes remaining.

The gentleman from Maryland (Mr. Long) has 3 minutes remaining.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the gentleman from New York has made a persuasive argument, but let me respond to just a few points he has made so we can see there is another side. One of the main points that he made was that we are spending far less per capita percentage of our GNP today than we did in 1949 for foreign aid.

You know, in 1949 we were basically the only country in the world that could provide any foreign aid. In 1949 we were rebuilding the world after World War II.

The world has changed since 1949. Much of the world has become rather hostile to the United States since 1949. We are in a highly competitive economic, and yes, military situation since 1949. The truth is there are other countries whose balance of payments and balance of trade situation is far better than the United States today, which is different than 1949.

We talk about U.S. business profiting, but let me tell you something, that U.S. business has suffered from foreign assistance.

The chairman of our committee, the gentleman from Maryland (Mr. Long), has made this point so well, so many times, as to how many industries American dollars have been used to develop throughout the world, industries that are today seriously undercutting American industries.

The gentleman from Maryland (Mr. Long) has cited so many times the instance of steel production, how so many American dollars, through the World Bank even, are used to develop a steel industry in other countries, the very industry that is today putting American steelworkers out of business, because they are dumping low-cost, low-grade steel in the United States.

So you see, things are different.

Now, the gentleman from New York suggests that the amendment that I would have relative to restricting funds to the international banks for Vietnam, that this is merely an attempt by me to pull out of the banks. That is just not the case. That is not my intent. It is not my motivation. That would not be the effect.

The gentleman says that my amendment, while aimed at Vietnam to try to help the refugees, would not do a thing to help refugees. Let me suggest there is another side to that argument as well.

First of all, in the House-passed supplemental bill yesterday, and in the bill that we consider today, will be a total of more than $75 million for refugees through the United Nations Commission for Refugees.

In those two bills there will be another $130 million-plus for Indochinese refugees, U.S. assistance directly to refugees.

So from the standpoint of dollars, this bill is spending a lot of money to help those refugees.

But now let me tell my colleagues where, if we can ever get the attention of Vietnam, if we can ever convince them that they ought to become a civilized member of the world community, they will stop making refugees, and that is the best way to solve the refugee problem. Do not have Vietnam pushing more people into the sea to die or to drown or to survive by eating their dead relatives.

If we can get Vietnam to stop doing that, we will have done a tremendous service to refugees and prevent future refugees.

I say that as long as we continue to allow Vietnam to be rewarded indirectly, we are not doing a thing to convince them that they ought to become civilized. I can guarantee my colleagues that we are going to talk a lot about whether a nation that is as uncivilized as the leaders of that nation, are deserving of any kind of financial assistance from the American taxpayer.

Now, the other argument is—and we have heard it so many times. We have heard it for so many years, that we just cannot restrict contributions to the international banks.

We had a letter this year from some former Treasury officials saying we could not do it. We had the same letter last year. We had the same letter the year before.

So one would think that since the administration and the lobbyists all believe that they would be able to back it up in a moment's notice. Right? That was what I thought.

Well, we had a very interesting oversight hearing on the subject of whether or not the banks' charters would allow them to accept restricted funds.

I was questioning Mr. Bergsten, who is an Assistant Secretary of the Treasury, who deals with the international banks. We were talking about this restriction.

I said this, and I am reading from the transcript:

> Are you going to be able to find a section, or a paragraph, or a sentence?
>
> Mr. Bergsten. Yes.
>
> Mr. Young. You are?
>
> Mr. Bergsten. That taken as a totality of the Charter's specific provisions do make very clear that restrictive contributions would not be consistent with the Charter and, therefore, not permitted and therefore, have to be refused by the institution.
>
> Mr. Young. If that is the case, and that language does exist in the Articles of Agreement and in view of all the arguments we have had on this, why can you not tell me where it is now?

Understand they have been arguing about this for years saying that it is there.

I asked: "Why can you not show it to me now?" I said, "Is it article V, article VI, article I?"

Mr. Bergsten turned around to his backup witnesses, and he said:

> Mr. Bergsten. Do my lawyers have the opinion with them in the back of the room? [No response.]
>
> Mr. Young. I want a citation of the Articles.
>
> Mr. Bergsten. If my lawyers have it with them. They tell me they do not have it with them.

Where is the citation in the articles of agreement in the charter of the World Bank that we hear so much about every time we are discussing it? Where is it? Why was not Mr. Bergsten or his lawyers, after 3 years of debate on this, why were they not prepared at that oversight hearing with the specific language in the article that says restricted funds could not be accepted by the Banks?

Let me answer my own question. The reason they could not present it to me or to the chairman, the gentleman from Maryland (Mr. Long), or to the subcommittee holding the oversight hearings was because it does not exist. There is no specific language in the charter that prohibits the bank from accepting restricted funds, and I challenge Mr. McNamara or the gentlemen on this side who are so opposed to my amendment, or Mr. Bergsten or anybody else, to give me the specific language in the charter that says you cannot accept restricted funds.

I have read those charters. I submit that some of the people who have signed those letters saying that it was their opinion that it could not be done did not read the charter.

I would concede this. If the board of directors came together and met and adopted a resolution that they would not accept the funds, then I would say there is an argument. But I submit to my colleagues, unless it has been done in secret and very recently, the board has not done that.

As a matter of fact, one of the large complaints that I have about the World Bank is that the board of directors, who, according to the charter, are supposed to be responsible for the day-to-day operations, are not. The board of directors, who should be running the bank, are running Mr. McNamara's errands.

The board of directors, who should be running the bank, do not even have provided to them information that any one of us would need to have in order to make a decision on a loan.

Mr. Chairman, there is a lot of reform that is needed in the multilateral institutions like the World Bank when they can take billions of American dollars, not have to account to this Congress for them, that our Government has no ability to control where those funds go or what happens to them. We are aware of the fact that moneys are pushed into countries that do not even want the projects. Can you believe that?

This investigative report that I have referred to, and it is going to be referred to again and again, has statement after statement about how the World Bank has pushed projects into countries where they did not even want the project, and the only reason they took it was because they wanted the foreign exchange. They wanted the money.

☐ 1230

They did not want the project.

There are a lot of things we are going to talk about on this issue. Keep an open mind. There are two sides and I am willing to concede that. I am willing to concede my side is not the only side, but I submit that my side has a tremendous amount of logic and a tremendous amount of reason and a tremendous amount of fact going for it.

Mr. LONG of Maryland. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, I rise in support of H.R. 4473, the Foreign Assistance and Related Programs Appropriations Act, 1980.

This, my first term on the Appropriations Committee and its Foreign Operations Subcommittee, has been a real opportunity and a great privilege. I have been able to learn from and work with an exceptional group, our distinguished chairman, the thoughtful and diligent members of the subcommittee, and a very fine staff. This group has shown a common commitment in its endeavors to address the very complex and intricate world of our foreign assistance programs.

Maybe we could have done more to help the world's poor, displaced, hungry, sick, and illiterate people, but I believe this is a responsible bill, given the economic and budgetary restraints the House must work under this year. With our deep concern about inflation and the current economic downturn, and with other appropriations bills having to hold the line on or reduce domestic programs, we could not provide the full amounts requested for foreign assistance.

Nevertheless, I think it would be very wrong to change the amounts the Appropriations Committee has so carefully set.

It is also very wrong to refer to foreign aid as a "giveaway." Foreign assistance programs serve our own very real national interests and also provide a wide range of benefits to our own economy.

World peace will always be our most important concern, and our aid programs help encourage it. Over one-fourth of the funds in this bill will go to support the peace effort among the nations of the Middle East. There, our assistance will help maintain the security of the State of Israel and the stability of both Israel and Egypt as we continue the peace process begun at Camp David. The committee has recommended funding the entire administration request for economic support for Israel and Egypt and for Israel's participation in the foreign military credit sales program. In addition, smaller amounts are provided for Lebanon and Jordan, and there is even a provision for aid to Syria, subject to the President's finding and notifying Congress "that Syria is acting in good faith in furthering the process of peace initiated by the Camp David accords * * *." This gives Syria a clear message that its current behavior is not acceptable, but it leaves both an open door and an incentive to enter the peace process.

Our aid programs, both bilateral and multilateral, also contribute to the stability of the Third World, by fostering rational development and economic growth, and helping to improve the lives of peoples whose only other course might be violent political change.

Moreover, in an increasingly interdependent world, the less-developed countries (LDC's) continue to grow in importance as markets and sources of raw materials. They now account for 30 percent of U.S. sales overseas.

Foreign assistance is a two-way street. Recent studies show that the United States gains in many ways from our foreign aid activities, both bilateral and multilateral.

For instance, 75 percent of the Agency for International Development budget is spent on goods and services in the United States. In 1978, over $1 billion worth of American products were exported with AID financing. In Florida alone, AID has spent over $63 million since 1969, and spent over $9 million for goods and services used for foreign aid in 1978.

In 1977, UNICEF purchased nearly $49 million in goods and services, while U.S. contributions, both public and private, amounted to only $26 million.

The Treasury Department has calculated that during the history of our participation in the multilateral development banks (MDB's) we have received $2.4 billion more than we have paid into the banks; $9.8 billion in goods and services have been purchased by LDC's with bank financing and by the banks themselves for their own administration. The MDB's are estimated to increase our GNP by between $1.2 and $1.8 billion annually, and to provide between 50,000 and 100,000 additional jobs. World Bank and International Development Association procurement in just one State, Florida, in just 1 year, 1978, totaled more than $7 million.

The United States cannot and should not carry the whole burden of development assistance, just as we alone cannot care for all the "boat people" without help from other nations. While other countries have joined us as providers of bilateral assistance to LDC's, we have found that the multilateral development banks are very effective places to pursue our goal of development and to advance U.S. policy priorities.

The banks are catalysts, raising $3 from other countries for every $1 from the United States and generating additional private capital backed by our callable subscriptions, to provide, in the case of the World Bank, $50 in development loans for each $1 contributed by the United States. In addition, both by involving private capital and the commercial banks in development and by vouching with their presence for the credit worthiness of individual LDC's, the MDB's promote commercial bank lending in developing countries. They can also, through their technical assistance programs, encourage efficient economic policies and the adoption of more Western-style free enterprise market systems.

The United States, while only one of a number of participants in each bank, is clearly the most important shareholder, and has a major influence on the various banks' policies. For instance, U.S. goals have been achieved in the new World Bank program for major energy development, and in the Inter-American Development Bank's agreement, in the latest replenishment, to concentrate soft lending on the poorest nations and the poorest groups, and to target 50 percent of all bank lending on low-income groups.

The committee cut U.S. contributions to the banks by 25 percent; it would be highly unfortunate, in my view, to cut them further.

All of the foregoing is not to say that U.S. development assistance is meant only to be an arm of U.S. trade policy, or to improve the U.S. balance of payments. Above all, we must continue to support our country's humanitarian goals.

We are committed to providing the greatest possible portion of our aid to the poorest people, to improve their lives and provide for at least their most basic needs for food, shelter, health, education, and hope.

In addition, through programs such as migration and refugee assistance and disaster assistance, we stand ready to assist those most unfortunate people who suddenly find themselves homeless, due to floods, storms, war, and such a tragedy as has uprooted thousands in Southeast Asia. We are also ready to respond to the resettlement of refugees from the Soviet Union.

Mr. Chairman, this is a good bill, one that was carefully fashioned to balance our domestic need for restraint in spending and our very real interests abroad. I hope that my colleagues will agree and support this bill.

● Ms. OAKAR. Mr. Chairman, I wish to voice my strong disapproval of the manner in which this House has been required to consider foreign aid appropriations bills for the last quarter century. What I object to in particular is the combination of economic and military assistance in the same legislative package. In this way, we are not given a choice of voting for economic aid or against military aid. Instead, we must take it all or leave it all, even if we support humanitarian funding but oppose military loan or grant assistance. It is my strong belief that a foreign aid bill should be divided into separate bills by title; that is, separate votes on multilateral economic assistance, bilateral economic assistance, military assistance, and the Export-Import Bank. Let the House consider each one separately on its own merits, so that if Members have reservations about funding loans, credits, or grants of weapons but advocate U.S. contributions to world banks to assist the economic development of South American, Asian, African, or Middle Eastern countries, these Members would not face a devil's choice of having to vote for or against the entire package.

I believe that a qualitative and substantive distinction must be made between appropriating funds for a bilateral economic assistance program such as the Agency for International Development, and appropriating funds for a military assistance program which enables countries in trouble spots or with deplorable human rights records to arm themselves in such a way as to enhance the potential for local conflict. Assuredly, it is in the long-range security interests of the United States to provide economic and certain kinds of military assistance to friendly countries whose need for development programs is clear. But, in considering legislation for final passage, let's keep aid to the poor, rural development, nutrition, health, education, human resources, refugee, and international disaster assistance separate from military assistance, international military education and training, and foreign military credit sales.

Perhaps a change should be made in the way in which funds for foreign aid are authorized for subsequent appropriation. I would personally like to see economic and military assistance funds kept separate at the initial authorization stage, so that the House has the opportunity to vote on not just one all-inclusive foreign aid appropriations bill, but on several economic and military assistance bills, as I have indicated before.

Mr. Chairman, I would like to point out further that it seems somewhat inconsistent to me that we have made a commitment to the pursuit of peace in the world and have pledged our resources toward extending economic and humanitarian aid to the developing countries, while at the same time we play the role of largest arms merchant to the world.

Finally, in the future I believe the House should have the opportunity to vote on the economic and military assistance issues separately. We should not be forced to swallow or reject a multibillion-dollar foreign aid package.

Thank you, Mr. Chairman.●

Mr. LONG of Maryland. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Foreign Assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes, namely:

Mr. CONTE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, America today is offered a unique opportunity to reconstruct a world order in which her security can better be maintained. Once primarily a function of defense alliances scattered around the globe, security is now linked to the U.S. position strategically, politically, and economically. While we are continually challenged on all levels, the major threat to our security now lies in an economy which contiunes to deteriorate, sapping America of her once formidable vitality.

The seventies have witnessed structural changes in both the traditional postwar economic and political orders. Subsequently, the power relationships among nations have been altered. The collapse of the Bretton Woods economic system and its replacement by the more flexible float have undercut the dollars role as key currency. The surging nationalism of the Third and Fourth Worlds has culminated in the OPEC cartel and demands for a new international economic order. Continued inflation, declining productivity, the loss of comparative advantage in traditional areas, and an unprecedented balance-of-payments deficit have eroded confidence in the dollar. They have also hastened the emergence of a relatively new phenomenon—America's increasing dependence on the remainder of the world.

The United States traditionally has been the most self-sufficient of the industrialized world economies. Prior to the seventies, America retained a high degree of independence as she dabbled in economic affairs. But Mr. Chairman, this is history. Currently the foreign assistance program is a key component in the new economic strategy and one which deserves greater attention.

Foreign assistance provides much needed capital and investment to the developing nations. The $9 billion in the current fiscal year 1980 budget channels $3.6 billion through the international financial institutions, $1.6 billion through our bilateral program—AID, and $3.5 billion for other programs. And in addition to the long-term effect of aid in helping to assure American security, there are short-term benefits. One such benefit is the money which flows back to the U.S. economy through the funding of these institutions. Recent articles have been quick to point out how the United States is a net recipient, yes, I said net recipient of her foreign aid program. For each dollar channeled through the international financial institutions, between $2.38 and $3.40 returns to the U.S. economy in the form of procurement contracts, administrative expenses and the like. For every AID dollar appropriated, $0.75 remains in the United States for goods and services necessary to implement the projects. The international organizations have similar records—UNDP, UNICEF, and others are not drains but boons to the U.S. economy.

America, once the most generous of nations, has fallen to 13th of the 17 donor nations of OECD. You may not be aware that U.S. expenditures on brokerage charges and investment counseling are more than our development assistance. Barbershop, beauty parlor and bath services exceed foreign assistance. Admissions to spectator amusements are $2 billion more than our aid program. Did you know that the United States spends more on jewelry and watches, three times more on cleaning and household supplies, more than four times as much on tobacco and six times as much on alcoholic products. The $9 billion program includes funding of both bilateral and multilateral programs which not only increase the development of the Third and Fourth Worlds, but in turn help to increase U.S. security.

Mr. Chairman, recent rumors of recession have filtered down from Pennsylvania Avenue—a recession closely linked to the escalating cost of oil. Our natural reaction will be to withdraw within our borders, erecting protectionist barriers in a misguided attempt to salvage our fragile economy. We have witnessed this type of retrenchment before, and rather than facilitating recovery or growth, such policies have served no other purpose than to forestall economic development—worldwide. Again, nations including the United States will be tempted to opt for short-term domestic solutions at the expense of long-term global prosperity, yet because of economic interdependence, the consequences will be even more dire.

Mr. Chairman, I know that this is a tight year for funds. I also know that we as our Nation's leaders have an obligation to do what is best for that nation and her people. The U.S. public may not be aware of the extent of U.S. dependence on the developing world. They may not realize that the IFI's are a good investment. They may not know 10 percent of the gross national income is accounted for by the trade balance and although this percentage is small relative to that of other nations, its absolute value dwarfs any other. A major portion of this billion dollar trade balance is conducted with the developing world. In 1977, 23 percent of U.S. exports, approximately $28 billion, were destined for the non-OPEC developing world. This translated into 2 million American jobs. And these exports are increasing.

With regard to imports our dependence is also very real. Twenty-five percent of the raw materials crucial to industrial strength are of Third World origin. Rubber, tin, bauxite, cobalt, and petroleum are only some of the supplies controlled by the developing world. Access to these supplies is critical for the U.S. economy.

As outlets for investment the Third World has become closely linked to U.S. interests. Currently these investments account for 21 percent of U.S. direct foreign investment worldwide with earnings of $7 billion. And this market is expanding. These crucial building blocks of international commerce, once destined primarily for Europe, now aim their money at the burgeoning developing countries. Not only do these investments return earnings to the United States offsetting the trade deficit—they supply capital and technology to the developing nations which in turn may stimulate greater demand for U.S. goods.

Greater dependence on the developing world has become a fact of life in the seventies. And this dependence requires that America, in formulating strategies for both her foreign policy and economic growth be aware of the well-being of other nations—particularly those of the developing world, that the United States is the net recipient of foreign aid. But we know. We in Congress can no longer claim ignorance of the facts. It is our responsibility to lead our constituents. Aware of the dangers which may occur if we do not abide by the rules and obligations of this interdependent world, we must continue with our foreign aid program. Cyrus Vance, in response to a question I asked in hearings stated, "Aid is as necessary as ever, but instead of contributing to a single-minded foreign policy goal, aid today is a critical element of a system of reciprocal responsibilities and benefits known as the world economic system." We in Congress are aware of the responsibilities and benefits of this system and we should fight to maintain funds for its critical elements. I, therefore, strongly urge that the fiscal year 1980 foreign assistance bill receive your unmitigated support.

☐ 1240

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, $887,301,997, to remain available until expended, for the United States share of (1) the new increase in subscriptions to (a) paid-in capital stock and (b) callable capital stock, and (2) the new increase in the resources of the Fund for Special Operations and the replenishment of the resources of the Fund for Special Operations as authorized by the Act of May 31, 1976 (Public Law 94–302): *Provided*, That no such payment may be made while the United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 2, line 8, strike "$887,301,997" and insert in lieu thereof "$150,277,000".

Mr. YOUNG of Florida. Mr. Chairman, there is nothing like starting off with a very large amendment, and I know that my colleagues on the other side will call that to my attention, but the amount of funding suggested for reduction in this amendment is an amount in the bill that is not authorized. There is no authorization to spend this money.

True, the committee has passed an authorization bill and it is scheduled to come on the floor some time, but it is not here. The reason I make this issue of authorization is this:

Earlier in the debate today, and as we go through the debate for the rest of the day, Members are going to hear about this commitment that we have made that we must maintain. We have got to look good in the eyes of the world, Members will be told. We have to keep our commitments.

Mr. Chairman, I submit that the point where you and I as Members of Congress make our commitment is in the authorization bill. So, here now we are being asked to appropriate a large amount of money that is not authorized. We are being asked to make funds available that we have made no commitment on. It will give us a good opportunity to find out whether or not we are going to be concerned about keeping a commitment that is nonexistent. I think that is very important; let me say it again: The commitment on this particular issue is nonexistent; there is no commitment.

Now, there are other reasons why the IDB does not need all the funds that this bill would provide for it. First of all, the Inter-American Development Bank and its soft loan window, the Fund for Special Operations, have today $4.8 billion, that is four billion eight hundred million dollars that they have not disbursed. They still have it in their bank accounts. Whether those bank accounts are non-interest-bearing like the United Nations I do not know, but that is $4.8 billion that they have not disbursed.

Now, the Inter-American Development Bank has a problem in the way it conducts its business. Of the criticisms made of the banks by the Appropriation Committee's investigative staff, the Inter-American Development Bank came in for the most serious criticism when it came to conducting its affairs. The investigators said a number of things. They talked about lumping the loans. In other words, they came to the end of the fiscal year and lumped all of the loans and tried to push them out before the end of the year just to get the money moving.

We see that so many times in our own agencies at the end of a fiscal year when they try to push the money just to get it out, just to get it in circulation, just to show growth.

Mr. Chairman, I submit that is the wrong way to handle the American taxpayers' money. I submit the American taxpayer deserves more from the Congress, and it deserves more from any multilateral institution, in which we might be involved. Some of the projects the Inter-American Bank comes up with are good projects, and please understand that I am willing to acknowledge that. But, let me tell the Members about one that I do not think is so good.

I do not have the resources that Mr. OBEY of Wisconsin had when he came in with large, glossy pictures and big charts. I do not know where he got them; I have got to find out, but I cannot get that kind of resource available to me. But, I come in with a small photo, a small photo of a swimming pool that was paid for with funds from the Inter-American Development Bank.

When our investigators saw this they wrote into the report itself that it was a more superior structure than any swimming pool one might see at the fanciest country club or most exclusive area in the United States of America. I submit that is a waste of money.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. If the gentleman will ask for additional time I will be happy to yield to him.

Mr. OBEY. Is the gentleman aware that the swimming pool to which he refers was not a bank project? It is funded by the host country.

Mr. YOUNG of Florida. I am not aware of that because that is not what our investigators told us. If the gentleman can show us that is not correct——

Mr. OBEY. If the gentleman will check he will find out that, in fact, was not a bank project; that that swimming pool project was funded by the host country. He cannot hold the bank responsible, and our staff cannot hold the bank responsible, for something they did not have a dime in.

Mr. YOUNG of Florida. The gentleman says it is the host country's part of that project. We understand that the host country and the banks work together on projects occasionally, that there is host country financing. I would be happy if the gentleman would tell me whether or not there was bank money in anything relating to that project. If our investigators are wrong I will be the first one to concede if the gentleman has some proof of that, and I yield to the gentleman for that purpose.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would invite the attention of the gentleman from Florida to page 51 of the report on the international financial institutions at our committee hearings. In that, we have the swimming pool described by the gentleman. If he will read the last page, on page 49 in the report, he will find that that in fact was a host country swimming pool and it was not the bank project.

Mr. REUSS. Mr. Chairman, I rise in opposition to the Young of Florida amendment.

Mr. Chairman and Members, I had not intended to take part in the debate, but the activities of our House Committee on Banking, Finance and Urban Affairs are in question here.

The Banking Committee several weeks ago, having duly considered the request of the administration for the Inter-American Development Bank replenishment, voted by an overwhelming majority of 32 to 9 to report favorably, and ask for favorable action on the request which is sought to be gutted by the amendment offered by our friend from Florida, Mr. YOUNG. We did so. We approved those funds because our committee, having studied the Inter-American Development Bank in action, believes that it is a fine institution that very much needs the support of the Congress, which support it has gotten for the last generation since it has been in business.

It is a good thing, because under the IDB, instead of the United States having to go it alone, we get contributions from Canada and all the countries of Europe and many others, so that the American Hemisphere can go forward with a little hope.

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It is so much more effective than a bilateral program, in that the Inter-American Development Bank can and does lay down tough bankers' conditions on the money it lends.

Now that bill, the authorization bill, has been pending and, indeed, it is on the calendar for consideration. It has not been reached solely because of the congestion of appropriations bills, a congestion which is absolutely necessary since we are pledged under our rules to move on those bills, and I want to congratulate the gentleman from Maryland and chairman of the subcommittee (Mr. LONG), also the gentleman from Massachusetts (Mr. CONTE), the gentleman from Wisconsin (Mr. OBEY), the gentleman from New York (Mr. McHUGH), and many others for their zeal in getting this bill here. They went before the Committee on Rules and got an express waiver, and the Committee on Rules was very well aware of the fact that the authorization bill, as is so frequently the case, is pending, but will not actually be reached for a few days. So this is in accordance with the usual procedure around here.

I, as one who have seen the good work of the Inter-American Development Bank in Costa Rica, Jamaica, Colombia, Peru, Ecuador, and so many other countries, and as one who believes that we have a destiny and a duty in this hemisphere to give a little hope to the poor people to have their place in the Sun, hope very much that the gutting amendments of our friend from Florida will be ringingly voted down.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word and I speak in opposition to the amendment.

Let me begin by saying that I think the gentleman from Florida (Mr. YOUNG) is absolutely right when he objects to swimming pools being built in countries where we are giving aid, and it does not give me very much consolation if we are providing the money for the real needs and they are spending their own money for swimming pools. I think this is one of the things wrong with foreign aid. I pledge to do my part to make sure we do not do much of that in the future. We have sent that message, and I think they are beginning to understand it.

I oppose this amendment, however, on the ground that I do not think it is really necessary. If these funds are eventually passed and signed into law they can only be expended to the extent they are authorized.

We are assuming that the authorizing committee will go ahead and authorize, but if it does not, no harm has been done, because none of this money can be spent; so this amendment would, therefore, be unnecessary and apparently I think gives us some difficulties at this time.

In no way does this action here preempt the authorizing process. Let me say the chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS), who is in charge of the authorizing process, has been very gracious in recognizing that we had a job to do and had to get on with it, even though the authorization could not be completed by the time we came to the floor.

In the case of the Inter-American Development Bank we have already reduced the request by $125 million. This results in a very modest increase over last year's appropriation. Any further cutback in the Inter-American Development Bank appropriation either would require the United States to give up its veto on the FSO loans or would cause other countries to back out of their contributions.

The United States achieved major policy changes in the Inter-American Development Bank during the latest replenishment negotiations which, among other things, would reduce the annual budget outlays required by the United States. This is the first installment on the new replenishment and the United States failure to deliver would weaken our ability to get further policy concessions in the future.

One of the most important of these concessions was a commitment from the Inter-American Development Bank during last year's replenishment negotiations that it would devote 50 percent of its lending to projects to the poor. That does not include swimming pools, and I want to make that clear, as much as I like to see the poor people get a swim now and then. I do not think it is our job. Most of us cannot afford a swimming pool of our own. That is the kind of thing we were making clear we did not want them to do and they have pledged that they are going to go in for programs that are really aimed at benefiting the poor.

In addition, the Inter-American Development Bank agreed that 75 percent of the funds for special operations, the soft window, would go to the poorest countries in Latin America such as Haiti, Hondorus, Guatemala, and the Dominican Republic. Here again when I say the poorest countries, when they give something to Haiti I do not mean that hotel down there that was supposed to be the last word in decadence and lasciviousness as advertised in their own propaganda. We expect the help to go to the really poor people in Haiti of which there is no shortage and the numbers are increasing all the time.

Mr. Chairman, it is critical to the United States that the United States review its commitment to these American nations. A reduction of over $730 million or 85 percent as proposed by the amendment could have a devastating effect and I urge that the amendment be defeated.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, with all due respect to my good friend, the chairman of the subcommittee, I do feel that this principle of passing appropriations before a decision has been made by the Congress is getting the cart before the horse. We encourage abuses in foreign aid programs when we have already appropriated money before the Congress has made a decision as to whether or not the programs are worthy, or whether or not the recommended funding is excessive.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield to me?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentlewoman for yielding. I would like to go back to the point for just a minute, the gentleman from Wisconsin (Mr. OBEY) and I were discussing the swimming pool and the language of the investigators in our staff report. I checked with the gentleman's staff and I am advised that what the gentleman was referring to was not the investigators' report but the Treasury Department's rebuttal to that investigative report. I would like to make sure that is the case because I would not want to be misreading the investigators' report as the gentleman from Wisconsin (Mr. OBEY) suggested that I had. I want to see if we can get some understanding on it.

Mr. OBEY. Mr. Chairman, let me point out I was in error in citing the wrong report but on the bottom of page 49—there are 2 different numbering systems, 49 or 27—if you will read the comments on the swimming pool you will see the investigators describe the project in which that pool was found as being one of the best projects they have found.

Then if you will look at page 826 of our committee hearings in volume 6 you will note the following language:

> The IDB-financed portion of the project did not include the swimming pool. The pool was financed by the government of the borrowing country.

Mr. YOUNG of Florida. This was not the investigative report that I had earlier referred to. This was the Treasury Department's rebuttal, is that not correct?

Mr. OBEY. That is correct.

Mr. YOUNG of Florida. Let me then point out this is not the only time in the debate today we will have that particular problem because many of the things that the investigators said in their report have been denied by the Treasury Department and there is a tremendous difference of opinion upon which we will have to make some kind of a decision.

Mr. Chairman, I wanted to make that point so that the gentleman would understand that I did not misread what I was reading.

Regarding the swimming pool, what I started to say before the gentleman raised that issue, I have no problem with building the swimming pool. That is fine. I would like for every kid in the world to have a nice place to swim, but you can get just as many kids in a swimming pool built the way we build them at our camps and our YMCA's. You do not need to build them fancy and elaborate like they did in this particular project. That is the very point. We are spending money we do not have to spend to get the same thing. The international banks are bunching up projects at the end of the year so there is little opportunity to make sure that those funds are going to be used efficiently and effectively.

The main point is at this Bank—and I know these banks are sacred cows. You are just not allowed to touch one of these international banks when you come to Congress especially when it has to do with their money. I will never know why that is the situation but that is the way it seems to be.

This bank has on hand today $4.8 billion it has not disbursed. If we put this extra money in here today this time next year they are going to be bunching up that extra billion dollars.

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When you bunch projects up, when you shove them out just to get them out, you waste money. When you are looking at just who does finance the Inter-American Development Bank and all the other international banks, the American taxpayer makes by far the largest contribution to all but one of them; so when the banks are wasting money, they are wasting to a large extent money that belongs to the American taxpayer. I frankly do not like it.

Now, there may be some people who do like it. There may be some people willing to say the little bit of good far outweighs the problems with the bad. I have no problem with anybody who makes that decision; but I see myself as a trustee of the American tax dollar, as a member of this Appropriations Committee. I think I have an obligation to the American taxpayer to get them as much for their tax dollar as I possibly can. I have enough knowledge of banking principles in my own involvement here in the United States in private banks to know that you just do not operate a bank like they operate the Inter-American Development Bank or the World Bank or the Asian Development Bank.

The CHAIRMAN. The time of the gentlewoman from Nebraska (Mrs. SMITH) has expired.

(At the request of Mr. OBEY, and by unanimous consent, Mrs. SMITH of Nebraska was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield.

Mr. OBEY. Mr. Chairman, let me just point out again that the example that was used to cite the tremendous waste by the IDB by the gentleman from Florida was the fact that they had allegedly financed a swimming pool which our staff said was overbuilt and should not have been part of that project.

The fact is, and the record should show it, that not one dime of bank money went into that swimming pool. That swimming pool was financed by Colombia. It was not financed by the bank.

If the gentleman wants to argue about Colombia's sense of fiscal responsibility, go right ahead; but that swimming pool is irrelevant in terms of what the bank contributed, because the bank did not contribute the money for that swimming pool. That is like attacking me for something my brother-in-law did.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentlewoman for yielding.

I would just suggest to my friend, the gentleman from Wisconsin, that obviously the time limitation does not permit us to go into many, many specifics, but why don't we ask the chairman of our subcommittee to tell us about an experience the gentleman had in Colombia when he went to visit a fishpond that was developed with multilateral money, that was just full of mud, no fish.

AMENDMENT OFFERED BY MR. LOTT TO THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. LOTT. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. LOTT to the amendment offered by Mr. YOUNG of Florida: Page 2, line 8, strike out "$150,277,000" and insert in lieu thereof "$763,728,483".

Mr. LOTT. Mr. Chairman, very simply, my amendment to the amendment offered by the gentleman from Florida (Mr. YOUNG) would change the figures from $150,277,000, as the gentleman proposed in his amendment, which is the authorization level, to put that figure at $763,728,483, which was last year's funding level. There would be a savings under my amendment from what is in the bill for this Inter-American Development Bank of $123,573,514.

Now, just briefly, this bill contains appropriations totaling over $2.5 billion for six international financial institutions. The one we are dealing with here is the Inter-American Development Bank, which in the bill would have some 887 plus million dollars.

The total in the bill for these institutions collectively represents a whopping 44-percent increase over the level of funding last year. We are very fortunate this year to have the results of a 13-month study of the IFI's. The study was completed in March of this year and was conducted by the House Appropriations Committee surveys and investigation staff. They did a good job and they came up with some very interesting results.

It is appropriate at this time, I think, to briefly describe some of the major findings. First of all, as the gentleman from Florida has already pointed out, together the IFI's have made $59 billion in loan commitments. Of this figure, only 58 percent or $34.5 billion has been expended.

The report suggests that this problem has been caused largely from delays in implementing these projects, due to inadequate preparation and/or overoptimistic appraisals, inappropriate agreements, changes in management and the lack of local financing for the borrower's share.

There is frequent lack of coordination between IFI representatives and representatives of the U.S. Agency for International Development, especially when both have overlapping projects pursuing similar objectives in the same country. This inevitably has led to the duplicative programs which waste our funds in that unbelievable way. Need I continue?

Let me read just one passage from the report to my colleagues here of the Appropriations Committee staff. This is on page 89 of the report from March of this year:

> From the audit report titles it appears that the audit coverage of bank operations is quite limited. Obviously, it does not cover borrower activities and it appears that the auditors do not do any investigative work on their own initiative.

Mr. Chairman, I do not think there is any need to prolong this. All I am asking in this amendment is let us just hold the Inter-American Development Bank funding to the level we had last year, not cut it back, not allow the increase that is in this bill, just hold the level of funding.

I would urge my colleagues to support the amendment.

AMENDMENT OFFERED BY MR. OBEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. OBEY. Mr. Chairman, I offer and amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY as a substitute for the amendment offered by Mr. YOUNG of Florida: On page 2, line 8, strike out "$887,301,997" and insert in lieu thereof "$870,000,000".

Mr. OBEY. Mr. Chairman, very simply, what the amendment does is to substitute for the cut suggested by the gentleman from Florida (Mr. YOUNG), which is a Draconian cut, a cut of approximately $18 million.

The reason I do that is because again to emphasize the arguments made by the chairman of the Committee on Banking a moment earlier, the fact that this amount is not authorized is irrelevant. Most of this bill is not yet authorized. We are simply stuck in a position in which we have no choice if we are going to make the deadlines under the requirements of the Budget Act that the Appropriations Committee is required to proceed under the new Budget Act, much as we do not like it. This is one of the reasons that the authorizing committee has not yet been able to bring their legislation out; but the fact is, what we have to understand is that to the extent that we cut back our contribution, the American contribution to the Inter-American Development Bank, to that extent the contributions of other countries are also required to be cut back and the net effect is that not only do we generate much less in the way of funding for that Bank from our own efforts; but we, in fact, wind up requiring less effort on the part of other countries as well, because we are required to maintain a percentage contribution to that Bank sufficient to maintain our veto.

It seems to me that it is not in the interest of the United States to, in fact, generate less effort from other countries in Latin America than they would otherwise be willing to provide; so I would urge that this amendment be adopted as a responsible substitute for either of the other two amendments being suggested right now.

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AMENDMENT OFFERED BY MR. M'HUGH TO THE AMENDMENT OFFERED BY MR. OBEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. McHUGH. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. McHugh to the amendment offered by Mr. Obey as a substitute for the amendment offered by Mr. Young of Florida: Strike out "$870,000,000" and insert in lieu thereof "$869,555,958".

Mr. McHUGH. Mr. Chairman, I will be very brief. Essentially what this amendment to the substitute does is to provide for a 2-percent cut in the amount of contributions to the Inter-American Development Bank as provided in the bill.

Personally, I do not favor across-the-board cuts, but it is evident that such cuts are sometimes necessary strategically. And I will be very frank about it and say that this is an amendment offered for strategic reasons.

This would cut 2 percent, Mr. Chairman. I think there is very little that can be added to what has already been said, except that I would remind the Members that this particular part of the bill has already been cut by $125 million, leaving $887.3 million in contributions to this bank. Of that $887 million, $635.7 million, the vast majority of the funds provided, are in the form of callable capital, which means that this money will not be expended, if history is any guide.

So what we are talking about, Mr. Chairman, is a contribution which will allow this development bank to go into the private marketplace and raise a substantial amount of private money for the development purposes which are so important to the Latin American region.

I think we have a special responsibility to Latin America, and I therefore hope that the Members, if they are going to cut this bill at all, will accept a cut of 2 percent and no more.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, there is really very little difference between the two amendments, and I personally would accept the amendment offered by the gentleman from New York (Mr. McHugh).

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I am happy to yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I want to associate myself with these remarks and say, if it has not been said already, first of all, in terms of talking about the bank, it has an excellent repayment record.

The gentleman has made the point that this is callable capital and does not go out in direct expenditure. It is a fund-raising effort, and if a fund-raising effort was not maintained, then something else would have to be done in some way somehow. I am not so sure it would be in the interest of the United States to do that.

We have a tremendous political and development problem in Latin America, and the United States needs to address itself to that problem. A major cut, as has been suggested by the principal amendment or the original amendment, would be absolutely drastic in both political terms and in development terms, in addition to which we must recognize also that in our bilateral program the United States has cut down its contribution to Latin America from the total funds that were provided. There has been a cut of 15 percent that was made, as one example, in our bilateral program.

If we are to encourage these people to do more for themselves, then the very least we could do is to provide the United States share of the contribution of callable capital that makes it possible for them to continue this operation.

Mr. Chairman, I thank the gentleman for yielding.

Mr. McHUGH. Mr. Chairman, in closing, let me simply say that we have a parliamentary situation which is as follows: We have the amendment offered by the gentleman from Florida (Mr. Young) which would cut 85 percent out of the contributions, which have already been cut by $125 million in committee; we have an amendment offered by the gentleman from Mississippi (Mr. Lott) to that amendment; we have a substitute offered by the gentleman from Wisconsin (Mr. Obey); and we now have an amendment offered by me to the gentleman's substitute.

The gentleman from Wisconsin (Mr. Obey) would accept my amendment, which would cut 2 percent rather than 85 percent from the contributions for this important development bank.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the distinguished gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, I vigorously support the McHugh-Obey initiative. It makes sense. That means that I reject the approach of the gentleman from Florida (Mr. Young) and the gentleman from Mississippi (Mr. Lott). Those amendments would seek to make drastic cuts in the Inter-American Development Fund appropriation.

In a nutshell, in the great Caribbean area today, that great sea which washes the shores of Florida and Mississippi, among other States, there is turmoil. There is turmoil because of Nicaragua.

I can imagine nothing finer that we can do today than to pass this appropriation substantially in the manner suggested so as to signal the hemisphere that the United States stands for democracy and social progress, and that we are not retreating.

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the McHugh-Obey amendments and in opposition to the Young-Lott amendments.

Mr. Chairman, we have already cut this bank very substantially by $125 million, which was approximately a 12-percent cut.

We did this with a certain amount of trepidation. To cut this by the amounts which my very distinguished friend, the gentleman from Florida (Mr. Young), would suggest would, be simply to say we are not going to support the bank.

But I feel that the cut which has been proposed by the gentleman from New York (Mr. McHugh) would be a token or a gesture toward saving some money for the taxpayer, but it would not be enough to gut the program.

So, Mr. Chairman, I support the amendment offered by the gentleman from New York (Mr. McHugh), and I hope we will vote that up and vote down the amendment offered by the gentleman from Florida (Mr. Young).

Mr. LEHMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the McHugh amendment to the Obey substitute amendment. I am also in opposition to the Lott and Young amendments, and to any deep cuts in the appropriation for the Inter-American Development Bank.

Cuts would have a crippling effect on the operations of the IDB. The Bank's charter contains a provision which enables the United States to exercise a veto power over policies and operations of the Fund for Special Operations (FSO), but, to maintain this veto power, the United States is required to have 34.5 percent of the voting power, and, accordingly, to provide 34.5 percent of the Bank's capital. Thus, any cut in U.S. capital subscriptions would force the Bank to reject subscriptions by other countries. Obviously, any cut by the United States will have a much greater effect than its amount on the Bank's lending program.

With cuts already made, the United States is 2 years behind other nations in providing the final payment of our share of the fourth FSO replenishment. Any further reduction will threaten the most recent replenishment, and permit other countries to make proportionate reductions in their contributions. Cuts of this nature will directly hurt the poorest countries and the poorest people of the region, for concessional lending is concentrated on benefits for them exclusively.

The United States has clear interests in the growth and development of Latin America and the Caribbean. Economic and political conditions in the region have a direct impact on this country, as we have seen in the floods of persons—refugees, illegal aliens, undocumented workers, or whatever—who have come here from the region, as well as the drug traffic and the threat of regional environmental degradation.

Recent growth has enabled Latin America and the Caribbean to assume a much more important role in the world economy, and a very significant role in ours. In 1977, U.S. exports to the region totaled almost $20 billion, and U.S. investment in the region is well over $20 billion. This represents two-thirds of all U.S. investment in the developing world. In addition, we imported $25 billion from the region in 1977, three times the amount in 1965.

The IDB has played a vital role in the development achievements of Latin America. However, while the region as a whole has made substantial progress, there are still some countries which have not shared in the success, and there are people within successful countries who have been passed by.

From its beginning 19 years ago, the IDB has been a pioneer among international agencies in promoting international financing for the direct benefit of the lowest income groups. By 1973, when basic human needs projects were gaining new emphasis, IDB had already made substantial investments in pure water systems, sewage, housing, and agriculture, committing over $2.8 billion for such purposes.

Moreover, it has been a longstanding policy of IDB to progressively concentrate soft lending on the region's least developed countries. This policy has been reflected in the most recent replenishment agreement.

The United States achieved several important objectives in negotiating this agreement; first, exclusive concentration of soft lending in the poorest countries or for projects which help low income groups; second, the commitment of 50 percent of all bank lending for projects that benefit low income groups; and third, more equitable burden sharing, as a result of the nonregional countries increasing their capital subscriptions.

The IDB has proven to be an important part of the development of Latin America and the Caribbean. It deserves continued U.S. support to help meet the remaining development challenges of our region.

The United States has also benefited from our participation in the Inter-American Development Bank. Since 1969, IDB projects have accounted for $1 billion in U.S. exports, and $900 million spent in the United States. The United States has supplied an average of 47 percent of the goods and services purchased in connection with IDB loans and credits. In addition, since most IDB projects have other sources of funding, it is estimated that we have done an equal amount of business for such projects with non-IDB sources of financing. In direct procurement alone, 98 Florida firms received $14.5 million in 1976 and 1977 for goods and services used in IDB projects.

Mr. Chairman, let me repeat that the effect of a substantial cut in U.S. payments to the Inter-American Development Bank would have far greater effect than just its own amount. This is an important institution, doing good work to improve the economies of Latin American and Caribbean countries and the lives of their people, and we should not attempt to stop that work. I would urge my colleagues to support the McHugh amendment.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Lott amendment to the Young amendment and in opposition to the Obey substitute and in opposition to the McHugh amendment to the Obey substitute.

Mr. Chairman, we have seen some very skillful footwork here. We all know the old adage, "If you can't use reason or logic, dazzle them with footwork."

That is what we are seeing today, some footwork that is dazzling, and I commend my colleagues for coming up with this strategy. As the gentleman from New York (Mr. McHugh) suggested, speaking about his own amendment, this is a strategically offered amendment.

I would be willing to acknowledge this: that if we get the McHugh amendment adopted, we save $17 million. But I also say this: If we had not offered the Young amendment in the first place, we never would have gotten the McHugh amendment to save $17 million.

But that is not enough reason to go with the amendment offered by the gentleman from New York (Mr. McHugh) rather than the amendment offered by the gentleman from Mississippi (Mr. Lott). Let me tell the Members why.

First of all, we are always hearing talk about the veto, that if we do not keep our money in the fund, we are not going to have the veto. Let me tell the Members a secret. We have never used that veto. We can talk about the veto all we want, but I would like to have the gentleman from Florida (Mr. Lehman) show me where we have ever used the veto. We have not.

The gentleman from Florida (Mr. Fascell) mentioned callable capital. I do not want to leave my very distinguished friend and colleague, the genteman from Florida (Mr. Fascell), out of the conversation.

Callable capital is a very inconsistent argument. If an important part of this appropriation is callable capital, then I submit, Mr. Chairman, that the Inter-American Development Bank already has on hand $7.7 billion worth of callable capital. It does not need any more.

Why do they not need any more? Because they claim they are never going to use it. They claim callable capital will never be used, and they already have $7.7 billion. Why do they need any more?

The other point I want to make is the one mentioned by my friend, the gentleman from Wisconsin (Mr. Obey). He said—and this is a quotation—"the fact that this is not authorized is irrelevant."

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Mr. Chairman, I submit that, while that might sound innocent and harmless, it is that philosophy that has given every American a national debt that today is $839 billion plus, a national debt on which they will pay this year alone more than $60 billion just for interest on the national debt. It is that philosophy, that it is OK to go ahead and spend the money, authorized or not, it is OK to go ahead and do these things, that has caused the economic problems of this country. That is why the national debt is so high. That is why we have inflation at the same time we are going into a recession. That is a poor philosophy, I say to my distinguished friend, and I hope that one day I may convince him that that is a poor philosophy, and one day maybe we ought to be careful about the dollars that we spend and not consider the fact that they are unauthorized to be irrelevant.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, No. 1, I would like to point out that this gentleman is the gentleman who voted against every single amendment to add money to the budget resolution last year and is also the only Member of the Labor-HEW Subcommittee of either party to offer specific cuts in the Labor-HEW bill this year.

Mr. YOUNG of Florida. Yes, I will say that the gentleman is becoming more enlightened, and I appreciate that very much.

Mr. OBEY. Mr. Chairman, let me respond to the gentleman's first point by answering his question. The gentleman asked why the bank needs that additional callable capital if they already have the amounts that the gentleman specified sitting there.

The fact is, as the gentleman very well knows, that they need that in order to be able to borrow additional money on the money markets. There is nothing strange about that.

Mr. YOUNG of Florida. Mr. Chairman, I will reclaim my time.

Mr. Chairman, the truth finally comes out that that callable capital really is not ours after all, despite the protestations to the contrary. That callable capital really is committed, is it not? All of a sudden, that callable capital that we never would call, all of a sudden it has already been called on because we have already committed it. They have already borrowed money against it. All of a sudden the stories are no longer consistent.

I think the issue of callable capital is a big issue. I think we ought to understand that, when somebody tells you, "Don't worry about callable capital because they are never going to call it," please understand now, according to Mr. Obey, they have already called it because they have already committed it.

I support the Lott amendment to the Young of Florida amendment.

Mr. de la GARZA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from New York.

Mr. Chairman, I sat here and listened to the debate, and I am somewhat disturbed at the matters that are being considered in relation to the Inter-American Development Bank. I do not think that anyone can challenge on either side my position so far as balancing the budget, my consistency in reducing expenditures wherever possible.

My concern here is that I think we are deviating from that overall attempt that all of us are making, and certainly that which the gentleman from Florida, and others, are doing, to try to reduce our expenditures, reduce our debt, and balance the budget as soon and as practicable as possible. But we must not get away from the fact that we must make selective, intelligent expenditures along the way. Just jumping up and offering an amendment that would cut across the board I do not think is a wise way to do it.

Let me just remind the Members of something that all of us know. Spanish-speaking America begins right at my congressional district, at the borders of the Rio Grande. All of us know the problems, all of us know the frustrations of most of those countries south of the Rio Grande. We cannot put our head in the sand and say they are not there. They are linked to us. They are linked my friends. Their problems are directly affecting us. Beginning right at my district. Mexico to its credit does not accept aid from any other country. They avail themselves of loans, development loans, from world and hemisphere agencies. They have a splendid repayment record. And these are funds that are used for development that all of us insist they must do. I have heard of people speak of the problem of undocumented aliens, of the refugees, of oil, of natural resources, of us selling to the other countries of the hemisphere our products, our wares, our expertise, our technology. Along the line, they need to have funds for this purpose. This, in my estimation, is a selective, intelligent, wise way to invest our taxpayers' money. You are not throwing it away.

Now, control of the agency, auditing, keeping a tight rein is something that all of us agree on. No one can challenge that. In my estimation, rather than direct assistance bilaterally, we should work within the group, with an agency such as the Inter-American Development Bank. I think, this is a wise and intelligent way to invest my tax dollars, so that they can be joined by the tax dollars of the other countries, and that they can be invested to curtail human suffering and to develop that country, where we can be partners in the endeavor of freedom and democracy that all of us aspire to in all of the countries of Latin America. But you cannot cut it any other way, I say to my colleagues, you cannot do anything directly in any country but, rather, you have to work with them. Again, I think—and I am sorry to keep repeating myself—this is the wise, intelligent way to invest our funds. I would hope that, in a spirit that all of us have in continuing to try to balance the budget, we let these countries know that we have a problem, that our taxpayers have a problem, and that we will cut, as the gentleman from New York says, a symbolic cut, so that they would understand that we have a problem, that our taxpayers are wary of paying taxes, but that we are not turning our backs on them, that we are willing to share what we have in joining with them in developing their countries through an institution which is managed by all of the countries under the able leadership of a distinguished Mexican, Don Antonio Ortiz Mena. I would hope that this would be the dominant theme that we accept in trying to vote on these amendments.

I would urge the Members to join me and to join the gentleman from New York, because I think that is the proper way to go.

Mr. HYDE. Mr. Chairman, I rise in support of the McHugh-Obey amendment.

Mr. Chairman, very briefly, I think if you are going to get the knife out to make cuts on this legislation, the last place you would want to direct your cleaver or your knife would be the Inter-American Development Bank. If ever there was a time where concern and involvement of this country was warranted, it is now, in connection with our relationships with South America, Central America, and the Caribbean.

One of the great criticisms we have leveled against the Secretary of Energy and the administration is that they "blew it" in connection with the negotiations with Mexico on petroleum and natural gas.

What kind of a message do we send to Latin America if we withdraw—and that is what this amendment, the Lott-Young of Florida amendment would do—almost a withdrawal from involvement in the Inter-American Development Bank.

We are a founder of that Bank, we are the leader, we are the most single influential force in that Bank. We have an enormous interest in the political stability, in the economic development, in the social tranquility of the Western Hemisphere. I think it would be very unwise—I hesitate to use the word "stupid," but it is a word which keeps leaping up to me—for us to withdraw precipitously from this very useful agency.

Mr. Chairman, one more thing. The distinguished gentleman from Florida and my dear friend—and I number myself among his legion of admirers—has said that this adds to the national debt. I respectfully submit that, as we involve ourselves in the multilateral development banks, we create customers for those goods and services which this country has piling up on the docks and which we need to export. We create customers. We do not add to our national debt. We reduce it by stimulating our domestic economy, by helping our exports, by creating jobs, by promoting political tranquility down there, and, most importantly, giving us access to raw materials. It is a plus for this country. I think it would be a serious mistake for us to turn our backs on this useful institution.

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Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank my distinguished friend for yielding.

I have a question for him. It is this: If all this foreign aid and especially through the international banks is so great for our economy, why is it that our balance of trade deficit seems to grow larger as our contribution to the international banks grows larger?

Mr. HYDE. I will be happy to answer that.

Mr. YOUNG of Florida. I would like to have an answer to that.

Mr. HYDE. I will try to.

The relationship between the two is not direct. We hamper our export policies in this country by overregulating them, by not competing with the subsidies that other countries do. The whole area of export trade is very complicated. But the relationship, certainly the creation of customers does not hurt it a bit.

The fact is we get $1.30 back, it is estimated by such mathematicians as William Simon, John Connally, and others. We get $1.30 back for every dollar we put in, plus the political spinoffs and the social spinoffs. I think it is a good investment.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Texas.

Mr. DE LA GARZA. We are speaking of the Inter-American Development Bank. The United States does not have a deficit with any Latin American country. All of our commercial links with all of the Latin American countries are on the plus side. The deficits are in other areas, even where we buy petroleum in Venezuela and some in Ecuador and Mexico, we still have a surplus.

So I would caution that we are dealing with the Inter-American Development Bank, not any other bank.

Mr. HYDE. May I just say this. Bolivia just had an interesting election. Those people down there are desperate for financial help. What kind of a signal do we send to this new democracy, those of us who say that Rhodesia did something wonderful? Bolivia did something wonderful. They turned away from a military dictatorship to democracy. Do we turn our backs on Bolivia and say we are not really interested in what they are doing down there? I think it is very unwise.

Mr. DE LA GARZA. I think we should also mention today the President, the duly elected President of Ecuador is here in Washington, having been elected by the people of Ecuador; after having had a military junta. They are coming back to a democratic institution. I think that to do this while the President of one of our Latin countries visits our Nation's Capital would certainly be irrational.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding.

I wish to associate myself with the gentleman's remarks and place them in some context.

The gentleman is one of the most effective members of the Subcommittee on International Development Institutions and Finance of the Committee on Banking, Finance and Urban Affairs. I think his work there makes him a model for speaking on the efficacy of these banks and the role that they play in serving the national interests of the United States.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. HYDE) has expired.

(At the request of Mr. CAVANAUGH and by unanimous consent, Mr. HYDE was allowed to proceed for 2 additional minutes.)

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I have served with the gentleman on that subcommittee, and the gentleman has exercised the most rigorous oversight on the expenditure and the role the United States plays in all of these development banks, and is one of the most expert members, in my judgment, in the House of Representatives on this issue.

Mr. HYDE. I hesitate to reclaim my time while the gentleman is on such an excellent topic of discussion, but I do thank the gentleman.

Mr. CAVANAUGH. I commend the gentleman for his efforts.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, I thank the gentleman for yielding.

I, too, want to associate myself with the remarks of the gentleman from Illinois (Mr. Hyde) and point out to the entire body that I know of no one who has been more noted for his fiscal responsibility, for his reputation as a watchdog of the U.S. Treasury than the gentleman from Illinois, and yet in his position as the ranking minority member of the authorizing subcommittee for the international financial institutions, a role very similar to that of the distinguished gentleman from Florida, he has been able to give the most vigorous type of oversight and constructive criticism to the operations of the international financial institutions.

That constructive criticism has brought him to most of the countries of Latin and South America, and that is why he realizes so well—and I agree with him—that if there is any place in the world where we must do everything possible to maintain whatever stability exists in countries that are potentially unstable, it is in Latin and South America.

To cut back any more so than the committee has already cut back or that the gentleman from New York (Mr. McHugh), with his 2-percent amendment, would cut back, would be totally irresponsible insofar as the conduct of America's foreign policy is concerned.

I am so pleased that the bipartisan approach that is being taken by the ranking minority member of the authorizing committee calls for acceptance of the McHugh amendment and defeat of the Lott amendment.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(At the request of Mr. Findley and by unanimous consent, Mr. Hyde was allowed to proceed for 2 additional minutes.)

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I thank the gentleman. And to enhance the bipartisan nature for the support of the McHugh-Obey amendment, I yield to the gentleman from Illinois (Mr. Findley).

Mr. FINDLEY. Mr. Chairman, I am very pleased at the remarks that my colleague from Illinois has been making on this point. I would like to raise a question for clarification.

It is my understanding that if the U.S. contribution to this multinational bank is decreased, it is virtually a certainty that the contributions of other nations within Latin America would be decreased, too. If we hold our position, we can be equally certain that the other nations will continue their full funding as well. Is that the gentleman's understanding?

Mr. HYDE. The gentleman is absolutely correct. We add to the impression of a national inferiority complex if we start to shrink from our international responsibilities, those we have initiated and assumed to the international financial institutions, particularly South America.

Mr. FINDLEY. And is it not also true that by going the multinational route we get other nations to do their fair share?

Mr. HYDE. One dollar generates $50. One dollar of our contribution generates $50, including what we can borrow in the money market. That is absolutely correct.

Mr. FINDLEY. I congratulate the gentleman.

Mr. HYDE. I thank the gentleman and yield back the balance of my time.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the last word.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I am glad to hear my friend from Illinois talk about shrinking from responsibilities. I can tell my colleagues that it would be very easy to shrink back when we see the tremendous firepower that comes out against us on the floor when we deal with the international banks.

I conceded that earlier in the debate that there was a lot of opposition. The banks are sacred cows. We are just not allowed to touch a bank, but I suggest to my friend from Illinois, and I am sure he will not mind my referring to him, because he referred to me several times, we are fighting the wrong fight. The gentleman is suggesting that we are pulling out of the banks. That is not the case at all.

Does the gentleman know that if we adopt the Lott amendment to the Young of Florida amendment that we are still going to leave nearly a billion dollars in this bill for the Inter-American Development Bank? Yes, sir, $763,728,483 will still be in the bill.

At the same time, they already have $4,800,000,000 which has not been disbursed.

I would say to the gentleman that we are not attempting to pull out of the bank. What we are saying is, the truth is we could take this entire appropriation out of this bill, and if no other country made a contribution to the Inter-American Development Bank this year, they would still operate.

Now, what it might do, it might make them be very careful about how they handled the money. It might make them put money into a project only when they knew it was going to work rather than bunching them up at the end of the year just to get rid of the money, just so that the gentleman could then come in next year and argue for more money.

But the Lott amendment does not take us out of the banks. It leaves almost a billion dollars still in this bill.

Mr. HYDE. Mr. Chairman, will the gentlewoman yield to me?

Mrs. SMITH of Nebraska. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentlewoman for yielding.

I ask the gentleman from Florida, a billion dollars still left in the Inter-American Development Bank appropriation for this year, I suggest, and I know the gentleman will agree with me, they waste that much every 2 months over at HEW.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield to me?

Mrs. SMITH of Nebraska. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I regret the gentleman was not here earlier for a debate we had on that very issue when I was indirectly accused of nitpicking on some of these bad things the banks do. I acknowledged that, but my rebuttal was, yes, and we need more of that nitpicking. We need every one of us to show more determination to perform more oversight on everything this Government of ours does. The gentleman is absolutely correct.

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We do not only waste money through the international banks, we do not only waste money in HEW, yes, we waste money at the Defense Department; we waste so much money that I am surprised that any one of us can stand here and hold our heads up knowing that our constituents are watching us, however they might be watching us, fighting over this attempt to reduce $126 million for a bill that is not even needed. Yes; we need to perform that kind of nitpicking oversight on everything this Government does, and then maybe our national debt will not be approaching a trillion dollars, and then maybe the interest we are going to pay on the national debt next year will not be $60 billion.

Would the gentleman not like to have the same $60 billion in the State of Illinois? How long could the gentleman run his State with the $60 billion, 1 year's interest payment?

Mr. HYDE. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. Yes; I yield to the gentleman.

Mr. HYDE. I thank the gentlewoman for yielding. I just want to suggest to my friend from Florida that I am as opposed to waste as he is. But the modest investment, and it is modest when one measures the return, the return on overseas customers created and generated jobs in this country, revenue developed for this country, political stability fostered or helped or advanced in South America, it is a modest investment and I suggest to the gentleman that the isolation of this country of the thirties should have been unlearned by 1979.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I am happy to yield.

Mr. YOUNG of Florida. I would just like to respond to my very eloquent colleague from Illinois that if what he says is true, then we can solve the economic problems of this country by doubling, or tripling, or quadrupling the contribution that we make to the international banks. I submit if that were true that is exactly what we would do. The truth is while in theory it is a great theory, unfortunately it does not work. If it did I would be in line here today to increase by 10 times the amount we contribute to these banks and solve all of our economic problems. But everyone who believes that, stand up and clap their hands.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I will yield to the distinguished chairman of the subcommittee.

Mr. LONG of Maryland. I thank the gentleman for yielding.

Let me say that I am a great admirer of the gentleman from Florida. He is one of the most valuable members of the subcommittee. I think, however, in this case he might agree with me that our greatest problem is not so much how much we spend on these banks, it is how we spend it. I think he would agree on that.

We have a continent to the south of us that is teetering on the edge of revolution. We read about it every day. Our job is to make sure that that does not teeter the wrong way. We have been working for some time on trying to make sure that this money is spent in a sound way, to help the poor people, not to make a lot of millionaires, which it has been doing in the past. I would hope that we could do that instead of just cutting this money. Once we have cut out the money we have lost all of our leverage, all of our influence in making sure that money is spent to do the right things to keep these nations in Latin America from going communistic, which would create great problems for the United States. I thank the gentleman for yielding.

Mr. GONZALEZ. Mr. Chairman, I wish to add my voice to that of the gentleman from Texas and the others (Mr. Lehman) of Florida and (Mr. Fascell) from Florida, on behalf of the amendment offered by the gentleman from New York as an amendment to Mr. Obey's substitute. I cannot think of any more important issue on a money question than this one to the destiny of our Nation, the successful implementation of a continued successful program that has proved itself through the years. I believe some of the arguments here we have had repeated ad nauseam, perennially, every time we get even hearings on the subcommittee. We get the same old red herring across the threshold every time, we bring these exotic charges about swimming pools and the like, even though there is no substance to it in the subcommittee or authorization committee and the only reason we do not have the authorization bill, which has been overwhelmingly approved by the committee, is that we have the pressure of the need to meet the deadline on appropriations.

But in the subcommittee we reviewed extensively, in fact, we kept pace with the Subcommittee on Appropriations' so-called investigation of these banks. I think we went into it exhaustively. We went into the findings exhaustively. We gave a chance to review not only what the investigators had discovered, but also a chance for the Treasury Department to offer its testimony. I can assure the Members that a more critical vote will not be forthcoming in the balance of this session and I urge them to support the McHugh-Obey amendment.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is not too often that in this House we can do well by doing good. If we accept the amendment of Mr. Obey and Mr. McHugh to the amendment offered by Mr. Lott, we can do both. We can build our hemispheric relations, we can take care of some of the poorest of the poor, we can increase the development of our own markets, increase our export potential, establish stability, particularly in our own hemisphere. We can do all of these things and achieve all of these benefits.

It is important for us to be very careful about the money we appropriate and the way in which that money is expended. I think this debate has been an excellent example of the vigilance of all of our Members to see that we get the best possible effect for every dime that we spend. But there is a point at which we need to stop and wonder about what we are doing to our country and its relationship with its neighbors.

I hope the Members will support the Obey-McHugh amendment as it has been offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. Lott) to the amendment offered by the gentleman from Florida (Mr. Young).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McHugh) to the amendment offered by the gentleman from Wisconsin (Mr. Obey) as a substitute for the amendment offered by the gentleman from Florida (Mr. Young), as amended.

The amendment to the amendment offered as a substitute for this amendment, as amended, was agreed to.

The CHAIRMAN. The question is on the amendment, as amended, offered by the gentleman from Wisconsin (Mr. Obey) as a substitute for the amendment offered by the gentleman from Florida (Mr. Young), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

Mr. OBEY. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from Wisconsin (Mr. Obey) withdraws his point of order of no quorum.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Wisconsin (Mr. Obey) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 413, noes 4, not voting 17, as follows:

[Roll No. 350]

AYES—413

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules

Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—4

Dannemeyer
Lloyd
Maguire
Simon

NOT VOTING—17

Anderson, Ill.
Bolling
Conyers
Dougherty
Emery
Flood
Ford, Mich.
Forsythe
Gibbons
Hughes
Marks
Mathis
Murphy, N.Y.
Pepper
Roybal
Santini
Taylor

□ 1400

Ms. HOLTZMAN and Mr. KELLY changed their vote from "no" to "aye."

So the amendment, as amended, offered as a substitute for the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG), as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, $308,000,000, for the United States share of the increase in subscriptions to the (1) paid-in capital stock, and (2) callable capital stock, as authorized by the Act of October 3, 1977 (Public Law 95–118), to remain available until expended: *Provided*, That no such payment may be made while the United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

AMENDMENT OFFERED BY MR. LOTT

Mr. LOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOTT: Page 3, line 5, strike out "$308,000,000" and insert in lieu thereof "$163,079,165".

Mr. LOTT. Mr. Chairman, this amendment is similar to the amendment I offered earlier on the Inter-American Development Bank in that all it would do would be to hold the funding in this fiscal year 1980 appropriations bill to that of the fiscal year 1979. The funding in this bill for the International Bank for Reconstruction and Development, or as it is commonly known, the World Bank, provides for $308 million. The fiscal year 1979 funding level was $163,079,165. The amendment would provide a savings of $144,920,835.

The preceding debate and parliamentary situation was a very interesting one. It is obvious our colleagues here do want to hold the lid on the funding for these international financial institutions.

□ 1410

Again, I am not trying to cut it below what they have received in the past; but we have all heard a great deal about the World Bank over the years and what it does and what it does not do and the fact is, as the gentleman from Florida has pointed out so eloquently so many times, it is very difficult to find out what they are doing with these funds.

I would like to read just a portion again from the committee report, the minority views, on what is happening with this particular World Bank:

> The General Accounting Office (GAO) in their report on the Effectiveness of the World Bank's Independent Review and Evaluation System, June 5, 1978, noted that since the World Bank is outside of GAO's audit authority, the scope of their review was limited, consequently they did not directly examine World Bank operations. However, they were able to examine the Operations Evaluation Department (OED) of the World Bank. The GAO noted that "OED has no time-phased plan for systematically covering all major Bank activities. Some major activities have never been independently reviewed." In addition, the GAO made the following observations:

It goes on. This is page 84 of the report on the foreign assistance and related programs appropriations bills.

Mr. Chairman, I do not see any need to prolong the debate on this amendment. I think it is very clear what it does. We are again just trying to hold the lid on some of these various IFI's. As has been pointed out earlier, they are overfunded in many instances. They are not using all their funds. We need to get some control on it. I urge my colleagues to support this amendment just to hold it to the 1979 fiscal year funding level.

Mr. OBEY. Mr. Chairman, I rise very briefly to oppose the amendment.

Mr. Chairman, let me simply point out, the gentleman who just spoke says the gentleman is simply making an effort to put a lid on the funding of this bank. The fact is that the committee has already cut 70 percent—not 7, not 17, but 70 percent—from the administration's request. I think that really ought to be enough said. We can make each of the arguments on this item that we made on the previous items. I do not think it serves anybody's interest. All it does is take time.

We know what the issues are. The committee has already cut 70 percent. We think that is far and away quite enough.

It is possible that if we cut below the amount in the bill, the United States could lose its ability to veto charter amendments and veto expansion of the executive Board of Directors.

As long as we have the position we have in the banks now, we do not have to worry about having to exercise it, because we exert enough influence that people know enough not to try things that we do not like.

I would simply urge on this one to recognize the fact that the committee has already cut 70 percent. Let it go at that, and I ask for a vote.

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is a good amendment. It is another effort to try to save some money for the American taxpayer, money that does not need to be spent, money that is not going to enhance the operation of the World Bank. They already have more than they are ever going to know how to use efficiently; but I want to tell you something that maybe most Members do not know about the World Bank.

You know, the World Bank is a hard loan bank. They do pretty well. They make money on their investments. Of course, they never return it to those of us who are contributors so that we can share in the profits; they just continue to reinvest it. I guess that is not so bad; but one of the things they do is they take some of the profit that they earn, using our money to invest, and I would not mind having a deal like that. You know, if anybody would let me have about 10 or 12 billion dollars that I could just invest and make a profit, I would pay you back the 10 billion or 12 billion in no time and live off the profit on the investment. The World Bank is not doing that. They are not paying any of it back. They are not letting us share in the profit; but what they are doing with part of it, they are giving it to IDA. Part of the World Bank money is given to IDA.

As a matter of fact, in the last several years, the World Bank has transferred to IDA, that is the International Development Association, over a billion dollars. In fact, right now, the IBRD, the World Bank, has $734 million that they are holding to transfer to IDA.

Now, the point again is that we are not asking you to withdraw from the World Bank. We do not advocate that. We are not asking you to gut the bank so they cannot continue to operate. We are telling you that they have so much money, they do not need this.

What we are trying to say on this amendment, the previous amendment and other amendments that we will have today, that we are not getting our money's worth. The money is being wasted. They are pushing money just to get rid of it in too many cases, rather than for the development that we get from it.

I think that in a time when the American consumer is being asked to cut back on so many things, food stamps to the elderly were cut back until this House did something about it, thanks to our colleague, the gentleman from Florida (Mr. Kelly). Veterans' benefits were to be cut back. Things for Americans were being cut back; yet at the same time we are increasing dramatically the contributions to organizations like the World Bank that do not need it.

If we enact this amendment offered by our distinguished colleague, the gentleman from Mississippi, it is not going to adversely affect the World Bank sponsored development in this world one iota.

Now, what it might do, it might make them realize that the Congress is serious when it says that it intends to get some accounting for the money, or it intends to get real development, rather than just pushing projects to transfer foreign exchange.

Those are the kind of things we are trying to do. I will acknowledge again, Mr. Chairman, that it looks like it is nearly impossible to make any reduction in the international banks, like the World Bank, while at the same time we are going to cut rail services to our own people by 40 percent. We are going to reduce Amtrak passenger capability by 43 percent; but through this World Bank we are going to be building railroads in many countries of the world, including Vietnam, unless the freeze stays on, because a railroad loan to Vietnam is pending; railroads in India; water projects, you know like the ones the President does not want us to do here in our own country what we are going to do in other countries for water projects. The World Bank approved a $60 million loan for Vietnam for a water project.

The point is that we are willing to cut projects that our own people need, but not willing to cut the World Bank.

Now, I wish somebody would tell me, maybe I am missing something, maybe I was not tuned in to the right lobbyist. Maybe the Chamber of Commerce was not convincing enough, I do not know; but when you try to work on these banks, you get lobbied from the White House, the leadership in the Congress, the League of Women Voters, the U.S. Chamber of Commerce, the AFL–CIO, you name it; the list fills up two sides of a legal sized page.

I say, maybe I am missing something.

Mr. McHUGH. Mr. Chairman, will the gentleman yield? I think the gentleman is missing something.

Mr. YOUNG of Florida. Mr. Chairman, I will say to the gentleman, that so far the gentleman has not told me what it was. I would be willing to hear what it was.

Mr. McHUGH. Mr. Chairman, will the gentleman yield for that purpose?

Mr. YOUNG of Florida. The point is that we are not willing to provide certain services.

I yield to the gentleman, certainly.

Mr. McHUGH. Mr. Chairman, I thank the gentleman for yielding.

What the gentleman has not mentioned and perhaps has missed is that this request in the budget has been cut by 70 percent in committee. It seems to me that that is a very substantial cut and to adopt the gentleman's amendment would be just too much.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I have many reservations concerning the banks. Those are well known. They were ventilated in the last Congress; however, we did cut, as has been pointed out here, 70 percent below the President's request.

I would like to know how many committees in this Congress can stand up and claim that they cut 70 percent below the budget request. That is a fairly good cut, when you come right down to it.

☐ 1420

Mr. Chairman, let me say that there are still funds for the last replenishment that have not yet been appropriated. These are the so-called arrearages.

The bill as presented by the committee is intended to clean up some of these past commitments and allow Congress to get these banks to make improvements in prudent management and human rights, for example.

I have gone on record as trying not to make any greater cuts than 70 percent in this committee because I felt that we were getting some kind of an agreement from the banks and from the Treasury to make some real changes and some real reforms in the way the banks are being operated. We wanted to see changes in accountability, as to who the money is going to and that kind of thing, and I do not think we can do that and at the same time cut out all their money.

So we made a reasonable request, and we are going to ride herd on them and see if some of these reforms are carried out. If they are, I think this money will turn out to be very well spent.

Again, Mr. Chairman, I say that my quarrel with foreign aid is not how much money is spent but the way it has been spent in the past. If we can get it spent properly, this will be a very good investment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. Lott).

The question was taken; and on a division (demanded by Mr. Lott) there were—ayes 28, noes 31.

Mr. LOTT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

Mr. LOTT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Does the gentleman from Mississippi (Mr. Lott) withdraw his point of order of no quorum?

Mr. LOTT. I do, Mr. Chairman.

RECORDED VOTE

The CHAIRMAN. The gentleman from Mississippi (Mr. Lott) withdraws his point of order of no quorum, and the pending business is the demand of the gentleman from Mississippi (Mr. Lott) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 196, not voting 19, as follows:

[Roll No. 351]

AYES—219

Abdnor
Albosta
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bethune
Bevill
Boner
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dingell
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erlenborn
Ertel
Evans, Ind.
Fish
Flippo
Fountain
Fuqua
Gaydos
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hefner
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mica
Michel
Mikulski
Miller, Ohio
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Neal
Nelson
Nichols
Panetta
Pashayan
Paul
Petri
Pickle
Quayle
Quillen
Rahall
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Steed
Stenholm
Stratton
Stump
Symms
Synar
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—196

Addabbo
Akaka
Alexander
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Benjamin
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Bowen
Brademas
Brodhead
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conable
Conte
Corman
D'Amours
Danielson
Daschle
Dellums
Derwinski
Dicks
Diggs
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Fowler
Frenzel
Frost
Garcia
Gephardt
Gilman
Gonzalez
Gore
Gray
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hyde
Jeffords
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Perkins
Peyser
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Stewart
Stockman
Stokes
Studds
Swift
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weiss
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Zablocki

NOT VOTING—19

Anderson, Ill.
Bolling
Brooks
Brown, Calif.
Buchanan
Conyers
Emery
Flood
Ford, Mich.
Forsythe
Giaimo
Gibbons
McClory
Marks
Mathis
Murphy, N.Y.
Pepper
Taylor
Wydler

☐ 1430

The Clerk announced the following pairs:

On this vote:

Mr. Emery for, with Mr. Murphy of New York against.

Mr. Taylor for, with Mr. Pepper against.

Mr. Wydler for, with Mr. Flood against.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $292,000,000 for the United States contribution to the fourth replenishment as authorized by the Act of August 14, 1974 (Public Law 93-373), to remain available until expended and $800,000,000, for the third installment of the United States contribution to the fifth replenishment as authorized by the Act of October 3, 1977 (Public Law 95-118), to remain available until expended: *Provided*, That no such payment may be made while the United States Executive Director to the International Bank for Reconstruction and Development is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position, at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

☐ 1440

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 4, line 4, after the comma, strike the remainder of line 4 and lines 5 through 7.

Mr. YOUNG of Florida. Mr. Chairman, this amendment goes to the International Development Association of the World Bank.

That is the soft-loan window of the World Bank that makes loans that are 50 years' repayment with no repayment during the first 10 years, no interest, less than a 1-percent handling charge.

Now, the amount of cut this amendment would accomplish is $292 million. The $292 million was arrived at because that is the amount of the so-called IDA IV replenishment.

Now, the Congress last year refused to appropriate this money for the IDA IV replenishment. We also refused to do it the year before that. So what we have in effect is the administration coming back now and asking to put money back into the IDA account that we refused to do last year and the year before.

Now, we are already appropriating money for the IDA V replenishment. We are already negotiating for the IDA VI replenishment.

It is just my feeling that we can save our taxpayers a lot of money if we just go ahead and let IDA IV go by the board, like we did last year and like we did the year before. It is not going to hurt anybody. IDA has plenty of money.

IDA, for example, is the agency that approved the loan of $60 million for Vietnam. That is the one I have been talking about leading up to.

IDA is the organization that is making so many loans to build railroads and improve railroads in so many different parts of the world. The largest development funding from IDA goes to India. Forty percent of all of IDA funds go to India. I have nothing against India. We have discussed this so many times before. But at the same time American money is going to IDA and then going to India. India exploded a nuclear device.

Where did they get the money for that? I am not suggesting that it came from the American money that went to India through IDA. What I am saying is if any country is going to develop the nuclear capability, we ought to be very careful about how we help them do that. We ought not to be for building nuclear capability all over the world, but through what we call a fungibility issue by us taking off the economic pressure from a country like India in one respect, it frees up their own money to use for things like building atomic devices.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I would be happy to yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, I have made this point on several occasions, but having a larger audience I cannot resist making it again today.

Mr. YOUNG of Florida. Go right ahead.

Mr. CHARLES WILSON of Texas. As the gentleman knows, I have been critical of inconsistency in the State Department, but is the gentleman aware that the United States unilaterally cut off all aid to Pakistan, which is an old ally to the United States, cut off all assistance summarily because Pakistan showed determination to build a nuclear electrical generation plant?

Mr. YOUNG of Florida. Yes, sir. The gentleman has made me very well aware of that. I appreciate that.

Mr. CHARLES WILSON of Texas. Yet in the situation with India, they shoot off an atomic bomb, and nobody cares. It is hard for me to understand the difference really, especially since Pakistan has been a more friendly country.

Mr. YOUNG of Florida. The gentleman is correct, and he has done a good job in pointing out how inconsistent some of our foreign policies are.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I am happy to yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. The gentleman said this money had not been used for India's nuclear explosions.

Mr. YOUNG of Florida. Yes, I would never suggest that that is the same money that helped them create that capability, but I do know, because they had this IDA money, it eased up the pressure on some other money.

Mr. CHARLES H. WILSON of California. What I am wondering is, if the gentleman will yield further, why the gentleman would use that as an argument, when he has so many other good arguments against this money, to bring in an argument of this type that is not related to the question that we are considering.

Mr. YOUNG of Florida. I think it is related. The answer to the gentleman's question is very simple, though I have not gotten to that point yet.

Mr. CHARLES H. WILSON of California. I support the gentleman but as I said, I think the gentleman has so many arguments in favor of the amendment.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent, Mr. Young of Florida was allowed to proceed for 3 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, before we get off the last point with regard to India and Pakistan, is the gentleman aware when the last deal for the sale of nuclear fuel to India was pending and some of us opposed it that the State Department's argument in favor of going ahead with the sale was partially based on the fact that we had this wonderful new stable government headed by Prime Minister Desai?

Mr. YOUNG of Florida. I remember that, and I appreciate the gentleman calling it to our attention. It apparently was not as stable as was expected.

I also have a real problem with IDA in how they use the money. I probably have more of a problem with IDA on how they use the money than any other bank. IDA has been very generous with the Central African Empire. The Central African Empire, that is the country headed by Emperor Bokassa.

Last year, I tried to get this Congress not to give him any funds. I was not successful. Since that time the allegations I made have been not only proved, but Bokassa himself has admitted it. One of the charges that I made was that we were aiding Bokassa, who wasted a lot of his own money on his $25 million coronation; but Bokassa, because a group of school children in his own country would not wear the uniform that he prescribed, had them killed. School kids. Bokassa admitted that. His foreign minister resigned over the issue. But IDA has had no concern about the human rights activities in the Central African Empire.

They have approved $2½ million—not a lot of money because the Central African Empire is not very large—but IDA has been very generous in the development loan to the Central African Empire.

I just do not think we want our money to be used to help develop countries that are run by people like Bokassa, who go out and kill school kids because they refuse to wear a uniform that he prescribed.

Let me talk about IDA in another context. I mentioned earlier the problems that we have at home with Amtrak.

We are trying to provide adequate rail service for our own country.

We are going to have a bill later on this week that tries to do that, but there is a shortage of money for providing rail service for Americans. But through the International Development Association, IDA, American money is going to many parts of the world to build railroads and to develop rail systems. One of those places pending, if the freeze is not on—I hope it is—but if the freeze is not on, there is a loan for Vietnam to build railroads, pending at IDA.

It just seems to me that that is an abuse of the use of American dollars.

In addition, IDA has other sources of income, which we discussed earlier, from the IBRD, the hard-loan window of the World Bank, money that could be given back to the contributors to show a little profit or a little return on their investment, but it is not.

Now, I do not think we need that much money in IDA.

Now, again, we will hear arguments that this is an attempt to take us out of the International Development Association or the World Bank. That is not the case.

Even with this amendment there is $800 million left in the IDA account. In my opinion, $800 million is a lot of money, especially when we consider that IDA has the same problem of all the other international banks. They have to push to get rid of the money before the end of the year.

□ 1450

AMENDMENT OFFERED BY MR. OBEY TO THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. OBEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment by Mr. Obey to the amendment offered by Mr. Young of Florida: Restore the matter stricken by said amendment, changing the sum named in such matter to "$286,160,000".

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on this amendment.

The CHAIRMAN. The gentleman reserves a point of order.

Mr. OBEY. Mr. Chairman, let me explain the amendment if I can. The amendment simply is a reduction of 2 percent rather than the elimination of IDA IV as provided in the amendment of the gentleman from Florida.

Let me say in deciding whether we want to support the Young amendment, the simple question we have to ask ourselves is whether we want the United States to live up to its commitment which was made in 1974, an international commitment. That simply is the question we face.

I would like to recite to the Members the history of IDA IV. In 1973 President Nixon requested funds from Congress for IDA IV. In January the House defeated that request 155 to 248, largely because of the oil embargo.

On May 31 the other body passed the IDA authorization. It differed from the House though in that it provided for four installments rather than the original three which had been suggested.

On July 2 the House passed IDA IV. The report accompanying that bill made it quite clear that the passage of that bill by Congress resulted in a binding international commitment on IDA IV and the House passed that bill 225 to 140.

President Ford then signed it into law and on January 7, 1975, Treasury Secretary Bill Simon signed the letter saying that the United States agreed to contribute to IDA $1.5 billion in four installments. We are at the point now where we are trying to meet our commitment with the last amount of funds provided for IDA.

I want to point out that the amount in this bill for IDA is already $166 million less than the amount we provided last year for the same purpose. It is a 36-percent reduction below last year's appropriation for IDA IV.

I am really amazed, really amazed to hear people in the legislative branch of Government and in the press and everywhere else bemoan the fact that we have a weak President and then about every time we have an opportunity to cut the legs off of the President internationally we wind up doing it. We weaken his reputation in international affairs. That does not hurt the President, it does not even hurt the Presidency nearly as much as it hurts the country.

We cannot afford the international perception that the President of the United States cannot manage to deliver in the Congress on a commitment made by his predecessors. That is the message we send to the world, which is far more damaging than to have three Cabinet members resign who deal with international affairs. It is far more damaging, far more destabilizing in terms of our influence in international affairs to have the impression go forward that the President cannot even get Congress to meet a commitment which we ourselves made when we passed the authorization bill years ago before a number of you were even here.

Let me also make the point that if we are concerned about the reputation of the United States in keeping its word, let me then appeal to the Members on very specific technological grounds, because the fact is that despite all of the numbers that Mr. Young will cite, the fact is that IDA has already fully committed all of its fourth replenishment funds for loans to the borrowing countries. We are already in technical default because we have delayed appropriating the funds in this provision. But we will be in full default of our commitment if the Young amendment passes because projected disbursements for this year exceed the amount that the Young amendment allows.

I would urge the Members if they want to see the United States exercise some leadership in the international area that they will remember those two simple facts. I do not see anybody on this House floor who is enthralled with the leadership of the Central African Empire or a good many other countries as well.

The question involved here is not whether we like a couple of countries who are getting loans from IDA. The question is whether we think that in the main IDA is doing more good than harm, and I submit to the Members it is.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Florida insist on his point of order?

Mr. YOUNG of Florida. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. YOUNG of Florida. Mr. Chairman, I make the point of order that this amendment is not in proper form. It is not germane to the amendment it seeks to amend. To the contrary, it would seek to amend the bill.

The gentleman's amendment mentions a dollar figure. There is no dollar figure mentioned in the Young amendment which it seeks to amend. The Young amendment simply is an amendment to strike language from the bill. It neither substitutes nor replaces, it merely strikes. I submit that this amendment is not in proper form and is not germane to the amendment.

The CHAIRMAN. Does the gentleman from Wisconsin wish to be heard on the point of order?

Mr. OBEY. Mr. Chairman, the gentleman from Wisconsin will rely on the judgment of the Chair.

The CHAIRMAN. The Chair has looked at the amendment, and the Chair would say that the amendment of the gentleman from Florida strikes a part of the bill, that the amendment sent up by the gentleman from Wisconsin is, in fact, a perfecting amendment to the bill, which is one of the exceptions of having two amendments pending at the same time. The amendment of the gentleman from Wisconsin only changes the figure that is part of the text of the bill which the gentleman from Florida seeks to strike altogether, and therefore the Chair will respectfully overrule the point of order.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word, and rise in support of the Obey amendment and in opposition to the Young amendment.

Mr. Chairman, the pledge to contribute to IDA IV was undertaken by the previous administration after obtaining legislation authorizing this contribution. Other countries have made their full IDA IV share available over 2 years, and IDA, relying on the legislation of the United States and other countries, has fully committed all IV replenishment funds for loans to borrowing countries.

Funds will be needed during 1980 to meet our proportional share of IDA IV disbursement requirements. IDA extends credit to countries with per capita incomes of $520 or less so that they are really aimed at helping the poorest of the poor. That is what IDA does, much more, for example, than the IBRD which is the hard-loan window of the enterprise.

If adequate U.S. funds are not available for IDA IV, IDA will be called upon to draw more rapidly on funds provided by countries other than the United States. This would cause understandable resentment against the United States by other donors and could jeopardize international burden sharing.

Mr. Chairman, I urge that the Obey amendment be approved and that the Young amendment be defeated.

□ 1500

AMENDMENT OFFERED BY MR. M'HUGH TO THE AMENDMENT OFFERED BY MR. OBEY

Mr. McHUGH. Mr. Chairman, I offer an amendment to the amendment offered by Mr. Obey.

PARLIAMENTARY INQUIRIES

Mr. YOUNG of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YOUNG of Florida. Mr. Chairman, I am concerned about this further amendment. It seems to me that would be a third-degree amendment.

The CHAIRMAN. No, the Chair will explain to the gentleman that the amendment offered by the gentleman from Wisconsin was in the nature of a perfecting amendment to the bill, and it of itself is in the first degree.

Mr. YOUNG of Florida. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YOUNG of Florida. Although I am not able to get copies of these amendments in advance, I do eventually get them. The amendment I am reading that was originally offered by the gentleman from Wisconsin (Mr. Obey) was offered by Mr. Obey as an amendment to the amendment offered by Mr. Young of Florida.

The CHAIRMAN. This is correct. However, the Chair has stated that the amendment has been interpreted by the Chair as being a perfecting amendment to the bill; not to the amendment offered by the gentleman from Florida, but to the bill, and subject to amendment itself. The precedents support the Chair on this point.

Mr. YOUNG of Florida. Mr. Chairman, I have no quarrel whatsoever with the opinion of the Chair.

The CHAIRMAN. The Chair wants the gentleman to understand what the ruling of the Chair is and the parliamentary situation in which we find ourselves.

Mr. YOUNG of Florida. Mr. Chairman, another parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YOUNG of Florida. We now have pending the original Young of Florida amendment.

The CHAIRMAN. Yes.

Mr. YOUNG of Florida. An amendment to that amendment offered by Mr. Obey, which, in effect, was not an amendment to that amendment but which was, in effect, a perfecting amendment to the bill.

The CHAIRMAN. This is correct. There would still be an opportunity to vote on the Young of Florida amendment striking whatever is perfected by these two amendments.

Mr. YOUNG of Florida. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. YOUNG of Florida. After the Young amendment and the Obey amendment, we now have the McHugh amendment to the Obey amendment. Is that correct?

The CHAIRMAN. This is correct.

Mr. YOUNG of Florida. So the parliamentary situation is that we have three amendments before us, but technically one of them is an amendment to the bill and one of them is really an amendment to the bill. So, in effect, there is a further amending procedure that could be used; that would be a substitute for the final amendment offered by Mr. McHugh.

The CHAIRMAN. A substitute for the Obey amendment would still be in order.

Mr. YOUNG of Florida. I thank the Chairman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. McHugh to the amendment offered by Mr. Obey: Strike out "$286,160,000" and insert in lieu thereof "$286,159,000".

The CHAIRMAN. Before the Chair recognizes the gentleman from New York, let the Chair ask the Members who are handling the bill on the sponsor's side to prepare amendments in time in order to present them to the other side of the Chamber before they are reported by the Clerk. I think this will move us along a lot smoother and a lot faster. I think it would be better procedure, so the Chair would request the gentleman from New York, the gentleman from Wisconsin, and the gentleman from Maryland, whenever they have amendments, to be kind enough to send them over across the aisle so that they may be there when they are reported.

Mr. McHUGH. Mr. Chairman, I have offered this amendment to Mr. Obey's amendment because of the Chair's ruling that Mr. Obey's amendment was in fact a perfecting amendment to the bill, and therefore was still subject to amendment itself. My amendment essentially makes a very minor change in the Obey amendment. Specifically, it changes that amendment by reducing the amount by $1,000.

Basically, Mr. Chairman, it is a 2-percent cut, which is the general effect of the Obey amendment. I would like to take just a moment, if I may, to make one or two additional points in opposition to the amendment offered by Mr. Young of Florida.

As has been pointed out, the amendment by Mr. Young would completely eliminate $292 million, which is the commitment of the United States negotiated in 1974, an obligation which was later consummated after an authorization bill was passed by Congress. Other nations, as Mr. Long of Maryland has said, have met their commitments over 2 years ago, so that only the United States stands in default internationally in terms of these commitments to IDA.

I think that is serious enough, but I think it is also important for us to appreciate the longer view, and the history, with respect to international lending institutions. At one time the United States stood virtually alone in providing development assistance to countries throughout the world. We have succeeded during recent years in convincing other nations to participate with us in this burden sharing. For example, in 1960, when IDA was first established, the U.S. share of IDA was 40 percent. Today, it is approximately 31 percent.

In other banks as well we have seen the U.S. share diminishing as other countries have recognized their responsibility to participate with us in development assistance. The reason for that is those countries, like the United States, have an interest in seeing these Third World countries develop. We are indeed an interdependent world.

Moreover, Mr. Chairman, I think it is

important to stress that this particular lending institution (IDA) relates more than any other to the poorest people in the poorest countries. In fact, 90 percent of all lending from IDA goes to countries with less than $300 annual per capita income—less than $300 per year. I think that is a rather significant statistic.

In addition, Mr. Chairman, we are helping not just the poor countries, but as I tried to emphasize in my floor statement during general debate, these contributions are of great benefit to the United States itself. It is really on that basis that we have been able, in the past, to get support from Republican and Democratic administrations for these contributions. As I mentioned in my opening statement, the export market that Third World countries provide to the United States is extremely critical, particularly at a time when our balance of payments is in a negative position. Forty percent of all exports in this country go to the developing world. Half of our exports in agriculture go to the developing world.

This is not insignificant, but, Mr. Chairman, it simply will not be possible in the future if these countries regress rather than grow. That is one of the fundamental reasons for our contributions to these development banks.

In conclusion, Mr. Chairman, I would urge the Members to vote in support of my amendment to Mr. OBEY'S perfecting amendment which, in effect, will provide for a 2-percent cut in our contribution to IDA, a commitment which was made subsequent to an authorization being enacted, and therefore is an international commitment of our Nation. Two percent really should not be cut at all, but it is better than Mr. YOUNG'S proposal, which would completely eliminate this commitment.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. McHUGH. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I want to commend the gentleman on his remarks and associate myself with him. The distinguished gentleman from Florida was mentioning something about railroads a moment ago, and about Amtrak. I have been in the country of Mali, in Africa, where thousands of people are starving. A big problem was that they had no railroad, no way to get the food piling up on the docks in Senegal and Dakar to get to the people. They do not have highways; they do not have river transportation; they do not have aircraft.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. HYDE and by unanimous consent, Mr. MCHUGH was allowed to proceed for 1 additional minute).

Mr. HYDE. If the gentleman will yield further, I just think it is unfair to compare railroads in the United States with railroads in the very poorest of countries, where they may be talking about a lifesaving means of transportation.

Secondly, I do not care about the Emperor of the Central African Empire or other countries. Maybe if they had better governments they would not be so poor, but the people are desperately poor. Millions of people do not have access to potable water. Whole villages suffer from river blindness. We are talking about people whose per capita income is less than $300 a year. One cannot even imagine what poverty they have unless one sees it. I would urge my colleaguges who feel so strongly on this legislation to go see it. It would be very worthwhile. This is a cooperative effort among a lot of nations. More cooperative efforts rather than polarizing efforts in this world are better for the people of this world.

☐ 1510

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the proposed cut in funding for IDA. The $1.092 billion is necessary to fulfill our international obligations for the fourth and fifth replenishments for this account. In the case of IDA IV, failure to contribute $292 million means a reduction in funds are needed to meet disbursement requirements on past commitments.

IDA, the soft-loan window of the World Bank, gears its projects toward the most destitute of nations and people within those nations. Normally intended for countries with per capita incomes below $520, in practice, 91 percent of IDA commitments in the past 2 years have gone to countries with per capital income of less than $280. Of particular interest this year is the one-quarter of total IDA lending which goes to the nations of Southeast Asia. The need of these nations is particularly critical in light of the vast influx of refugees which have flooded their lands. All of us will have to agree that cutting funds for these nations will only complicate the refugee problems for the United States. And a cut will come if adequate funds are not appropriated.

There is substantial evidence that IDA has made considerable progress in reaching the "poorest of the poor." The most recent statistics for fiscal year 1978 indicate that 58 percent of IDA lending funded 50 agricultural projects. The beneficiaries of these are 6.6 million rural families, two-thirds of which fall into the category of absolute poor. In addition to the direct benefits, it is estimated that 13 million other farm families should benefit from advances such as improved research, storage, seed supply and marketing facilities. IDA objectives are being realized.

Mr. Chairman, some may argue that the United States is pursuing these international programs at the expense of domestic priorities. Still others believe that too much is going for our foreign assistance program. Whether or not you believe this, I want you to consider the following. In 1965 for every dollar of foreign aid, $6 was appropriated for domestic social programs. In 1979 for every aid dollar, $46 are committed to the solution of domestic problems. The U.S. portion of foreign assistance has declined—it has not cut into necessary funds to solve the problems which our Nation faces.

Fiscal responsibility is an important objective. But we must not allow it to blur our objectives and obligations. Foreign policy is important. International relations with the developing world are a fact of life in the seventies. I therefore urge that fully aware of the dangers to the American system stemming from U.S. neglect of the remainder of the world, that we fulfill our international commitment and appropriate the requested amount of funds for IDA.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was rather surprised to hear my good friend, the gentleman from Wisconsin (Mr. OBEY) talk about commitments we owe to President Nixon, President Ford, and Secretary Simon. It is the first time that I can recall he ever supported them. He did not support them during their administration as did I not support them during their administration.

The gentleman from Massachusetts (Mr. CONTE) talks about commitments that we have.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Wisconsin.

Mr. OBEY. Let me simply point out my opinion of Mr. Nixon and Mr. Ford is irrelevant. I am trying to support the word of the country given through those two gentlemen.

Mr. CHARLES H. WILSON of California. I was about to mention we have had commitments to other things. I was just going to mention we had a commitment to the B-1 bomber, we had a commitment to a lot of other things. We have transferred and canceled whenever it was convenient for us to do it.

I do not believe one Congress is committed to what a previous Congress does and I think what we ought to do is listen to our friend, the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. I thank the gentleman. I want to compliment the gentleman on his opening statement.

As far as commitments go, I want to remind this great body that this great Congress made a commitment to my great State of Alaska in 1958, a total commitment to my State for a certain amount of acreage, a State of the United States, and thought nothing about breaking it.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I wanted to say further we got boxed in a little while ago on this 2-percent amendment. We had a chance to knock 85 percent out of something and we had the choice of taking 2 percent, which a great majority of the Members were opposed to, opposed to voting against a decrease and they took the 2 percent. You are now faced with the same thing. You have the amendment of the gentleman from Florida or you get a 2-percent decrease plus $1,000 which the gentleman from New York (Mr. MCHUGH) offered you. I say this is an irresponsible way to handle this type of legislation. I think the gentleman from Florida has given a very adequate and eloquent reason why the amendment he has introduced is worthy of our consideration. I hope to support it, and I hope the House will support it.

When the gentleman from Illinois (Mr. HYDE) and others spoke of the poor people in Mali and the poor people in Africa, I have a city named Compton in my district that can qualify for every Federal program there is in this country. The average level of income in Compton perhaps is a little higher because there is some industry in the city and it comes from the people in industry.

The people in my city of Compton in the 31st District of California are as entitled to the same consideration for the need they have as these foreign countries that we are bleeding our hearts about right here this afternoon.

I say the gentleman from Florida has a good amendment. I would hope we would reject the substitute amendments.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CHARLES H. WILSON of California. I will yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding. I want to agree with the gentleman from California. The problem we have in these debates on foreign aid bills is the tendency for the proponents to reduce the arguments to a very common denominator. The argument is made that people will starve if we vote for an amendment that cuts any funds.

There is no discussion by the proponents about the enormous salaries paid to the bureaucrats who run these multilateral lending institutions, no talk about the many thousands of bureaucrats needed to run them, no talk about the fact there is not a dollar amount in this bill or any other bill that is sacrosanct and cannot be cut. The argument is all reduced to this plea of poverty. That is all well and good. We ought to consider that argument but as the gentleman points out there are a lot of Americans living in very difficult circumstances of high taxes and inflation. The logical extension of the arguments being made here by people who oppose any cuts and want to spend a great deal of money is that the United States should eventually redistribute all the wealth and everybody would then be equally poor. This country has to retain some of our wealth. We are having our own problems here and will have to balance the needs of the world against the needs of America.

I appreciate the gentleman's yielding.

☐ 1520

Mr. CHARLES H. WILSON of California. My plea here this afternoon is to let us give more consideration to the poor in our own country. Let us give that priority over this other stuff that we are talking about for all these other foreign countries.

AMENDMENT OFFERED BY MRS. SMITH OF NEBRASKA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. OBEY

Mrs. SMITH of Nebraska. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mrs. SMITH of Nebraska as a substitute for the amendment offered by Mr. OBEY: Restore the matter stricken by said amendment, changing the sum named in such matter to "$86,000,000".

The CHAIRMAN. The gentlewoman from Nebraska (Mr. SMITH) is recognized for 5 mintues in support of her substitute amendment.

Mrs. SMITH of Nebraska. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA TO THE AMENDMENT OFFERED BY MRS. SMITH OF NEBRASKA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. OBEY

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida to the amendment offered by Mrs. SMITH of Nebraska as a substitute for the amendment offered by Mr. OBEY: Strike out "$86,000,000" and insert "$85,000,000".

Mr. YOUNG of Florida. Mr. Chairman, I do not relish the use of this multiple amendment procedure to get to a final vote on what we are going to do or what we are not going to do; however, that seems to be the way the game is going to be played today; so we are going to use the same tactic to protect our right to get a vote on the real question.

Now, with that out of the way, by way tion is going to be, we are going to vote on the original Young amendment to strike the whole amount. We have these other procedures that are in effect dilatory on both sides; but one side has to protect itself against the other.

Now, with that out of the way, by way of explanation as to why we are amending substitutes and everything like that, let me go back to the question of the hungry people. You know, that question always comes up. Every time we run out of logic and specific arguments, we resort to the hand-wringing and the worrying about the poorest of the poor. There is not a person in this body, Mr. Chairman, except the chairman, who is more concerned about the poorest of the poor than I am. I know the gentleman in the chair is and I am next in line and that is what it is all about. I am trying to make sure that the money that we spend helps the poorest of the poor and that it does not help the politicians.

Now, the gentleman from Massachusetts (Mr. CONTE) made a very valid point and I had almost overlooked it. The gentleman said that this help goes to those poor countries, and that is a good point. This help through the International Development Association does not go to the people. It does not go to the poorest of the poor. This money goes to the governments. It is handled by the richest of the rich in the poorest of the poor countries.

Now, that is a big difference. The gentleman said that I am trying to hold their feet to the fire. The gentleman is exactly right and I appreciate the gentleman's comments on that, because if we did not bring some of this pressure, we would never have gotten some of the improvements that we have already had.

In our investigative staff report that I mentioned earlier, the very last thing they say in the report, and this is an interview with a person who was a high-ranking official at the World Bank in the International Development Association; this person said that in his view a lot of money is being spent on new style projects, but there exists no real proof that the poorest of the poor are being reached or that the long-range goals are being achieved. Now, that is what I am talking about, Mr. Chairman. I am not talking about taking food from the hungry people.

First of all, the program through which we provide actual food is food for peace, Public Law 480. It is not in this bill. There is no way we can affect that program in this bill, and there is no way that we would want to; so through our food for peace program we are going to continue to feed those hungry people.

Now, if we adopt my original amendment, which is what I hope we will do, we will still leave $800 million in the IDA account. Eight hundred million is a lot of money. I do not think we have to apologize to anyone for coming up with that kind of money year after year after year for this particular International Development Association, who seems bent on sending money to places. Some of my colleagues might not like for me to talk about Vietnam and might not like me to talk about Mr. Bokassa of the Central African Empire; but we cannot deny that. That is where some of the money is going.

Now, if we make it more difficult for them to get their hands on the money, maybe they will be more careful about how they use it.

I submit, Mr. Chairman, that after all the parliamentary folderol is completed and we do have a recorded vote on the original Young amendment, I hope the Members will understand this does not destroy IDA. This does not take us out of the Bank. It still leaves them with $800 million with which to do whatever they are going to do.

I submit that it is a reasonable amendment and it is not going to make any hungry person hungrier. It is not going to take any food from the mouth of any hungry person. It may mean that the wealthy bureaucrats do not live as well; but it is not going to hurt any hungry person and it might even help.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to my chairman.

Mr. LONG of Maryland. Mr. Chairman, the gentleman and I agree to a very considerable extent on the way in which a lot of the IDA funds have been spent, and a lot of them have not gone to the very poor people.

The gentleman knows that we launched an investigative staff study in order to find out what was wrong and what could be done to improve the situation.

As I have said before, I would not object to foreign aid as long as we could spend it in the correct way. I think we are making some progress.

I have a statement here from the administration in which they point out how they are making changes in the salary situation of the U.S. employees of the Bank.

The CHAIRMAN. The time of the gentleman from Florida (Mr. Young) has expired.

At the request of Mr. Long of Maryland, and by unanimous consent, Mr. Young of Florida was allowed to proceed for 2 additional minutes.)

Mr. LONG of Maryland. Mr. Chairman, if I could continue.

Mr. YOUNG of Florida. I yield to the gentleman.

Mr. LONG of Maryland. Mr. Chairman, they point out that they are making real changes in the way computation of gross salaries of U.S. citizens who are working for the banks.

Now, it still does not apply to other citizens of other countries who are working for the banks and I think that is the next step that we want to take.

Also, I feel that these changes as far as U.S. employees are concerned is going to lead to savings of $10 million in the bank's administrative budget.

Now, they have also made a great many reforms in limiting first-class travel. In fact, in the Inter-American Bank, only the Bank's president and vice president are permitted to travel first class and in the World Bank the economy travel policy is projected to lead to savings of nearly $2 million.

The Asian Development Bank is studying changes in its travel policies which will result in savings of up to $120,000 a year.

We are working on this and the gentleman from Florida has been a great help in pushing this. This is the type of thing we want to get through, but I cannot agree with the gentleman from Florida that we ought to cut out the budget entirely. I think this is the way we are going to get acceptance of our reforms.

Mr. YOUNG of Florida. Mr. Chairman, if the gentleman will again listen closely, this does not cut it out entirely. With this amendment, I still leave in the bill $800 million. I do not cut it out entirely.

Mr. LONG of Maryland. Well, it cuts out enough of it so that it does eliminate the cooperation of other countries in this program, or a large part of it. I think that is sending the wrong signal to the banks. In other words, we ought to be sending a signal to the banks as follows: If you cooperate and make these reforms, we are not going to cut out a large part of your money. We are going to help you.

Mr. YOUNG of Florida. The chairman will agree that while the committee and the subcommittee did make substantial reductions in almost every other account, there was no reduction made by the subcommittee or the committee in this particular account.

Mr. LONG of Maryland. Because this was designed to help the poor people and we felt that it ought to be encouraged.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words. I rise to oppose the amendment.

Mr. Chairman, my distinguished colleague, the gentleman from Florida (Mr. Young) got up a few moments ago and said, "Now, let us get at the real problem."

I think there are three real problems. Let us not duck those three real problems.

One is the moral problem. You can squirm, you can talk about it, you can do as you wish, what we are talking about is whether or not we are going to help the world's desperately poor. It is not a choice of whether we help the poor at home or the poor overseas. The very people who will vote to help the poor overseas are the people who will vote to help the poor at home. Let us not fool ourselves.

No. 2, the real problem is the economic issue. What John F. Kennedy said years ago is true: "The rising tide lifts all the boats." When we help other nations stand on their own feet economically, ultimately we are helping ourselves.

□ 1530

There were people just like my distinguished colleague, the gentleman from Florida (Mr. Young), who stood up and opposed the Marshall Plan, which was just as vigorously and just as sincerely opposed then, and we have been repaid in tax dollars $14 for every dollar we invested in the Marshall Plan.

Economically, I would point out, if we look at the 1978 statistics on exports, the United States is still No. 1 in gross exports—barely so, $600 million above West Germany. But if we take those top 15 nations and divide them on a per capita basis, No. 15 is the United States. We have to be paying more attention to the rest of the world than we have been. There is an economic reason for disapproving this amendment.

Finally, and by no means last, there is a security reason. I heard my distinguished friend, the gentleman from California (Mr. Charles H. Wilson) get up and speak in opposition to appropriating more money in this area.

Let me ask those Members who are here—and I see a few Members with pencils—to write down the answers to two questions.

No. 1, what is the chance that the Soviets are going to send their tanks through central Europe? The Members can use whatever fraction they want to put down.

No. 2, what is the chance that the Soviets are going to take advantage of economic misery in developing nations to make mischief?

On the first question, no one knows the precise answer. It has to be a small fraction of 1 percent. But for that small fraction of 1 percent we appropriate billions upon billions upon billions, and I am not suggesting that we should not pay attention to that small fraction of 1 percent.

But the answer to the second question has to be: better than a 99-percent chance that the Soviets are going to try and take advantage of human misery. And we counter that, we act in our own security interests by moving on the problems of misery that people have. It is clearly shortsighted for us not to do an adequate job in this area.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will yield in 1 minute. I will be pleased to yield after I have finished.

Mr. Chairman, I recall some months ago one of our colleagues was speaking on the floor and referred to a Rudyard Kipling tale, the title of which is "The Village that Voted the Earth was Flat," and sometimes I think that may describe us. We are not looking at our own long-range interests. This is one of those areas where we have to look at our long-range interests.

Mr. Chairman, I would now be pleased to yield to my colleague, the gentleman from Florida (Mr. Young) if he wishes me to.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just like to ask the gentleman if he is aware that IDA does not make loans or participate in the European theater the gentleman is talking about.

Mr. SIMON. Mr. Chairman, I used the example of the European theater in reference only to the Marshall Plan. The Marshall Plan is no longer in existence obviously.

Mr. Chairman, I thank my colleagues, and I yield back the balance of my time.

Mr. PRITCHARD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we have talked at length about the "poorest of the poor." Since I have been in foreign countries, I have come to the conclusion that to give these moneys in this area only to the poorest of the poor is not in the long run always best, if we are just feeding people, we are not really building up the capacity for them to feed themselves. We have to build an infrastructure in these countries where they have the capacity to meet their own problems.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. I yield to the chairman of the subcommittee.

Mr. LONG of Maryland. Mr. Chairman, I do not think that anybody has ever suggested that is what we want to be doing. What we want to be doing is we want to show them how to help themselves, we want to give them the techniques and the ability to feed themselves. To do otherwise is a bankrupt policy.

I totally agree on that, Mr. Chairman, but I do not think that is the present policy we have been following.

Mr. PRITCHARD. Mr. Chairman, I do not think so either, but there have been Members who have commented on that here. I think it is a mistake, when we look at foreign countries, not to look at the totality of the problems and see if we cannot build up an infrastructure.

The other point I wish to make is at the end of World War II we were providing almost all the aid in the world. We determined it would be in our best interest if we could get a number of other countries around the world to join in a cooperation effort in aiding poor countries.

Now, if we want a lot of other countries to join in in a cooperative effort, we cannot have each one of them being able to veto parts of the program. We have the choice of either working with a number of countries or doing it on our own so we can do it just the way we want to.

I think it is very shortsighted if we look at these programs and say that because there is one part of a program that goes to one country we do not like, we will leave the total program.

Mr. Chairman, I oppose the Young amendment, and I think it is terribly important at this time that we stand with the committee.

PARLIAMENTARY INQUIRIES

Mr. YOUNG of Florida. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. YOUNG of Florida. Mr. Chairman, I want to make sure of this now because we have invoked some serious parliamentary shenanigans here—let us strike "shenanigans" and say "maneuverings." I want to find out now in what order the votes will be coming, if I might.

The CHAIRMAN. The Chair will inform the gentleman that the first vote will be agreeing on the amendment offered by the gentleman from New York (Mr. McHugh) to the amendment offered by the gentleman from Wisconsin (Mr. Obey).

The second vote will come on the amendment offered by the gentleman from Florida (Mr. Young) to the substitute amendment offered by the gentlewoman from Nebraska (Mrs. Smith). Then there will be a third vote on the Smith substitute itself, and then there will be a fourth vote on the Obey amendment. Then we will have a vote on the original Young amendment.

Mr. YOUNG. Mr. Chairman, I have a further parliamentary inquiry.

If the Obey amendment, as amended or substituted or however it might turn out, is voted on in its original form, the way that the gentleman from Wisconsin (Mr. Obey) first submitted it, it strikes and replaces a figure that would not have been stricken in the first place.

The CHAIRMAN. Then the amendment offered by the gentleman from Florida (Mr. Young) would come in for a vote after that of the gentleman from Wisconsin (Mr. Obey).

Mr. YOUNG of Florida. Yes, Mr. Chairman, but if I may pose another parliamentary inquiry, that is the problem in which I find myself.

Until the original amendment offered by the gentleman from Florida is accepted, there is no language stricken. However, the amendment that we would by voting on, the amendment offered by the gentleman from Wisconsin (Mr. Obey), in fact says: Restore the matter stricken. But at that point nothing had been stricken. I am having a little problem with the parliamentary situation there.

The CHAIRMAN. But the Chair has explained to the gentleman that the Obey amendment was a perfecting amendment to the bill, not to the amendment offered by the gentleman from Florida (Mr. Young) and in effect the instructions in the Obey amendment to restore language are to be disregarded. If the Obey amendment carries, the Young amendment will still be voted upon after the Obey amendment has been voted on.

Mr. YOUNG of Florida. I have a further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. YOUNG of Florida. Then, Mr. Chairman, will the Young amendment be in its original form, or will it have also been amended by the Obey amendment to perfect the bill?

The CHAIRMAN. It will be in its original form.

Mr. YOUNG of Florida. So the Young amendment then will be voted on in its original form regardless of what happens?

The CHAIRMAN. The gentleman is correct.

Mr. YOUNG of Florida. I thank the Chair for that clarification.

Mr. CHARLES H. WILSON of California. I have a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. CHARLES H. WILSON of California. Mr. Chairman, the Obey amendment, according to the Chair, restores those things that have been stricken from the bill.

The CHAIRMAN. No, it in effect only changes the figure on page 4, line 4.

Mr. CHARLES H. WILSON of California. Only in this one program?

The CHAIRMAN. That is correct.

Mr. CHARLES H. WILSON of California. It does not restore moneys that have been stricken from other parts of the bill?

The CHAIRMAN. No. The Chair will state that all the amendments that are now pending refer to lines 4, 5, 6, and 7 on page 4.

Mr. CHARLES H. WILSON of California. It is good that we know these things, Mr. Chairman.

The CHAIRMAN. This is the part of the bill the amendments have been directed to, and the Chair thanks the gentleman from California (Mr. Charles H. Wilson) for his inquiry.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from California (Mr. John L. Burton) is recognized for 5 minutes.

Mr. JOHN L. BURTON. Mr. Chairman, I think that the gentleman from Maryland and the gentleman from Florida ought to take note that it is absolutely true that the floor is no place to legislate.

☐ 1540

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. McHugh) to the amendment offered by the gentleman from Wisconsin (Mr. Obey).

The amendment to the amendment was rejected.

The question is on the amendment offered by the gentleman from Florida (Mr. Young) to the amendment offered by the gentlewoman from Nebraska (Mrs. Smith) as a substitute for the amendment offered by the gentleman from Wisconsin (Mr. Obey).

The question was taken: and the Chairman announced that the "noes" appeared to have it.

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Florida (Mr. Young) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 242, noes 177, not voting 15, as follows:

[Roll No. 352]

AYES—242

Abdnor
Albosta
Ambro
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Biaggi
Boner
Bouquard
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Ertel
Evans, Ga.
Evans, Ind.
Ferraro
Fithian
Florio
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer

Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
Nowak
O'Brien
Panetta
Pashayan
Paul
Pepper
Perkins
Petri
Pickle
Pursell
Quayle
Quillen
Rahall
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Thomas
Traxler
Treen
Trible
Udall
Vander Jagt
Vento
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—177

Addabbo
Akaka
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bereuter
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Bowen
Brademas
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Chisholm
Clay
Clinger
Collins, Ill.
Conte
Corman
Cotter
Danielson
Dellums
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Evans, Del.
Fary
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Frenzel
Garcia
Giaimo
Gilman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Harris
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Holtzman
Howard
Hyde
Jeffords
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Lehman
Leland
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murtha
Neal
Nedzi
Nolan
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Peyser
Preyer
Price
Pritchard
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stanton
Stark
Stewart
Stokes
Studds
Swift
Tauke
Thompson
Ullman
Van Deerlin
Vanik
Walgren
Waxman
Weiss
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Zablocki

NOT VOTING—15

Alexander
Anderson, Ill.
Bolling
Carr
Conyers
Emery
Flood
Forsythe
Gibbons
Harkin
Marks
Mathis
Murphy, N.Y.
Stack
Taylor

☐ 1610

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of New York for, with Mr. Flood against.

Mr. Emery for, with Mr. Conyers against.

Mr. Taylor for, with Mr. Carr against.

Mr. BROOKS and Mr. MITCHELL of New York changed their vote from "no" to "aye."

So the amendment to the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment, as amended, offered by the gentlewoman from Nebraska (Mrs. SMITH) as a substitute for the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 207, noes 210, not voting 17, as follows:

[Roll No. 353]

AYES—207

Abdnor
Albosta
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Boner
Bouquard
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Coelho
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Ertel
Evans, Ind.
Fithian
Flippo
Fountain
Fuqua
Gaydos
Ginn
Goldwater
Goodling
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
McEwen
Madigan
Marlenee
Marriott
Martin
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Natcher
Nelson
Nichols
O'Brien
Pashayan
Paul
Perkins
Petri
Pickle
Quayle
Quillen
Rahall
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Symms
Synar
Thomas
Traxler
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wyatt
Wydler
Yatron
Young, Fla.
Young, Mo.

NOES—210

Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Bowen
Brademas
Brodhead
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Clinger
Collins, Ill.
Conable
Conte
Corman
D'Amours
Danielson
Daschle
Dellums
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Garcia
Gephardt
Giaimo
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hyde
Jeffords
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murtha
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Tauke
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
Whitten
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Zablocki
Zeferetti

NOT VOTING—17

Alexander
Anderson, Ill.
Bolling
Conyers
Dickinson
Emery
Flood
Forsythe
Gibbons
Gingrich
Marks
Mathis
Murphy, N.Y.
Smith, Iowa
Taylor
Wilson, C. H.
Young, Alaska

☐ 1620

The Clerk announced the following pairs.

On this vote:

Mr. Emery for, with Mr. Conyers against.
Mr. Taylor for, with Mr. Flood against.

Mr. COTTER changed his vote from "no" to "aye."

Mr. STEED changed his vote from "aye" to "no."

So the amendment, as amended, offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1630

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were ayes 402, noes 13, not voting 19, as follows:

[Roll No. 354]

AYES—402

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Markey
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—13

Beilenson
Burton, Phillip
Cavanaugh
Dellums
Dougherty
Kostmayer
LaFalce
McHugh
Maguire
Scheuer
Simon
Weiss
Wydler

NOT VOTING—19

Alexander
Anderson, Ill.
Bolling
Chisholm
Conyers
Duncan, Oreg.
Emery
Flood
Forsythe
Gibbons
Leach, La.
Madigan
Marks
Mathis
Murphy, N.Y.
Taylor
Wilson, C. H.
Yates
Young, Alaska

☐ 1640

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have taken this time, because there has been some confusion, as Members come from committee meetings or Members come from their offices, as to what the precise nature of the situation might be at a given stage. I am afraid there has also been some misrepresentation as to actually what amendments are before us.

I would like to ask my colleague, the gentleman from Florida (Mr. YOUNG), if he would now explain the nature of his amendment.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would respond to the gentleman's question in this way:

We are now at the point we were 3 hours ago, before the system of offering amendments to the amendment and substitutes for the amendments all began. We are now back to the original amendment offered by this gentleman from Florida that does the following:

In the bill there is $292 million appropriated for the IDA fourth replenishment. There is $800 million for the third installment of the IDA fifth replenishment.

What this amendment will do it to eliminate $292 million from this bill that was set aside for IDA IV. That is the original amendment, and based on the ruling of the Chair earlier, that is the language we will be voting on now.

Mr. ROUSSELOT. So the argument that it eliminates everything is not correct; there is still $800 million left in the bill?

Mr. YOUNG of Florida. There is still $800 million left in the bill for the IDA V replenishment.

Mr. ROUSSELOT. So that is certainly an adequate and tidy sum to keep IDA going?

Mr. YOUNG of Florida. Well, in my opinion, it is. In past years the Congress has not appropriated this IDA IV money anyway.

Mr. ROUSSELOT. How old is it?

Mr. YOUNG of Florida. It is from the 93d Congress.

Mr. ROUSSELOT. I see. That is certainly a time well behind us.

Mr. YOUNG of Florida. Mr. Chairman, we have written off a lot of loans that people did not pay us. My idea is to go ahead and write off the IDA IV. There are those who disagree, obviously. My idea is to write off the IDA IV and continue with IDA V, because we are already negotiating IDA VI.

So we have got IDA IV, V, and VI going on, and in addition to that, some of us have already been told by the Treasury Department that they want to double the capitalization of the World Bank over and above what we have today. As a matter of fact, the U.S. Executive Director of the World Bank has already voted for a resolution to bring before the Board the question of doubling the capitalization of the World Bank, of which IDA is a part.

☐ 1650

So you see, we are spending an awful lot of money for the World Bank, IBRD, and IDA, especially, and I just think it is time that we look closely,

With all of the conversation that this bill was cut in subcommittee and how much it was cut in full committee, let me say that not one penny was cut from the IDA account in either the subcommittee or the full committee.

Mr. ROUSSELOT. So there is $800 million still left for IDA after the passage of the gentleman's amendment?

Mr. YOUNG of Florida. In the overall IDA account, that is exactly correct. There will be $800 million left.

Mr. ROUSSELOT. So that is more than enough to take care of all of IDA activities?

Mr. YOUNG of Florida. In my opinion, it is more than enough, and it is much more than they are going to spend wisely.

Mr. ROUSSELOT. I thank the gentleman.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, we have debated this, it is true, 3 hours ago, but many of the Members may have forgotten the original arguments, made in opposition to this amendment. This was a commitment made by the 93d Congress. It was a commitment made by two past Presidents. President Ford made this commitment to IDA IV. I said to the Members of the House earlier today that we must keep our commitment and we must keep our word. Our word will be meaningless to the world unless we act accordingly. We must put up the money for the commitment we have made. And, I will reiterate, this goes to the poorest of the poor countries in the world; the poorest of the poor people, the majority of whom have a per capita income of $220 a year or less.

Can we stand up here and say now that we are not going to vote to fulfill this commitment? I say no. I say vote down this amendment.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Chairman, I want to say to the gentleman from Wisconsin (Mr. OBEY) that he is absolutely right. This would strike all of IDA IV. If anything that I said misled him into thinking anything other than that, I apologize for that. But when I first introduced the amendment, I made it very clear that $292 million was all of IDA IV. I made it very clear in my latest colloquy. There is no question about that. So if somebody felt that I misled them by saying that it did not, that is not the case. I have told the Members four times on the floor now that this amendment will strike all of IDA IV.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Maryland, the chairman of the subcommittee.

Mr. LONG of Maryland. I thank the gentleman for yielding.

Mr. Chairman, I oppose the amendment offered by the gentleman from Florida (Mr. YOUNG), and I urge that it be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 194, noes 219, not voting 21, as follows:

[Roll No. 355]

AYES—194

Abdnor
Albosta
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Boner
Bouquard
Brinkley
Brooks
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Clausen
Cleveland
Coelho
Coleman
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Derrick
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Okla.
English
Flippo
Fountain
Fuqua
Gaydos
Gingrich
Ginn
Goldwater
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Martin
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Pashayan
Paul
Perkins
Petri
Quayle
Quillen
Rahall
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Stack
Stangeland
Stenholm
Stratton
Stump
Symms
Thomas
Traxler
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wyatt
Wydler
Yatron
Young, Fla.
Young, Mo.

NOES—219

Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bowen
Brademas
Breaux
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Cheney
Chisholm
Clay
Clinger
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
D'Amours
Danielson
de la Garza
Dellums
Derwinski
Dicks
Diggs
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Fowler
Frenzel
Frost
Garcia
Gephardt
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hyde
Jacobs
Jeffords
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lederer
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mavroules
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Snowe
Solarz
St Germain
Staggers
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Zablocki
Zeferetti

NOT VOTING—21

Alexander
Anderson, Ill.
Bolling
Bonker
Convers
Dingell
Emery
Flood
Ford, Tenn.
Forsythe
Giaimo
Gibbons
Goodling
Green
Mathis
Mattox
Moakley
Scheuer
Spellman
Taylor
Young, Alaska

☐ 1710

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mr. Emery against.

Mr. GRISHAM and Mr. RINALDO changed their vote from "no" to "aye."

Mr. PEPPER changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. YOUNG of Florida. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YOUNG of Florida. Mr. Chairman, I have an amendment in the same paragraph, and I want to protect my right to offer that amendment at the same time one of our colleagues is seeking recognition to speak out of order. I want to protect my opportunity to offer my amendment.

The CHAIRMAN. The gentleman from Florida will have priority as far as recognition is concerned.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. YOUNG of Florida: on page 4, line 21: Strike the period and insert the following: ": *Provided further*, That none of the funds appropriated or otherwise made available by this paragraph shall be obligated or expended to finance any assistance or reparations to the Socialist Republic of Vietnam.".

Mr. YOUNG of Florida. Mr. Chairman, I yield to the gentleman from California (Mr. DORNAN).

POSTPONEMENT OF SPECIAL ORDER BY REPRESENTATIVE DORNAN ON MIA'S AND POW'S

(By unanimous consent Mr. DORNAN was allowed to proceed out of order.)

Mr. DORNAN. Mr. Chairman, today is, by Presidential proclamation, POW–MIA Day.

I have a special order tonight to pay tribute to our missing and our POW's, but I have been advised that we will be going so late with legislation, possibly even past 11 o'clock tonight that I would like to tell all of my colleagues, particularly the California delegation Members who wanted to join with me in this special order that I am putting it off until tomorrow night. This order will have a twofold purpose: One, as I said to honor POW's, particularly the family members of missing-in-action and their men still unaccounted for in Southeast Asia, over 2,500 of them; but also to bring up an arrogant and obnoxious appointment in the State of California by Gov. Jerry Brown. Brown has appointed to an important Orange County supervisor's post a man against whom court-martial charges were brought in 1973 for mutiny, conspiracy, collaboration with the enemy and direct disobedience, all while a POW in Hanoi. Adm. Jim Stockdale, a Medal of Honor for leadership in spite of sadistic torture, saw his charges against Edison Miller dropped, due to the Navy's reluctance to drag all the POW's through a nightmarish rerun of their decade of terror because of having to testify against Miller. But now we see Jane Fonda and Tom Hayden push Governor Brown to appoint to an important California elected position this worst of only a handful of Hanoi collaborators. To the 12 Congressmen who were going to join with me in my special order, and perhaps many others who would desire to join with me, again, I was ask that we please defer the special order until tomorrow night, because of the late session tonight and out of respect for our hardworking floor staff.

Thank you, Mr. Chairman.

(On request of Mr. DORNAN and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 3 additional minutes.)

The CHAIRMAN. Let the Chair make a clarification. As long as the gentleman from Florida was seeking recognition the Chair was bound to recognize him before another noncommittee Member. If he had not been seeking recognition, the Chair would have been very happy to have recognized the gentleman from California.

Mr. DORNAN. I know that, and I thank the Chairman.

The CHAIRMAN. The gentleman from Florida is recognized.

Mr. YOUNG of Florida. Mr. Chairman, I was not sure what the gentleman was going to speak about out of order, but I think it is apropos that he spoke on the question of POW's and MIA's, because that is exactly what this amendment is about, or that is part of what this amendment is about.

This amendment is very clear cut. There is no attempt to mislead anybody in case one of my colleagues wants to get up later and suggest that. This deals only with IDA, the International Development Association, and it deals only with the funds through IDA going to Vietnam.

I do not think I have to remind anybody that Vietnam still has not accounted for hundreds of Americans who are still listed as missing in action in Vietnam from our unfortunate experience there. But in addition to not providing accounting for Americans missing in action, they have now taken over neighboring Cambodia and Laos. I certainly have no love for the Cambodian Government that they threw out, but they have forcefully taken over that country. It appears now they are involved in messing around with Thailand. That is probably the best way I can put it.

I think the most tragic and most recent situation we have come faced with as it relates to Vietnam is the problem of the refugees, the boat people. There are more than a quarter of a million members out there of the human race, human beings who like to breathe, who like to eat, who like to live, who are being pushed out of their country, are being put into boats on the high seas, and are being denied admittance by many other nations. We are doing our share. But I find it very difficult, as compassionate as I might be, for any human being, I find it difficult to see American tax dollars being appropriated by this Congress and going to the International Development Association of the World Bank, and then being used to make loans to Vietnam.

In rebuttal the Members are going to hear that there is a big freeze on. Well, more power to them. I hope that is true. As I said in the earlier debate, I have requested written confirmation from the World Bank President, Mr. McNamara, and also from our Executive Director, Mr. Fried, as to whether or not there really is a freeze. If so, how long is it going to last? And if there is, who has made the decision to put the freeze into effect?

Maybe there is a freeze and I hope there is. But if there is not, I think we ought to amend this bill right here and now to make sure that our money is not used for Vietnam.

Let me tell the Members why I think they should vote for this amendment for another reason. The President of the United States has gotten great credits and much publicity by standing before crowds of Americans saying that we will not support any aid to Vietnam, applause and cheers, and he looks good. More recently the State Department, Cyrus Vance, approved by the President, came out with a statement urging an end to all international support for Vietnam, at least as long as they are being uncivilized the way they are today. So now all of a sudden the State Department looks good.

The World Bank says there is a freeze, they are not going to give any money to Vietnam while they are being bad guys.

□ 1720

They are looking good. Here is the chance for the Congress to look good. Our constituents, how many times have they asked, "Why are you letting our money go to Vietnam? Why don't you do something about it? The President is against it; the Secretary of State is against it. Why aren't you against it?"

Now is a chance for us to go on record as being opposed to the use of any American tax dollars to Vietnam through the International Development Association. It is a good amendment. It was passed by this House last year by a very sizeable vote of 234 nays to 152 yeas. I hope the vote will be at least as large this year, and even bigger, because the situation is even worse.

Last year we did not have the boat people. Last year we did not have masses of humanity dying on the high seas or starving to death, and as some news stories have said, of being forced to eat their deceased relatives in order to survive themselves.

Vietnam is acting in an uncivilized way. The fact that they have not accounted for Americans missing in action is more than enough reason to adopt this amendment. What they are doing to create these Indochinese refugees is more than enough reason to adopt this amendment. The fact that they have invaded a neighboring country—remember the domino theory—the fact that they have invaded a neighboring country is more than enough reason to vote for this amendment. When we put it all together, I just do not see how there really can be any strong opposition to this amendment, at least until Vietnam shows some indication that it intends to become a civilized part of the world community.

Mr. LONG of Maryland. Mr. Chairman, I rise in reluctant opposition to the amendment.

This amendment will not, unfortunately, solve the Vietnamese refugee problem, which is really what we want to solve. In a letter received yesterdy, Secretary of State Vance described what we are trying to do to alter the policies of the Vietnamese Government which have been creating responsibilities, as the gentleman from Florida has so eloquently stated, responsibilities for this massive, heartless exodus.

The Secretary writes:

> . . . Both publicly and in private bilateral approaches we have urged that the Viet-

> namese authorities accept their responsibility under the UN Charter and as a member of the international community to provide for the basic human needs of their own people. We have demanded that they treat their own people humanely and not create conditions in their own country, such as the policy of forcing people into primitive "new economic zones," which make their citizens feel compelled to flee. We have also urged the Vietnamese authorities to end their policy of deliberate encouragement of a refugee exodus, a process involving expropriation of property, collection of exit fees, and forcing people out to sea in overcroweded, unseaworthy vessels. . . .
>
> Our policy toward assistance to Vietnam is consistent with these concerns. The U.S. has opposed all multilateral bank loans to Vietnam and will continue to do so. For months we have been pointing out to these institutions, and in bilateral discussions, that Vietnam's diversion of its own scarce economic resources to military purposes raises questions about Hanoi's commitment to economic development. The institutions have responded positively to these approaches.
>
> A number of other governments, and the (European Community), have also indicated decisions to reduce or cease aid to Vietnam, some of them opting instead to contribute these funds for refugee support instead. No new lending to Vietnam has taken place since mid-1978 nor do we expect any loans to be brought forward for approval this year. It is clear that Vietnam's deliberate policy of expelling large numbers of refugees further calls into question the appropriateness of any loans to Vietnam at this time.
>
> It is noteworthy that only a small percentage of the commitments of the World Bank and the Asian Development Bank in recent years have been made to Vietnam. Total World Bank/Asian Development Bank commitments to Vietnam since 1975 have amounted to $84.35 million, of which $24.35 million represented reactivations of loans made to the South Vietnamese regime. Development bank lending also amounted to only 7.7 percent of the total aid provided to Vietnam, most of which comes from the Soviet Union and Eastern Europe.
>
> Legislation to prohibit indirect assistance through the multilateral development banks strikes at the great financial and developmental strength of these banks which depends on acceptance by all members that political issues shall not be introduced into policy and operations. As you know, these banks cannot accept U.S. funds under the kind of condition which such legislation would impose. By antagonizing other supporting members of the bank and the bank staffs who are already persuaded of the inadvisability of new credits to Vietnam, we would actually weaken our position.

Let me say that I can agree with the gentleman from Florida that if they really wanted to, they could accept this money. I see nothing in these charters that prevent them from doing it, and if it were, they could change the charter. The fact is, they will not accept this money with any conditions on it, and the administration, the Treasury, and the Senate will back them up.

We have been through this situation twice in the past couple of years, and we go over to the Senate with this type of amendment; the Senate turns us down and we have to recede. In the end, we have to cave in and delete the provision. I do not think we can get a foreign aid bill through with such language. Otherwise, I agree with the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding. I would like to point out that last year in the other body this amendment only failed by one vote, and there have been substantial changes in that body since then. But, I wanted to ask the Chairman about this letter from the Secretary, which I was not given the courtesy of seeing prior to this time.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(At the request of Mr. YOUNG of Florida and by unanimous consent, Mr. LONG of Maryland was allowed to proceed for 2 additional minutes.)

Mr. LONG of Maryland. Let me say to the gentleman that I humbly apologize.

But, it came at the last minute and only after great urging on my part of the importance of getting it.

Mr. YOUNG of Florida. I thought I heard the gentleman read in that letter Secretary Vance's statement that we had not made a loan to Vietnam since some time in the 1960's.

Mr. LONG of Maryland. Since 1978.

Mr. YOUNG of Florida. Since 1978?

Mr. LONG of Maryland. I believe that is correct.

Mr. YOUNG of Florida. That is last year. Was that the $60 million loan for a water project in Vietnam?

Mr. LONG of Maryland. Well, the total loans that have been made by the World Bank, and Asian Development Bank, since 1975 amounted to $84.35 million, and only $60 million of that was new money, which is probably the $60 million the gentleman is talking about. Then, $23.5 million were reactivations of loans made to the South Vietnamese regime.

Mr. YOUNG of Florida. If that is the case and if there are no more plans to loan to Vietnam, and if there are freezes, then where would the harm be for this Congress also to get a vote on the record against aiding Vietnam? Where would it hurt? Especially if they do not plan to do it any way.

Mr. LONG of Maryland. It sounds good but, as the gentleman knows, and he has been through this with me, they simply will not accept a bill with this restriction on it. Treasury will not accept it; the administration will not accept it. We simply are saying that we are not going to get a bill this year. That is the problem I face. I agree with the gentleman that if they wanted to they could change the charters; they could accept this money. They do not want to do it, and they are not going to do it.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

(By unanimous consent Mr. LONG of Maryland was allowed to proceed for 2 additional minutes.)

☐ 1730

Mr. LONG of Maryland. Let me say I think some of the real things we ought to be doing would include pressing China to accept the 3 million Chinese refugees from Vietnam, its own people whom they will not take. We were supposed to have a great deal of clout with Red China. We are making all kinds of concessions to them. I could not get the Secretary to tell me what he would do to insist that China take its own people from Vietnam. They are being thrown out of Vietnam because of the Chinese threat.

The Vietnamese seem to feel that China might invade Vietnam and that these people may compose a fifth column. They are therefore throwing them out. The Chinese will not take them, but we are supposed to take them. I think it is a great injustice to us. I think it is not as much a matter of money as it is simple humanity and I think our administration could be doing an awful lot more to be putting pressure on both Vietnam and China to do the right thing.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I will be happy to yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I want to agree with almost everything the gentleman says. The gentleman does a tremendous job and is not buffeted by lobbying pressure one way or the other. The gentleman makes up his own mind on this. Everything the gentleman says is right. We should vote the way the gentleman says he feels and not the way he asks us to vote. The gentleman does a very good job in this position and I hope the gentleman's support that he has spoken for this amendment, although he has spoken against it, will be taken to heart by our colleagues.

Mr. LONG of Maryland. I thank the gentleman.

In spite of the blandishments of the gentleman I still oppose this amendment.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment of the gentleman from Florida (Mr. YOUNG). As the ranking minority member of the Committee on Appropriations the gentleman from Florida has done a remarkable job in uncovering waste and ripoff in the foreign aid program. Beyond this he has educated all of us with examples of our tax dollars going to countries whose governments are repugnant to people of the United States, like Vietnam. Two and a half years ago we tried to prohibit any U.S. dollars from going to Vietnam either directly or indirectly. We were successful in prohibiting direct aid but we lost on the prohibition of indirect aid. We tried again last year and now we are trying this year.

Each time in the past the administration has fought the gentleman's attempts with a big lobbying program. They pulled out all of the stops. The cabinet lobbied, the leadership lobbied, the special interest groups lobbied.

As a result, Vietnam has enjoyed world status in being an indirect recipient of U.S. foreign aid and, in fact, has received assistance from many other nations as well.

How has Vietnam responded to this generosity? It has created the tragedy of these human beings of which the gentleman from Florida (Mr. YOUNG) has spoken of so effectively. Now, suddenly, the administration has changed its tune. We have a letter from Mr. Vance. I see where one administration official says, "Nothing short of aid sanctions will persuade the Vietnamese to treat their people more kindly."

This is what we have been saying all along: Why reward their barbaric actions with millions of dollars in foreign aid?

With our favorable action on this amendment and in light of the situation of the refugees, I think we very likely will get a favorable vote in the Senate. The administration may not block our bill after this change of heart. Let me say that my constituents do not want any money going to Vietnam, and yours do not either. I hope you will support the amendment of the gentleman from Florida (Mr. YOUNG).

Mr. FISH. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I will be glad to yield to the gentleman from New York.

Mr. FISH. Mr. Chairman, I was going to seek recognition and unanimous consent to speak out of order and yet what I had to say seemed to be particularly appropriate at the time this amendment came up.

In a relatively few hours a number of us will be going to Geneva for a conference called by the Secretary General of the United Nations to deal with the humanitarian aspects of the Indochinese refugee issue. The figures are even more astounding today than they were just a few weeks ago. They estimate there are now 400,000 in camps, countries of first asylum in Southeast Asia. Seventy-two thousand boat cases were known to have arrived in the month of June as compared to 56,000 in May. Let me repeat, 72,000 known arrivals. That does not count those that we do not know arrived nor does it correlate with any known figure on departures.

One of the purposes in the meeting in Geneva is to get other countries to increase dramatically. The figure was twofold, to follow the U.S. example of receiving refugees. The reason I take this time now is to announce a very important breakthrough, some extremely good news, that our neighbor to the north, Canada, has since 1975 accepted some 15,000 Indochinese refugees, that their current rate of acceptance is 1,000, that they have, today, in a telegram to the chairman of the Judiciary Committee, the gentleman from New Jersey (Mr. RODINO), pledged to triple that figure to 3,000 a month and admit some 50,000 Indochinese refugees by the end of 1980. I submit that is extraordinarily good news. If other receiving countries in Geneva respond in kind and if countries who have not responded heretofore respond at all, follow this kind of world leadership, I think we will be well on our way to a very successful meeting.

I thank the gentlewoman again.

Mr. GRASSLEY. Mr. Chairman, will the gentlewoman yield to me?

Mrs. SMITH of Nebraska. I am happy to yield to the gentleman from Iowa if I have any time left.

Mr. GRASSLEY. Mr. Chairman, I thank the gentlewoman for yielding.

I would like to say to the subcommittee chairman, the gentleman from Maryland (Mr. LONG), that I appreciate having a leader of the committee who is not so pro-foreign aid as chairmen have been in the past.

I do not think the gentleman should give up the fight. I think if the gentleman gives up the fight now, it is a case of throwing in the sponge too soon.

The CHAIRMAN. The time of the gentlewoman has expired.

(On request of Mr. GRASSLEY and by unanimous consent, Mrs. SMITH of Nebraska was allowed to proceed for 1 additional minute.)

Mrs. SMITH of Nebraska. I yield further to the gentleman from Iowa.

Mr. GRASSLEY. I think the people at the grassroots are waking up to what is going on here. We are being asked to bring in all these Vietnamese and we are going to bring them in and we probably have a responsibility to do that. On the other hand, when our constituents back home find out we are giving indirect foreign aid to Vietnam—the very country forcing out the boat people—they think we are lunatics. They think we are crazy. They cannot even believe what is going on. They consider that aiding the enemy. If you try to explain it, you cannot explain it. Since it is not explainable, I think it is questionable whether we ought to be doing it.

But we have to start somewhere. By the chairman of the subcommittee's seemingly throwing in the sponge, that is not the way to do it. Mr. Chairman, you are going to have to fight. If people like the gentleman from Maryland continue to fight we will win this battle. We cannot let it go now. We have to keep up the battle; and win it; and we can.

I thank the lady for yielding.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, let me first start by saying I think the Governments of Vietnam and Cambodia are the two most piggish governments in Asia and I do not think they stand for any of the things that any decent people in the world stand for.

I do not think anyone has to take a back seat to the gentleman from Iowa, the gentleman from Florida, in their concern for either the piggishness of the Vietnamese Government or the problems that the boat people find themselves in. As a matter of fact, my niece is a Vietnamese. She came here in the last days before Vietnam fell at the end of the war. She got here because an official in Vietnam put my name on her tag, gave her physically to an Air Force pilot and he brought her out and delivered her. Today she is the adopted daughter of my brother-in-law.

Therefore, Mr. Chairman, I think I know something of the plight of the Vietnamese refugees. We are mighty glad to have her in the family.

Let me say that is beside the question. The question facing us is not what we think of the Vietnamese Government. The question is not how much this amendment is going to help the Vietnamese boat people because this amendment will not help anybody. All it will do is hinder our ability to bring pressure, continued pressure on the World Bank to continue its freeze of loans to Vietnam and it will weaken our credibility in international circles if we do not play by the rules that we have agreed to.

□ 1740

Let me just explain what I mean. There has been a lot of debate about whether or not the banks can, in fact, accept any money if it is earmarked. The fact is that they cannot. The practical effect of this amendment does nothing in terms of the amount of money which goes to Vietnam.

What this amendment does, purely and simply, is simply create a condition under which our contribution cannot and will not be accepted by the bank.

Now, I know the gentleman from Florida (Mr. YOUNG) says that the way the gentleman reads that charter, that is not true. I do not make any claim to know what the charter says on the basis of my own interpretation, because I am not a lawyer and all I can do is take the best judgment of the best people who are in an unbiased position. All I know is that eight former Secretaries of the Treasury, Robert B. Anderson, who served under President Eisenhower; Joe Barr, who served under President Johnson; John Connally, who served under President Nixon, and who is now a candidate for President in his own right; C. Douglas Dillon, who served under President Kennedy; Henry Fowler, David Kennedy, George Schulz, and Bill Simon; all eight of them, all eight of them say, and I am quoting from their letter:

> The charters of these multilateral institutions do not permit the banks to accept funds so conditioned by individual members.

If that is not good enough for you and if we can substitute 435 different congressional opinions for the opinions of the eight people who in the past, in the recent history of the country have had the most to do with the dealings of these banks on behalf of all U.S. citizens, I invite you to read a letter from the Library of Congress Congressional Research Service, dated July 16, 1979, that says in part as follows:

> As is apparent from the subsequent memorandum of November 16, 1977, the inquiry was broadened to include consideration of any relevant interpretations of the Charters or any other relevant international agreements by the institutions themselves. Accordingly, and on the basis of internal General Counsel opinions and Board of Gover-

> nors' resolutions, the November 16 memorandum concluded that certain charter provisions could be interpreted to prohibit conditional contributions.

Then it goes on to say:

> The Resolutions resulting from these sessions of the Board of Governors, when approved in accordance with domestic law requirements, would appear to bind the member states under international law to the obligations contained in the Resolutions.

That memo makes quite clear that the legal interpretation of those charters by the people who count—and that is the Treasury Department and the banks themselves—indicate that they cannot accept any contribution if it is conditionally made.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I will after I have completed my point.

So the question is, someone mentioned here earlier that we want to look good, so why not vote to knock out aid to Vietnam.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. OBEY. I submit, Mr. Chairman, that the question is not whether we all want to look good. The question is whether we want to do good.

The fact is that those banks contribute to our own national security, they contribute to world order.

I just want to make one additional point. We have to make a choice. We have to choose whether we believe that the contributions that those banks make to world order and the stability that those banks create to bring into the underdeveloped parts of the world Western-style economics, whether that is more important than our taking a vote on an amedment which even after it is passed will not cut off one dime for Vietnam. The only effect of this amendment is simply to allow us to go home and pretend that we have done something to stop Vietnam from getting any money.

The fact is we will not have done that. We will merely have taken ourselves out of the ball game, which means we will not have an influence in assuring that the freeze on Vietnam's funds, which is now in effect, continues.

As has been indicated, Secretary McNamara has indicated there is now a freeze on Vietnam. It is not just a temporary freeze just to satisfy the Congress. It is consistent with what the Bank has done on a number of other occasions, such as when Uganda made it quite clear with their irrational behavior that they were in no position to manage their economy and were not, therefore, worthy of a loan from the Bank.

Vietnam is now performing in the same way. The reason the Bank cut off the funds to Vietnam was not because of any political reason, but because it was justified on the merits as any rational person will recognize.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Yes, I certainly will.

Mr. WOLFF. Mr. Chairman, I thank the gentleman for yielding.

It is my understanding that the U.S. Representatives are instructed not to vote for any funds for Vietnam. Am I correct on that?

Mr. OBEY. That is true. That is correct.

Mr. WOLFF. I understand further that so far as the funds that are concerned here, that the United States has on the Board of Directors, could the gentleman tell us how many members we have on the Board of Directors of the Bank?

Mr. OBEY. I honestly do not know the answer to that question.

Mr. WOLFF. Well, we only have about 20 percent, I believe, something to that effect, about 20 percent of the voting power. Am I correct on that?

Mr. OBEY. We have an executive director and an alternate director, if I can answer the gentleman's last question.

Mr. WOLFF. What I am referring to, our votes on the Bank amount to about 20 percent of the total voting power.

Mr. OBEY. That is approximately correct.

Mr. WOLFF. So therefore, regardless of what we said, the Bank could go ahead and give any funds that it would like to to any country that it would like to.

Mr. OBEY. That is right.

Mr. WOLFF. Mr. Chairman, I thank the gentleman.

AMENDMENT OFFERED BY MR. M'HUGH TO THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. McHUGH. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. MCHUGH to the amendment offered by Mr. YOUNG of Florida: Strike the period at the end of the amendment and insert the following: ", except that nothing in this paragraph shall in any way prevent the obligation or expenditure of funds that could be used to finance any assistance through the International Development Association to Egypt and Sudan.".

Mr. McHUGH. Mr. Chairman, I will be very brief. As everyone knows, the amendment offered by the gentleman from Florida (Mr. YOUNG) seeks to place a restriction upon our contributions to IDA and specifically a restriction which would preclude any of those contributions being used for aid to Vietnam.

My amendment very simply says that that particular restriction shall not in any way preclude our contributions from being used to finance aid to Egypt and Sudan. I use those two countries only because to list all of the countries which would be otherwise eligible would take a great deal of space. I use them because they are sympathetic countries and they are countries for which this Government clearly wants to see the contributions used.

There is a dispute here, obviously, between the gentleman from Florida (Mr. YOUNG), the gentleman from Wisconsin (Mr. OBEY) and others, about what the legal impact of the amendment of the gentleman from Florida (Mr. YOUNG) is. The gentleman from Florida (Mr. YOUNG) maintains that it would cut off only assistance to Vietnam.

We have no interest in providing any assistance to Vietnam; but the gentleman from Wisconsin (Mr. OBEY) and many others maintain, and I think they are right, that the impact of the amendment of the gentleman from Florida (Mr. YOUNG) would be to cut off all U.S. contributions to the banks, and therefore all help to some countries that we are concerned about, such as Egypt and Sudan.

Therefore, I have offered this amendment which says that the restriction included in the amendment of the gentleman from Florida (Mr. YOUNG) shall not in any way preclude our contributions from going to Egypt and Sudan.

As I say, my intent is really to protect other countries that we do want the contributions to go to; and to make clear that if our legal interpretation is right, there will not be a cutoff of contributions to the banks completely.

Mr. BAUMAN. Mr. Chairman, will the gentleman from New York yield for a question?

Mr. McHUGH. Yes, I would be happy to yield.

Mr. BAUMAN. Mr. Chairman, we went through 3 hours of debate on the last series of amendments. The gentleman from New York, as is the gentleman's right and others, offered any number of amendments for whatever purpose. The rules of the House permit that; but now the gentleman is telling us that the gentleman is offering an amendment that the gentleman does not seriously believe does anything more than provide an example of his argument.

□ 1750

Now, is that really not a frivolous amendment that takes up the time of the House?

Mr. McHUGH. Mr. Chairman, I do not think it is a frivolous amendment. I explained to the gentleman and to the House what the purpose of the amendment is.

The purpose of the amendment is to make it clear that the restriction in the amendment offered by the gentleman from Florida (Mr. YOUNG) will not cut off contributions to the banks, contributions which go to other countries like Egypt and Sudan. It is very clear, and it is not frivolous.

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield further, I think the gentleman might do better to make his point by simply making a speech, but if we are going to have another series of three or four rollcall votes, the gentleman from Maryland knows how to get rollcalls, as well. It seems to me this is a disservice.

We have gotten through three pages of this bill, and we will be here until Saturday night at this rate; at least I will be here. It seems to me there are other Members with amendments to offer, and I am wondering why we cannot just have an up-or-down vote on an amendment instead of having all these extraneous amendments considered that are just meaningless.

Mr. McHUGH. Mr. Chairman, I explained to the gentleman that I do not feel this is a frivolous amendment. I did not even take my 5 minutes in explaining the amendment, and I have no other amendments in mind.

Mr. DOUGHERTY. Mr. Chairman, will the gentleman yield for a question?

Mr. McHUGH. I yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. Mr. Chairman, after listening to the debate, I was under the impression that what we want to do with our money is irrelevant, and that if we condition the money in any way, the World Bank will not accept it.

Mr. McHUGH. Mr. Chairman, that is my view, but that is not the view of the gentleman from Florida (Mr. Young).

What I am saying with this amendment is that I want to make it clear in this bill that the amendment offered by the gentleman from Florida (Mr. Young) would not preclude assistance from going to countries like Egypt and Sudan where we have a serious interest and where we want our contributions to help the development process.

Mr. DOUGHERTY. Mr. Chairman, it seems to me the amendment does not make that clear at all. After listening to the debate of the opponents as to why the amendment offered by the gentleman from Florida (Mr. Young) should be defeated, I understand they are saying in effect that any condition on the money automatically forces the World Bank to reject the money from the United States.

Therefore, what the gentleman is doing is he is amending it with an amendment that says, "Well, albeit you can't use it for Vietnam, you are going to have to use it for Egypt and Sudan."

I think the amendment does not make much sense.

Mr. McHUGH. Mr. Chairman, I think the gentleman is misreading the amendment.

The CHAIRMAN. The time of the gentleman from New York (Mr. McHugh) has expired.

(By unanimous consent, Mr. McHugh was allowed to proceed for 1 additional minute.)

Mr. McHUGH. Mr. Chairman, my amendment, I would say to the gentleman from Pennsylvania (Mr. Dougherty), does not require the banks to use the money for Egypt and Sudan. My amendment says that nothing in the restriction of the gentleman from Florida (Mr. Young) shall preclude these funds from being used for Egypt and Sudan. There is a difference. I would suggest that it is a reasonable difference consistent with what the gentleman from Florida (Mr. Young) has been saying.

Mr. BRINKLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to have the attention of the gentleman from New York (Mr. McHugh) so that I may enter into a colloquy with him and ask him this:

Does the gentleman understand it to be an established principle of law that if he should not name certain items, certain countries or certain new things, all others would thereby be excluded?

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, it is my understanding of the bank charters and the legal interpretation of the charters that if a restriction is imposed on our contributions or if any other country imposes a restriction, the banks would be precluded from accepting any contributions whatsoever, and the obvious impact of that is that none of our contributions would go to any other countries that are serviced by the banks, including Egypt and Sudan.

Mr. BRINKLEY. So, therefore, this is really a test case, and by naming Egypt and Sudan, the gentleman thereby would exclude all other nations?

Mr. McHUGH. No; that is not correct.

Mr. BRINKLEY. That is not correct?

Mr. McHUGH. This is not correct. What the amendment says in its expressed terms is that nothing in the restriction of the gentleman from Florida (Mr. Young) shall preclude our contributions from being used for Egypt and Sudan.

If the argument of the gentleman from Wisconsin (Mr. Obey) is correct, the restriction imposed by the gentleman from Florida (Mr. Young) would preclude the contributions from being used for any country. The gentleman from Florida (Mr. Young) has said that is not true. The gentleman from Florida has said his restriction would not preclude our contributions from being used for any other country but Vietnam.

So my amendment makes clear what the gentleman from Florida (Mr. Young) has been saying, and that is that nothing in his restriction will preclude our contributions from being used for Egypt and Sudan. So I am saying, so the Record is clear in terms of the intent of the proposed amendment, that Egypt and Sudan were picked simply because they are understood to be friends and they are examples of other countries that we want to help.

Mr. BRINKLEY. They are just examples?

Mr. McHUGH. Yes.

Mr. BRINKLEY. Mr. Chairman, I would simply conclude by saying that I support the gentleman's amendment, and I urge the Members of the House to support it.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. M'HUGH TO THE AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment as a substitute for the amendment to the amendment.

The CHAIRMAN. The Clerk will report the substitute amendment.

Mr. DANIELSON. Mr. Chairman, I reserve a point of order on the substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. Young of Florida as a substitute for the amendment offered by Mr. McHugh to the amendment offered by Mr. Young of Florida: Strike the period at the end of the amendment and insert the following: ", except that nothing in this paragraph shall in any way prevent the obligation or expenditure of funds that could be used to finance any assistance through the International Development Association to any other member country except the Socialist Republic of Vietnam.".

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California (Mr. Danielson) insist on his point of order?

Mr. DANIELSON. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DANIELSON. Mr. Chairman, I make a point of order that the substitute offered by the gentleman from Florida (Mr. Young) in effect amends his own amendment. The effect of the amendment is much broader in scope than his original amendment and also much broader than the amendment offered by the gentleman from New York (Mr. McHugh), and for that reason it is not in order.

The CHAIRMAN. Does the gentleman from Florida (Mr. Young) wish to be heard on the point of order?

Mr. YOUNG. I do, Mr. Chairman.

Mr. Chairman, I am not exactly sure that I understand the point the gentleman has raised. Obviously we are substituting an amendment for an amendment to an amendment, and that does make changes in the original amendment. I concede that, but I am not sure under what rule or under what precedent the gentleman from California (Mr. Danielson) is raising his point of order. I did not quite get that.

Mr. DANIELSON. Then, Mr. Chairman, the gentleman's argument is that he does not understand my point of order. My argument is what I said, and I submit my point of order.

Mr. YOUNG of Florida. Mr. Chairman, I wonder if the gentleman would show me the courtesy of trying to enlighten this unenlightened Member so I will know exactly what his problem is. I do not understand what the gentleman's problem is.

Mr. DANIELSON. Mr. Chairman, I do not have a problem; the gentleman from Florida has a problem. I have a point of order.

Frankly, Mr. Chairman, I cannot point to the book and verse and page of the rule, but my opinion is that the gentleman's substitute for the amendment offered by the gentleman from New York (Mr. McHugh) is broader than the amendment offered by the gentleman from New York (Mr. McHugh) and in effect also affects the amendment offered by the gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. Mr. Chairman, is it appropriate to ask the gentleman to yield? I just want to make sure I understand.

Mr. DANIELSON. I yield.

The CHAIRMAN. The gentleman from California (Mr. Danielson) is recognized.

Mr. DANIELSON. Mr. Chairman, I submit my point of order.

The CHAIRMAN. Does the gentleman from Florida (Mr. Young) wish to speak further on the point of order?

Mr. YOUNG of Florida. Yes, Mr. Chairman.

Mr. Chairman, the problem I am having is that I do not really understand that the gentleman made a point. He cited no rule, he cited no precedent, and he has in fact cited nothing other than the fact that the substitute amends the main amendment.

I am wondering maybe what the gentleman is saying is that it is out of order because I am offering the substitute and am at the same time the author of the main amendment. That sounded like what the gentleman was saying. I am really not sure on that. I am just trying to get the courtesy of hearing an explanation of what the point of order really is.

The CHAIRMAN. For what purpose does the gentleman from Wisconsin (Mr. Obey) rise?

Mr. OBEY. Mr. Chairman, I wish to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. OBEY. Mr. Chairman, I simply make the point that the amendment, as I understand it, is an amendment in the third degree, and it is, therefore, out of order.

The CHAIRMAN. Does the gentleman from Florida (Mr. Young) wish to be heard further?

Mr. YOUNG of Florida. I do, Mr. Chairman.

Mr. Chairman, I thank the gentleman for his clarification, and I submit that this is a substitute for an amendment.

The CHAIRMAN (Mr. Kazen). The Chair is ready to rule.

The Chair agrees with the position that this amendment is an amendment in the third degree and is, therefore, out of order. The Chair sustains the point of order.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Florida (Mr. Young) is recognized for 5 minutes.

Mr. YOUNG of Florida. Mr. Chairman, I am not exactly sure what the plea is here. We are uncovering some parliamentary things today that are hard to follow, and it takes up a lot of time.

The purpose of the original amendment is the same as it was last year when this House adopted it. We just want to make sure that American money is not used by IDA to go to Vietnam.

Why the gentleman from New York (Mr. McHugh) picked Egypt and Sudan, I do not know. I am not as wise to the ways of the world as the gentleman from New York. I do not have the facilities of the World Bank and the Treasury Department preparing these arguments and these amendments in front of me. All I have to rely on is my own feeble knowledge of whatever this is. It just appears to me that what we are doing is setting the stage to say later on that because of this amendment the original amendment is out of order.

□ 1800

I am just a simple sort of person, I would just like to vote on the issue. I would like to vote on the issue as to whether or not this Congress wants American money to go to Vietnam. I do not want it cluttered by Egypt and the Sudan. That is not a part of this issue. Read the amendment that I have offered. There is nothing in there that would lead anybody to believe that we are trying to prevent funds from going to anybody other than the Socialist Republic of Vietnam. I think we ought to defeat this amendment. I am not sure that it is all that bad, but I am, frankly, rather suspicious of the purpose of this amendment. If I had millions of dollars worth of lawyers standing by to advise me on this, like the Treasury Department has or like the World Bank has, then maybe I would not feel quite so suspicious. Maybe someone could calm that suspicion. But I wish to say today, Mr. Chairman, that I am suspicions of this. I think a vote for this amendment will be a vote to, in effect, kill my amendment which stops money from going to Vietnam. If that is what the House wants to do, then the House can make that decision, and that is OK. I think it would be better to make that decision on a straight up or down vote. I hope we will defeat this amendment and let us have, at least once today, a straight vote on the question of whether or not we want American tax dollars to go to Vietnam.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if only to clarify my own position on this rather Byzantine situation, I would like to point out the effect of the amendment offered by the gentleman from Florida, just what it will do. It will effectively take us out of the multilateral development institutions. Now, if that is what the gentleman wants to do, he has found a marvelous populist way to do it, because there is nobody here who likes Vietnam. I certainly do not like Vietnam.

I stood in the refugee camps in Malaysia and interviewed people who have fled across the border. I have stood in the camps in Malaysia and talked to them, too. So I intimately know about refugees, almost as much as the gentleman from Florida. But you do not help boat people and you do not help refugees by turning your back on the multilateral/ institutions and say, Go it alone, we the leader of the free world will not concern ourselves, because once we put our money in the pot, you the International Bank, might do something with it that we do not like.

We can tell our Director how to vote, but, more than that, we are going to tell you. We are going to tell the Bank how to conduct its affairs. That is a great way to tear up the charter and pull us out. Maybe that is what we should do, maybe we should go it alone in the world, maybe we should not pyramid the money of the other countries and try to help these poor people with per capita incomes of under $300.

But Thailand needs help, Malaysia needs help, the poor of the rest of the world need help, and the international institutions are very useful. The price you pay for belonging to them is to sometimes grit your teeth while they make a loan to a country you do not like.

But let me tell the gentleman something, if I may presume to do so. There are some countries in South America that I respect. And if our State Department had its way about it, they would not get dime one from these institutions. But, fortunately, the banks are not politicized and, fortunately, the loans are made without respect for the character of the government that this State Department group may not like.

Mr. YOUNG of Florida. Mr. Chairman, since I am the Member the gentleman has referred to, will the gentleman yield to me?

Mr. HYDE. Mr. Chairman, if the gentleman will just allow me to finish my statement, I will be glad to yield.

I think you confuse bilateral and multilateral aid. Now, on bilateral aid we can determine where it should go, where it should not go. But when you are involved in the multilateral institutions, we are only a voting member. We can instruct our own delegates how to vote, but we do not control the international financial institutions.

So let us make a judgment, first of all: Are we willing to pay that price to belong to an organization that helps poor people, that creates customers for us, for our goods, that provides access for raw materials to us and is a stabilizing force in a very unstable world? I say, as no friend of Vietnam, that it is well worth the price. I think it is in our national interest to belong, and I suggest to the Members that if you torpedo our membership, which the adoption of the amendment offered by the gentleman from Florida (Mr. Young) would do, we have turned our back on an international institution that does an enormous amount of good where there is a lot of good that needs to be done.

At this time I yield to my friend, the gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Chairman, I would just like to ask the gentleman to cite for this Member and for our colleagues in the House that section or that paragraph or that sentence in the charter of the International Development Association that says they cannot accept restricted funds, that says that this amendment would destroy the bank. Would the gentleman cite that for me, please?

Mr. HYDE. I will cite authority, such as——

Mr. YOUNG of Florida. No, please. The authority of the charter. Will the gentleman please cite the charter?

Mr. HYDE. I do not have the charter, as the gentleman knows, at my fingertips.

Mr. YOUNG of Florida. But the gentleman has said that the charter prohibits it.

Mr. HYDE. No, I have not said that.

Mr. YOUNG of Florida. So the gentleman must have read this in the charter.

Mr. HYDE. If the gentleman were paying attention——

Mr. JOHN L. BURTON. Section 7, subparagraph b(1).

The CHAIRMAN. The gentleman in the well (Mr. Hyde) has the time.

Mr. JOHN L. BURTON. If the gentleman will yield, I apologize to the gentleman. I was just trying to help.

Mr. HYDE. I appreciate the gentleman's help.

Mr. JOHN L. BURTON. That is the citation.

Mr. HYDE. Mr. Chairman, if I may reclaim my time, I would just like to tell the gentleman or suggest to the gentleman that, when it comes to being a hard-nosed pro-American, it is pretty hard to exceed Bill Simon and John Connally. Both of those gentlemen agree with the position of the gentleman in the well, and I find myself in excellent pro-American company in resisting the sort of amendment that my friend is offering.

Mr. McCLOSKEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to continue the dialog, if I may, and direct this question to the gentleman from Illinois (Mr. Hyde), who just spoke.

It is my understanding that it is the legal opinion of counsel to the State Department—because we asked them this position—that IDA cannot accept funds if a condition is placed upon the use of those funds, such as the amendment offered by the gentleman from Florida. Am I correct?

Mr. HYDE. If the gentleman will yield, that has been the consistent opinion of every legal authority, including the American Bar Association, and others, who have addressed the problem. And I would like the gentleman to show some authority, responsible legal authority, for the other position.

Mr. McCLOSKEY. Mr. Chairman, let me make a position from an entirely different response to the gentleman from Florida.

If the gentleman from Florida is correct, that Vietnam should be our eternal enemy, then certainly the gentleman would probably want to assist the boat people who are now fleeing from Vietnam and this Communist authority which the gentleman opposes.

Would it not be a fact, if this condition on IDA funds prevents IDA from accepting U.S. funds, that IDA funds could not be used in the development in any of the many countries where our negotiators in Geneva today are asking countries like Japan, the Philippines, the Archipelagos in the Pacific, to accept the very refugees from Vietnam that I assume the gentleman would assume were proper expenditures of IDA funds? I ask that question of the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I will be glad to yield to the gentleman.

Mr. YOUNG of Florida. Mr. Chairman, there is no money in the IDA account for refugees. We have hundreds of millions of dollars in this bill today and the supplemental that we passed yesterday for refugees which I supported. But IDA does not provide any money for refugees. IDA is, though, scheduled to provide money for a country that is creating the refugees, and I say that is a kind of reward. Any kind of foreign assistance to Vietnam from anybody is, in my opinion, a reward for them creating refugees that the gentleman and I are having to pay for.

Mr. McCLOSKEY. Is it not also a fact that IDA money is scheduled to go for development purposes to perhaps 20 or 30 countries in the Pacific area that right now the Vice President of the United States is asking those countries to accept refugees from Vietnam? Is that not true? I agree that it is not scheduled for refugees, but it is scheduled to go to those countries that we are asking to accept refugees.

Mr. YOUNG of Florida. If the gentleman will yield, the gentleman is absolutely correct. Through the International Development Association and the Asian Development Bank and the United Nations Development Programs and our bilateral programs; but nothing that I would do in my amendment would affect any of them except Vietnam. Nothing else would be affected but Vietnam.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Wisconsin.

□ 1810

Mr. OBEY. I would like to say the gentleman made the most important point made here today, if we are really concerned with helping the people rather than simply bowing down to the fact there is confusion across the country about why, in fact, some small amount of money from an international financial institution might go to Vietnam.

If we really want to do the former, then we simply must not adopt the Young amendment, because it is going to be very difficult to get other countries to do what we are asking them to do, if they are looking at what we have done the same week and saying, "Well, you are asking us to make a commitment on refugees, but you are backing out on a commitment that you made years ago, and why should we participate when you are making it more difficult for us to develop and create the conditions which will enable us to take more refugees?"

Mr. McCLOSKEY. I thank the gentleman.

I want to make one additional point. If we have any opposition to Vietnam, it is because of our opposition to communism. Today, the situation in Vietnam has changed materially. Vietnam has fought a war with China. The question in Vietnam is whether they will be forced into the hands of the Soviet Union; the question of whether the Soviets will be granted concessions such as Cam Ranh Bay.

It seems to me that in a few years, as we saw United States policy turn toward our enemies in World War II, Germany, and Japan, and saw those countries become our allies, that Vietnam may very well be in the interest of the United States an ally if only to keep Soviet intrusion and Soviet influence out.

Whatever may have been our past resentment over the Vietnam war, from whichever side of the picture in the future, our opposition to the spread of communism in Soviet Russia may well include allies and friendship and trade with Vietnam.

I submit that the amendment should be defeated.

The CHAIRMAN. The time of the gentleman from California (Mr. McCloskey) has expired.

(At the request of Mr. Wolff and by unanimous consent, Mr. McCloskey was allowed to proceed for 2 additional minutes.)

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I am glad to yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I thank the gentleman for yielding.

I speak as the author of the amendment that cut off the direct aid to Vietnam. If the gentleman from Florida recalls, 2 years ago I offered that amendment, and it was passed in the House. I have tried subsequently to offer amendments to cut off aid to specific countries through these various banks and through various multilateral organizations. I tried to cut off aid in the U.N., and it was unsuccessful. We were unsuccessful in trying to condition our aid to any of these multilateral organizations.

Therefore, I found that the best route to do that was to cut off a specific amount of money that would be equal to our assistance to the countries that we wanted to cut off aid to rather than specifically limit the amount of funds.

Unfortunately, the figures have already been set up. Therefore, we cannot amend further in this particular section. However, I do believe, if this is the route we are to take, that instead of limiting the funds for a particular country, we cut off that amount of money which our participation would lend to that particular institution.

I thank the gentleman for yielding.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank my colleague for yielding.

I would like to associate myself with his remarks. I think we have to consider here the long-term interest of our Nation, as well as the short-term decision as to the funds in this particular regard.

We know from the excellent authority that has been quoted that it is not proper to limit funds that we give to a multilateral organization. I think when the authorities who have spoken are considered seriously, that we can do nothing else; but beyond that technical point, I think the point raised by the gentleman in the well is an extremely cogent one, because we are talking about the long-term global interest of our Nation.

Mr. DOUGHERTY. Mr. Chairman, I move to strike the last word.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHERTY. I yield to the gentleman from Georgia.

Mr. BRINKLEY. When I was up earlier, Mr. Chairman, I said that I arose also in support of the gentleman's amendment. I did refer at that moment to the gentleman from Florida. I do rise in support of his amendment. At the same time I would like to enter into another colloquy, if I may, with the gentleman from New York (Mr. McHugh), because I have now seen the amendment of the gentleman from Florida and the amendment of the gentleman from New York.

I think that I understand the amendment now. I think it should not be subtle. I think it should be across the board and understandable.

I would like to read that, if it please the Members. It says:

> Except that nothing in this paragraph shall in any way prevent the obligation or expenditure of funds—

Notice the words, "that could be used" to finance any assistance through the International Development Association to Egypt and Sudan.

Egypt and Sudan, of course, are simply the vehicles through which to identify the funds that obviously could relate back to Vietnam or to any other entity.

Is that not true?

Mr. McCLOSKEY. That is correct.

Mr. BRINKLEY. Thank you.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. DOUGHERTY. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, again, so it is perfectly clear, the gentleman from Florida (Mr. Young), maintains consistently that his amendment would not cut off any contributions to the banks except contributions to Vietnam.

Our position, based upon the authorities which have been cited by the gentleman from Wisconsin (Mr. Obey), is that that would not be the impact of his restriction. The impact of his restriction would be to cut off all contributions.

My amendment is designed to reach that point and make clear that our contributions would not be cut off to countries like Egypt and Sudan. And I want to make it clear that I chose those two countries and did not list every other eligible country because of space only.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. DOUGHERTY. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, in view of that explanation of the gentleman from New York, I wonder if he would be willing just to reoffer his amendment, using the language that we had suggested in the amendment that was ruled out of order, that no other country would be affected except Vietnam?

Mr. McHUGH. No, because I think my amendment is in perfectly good form. I think the gentleman's amendment, as I understood it, would again raise the question in my mind of whether the restriction described in that amendment would cut off all contributions. That is not what I want to do.

My amendment would not cut off all contributions to the banks. That is why I offered it. I am making it very clear.

Mr. YOUNG of Florida. If the gentleman would continue to yield, since the gentleman and I apparently have the same motivation, why should we not protect every other country either then by name or by an overall designation of "any other country"?

Why would that not be more of a security for the rest of the countries involved than just by naming two?

If the gentleman only named two, maybe somebody would get the idea we did not really intend to protect the United States.

Mr. McHUGH. If the gentleman wants to add language which says, in addition to the language I have proposed, "Or any other country that is eligible to receive financial assistance," I have no objection, but I am making very clear what I think is a simple amendment.

Mr. YOUNG of Florida. I am worried about all the other countries the gentleman did not mention. That is the problem.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHERTY. I yield to the gentleman from Georgia.

Mr. BRINKLEY. The gentleman from New York could just as easily have said funds that "could be used" to finance any blue or red or any other entity, because it just goes to defining of funds that would relate back to Vietnam and really "Egypt, Sudan" is of no relevance whatsoever.

Mr. McHUGH. If the gentleman will yield further, we are not talking about colors in this bill. We are talking about countries that received development assistance from IDA. So it is relevant to name other countries.

My concern is that the restrictions of the gentleman from Florida will cut off all American contributions to all countries, and that is why I offered the amendment.

Mr. BRINKLEY. I believe the gentleman has said, though, he really is defining funds, and the funds would relate back—having identified them as funds. The amendment reads that nothing in this paragraph shall in any way prevent the obligation or expenditure of funds that "could be used" for Sudan and Egypt, and the funds could then relate back to Vietnam. I think that is the purpose.

☐ 1840

Mr. GILMAN. Mr. Chairman, the amendment offered by the gentleman from Florida (Mr. Young) is certainly timely on this national POW–MIA day when we are reminded of the loss of so many Americans in that conflict in Southeast Asia.

Mr. Chairman, I rise in support of this amendment offered by my colleague, the gentleman from Florida (Mr. Young), and I commend the gentleman on offering an amendment which prohibits aid for Vietnam through indirect sources such as loans.

It is particularly timely that today, National POW–MIA Day, that we are debating this amendment. If we are committed to a full accounting of our MIA's, then it is appropriate that we withhold funds to Vietnam until such time that the MIA problem is resolved—that is, until the Vietnamese take all steps possible to offer a full accounting of our missing. To date, there has been no indication that this accounting is anywhere near complete. Since the Vietnamese are known to be meticulous recordkeepers, the information that they have provided is less than desirable. We have received some 75 sets of remains, and while the families of our missing continue their anguish, day after day, until the fates of their loved ones are known, the Vietnamese are suspiciously silent on this matter.

The refugee situation, another plaguing matter which is far from resolution, continues to be an important and consistently tragic issue. Some refugees may be able to provide us with information on our own missing, and it would be extremely important to interview these refugees and obtain any information that they might have. The refugee problem proves to us once again that the Vietnamese have very little, if any, respect for humanitarian concerns.

Accordingly, I urge my colleagues to support and adopt this amendment.

The CHAIRMAN. The question is on amendment offered by the gentleman from New York (Mr. McHugh) to the amendment offered by the gentleman from Florida (Mr. Young).

The question was taken; and on a division (demanded by Mr. Young of Florida) there were—ayes 25, noes 20.

So the amendment was agreed to.

☐ 1820

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. Young), as amended.

The question was taken; and on a division (demanded by Mr. Young of Florida) there were—ayes 20, noes 22.

Mr. YOUNG of Florida. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

Mr. YOUNG of Florida. Mr. Chairman, I withdraw my point of order that a quorum is not present.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Florida (Mr. Young) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 291, noes 122, answered "present" 1, not voting 20, as follows:

[Roll No. 356]

AYES—291

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boland
Boner
Bouquard
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Fish
Fisher
Fithian
Flippo
Foley
Fountain
Fowler
Frost
Fuqua
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lungren
McClory
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Mavroules
Mazzoli
Mica
Mikulski
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Ottinger
Panetta
Patterson
Paul
Perkins
Peyser
Pickle
Preyer
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Synar
Tauke
Thomas
Traxler
Treen
Trible
Udall
Vander Jagt
Vanik
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—122

Addabbo
Annunzio
Ashley
Aspin
AuCoin
Barnes
Beilenson
Bingham
Boggs
Bonior
Bonker
Bowen
Brademas
Brodhead
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Collins, Ill.
Corman
Danielson
Dellums
Dixon
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Fascell
Fazio
Fenwick
Findley
Florio
Ford, Tenn.
Frenzel
Garcia
Gaydos
Gephardt
Giaimo
Gray
Green
Hall, Ohio
Hamilton
Hawkins
Holtzman
Howard
Hyde
Jeffords
Johnson, Calif.
Johnson, Colo.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lehman
Leland
Long, Md.
Lundine
McCloskey
McCormack
McHugh
McKay
Maguire
Markey
Matsui
Mattox
Michel
Mikva
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nolan
Oberstar
Obey
Patten
Pease
Pepper
Petri
Price
Pritchard
Pursell
Rangel
Ratchford
Reuss
Richmond
Rodino
Rosenthal
Roybal
Sabo
Seiberling
Shannon
Simon
Solarz
Spellman
St Germain
Stark
Stewart
Studds
Swift
Thompson
Ullman
Van Deerlin
Vento
Waxman
Weiss
Wirth
Wolff
Wolpe
Wright
Yates
Zablocki

ANSWERED "PRESENT"—1

Ertel

NOT VOTING—20

Anderson, Ill.
Blanchard
Bolling
Brown, Calif.
Chisholm
Conyers
Coughlin
Davis, S.C.
Diggs
Emery
Flood
Ford, Mich.
Forsythe
Gibbons
McKinney
Pashayan
Sawyer
Stokes
Taylor
Williams, Ohio

□ 1830

The Clerk announced the following pairs:

On this vote:

Mr. Emery for, with Mr. Flood against.

Mr. Coughlin for, with Mr. Conyers against.

Mr. Taylor for, with Mrs. Chisholm against.

Mr. Sawyer for, with Mr. Stokes against.

Mr. Pashayan for, with Mr. McKinney against.

Messrs. HIGHTOWER, BIAGGI, OTTINGER, CHARLES WILSON of Texas, and HARKIN changed their vote from "no" to "aye."

Mr. LELAND changed his vote from "aye" to "no."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to speak in support of the Young amendment. I ask my remarks appear at the appropriate place in the RECORD.

Mr. DAVIS of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Michigan.

Mr. DAVIS of Michigan. I thank the gentleman for yielding.

Mr. Chairman, I wonder if we could ask the majority party what the plan is for the balance of the evening. First we were told we were going to be around until 11 and then we heard 8 o'clock. I think a lot of Members have plans they would like to make. Could we have someone make some kind of a statement on the balance of the session?

Mr. OBEY. If the gentleman will yield, let me simply say, do not ask us.

Mr. DAVIS of Michigan. I would be pleased to yield to the gentleman from Wisconsin.

Mr. OBEY. The Committee will go as long as we are told to go. We are going to be here about 2 days I expect. My own personal preference would be to go until we are finished.

The CHAIRMAN. The gentleman from New York has the time.

Mr. LONG of Maryland. Will the gentleman yield to me, Mr. Chairman?

Mr. GILMAN. I will be pleased to yield to the gentleman from Maryland.

Mr. LONG of Maryland. I have a message I am told, at least, from the Speaker's office that the Committee will rise at 8 o'clock with the idea of coming back at 10 o'clock tomorrow morning.

Mr. GILMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury, $359,464,687, to remain available until expended, for the (1) United States share of the increase in subscriptions to the (a) paid-in capital stock, and (b) callable capital stock, and (2) the United States contribution to the increase in resources of the Asian Development Fund as authorized by the Act of October 3, 1977 (Public Law 95–118) and for the new United States contribution to the increase in resources of the Asian Development Fund: *Provided*, That no such payment may be made while the United States Director of the Bank is compensated by the Bank at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to the Bank is compensated by the Bank in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 4, line 24, delete "$359,464,687" and insert in lieu thereof "$355,464,687".

Mr. WOLFF. Mr. Chairman, this amendment seeks to accomplish what the last Young amendment attempted to accomplish but in a fashion that would be acceptable to the banks and that is over the past 5 years there has been expended by the Asian Development Bank some $20 million to Vietnam. My amendment cuts the fund that goes to Vietnam from the United States by our share of those funds that have gone to Vietnam. In other words, by the 20-percent contribution which we make.

In other words, Mr. Chairman, we are making up in 1 year the contributions that the Bank has made to Vietnam since 1975 and, therefore, as one who has opposed the idea of funds going to Vietnam in the past and having voted on the last amendment, because of the technical nature that was involved, I ask that we vote this amendment which clearly indicates to the Bank that we do not want our funds used in Vietnam and that it is a way acceptable to the Bank.

Mr. LONG of Maryland. Mr. Chairmna, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. The gentleman in offering this cut does not preclude other cuts to the Asian Development Bank; is that correct?

Mr. WOLFF. I do not preclude other cuts.

Mr. LONG of Maryland. It would not be in lieu of any other cuts in other words, this cut would stand on its own?

Mr. WOLFF. It would stand on its own. However, I might say to the gentleman that I think any further cuts in the Asian Development Bank would be a serious mistake at this moment.

Going back to the dialog and colloquies that existed on the previous amendment, the Asian Development Bank aid is going principally to four other countries who are our allies in the Pacific and to cut further into the funds going to the Asian Development Bank would do serious harm to our programs in the Pacific area.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be glad to yield to the gentleman from New York.

Mr. GILMAN. I certainly want to commend the gentleman for pursuing this effort as trying to remind Vietnam of its obligations to our Nation and of our concern and objections to the manner in which Vietnam has reacted to some of our humanitarian concerns.

Does the gentleman from New York have any assurance that by this cut in the funding for the Bank that these funds will be withheld from Vietnam?

Mr. WOLFF. I might say to the gentleman we have no assurance these funds would be withheld from Vietnam, but we would not be paying any part of them.

Mr. GILMAN. We are still funding a portion of the remainder of the balance we are appropriating?

Mr. WOLFF. We would be funding all that portion that goes to countries like Bangladesh, Burma, Pakistan, the Philippines, Singapore, Malaysia, Indonesia.

Mr. GILMAN. Is there anything that would prevent those funds from being shifted over to Vietnam after we have approved the gentleman's proposal to cut out some $4 million?

Mr. WOLFF. I know of no way we can control those funds going to countries to whom loans are given for further assistance to Vietnam. However, the situation being what it is with refugees, I doubt very much whether any of those countries are disposed to giving any loans to Vietnam at the present time.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for his information.

If the gentleman's amendment will result in this sort of a reduction in funding for Vietnam and will give them a clear message of our objection to the manner in which they have conducted themselves with regard to the MIA issue, with regard to the refugee issue, then I wholeheartedly support the gentleman's proposal and ask my colleagues to also support it.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I have talked it over with what members of the subcommittee I can find here on this side and the amendment is acceptable to this side of the aisle.

☐ 1850

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Like the chairman of the subcommittee, I am more than happy to accept the gentleman's amendment.

The CHAIRMAN. For what purpose does the gentleman from New York (Mr. Weiss) rise?

Mr. WEISS. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. Is it an amendment to the Wolff amendment?

Mr. WEISS. No, it is not, Mr. Chairman.

The CHAIRMAN. The Chair will inform the gentleman that there is an amendment pending.

Mr. WEISS. Mr. Chairman, I thought that amendment had been agreed to.

The CHAIRMAN. Not yet.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been witnessing and participating in the votes today. The session, I think, has to be distressing to all of us who are concerned about the image of the United States of America and the role which we want it to play in the world.

I watch Members whose votes I have observed over the course of these past 2½ years on matters relating to the defense appropriations legislation, who would fight to the end to prevent a nickel from being cut from the defense budget, because they feel that the defense of the United States and the security of the United States would be compromised.

I watch Members who take that position cavalierly and callously endanger in my judgment the very security of the United States by the heedless votes and amendments that they offer on matters which are economic in nature, but which I think have the same kind of consequence as if in fact we were to gut, if we were to cut 50 percent or 60 percent of the defense budget of the country, we would not be doing more damage than the kind of stuff I have seen on the floor today.

I suspect that much of it has to do with a hung-over paranoia about some of the weakest nations on the face of this Earth, which I guess did great harm to the image in the eyes of some members of the United States by participating in a defensive measure when the U.S. military might did not prevail.

I suggest to my colleagues that when we find it within our purview to deal economically and diplomatically with the Soviet Union and we find it appropriate to deal economically and diplomatically with the People's Republic of China, that it ill behooves us to adopt the kind of amendments and measures which seek to wreak some kind of vengeance or revenge on Vietnam and some other countries, regardless of what the position of Vietnam may be at any particular moment.

I hold no brief for the invasion by Vietnam of Cambodia. I think that her conduct today and over the course of this past year in forcing the ethnic Chinese in Vietnam, in essence to be expelled, is genocidal; but it seems to me we have really lost all perspective as to what is, indeed, in the best interests of the United States of America.

I just felt that really I could not just stand by and continue to see this go on without letting my position be known for the record.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Wolff).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Solomon: On paeg 5, line 17, strike "the period" and insert in lieu thereof ": *And provided further*, That no such payment may be made unless Taiwan (before January 1, 1979 known as the Republic of China) continues its membership in the Asian Development Bank.".

Mr. SOLOMON. Mr. Chairman, unlike most of the amendments that have been offered here today, this amendment does not cut one penny out of the appropriation bill. The amendment does not hurt anyone, nor does it hurt any country; but it does several things. It does help 17 million people in Taiwan, human beings. It does help the American economy. We all know that the American economy does need help, and it does help all of the American people, and we know that they need help also.

My amendment has a very simple purpose, to protect the free enterprise system of the Republic of China on Taiwan from potential economic coercion by the People's Republic of China; but more importantly than that, it is to protect the American economy and the value of the American dollar, and we all know what has happened to the American dollar overseas in recent years.

Looking around the room, there are many that participated in the Taiwan Relations Act just recently on this floor. It took several days.

Let me just recall to you that Public Law 96-8, which was the Taiwan Relations Act, passed earlier this year, contains sections clearly stating, and I want to quote them to you, because most of you who are here today insisted that this language be inserted in the Taiwan Relations Act:

> It is the policy of the United States of America to maintain the capacity of the United States to resist any resort to force

> or other forms of coercion that would jeopardize the security or the social—

This is the point I raise—

> or economic system of the people of Taiwan.

And further, and I quote again:

> Nothing in this Act may be construed as the basis for supporting the exclusion or the expulsion of Taiwan from continued membership in any international financial institution.

Which is what the Asian Development Bank is. I call upon all of you today to follow through with our stated purpose by taking preventive measures to insure that the Republic of China, Taiwan as so named by our legislation, is permitted to remain in the international banking community.

Now, I know we have been here a long time today. I am going to exclude much of my remarks that I had prepared, but I just want to say that if we fail to insure Taiwan's place in the international banking organization, we will be causing further unnecessary strain on Taiwan; but even more importantly, again we could be jeopardizing the $9 to $12 billion trade that we now enjoy with Taiwan, and considering our present trade deficit in this country and the faltering American economy, which I have heard so many people talk about today, we can ill afford not to do everything in our power to protect Taiwan from potential economic strangulation.

Now, I have heard the gentleman from Wisconsin, I heard the gentleman from Massachusetts (Mr. Conte) talk about the American commitment and how much that means. Well, I have been very close with the government on Taiwan for many years, long before I came to this Congress. I want to tell you today that in talking to American businessmen, to American citizens that are now living in Taiwan and doing business there, who have been intimidated by our own State Department, the State Department of the United States of America intimidating American citizens, so that they are afraid to speak out; but there is a distinct possibility, and you know that the Red Chinese people are a very, very patient people, there is a very distinct possibility that has been relayed to me that mainland China, that the People's Republic of China is going to ask for membership in the Asian Development Bank. I do not object to that. That is part of our recognition of the People's Republic and that is all right; but I strongly object to the possibility that mainland China may insist that the Republic of China be dropped from membership; so all this amendment does is to say that no such payment will be made to the Asian Development Bank should the Republic of China be no longer a member of the Asian Development Bank.

Now, I have heard the argument raised and I heard John Connally's name mentioned, and Bill Simon and all the other Secretaries of the Treasury. This bill does not really condition anything, so it is not out of order in that respect that it is going to prevent us from participating, because if everything remains the same, and I recall the remarks of the gentleman from Illinois (Mr. Hyde) when the gentleman mentioned something about sticking it to them. If the Asian Development Bank does not decide to stick it to Taiwan, if they let them continue as a member, then everything continues the same and we do not jeopardize the existing membership of Taiwan.

I really think, Mr. Chairman, without asking for additional time, this is not controversial. I think the amendment should be passed. I urge its support.

Mr. LONG of Maryland. Mr. Chairman, I rise in reluctant opposition to the amendment.

Mr. Chairman, let me say that I am one of those who feels we made a great mistake in conditioning our recognition of Red China on breaking diplomatic relations with Taiwan. I have never seen any reason why we could not have kept good relations with both countries; but I cannot see the purpose of this amendment.

In the first place, Taiwan is a member in good standing of the Asian Development Bank and I know of no proposal to throw it out of the Bank. It no longer borrows from the Asian Development Bank and it received its last loan in 1971.

☐ 1900

It simply seems to me this is going to war over an issue that does not really exist, and it raises a big question about whether the Bank will take our money with this condition attached.

I think at some future time, if Taiwan is treated very badly by the Asian Development Bank and by the Asian community, this question then could become a real issue, but certainly not now. I think it is gratuitous and ridiculous to fight this battle now.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I certainly respect the viewpoint of the subcommittee chairman, but let me just say this:

There is a group of Members of this House, including myself, who are leaving for Taiwan tomorrow morning. We are concerned about this. If this legislation passes without this amendment in it, then we do not really have anything to talk to those people about. We know and I know that this language can be removed by the Senate; it can be removed by the conferees.

I would like to see this language incorporated in the bill now, until that delegation returns from Taiwan, so that they might be able to report favorably to the good subcommittee chairman and to the many other people who are very much interested in the situation.

Therefore, Mr. Chairman, I urge adoption of the amendment today.

Mr. LONG of Maryland. Mr. Chairman, let me ask the gentleman is this not really a case of crossing a bridge before we have come to it?

I think we would make a big mistake if we were to fight a battle over something which is a nonissue or just a theoretical issue.

Mr. SOLOMON. Mr. Chairman, I must say that I do not agree with the chairman of the subcommittee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Solomon).

The question was taken; and on a division (demanded by Mr. Solomon) there were—ayes 22, noes 12.

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The gentleman from Maryland (Mr. Long) raises a point of order that a quorum is not present. The Chair will count.

Mr. LONG of Maryland. Mr. Chairman, if I may, I will withdraw the point of order.

The CHAIRMAN. Does the gentleman from Maryland (Mr. Long) withdraw his point of order of no quorum?

Mr. LONG of Maryland. Yes; Mr. Chairman, I withdraw my point of order of no quorum, and I demand a recorded vote.

The CHAIRMAN. The gentleman from Maryland withdraws his point of order.

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1920

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Maryland (Mr. Long) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 244, noes 164, not voting 26, as follows:

[Roll No. 357]

AYES—244

Abdnor
Addabbo
Albosta
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bouquard
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Donnelly

Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fish
Fithian
Flippo
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gilman
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hefner
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ichord
Jeffords
Jeffries
Jenkins
Jones, N.C.
Jones, Tenn.
Kazen
Kemp

Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Mathis
Mattox
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Nichols
O'Brien
Oakar
Panetta
Pashayan
Paul
Perkins
Peyser
Pickle
Price
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Ritter

Roberts
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stratton
Stump
Symms
Tauke
Thomas
Treen
Trible
Udall
Van Deerlin
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, C. H.
Winn
Wolff
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—164

Akaka
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bingham
Blanchard
Bonior
Bowen
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Clay
Coelho
Collins, Ill.
Conable
Corman
Cotter
Danielson
Daschle
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Downey
Drinan
Eckhardt

Edgar
Edwards, Ala.
Edwards, Calif.
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Florio
Foley
Ford, Mich.
Ford, Tenn.
Garcia
Gephardt
Giaimo
Glickman
Gonzalez
Gore
Gray
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heftel
Hollenbeck
Holtzman
Hyde
Jacobs
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek

Kostmayer
LaFalce
Leach, Iowa
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McHugh
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Neal
Nedzi
Nelson
Nolan
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper

Petri
Preyer
Pritchard
Rangel
Ratchford
Reuss
Richmond
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer

Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
Spellman
St Germain
Stack
Staggers
Steed
Stewart
Studds
Swift

Synar
Thompson
Ullman
Vanik
Vento
Volkmer
Walgren
Weaver
Weiss
Williams, Mont.
Wilson, Tex.
Wirth
Wolpe
Yates

NOT VOTING—26

Alexander
Anderson, Ill.
Bolling
Bonker
Buchanan
Chisholm
Conyers
Emery
Flood

Forsythe
Gibbons
Heckler
Ireland
Kelly
McKinney
Martin
Nowak
Sawyer

Stark
Stockman
Stokes
Taylor
Traxler
Waxman
Williams, Ohio
Wright

☐ 1930

The Clerk announced the following pairs:

On this vote:

Mr. Emery for, with Mrs. Chisholm against.

Mrs. Heckler for, with Mr. Flood against.

Mr. Kelly for, with Mr. Stokes against.

Mr. Martin for, with Mr. Stark against.

Mr. Sawyer for, with Mr. Waxman against.

Mr. Taylor for, with Mr. Conyers against.

Mr. Williams of Ohio for, with Mr. McKinney against.

Mrs. BOGGS, Mr. VAN DEERLIN, and Mr. HUGHES changed their vote from "no" to "aye."

Messrs. COTTER, RICHMOND, and HEFTEL changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1940

Mr. CONTE. Mr. Chairman, I move to strike the last word.

(By unanimous consent Mr. CONTE was allowed to speak out of order.)

NO ENERGY "SHORTFALL" FOR REPUBLICAN BASEBALL TEAM

Mr. CONTE. Mr. Chairman, I do not intend to take the full 5 minutes, but I hope that I will have the attention of the House for the very important speech I am going to make at this time.

Mr. Chairman, members of the committee, the Nation's Capital has been in the throes of the worst energy shortage in recent memory. But I am pleased to report that there is no energy "shortfall" where the Republican baseball team is concerned.

In the early morning hours, while the rest of Washington was standing in gas lines, my team began practice sessions. They have been getting into shape, and into high gear, for the Annual Roll Call Congressional Baseball Game. While they have been running bases and shagging flies, they have also been working out their frustrations over the administration's energy policies.

From what I have seen so far, my team has more than our fair "allocation" of ability. We have many of our star players returning—real "refined" baseball products. We also have some new, "higher octane" freshman players turning out.

I do not want to say anything about the team coached by the gentleman from Florida (Mr. CHAPPELL), but I think you have heard of "fossil fuel"?

Mr. Chairman, I want to conserve my energy for the big game, but I did want to use this "ration" of time to serve notice to our worthy opponents across the aisle that, as coach and manager of the Republican squad, I have called for the removal of "controls" on GOP team spirit. We are going to be "fired up" and ready to reap a "windfall" of runs at the game, which is scheduled for next Thursday, July 26 at Four-Mile Run Stadium in Alexandria, Va.

Mr. LONG of Maryland, Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOLAND) having assumed the chair, Mr. KAZEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4473, just under consideration, and that in my remarks I may include certain extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

REQUEST FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT PAST 10 A.M., ON TOMORROW

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs may be permitted to sit past 10 a.m., on tomorrow, July 19, 1979, in order to complete its markup of the bill, H.R. 4100, Development Financing Act of 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, this is for July 19, which is what day?

Mr. GARCIA. Tomorrow.

Mr. ROUSSELOT. If we look at the calendar, that is a very busy day.

Mr. GARCIA. Mr. Speaker, if the gentleman will yield, we were not able to complete the markup last night. We sat as a subcommittee.

Mr. ROUSSELOT. I am constrained to think about objecting. Why do we not wait and see? Could the gentlemen meet Friday?

Mr. GARCIA. Tomorrow is the last day.

Mr. ROUSSELOT. What is so important? Are you going to mark up a bill?

Mr. GARCIA. Yes.

Mr. ROUSSELOT. What bill is it?

Mr. GARCIA. We want to complete markup on H.R. 4100, EDA.

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The Chair will state that it requires 10 Members to object.

(Messrs. ROUSSELOT, YOUNG of Florida, ASHBROOK, DEVINE, DORNAN, LAGOMARSINO, CORCORAN, CLAUSEN, TRIBLE, BUTLER, and BAUMAN also objected.)

The SPEAKER pro tempore. A sufficent number have objected.

Objection is heard.

HE IS ASKING US TO SACRIFICE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, on Sunday evening the President of the United States attempted one of the most blatant acts of buckpassing I have ever witnessed. Mr. Carter called on each and every American to sacrifice, to tighten their belts a little more. He said that a "crisis of confidence" exists in America. The crisis developed, he stated, because of assassinations, Watergate, Vietnam. I suppose record snowfalls in Buffalo and the unfruitful relationship of Ling-Ling and H'sing and H'sing at the National Zoo had something to do with it as well. Apparently, the President feels that his administration, which has perhaps the most dismal record in American history, had nothing whatsoever to do with bringing about that crisis. Undoubtedly, Vietnam and Watergate and the blizzard of 1979 were the major factors in a recent poll which showed Mr. Carter's popularity at an all-time low.

Mr. Carter told us in 1976 among other things that he would reduce Government, that he would slash the Federal bureaucracy, that he would bring prosperity to America, has all but admitted that instead of doing what he promised, he has gone along lock, stock, and barrel with the same old tired, washed-up liberal line. He has increased, rather than decreased the size of the executive branch. He has, in fact, even increased the size of the White House staff. Inflation has risen to intolerable levels. More and more of our hard-earned dollars have directly and indirectly gone to support more of the runaway Federal Government that Mr. Carter promised to stop. Now, the President has asked us to sacrifice.

When a working man or woman hands over 20 or 30 or 40 percent of his wages to the Federal Government in the form of taxes, is that not sacrifice? When our elderly Americans, living on fixed incomes, are forced to try to exist with double-digit inflation, is that not sacrifice?

In a week or so, when Mr. Carter's reelection roadshow temporarily comes to an end, public opinion will begin to wane. There is no question in my mind about that. People all over America will forget the President's sincere smile and his emotional call to arms. They are still going to be paying taxes that are much too high. They are still going to face high prices at the grocery store. They are still going to cancel their vacation plans because they cannot buy gasoline. They are still going to watch this Congress continue to deficit spend at a phenomenal rate. They are still going to fall victim to inflation while their paychecks remain the same.

Recent months have shown that rafshoonery only works for a moment. There can only be so many Camp David's and Sunday night's speech may have been Mr. Carter's last hurrah. Soon the American people will know that nothing is going to change under this administration. Soon they will know the truth. The truth is that at this point in time, almost 3 years into Mr. Carter's term as President, his administration is only committed to one thing and the American people are not it.

Mr. Speaker, we all know that the Carter for President Committee is warming up for New Hampshire and from the sound of some of the speeches I heard yesterday, his friends on the Democratic side of the aisle are giving him a little help. It may work for the time being but do not underestimate the American people. They know better.

LEGISLATION TO DESIGNATE FEDERAL BUILDING IN ROCHESTER AS KENNETH B. KEATING BUILDING

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, I am today introducing legislation to designate the Federal building in Rochester, N.Y., as the Kenneth B. Keating building. A companion bill is being introduced also in the Senate by my friend and colleague the senior Senator from New York, Jacob K. Javits, who served in the Senate with Ken Keating. I am joined in the introduction of this bill in the House by my colleague, Congressman BARBER CONABLE, who represents the 35th Congressional District in New York, which adjoins my congressional district, by Congressman SAMUEL STRATTON, who is the dean and chairman of the New York congressional delegation and by Congressman JOHN WYDLER, who is the dean of the New York Republican delegation in the House.

It is a privilege and an honor for me to introduce this legislation to pay honor to a friend and colleague who served as one of my predecessors in the district which I now represent.

I knew Ken Keating for many years, from the time I first moved to Rochester, N.Y., in 1947 at which time he was then the Congressman representing the district into which I moved.

Ken Keating had a distinguished and honored career as a lawyer, a soldier, a Congressman, a U.S. Senator, a jurist, as a judge on the New York State Court of Appeals, and as an Ambassador, having served in India and Israel.

As a soldier Ken Keating began his service to his country as a sergeant in the U.S. Army during the First World War and then as a colonel in World War II. He was promoted to the rank of brigadier general in 1948 after having been awarded the Legion of Merit with Oak Leaf Cluster; American, European, and Asiatic Theater Ribbons with three battle stars, and the Order of the British Empire.

He served 12 years in the House of Representatives from January 3, 1947 until 1959 where he distinguished himself as a member of the House Judiciary Committee. He was elected to the Senate of the United States and served for 6 years, where he again distinguished himself in that body.

Subsequent to his service in the Senate, he was elected to the New York State Court of Appeals in 1965 and served until his resignation in April 1969 to become the U.S. Ambassador to India. Thereafter, he served as the U.S. Ambassador to Israel, which was one of his lifelong ambitions. He was highly regarded and respected by the Israelis. His death on May 5, 1975, was a great loss to our Nation.

It is fitting to his memory and to his outstanding service to his country and fellow man that the new Federal building in Rochester, which is located in my congressional district, be named after Kenneth B. Keating.

"SHARING THE RESPONSIBILITY"

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, The news, late yesterday afternoon, that the cabinet and White House staff had offered their resignations so that the President could reorganize his government, should give all of us pause for reflection. Not that I have anything against "building a better mousetrap", if one can be built, but I cannot help but wonder if those involved are not struck by the unfairness of it all.

After all, neither the Cabinet nor the White House staff voted for the Emergency Petroleum Allocation Act which is largely responsible for the recent decline of domestic crude oil production that has, even more recently, manifested itself in the form of long lines at the gas pump. Congress did. Likewise, neither the Cabinet nor the White House staff passed the National Gas Policy Act which, by keeping prices artificially low, has encouraged consumption and discouraged the development of alternative fuel sources. Congress did. Moreover, neither the Cabinet nor the White House staff has noted the massive deficits which have caused the inflation which, in turn, has contributed to the "crisis of confidence", of which the President spoke last Sunday evening. Congress has voted those deficits.

Of course, I would not go so far as to say that the Cabinet or the White House staff did not have input into any of these matters.

I am sure they did, and I would not be surprised if, from time to time, one or another of them did not urge fuel allocations, price controls or yet another Federal spending program the Nation really could not afford. So what we really have here is shared responsibility.

Which brings me to a suggestion, made solely in spirit of fair play, mind you. And that suggestion is—those who share the responsibility and the credit should also share in the blame and the consequences. Or, to put it another way, simple equity dictates that the President ought to let it be known that he would like the Democratic leadership in Congress, under whose aegis the aforementioned legislative initiatives were passed, to step aside as well. If the policies of the past have not worked, which the President seems to be saying, why not "clean House" and let the other side have a shot at it. It is only fair.

☐ 1950

GENERAL LEAVE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on this subject.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CAPTIVE NATIONS COMMEMORATION

The SPEAKER pro tempore. Under previous order of the House the gentleman from Illinois (Mr. DERWINSKI) is recognized for 60 minutes.

Mr. DERWINSKI. Mr. Speaker, as a freshman Congressman 20 years ago, I was privileged to be one of the cosponsors of Public Law 86–90, which created Captive Nations Week, an observation that is even more pertinent today than it was in July of 1959.

Recently, in cooperation with Chairman DON BONKER of the Subcommittee on International Organizations, hearings were held on House Concurrent Resolution 147, in connection with the human rights question involving the Baltic States and the Soviet Union. House Concurrent Resolution 147 calls for the freedom of the Baltic States and views with concern Soviet citizenship claims on millions of Americans.

In this context, I would like to call the attention of the Members to an article in the Soviet World Outlook at the University of Miami, and would like to include it as part statement at this point:

THE WARTIME TAKEOVER OF THE BALTIC STATES: A NEW MODEL FOR "PEACEFUL REVOLUTIONS"

In a striking doctrinal innovation, Moscow is now presenting the forceful takeover of the three Baltic republics (Latvia, Lithuania, Estonia by the Red Army in 1940 as a shining example of peaceful revolution. Within international communist circles the issue of "peaceful" revolutions has generally revolved around the problem of whether communists can come to power by parliamentary means as attempted in Chile and as many Western European communists contend is still possible. By putting forward the 1940 Baltic developments as a model for a peaceful takeover, Moscow appears to be extending into a new dimension the increasingly emphasized "external role" of the Soviet armed forces in support of the worldwide revolutionary cause.

The change in line on the Baltics appeared in a book review in the leading Soviet theoretical journal Kommunist (No. 3, February, 1979) of a study of the Baltic takeover published last year after a claimed ten-year research effort. According to Kommunist, the book described a growing revolutionary situation in the Baltic countries following the outbreak of the second World War and in consequence of popular dissatisfaction with ties between the existent regimes and Nazi Germany which coincided with a worsening economic situation and increased political repression. Accordingly, the review explained:

"Lithuania, Latvia and Estonia proved to be the weak link in the imperialist chain. The victory of the 1940 revolutions marked a new breach within the imperialist system and one more step in the development of the world's revolutionary process initiated by the Great October Revolution."

These revolutions, Kommunist said, were the "first victorious revolutions in history not accompanied by armed risings or civil war" and confirmed Lenin's predictions of the "possibility for a peaceful yielding of power by the bourgeoisie under circumstances in which its opposition has been doomed to failure in advance." At this point, Kommunist added the significant comment that "under present circumstances such a course of events has become more realistic."

While contending that the basic impetus came from domestic forces, the book was quoted as assigning a decisive albeit "peaceful" role to the Soviet armed forces:

"Soviet forces did not interfere in the domestic affairs of the Baltic countries, strictly observing the stipulations of the mutual aid pacts concluded between them and the USSR. Meanwhile, the presence of Soviet troops on Lithuanian, Latvian and Estonian territory protected the Baltic from the interference of foreign imperialists. This demoralized the forces of the bourgeoisie and inspired the revolutionary masses to this struggle for the overthrow of the fascist dictatorship."

An appreciation of history equips us to deal with the present in a most knowledgeable and objective fashion. For example, three of the captive nations, the Baltic States, Lithuania, Latvia, and Estonia, were annexed by the Soviet Union as a result of Molotov-Ribbentrop Pact, an infamous agreement between the Soviet Union and Nazi Germany in 1939. The treaty between these two governments set the stage for the Second World War. Per secret protocols attached to the agreement, the two dictatorial powers divided East Europe into their spheres of influence, with Poland being allotted to Germany, and the Baltic States of Lithuania, Latvia, and Estonia, to the U.S.S.R. All were independent at the time.

The consequences of this pact are evident today as the illegal Soviet annexation of the Baltic States continues and Soviet Armies remain as occupying forces in the Baltics and in Poland. While Nazi Germany's partnership to this pact has long since been nullified, the Soviet claims per the treaty have yet to be repudiated. Do the Soviets still hold to the Molotov-Ribbentrop Pact and its secret protocols as a treaty in force?

The beginning of the Baltic tragedy goes back to this Soviet-Nazi agreement, one which totally disregarded principles of national and human rights. There can be no true peace and stability in Europe as long as these principles remain grossly violated and the right of self-determination is not accorded the Baltic and other East European peoples.

Mr. Speaker, I ask unanimous consent that the Molotov-Ribbentrop Pact, referred to as the Treaty of Nonaggression Between Germany and the Union of Soviet Socialist Republics," follow at this point in my remarks:

TREATY OF NONAGGRESSION BETWEEN GERMANY AND THE UNION OF SOVIET SOCIALIST REPUBLICS

The Government of the German Reich and the Government of the Union of Soviet Socialist Republics desirous of strengthening the cause of peace between Germany and the U.S.S.R., and proceeding from the fundamental provisions of the Neutrality Agreement concluded in April 1926 between Germany and the U.S.S.R., have reached the following agreement:

ARTICLE I

Both High Contracting Parties obligate themselves to desist from any act of violence, any aggressive attack, and any attack on each other, either individually or jointly with other powers.

ARTICLE II

Should one of the High Contracting Parties become the object of belligerent action by a third power, the other High Contracting Party shall in no manner lend its support to this third power.

ARTICLE III

The Government of the two High Contracting Parties shall in the future maintain continual contact with one another for the purpose of consultation in order to exchange information on problems affecting their common interests.

ARTICLE IV

Neither of the two High Contracting Parties shall participate in any grouping of powers whatsoever that is directly or indirectly aimed at the other party.

ARTICLE V

Should disputes or conflicts arise between the High Contracting Parties over problems of one kind or another, both parties shall settle these disputes or conflicts exclusively through friendly exchange of opinion or, if necessary, through the establishment of arbitration commissions.

ARTICLE VI

The present treaty is concluded for a period of ten years, with the proviso that, in so far as one of the High Contracting Parties does not denounce it one year prior to the expiration of this period, the validity of this treaty shall automatically be extended for another five years.

ARTICLE VII

The present treaty shall be ratified within the shortest possible time. The ratifications shall be exchanged in Berlin. The agreement shall enter into force as soon as it is signed. Done in duplicate, in the German and Russian languages.

Moscow, August 23, 1939.

For the Government of the German Reich: V. RIBBENTROP.

With full power of the Government of the U.S.S.R.: V. MOLOTOV.

Secret Additional Protocol

On the occasion of the signature of the Nonaggression Pact between the German Reich and the Union of Socialist Soviet Republics the undersigned plenipotentiaries of each of the two parties discussed in strictly confidential conversations the question of the boundary of their respective spheres of influence in Eastern Europe. These conversations led to the following conclusions:

1. In the event of a territorial and political rearrangement in the areas belonging to the Baltic States (Finland, Estonia, Latvia, Lithuania), the northern boundary of Lithuania shall represent the boundary of the spheres of influence of Germany and the U.S.S.R. In this connection the interest of Lithuania in the Vilna area is recognized by each party.

2. In the event of a territorial and political rearrangement of the areas belonging to the Polish state the spheres of influence of Germany and the U.S.S.R. shall be bounded approximately by the line of the rivers Narew, Vistula, and San.

The question of whether the interests of both parties make desirable the maintenance of an independent Polish state and how such a state should be bounded can only be definitely determined in the course of further political developments.

In any event both Governments will resolve this question by means of a friendly agreement.

3. With regard to Southeastern Europe attention is called by the Soviet side to its interest in Bessarabia. The German side declares its complete political disinterestedness in these areas.

4. This protocol shall be treated by both parties as strictly secret.

Moscow, August 23, 1939.

For the Government of the German Reich: v. Ribbentrop.

Plenipotentiary of the Government of the U.S.S.R., V. Molotov.

Secret Supplementary Protocol

The undersigned Plenipotentiaries declare the agreement of the Government of the German Reich and the Government of the U.S.S.R. upon the following:

The Secret Supplementary Protocol signed on August 23, 1939, shall be amended in item 1 to the effect that the territory of the Lithuanian state falls to the sphere of influence of the U.S.S.R., while, on the other hand, the province of Lublin and parts of the province of Warsaw fall to the sphere of influence of Germany (cf. the map attached to the Boundary and Friendship Treaty signed today). As soon as the Government of the U.S.S.R. shall take special measures on Lithuanian territory to protect its interests, the present German-Lithuanian border, for the purpose of a natural and simple boundary delineation, shall be rectified in such a way that the Luthuanian territory situated to the southwest of the line marked on the attached map should fall to Germany.

Further it is declared that the economic agreements now in force between Germany and Lithuania shall not be affected by the measures of the Soviet Union referred to above.

Moscow, September 28, 1939.

For the Government of the German Reich: J. Ribbentrop.

By authority of the Government of the U.S.S.R.: V. Molotov.

Further evidence of the oppressive tyranny and deepening of the gap between legitimate nationalistic aspirations of the captive nations and the fundamental evils of the Communist rulers is shown in several articles which I wish to include in my remarks. The first is an article by Rev. Andrew M. Greeley, appearing in the Chicago Sun-Times of May 22, commenting the aggressive designs of Communist imperialism; second, is column by Gov. Ronald Reagan, in the June 8, Jewish Press magazine, discussing the "Russification" of the individual nationalistic traditions and cultures of the captive peoples; and third, is a commentary appearing in the July 5 edition of the Wanderer, a national Catholic weekly, in St. Paul, Minn., on the internal oppression of the right to worship by the Communists.

[From the Chicago Sun-Times, May 22, 1978]

Russia's Secret Empire

(By Andrew M. Greeley)

I can't figure out why the Russians get a free ride on their colonial empire, the last great imperialist regime in the world.

Let us leave aside the Russian colonies in Central Europe: Poland, Hungary, Czechoslovakia, Bulgaria, Romania, East Germany. Let us also not consider the 50 million Ukranians and White Russians and 6 million in the Baltic states—nations brought under Russian domination by the czarist regimes and as much imperial colonies as was Ireland under English rule.

There are still more than 50 million people in the Soviet Union who have never had a chance in this century at self-determination. Most of these people are not "white"; most are Moslem, and most of them are inhabitants of regions which were taken over by Russia at about the same time that we were occupying Cuba and the Philippines, and England, Germany and France were splitting up black Africa.

In the Caucasus region, Russia domination of such peoples as Georgians, the Azerbaijani and the Armenians dates only to the beginning years of the last century; and in Asia the Kazakhs, the Turkmen, Uzbeks, the Kirgiz and the Tadzhik were brought firmly under Russian colonial control only at the end of the century, two decades before the revolution.

You may not have heard about the Turkmen or the Uzbeks or the Kirgiz, but 20 years ago you'd never heard of Tanzania either. And the latter is an artificial nation put together from Tanganyika (itself an artificial relic of British colonialism) and the island of Zanzibar. The Russian colonies in the Caucasus and Central Asia consist, like Lithuania, Estonia, Latvia and the Ukraine, of historic peoples with their own history, cultural heritage, language and national self-consciousness.

If the people of Burma, Sri Lanka and Uganda have the right to be free of British imperialism, and the people of Algeria, Morocco and Senegal have the right to be free of French imperialism, why does no one care about the Georgians, the Uzbeks and the Tadzhiks?

Even more pertinent, if one rejoices—as do all good liberals—that the Islamic people of Iran may now chart their own course, free from the de facto control of American imperialism, why does one remain silent about the Iran-speaking Islamic peoples who have been dominated by Soviet imperialism for three-quarters of a century—peoples indeed who live just across the border from the new Islamic republic in Iran?

Let us grant that the United Nations is, as Pat Moynihan has told us, a place of total hyprocrisy. Let us admit that the Third World enthusiasts in the United States are ignorant romantics. Let us even concede that there is a valid double standard and that Russia should not be judged by the same moral canons applied to other colonial powers because the Russians are "socialist" and hence "good" colonialists.

Still why is the existence of this nonwhite empire in Russia such a closely guarded secret? How many Americans know about it? How many indeed realize that the Russians dominate an empire in which more than 45 percent of the people are not Russian (and that does not include the Eastern European slave states)?

Why do we give the Russians a free hand in Africa to do whatever they want, and not lift a finger to destabilize their colonial regimes—especially since many border on China?

[From the Jewish Press Magazine, June 8, 1979]

Understanding Russian Fears

(By Ronald Reagan)

Most Americans probably think of the Soviet Union as "Russia," a country populated by "Russians." The Russians wish it were so, but today they make up less than 50 percent of the population of the vast U.S.S.R. and the birthrate doesn't favor them.

There are 50 nationality groups in the U.S.S.R. with populations of 100,000 or more and 22 of them have more than a million each. Andrei Amalrik, who left the Soviet Union to take up a new life at Harvard's Russian Research center, wrote recently, "This variety of nationalities, part of which were independent states or belonged to other states during the past century, contradicts the unitarian Soviet system. The conflict is somewhat mitigated by the existence of national republics, but their autonomy exists largely on paper; the central authorities always try—sometimes cruelly sometimes subtly—to replace the national languages and traditions with common Soviet traditions and the Russian language."

When those two Russian diplomats who had been caught spying in the U.S. were exchanged recently for five men freed from the Gulag, one of those men, a Ukrainian, brought home to the free world just how crushing this "Russification" program can be to a proud nationality.

Valentyn Moroz had spent 14 of his 43 years in Soviet jails. A scholar and historian, Moroz had defied "Russification" of his native Ukraine by presenting the facts about how the Russians were trying to smother its nationality.

Amalrik says, ". . . 'Russification' is due less to the strength of the Russian central authorities than to their weakness. Their weakness is caused first by a fear of the decreasing percentage of Russians in the national demographic balance and second by a crisis of ideology."

Valentyn Moroz—one brave voice—clearly rubbed the Russian authorities the wrong way, for he demanded cultural freedom for the Ukraine. Indirectly he was speaking for such other distinct nationalities within the Soviet empire as the Georgians, Byelorussians, Estonians, Latvians, Lithuanians and Armenians—not to mention the satellite communist states of central and eastern Europe.

Soviet policies designed to wipe out national consciousness from among their subjects range from mass deportations from ancestral homelands all the way to murder, according to Moroz. And nothing is sacred, he says. A few years ago holy Ukrainian icons were "borrowed" for use by the Soviet government. Even though their return had been guaranteed in writing, the people of the Ukraine have not seen them since 1963. In another case a Soviet official in charge of "cultural affairs" ordered the burning of highly-prized, centuries-old graphics in the Lvov museum.

Valentyn Moroz, as he stepped into the light of freedom, set an example for the rest of us, it seems to me. He has learned important truths from terrible experiences. Undaunted, he kept on writing and speaking out for the freedom of his people's heritage and culture, despite the dangers to him personally. He has proved that the longing for freedom can be stronger than the weapons of tyranny. It is often ignored in international relations, but it is a power in the human spirit to be reckoned with.

[From the Wanderer, July 5, 1979]

SIX DECADES OF COMMUNIST IMPERIALISM

The April, 1979 issue of the U.S. Communist Party's theoretical journal, Political Affairs, features a draft of political resolutions that will be discussed at the National Convention of the Communist Party, U.S.A. on Aug. 22nd-26th, 1979 in Detroit, Mich. According to this document, "the end is near" for the present governments of Nicaragua, Brazil, Uruguay, Namibia, Zimbabwe (Rhodesia), South Africa and Chile, as forces "fighting for socialism" enter into their final battles aimed at spreading Communism throughout the world.

As the world falls to Communism, country by country, Political Affairs predicts that, so too, the time will come for the United States to succumb to "the world revolutionary process" and to embrace the inevitable: a Soviet America. "The Party will continue to fulfill its historic role," the Communist document states, "as the leading advanced revolutionary force of our time. . . ."

The idea of a Soviet America might seem far-fetched at first consideration, but not to the Communists. More than 40 years ago the late U.S. Communist Party Chairman William Z. Foster—whose ashes are buried in the Kremlin—envisioned such a fate for the United States. So too did the late Soviet Party chairman Nikita Khrushchev in an interview with James Reston of the New York times:

"Incidentally, how old are you, Mr. Reston?" Khrushchev asked the Times columnist in 1957. Reston responded: "Forty-eight" and Khrushchev answered: "I think that you can live to see the time when a Communist society is built, and you will then regret that you came to understand the advantages of socialism too late."

To the Communists, the "advantages of socialism" means a society completely controlled and directed by an atheistic totalitarian central state authority: the "big brother" of Orwell's "1984" and the Gulag servitude described so vividly by Solzhenitsyn for those who dissent. Before saying "it can't happen here," it would be well to leaf back through the pages of the last 60 years of history for a synopsis of six decades of Communist conquests.

RED EXPANSION

The year 1917 saw the abdication of Tsar Nicholas of Russia, a legitimate provisionary government established by Kerensky, subsequently overthrown by Lenin's small band of Bolshevists, and the beginning of Communist expansion.

By 1920 the countries of Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural. North Caucasia and Ukraine were annexed to Lenin's new Red empire. In 1922 Turkestan and the Far Eastern Republic were added and in 1924 Mongolia.

In 1939 the Soviets received secret advance approval from Nazi Germany to seize the Baltic States of Latvia, Lithuania and Estonia. These three states of more than six million non-Russian citizens were absorbed into the USSR after an "election" supervised by Moscow's Red Army.

At the same time, the Soviets and Nazi Germany entered into an agreement, in August, 1939, to divide Poland. Later driven out of the country by the Nazis, the Red Army reoccupied the area in 1944 and added a 70,000 square mile chunk of Polish territory to the USSR. This forced nearly 12 million persons—a population exceeding that of the Netherlands in a land area equal in size to the combined areas of Austria and Hungary—under the yoke of Communism.

It was also in 1939 that the Soviet Union attacked Finland. The Finns fought back but lost 10 percent of their territory. On Sept. 19th, 1944, the Finnish government was forced to surrender 18,000 miles of territory to the USSR and 450,000 citizens were forced to find new homes rather than live under Communism.

In June, 1940, the Soviet Union sent an ultimatum to Romania that the Red Army would occupy Bessarabia and northern Bukovina—another deal made between the Kremlin and Hitler. Thus 19,446 square miles of Romania, with a population of nearly four million, were swallowed up by the USSR.

SOVIET OCCUPATION

On Dec. 7th, 1941 the Japanese attacked the U.S. at Pearl Harbor, launching World War II. Germany and Italy declared war on the U.S. four days later. During the four years that followed, the Soviets were able to acquire additional territory while fighting former friends and co-expansionists, the Nazis.

For example, the Red Army occupied northern East Prussia, annexing 5,418 square miles and forcing at least a million people to flee from such cities as Koenigsberg, Tilsit and Insterburg—renamed, respectively, in Russian: Kalingrad, Sovetsk and Chernyakhovsk.

The small, independent country of Tannu Tuva with 65,000 citizens was incorporated, against its will, into the USSR in October, 1944 as war raged throughout Europe and the Far East. With the end of the war and Japan's surrender on Aug. 14th, 1945, the Soviets annexed 17,850 square miles of Japanese territory, in Southern Sakhalin and the Kurile Islands as reward for the USSR's token six-day participation in the war against Japan.

The Soviets, in addition, occupied North Korea in 1945 and established a "people's government" composed of Russian-trained Communists. Over 13 million North Koreans became Communist captives four years later, in 1948, when the USSR blocked the United Nations from holding free elections and the Kremlin's trained puppet, Kim Il Sung, declared a "democratic people's republic" with no ballots cast.

1945 was a busy year for the Soviet imperialists: the eastern-most province of Czechoslovakia, Ruthenia—population 731,000—was incorporated into the USSR, giving the Kremlin 4,900 square miles of strategic military access to both Czechoslovakia and Hungary. The Communists seized all of the Czech nation on Feb. 25th, 1948 with the Soviet Red Army situated on its border.

Out of the ashes of World War II, more Soviet satellite nations were being added to the list of captive lands. In 1946 Albania—occupied by Italy during the war—was taken over by Enver Hoxha, a Communist functionary. The same year Bulgaria and Yugoslavia fell.

Bulgaria, with 8.7 million citizens, was partner to Hitler's Axis but, ironically, did not declare war on the Soviet Union—only against the U.S. and Britain. The Germans and Italians invaded Yugoslavia in 1941 and the country fell in one week. By 1943, the patriot Gen. Draja Mikhalovich and Communist Josef Broz Tito were engaged in open civil war for control of the country.

Yugoslavian Communists made no move against Hitler's forces until the Nazis started marching toward Moscow at which time Tito declared that "the war of the Soviet Union is your war" and, despite some minor disagreements, his "independent" brand of Communism has always followed the Moscow line.

Catholics under communism

Poland	33, 000, 000
Czechoslovakia	8, 000, 000
Yugoslavia	6, 900, 000
Hungary	6, 500, 000
U.S.S.R.	4, 000, 000
East Germany	1, 700, 000
Romania	1, 000, 000
Albania	200, 000
Bulgaria	59, 000
Vietnam	2, 700, 000
China	2, 000, 000
North Korea	100, 000
Laos	35, 000
Cambodia	14, 000
Cuba	4, 600, 000
Total	70, 808, 000

Poland, the most Catholic country in Europe, fell to the Communists in 1947. When Hitler and the USSR's Stalin signed their non-aggression pact in 1939, that move paved the way for the extermination of six million Poles—half of them Jewish—and the deportation of another 2.5 million to Germany as slave laborers. In 1944, Soviet troops deliberately remained outside the city of Warsaw and allowed the Nazis to crush the Warsaw ghetto uprising. It was discovered later that Stalin's forces also murdered some 10 thousand Polish military officers and buried their bodies in a mass grave in the Katyn Forest.

MORE MILLIONS

Soviet troops invaded Romania in 1944 and by 1947 had set up a Communist dictatorship. At the Potsdam Conference when it was suggested that free elections be allowed in this country of 21 million citizens, Stalin vetoed the idea saying "a freely elected government would be anti-Soviet and that we cannot allow!"

Hungary (pop. 10.5 million), East Germany (pop. 17 million) and Mainland China (pop. 800 million) were all taken over by the Communists in 1949. There were no free elections then or any time since. In Hungary, two years before, the Communists got only 22 percent of the popular vote. Soviet police crashed into the East Berlin Senate Building on Sept. 6th, 1948 and drove out members of the assembly who were elected under supervision of the post-war Allied occupying forces. There has been no freely elected government in East Germany to this day.

In 1966 when the Hungarian Freedom Fighters rose up against their Communist dictators, Soviet tanks crushed the youthful revolt and 200,000 Hungarians fled to the West. The heroic Joseph Cardinal Mindszenty—imprisoned by both the Nazis and the Communists—was given refuge in the U.S. Embassy in Budapest from 1956 to 1971, a symbol of defiance and bravery in face of Communist persecution of his fellow countrymen.

The greatest mass murderer of all time, Mao Tse-tung, declared a "people's republic" of Mainland China on Oct. 1st, 1949. When the Soviets departed from Manchuria after World War II, they left behind great masses of war material which Mao confiscated and used against the anti-Communist forces of Chiang Kai-shek. From the summer of 1946 to February, 1948, the U.S. State Department refused to grant licenses for the export of weapons to Chiang, hoping such a tactic would force China to form a coalition government with the Communists. In the end, it meant victory for Mao's forces and the exodus of millions of Chinese to Taiwan.

The betrayal of China was so disgraceful that young Congressman John F. Kennedy—elected our 35th U.S. president in 1961 and assassinated by Communist Lee Harvey Oswald in November, 1963—declared as follows:

"Our policy in China has reaped the

whirlwind. . . so concerned were our diplomats and advisors with the imperfections of the diplomatic system in China after 20 years of war that they lost sight of our tremendous stake in a non-Communist China. This is the tragic story of China. . . . What our young men had saved, our diplomats and our President have frittered away."

Closer to home, only 90 miles from the U.S. long-time Communist guerrilla Fidel Castro came to power in Cuba on Jan. 1st, 1959, sending a half-million refugees in flight to the U.S. Thousands of others have been imprisoned while Castro has reinstituted the practice of slavery by importing African children to work on Cuba's collective farms.

EASTWARD PUSH

Beginning in 1950, Communism found new territories to conquer in the Far East. Mao sent troops to occupy Tibet, a country twice the size of Texas, in 1950. Of some 1.2 million citizens over 20,000 fled to India.

In 1924 the Kremlin selected a man named Nguen Ai Quac to conduct espionage and subversion in Vietnam which was then under French rule. From 1946 to 1954 French troops battled guerrillas led by Quac who changed his name to Ho Chi Minh and he controlled North Vietnam by 1954.

France pulled out of Vietnam and the U.S. sent military advisors to Saigon in 1955. By 1975, when the last American soldier departed and South Vietnam fell to the Communists, we had spent $150 billion fighting a war to "contain" Communism in North Vietnam. Over 57,000 U.S. citizens lost their lives in battle and, after Vietnam, the countries of Cambodia and Laos succumbed to Communism in 1975.

Today's headlines tell the tragedy of these recent Communist victories. In Cambodia, close to one and one-half million citizens have been murdered by the Communists. In Laos, a nation of gentle rice farmers, tens of thousands are being "re-educated" to be Communists in harsh work camps; more thousands have fled to Thailand.

The New York Times of May 17th reveals that 125,000 Vietnamese "boat people" are living in crowded, unsanitary refugee camps waiting for some country to offer them asylum, and at least 400,000 to 600,000 more are hoping to flee from Communist captivity.

Elsewhere Communism is advancing rapidly: in the Mideast in Iran and Afghanistan to mention only two nations; in Africa where the Kremlin is financing and supporting Cuban troops who are "exporting" revolution to Angola and Mozambique; in South and Central America where Castro-trained guerrilla movements are waging hit-and-run attacks and acts of terrorism from El Salvador to Brazil.

TOTAL ENSLAVEMENT

In only 60 years, Communist imperialism has swallowed up over two million square miles of free nations and territories with a population close to one billion who would never have chosen to live under the Communist hammer and sickle.

Compare these figures to the former territories of the U.S., Great Britain, France and other nations that have sought to implement the principles of self-determination and independence since World War II. More than 60 new, independent countries, with a population over 10 billion, have come into existence since the defeat of the Axis powers. Some of those newly free nations have already fallen to the Communists. Others, as April, 1979 Political Affairs, points out, are on the Kremlin's hit-list.

As with all the Captive Nations, the same methods will be used to bring about their fall: demonstrations, agitation, infiltration, intimidation, deceit, subversion and—finally—total control and enslavement.

To the Communists, that total control means forever. Never, in six decades have Communist China or the Soviet Union granted independence to a country once it has been enslaved under Communist imperialism.

The week of July 15th, 1979 liberty-loving U.S. citizens will once again commemorate Captive Nations week. How many of your friends, neighbors and associates realize that the freedoms they take for granted are denied to millions living under Communism? Remind them by ordering and distributing reprints of this Report. And don't forget to offer your prayers for all our persecuted brothers and sisters who keep the faith under the most repressive conditions in Communist nations throughout the world.

Mr. Speaker, I am especially pleased that the distinguished Governor of Illinois, James R. Thompson; and the mayor of Chicago, Jane M. Byrne, issued very timely proclamations for Captive Nations Week, and wish to insert them as part of my remarks, along with a special message from Pope John Paul II, as communicated by the Most Reverend John Jadot of the U.S. Apostolic Delegation.

[State of Illinois]

PROCLAMATION

Americans enjoy the freedoms that peoples in captive nations do not know. The rights we take for granted are fought for every day by those who do not rule themselves.

Each year, the third week in July is set aside for commemoration of captive nations. Here in Illinois, the Captive Nations Observance in Chicago is July 20th, highlighted by a National and Human Rights Rally.

In the hope that all peoples throughout the world may find their freedom, I, James R. Thompson, Governor of the State of Illinois, proclaim July 15–21, 1979, Captive Nations Week in Illinois.

James R. Thompson,
Governor.

Alan J. Dixon,
Secretary of State.

[Office of the Mayor, City of Chicago]

PROCLAMATION

Whereas, freedom is a priceless heritage of American citizenship and the people of this nation deplore enslavement of a political nature wherever it may exist; and

Whereas, all who enjoy the blessings of liberty are joined in sympathy for the people of more than twenty currently captivated nations, and applaud all endeavors to regain independence; and

Whereas, great numbers of the residents of this city have ties of relationship and cultural backgrounds to citizens of the captive nations and are deeply resentful of the deprivation of self-determination; and

Whereas, under auspices of the Captive Nations Friends Committee there will be a Human Rights Rally on July 21 in the Daley Center Plaza:

Now, therefore, I, Jane M. Byrne, Mayor of the City of Chicago, do hereby proclaim July 21, 1979, to be Captive Nations Observance Day in Chicago and urge all citizens to take cognizance of the special events arranged for this time.

Dated this 11th day of June, 1979.

Jane M. Byrne,
Mayor.

SPECIAL MESSAGE

Pope John Paul II greets those gathered in the Richard J. Daley Plaza to observe the Captive Nations Week. He joins you in prayer that the freedom of the children of God may be enjoyed by all our brothers and sisters throughout the world.

"The Church has always taught the duty to act for the common good and, in so doing, has likewise educated good citizens for each State. Furthermore, she has always taught that the fundamental duty of power is solicitude for the common good of society; this is what gives power its fundamental rights. Precisely in the name of these premises of the objective ethical order, the rights of power can only be understood on the basis of respect for the objective and inviolable rights of man. The common good that authority in the State serves is brought to full realization only when all the citizens are sure of their rights. The lack of this leads to the dissolution of society, opposition by citizens to authority, or a situation of oppression, intimidation, violence, and terrorism, of which many examples have been provided by the totalitarianisms of this century. Thus the principle of human rights is of profound concern to the area of social justice and is the measure by which it can be tested in the life of political bodies. (Pope John Paul II, *Redemptor Hominis*, n. 17)

May the grace of our Lord, Jesus Christ, the love of God the Father and the communion of the Holy Spirit be with you all.

John Jadot,
Apostolic Delegate.

Mr. Speaker, I am especially grateful and appreciate the cooperation from the gentleman from New York, Mr. Stratton, for the leadership he has shown in this year's commemoration of Captive Nations Week in the House. I am pleased to yield at this point to my colleague from New York.

The free world continues to be threatened by Communist military activities, subversion, espionage, and diplomatic maneuvering, but we must not lose sight of the fact that the "Achilles' heel" of the Soviet Empire is the intense nationalism of the captive peoples who suffer under the harshness of Communist rule. Given the opportunity, the peoples of the captive nations will reject the Communist dogma and the Communist governments, and our annual commemoration of Captive Nations Week and our yearlong emphasis on this subject will ultimately produce the breakup of the Soviet Empire and bring about the restoration of freedom and legitimate government to those captive of communism.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for yielding.

I am pleased to join my colleague from Illinois. In the years I have been here the gentleman has always taken the lead in this important week, along with our distinguished colleague from Pennsylvania. I know my colleague, the gentleman from Illinois, feels as many of us do there is a tendency to let time blacken out events and to forget but I think what we are saying today is that some of us will never forget and will never forget until the captive nations are freed and I thank the gentleman for keeping this flame alive.

Mr. Speaker, I am pleased to be able to join so many of my colleagues today as we commemorate the 20th anniversary of Captive Nations Week. It is heartening to see so many Members of this body pausing to take note of this event. When millions of human beings are falling victim to tyrannical Communist regimes, it is most fitting that this body pause for a moment to reflect on the miserable failure of the so-called Carter human rights policy. Literally millions suffer daily in the Soviet Union yet Mr. Carter and Comrade Brezhnev carry on as if they were lifelong friends. The Carter SALT II treaty reflects that union.

I cannot help but think of the events that transpired a few weeks ago in Poland when Pope John Paul II returned to his homeland to a much-deserved hero's welcome. Millions of Polish people for a short time, for too short a time, had a glimpse of freedom, a ray of hope, only to see it shattered when the Pope returned to Rome. It was soon business as usual. Religious persecution is back in vogue.

For much too long, our foreign policy has reflected a failure on the part of the American Government to look out for the fundamental freedoms which should be entitled to all men in all nations. The Congress has looked the other way while persecution runs rampant behind the Iron Curtain. The President has whined about human rights in free Rhodesia but has merely offered lip service as he genuflects to the Brezhnev regime.

It is time to turn the tables. It is time to recognize the plight of our brothers around the world. Our party, the Republican Party, has long been out front in the promotion of human rights and freedom for all men. It was President Eisenhower who signed into law legislation which would commemorate this occasion. Until recently, the term "human rights" was one used primarily by Members on this side of the aisle. Now, the President has applied it to his special causes but not to the Communists.

It is good that we have this opportunity. I hope that the President, Andy Young, and the appeasers in the State Department take note of it, although I doubt they will.

Mr. HYDE. Will the gentleman yield, Mr. Speaker?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. HYDE. I thank the gentleman for yielding.

I, too, wish to salute the gentleman from Illinois (Mr. DERWINSKI) for his constant efforts on behalf of the captive nations. Their yearning for freedom is no less than our own and the ability of these people to continue to keep hope alive in no small measure rests on our support for their efforts.

The gentleman from Illinois (Mr. DERWINSKI) and others have been very vigilant in behalf of the captive nations, reminding us that freedom is indeed precious and communism indeed enslaves. I am proud to join with the gentleman from Illinois in this special order.

I thank the gentleman for yielding.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding. I am also most appreciative of the fact that the gentleman has taken this time of the House to make sure that the country as a whole realizes that we are aware that these people living in captive nations are ever in our thoughts and that we will not back away in our efforts to make sure that they some day again enjoy the freedom they once did.

The gentleman from Illinois is to be complimented for making sure that this House takes this time now to give adequate recognition to those people who long for freedom. There are so many of them it is hard to count in total numbers. We have not forgotten.

In all this discussion about human rights we clearly recognize that the human right of freedom is still important and a flame that burns very brightly in our thoughts.

I thank my colleague for yielding.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. DORNAN. I also would like to join the distinguished gentleman from Illinois who has been such a leader in this area, Mr. Speaker. It was with great pride that I asked a restaurant of about 50 Ukrainians last summer to join in a toast to the distinguished gentleman from Illinois (Mr. DERWINSKI). Smiles abounded and everyone raised their glasses on high. The reputation of the gentleman has spread literally across the face of the globe and the efforts he has put forth in this great legislative body to keep this memory alive and vivid and fully aware at all times that human rights does not just involve flawed dictatorships on the right side of the political spectrum but it also involves where the most massive affronts to human decency take place, in those nations still under the heel of communism, be it of the oriental variety or the Soviet variety.

I again thank the gentleman for taking the lead in this the greatest of all human rights issues, keeping alive the memory of the deep yearning of people in captive nations to breathe free.

Mr. DERWINSKI. Mr. Speaker, I cannot help but express my appreciation for the forceful support of the gentleman from California who normally is one of the quiet, unassuming Members of this body.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman very much for yielding.

I, too, would like to join with my colleagues in praising the gentleman from Illinois for keeping alive the idea of captive nations. I think it is really appropriate that tonight as we are here remembering these people who live in the captive nations under the heel of tyranny that our own U.S. State Department has been participating in activities to put another nation into the rolls of those captive nations and that is our friends and neighbors in Nicaragua in Latin America.

I would hope that the Members of this body would pay attention and take heed of what is going on today in Nicaragua with Anastasio Somoza having recently resigned from office. The man is a West Point graduate, who has a wife, who is an American citizen, and owns property in Miami, who is being threatened by our State Department, that if he does not hand over his government to the Communists of the Sandinista, that they will extradite him from the United States.

I would hope through this effort of Captive Nations Week, looking back at the past failures of the American foreign policy, of weakness and sellout to the Communist adversaries that we have, when we look at the nation of mainland China, Cuba, and others that have fallen due to the aid and abetment of members of the U.S. State Department, that we would, as Members of this House, voice our objection to what is going on today in handing over Nicaragua to the Communists and try to remember the human rights of those people who live in Nicaragua who might like the opportunity to live in some kind of society where they could have an opportunity to choose for themselves what their lives should be.

I thank the gentleman very much for bringing this to the attention of this body.

● Mr. YATRON. Mr. Speaker, in 1959, the United States 86th Congress resolved that the third week in July each year should be designated as "Captive Nations Week." The observance of this week every successive year has reiterated America's support for the people of captive nations' struggle for freedom and the right to determine their own destinies.

We are here today to speak out on behalf of those who cannot speak for themselves, for those millions of people who are forced to live without freedom and the right of self-determination.

Freedom and persecution are two incompatible states. People who live in the free world, as we are privileged to do, cannot truly comprehend how it is to live without liberty and dignity.

The plight of the enslaved people of the world, however, can serve to remind us of how essential and precious freedom truly is, and what its loss can signify. It can serve to show us that the natural right of all men is to be free and that the world must realize a universal understanding of the need for all people to be allowed to exercise their inherent right of self-determination.

Let all of us who respect human rights and freedom unite together in common purpose to assure freedom and peace for mankind, by deeper understanding and unity in the free world so we can better support the enslaved people in their struggle for freedom.●

● Mr. LEDERER. Mr. Speaker, I would ask that the Members of the House pause from the regular business of the day to remember the people of the world who do not enjoy the privileges and freedoms which we, as Americans, so dearly cherish. This 20th anniversary of Captive Nations Week provides a poignant reminder of these nations who do not have the opportunity to determine their own policies, who do not have the opportunity to chart their own course on the international sea and who do not have the opportunity to determine for themselves what programs can best achieve a better life for their people.

The American system of Government epitomizes the successful struggle against the oppression of tyranny to gain the fruits of liberty. Yet, if we do not recognize tyranny where it exists and speak forthrightly against it, our ideals become a mockery. That is why it is so vitally important for the Congress to recognize this important anniversary.

As I stand here today, millions of people find their homelands under the control of a foreign power on whose policies they have no influence, yet whose policies directly affect their daily lives. The once proud, independent states of central and eastern Europe now find themselves the surrogates of the Soviet Union. Our old allies of Southeast Asia have become pawns of the U.S.S.R. Even more disturbing, the great peoples of Ukraine, of Georgia, of Estonia, of Latvia, and others now are not even allowed their own identity.

But when we think of captive nations, we cannot only consider those people of other than Russian ancestry. There are many Russians who are held captive within their own nation. Minorities and dissidents are treated as undesirables and denied the civil liberties which we view as God-given rights.

Therefore, as a free and proud Nation, let us never lose sight of those countries who aspire to that same position. Let us remember them in our words and in our deeds so that some day all mankind can be proud of the freedoms in their own independent homeland.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I am proud to participate in the observance of Captive Nations Week, and to commemorate the brave struggles of Eastern European peoples in maintaining their national identities. The crux of Captive Nations Week is that nations of individuals have basic human rights. We must not be afraid to take steps to promote the basic rights of captive nations. We must not be afraid of antagonizing the Soviets. As the trials of Viktoras Petkus and others have so graphically demonstrated, the Soviet Government has little regard for basic individual rights, let alone those of entire nations.

The purpose of this week is to express support for all nations held in submission by the Soviet Union, among the many nations are Bulgaria, Latvia, Lithuania, Hungary, East Germany, Poland, and Romania. Within the past 6 years the Soviet influence has been felt in lands ranging from Vietnam to Laos to Angola. The Iron Curtain is wider than at any time ever. The United States does not and will not forget our brothers and sisters imprisoned behind the formidable Iron Curtain.

The Soviet Government has for the last three decades dominated and controlled the lives of those who reside within their boundaries. That denial of human dignity has shown itself in many ways, including the separation of families, the imposition of restrictions upon freedoms of speech, travel, and religion. and the exiling and imprisonment of those who still dare to speak out against oppression in their native lands.

The almost daily indignities to which the people are subjected should serve as a constant reminder to all of us that the freedom which we take for granted is still denied to millions of men and women.

Unless the United States takes the lead among the free nations of the world in support of the citizens of captive nations, the tragedies of these individuals will be magnified by the Soviet Empire's assimilation of East European countries. The brave struggles of these nations to maintain their national identities even after decades of Soviet occupation evidence the strength of these peoples. The United States must do everything possible to bring about the day when freedom will reign once again on these people.

There is no doubt that the captive countries continue to struggle against suppression and suffering and cry out for help—and they particularly look to our Nation whose concerns have always been the preservation of freedom and human rights. As a result we as a nation must also preserve and speak out in this struggle—to stand for freedom and dignity throughout the world. In this way, we can, in a spirit of compassion, determination and encouragement give hope for all people who are yet denied their God given rights of religious, cultural and national expression.

The headlines of the past month have served to remind us of the ever present tyranny and the courageous struggles which continue daily for freedom. During the recent visit to Poland by the Pope, the Poles stood by the church though it is officially condemned. This is a sign that the passion for liberty has not waned.

Captive Nations Week is not a pleasant observance. Not for us. Not for the peoples of the captive nations. And, I would hope, not for the Soviets. Nor should it be. I look forward to the day when we will no longer have to hold this observance, that day may finally come when no nation will be deprived of independence, freedom, and human rights.●

● Mr. BLANCHARD. Mr. Speaker, this week we commemorate the 20th anniversary of Captive Nations Week. It is a time that has been set aside for the past 20 years to take note of the plight of the citizens of Latvia, Lithuania and Estonia who continue to suffer under the yoke of Soviet domination.

On this sad anniversary I want to bring to the attention of my colleagues an international agreement which was signed by the Soviet Union and Nazi Germany in August of 1939. This agreement became known as the Molotov-Ribbentrop Pact, and it demonstrates how the Baltic States came to be considered as captive nations.

The article which I am enclosing along with my statement was sent to me by the Joint Baltic American National Committee. It clearly describes the consequences of the Molotov-Ribbentrop Pact—an agreement which would serve as the basis for denying the people of the Baltic region their human and national rights. What is perhaps most appalling is that the forceful domination of the Baltic States still goes on today, long after the demise of Nazi Germany.

The article, quite understandably, raises the question of whether the Soviets still consider the Molotov-Ribbentrop Pact as a treaty in force. Can there be any clearer indictment of the Soviet Union's forced annexation of the Baltic Sea than the fact that those Soviet actions resulted from this agreement with Nazi Germany?

I hope that my colleagues will join with me in reaffirming support for the struggle to bring freedom and independence to the Baltic States of Latvia, Estonia and Lithuania.

The article follows:

STATEMENT BY THE JOINT BALTIC AMERICAN NATIONAL COMMITTEE

The Molotov-Ribbentrop Pact: Still in existence After Forty Years?

Almost forty years ago, on August 23, 1939, the Soviet Union and Nazi Germany concluded the Molotov-Ribbentrop Pact, a treaty of non-aggression between the two which set the stage for the Second World War. Per secret protocols attached to the agreement, the two dictatorial powers divided East Europe into their spheres of influence, with Poland being allotted to Germany and the Baltic States of Estonia, Latvia and Lithuania to the USSR. All four countries were independent at the time.

The consequences of this infamous pact are evident today as the illegal Soviet annexation of the Baltic States continues and Soviet armies remain as occupying forces in the Baltics and in Poland. While Nazi Germany's partnership to this pact has long since been nullified, Soviet claims per the treaty have yet to be repudiated. Do the Soviets still hold to the Molotov-Ribbentrop Pact and its secret protocols as a treaty in force?

The Molotov-Ribbentrop Pact, named for the respective co-signing Soviet and German foreign ministers of the time, constituted a diplomatic settlement of the potential differences in the territories between the two powers and made it possible soon thereafter for both to attack and divide Poland, and for Germany to risk entry into war with the Western nations.

In the Baltic countries, the events following the signing of the pact clearly spelled out intentions of the USSR. By threat of force, the Soviets imposed on the Baltic States so-called mutual assistance pacts which allowed Russian military bases on Baltic soil. A full scale invasion of Soviet troops followed, and by late June, 1940, all three countries were occupied. With the Western powers involved in war with Germany, and with Germany having agreed to freedom of action for the Soviets in the Baltic area, the three Baltic countries stood alone in the face of the Soviet military juggernaut.

In line with orders from the Kremlin—and with the Red Army in full military control—Soviet agents forced illegal governments upon the Baltic peoples and staged fake elections of puppet parliaments. These Soviet controlled parliaments in turn petitioned for admission of the three Baltic countries into the USSR. Thus, the complete annexation of the independent Baltic States was accomplished in less than two months after their military occupation and in less than a year after the signing of the Molotov-Ribbentrop Pact.

The beginning of the Baltic tragedy goes back to this Soviet-Nazi agreement, one which totally disregarded principles of national and human rights. There can be no true peace and stability in Europe as long as these principles remain grossly violated and the right of self-determination is not accorded the Baltic and other East European peoples.

JULY 1979.●

● Mr. MARKS. Mr. Speaker, this week, for the 21st time, we will be observing Captive Nations Week. After a resolution which was jointly authorized by Congress and signed into law by President Eisenhower in 1959, this week has been observed annually. It commemorates those brave persons held captive under communism, and will continue to be commemorated each year until they have achieved freedom from domination.

I appreciate President Carter's human rights positions and his attempts to improve the plight of people around the world who are suffering from repression. But I regret that not enough has been done for those who live under the tyranny of communism. The extraordinary outpouring of affection showered on the Pope during his recent visit to Poland amply demonstrated the unconquerable will and determination of these people, who have lived without independence or individual freedoms for so many years. Yet they will not bow their heads in submission to the state.

We, as a nation which stands for human rights and dignities, must support these brave people in their struggle against suppression. As the nations of Armenia, Bulgaria, Czechoslovakia, East Germany, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania continue to persevere in their quest for freedom, they should know that the citizens of the United States support them. I, for one, am proud to speak out loudly for those who cannot do so themselves because of the tyranny of their government.●

● Mr. PEYSER. Mr. Speaker, it is both an honor and a tragedy to speak in commemoration of Captive Nations Week. It is an honor to speak in support of those nations and people both within and without the Soviet Union who continue to suffer under its domination, but still struggle to regain their independence and retain their culture and nationality. The tragedy lies in the fact that we must still honor these brave people in their struggle and cannot celebrate with them the realization of a yet unattained goal.

The massive Soviet political machine with its huge resources of manpower, industry, and military might, has systematically sought to deprive its minority nationalities of their social, cultural, and religious liberties.

The Soviet Union has summoned every sinister tool of the modern nation-state in its efforts to dominate and "Russify" these captive peoples.

We all know of its armed intervention in such countries as Hungary and Czechoslovakia and of its psychiatric prisons and "Gulag Archipelago." We are all familiar with the mass collectivizations in the Ukraine and mass deportations which occured after annexation of Lithuania and the other Baltic States.

But we must also remember the less immediately damaging but more sinister and, and in the long term, more destructive means utilized to dominate these people. I speak of the systematic suppression of the history, language, art, and religion of these various nations. How long can these people continue to maintain their culture when their only means to obtain a decent education or advancement in careers and professions is through the state-run, Soviet dominated schools and military-industrial structure? To seek to maintain a decent living standard then, requires deliberate assimilation into the Soviet mass culture.

Yet despite this gloomy picture, the citizens of the Soviet bloc countries and those within its boundaries remain strong and defiant and always ready to demonstrate their desire for freedom. This is demonstated in the outpouring of Polish citizens to meet their own Pope John Paul II on his visit to his homeland. Despite years of official suppression of the Catholic Church these brave people turned out in the millions to register their determination to maintain their religious heritage.

The desire for freedom is demonstrated in the actions of men like Michal Kukabaka of Byelorussia or Mykola Rodenko and Oleksiy Tykhy of the Ukraine. These brave nationals have suffered the horrors of Soviet psychiatric hospitals and official harrassment for seeking to obtain basic human rights for their countrymen.

We are here today to honor these nations for their courage and determination. We are here today, and we will be here next year and the next to offer our spiritual support to these people and to keep the spirit of hope and peaceful defiance alive.

One day we will celebrate with them the realization of their goals.●

● Mr. PATTEN. Mr. Speaker, on this, the 20th anniversary of Captive Nations Week, it is more important than ever to recognize that the basic freedoms we, in the United States enjoy are still being denied to other peoples of the world.

We must be aware that those inside the captive nations have longed for the basic unalienable rights we hold dear—freedom of speech and freedom to live one's life as one chooses—since 1940. Instead they have faced persecution, deportation, imprisonment, and murder under Communist control.

Since 1920, 30 nations have relinquished their freedom to Communist powers involuntarily. Today, it is evident that as the hundreds of thousands of people "voted with their feet" by fleeing the Communist takeovers in Europe, the Indochinese refugees are renouncing the persecution and fear generated by the Communist leaders in Asia. Our eyes are being turned by these teeming thousands to the captive nations of tomorrow.

It is important therefore, that the United States of America continues to recognize and applaud all oppressed people who have demonstrated their desire to resist and overcome their oppressors. As a nation, let us not lose sight of the brave people of the Captive Nations. Let us look to the day when we can celebrate their hard-won independence.●

● Mr. ANNUNZIO. Mr. Speaker, this 20th anniversary of Captive Nations Week—July 16–21—should be a time when all Americans and their leaders reaffirm their dedication to the ideals of liberty and to their duties as a free people, and express their concern in the strongest possible terms for the millions of unfortunate men and women who must live in those nations enslaved by the dismal tyranny of communism.

In Chicago, this important event will be observed on Saturday, July 21, with a National Human and Religious Rights Rally at Richard J. Daley Plaza, coordinated under the able direction of Chairman Viktors Viksnins of the Captive Nations Week Observance Committee. Valentyn Moroz, the Ukrainian patriot who was recently released from Soviet prison, will be a guest at the rally and I was glad to have a part in his release through legislation in Congress.

Pope John Paul II has sent a message to those observing Captive Nations Week in Chicago, and a copy of that message delivered through the Apostolic Delegate in the United States follows, as well as a copy of the program of events and a press release issued by the Captive Nations Week Observance Committee:

MESSAGE OF POPE JOHN PAUL II

Pope John Paul II greets those gathered in the Richard J. Daley Plaza to observe the Captive Nations Week. He joins you in prayer that the freedom of the children of God may be enjoyed by all our brothers and sisters throughout the world.

"The Church has always taught the duty to act for the common good and, in so doing has likewise educated good citizens for each State. Furthermore, she has always taught that the fundamental duty of power is solicitude for the common good of society; this is what gives power its fundamental rights. Precisely in the name of these premises of the objective ethical order, the rights of power can only be understood on the basis of respect for the objective and inviolable rights of man. The common good that authority in the State serves is brought to full realization only when all the citizens are sure of their rights. The lack of this leads to the dissolution of society, opposition by citizens to authority, or a situation of oppression, intimidation, violence, and terrorism, of which many examples have been provided by the totalitarianisms of this century. Thus the principle of human rights is of profound concern to the area of social justice and is the measure by which it can be tested in the life of political bodies. (Pope John Paul II, *Redemptor Hominis*, n. 17)

May the grace of our Lord, Jesus Christ, the love of God and the Father and the communion of the Holy Spirit be with you all.

——— ———,
Apostolic Delegate.

PROGRAM OF EVENTS

Saturday July 21, 1979:

Starting time 10:30 a.m.—Posting of Captive Nations Flags and placing of wreath by Eternal Flame in commemoration of all Captive Nations.

12:00 noon—National Human and Religious Rights Rally.

Program:

1. Musical selections by "Chicago Federation of Musicians Band."
2. Procession of Flags.

3. Opening Prayer.
4. Opening Remarks.
5. National Anthem.
6. Reading of Proclamations and Resolutions.
7. Musical numbers.
8. Guest Speakers.
9. Main Speaker.
10. Benediction.

Captive Nations Observance, July 1979

The Captive Nations Committee, is participating in the observance of the 20th annual Captive Nations Week, July 16–21. "The Captive Nations Week" was authorized by a joint resolution of Congress on July 17, 1959, Public Law (86–90), which authorized and requested President Dwight D. Eisenhower to issue a Proqlamation designating the Third Week in July as, "Captive Nations Week", and to issue a Proclamation the third week of July, of each year, until such time as freedom and independence shall have been achieved for all the Captive Nations. Similar proclamations have been issued each year by the Governor of Illinois and the Mayor of Chicago.

Presently, the thirty national groups composing the Captive Nations are: Armenia, Azerbaijan, Bielarus, Georgia, Idel-Urel, North Caucasia, Ukraine, Turkestan, Mongolia, Estonia, Latvia, Lithuania, Albania, Bulgaria, Serbia, Slovakia, Croatia, Slovenia, Poland, Czechoslovakia, North Korea, Hungary, East Germany, China, Tibet, Vietnam, Cuba and others.

We of the Captive Nations Committee, choose this occasion in reaffirming the right to independence for all people subjugated by Communist Governments.

We of the Captive Nations Committee, commemorate this occasion as, a remembrance to our oppressed countrymen and share in their sorrow. On this occasion we wish to remind the American people of the plight and aspirations of the Captive people of East Europe, Asia and Cuba and to remind the American people that they too can lose their rights and freedom, if they abandon their vigilance.

We choose this occasion to remind and to declare that the Captive people have a right to exist as free people, they have rights which, are presently denied them by force, but, the exercise of which, deserves to be and must be restored if we are to live in a just and peaceful world.

We choose this occasion to let the Communist Governments know that its crimes do not go unnoticed, but are known to the world, that world opinion and common decency are on our side and that, we will let its crimes present and future, against the captive nations, be known until such time as the Captive Nations are free.

The 20th annual Observance of Captive Nations Week will be held on Saturday July 21, 1979 in the Richard J. Daley Plaza. There will be a National Human and Religious Rights Rally starting at 12:00 noon.

Featured guest speakers will include Congressmen Martin Russo, Henry Hyde, city and community leaders. The main speaker will be dissident Valentyne Moroz, just recently released from a Soviet Prison.

Mr. Speaker, I firmly believe that we as Americans should take a strong stand in defense of the rights of oppressed peoples. As Americans, we are able, when many millions of others are not, to make choices as to where we will live and travel, and how we will raise our children. The recognition that others are not as fortunate in maintaining their cultural and religious heritage must drive us relentlessly toward action on behalf of the peoples of the captive nations.

I am proud to join my constituents of the 11th District of Illinois, which I am honored to represent, as well as those all over the city of Chicago and our Nation who are observing Captive Nations Week. It is my hope that the time will not be too distant when the totalitarian form of government can be overcome and each country can function as a strong independent nation in a free world.

Copies of the Captive Nations Week proclamations by the President of the United States, Hon. Jimmy Carter; the mayor of Chicago, Hon. Jane M. Byrne; and the Governor of Illinois, Hon. James R. Thompson, follow:

A Proclamation by the President of the United States of America

Twenty years ago, by a joint resolution approved July 17, 1959 (73 Stat. 212), the Eighty-Sixth Congress authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

However greatly the world has changed in the past generation, our country's fundamental faith in human freedom remains constant. Americans now, as at all times in our history, remain steadfast in our belief that liberty and national independence are among the universal birthrights of mankind.

Remembering our democratic heritage and our commitment to human rights, let us take this occasion to reaffirm our admiration for all the men and women around the world who are committed to the cause of freedom.

And mindful of our own rich and diverse heritage, let us express our compassion and respect for persons around the world still seeking the realization of these ideals in their own lands.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate the week beginning July 15, 1979. as Captive Nations Week.

I invite the people of the United States to observe this week with appropriate ceremonies and activities and to reaffirm their dedication to the ideas which unite us and serve as inspiration to others.

In witness whereof, I have hereunto set my hand this twenty-second day of June, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

Proclamation

Whereas, freedom is a priceless heritage of American citizenship and the people of this nation deplore enslavement of a political nature wherever it may exist; and

Whereas, all who enjoy the blessings of liberty are joined in sympathy for the people of more than twenty currently captivated nations, and applaud all endeavors to regain independence; and

Whereas, great numbers of the residents of this city have ties of relationship and cultural backgrounds to citizens of the captive nations and are deeply resentful of the deprivation of self-determination; and

Whereas, under auspices of the Captive Nations Friends Committee there will be a Human Rights Rally on July 21 in the Daley Center Plaza:

Now, therefore, I, Jane M. Byrne, Mayor of the City of the Chicago, do hereby proclaim July 21, 1979, to be Captive Nations Observance Day in Chicago and urge all citizens to take cognizance of the special events arranged for this time.

Dated this 11th day of June, 1979.

JANE M. BYRNE,
Mayor.

Proclamation

Americans enjoy the freedoms that peoples in captive nations do not know. The rights we take for granted are fought for every day by those who do not rule themselves.

Each year, the third week in July is set aside for commemoration of captive nations. Here in Illinois, the Captive Nations Observance in Chicago is July 20th, highlighted by a National and Human Rights Rally.

In the hope that all peoples throughout the world may find their freedom, I, James R. Thompson, Governor of the State of Illinois, proclaim July 15–21, 1979, Captive Nations Week in Illinois.

JAMES R. THOMPSON,
Governor.●

● Mr. DINGELL. Mr. Speaker, I am proud to join with my colleagues and the people of all free nations in a solemn commemoration of the 20th anniversary of Captive Nations Week. At this time we reflect upon the plight of millions of oppressed individuals living in Central Europe, in the U.S.S.R., Asia and Cuba, and reaffirm our fundamental commitment to safeguarding the human rights and individual freedom of all peoples.

It is inconceivable that the conscience of an enlightened, modern humanity can accept a world in which fellow men are still enslaved by the propaganda and pestilence of Communist regimes. The perpetuation of our heartfelt principles for self-determination is ultimately dependent upon the realization and protection of universal human rights. The millions of brave people who still strive for a release from their tyrannical enslavement and free men alike will be well-served by the direction of educational, social and economic efforts to support expressions of national spirit and aspirations for freedom.

The difficulties endured by the Indo-Chinese refugees and the trip, last month, of Pope John Paul II to his native, Communist Poland serve as reminders of the continuing drive for physical and spiritual freedom. In these, and in many other ways, Mr. Speaker, we are assured of the reality of mankind's united quest for freedom and motivated to assist, in all practical manners, those who, in captive societies, live in the absence of basic human rights.●

● Mr. GILMAN. Mr. Speaker, I join my distinguished colleague, the gentleman from Illinois (Mr. DERWINSKI) in this special order designating July 15–21 as Captive Nations Week.

This week marks the 21st anniversary of Captive Nations Week, an observance initiated by a unanimous vote of the 86th Congress, urging us to remember the oppressed nations and to reaffirm their dedication to the ideals of freedom, human rights, and national independence.

The repression of human rights has always been the heart of "captive cause." When the Helsinki Conference on Security and Cooperation in Europe was signed in 1975, it raised the hopes of many captive people throughout the world. Millions have had their hopes and aspirations washed up on the beach of false promises. However, a few have been partially, or entirely, successful. Mark Dymshits, had originally been sentenced to death, however world outcry forced the Soviet Union to commute the sentence to 15 years. He, along with Alexander Ginzburg, who had been sentenced to 8 years at hard labor, as well as Georgi Vins and Valentin Moroz, were all released in the recent dramatic exchange for the two Soviet spys held by the Americans. Many others have also managed to emigrate. This is not to say that we may become complacent with these achievements. The number of those still suffering is overwhelming.

Anatoly Shcharansky is still imprisoned despite the efforts of literally thousands of people to see him released. As his health deteriorates the need for his liberation becomes imperative. Mr. Shcharansky stands as a symbol of all those who suffer from the ongoing repression and punishment which occurs under the captivity of communism.

It has been noted that liberty is a virtue few men aspire to because it demands courage in the face of adversity and perseverance amidst acquiescence. Yet the people of captive nations exemplify this virtue daily. The Poles, despite official condemnation, actively support the church. In the past years miners from Upper Silesia as well as teachers and students alike from the Pope's hometown of Wadowice disregarded government edicts to stay in class so they could not go and honor the Pope. The Ukrainians resist attempts to smother their native language. The Georgians, Lithuanians, Estonians, and Latvians are all demanding greater cultural autonomy. These are indeed hopeful signs that the passion for liberty is unabated and that the pursuit of this elusive goal is not in vain.

Our Nation carries a great burden and responsibility as the leader of the free world and the champion of oppressed peoples everywhere. We take for granted many of the rights that the citizens are denied in these captive nations. In honoring the struggle of these people we may also stop to contemplate and cherish our own personal and national freedom. Our Nation was founded on the principles of liberty and democracy as spelled out in our Constitution and Declaration of Independence. The human right of freedom knows no political or geographical boundaries, and we who have lived under a free government for all of our lives must be perpetually concerned with the plight and struggle of these captive peoples.

For those who doubt what is at stake in the contest between freedom and barbarism we say: "Let them look today at the captive nations." One can see human nature put to the rack, and one can view the havoc and slaughter consuming hundreds of thousands in Cambodia. And above all, let us not forget the current plight of those individuals, such as Shcharansky. Their incarceration is the norm, not the exception in the Soviet Union. In his letter to the Soviet leaders, Solzhenitsyn calculated that 66 million souls have been liquidated by the Communist Party of the Soviet Union, and only God knows how many millions have suffered a similar fate in Communist China.

Despite misgivings about détente, we can see that it has eased—if only slightly—the burdens of the citizens of some of the captive nations. Our collective efforts have born some fruit. But let us have no illusions. While seeking cooperation and understanding with the Soviets, we must never be lulled into the fascile assumption that our objectives and theirs have somehow coalesced. Political captivity with all its tragic implications remains an agonizing reality, and we must never relinquish our fervent hope for freedom and national self-determination.

Mr. Speaker, should we lag in our assistance to the captive nations the words of Churchill, in "The Gathering Storm" may well become the epitaph of our generation:

> How the English speaking peoples
> Through their unwisdom,
> Carelessness, and good nature
> Allowed the wicked to rearm.

I urge my colleagues to join in this commitment and express their dedication to those families not so fortunate.●

● Mr. CLINGER. Mr. Speaker, I feel it fitting on this, the 20th anniversary of legislation proclaiming Captive Nations Week, to reflect on the state of personal freedoms and basic human rights in today's world. I would also like to take this opportunity to touch upon those freedoms we as a people enjoy, lest they be taken for granted in a world where freedom often has an empty meaning.

Today, a significant portion of the world's population is forced to endure hunger, pain, and oppression by governments whose policies deny even the most basic of human rights. The ongoing oppression behind the Iron Curtain and the tragedies of Southeast Asia and areas of Africa and Latin America should stand as monuments to what man is capable of inflicting upon his fellow man; particularly when respect for life and the rights of the individual are held in total disregard.

It is my sincere hope that this respect, the cornerstone of American democracy, be continually safeguarded here at home and promoted throughout the world. I believe that America has a responsibility to further the advancement of human rights, personal liberty, and perhaps most important, foster the respect among men that leads to true freedom and the development of mankind's potential.

Mr. Speaker, in summary I would like to offer my conviction that all Americans reflect on the great nature of our own freedoms, and that we earnestly endeavor among the world's oppressed to replace terror with liberty, degradation with respect, and tyranny with freedom.●

● Mrs. FENWICK. Mr. Speaker, this week we are commemorating the 20th anniversary of Captive Nations Week—a time for all Americans to reflect upon the hardships of those in Eastern Europe who are less fortunate than ourselves.

As a member of the Helsinki Commission, I am particularly disturbed that human rights—which we consider basic and fundamental—are being blatently denied. Mr. Speaker, day in and day out, people are being persecuted: views, beliefs and dreams are repressed. Many are imprisoned, their only "crime" being the pursuit of religious freedom.

Although I am hesitant to single out any specific example of these abridged human rights, I want to take this opportunity to call attention to two Lithuanian patriots, champions of the cause of justice and liberty, who are now locked away in Russian prisons and labor camps. These "Prisoners of Conscience" are Viktoras Petkus and Balys Gajauskas. Each of these men has spent over 30 years of their lives intermittantly serving jail sentences for advocating independence and just treatment for the citizens of Lithuania.

Captive Nations Week serves as a strong reminder of the condemnable injustices being practiced throughout our world. We in the United States must continue our unswerving commitment to those suffering from this undeniable aberration of human rights. During this week let us honor these brave souls who suffer at the hands of tyrannical governments, and pledge ourselves to alleviating their conditions as soon as humanly possible.●

● Mr. CLEVELAND. Mr. Speaker, it is time once again for an annual proclamation of Captive Nations Week. It is especially appropriate for the citizens of the United States to reflect on the hardships and suffering inflicted upon the peoples of those nations unwillingly under Communist rule. Just as the people of our great Nation fought for freedom 203 years ago, so too must we dedicate ourselves to the preservation of peace and the right to self-determination for all freedom-loving countries.

The observance of the 20th Annual Captive Nations Week permits us to reflect on our own liberty and to examine the plight affecting people around the world who are tyrannized by Communist or dictatorial regimes. Our freedom places upon us a responsibility to work for independence in every country that aspires to be free.

Upon scanning the globe, significant circumstances stress the seriousness of the situation in captive nations. The trials and imprisonment of Soviet human rights activists along with the continued harassment of Russian emigrants attempting to join their families abroad demonstrate, time after time, flagrant violations of the Helsinki accord. Not to mention the unabated expulsion of thousands of "boat people" from Vietnam, cast adrift with only a marginal chance of survival. These are but a few of countless examples of Communist dictatorships usurping the rights and freedom of many people.

While America and other democratic nations enjoy the fundamental right to religious freedom, citizens of Communist countries must struggle to gain that basic right. Such is the case in Romania where church officials are oppressed and sometimes even face imprisonment by the government. Perhaps the most uplifting event to take place this year was Pope John Paul II's visit to his homeland of Poland. Even though the Polish Government tried to diminish the impact of his visit, the government could not suppress the zeal and enthusiasm of the multitudes who greeted the Pope. It was a symbolic visit portraying the spirit of millions of people in Communist nations who long for religious and personal freedom.

The tribute to Captive Nations Week is a good beginning toward the establishment of world peace. America is, and always has been, in position to lead the struggle for peace and freedom. We, as proud Americans dedicated to this vital cause, must use our strength to lead world opinion in such a direction that the countries we commemorate during this week gain the chance to enjoy as we do the blessings, and awesome responsibilities of freedom.●

● Mr. LENT. Mr. Speaker, as a long-time participant in the Captive Nations observance, I welcome this opportunity to address my colleagues on this the 20th anniversary of Captive Nations Week. In July of 1959, President Eisenhower approved the legislation that became Public Law 86-90 and set into the law of the land our commitment as a Nation to the basic human rights of the subject peoples in the Soviet Empire. With enormous foreign policy decisions in the offing such as Senate ratification of SALT II, it is particularly appropriate that our gaze once more turns to these nations imprisoned by the totalitarian oppression of the Soviet Union.

The list of Captive Nations compiled by the National Captive Nations Committee, Inc., saddens my heart with its mournful litany of Soviet imperialism and encroachment upon the territorial integrity and self-determination of free states, formerly as sovereign as we are today. In 1920, as other Western nations stood idly by, Armenia, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, and the Ukraine fell to the Soviet Bolsheviks. In 1939 with Western Europe about to pay the bloody price of appeasement and the United States content with its ostrich-like isolationism, freedom ran out for Estonia, Latvia, and Lithuania. The Stalin regime, already stained beyond belief by rivers of innocent blood, made its unholy pact with Nazi Germany. Whole populations from the Baltic States were deported to Siberia, where they disappeared into the gaping maw of the Gulag Archipelago. Before 1946 had closed on the war-weary peoples of Europe, Stalin had engineered the overpowering of Albania, Bulgaria, and Yugoslavia. Poland and Romania followed the next year with Czechoslovakia close behind, falling to slavery in 1948.

My colleagues, if only this list of statistics could speak, the cries of millions of tortured, oppressed peoples would split apart the family of nations with piercing clamor. We must never forget these brave peoples and must continue pressing for that day when they will again breathe the fresh air of freedom, liberated from the depths of the dank dungeons of the Soviet geopolitical machine.

To those who doubt that these peoples desire freedom and autonomy, I say look to the example of Poland. The historic journey of Pope John Paul II to the country of his birth tapped the wellsprings of the Polish people who graphically displayed their will to be free and to worship according to the dictates of the heart, not the paranoid demands of Soviet commissars. Who could view the millions of cheering Poles, young and old, without being stirred to the very core? Our Nation was itself founded on the bedrock of such aspirations of the human spirit to be free and to worship God in open assembly.

In closing, let us remember that the United States stands as a beacon of hope to these millions of peoples. As a bulwark of democracy, the United States has the honor and responsibility to champion the cause of freedom worldwide, so that, freedom and self-determination may once more come to the courageous people in these captive nations.●

● Mr. PEPPER. Mr. Speaker, distinguished colleagues, I come before you today with deep concern for the Baltic States, Latvia, Estonia, and Lithuania—which have remained under the repressive occupation of the Soviet Union since the invasion of Soviet troops in 1940, following the signing of a secret pact between Nazi Germany and the Soviet Union in 1939. Today these countries are still occupied by the Soviet Union and are not able to function as independent nations. This is clearly a violation of the human rights of free political expression of the peoples of these countries.

You know I have always been concerned about this harsh condition and other human rights violations, such as prompted me to introduce House Congressional Resolution 103 which urges the reestablishment of religious freedom in the Ukraine.

For further details on this important issue I recommend to you the following article by the Joint Baltic American National Committee.

STATEMENT BY THE JOINT BALTIC AMERICAN NATIONAL COMMITTEE

The Molotov-Ribbentrop Pact: Still in Existence After Forty Years?

Almost forty years ago, on August 23, 1939, the Soviet Union and Nazi Germany concluded the Molotov-Ribbentrop Pact, a treaty of non-aggression between the two which set the stage for the Second World War. Per secret protocols attached to the agreement, the two dictatorial powers divided East Europe into their spheres of influence, with Poland being allotted to Germany and the Baltic States of Estonia, Latvia and Lithuania to the USSR. All four countries were indedependent at the time.

The consequences of this infamous pact are evident today as the illegal Soviet annexation of the Baltic States continues and Soviet armies remain as occupying forces in the Baltics and in Poland. While Nazi Germany's partnership to this pact has long since been nullified, Soviet claims per the treaty have yet to be repudiated. Do the Soviet still hold to the Molotov-Ribbentrop Pact and its secret protocols as a treaty in force?

The Molotov-Ribbentrop Pact, named for the respective co-signing Soviet and German foreign ministers of the time, constituted a diplomatic settlement of the potential differences in the territories between the two powers and made it possible soon thereafter for both to attack and divide Poland, and for Germany to risk entry into war with the Western nations.

In the Baltic countries, the events following the signing of the pact clearly spelled out the intentions of the USSR. By threat of force, the Soviets imposed on the Baltic States so-called mutual assistance pacts which allowed Russian military bases on Baltic soil. A full scale invasion of Soviet troops followed, and by late June, 1940, all three countries were occupied. With the Western powers involved in war with Germany, and with Germany having agreed to freedom of action for the Soviets in the Baltic area, the three Baltic countries stood alone in the face of the Soviet military juggernaut.

In line with orders from the Kremlin—and with the Red Army in full military control—Soviet agents forced illegal governments upon the Baltic people and staged fake elections of puppet parliaments. These Soviet controlled parliaments in turn petitioned for admission of the three Baltic countries into the USSR. Thus, the complete annexation of the independent Baltic States was accomplished in less than two months after their military occupation and in less than a year after the signing of the Molotov-Ribbentrop Pact.●

● Mr. ARCHER. Mr. Speaker, it is with pride and gratitude as a free American citizen that I join with my colleagues today in this commemoration of the 20th anniversary of Captive Nations Week.

As a nation committed to individual liberty and human dignity, we must never forget—and indeed must constantly work to help all nations to remember—that freedom is still only a distant hope for the millions of people behind the Iron Curtain who are subject to the iron rule of Communist regimes.

For those people, the United States of America remains the focal point for their dreams of liberty. They indeed see this country as the embodiment of the basic meaning of freedom.

We Americans all too often take that freedom for granted, accepting it as a God-given right, rather than as a precious privilege which we must continually defend against those who would take it from us.

During this commemoration of Captive Nations Week, let us all reaffirm not only our commitment to those people who are oppressed—but also to ourselves as a nation of people who must preserve and protect our own freedom so that we can continue our efforts to aid the oppressed peoples of the world.

We owe it to ourselves and those we are striving to help in their quest for freedom.●

● Mr. GREEN. Mr. Speaker, this week marks the 21st observation of Captive Nations Week, an important reminder to the people of the world who treasure personal freedom. Last Sunday, I had the privilege of participating in a march to St. Patrick's Cathedral in New York City in commemoration of Captive Nations Week. As Americans in New York, Washington, D.C., and throughout these United States well know, this week is a living memorial to the millions of people struggling for freedom under the heavy hand of oppression.

It is important for the United States to remind itself of the plight of Captive Nations, particularly, since our country has made human rights a cornerstone of its foreign policy.

We often cannot control events in other countries, but we cannot remain silent. We must continue to recognize the courage and suffering of the Captive Nations, because silence would legitimize the crimes perpetrated on these nations by their oppressors. I commend my colleague, Mr. DERWINSKI, for undertaking this effort today, and I would like to urge my colleagues to let the world know we will never forget the Captive Nations.●

● Mr. KEMP. Mr. Speaker, it seems that every day we open our newspapers and read of some State Department campaign for human rights in various pro-Western countries around the world. Concern is voiced over human rights policies in any number of Third World countries whose cause is politically popular with our representative at the United Nations or with the administration.

But the silence which resounds over the deprivation of human rights in the Captive Nations countries is shameful, and illustrates just one more area where this administration is reluctant to criticize even the most blatant violations of human and political rights in its long-term policy of appeasement with the Soviet Union. President Carter's proclamation designating this week as Captive Nations Week 1979 was one of the weakest proclamations every issued on this occasion. Not once is communism or Communist oppression mentioned in his proclamation—the strongest paragraphs state, "Remembering our democratic heritage and our commitment to human rights, let us take this occasion to reaffirm our admiration for all the men and women around the world who are committed to the cause of freedom. And mindful of our own rich and diverse heritage, let us express our compassion and respect for persons around the world still seeking the realization of these ideals in their own lands." President Carter has made the world's political oppression sound like a comfortable tea party.

Many of us in the Congress voted for a resolution this week introduced by Congressman ZABLOCKI, chairman of the House Foreign Affairs Committee, remembering the horrors of the Warsaw uprising and Polish resistance to the invasion of Poland during World War II. August 1, 1979, marks the 35th anniversary of the Nazi opposition in Poland led by Gen. Tedeusz Bor-Komorowski which lasted for 63 days against impossible odds, enduring extreme hardship, retribution, and personal sacrifice, which resulted in the tragic deaths of approximately 200,000 Poles. On September 1, 1979, the world will commemorate the 40th anniversary of the invasion of Poland by the Nazi Army and Air Force, followed 16 days later by the Soviet invasion from the East and the subsequent occupation of 13 million Poles by the Third Reich.

Yet at no time did the Polish people cease their resistance to tyranny and Communist totalitarianism. The invasion of Poland only created one of the most remarkable and advanced underground resistance movements in World War II. Poland did not abandon her homeland—she was abandoned by the Free World, which while voicing opposition to the Communist terror slowly subsided to a few warning voices backed by little substance.

Mr. Speaker, the fact that the National Captive Nations Committee has not succumbed to this official apathy toward the suffering millions behind the Iron Curtain gives me hope that the plight of those millions has not entirely been forgotten. The fact that its cause is not fully supported by this administration is disheartening. But I am confident that National Captive Nations Week has the strong support of the millions of Americans who have loved ones in those Communist countries, who are fearful every time the mail ceases to arrive, and who must organize just as we are organizing today to bring religious, political and human rights to these captive nations.

I have long supported efforts such as these, and such as effective congressional action to bring relief to the individual cases that become known to us of victimization by the Communist state behind the Iron Curtain. I am a cosponsor of numerous bills to ask the Soviet Government to put a halt to its harassment of Soviet Jews, and to allow them to emigrate to Israel and the United States. Last Friday, in preparation for National Captive Nations Week, I introduced legislation to urge the Communist nations to release a number of Christian political prisoners who have been incarcerated because of their religious or cultural beliefs, or because of their nationalistic activities in favor of freedom for the captive nations. Basket I of the Helsinki accords, which was signed by the Soviet Union and the other major Communist nations on August 1, 1975, specifically states, "by virtue of the principle of equal rights and self-determination of peoples, all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development."

A number of specific instances has been brought to my attention in the last few months of specific persons in Lithuania, Latvia, Russia, Estonia, Bulgaria, different states of Yugoslavia including Croatia, Romania, and Poland, who have been imprisoned, as well as persons of Albanian heritage in Yugoslavia and Hungarian persons in Romania, and persons in various other areas of the Soviet Union who have been harassed and incarcerated for conduct protected under the Helsinki accords. My legislation follows:

H. RES. 365

Resolution to express the sense of the House of Representatives that the leaders of the communist nations in Eastern Europe should release certain Christian political prisoners who have committed no crimes against the state according to the provisions of Basket I of the Helsinki Accords

Whereas Principle VIII of the Declaration of Principles in Basket I of the Final Act of the Conference on Security and Co-Operation in Europe, signed August 1, 1975 and hereinafter referred to as the Helsinki Accords, states that "by virtue of the principle of equal rights and self-determination of peoples, all peoples always have the right, in full freedom, to determine, when and as they wish, their internal and external political status, without external interference, and to pursue as they wish their political, economic, social and cultural development;"

Whereas the Soviet Union, Bulgaria, Poland, Yugoslavia, and Romania were signatories of the Helsinki Accords;

Whereas numerous Christian persons living in these countries have been incarcerated in violation of their basic human rights according to the provisions of the Helsinki Accords;

Whereas the Soviet government has imprisoned Balys Gajauskas, Algirdas Zipre, Petras Plumpa, Vladas Lapienis, Sergei Adomovich Kovalev and Viktoras Petkus, all of Lithuanian heritage, for conduct protected under the Helsinki Accords;

Whereas the Soviet government has imprisoned Maris Tilgalis, Janis Tilgalis, and Zanis Skudra, all of Latvian heritage, for conduct protected under the Helsinki Accords;

Whereas the Soviet government has imprisoned Igor Ogurtsov, Vladimir Osipov, Nazedhda Usoyeva, Maria Semenova, and Alexander Ororodnikov, all of Russian heritage, for conduct protected under the Helsinki Accords;

Whereas the Soviet government has imprisoned David Koop, Sergei Soldatov, Larissa Zaitsev, and Ludmilla Zaitsev, all of Estonian heritage, for conduct protected under the Helsinki Accords;

Whereas the Bulgarian government has imprisoned Ljubomir Sobadschiev for conduct protected under the Helsinki Accords;

Whereas the Yugoslavian government has imprisoned Davor Aras, Josip Bilusic, Nikola Novakovic, Miljenko Pehar, and Mato Rajic, all of Croation heritage, for conduct protected under the Helsinki Accords;

Whereas the Yugoslavian government has imprisoned Adem Demaci, Skender Kastrati, Hasan Dermaku, Osman Dumosi, Fatmir Salihu, Dzavid Dermaki, and Hilmi Ramadani, all of Albanian heritage, for conduct protected under the Helsinki Accords;

Whereas the Romanian government has imprisoned Ghejan Titu and Ion Gabriel, for conduct protected under the Helsinki Accords;

Whereas the Romanian government has imposed forced labor upon Karoly Kiraly of Hungarian heritage, for conduct protected under the Helsinki Accords; and

Whereas the Polish government has increased its harassment of certain citizens in violation of the guarantees of freedom of speech and thought contained in the Helsinki Accords: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) the leaders of the Soviet Union, Bulgaria, Yugoslavia, and Romania are urged to release the aforementioned political prisoners;

(2) the leaders of the Soviet Union and its satellite nations are urged to halt the practice of incarceration for non-criminal acts as defined in the Helsinki Accords; and

(3) the leaders of the Soviet Union and its satellite nations are urged to halt the official harassment of individuals who wish to practice their religion, observe their cultural traditions, or express political opinion according to the provisions of the Helsinki Accords.

I call upon my colleagues in the Congress to make this important cause a year-round one, with the full support of this body and the United States. Captive Nations Week cannot be a short-term affair. People who are being imprisoned for exercising their basic human rights need our constant help and vigilance. I urge the Congress and the President to make the freedom and guarantee of human rights in the captive nations a priority item on our national human rights agenda, and I commend the Captive Nations Committee for reminding us that we who are blessed with true freedom must remember the unfortunate ones that we have left behind the Communist Iron Curtain.●

● Mr. CONABLE. Mr. Speaker, this week we observe the 20th anniversary of Captive Nations Week. We Americans have enjoyed the blessing of freedom for over 200 years, but the freedom we take for granted is an elusive goal for many of the world's people. Our observance of Captive Nations Week tells the world that America remembers these people and cares about their fate.

In light of our policies of détente and arms control with the Soviet Union, it is especially important for us to reaffirm our commitment to the right of self-determination for the peoples of the Soviet bloc. Our desire to coexist peacefully with the Soviet Union must not be taken as an endorsement of their sometimes barbaric human rights policy; rather, we must continue to express our opposition to violations of human rights everywhere. The United States has an obligation to uphold the principle of national self-determination and the ideas of liberty and freedom.

I join my colleagues today in expressing concern for those around the world who do not control their own destiny. But more than that, I also express my fervent hope that as our relationships with these oppressive nations grow, so will the freedoms enjoyed by their peoples.●

● Mr. BOLAND. Mr. Speaker, once again we take time to observe Captive Nations Week. This will be our 21st observance of Captive Nations Week. It is a time that we should use to gather our thoughts on the destiny of these countries.

Since 1918, the Soviet Union has continued to maintain an Eastern European empire through their illegal, direct control of other nations such as Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Romania, East Germany, Bulgaria, and others. Many of these nations have been under Soviet rule for 61 years. The passage of time should only make us more aware of our responsibility to continue to support these people who look to us to bring back into their lives the independence and freedom they once knew.

It is vital to the national security of the United States that the desire for liberty in these nations be kept alive. This can be done by our own awareness of the plight of these people and our own commitment to remember in our hearts those nations who do not benefit from a free form of government. We must keep alive the ideals and values of our Founding Fathers which laid the foundation for our own form of government. These guiding principles have made the United States the world standard of freedom and independence for more than 200 years. It is our moral obligation to continue to press for the independence of the captive nations of Eastern Europe.●

● Mr. NOWAK. Mr. Speaker, amid the problems and distractions of everyday life in the United States, we in America often take for granted the many benefits this great country has to offer. We are all blessed with liberty and the opportunity to pursue our individual happiness, while citizens in other countries, not so fortunate, are ruled in the grips of communism.

Twenty years ago, Congress enacted Public Law 86-90. This law established Captive Nations Week, during which we recognize and pay tribute to the brave people who live under Communist domination.

Communism has deprived these people of the most important possessions they have—their personal and political freedoms. Communist influence in Europe, Asia, and other scattered parts of the world denies the natural rights of millions of human beings. It is indeed deeply regrettable that even a single person must live under these oppressed conditions.

The realization that such oppression does indeed exist is gripping. Still, it serves by contrast to illustrate how fortunate we are to live in this great country of the United States of America. Each American is guaranteed his freedom, and in today's world, we should at times stop and be thankful.

In addition to causing us to pause to count our blessings, Captive Nations Week observances should also signal our undying hopes that all mankind eventually will share similar freedoms and an improved quality of life. Thus, Captive Nations Week is a beacon—beaming rays of hope beyond the Iron Curtain and elsewhere.●

● Mr. HANLEY. Mr. Speaker, I wish to take this opportunity to commemorate the 20th anniversary of Captive Nations Week. The justification for Captive Nations Weeks was forcefully stated by the Congress in Public Law 86-90:

> The desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace . . .

Captive Nations Week is not a celebration but a reminder of the plight of millions of people in Eastern Europe who have suffered the anguish of 34 years of Soviet domination. I stand before this body today to publicly salute the people behind the Iron Curtain who have not given up hope and to pledge my continued support for their desire to someday exercise their inalienable right to self-determination.

As every Member of this great body is aware, the list of abridgments of basic human rights within the Soviet sphere are numerous and well documented. Although these violations of basic rights are too numerous to recount here, they serve as a constant reminder to the American people that in our dealings with the Soviet Union we encounter a government quite different from our own. The Soviet Union is a state which rules rather than governs; a state which forces its citizens to follow rather than lead. Let not the American people forget this difference and the injustice it creates.

It is my hope that the actions and prayers of the American people will serve as a constant source of strength for the East European people, enabling them to endure pain and sorrow. The United States should continue to stand as a beacon of hope to all those who remain behind the Iron Curtain and should not let the world overlook their suffering.●

● Mr. BROOMFIELD. Mr. Speaker, Captive Nations Week, 1979, assumes a special significance, not only because it is the 20th anniversary of congressional action decreeing that the United States should recognize the need for freedom in the captive countries, but also because of recent American efforts to more fully assess our political, economic, and military relationships with the Soviet Union and the Peoples' Republic of China, the two largest "captive empires."

Recent congressional debate ranging from the foreign policy issues of strategic arms limitations to United States-Taiwan relations is providing a forum for not only addressing American economic and military policies toward the USSR and the PRC, but also political and human rights issues which are often inextricably related to a better resolution of economic and security problems between countries.

For many years, the issue of human rights has been at the heart of the "captive cause." In Central and Eastern Europe, as well as in Asia, the Soviet Union and Red China have extended their "empires," entrapping millions of people under the yoke of communism.

Over the decades, many of these "captives" have managed to persevere in their struggle against the Communist empires for national and individual rights. At the same time, however, the Communists have continued to strongly suppress the captives' efforts to be free.

Through terror and deceit, the Communists have been ruthless in their efforts to control the captive peoples of Europe and Asia. In particular, the Soviets have made numerous attempts to harass, humiliate and "Russify" the people of their empire. Recently, Mr. Robin Knight, chief of the U.S. News & World Report bureau in Moscow, stated that individual dissent in the Soviet Union is more harshly handled now than 5 years ago. Moreover, he acknowledged that the Soviets have continued the commitment to ruthlessly suppress nationalism in "republics" like Lithuania and Georgia. All the while, the media, the arts, science and education remain totally party dominated.

Heartless and deceitful Communist activities in "empires" like the Soviet Union not only undermine the spirit of détente but also the spirit of individuality. The recent harassments, arrests, and exiles of Soviet dissidents, the persistent Soviet repression of stubborn opposition to "Russification," are indicative of the mindset of the Communist leadership. Moreover, these activities tend to undermine the spirit of such international agreements as Helsinki and SALT to which the Soviets are signatories.

To be sure—the present conditions in the "empires" of the Soviet Union and the Peoples' Republic of China are disturbing—yet they are not without hope. As the Congress continues to assess our relationship with these two Communist powers, the United States should continue its efforts to promote and advance its concern for better human rights conditions in all "captive areas." In this way, we can, as a Nation professing the principles of human freedom and dignity, help to provide new encouragement to those who yet remain the captives of Communism.●

● Mr. McCLORY. Mr. Speaker, on the occasion of this 20th anniversary of Captive Nations Week, we must once again give heed to the solemn truth this event identifies. I refer to the ongoing suppression inflicted upon the people of the Baltic States of Estonia, Latvia, and Lithuania, which are under Soviet domination.

The far-reaching consequences of Soviet rule over these nations lies in the deprivation of basic human rights. Millions of people are, in essence, never enabled to experience the freedom which our country so proudly professes—and which so many of us take for granted.

Mr. Speaker, the people of the Baltic nations of Estonia, Latvia, and Lithuania, have struggled throughout many years to regain freedom—and independent status for their respective countries. It is important that we respect the freedom of the individual and work to achieve this goal in other nations as well. We who are able to speak against tyranny, should do so in support of those whose cause is weakened by the unrelenting suppression imposed upon them by another government.

Mr. Speaker, it is my privilege to have within my district, a large, active community of Estonians, Latvians, and Lithuanians. They are to be commended for their many efforts to retain, in this free Nation, the worthy heritages of their Baltic homelands. They are also to be credited for their earnest efforts to assist their fellow countrymen in the struggle to regain their valued right of liberty.

It is on such an occasion as Captive Nations Week that we must remind ourselves of the precious gift of freedom and rededicate ourselves to the end that our combined efforts may some day help restore liberty in the captive nations as well.●

● Mr. ROE. Mr. Speaker, I join with our colleagues, Congressman DANIEL FLOOD of Pennsylvania and EDWARD DERWINSKI of Illinois, in the commemorative salute to the people of captive nations throughout the world on the 20th anniversary observance of Captive Nations Week, July 15 to 21, 1979.

During Captive Nations Week it is appropriate that we here in America join with all freedom-loving peoples in reasserting our dedication to achieving universal understanding and sympathy from the world-wide international community of nations to halt the usurpation of the states and fundamental rights of the oppressed people of captive nations whose religious and cultural freedoms as well as their right to emigrate are being rejected by an unjust and cruel exercise of authority.

The 86th Congress adopted Public Law 86-90 in condemnation of the imperialistic policies of Communist Russia which subjugated the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, Romania, East Germany, Bulgaria, Armenia, Azerbaijain, Georgia, North Korea, Albania, Udel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others. The President was also authorized and requested by this congressional resolution to issue a proclamation each year designating the third week of July as "Captive Nations Week" until such time as freedom and independence is achieved for all of the captive nations of the world.

In subsequent sessions, Members of Congress have consistently recorded our denunciation of the Soviet annexation of the Baltic area in resolutions which I had joined with many of our colleagues in sponsoring expressing the sense of the House of Representatives in the nonrecognition of the Soviet Union's annexation of the Baltic nations. We have voted unanimously, with no one dissenting, strongly affirming our agreement for the adoption of this tenet on behalf of the just cause of the Lithuanians, Estonians, and Latvians in the USSR.

The enactment into Public Law 94-304 on June 3, 1976, of the legislative measure which I also sponsored establishing a Commission on Security and Cooperation in Europe to monitor international compliance with the Helsinki Accord also reaffirms our fullest dedication to seeking international communion and international understanding of the plight of these oppressed people to help restore their basic human rights to freedom of thought, conscience, and religion.

Mr. Speaker, I trust that our congressional recognition of the seriousness of the plight of the people of the captive nations of the world will help hasten the solution that will remove Soviet domination, unjust treatment, discrimination, and oppression of the human rights of the individual and achieve national sovereignty for the states of these courageous people, insuring their rightful place in international communion with all nations and all peoples throughout the world.●

● Mr. BUCHANAN. Mr. Speaker, in one sense, it is unfortunate that again I find myself addressing Congress about the repressive treatment of the people of the captive nations, for this fact serves largely as a tragic indicator that effective progress for greater freedom within their nations has not occurred. The people of Ukraine, Latvia, Lithuania, Poland, and many other nations still lie victim to the intolerable forces of the Communist tyranny. Even when a day is brightened—hope revitalized—with news of the release of several Soviet dissidents, the fall of night brings the reality of personal freedoms, denied, religious persecution, and justice continuing a myth.

We may count our blessings for the undeniable freedoms we have today. Those rights did not come easily. From our forefathers' blood, sweat, and tears, we gained our independence—the right to follow the immortal words of Thomas Jefferson, that:

> * * * all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness.

However, the people of the captive nations cannot feel so blessed. There is no security within their lives—there are limited rights. There is subjugation, denial, and despair. They struggle to gain the most basic of rights, but are cast down again and again as in Hungary in 1956 and Czechoslovakia in 1968. They live and breathe as you and I, yet their joy for living is forever dampened by the heavy cloud of Communist oppression. Although they cherish as highly the concepts embodied by Jefferson's words of freedom and equality, they are forthrightly denied the luxury of living and growing under its auspices.

I am not here to cast a gloomy picture, but rather to outline a realistic one that we must face. Certainly, we cannot ignore action already taken in behalf of the captive people—as in the Helsinki Accords guaranteeing certain political, social, cultural, and religious freedoms; or the Helsinki watch groups that continue to investigate and publicize breaches of the accords within the Soviet bloc; and, most importantly, the determination of the captive nations' people who, in the face of terrible adversity, fight on courageously to procure their basic rights. But we cannot also ignore the fact that the Soviet rulers do continue to violate these accords by harrassing and imprisoning citizens who wish to practice these freedoms. We must speak out against these flagrant abuses in the name of humanity so that some day those now with no voice may do the same; those with no prayer may worship freely; those with no peace may live without fear.

It is our responsibility as leaders of the free world to continually remind the Soviet hegemonists of their immoral actions. It is our responsibility to direct world public opinion so as to focus attention on the plight of the brave people of the captive nations. If we continue to push strongly for human rights in harmony with the internal struggle of the captive nations' people, then we all can look forward to the day that will finally dawn when the Sun will shine brightly down on an earth of free and peaceful spirits.●

● Mr. FLOOD. Mr. Speaker, the 20th anniversary of Captive Nations Week is being observed in States across this country and abroad. It was 20 years ago that Congress passed the Captive Nations Week Resolution which President Dwight Eisenhower signed into Public Law 86-90.

Indeed, the annual week has become a national institution providing a forum for fruitful and constructive discussion of foreign policy issues. Though many are still unaware of this truth, at the root of most of these dominant issues is the existence and reality of the captive nations—not only in Central-East Europe but also within the Soviet Union, in Asia, and in Cuba. It is incomprehensible, for example, to evaluate SALT II in void of the analytical captive nations framework.

20TH PERSPECTIVES

Mr. Speaker, numerous observations and reflections can be made about the captive nations movement these past 20 years. In his current article on "The Stalking Bear and the Mute Eagle," which is circulating as a congressional reprint, Dr. Lev E. Dobriansky of Georgetown University presents a number of observations.

What has always impressed me is the vehemence that Moscow and its satraps have shown in their opposition to the Captive Nations Week Resolution. On record, no freedom-oriented measure on our part has been the target of Soviet Russian condemnation for so long and with such intensity as has been Public Law 86-90. Those who understand the law do not wonder about this consistent reaction on the part of Moscow.

For further observations on the week, I request the following be appended to my remarks: Public Law 86-90, President Carter's proclamation of the 1979 week, message of the National Captive Nations Committee, an article "Captive Nations Ideology Could Ruin Red Empires," an editorial in America "Captive Nations Week—1979," and an article by John P. Roche, "Are There Some Cracks in the Bloc?"

PUBLIC LAW 86-90; 73 STAT. 212

(S.J. Res. 111)

Joint Resolution providing for the designation of the third week of July as "Captive Nations Week".

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Viet-Nam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That:

The President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

Approved July 17, 1959, by President Dwight D. Eisenhower.

CAPTIVE NATIONS WEEK, 1979—JUNE 22, 1979

(By the President of the United States of America)

A Proclamation

Twenty years ago, by a joint resolution approved July 17, 1959 (73 Stat. 212), the Eighty-Sixth Congress authorized and requested the President to proclaim the third week in July of each year as Captive Nations Week.

However greatly the world has changed in the past generation, our country's fundamental faith in human freedom remains constant. Americans now, as at all times in our history, remain steadfast in our belief that liberty and national independence are among the universal birthrights of mankind.

Remembering our democratic heritage and our commitment to human rights, let us take this occasion to reaffirm our admiration for all the men and women around the world who are committed to the cause of freedom.

And mindful of our own rich and diverse heritage, let us express our compassion and respect for persons around the world still seeking the realization of these ideals in their own lands.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate the week beginning July 15, 1979, as Captive Nations Week.

I invite the people of the United States to observe this week with appropriate ceremonies and activities and to reaffirm their dedication to the ideals which unite us and serve as inspiration to others.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-second day of June, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER

NATIONAL CAPTIVE NATIONS COMMITTEE, INC.

This July 15–21, the 20th Anniversary of Captive Nations Week will be observed here and abroad. Public Law 86-90, initiated by Congress and signed by President Eisenhower in July 1959, calls on all of us to raise our freedom voices for the captive nations in Central Europe, in the USSR, Asia and Cuba. Far more applicable than it was in '59, the law has long underscored the national human rights of more than 2 dozen captive nations, which tends to be soft-pedaled in current policy.

In accordance with the law your expressive participation in the "20th" is respectfully requested. Purposely following our own Independence Day, the annual Week has not only been a commemorative event hopefully expressing the spirit of national independence toward all the captive nations; it has also provided a national forum for realistic discussions of prevailing issues inextricably related to them and us in mutual interest. Much progress has been made in the past 20 years to show that both the USSR and the PRC are the two last remaining empires on this planet, each consisting of captive nations. For any of our officials to refer to either as "a nation" or "a country" simply distorts reality and augurs ill for our policy determinations.

On this "20th" certain basic questions should be soberly considered. "How could Salt II be intelligently assessed without logical reference to the ultimate captive nations analytic framework?" We urge you to read the Congressional reprint sent you on "The Stalking Bear and the Mute Eagle." Further, isn't it odd that the Vienna communique made no reference to human rights? Pope John Paul, who knew Nazis as well as Communists, paved the way adroitly for human rights during his Poland trip when he said, "Is it not what the Holy Spirit disposes that this Polish Pope, this Slavic Pope, should at this precise moment manifest the spiritual unity of Christian Europe?" Congress can translate this courageous pointer into concrete action by passing S. Con. Res. 9 and H. Con. Res. 72, pressing for the resurrection of the Stalin-genocided Ukrainian Orthodox and Catholic Churches in Ukraine. As to trade with the 2 Empires, let's realistically apply the poltrade concept with general amnesty for all political prisoners. This is no moment to be bamboozled by the Russian "missile steamroller"; before World War I, the last Tsar bamboozled the West with his "human steamroller". Let's face reality, advance our arms, do what is right, and Moscow and Peking cannot possibly win.

With all gratitude for your participation and best regards,

Sincerely,

LEV E. DOBRIANSKY,
Georgetown University.

"CAPTIVE NATIONS IDEOLOGY" COULD RUIN RED EMPIRES

(By Robert Shaw)

("Russia" and the "Soviet Union" are not one and the same. Within the USSR are a number of separate and distinct nations whose peoples are being held captive by the communist government of Moscow. The lie of the Soviet nation-state must be dispelled.)

WASHINGTON.—Successfully applying the "Captive Nations ideology" will enable the United States to overthrow and dismantle the two remaining empires in the world, says America's foremost authority on the Captive Nations.

"The Captive Nations ideology must be in the forefront" of any conflict between the U.S. and either (or both) of the communist empires—the USSR and Red China," Dr. Lev E. Dobriansky told The Spotlight.

"If we do not shed the notion of the Soviet Union and the People's Republic of (Red) China each ostensibly being a nation-state, then we will never understand either state, its motives, objectives or behavior," he said.

Dr. Dobriansky, chairman of the National Captive Nations Committee (NCNC), has spent years refining and enhancing the "Captive Nations ideology"; it is the product of decades of study which enabled him to perceive the nature of the world's last two empires.

Fortunately, Dr. Dobriansky's findings and unique insights are available through the many books and articles he has written on the USSR, the Captive Nations and related subjects; earlier this year, two lengthy articles by Dr. Dobriansky were placed in the "Congressional Record."

SOVIET RUSSIAN IMPERIALISM

"Any nation which has fallen under communist domination primarily as the result of Soviet Russian imperialism is a Captive Nation," Dr. Dobriansky explained, stressing the semantic significance of the term "Soviet Russian."

It is "utter nonsense" to call the USSR a nation, he said, or to use the misleading appellation "Soviet people."

Dr. Dobriansky reiterated (and emphasizes throughout his writings) that the many peoples who make up the USSR are all victims of Soviet Russian imperialism.

It is a grave mistake, he said, to brand the many nationalities and ethnic groups in the USSR with the broad Soviet label; it is an even greater error to unthinkingly use "Russian" interchangeably for the captive nationalities of the USSR.

VITAL MOVEMENT

In addition to grasping the ethnic diversity of the USSR, and the role of the Soviet Russians as the prison-empire's wardens, Dr. Dobriansky said, there is one more "conceptual obstacle" which must be overcome by many within the anti-communist movement.

It is a "conceptual obstacle," he explained, for anyone to think of the Captive Nations movement as merely being made up of refugees, emigres and so forth; the Captive Nations ideology is a vital movement embracing activists of all ages, nationalities and backgrounds, he pointed out. Dr. Dobriansky himself was born in New York; his ancestors were Ukrainian.

Dr. Dobriansky returned repeatedly to the necessity for understanding that the Captive Nations are victims of Soviet Russian imperialism.

CNL IS SCOREBOARD

Great care is taken, he said, in preparing the Captive Nations List (CNL), which is published by the NCNC. Dr. Dobriansky stressed that criteria (established by the precise definition of what constitutes a Captive Nation) must be met before any nation is placed on the list.

Thus, he said, some nations which other observers might have placed on the list are not officially considered Captive Nations; Dr. Dobriansky cited Angola, Ethiopia and other self-described "Marxist" states in Africa and Asia as nations which have casually been placed on captive nations lists in the past by others, but not by the NCNC.

"You can have Marxist governments in some countries which are not Captive Nations," he said. "They (some 'Marxist' dictators) know as much about Marxism as I know (about) how to read Sanskrit."

Dr. Dobriansky said the "Marxism" of some states in Africa is "not deep-seated. It's in a state of flux." If the U.S. and the West would act decisively, he predicted, the Red tide in Africa could be turned back.

Dr. Dobriansky counseled caution in branding nations "captive" indiscriminately.

At the other extreme, he said, are those seeking to deny the existence of individual Captive Nations; presaging a campaign to discredit the entire Captive Nations movement and ideology is the claim that some Captive Nations actually do not exist.

Dr. Dobriansky, however, refuted these scurrilous charges in the May 15 "Congressional Record"; he cited historical evidence of the existence of the two most-frequently-denied Captive Nations, Cossackia and Idel-Ural.

Dr. Dobriansky said that former Secretary of State Dean Rusk has recently been calling for the repeal of the law establishing Captive Nations Week. Rusk is not alone, either, Dr. Dobriansky wrote earlier this year in the "Congressional Record."

This year, Dr. Dobriansky said, Captive Nations Week observances will be held in at least these U.S. cities: New York (on July 15); Chicago (on July 21); Phoenix; San Diego; Buffalo, N.Y.; Boston; Pittsburgh, Cleveland; Syracuse, N.Y.; Philadelphia and New Orleans.

South Korea, the Republic of (Free) China on Taiwan and the Philippines will also be the sites of massive demonstrations in support of the Captive Nations and their oppressed peoples.

Dr. Dobriansky noted that Captive Nations Week was established in July so that it could follow Independence Day.

FREE CHINESE ENTHUSIASTIC

"The American Revolution was unique; it meant independence from an empire and symbolized the principles of self-determination and national independence," he said. Dr. Dobriansky contrasted America's "spirit of independence" with the "two empires of today," the USSR and Red China.

Earlier this year, Dr. Dobriansky visited the Far East. He said the spirit of Captive Nations Week is strong in the front-line anti-communist states of South Korea and ROC.

He said the Free Chinese are not at all distraught or depressed because President Jimmy Carter abandoned them: "On the contrary, they (the Free Chinese) want to intensify their (Captive Nations Week) activities."

Dr. Ku Cheng-kang will be in the U.S. to participate in Captive Nations Week observances in San Diego, New York and Washington, D.C. Dr. Ku is honorary chairman of the World Anti-Communist League and president of the Association of Civic Organizations in ROC. He is also publisher of "Asian Outlook," a monthly anti-communist journal circulated throughout the world.

Ukrainian nationalist leader Valentyn Moroz (SPOTLIGHT, June 4) will participate in Captive Nations Week Observances in Washington, D.C. Moroz was recently "released" (expelled) from the USSR.

PROCLAMATION COMING

A Captive Nations Week proclamation will be issued by President Carter, Dr. Dobriansky said; he said he was assured at the end of April that the proclamation would be issued. Carter would not agree to a formal White House ceremony in the Rose Garden, but will note in his proclamation that this is the 20th anniversary of Captive Nations Week, Dr. Dobriansky said.

Dr. Dobriansky agreed that the fervent reception Pope John Paul II received in Poland was "very significant" for the Captive Nations; he said religion could be a "very powerful" force in liberating the Captive Nations.

This applies, he said, not just to the Christian nations of Eastern Europe, but equally to the Moslem areas of Soviet Russian-occupied Central Asia, and to Red Chinese-occupied Tibet, where Buddhism retains adherents.

Despite the degree of liberty enjoyed by Polish Catholics, he pointed out religion is generally suppressed throughout the Captive Nations; in Lithuania, Soviet forces are "highly repressive" toward the church, and in Ukraine, the church is '"non-existent," he said.

There is a movement in Congress, however, to support resurrection of the Ukrainian Orthodox and Catholic Churches, Dr. Dobriansky said. Proposals have been made to promote world pressure in favor of re-establishing those churches.

Several years ago, Soviet dissident Andre Amalrik asked, in his book of that title, "Will the Soviet Union Survive Until 1984?"

Dr. Dobriansky said that there is no evidence which leads him to believe the USSR is on the verge of splitting up, "but that doesn't invalidate his (Amalrik's) basic thesis." Amalrik argued that ethnic nationalisms would sunder the USSR.

Amalrik may have only been incorrect as far as the year, Dr. Dobriansky suggested.

The two most potentially significant forces in the USSR are, Dr. Dobriansky said, nationalism and religion: "Historically, we've favored independence for nations; what happened to Eastern Europe?"

On the other hand, "if we don't wake up, and regain superiority . . ."

Dr. Dobriansky said that if the SALT II "arms control" treaty is ratified, it will hinder the likelihood that the captive peoples will realize their aspirations for liberty.

He added that the Carter administration is not taking advantage of developments and circumstances which might liberate the Captive Nations.

Dr. Dobriansky predicted "increasing dissidence" throughout the Captive Nations over the short run. "Not just in Europe, but in the USSR itself as well, even some in (Red) China."

It is "very important," he said, for the U.S. to press for the human and national rights of the captive peoples.

"Human rights can be the centerpiece of American foreign policy if we know what 'human rights' are"; Dr. Dobriansky said, explaining that Carter too often dwells on the civil rights of individuals, to the exclusion of the national rights of entire peoples.

You can obtain Dr. Dobriansky's "Congressional Record" articles by asking your representative for copies.

The articles appeared on pages 19083–19085 of the May 14 "Record" and pages 11195–11198 of the May 15 "Record." Both were placed in the "Record" by Rep. Dan Flood (D-Pa.) and are titled, respectively, "The Stalking Bear and the Mute Eagle," and "The CNL: The Solid Scorecard."

"These (the USSR and Red China) are the last two remaining empires in this world," Dr. Dobriansky concluded. "Each is made up of Captive Nations; this is the starting point for any intelligent analysis of these areas."

LIST OF CAPTIVES

The Captive Nations List (CNL) was developed 20 years ago by the National Captive Nations Committee. The list is carefully prepared, and certain criteria must be established before a nation is placed on it. This list was published in the May 15 "Congressional Record."

(Country and First Year of Communist Domination)

Armenia (Soviet part)	1920
Azerbaidzhan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkestan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia	1946
Poland	1947
Romania	1947
Czechoslovakia	1948
North Korea	1948

Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
Laos	1975
South Vietnam	1975

CAPTIVE NATIONS WEEK—1979

This month, July 17, 1979, twenty years have elapsed since passage of the Captive Nations Week Resolution and its enactment as Public Law 86-90, upon signing by President Eisenhower.

On June 22, 1979 President Carter issued this year's Presidential Proclamation of Captive Nations Week, in which he said that despite great changes in the world in the past generation, "our country's fundamental faith in human freedom remains constant. Americans now, as at all times in our history, remain steadfast in our belief that liberty and national independence are among the universal birthrights of mankind . . ." He further called for the expression of "our compassion and respect for persons around the world seeking the realization of these ideals in their own lands . . ."

So, the 20th anniversary of Captive Nations Week will be observed throughout the U.S. and the free world July 15–21, affording believers in freedom their foremost opportunity to rally in support of the victims of Soviet Russian imperialism.

From the very beginning of Captive Nations Week, the Kremlin has been denouncing the observances which undoubtedly had some impact on U.S. Presidents who, after President Eisenhower, saw to it that the proclamations were bland and weak. But the U.S. Congress still strongly champions Captive Nations Week and patriotic Americans demonstrate in support of the enslaved nations.

A few years ago, Prof. "Nikolai" Maksymovich, rector of the Lviv University and deputy of the Supreme Soviet of the USSR, writing for Novosti Press Agency, assailed Prof. Lev. E. Dobriansky, Congressman Edward J. Derwinski and The Ukrainian Quarterly for propagating the idea of captive nations.

In typical, lackey-like manner, he gloated on what Russia has done for Ukraine, citing a number of Ukrainian schools and books published in Ukrainian in Ukraine. We don't know whether he still heads the University of Lviv, but the whole world knows what the Russians are doing in Ukraine—forcing Russification, arresting all those who dare to speak in defense of national and human rights for Ukraine, importing Russian settlers—arrogant and anti-Ukrainian—while Ukrainians seeking employment are sent to Asia and to other non-Soviet republics.

Undoubtedly, Moscow will again denounce our observance of Captive Nations Week. But this will only be an echo of what it has said before.

But, while denouncing observances of Captive Nations Week, Moscow openly propagates the concept of "wars of national liberation," and is actively helping to establish Communist and pro-Soviet regimes in Angola, Mozambique, Ethiopia, South Yemen and Afghanistan, while the West looks on helplessly.

The captive nations of the USSR and the peoples—not the regimes—of the satellite countries are our faithful allies and friends.

On this 20th anniversary we, along with countless Americans and peoples of other free countries of the world—should demonstrate to the captive nations our sympathy and our moral support, and assure them that we will stand by with whatever help we can muster until their final day of deliverance comes.

In doing so, we will make Captive Nations Week observances a meaningful and positive event.

So, each and every one of us must understand the meaning of Captive Nations Week and take full advantage in making it widely known to our neighbors. It is still the rule in this country that it is the people who decide on what policy ought to be followed by our government.

We must let our government know that we are for the captive nations, because their concept is consistent with our traditions and national interest.

ARE THERE SOME CRACKS IN THE BLOC?

(By John P. Roche)

A specter is haunting the Kremlin.

The Warsaw Pact forces are fully mobilized, the decision is made, the order is given: "Go!" The Hungarian army immediately invades Romania, the Bulgarians attack Yugoslavia, the Poles shoot all Russians found on their turf, and the Czechs hide in the basement.

The East Germans await clarification of their orders. Maybe they should "Go East!" and shoot up their ancestral target: Poland.

This scenario is undoubtedly exaggerated and hardly justifies putting NATO in mothballs, but it is a vivid illustration of a problem the so-called Soviet "Union" finds terrifying.

First, take a look at the internal population balance.

Since Czarist times the guiding principle toward nationalities has been Russification, also known as "Great Russian chauvinism." Lenin camouflaged this by a nationalities policy that was "national in form; socialist in content." For example, Uzbeks were encouraged to wear fancy costumes, do folk dances and engage in other marginal rites, but their politics were run from Moscow. A Siberian Zion, Birobijan, was even set up for Soviet Jews, complete with a Yiddish sign at the railroad station.

It was a fake from the word go, complete with the patent office "Catch 22." Stalin's 1936 constitution guaranteed the right of autonomous republics to secede, but if any Ukranians gather to plan an independent Ukranian Republic (as distinct from the spectral one that belongs to the United Nations), they are promptly disposed of by the KGB as "reactionary, petty-bourgeois chauvinists."

Today Moscow faces an appalling reproduction crisis. To put it bluntly, Russian women appear to be increasingly impregnable, while out there in Asia the Uzbeks, Kasakhs, Kirghizs, Tedjiks and Turkmen are producing kids far in excess of their Five Year Plans. The latest Soviet census showed Great Russians as a bare majority of the population, with roughly a third of the rest Turkic.

This, by the way, may account for the low Soviet profile in Iran: they don't want a bunch of militant mullahs out whooping it up for Islam in Central Asia. That disease is contagious and ignores national boundaries.

Another interesting byproduct of this Turkic baby boom is that most of the draftees from these regions have only a rudimentary knowledge of the Soviet-Warsaw Pact's language of command, Russian. Indeed, one of my friends recently surfaced a training manual issued by the Soviet army on how to speak and understand an elementary military Russian vocabulary. Who knows, "Charge!" in Russian may sound like "Retreat!" in Tartar.

If this is the case inside the "Union" of Soviet Socialist Republics, the situation in Eastern Europe is far more explosive.

Let us momentarily focus on Romania which has been sandbagging Moscow for some time now, most recently by opposing the Vietnamese takeover of Cambodia and supporting the Sadat-Begin negotiations. The Romanians have a grievance; the Nazis gave a large chunk of Romania, Bessarabia, to the Soviet Union. At war's end, instead of returning it, Khruschev's sidekick Brezhnev went over from the Ukraine and organized the Moldavian People's Republic.

The present Romanian government, although hardly a genial lot, are patriots who take a very dim view of the Moldavian People's Republic and of Brezhnev and the "Dnestr apparat" who set it up and "pacified" it, i.e., shot Romanian objectors. They also resent Moscow's riposte, which is to revive Bulgaria's claim to Dobrudja, the section of Romania that fronts on the Black Sea. And, at one remove, they suspect the KGB is stimulating Hungarian and German nationalism in their province of Transylvania.

Without getting into the merits of the comparison, a high Romanian figure recently stated, "We are not Czechs." They proved it by refusing to sign the joint military communique at the end of the last Warsaw Pact meeting.

The Sonnenfeldt Doctrine to the contrary notwithstanding, it is in the American interest to encourage such demonstrations of national communism. The Russians are sitting on a land mine both at home and in Eastern Europe.

It is not our proper role to try to trigger it, but we should not permit the myth of detente to undermine our support for dissident communist regimes. Recall Tito is not immoral, and if our diplomatic performance when he dies resembles the chaotic Iranian circus, it will be the end of NATO and another Soviet victory by default.●

Mr. DERWINSKI. Mr. Speaker, I yield back the balance of my time.

☐ 2000

CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 60 minutes.

(Mr. STRATTON asked and was given permission to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, I, too, rise to take this time to commemorate Captive Nations Week. Some 20 years ago I was here on the floor along with my colleague, the gentleman from Pennsylvania (Mr. FLOOD) when we put through the resolution that created Captive Nations Week.

Like my friend and colleague, the gentleman from Illinois, I have risen every year to join in the celebration of this occasion, the commemoration of this occasion, led by the gentleman from Pennsylvania (Mr. FLOOD). Since the gentleman from Pennsylvania is hospitalized and could not be here today, the gentleman asked me to represent this side of the aisle in participating in these commemorative ceremonies.

I know there is no partisanship in this body when it comes to discussing the plight of the captive nations or in reaffirming our strong opposition to the Communist philosophy; but I do want to just say a few things in providing additional references in the RECORD to the strong support which this movement initiated by the gentleman from Pennsylvania has enjoyed over the years.

I think we have seen a number of occasions in the last year that point up the significance of the ceremony that we engage in. I remember a year and a half ago when the members of the Armed Services Committee visited the Soviet Union and sat down with members of the Supreme Soviet to discuss some of the military questions that faced us also, of course, the subject which the Soviets inevitably brought up, the ratification of the SALT agreements; that the one thing that created more concern on the part of the members of the Supreme Soviet was the fact that members of our delegation, including the distinguished gentleman from Illinois (Mr. Price), the chairman of our committee, this Member, and a number of other Members, had participated in making Captive Nations Week speeches on the floor of the House.

Mr. Georgi Arbatov, who since we visited has gotten a good deal of notoriety in the United States as an English-speaking apologist for the Soviet Union, waved a little booklet at our delegation and said:

> Here are these speeches. You are trying to undermine our country by trying to separate all the sections, like Azerbaidzhan and the Ukraine and Latvia and Lithuania from our country.

It was the one thing that really disturbed them; so the message is getting across.

People say, "Why these speeches? What good did they do? What is the purpose of them?"

Well, the message is getting through and this year the Soviet Union has probably released more dissidents to come over to freedom than they have at any time previously. I know that this is designed to try to pave the way for the ratification of the SALT agreement in the Senate; but the story is getting through and it points up that it is making things uncomfortable in the Soviet Union.

We recognize today more clearly, I think, as a result of these speeches, the national aspirations of the people of the Ukraine, the people of Estonia, the people of Latvia, the people of Lithuania and, of course, most of all, we begin to realize that in one of the most important of the captive nations, the nation of Poland, the visit of His Holiness, Pope John Paul II, this year has pointed up that in spite of all the machinery of oppression, in spite of the philosophy of communism, the love of freedom and the love of the Christian religion which is such a vital part of Poland has not, in fact, been degraded or allowed to wither as a result of this captivity, but represented in a sense a power even greater than that of Mr. Brezhnev and his cohorts of the Soviet Politburo.

So I think we ought to be proud that these actions we have been taking year after year are, indeed, bearing fruit. Rome was not built in a day. These countries may not be freed overnight, but we are making progress.

I should like to join with the remarks earlier made by the gentleman from Idaho (Mr. Symms) that we ought also to be clear that we do not want to do anything to create any more captive nations. Many of us are disturbed at the policies of our State Department that have led, first of all, in opening the way for what ultimately may end up to be a Marxist kind of government in Iran, and certainly our handling of the Nicaraguan situation in spite of what the State Department says is certainly very, very likely to create another Cuba in the Caribbean.

We have seen what has happened to some of these countries. A few years ago those of us who stood up to defend our attempt to preserve freedom in Vietnam were jeered down when we talked about the coming bloodpath; but now we see exactly what is happening with Communist control over all of Vietnam. Thousands and thousands of boat people, condemned to starvation and death. Even Joan Baez has finally recognized what we were fighting for. It is just unfortunate that it came so late.

So, Mr. Speaker, I would like to include with my remarks some remarks that have been prepared earlier before I was asked to take over the impossible task of trying to substitute for my friend and colleague, the gentleman from Pennsylvania (Mr. Dan Flood) and also a very instructive letter which came to me from Dr. Lev Dobriansky of Georgetown University on behalf of the National Captive Nations Committee, Inc.

Mr. Speaker, I insert this material following my remarks, as follows:

CAPTIVE NATIONS, JULY 18, 1979

Mr. Speaker, I rise once again to join in the annual commemoration of Captive Nations Week. This is the 20th annual Captive Nations Week and as on the first such commemoration, those of us participating are calling to mind the memory of nations once free, but who now are dominated by totalitarianism. This is the week in which we renew and espouse our hope that one day all of the captive nations will again be free states and that democracy will some day govern the captive nations.

One could cite many inequities which the citizens of the captive nations must face compared with the citizens of free nations of the world, but none is more glaring than the lack of individual liberty. Regardless of which nation we speak of if they are communist controlled states, then the basic purpose is to control the thoughts and actions of each citizen for the good of the state, all at the expense of individual liberty and fundamental human rights.

On the recent visit to his homeland Pope John Paul II demonstrated that while totalitarianism may control the reins of government in Poland, the hearts and souls of the Polish people are singularly committed to Christianity and the Roman Catholic Church. The communist leaders in each of the captive nations, as in Poland, may control the government but they cannot control the yearnings of the people and their own desire to be free. The actions of the Polish people should inspire us all to speak out for freedom in the captive nations.

There are those among us who argue that the United States and other free nations should coexist with the Soviet Union and other communist States without concern for the internal affairs of these nations or their dominance over states which also were once free.

This attitude is reminiscent of Neville Chamberlain who thought he could arrange a pact which would permit the British to coexist with Hitler's Germany without any concern for the plight of the Jews or Nazi expansionist policies. Hopefully we will never make Chamberlain's mistake, trusting those who cannot be trusted.

This past year our President signed the SALT II accords, even though we know that the Soviets have thousands of individuals in Siberia whose only crime was to speak their own mind against the state, like Mikola Rudenko for example, in the Ukraine.

So our nation is at a crossroads in defining its relationship with the communist philosophy of oppression of human liberty. So long as we are vigilant, so long as we speak out for those who cannot speak for themselves, so long as we continue to press for individual liberty in the captive nations, then some day the sun may rise on a day in which all of God's children are free at last.

NATIONAL CAPTIVE
NATIONS COMMITTEE, INC.,
Washington, D.C., July 6, 1979.

DEAR REPRESENTATIVE: This July 15–21, the 20th Anniversary of Captive Nations Week will be observed here and abroad. Public Law 86–90, initiated by Congress and signed by President Eisenhower in July 1959, calls on all of us to raise our freedom voices for the captive nations in Central Europe, in the USSR, Asia and Cuba. Far more applicable than it was in '59, the law has long underscored the national human rights of more than 2 dozen captive nations, which tends to be soft-pedaled in current policy.

In accordance with the law your expressive participation in the "20th" is respectfully requested. Purposely following our own Independence Day, the annual Week has not only been a commemorative event hopefully expressing the spirit of national independence toward all the captive nations; it has also provided a national forum for realistic discussions of prevailing issues inextricably related to them and us in mutual interest. Much progress has been made in the past 20 years to show that both the USSR and the PRC are the two last remaining empires on this planet, each consisting of captive nations. For any of our officials to refer to either as "a nation" or "a country" simply distorts reality and augurs ill for our policy determinations.

On this "20th" certain basic questions should be soberly considered. "How could Salt II be intelligently assessed without logical reference to the ultimate captive nations analytic framework?" We urge you to read the Congressional reprint sent you on *The Stalking Bear and the Mute Eagle*. Further, isn't it odd that the Vienna communique made no reference to human rights? Pope John Paul, who knew Nazis as well as Communists, paved the way adroitly for human rights during his Poland trip when he said, "Is it not what the Holy Spirit disposes that this Polish Pope, this Slavic Pope, should at this precise moment manifest the spiritual unity of Christian Europe?" Congress can translate this courageous pointer into concrete action by passing S. Con. Res. 9 and H. Con. Res. 72, pressing for the resurrection of the Stalin-genocided Ukrainian Orthodox and Catholic Churches in Ukraine. As to trade with the 2 Empires, let's realistically apply the poltrade concept with general amnesty for all political prisoners. This is no moment to be bomboozled by the Russion "missile steamroller"; before World War I, the last Tsar bamboozled the West with his "human steamroller". Let's face reality, advance our arms, do what is right, and Moscow and Peking cannot possibly win.

With all gratitude for your participation and best regards,

Sincerely,

LEV E. DOBRIANSKY,
Georgetown University.

Mr. RITTER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I am glad to yield to the distinguished gentleman from Pennsylvania.

Mr. RITTER. Mr. Speaker, I would like to thank my colleagues from Illinois (Mr. DERWINSKI) and from New York (Mr. STRATTON), for their putting together of this most important special order, this evening.

Today, I had the honor of spending some time with a man whom I would call "a hero of the human race." He is a Ukrainian and his name is Valentyn Moroz. A political prisoner and a Ukrainian nationalist, he was recently released from a Soviet prison after suffering and enduring 14 years of the kinds of hardships that would have long ago killed many of us. He spoke eloquently today to a group commemorating the 20th anniversary of Captive Nations Week.

Mr. Moroz was released by the Soviet Union in a symbolic gesture to the United States at the time of the SALT II negotiations and with the upcoming Moscow Olympic Games also in mind. I would ask the leaders of the Soviet Union, how many more Valentyn Morozes are rotting in Soviet jails today?

Mr. Speaker, we greet this 20th anniversary of Captive Nations Week with both hope and fear. Reading back over the speeches made the last few years to honor the individuals and the populations who live in these captive nations, I detect a decrease in the spirit and in the intensity with which this body addresses this problem. Perhaps we are all becoming accustomed to the fact that these captive nations are lost in some bottomless pit where we simply cannot reach down that far to help pull the people out.

I cannot help but sense a growing feeling of resignation amongst my colleagues. Only last year, this past year, our President has seen fit to bypass a trusted ally, the Republic of China, for the opportunity of pleasing the leaders of the other great oppressor, Communist China.

It is a tense time, because our Nation seems incapable of understanding and is blind to the daily violations committed by those oppressing nations. Even when warned by expatriates in our midst, we no longer hear about them.

I hark back to the eloquent commencement address given at Harvard University last year by Alexander Solzhenitsyn. What was the response? To a large extent, ridicule. Our journalists belittled, perhaps, the world's greatest living author.

The wife of the President of the United States told the American people that a man who lived the Soviet nightmare, who had suffered in their Gulag, who had survived, that this man did not understand freedom, did not understand democracy and, indeed, any of the values of Western society. Was not Solzhenitsyn's message even more meaningful considering the depth of his life's experience and insight and the distance to his perspective, one of unique objectivity? Yet America did not listen, because many Americans did not like what they heard. How difficult it is to truly appreciate the value of freedom when you are immersed in it.

☐ 2010

It is a tense time when less than 30 nations on the face of this Earth are "democracies." Even while we observe, this small group seems to shrink each year. Yet now, when our Government has a chance to offer minimal recognition to one country, Zimbabwe-Rhodesia, that is trying to move into the lofty ranks of the democratic nations while fighting those who would douse the light of freedom, our leadership here refuses to offer even solace.

It is a tense time, because the leaders of the free world seem so singularly unable to comprehend some of the meanings of freedom that we must defend in this world of harsh and cruel realities. Witness the unbelievable, still unfolding tragedy of that relatively new captive nation, South Vietnam. But in this sadness, Mr. Speaker, there is still a light of hope. Even in a world where the strong and the righteous do not always stand for their beliefs and principles, others join in the battle.

I speak of this hope, because just 2 months ago, in a triumphant return to his native land, a captive nation, Pope John Paul II shook the very foundations of the oppressors. This Slav Pope, with his fundamental decency, his strength, and his message of truth, was a source of hope not only to the Polish people but to all of the captive peoples of Soviet and Eastern Europe.

The Communists have great reason to fear this Slav Pope, because the one institution that can challenge their iron rule is the church. The one institution that has not knuckled under, that has not given up, that has not put out the flame, is the church.

We also have hope, because there are countries such as Armenia, Byelorussia, the Ukraine, Estonia, Latvia, Lithuania, Poland, Romania, Hungary, East Germany, and so many others that contain people whose will is still lodged deeply in the cause of freedom, and it will take a great deal more than 30-plus years of Soviet oppression to turn off that will. The force of nationalism is the central irresistible theme in this 20th century. To deny it by force is simply to insure conflicts in later generations.

Mr. Speaker, I would like to call the attention of the Members to a recent law that the Soviet Union passed on July 1. This law removed any possibility of citizens born in the Soviet Union or in Eastern European countries which today are a part of the Soviet Union to retain their right to dual citizenship. It also applies the full range of Soviet law to, for example, Slovak, Ukrainian, Hungarian, or Polish Americans who happen to have been born in native lands which since World War II have been annexed by the Soviet Union.

It is a club held over the heads of increasing numbers of ethnic Americans visiting the Soviet Union and sharing the truth of American life with their Soviet hosts. This "club" becomes far bigger if we consider the number of Americans who will be visiting the Soviet Union during the Olympics. What better way to mute the voices of freedom than to constrain them with fear.

Ethnic citizens traveling to the Soviet Union since July 1 have already made many pleas to Members of this House to provide them with protection of different sorts for their impending visits. The fear machine is already turning.

I have called upon the President in a House current resolution that I will put forth tomorrow (printed below), accompanied by a letter to the President, to ask assurances from the Soviet Union that no American citizen will be endangered by Soviet reinterpretation of basic international law, and that these Americans of Russian, Ukranian, Polish, Hungarian, Slovakian, Armenian, and other ethnic descents will not be subject to any form of harassment (perhaps even arrest) in their travels or visits to their families and friends in the Soviet Union.

The resolution follows:

H. RES. —

Resolution calling upon the President to urge the Soviet Government to waive, with respect to certain United States citizens and citizens of Eastern European countries, the new Soviet law relating to dual citizenship

Whereas the new law of the Soviet Union, under which dual citizenship will no longer be recognized, would severely curtail basic human rights as well as the travel plans and citizenship status of naturalized American citizens born in the Soviet Union or other Eastern European countries: Now, therefore be it

Resolved, That the House of Representatives calls upon the Government of the Union of Soviet Socialist Republics to waive the application of the Soviet law which went into effect on July 1, 1979, and under which dual citizenship will no longer be recognized, with respect to—

(1) United States citizens who are natives of the Soviet Union or any other Eastern European country; and

(2) citizens of Eastern European countries.

SEC. 2. If the United States Government does not receive adequate assurances from the Soviet Government that the Soviet law referred to in the first section of this resolution will be waived as described in such section, the United States Government will renounce United States participation in the Summer Olympics of 1980 to be held in Moscow.

The resolution says:

And if there is no response from the Soviet leaders, this country will refuse to participate in the Moscow Olympic games.

Can we imagine the thousands of frightened Americans who are close-mouthedly tiptoeing around the Soviet Union for fear of arrest? Or, what is more probable, can we imagine all of those Americans who will not even go for fear of arrest or harassment? Are those not the Americans the Soviets really want to keep out of this country, the Americans with knowledge of the language, the culture, and the politics?

In view of the past abuses of human rights, the denials of free emigration, and the restricted internal travel status, I believe that the American citizens of the Lehigh Valley of Pennsylvania and elsewhere in this country could very well be denied their basic individual rights when in the Soviet Union under the new law. I, therefore, call upon President Carter to request the Soviet Government to waive this new law governing the basic rights of U.S. citizens abroad, if the United States is to participate in the Moscow Olympics of 1980.

Mr. Speaker, I will be circulating a "Dear Colleague" letter regarding this matter tomorrow, and I would appreciate the support of my colleagues in cosponsorship. Thank you.

Mr. STRATTON. Mr. Speaker, I want to commend the gentleman from Pennsylvania (Mr. RITTER) for his initiative. I think the gentleman has made a very important point, and I am sure the Members of the House will join overwhelmingly in endorsing his letter.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman very much for yielding.

I, too, would like to join in commendation of the young Member, the gentleman from Pennsylvania (Mr. RITTER), who has shown such an aggressiveness for those people in the world who still have in their hearts the pulls of freedom and who would like to somehow, someway, someday be able to live without the heel of tyranny against their throats.

I would also like to commend the gentleman in the well for the efforts he has made these many years in this House for a strong America and for an America that would reach out and try to help our friends who are in dire straits and who are striving to have a life that is somewhat like what we have enjoyed here in the United States.

I think that I failed to mention in the special order taken a moment ago by the gentleman from Illinois (Mr. DERWINSKI) something about the conduct of the U.S. State Department. I think that any description of what the U.S. State Department's policy is in this administration that indicates it is less than treasonous is too mild. I refer to their actions with respect to the situation in Nicaragua.

I hope that the gentleman in the well and others and myself will be able to appeal to the chairman of the Committee on Foreign Affairs of the House and to the chairman of the Committee on Foreign Relations in the other body to somehow voice their objections on the part of the membership of this House and of our colleagues in the other body to this blight against human rights that has taken place in Nicaragua, where Mr. Somoza is actually being threatened by our State Department that if he does not hand that Government over and hand those people over to the Communists, they are going to extradite him, even with the hint that he may be extradited to the Sandinista Communists who we know would shoot him in a minute.

Mr. Speaker, I praise the gentleman in the well for taking this special order tonight and taking this time to remember those who live in captive nations. I hope that someday the gentleman and I can stand here in this House on a day when more than 20 percent of the people in the world will be living in somewhat of a free society instead of today, when we are reduced to numbers of those people who do not live under the oppression of tyranny, of government force and coercion amounting to only 20 percent. Eighty percent of the people in the world are living in captive nations.

Mr. Speaker, I think it is high time that we in this body and the other body, our State Department, and our administration go on the offense and start telling the story of what it was that made America great around the world and start preaching what we have practiced and telling people what has made America a great humanitarian nation. Again let me say that I appreciate the efforts of the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I thank the gentleman from Idaho (Mr. SYMMS) very much for his generous remarks.

I think the gentleman was out of the Chamber at the time, but I especially commended the gentleman from Idaho (Mr. SYMMS) for bringing up this point about Nicaragua. As I said in my remarks, sometimes people come up to me and say, "Well, what good do you really do talking about captive nations every year, 1 week a year? What have you actually accomplished in terms of rolling back this Communist oppression?"

☐ 2020

I tried to explain that we have, I think, made progress, but certainly, if we have not freed by these speeches any one particular nation, at the very least we ought not to be attempting to create more captive nations. And that is the thing that the gentleman brought out. We seem to be doing it, as the gentleman from Pennsylvania said, in our refusal to recognize democratic forces at work in Rhodesia. They may not be perfect, but I do not think there is any other nation in Africa that has ever moved freely and without violence into a democratic setup, imperfect as it may be, and yet we are supporting the armed Communist Marxist guerrillas who want to take that over by force. We threw out—and did everything we could to get him out—our longtime ally in Iran so that the terrorist forces could take over. Although that government is now called an Islamic republic, nobody really knows who is in charge. It may well be that the subversive Communist forces there will eventually end up in charge and, once again, we will have another captive nation. But particularly I join the gentleman in my concern over what is being done in Nicaragua. I could not believe my ears when I heard last night on the radio that the U.S. State Department, the Secretary of State himself, was livid when he heard that President Somoza had turned the government over to another elected representative, the gentleman who was the elected president of their house of representatives, and that that fellow said he was going to continue to carry out the constitutional form of government until the end of the term. And we were livid that an elected official should want to preside under an established constitution for the balance of the term. As the gentleman says, unless he was going to turn it over to a junta made up of Marxist terrorists, we were going to extradict him and his family from the United States. I could not believe that this was my own country, and I would think that George Washington would be rolling over in his grave down there at Mount Vernon today as a result of the policies that we are following.

So I join the gentleman in saying that if these messages can do anything at all, I hope they will enlist the support of the appropriate committees in the Congress, the Committee on Foreign Affairs here and the Foreign Relations Committee in the other body, to put a stop to what is going on in the State Department at the present time.

POW-MIA RECOGNITION DAY, 1979— A TRIBUTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, today the Nation formally recognizes for the first time those who have never really left our memories—our American men listed as prisoners of war or missing in action. I am proud to have cosponsored the resolution which designated today as National POW-MIA Recognition Day, 1979. I believe it is particularly appropriate today to recognize that the Congress and the people of our country are showing more sensitivity to the lack of cooperation by the Vietnamese in making a full accounting of our missing in action.

Several events have occurred in recent days which are particularly significant to the cause of the missing in action. Last week, the National League of Families of American Prisoners and Missing in Southeast Asia held its 10th annual meeting. I had the honor of attending that meeting as Ann Mills Griffiths affirmed the three goals which the League pursues with determination and perseverence. The goals are: To obtain the return of prisoners who may be alive, to get the fullest possible accounting of those still missing, and to repatriate the remains of the dead.

A few days before that meeting, the House of Representatives adopted a resolution which gives even more strength and validity to the League's plan of action. It requests the President to urge the United Nations to establish a special commission to secure a full accounting of Americans missing in Southeast Asia. Earlier, I joined many of my colleagues in writing to the United Nations Secretariat urging that favorable consideration be given to the League's appeal for the formation of such a commission. Passage of this resolution gave our request the sanction of the House of Representatives.

This day of national memorial is an accomplishment which can be pointed to with satisfaction and pride by the League of Families. I have met many times with my friends from western New York who worked with the League over the past 10 years and I know the adversities they have endured. I know the time, effort, and money Susan Czajkowski, Mafalda DiTommaso, the Dyczkowski's and the Rozo's have devoted to attempting to learn the fate of their loved ones and it is especially gratifying to me that these recent events, culminated by this special day, are evidence that their efforts have not been in vain. I sincerely hope that this marks a new beginning, and that the loved ones and friends of the missing will begin to see the positive results of their courageous determination to press on under adversity.

I urge my colleagues to join me in a salute to the National League of Families of American Prisoners and Missing in Southeast Asia.

SECRETARY CALIFANO SHOULD HEED FEDERAL COURT DECISIONS AND WITHDRAW TITLE IX REGULATIONS ON EMPLOYMENT AND INTERCOLLEGIATE ATHLETICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, on June 14, 1978, I inserted in this RECORD a legal analysis of HEW's authority under title IX of the Education Amendments of 1972—20 U.S.C. 1681, et seq.—to regulate alleged sex discrimination by schools and colleges receiving Federal aid. I argued that the statute does not give HEW authority to regulate personnel administration, intercollegiate sports, school athletic programs, et cetera. et cetera, which are not programs receiving Federal financial assistance.

At that point three U.S. district courts had taken the same line of reasoning in holding that HEW's regulations applying title IX to employment practices exceeded the scope of the statute. Now at least eight U.S. district courts and three U.S. courts of appeals—those for the first, sixth, and eighth circuits—have followed suit. Because of HEW's highly controversial, unwise, and legally unwarranted plans for regulating intercollegiate sports under title IX the position taken by these Federal courts should be of widespread interest.

In my statement last June, I set forth the fundamental nature of the legal argument—an argument in which the courts have consistently agreed with my position—as follows:

> Title IX of the Education Amendments of 1972 is modeled on title VI of the Civil Rights Act of 1964. It begins with this statement:
>
> "No person in the United States shall, on the basis of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance."
>
> Note the precise reach of the prohibition, Mr. Speaker:
>
> "Any education program or activity receiving Federal financial assistance."
>
> It does not say:
>
> "Any program or activity of any institution receiving Federal financial assistance."
>
> The words of the law do not cover extracurricular activities, physical education programs, employment of personnel, intercollegiate sports, social organizations, or any activity or program not receiving Federal financial assistance. And every Federal judge who has directly considered this issue agrees that the words of the law mean only what they say. Moreover, the entire legislative history of title IX, and of title VI before it, confirms that interpretation.
>
> Yet, from the very beginning, upon the issuance of sweeping and clearly excessive title IX regulations of 1974, HEW has read the language as though it applied not just to federally assisted programs and activities, but to all the programs and activities of entire school systems and higher education institutions receiving Federal funds. On June 18, 1974, HEW Secretary Weinberger issued a statement of his Department's intent to publish title IX regulations:
>
> "To enforce the law banning sex discrimination by educational institutions which receive Federal financial aid."
>
> That emphasis on institutions receiving Federal aid, rather than "program or activity" receiving Federal aid is absolutely critical; and HEW is absolutely wrong. Under the correct interpretation HEW could examine for sex bias only programs receiving Federal help; under their "institutional" interpretation they can poke their nose into everything in American education so long as one penny of Federal aid is going for any reason to the school system or institution.

Mr. Speaker, the leading case I cited rejecting the HEW interpretation of title IX was *Romeo Community Schools* v. *HEW*, 438 F. Supp. 1021 (1977). In that case HEW attempted to force the Romeo Community Schools in Michigan to award pregnancy disability benefits to their teachers under title IX, authority rejected by the U.S. District Court for the Eastern District of Michigan in no uncertain terms. Judge Feikens, after an exhaustive review of the statute and its legislative history, noted the direct limitation of title IX to any program or activity receiving Federal financial assistance and concluded that:

> HEW cannot regulate the practices of an educational institution unless those practices result in sex discrimination against the beneficiaries of some federally assisted education program operated by the institution. The focus of section 1681—elimination of sex discrimination in federally funded education programs—must be the focus of HEW's regulations as well. To this extent, HEW's regulatory power is also "program specific".

This was a smashing blow—since repeated in other Federal courts—at the whole structure of HEW's title IX regulations, demolishing their underpinning of the institutional rather than programmatic interpretation of the operative language of title IX. HEW appealed. On June 20, 1979, a year and 1 week after my original statement in the RECORD, the U.S. Court of Appeals for the Sixth Circuit upheld Judge Feikens' decision and legal reasoning. The heart of the Sixth Circuit Court's opinion is this paragraph:

> We find HEW's construction of Title IX to be strained. It seeks a reading of § 1681, "no person shall be discriminated against, on the basis of sex, in the operation of any educational institution receiving federal financial assistance." However, as actually written, the statute is not nearly so broad. The words "no person" are modified by later language which clearly limits their meaning. The concern of this particular statute is not with all discrimination against persons in any way connected with educational institutions which receive federal funding. Rather, it reaches only those types of disparate treatment which manifest themselves in exclusion from, denial of benefits of, or otherwise result in discrimination on the basis of sex "under any education program or activity receiving Federal financial assistance . . ." Unless the discrimination relates to a program or activity which receives federal funding, it is not prohibited by § 1681.

Earlier, on March 9, 1979, the U.S. Court of Appeals for the First Circuit had affirmed a ruling of the U.S. District Court for the Southern District of Maine (Brunswick School Board/Islesboro School Committee against Califano) to the same effect. In that case, the district court judge, Edward J. Gignoux, referred favorably to the opinion of the trial judge in Romeo and also several times cited a Georgetown Law Journal article by Janet Lammersen Kuhn on the legislative history of title IX which I want to call to the attention of my colleagues and all others interested in the administration of title IX.

The article is entitled "Title IX: Employment and Athletics are Outside HEW's Jurisdiction," found in 65 Georgetown Law Journal 49 (1976). It is a devastating analysis of HEW's overreaching in this matter. Mrs. Kuhn is a brilliant attorney—an associate in the Washington, D.C. firm of Steptoe & Johnson who represented the plaintiff in the trial of the Romeo Community Schools case. But she also is particularly qualified to deal with issues of legislative intent, having for several years served as legislative assistant to our former colleague, Alfonso Bell, of California, while he was a member of the Committee on Education and Labor and during the time title IX was being considered. While I have not discussed this matter with Mrs. Kuhn, I do want to express my gratitude for the outstanding contribution she has made to correcting HEW's misreading of the scope of title IX.

On April 19, 1979, the U.S. Court of Appeals for the Eighth Circuit in the case of St. Louis Community College against Califano upheld the ruling to the same effect as Romeo Community Schools and Brunswick/Islesboro by the U.S. District Court for the Eastern District of Missouri (455 F. Supp. 1212 (1978), and virtually adopted the opinion of the First Circuit Court, saying that it had addressed HEW's arguments so thoroughly—in dismissing them—that a review would be "unnecessary and essentially duplicative."

All of these cases have dealt with the title IX regulations on employment, but have done so in terms plainly applicable to school athletics, intercollegiate sports, or any other activity which is not one "receiving Federal financial assistance." The opinions leave little doubt that the same courts would have dealt with the proposed regulations on sports in the same way and essentially on the same grounds—that the statute in terms simply does not cover such activities and the legislative history is as clear as the plain language of the statute.

Mr. Speaker, with regard to this flagrant continuation of "legislation by regulation," I repeat a part of my statement of June 14.

> Neither the cause of civil rights nor that of equal educational opportunity for women is served by HEW literally taking the law into its own hands. A "good cause" does not excuse lawlessness or should not if we are to preserve a government of laws."

I call upon Secretary Califano, himself, a distinguished lawyer, to heed the unanimous rulings of the Federal courts and abandon the attempt of HEW to use title IX to regulate anything other than sex discrimination "under any education program or activity receiving Federal financial assistance" as that phrase has been interpreted by the courts in accordance with the intent of Congress.

I would at the same time caution my colleague in the Congress not to seek a legislative remedy for this particular excess of HEW. The statute speaks for itself. The legislative history has been made. The Federal courts are correctly interpreting the statute and the history. In these circumstances, I think we should be content to leave the matter as it stands.

HARRY CREWSON—UNCOMMON PUBLIC SERVANT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

● Mr. MILLER of Ohio. Mr. Speaker, not often does one in this body rise to praise a former campaign opponent but today, I want to recognize and pay special tribute to a gentleman who was my worthy opponent over a decade ago.

After a long, dedicated public service career, Dr. Harry Crewson of Athens, Ohio, is retiring and he will be honored next week by his many friends, neighbors, and colleagues who are grateful for his many contributions to the improvement of his community.

Harry is a man who has worn many hats during his lifetime. In addition to being a distinguished professor of economics at Ohio University for 30 years, Harry has served as city councilman, council president, acting mayor, county commissioner, and president of Ohio University. He handled tough jobs in hard times with uncommon skill and civility.

Whether in the classroom or in government, Harry Crewson had the respect and confidence of his fellow citizens.

Harry Crewson is a man of great honor and good heart. Ohio University and Athens, Ohio, have every reason to be proud of this man and the credit he is to the community. His brilliant record may well serve to inspire others in public service to give us their best and ask little in return.

To Harry go my every good wish for future years of happiness, health, and good fortune.●

EMBATTLED WEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, this Nation was founded in protest of colonialism, or the development of a region to serve the needs of another country rather than the area in which the development occurs. This is happening in the West right now.

The third of a series of articles by the Washington Post on Western-Eastern conflict notes that development of the West's coal, oil, and uranium reserves hold the key to the Nation's economic survival, and have been developed accordingly. For example, in Wyoming, a prospective coal slurry pipeline will use enormous amounts of Wyoming water to transport coal through Wyoming to the South and Midwest.

The article stated:

> Western officials say that when they seek to restrict the rate of development in their states, they are reminded of national needs for energy. But when these same officials ask for more gasoline, as in California, or try to preserve imperiled Amtrak routes, as in Montana and the Northwest, they are denounced as profligate or economically unrealistic.

Such an attitude that is prevalent in the East and within the Federal Government tremendously aggravates and increases the unlikelihood of any settlement of resolution of any Western-Eastern conflicts.

At this point, I insert into the RECORD the third of four articles by the Washington Post on the "Embattled West," published June 19, 1979:

STATES DEMAND A SHARE OF WEALTH

(By Lou Cannon)

BUTTE, MONT.—In this scarred city that is the symbol of Montana's plundered past, the history of the colonial West is as real as the huge open pit copper mine slowly advancing on the city from the east.

"Butte is the classic example," says former state legislator Dorothy Bradley. "Nothing was saved. Everything was exploited. When the mines ran out, nothing was left."

Copper is still being mined in Butte, but the richest lodes are gone and the city's population has dwindled to a fourth of its World War I peak of 100,000. Butte has become, in the words of Montana University political scientist James Lopach, "a battered town, an unloved town."

But the ruined onetime boom-towns of Butte and Anaconda and others like them have left an enduring legacy in the West. For modern westerners, the memory of what happened when the copper or the gold or the silver ran out has produced a shared conviction that the people of the West, rather than outsiders, should profit from any future mineral development. In Montana this legacy has been translated into a 30 percent severance tax on coal that is under legal challenge from coal companies and their utility customers in other regions.

Not all western states have been as flagrantly despoiled as Montana, where 46 million tons of copper were mined between 1910 and 1975. However, they all share a consciousness of a semi-colonial status recently enhanced by the nation's energy shortages. Because the rich coal, oil and uranium reserves of the West hold the key to national economic survival, the West sees a future in which its land will be literally torn apart to serve the needs of other Americans.

Reflecting a prevalent belief, Colorado Gov. Richard Lamm declares, "We will develop the oil shale and we will develop the coal, but we don't want to be the garbage heap of the West."

Other western officeholders often feel the same way, and with good reason.

In Wyoming, a prospective coal slurry pipeline will use enormous quantities of irreplaceable water to transport coal to the South and Midwest. In Colorado, agriculture faces a persistent squeeze as water is diverted to energy development. Ugly new boomtowns, removed from Butte in distance but not in spirit, have sprung up in Colorado and Wyoming. These towns, too, meet the description of "battered and unloved."

One of the traditional charactistics of a colony is that development serves the needs of the mother country rather than the area in which development occurs. This is what westerners see happening today in their region, where energy and water shortages are becoming commonplace in the midst of plenty.

Western officials say that when they seek to restrict the rate of development in their states, they are reminded of national needs for energy. But when these same officials ask for more gasoline, as in California, or try to preserve imperiled Amtrak routes, as in Montana and the Northwest, they are denounced as profligate or economically unrealistic.

"We haven't convinced them yet that we're not consuming gas like some exotic fruit drink," says Gary Davis, executive secretary to California Gov. Edmund G. (Jerry) Brown, Jr.

From a western point of view, the increase in gasoline consumption common to the region simply reflects the realities of population growth, vast distances and a booming economy. Sitting atop bountiful untapped reserves like Colorado's oil shales and California's heavy-tar crude oils, most westerners regard the "energy shortage" as just another eastern invention.

An April poll by the Reno Evening Gazette showed that Nevadans disbelieved, by an overwhelming 10-to-1 ratio, that the energy shortage was real. When that shortage actually arrived in Nevada a month later, state officials responded in terms more appropriate to a small, independent nation rather than a sparsely settled state. The most popular suggestion came from Sen. Paul Laxalt, a conservative Republican who usually preaches the virtues of free enterprise. Laxalt urged the state to go into the oil business on its own and purchase needed supplies on the open market.

While such a plan might have seemed out of place in other parts of the country, it won immediate and widespread acceptance in a region long accustomed to providing its own energy, its own food and its own justice.

Over and over again in the West, one hears that "they"—an omnivorous pronoun that usually includes President Carter, the federal bureaucracy, easterners and the national media—

The examples are manifold. Typical is what happened in Utah last year when state officials were attempting to determine the site for the Intermountain Power Project, a huge development that will provide electricity for energy-short Los Angeles.

The preferred location in Utah, where 66 percent of the land is federally owned, was an area known as the Salt Wash which had the twin advantages of being a barren wasteland unsuitable for agriculture and of having adequate supplies of underground water.

Federal officials, however, gave Utah little more choice than if it had been Uganda. The Salt Wash location they said was too close to national parks, which must have a pristine air quality. So IPP will be built near Lynayll, a pastoral area of productive farmland where agriculture will give way to energy development.

For those who expect to use Utah's scenic Capitol Reef park, the federally imposed decision is a welcome one. For those concerned with the rapidly accelerating loss of valuable cropland, it is just another instance of federal intervention that ignores regional realities.

Not all of the inequities involve rural lands.

City officials in the West observe that federal assistance formulas, especially in housing, favor older eastern cities at the expense of newer western ones. As a result, one study shows that the percentage of federal aid to governments increased nearly twice as fast in the Northeast as in the West from 1970 to 1975, even though the West was the high-growth area of the nation during this period.

Western resentment of regional inequity is not a new phenomenon. What is new is an increasing transnational regional attitude that recognizes that bordering states and provinces in Mexico and Canada also often are isolated from their faraway capitals.

The government of California, for example, has taken on a quasi-national role in attempting to barter for Mexican oil and Canadian natural gas. Mexico, in turn, is trying to gain the assistance of influential Californians in an effort to reduce U.S. barriers to Mexican imports.

This transnationalism has led, in extreme cases, to discussions of a "western nation" that would be self-sufficient in all important resources. On a more practical level, it is causing a breakdown of the borders both to the north and the south.

While the easy passage of Mexicans back and forth across the border to jobs in the United States is a much-discussed phenomenon, movement in both directions across the Canadian border is also commonplace. In the "high-line" counties of northern Montana, Americans cross into Alberta to take advantage of low-cost health care, while Canadians come south for American consumer products.

Like Montana and Wyoming in the United States, Alberta is the energy breadbasket of its nation. Its policies in taxing natural gas were directly copied by Montana when that state enacted its 30 percent coal severance tax, the highest in the country.

Today, this severance tax is under court challenge in a lawsuit that has the utmost significance for western states. If the legal challenge prevails, it would effectively curtail the ability of western states to control mining and energy exploration within their borders.

Some say that the very existence of the lawsuit is testimony to a profound change in the West.

Historically, in states such as Montana, the big mining companies corrupted the legislature and dominated the judicial system, resisting all federal intervention as an invasion of states' rights. Now, the states' rights argument is made by the Montana attorney general and his environmentalist allies, while coal companies prefer to take their chances in Washington.

Against the allied power of the companies and the federal government, Montanans of all political persuasions have united in defense of the coal severance tax. This consensus is based not on a common view of the future, but on a shared belief that those who live in the region, and their descendants, are entitled to a share of the colonial wealth.

As Montana historian K. Ross Toole puts it in words that express a regional insight: "On development in Montana, there's a classic split. There are those who feel very strongly that we need to preserve what we have. There are others who favor development. But almost everyone agrees that we don't want to become Bayonne, N.J., it isn't a matter of keeping Montana Pristine—nobody's that stupid. It's keeping a measure of what we have."●

EPILEPSY FOUNDATION SUPPORTS AUTOMATIC CRASH PROTECTION IN CARS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. Boggs) is recognized for 5 minutes.

Mrs. BOGGS. Mr. Speaker, I wish to share with my colleagues a letter I received from the Epilepsy Foundation of America. This letter outlines the many reasons why EPA supports automatic crash protection in cars. I was shocked to learn that each year 20,000 Americans develop epilepsy as a result of automobile accidents.

I hope the Members of the House will be mindful of the views of these people when we vote on Thursday on the Dingell amendment to H.R. 4440, the DOT appropriations bill.

I intend to oppose the amendment because I believe the life saving, dollar saving, and injury prevention capability of the airbag should be available to American motorists.

I include this letter from the Epilepsy Foundation at this point in the Record:

Epilepsy Foundation of America,
Washington, D.C., July 16, 1979.

Dear Member: The Epilepsy Foundation of America would like to urge your support for the automatic automobile crash protection standard issued in 1977 by the Secretary of the Department of Transportation. Appropriations for the Department of Transportation and related agencies will be coming to the floor of the House soon, probably this week, and efforts may be made to amend the bill to weaken or overturn the DOT standard by prohibiting the use of funds for its implementation.

Head injury is the greatest preventable cause of epilepsy. And epilepsy which is caused by head injury is a particularly difficult kind to control. It results not just in medical problems, but in problems of employment rejection, social ostracism and severe strains on family life. The financial burdens on the families of epilepsy victims are enormous, and they are lifelong, because there is no "cure" for epilepsy. The loss to our society of potential creativity and productivity cannot be measured.

Yet each year 20,000 Americans develop epilepsy as a result of automobile accidents. Efforts to educate the public to "buckle up" have been unsuccessful—only 14 percent of people who drive use their seat belts. That is why it is so important that automobile manufacturers be required to provide automatic crash protection such as passive belts or air cushions. We ask your help in preventing new cases of epilepsy. We ask your support for the DOT automobile crash protection standard.

Sincerely,

Jack McAllister,
Executive Director.

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Neal) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am submitting to the House today a notification from the U.S. Export-Import Bank on proposed financing of the purchase of two American-made Boeing 747-200B jet aircraft by China Airlines Limited of Taiwan.

This notification was referred to me as chairman of the Banking Subcommittee on International Trade, Investment and Monetary Policy. Under section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, the Bank is required to notify Congress of proposed loans or financial guarantees or combinations thereof of $100 million or more. Unless Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress following notification.

In the notification I am submitting today, the Eximbank is proposing to extend a credit of $126.4 million to China Airlines Limited to make possible the sale of the two aircraft, spare engines, and parts, all valued at $140.5 million. The Eximbank credit will be made through a U.S. commercial bank or through the American Institute on Taiwan.

I am inserting in the Record at this point a letter from the Eximbank explaining the details of and the justification for this credit. I would welcome any comments my colleagues might have on this proposed financing arrangement.

Export-Import Bank of the
United States,
Washington, D.C., July 13, 1979.

Speaker of the House,
Washington, D.C.

Dear Mr. Speaker: Pursuant to Section 2(b)(3)(1) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the House of Representatives with respect to the following transaction involving U.S. exports to Taiwan:

A. Description of Transaction.

1. Purpose. Eximbank is prepared to make a credit of $126,405,000 available to China Airlines Limited (CAL) to facilitate the purchase in the United States by CAL of two new Boeing 747-200B jet aircraft, related spare engines and parts. The engines for the aircraft are manufactured by Pratt and Whitney, a subsidiary of United Technologies Corporation. The total U.S. export value for this transaction is estimated to be $140,450,000.

2. Identity of the Parties:

(a) Borrower. CAL is the commercial air carrier of Taiwan and its shares are held by its directors and senior officers on behalf of the government. Eximbank has previously made eleven loans to CAL and repayments have been made on a timely basis. CAL currently flies to 16 cities in 10 countries, mainly in the western Pacific but also in the Middle East, and to Honolulu, Los Angeles and San Francisco in the United States. The Eximbank credit will be made through a U.S. commercial bank or, as permitted under the Taiwan Relations Act and Executive Order No. 12143 through the American Institute on Taiwan to the Coordination Council for North American Affairs on behalf of CAL.

(b) Guarantor. The Coordination Council for North American Affairs, acting on behalf of the governing authorities on Taiwan, will unconditionally guarantee payment of CAL's indebtedness under the direct credit.

3. Nature and Use of Goods and Services. The principal goods to be exported from the United States are two commercial jet aircraft to be used by CAL on its western Pacific and Middle East routes. The airframes for the 747's will be manufactured in the Seattle-Renton-Everett area by The Boeing Company of Seattle, Washington. The engines for the aircraft will be manufactured by the Pratt and Whitney Aircraft Group of United Technologies Corporation in Hartford, Connecticut. In addition, other U.S. firms will furnish spare parts.

B. Explanation of Eximbank Financing.

1. Reasons. The Eximbank credit of $126,405,000 will facilitate the export of $140,450,000 of United States goods. Sales, profits and employment for U.S. aircraft manufacturers and their subcontractors are heavily dependent upon exports. Through 1990, aircraft purchases by foreign airlines are expected to account for approximately 40% of total U.S. aircraft sales. Eximbank's financial support for exports of U.S. aircraft has assisted U.S. aircraft manufacturers in obtaining approximately 80% of the world market for commercial jet aircraft.

Boeing estimates that the export of the two financed aircraft will provide 2.9 million man/hours of work for Boeing and its subcontractors. Additional benefits which will flow to the United States from the transaction include sizeable follow-on exports of space parts, ground support and other related equipment.

It should be pointed out that due to the nature of CAL's routes, where many of its long distance flights are broken by intermediate stops, CAL seriously considered the purchase of the Airbus Industrie's A–300. CAL was offered more generous financing terms for the competing aircraft than those offered by Eximbank for the U.S. aircraft. CAL currently operates a nearly all U.S. manufactured fleet of aircraft, with past Eximbank support having financed many of these aircraft.

Moreover, in addition to the two aircraft to be financed by the Eximbank credit, CAL is also purchasing two Boeing wide-body jet aircraft, a 747 freighter and a new Boeing 747SP, which together with related spares have an estimated U.S. cost of $128,000,000, without Eximbank's financial support.

CAL intends to use these two aircraft on long distance routes on which the A–300 could not be used, and therefore Eximbank offered only its guarantee and not a direct credit to finance these two aircraft. CAL decided to finance this purchase without the Eximbank guarantee. Boeing estimates that the export of these two aircraft will provide 2.9 million man/hours of work for Boeing and its subcontractors.

Furthermore, Eximbank has issued a preliminary commitment in connection with the potential sale to CAL of two Boeing 767–200 jet aircraft and related spare parts.

2. The Financing Plan. The financing plan for the total U.S. procurement supported by Eximbank is as follows:

Percentage of U.S. Costs, cash payment, 10.0 percent; total $14,045,000.

Eximbank credit, 90.0 percent; total $126,405,000.

Total amount, $140,450,000.

(a) Eximbank Charges. The Eximbank credit will bear interest at the rate of 8¼ per annum, payable semiannually. A commitment fee of ½ of 1 percent per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms. The Eximbank credit will be repaid by CAL in 20 equal semiannual installments beginning December 15, 1981.

Sincerely,

JOHN L. MOORE, Jr.●

AUTOMOBILE CRASH PROTECTION

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Colorado (Mr. KOGOVSEK) is recognized for 5 minutes.

● Mr. KOGOVSEK. Mr. Speaker, I rise to state that I intend to support appropriations to the Department of Transportation that will ultimately save thousands of motor vehicle operator and passenger lives in this country. The Secretary of DOT has issued a standard that will accomplish this.

I include in my remarks a fact sheet of the National Committee for Automobile Crash Protection:

FACT SHEET

THE STANDARD

DOT Secretary Brock Adams has issued a standard requiring that automobiles automatically protect front-seat occupants in 30 mile per hour frontal crashes. Frontal crashes account for more than half of all fatal crashes. The standard requires only that automobiles meet minimum injury reduction crash performance requirements. Auto makers may choose any means, including air cushions or "passive belts," to provide the required protection.

The standard will be phased in over a three-year period beginning with 1982 model full-sized cars. Intermediate size cars must meet the standard in 1983 models. With 1984 model cars, the standard will apply to all cars. All three major American auto makers have announced plans to offer air cushions in some 1981 model cars. Some cars will be equipped with passive belts.

LIVES SAVED

DOT estimates that once they are in all cars, automatic occupant restraints will save more than 9,000 lives annually and will prevent, or reduce the severity of hundreds of thousands of injuries each year.

COST

Purchase price estimates range from $112 to $235 for air cushions and approximately $30 per car for passive belt systems per car. DOT estimates, based on insurance industry testimony, that insurance premium savings alone will more than pay for any automatic restraint system over the life of a car. (Some insurance companies already offer 30 percent discounts on medical coverage for air cushion-equipped cars.) The benefits of fewer deaths and injuries are obvious.

EXPERIENCE

General Motors, Ford and Volvo have already installed air cushions in approximately 12,000 cars. Passive restraint safety belts have been installed in approximately 105,000 Volkswagen Rabbits and about 20,000 Chevrolet Chevettes.

Air cushion-equipped cars, in government and industry fleets and those owned by private individuals, have been driven approximately 632 million miles. 208 air cushion crash deployments, involving 295 front seat occupants, have been reported as of December 1, 1978. According to DOT and General Motors investigations, the air cushion functioned properly in each crash.

Air cushions have successfully deployed in crashes in temperatures ranging from below zero degrees Fahrenheit to as great as 94 degrees Fahrenheit. Numerous air cushion-equipped cars with mileage greater than 60,000 have crashed with successful air cushion deployments.

DOT estimates that fewer than one American in six wear safety belts. Research has found that "buckle up" campaigns are ineffective. Numerous state officials have testified that passage of belt use laws in each state is unlikely. Canadian government statistics show that belt use laws in Canada have not brought anticipated reductions in vehicle deaths.

MEMBERS NATIONAL COMMITTEE FOR AUTOMOBILE CRASH PROTECTION

Allstate Insurance Companies.
Alta Vista Medical Center, Hobbs, New Mexico.
American Academy of Pediatrics.
American Association of Physical Medicine and Rehabilitation.
American Congress of Rehabilitation Medicine.
American Coalition of Citizens with Disabilities.
American Insurance Association.
American Nurses Association, Division on Medical Surgical Practice.
American Public Health Association.
American Trauma Society.
Association of Massachusetts Consumers.
Automobile Club of Missouri.
Automobile Owners Action Council.
Susan P. Baker, Associate Professor, Johns Hopkins School of Hygiene and Public Health.
Center for Auto Safety.
Center for Concerned Engineering.
Center for Independent Living.
Congress Watch.
Craig Hospital, Denver, Colorado.
Crum and Forster Insurance Companies.
Disability Rights Center.
Epilepsy Foundation of America.
Farmers Insurance Exchange.
The Hartford Insurance Group.
International Association of Chiefs of Police.
Liberty Mutual Insurance Company.
Maryland Institute for Emergency Medical Services.
Mid-Atlantic Emergency Medical Services Council.
Ralph Nader, Attorney.
National Association of Independent Insurers.
National Association of Mutual Insurance Companies.
National Consumer League.
National Spinal Cord Injury Foundation.
Nationwide Insurance Companies.
Physicians for Auto Safety.
Physicians National Housestaff Association.
Prudential Insurance Company of America.
Prudential Property and Casualty Insurance Company.
Safeco Insurance Company of America.
State Farm Insurance Company.
S. Lynn Sutcliffe, Attorney.
Travelers Insurance Companies.
United Automobile, Aerospace, and Agricultural Implement Workers of America (UAW).●

SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. SPELLMAN) is recognized for 5 minutes.

● Mrs. SPELLMAN. Mr. Speaker, more than a century ago, Henry Wadsworth Longfellow wrote that "age is opportunity no less than youth itself." I think one of the most encouraging developments in America in recent years has been the realization by young and old alike that this is indeed true. Today, age truly is opportunity. Senior citizenship is a time for new experiences and new challenges, not a signal that one's working life is over and it is time to be put out to pasture.

Mr. Speaker, one of the most important, although not well known, ways we in Congress have dedicated ourselves to this principle of "age as opportunity" is the senior citizen intern program. I am both pleased and honored to join my colleagues today in recognizing the very special contribution made by this most worthwhile effort.

Begun in 1972 with only four members and 11 seniors participating, the senior citizen intern program has grown steadily through the decade. At the same time, it has steadfastly kept to its admirable goal of fostering closer ties between members and their older constituents.

This year, 96 House and 28 Senate offices played host to 165 senior interns. In all, almost 500 seniors have benefited from the program since its modest beginnings early in this decade.

Of course, the seniors are not the only ones who benefit from the program. Most of us have found that we have as much to learn from our senior interns as they have to learn from us. Their experience and wisdom—gained not just from schools and colleges but from living full, long, active lives—gives them a unique perspective from which we all can benefit.

My last two senior interns are cases in point.

In 1978, I had the pleasure of hosting in my office Mrs. Mae S. Lillard, of College Park, Md. A longtime resident of my area, Mae has an equally long history of community involvement. She has been active in local women's clubs and Prince Georges politics and she currently sits on the county's advisory commission on the aging. For 7 years, she also served on the Girl Scouts of America board of directors for both Prince Georges and St. Mary's Counties.

If anyone could equal Mae's depth of knowledge and understanding, it would have to be my 1979 intern, Mrs. Bess Garcia of Mount Rainier, Md. Most people look forward to that day when they end their professional lives and settle into the more relaxed atmosphere of "retirement." Bess has already "retired" twice and she shows absolutely no signs of slowing down even now.

She worked for the Federal Government for 30 years and then put in 7 years with the Prince Georges County government. It was Bess who, among other things, set up the Prince Georges senior citizen tax aid program, which has become a model for such programs throughout the country.

We found both Mae and Bess to be invaluable assets to my staff during the 2 weeks each spent with us. In fact, in both cases, we came away wishing their internships could be lengthened.

Mr. Speaker, I have long believed the experience and wisdom of our senior citizens are among our Nation's most precious natural resources. And my involvement with the senior citizen intern program has only strengthened this belief. It is a mutually enriching effort and one that provides an unparalleled opportunity for those fortunate enough to have been a part of it. For as Longfellow said so appropriately, age truly is opportunity and the senior citizen intern program is one such opportunity which has few equals.●

AIRBAG RESTRAINT SYSTEM IS COST EFFECTIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

● Mr. SCHEUER. Mr. Speaker, it has recently come to my attention that certain critics of the Government's passive restraint standard are suggesting that the airbag restraint system is not cost effective. This is simply not true. The Department of Transportation, which promulgated the standard, estimates that airbags will cost only $112 in new cars. But even if you accept the average industry estimate of $230, the insurance savings in reduced premiums will repay the initial cost of an airbag-equipped car in approximately 7 years, which the insurance companies themselves state will eventually amount to about $32 a year. The insurance companies will save money as a result of reduced deaths and serious injuries. Consequently, they predict a significant reduction in overall insurance rates.

The General Accounting Office, in its draft study of passive restraints, recently suggested that the ultimate impact of passive restraints on insurance premium discounts still remains to be seen. Both for their benefit and yours, I would like to attach a copy of a letter I recently received from Nationwide Insurance Co. on this very subject. I think it effectively refutes the notion that passive restraints are not cost effective.

NATIONWIDE INSURANCE,
Columbus, Ohio, July 17, 1979.

Hon. JAMES H. SCHEUER,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN SCHEUER: On several recent occasions, when reporting the merits of automatic crash protection in automobiles, the question of insurance cost savings has been raised. Each time the facts about this issue have been incorrectly and unfairly reported.

To correct the record, I would like to provide you with the following calculations which were recently figured for various hypothetical Michigan drivers (insurance territory 01) operating a 1977 Chevrolet Impala. These rates are based on a 30 percent discount which Nationwide, and many other major automobile insurers, *presently* provide to owners of cars equipped with air bags.

A nineteen year old male driver who is the principal operator of the vehicle would enjoy an overall premium reduction of $70.50. An adult driver who uses his (her) car for pleasure only would realize a yearly savings of $22.74, while an adult who uses the car for business would receive an annual premium reduction of $31.84.

One must agree these savings are substantial and available now—if you have an air bag equipped car. They do not reflect the longer term, and far greater, insurance cost savings to be realized when the national fleet is air bag equipped. These estimates indicate that insurance premiums will be reduced about $2 billion (1975 dollars), or approximately $30.00 per insured car per year. However, it is estimated that increased insurance cost for air bag replacement would be less than $1.00 per year.

These are the facts and as we have informed the Government Accounting Office, we feel they should be accurately reflected in any report on automatic crash protection. We are, therefore, providing copies of this letter to the cosponsors of Rep. Dingell's proposed amendment to H.R. 4440.

We also respectfully request that you share these facts with your colleagues by placing my letter in the CONGRESSIONAL RECORD.

Thank you for your attention to this most important matter.

Sincerely,

W. V. SIEGFRIED,
Vice President, Underwriting.●

POW–MIA DAY—JULY 18, 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, we pause today to remember those casualties of past wars who have suffered more than all others, the prisoners of war and the missing in action and their families and loved ones.

Today, 4 years after the hostilities in Vietnam ended, there are still almost 2,500 men unaccounted for as a result of that conflict. One of these men, Capt. Michael Bosiljevac, was a high school classmate and personal acquaintance of mine. Captain Bosiljevac was shot down while flying a mission over North Vietnam, and was known to be alive and in the hands of the North Vietnamese following his ejection.

Continued attempts to obtain an accounting and further information regarding Captain Bosiljevac and the others from the Socialist Republic of Vietnam has been to no avail. Just last week the Congress passed House Concurrent Resolution 10 in an effort to urge the United Nations to establish a special investigatory commission to obtain further information on the fate of these Americans. I applaud this effort and hope that, as a member-nation, Vietnam would cooperate to the fullest extent possible in providing a complete accounting.

In all the past wars of this century, a total of 92,761 American soldiers, sailors, airmen, and marines have been lost in combat and never accounted for. Imagine if you can, the feelings of the families and friends of these brave Americans, and what it must be like to live for years, hoping against hope for some word, some shred of evidence as to the fate of a father, a husband, a son. While there is no way to ever repay the debt of gratitude which we owe these men and their families, the designation of 1 day is one small tribute to their sacrifices.

In addition, we take time today to honor those men who were captured and interned in past wars. The courage and strength of those individuals detained as prisoners of war exemplify the finest spirit of the American fighting man and stand as a sterling example for all Americans. Those of us who have never experienced deprivation and degradation at the hands of an enemy can never fully appreciate the extent of the sacrifice involved, and we would do well to express our gratitude to those former prisoners of war and their families on this day.

Mr. Speaker, the observance of this day as National POW–MIA Day is a fitting tribute to these Americans who have given so much in the service of their country, and I suggest that the Congress establish such a national day for recognition on a regular basis in the future years.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Mikva) is recognized for 5 minutes.

● Mr. MIKVA. Mr. Speaker, I was absent for seven rollcall votes recorded on July 13, 1979, and July 16, 1979. I would like to declare the votes which I would have cast, had I been present.

I would have voted as follows:

Rollcall No. 333, amendment to H.R. 4393 (Treasury-Postal Service appropriations for fiscal year 1980) by Mr. Ashbrook which suspends new procedures for IRS investigations of private schools with respect to tax-exempt status claims—vote, "no";

Rollcall No. 334, final passage of H.R. 2282 (veterans' disability compensation and survivors' benefits)—vote, "yes";

Rollcall No. 335, final passage of H.R. 3641 (extension of health information and promotion programs)—vote, "yes";

Rollcall No. 336, amendment to H.R. 3951 (National Capital Transportation Act amendments) by Mr. Ashbrook which would have waived the application of the Davis-Bacon Act to work on the Metro subway system—vote, "no";

Rollcall No. 337, final passage of H.R. 3951—vote, "yes";

Rollcall No. 338, amendment to H.R. 4393 by Mr. Bauman which requires the unused portion of Presidential expense funding to revert to the Treasury—vote, "no"; and

Rollcall No. 339, amendment to H.R. 4393 by Mr. Ertel which would have eliminated travel allowances for former Presidents and their staffs—vote "no."●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Taylor (at the request of Mr. Rhodes) for today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Davis of Michigan) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 10 minutes, today.
Mr. Corcoran, for 5 minutes, today.
Mr. Wampler, for 5 minutes, today.
Mr. Ashbrook, for 15 minutes, today.
Mr. Miller of Ohio, for 5 minutes, today.

(The following Members (at the request of Mr. Garcia) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Coelho, for 5 minutes, today.
Mrs. Boggs, for 5 minutes, today.
Mr. Neal, for 5 minutes, today.
Mr. Wyatt, for 5 minutes, today.
Mr. Kogovsek, for 5 minutes, today.
Mrs. Spellman, for 5 minutes, today.
Mr. Lederer, for 5 minutes, today.
Mr. Scheuer, for 5 minutes, today.
Mr. Cavanaugh, for 5 minutes, today.
Mr. Mikva, for 5 minutes, today.
Mr. Drinan, for 5 minutes on, July 19.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Davis of Michigan) and to include extraneous matter:)

Mr. Clinger.
Mr. Derwinski in two instances.
Mr. Gilman in two instances.
Mr. Michel in three instances.
Mr. Findley in two instances.
Mr. Beard of Tennessee in two instances.
Mrs. Fenwick.
Mr. Lagomarsino.
Mr. Conable.
Mr. Green.
Mr. McKinney.
Mr. Ritter.
Mr. Symms.
Mr. Courter.
Mr. Philip M. Crane in two instances.
Mr. Ashbrook in two instances.
Mr. Dornan.

(The following Members (at the request of Mr. Garcia) and to include extraneous material:)

Mr. Drinan.
Mr. Rosenthal in two instances.
Mr. Edwards of California in two instances.
Mr. Duncan of Oregon.
Mr. Mazzoli.
Mr. Roe.
Mr. Yatron.
Mr. Roberts.
Mr. Hamilton.
Mr. Dingell.
Mr. Nowak.
Mr. Walgren.
Mr. Mavroules.
Mr. Solarz.
Ms. Ferraro.
Mr. Matsui.
Mr. Montgomery.
Mrs. Schroeder in two instances.
Mr. Fascell in two instances.
Mr. Atkinson in two instances.
Mr. Moorhead of Pennsylvania.
Mr. Mica.
Mr. Edgar.
Mr. Richmond.
Mr. Weiss.
Mr. Skelton.
Mr. Panetta in two instances.
Ms. Oakar.
Mr. Applegate.
Mr. Flippo.
Mr. Ford of Michigan.
Mr. Peyser.
Mr. John L. Burton.
Mr. Vento.
Mr. Scheuer.
Mr. Mottl.
Mr. Jones of Oklahoma.
Mr. McKay.
Mrs. Chisholm.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3661. An act to increase the authorization of appropriations under the act of December 22, 1974, (88 Stat. 1712).

ADJOURNMENT

Mr. McHUGH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Thursday, July 19, 1979, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2033. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the Board's second monetary policy report, pursuant to section 2A of the Federal Reserve Act, as amended (92 Stat. 1897); to the Committee on Banking, Finance and Urban Affairs.

2034. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–59, to amend the District of Columbia Noise Control Act, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2035. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–60, to amend article 29 of the Police Regulations of the District of Columbia (Harbor and Boating Safety Regulation) governing the use and operation of vessels in District of Columbia waters, and for other purposes, pursuant to section 602 (c) of Public Law 93–198; to the Committee on the District of Columbia.

2036. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–62, to insure the rights of tenants in multifamily rental buildings to purchase their buildings, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2037. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–63, to regulate the conversion of rental housing accommodations, and for other purposes, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2038. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–64, to immunize all students who are incompletely immunized against the preventable childhood diseases, and to establish a continuing system by which all students will be fully immunized at the earliest appropriate time, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2039. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–65 to extend, on a permanent basis, the period of limitation upon assessment and collection of taxes administered under the provisions of the District of Columbia Income and Franchise Tax Act of 1947, pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

2040. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3-66, to regulate and restrict smoking in certain facilities and vehicles used by the general public, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2041. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3-67, to amend the standards of assistance of the District of Columbia relating to payments to persons residing in community residence facilities, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2042. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3-68 to amend the Criminal Justice Supervisory Board Act of 1978 (D.C. Law 2-107) to reduce the size of the Criminal Justice Supervisory Board, to modify the composition of the Board to conform to the requirements of the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

2043. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations governing the national direct student loan, college work-study, and supplemental educational opportunity grant programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2044. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports prepared by the International Bank for Reconstruction and Development, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2045. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 79-49), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2046. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Israel (Transmittal No. 79-50), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2047. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Thailand (Transmittal No. 79-51), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2048. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Jordan (Transmittal No. 79-52), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

2049. A letter from President, Overseas Private Investment Corporation, transmitting the first annual development report of the Corporation, pursuant to section 240A(a)(1) of the Foreign Assistance Act of 1961, as amended (92 Stat. 216); to the Committee on Foreign Affairs.

2050. A letter from the Acting Administrative Assistant to the Governor of the Canal Zone Government, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2051. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting reports for the month of April 1979, on changes in market shares of refined petroleum products and of retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2052. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of March 1979, on the average number of passengers per day on board each train operated, and the on-time performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2053. A letter from the Secretary of Labor, transmitting the annual report on the administration of the Age Discrimination in Employment Act of 1967, covering 1978, pursuant to section 13 of the act; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. Report pursuant to section 302(b)(2) of the Congressional Budget Act of 1974 (Rept. No. 96-350). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STAGGERS (for himself, Mr. UDALL, Mr. FUQUA, Mr. CLAUSEN, and Mr. WYDLER):

H.R. 4839. A bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980, and for other purposes; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. BEARD of Rhode Island:

H.R. 4840. A bill to amend title XVIII of the Social Security Act to provide for surveys of skilled nursing and intermediate care facilities and civil penalties for deficiencies uncovered in such surveys, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BEARD of Tennessee:

H.R. 4841. A bill to amend the Endangered Species Act of 1973 to provide for certain procedures to insure the effective administration for such act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. JOHN L. BURTON (for himself, Ms. OAKAR, and Mr. DRINAN):

H.R. 4842. A bill to amend title II of the Social Security Act to eliminate gender-based distinctions under the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. CORCORAN:

H.R. 4843. A bill to amend title 39, United States Code, to authorize the mailing, at no cost to the sender, of certain absentee ballots and other voting materials pertaining to those absentee ballots; to the Committee on Post Office and Civil Service.

By Mr. DE LA GARZA:

H.R. 4844. A bill to amend the Plant Quarantine Act of August 20, 1912, as amended, to eliminate certain unnecessary regulatory requirements; to the Committee on Agriculture.

By Mr. HORTON (for himself, Mr. STRATTON, Mr. WYDLER, and Mr. CONABLE):

H.R. 4845. A bill to designate the Federal building in Rochester, N.Y., the "Kenneth B. Keating Federal Building"; to the Committee on Public Works and Transportation.

By Mr. MURTHA:

H.R. 4846. A bill to authorize the Administrator of the National Fire Prevention and Control Administration to make grants to volunteer fire departments which are unable to purchase necessary firefighting equipment because of the increased cost of such equipment as the result of inflation; to the Committee on Banking, Finance and Urban Affairs.

H.R. 4847. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for clothing purchased and used by taxpayers serving in volunteer firefighting organizations; to the Committee on Ways and Means.

H.R. 4848. A bill to amend the Internal Revenue Code of 1954 to exempt nonprofit volunteer firefighting or rescue organizations from the Federal excise taxes on gasoline, diesel fuel, and certain other articles and services; to the Committee on Ways and Means.

By Mr. SENSENBRENNER (for himself and Mr. PETRI):

H.R. 4849. A bill to fix the rates of pay for Members of the Congress, to cease annual and quadrennial adjustments in those rates of pay, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN:

H.R. 4850. A bill to amend the Internal Revenue Code of 1954 to provide for adjustment in the dollar limitations for purposes of the retirement income credit in order to make the tax benefits accorded to retirement income comparable to those accorded to social security income; to the Committee on Ways and Means.

By Mr. VANDER JAGT:

H.R. 4851. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Ways and Means.

By Mr. VOLKMER:

H.R. 4852. A bill to establish the Energy Security Corporation, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Interstate and Foreign Commerce, and Ways and Means.

By Mr. WAMPLER:

H.R. 4853. A bill to regulate, through the Secretary of Agriculture, the production, sale, and shipment of animal biological products, and to repeal the act of March 4, 1913; to the Committee on Agriculture.

By Mr. WEISS:

H.R. 4854. A bill to amend title 18, United States Code, to require a specific judicial order for entry of premises to intercept a wire or oral communication under chapter 119 of such title; to the Committee on the Judiciary.

By Mr. YATRON:

H.R. 4855. A bill to amend the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of certain persons; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Iowa:

H. Res. 376. Resolution to amend the Rules of the House of Representatives to provide that compliance with a subpena issued by a committee or subcommittee may be enforced by the issuing committee or subcommittee; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

262. By the **SPEAKER**: Memorial of the Senate of the Commonwealth of Massachusetts, relative to expanding the mission of Fort Devens; to the Committee on Armed Services.

263. Also, memorial of the Legislature of the territory of Guam, relative to establishment of a National Guard of Guam; to the Committee on Armed Services.

264. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to conflicting requirements of Pennsylvania and Federal laws and regulations governing the procurement of steel; to the Committee on Government Operations.

265. Also, memorial of the Legislature of the State of Louisiana, requesting the Congress propose, or call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require that the Federal budget be balanced in the absence of a national emergency; to the Committee on the Judiciary.

266. Also, memorial of the Senate of the State of North Carolina, relative to voluntary prayer in the public schools; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAUMAN:

H.R. 4856. A bill for the relief of Mauricio Ramirez; to the Committee on the Judiciary.

H.R. 4857. A bill for the relief of Jeanne van der Laan; to the Committee on the Judiciary.

H.R. 4858. A bill to direct the Secretary of the department in which the U.S. Coast Guard is operating to cause the vessel *Hillbilly I* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. CLINGER:

H. Res. 377. Resolution to refer the bill, H.R. 4836, entitled "A bill for the relief of the Upper Allegheny Sand and Gravel Company", together with all the accompanying papers, to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1041: Mr. Hinson, Mr. Coelho, Mr. Jenrette, and Mr. Addabbo.

H.R. 1173: Mr. Murphy of New York.

H.R. 1539: Mr. Fazio, Mr. Fish, Mr. Ireland, Mr. McCloskey, Mr. Mitchell of New York, Mr. Shumway, and Mr. Stokes.

H.R. 2694: Mr. Harris, Mr. Roybal, Mr. Bonker, Mr. Downey, Mr. Lloyd, Mr. Stack, Mr. Atkinson, Mr. Marks, Mr. Barnes, Mr. Wolpe, Mr. Findley, Mr. Winn, Mr. Gilman, Mr. Anderson of California, Mr. AuCoin, Mr. Beilenson, Mr. Brodhead, Mr. Carr, Mr. Fisher, Mr. Flood, Mr. Gonzalez, Mr. Guarini, Mr. Jeffords, Mr. Stangeland, Mr. Stokes, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Williams of Montana, and Mr. Charles Wilson of Texas.

H.R. 2826: Mr. Badham, Mr. Baldus, Mr. Bonior of Michigan, Mr. Phillip Burton, Mr. Carr, Mr. Coughlin, Mr. D'Amours, Mr. Dornan, Mr. Evans of the Virgin Islands, Mr. Evans of Delaware, Mr. Fauntroy, Mr. Gilman, Mr. Hollenbeck, Mr. Jeffords, Mr. Lehman, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Neal, Mr. Patterson, Mr. Price, Mr. Pursell, Mr. Simon, Mrs. Spellman, Mr. Stark, Mr. Stokes, Mr. Thomas, Mr. Wirth, and Mr. Wolff.

H.R. 3175: Mr. Winn, Mr. Corrada, Mr. Buchanan, Mr. Patterson, Mr. Watkins, Mr. Evans of Indiana, Mr. Murphy of Pennsylvania, Mr. Flood, Mr. Frenzel, Mr. Pritchard, Mr. Sabo, Mr. Whitehurst, Mr. D'Amours, Mr. Rahall, Mr. Ichord, Mr. McCormack, Mr. Lederer, Mr. Neal, Mr. Lagomarsino, Mr. Walker, Mr. Conte, Mrs. Spellman, Mr. Campbell, Mr. Wylie, Mr. Ritter, Mr. Shumway, Mr. Weiss, Mr. Lloyd, Mr. Davis of South Carolina, Mr. Bowen, and Mr. Stark.

H.R. 3493: Mr. Dan Daniel, Mr. Neal, Mr. Mitchell of New York, Mr. Campbell, Mr. McCormack, Mr. Treen, Mr. Donnelly, Mr. Boland, Mr. Scheuer, Mr. Jenrette, Mr. Charles Wilson of Texas, Mr. Gray, Mr. Yatron, Mr. Lloyd, and Mr. Conte.

H.R. 3677: Mr. Seiberling and Mr. Whitehurst.

H.R. 3769: Mr. Stokes.

H.R. 3948: Mr. Johnson of California, Mr. Evans of Georgia, Mr. Rahall, Mr. Roybal, Mr. Bonker, Mr. Downey, Mr. Hughes, Mr. Drinan, Mr. Atkinson, Mr. Shumway, Mr. Howard, Mr. Roe, Mr. Edgar, Mr. Bonior of Michigan, Mr. Donnelly, Mr. Albosta, Mr. Stangeland, Mr. AuCoin, Mr. Brodhead, Mr. Carr, Mr. Clay, Mr. Erdahl, Mr. Findley, Mr. Flood, Mr. Gonzalez, Mr. Hillis, Mr. Jeffords, Mr. Lehman, Mr. Nolan, Mr. Patten, Mr. Pritchard, Mr. Solarz, Mr. Stokes, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Williams of Montana, Mr. Wilson of Texas, Mr. Winn, and Mr. Wolpe.

H.R. 4027: Mr. Lungren.

H.R. 4367: Mr. Kramer, Mr. Montgomery, Mr. Winn, Mr. Carter, Mr. Duncan of Tennessee, Mr. Whittaker, Mr. Philip M. Crane, and Mr. Wampler.

H.R. 4553: Mr. Montgomery.

H.R. 4574: Mr. Duncan of Tennessee, Mr. Fazio, Mr. Lagomarsino, Mr. Mottl, Mr. Neal, Mr. Rangel, Mr. Roe, Mr. Simon, Mr. Williams, and Mr. Wolpe.

H.R. 4825: Mr. Butler and Mr. Whitehurst.

H.J. Res. 205: Mr. Marks, Mr. Stewart, Mr. Udall, Mr. Kostmayer, Mr. Evans of the Virgin Islands, and Mr. Fascell.

H.J. Res. 317: Mr. Hubbard.

H. Con. Res. 115: Mr. Roe.

H. Con. Res. 149: Mr. Wolpe and Mr. Seiberling.

H. Con. Res. 158: Mr. Albosta, Mr. Ambro, Mr. Anderson of California, Mr. Annunzio, Mr. Beard of Rhode Island, Mr. Benjamin, Mr. Bevill, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mr. Boland, Mr. Boner of Tennessee, Mr. Butler, Mr. Cleveland, Mr. Clinger, Mr. Coelho, Mr. Conte, Mr. Corrada, Mr. Courter, Mr. Dan Daniel, Mr. Daschle, Mr. Dellums, Mr. Derwinski, Mr. Dicks, Mr. Diggs, Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Downey, Mr. Evans of Delaware, Mr. Fary, Mr. Fascell, Mr. Fazio, Mrs. Fenwick, Ms. Ferraro, Mr. Flood, Mr. Florio, Mr. Ford of Michigan, Mr. Forsythe, Mr. Giaimo, Mr. Gilman, Mr. Goldwater, Mr. Gray, Mr. Green, Mr. Guarini, Mrs. Heckler, Mr. Hollenbeck, Ms. Holtzman, Mr. Horton, Mr. Howard, Mr. Hughes, Mr. Hyde, Mr. Kemp, Mr. Kildee, Mr. LaFalce, Mr. Lagomarsino, Mr. Lee, Mr. Livingston, Mr. Lloyd, Mr. McDade, Mr. McHugh, Mr. Maguire, Mr. Marriott, Mr. Matsui, Mr. Mazzoli, Mr. Mica, Mr. Miller of California, Mr. Mineta, Mr. Minish, Mr. Mitchell of New York, Mr. Moakley, Mr. Moffett, Mr. Murphy of New York, Mr. Murphy of Pennsylvania, Mr. Myers of Indiana, Mr. Nedzi, Mr. Nowak, Ms. Oakar, Mr. Oberstar, Mr. O'Brien, Mr. Ottinger, Mr. Panetta, Mr. Pashayan, Mr. Patten, Mr. Pepper, Mr. Richmond, Mr. Rinaldo, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Russo, Mr. Santini, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mr. Stark, Mr. Steed, Mr. Stratton, Mr. Thompson, Mr. Traxler, Mr. Van Deerlin, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Whitehurst, Mr. Williams of Ohio, Mr. Charles H. Wilson of California, Mr. Wolff, Mr. Wolpe, Mr. Yatron, and Mr. Zeferetti.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3996

By Mr. ERTEL:

—Page 89, after line 16, insert the following new section:

SERVICE ON PORTION OR SEGMENT OF DISCOUNTED ROUTES

Sec. 128. The Corporation shall conduct an evaluation of the possibility of providing rail passenger service on a portion or segment of any route over which service is discontinued after October 1, 1979. Such evaluation shall include an examination of the potential market demand for rail passenger service over a portion or segment of any such discontinued route, and the cost of providing such service. The Corporation shall, no later than February 15, 1980, submit a report to both Houses of the Congress and to the Secretary of Transportation setting forth its findings under this section.

(Amendment to the amendment by Mr. Gore.)

—In section 102(b)(2) of the amendment—

(1) strike out "and" at the end of subparagraphs (E) and (F);

(2) strike out the period at the end of subparagraph (G) and insert in lieu thereof "; and"; and

(3) add after subparagraph (G) the following new subparagraph:

(H) the potential for operating short distance service over portions of any long distance route which the Corporation determines should be discontinued.

H.R. 4040

By Mr. BEARD of Tennessee:

—Page 28, line 7, strike out the period and insert in lieu thereof ", and of physicians and dentists.".

Page 28, strike out lines 8 through 14 and insert in lieu thereof the following:

(b) Section 3 of the Military Selective Service Act (50 U.S.C. App. 453), relating to registration, is amended—

(1) by inserting "(1)" after "it shall be the duty"; and

(2) by striking out "who, on the day or days fixed for the first or any subsequent registration is between the ages of eighteen and twenty-six" and inserting in lieu thereof "who becomes eighteen years of age after December 31, 1980, and (2) of every citizen of the United States and every other person residing in the United States who graduated from an accredited medical or dental school after December 31, 1972.".

By Mr. DOUGHERTY:

—Page 33, after line 8, add the following new section:

ABORTION POLICY AND REPORTING

Sec. 818. (a) The Secretary of Defense shall prescribe regulations to require that whenever an abortion is performed in any medical facility or by any personnel under the jurisdiction of the Secretary of Defense, all possible steps shall be taken to preserve the life of a child who is aborted alive. Such regulations shall be uniform for all of the military departments and shall provide specific instructions for the medical and support procedures to be followed to preserve the life of a child aborted alive.

(b) The Secretary of Defense shall submit a report to Congress every three months with respect to abortions performed during the preceding three-month period in medical facilities or by personnel under the jurisdiction of the Secretary of Defense. Each such report shall include—

(1) the number of abortions performed during such period;

(2) the number of infants in each trimester of pregnancy who were aborted during such period;

(3) the procedure used for each such abortion;

(4) the condition of each aborted infant at expulsion;

(5) a summary of the life-saving efforts (if any) taken to preserve the life of each infant aborted; and

(6) a statement of the number of women having abortions during such period who had previously had an abortion.

Such reports shall not include individually identifiable information about the women about whose abortions information is being reported.

By Mr. HARRIS:

—Page 33, after line 8, add the following new section:

EXTENSION OF PERIOD FOR RESERVISTS TO ELECT COVERAGE UNDER SURVIVOR BENEFIT PLAN

SEC. 818. Section 208 of the Uniformed Services Survivors' Benefits Amendments of 1978 (Public Law 95–397; 10 U.S.C. 1447 note) is amended by striking out "at the end of the one-year period beginning on the effective date of this title" and inserting in lieu thereof "on March 31, 1980".

By Mr. KRAMER:

—Page 9, after line 24, insert the following new section:

STUDY OF NORTH AMERICAN AIR DEFENSE FORCES CAPABILITIES AND REQUIREMENTS

SEC. 203. (a) The Secretary of Defense shall carry out a comprehensive review of the adequacy, character, and organizational structure of the present and projected capability of the United States to defend North American air space. The Secretary of Defense shall submit to the Congress, on the same day that the President transmits to the Congress the Budget for fiscal year 1981, a detailed report containing the findings and results of such review. Such report shall include—

(1) a definition of the forces (including interceptor forces and warning systems) required in the future to protect North American air space against Soviet Union aircraft;

(2) a definition of the forces (including interceptor forces and warning systems) required in the future to protect North American air space against non-Soviet threats;

(3) a definition of the space-based systems, and the command structure for such systems, required to manage the strategic deterrent forces of the United States effectively in the future, including consideration of how best to consolidate operationally-related space-based systems to achieve the greatest military cost effectiveness; and

(4) a definition of the command and control and organizational structure required to manage effectively and efficiently North American strategic defense forces in the future.

(b) The Secretary of Defense shall submit with the report required by subsection (a) an integrated plan for modernization of North American air defense forces (including interceptor forces and warning systems) and shall include with such plan the projected cost of carrying out such plan.

By Mrs. SCHROEDER:

—Page 28, strike out section 812 (lines 3 through 14) and redesignate the succeeding sections accordingly.

Page 28, after line 21, insert the following new paragraph (and redesignate the succeeding paragraphs accordingly):

"(1) the desirability of commencing registration under the Military Selective Service Act by January 1, 1981;"

Page 29, line 24, strike out "and".

Page 29, after line 24, insert the following new paragraph (and redesignate the following paragraph accordingly):

"(8) the desirability of establishing a national youth service program of conscription for military or civilian service; and."

—Page 28, strike out line 3 and all that follows down through line 24 on page 30 and redesignate the following sections accordingly.

—Page 28, strike out lines 3 through 14 and redesignate the following sections accordingly.

H.R. 4473

By Mr. SENSENBRENNER:

—Page 23, insert the following after line 12:

SEC. 527. None of the funds appropriated or otherwise made available pursuant to this Act may be used to furnish assistance to any country that is a member of the Organization of Petroleum Exporting Countries.

FACTUAL DECRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of June 21, 1979, p. 16079.

H.R. 3022. March 15, 1979. Ways and Means. Amends the Internal Revenue Code to permit taxpayers who do not itemize income tax deductions to claim a deduction from gross income for charitable contributions.

H.R. 3023. March 15, 1979. Interstate and Foreign Commerce; Merchant Marine and Fisheries. Requires the Environmental Protection Agency and the Food and Drug Administration, prior to the promulgation of any rule or regulation, to publish and make available for public comment a comparison of risks as provided by this Act.

H.R. 3024. March 15, 1979. Interstate and Foreign Commerce. Establishes a national catastrophic health insurance program under the Social Security Act. Authorizes the Secretary of Health, Education, and Welfare to reinsure insurance carriers participating in federally approved State health insurance plans. Directs the Secretary to establish standards for coverage and premiums. Directs the Secretary to establish and operate Federal plans in noncooperating States.

Establishes a National Catastrophic Illness Insurance Fund.

H.R. 3025. March 15, 1979. Post Office and Civil Service. Prohibits carriers of Federal employees health benefits plans from reducing benefits or excluding any class of provider of health services unless notice is given of, and hearings are conducted relative to, the proposed change within prescribed time limits.

H.R. 3026. March 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to extend Medicare hospital coverage to include drugs. Establishes a Formulary Committee within the Department of Health, Education, and Welfare to prepare and maintain a listing of qualified drugs.

H.R. 3027. March 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to extend coverage to include expenses incurred in providing diagnosis of uterine cancer, if the individual receiving the test has not had such a test on a routine basis during the preceding six months.

H.R. 3028. March 15, 1979. Judiciary. Establishes mandatory minimum sentences for certain Federal crimes.

H.R. 3029. March 15, 1979. Government Operations. Amends the Federal Property and Administrative Services Act of 1949 to require the Administrator of General Services to convert a certain percentage of the Government's nonmilitary motor vehicles to exclusive use of gasohol fuels within a specified time period.

H.R. 3030. March 15, 1979. Ways and Means. Amends the Energy Tax Act of 1978 to extend for an additional five years the exemption of certain alcohol fuels from Federal motor fuels excise taxes.

H.R. 3031. March 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment under the Medicare program for: (1) prescription drugs and biologicals; (2) eyeglasses; (3) hearing aids; (4) dentures; (5) examinations for the purpose of prescribing or fitting eyeglasses, hearing aids and dentures; (6) services in connection with the care, filling, removal or replacement of teeth; (7) an annual physical exam; (8) immunizations; (9) certain types of foot care; and (10) examinations for detecting hypertension.

H.R. 3032. March 15, 1979. Education and Labor. Repeals the Occupational Safety and Health Act of 1970 (OSHA).

Amends the Agricultural Act of 1961 to prohibit specified Department of Agriculture operating loans for assisting farmers or ranchers in complying with certain Federal or State occupational safety and health standards promulgated pursuant to OSHA.

Exempts the Postal Service from compliance with OSHA standards requirements for Federal agencies.

H.R. 3033. March 15, 1979. Government Operations. Abolishes the Environmental Protection Agency. Directs that all regulations, orders, rules, determinations, contracts, licenses, certificates, and privileges allowed to become effective by such Agency shall cease to have effect.

H.R. 3034. March 15, 1979. Interior and Insular Affairs. Authorizes the Federal Power Commission to issue a license for the construction and operation of the Hualapai Dam, Colorado, to produce hydroelectric

H.R. 3035. March 15, 1979. Post Office and Civil Service. Repeals the laws permitting the private carriage of letters. Exempts letters and packages carried by private express from the requirement that all letters and packages carried by a vessel in interstate commerce be delivered promptly to the local post office upon arrival in a port.

H.R. 3036. March 15, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act to extend the authorization of appropriations through fiscal year 1982 for the expenses of the Department of Justice in carrying out its functions under such Act.

H.R. 3037. March 15, 1979. Interstate and Foreign Commerce. Amends the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and the Drug Abuse Office and Treatment Act of 1972 to extend through fiscal year 1980 the current level of authorization of appropriations for programs of assistance under such Acts.

H.R. 3038. March 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act and the Community Mental Health Centers Act to extend and revise the authorization of appropriations for certain assistance programs under such Acts.

H.R. 3039. March 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend authorization of appropriations for emergency medical services, and to provide for a new assistance program to establish poison control information and treatment centers.

H.R. 3040. March 15, 1979. Interstate and Foreign Commerce. Amends the Safe Drinking Water Act to extend the authorizations for appropriations under such Act through fiscal year 1982.

H.R. 3041. March 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to revise the purposes, requirements, and procedures of the health planning program and the State agencies which administer such program. Revises the status of Puerto Rico for the purposes of such program, and provides for Indian self-determination with respect to health planning. Revises the community mental health centers program, and provides for the coordination of such program, the alcohol and drug abuse programs, and the health planning program.

Authorizes financial assistance for health resource development and a new program to discontinue unneeded hospital services.

Authorizes appropriations for specified health planning and resource purposes.

H.R. 3042. March 15, 1979. Agriculture. Amends the Commodity Credit Corporation Act to designate the Commodity Credit Corporation as the seller or marketing agent for all export sales of wheat, feed grains, rice, and soybeans in raw form. Authorizes the Board of Directors, acting as the National Grain Board, to negotiate such export sales.

H.R. 3043. March 15, 1979. Public Works and Transportation. Grants all interest of the United States to specified lands acquired for the Big Darby Lake Flood Control Project to the State of Ohio subject to a reversion should such lands cease to be administered for wildlife management purposes.

H.R. 3044. March 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to two named individuals in satisfaction of a claim against the United States.

H.R. 3045. March 19, 1979. Judiciary. Grants a Federal charter to the Italian American War Veterans of the United States.

H.R. 3046. March 19, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily suspend the duty on freight cars.

H.R. 3047. March 19, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment under the Medicare program for eyeglasses, hearing aids, and dentures, including examinations for the purpose of prescribing or fitting such items.

H.R. 3048. March 19, 1979. Veterans' Affairs. Authorizes war veterans with certain service-connected anatomical losses to qualify for additional aid and attendance allowances.

H.R. 3049. March 19, 1979. Agriculture. Directs the Secretary of Agriculture to conduct a pilot program of making, insuring, and guaranteeing loans that will provide periodic payments to eligible owners of private forest land.

H.R. 3050. March 19, 1979. Agriculture. Amends the Food Stamp Act of 1977 to entitle households composed entirely of persons who are age 62 or older, or who receive supplemental security income benefits under title XVI of the Social Security Act, to a medical expense deduction in the computation of household income.

H.R. 3051. March 19, 1979. Public Works and Transportation. Amends the John F. Kennedy Center Act to authorize appropriations for the John F. Kennedy Center.

H.R. 3052. March 19, 1979. Post Office and Civil Service. Excludes specified items from the definition of "letter" for purposes of postal law provisions concerning private carriage of letters, illegal carriage of letters, and certification of mail delivery from a vessel. Permits the carriage of letters outside the mails under certain circumstances.

H.R. 3053. March 19, 1979. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare, in consultation with the Administration on Aging, to make grants to and enter into contracts with certain hospitals, senior citizen centers, State agencies dealing with senior citizens, or other qualified agencies to conduct demonstration programs for the placement with foster care families of specified elderly or disabled persons.

H.R. 3054. March 19, 1979. Rules; Government Operation. Amends the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to require a balanced Federal budget for each fiscal year except in time of declared war or economic necessity. Permits specified levels of deficit spending in the two fiscal years following enactment of this Act.

H.R. 3055. March 19, 1979. Merchant Marine and Fisheries. Amends the Shipping Act, 1916, to increase the civil fines for engaging in prohibited rate making or rate discrimination. Increases the fine for tariff violations.

Requires the chief executive officer of every common carrier by water in foreign commerce to submit periodic reports to the Federal Maritime Commission attesting to a policy prohibiting illegal rate making.

Authorizes the Commission to institute adjudicatory investigations into violations of rebating prohibitions.

H.R. 3056. March 19, 1979. Small Business. Amends the Small Business Act to make employee owned businesses, businesses using employee stock ownership plans and trusts, and employee organizations seeking to acquire firms which would otherwise close, relocate, or sell out to a large business eligible for all assistance normally available under the business loan and minority enterprise contract assistance programs.

H.R. 3057. March 19, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to stipulate that benefits under such Act for divorced spouses, surviving divorced spouses, widows, and widowers of railroad employees shall be the same as those benefits that they would have been entitled to had the railroad employee's service been subject to the Social Security Act.

H.R. 3058. March 19, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to stipulate that an individual who has completed 30 years of service shall be deemed to have "current connection with the railroad industry" for retirement purposes under such Act.

H.R. 3059. March 19, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to provide an annuity for disabled spouses of railroad employees and for spouses of disabled railroad employees.

H.R. 3060. March 19, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to stipulate that benefits payable to a parent of a deceased railroad employee under such Act shall be no less than those that the individual would have received under the Social Security Act if the service of the employee had been covered under such Act.

H.R. 3061. March 19, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to eliminate the present deductions from employee annuities under such Act on account of military pensions, disability compensation, and other gratuitous benefits given to such individuals under other Acts of Congress.

H.R. 3062. March 19, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to credit certain voluntary military service toward the "years of service" requirement for benefits under such Act.

H.R. 3063. March 19, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title II (Old Age, Survivors and Disability Insurance) and XVIII (Medicare) of the Social Security Act to provide hospitalization insurance under part A of title XVIII for individuals under the age of 65 who were previously eligible under part A, but whose previous entitlement terminated within the 60 month period preceding the first month in which such individual is under the disability on the basis of which such individual currently claims entitlement to benefits.

H.R. 3064. March 19, 1979. Interstate and Foreign Commerce. Amends the Rail Passenger Service Act to stipulate that where the National Railroad Passenger Corporation and a State, regional, or local authority reach an agreement on providing rail passenger service outside of Amtrak's basic route system, the Corporation's share of the costs of such service shall be 80 percent and the State, local, or regional share shall be 20 percent.

Stipulates that such service may be performed by the Corporation or by the State, regional, or local agency involved.

H.R. 3065. March 19, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title XIX (Medicaid) of the Social Security Act to include the services of licensed practical nurses under the coverage provided pursuant to such titles.

H.R. 3066. March 19, 1979. Armed Services. Eliminates certain restrictions for the transportation of trailers and mobile dwellings by members of the uniformed services.

H.R. 3067. March 19, 1979. Armed Services. Authorizes advance payments of station housing allowances for members of the uniformed services assigned to duty outside the continental United States.

H.R. 3068. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to allow handicapped individuals a limited, nonrefundable income tax credit for their commuting expenses between their residence and principal place of employment.

H.R. 3069. March 19, 1979. Veterans' Affairs. Increases the rates of veterans' compensation for: (1) wartime disability compensation; (2) additional compensation for dependents; and (3) clothing allowances paid to certain disabled veterans.

Increases the rates of veterans' dependency and indemnity compensation for: (1) a surviving spouse; (2) surviving children; and (3) supplemental children's benefits.

H.R. 3070. March 19, 1979. Veterans' Affairs. Establishes certain requirements with regard to children adopted abroad by veterans in order for such a child to be considered a "legally adopted child" for purposes of Veterans' Administration benefits.

H.R. 3071. March 19, 1979. Veterans' Affairs. Amends veterans' provisions regarding: (1) health care related travel expenses; (2) medical care in non-Veterans' Administration facilities for housebound veterans and veterans receiving additional aid and attendance benefits; (3) dental services; (4) non-prescription drugs and medical supplies; (5) medical (CHAMPVA) benefits for survivors of individuals dying in active military service; (6) Veterans' Administration Department of Medicine and Surgery personnel; and (7) organ and Blood bank agreements.

H.R. 3072. March 19, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to conduct a three year pilot program for the treatment and rehabilitation in community-based treatment facilities of veterans with alcohol and drug dependencies.

H.R. 3073. March 19, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to provide professional readjustment counseling to any veteran who served on active duty during the Vietnam era, and who requests such assistance within one year from such veteran's discharge or within one year after enactment of this Act.

Authorizes such counseling for members of an eligible veteran's family where necessary for such veteran's treatment.

H.R. 3074. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit to persons age 65 and over or to handicapped, disabled, or blind individuals for real property taxes or rent paid or incurred by such individuals on property used as a principal residence.

H.R. 3075. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for individuals who maintain a household in which a dependent age 65 has resided for more than one-half of the taxable year.

H.R. 3076. March 19, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide Medicare benefits for individuals who require total parenteral nutrition.

H.R. 3077. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a separate return to the amount actually earned by that individual.

H.R. 3078. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to increase to $5,000 the amount which an individual may contribute to an individual retirement account (IRA) and deduct from gross income.

H.R. 3079. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $500 of the interest earned on a savings account.

H.R. 3080. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited, nonrefundable incomes tax credit to individuals for expenditures for health insurance premiums.

H.R. 3081. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to confer tax-exempt status on State and local retirement systems, trusts, or funds. Exempts such State and local retirement systems from reporting requirements imposed upon employer deferred compensation plans under the Internal Revenue Code.

H.R. 3082. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to allow certain individuals to compute the amount of the income tax deduction for retirement savings on the basis of the earned income of their spouses.

H.R. 3083. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to permit taxpayers an election to treat expenditures for making buildings or public transportation vehicles accessible to the handicapped and elderly as current expenses and thus deductible from gross income in the current taxable year.

H.R. 3084. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit for State and local sales taxes in lieu of the income tax deduction currently allowed by law.

H.R. 3085. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to tax income of married individuals filing tax returns separate from their spouses at the same rates applicable to unmarried individuals.

H.R. 3086. March 19, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for optometric and medical vision care under the supplementary medical insurance program.

H.R. 3087. March 19, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require skilled nursing and intermediate care facilities participating in Medicare and Medicaid programs under the Social Security Act to publish a statement of the rights and responsibilties of their patients.

H.R. 3088. March 19, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to establish the Special Commission on Quality Assurance and Utilization Control in Home Health Care. Directs such Commission to study, investigate, and review the provision of home health care and services to individuals in the United States. Requires the Commission, upon such findings, to develop a detailed plan for quality assurance and utilization control in home health care.

H.R. 3089. March 19, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for certain clinical psychologists' services under the supplemental medical insurance program.

H.R. 3090. March 19, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to extend the coverage for dental services to include any services performed by a properly licensed dentist and to authorize payment under such program for all inpatient hospital services furnished in connection with dental procedures requiring hospitalization.

H.R. 3091. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to extend the date until which a State legislator may qualify for the income tax deduction for living expenses while engaged in legislative business away from his home district.

H.R. 3092. March 19, 1979. Ways and Means. Amends the Internal Revenue Code to deny an income tax deduction for any expenses paid or incurred to advertise alcoholic beverages or tobacco products.

H.R. 3093. March 19, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3094. March 19, 1979. Merchant Marine and Fisheries. Authorizes the Secretary of Commerce to sell, subject to such conditions deemed appropriate in the national interest, five named obsolete vessels to a named corporation. Sets certain limitations on the use of such vessels.

H.R. 3095. March 19, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3096. March 19, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 3097. March 20, 1979. Banking, Finance and Urban Affairs. Extends and authorizes appropriations for community and neighborhood development and conservation, housing assistance, mortgage insurance programs, and mortgage assistance.

H.R. 3098. March 20, 1979. Armed Services. Entitles dependents, members, or former members of the uniformed services who are entitled to retired or retainer pay, or equivalent pay, to essential medical and dental care in any facility of the uniformed services under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). Entitles such individuals to nonessential care at such facilities on a space available basis.

H.R. 3099. March 20, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend price controls on domestically produced crude oil for a period of 24 months. Directs the President to promulgate and make effective an amendment to such Act which would continue ceiling prices applicable to any first sale of domestic crude oil for such period.

H.R. 3100. March 20, 1979. Rules. Limits the amount of outside earned income which may be received by Members of Congress in any calendar year.

H.R. 3101. March 20, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to direct the Secretary of Health, Education, and Welfare to specify those sugical procedures which can be safely and appropriately performed either in a hospital on an inpatient basis or on an ambulatory basis; (1) in a physician's office; or (2) in an ambulatory surgical center or hospital. Authorizes payment under the Medicare program for those ambulatory procedures not performed in a hospital.

H.R. 3102. March 20, 1979. Veterans' Affairs. Authorizes eligible Vietnam veterans to use up to 12 months of educational benefits for employment assistance payments to non-Federal employers hiring such veterans. Establishes programs for veterans with problems of: (1) psychological readjustment; or (2) drug or alcohol abuse.

Extends the delimiting period for veterans' educational assistance eligibility. Revise the veterans' educational assistance allowances schedule.

Authorizes grants to States for expenses for the startup costs of veterans' home loan programs.

Establishes a Commission on Veterans' Benefits.

H.R. 3103. March 20. 1979. Ways and Means. Amends the Internal Revenue Code to qualify expenditures for woodburning stoves for the 15 percent residential energy conservation credit.

H.R. 3104. March 20, 1979. Agriculture. Prohibits the Secretary of Agriculture from taking any action under the Wholesome Meat Act or any other law to prohibit the sale, distribution, or use of nitrites as a food preservative solely on the basis of any carcinogenic effect in humans that nitrites may be represented to have, unless validated evidence is made available to the Secretary which proves beyond a reasonable doubt that nitrites as a food preservative have a significant carcinogenic effect on humans, or until a substitute preservative is available.

H.R. 3105. March 20, 1979. Ways and Means. Amends part A (Aid to Families with Dependent Children) of title IV of the Social Security Act to permit States to require any individual to work if such individual's needs are taken into account in determining eligibility for AFDC benefits.

H.R. 3106. March 20, 1979. Ways and Means. Amends the Internal Revenue Code to subject certain foreign investors to a tax on the gain from the sale or exchange of farms or rural lands situated in the United States.

H.R. 3107. March 20, 1979. Merchant Marine and Fisheries. Establishes the Tensas River National Wildlife Refuge in the State of Louisiana.

H.R. 3108. March 20, 1979. Ways and Means. Amends the Internal Revenue Code to permit a taxpayer who does not itemize his income tax deductions to claim a deduction for charitable contributions in excess of specified floor amounts.

H.R. 3109. March 20, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment under the Medicare program for the trimming of club nails and the cutting and removal of corns, warts, and calluses.

H.R. 3110. March 20, 1979. Ways and Means. Amends the Tariff Schedules of the United States to establish a duty on models of household furnishings and kits for miniature houses.

H.R. 3111. March 20, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to study and recommend to Congress the extent of non-Federal cooperation that should be required for providing retaining works for dredged materials at water resources development projects.

H.R. 3112. March 20, 1979. Banking, Finance and Urban Affairs. Amends the Renegotiation Act of 1951 to stipulate that the provisions of such act shall only be in effect when the President determines, during a period of national emergency, that having such act in effect would be in the best interest of the United States and neither House of Congress passes a resolution disapproving such determination within 60 days.

H.R. 3113. March 20, 1979. Small Business. Amends the Small Business Act to declare that the programs assisting small business concerns in obtaining government contracts shall remain in effect notwithstanding any other provision of law.

H.R. 3114. March 20, 1979. House Administration; Ways and Means. Directs the Secretary of the Treasury to maintain in the Presidential Election Campaign Fund, the House of Representatives Election Campaign Account. Sets forth a procedure for the payment of matching funds from the Account to candidates for election to the House of Representatives who meet certain eligibility requirements. Limits expenditures from personal funds which may be made by such eligible candidates.

Amends the Internal Revenue Code of 1954 to limit the tax credit for a taxable year for political contributions to candidates for Congress.

H.R. 3115. March 20, 1979. Ways and Means. Amends the Internal Revenue Code to allow taxpayers to treat federally required business expenditures which do not significantly increase the profitability of such business as current business expenses and thus tax deductible in the current taxable year.

Permits a taxpayer to base depreciation expenses upon a depreciation period of his choice, rather than upon the useful life of the property or its class life as determined under Internal Revenue Service regulations.

H.R. 3116. March 20, 1979. Education and Labor. Repeals the Davis-Bacon Act, relating to the rate of wages for workers employed on Federal public buildings by contractors and subcontractors.

H.R. 3117. March 20, 1979. Ways and Means. Amends the Internal Revenue Code to allow certain low-income individuals a limited, refundable income tax credit for the property taxes and rent paid on their principal residences.

H.R. 3118. March 20, 1979. Agriculture. Directs the Secretary of Agriculture to issue a plan for financing and carrying out a research and education program with respect to freestone peaches.

H.R. 3119. March 20, 1979. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to extend the authorization for appropriations under such Act.

H.R. 3120. March 20, 1979. Interstate and Foreign Commerce. Amends the Noise Control Act of 1972 to extend the authorization for appropriations under such Act.

H.R. 3121. March 20, 1979. Interstate and Foreign Commerce. Amends the Flammable Fabrics Act to eliminate the requirement that the Secretary of Commerce annually report to Congress the results of certain programs of research into, and reduction and testing of, the flammability of products, fabrics, and materials.

H.R. 3122. March 20, 1979. Ways and Means. Amends the Tariff Schedules of the United States to permit the duty-free entry of specified dyeing and tanning products. Suspends, temporarily, the duties on: (1) wood excelsior; (2) nitrocellulose; (3) 2-methyl, 4-chlorophenol; and (4) certain forms of zinc. Reduces temporarily, the duty on certain ceramic insulators used in spark plugs.

H.R. 3123. March 20, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to allow the first sale of qualified deep stripper well crude oil to be exempt from price regulation under such Act.

H.R. 3124. March 20, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend the authorization of appropriations for: (1) emergency medical services systems; (2) health information and promotion; and (3) immunization programs.

Makes certain revisions with respect to the National Health Service Corps, dentistry training, health planning, and health maintenance organizations. Repeals title IX of such Act.

H.R. 3125. March 20, 1970. Interstate and Foreign Commerce. Amends the Public Health Service Act and the Community Mental Health Centers Act to extend and revise the authorization of appropriations for certain assistance programs under such Acts.

H.R. 3126. March 20, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to provide incentives for increased petroleum production through the use of tertiary recovery processes.

H.R. 3127. March 20, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily reduce the duty on certain ceramic insulators used in spark plugs.

H.R. 3128. March 20, 1979. Judiciary; Rules. Requires all rules proposed by any Federal agency, except emergency rules, to be submitted to Congress before becoming effective. Permits such rules to become effective 60 days after submission to Congress if not disapproved by either House within such period.

Exempts from publication requirements notice of rulemaking proceedings for agency rules dealing with emergency or routine matters or which have an insignificant impact. Sets other maximum and minimum time limits during which public comment is to be accepted regarding proposed agency rules.

H.R. 3129. March 20, 1979. Interstate and Foreign Commerce. Prohibits refiners or distributors of petroleum products from cancelling franchises without prior notice. Prohibits distributors and refiners from cancelling petroleum franchises without cause.

H.R. 3130. March 20, 1979. Banking, Finance and Urban Affairs. Amends the Inter-American Development Bank Act, the Asian Development Bank Act, and the African Development Fund Act to authorize United States contributions and the necessary appropriations to the Inter-American Development Bank, Asian Development Bank, and African Development Fund.

Authorizes the United States Governor of the Inter-American Development Bank: (1) to vote to increase the authorized capital stock of such Bank; and (2) to subscribe to such increase.

H.R. 3131. March 20, 1979. Interstate and Foreign Commerce. Amends the Public Utility Regulatory Policies Act of 1978 to authorize the President to recommend the waiver of State laws to expedite the transportation of crude oil.

H.R. 3132. March 20, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to direct the Secretary of Labor to publish emergency temporary standards to protect employees from radio frequency industrial heating devices.

Directs the Secretary to publish a proposed health and safety standards rule to protect employees from non-ionizing radiation (including radiation from radio frequency industrial heating devices).

H.R. 3133. March 20, 1979. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to suspend payment of the State government share of revenue sharing funds beginning in fiscal year 1980.

H.R. 3134. March 20, 1979. Education and Labor; Ways and Means. Amends the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code to allow the use of a participant's contributions to certain pension plans as security for a loan from a bank or federally insured credit union.

H.R. 3135. March 20, 1979. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to authorize the Secretary of Transportation to make grants for the purpose of reducing noise related to rail mass transportation systems situated in urbanized areas and which were operational before 1950.

Authorizes appropriations for research, development, and demonstration projects to reduce urban mass transportation system noise.

H.R. 3136. March 20, 1979. Judiciary. Declares that all payments received by a named individual from a certain retirement plan during a specified period shall not be taken into account for purposes of determining whether such individual receives a lump sum distribution under the Internal Revenue Code of 1954 in his first taxable year beginning after the enactment of this Act.

H.R. 3137. March 20, 1979. Judiciary. Directs the Secretary of the Navy: (1) to determine the amount and effective date of the retired pay to which a named individual would have been entitled under specified circumstances; and (2) to certify such amount to the Secretary of the Treasury. Directs the Secretary of the Treasury to pay such amount, less specified compensation already received, to such individual.

H.R. 3138. March 20, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3139. March 20, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3140. March 20, 1979. Judiciary. Directs the Secretary of Labor or a designee, to consider a specified claim for compensation for work injuries by a named law enforcement officer not employed by the United States, notwithstanding the five-year time limitation on such claims.

H.R. 3141. March 20, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3142. March 20, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 3143. March 20, 1979. Judiciary. Permits a named individual to file a specified claim against the United States within a stated period, notwithstanding certain time limitations on such claims.

H.R. 3144. March 20, 1979. Armed Services. Authorizes and requests the President to appoint a named retired Army colonel to the grade of brigadier general on the Retired List of the Army, without any increase in benefits accruing to such individual as a result of such appointment.

H.R. 3145. March 20, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 3146. March 20, 1979. Judiciary. Authorizes classification of two individuals as children for purposes of the Immigration and Nationality Act.

H.R. 3147. March 21, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 3148. March 21, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony over which Federal courts have jurisdiction, or which includes an element of use or threat of violence.

H.R. 3149. March 21, 1979. Education and Labor. Amends the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

H.R. 3150. March 21, 1979. Judiciary. Requires each Federal agency to include in the general notice of a proposed rule an explanation of the need for such rule, and a justification of the selection of such rule over alternative proposals.

Directs each agency to prepare an economic impact analysis of each proposed rule and each alternative proposal.

Establishes the Interagency Review Committee to review the rules each agency prescribes to implement this Act.

Requires each agency to review each of its rules within five years of the date such rule is prescribed and once every five years thereafter.

H.R. 3151. March 21, 1979. Armed Services. Amends the program of medical and dental care for members and certain former members of the uniformed services and for their dependents to include certain former spouses of members of the uniformed services.

H.R. 3152. March 21, 1979. Education and Labor. Authorizes the immediate supervisor of any Federal employee who has applied for continuation pay during a period of disability caused by a work injury to require such employee to submit to an examination by a physician designated by the supervisor for the purpose of obtaining a second opinion concerning the employee's claim. Prohibits the payment of continuation pay for a specfiied period.

H.R. 3153. March 21, 1979. Interstate and Foreign Commerce. Amends the Natural Gas Policy Act of 1978 to reduce the ceiling prices for certain natural gas. Creates an annual inflation factor for certin ceiling prices. Extends the period of price controls under such Act.

H.R. 3154. March 21, 1979. Foreign Affairs. Establishes a National Export Administration Board and an Export Administration Review Council composed of the Secretaries of Commerce, Defense, and State and their designated representatives. Provides for the issuance of validated and general export licenses.

Prohibits compliance with or support of any foreign boycott against a country which is friendly to the United States.

H.R. 3155. March 21, 1979. Education and Labor. Repeals the Davis-Bacon Act, relating to the rate of wages for workers employed on Federal public buildings by contractors and subcontractors.

H.R. 3156. March 21, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to direct the Secretary of Labor to prepare an economic impact analysis in connection with the promulgation of occupational safety and health standards.

H.R. 3157. March 21, 1979. Government Operations; Rules. Terminates budget authority for all Federal programs on specified dates. Requires Congress to consider whether any such programs merit continuation on the same, a greater, or lesser level, or termination.

Requires the Comptroller General to identify inactive or inefficient programs.

H.R. 3158. March 21, 1979. Ways and Means. Establishes a "working spouse's benefit" under title II (Old Age, Survivor's and Disability Insurance) of the Social Security Act. Provides that any individual who receives both old-age benefits or a disability insurance benefit and wife's, husband's, widow's, widower's, or mother's insurance benefits shall be entitled to such working spouse benefit. States that such benefit shall be a percentage of the smaller of the two benefits to which the recipient was entitled.

Limits the receipt of such benefits to one member of a married couple when both members are eligible.

H.R. 3159. March 21, 1979. Interstate and Foreign Commerce.

Amends the Emergency Petroleum Allocation Act to exempt the first sale of new crude oil, tertiary crude oil, deep stripper well crude oil, stripper well crude oil, high water crude oil, and marginal offshore crude oil from regulation under such Act.

H.R. 3160. March 21, 1979. Armed Services. Stipulates that the Corps of Cadets of the United States Military Academy may be commanded by commissioned officers of the Navy, Air Force, and Marine Corps.

H.R. 3161. March 21, 1979. Armed Services. Authorizes the Secretary of the Army to prescribe the oath to be taken by appointees to the United States Military Academy.

H.R. 3162. March 21, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 3163. March 21, 1979. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to provide Federal authority for States to restrict such importation of solid waste as the State deems necessary to protect public health and safety.

H.R. 3164. March 21, 1979. Interior and Insular Affairs, Authorizes and directs the Secretary of the Interior to construct additional drainage facilities for the Kansas-Bostwick Unit, Pick-Sloan Missouri Basin, to the extent necessary for crop production on the irrigable lands and prevention of damage by seepage on the nonirrigable lands on such unit.

H.R. 3165. March 21, 1979. Ways and Means. Amends the Internal Revenue Code to restrict the availability of the investment tax credit to certain regulated public utilities.

H.R. 3166. March 21, 1979. Agriculture; Interior and Insular Affairs; Interstate and Foreign Commerce; Merchant Marine and Fisheries. Transfers to the Secretary of Agriculture specified functions of the Departments of Commerce, of the Interior, and of Health, Education, and Welfare in order to permit him to coordinate, integrate, and administer programs conducive to: (1) increasing the production and improving the marketing and quality of food, fiber, and forest products; and (2) improving the economic condition of families engaged in farming.

Creates an Under Secretary of Agriculture for Domestic Agricultural Affairs.

Amends the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to create an Assistant Secretary of Agriculture for Science and Education.

H.R. 3167. March 21, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to revise the requirements and procedures of the health planning program and the State agencies which administer such program, and to extend the authorization of appropriations for such program. Authorizes financial assistance to hospitals and State agencies for discontinuing inappropriate health services.

H.R. 3168. March 21, 1979. Post Office and Civil Service. Provides third-class mailing privileges to Gold Star Wives of America, Inc.

H.R. 3169. March 21, 1979. Judiciary. Prohibits specified mergers, consolidations, and stock acquisitions sufficient to effectuate a transfer of control between legal entities. Establishes affirmative defenses to any such offense. Empowers the Attorney General and the Federal Trade Commission to enforce this Act. Authorizes injunctive relief for private parties.

H.R. 3170. March 21, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to modify the administration of the Public Health Service with respect to: (1) the appointment of warrant officers; (2) the pay and grade structure of members of the Service; and (3) the reimbursement of educational assistance.

H.R. 3171. March 21, 1979. Judiciary; Armed Services; Post Office and Civil Service; Ways and Means. Revises the Civil Rights Act of 1964, the Social Security Act, and the Internal Revenue Code regarding public accommodations and federally assisted programs, veterans' and armed forces dependents benefits, social security benefits, and tax deductions for retirement account contributions with respect to sex discrimination. Requires the Secretary of Health, Education, and Welfare to study and make recommendations to Congress concerning women's retirement benefits, child care services, and tax deductions for child and disabled parent care services.

H.R. 3172. March 21, 1979. Judiciary. Authorizes the naturalization of a named individual under the Immigration and Nationality Act.

H.R. 3173. March 22, 1979. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to authorize appropriations for various assistance programs, including emergency programs, international narcotics control, and military assistance. Revises provisions concerning military stockpiles and military personnel in foreign countries.

Amends the Arms Export Control Act to provide certain services and reduce certain charges in connection with defense contracts and cooperative agreements with North Atlantic Treaty Organization member nations.

Authorizes the President to transfer certain property to Taiwan. Releases Thailand from contractual obligations for certain ammunition. Permits assistance to Jordan only if Jordan is acting in good faith to achieve peace in the Middle East.

H.R. 3174. March 22, 1979. Banking, Finance and Urban Affairs. Amends the Housing Act of 1949 to extend and authorize appropriations for specified rural housing programs.

H.R. 3175. March 22, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act to permit the Secretary of Housing and Urban Development to insure graduated payment mortgage with a principal amount of up to 100 percent of the appraised value of the property involved.

H.R. 3176. March 22, 1979. Judiciary. Amends the Immigration and Nationality Act to permit individuals to be naturalized if they can demonstrate an understanding of any language (presently must demonstrate an understanding of English).

H.R. 3177. March 22, 1979. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay (in addition to any pension already paid) a monthly pension to each veteran of World War I who meets specified service requirements, or to the surviving spouse of each such veteran, or when there is no surviving spouse, to the child or children of each such veteran.

H.R. 3178. March 22, 1979. Education and Labor. Requires motion picture production or processing contractors of United States agencies to pay wages and fringe benefits which the Secretary of Labor determines to be prevailing for the locality involved or which are agreed upon through collective bargaining.

H.R. 3179. March 22, 1979. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to invalidate agreements preventing the broadcast of a professional sports game, by means of television, at the same time and in the same area in which the game is to be played.

H.R. 3180. March 22, 1979. Interstate and Foreign Commerce. Authorizes specific appropriations to the Department of Energy to carry out functions assigned to specified branches of the Department.

Creates an office of Administration and an Office of Competition and Consumer Affairs within the Department.

H.R. 3181. March 22, 1979. Education and Labor. Amends the Higher Education Act of 1965 to establish a program of grants to qualifying urban universities to assist them in carrying out urban-oriented projects.

H.R. 3182. March 22, 1979. Interstate and Foreign Commerce. Amends the Securities Exchange Act of 1934 to direct the Securities and Exchange Commission to: (1) restrict foreign citizens and entities under their control from acquiring specified percentages of registered securities; and (2) provide for registration of foreign investors.

H.R. 3183. March 22, 1979. Post Office and Civil Service. Permits the postage-free mailing of letter mail of specified weight by United States citizens to the President, the Vice President, and Members of Congress.

H.R. 3184. March 22, 1979. Veterans' Affairs. Repeals certain veterans' education provisions requiring such benefits to be used within ten years of eligibility.

H.R. 3185. March 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for 25 percent of the tuition paid for the college or postsecondary vocational education of the taxpayer, his spouse, or any of his dependents.

H.R. 3186. March 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers a limited income tax credit for the tuition paid for the elementary or secondary education of the taxpayer or any of his dependents.

H.R. 3187. March 22, 1979. Education and Labor; Banking, Finance and Urban Affairs. Amends the Fair Labor Standards Act of 1938 to authorize the Secretary of Labor to investigate any proposed business closing or relocation and to provide assistance to certain employees and local governments affected by such action.

Denies specified tax benefits to a business closing or transferring an operation upon certain findings by the Secretary.

Establishes a National Employment Relocation Administration within the Department of Labor and a National Employment Relocation Advisory Council.

H.R. 3188. March 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, for physical examinations, and for related routine laboratory tests.

H.R. 3189. March 22, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to allow Federal Reserve banks to purchase and sell obligations issued by municipalities and other political subdivisions which have filed petitions under chapter 9 of the Bankruptcy Act.

H.R. 3190. March 22, 1979. Judiciary. Amends the Export Trade Act to revise the coverage of such Act. Directs the Secretary of Commerce to promote export trade associations consistent with such Act and the antitrust laws. Requires the Federal Trade Commission Chairman and the Attorney General to meet periodically, with the private sector, to coordinate export trade policy.

H.R. 3191. March 22, 1979. Ways and Means. Amends the Internal Revenue Code to provide a limited exclusion from gross income of interest from savings accounts in home lending institutions.

H.R. 3192. March 22, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from the gross estate of a decedent life insurance proceeds received by a beneficiary.

H.R. 3193. March 22, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Science and Technology. Directs the Secretary of Energy to carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center in West Valley, New York, by: (1) vitrifying the resident high level liquid nuclear wastes; (2) transporting such waste to a Federal repository; and (3) decommissioning and decontaminating the facilities. Directs the Secretary to monitor and study the health effects to the public resulting from the past operations of the reprocessing facilities.

H.R. 3194. March 22, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to revise the functions of health systems agencies under the health planning program.

H.R. 3195. March 22, 1979. Interstate and Foreign Commerce. Establishes procedures for declaration of energy emergencies and energy disaster situations by the President, upon request by Governors of affected States. Authorizes the President to provide relief in such emergencies and crisis situations by ordering delivery of energy supplies to the affected area, imposing energy conservation measures, and furnishing financial and other assistance.

Authorizes suspension of stationary source fuel or emission limitations imposed under the Clean Air Act during energy emergency situations.

H.R. 3196. March 22, 1979. Armed Services; Public Works and Transportation; Banking, Finance and Urban Affairs; Government Operations. Authorizes the Secretary of Commerce to guarantee loans to defense contractors or subcontractors to ease the economic effects of the termination of defense contracts.

Authorizes the Secretary to make economic adjustment planning grants to areas about to experience economic adjustment problems due to the closure or realignment of a military base.

Transfers the defense economic adjustment functions of the Department of Defense to the President's Inter-Agency Economic Adjustment Committee.

Authorizes the sale or lease of real property which becomes surplus as a result of a base closure or realignment to be utilized for an economic adjustment program.

H.R. 3197. March 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow certain taxpayers to temporarily elect to exclude from gross income amounts attributable to production from any exploratory oil or gas well.

H.R. 3198. March 22, 1979. Government Operations. Amends the Public Works Employment Act of 1976 to authorize the Secretary of the Treasury to make payments, according to unemployment rates, to: (1) eligible local and specified territorial governments in a targeted fiscal assistance program; and (2) eligible State, local, and specified territorial governments in an antirecession fiscal assistance program.

H.R. 3199. March 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to allow unlimited home health visits, to eliminate prior hospitalization as a requirement for receiving home health care under part A (Hospital Insurance Benefits for the Aged and Disabled) of such title, and to eliminate confinement to home as a requirement for receiving such care under part B (Supplementary Medical Insurance Benefits for the Aged and Disabled) of such title.

H.R. 3200. March 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax deduction for contributions to an individual housing account.

Allows an income tax deduction for sales taxes on items used in the construction of new homes. Allows a limited, refundable income tax credit for the amount of interest income a taxpayer loses on amounts paid as real property tax prepayments.

H.R. 3201. March 22, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit Federal officers or employees from refusing to issue or renew airman certificates or from requiring air carriers to terminate the employment of, or refuse to employ, pilots solely by reason of the age of such person, if such pilot is less than 65 years of age.

Stipulates that a pilot over the age of 60 shall be required to pass physical examinations at least every three months in order to maintain an airman certificate.

H.R. 3202. March 22, 1979. Interstate and Foreign Commerce; Education and Labor. Establishes a health promotion and disease prevention program, including the development of regional preventive medicine centers and federally-aided research and projects in health promotion activities.

H.R. 3203. March 22, 1979. Judiciary. Declares that any licensed medical personnel or aircraft employee who, in good faith and with a reasonable belief that immediate medical attention is necessary, renders emergency care to an injured or ill person aboard an aircraft within the special aircraft jurisdiction of the United States shall not be liable for any civil damages as a result of any act or omission by such individual in rendering such care, except for any act or omission amounting to gross negligence or willful or wanton misconduct.

H.R. 3204. March 22, 1979. Public Works and Transportation. Prohibits the Secretary of Transportation from approving, at the end of a two year period, any Federal aid highway program in a State unless the State has: (1) established a form of identification to designate parking spaces reserved for physically handicapped individuals and which distinguishes motor vehicles used by such individuals; and (2) enacted legislation setting forth penalties for the use of such spaces by non-handicapped persons.

H.R. 3205. March 22, 1979. Interstate and Foreign Commerce; Judiciary; Banking, Finance and Urban Affairs; Ways and Means. Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970 to set mandatory minimum terms of imprisonment for individuals convicted of certain opiate traffic related crimes.

Amends the Federal Rules of Criminal Procedure to require a separate sentencing hearing when a person is convicted of a crime for which such sentences are authorized.

Subjects to forfeiture proceeds of and money intended to be used in opiate violations.

Revises reporting requirements relative to: (1) importation or exportation of cash; and (2) vessels upon arrival in United States ports.

H.R. 3206. March 22, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to require States having agreements for coverage of their employees under the system of insurance established by such title to make payments and reports on a calendar-quarter basis.

H.R. 3207. March, 22, 1979. Ways and Means. Amends the Tariff Schedules of the United States to extend the duty-free entry of bicycle lights and parts. Revises the list of bicycle parts eligible for duty-free entry.

H.R. 3208. March 2, 1979. Education and Labor. Amends the Federal Mine Safety and Health Act of 1977 to provide that provisions of such Act shall not apply to stone mining, sand and gravel mining operations, or certain surface construction operations.

H.R. 3209. March 22, 1979. Ways and Means. Amends the Internal Revenue Code to eliminate the requirement that a taxpayer must have attained age 55 to qualify for the one-time exclusion of gain from the sale of a principal residence.

H.R. 3210. March 22, 1979. Interior and Insular Affairs. Amends the Act granting certain public lands of the United States to the Las Vegas Valley Water District to terminate such authority.

H.R. 3211. March 22, 1979. Ways and Means. Amends the Internal Revenue Code to reduce by one-half the allowable income tax deduction for business meals.

H.R. 3212. March 22, 1979. Armed Services. Allows any member or former member of the armed forces who is suffering from a service-connected disability to be retained on active duty or returned to such duty if the Secretary of the military department concerned finds that such action would serve both the best interests of the individual involved and the military department concerned.

H.R. 3213. March 22, 1979. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to prohibit the Federal Communications Commission from prescribing rules to permit increased duplication of radio broadcasting station assignments on class I–A clear channels.

H.R. 3214. March 22, 1979. Government Operations. Amends the Public Works Employment Act of 1976 to authorize the Secretary of the Treasury to make payments according to unemployment rates to: (1) eligible local and specified territorial governments in a targeted fiscal assistance program; and (2) eligible State, local, and specified territorial governments in an antirecession fiscal assistance program.

H.R. 3215. March 22, 1979. Public Works and Transportation. Directs the Secretary of Transportation to enter into a contract with each State for the payment of 90 percent of the costs of repairing highways and the surface rails of urban mass transportation systems (other than railroads) which were damaged as the result of winter weather.

H.R. 3216. March 22, 1979. Foreign Affairs; Armed Services. Amends the Export Administration Act of 1969 to make the Secretary of Defense responsible for identifying technologies and goods which shall be controlled for national security purposes. Establishes an Office of Technology Export to assist the Secretary.

Directs the President to issue rules and regulations limiting the export of critical and significant technologies and goods. Provides for the submission of national security impact statements to Congress.

H.R. 3217. March 22, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3218. March 22, 1979. Judiciary. Directs classification of a named individual as an immediate relative for purposes of the Immigration and Nationality Act.

H.R. 3219. March 22, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3220. March 22, 1979. Judiciary. States that the periods of time in which a named individual has resided in the United States meet specified requirements of the Immigration and Nationality Act. Authorizes such individual to file a petition for naturalization under such Act.

H.R. 3221. March 26, 1979. Ways and Means. Amends the Internal Revenue Code to provide that the credit against employment tax liability available to an employer shall not be reduced due to advances made to the unemployment account of a State under Title XII (Advances to State Unemployment Funds) of the Social Security Act, if such State makes certain repayments of such advances during the taxable year.

H.R. 3222. March 26, 1979. Ways and Means. Establishes under title IV (Aid to Families with Dependent Children and Aid for Child Welfare Services) of the Social Security Act a new program, Federal Payments for Foster Care and Adoption Assistance. Sets forth requirements for State plans to be eligible for payments under such program.

H.R. 3223. March 26, 1979. Education and Labor. Amends the Federal Mine Safety and Health Amendments Act of 1977 to state that provisions of such Act shall not apply to stone mining, sand and gravel mining, or shell dredging operations.

H.R. 3224. March 26, 1979. Science and Technology. Authorizes appropriations for fiscal years 1980 and 1981 for: (1) activities under the Federal Fire Prevention and Control Act of 1974; and (2) the Fire Research Center.

H.R. 3225. March 26, 1979. Armed Services. Authorizes the President to award the Congressional Medal of Honor posthumously to Private First Class William James Tsakanikas for his service during World War II.

H.R. 3226. March 26, 1979. Veterans' Affairs. Repeals certain educational delimiting provisions for veterans, survivors, dependents, and for children of certain Filipino veterans. Provides for payment of one-half the amount of such educational benefits for veterans' tuition in addition to the present monthly payment allowance.

Reestablishes eligibility for specified unused but expired veterans' educational entitlements.

H.R. 3227. March 26, 1979. Education and Labor. Establishes a program of assistance to aid States in implementing their school desegregation plans. Requires participating States to submit a statewide school desegregation plan and an implementation plan.

H.R. 3228. March 26, 1979. Veterans' Affairs. Removes certain current restrictions from the eligibility requirements for employment and training benefits for disabled and Vietnam veterans.

H.R. 3229. March 26, 1979. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to provide outpatient dental services to any veteran with a 50 percent or more service-connected disability.

H.R. 3230. March 26, 1979. Education and Labor. Amends the Higher Education Act of 1965 to require certain recipients of Federal aid to higher education to give senior citizens access, on a space available basis, to scheduled courses and programs.

H.R. 3231. March 26, 1979. Ways and Means. Amends the Internal Revenue Code to provide a limited tax exclusion of interest income from savings accounts.

H.R. 3232. March 26, 1979. Rules. Limits the amount of outside earned income which may be received by Members of Congress in any calendar year.

H.R. 3233. March 26, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3234. March 26, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 3235. March 26, 1979. Judiciary. Confers jurisdiction on a specified district court over specified claims of a named individual against the United States. Requires that such claims be filed during a specified period.

H.R. 3236. March 27, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to set forth new and additional criteria to be used in the computation of disability benefits under such title.

Sets forth new procedures for making and reviewing determinations of disability.

Directs the Secretary of Health, Education, and Welfare to study alternative methods of financing vocational rehabilitation services for disabled beneficiaries under title II to the end that maximum savings will result to the Social Security Trust Funds.

H.R. 3237. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to increase the gift tax exclusion.

H.R. 3238. March 27, 1979. Rules; Government Operations. Amends the Budget and Accounting Act, 1921, to require that Federal expenditures for any fiscal year not exceed 20 percent of the estimated gross national product nor exceed estimated receipts of the Government for such year.

Sets forth a new procedure for the development of the budget under the Congressional Budget Act of 1974. Requires that each House of the Congress adopt a concurrent spending resolution as well as a concurrent budget resolution. Specifies that the level of outlays in the spending resolution shall establish a spending ceiling for the subsequent budget resolution.

H.R. 3239. March 27, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to sell specified lands in Imperial County, California, to claimants whose title to such lands has inured to the United States by the process of accretion.

H.R. 3240. March 27, 1979. Agriculture. Amends the Agricultural Adjustment Act of 1937 to authorize the Secretary of Agriculture to issue marketing orders respecting walnut development projects which provide for any form of marketing promotion, including paid advertising.

H.R. 3241. March 27, 1979. Judiciary. Permits any person to request a Federal agency to initiate a rulemaking proceeding. Authorizes such person to petition a United States court of appeals to order an initiation of rulemaking if the agency denies or fails to act on such a request.

H.R. 3242. March 27, 1979. Judiciary. Directs each Federal agency to establish a timetable for each class of rulemaking proceeding conducted by that agency. Requires an agency to publish in the Federal Register an explanation of any change in any timetable.

H.R. 3243. March 27, 1979. Interior and Insular Affairs: Interstate and Foreign Commerce. Amends the Public Utility Regulatory Policies Act of 1978 to authorize the President to recommend the waiver of State laws to expedite the transportation of crude oil. Extends the period for the filing and consideration of proposed crude oil transportation systems.

H.R. 3244. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to provide for the application of the investment tax credit to property purchased by a person who is engaged in the trade or business of renting or leasing furniture.

H.R. 3245. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to specify standards for determining whether certain individuals qualify as independent contractors for purposes of social security taxation.

Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide coverage for independent contractor services.

H.R. 3246. March 27, 1979. Veterans' Affairs. Provides chiropractic treatment for eligible veterans.

H.R. 3247. March 27, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Amends the Public Utility Regulatory Policies Act of 1978 to authorize the President to recommend the waiver of State laws to expedite the transportation of crude oil.

H.R. 3248. March 27, 1979. Armed Services. Extends post exchange privileges to veterans with service-connected disabilities rated at 50 percent or higher.

H.R. 3249. March 27, 1979. Public Works and Transportation. Amends the Appalachian Regional Development Act of 1965 to authorize appropriations and extend the provisions of such Act.

Increases the total mileage authorized for the Appalachian development highway system. Authorizes grants for: (1) demonstration projects to meet human services needs; (2) the acquisition of housing project sites; (3) aiding State and local business-related technical assistance programs; and (4) establishing funds for business, agricultural, and forestry enterprise development loans. Permits Federal financing for certain industrial and commercial facilities.

H.R. 3250. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to permit alimony payments to be included in computing the total allowable income tax deduction for contributions to a retirement savings plan.

H.R. 3251. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to increase the unified tax credit against the estate and the gift tax so that estates and gifts under $1,000,000 will be exempt from tax.

H.R. 3252. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to qualify trusts established for the payment of product liability claims as tax-exempt organizations. Allows a limited income tax deduction for contributions to such trusts.

H.R. 3253. March 27, 1979. Banking, Finance and Urban Affairs. Amends the Housing Act of 1959 to increase the availability of funds for loans to housing projects for the elderly and handicapped. Requires an adjustment of rent subsidies to such projects in the event of specified fluctuations in the interest rate. Requires a cost reduction study of the loan program.

H.R. 3254. March 27, 1979. Armed Services. Repeals specified defense contract requirements regarding the purchase of aircraft or naval vessels including: (1) auditing requirements; (2) return of excess profits; and (3) subcontracting prohibitions. Repeals the requirement that at least ten percent of naval aircraft and aircraft engines be manufactured in plants owned and operated by the United States. Removes the President's power to manufacture naval aircraft or aircraft parts in United States owned plants.

H.R. 3255. March 27, 1979. Judiciary; Education and Labor; Post Office and Civil Service. Prohibits any Federal employee or officer or any person engaged in interstate commerce from: (1) requiring employees or employee applicants to take a polygraph test in connection with such individual's employment; (2) denying employment or disciplining an employee for refusing to take such a test; or (3) using the results of such test in connection with such individual's employment. Exempts specified Federal employees and contractors from such provisions. Sets forth civil and criminal penalties for violations of such provisions.

H.R. 3256. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a separate return to the amount actually earned by that individual.

H.R. 3257. March 27, 1979. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act to increase the number of directors of each Federal Reserve Bank from nine to twelve by adding three additional directors to the class of directors designated from the public by the Board of Governors of the Federal Reserve System.

Directs the President to appoint, by and with the advice and consent of the Senate, two members of the Board to serve as the Chairman and Vice Chairman for four-year terms.

Allows the Chairman prior to the date of enactment of this Act to continue in the office of Chairman until the expiration of the four-year term.

H.R. 3258. March 27, 1979. Public Works and Transportation. Requires the Saint Lawrence Seaway Development Corporation to pay excess revenue into the general fund of the Treasury. Stipulates that the Corporation shall establish tolls so that the United States' rate of return will equal the Canadian rate of return on their respective investments in the Saint Lawrence Seaway. Terminates the balance owed by the Corporation from bonds issued to the Secretary of the Treasury.

H.R. 3259. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax deduction for contributions to a medical or legal malpractice liability trust or to a captive insurer (wholly or partially owned or controlled by the taxpayer) of the taxpayer for malpractice insurance.

H.R. 3260. March 27, 1979. Armed Services. Repeals the provision of law which allows an additional uniform allowance for certain officers in a reserve component of the uniformed services.

H.R. 3261. March 27, 1979. Armed Services. Authorizes the establishment of a Department of Defense Retirement and Disability Fund within the Treasury to be used for the payment of military retirement and retainer pay and for the payment of annuities to survivors of military personnel.

H.R. 3262. March 27, 1979. Armed Services. Authorizes the Administrator of General Services to dispose of a specified amount of tin presently held in the national and supplemental stockpiles.

H.R. 3263. March 27, 1979. Judiciary. Requires the head of each Federal agency to publish: (1) regulatory analyses of each proposed major rule; and (2) a schedule for the review of its significant rules, policies, and practices.

Creates a new procedure for administrative adjudication and rulemaking by Federal agencies. Establishes an "expedited procedure" for all agency proceedings for which a hearing is required and a "formula hearing" process for resolving substantial disputes of fact arising from such proceedings.

Establishes a new system of appointing and evaluating administrative law judges.

Authorizes agencies to compensate individuals for the costs of participating in agency proceedings.

H.R. 3264. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to allow truck operators a limited income tax credit for the cost of fuel required for the shipment of goods by truck in interstate commerce. Increases the amount of such credit for truckers who achieve an increase in average mileage per gallon during a taxable year.

H.R. 3265. March 27, 1979. Ways and Means. Amend the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 3266. March 27, 1979. Banking, Finance and Urban Affairs. Authorizes the President to present to John Wayne, on behalf of the Congress, a specially struck medal of appropriate design.

H.R. 3267. March 27, 1979. Ways and Means. Amends the Tariff Schedules of the United States to add an additional duty to the duties already imposed on copper. Provides for the adjustment of such additional duties. Prohibits the President from designating copper as eligible for duty-free treatment.

H.R. 3268. March 27, 1979. Foreign Affairs Ways and Means; Interior and Insular Affairs; Merchant Marine and Fisheries. Disclaims extraterritorial sovereignty by the United States over deep seabeds.

Requires exploration or commercial recovery of deep seabeds to be licensed in accordance with this Act. Directs the Secretary of Commerce to administer this Act and to enforce civil and criminal penalties established herein.

Sets forth the effects upon such licenses of subsequent international agreements.

Imposes a tax on the removal of hard mineral resources from the deep seabed.

Establishes a Deep Seabed Revenue Sharing Trust Fund in the United States Treasury.

H.R. 3269. March 27, 1979. House Administration. Authorizes the United States Navy Memorial Foundation to erect a monument on public grounds in the District of Columbia in honor of the men and women who have served in the United States Navy.

H.R. 3270. March 27, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer an income tax credit for three percent of the expenses paid or incurred for the improvement of his principal residence.

H.R. 3271. March 27, 1979. Judiciary. Amends the Antitrust Civil Process Act to authorize the Department of Justice to retain or consult agents in connection with the enforcement of the antitrust laws. Allows any antitrust investigator designated as custodian of documentary materials to disclose such materials to agents for official use.

H.R. 3272. March 27, 1979. Veterans' Affairs. Revises the educational assistance program for veterans and their survivors and dependents, including: (1) application procedures and delimiting periods; (2) vocational course requirements; (3) attendance at foreign institutions; (4) computation of allowances; (5) administrative procedures; and (6) forfeiture provisions.

Repeals authority for flight and correspondence training for veterans and the Predischarge Education Program (PREP) for service persons.

H.R. 3273. March 27, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to carry out a plan for the completion of the Natchez Trace Parkway from Natchez, Miss., to Nashville, Tenn.

H.R. 3274. March 27, 1979. Interior and Insular Affairs. Entitles the Catawba Indian Tribe to compensation in exchange for its release and relinquishment of certain land claims in South Carolina. Establishes in the Treasury a settlement fund for such compensation.

Directs the Secretary of the Interior to develop a utilization plan for such fund. Prohibits utilization or distribution of funds until such Tribe approves such plan and the State of South Carolina makes an appropriate contribution.

H.R. 3275. March 27, 1979. Interior and Insular Affairs. Amends the Small Business Reclamation Projects Act of 1956 to increase the funds available to non-Federal organizations for reclamation projects.

H.R. 3276. March 27, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to establish a catastrophic health insurance benefits program for residents of the United States. Establishes a system of Federal certification of basic health insurance provided by private insurance carriers which meet certain specifications. Requires the Secretary of Health, Education, and Welfare to offer basic Federal health insurance to individuals residing in States in which no private health insurance program has received Federal certification.

H.R. 3277. March 27, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to establish a catastrophic health insurance benefits program for residents of the United States. Replaces the Medicaid program with a medical assistance plan for low-income people. Establishes a system of Federal certification of basic health insurance provided by private insurance carriers which meet certain specifications. Requires the Secretary of

Health, Education, and Welfare to offer basic Federal health insurance to individuals residing in States in which no private health insurance programs received Federal certification.

H.R. 3278. March 27, 1979. Judiciary. Declares a named individual, upon resubmission of a specified application: (1) exempt from the tax on self-employment income for services heretofore or hereafter performed as a duly ordained, commissioned, or licensed minister of a church; and (2) ineligible for old age, survivors and disability insurance benefits coverage based on such income. Directs: (1) the Secretary of the Treasury to refund any such tax paid; and (2) the Secretary of Health, Education, and Welfare to delete any record of such income.

H.R. 3279. March 27, 1979. Judiciary. Declares that a named individual shall be deemed to be under disability and to have satisfied certain requirements throughout a specified period, for purposes of determining the entitlement of such individual to disability insurance benefits under the Social Security Act.

H.R. 3280. March 27, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3281. March 27, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3282. March 28, 1979. Education and Labor. Directs the Secretary of Health, Education, and Welfare to establish an Asbestos Hazards School Safety Task Force to direct Federal efforts to ascertain the danger to school children and employees from asbestos materials in schools.

Establishes a program for the systematic inspection of schools for asbestos hazards. Provides funds for asbestos hazard identification and for technical and educational assistance.

Establishes an Asbestos Hazards Control Loan Program and an asbestos hazards detection program.

H.R. 3283. March 28, 1979. Interstate and Foreign Commerce. Amends the Atomic Energy Act of 1954 to prevent nuclear reactor repair costs and increased costs of substitute power from being passed through to an electric utility's customers when the generation of electric energy by any nuclear powerplant is suspended or terminated for a safety related reason.

Establishes a Nuclear Reactor Shut-down Fund to reimburse any electric utility for such excess energy cost and repair or construction costs.

H.R. 3284. March 28, 1979. Public Works Transportation. Establishes, within the General Services Administration, the Federal Protective Service for the protection of persons and property on real property under the control of the Administration.

Requires the United States to make a lump sum payment to the survivors of a Federal law enforcement officer or fire fighter who dies as a result of an injury sustained in the performance of duty.

H.R. 3285. March 28, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to carry out a plan for the completion of the Natchez Trace Parkway from Natchez, Mississippi, to Nashville, Tennessee.

H.R. 3286. March 28, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the estate tax carryover provisions enacted by the Tax Reform Act of 1976. Restores prior law relating to the basis of property passed by a decedent.

H.R. 3287. March 28, 1979, District of Columbia. Amends the District of Columbia Self-Government and Governmental Reorganization Act to increase the annual Federal payment to the District of Columbia.

H.R. 3288. March 28, 1979. Ways and Means. Amends the Internal Revenue Code to lower from three to two percent of adjusted gross income the income floor for tax deductions for medical and dental expenses. Eliminates the one percent income floor for the tax deduction for prescription drugs.

H.R. 3289. March 28, 1979. Merchant Marine and Fisheries. Amends the Endangered Species Act of 1973 to exempt the Tellico Dam and Reservoir project from the provisions of such Act.

H.R. 3290. March 28, 1979. Agriculture. Amends the Food and Agriculture Act of 1977 to direct the Secretary of Agriculture to increase the established prices for the 1979 crop of wheat and corn.

H.R. 3291. March 28, 1979. Public Works and Transportation. Amends the Tennessee Valley Authority Act to allow credits against required power investment return payments for expenditures for certified pollution control facilities.

H.R. 3292. March 28, 1979. Merchant Marine and Fisheries. Establishes a program of financial and technical assistance to States for the development, revision, and implementation of fish and wildlife conservation plans and for the implementation of certain nongame fish and wildlife conservation actions.

H.R. 3293. March 28, 1979. House Administration. Repeals the entitlement of each Member of Congress to the binding in half morocco of one copy of each public document to which he or she is entitled.

H.R. 3294. March 28, 1979. House Administration. Repeals the authority to prepare and distribute bound compilations of congressional memorial addresses and accompanying illustrations.

H.R. 3295. March 28, 1979. House Administration. Reduces the gratuitous distribution of the daily and bound copies of the Congressional Record to specified Federal officials.

H.R. 3296. March 28, 1979. Armed Services. Authorizes the recomputation of the retired or retainer pay for specified members and former members of the uniformed services.

H.R. 3297. March 28, 1979. Veterans' Affairs. Revises the procedures of the Veterans' Administration for the construction, alteration, and acquisition of land for cemeteries, and requires congressional oversight of any such project involving a total expenditure of more than $500,000.

H.R. 3298. March 28, 1979. Armed Services; Science and Technology; Interior and Insular Affairs; Interstate and Foreign Commerce. Establishes the Nuclear Waste Management Authority as an independent agency. Stipulates that the Authority shall have sole responsibility for the decontamination, storage, and disposal of all nuclear wastes as well as surplus, obsolete, or abandoned radioactive facilities.

H.R. 3299. March 28, 1979. Interior and Insular Affairs. Designates specified lands in the Shasta-Trinity National Forest in California as wilderness, to be administered by the Secretary of Agriculture.

H.R. 3300. March 28, 1979. Banking, Finance and Urban Affairs; Public Works and Transportation; Rules. Establishes the Office of Economic Diversification within the Economic Development Administration. Authorizes the Secretary of Commerce, through such Office, to provide technical and financial assistance of an area which is economically dependent on one or more defense contracts for the purpose of developing and implementing plans to reduce such dependence.

H.R. 3301. March 28, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to revise the provisions prohibiting the exportation of domestically produced crude oil. Requires congressional approval before such oil may be exported or exchanged. Permits oil exports to friendly countries pursuant to bilateral international agreements in certain circumstances.

H.R. 3302. March 28, 1979. Interior and Insular Affairs. Amends the Atomic Energy Act of 1954, as amended, to revise the procedures for siting and licensing of nuclear power facilities by the Nuclear Regulatory Commission.

Establishes a Federal/State Licensing Study Commission to facilitate cooperation and coordination between Federal and State agencies in the licensing process.

Relieves the Administrator of the Environmental Protection Agency of his authority to classify airborne emissions of radioactive materials from nuclear facilities upon promulgation of regulations by the Commission.

H.R. 3303. March 28, 1979. Judiciary; Interstate and Foreign Commerce; Intelligence. Authorizes appropriations for fiscal year 1980 to carry out the activities of the Department of Justice.

H.R. 3304. March 28, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to authorize a State plan under such title to provide that, in determining the income and resources of a married couple, one spouse of which is in a skilled nursing facility or intermediate care facility, there may be disregarded from income and resources such amounts as a State determines by law.

H.R. 3305. March 28, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act to reduce the amount of the reserve requirement on insured accounts in Federal savings and loan associations to 4 percent from 5 percent.

H.R. 3306. March 28, 1979. Banking, Finance and Urban Affairs. Amends the Home Owners' Loan Act of 1933 to permit Federal savings and loan associations to issue and sell mutual capital certificates directly to subscribers or through underwriters. Stipulates that such certificates shall constitute part of the general reserve and net worth of the association.

H.R. 3307. March 28, 1979. Ways and Means. Amends the Tariff Act of 1930 to revise the procedures for determining whether bounties or grants are being paid or bestowed on exports into the United States and, if so, the amount of countervailing duties to be imposed. Enlarges the class of interested parties who may petition for investigations concerning import duties.

Amends the Trade Act of 1974 to revise the procedures for investigating unfair trade practices.

H.R. 3308. March 28, 1979. Armed Services. Authorizes Army Reserve Officers' Training Corps scholarships for cadets at military junior colleges under specified conditions.

Sets forth the rights and obligations of a cadet appointed under such a financial assistance program.

H.R. 3309. March 28, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to eliminate restrictions which are presently applicable in determining whether a person is the widow or widower of an individual insured for benefit purposes.

H.R. 3310. March 28, 1979. Armed Services. Excludes civilian personnel engaged in industrially funded activities from the computation of the authorized end strength for civilian personnel within he Department of Defense.

H.R. 3311. March 28, 1979. Post Office and Civil Service. Extends to former employees of county soil conservation committees who are employed by any Federal agency, specified civil service compensation, leave, and seniority benefits afforded to former employees of such county committees employed by the Department of Agriculture.

H.R. 3312. March 28, 1979. Judiciary. Grants a Federal charter to the American Council of Learned Societies for the purpose of advancing humanistic studies.

H.R. 3313. March 28, 1979. Interstate and Foreign Commerce; Judiciary. Amends the Federal Trade Commission Act and the Clayton Act to exempt incorporated or unincorporated, nonprofit professional associations of health care practitioners, who are licensed and regulated by the States, from the Federal Trade Commission Act and the antitrust laws.

H.R. 3314. March 28, 1979. Armed Services. Stipulates that a person who is providing an annuity for his or her spouse under the Survivor Benefit Plan of the armed forces and whose marriage is terminated by divorce or death may, upon remarriage, elect not to provide an annuity for the new spouse.

Provides a 270 days open season for participation in such Plan for individuals who are entitled to retired or retainer pay and who are not presently participating in such plan.

H.R. 3315. March 28, 1979. Merchant Marine and Fisheries. Authorizes the Secretary of Commerce to sell, subject to such conditions deemed appropriate in the national interest, five named obsolete vessels to a named corporation. Sets certain limitations on the use of such vessels.

H.R. 3316. March 28, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 3317. March 28, 1979. Ways and Means. Directs the Secretary of the Treasury to admit a certain item free of duty (or to make the appropriate refund of duty) for the use of a named university.

H.R. 3318. March 28, 1979. Judiciary. Permits a named individual to commence a civil action against the United States upon specified claims within one year, notwithstanding certain limitations on such actions.

H.R. 3319. March 28, 1979. Judiciary. Authorizes classification of a named individual as a natural-born alien son of named citizens of the United States.

H.R. 3320. March 28, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 3321. March 28, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 3322. March 28, 1979. Judiciary. Directs the Secretary of the Treasury to pay specified sums to two named individuals in satisfaction of specified claims against the United States.

H.R. 3323. March 28, 1979. Judiciary. Declares that: (1) a named individual shall be considered to have served on active duty, pursuant to a lawful enlistment, in the Navy for a specified period and to have been honorably discharged; and (2) specified injuries to such individual shall be considered to be a permanent service-connected disability. Directs the Administrator of Veterans' Affairs to reimburse such individual for certain costs of treatment of such injuries. Directs the Secretary of the Treasury to pay such individual a specified amount certified by the Secretary of the Navy, representing compensation for specified service and separation from service under honorable conditions.

H.R. 3324. March 29, 1979. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to authorize appropriations for various assistance programs. Amends the Foreign Assistance Act of 1969 to authorize appropriations for the Inter-American Foundation.

Amends the Agricultural Trade Development and Assistance Act of 1954 to revise the provisions concerning the repayment obligation of recipient countries under the Food for Development Program.

Revises provisions concerning funding of activities in various countries and regions.

Authorizes the President to establish an Institute for Scientific and Technological Cooperation.

Provides for the establishment of the Peace Corps within the International Development Cooperation Agency or as an independent agency.

H.R. 3325. March 29, 1979. Judiciary. Amends the Ethics in Government Act of 1978 with respect to prohibited activities by certain high-ranking Government officials on behalf of other persons after their Government employment ends.

H.R. 3326. March 29, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit Federal officers or employees from refusing to issue or renew airman certificates or from requiring air carriers to terminate the employment of, or refuse to employ, pilots solely by reason of the age of such person, if such pilot is less than 65 years of age.

Stipulates that a pilot over the age of 60 shall be required to pass physical examinations at least every three months in order to maintain an airman certificate.

H.R. 3327. March 29, 1979. Interstate and Foreign Commerce. Amends the Health Professions Educational Assistance Act of 1976 to revise the criteria by which an alien who is a graduate of a medical school shall be considered to have passed parts I and II of the National Board of Medical Examiners Examination for purposes of the Immigration and Nationality Act.

H.R. 3328. March 29, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, for physical examinations, and for related routine laboratory tests.

H.R. 3329. March 29, 1979. Interstate and Foreign Commerce; Ways and Means. Provides that all petroleum imported into the United States after October 1, 1979, shall not be available for purchase other than by the Government of the United States. Directs the Secretary of Energy to promulgate regulations for the fair and equitable allocation by sale of all petroleum so imported.

H.R. 3330. March 29, 1979. Foreign Affairs; Interior and Insular Affairs. Prohibits the exportation, purchase for exportation, and sale of all unprocessed timber from western public lands.

H.R. 3331. March 29, 1979. Education and Labor. Establishes the National Professions Foundation as an independent foundation within the executive department to develop coordinated efforts among public professions for the solution of national problems on a multiprofessional basis.

H.R. 3332. March 29, 1979. Interior and Insular Affairs. Authorizes the enlargement of the Buffalo Bill Dam and Reservoir for various purposes. Makes provisions for the repayment of certain costs and the computation of interest.

H. Con. Res. 90. March 29, 1979. Armed Services. Commends the Air Force Academy, its staff, cadets, and graduates on the occasion of the 25th anniversary of the founding of the Academy.

H. Con. Res. 91. March 29, 1979. Foreign Affairs. Calls upon Syria to permit Syrian Jews to emigrate.

H. Con. Res. 92. April 2, 1979. Foreign Affairs. Urges: (1) the International Whaling Commission to adopt a moratorium on the commercial killing of whales; and (2) various countries to comply with such moratorium.

H. Con. Res. 93. April 2, 1979. Post Office and Civil Service. Expresses the sense of Congress that compliance with the provisions of the Civil Rights Act of 1964 prohibiting employment discrimination or any other law relating to equal employment opportunity should not result in positions being excepted from the competitive service in the Federal civil service and should be accomplished by means which do not adjust Federal civil service standards.

H. Con. Res. 94. April 2, 1979. House Administration. Authorizes the printing as a House of Representatives document of a revised edition of the Constitution of the United States of America, as amended.

H. Con. Res. 95. April 2, 1979. House Administration. Directs the printing, as a House document, of the brochure entitled "How Our Laws Are Made."

H. Con. Res. 96. April 4, 1979. Foreign Affairs. Expresses the sense of Congress that the peoples of Lithuania, Latvia, and Estonia should be given the right of self-determination. Calls for free elections in the Baltic States, under the auspices of the United Nations.

H. Con. Res. 97. April 4, 1979. Post Office and Civil Service. Recognizes the month of April as Fair Housing Month.

H. Con. Res. 98. April 5, 1979. Foreign Affairs. Expresses the sense of Congress that the Soviet Union should end its policies of discrimination against Jews.

Declares that the U.S. Olympic Committee and the International Olympic Committee should ensure that no nation hinders Israel's participation in the 1980 summer Olympics.

H. Con. Res. 99. April 9, 1979. Provides for an adjournment of the House and a recess of the Senate.

H. Con. Res. 100. April 9, 1979. Post Office and Civil Service. Recognizes the city of Rockville, Maryland, and its residents for their outstanding efforts in making their city an "All American" city.

H. Res. 207. April 4, 1979. Rules. Amends the Rules of the House of Representatives to require rollcall votes on all bills or resolutions affecting personal benefits for Members or former Members of Congress.

H. Res. 208. April 4, 1979. Rules. Amends the Rules of the House of Representatives to prohibit a Member of Congress from accepting any honorarium (including paid or reimbursed travel expenses) of more than $500 in value.

H. Res. 209. April 4, 1979. Interstate and Foreign Commerce. Expresses the approval of the House of Representatives of the Department of Energy Standby Conservation Plan No. 2 (relating to emergency building temperature restrictions).

H. Res. 210. April 4, 1979. Interstate and Foreign Commerce. Expresses the approval of the House of Representatives of the Department of Energy Standby Conservation Plan No. 3 (relating to emergency advertising lighting restrictions).

H. Res. 211. April 4, 1979. Interstate and Foreign Commerce. Expresses the approval of the House of Representatives of the Department of Energy Standby Conservation Plan No. 1 (relating to weekend gasoline sales restrictions).

H. Res. 212. April 4, 1979. Interstate and Foreign Commerce. Expresses the approval of the House of Representatives of the Department of Energy Standby Conservation Plan No. 1 (relating to gasoline rationing).

H. Res. 213. April 5, 1979. Interstate and Foreign Commerce. Expresses the approval of the House of Representatives of the Department of Energy Standby Conservation Plan No. 4 (relating to gasoline rationing).

H. Res. 214. April 5, 1979. Armed Services. Expresses the disapproval of the House of Representatives to the proposed realinement of the Aerospace Defense Command of the Air Force.

H. Res. 215. April 9, 1979. Elects Representative Bill Royer, of California, to the Committee on Public Works and Transportation.

EXTENSIONS OF REMARKS

THE SCAPEGOAT APPROACH

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MICHEL. Mr. Speaker, at this point I wish to insert in the RECORD a statement I made on July 16, 1979, concerning the President's energy speeches:

The President has chosen to confront our energy problems with a search for scapegoats rather than a search for oil.

If he truly believes we are in an energy battlefield, he should stop shelling his own troops. In two speeches, he has disassociated himself from the federal bureaucracy which he controls. He has repudiated the Congress. He has repudiated the oil companies and special interests. He has reinforced the public dissatisfaction with government in general, but isolated his own White House from any share of the blame.

The program he has outlined in Washington and Kansas City is not a solution to our energy crisis, but an expansion of the problem. His six major energy initiatives constitute little more than a rehash of the generally-accepted initiatives that the country's energy crisis demands. We did not need an elaboration of these points. We needed to know how the President intends to accomplish the goals he layed out.

His second speech gave us an inkling as to how he intends to proceed. He has proposed a massive, $140 billion build-up of government intervention in the marketplace. He has proposed an army of auditors who will seek out possible criminal activity without specifying what justification there might be for such a drastic move. He has prescribed a national oil and gas rationing plan, dictated by the federal government and administered by the states. He has proposed to put our nation's utility companies in the credit and financing business, regulated by a yet unspecified new bureaucracy. He has proposed that the Executive Branch initiate actions which I do not believe it has the authority to undertake. Finally, he has proposed to finance his program with yet another massive dose of federal taxation, a permanent windfall profits tax whose full dimensions will have to be staggering in order to reap the revenues his program requires.

I had hoped the President would tell the American people that he intends to unleash the full power, imagination and technological skill of our free enterprise system on our energy programs. I had hoped that he would have committed himself to a courageous and decisive course of action to free the system from its servitude to taxation and regulation.

The only ray of hope we have for relieving our economy from the weight of excessive government is the proposed Energy Mobilization Board, which will presumably be charged with the task of clearing the way for energy projects trapped in bureaucratic red tape. But the Mobilization Board won't have the power to give the industry the revenue it needs to find and produce more energy, and I venture to say, it won't have the power to control the new regulatory and policing monstrosity the President is intent upon inflicting on the nation.

President Carter said in Kansas City that he would "act courageously without regard to the political consequences." It is not an act of courage to seek out scapegoats on whom he can lay the blame for two and one half years of leaderless government.

The President talked on Sunday about broad, fundamental values, but he should have outlined, in detail, just where and when his own administration has missed the mark.

He said then that the American people are too concerned with material things. Perhaps that is so but I do not know of a single society in human history in which concern for material well-being was not a major concern, when the people's leaders are not leading, and the nation is drifting aimlessly with no basic set of principles guiding it. People begin to worry about material things for the simple reason that no one else seems to be worrying about them.

For nearly two weeks, from July 5 to July 15, the American people had their attention focused on the personal political dilemma of one man. In one respect that can be traced to the natural tendency of the media to turn any complicated, wide-ranging social or political phenomenon into a "confrontation" melodrama. This does a disservice to the people and to the democratic process. Instead of wondering whether the new Jimmy Carter would defeat the old Jimmy Carter on prime time, we should have been wondering how we are going to solve our immediate, urgent problems. President Carter's speech was less a communication of ideas than the final act in a melodrama he created and the media exploited. What is needed is less melodrama, less reliance on dramatic confrontation and more hard work away from the cameras.

The first part of the President's speech was so full of bad news that it may well be the beginning of his re-election campaign as a reform candidate against his own record. Whether or not he convinced the American people that he has changed the style and substance of his leadership is at this point questionable.

The President cannot run for re-election by re-building the coalitions which elected him in 1976 and at the same time make the tough, courageous decisions needed to lead us out of this crisis. I fear the President has chosen the former at the expense of the latter.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent from the House for part of Thursday's session, July 12 and Friday's session, July 13, 1979. Had I been present, I would have voted: "aye" on rollcall No. 329, an amendment to H.R. 4392 to increase appropriations for contributions to international organizations; "aye" on rollcall No. 330, final passage of H.R. 4392 making appropriations for the Departments of State, Justice, Commerce, and the Judiciary: "aye" on rollcall No. 332, an amendment to require that the conduct of Internal Revenue Service employees comply with the provisions of the Fair Debt Collection Practices Act; "aye" on rollcall No. 333, an amendment to prohibit the use of appropriated funds for the Internal Revenue Service to implement rules and regulations against tax-exempt private, religious, or church-operated schools.●

CHRISTIAN SCIENCE MONITOR SAYS "FREE SHCHARANSKY NOW"

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. DRINAN. Mr. Speaker the month of July marks the first anniversary of the trial of Soviet activist and human rights leader, Anatoly Shcharansky. While Shcharansky's name has faded from the headlines, the injustices of his trial, and the harsh terms of his imprisonment demand prompt attention.

Anatoly Shcharansky is in ill health. In a recent letter to his mother, Ida Milgrom, Shcharansky noted that his eyesight has deteriorated to the point where he is barely able to read or write. Yet the Soviet authorities are unwilling to provide Shcharansky with the medical aid he needs.

The condition of Shcharansky's health adds a sense of urgency to an already untenable situation. I commend the Christian Science Monitor for its timely editorial, and urge my colleagues to read it with interest. The editorial follows:

FREE SHCHARANSKY NOW

The world's attention span is not long when a name drops out of the headlines. But the individual behind the name lives happily ever after—or not happily, as in a case calling for renewed international concern this week. It is the case of Anatoly Shcharansky, who took on the thankless burden of monitoring human rights in the Soviet Union according to the Helsinki declaration. His own human rights were quick casualties. This week marks the first anniversary of his Moscow conviction on treason charges. He remains in prison though reportedly in seriously damaged health—and though, it might be added, Moscow has made a grandstand play of releasing other prisoners.

To release Shcharansky now would not suddenly lift the pall cast by all the unjust imprisonment and psychiatric "treatment" in the Soviet Union. The unsung victims should be no more forgotten than a Shcharansky with his brief stay on the front pages.

But the Shcharansky case is known. It is symbolic. Freeing him would have impact in a period when East-West relations need all the help they can get. But diplomatic calculations are not what is needed now. What is needed is a regime's simple, humane response to a man in pain. Russian life and literature are full of such humanity. Are today's Soviets up to it? ●

SYNTHETIC RUBBER IN WORLD WAR II

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. FUQUA. Mr. Speaker, in his address to the Nation last Sunday night President Carter alluded to the synthetic rubber project which was so successful during World War II. During the years leading up to that war, which saw the initiation of the synthetic rubber project in the United States, the world market had been faced with a cartel. Much like the OPEC cartel today, the rubber cartel had succeeded in drastically increasing the price of natural rubber.

The synthetic rubber project brought some of the Nation's best scientific and engineering talent to bear on the complex problem of manufacturing a substitute for the natural product which was cut off when the Japanese armies occupied the producing countries in Southeast Asia. They were successful beyond all measure.

The story of that project and some of the lessons it has for us today, as we face the need to find alternate sources of fuel through the application of America's science and technology, were summed up a few years ago during the Nation's bicentennial by Dr. Arthur M. Bueche in a brief editorial in the magazine Science. I include Dr. Bueche's editorial in the Record for the information of my colleagues:

SYNTHETIC RUBBER IN WORLD WAR II

It is ironic that in bicentennial year of our Declaration of Independence, one of the major national issues is concern about our dependence on foreign nations for some of our vital resources. However, the idea of a foreign cartel setting the world price for a crucial world commodity is not new. Southeast Asia is particularly well suited to the growth of rubber trees on plantations. This fact made that part of the world even more important to the rubber industry than the Persian Gulf is to today's oil industry, and the owners of the rubber plantations were not slow to take advantage of that.

In 1922, Great Britain felt secure enough in its command of the rubber supply to set in motion a cartel program called the Stevenson Plan. They succeeded in quadrupling the price of raw rubber within 4 years. Incidentally, the "Sheik Yamani" of the Stevenson Plan was Britain's Foreign Secretary, a rising young politician named Winston Churchill. In 1934, the Dutch joined the British in a second rubber cartel. Between them, they were able to control prices and dominate world markets. This situation persisted right up until the beginning of World War II. Indeed, only tentative steps were taken to alleviate our dependence during the first 6 months after Pearl Harbor.

In short, it certainly was not due to the foresight of the American people or their leaders that we managed to pull off the amazing feat of going from complete dependence on foreign rubber supplies to virtually complete rubber independence in three short years. How did we manage it?

There were two unusually lucky circumstances. First, some imaginative people had been attracted to the emerging field of polymer science in spite of the rather dim prospect of anything forthcoming that would be practical on a large scale. Second, the Germans had had the lack of foresight to export to the United States a lot of technological know-how in the chemical field. However, the synthetic rubber program involved much more than luck. At least one aspect of the program carries a lesson which is applicable today.

America's "rubber crisis" of 1942 underlined an important point about technology and human nature. That is, it is easier to meet a problem through the large-scale use of technology than to get people to make a major change in their style of living. Let me explain how the rubber program illustrates this.

After Malaya and Indonesia fell to the Japanese in 1942, the reality of the nation's rubber shortage began to dawn on our national policy-makers. Two obvious courses of action presented themselves. One was to step up the effort to find a "technological fix"—that is, to greatly accelerate the synthetic rubber program. The other was the idea of "resource conservation"—that is, to drastically curb civilian uses of rubber and collect scrap rubber to meet our needs.

At first, the idea of conservation got the main attention. The papers were filled with the exploits of people like Abner Peel of Rahway, New Jersey, who figured out a way of patching and recycling ladies' girdles.

But conservation was a disappointment. Much less scrap rubber was collected than had been expected, and problems of storage and transportation prevented even that from being used. The problem was not lack of patriotism or public willingness. Rather, it was the simple impossibility of totally turning around the ingrained habits of a society in a short time.

Fortunately, the technological fix solution was a bit more successful. Indeed, the success of the synthetic rubber program was fantastic by any standard. In 1940 not a single pound of general-purpose synthetic rubber was produced in the United States. By 1944, the annual production was over 670,000 tons.

What can this story teach us? The synthetic rubber program showed that a joint university-government-industry effort *can* be an effective method of meeting a national need that is just too big and too risky to ask a single industrial firm to undertake. The program also showed that we should not let important efforts be impeded by artificial distinctions between "pure" and "applied" research. Planning, research, and development are all necessary components of a total technical effort.●

KENNETH B. KEATING FEDERAL BUILDING

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. CONABLE. Mr. Speaker, I have joined today with other colleagues from New York State in introducing a resolution to name the Federal building in Rochester, N.Y., as the Kenneth B. Keating Federal Building and Court House. Kenneth Keating represented much of the Rochester area in Congress for 12 years in the U.S. House of Representatives and 6 years in the Senate between the years 1947 to 1965. In addition he served as our Nation's ambassador to Israel and to India and was also a judge of the New York State Court of Appeals.

Ken Keating was the ultimate western New Yorker—independent, pragmatic, public spirited. He came to public service from the pinnacle of success in the legal profession and was a pillar of our community. He demonstrated a capacity to serve with distinction in any public office—legislative, judicial, or diplomatic. We wish to honor him not only for his activities as a public servant, but for his character and personality, as well. Ken Keating was a 20th century man of accomplishment and style.

Senator Keating was born in 1900 in Lima, N.Y., south of Rochester, graduated from the Genesee Wesleyan Seminary there, the University of Rochester and Harvard Law School, after which he commenced the practice of law in Rochester. He served in both World Wars and was a delegate to each Republican National Convention from 1940 to 1964. The Senator passed away in 1975.

I hope the House will look favorably upon this proposal in honor of the memory of a man who was an outstanding Member of this body, served our country with distinction and was an admirable citizen of our community.●

H.R. 3942 GUTS AIRCRAFT NOISE PROTECTION

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Ms. FERRARO. Mr. Speaker, on many occasions I have told my colleagues in the House about the problems aviation noise causes for my constituents. The following article from Newsday highlights the daily suffering that many individuals in Queens and Brooklyn, N.Y., are forced to cope with, and the extent to which they must go to seek relief from this tremendous aggravation. These types of lawsuits will proliferate without end if the Congress enacts H.R. 3942, legislation that will soon be before the House that will gut existing aircraft noise standards that require quieter jet aircraft by 1985. I again take this opportunity to urge my colleagues to vote against final passage of this legislation.

PLANE NOISE SUIT FILED

PLAINTIFFS LIVE NEAR LA GUARDIA, JFK; POLLUTION ALSO CITED

(By Tony Schaeffer and T. J. Collins)

BROOKLYN.—Fourteen families living near Kennedy and LaGuardia Airports filed a $3.9 million suit in federal court yesterday against the Port Authority of New York and New Jersey claiming damages caused by noisy, air polluting planes.

The suit in U.S. District Court comes after an award of more than $120,000 made recently by a California court to 41 plaintiffs near Los Angeles International Airport who sued the city for trespass, creating a nuisance and causing injury.

The complainants in the New York suit, who are residents of Nassau and Queens, are also claiming, among other things, personal injury, mental anguish, devaluation of their property and air pollution.

Last August several of the New York residents filed notice of their intention to sue and at that time related horror stories of what it is like to live near an airport.

"At night I lie in bed and just when I'm about to fall asleep, another jet comes bombarding over the house," said Anita Cuchel of 134 Eldorado St., Atlantic Beach. "When the Concorde goes over I have ringing in my ears." She is asking $100,000 in damages.

The largest single sum being sought is $1.1 million by a former Flushing couple, Walter and Veronica Dearing, who claim they were forced out of their home by the noise. They now live in Carmel, N.Y.

A spokesman for the authority, which operates the two airports, said suits seeking damages due to overflights of residential areas are rare, but said the authority is declining comment on the present suit until a copy of it is received.

If the suit comes to trial, it is expected that testimony will be heard about how some of the complainants were forced to seek psychiatric help because of the stress caused by the noise of the jets.

In a decision last year, the New York State Court of Claims for the first time ruled that it was legally permissible to sue over airplane noise. That case involved a suit brought by two residents near Republic Airport in Farmingdale. That case was dismissed because of a lack of proof of damage.●

PROJECT SAVE

HON. ROBERT DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. DUNCAN of Oregon. Mr. Speaker, I hope that everyone had an opportunity to see the large ad in the Washington Post on July 11, 1979, that was ordered and paid for by Oregon businessman, John Piacentini.

John was a candidate several years ago for Oregon's Third Congressional District. I won the election and I also learned to know John Piacentini. He is a remarkable Oregonian, and a remarkable businessman, whose success and ideas he shares with his State and Nation.

It was John Piacentini who demonstrated in his chain of 100 convenience grocery stores that a better system was possible in making drink containers returnable. His idea was to become the internationally known "Oregon bottle bill."

His energy saving program known as "Project SAVE (Save America's Valuable Energy) has equal potential for America. It is simple, it makes sense, and it does not take money or bureaucracy to implement, nor the Government to operate it.

For those businesses that have multiple locations in a given area, John's plan is for the employee to work at the location closest to his residence. The implication for banks, grocery chains, department chains, and countless others is readily seen. By his calculations, John feels that nationally this simple program can save as much as $300 million and 7 million barrels of our valuable oil each year.

John Piacentini is implementing this program with his own employees, and I commend the concept for all to study. John will provide information to those who want details of this proposal and inquiries should be sent to his office at Plaid Pantry, 2540 Northeast Riverside Way, Portland, Oreg., 97211.●

THE PRESIDENT'S SPEECHES ON ENERGY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MICHEL. Mr. Speaker, the Wall Street Journal has published two hard-hitting editorials on the President's recent speeches on energy. I commend them to your attention. A few months from now I am certain that we will all look back and say that these editorials were, unfortunately for our country, all too accurate in their assessment of the President's failure.

At this point I wish to insert in the RECORD "The Real Jimmy Carter" and "From Homily to Demagogy" from the Wall Street Journal, Tuesday, July 17, 1979:

THE REAL JIMMY CARTER

Out of all the sermonic and confusing rhetoric President Carter has showered on the American public these last two days, at least one thing is clear. The President has weighed the merits of either getting the government out of the energy business or getting it more deeply in. He has chosen to get it further in, on a massive, almost unbelievable scale. The real Jimmy Carter has finally stood up, on the far left of the Democratic Party.

There'll be a new government "Energy Security Corp." to siphon $140 billion in "windfall profits" from the oil companies over the next 10 years. That would pretty much eliminate oil profits of any kind. While the oil companies quietly pass out of business, the ESC would squander this money on expensive and technologically risky forms of energy.

There'll be an Energy Mobilization Board to ride roughshod over normal legal processes, except maybe those that are mainly responsible for retarding energy development, the environmental laws, for example.

There'll be a new army of government inspectors scouring the country, levying $10,000 fines on any hapless building operator whose thermostats are showing something less than 78 degrees. Electric utilities will be "made" to switch out of oil—as if they themselves, and not the government, are to blame for their not doing that.

There'll be a federal "Solar Bank" finally to capture the elusive riches of solar power. The President will set conservation goals for states, import quotas for the nation, etc.

In short, Mr. Carter has reacted to the public's low opinion of his administration by "getting tough" and proposing a further suspension of private freedoms. He justifies this on grounds that it is the American people, not his administration and the Congress, who deserve the blame for our economic problems. He summons up the memory of Franklin Roosevelt as he casts himself in the role of a President leading the country out of awful crisis; except where FDR confronted depression and poverty, Mr. Carter seems to find his crisis in excessive affluence:

"Too many of us now tend to worship self-indulgence and consumption . . . we have learned that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose . . . the symptoms of this crisis of the American spirit are all around us: two-thirds of our people do not even vote, the productivity of American workers is actually dropping and the willingness of Americans to save for the future has fallen below that of all other people in the Western world . . . there is a growing disrespect for government and for churches and for schools, the news media and other institutions. . . ."

Quite an indictment. It is the kind of indictment clergymen use to lash their congregations with on Sunday mornings and it is appropriate in that setting of spiritual redemption. But it is highly inappropriate coming from the man who is supposed to be managing the affairs of the United States government. The two key problems that provoked this rhetorical outburst—inflation and gasoline lines—are clearly and directly attributable to the policies of the Carter administration.

The gasoline lines are caused by the government's refusal to remove price controls, and hence supply allocations. Given the enormous economic inefficiencies that have resulted from this refusal, it now seems clear that prices of gasoline would fall, not rise further, after decontrol. Other forms of govenment intervention—energy use regulation and draconian environmental rules, in particular—have added to the dislocations and inefficiencies. It doesn't take a $140 billion government program to solve the energy problem; the problem would evaporate if the government would simply get out of energy.

As to those other problems of the American "spirit," low savings and productivity and low confidence in institutions—the main cause is inflation. Why should anyone have confidence in a government that can't balance its budget or run a stable monetary policy? Or why should they save the money it prints?

Now, it seems, it will be necessary to print still more money, and generate still more inflation, to finance the latest grandiose schemes dreamed up by the statists who hold the President in their grip. They are in the saddle and they are exultant about the President's vigorous showmanship Sunday night and Monday. The only trouble is that the policies he has proposed will only get the country into a deeper tangle. And next year, the voters will have a chance to decide which side they're on or at least so we hope.

FROM HOMILY TO DEMAGOGY

For about five minutes Sunday night, President Carter's rhetorical offensive struck the right note. The appeal to American confidence and the attack on the isolation of the federal government recalled the best of the grass-roots campaign that brought this political unknown to the White House. But just 12 hours later, in his Kansas City speech to the National Association of Counties, the President reverted to the dark side of grass-roots rhetoric. Instead of providing "honest answers" and "clear leadership," he sought to obscure the true causes of the current energy debacle with some old-fashioned populist scape-goating.

This tactic was signaled Sunday in the untrue statement that our excessive dependence on OPEC "is the direct cause of the long lines that have made millions of you spend aggravating hours waiting for gasoline." OPEC can be attacked for high prices, but the one thing this cartel has not been able to enforce are production cutbacks by its members. The current shortfall in world oil production comes directly from a revolution in Iran, in which U.S. foreign policy played a considerably larger role than OPEC decisions. But even this shortfall wouldn't have caused the gas lines, as it didn't in most of Europe, were it not for the massive market distortions of the federal price control and allocation systems. But it's far easier to attack dark-skinned foreigners, along the lines of the famous Eizenstat memo, than to admit that one's own policies and administrators have failed.

The Kansas City speech broadened the rhetorical offense, "The oil companies must cooperate!" Mr. Carter declared, "We will bring the full force of the law to bear on those who profiteer . . . or who try to cheat the American public." Six hundred auditors will be deployed to keep refiners and oil dealers in line. Energy statistics will be checked and rechecked.

The President must know that auditors don't drill oil wells and that collecting figures on energy reserves doesn't create energy reserves. But government policies can depress production and keep drilling rigs idle. When these policies go wrong, as they have to an awesome extent, it's easy and popular to shift the blame to the refiner unwilling to produce unleaded gasoline at a loss or the wildcatter so confused by new natural gas legislation that he suspends drilling.

But even these scapegoats may not be enough. Say President Carter raises $140 billion to develop uneconomic fuels through a "strong permanent windfall profits tax" on the supposed bonanza from a price decontrol which now seems indefinitely postponed. And suppose that through his "shuffling allocations," the gas lines and disruptions broaden. Then who will he blame for the grumbling and dissatisfaction?

Since Americans are not at all demoralized and corrupt, they will respond to President Carter's challenge with more enthusiasm than his policies deserve. Throughout history, the call to war has been the easy way to gain public support. But the public has the right to demand that the war strategy be sound, that the generals know their business, and that they are fighting the right enemies. When the first flush of support dies down, it will become clear that President Carter's strategy for energy war will produce disasters that no amount of demagogy can conceal.●

LIVABLE CITIES

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mrs. CHISHOLM. Mr. Speaker, I was very distressed that the fiscal year 1980 HUD appropriations bill did not contain any funds for the livable cities program created by the Housing and Community Development Amendments of 1978. I wholeheartedly supported this program as a model use of the arts in revitalizing the Nation's cities.

Livable cities was designed to provide a more suitable living environment and to initiate or expand cultural opportunities for community residents. The need for such a program is obvious. Today's urban areas are experiencing a withdrawal of economic support as well as physical deterioration. The National Endowment for the Arts receives hundreds of applications from community groups seeking to use the arts as a catalyst for revitalization. The arts endowment has not funded these proposals, because NEA's orientation is toward support of the professional arts rather than neighborhood organizations. Although I have some specific problems with the arts endowment, I feel that this program is a valid attempt by NEA and HUD to bring neighborhood groups into the redevelopment process.

Further, neighborhood groups cannot compete on an equitable basis with city agencies for community development moneys in my district in Brooklyn, N.Y. Even though they were proposed by city agencies, community revitalization projects in 1979 ranked last in importance. Obviously, similar neighborhood, nonprofit organizations would have little or no chance for funding. Neighborhood groups are often the organizations that are most critical to rebuilding a community through self-pride, renewed urban design, and increased job opportunities.

There are several community groups in my district which are currently developing comprehensive community renewal programs. As nonprofit organizations, there will be little or no opportunity for these groups to realize their plans if the livable cities program is not funded. Consequently, it is imperative that the program receive at least $10 million for fiscal year 1980 in the Senate version of this bill. Low-income areas, like my home district are desperately in need of funds to support the conservation and rebuilding efforts of local community groups. I urge the Senate to support this vital program for our Nation's cities. Our neighborhoods cannot afford to continue its revitalization efforts without the livable cities program.●

H.R. 3493—REVISION OF TAX CODE

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MAVROULES. Mr. Speaker, I rise on this occasion to urge my colleagues to back H.R. 3493, a measure which entails the revision of the tax code to provide an additional exemption not only for disabled and blind persons, but for their supporters as well. This legislation shall modify the Internal Revenue Code of 1954 by extending tax relief of $1,000 to the supporters of physically or mentally damaged individuals.

The measure, which presently has 26 cosponsors, pertains to all persons regardless of their current age at the time of disability and encompasses such impairments as cerebral palsy, epilepsy, blindness, autism, loss of speech or hearing, and mental retardation. The minimum 12 month disability requirement insures the use of the relief where most needed, hence precluding coverage of temporary or minor ailments.

Furthermore, the definition of "disabled person" is consistent with that utilized elsewhere in the Internal Revenue Code and by the Social Security Administration.

This program will, over a 5-year period, decrease Federal budget receipts by $1.63, $2.44, $2.51, $2.59, and $2.67 billion respectively. But, Mr. Speaker, the cost should be no impediment to this bill's passage, particularly in light of the various wasteful proposals that have been considered recently.

For instance, the Senate has planned to spend well over $122 million of the taxpayers' money on a new Senate building that would include such frivolous frills as a rooftop restaurant and a third gymnasium. The expense to the taxpayer is 2½ times the original estimate, or a cost overrun of 154 percent.

Take, as another example, the Treasury Department, which in 1977 advocated an end-of-the-year attempt to amend the tax laws in favor of American residents abroad at a cost to the taxpayers of over $400 million a year.

Meanwhile, as such organizations squander tens of millions of dollars, they have rejected several reasonable requests made on behalf of the elderly for social security increases, the poor and disabled for more welfare, and so on.

The expenditure of millions of dollars for the comfort of the already comfortable few, or an admittedly larger sum for a service that will benefit millions of deprived citizens—the choice is both ours and clear.

The 3.7 million handicapped children of this country and their parents have needed our support for years, but we have not adequately delivered it.

Once more, they ask. This time we must act.

Presently, H.R. 3493 is log-jammed in Ways and Means. I urge you to help me free it and bring it to the floor.

We are aiding the blind and otherwise disabled. But let us not ourselves feign blindness. This legislation is long overdue. Admittedly, it will not remedy totally the economic crises of the disabled. But it is a start. It was once said: "After all is said and done, there is a lot more said than done." I certainly hope that our common efforts for this much needed measure will disprove this.●

NATIONAL POW–MIA RECOGNITION DAY

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. ROBERTS. Mr. Speaker, the Congress and the President have designated July 18, 1979, as "National POW–MIA Recognition Day." We have a continuing obligation to remember all those who have served their country in time of war. However, on this occasion we reinforce our gratitude in honoring the unique service and sacrifice of thousands of Americans incarcerated or lost while fighting in defense of our Nation.

The United States has been called to arms five times in this century. During that period 142,227 U.S. servicemen have been captured and interned as prisoners of war. They went to fight for their country on the battlefield, and, instead, were forced to wage another battle in prison against hunger, disease, isolation, fear, and the constant threat of pain and death itself. Many will carry the scars of the German camps, the death marches, the physical and psychological abuse of the Korean and North Vietnamese prisons the rest of their lives. However, those who triumphed over this gross insult to the human spirit are a credit to the strength of America. When freedom seemed impossible; they escaped. When death appeared inevitable; they lived. When hope was almost gone; they kept faith with themselves, their comrades, and their country.

As the painful experience of our last war has taught us, there are many who did not survive and many more whose fate is still unknown. In total, from World War I through the Vietnam conflict, 92,761 American servicemen are listed as lost in combat. As another unresolved legacy of the Vietnam war, 2,461 have yet to be recovered from Southeast Asia. We acknowledge that loss today. But more important, we express our understanding and concern to the families of the missing who have spent long and anguishing years torn between grief and hope. In other wars, after the fighting stopped, we were free to go into combat areas to search for the missing. At the present time, with families still in doubt, we are not free to look; we are only free to ask. We are committed to see that the sacrifice and suffering of so many Americans can finally be brought to a just resolution. In doing so, we pay a true and lasting tribute to all the men and women who have fought for what is good and what is strong in our country today.●

AIRBAGS

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. McKAY. Mr. Speaker, one of the complaints we hear most from American industry these days is that Government persists in its bad habits of promoting uncertainty in the marketplace when it comes to setting one kind of Federal policy or another. For its part, the Congress does this by putting off hard decisions, or reversing itself, or sending unclear directives to Federal agencies.

Too often the Federal response to a sticky problem has been to throw more money at it—to study it to death and hope it eventually solves itself. To my mind, this approach is wasteful and inappropriate.

The off again, on again Federal policy relating to passive restraint systems in automobiles is a classic example of this syndrome. These safety systems, and airbags in particular, have been worked on and scrutinized for years in both the public and private sectors. We have reached a point at which it will not help anybody to put off a final decision any longer. Neither the public nor private interest would be served by further delay.

It should be remembered that the law does not require the use of airbags. It mandates any passive restraint system which meets minimum safety requirements. While it is not properly the role of Congress to specify which of the many safety systems must be used, it is important that we not tinker with the lives and safety of the American public. Some system is necessary.

The producers and suppliers of these safety systems are waiting today for a clear word from the Congress on this issue. They and the American people can rightfully expect to hear from us either a "yes" or a "no." They deserve better than merely another "maybe."

I urge the Members to defeat this amendment.●

A REAL CRISIS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. EDWARDS of California. Mr. Speaker, in the aftermath of President Carter's recent speech on our domestic problems, many of us have turned our attention to the affairs of our Nation. This is as it should be. Above all else, we must represent and protect the interest of our citizens.

However, while pondering our American crisis of confidence I think it is essential for us to remember that there are other people in this world who are suffering a crisis of even greater dimensions. As we listen to President Carter express the difficulties we will have in 6 months, 5 years or a decade, there are people half way around the world who are in the grips of a life and death struggle at this very moment. The tenacity and boldness of the boat people are demonstrated by their willingness to accept uncountable risks in order to flee repression in the hopes of encountering freer shores. Certainly, theirs is not a crisis of confidence. It is a question of survival.

The following editorial from the July 15 Washington Post should assist my colleagues in putting our current crisis in a broader perspective. As Mr. Ball states:

> After all, we could be worse off than spending an extra hour in a gas line. We could be in an open boat as thick as flies on a sugar loaf, rolling ceaselessly on a turbulent sea and drifting toward almost certain death.

The editorial follows:

Armada of Mercy

(By George W. Ball)

As the monsoons gather speed, sinking hundreds of tiny boats and drowning thousands of frightened people, will we experience the same remorse we feel—or should feel—because we failed to rescue Jews from the Holocaust?

If we do not move quickly to collect those now afloat, the monsoons will settle the matter. But we could quickly mobilize an armada of ships to save thousands from death. That is not beyond our resources—far from it. The Department of Defense has transports available; it should be directed to use them. Ships can be chartered on the West Coast, in Hong Kong, throughout the world. The Navy should stop interpreting the rules of the sea too literally; they need not find a vessel actually foundering before rescuing its otherwise doomed passengers.

Today, the Carter administration is, within the stifling limits of cautious diplomacy, properly seeking to share the burden of the boat people with other governments. The president discussed the problem in Tokyo, and United Nations Secretary General Waldheim is convening another solemn conclave in Geneva on July 21. Yet the diplomatic mills grind at a pace indifferent to monsoons or other phenomena. We have seen it all before. Forty-one years ago, in July 1938, President Roosevelt called the nations together at Evian to concert efforts to rescue German Jews from the oncoming Holocaust. The statesmen arrived, made speeches and departed. They left behind an Inter-Governmental Committee on Refugees that dawdled until the war made further efforts impossible. We have had to live with our shame ever since.

In rescuing the Jewish people, we first had to persuade Hitler to let them out. But the boat people are already out—pushed out—precariously drifting in international waters and crying to be helped. Nobody knows the number already drowned—perhaps 30 to 50 percent of the thousands who squandered their savings for a ticket to death. Still the process goes relentlessly forward. Vietnam is regurgitating its Chinese residents at a rate of 45,000 a month, while 10.000 to 15,000 Vietnamese are escaping.

In spite of the heroic efforts of a handful of dedicated officials, our government is paralyzed by bureaucratic flatulence. There are a dozen glib rationalizations for inaction. We cannot afford to save suffering humanity, we are told, because we must balance the budget. Were our government to take too strong a lead, other nations, it is argued, would wash their hands of the matter, dismissing it as our problem—another sour fruit of the Vietnam War. Moreover, if we save those now afloat, won't Vietnam simply push out more Chinese?

What a defeatist litany and what craven nonsense! The problem is finite, not open-ended; Vietnam had only 1.8 million people of Chinese extraction and probably more than half have already been expelled. We can shame other nations into contributing ships and funds. We spend billions for weapons to kill masses of people; should we not spend a small amount more to save masses of lives?

Sending ships stocked with supplies will of course, only buy time, preventing thousands from drowning or starving while diplomacy plods. The Philippines and Indonesia may make islands available as at least temporary havens, and our diplomats are exploring other possibilities. Meanwhile, we must use full diplomatic leverage to find the refugees permanent homes. Since most of them are of Chinese derivation, we should not let our current infatuation deter us from pressing Peking to take a larger share. The casual relationship—if any—between this new diaspora and China's military "lesson" to Hanoi is far from clear. But, though perhaps a quarter million have already been pushed across the border into China, what is another million more or less, in a population a thousand times that large?

We think of ourselves as a humane people, talking incessantly of human rights. If we execute a convicted murderer, many Americans have hysterics. But is our imagination so feeble that we feel compassion only in the narrow focus of individual agony, while averting our eyes from the death of thousands? Have we become so self-centered that we cannot concentrate long on the suffering of anonymous humanity with whom our only common experience is living on the same planet?

We Americans need a cathartic experience to purge us of self-pity. Far too preoccupied with our own psyches, we are on the way to becoming a petulant, selfish, ingrown people. What could more elevate our national spirit than participation in a great humane enterprise? What could more lift our hearts—or better evoke world admiration—than the spectacle of a flotilla of our own ships embarked on the most spacious operation of mercy ever undertaken? It would help us recognize the essential pettiness of our domestic concerns. After all, we could be worse off than spending an extra hour in a gas line. We could be in an open boat as thick with wretched humanity as flies on a sugar loaf, rolling ceaselessly on a turbulent sea and drifting toward almost certain death.

Let us think about that as Americans—for the good of our souls.●

FEDERAL GOVERNMENT AS OIL PURCHASING AGENT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. ROSENTHAL. Mr. Speaker, recent events emphasize the need to create an alternative to the present oil import structure. The Oil Imports Act of 1979 (H.R. 3604) sponsored by Representatives Rose, Conyers, myself, and 37 other Members, is such an alternative. It would create a Federal nonprofit corporate independent purchasing agent for all imported oil and oil products brought into the United States; a capability to engage in government-to-government purchases from oil producing countries and could limit imports when needed. In this connection I believe my colleagues should take note of the testimony presented by Representative Charles Rose on July 16 before the Ways and Means Trade Subcommittee on this subject.

The testimony follows:

Testimony of Congressman Charlie Rose

Mr. Chairman, on June 7th, Treasury Secretary Michael Blumenthal described the OPEC price hikes for crude oil as the world's "most serious" economic problem. In the United States, OPEC's 61 percent price increase so far this year will increase inflation by 2 percent, retard economic growth by 2 percent, and cost 800,000 Americans their jobs by the end of 1980. Since 1973, imports have risen from 26 percent to 43 percent of our supply of crude oil. We are so dependent on foreign oil, that we feel obliged to describe Saudi Arabia's promise to modestly boost their production as a "friendly" act.

The future looks worse. OPEC officially has planned another meeting to raise prices for December this year and may meet again as early as September. Both the power and the nature of the cartel have changed this year. In the past OPEC was basically a price-fixing cartel. Today a multi-tier price system is in effect with little argeement among member countries on the proper price. However, Saudi Arabia has set a production ceiling and other OPEC countries have agreed to hold total OPEC production to 30 million barrels a day or less. OPEC has emerged this year as a far more dangerous supply-constraining cartel. Further, OPEC is now heavily influenced by the radical Arab states. In the past OPEC was dominated by two conservative powers: Saudi Arabia and Iran under the Shah. Since the Shah's fall, Iraq has replaced Iran as the second power of OPEC. Saudi Arabia has found itself politically obliged to link their oil production to the terms of the Middle East peace negotiations.

Less we become complacent with the decline of the gas lines, the sabotage of the Iranian pipelines and the threats of a total cutoff of Libyian oil should remind us how vulnerable we are. Our economy's health is dependent on the whims of OPEC oil ministers and the outcome of a religious revolution. Clearly, our past policies on oil imports have been a gastly failure.

Our government's policy to this day is founded on two premises: (1) "no confrontation" with OPEC at whatever cost to ourselves, and (2) "hands off" on all private negotiations between oil-buying companies and oil-producing countries. We follow a "no confrontation" policy on the grounds that, first, the U.S. has no effective countervailing power to OPEC's decisions, and second, we must continue to bolster our allies in the Middle East. We follow a "hands off" policy on the grounds that the alternative would "politicize" commercial negotiations.

Mr. Chairman, these policies have been a disaster. Although OPEC countries have a legitimate interest in selling their oil for the best price they can get, an absolute "no confrontation" strategy by the United States is a prescription for defeatism. It ignores the strengths this country has so far failed to assert.

We do have important countervailing power. The U.S. market for foreign oil accounts for 20 percent of OPEC imports. We are a major supplier of high technology and managerial expertise. We offer large and secure opportunities for capital investment. We have the capacity to offer military security to threatened Middle Eastern nations. So far we have deliberately failed to balance our strengths against OPEC's strengths to create fair negotiation. The policy of bolstering our allies has led to a destabilization of our country as we funnel money to OPEC treasuries and wait in nervous anticipation for the next OPEC meeting. Further, it has decreased the security of both OPEC countries and our country. We are now dependent on a tenuous line of oil tankers from increasingly tempting targets for military or political takeover.

Our "hands off" policy with respect to oil company and producer country negotiations only worsens the crisis. The ability of the oil companies to seriously negotiate with OPEC countries has all but evaporated for three reasons. First, independent and foreign oil companies have dramatically increased their role in buying oil leading to a reduction in buyer resistance to the solid front of OPEC producers. Indeed, 28 non-major oil companies supplied the majority of U.S. oil imports in 1978.

Second, producer countries are increasing the amount of direct sales to other countries, up from four percent in 1971 to 20 percent in 1976, further undermining the negotiating strength of major oil companies. Third, in the future, OPEC countries are likely to heavily invest in distribution and refineries, building companies more integrated downstream into the petroleum industry. These pressures encourage oil companies to enter long-term supply arrangements with particular producer countries where assured access to supply is considered more important than price and where the aggregate supply to the United States is of no concern whatsoever.

In addition, the failure of our government to play a role in oil company/producing country negotiations denies oil companies government support. In a world dominated by quasi-governmental oil buying companies, the United States refuses to provide major negotiating advantages to our own oil companies. It should not be surprising that in such an environment, the companies seek out "preferred position" agreements with particular producing countries.

This wreck of an oil imports policy should be changed and changed now. To this end, the Oil Imports Act of 1979 (H.R. 3604) has been introduced by Representatives Rosenthal, Conyers and myself. It establishes a federal nonprofit corporation with the exclusive right to purchase foreign crude oil and petroleum products and resell it on the U.S. domestic market. This bill establishes a new oil imports strategy that will have an immediate benefit to the spot market in crude and refined oil and will offer four major advantages in limiting prices in the contract market.

Last month spot prices for oil were running more than 200 percent above the weighted average international price of oil set by OPEC. Companies were bidding against each other creating trader premiums that were added to OPEC prices. Though the spot market is only a small part of the overall oil market, producer countries are not blind to trader premiums and are thereby encouraged to raise prices so as to capture these premiums for themselves. The creation of a single oil buying company would eliminate this upward pressure on prices.

H.R. 3604 would benefit the contract market in four ways. First, the Federal oil import corporation could present a unified front in negotiations with producer countries—something private oil companies cannot achieve. This negotiating posture would end oil companies bidding up the price of oil in an effort to secure preferred positions with producer countries. Further, increased OPEC direct sales and downstreaming of operations would not undermine the negotiating strength of a single importing company as it does to the numerous private oil companies.

Second, for the first time since 1970, price will take its proper place as an important factor in buyer/producer negotiations.

Third, a government oil-buying corporation can offer government-created goods—something private companies are unable to supply. Other foreign government corporations have negotiated complex barter deals exchanging a variety of industrial goods and services for oil. The federal oil import corporation would allow the United States to seek a quid pro quo in return for the technological assistance, credits, investments, and military aid provided to particular countries.

Finally, a federal oil importing corporation could follow certain negotiating strategies that private companies are unable to use. Because the corporation would be the sole buyer of oil for United States importing, it would not be obliged to lock itself in with a few producer countries in an effort to secure a preferred position. Instead, the corporation could actively seek targets of opportunity among producer countries and may well be able to coordinate this strategy with other major industrial nations. The corporation could aim at seeking a diversity of supply thereby encouraging competition among producer countries. Or the corporation could try to negotiate a multilateral approach among oil consuming nations, a policy the United States is presently unable to effectively pursue. Regardless of the strategy chosen, a federal oil import corporation would be in a far stronger position to negotiate a fair supply contract with producer countries.

Mr. Chairman, it is time we abandon the defeatist and futile oil import policies of the past. They have not accomplished their ends; indeed, they have perversely weakened our nation. A federal oil import corporation is a reasonable alternative to our craven dependence on foreign oil. By itself, the corporation cannot solve our energy problem, but it can reduce OPEC's unilateral control over price and supply and replace it with balanced negotiation. And that, I submit, is a worthwhile endeavor.●

VIEW FROM THE REPUBLIC OF CHINA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following speech was given by Konsin C. Shah, representative of the Coordination Council for North American Affairs at the National Press Club on July 9, 1979.

It provides a view from the Republic of China in the aftermath of President Carter's decision to abrogate all formal ties with the Republic of China.

I commend it to my colleagues:

THE BEGINNING OF A NEW ERA

President Wiese, Mr. Kyle, Mr. Zimmerman, honored guests, ladies and gentlemen:

It is indeed an honor and a great privilege to appear before you and report on the state of affairs between our two peoples. Since I am a member of the counterpart instrumentality of the American Institute in Taiwan, a nonprofit corporation incorporated in the District of Columbia, the observations and opinions expressed hereafter are entirely the personal opinions of my own.

Immediately after my arrival in Washington I called on Mr. David Dean, my counterpart and wet nurse at the AIT. Both he and I agreed that we couldn't do much until the publication of the Executive Order which would implement the Taiwan Relations Act.

Then on June 22 the Executive Order was issued, which, at first glance, looked more like Moses' Tablets than anything else. I called Mr. Dean on the telephone and found out that he needed translation also. "David, do you think we can untangle this by Christmas?"

Well, Mr. Dean and I are trying to restore, if only in part, the smooth working relations which the peoples on both sides enjoyed until January 1, 1979, in order to carry on an age-old relationship which bound our two peoples in times of war and peace. Thus, the wheels of a new era begin to gather speed and momentum.

Whatever be the legal language embodying the Executive Order for Public Law 96–8, it may be summarized in 5 sentences. 1. The delegation to the State Department of most of the functions of this Act in conference with other departments. 2. The reservation to the President of the U.S. of other functions, primarily those regarding defense articles made available to Taiwan. 3. The specifications of laws and determinations to the extent of their applicability and inapplicability to AIT. 4. The designation of CCNAA, my office, to act as the counterpart instrumentality of AIT, and 5. Agreements and the United States, as indicated in President's Memorandum of December 30, 1978, shall continue in force.

The decision to create the CCNAA, in the absence of diplomatic ties, aimed at continuing substantive relations between Taiwan and the United States, as indicated in President Carter's original statement of last December 15. My office in Washington, now located at 5161 River Road, Washington, D.C. shall perform much of the functions as previously performed by the Republic of China Embassy.

For the rest of the country, we maintain only eight branch offices, namely, in New York, Atlanta, Houston, Chicago, San Francisco, Los Angeles, Seattle and Honolulu.

During the diplomatic crisis that occurred last Winter, a large sector of the American people have expressed themselves unmistakably that they stood firmly on our side by their messages by the thousands, in the form of letters, telegrams and telephone calls from all 50 States, as was also reflected at opinion polls that a strong feeling of friendship is in store for the Chinese people on Taiwan. On the other hand, despite the change in the official American policy, the people of the Republic of China on Taiwan will remain friends with the people of the United States, as was recently underlined by President Chiang Ching-kuo in an interview with the Fortune Magazine.

Another indication has been the support given, and substantial improvement to the Taiwan Relations Act by the United States Congress.

It was the outpouring of such strong friendly feelings which have inspired the incorporation in the Taiwan Relations Act such language as that anything other than peaceful means to determine the future of Taiwan is to be considered a threat to the peace and security of the Western Pacific area and of grave concern to the U.S.

We shall look forward to the serious implementation of the provisions in the Act.

It is equally noteworthy that to implement the above, the Act obligates the United States to "maintain its capacity to resist any resort to force or other forms of coercion that would jeopardize the security or social or economic system of the people on Taiwan," and that "the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.

The change of relations with the United States was not our first diplomatic setback. Since June 1971 we have faced a series of diplomatic buffetings. Seemingly humiliated, we successfully weathered each crisis, mainly because an open society in contrast to tyranny and a resurgent and resilient economy are the mainstay of our great national strength. Like the "wise" man who built his house upon solid ground, even when "the rains descended, and the floods came, and the winds blew; and beat upon that house; and it fell not; for its foundation was laid upon a rock."

As was only natural, we reacted initially to the United States move to "de-recognize" the Republic of China with shock. The initial period of dismay and even bitterness was short-lived. Once again we turned to the prudent words of our late President Chiang Kai-shek who told us in June 1971: "With dignity and self-reliance face adversity without panic." Calm determination was soon restored, and a nation united quickly put its shoulders to the wheel. After a short period of uncertainties, even the stock market rebounded to normal. Our Premier Sun told the nation: "We are not discouraged. We have met with adversity, not defeat."

One of your distinguished colleagues, Mr. Fox Butterfield, was visiting in Taiwan in May after a fact-finding trip to mainland China. In his dispatch from Taipei, Butterfield spoke how the Republic of China has adjusted "with surprising ease" to President Carter's decision to break off diplomatic relations. Taiwan, Butterfield added, "has sailed through a diplomatic storm and is heading for continued prosperity.

"There has been no flight of people or capital. Stock market and real estate values are climbing again, and the 1979 rate of economic growth may well be above the forecast of 8.5 percent. Foreign investment a measure of confidence in the Republic of China, appears headed for a record since 1950."

Last year the Republic of China's economic growth rate reached an all-time high of 12.9 percent in real terms which broke all records. Industrial production up 25.4 percent, foreign trade rose 32.8 percent, per capita income up from US$706 in 1976 to US$1,304 in 1978, and may rise 14 percent to US$1,656 in the current fiscal year. Our GNP has climbed 20-fold in a single generation, reaching US $24 billion in 1978. The total volume of our foreign trade has increased 15 times between 1962 and 1978, from US$523 million to US $23.7 billion, with a favorable balance of US$1.68 billion.

Nothing projects more sharply the image of cordial and close relations between our peoples than the economic and trade ties that have developed within the last two decades. Based on the rising statistics of American investments and American trade during the past 20 years and the trends and policies on both sides, I see new opportunities and encouraging prospects ahead.

Since 1952 foreign investments in Taiwan, including American and overseas Chinese investments, have reached the total of US$1.92 billion, of which US$600 million, or one-third, is American. In 1978 alone, foreign and overseas Chinese investments amounted to US$212.9 million, up 30 percent over 1977. The United States remains the leading foreign investor followed closely by overseas Chinese investments second.

That foreign and overseas Chinese investments in Taiwan paused momentarily but have not shown continuous decline since the United States announcement of diplomatic break carries a message of special significance. Authoritative sources recently disclosed that foreign and overseas Chinese investments in the first quarter of this year totaled US$110 million, twice as much as the corresponding period last year. (Interloping here)

The phenomenal expansion of two-way trade between our two peoples during the past two and half decades has been another encouraging sign. How rapidly this trade has grown may be seen by looking at the trade volume for the year 1953 which was only US$105 million. Two decades later, it had reached US$3.71 billion by 1974, a 35-fold increase. Last year it rose to US$7.53 billion, an increase of nearly US$2 billion over 1977, so much so that the ubiquitous distractor of all trade forward moved in. Our exports to the United States reached US$5.1 billion, a 40 percent increase over 1977, and our imports from the United States rose to US$2.3 billion from US$1.7 billion in 1977. The United States suffered a deficit of US$2.1 billion.

Such a deficit does not reflect a happy growth. On our part we regard this serious enough for us to launch a Buy America Policy and purchasing missions to implement it. Each year we send a number of special trade missions to visit the United States, scouting various industrial and agricultural channels for commodities. The first of two such missions this year has just completed their visit to north-west United States, while three missions to this country last year signed contracts for the purchase of well over a billion dollars worth of American goods.

Therefore the shoe has been on the other foot. In any normal situation American export missions should be on tour in Taiwan. In the past two decades the United States has set the scene of a growing and maturing market. American business should start voluntary investigation for greater possibilities.

Has the diplomatic break had an adverse effect on our trade. Not entirely. Our two-way trade in the January-February period this year chalked up a 40 percent gain, reaching US$1.3 billion. Unless interrupted by a recession, there is a general prediction that trade between our two countries would likely reach US$10 billion by the end of the year.

TRADE AND ECONOMIC RELATIONS

Here, I should like to make two observations regarding the future of our economic relations: one of more immediate concern to American exporters, and the other for all of us who would like to see the healthy growth and continuation of our two-way trade.

The more immediate concern is, of course, how much will American exporters be adversely affected by the economic slowdown which seems to be setting in in the wake of higher cost of oil. News from Geneva recently bore stronger premonitions which cause the President of the U.S. to predict the loss of 800,000 jobs when oil price was raised from approximately $15 to $20 a barrel, and that it will also raise the rate of inflation by 2½ percent. With April and May economic indices not entirely encouraging, and the June index which we have just received also showing hesitation and even fear, the continuous growth of the American economy is, with a sort of under-statement of the year flavor, seriously retarded. An American recession would mean the reduction of orders placed in countries like Taiwan. The real concern for all of us is, of course, by how much, or whether there will be further deceleration rather than zero growth.

Since the beginning of this year, our two-way trade has been growing, up to the month of May, at a 30 percent rate in comparison with the same period of last year. This is unexpectedly and extraordinarily high. Looking more closely, therefore, the picture is even healthier for American exporters since the rate of American export to the Republic of China on Taiwan has been growing at close to 40 percent over that of 1978, whereas the export from Taiwan to the United States has only been growing at about 25 percent. This increment of trade is something phenomenal. Should an immediate recession in the United States, let us say, reduce by one-third the amount of orders placed by American importers on Taiwan, the level of import by the United States from Taiwan would still be somewhat close or slightly under the level of 1978. Since the Republic of China export to the United States constitutes approximately one-third of all exports from Taiwan, a one-third reduction of such export will consumate a 10 percent reduction of all exports from our island.

Unless exports to other countries also take such a drastic cutting, then the economy in the Republic of China on Taiwan will not be seriously buffeted by a recession here since it would far from wipe out the trade increment we enjoy. To keep our economy on an even keel, we will have to go back to the lesson we learned in 1974–75 when we had launched major infrastructure projects at home, thus shifting employment which was lost in the export quarter to internal reconstruction programs and keeping up a healthy picture of our over-all economy. At this moment, we are proceeding with 12 more major reconstruction projects, and I am certain that the authorities back there will speed up the construction of such projects once export sales show strong signs of declining.

If one analyzes the nature of American exports to the Republic of China on Taiwan, one can clearly see that a reduction in Taiwan exports to the outside world will not seriously affect, if at all, imports from the United States. Major American exports to Taiwan are grain, corn, soybeans, cotton, tobacco, capital goods, whole plants such as nuclear and thermo power plants, energy resources such as coal and uranium, industrial raw materials, and fine instruments which are required by the rapid advance of technology. In successive years we have liberalized imports as well as reducing tariff. From 1977–78 we had even increased our purchases of Californian and Floridian oranges, Californian grape wine, northwestern apples, cheese and American beef. These items, which would have been considered luxury imports a decade ago, are now being more widely consumed in ordinary households with a speedy rise of our per capita income, which is currently about $1,500 per head per year.

When our export sales are reduced on account of recession elsewhere, there may be a reduction of imports of luxuries. But the shipment of instruments, the whole plants, industrial raw products, and capital goods, uranium and coal, particularly the grain and other agricultural products must continue to flow. The acquisition of four million tons, now costing over a half billion dollars, of grain, corn and soybeans from the United States will continue so long as we want to keep up the animal protein which our populace needs.

One should not lose sight of the buy-America policy in the Government of the Republic of China on Taiwan. The Government has been sending missions two or three times each year to the United States to negotiate and to conclude orders so that what could otherwise be bought elsewhere get a better chance of being purchased in this country, particularly if the orders would be placed by government and government-related industries. In the case of a recession here and a reduction of exports from the Republic of China, thereby triggering government infrastructure programs in order to keep up the economy, the percentage of imports covered by the buy-America policy becomes even larger, since these infrastructure purchases are almost entirely conducted by the government.

For these and other reasons, I am optimistic that, in spite of the looming shadow of a recession in the United States, the outlook for American exports to the Republic of China remains healthy and is unlikely to suffer cutbacks of any large magnitude.

On a long-term basis, economists and businessmen are concerned with the growing imbalance of the two-way trade between America and Taiwan. Last year it was to the tune of two and one tenth of 1 billion U.S. dollars. Unless the rate of growth of trade is tempered from those found in April and May, some people are alarmed that the speedy growth of trade may even bring a larger deficit for the United States. However, if we examine more closely, it does not have to be so.

First of all, there are items of American exports whose movement is momentarily retarded. In recent years, we have become increasingly reliant on American supply of enriched uranium which is now firing our nuclear power plants following a drastic diversification of our energy program. Agreement previously reached between American and ROC authorities placed the ceiling of American uranium supply at a quantity enough to keep eight of Taiwan's plants going. At the moment, nuclear plant number two is near completion, and a number three plant is under construction. Number six is still on the drawing board. But the pace at which these power plants are being completed is so fast that the rising uranium demand will quickly match that of our demand on oil supply in dollar volume. It is to be expected that the uranium price will more or less keep pace with the rise of international oil price and, therefore, the payment by Taiwan for uranium export from the United States will be rising at a phenomenal rate, quickly offsetting a large part of the payment deficit on the American side.

Another important item is the sale of defense supplies. In seeking defense equipment, developing countries are often faced with a choice between the free world and the Soviet Union, a choice which we had never exercised in the Republic of China on Taiwan. Until December 31, 1978, the Government of the Republic of China had faithfully abided by the terms and conditions of the Mutual Defense Treaty between the United States and the Government of the Republic of China which the former recognized until January 1 this year. Purchases and imports of defense equipment were almost exclusively from the United States, growing in dollar volume until it is now a sizable amount each year. With the abrogation of the Treaty, one would realize that the needs of the defense of Taiwan may be considerably increased. Even a normal flow of what is called pipeline supplies would cost the government on Taiwan hundreds of millions of dollars a year and, together with uranium supply, they will visibly fill in the gap of trade imbalance.

One mustn't forget the more than $600 millions of American equity investment, plus the nearly two billion dollars of loans extended to the various industries on Taiwan. The profits accrued by their export would be free to return to the U.S. Therefore what seems to be a good-sized trade deficit doesn't have to end up a payment deficit for the U.S. In other words, our prosperity is shared by American banks and investors, and we don't have a monopoly over such proceeds.

Furthermore, as the economy on Taiwan further matures, we will phase out some of our export industries such as cheap textiles, low-priced garment and footwear, as well as the low-priced electronic appliances, and the more technology-intensive industries we will phase into will require more and more high cost capital goods from the more developing countries. And, coupled with a sensible balancing of trade policy as has been adopted by the government, a more mature economy on Taiwan will be strongly inclined to close the trade gap which is causing so much attention from all quarters.

So much optimism for the future of our economic relations.

Looking above and beyond our trade, there must be things more important than just dollars and cents. After all, it was liberty and God-given rights which inspired the Founding Fathers of this great nation to the great movement still in process. We are also a people determined to preserve our freedom and our rights, and in that order. We have chosen the cause of the Free World because we have determined on the type of open society, the type of free economy, and the right and opportunity to higher education and self-betterment, and we believe in them sufficiently to agree that any price paid is worth paying. This is why we refuse to capitulate whatever be the diplomatic body blows we have suffered. Thirty years age we applauded the Finns at Karelia and the British at Dunkerque where so many admired the splendid courage of so few. Today we look at even greater odds of the combined Communist world straight in the eye, and we are fewer still, feeling certain that just because of our century-old misfortune at the hands of colonialism, our determination to remain free against imponderable odds shall *not* be treated by posterity as human folly. This, perhaps, is why you have permitted me to occupy this forum.

Recently the publisher of a leading newspaper asked me to wrap up the situation back in Taiwan. I told him in eight words: "We have a roaring economy, a prepared military. We face beleaguered diplomacy but we keep up our undaunted spirits."

It is with such hopes and resolutions that I look optimistically into the future of this new era and prepare myself to work closely with Mr. David Dean, Mr. Kyle and their honorable colleagues at the AIT in good faith and with friendliness and dignity.

Thank you.● ●

A TRIBUTE TO "POP" WARNER

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

• Mr. KEMP. Mr. Speaker, I would like to pause in the business of the House to honor the memory of a great American. Glenn Scobey Warner was an incredible man who left an indelible imprint on the game of football.

Born at Springville, Erie County, N.Y., in 1871, he was an outstanding baseball player at Springville's Griffith Institute which he graduated from in 1889. He remains that school's most distinguished graduate as it prepares for its 150th anniversary in 1980.

Having enrolled in Cornell University in 1892, he soon became known as "Pop" to his younger team and classmates. His first encounter with a football was at Cornell, where he also participated in baseball, track, and boxing. His personal relationship with the game of football was to span a half a century; his influence will remain as long as the game is played. Football at that time was a brutal confrontation lacking rules and equipment to protect the player. Forward passing and end runs were yet to be developed.

"Pop" had intended to become a lawyer and practiced briefly. He was an exceptional artist. He also wrote practical coaching guides. In 44 years of coaching, he established himself as one of the architects of the game. Teams were fielded at Iowa State, University of Georgia, Cornell University, Carlisle Indian Industrial School, University of Pittsburgh, Stanford University, and Temple University. On two occasions he directed the fortunes of teams from two schools simultaneously, Iowa State and the University of Georgia during the 1895 and 1896 seasons, and the University of Pittsburgh and Stanford University during 1922 and 1923.

Carlisle teams used the crouching three-point start for backs as early as 1899. The 1907 team, with Frank Mt. Pleasant at quarterback, made significant strides in perfecting the spiral aerial attack. That team beat Amos Alonzo Stagg's Big Ten champion, University of Chicago's Maroons, 18 to 4.

At Carlisle he perfected his single- and double-wing formations as part of the "Warner system," copied and imitated throughout football.

Chuck Knox, former head coach of the Los Angeles Rams—now of the Buffalo Bills—states that in his opinion, "the fullback slant to the weakside is the one great play in football." This play was an integral part of the single-wing offense invented by Pop Warner over a half-century ago.

Pop guided the development of the legendary Jim Thorpe in football and track. At Stockholm, following the 1912 Olympic Games in which Jim had won both the pentathlon and decathlon, King Gustaf V of Sweden addressed Thorpe: "You sir, are the greatest athlete in the world." Jim Thorpe carried the "Warner system" to the professional teams and served in 1920 as the founding president of a predecessor to the National Football League. He and Ernie Nevers, whom Pop coached at Stanford University, were regarded as two of the three greatest football players before 1930. The third was Harold "Red" Grange.

In his tenure at the University of Pittsburgh, starting in 1915, he produced teams that, at the end of the 1918 season had won 29 successive games scoring 861 points while allowing the opposition a mere 71 points. Victims of that streak included John Heisman's Ramblin' Wreck of Georgia Tech, by a score of 32 to 0. Out of the Pittsburgh years which extended to 1923 came many all-Americans and disciples of the "Warner system," including nine who became coaches from the 1916 team alone. These men carried Warner strategy to teams in every part of America. The great Pittsburgh tradition of college and professional football was begun by Pop Warner.

An offer by Stanford University, and the necessity for a more moderate climate for reasons of health attracted Pop to California where he developed mighty Stanford teams that attracted other great coaches to rival schools and established big time football for the Pacific coast colleges. He coached Erne Nevers, who with Jim Thorpe, is enshrined in the NFL Football Hall of Fame, and many other Stanford all-Americans. He took his team to the Rose Bowl three times. In the 1925 game against Knute Rockne's Irish, the Four Horsemen were pitted against Ernie Nevers. The Indians out-rushed, out-gained, and out-passed the Irish, only to succumb 27 to 10.

Pop returned to the east to coach Temple University of Philadelphia in 1933, where he remained until 1938. At the end of his brilliant coaching career, he had established himself as one of the three "winningest" college and professional coaches of all time with 312 victories, 104 defeats and 32 ties. His teams scored 8,795 points to the oppositions' 2,810.

In addition to his single- and double-wing offenses, he had introduced or perfected: fiber padding, knee guards, shin guards, tackling dummy team, hidden ball, three-point stance, screened pass, bootleg, and the spiral punt. He also advocated free forward passing, which was adopted by the NFL in 1933 and the NCAA in 1945.

The 6,000 Little League football teams which play under Pop Warner sanction in nearly every State are testimony to this great man. They represent 25 percent of all organized "kid football" teams in the Nation. Eleven-thousand high school teams, 600 college teams and the pros all use Warner equipment and strategy.

In 1954 the year of his death, the Associated Press rated him the "top coach of all time."

Mr. Walter Byers, executive director of the National Collegiate Athletic Association states:

> He was one of the principal contributors to the game's development.

Mr. Pete Elliott, director of the Pro-Football Hall of Fame, states:

> Pop Warner was not "just another athlete and coach." He is truly a legend in the history of the great game of football.

On behalf of the justifiably proud community of Springfield, N.Y., and the millions of Americans who have thrilled to football as players and spectators, and with special thanks to Alan Manchester, Village of Springville trustee, who has dedicated so much time and energy to Pop's memory, I ask my colleauges to join me in saluting this great American.•

RESTRICTIVE AMENDMENTS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

• Mr. EDWARDS of California. Mr. Speaker, the foreign assistance and related programs appropriations (H.R. 4473) bill would provide $7.9 billion in fiscal year 1980 for U.S. multilateral, bilateral, and military assistance programs. Numerous restrictive amendments may be proposed which would make cuts in foreign aid program, impose restrictions on U.S. aid to international banks, and eliminate or reduce funding for several international programs.

If passed, these amendments would cut off benefits to American businesses which now profit from foreign purchasers. Not only would businesses suffer, but American prestige would be severely undermined if we proceeded to cut funding to disadvantaged nations which we have already promised to help.

By extending aid to less developed countries, we not only help the needy to a better life, but we also help ourselves. Today, we do more trade with developing countries than we do with Europe and Japan combined. In addition, 5 million American jobs are now dependent upon trade with developing nations.

By promoting the growth of poorer nations, development banks are enabled to expand export markets for U.S. goods and services. However, if the restrictive amendments are passed, international banks would not be able to utilize the American contributions as restrictions on funds violate the terms set down in the U.N. Charter.

Continuing aid to Third World countries is also vital to American security. Nations in the Middle East and Southern Africa receive U.N. aid, and to abandon these areas would require them to seek aid from countries that may be opposed to our form of government and life. To leave these countries vulnerable to such foreign intervention might prove damaging to our own security.

My colleague, Representative YOUNG, intends to introduce an amendment which would prohibit aid to Vietnam through the multilateral development banks. Such an action is illegal and thus would eliminate the possibility of utilizing any contributions to the multilateral bank by the United States. This would not only be to the disadvantage of Vietnamese citizens, but also to other nations as well who had previously benefited from U.N. funded programs, such as UNICEF.

A second amendment calls for across-the-board cuts of the appropriation. For fiscal year 1980, substantial cuts have already been made and to further reduce American aid would jeopardize the financial structure of many U.N. sponsored institutions. Such an action would have serious repercussions throughout many Third World countries as programs, such as the U.N. Disaster Relief Organization, would have to be cut back drastically.

Therefore, by passing these amendments, we would not only punish the disadvantaged but we would also endanger our national security and hurt ourselves economically. These various cuts and restrictions would impair the President's ability to conduct foreign affairs and would damage U.S. interests in foreign countries. I urge Congress to move swiftly in defeating these amendments in the hopes that we may continue to expand on our economic benefits from growing Third World countries and fulfill our humanitarian commitments.●

GETTING OUT THE VOTERS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. DRINAN. Mr. Speaker, a very intriguing article by Dr. Donald G. Herzberg, the dean of the Graduate School at Georgetown University, appeared in the New York Times on July 15.

Dean Herzberg points out the appallingly low number of Americans who vote on a regular basis in our local and national elections.

Dean Herzberg makes some recommendations to alter this situation. Even those who might not agree entirely with Dean Herzberg's conclusions would admit that this article is stimulating and challenging.

Dean Herzberg's article follows:

GETTING OUT THE VOTERS

(By Donald Herzberg)

WASHINGTON.—In 1861, the Englishman John Bright said this about our Presidential election: "We know what an election is in the U.S. for President . . . to my mind there is nothing more worthy of reverence and obedience . . . than the authority of the freely chosen magistrate of a great and free people."

Next year will mark the 30th time that Americans will have gone to the polls to elect a President since Bright wrote those words. Neither civil wars, nor other wars, nor pestilence, plague or depression have interfered with this ritual. Yet, as we approach 1980, it may be asked whether Bright's eloquent observation has become a mockery. What if we hold an election next year and nobody comes? How many of us have to fail to vote before the validity of the election process itself is in doubt?

One of the principal functions of an election is to give legitimacy to the government elected. When turnout in a Presidential election falls to barely 50 percent, serious questions must arise about the validity of the mandate.

The United States is heading toward that 50 percent turnout. In the off-year 1978 election, more than 90 million eligible Americans failed to vote. Turnout in statewide elections for governor and senator declined to 37.9 percent.

The situation becomes even more serious in primaries. Next year over 30 states will hold Presidential primaries. If past performance is any indication, we can expect turnout to fluctuate greatly, but it is not expected that we will improve over 1976, when the spread in the Democratic primaries ranged from a low of 11.1 percent in the District of Columbia to a high of 71.6 percent in California. The average turnout was 41.2 percent and 14 elections had turnouts under 40 percent.

A major cause for our low turnout and our general apathy about politics has been the steady destructive attack upon the two-party system. In the name of reform, we have allowed our parties to destroy themselves. The parties are the "ball-bearings" of the political process and we have allowed them to be turned out. We much now start to resuscitate our political system. The following recommendations are a beginning:

1. Each state should institute a voter-registration system that requires the voter to register as a party member or an independent. Only the voter who registers in a party may vote in that party's primary. The important thing is to give the voter an opportunity to express a party preference.

2. Each state should impose a waiting period of one year between party-registration changes so that a voter may not change registration overnight from one party to another. This will help make the registration in a party a serious decision and prevent large numbers from one party invading the other party's primary and distorting the outcome.

3. The states should eliminate "cross-over" voting in all party primaries. It is crippling to the development of a responsible party system to allow voters registered in one party to cast votes in the other party's primary. Registration by political party ought to imply a commitment to that party and a desire to help its choices. Registration should not be used to swamp the other party and influence the outcome of its primary.

4. If less than 40 percent of the eligible electorate, as determined by the appropriate state election official, fails to vote in a primary, then the primary is not binding and a statewide convention process should be invoked. This gets to the heart of restoring the political process. It is recognition of the fact that a low-turnout primary is probably unreflective of the voters registered in that party and is a further recognition that a proper convention process is a better way of reflecting voter interest and concerns in their political party.

The implementation of these recommendations would begin to restore the political parties to their abandoned traditional role of broker in our society. At a time when the United States is entering into an age of scarcity, the mediating function of the parties is desperately needed. Hard choices are going to have to be made. If we don't give our political parties the opportunity and the power, we can resign ourselves to more and more divided government; to leaders powerless to lead; to a public more and more apathetic and cynical about itself and its institutions; and, one day soon, to an election in which not enough of us come.●

ENERGY RESEARCH AND DEVELOPMENT SAVINGS BOND AND TRUST FUND ACT OF 1979

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. EDGAR. Mr. Speaker, on July 16 I introduced a bill which I introduced 2 years ago to provide revenue to finance the major commitment of energy research and development proposed last night by the President.

My bill, the Energy Research and Development Savings Bond and Trust Fund Act of 1979, parallels a proposal made by Mr. Carter to allow our citizens to invest in the quest to find alternatives to imported oil. I commend the President for his suggestion to establish a public corporation to administer this new commitment to energy research and development, and to allow the corporation to issue bonds in small denominations.

The bill I am reintroducing today does not establish a public corporation; rather it establishes an energy research and development trust fund. This assures that the Congress will retain adequate oversight responsibilities for how allocations are made from bond revenues. However, nothing in my bill is intended to preclude channeling funds from the trust fund into a public corporation should the Congress decide to do so.

Just as in the President's proposal, my bill would finance energy research and development from bonds sold to the public; maximizing the participation of our citizens in finding solutions to our energy problems. However, to streamline this program so that it can be administered cheaply and effectively, the bonds would be sold in the same manner as United States savings bonds.

To assure that the existing market for U.S. savings bonds and other bonds issued by both the public and private sectors would not be adversely affected, the interest rate on these energy bonds would not exceed a tenth of a percent less than the rate applicable to series E U.S. savings bonds.

It is my intention that energy bonds would be purchased primarily as a patriotic act and not because the interest rate is lucrative compared to other investments. In effect, the purchase of such a bond would be a low-interest loan to the Federal Government to be used for a specific purpose—improving our national energy security.

The goal of this legislation is to provide up to $50 billion during the next 10 years to finance energy research and development. Without this legislation, the cost of financing a program on this scale would be staggering.

By promoting additional saving, a secondary effect of this bill would be to reduce inflation.

Mr. Speaker, I authored this bill more than 2 years ago, and our energy situation has deteriorated since then. I certainly do not advance this legislation as the last word in financing energy research and development. I suggest this bill for the purpose of discussion. I expect that the Congress will develop creative financing proposals—such as the windfall profits tax, energy savings bonds, and bonds issued by an energy security corporation—during the 96th Congress. And as provided by my bill and the President's proposal I hope that the Congress will approve financing that will allow the average American to participate.

There may be a tendency at the present time to think that our greatest needs are to encourage commercialization of new energy technologies and to proceed rapidly with the construction of new production facilities such as synfuels plants. Although these are certainly pressing needs, it is also crucial that we continue to support the less visible and dramatic programs of energy research and development which will have their payoffs in the next decade. It is most surely not an either/or choice with which we are faced—production versus research and development. We must have both. Given the long lead time necessary to implement new technologies in commercial settings, we must prepare ourselves for the great challenge of the next two decades by doing more than ever for basic research in all of the promising forms of energy, including fossil, nuclear, solar, geothermal, and others. I believe that the bill which I am introducing today will help to assure that we continue to meet these special energy commitments of the present and the future.

I would like to share with my colleagues a section-by-section analysis of the Energy Research and Development Savings Bond and Trust Fund Act of 1979, which follows:

SECTION-BY-SECTION ANALYSIS

Section 1 cites the Act as the "Energy Research and Development Savings Bond and Trust Fund Act of 1979."

Section 2 states the purpose of the Act, which is to "finance an acceleration of energy-related research and development by establishing a low-interest savings bond program in which all citizens can participate voluntarily for the purpose of reducing our dependence upon foreign energy sources."

Section 3 reaffirms the findings of the "Federal Nonnuclear Energy Research and Development Act of 1974" which, in part, state that "The urgency of the Nation's energy challenge will require commitments similar to those undertaken in the Manhattan and Appollo projects . . ."

The section further finds that the dependence of the United States on foreign petroleum and petroleum products is increasing, and that federal revenues, low because of high unemployment levels, are not sufficient to fund needed energy research and development.

Section 4 reaffirms the policy of the Energy Reorganization Act which, in part, states that "determination of priorities which are warranted should be based on such considerations as power-related values of an energy source, preservation of material resources, reduction of pollutants, export market potential (including reduction of imports), among others and on such basis, energy sources warranting priority might include, but not be limited to, the various methods of utilizing solar energy."

The section further declares it to be the policy to find a way for citizens to voluntarily participate in the financing of energy-related research and development.

Section 5 declares the goal of the Act to provide at least $50 billion for the financing of energy research and development during the next ten years.

Section 6 establishes a United States energy research and development savings bond program. The terms and conditions for the issuance of these bonds are identical to those of Series E United States savings bonds except for two conditions. First, the interest rate for energy research and development bonds is set at one-tenth of one per centum less than that of regular savings bonds. Second, energy research and development stamps are authorized only if the Secretary of the Treasury determines that administrative expenses incurred by the stamp program would be reasonable.

The section authorizes the issuance of bonds such that obligations do not exceed $50 billion at any one time, and do not increase by more than $10 billion in any single fiscal year.

Section 7 establishes the "Energy Research and Development Trust Fund" financed by proceeds of sales of energy research and development savings bonds. After two years after the date of enactment of the Act, funds in the Trust Fund are available to meet the expenses of the Secretary of Energy in meeting his responsibilities related to energy research and development described in Section 103 of the Energy Research and Development Act.●

MEDICAL CARE OF WOUNDED SOLDIERS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mrs. SCHROEDER. Mr. Speaker, despite a severe shortage of nurses during the early stages of the War Between the States, male doctors preferred unskilled male nurses to skilled female ones. Thousands of volunteer female nurses eventually overcame this male bias, bringing cleanliness and order to the often filthy and chaotic medical care of wounded soldiers.

In the North, today's Minutewoman, Dr. Elizabeth Blackwell, established the Sanitary Commission, coordinating the care of soldiers and the staffing and supplies in hospitals. And, along with Dorothea Dix, Dr. Blackwell trained women for the Army Medical Corps.

In the South, Sally Tompkins established a hospital in Richmond, Va., where she coordinated the care of more than 1,200 wounded Confederate soldiers. Tompkins was assigned the rank of captain in the Confederate Army for her work.

In the political realm, Anna Ella Carroll successfully lobbied the Maryland State Legislature against secession from the Union, and was also a military strategist. Carroll's "Tennessee Campaign," for example, was used by Gen. Ulysses S. Grant in 1862 to capture two Confederate forts on the Tennessee and Cumberland Rivers, thereby gaining control of the Mississippi River. Not surprisingly, Carroll was not recognized as the originator of the Campaign. In 1870, her wartime services benefit claim was denied.

These are not instances of women doing men's work. These are women doing men's work better than men.●

SYNFUEL PLANTS ENVIRONMENTALLY SAFE

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, there has been some concern expressed in the media recently regarding possible adverse environmental effects stemming from the production of synthetic fuels and chemical feedstocks.

As Members of the House of Representatives know, the report of the Committee on Banking, Finance and Urban Affairs on H.R. 3930, which was overwhelmingly passed by the House on June 26, states clearly that any synthetic fuels development program carried out under that legislation is "subject to existing environmental and other requirements provided by law."

In that connection, the Subcommittee on Economic Stabilization sought the views of Fluor Engineers & Constructors, Inc., of Irvine, Calif., on the ability of the industry to construct synfuel plants in an environmentally sound manner. Fluor provides worldwide engineering, construction, procurement, and project management services to energy, natural resource, and industrial clients. The company is currently completing SASOL II, the largest coal-to-gasoline plant in the world located in South Africa.

Fluor told us categorically that coal gasification and liquefaction plants can be designed in an environmentally sound manner that is consistent with Federal laws and regulations.

The text of the Fluor letter dated June 22 follows:

JUNE 22, 1979.

We have prepared this letter in response to your request seeking our comments on the feasibility of designing coal gasification and coal liquefaction plants to meet federal environmnetal regulations.

Fluor has produced several designs of such facilities to meet both state and federal environmental regulations depending on which standards were the more stringent.

The main areas of concern in both coal gasification and coal liquefaction facilities are sulfur oxide, nitrogen oxide, particulate, and organic air emissions, along with BOD and COD in the water effluent.

SULFUR OXIDES

Sulfur oxide emissions are controlled by removing sulfur compounds from the various gas, liquid and solid fuels or by removing sulfur compounds from the flue gas produced by burning the fuels.

Numerous processes are available for removing sulfur compounds from both the fuels and the flue gases. Hydrodesulfurization, solvent extraction, solvent absorption and lime scrubbing represent some of the more popular processes available. Combinations of sulfur removal processes are usually utilized in coal gasification and coal liquefaction complexes.

NITROGEN OXIDES

Nitrogen oxide production is mainly the result of combustion emissions. Control of nitrogen oxide emissions can be accomplished by numerous methods such as low NO_x burners, tangential firing, low excess air, steam injection, flue gas recirculation, thermal processes utilizing ammonia injection, catalytic processes utilizing ammonia injection and various other processes.

PARTICULATES

Particulate emissions from combustion can be controlled by use of dust cyclones, electrostatic precipitators, dry and wet scrubbers, filters and various combinations of these equipment items. Fugitive particulate emissions can be controlled by enclosing equipment and connecting vents to the same type of particulate control equipment.

HYDROCARBONS AND ORGANICS

Organic air emissions are controlled by the integrity of the piping and associated equipment. Modern metals and gasketing material provide enclosed systems that virtually eliminate leakage from flanges and piping. Modern packing materials minimize leakage from valve stems. Mechanical seals in pumps and compressors operate with negligible leakage. The use of dual packing and dual seals provides additional protection against leakage when hazardous materials are being processed.

WATER EFFLUENTS

Water effluents from coal gasification and coal liquefaction plants can be processed through API Separators and Dissolved Air Flotation Units for removal of free oil and organics. Biological Treating Units operated in the extended aeration mode remove essentially all the BOD and a significant amount of COD. Water recycle is often implemented to limit effluent discharge. This practice combined with the utilization of blowdown water for ash quenching provides a method of maintaining dissolved solids in balance. This results in a design with essentially zero effluent discharge. When necessary, effluent streams can be further processed by carbon adsorption and the addition of disinfecting chemicals such as ozone and chlorine.

Various control methods can be used to limit air emissions and effluent water contaminants. The methods selected depend on the quantity of material emitted and the level to which it must be controlled.

In summary, the technology exists today that incorporated in the design of coal gasification and coal liquefaction plants will bring them in compliance with federal regulatory requirements. Fluor has designed synthetic fuel plants based on both coal gasification and coal liquefaction, and we are confident that commercial size units employing present day-of-the-art technology can be constructed that will utilize our nation's coal reserves in an efficient and environmentally accepted manner.

Very truly yours,

F. S. TUCK,
Vice President, Project Operations.●

MISSISSIPPI ETV PRODUCES AWARD WINNING PROGRAM

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MONTGOMERY. Mr. Speaker, I would like to call to my colleagues' attention a 2-hour program on renowned author William Faulkner, which will be shown on the PBS stations this coming December. This program, entitled "Faulkner: A Life on Paper," was produced by the Mississippi Authority for Educational Television. I am particularly pleased that the Mississippi Authority for Educational Television won the Corporation for Public Broadcasting's highest award for instruction and was runner up in the cultural documentary category. Additionally, they were the only television station in the country to receive three top awards in the prestigious Ohio State ceremonies.

I am pleased with these honors because, as a member of the Mississippi State Senate, I was primary author of legislation to establish ETV in Mississippi.

I would like to include at this point in the RECORD, a description of the upcoming program on William Faulkner and urge my colleagues to watch this program in December so they might see for themselves an example of the award winning work of the Mississippi Authority for Educational Television.

The description follows:

A LIFE ON PAPER

After more than 23 hours of interviews with 41 different people and dramatizations of scenes from six different works, Mississippi ETV's film documentary of William Faulkner is tentatively scheduled to premiere on the Public Broadcasting Service (PBS) in December 1979.

Narrated by Raymond Burr, "William Faulkner: A Life on Paper" is an examination of Faulkner's life, work and motives. The documentary examines Faulkner through filmed excerpts of his works, interviews with the individuals who played major roles in his life and career and detailed accounts of his life, from his birth in New Albany, Miss., through his growing up in Oxford, Miss., to his professional stints in Europe, New York and Hollywood to his death in 1962.

The documentary, according to producer Walt Lowe, is about "a life on paper, because that's where Faulkner lived his fullest."

Faulkner's eccentricities, his constant financial struggle, his bouts with alcohol, his marriage, love affairs, successes and failures and his dedication to his writing are chronicled by those closest to him.

The two-hour documentary includes interviews with Lauren Bacall; the late veteran movie director Howard Hawks; Tennessee Williams; Ruth Ford; Phyllis Cerf Wagner, widow of Random House publisher Bennett Cerf; Malcolm Cowley ("The Portable Faulkner"); Maurice Coindreau, Faulkner's French translator; Anita Loos ("Cast of Thousands"); Mrs. William Bradley, widow of Faulkner's French representative; Robert Penn Warren, Pulitzer Prize-winning poet and early champion of Faulkner; Ben Wasson, friend and agent; Emily Whitehurst Stone, widow of his early mentor Phil Stone; and Jill Faulkner Summers, Faulkner's daughter. The interview with Mrs. Summers is the only one she has ever granted concerning her father.

Also, long-time residents of Oxford who knew him and his family were interviewed, and scenes from many of his works were filmed in and around Oxford, which profoundly influenced his creation of the mythical town of Jefferson in the county of Yoknapatawpha where his stories unfold. Oxford townspeople filled the roles in the filmed dramatizations, lending a unique authenticity to them, since it was the local Oxford people around whom Faulkner originally built parts of his characters.

"Ironically," said Lowe, "there are people in Mississippi who still do not accept Faulkner personnally or professionally."

Mississippi writer Shelby Foote says in the film that if someone were to have come up to an Oxford resident on the street in the 1930's and asked where Faulkner lived, the person being asked would have more than likely "turned his head and spit."

According to local opinion, Faulkner was "looked down on" and, among many of the older residents from generations back, still is, despite professional achievements and his literary esteem.

A production crew spent three weeks in Oxford during spring 1977 filming scenes from several of Faulkner's works. Filmed were the airplane crash from "Pylon," Varner's Store in "The Hamlet," several scenes from "The Sound and the Fury," a scene from "Soldier's Pay," a scene from "Light in August" and a scene from "Absalom, Absalom!"

Faulkner's compulsion to write is examined in the documentary. This compulsion was inspired by several things brought out in the film: an admiration for his great-grandfather, who was a best-selling novelist ("The White Rose of Memphis"); a basic and uncontrollable drive to write what was in him; and the conviction that he was a great writer.

"He was a man who wrote because he had to," said Lowe, "and that is a terrible demon to wrestle with. One of the reasons he seemed to mellow so after he received the Nobel Prize was that the world finally recognized what he knew all along. He once wrote a postscript to a letter in the mid-30's: 'I am the best in America, by God.' "

Recreating the voice of Faulkner in the film is Arthur Ed Foreman, a professional narrator, who works primarily in New York and Paris.

"Foreman's ability, not to imitate, but to recreate is uncanny," said Lowe. "It makes the hair stand up on your neck."

The research for the film is based in part on the current biography of Faulkner and an assistance provided by several scholars and by Random House publishers.

The film was produced by Walt Lowe and directed by Robert Squier of Washington, D.C. Associate producer was Jody Jaeger, formerly of Jackson and now of Washington also. Editor was Sandra Bradley of the Washington area.

Original music was composed by Ray Haney, also of the Washington area.

Production funding was provided by the National Endowment for the Humanities.●

RIDING CASUALLY TO WAR

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. ROSENTHAL. Mr. Speaker, as the President works out the details of his energy program he must combat higher energy prices, OPEC, and the U.S. multinational oil companies' preoccupation with foreign crude oil development. The present response, conservation and synthetic fuels, is not sufficient to relieve U.S. vulnerability to OPEC pricing. You can only conserve up to a certain amount in an energy fuel economy. And substantive and costwise synthetic fuel projects are years away or in the context of the present—too little and too late.

We must have a viable program that is not an accommodation to higher prices, OPEC and the multinational oil companies. We must recognize the mutual self-interest and closeness of the collaboration between the multinationals, OPEC and the higher pricing of oil and oil products. In this connection

I will continue to urge the administration to abolish foreign tax credits claimed by U.S. petroleum companies which admittedly have been misused and abused in order to prevent greater losses to the U.S. Treasury and to remove the unwarranted advantage given to the multinationals to explore and develop foreign crude oil. I will also continue to urge the administration to endorse the creation of a Federal nonprofit corporation which would be the sole purchasing agent of all U.S.-imported petroleum and petroleum products through the means of competition.

In this connection with this subject, I would like to bring to my colleagues' attention the following New York Times July 17 editorial entitled, "Riding Casually to War":

> "The energy crisis is real. It is worldwide. It is a clear and present danger to our nation. * * * There is simply no way to avoid sacrifice."
>
> Once again, President Carter has defined the problem, boldly and correctly. Once again he proposes a "war" to rescue the country from a crippling dependence. He now realizes that arresting inflation and escaping recession depend on it. He understands that the nation's morale requires it. He finds the people ready to sacrifice to "win" this war.
>
> So what does the President prescribe? A collection of measures that, at best, will keep the crisis from getting worse in the next five years and relieve it some thereafter. What sacrifice does he ask of the people? That they accommodate gradually to the true price—that is, OPEC's price—of energy and thus learn some discipline from foreign tutors.
>
> If there is such an urgent danger to the nation's security and economy, then why does the President not propose a clear and present antidote? Why does he not capitalize on the people's willingness to follow his lead? If he is right about the peril and the opportunity, then he must be judged timid in his response. He simply can't have it both ways.
>
> The heart of Mr. Carter's latest energy plan is one ringing pledge: "This nation will never use more foreign oil than we did in 1977—never." All the rest is embellishment. The call for standby gasoline rationing is, well, standby. The $140 billion in subsidies for new oil production and conservation is conjectural and, in any case, for relief in 1990. His expectations for nuclear energy are uncertain. And the emergency board to bend environmental standards is undefined. But "beginning this moment," Mr. Carter said with pounding fist, foreign imports are frozen.
>
> Alas, the vow to hold oil imports to 8.2 million barrels this year is no limit at all. Imports are already running, reflecting OPEC's price increase of 60 percent since December and the current slowdown in the economy. As Mr. Carter has pointed out, OPEC and recession are vital parts of the problem; he can hardly claim them as part of his solution.
>
> Next year, and until 1985, the promised limit of 8.5 million barrels may bite a bit, depending on the pace of economic recovery and growth. Yet even if the nation learns to expand its economy under that ceiling, the main stimulus for saving oil will turn out to be OPEC's high price for oil, not anything that Mr. Carter proposes. The knife that the President says OPEC is holding at our neck will still be there in half a decade.
>
> The most that can be said for Mr. Carter's program is that it may bring some relief in the even more uncertain years after 1985. No one knows how much more oil will then be produced domestically by a deregulated but newly taxed oil industry. No one yet knows what to expect from nuclear plants or from cost-cutting conservation throughout the society. But by cheating on the environment to some extent, subsidizing oil from coal and shale and burning coal instead of oil for electricity, the President's plan would yield about 4.5 million barrels of energy by 1990. For the long run, this optimistic target is better than nothing.
>
> For the present, however, the import limit is no summons to sacrifice; it is a message to the international bankers, who hold the dollar hostage, that things will not get worse. And the plan to subsidize synthetic fuels is no challenge to OPEC; it is at best insurance that the cartel's power will not be even greater a decade hence.
>
> Why this timidity? Mr. Carter has long understood the nation's energy crisis. He has tried to rouse the people and repeatedly failed. Now he accepts a share of the blame, but he also blames a deeper malaise and mistrust of Government, a loss of confidence and surrender to a destructive self-indulgence. Is he then afraid to demand more of the voters or merely resigned that he could get no stronger program past Congress? When he asks for this much but no more, it is hard to know whether the President is addressing the nation's energy problem or his own political problem.
>
> Thanks to OPEC's prices, recession and Saudi Arabia's temporary increase in production, the gas lines will soon fade from our daily life; the clear and present danger will recede past Election Day. With luck, the debilitating dependence on foreign oil will then grow no worse, and some combination of technological innovation and price-induced conservation might even allow a tightening of Mr. Carter's import limits.
>
> But the President did not lack for tougher medicine. For a moment, the turmoil in Iran and the long gas lines had focused people's attention on their galling dependence on foreign oil. Mr. Carter says he heard them asking what to do, even if it hurts. And from his Cabinet came the obvious counsel: ration gasoline—by price, coupon or dramatic tax. The President knows this would have met the danger sooner and more effectively than every other measure. Yet he flinched.
>
> After twelve extraordinary days of deliberation, he proposes not a war on energy or even the moral equivalent of war. His plan is accommodation to dependence. If he listens to the people, as he promises to do, they need to tell him that this is not enough.●

VERIFICATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. FINDLEY. Mr. Speaker, the Soviet Union is blocking the U.S. attempt to assure our adequate verification of SALT II. If Moscow wanted the United States to be able to monitor Soviet compliance with the terms of SALT II, it would cooperate with U.S. efforts to initiate U–2 overflights of Turkey and the use of an intelligence monitoring site in Norway. By opposing these U.S. efforts, the Soviets are acting contrary to the spirit of the treaty and the arms control process. We must all ask ourselves what the Soviet Union wants to hide.

In the past few months, the United States has sequentially asked the government in Ankara to permit U–2 overflights of Turkish soil and that in Oslo to allow an intelligence facility in Norway in order to verify Soviet adherence to the SALT II treaty. Although neither government has given the Soviet Union a veto over its role in verifying SALT II, both governments were interested in Soviet acquiescence to if not approval of their contribution to strategic arms control. Most recently, Prime Minister Nordli of Norway stated that:

> If the United States and the Soviet Union want Norway to play a part in the implementation of the SALT II agreement, Norway would be willing to do this.

This statement was similar to earlier comments made by Prime Minister Ecevit of Turkey. Both leaders appeared to imply that they wanted some positive reaction from the Soviets on the verification matter before them. Yet, since SALT II is to be in the interests of both superpowers, it seemed logical that Soviet approval would be forthcoming. Unfortunately, of course, we now know that it was not.

1960 U–2 INCIDENT

Norwegian and Turkish hesitation about U–2 overflights and intelligence sites stems from historical reasons as well as more recent events. For example, the U–2 incident with pilot Francis Gary Powers in 1960 involved both Norway and Turkey. The U–2 plane shot down by the Soviets was based in Turkey and was enroute to Norway from Pakistan. The Soviet reaction to the role of these three governments in the U–2 overflights was extremely harsh. On May 13, 1960, the Soviet Government sent strongly worded notes to Turkey, Pakistan, and Norway protesting the action of their governments in "allowing foreign military aircraft to use their airspace for the preparation and execution of intrusions into Soviet airspace." The notes, whose language was similar, warned all three countries that the U.S.S.R. would be "compelled to take appropriate retaliatory measures if such provocations are repeated," adding that the U.S.S.R. had the "means to render harmless, if necessary, the military bases used for aggressive actions against the Soviet Union."

This incident was a painful experience for Turkey in particular because it occurred during a time of political turmoil and domestic violence. Its government was on the verge of dissolution. In fact, the Turkish military seized power on May 27, 1960, overthrowing the elected government. U–2's have not been based in Turkey since this period.

The current hesitation in Turkey and in Norway about the U–2's and the monitoring site demonstrates as well how exposed both of these NATO allies feel to Soviet pressure. The U.S. arms embargo of Turkey and the decrease in U.S. naval power have weakened the trust of Washington in both Ankara and Oslo and have heightened the feeling of isolation on both the southern and northern flanks of NATO. At the same time, the Soviet Union has flexed its growing military muscle before both these states.

WHAT ARE THE SOVIET MOTIVES?

This brief history makes more understandable the sensitivity in Ankara and in Oslo to the new U.S. requests concerning the U-2 overflights and the intelligence facility.

The Soviet reaction to the U.S. request is less comprehensible. If Moscow is sincerely interested in a verifiable SALT II agreement, the Kremlin could have and would have readily agreed to the overflights and the intelligence facility. But, unfortunately, the Soviet reaction has not been at all cooperative. Indeed, the U.S.S.R. conveyed to the United States during the Vienna summit and then again in early July its opposition to the U-2 overflights of Turkey. And, a Radio Moscow broadcast blasted any use of facilities in Norway to monitor SALT II after a leak of the new U.S. request to Oslo appeared in Richard Burt's June 29 New York Times article.

The motives for the Soviet opposition to the verification flights and facility are suspect. The United States should indicate as much to Moscow and state clearly that it is interested in the U-2 overflights and the monitoring facility to assure adequate verification of SALT II. If the Soviet Union wants a verifiable, ratified treaty, it is in its interests to cooperate with the United States in assuring that verification.

If the Soviet reaction remains negative, we must all ask ourselves: Why is the U.S.S.R. opposed to our verification of the SALT II treaty terms?

What does the Soviet Union want to hide?●

END PRICE CONTROLS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MICHEL. Mr. Speaker, when an economics professor calls for an end to price controls, that is not news, and when a free-market-oriented political figure calls for an end to price control, that is not news. But when a man who has been a former business school dean and chairman of the Price Commission during phase II, 1971-73, calls for an end to price controls, that really should be news and it should be taken seriously.

C. Jackson Grayson, Jr., has precisely this kind of background. In a recent article in Business Week he demonstrated quite clearly that decontrol is absolutely necessary if we are to get this country moving again.

You may agree or disagree with Mr. Grayson's arguments, but you cannot ignore them since they come from a man who has not only theoretical knowledge but actual experience in trying to make price controls work. He says they cannot work and that a vigorous free market economy is the answer to our economic woes. I think he deserves hearing.

At this time I wish to insert in the RECORD, "How To Achieve an American Miracle," by C. Jackson Grayson, Jr., Business Week, July 16, 1979:

HOW TO ACHIEVE AN AMERICAN MIRACLE

The most frightening aspect of the current gasoline crunch is not the long lines. Nor the price. Nor OPEC. It is not even the shootouts at the service stations.

It is the almost total absence of serious consideration and open support by businessmen, politicians, and economists for a return to the market system to ration demand and increase supplies.

The answer to our problems has to be complete decontrol—decontrol not only of oil, but also of gasoline—and elimination of the price and wage "guidelines" program along with it: a complete dismantling of the increasingly complicated, inefficient, inequitable, and unworkable machinery of energy and wage-price controls.

I recommend this not from blind ideological faith in the market system, but from (1) a reading of the history of the failures of wage-price and allocation controls for over 40 centuries, (2) an observation of the current failures of energy and wage-price guidelines, and (3) my own personal experience in directing controls, during Phase II of President Nixon's wage-price program.

The gasoline situation is a good example. The President blames Congress and scolds the public. The Congress blames the President and lectures the oil companies. Endless and fruitless disputes, investigations, and hearings drain the nation's energies to find out who's to blame: "Is there a shortage? Where is the gasoline?"

At the gas pumps there are hired guards, shootings, thefts, and scams. Hundreds of thousands of hours are spent nonproductively in long lines when the nation's productivity growth is already alarmingly low. New allocation schemes are cooked up almost daily: odd-even days, numbered windshield stickers, minimum purchase amounts, state conservation quotas, coupons. Such controls organize and prolong shortages. And in the process the poor, those with low incomes, and the weak are hurt the most.

BACK TO A MARKET ECONOMY

A good account of the history of controls is chronicled in a recent book by Robert L. Schuettinger and Eamonn F. Butler, *Forty Centuries of Wage and Price Controls* (The Heritage Foundation, Washington, D.C., 1979). It is a tragicomic that 40 centuries of price and wage controls and governmentally directed allocation systems for such commodities as flour, corn, wheat, and housing show a record of repeated failures.

Not only do the guidelines violate the basic economic laws of supply and demand, they also violate the basic political laws of consensus, power and equity. The program has no power base, no real support by business or organized labor, and it is rife with inequities. The program is not fading fast—it is dead. No scraping, painting over, or review is going to change it from being bad law, bad economics, and bad politics.

"We have to continue," says Barry Bosworth, director of the Council on Wage & Price Stability. "There is no alternative."

Yes there is. I offer these recommendations.

Remove all price and allocation controls over gasoline and other fuels.

Remove all wage and price controls.

Abolish the Council on Wage & Price Stability.

Return to a market economy.

A "political impossibility," the conventional wisdom runs. It can't be done. Congress, the President, and the public would never stand for it. Believing this, many businessmen and legislators fail to fight for a return to the market system. Instead, they remain silent or concentrate on compromises and accept what Representative Al Ullman calls "the political equation." That's a mistake, both economically and politically.

SCRAPPING THE WAGE-PRICE GUIDELINES AND RETURNING TO A MARKET ECONOMY WOULD TAKE THE U.S. OFF A DISASTER COURSE

Economically, controls are a disaster. As chairman of the Price Commission during Phase II (1971-73), I saw this firsthand. After an initial appearance of gains, the inevitable erosion and inefficiencies began. No matter how good our intentions, how hard we worked, what models we employed, or how ingeniously we designed the regulations, the controls could never handle as efficiently or as effectively the millions of decisions made daily in the marketplace to adjust to the changing conditions of supply and demand. The controls did not reduce shortages or inflation. They increased both.

POLITICAL COURAGE

Bad economics is also bad politics. A very recent example is Britain. Margaret Thatcher rode to power on pledges to reduce much of the governmental economic management, to decontrol prices and wages, and to revive the market system.

The classic example, of course, is West Germany. In July, 1948, virtually all economic controls were removed, including price and wage controls. The Allied powers, then in control, were fearful that it would lead to greater inflation, unemployment, political instability, and more problems for the poor. The bold move was controversial even among those closest to its architect, the economist (later Chancellor) Ludwig Erhard.

The fears proved unfounded. There was higher employment, higher real wages, rising productivity, a disappearance of black markets, an abundance of goods in the shops, and—after an initial spurt in prices—a great reduction in inflation. Apathy and despair turned to hope and energy.

In truth, the "economic miracles" that have followed decontrol were not miracles. They were no more than an end to the economic paralysis and disorder caused by the control mechanisms and a return to the market economy.

President Carter speaks of the need for "political courage" in facing these problems. It's time for an act of political courage that makes both political and economic sense: decontrol.●

WRC RADIO EDITORIAL

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, on my way to work yesterday morning, I heard the following editorial on WRC Radio. As far as I am concerned, it hit the nail right on the head. I am hopeful that, by sharing it with my colleagues, I can spur some action on our tax code that will eliminate this situation and encourage U.S. citizens to build savings accounts for security for their futures and against future fluctuations in our economy. WRC Radio and Frank Scott are to be commended on their insight of the problems dealing with the economy.

I only wish President Carter had as much.

The editorial follows:

WRC RADIO EDITORIAL

In his speech Sunday night, President Carter warned us all that America is losing its spirit. Among other examples, Mr. Carter pointed to a reluctance on the part of Americans to save money.

I'm WRC Vice President and General Manager Frank Scott with the editorial opinion that Mr. Carter need look no further than the income tax code to find out why Americans are growing less and less inclined to put their hard-earned money in a savings account.

Mr. Carter says that the United States has the lowest level of personal saving of any Western country.

Little wonder, since ours is the only Western country to tax the dividends on savings accounts.

In other words, the money you put in a savings account is actually taxed twice. Once when you earn it, and again when it earns interest.

When you combine this double taxation with the ravages of double digit inflation, you find that the money put in a savings account by the average American actually draws a negative interest.

To put it simply, money you put in the bank today is worth less when you take it out.

It's like giving money away.

It's the worst bargain since the Series E Savings Bond.

We would suggest that before Mr. Carter tries to enlist the average American wage earner in his "moral equivalent of war" he give some thought to making that fight worthwhile.

Until he does, his fine-sounding calls for patriotism and self-sacrifice will be ignored by most Americans as simply irrelevant to their lives.

That's the opinion of WRC management. Replies by qualified representatives of opposing viewpoints are welcome.●

REFLECTIONS ON THE GASOLINE SHORTAGE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, July 18, 1979, into the CONGRESSIONAL RECORD:

REFLECTIONS ON THE GASOLINE SHORTAGE

The gasoline shortage dominated nearly every discussion I had with Hoosiers during my recent week-long visit to the Ninth District.

In scores of meetings and conversations in all parts of the Ninth District, the number and variety of questions on the gasoline shortage revealed a level of frustration near the breaking point. Some people were angry, others puzzled, still others disbelieving. Confusion was rampant, and there were deep divisions of opinion as to why the United States should be caught in the grip of a serious supply squeeze. Some people saw the shortage as a hostile action against the United States by the oil-exporting nations. Others perceived an inept, bungling government at the heart of the problem.

Still others blamed the news media for inciting panic. Then, too, I heard the rumors of conspiracy: oil trucks were being sent back and forth across the country without unloading, oil tankers were standing idle in coastal waters or were dumping cargoes at sea, oil storage terminals were full to overflowing, and oil companies were plotting to push prices higher by further restricting supplies.

The uneasy mood of the people and the tough questions it prompts pose formidable difficulties for a member of Congress. A Congressman has no more important task than to try to explain to his constituents his understanding of the complex factors in which our present problems, such as energy, are rooted. In one public gathering after another, I knew that I had my work cut out for me. The following are a few of the points I made as I attempted to give Hoosiers a clear explanation of the gasoline shortage.

The course of events that led to the gasoline shortage is fairly well understood. In 1978, oil companies began reducing their inventories of oil to avoid high carrying costs. However, they had miscalculated short-term supply and demand. The weather in the fall of 1978 was mild and resulted in more travel, while the winter was severe and caused heavy demand for home heating oil. The government was transferring oil to the strategic petroleum reserve, a process which put even greater pressure on supplies. On top of it all, oil companies were producing less from their domestic wells.

Events abroad also had a major impact. A revolution in Iran first slowed and then halted that nation's oil exports, but other oil-exporting countries did not completely compensate for the loss. When the government failed to explain these disturbing circumstances, both domestic and foreign, the public reacted by panic-buying, tank-topping, and, in some instances, hoarding.

It is apparent that these events alone do not provide a satisfactory explanation of the gasoline shortage. A world-wide deficit of only 3 percent in oil supply should not cause the kind of dislocation and inconvenience that Americans have experienced. An additional factor behind the shortage has been the incompetent performance of the government. The allocation program, an effort to distribute a scarce supply fairly, created a huge class of "priority consumers" (in defense, farming, etc.), diverted gasoline from cities to small towns, and ordered big deliveries to vacation areas which were less crowded because of changes in travel patterns. In short, the allocation program put the gasoline where the people were not.

Other government blunders made things worse. Jobbers took advantage of government regulations and sent gasoline to the spot market, where it commanded a higher price. Refiners were urged to stay out of the spot market, but then they were given the go-ahead. They were told to build up stocks of home heating oil, but then the emphasis was shifted to production of gasoline. Through it all, the government failed to release accurate information on what was happening and what it was doing.

The most painful aspect of the gasoline shortage, at least for the consumer, has been the steep rise in prices at the pump. The average price of gasoline has increased by one-third (up 20 cents a gallon) since the beginning of the year. Oil price hikes account for 7 cents-12 cents of the rise, and much of the rest is due to profit-taking allowed under government regulations. Without question, there has been some price-gouging. The Department of Energy estimates that roughly one-half of the retail dealers audited in recent months have overcharged their customers. For some people, the shortage has been a financial bonanza.

The events of the past few months have led me to several conclusions. First, our energy problem is real. Most available analyses show the world-wide oil supply about 1.5 million barrels a day below demand. The issue is how best to lessen the impact of the shortfall. Second, the gasoline shortage will not be painlessly resolved. There will be no simple solution to it. The issue is how best to ensure that burdens are equally shared. Third, the efforts of both government and business have intensified the gasoline shortage.

A series of mistaken decisions has caused a manageable problem to get out of hand. Fourth, and finally, we have to act now if we want to prevent more trouble later. We must produce more oil at home, conserve it more carefully, and develop alternative sources of energy, such as gasohol and synthetic fuels.●

CONGRESSIONAL SALUTE IN SOLEMN OBSERVANCE OF "NATIONAL POW-MIA RECOGNITION DAY"

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. ROE. Mr. Speaker, today the people of our Nation will observe "National POW-MIA Recognition Day" in solemn commemorative programs honoring our servicemen who suffered brutal and unconscionable hardships including the extreme sacrifice of limb and life itself as American prisoners of war and Americans missing in action in the many wars fought by the United States.

As a sponsor of the joint resolution adopted by the Congress and signed into Public Law 95-349 by the President designating July 18, 1979, as "National POW-MIA Recognition Day," I wish to join with my colleagues in this most important memorial to the estimated 142,227 servicemen captured and interned since World War I and the estimated 92,761 servicemen who were lost in combat and never recovered, as follows:

AMERICAN MILITARY PRISONERS OF WAR AND U.S. SERVICEMEN LOST IN COMBAT AND NOT RECOVERED

[Compiled from available records in May 1979]

	World War I	World War II	Korea	Vietnam	Total
Captured and interned	4,120	130,201	7,140	766	142,227
Lost in combat and never recovered	3,350	78,773	8,177	2,461	92,761

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress the Presidential proclamation for this special recognition day calling upon the people of the United States to observe today "with appropriate ceremonies and activities." The proclamation reads as follows:

NATIONAL P.O.W.-M.I.A. RECOGNITION DAY, 1979

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A Proclamation

In each of America's past wars our prisoners of war have represented a special sacrifice. On them has fallen an added burden of loneliness, trauma, and hardship. Their burden becomes double when there is inhumane treatment by the enemy in violation of common human compassion, ethical standards, and international obligations.

The Congress has by Joint Resolution (Public Law 95-349) designated July 18, 1979, as "National P.O.W.-M.I.A. Recognition Day."

As we now enjoy the blessings of peace, it is appropriate that all Americans recognize the special debt owed those Americans held prisoner during wartime. It also is appropriate that we remember the unresolved casualties of war, our soldiers who are missing. The pain and bitterness of war endures for the families, relatives and friends of those whose fate is unknown. Our Nation will continue to seek answers to the questions that remain about their fate.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate Wednesday, July 18, 1979, as National P.O.W.-M.I.A. Recognition Day, a day dedicated both to all former American prisoners of war as well as those still missing and to their families. I call on all Americans to join on this occasion in honoring those still missing and to their families. I call on all Americans to join on this occasion in honoring those who made the special sacrifice of being captive in war, and their loved ones.

And I call on State and local officials and private organizations to observe this day with appropriate ceremonies and activities.

In witness whereof, I have hereunto set my hand this fourth day of June, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third.

Jimmy Carter.

Mr. Speaker, I appreciate the opportunity to participate with our colleagues in observing and expressing our Nation's gratitude and appreciation on this special day of recognition to Americans who served in war and were captured by the enemy or are missing in action. Their exemplary distinguished service to our country, above and beyond the call of duty, encountered the dangers and hardships of combat, the rigors and privations of captivity, even under inhumane conditions, always under conditions threatening to health of mind and body and to survival.

We honor the prisoners of war and the missing in action and assure their families and friends that they are not forgotten; their deeds and their sacrifices will be with us always. We do indeed salute the POW's and MIA's of our Nation whose dignity, fortitude, and courage in battle have the undying gratitude to all of our people. It is a privilege and honor to join with the President, my colleagues and the people throughout our land in deepest appreciation to all to whom National POW-MIA Recognition Day has been dedicated.●

RESTRICTIVE AMENDMENTS KILL AID TO POOREST

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. BARNES. Mr. Speaker, as we consider the appropriation of funds for the multilateral development banks (MDB's), I would like to commend to my colleagues an editorial which appeared in the Washington Post on Sunday, July 15. The Post reminds us of the importance of the MDB's to world development and of the devastating impact of certain restrictions on their appropriations. As pointed out in the editorial, for example, a prohibition on the use of appropriated funds by the MDB's to aid Vietnam, while having no impact on Vietnam itself, would make the banks unable to accept any U.S. contribution. The result would be disastrous to world development efforts and to U.S. influence in the direction of those efforts.

The editorial follows:

Aid Time

The bill with the money for the international development banks, the key providers of capital and technology to the global poor, is about to hit the House floor, and it is in trouble. In committee, close to $1 billion was cut from the $3.6 billion the administration sought. An effort to cut more may be made and there also may be moves to attach restrictive amendments, in particular an amendment to prevent the World Bank and its regional counterparts from lending to Vietnam.

At at time when the country is eager both to pep up the American economy and calm down the Third World, it is hard to understand why legislators would wish to indulge in ritualistic flagellation of these particular instruments of aid. For each dollar the United States actually contributes to the banks, as distinct from a dollar put up as a guarantee, two to three are spent in this country for procurement. And since American contributions unlock private investments and official contributions by others, each contributed dollar ends up producing perhaps $50 in loans. Some congressmen persist in seeing all forms of foreign aid as a "giveaway." Actually, aid is a form of control: It provides poor countries with a way to handle the pressures that could otherwise explode and make the Third World an even more difficult environment for the United States than it already is. Humanitarianism and brotherly feeling are not the only reasons aid is compelling. American political self-interest is a compelling reason too.

It is bad enough that, by virtue of the cuts already voted in committee, American leverage in the banks—not to speak of the banks' lending authority—has been diminished, leverage would be diminished even more if the House were to add some of the restrictive amendments that the Appropriations Committee, in its wisdom, passed over. There is a certain support, though perhaps not so much as in previous years, for amendments that would either tie loans to human rights or halt loans helping countries produce commodities that cut into American sales of the same commodities. But the amendment with the most potential steam behind it seems to be one that would keep the banks from lending to Vietnam.

All of these amendments are bad: They represent an attempt to impose a unilateral American policy on a multilateral institution. Since the banks' charters prevent them from accepting earmarked or conditional funds—how could a multilateral bank function on any other basis?—amendments would cost the banks all of the amender's contributions and would force a costly recalculation of the formulas by which other nations contribute.

In the specific case of Vietnam, there is a further consideration: The banks have already stopped lending to Vietnam. They stopped, on grounds that a country engaged in an invasion could not be proprely attentive to development, after Vietnam invaded Cambodia. The World Bank now frankly says it does not plan to offer loans to Vietnam. It would, therefore, be gratuitous for the House to tack on an anti-Vietnam amendment. Such an amendment would simply make it impossible for the banks to accept American funds for countries that Congress does want to lend to. What could hurt American interests more?●

THE NEED TO PRESERVE AMTRAK

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MATSUI. Mr. Speaker, the House will shortly consider H.R. 3996, the Amtrak Reorganization Act of 1979. At that time, an amendment will be offered by my colleagues, Mr. Gore and Mr. Fowler, which will provide for a 1-year moratorium on proposed cutbacks in Amtrak routes. As a cosponsor of the amendment, I strongly urge its passage.

As our energy sources decrease, our transportation system faces an uncertain future. However, it is clear that Amtrak's energy-efficient trains will play an increasingly important role in that system. We have already seen this during the recent gas crisis, when Amtrak ridership broke many records.

It is also clear that once Amtrak discontinues a passenger route, it will be costly and time consuming to reestablish that route at a later date, should our needs warrant it.

In the past, when passenger lines are eliminated, the tracks have often been allowed to deteriorate, since the track condition required for freight traffic is not as critical as for passenger service. Furthermore, vital support services may be lost if the routes are cut, such as passenger stations, and fuel and water facilities. These will require addition expenditures to replace, once lost.

H.R. 3996 does provide authorization for funds to maintain some track and facilities of the eliminated routes. But this woefully inadequate amount is no guarantee that these facilities will be preserved.

Additionally, there will be the time and expense of renegotiating with the railroads for the use of the track, if passenger service is to be later restarted. As the price of deisel and gasoline rises, more and more freight is being shipped by rail. Thus, the railroad companies may exact hefty fees for Amtrak's use of their valuable tracks.

Nor will the negotiations be easy. For example, when Amtrak started the inter-American route, it took 2 years to resolve legal arguments between Amtrak and the Texas & Pacific Railroad.

Finally, there will be an intangible, and perhaps irreplacable damage to the Amtrak system if a viable, national system is not maintained. There will be a loss of expertise, of trained personnel, and of an esprit de corps. None of these qualities can be measured in dollars and cents. Nor can Congress easily restore them, once the cuts are made.

This amendment is a cautious, sensible approach to deal with the increasing need for Amtrak. Our Nation is in the midst of an energy crisis that is rapidly changing our transportation modes. It is not a time to make far-reaching decisions which will be difficult to reverse in an uncertain future.

The amendment will provide the Department of Transportation with the needed time to evaluate the changes in Amtrak's evolving role. Then, with new information, we can approach the business of building a strong and efficient national rail transportation network for the present, and the future.●

DEFENSE AUTHORIZATION BILL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mrs. SCHROEDER. Mr. Speaker, H.R. 4040, the Defense authorization bill, will be upon us before we know it. Amidst the discussion of missiles, tanks, and bullets, we find section 812—selective service registration of 18-year-old males beginning January 1, 1981. One might ask, "What is selective service registration doing in an authorization bill dealing with procurement of weapons systems and research and development?" My point precisely.

This section was passed through the House Armed Services Committee by a vote of 36 to 4. Questions as to the germaneness of this section were ignored as if they had no relevance. I can only hope that my colleagues act in a more representative and responsible fashion on the floor.

THE GERMANENESS QUESTION

Historically, selective service registration has always been introduced in a separate piece of legislation. Never has it been tacked onto an authorization bill or any other defense related legislation. The bill has had to stand on its own merits. A "no" vote on registration has never been translated into rejection of research and development moneys or procurement funds necessary for national defense. In H.R. 4040, Members might have to make a choice between national security need and invading the rights and privacy of this Nation's 18-year-olds. Given that this is a bill authorizing funds, not people, I do not think that Members of Congress should be forced into making this decision.

COMMITTEE HEARINGS ON SELECTIVE SERVICE REGISTRATION

Not one hearing was held on this specific proposal. The Military Personnel Subcommittee of the House Armed Services Committee brought witnessess in on other Selective Service proposals, and then came out with the "best immediate solution to short-falls in reserve recruiting rates culminating out of the various bills." The committee never, however, took a factual look at whether registration would actually solve any problems in the All-Volunteer Force that are worth solving.

Since then, the administration has been forced to try to correct the erring ways of House Armed Services. Here is a sampling of what they have had to say:

Robert Shuck, Director of the Selective Service System, in a letter to Congressman Leon Panetta regarding the Selective Service System's view on the proposed registration legislation:

> As you know, it is our position that we neither need nor desire registration at this time. We firmly believe that the Selective Service System can develop the capability to meet the Department of Defense mobilization delivery requirements with the increased resources requested in the President's budget message to Congress.
>
> Our studies and analyses demonstrate to my satisfaction that with the organizational structure and computer capability that we requested in the FY 1980 budget we could readily meet DoD's requirement without peacetime registration.

Harold Brown, Secretary of Defense, in a letter to Senator William Cohen regarding DOD's official position on reinstatement of registration:

> Our view and the view suggested in all studies of the question that I have seen, is that the critical step towards achieving our goals is not immediate collection of names through registration, but rather the immediate improvement of our ability to prepare for processing people, and in case of mobilization actually to process them, through the Selective Service System.

James McIntyre, Director, Office of Management and Budget, in a letter to Congressman Richard Bolling regarding OMB's position on the proposed legislation:

> . . . we object to the provisions regarding reinstatement of registration for the draft. The Administration is opposed to registration. It is not necessary to impose this burden on our nation and its youth when there are effective ways to improve the capability of the Selective Service System so that it can meet current needs.

Mr. Speaker, these views were obviously never heard on the committee. For if they had, we wouldn't be having this argument now.

WHAT WILL REGISTRATION ACTUALLY DO?

According to CBO estimates, the United States would be gaining only 13 days in mobilization capability by reinstituting peacetime registration. Weighing this against the invasion of privacy and the cost involved in registering 18-year-olds, we do not gain much with registration, but we lose a lot.

The committee has stated its need for registration as a way to fill the gaping holes left in our deterrent capability by the All-Volunteer Force. Primarily this shortfall is found in the Reserve Forces. By reintroducing registration, the committee feels that 18-year-olds will be confronted with facing the realities of the military in a way they do not have to now. Maybe this would beef up the Reserve. But so what? In the last two wars we have not called up one individual reserve soldier. Instead of registering 18-year-olds to fill an obsolete requirement, maybe we should update our view of what that requirement ought to be.

IS THIS "JUST REGISTRATION?"

Congress and the American people should not be lulled to sleep by talk of "only registration." First, it is not clear what this registration scheme actually holds in store for this Nation's 18-year-olds. Potentially, section 812 could totally reactivate the presently dormant Selective Service System. This would include not merely face-to-face registration, but physicals and classification as well. But this point will not be debated during the authorization bill debate. Because the Armed Services Committee handed a "blank check" over to the Appropriations Committee to implement this legislation in any way they so desired. What this means, then, is that if the Appropriations Committee decides to appropriate $11 million, we have registration. If they choose to appropriate $20 million, we have registration, physicals, and classification (CBO estimates). Which option we are buying into, however, is not the subject of this specific proposal and might not be a topic for discussion until we are already in up to our necks.

Second, the intent and the desire of the Armed Services Committee is that registration is just one step away from the draft. Given that a list of names amounts to not much more than an easily blown over stack of papers, the next plea we are going to hear from the committee is that these rosters need to be transformed into potentially ready forces. And then we are right back where we started from with the previous Selective Service System—laden with inadequacies, inefficiencies, and inequities. We must be wary of this talk of "only registration"—it is the Selective Service trap.

THE POLITICS OF REGISTRATION

The one aspect of this whole registration debate that really has me wondering, is the two-sided argument that committee is making while still trying to save their own necks. The committee tried to convince me that the reason they needed to tack section 812 onto the authorization bill is because of the urgency with which Congress needed to deal with this problem. My question was then, "If this is such a pressing need, why wait until 1981 to implement the program?" Quite uncoincidentally, this date just happens to fall right after the 1980 general election. It is ironic how pressing needs are not quite so pressing when the committee wants to implement programs that are not popular with the American people. I do not think we should be trying to pull one over on the American voter—especially those who cannot yet vote, but will be directly affected by our decision on the floor. I think we ought to be discussing this issue openly, with full public debate. This is why I am going to be introducing an amendment on the floor of the House when H.R. 4040 comes to a vote to strike Selective Service registration, section 812 under title VIII, general provisions. I ask Members of Congress to join with me to bring some sense back to the Armed Services Committee, who in dealing with the biggest budget on the Hill, sometimes forgets that rules must be adhered to, and that decisions have to be made on rationality, not whim.●

POCKETS OF POVERTY

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MATTOX. Mr. Speaker, I would like to take a moment to compliment the Office of Community Planning and Development at HUD on its recent report, "Pockets of Poverty: An Examination of Needs and Options."

The report not only explains the methods and reasoning of the urban development action grant program, but also supplies a series of changes that I urge my colleagues to note.

The report is extremely important to those of us who represent urban areas in the South and West. For too long, our cities have been disqualified from a source of Federal funds which could be used to fight the economic and physical distress which does exist in them. In my opinion, the formula has been heavily weighted toward older, more northern cities. For example, under the present formula, a city must meet three of six criterions to be eligible to compete for UDAG funds. But look at what HUD considers as its standards of distress: age of housing, population growth lag (between 1960 and 1975), poverty level, unemployment, employment growth lag, and per capita income. I see this formula as unfair because by design, communities of the South and West could not possibly meet either the age of housing or the growth lag standard. To meet the housing requirement, 34.15 percent of a city's housing must be pre-1940. However, in 1940, my home city of Dallas had only 300,000 people—one-third of its present population. Therefore, it would be virtually impossible to comply with the requirement. Still, thousands continue to be housed in substandard conditions, and the waiting list for section 8 and other subsidy programs bore 4,000 names when I came to Congress in 1976.

The growth lag measure is also a difficult requirement for newer urban areas when the standard used measures growth (or its lack thereof) from 1960 to 1975. This is when the South and West experienced their greatest growth. But again, a boom in growth does not always mean a concomitant growth in prosperity for all of the people.

The "Pockets of Poverty" program would allow those of us who represent urban areas to fight poverty within our cities when other methods of funding cannot be found. For example, the Dallas area does not qualify for most EDA funds on which I know many of the districts of my colleagues depend for redevelopment. Still, the report says, Dallas has over 215,000 people who could benefit by a pocket of poverty program. I would remind you also that this change in the formula would allow this area to merely compete for UDAG funds, not necessarily receive them, but at least have a chance to compete for the first time.

According to the report, the UDAG program nationwide could produce 200,000 new jobs, $1.7 billion in increased property values, $68 million in revenue from property taxes, and leverage $2.9 billion in investment from the private sector. As a fiscal conservative, I believe the cost/benefit ratio shows that this money would be extremely well spent.

The "Pockets of Poverty" approach gives those poverty-stricken areas of all cities a chance to share in the beneficial UDAG program.

Again, I wish to commend the Office of Community Planning and Development on this report. I support its conclusion on pockets of poverty, and urge my colleagues to take note of the report's recommendations so that when the House considers our Housing and Community Development moneys, we are more fully aware of how they will be allocated.●

NAVY YARD BOYS' CLUB

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. RICHMOND. Mr. Speaker, I would like to commend the contribution to our Nation's youth that the Boys' Club of America has made since its founding in 1906. We are all aware and concerned about young people who lack a sense of purpose and proper guidance to enable them to contribute constructively to their communities. The Boys' Club of America provides an opportunity for youngsters to participate in activities which channel their energies and talents toward the achievement of constructive goals.

For the last 45 years, the Navy Yard Boys' Club, a division of the Boys' Club of America, has offered youth in the 14th Congressional District of Brooklyn programs for healthy growth by developing a sense of community responsibility. Located at 240 Nassau Avenue, and open from 9 a.m. to 9:30 p.m., Monday through Friday, the Navy Yard Boys' Club provides Brooklyn youngsters the opportunity for participation in activities which expand their minds, strengthen their characters, and develop their athletic abilities.

Many former club members attribute their present success to lessons of good citizenship that were acquired at the Boys' Club. Ninety-nine percent of the membership of the Navy Yard Boys' Club comes from low-income, minority families. In many cases, the club affords young men from the Bedford-Stuyvesant, Crown Heights, Brownsville, and East New York neighborhoods of Brooklyn, their only opportunity for the cultural and social experiences necessary to meet the demands of society.

Through the activities of team and individual sports, special interest clubs, reading and homework assistance clinics and employment preparation and referrals, the Navy Yard Boys' Club has amassed an impressive record of combatting potential social problems that lead to juvenile delinquency, family disintegration, narcotics addiction, and social dissatisfaction.

The Navy Yard Boys' Club and other organizations of its kind must be fully recognized for offering our youth creative opportunities and for successfully preparing them for active, productive participation in society.●

VOTER PARTICIPATION ACT OF 1979

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. CORCORAN. Mr. Speaker, today I am introducing legislation that would take steps to reverse the saddening trend of decreasing voter participation that has plagued our great Nation in recent years. In his Sunday night speech, President Carter mentioned that nearly two out of three Americans failed to vote in the last election. This trend must not continue or our Government institutions as we know them will suffer. My bill, the Voter Participation Act of 1979, would provide that in the general elections for Presidents and Members of Congress, blank absentee voter ballots may be mailed free of charge from the local election office to the voter, and once marked, from the voter back to the local election office.

The best estimates that I have been able to obtain indicate that approximately 7 percent of all votes cast in Federal elections are presently cast on absentee ballots. This translates into roughly 6 million votes in a Presidential election, and this is no small number. However, I can not help but think how many more people might be able and willing to vote if it were less expensive—shut-ins, college students, the elderly, the working poor—many people who are presently effectively disenfranchised. In addition, there is a tremendous financial burden imposed on our local governments in connection with the mailing of absentee voter ballots. By relieving local election offices of this burden in Federal elections, we are freeing their limited funds to be used for other efforts to encourage greater voter participation.

The most encouraging aspect of this bill is that it would cost very, very little. My best estimate is that in the 1980 Presidential election, this legislation would cost only $1,174,000. The cost is less, of course, in off-year elections—approximately $1,146,000. Using the figures for the 1976 and 1978 elections, I assumed that 7 percent of the votes cast were absentee ballots, a figure provided by the Federal Election Commission. At 15 cents for mailing the ballot from the election agency to the individual and 15 cents to return the marked ballot to the election agency, the costs are as noted above. The price of this effort is as small as the results are large. The absentee voter process in the 1980 election would cost only 0.0003 percent of annual Federal budget receipts and 0.009 percent of total yearly postal revenues.

Mr. Speaker, this very minor financial investment will yield substantial benefits. It will bring in the vote at a time when voter participation is at an all time low. It is crucial that Congress take the lead in stemming the rising tide of cynicism and refusal to participate in Government, and we can best do this by making the voting process as easy and accessible as possible. We must do all we can to strengthen our democracy, and for this reason I urge my colleagues to support my bill, the Voter Participation Act of 1979.●

ANIMAL BIOLOGICAL PRODUCTS ACT OF 1979

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. WAMPLER. Mr. Speaker, I have this day introduced a bill known as the Animal Biological Products Act of 1979.

The purpose of this bill is to regulate the production, sale, and shipment of animal biological products and to repeal the act of March 4, 1913, relating to viruses, serums, toxins, and analogous products intended for use in the treatment of animals.

The bill would repeal the act of 1913 (21 U.S.C. 151-158) and would replace it with a new act to be known as the Animal Biological Products Act. The new act would strengthen regulatory measures relating to the production, distribution, and sale of animal biological products used in the prevention, diagnosis, and treatment of animal diseases.

The bill would clarify and extend the provisions of the present law by including, first, provisions for regulating animal biological products moving in intrastate commerce; second, provisions for seizure or stop sale authority for any animal biological product, as defined, which violates the provisions of the act; third, requirements to assure that each animal biological product is pure, safe, potent, and efficacious; fourth, development and issuance of test methods and control procedures as standards; fifth, addition of label requirements; sixth, revisions of the present licensing system relating to animal biological products; and seventh, provisions to assure that imported products meet standards of quality as required for domestic products.

When the Virus-Serum-Toxin Act of 1913 was enacted, animal biological products were few in number, and those produced were used largely for the control of hog cholera. In recent years, the production, distribution, sale, and use of animal biologics have expanded greatly as a result of rapid scientific and technological advances. Moreover, new products are always in the process of development.

The products to be regulated under this act are differentiated from the many drugs and devices regulated under the authority of the Food, Drug, and Cosmetic Act, as amended.

One-third of the States have no laws to regulate the production and sale of biological products for animals. For the most part, the other States require only the registering of animal biological products and quality control is nonexistent. Products purportedly prepared for shipment only in intrastate commerce can, and often do, either intentionally or inadvertently find their way into interstate or foreign commerce. It is in the public interest that all animal biological products be brought under the regulation of the Secretary of Agriculture in order to assure that they are pure, safe, potent, and efficacious.

I want to make it crystal clear in introducing this bill that I expect it to receive full and complete hearings wherein those who favor or oppose this measure will have an opportunity to criticize or praise it. Or, they may suggest amendments.

My intention in introducing the measure at his time is so that the general concept of broadened USDA authority in this area of regulation can be examined in detail during the committee hearing process. I do not favor increased Federal regulatory authority unless there is a definite need for it. However, I am concerned that in many cases areas within the jurisdiction of USDA are being taken over by other agencies such as FDA or EPA. If there is to be further regulation in this area, I believe it should be administered by the Secretary of Agriculture.

For instance, I am aware that this bill gives to the U.S. Department of Agriculture certain authority which the Food and Drug Administration (FDA) may now exercise as it relates to enforcement mechanisms such as those which authorize FDA seizure of misrepresented and unsatisfactory products and those which authorize FDA to obtain injunctions to prevent and restrain violations of law relating to contaminated or harmful biological products.

Meanwhile, I have changed this bill in many major respects from the bill, H.R. 14318, which I introduced in the 95th Congress. The changes result from the letters, telephone calls, and visits I have received from the many persons who have expressed an interest in this legislation. Perhaps further modifications may become necessary, but the need for any such changes can be met following committee hearings.

The principal changes I have made in this legislation since the last Congress are:

First. A hearing on-the-record is accorded those denied an establishment license or a product license.

Second. Under the suspension and revocation provisions (section 9(a)(9)), a notice and opportunity to correct a violation is provided for in certain instances before any sanction procedure is initiated.

Third. It is provided that information regarding animal biological products furnished the Secretary under the act are to be treated as confidential.

Fourth. The Secretary is directed to issue balanced regulations which are to achieve legislative goals effectively and not impose unnecessary burdens on the economy, on individuals, et cetera.

Fifth. The Secretary is required by regulation to exempt from licensing requirements animal biological products produced and dispensed solely in the course of professional practice by practitioners licensed by law to administer such products.

Sixth. The Secretary is required by regulation to provide a reasonable time (until October 1, 1982) after October 1, 1980 (the effective date of the act) within which the Secretary must act promptly on establishment and/or product licenses under the act or else the licensee is to be granted a variance for a specified period. This should insure that small producers of animal biologics receive prompt action on their applications during the period after enactment when Federal jurisdiction will be expanded.

Seventh. Expanded State authority—consistent with the Federal law—is provided for in the bill.

Eighth. Appropriations have been limited to a reasonable specific amount and the effective date of the legislation is moved to October 1, 1980, so that States might have an opportunity to review the law and prepare to assume certain authority to regulate animal biologics within their jurisdiction.

Substantial time has been spent in putting this measure together. This does not mean that it cannot perhaps be improved upon. I and many others believe there is a need for this legislation. I invite all who are interested in this subject to join in making it a commonsense and viable piece of legislation.●

IN ZIMBABWE, THE BISHOP GOVERNS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. PHILIP B. CRANE. Mr. Speaker, despite the comprehensive deliberations of both Houses of Congress in recent weeks, the question of what to do about Zimbabwe-Rhodesia persists. Our policy continues to be quite dependent upon the day-to-day developments in that nation. Under these circumstances, new information and insight concerning the actual state of Rhodesia society and the newly elected Muzorewa government is always welcome.

During a week-long visit to Zimbabwe-Rhodesia, Prof. Albert P. Blaustein, professor of law at Rutgers University and president of Human Rights Advocates International in New York, had an opportunity to meet with Prime Minister Abel Muzorewa and several of his top advisers. Given the continued timeliness and importance of the Zimbabwe-Rhodesia issue, I would like to submit, for consideration by my colleagues, Professor Blaustein's observations and conclusions. The following remarks appeared in the Courier-Post of Cherry Hill, N.J., on June 22, 1979.

AS OTHERS SEE IT: IN ZAMBABWE, THE BISHOP GOVERNS

(By Albert P. Blaustein)

Bishop Abel T. Mozorewa, Prime Minister of Zimbabwe Rhodesia, is firmly in charge.

Prime Minister Muzorewa has appointed a competent, well balance and loyal cabinet, enthusiastically dedicated to supporting him in the achievement of the principle of black majority rule.

Glib assertions that this able and talented leader is merely a "white man's puppet" are just so much nonsense. And because Prime Minister Muzorewa and his black majority government are in power, they have now fulfilled all of the British and American demands for diplomatic recognition and the removal of economic sanctions.

We Americans (and our British allies) have placed Bishop Muzorewa—very unfairly—in a catch-22 situation. Some American foreign policy markers have demanded that he end the war and gain physical control over the entire country before recognition and the removal of sanctions are granted. But this disregards the fact that removal of sanctions and the granting of recognition are necessary prerequisites to actual physical control.

The main argument for the legitimacy of the terrorist forces (supported by Soviet, East European and Cuban personnel, arms and finances) is that official recognition and removel of sanctions have thus far been denied.

I was a most "privileged" visitor. Earlier visits to the country, plus many meetings with Zimbabwe's black, white and Indian leaders in the U.S., England and Salisbury, plus years of regular correspondence, gave me a wide range of persons to see and confer with in Zimbabwe Rhodesia.

(I should add, by way of full disclosure and explanation, that I have served as legal counsel to Bishop Muzorewa in the United States since October 1978, and in that capacity have registered, as required by law, as a foreign agent with the Department of Justice. However, I have refused any compensation for this representation, and no part of my trip was financed with any Zimbabwe Rhodesia funds. My support of the Bishop is in connection with my own human rights activities, more particularly the work of the Human Rights Advocates International, Inc., a New York-based lawyers' organization of which I am president).

Those who object to the present government argue that the new constitution gives over-representation to the white minority and entrenches certain white minority privileges. Neither the Bishop nor his chief advisors see any problem in such constitutional provisions. They do not thwart black majority rule.

Specific protection of minority rights, while uncommon to those who think in terms of the American constitution, are common in the constitutions of other parts of the world. Further, the black leadership was eager to guarantee specified minority rights in order to preclude the possibility of a white exodus. They want the country to retain its high standards and know that this means retaining the white superstructure "temporarily," until blacks are trained to take over.

We Americans are observers from a long distance; the black, white and Asian populations of Zimbabwe are only too aware of the tragedy which has befallen the neighboring countries of Angola, Mozambique and Zambia as a result of a sudden white exodus. The people of these countries are literally faced with starvation and both Mozambique and Zambia have had to appeal to the charity of hated South Africa in order to survive.

But if there is a recognition of the need for continued white participation in government, there is also the recognition that this is not to be of long duration. To provide but one example: the very able David Smith has been redesignated as minister of finance. But one of the more important deputy ministers designations was the appointment of Dennis Nyamusma as deputy minister of finance. Dr. Nyamuswa, who received his Ph.D. at Fairleigh Dickinson University in New Jersey, told me that he has been instructed "to learn the job as fast as possible."

In addition to my visits with Bishop Muzorewa and his advisors, and my several meetings with my old friend Dr. Nyamuswa, I had several meetings with other top men in the new government. These included the very brilliant young minister of foreign affairs, David Mukome; the former secretary general of the bishop's political party and now minister of education, Edward Mazaiwana, Speaker of the Assembly John Chirimbani and others.

It was also possible for me to meet with white leaders, including both the attorney general and the solicitor general and members of the Foreign Affairs Ministry. I also met with members of the High Court who were able to provide detached, objective information. This was followed by visits with people in the university community, private lawyers and businessmen (black, white and Indian), and other persons in the various national communities.

These visits all confirmed the conclusion that Bishop Muzorewa is firmly in charge. His support in the black community (with 51 seats of a total of 72) was established in the elections last April—possibly the most free and fair elections in African history. And he has, of course, the support of the white leadership which joined in the peaceful transition to black majority rule. But it was revealing to see the great support which he has mustered among whites and in the Indian business communities.

Prime Minister Muzorewa and his government have met all of the conditions for the lifting of sanctions and for official diplomatic recognition. American adherence to principles of human rights and plain, simple morals demands that we do everything possible to support this peaceful transition from a white-dominated government to one with black majority rule. To do otherwise would be to violate our principles and, at the same time, to encourage the war of terrorism which threatens that new nation's very survival.●

INFANTICIDE: AMERICAN STYLE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. DORNAN. Mr. Speaker, I would like to call to the attention of my colleagues a situation that has recently developed in American medicine supported by a group of elitists who masquerade as healers. I know of no person in this Nation better qualified to speak on the topic of infanticide than Dr. C. Everett Koop of Children's Hospital in Philadelphia. We are not genetically immune to the callousness toward human life exhibited by dictatorships both past and present. Please ponder Dr. Koop's excellent remarks and discover the extent to which life has been cheapened by such recent setbacks in medicine as infanticide of the "unfit."

Dr. Koop's remarks follow:

INFANTICIDE: AMERICAN STYLE

Absolutes are gone. An oft repeated lie begins to have the ring of truth and in these decisions about the life of a newborn with a defect start from a very specific set of "givens" that would have been unthinkable seven or eight years ago. For example, in "Ethics in Newborn Intensive Care" by Jonsen and Garland, this paragraph appears: "Seen in this way, the defective child is more unwanted than the unplanned child. Can we say that because the child was born alive that the balancing of lives that is permitted in Rowe vs. Wade, mother for child is out of the question? Does not a failure to consider the trade-off condemn the parents as surely as the earlier refusal to consider abortion condemn the mother?"

You see what is being said here? Unplanned children are unwanted.

This is very much like the manner in which the situational ethicist, Joseph Fletcher, leads his audience down the garden path. This is what he said in his 1973 discussion of death with dignity in the American Journal of Nursing: "It is ridiculous to give ethical approval to the positive ending of a subhuman life in utero as we do in therapeutic abortions for reasons of mercy and compassion but refuse to approve of positively ending a subhuman life in extremis. If we are morally obliged to put an end to pregnancy when an amniocentesis reveals a terribly defective fetus, we are equally obliged to put an end to a patient's hopeless misery when a brain scan reveals that a patient with cancer has advanced brain metastases."

You see, Fletcher declares without a discussion that ethical approval has been given to the ending of the lives of babies out of compassion when you and I know that most of the unborn babies are destroyed at the whim of their mothers-to-be. Then Fletcher puts that very questionable ethical approval in the form of an obligation and says that because we are obliged to do that, we are also morally obliged to put the end to the life of a patient who has cancer with advanced brain metastases. You see, he has declared the child with a congenital defect to be subhuman and then he declares the person at the end of life to be subhuman. To argue otherwise, he says, is ridiculous. I might add that Fletcher has chosen a very poor example because a patient can have cancer with advanced brain metastases and not be in any pain at all.

Two Nobel laureates have voiced opinions concerning this subject of infanticide although they did not include that word in their statements. James Watson of DNA double helix fame said: "If a child were not declared alive until three days after birth, then all parents could be allowed the choice only a few are given under the present system. The doctor could allow the child to die if the parents so choose and save a lot of misery and suffering. I believe this view is the only rational, compassionate attitude to have." That was in May 1973.

In January 1978 Francis Crick, also a Nobel laureate, was quoted in the Pacific News Service as saying: ". . . no newborn infant should be declared human until it has passed certain tests regarding its genetic endowment and that if it fails these tests, it forfeits the right to live."

It is worth spending a little time talking about the major problem that our British friends face in reference to infanticide and that has to do with spina bifida. Spina bifida is one of the most common congenital malformations but it is far more common in the British Isles than it is here. It is a defect in the spinal canal accompanied by a protrusion of the spinal cord. In about 90 percent of the cases the sac contains spinal cord and nerves. Frequently when this spina bifida defect occurs there is an associated hydrocephalus or increase of fluid in the chambers of the brain that ordinarily contain spinal fluid. Hydrocephalus untreated produces internal pressure on the brain against the skull and causes deterioration. There are a number of operations to treat spina bifida closing the skin and other structures of the back over the sac and there are even more operations to shunt the excessive amounts of fluid under pressure from the hydrocephalic head either into the chest or to the abdomen, into the urinary tract or directly into the great vessels above the heart.

The public is led to believe that when a child is born with spina bifida you operate upon it and it gets well, or you don't operate and it dies. Therefore, they say operate only on those children who will have good legs, good rectums, good bladders, etc. This is known as the process of selection. They joke about putting the other patients on a low calorie diet which means starving them to death. I can tell you that these babies who are "selected" are put on four times the hypnotic dose and eight times the sedative dose of chloralhydrate. The babies become so flaccid and so sleepy that they are not able to take their feed and then before long they have died of dehydration and starvation.

Now, the lie is that the patients not operated upon do not go on to die. Many of them live on getting more and more deformed all the time and adding to the mother's great distress by having this open lesion on the back draining spinal fluid, etc. Mr. Robert Zachary, a personal friend of mine, became so well known for his compassionate treatment of children with spina bifida and so well known for his excellent surgery in reference to all things associated with spina bifida and its sequelae that patients crossed the usual National Health Service lines in Great Britain to go to him at the Children's Hospital in Sheffield. For years one of his associates was Dr. Lorber who agreed with Zachary and the two were an excellent team for the management of this problem, the rehabilitation of the children and the families.

Dr. Lorber has now become the chief exponent of infanticide in Great Britain.

Dr. Lorber begins his presentation with the dissertation on the beneficial advances in recent medical history that are allowing many people to live in an integrated society who formerly would have died or suffered severely. He then distinguishes this from the indiscriminate use of medicine which keeps alive many people who have by his definition no hope of becoming independent functioning members of society.

When you read British statistics that 100 percent of the patients not treated by surgery in the first few days of life died, you know that they did not die from natural causes. They were either sedated so they could not drink or eat or they actually were given increasing doses of morphine to prevent the pain which almost all neurologists agree does not exist in these youngsters.

This is another example of society being bamboozled into doing something for itself under the guise of having it done for the welfare of the patient. Listen to Dr. Lorber's explanation: "I show you these children not to horrify you or to make you faint but to make you understand why it is that I prefer the policy of selected treatment rather than creating this immense misery for such an immense number of individuals. We had to restore the balance."

"Those who are severely affected from birth get worse and worse. Humanity demands that such badly affected infants should not be put through such constant severe punishment. Criteria had to be found, preferably on the first day of life which could reliably separate those infants who may die early but even more importantly those who would live but would suffer from severe multisystem handicaps and would be unable to live an independent and dignified existence in spite of the best possible treatment. Such a selection is easily possible."

Then Dr. Lorber sinks to the depths when he quotes from the New Testament (inaccurately, I might say): "Whatsoever ye have men do to you, do ye also to them."

Here are Lorber's criteria for letting a patient die, starving him to death or giving him increasing doses of sedative or morphine: gross paralysis of the legs, scoliosis (curvature of the spine), grossly enlarged head with maximum circumferences, mongolism, any other gross congenital defect. Again that gross congenital defect of any other nature is what I spent my life satisfactorily correcting to the joy and delight of hundreds upon hundreds of patients and their families.

Hear how Dr. Lorber sets the death sentence: "It is essential that those who are not treated should not live long. It is imperative, therefore, that nontreatment should really be nontreatment, not just no operation. Nothing should be done to prolong life."

On one occasion when Dr. Lorber presented his material at a neurosurgical meeting in 1977, Dr. John Freeman of Johns Hopkins spoke in response to Dr. Lorber where he said:

"I don't know where he gets those slides of all those deformed human beings and indeed if the outcome or anything like what he presents, I would be standing beside him rather than opposite him. Selection takes many forms and I agree with selection, but I select a very small number, not 75 percent. Selection takes many forms. But watch the terms. We are talking about selection for death, not university or college. A perversion, I think, of the term. We both believe strongly in discussing the prognosis with the parents. Yet, Dr. Lorber's parents make diametrically opposite decisions to mine. Dr. Lorber treats 25 percent of the children brought to him; I treat 95 percent. When a severely affected child with spina bifida is born, the question is asked, "Should we do everything possible to maintain that child's life and make it the best life possible or is it best for that child to die? And that is the problem stripped of all the rhetoric."

I cannot help but believe that there is a certain different attitude toward the patient even when they are being approached therapeutically in Sheffield as compared to Baltimore. For example, Dr. Lorber has 20 percent of his patients dying of complications from his shunt and remember he only operates on the most favorable patients. On the other hand, Dr. Freeman at Hopkins has not had a death from a shunt complication in seven years and he operates on 95 percent of the patients he sees.

Seventy-two percent of the survivors in Hopkins are ambulating walking with crutches or braces. Dr. Lorber considers this to be severely handicapped. Eighty percent of the survivors at Hopkins have IQ's over 80; half of Dr. Lorber's do.

Without going into it let me also say that Dr. Lober quoted incompletely from studies done on the breakdown of marriage in families with spina bifida, loading his arguments to indicate that the worse the handicap, the more frequent the divorce rate. Such is definitely not the case and Dr. Freeman refuted him on that as well.

When I was the editor of the Journal of Pediatric Surgery up until the year before last, I controlled the majority of papers written in the English language concerning the surgery of children that were published here or abroad. On one occasion I received for publication from two pediatric surgeons, Dr. Judson Randolph of Washington and Dr. Anthony Shaw of Charlottesville, Virginia, the answers to a survey that they had sent to the 400 members of the Surgical Section of the American Academy of Pediatrics. Two hundred and sixty-seven surgeons completed the questionnaires, a 66.8 percent response.

The first question was "Do you believe that the life of each and every newborn infant should be saved if it is within our ability to do so?" Believe it or not, 80 percent of those surgeons with my kind of background answered no.

Here are some other readily remembered statistics: 76 percent would acquiesce in the parents' decision to refuse consent for surgery in a newborn with intestinal obstruction if the infant also had Down's syndrome, or mongolism.

An almost unbelieveable fact was that 7.9 percent of the respondents said they would acquiesce to the parents' wishes if the child had nothing other than simple intestinal atresia, the operation for which is almost 100 percent successful and life after which is completely normal.

To return to the infant with duodenal obstruction which is fatal but easily correctable and Down's syndrome, the following percentages are significant. Twenty-three percent would move the parents in the direction of not signing an operative permit making the decision to let the baby die, the physicians own. Nevertheless if the family wanted surgery in spite of that the surgeon would perform it (23 percent).

Over half said they would provide the parents of all known facts and make the decision completely the parents'.

Only 16 percent would try to persuade the parents to allow surgery but would not take them to court on refusal.

Three percent would get a court order if the parents refused consent for operation.

The schizophrenic nature of these replies is indicated by the fact that if they acquiesce to the parents' decision to withhold lifesaving surgery 63 percent would have stopped all supportive treatment, 30 percent would give oral feedings which of course would be vomited immediately, but less than half of 1 percent would have terminated the infant's life by an injection of a drug such as morphine.

In reference to this same subject but at an earlier time, Dr. Randolph was quoted in Pediatric News as saying, "Maybe it is right to operate but that's the easiest way out for the surgeon, I believe in God but a God that expects us to use our judgment."

Dr. J. Alex Haller, the surgeon who participated in the film, "Who Shall Survive?", that was released by Johns Hopkins has a quaint way of reasoning. "Should every life be protected and cared for? Advances in amniocentesis and intrauterine diagnosis have brought with them the moral question of interfering with a viable human being while it is in the womb. We ask parents to make the decision at this stage," Dr. Haller said. You see, Dr. Haller recognizes that the question of interference is a moral one but then he also acknowledges that he asks parents to make the decision about whether or not to have a baby.

Dr. Haller continues: "Then the baby is born. Does the responsibility for the decision change hands? Does coming out the uterus make the difference?"

Dr. Haller's reasoning is right thus far. Why couldn't he say, "Does achieving the age of five years make any difference, or ten years, or fifteen years, or twenty-five?" I cannot help but think my logic is at least as good as Dr. Haller's.

I think that the day will come when we realize that we who are prolife lost this battle in the medical schools. Any medical student who has come through medical school since 1973 does not remember a time when the very term "abortionist" had a loathsome connotation. The most active abortionist he probably knows is the professor of obstetrics in the medical school. But you see, when he faces the schizophenia of an obstetrician taking all the care and concern possible to deliver a premature baby and then carry it down the hall to the loving attention of doctors and nurses in the infant intensive care unit where every technological advance known to science is brought to bear in that baby's future, and then sees the same obstetrician go down the hall and kill a baby of perhaps the same size and weight before it is born he really must be confused. We need young men and women with a committed morality and preferably with a committed religious faith to go to medical school (that is if they can get past the admissions committee) otherwise I see no opportunity for the responsible practice of medicine that physicians of my day were raised to practice.

The AMA News published on April 6th of this year reported on the American Medical Student Association's most recent meeting. This is an organization of medical students 20,000 strong.

If you can believe it, 900 students attended the meetings in March and addressed eighty issues. They called for improvements in prison health, better health benefits for the elderly, cutbacks in the development and export of nuclear power, but they affirmed their support of abortion as a "safe and cost-effective means of birth control." They supported a statutory definition of brain death and endorsed a comprehensive community based, community controlled, publicly financed U.S. Health Service.

They called for reappointment of professors to be only with student approval.

If it were not for the fact that I am rapidly approaching retirement, I suspect the day might come when they could unseat me.

They censored the Citibank of New York because they had investment in South Africa but a resolution calling on their membership to give up their government loans and scholarships because the United States supports South Africa's government died on the house floor.

In the short period of time since I was asked to take part in this program and the present, there has been an extraordinary growth of infanticide and a change in attitudes among those who are in a position to care in this country. Less than a year ago I could stand up at a meeting like this and say that at the Children's Hospital of Philadelphia, we were of one mind about these things and that infanticide was not practiced there. I can say that infanticide is not practiced there as of today but I cannot say that we are of one mind because those of us who care have to fight tooth and nail to maintain the situation as it is and the only reason we can say that we succeed as of today is that we are older and we are in positions of authority.

I cannot believe the things that I hear at the ethics conferences which have been organized by a member of the Department of Pediatrics on a monthly basis during this current school year. Just in the month of April of 1979, one of my junior colleagues and a surgeon who believes as I do in the sanctity of human life, Dr. Moritz Ziegler, presented at an ethical seminar a paper entitled "Sequelae of Prolonged Ventilatory Support of Pediatric Surgical Patients". What he did was to show that we had certain patients who came into the newborn intensive care unit and did not either go home or die but instead became chronic patients who required ventilatory support for months and on one occasion for almost two years. The cost of caring for these patients was extraordinarily high. Nevertheless, they were human beings, they were alive and the only thing they could not do was breathe for themselves, however, they were physically and mentally up to par; indeed, some of them were bright. Yet when Dr. Ziegler presented this, the overwhelming consensus of our pediatric colleagues was that it was not worth it.

Those who are anti-life in the infanticide movement want you, the public, to believe that they are concerned about the terrible problems that children have because they have physical defects. I would submit to you that they have no appreciation for I.Q.s that are not superior. Many of their decisions are made because people might be dull normal.

Then one other distressing new point of view is that the brighter a defective child is—that is, a child who has a physical defect, the brighter he is, the more he objects to his physical defect and, therefore, even if he is bright and has a physical defect, he should be destroyed shortly after birth so that he does not grow up and recognize how defective he is.

One final word on this withholding treatment from a seriously ill newborn. On Wednesday, April 11th of this year, Boston University School of Medicine and their School of Law along with the Department of Socio-Medical Sciences sponsored a symposium entitled "Withholding Treatment from a Seriously Ill Newborn: The Judicial Process Demonstrated". Of the faculty of eleven, two were medical doctors, one was an assistant professor of pediatrics and came from the Center for Genetic Counseling and Birth Defect Evaluation, the other was the director of a pediatric intensive care unit. Neither of these was from Boston University. I will quote just one paragraph from the advertising brochure: "Based upon the fact pattern below, the faculty will demonstrate to those in attendance the specific court room procedures employed in seeking a judicial determination that the withholding of medical treatment is proper. Additionally, by providing health care professionals with a view of a process with which they are generally unfamiliar, and accordingly, often distrust, the sponsors hope to further the interprofessional understanding of health care providers and those engaged in the judicial process.

Abortion is a public issue because although it is physicians who perform abortions, it is the public that demands them in large numbers. There is nothing private about the abortion issue even though the right to abortion may be erroneously based upon the woman's right of privacy.

Euthanasia is a public issue because at this time practically no physicians would be willing to practice euthanasia and these same physicians who practice medicine in the realm of trust between patient and physician do not consider the withholding of extraordinary measures to prolong the process of dying as being passive euthanasia as the euthanasia forces would like us to believe that they are. Obviously their desire is to have us accept passive euthanasia because active euthanasia then becomes much more easy to bring about.

But now with the question of infanticide, this is not a public matter. It is not the public, not even the taxpayer, not even the parents of defective children who are clamoring for infanticide. Infanticide is a matter almost totally in the responsibility of the medical profession and were it not for their encouragement of parents to decide against the worth of the life of their children, infanticide almost would not exist.

The medical profession has traditionally made its treatment of patients a reflection of our society's concern for those who are ill or helpless. Indeed it has often acted as an advocate for those who had no one else to stand up for them. Thus it responded in days gone by with love and compassion toward the helpless child. Technical skills have increased rapidly and have produced dilemmas the doctors did not face a decade ago. But this does not give them any new expertise in deciding who shall live and who shall die, especially when so many nonmedical factors must be taken into account in making the decision. The new gadgetry of medical practice and the growing sophistication of technology do not give a doctor any more right than the rest of society to play God. Many in the medical profession are losing this viewpoint. I would insist that if we cannot cure, we can care and I would never mean to use the words "care" and "kill" as synonyms.

After the medical profession, the next group if you can call it that that has considered the subject of infanticide the least bit publicly is the church. Dean Jay Philip Wogaman of Wesley Theological Seminary has espoused the cause of the religious coalition for abortion rights by ignoring the right of the developing unborn baby in favor of what he calls "God's loving intention for existing human beings". That loving intention for an existing human being turns out to be supporting the mother-to-be in the murder of her unborn child. Segments of the church are not without an opinion on the subject of infanticide. The task force of the Anglican Church of Canada in 1977 concluded that it was morally right to terminate the lives of newborn infants with severe brain damage. The callousness of the report is evident in its phraseology: "Our sense and emotion lead us to the grave mistake of treating human looking shapes as if they were human, although they lack the least vestige of human behavior and intellect. In fact the only way to treat such defective infants humanly is not to treat them as human." The eleven people who made that statement had backgrounds in medicine, nursing, law and theology.

Happily, the General Synod of the Anglican Church in Canada did not approve the report but the fact that such a report came forth from an official group of a major denomination says much about the direction taken by certain segments of the church in regard to infanticide.

There is probably no one that I would differ more with than Professor Joseph Fletcher in his view of ethics. I can agree with his logic, however, when he says in the Humanist in the summer of 1974, the following: "To speak of living and dying, therefore . . . encompasses the abortion issue along with the euthanasia issue. They are ethically inseparable."

Don't forget that infanticide is euthanasia of an age group but the keystone to this terrible cheapening of human life lies in the liberalization of abortion in America.●

RABBI JOSEPH LOOKSTEIN

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. GREEN. Mr. Speaker, the Jewish communities of my congressional district in Manhattan and of the Nation have suffered the sorrowful loss of one of their most beloved and eloquent religious leaders. Rabbi Joseph H. Lookstein led Congregation Kehilath Jeshurun for more than 50 years and had been active in Jewish education and culture since even before his ordination as a rabbi in 1926.

I have had the privilege of knowing Rabbi Lookstein, as well as his son, Rabbi Haskel Lookstein, who continues as the third-generation rabbinical leader of that same congregation. The elder Lookstein's blessing of faith and capability was his community's blessing as well.

Joseph Lookstein had steadily increased his responsible role in the Jewish community since serving as his grandfather's assistant at Kehilath Jeshurun. He held important positions in such organizations as the Rabbinical Council of America and the New York Board of Rabbis—serving as president of both bodies—the Mizrachi Zionist Organization of America, the Rabbinical Council of the Union of Jewish Orthodox Congregations of America, the American Zionist Council, the Commission on Jewish Chaplaincy of the National Jewish Welfare Board, and the Gustav Wurzweiler Foundation.

Rabbi Lookstein also served on the World Council on Jewish Education. This was a natural extension of his interest in Jewish educational opportunities for the New York community. He founded the Hebrew Teachers Training School for Girls in 1930. This school has since been incorporated into Yeshiva University. He also founded the Ramaz School in 1937. This Jewish day school today has an enrollment of 800 and is celebrated for its academic excellence. He also served as acting president and then as chancellor of Bar-Ilan University in Israel.

Rabbi Lookstein's accomplishments in the Jewish community are more than personally impressive. They are a source of pride and motivation to the thousands fortunate enough to have shared his spiritualism as they worshiped and his knowledge as they learned. Speaking as a member of that community, I shall truly miss Rabbi Lookstein and offer my deep condolences to his family.●

DOUBLE STANDARD FOR THE DISTRICT OF COLUMBIA

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. McKINNEY. Mr. Speaker, once again this House has outdone itself in interfering in affairs which are absolutely outside of the Federal domain—that is, the legitimately established processes of local government. On Tuesday, July 16, with the passage of the fiscal year 1980 District of Columbia Budget, not only have we given our approval to totally unwarranted budget cuts of over $80 million, the bulk of which is from locally generated revenues, but we have added unprecedented language telling the city government how it may or may not spend its own revenue for the funding of abortions in area hospitals.

It seems obvious that the will of this Congress is to maintain the status of the District as a colonial remnant, a political and social entity which is somehow subordinate in rights but equal in obligations to the rest of our country, by promulgating one set of rules for the citizens and Government of the District, and another for the Nation at large.

This is perhaps the most egregious case of insult heaped on injury to a local government in my memory. Not only must the District absorb this huge fiscal cut, with an ensuing loss of over 2,800 jobs, but it is now burdened with the unpardonable restriction of being told how it must spend its money. With the responsibilities inherent in the District's unique position as the Nation's Capital, this is tantamount to telling a State how its revenues may be spent.

Such language and such restrictions would be unthinkable if applied to our own constituents—for it is a fundamental and historically established right that American taxpayers should be in a position to control how their taxes are to be spent in any particular situation. But the citizens of the District do not have a vote in Congress and are therefore easy targets for those who would make examples of them—scapegoats, as it were—in the name of budget cutting.

However, people across the country, at all levels of society, have created a national mandate for less Federal intervention, less interference in their personal lives. It is perhaps symptomatic of the political expediency of our times that with the rise of special interest politics there is an unfortunate tendency to use action on the Federal level to remedy problems which are none of the business of the Federal Government—and this is true even of those who used to excoriate such intervention in the name of individualism and personal liberty.

There is ample opportunity for a valid expression of the will of the House in the Labor-HEW appropriation process, which involves Federal funding. However, it is the height of hypocrisy for us to pay pious lip service to less Federal control and increased local autonomy while legislating in matters which dictate how a city government may spend its own money.●

LET US GET COAL MOVING

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. APPLEGATE. Mr. Speaker, I would like to address this House on a matter of great concern to all Americans and one about which we have talked endlessly about since the beginning of the 95th Congress, 2½ years ago.

Energy has been at the forefront of our discussions of late, and for good reason. I need not remind my colleagues of the problems our constituents write to us about daily, such as supplies, demands, and prices. But, try as we may, our problems will not go away by ignoring them.

I believe the House has acted most responsibly in dealing with energy matters. While I have not agreed with the majority of the House in every case, ours is a good record and one that we can be proud of. The President's speeches last Sunday and Monday indicate that we will have to rise to the occasion again, as well, and act responsibly on several pieces of energy legislation.

Before acting on these pieces of legislation however, I believe the House can again demonstrate its responsibility by acting on a resolution that I introduced at the end of July and have reintroduced. House Resolution 343 calls for this body to make a national commitment to the production and use of coal. By every account obtainable, the United States has hundreds of years of proven reserves of coal and nearly as much in unproven reserves. Technology is readily available to convert this coal into gas or liquid for conventional use in industry boilers and other purposes. It is becoming clearer by the day that we cannot rely on oil as our primary source of energy and that we must, indeed, switch to a more readily available and cheaper substitute, coal being that substitute.

I fully recognize the problems that have been associated with coal, such as the environmental concerns of some. But here again, technology is available which will enable coal to be burned without it being harmful to the environment in any way. I personally believe, as many of you do, that many of our environmental regulations, such as those promulgated by the Environmental Protection Agency and the Office of Surface Mining, are excessive, burdensome, and unnecessary; but my point at this time is not to argue that. Rather, it is to point to the need to take a firm and immediate stand in favor of increased coal use.

House Resolution 343, if passed by this body, would complement a similar one recently passed in the Senate. House Resolution 343 calls for a national energy policy based on increased coal usage. Further, it calls for a review of the environmental regulations which I have previously mentioned to insure that they comply with congressional intent. It also requests that the President report to Congress, within 60 days of passage, progress that is made in reaching these goals.

This resolution favors neither Eastern or Western coal, but rather coal in general. The United States will benefit from this in increased energy supplies and costs which are not excessive. We will eliminate the every constant threat of oil embargos that could literally bring this Nation to its knees.

To the more than 40 Members of the House who have cosponsored this resolution, I thank you. To those of you who have not, I urge you to do so in order that you can be part of America's release from the holds of OPEC.●

THE BOAT PEOPLE: ANOTHER DEMONSTRATION THAT "WORLD OPINION" HAS NO CONSCIENCE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. ASHBROOK. Mr. Speaker, it is the essence of freedom that power not be granted to anyone who is not accountable for that power. A government without accountability to the people is a dictatorship. In the exact same way that "power without accountability" discredits a government, is it not true that "opinion without conscience" discredits an opinion? A responsible government should condemn power without accountability. In exactly the same way, for exactly the same reasons, how can we look upon Third World opinion as a "moral force" which demonstrates clearly that the holders of what is called world opinion have no conscience?

As of 1977, the population density of Zambia was 18.4 people per square mile. That is about a quarter of the population density of the United States. The opinion of Kaunda, Zambia's dictator, is one of those parts of world opinion President Carter considers so vital in deciding what to do about Rhodesia. But no one is surprised that this great African moral leader would far rather watch Vietnamese fleeing Communist tyranny starve or drown before he will allow them into Zambia.

Another opinion which Mr. Carter looks upon as a moral force is that of dictator Nyerere of Tanzania. The population density of that country is a little more than half that of the continental United States, and much of it is in a temperature region Vietnamese have the know-how to make productive. But, of course, it would require a conscience for Nyerere to save the lives of boat people by letting them enter and become productive in his country. Not in his wildest dreams would Carter imagine that Nyerere has any such a conscience in the case of people with a yellow skin rather than a black one.

Around the world, the situation is the same. Sparsely settled lands with rulers whose smallest whisper assumes the proportions of a moral imperative for the liberal establishment sit by and watch desperate people drown and starve. That is the proper picture of Third World opinion: a group of little tyrants, sitting on their verandas telling us what is true and good, while watching thousands die a cruel death.●

MICHIGAN VERY SPECIAL ARTS FESTIVAL

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. FORD of Michigan. Mr. Speaker, recently at Michigan's first Very Special Arts Festival 1,400 people participated in music, art, dance, and drama activities. Handicapped and nonhandicapped children, adults, artists, and teachers celebrated the artistic accomplishments of the handicapped in 2 daylong festivals in Ann Arbor and Marquette. In addition, 300 teachers across the State participated in workshops to explore new ways of reaching handicapped children through the arts.

The festival featured talented youngsters performing in all the arts—enhancing their learning skills and sharing their works and accomplishments with an interested audience.

The Very Special Arts Festivals, which was created by the Joseph P. Kennedy, Jr. Foundation, through the National Committee on Arts for the Handicapped, is composed of leaders of major national arts organizations representing the handicapped. The National Committee on Arts for the Handicapped is affiliated with the John F. Kennedy Center. Jean Kennedy Smith is the national chairperson of the Very Special Arts Festivals.

The national goal is to extend opportunities for handicapped children to learn in the arts, about arts, and through arts so that all programs will include arts for handicapped children in fields such as painting drama, music, and dance.

The success and credit of the Very Special Arts Festivals was not only due to the Advisory Committee, but the volunteers, parents, teachers, and supporting sponsors of the program.

Two Advisory Committees set up Michigan's first successful festivals. The Southeastern State Committee included Dale Boyle, Louise Burke, Sharon DeHaven, John Dumas, Liz Fitzharris, Gerald T. Harris, Ruth Hayes, Marge Kirby, Marylyn Lake, Sharon McColl, Richard Maxey, Julie Nicol, Robert Nulf, Mary Phipps, Jo Pickett, Joseph Steffek, Carol Steinfeldt, Shelley Tamblyn, Zena Welber, and Charles Witing.

The Northern Michigan Committee was composed of Betty Carilli, Lois Cohodas, Jean Elder, Polly Friend, Suzanne Kiesby, Chris Kitzman, Margie Linn, Sue McQuaid, June Schaifer, Joy Strasser, Mary Sullivan, Jean Frost, and Sandy Wilshusen.

Special recognition of the support of Murray Batten, director of Special Education, and Barbara Carlisle, Fine Arts specialist, of the Michigan Department of Education is in order.

Gerald T. Harrison, chairman of the Michigan Legislative Council's Organization for the Handicapped, and Michael Delaney, Michigan Paralyzed Veterans of America, represented their organizations and the Michigan Handicapped Consumers in the festival.

I am pleased and proud of the achievements of this festival. I hope Michigan will work toward an even wider participation in the Very Special Arts Festivals under the leadership of its Advisory Committees, which made the first festival such a success.●

ELIZABETH CADY STANTON, 1815–1902

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. PEYSER. Mr. Speaker, Congresswoman SCHROEDER has been bringing to our attention famous women in American history each day this month, and in connection and cooperation with her efforts I would like to comment today on a famous woman from the 23d Congressional District of New York, Mrs. Elizabeth Cady Stanton.

Elizabeth Cady Stanton, longtime friend and associate of Susan B. Anthony, was one of the most outspoken leaders in the history of women's rights.

Mrs. Stanton grew up surrounded by political issues. Her father was a lawyer who served in Congress and as a Judge of the Supreme Court in New York. She married Mr. Henry Brewster Stanton, an active and assertive abolitionist and became very involved in that movement. However, Mrs. Stanton is best known for her work as an advocate for women's rights. She proposed a resolution advocating suffrage for women at a convention in Seneca Falls, N.Y., in 1848. It was the first public demand by women for the vote and was reintroduced in every successive women's rights convention, becoming the rally cry for generations of women as they campaigned for their enfranchisement.

Among her many accomplishments, Mrs. Stanton was influential in gaining the right to wages for women as well as guardianship of their children. She helped to organize and became the president of the National Woman Suffrage Association, and was the principal framer of the Woman's Declaration of Rights.

Her historic friendship with Susan B. Anthony, which was to have a significant effect on American feminism, began in 1851. For many years the talented writer and orator Mrs. Stanton and the gifted campaigner and organizer Miss Anthony formed an invincible team of women's rights advocates.

Mrs. Stanton persuaded Senator Sargent of California to introduce a Federal woman suffrage amendment in 1878. This amendment was introduced in every succeeding Congress until its final adoption in 1920 and she was the outstanding speaker in its support at congressional hearings. During these years she was also writing countless speeches, resolutions, and pamphlets for Miss Anthony as well as making appearances at numerous functions and assisting in the preparation of the monumental "History of Woman Suffrage."

Mrs. Stanton made her home in New York City in 1887 and devoted more and more of her time to writing for newspapers and magazines. The year she turned 83 she published her reminiscences, "Eighty Years and More." The women's rights leader died in 1902, just after writing to President Roosevelt urging him to declare himself for woman suffrage. She was paid tribute as the mother of woman suffrage and the statesman of the women's rights movement.

Today, Mrs. Stanton is not as well known as Susan B. Anthony. However, we should remember her today for her courageous outlook and liberal thinking as an emancipator of women's minds.●

THE NEED FOR A NATIONAL DEBATE ON NATIONAL YOUTH SERVICE

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. PANETTA. Mr. Speaker, I commend to the serious attention of my colleagues the following speech by Senator PAUL TSONGAS of Massachusetts. In his speech, Senator TSONGAS discusses the benefits to the Nation of a national program of voluntary service for America's youth.

I believe the Senator has begun an extremely important debate involving the values of our youth and, indeed, the future of our country. The Senator's personal experience in the Peace Corps is ample testimony to the value of voluntary and meaningful service. In his speech Mr. TSONGAS proposes legislation to establish a Presidential Commission to study the state of America's youth and its needs. He describes our youth's recent past and how this history ties in with the "me" generation of the 1970's, persistent voter apathy, and the era of single-issue politics. A period of national service, the Senator argues, would give our youth a better overview of the complexity of our society and its problems, while giving them an opportunity to make a direct and personal contribution to solving these problems.

The youth of America are an invaluable resource which have too long been ignored. Their special needs have not been met, and they consequently drift without direction into the ranks of the perplexed, the frustrated, the alienated, and the unemployed. I fear for the future of an America which does not plan for the future by developing a solid foundation of youth willing to sacrifice for the good of others.

I believe we need to rekindle in America the spirit of giving, not of selfishness; the spirit of participation, not isolation; the spirit of community, not disunity. Voluntary national youth service will help us accomplish these goals and give new life and meaning to the spirit of America.

A national debate on this subject is needed. This is the road we must follow if we are to meet the challenges of the last decades of the 20th century. I encourage my colleagues to read the speech below, and to become involved in the national debate on the critical issue of national youth service.

Senator TSONGAS' speech follows:

SPEECH TO THE COMMITTEE FOR THE STUDY OF NATIONAL SERVICE

(By Senator PAUL TSONGAS)

The best part of my education wasn't 4 years at Dartmouth or 3 years at Yale, although I value what I learned there. My greatest learning experience was during 2 years in a small Ethiopian town. I lived and learned there with students whose lives had been vastly different from my own. I was a Peace Corps teacher, but I hope my Ethiopian friends know how much they taught me.

We had a very personal sense of depending on each other, so it was natural for us to know that nations also must depend on each other. Nothing before or after that time has shaped my view of the world so deeply.

The Peace Corps experience convinced me that mutual learning is inherent in human service. The education that the service-provider gets is a basic reason why I support a national program of voluntary service for America's youth.

When the Senate reconvenes I will introduce legislation for a Presidential Commission to make a 1-year study of how best to implement a program of National Service. I want your suggestions on what the makeup of this commission should be. How many members should be young people? (I believe they should have substantial representation.) What should be the mix of public officials, and members from the private and voluntary sector? What agencies should be represented?

Imagine a country where several million young people per year embark on careers after a year of national service. It's an exciting thought! National Service is not a simple cure-all for the problems of the 1980s, but it would help reverse some dangerous trends.

The 1970s have been called the years of the "me generation." The range of concern—the vision—of the average citizen seems to have narrowed. In 1979, ties are getting narrower again. But the ties between Americans also seem to be getting flimsier. National Service would strengthen them.

The '70s have been marred by voter apathy and single issue politics. Voter turn-out in the last Presidential election was lower than in any race since 1948. Voter disinterest contributed to the success of people who find the answer to the world's problems in a single, simple issue, like property taxes or abortion. National Service would give young Americans a concrete sense of the complexity of chronic problems.

The experience of service also addresses a problem of scale. It puts us in touch with problems on a human scale. Too often public policy is made in a bureaucratic dreamworld. The real impact on people's lives is lost. But living in and learning about another's culture—whether in Ethiopia or in Appalachia—brings understanding and an approach which embrace the human element. Volunteers do not forget their experiences with Vista or the Peace Corps. They carry the experience with them into future careers.

I will discuss several crucial issues in the National Service debate, and then suggest ways in which all of us can encourage public awareness and discussion.

One challenge that deserves further study is how we can involve youth from all ethnic, economic and regional backgrounds. Another basic question is which particular human needs would be served by the jobs created. Other key issues are cost, and overall coordination.

Two of the most fundamental issues are voluntary service vs. mandatory service, and the service program's relationship to military service.

Personally, I favor a volunteer service plan. I feel that the benefits derived from the National Service experience would be seriously compromised by compulsory service, whether civilian or military. The idealism of Peace Corps Volunteers, for example, has a major bearing on the quality of their work. The wonderful learning, sharing process that providers of service to others experience cannot be expected for an unwilling worker in National Service.

Regarding the military aspect, there is much confusion and much dissent. I oppose mandatory service, and so I oppose the draft. A system of National Service should not be used as a "back door" method of filling the ranks of the All Volunteer Armed Forces. Fear that a service program will be compulsory service has caused strong popular opposition. At the present time, I believe that a strong program of Voluntary National Service is more practical and is based on a better principle.

But it makes no sense to establish a Presidential Commission with preconceived conclusions. For that matter, it doesn't make sense for proponents of National Service to condition their support on whether or not the study recommends compulsory service. The Commission members will spend a year taking testimony and conducting research. We who believe in the concept of National Service should be inclined to support their findings.

We need a strategy to raise consciousness about National Service—to develop the best possible plan, and to push Congress and the Administration in the right direction.

You should understand without any doubt that you can have an impact. I have worked in a number of successful, grass roots lobbying initiatives. They required dedication, and a constant effort to bring an ever wider circle of supporters to help the lobbying effort.

I have discussed with several people whether to introduce legislation to implement a National Service program right away. We decided against it for a number of reasons. First, if national service is to be successful, it will require a wide base of support. It must be well received by the young people who participate, and by federal, state and local officials who run programs with volunteers. A Presidential Commission will make contact with these people during the study and involve them in the evolution of the idea.

Second, I fear that to go full steam ahead with a National Service program could alienate many of these same people. They might see the program as an infringement of their territory, rather than as the provider of expanded programs and services that it really is.

At this point, you could organize lobbying efforts around my bill for a Presidential Commission. The bill has not yet been introduced but we will arrange to send a copy to all of you with other post-conference materials. So I ask you to contact your Representatives and Senators and ask their support and cosponsorship for this bill.

I'm sure you have discussed ways of getting the National Service debate into schools. I will be holding a conference of young people in Boston this fall. In preparation for it, I will be encouraging teachers of social studies and other subjects to discuss the idea in class, and to send representatives to the conference. Each teacher will receive a copy of the book, "Youth and the Needs of the Nation."

National Service is not just to aid young people. It very much involves the communities in which we live. I urge everyone at this conference to return to his or her community and to assess that community's needs and how national service could help fill them. In this way, we would also involve many more people in the effort. You should look for needs that are not being met locally, in addition to talking with administrators of existing programs.

Talk to the potential beneficiaries of such a program—and get them to join the lobbying effort. I can't think of a better way to raise consciousness than to make those who will benefit aware of the possibilities. It will certainly expand the base of support for the program.

I have received hundreds of letters since I first spoke out on National Service. Most have been supportive. But some begin like this: "If you support compulsory service or a return to the draft, I will never vote for you again, and I will work for your defeat." Back to single issue politics. The world is too complex to approach issues with such simplicity. We must deal with them comprehensively and rationally.

I did not take on this issue because it dropped in my lap and looked attractive. I took it because a part of my life was invested in the same principle, and it keeps paying me back with interest.●

FACING THE REALITY OF VIETNAM AND THE REFUGEES

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. SOLARZ. Mr. Speaker, I would like to call to the attention of my colleagues an excellent article written by one of our colleagues, Congressman PAUL SIMON of the State of Illinois.

Mr. SIMON, an eloquent spokesman for the cause of human rights and moral values, has been deeply concerned about the plight of the refugees in Indochina. He has spoken before this body many times on this issue, supporting an increase of our efforts, in conjunction with that of the rest of the international community, to assist these desperate people—whether they have come from Cambodia, Laos, or Vietnam.

I think his conviction, stated in this article, that the United States must eventually recognize the Government of Vietnam if it hopes to eventually decrease tensions in that part of the world and ultimately find a solution to the refugee crisis, is one that all of us must carefully consider.

Mr. Speaker, I include his article in the RECORD.

VIETNAMESE REFUGEES

(By PAUL SIMON)

President Carter has taken a step in the right direction by doubling the number of Indochinese refugees who can be admitted to this country each month, from 7,000 to 14,000.

But welcome as that action is, it is cosmetic. It deals with the result rather than the cause.

And unless our policy changes, many thousands of innocent people are going to die.

What is needed is for the government of the United States to stop pretending that the government of Vietnam does not exist. We should recognize them, establish normal trading relationships, and sit down and talk frankly about the refugee problem, trying to work out solutions.

Part of the present difficulties in the Indochina arena—not just the refugee problem—has been caused by our unwillingness to face reality. Vietnam has made clear that they yearn for recognition, want to buy some of our products, and do not want to become too dependent on either the Soviets or the Chinese.

We ought to be encouraging that course of independence, not discouraging it. This is in our own security interest, even aside from the refugee problem.

A few days ago our government issued a statement denouncing the government of Vietnam for its role in the refugee situation.

While I agree that many of these deaths are caused in large part by the actions of the Vietnamese government, our pious denunciations do not ring true when every knowledgeable person believes that the refugee problem would not be as severe if our government started working with the government of Vietnam, instead of being self-righteously aloof.

Not for moral reasons.

For political reasons. At the State department and the White House they believe it would be politically unpopular. And probably they are right. But we did not place officials in these positions of major responsibility to take polls to determine national policy, to hold their fingers to the wind to meet the national need.

I have yet to talk to a single person from the State department who does not believe it is in our national interest to recognize Vietnam. But no one breathes it in public.

Rep. Lester Wolff of New York, who heads the Subcommittee on Asian Affairs which is dealing with the refugee problem, believes that as many as 70 percent of the refugees may lose their lives in the next year.

Former Senator Dick Clark, who heads the refugee program, puts it at 50 percent.

Either way it is an incredible human toll that should be stopped.

And doubling the number of refugees we admit helps a little, but perhaps helps our conscience more than it helps the fundamental problem.

We must sit down with the government that exists in Vietnam and talk frankly with them if the flow of refugees is to stop.

No one can guarantee that will solve the problem.

But we can virtually guarantee that if we don't do that the problem will not be solved.●

SISTER JOSEPHINE MARIE PAPEZ, O.P.

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Ms. OAKAR. Mr. Speaker the greater Cleveland community and the Dominican congregation will soon be celebrating the "Golden Anniversary" of Sister Josephine Marie Papez, O.P. It is both my pleasure and honor to have the opportunity to contribute in a small, yet important fashion to Sister Josephine's festivities by inserting for the CONGRESSIONAL RECORD a well-deserved commendation for her life-long commitment to a religious life.

Sister Josephine has unselfishly dedicated 50 years of her life to enriching the lives of thousands of students and parents with whom she has labored for the last half a century. Her genuine involvement, as well as her invaluable contribution to the Christian community, has extended far beyond the shores of Lake Erie. While Sister Josephine has had numerous ministries in Ohio's greater Cleveland area, she has also served both in Illinois and Michigan. Additionally, the good works and the fine service of Sister Josephine Papez has seen its presence and positive effects as far away as San Juan, Puerto Rico.

Sister Josephine learned from her Yugoslavian ancestry the strength of will and unyielding spirit necessary to carry on in troubled times. That same strength of spirit was projected in her work as a woman, as a person of integrity and purpose, and as a member of a religious community. It has most assuredly been my distinct pleasure to know Sister Josephine Papez. Moreover, I am most pleased to acknowledge her past accomplishments on her "special" day and wish her good fortune, for her tomorrows.●

LABOR AND THE RIVER OF NO RETURN

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. SYMMS. Mr. Speaker, we have for years been entangled in a struggle to determine how we can best deal with the issue of public land use. For a long time the pendulum has swayed in favor of increased lockup of those lands into wilderness. For an equally long time, I have maintained that if we need wilderness, we can have it through multiple-use management, and that however we have it, we must thoroughly consider economic impacts of this legislation. Recently, the Idaho AFL–CIO drafted two resolutions regarding public land use. Their conclusions endorse the "least wilderness, greatest employment" options available to us in both the "Idaho River of No Return" and the "Rare II" controversies. They are strong statements that portray the message that we in Congress may soon pay for votes that ignore the working person in favor of elitist wilderness lockup. The rank and file of the AFL–CIO are producers in this country that see the need for resource availability to insure job continuance.

I commend these resolutions to my colleagues and urge them to take heed of the workingman that is tired of frills that interfere with the maintenance of a productive living.

The resolutions follow:

RIVER OF NO RETURN

Whereas proposals to enlarge and add Wilderness Areas in Idaho have increased in recent years, and

Whereas the forests products industry is a major industry within the State of Idaho, and

Whereas many jobs within the construction industry are directly or indirectly related to the supply of wood products, and

Whereas present proposals before the U.S. Congress could have a long term effect upon 10,000 jobs in the State of Idaho, and

Whereas additional wilderness areas will create a critical timber supply problem in a number of communities in Idaho which are dependent upon national forest timber to sustain their local economy, and

Whereas the concept of achieving wilderness "quality" and not "quantity" should be basic to the entire process, and

Whereas labor in Idaho has historically recognized and supports the concept of multiple-use management in the national forests which includes wilderness as one of those uses, and

Whereas the land use needs of all potential user groups must be considered and demands of any single user group, should not dominate or preclude the multiple use concept, and

Whereas the citizens of Idaho by a 3-to-1 majority have indicated they favor very little or no additional acres set aside for wilderness areas, and

Whereas presently three bills are before Congress submitted by the "River of No Return Wilderness Council," "Forests Products Industries of Idaho," and "United States Forest Service," and

Whereas the long term loss of jobs by the three proposals would be:

Senate bill 95, River of No Return Wilderness, 10,000 jobs.

Senate bill 97, U.S. Forest Service, 3,020 jobs.

Senate bill 96, forest industry proposal, 1,996 jobs.

Now Therefore be it Resolved, That this 21st annual convention of the Idaho State AFL–CIO go on record as supporting Senate bill 96, presently before the Congress and be it,

Further Resolved, copies of this resolution be forwarded to the Senators and Congressmen from the State of Idaho and be it,

Further Resolved, That each individual and all affiliated local unions of the Idaho State AFL–CIO send letters to Senator Church and Senator McClure urging support of this resolution.

Submitted by:

Edward L. Johnson,
I.W.A. Local 3–364.
R. G. Gib Walker,
Blue Mt. Dist. Council.
Robert F. Denevan,
Paperworkers No. 712.

Roadless Area Review and Evaluation Study

Whereas the rare II study is complete and the summary final environmental statement has been released, and

Whereas action on the report will be taken by Congress soon, and

Whereas many timber growing areas in the United States have been proposed for inclusion in wilderness and future planning areas, and

Whereas millions of acres of timberland in the United States are already locked up in parks, preserves, and wilderness areas, and

Whereas many jobs in Idaho are dependent on available timber supplies, and

Whereas all projections forecast a shortage of available timber in the Western States by the end of this century, or sooner, and

Whereas many jobs will therefore be lost throughout the Western States, and

Whereas any further timberland locked up in wilderness areas will further deplete the available timber supply and increase the job loss and hardship on union members; now therefore be it

Resolved, That this 21st Annual Convention of the Idaho State AFL–CIO go on record as opposing any further inclusion of productive or potentially productive timberland in wilderness of future study areas; and be it

Finally Resolved, That copies of this resolution be sent to the appropriate U.S. legislators, Members of Congress, Governors, and to the national AFL–CIO.

Submitted by: IWA Local 3–346.

Glen C. Bierhaus,
President.
G. Stan Livengood,
Financial Secretary.●

TRIBUTE TO DAVID LEROY STEWART

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. SKELTON. Mr. Speaker, acts of heroism are rare, and I wish to bring one to the attention of the House of Representatives. The act of David Leroy Stewart, of Rich Hill, Mo., which ended in this lad's death, should receive special recognition. The editorial from the Bates County Headliner summarizes young Stewart's actions.

The article follows:

Above and Beyond

Surely there must be a movement under foot to honor—although posthumously—a 15-year-old Rich Hill lad who gave his life while attempting to save others.

David Leroy Stewart died in the early morning hours of June 7 when he was swept under the rampaging flood waters of the Big Drywood Creek west of Nevada.

Witnesses reported that the youth was attempting to swim out to a van that had crashed through a bridge guard rail into the creek. He had a 30-foot chain looped across his shoulders, apparently hoping to attach the chain to the vehicle to keep it from being forced further downstream by the heavy current.

Besides the teenager, three occupants of the van, two adults and a 3-year-old child perished in the tragedy.

Stewart's body was recovered three days later about a quarter mile downstream from the accident site.

Teenagers, we have often observed, are a brave lot. Several times we have seen them working alongside adults attempting to free injured persons from wrecked automobiles. At more than one major fire teenagers have helped man the hoses amid the threat of danger. We have always admired these unusual traits, and thought it a pity that our young people fail to receive credit for the many good things they do.

Regretfully a teenager gave up his life during an act of heroism, and his efforts deserve permanent recognition.●

TRIBUTE TO FRAN ROBERTS

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. COURTER. Mr. Speaker, it gives me great pleasure to bring to your attention Fran Roberts, the distinguished editor of The Forum, of Hackettstown, N.J.

Fran recently received the "one to one" award for her "high degree of understanding and professionalism in reporting critical issues," for her sensative editorial " 'No Other Love' and Us." Her acute understanding of the needs and wants of the mentally retarded provide a vivid insight into the lives of retarded citizens. I was moved by her award-winning editorial and it is my pleasure to share it with my colleagues in the House of Representatives.

The article follows:

"No Other Love" and Us

Ever since the Kennedy administration's efforts to public remove any stigma that might have been attached to the term "mentally retarded," more and more Americans have become aware of the plight—and potential—of retarded individuals.

Mental retardation affects not only the person who is retarded, but also that person's family, friends and community. But retardation is not something to be afraid of or ashamed of or ignored. It is a circumstance to be dealt with, just as a physical problem needs to be dealt with.

In recent years, enlightened communities have been making provisions for certain handicapped individuals. Doorways are being built wide enough to accommodate wheelchairs and ramps are being installed so that people in wheelchairs and those who walk with crutches can gain access to formerly inaccessible places.

That's good. Improvements and adjustments that we, as individuals and businesses and municipalities, can make on behalf of the handicapped will benefit everyone concerned.

So why do some individuals and businesses and municipalities seem to draw the line when it comes to helping the mentally retarded?

Perhaps because retardation is frightening to many of us. Perhaps because many of us are geared to help those who are physically unable to do certain things for themselves but when it comes to a situation involving the mind, well . . .

Mental retardation may be caused in various ways, and there are varying degrees of retardation. But just because a person is retarded, that doesn't mean he or she can't function in our society and learn to care and provide for himself just as every non-retarded person must grow and learn to care and provide for himself.

Saturday's made-for-TV movie, "No Other Love," brought that message across loudly and clearly. It told the story of a man and woman in their early 20's. Both were mentally retarded, but both lived at a hostel that provides a home, love and encouragement for such retarded individuals.

The principals in the movie, played by Julie Kavner and Richard Thomas, did what thousands of retarded adults are doing all across the United States: They lived in a hostel, worked at jobs that they could do, earned regular paychecks, bought their own clothes, traveled through the city on buses, visited their own doctors, took care of their own needs and, in general, acted pretty much like non-retarded adults.

The difference in the story was this: They fell in love and wanted to get married.

The story showed that such situations can be handled well—even to the point at which the young man explained to the young woman's parents the manner in which he had thought out how they would support themselves and how they would deal with the matter of family planning.

It would be to everyone's advantage—especially residents of communities that are experiencing the initial discussions about the founding of such hostels—if they could be able to see "No Other Love."

Granted, not every hostel will have the same people as the movie, and things might not always go as smoothly—especially at first. But it is more likely than not that the outcome of such hostels being built will be more like that shown in the movie and less like those expressed by the worst fears of those who oppose the hostels.

The mentally retarded need, want and deserve our understanding and our encouragement. In the long run, everyone will benefit from that.●

THE MOON AND BEYOND: ACHIEVEMENTS IN SPACE SHOW A COURSE TO SOLVE NATIONAL PROBLEMS

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. FLIPPO. Mr. Speaker, a decade ago man stepped foot on the Moon and a new era began. From that vantage point man looked back toward Earth and all mankind could feel that anything was possible. We had conquered a new frontier by reaching the goal which was set by President John F. Kennedy in 1961.

Our Nation's space program responded to the challenge, overcame the obstacles and went beyond the horizon to heights of achievement which were only dreams before. The United States had a goal to reach and with the spirit and genius of our people we were able to attain it.

The Apollo program put a man on the Moon. This ranks as not only one of the great accomplishments of our young Nation, but as a triumph in the history of man. The men and women who contributed to the effort of the National Aeronautics and Space Administration not only helped us reach the Moon, but they expanded our abilities in many fields of endeavor through the many scientific and technical advances which were made.

The Apollo program was a great example of the capability of this Nation to accomplish worthwhile goals by working together. It represented the best instincts of our people by combining cooperation and competitiveness to reach the Moon. The Apollo program accomplished even more by broadening our understanding of this world and beyond, and by expanding our technology base to cope with the problems of today and the future.

The United States harnessed the full capacity of our people toward a peaceful end. Nations have been mobilized for war many times before and the designs of man have been used to attack and defend territories. The space program went beyond these boundaries to a new frontier. We would reach the Moon, and the science and technology developed through the space program would benefit mankind.

We would not have been able to reach for the stars without a team which combined the best minds, talents, ambition, and optimism. Their efforts required vision and perseverance to make a reality out of a dream which had existed throughout the history of man on this planet. We needed men and women who could supply the imagination and the understanding of what the American space program could do. It took giants like Robert Goddard and Wernher von Braun to show the potential of their inventiveness beyond earthbound battles. We should remember the lonely times when these pioneers stood alone in their belief that the impossible was possible and practical. It would be a difficult task to free us from beliefs and attitudes which had strapped nations earthbound in the mud of sluggish thinking and the dust of old ideas.

The minds and talents of the National Aeronautics and Space Administration would challenge us while they were meeting difficult challenges. The NASA team showed that our Nation, its Government, its industry, and our people can work together to achieve necessary tasks, meet difficult problems and find solutions which provide answers.

It took the work of thousands of Americans to make America's space program successful. It would require the participation of the many Alabamians at NASA's Marshall Space Flight Center in Huntsville, Ala. The Nation turned to the scientists and engineers in Huntsville for important answers as we turned toward space. The groundwork which had been accomplished at Redstone Arsenal would permit us to move into the rocket age. The intense efforts over 6 years at the Marshall Space Flight Center would meet strict deadlines and solve problems never met before by scientists and engineers. Their success has been demonstrated time and time again, but never more clearly than when on a day in July 1969 the Saturn V rocket thundered off the launching pad at Cape Kennedy and took man to the Moon. The work directed at Marshall Space Flight Center would provide 13 Saturn launch vehicles which would launch men and scientific equipment into space without a failure. These Alabamians and others of the NASA team throughout the Nation were equal to a tremendous task and helped us take a giant step for mankind when Neil Armstrong took that "one small step."

It has been 10 years since man landed on the Moon. This milestone in the history of mankind was an achievement of significance which brought together the genius of our people and an indomitable spirit. Our will and capabilities were tested to their limits and the advancements in science and technology brought a meaningful measure of progress to our understanding and abilities to deal with the human condition on this planet Earth.

In the decade since the Moon landing our sense of hope and our confidence that we can solve problems which face us seems to have diminished. We have suffered setbacks in advancing toward our objectives of material well-being and a better life for peoples of all nations. The pursuit of prosperity and the desire for advances in the technology necessary to improve the condition of every nation seems frustrated by economic problems and shortages of natural resources.

We still look for answers, but the sense of hope which surrounded the great adventure of reaching the Moon is gone. We seem to have lost some of the will which is necessary to accept challenges readily.

We have squandered many opportunities to move ahead by relying on the conventional wisdoms of the past and the safe bets. The short-term solution is the direction our national policy follows. The quick-fix is the standard procedure for government and industry. The people seem to demand immediate satisfaction and our national priorities follow.

Nowhere is this clearer than in the sphere of decisions on a national energy policy. We have resorted to policies which only serve to allocate scarce supplies and do not provide the answers for our future and the next generation. We make decisions without having had adequate investigation of the alternatives and without a full understanding of their implications. Our people and others around the world suffer from this lack of leadership through a dependency on expensive and scarce supplies, a lowering of their standard of living, and threats to both the health and safety of people and dangers to the environment which are the result of energy decisions which have been made to take care of the present.

The abilities we possess to become the master of our destiny have been ignored. The technology which we bought and paid for through the space program stays on the shelf when we should mobilize the space program to utilize this great reservoir of talent and knowledge toward solving our energy problems.

One area where answers and approaches are needed is that of alternative energy sources. We cannot continue to rely on fossil fuels which are finite and someday will run out. We need to reach a better understanding of both the perils and promise of nuclear energy. The energy program of the United States needs to be balanced by not only looking at these energy supplies we now depend on but at those sources which offer a future.

Solar energy is the great opportunity for our Nation to meet the energy needs of this whole planet. It is an infinite resource while human life still exists on Earth. We must explore the means to utilize this bounteous energy resource.

The space program has provided us with the technology to make use of solar power. No scientific breakthroughs are needed to embark on an ambitious program to examine the environmental and technological feasibility of both ground-based and space-based solar power. It is essential that our energy policy recognize the potential of solar power and move us closer to the day when we can turn to the Sun as an answer to our needs. Power from space-utilizing satellites offers the promise of providing enormous supplies of electrical energy to make us less dependent on other energy sources and to supply the growing needs of this country and the world.

The space program has accomplished much and the perspective of one decade after reaching the Moon permits us to reach a greater understanding of the implications of technology. Technology is only a tool, it is not inherently good or bad; these judgments can only be made about its uses or those who use it. I believe it is time for us to use the technology which we have and which can be developed to meet our pressing needs. It is this spirit which has brought many positive benefits to mankind.

In space, the United States and the Soviet Union have had one of their only opportunities to participate in worthwhile competition and cooperation. The technology the space program has fostered is capable of not only changing the quality of life but has made life possible where it may not have been. Computers are more highly sophisticated and of greater benefit, because of advances made in the space program. Today satellite systems aid in the prediction of agriculture yield and drought worldwide, giving us the ability to get food and raw materials where they are needed. We have advanced fabrics, packaging and timekeeping devices, which are among the many items developed for space which are now found in every home. Communications systems made possible by space technology represent the most dependable in our history and help avert war that could be caused by misunderstanding.

The space program has captured our imagination and allowed us to reach much further for solutions to seemingly hopeless problems. It has also reminded us of the limits of our knowledge, and, as with Skylab, our obligation to see that all technology is used in a responsible manner with attention being paid to possible consequences.

Science is a resource we are developing to assure the continued existence of our own planet and its peoples. The space program has allowed us to look at the face of the Earth and learn about weather, crops and natural resources. We can communicate better, we have many tangible advantages for industry, and we have seen many developments which have improved the health of many. But more important, through our science and technology we can seek solutions to our problems and find answers which will sustain and fulfill us. Through our accomplishments in space we see that we can dream again and have confidence in our own abilities.

This is the lesson we need to learn as we take our tentative steps beyond the fear and cynicism of mankind's past, and enter a new era of the exploration of the possibilities which began as we reached out from the confines of this planet and touched the Moon.●

MR. CARTER'S SUMMER CLEARANCE SALE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. ASHBROOK. Mr. Speaker, the reports of the entire Cabinet and senior White House staff resigning present a great opportunity to get this Nation moving again. I am hard-pressed to think of any other group of individuals who have done so much damage to this Nation in such a short period of time except maybe the Japanese Zero pilots who flew over Pearl Harbor.

To think that this group has been in power for 2½ years shows how tolerant this Nation can be. It is truly unfortunate that the resignations were not tendered to the Nation instead of the President, for I think the decision about who to rehire would be dispatched with quickness. There is not one on the list of 34 that this Nation would miss if they vanished from this capital today.

The latest poll results showing Mr. Carter lower in popularity than even President Nixon on the eve of his resignation shows that this Nation is united in its view that the crime of incompetence is as serious as the crimes of Watergate as it relates to the general well-being of this Nation.

The list of resignations reads like a memorial plaque to a disaster at sea. In this case the ship of state, captained by Mr. Carter, was torpedoed by each name as their various outrages on this Nation came to light:

Brock Adams: Secretary Adams has been instrumental in driving up future auto prices. The unnecessary and possibly dangerous air bags for cars were resurrected by Mr. Adams to plague American drivers and consumers for years to come. He has also overseen the cutback in Amtrak at the same time the President has called for more efficient modes of travel.

Cecil D. Andrus: One of the worst long-term decisions made by the Carter administration, and there is a crowded field of contenders, has to be the locking away of millions of acres of natural resources and potential energy supplies in Alaska. This move to placate narrow-based environmental groups, whose well-heeled constituency can afford the thousands of dollars to backpack into out-of-the-way wilderness, was so out of step with the energy realities of this Nation that even organized labor broke ranks with the administration. Thankfully the Senate still has a chance to put an end to this flight of folly, but I am sure Mr. Andrus will do all he can to try to dupe them into going along.

Griffin B. Bell: On a whole, Mr. Bell is the least embarrassing of the Carter rabble. However, his handling of the Marston case and his silence on the antics of Patricia Wald show that he too can rise to the levels of gross incompetence that the administration has taken to new heights—or lows. He has also been disturbingly silent on the decline and collapse of our intelligence efforts and of the FBI's capabilities to solve or prevent serious crime. In this case the silence is not golden, it is ominous.

Bob Bergland: If you ask any farmer in this country who is public enemy No. 1 to American agriculture the odds on favorite for the title would be Mr. Bergland. During his tenure he has succeeded in alienating a major productive sector of our society. He also has the dubious honor of unleashing Mrs. Carol Tucker Foreman. Mrs. Foreman has established a solid record of how to demogogue on food issues at the same time as she is cutting sordid backroom deals with former cronies. American agriculture is in a sorry state of affairs and a lot of the blame falls squarely on Washington, D.C., and Mr. Bergland.

W. Michael Blumenthal: Anyone who values freedom knows that it was the Treasury Department that launched a major invasion, via the BATF regulatory process, into the lives of American citizens. If it were not for the alertness of gunowners and certain Members of Congress we would now have computerized lists of honest individuals on file next to those of hardened criminals. The police state of 1984 came close to being implemented, but thankfully sanity won the day.

Harold Brown: The SALT II debate is still in its beginning stages, but already Secretary Brown has shown that he can appease just as well as any other Carter adviser. In his opening remarks before the Senate Foreign Relations Committee the Secretary displayed an uncommon ability to down-play America's weakness and the Soviet's strengths. His presentation on how wonderful SALT II is should win an acting award, because I hope for the sake of this Nation that he did not really believe what he was saying.

Joseph A. Califano: As czar of welfare Mr. Califano has proven that he has as much a flair for waste as his Department. From the grandiose birthday party to celebrate the fact that we still have HEW to the expensive special assistants who only cook snacks he has added his own chapter on what is bad about the Federal Government.

Patricia Harris: The sprawling mass of HUD is a tough job for anyone to take on, and I do not envy Mrs. Harris' task. However, she has shown an ongoing inability to get on top of that job and instead excelled in such items as spending thousands of dollars on perks that outdo even some on this hill.

Juanita Kreps: One of the cornerstones to the "America last" foreign policy of the Carter administration, is the trade policies that have been implemented by Mrs. Kreps. From most-favored-nation status for our Communist antagonists in China and elsewhere to the gleeful transfer of American technology abroad, she has led the move to change the name of Uncle Sam to "Uncle Sucker" in the eyes of the world.

Ray Marshall: The Department of Labor has always been a major cause for frustration and anxiety among small businessmen. Under Mr. Marshall the headaches of OSHA remained intact and were added to by new efforts on toxins. The affronts to the taxpayers caused by CETA were found in ever-increased quantities. I can hardly wait for the next round of outrages once Humphrey-Hawkins is in full swing.

James R. Schlesinger: Mr. Schlesinger has become the primary scapegoat of the Carter administration. While there is plenty of blame to spread to every Cabinet member, the gas lines of 1979 have focused in on the failures of DOE. Much of this blame is justified. The DOE has managed to make a bad situation worse. This is quite an accomplishment considering how bad things were before Schlesinger and company began operating. In the crucial Mexican oil negotiations they were able to sink a private deal already worked out between the United States and Mexico and put in its place a deadlocked bargaining session which has already doubled the proposed price for natural gas and brought the explosive illegal alien issue into the process. This and other antics have put the Nation down the drain for some time with maybe a recession thrown in for good measure.

Robert Strauss: The political wizard who rebuilt the post-McGovern Democratic Party has not had as much luck in the post-inaugural White House. He has shown a propensity to aid Mr. Carter in getting the worst deal for America we can possibly force on our friends and foes. With mounting trade deficits and with the prospects for more technology transfers to Communist nations becoming reality I wish he was back doing fundraising telethons instead of sell-out marathons.

Cyrus Vance: The string of disasters that have followed Mr. Vance's efforts in foreign affairs is more than just an embarassment to America, it is a tragedy of epic proportions for all who hope for a world free from Communist tyranny. Friends who plead for just a phone call are turned away, as former President Somoza was just a few days ago. Even a condemned prisoner gets one last phone call. But if the call was from a Communist leader, or from some major antagonist like Castro or Arafat, there is no doubt in my mind that Mr. Vance and Mr. Carter would bend over backwards to take the call and pay for it as well. It is enough to make an American ashamed to associate with anyone in Washington, D.C., since this Government has ceased to do anything that can even vaguely be considered in favor of American interests, or those of any freedom-loving people.

Andrew Young: I have saved the best for last. Mr. Young has done more than any other American official to earn a place of honor in the Kremlin wall. He can take his place next to the only other American buried in the wall, the author of "Ten Days that Shook the World," a book in honor of Lenin. The activities of Andrew Young defy description. I am constantly astounded at his ability to find new ways to appease our enemies and appall our friends. I am disappointed that he has not called for the Sandinista junta to be proclaimed the new apostles of freedom and demand their immediate canonization, but it is still early in the week.

The Carter staff. There is much that can be said about the hired hacks and flimflam men that surround the President. Gerald Rafshoon has added a new word to the language, "Rafshooning" that means the creation of 2 weeks of pro-Carter editorials in the New York Times and Washington Post before something hits the fan. Hamilton Jordan has immortalized the pyramids and ammeretto. Jody Powell has created nostalgia for the candor of Ron Ziegler, Zbigniew Brezinski gave us the Teng road show and the newest betrayal of Taiwan. Finally, Stuart E. Eizenstat has masterminded the breaking of most of the promises Mr. Carter made to get elected.

These people, along with the others on the resignation list, make a sorry lot. They are the bill of goods this Nation has been sold for the last 2½ years. The only name not on the list is that of the President himself. If the voters display some wisdom in 1980 this summer clearance will hopefully turn into a going out of business sale.●

REMARKS OF PROFESSOR LINO A. GRAGLIA ON THE CONSTITUTIONAL AMENDMENT TO PRESERVE THE NEIGHBORHOOD SCHOOL

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. MOTTL. Mr. Speaker, on Tuesday, July 24, 1979, the House will vote on whether to discharge House Joint Resolution 74, a bill to preserve the neighborhood school.

I would like to bring to the attention of my colleagues a memorandum by Lino A. Graglia, Professor of Law at the University of Texas. I feel that Professor Graglia's comments are very informative and timely. I urge my colleagues to give this distinguished gentleman's views their serious consideration.

The memorandum follows:

THE UNIVERSITY OF TEXAS AT AUSTIN,
Austin, Tex.

To: Congressman Ronald M. Mottl.
From Lino A. Graglia, professor of law.
Re: Need and propriety of a constitutional amendment prohibiting compulsory busing seeking to increase school racial integration or "balance."

Opposition to a constitutional amendment prohibiting compulsory busing to attempt to increase school racial integration or "balance" seems to have focused, not on a challenge to the objective of the amendment, on an attempt to defend racial busing, but on the claim that such an amendment would somehow be objectionable "in principle." Because compulsory racial busing is now known to be indefensible, the attractiveness of this approach to opponents of the amendment is easy to understand; in my opinion, however, the proposed amendment is fully consistent with constitutional principle as well as supported by urgent need.

It should be noted, preliminarily, that the attempted dichotomy between the objectives of the amendment and considerations of constitutional principle is itself questionable. We may be sure that what is urgently necessary for the well-being of the nation is not opposed by any valid constitutional principle. If for no other reason than that it is self-defeating—serving to increase rather than to lessen racial separation and racial tension—compulsory racial busing is a suicidal social policy, and as Justice Robert Jackson once reminded us, "the Constitution is not a suicide pact."

A constitutional amendment designed to terminate this judge-created suicidal policy—the attempt to compel increased school racial integration or balance by the exclusion of children from their neighborhood schools because of their race—is no more assailable on grounds of principle than it is on its merits. Far from being inconsistent with any recognized constitutional principle, the amendment is based upon and would constitute a much-needed reaffirmation of some of our most basic constitutional principles: the principle, for example, that government should not discriminate on the basis of race, and the principle that government should not unnecessarily interfere with parental control of the lives and education of their children.

It is not useful or indeed possible to consider the propriety of the proposed amendment without explicit recognition of exactly what the judicially-imposed racial busing requirement really means. It means, first of all, that officials of government are not only constitutionally permitted but are constitutionally required to investigate and ascertain the race of school children and to require that children be excluded from their neighborhood schools and transported to more distant schools because of their race in order that certain racial proportions may be achieved in the schools, in order, that is, that the schools may be made more racially mixed than are the neighborhoods in which the children live. It is difficult indeed to see how a prohibition of this requirement can be said to be a violation of any constitutional principle. It is, on the contrary, plainly an enforcement of the basic constitutional principle, laid down by the Supreme Court in its 1954 and 1955 decisions in *Brown* v. *Board of Education* and adopted by the Congress and the President in the 1964 Civil Rights Act, that no government official may exclude any individual from any school because of his race, or indeed, discriminate against the individual in any way on racial grounds.

School racial busing also means the use of individuals as pawns in a racial experiment—and an experiment that we now know cannot be made to work. As Justice Powell pointed out in the Keyes case in 1973 (413 U.S. 247–48):

"Any child, white or black, who is compelled to leave his neighborhood and spend significant time each day being transported to a distant school suffers an impairment of his liberty and his privacy. Not long ago, James B. Conant wrote that '[a]t the elementary school level the issue seems clear. To send young children day after day to distant schools by bus seems out of the question.' A community may well conclude that the portion of a child's day spent on a bus might be used more creatively in a classroom, playground, or in some other extracurricular school activity. . . ."

Time and space do not permit a detailed exposition of the practical effects of racial busing. Very briefly, racial busing means the expenditure of enormous amounts of money, time and effort (and, it may be worth mentioning today, although the point is relatively minor, gasoline) in transportation that could otherwise be used for education. As Justice Powell noted in Keyes, "At a time when public education generally is suffering serious financial malnutrition, the economic burdens of such transportation can be severe, requiring both initial capital outlays and annual operating costs in the millions of dollars." (413 U.S. 248).

Compulsory integration orders have also meant the loss of hundreds of millions of dollars through the closing of usable school facilities and the construction of other facilities in an attempt to minimize the amount of busing that would otherwise be required. Racial busing has meant staggered school opening and closing times, interference with or preventing of extra-curricular school activities, and the loss of the safety, security and comfort that come from nearness to home.

Perhaps most important, school racial busing has meant the lessening or loss of parental participation in and supervision over the operation of public schools and a consequent loss of neighborhood cohesion and sense of community. To quote Justice Powell again (413 U.S. 246):

"The neighborhood school does provide greater ease of parental and student access and convenience, as well as greater economy of public administration. These are obvious and distinct advantages, but the legitimacy of the neighborhood concept rests on more basic grounds.

Neighborhood school systems, neutrally administered, reflect the deeply felt desire of citizens for a sense of community in their public education. Public schools have been a traditional source of strength to our Nation, and that strength may derive in part from the identification of many schools with the personal features of the surrounding neighborhood. Community support, interest, and dedication to public schools may well run higher with a neighborhood attendance pattern: distance may encourage disinterest."

The forced abandonment of neighborhood schools, Nathan Glazer has written,

"Clearly . . . is one way of reducing the influence of people over their own environment and their own fate. I believe indeed that the worse effect of the current crisis is that people already reduced to frustration by their inability to affect a complex society and a government moving in ways many of them find incomprehensible and undesirable, must now see one of the last areas of local influence taken from them in order to achieve a single goal, that of racial balance."

What is it, on the other hand, that is gained from compulsory racial busing to compensate, at least in part, for these extraordinary losses? The answer, unfortunately, seems to be nothing or less than nothing. The basic reason for the move by the courts in the 1960s from Brown's prohibition of segregation and all racial discrimination by government to a requirement of integration (never openly identified or admitted as such), even though it meant requiring racial discrimination by government, was the belief or hope by some judges and educators that the creation of majority-white schools was essential to providing blacks with equal opportunity and, thereby, improving academic achievement by blacks.

The provision of equal educational opportunity for blacks, the freeing of blacks from the practice and the effects of racial discrimination, and the full integration of blacks into the mainstream of American society are, in my opinion, goals the achievement of which are worth almost any cost in money and in sacrifice of other interests. The evil of compulsory racial busing is not that these goals are not most worthy but that busing does not advance them and in fact defeats them.

It seems to be now generally agreed by most qualified authorities on the issue that compulsory school racial integration—of which busing is the essential means—does not increase anyone's educational opportunity or achievement. (Please see my book "Disaster By Decree," 1976, for a fuller discussion and citation of authorities on this and other points made in this memorandum.) Nor does the attempt to compel school racial integration by busing seem to lead to a lessening of interracial animosity or increase in interracial acceptance and respect. Indeed, it may well be that racial busing is today the single greatest breeder of interracial hostility.

Whatever might be the value of increasing school racial integration if it could in fact actually be increased by compulsory busing, the crucial and dispositive fact on the busing issue is that busing is not only ineffective for this purpose but is typically counterproductive. The lengthy and almost unbelievable debate on whether compulsory busing causes "white flight" (more accurately, middle-class flight) from school systems subject to such busing seems finally to have ended. What always seemed obvious to most observers now seems to be conceded by virtually all: compulsory racial busing does indeed cause or greatly accelerate the exodus of the predominantly white middle-class from school systems, particularly in large urban areas where the great majority of blacks now live. The school systems of nearly all of our largest cities are today majority or overwhelmingly black, and this is due, at least in large part, to court-imposed attempts to increase school racial integration by busing.

I must emphasize and re-emphasize that the attempt to compel increased school racial integration by busing not only generally fails actually to increase integration in the schools but actually results in greater racial separation not only in the schools but elsewhere. Few things can be said to be certain, but a policy that is demonstrably self-defeating even in terms of its immediate objective—in this case, an increase in school racial integration—is certainly mistaken.

To understand what the attempt to compel increased school racial integration by busing means in practice is to understand that it is simply an indefensible social policy. It divides the vast majority of the American people from their government, destroys their faith in the wisdom, responsibility, and accountability of their government, and increases rather than lessens racial separation and hostility. It is a policy that was imposed on the country by the judiciary and that could not have come to be adopted in any other way. Further, it was imposed by the judiciary by a clear abuse of authority, by, for example, defying the will of Congress expressed in the 1964 Civil Rights Act which explicitly and repeatedly provides that it was not to be used as a means of requiring busing and school racial balance.

Because of institutional considerations and the almost even split among the justices of the Supreme Court, the judiciary seems unable to extricate itself and the country from this irrational and destructive policy. The people of this country are literally crying out for relief from their elected representatives. The need for action by the Congress, therefore, could hardly be greater or clearer.

It is not surprising, as already noted, that opponents of the proposed amendment should not undertake to defend compulsory racial busing but argue, instead, that the amendment is objectionable "in principle." Their stated objections, however, are clearly without substance or merit. It has been argued, for example, that the amendment would write a "detailed social policy preference" into the constitution.

The nature and basis of this objection is far from clear; most, if not all, constitutional provisions and amendments might be said to express such a preference. The most recent amendment, for example, expresses the "detailed social policy preference" that persons be allowed to vote beginning at the age of 18; the Sixteenth Amendment expresses the "detailed social policy preference" that the federal government be allowed to tax all personal income, and so on. The proposed amendment is not particularly complex or detailed, and seen in full context, clearly expresses only the "social policy preference" that the Supreme Court expressed in the Brown decision: that children should be assigned to school on the basis of nearness and convenience rather than on the basis of race.

It is clear, therefore, that the further objection that the amendment would somehow be inconsistent with or undermine the principle of the Brown decision has the matter exactly backwards. The principle of the Brown decision, which was adopted, extended and made effective by the 1964 Civil Rights Act, is that racial discrimination by government in the assignment of children to school, and indeed in all areas, is impermissible. "[T]he fundamental principle", the Supreme Court explicitly stated, is "that racial discrimination in public education is unconstitutional." (349 U.S. 298). It is compulsory racial busing, the exclusion of children from their neighborhood schools because of their race, that is plainly inconsistent with the principle of Brown, and the attempt to defend racial busing as required by or somehow following from the Brown decision is nothing more than a necessary smokescreen. The proposed amendment would constitute a clear reaffirmation and reestablishment of the principle of Brown. It would also reassert the integrity and authority of Congress in enacting the 1964 Civil Rights Act.

Finally, the asserted objection that the proposed amendment would interfere or permit interference with state and local autonomy seems little more than a desperate attempt to convert a primary value of the amendment into a defect, hardly meriting detailed response. I take it that there is no member of Congress who is not aware that the most massive, thorough-going, and detailed federal interference with state and local authority taking place in this country today is precisely the result of federal court racial busing orders. As Justice Rehnquist pointed out in his Keyes dissent, the effect of such orders is to put school districts into "what is in practice a federal receivership." (413 U.S. 257). I also take it that no member of Congress has any doubt that the clear and sole purpose of the amendment is, and its only effect would be, to remove the stranglehold federal courts now have over state and local governments as a result of those courts' futile attempt to compel school racial balance by busing.

As important as the proposed amendment would be in preventing our federal courts from inflicting further massive injury on the nation's public school systems and cities, it would be even more important, in my opinion, as a reassertion of the right of the people, acting through their elected representatives, to have the last word on basic questions of social policy. Nothing is more needed today for a restoration of the political and social health of this country—for a return to the national self-confidence and unity that our President has so eloquently urged—than effective reassertion and demonstration that ours continues to be a government by the people.●

SOCIAL SECURITY ACT PROPOSED CHANGES

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. JOHN L. BURTON. Mr. Speaker, today I am introducing a bill to correct nine provisions of the Social Security Act which treat people differently solely on the basis of their sex. While these provisions are of a technical nature, they substantially hurt those affected. I believe my bill is a long-neglected first step toward a legislative remedy of the overt gender-based discrimination in social security.

Two of my colleagues, Mr. GREEN of New York—who is a distinguished member of my Subcommittee on Retirement Income and Employment—and Mr. FRENZEL of Minnesota, have introduced H.R. 2650 and H.R. 1851 respectively which, among other things, contain provisions similar to the bill I am proposing. However, my bill differs from theirs because it is a specialized bill with the sole purpose of ending the overt sex-based discrimination in current law.

We need to recognize that times have changed since social security was first enacted in 1935. We no longer have the

1930's experience of the typical family structure where the father worked and the mother stayed home with the children. We must now proceed with a new social security law which recognizes the multitude of family and individual life styles which now exist.

In addition to correcting the very real problems of those who suffer under an unfair law, I believe there are two other very important reasons why we should pass this bill. First, I believe that in this age of ERA, Congress has a duty to eliminate sex discrimination in its laws, especially in its biggest income transfer program.

While there has been much discussion—including hearings before my Retirement Income Subcommittee—on the disadvantages facing women under social security, little attention has been paid to the provisions which unfairly treat men. My bill corrects the overt sex discrimination in the social security system not only for women, but also for men. In fact, five of the nine provisions of this bill correct unequal treatment of men.

The second reason I believe that my bill should be enacted is that, by our delay in dealing with the problem, we have left the courts to grapple with it in a piecemeal way. For example, in 1975 the Supreme Court ruled in the case of Weinberger against Wiesenfeld that since mothers of young children could receive benefits if their husbands died, a man could likewise receive such benefits if his wife died. But this ruling actually struck down only one-third of the inequity in the law since a father, unlike a mother, cannot receive benefits if his wife is disabled or retired and there are young children. It has been 4 years since the Wiesenfeld decision but no one has succeeded in taking the logical step to correct the other two-thirds of this inequity. I do not believe we should force our constituents to go to court to get what is rightfully theirs. The bill I am introducing would insure that they would not have to.

In closing, I would like to emphasize that it is well past time for us to move on the important issue of sex discrimination in social security. I think the passage of my bill will give the country the signal that the Congress is ready to act to make social security a more equitable program.

Now, Mr. Speaker, I would like to submit for the RECORD a summary of the provisions of the bill I am introducing. The first five provisions correct inequities to men. The last four resolve inequities to women.

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DIVORCED HUSBANDS BENEFITS

Section 101 would equalize the treatment of divorced spouses. Under current law a divorced woman can qualify for benefits on a former husband's record at 62, or at age 60 if her former husband is deceased, or as early as age 50 if she is a disabled widow. A divorced man, however, can qualify only when he reaches age 62 and his former wife is still living. This provision would make the eligibility criteria for men the same as those for women.

HEW has estimated that this will affect about 500 men and cost approximately one million dollars a year for the first five years. The long term program and administrative costs will be negligible.

FATHER'S BENEFITS

Section 102, which would equalize the treatment of spouses who care for young children, has the broadest impact of any of the provisions. Currently a mother who cares for young children can receive benefits for herself and her child if her husband (or former husband) is deceased or is receiving either disability or retirement benefits. But a father can receive benefits only if his wife (or former wife) is deceased. This provision would extend benefits to fathers who care for the young children of disabled or retired women.

HEW has estimated that approximately 2,000 men could become entitled to benefits under this provision. The projected cost of this proposal averages about $3 million a year for the first five years.

REMARRIAGE OF SURVIVING SPOUSE BEFORE AGE 60

Section 103 would equalize the effect of remarriage on a widow and widower. Currently a widow can qualify for benefits on a deceased husband's record as long as she is unmarried, regardless of whether she remarried after her husband's death. A widower, however, forever loses his right to benefits on his deceased wife's record if he remarries before age 60. This provision would permit widowers to qualify for benefits on the same basis as widows.

CREDIT FOR MILITARY SERVICE

Section 104 would extend to widowers a provision which now allows widows, under certain circumstances, to waive the right to a civil service survivor's annuity in favor of using her deceased husband's military service work credits to qualify for, or raise the amount of, her Social Security widow's benefits.

TRANSITIONALLY INSURED BENEFITS

Section 105 would provide benefits to husbands and widowers of women born before 1895. These women could not be expected to have worked under Social Security long enough to meet the regular work requirement for eligibility but can qualify for a special transitional benefit with little or no covered work history. Currently, wives of men who qualify under this transitional clause receive a benefit on their husband's record.

EQUALIZATION OF BENEFITS UNDER SECTION 228

Section 106, the first of the bill's provisions designed to correct the inequitable treatment of women—would equalize benefits to wives in families where both husband and wife were born before 1900 and where both qualify for a transitional benefit different from the one addressed in Section 105. Presently, the monthly benefit paid to an entitled individual is $92.00. Where husband and wife each qualify on their own merits, the monthly benefit paid to the husband is $92.00 while the monthly benefit paid to the wife is $46.00 (or one-half of the benefit she would receive if she were single). My bill would provide full payment to every qualified individual regardless of sex or marital status.

The Administration proposes to equalize these payments by giving each party $69.00 (one-half of the total benefits for a couple). This is unsatisfactory because it reduces the benefits of males already on the rolls without fully correcting the discrepancy between individuals based on their sex and marital status.

Approximately 1,500 women would be affected by this proposal. The first year cost of approximately one-half million should steadily decrease since payments are made only to persons born before 1895. The effect on the Social Security Trust funds would be even more inconsequential since 98 percent of the cost of these benefits is financed by general revenues.

ILLEGITIMATE CHILDREN

Section 107 would standardize the evidentiary requirements needed to establish the relationship of an illegitimate child to either parent. There are currently two avenues of establishing paternity which cannot be used to establish maternity: the first is admission of a court decree of parental relationship; and the second allows Social Security to make its own determination based on a comprehensive review of all the evidence including the alleged parents' actions. This provision would permit these two methods to be used to establish maternity.

TREATMENT OF SELF-EMPLOYMENT INCOME

Section 108 provides for the equitable distribution of self-employment income from businesses which are operated by a married individual or couple. Currently in community property states, all income derived from a business operated by a married individual or couple is credited entirely to the social security record of the husband, unless the wife exercises essentially all management and control. All other states credit the self-employment income to the spouse who owns or is predominantly active in the business.

Section 108 would give a self-employed married couple two options for Social Security coverage. The first choice is a 50–50 split of their self-employment income up to the limit available for an individual. The second option would allow them to credit the full amount to the spouse who exercises the most management and control of the business.

The Administration's proposal does not include the earnings splitting option except where both husband and wife maintain "equal" management and control—a situation difficult to prove. The earnings splitting option is too important to be so severely limited. This is especially important in light of the recent HEW Report, Social Security and the Changing Roles of Men and Women, which seriously considers the earning sharing approach as one of the best means of removing sex bias from the Social Security law and recognizing the economic value of each member of a married couple. Therefore this limited earnings sharing proposal will not only be beneficial for the present but may also prove to be a valuable guide for future reform of the system.

EFFECT OF MARRIAGE ON CERTAIN BENEFICIARIES

Section 109 would remove the differences in the way marriage affects benefits to certain disabled beneficiaries and their spouses. These distinctions, which sometimes apply to a disabled worker, most often affect childhood disability beneficiaries. (A childhood disability beneficiary is a person of any age who is receiving benefits on a parent's record due to a disability which began before age 22.)

Normally when a dependent's or survivor's beneficiary marries another dependent's or survivor's beneficiary, there is no effect on benefits. Currently, if a male childhood disability beneficiary recovers or returns to work and his benefits are stopped, his wife's benefits will also be stopped. However, if a female childhood disability beneficiary recovers or returns to work, her husband's benefits will continue. Section 109 would eliminate these biases by stipulating that marriage between a disabled adult child and any other beneficiary (or a disabled worker and a mother beneficiary) will not affect either individual's benefits regardless of whether or not the disabled individual's benefits are later terminated. (There would be one exception: benefits would continue to be terminated in the case of marriages involving a child under age 18 or a student under age 22.)

The Administration's proposal would terminate all spouse's benefits if a disabled beneficiary recovers. This creates a disincentive to work (and to marriage) which is curious since it runs counter to the Administration's disability reform proposals which purport to provide incentives for disabled persons to return to work. The contradiction is even more puzzling because the Administration's proposals will probably affect only a few hundred beneficiaries a year and would save very little. My alternative to the Administration's proposal is preferable because it does not discourage disabled persons from working or from getting married.

CONFORMING AMENDMENTS

Section 110 contains the necessary conforming amendments.●

FREEDOM OF INFORMATION AND CONTROL OF THE MASS MEDIA

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. FASCELL. Mr. Speaker, the issues of freedom of information and control of the mass media have been extensively debated in international fora over the past few years. One of the best expressions of much of the developed world's views on this subject can be found in a speech given by Gerald Long of Reuters, Ltd. at an International Press Institute meeting in Athens on June 19, 1979.

I am sure my colleagues are interested in this important viewpoint.

The speech follows:

Statement on UNESCO at International Press Institute Meeting

I have not spoken often in the so-called UNESCO debate. I say so-called because I do not believe it is a debate. But I feel that yesterday's text particularly was so pernicious that it calls for some comment.

The subjects dealt with today are two, though they are combined in the title of the debate: "Freedom of the Press and the Protection of the Journalist." Yesterday, I think that UNESCO addressed itself to freedom of the press. I think one thing has to be said about the debate which I am afraid is not happening, and that is that the aspirations of those countries that feel they are badly reported, too little reported, that they have too little possibility of being known to the rest of the world, that those aspirations are entirely legitimate, that many of the complaints that are made are well founded, and that it is the duty of all of us to help to fulfill these aspirations. That I would accept and affirm entirely. But it must be recognized that an international flow of information is only achieved by those countries which have a very well-developed internal flow.

In other words, you cannot have repression at home and enlightenment abroad. And insofar as that is an aspiration, it is one that is doomed to failure.

It is said in a recent UNESCO working document that a certain style of information, current in the United States, is eroding the cultural identity of other countries. Those who say that leave out of account, in my opinion, two things: first, the fact that the United States, whether we like it or not, is undoubtedly the most powerful, the most influential and, therefore, the most interesting country in the world and it is natural it should be very fully reported; and secondly, the United States is that country in the world that has the largest internal flow of information. And this enormous amount of information which is flowing all the time within the United States provides the material for the external flow. I think that countries that aspire to have a good external flow of information should learn that lesson. UNESCO does not seem to me to learn it, nor to understand the nature of the situation at all, and, worse than that, UNESCO is falsifying the whole context of this debate by seeing the situation entirely in terms of power.

Information as power runs through the MacBride working document. I would like to say for myself as somebody concerned with international information, that I entirely reject the idea of information as power, that I believe that anyone working in the media, nationally or internationally, has to do that or they put themselves in the service of something which is not information and thereby corrupt the system that they should serve.

I think that one only has to look at this document to see that this is the concept with which UNESCO approaches the debate. We have the director general in 1977 saying that communication often appears as the privilege of a tightly-knit group of professionals or technocrats who hold populations at their mercy and can direct, if not manipulate, them at will.

Mr. Chairman, I submit that that is nonsense. I would be very interested to see some support given by UNESCO to the very wide-ranging and high-sounding affirmations that are made and for which no example whatsoever is adduced.

I would like the director general to tell us how the manipulation is brought about, how it works, to give us some examples of it. I know none. I know many examples where governments have attempted to manipulate the world and world events through the use, or rather the abuse, of information. That is something that happens all the time.

There are outstanding examples of it that I will not quote here, but not by the media themselves. Furthermore, as far as I am concerned, and I can speak only for my own organization, the mechanism by which one would direct or manipulate is totally absent. I can manipulate nothing. And I take good care that neither can anyone else in my organization.

I think in that I act in common with my colleagues in the other few similar organizations. This idea of direction, of manipulation of information, by the major international news organizations, is created by UNESCO for UNESCO's own purposes.

Purposes which appear to me extremely suspect. Let me say immediately what I think those purposes are. If you wish power to be organized, power to be transmitted, power to be handed over, that power must exist. It therefore has to be suggested that this power exists in the world in order that it may be regulated and directed, one has to suppose by UNESCO. UNESCO seems to me to have a rage to regulate. In this I am afraid I cannot agree with my friend Harry Evans because Mr. MacBride seems to me in this a true servant of UNESCO in that in everything I have seen from him there is always a desire to regulate.

I am afraid that in the matter of the protection of journalists I see under the hem of the cassock of protection the cloven hoof of regimentation.

I am afraid that this is the true nature of the suggestion: that journalism should be regulated. As soon as journalists are given a special status they become subject to regulation.

Harry Evans has said, and it is entirely my view, that journalists should seek no privilege that is not held by ordinary citizens. In looking at the question of the protection of journalists, and you will imagine how seriously I take it because I am in the last resort responsible for the lives and safety of a large number of international journalists, I do not deal lightly with the suggestions that are made.

If I reject them, it is because I think they are quite useless and because they conceal other intentions than those that are apparent. I would ask that in looking at the protection of journalists, one looks at what actually happens to journalists in situations of danger.

One of the weaknesses of UNESCO, it seems to me, is that it works entirely from the general towards the particular, that it makes general assertions without any basis whatsoever and then deduces particular conclusions from those totally unsupported and very often totally false assertions.

Can I suggest quite modestly that we should look at situations in which journalists are killed, imprisoned or otherwise ill-treated, and consider on the basis of those examples what can be done. The sort of thing that happens, as I know from my own unhappy experience, is that a jeep full of journalists goes the wrong way in territory held by insurgents and is confronted by a road block.

They shout the only word most of the journalists know in the local language, the word for "press." A machine gun opens fire and they are all dead. It would be interesting to know how protection could be organized for them in such circumstances.

Likewise, to organize protection against harassment would be highly desirable, but in my opinion impossible on the basis of international agreements. Mr. MacBride has demonstrated to us that he does not like the concentration of media ownership in capitalist countries. Concentration of ownership and the control of media in the newly independent countries of the world is more or less an inevitability since they had no system of varied sources of information when they came into existence.

It is illusory to think that journalists in any of those countries, old or new, can be protected effectively against their own government, except by the organization of opinion by journalists themselves.

I must say that I am also tired, although it is a lesser point, of finding in UNESCO's documents the rewarmed porridge of the schools of sociology about one-way communication, about the necessity for people to give out signals as well as to receive them—one-way communication. One-way communication happens of course when you read a book. When you read a book you can write to the author: that then becomes two-way communication. You run into some difficulty if you happen to be reading Plato.

One wonders where books are in the broad general terms used by UNESCO about information which is then quantified into eight percent of this and 25 percent of that.

I do not wish to speak too much pro domo, but nevertheless I direct one of the organizations that is often criticized in this so-called debate.

I would suggest to you that we are criticized for not doing those things that we have never set out to do, cannot do, cannot reasonably be asked to do. It is said here for example that we devote too little time to the study of the problems of the Third World.

The term Third World itself, of course, has no definition, can have no definition, and is not a useful term. The judgment quoted shows a total misunderstanding of what news is. News is the search for truth in events and cannot be concerned with the study of problems. Other parts of the media do that. We do not.

I suggest that we are criticized for things we cannot do as part of the program to suggest that power exists which then must be reorganized or, as I would see it, usurped. I would claim, for my part, that there is in these organizations, or at least in mine, others must speak for themselves, no such power. Nor do we seek any such power. Far from it. We reject it.

In my opinion, UNESCO disqualifies itself on the basis of total misunderstanding from any claim to direct this debate.●

WIRETAP WARRANT LEGISLATION

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. WEISS. Mr. Speaker, the right to privacy in one's own home is one of the most fundamental human rights. Until April 18 of this year this right was basically protected under the fourth amendment. On that day, in an unprecedented decision, the Supreme Court ruled that the Government need no longer justify each successive invasion of privacy. Specifically, the Court ruled that the Government need no longer explicitly obtain permission for the right to break and enter in order to implant a previously authorized wiretap, on the basis that the right to enter the home is implicit in the original wiretap order.

This ruling runs directly counter to the original intent of the fourth amendment. As Justice Brennan said in his dissent:

> Breaking and entering into private premises for the purpose of planting a bug cannot be characterized as a mere mode of warrant execution to be left to the discretion of the executing officer. The practice entails an invasion of privacy of constitutional significance distinct from that which attends nontrespassory surveillance; indeed it is tantamount to an independent search and seizure. First, rooms may be bugged without the need for surreptitious entry and physical invasion of private premises. Second, covert entry, a practice condemned long before we condemned unwarranted eavesdropping, breaches physical as well as conversational privacy. . . . Third, the practice is particularly intrusive and susceptible to abuse since it leaves naked to the hands and eyes of government agents items beyond the reach of simple eavesdropping.

It is vital to the survival of freedom in this country that each encroachment on a citizen's privacy be carefully scrutinized to insure that it constitutes the least intrusion possible under the circumstances. It should not be sufficient for the Government to prove that it needs to eavesdrop, it should also be required to prove that the only way in which it can do so is by entering the home. Without the need for this further justification, entering a private home without permission will come to appear to be an insignficant act.

In response to the need to protect our citizenry from unwarranted Government surveillance, I am today introducing a bill to amend the Omnibus Crime Control Act of 1968 to specifically require a separate warrant for breaking and entering in order to implant a wiretap. We must protect the fundamental rights upon which this country was built, and if this cannot be done through the courts, then it will have to be done through the Congress.

A copy of the bill follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2518 of title 18, United States Code, is amended by adding at the end thereof the following new matter:

"(11) Any entry of premises for the purpose of intercepting a wire or oral communication under this chapter shall be authorized by a separate order entered in the manner prescribed in this section if a search warrant would be required for such an entry made for a purpose other than such an interception. In addition to any information otherwise required for an application for an order under this section, an application under this subsection shall contain a description of the premises to be entered, and a statement of the reasons for the entry.".●

PEACE AT THE PRICE OF FREEDOM

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. BEARD of Tennessee. Mr. Speaker, earlier this year I had the pleasure to attend the Wehrkunde seminar, in Munich, Germany. Dr. Hans Appel, West Germany's Defense Minister, made a speech which disturbed me. It disturbed me, because the speech was made by the senior defense official of one of our country's most important friends and allies. In that speech Dr. Appel argued that the Soviets were guided by a policy that had at its basis the objective of maintaining stability and deterrence, that the Soviets were guided by purely defensive objectives.

In fact, as our own senior defense officials acknowledge, including Secretary of Defense Harold Brown, and the Chairman of the Joint Chiefs of Staff, Gen. David C. Jones, the Soviet Union is pursuing a military force posture that extends far beyond any reasonable requirements for purely deterrence or defense objectives. Indeed, according to our Government's assessment, the Soviet Union is attempting to acquire a "war-fighting, war-winning" capability that could have serious political, and possibly dangerous military consequences.

The differing perceptions of the Soviet threat are important, not least, because those perceptions provide the basis for policy decisions. Most recently we encountered opposition in Germany pursuant to our proposal to deploy the enhanced radiation weapon on German soil. In the future we face decisions regarding our theater nuclear force modernization programs and deployments, and we may well be considering decisions related to the MBFR negotiations; there are also many other important defense issues of mutual German (NATO)—United States interest that will be coming up.

With this as background, I think the following article by Dr. Hans Rühle, of the Konrad Adenauer Foundation, is highly informative and relevant. Dr. Rühle discusses some of the issues which may underlie the present debate in Germany concerning NATO military force modernization programs. The outcome of this internal German debate could have profound implications for U.S.-NATO policy, and for that reason I believe the following article merits the attention of my colleagues:

PEACE AT THE PRICE OF FREEDOM?

(By Hans Rühle)

(The Socialist-Liberal Federal Government has turned the priorities of Adenauer's foreign policy upside down.)

Despite the many public pronouncements that come from Bonn these days, there can be little doubt, that the political consensus which existed in the German Federal Republic through most of the World War II period has eroded, and is now a thing of the past. In particular, increasing differences can be found, subtle as they might still be, concerning the future role of the Federal Republic, its position in NATO, and its relationship between East and West. Thus, Herbert Wehner's[1] disarmament proposals, and the emergence of stale (German) reunification concepts, bear witness to a fundamental ongoing reassessment of the hierarchy of values and objectives in the Federal Republic's body politic.

In recent months, when the Socialist-Liberal[2] coalition policy in general, or the political dimensions of German Ostpolitik[3] in particular, were discussed, the name of Egon Bahr[4], and more recently that of Herbert Wehner, has been in the center of events.

Yet whatever has been brought forward—or is still about to be brought forward—against Bahr or Wehner, it will not basically change anything. Attacks on individuals are bound to miss the real target, the Socialist-Liberal coalition's foreign and security policies as such. Nor can concern with the personalities with the present Bonn Government free the CDU[5] sufficiently from its original trauma about the Government's Ostpolitik so that the party can reveal the better foreign policy alternatives which the opposition has to offer.

Freedom, peace, and unity were not only the goals of Konrad Adenauer's[6] foreign policy, formulated by the leading representatives of the CDU—and the Party Convention speech by Eugen Gerstenmaier[7] in 1954 is the best example of this—but the faithful preservation of the sequence of this triad stood for a self-evident foreign policy concept.

First and above all, Adenauer was concerned with safeguarding freedom, the most essential value of all. Territorial integrity, freedom of action in foreign policy, and freedom of domestic self-determination were necessary conditions for the existence of the country and its people and therefore were an absolute priority, which had to be defended accordingly. The consequence was the early—for many too early—entry of the Federal Republic of Germany into NATO, whereby it

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Footnotes at end of article.

was expressly stipulated that in case of aggression against the Federal Republic by foreign powers—i.e. a threat to its freedom—the Federal Republic was determined to respond with military means.

The goal of guaranteeing freedom was clearly placed before the goal of unconditionally maintaining it. Peace serves freedom: it was its highest goal. Had the sequence of fundamental political values been the reverse, this logically would have meant reacting with surrender to an enemy attack—which would have made pointless Adenauer's policy of alliance.

Adenauer saw this problem very clearly. For him peace was an important value, but only as a peace in freedom, as a deliberately qualified peace. Adenauer did not create an arbitrary scale of priorities of the fundamental political values of freedom and peace merely because of the specific circumstances of his day; he implemented the only possible basic political orientation in a democracy facing a military superpower with pretensions of worldwide domination. Any other scale of political values would have meant and would always mean the abandonment of the essence of democracy.

With the coming of the Socialist-Liberal government this basic orientation of German foreign policy has slowly but surely changed. In the course of Ostpolitik, and an Inner-German policy which was advertised as a "peace policy", with completely demagogic intentions—anybody who was against it was characterized as a warmonger—peace was raised soon to the highest ranking fundamental political value. The pertinent quotations to this effect by responsible SPD-politicians have become legion. They stretch from Brandt[8] and Bahr to Stobbe,[9] and Chancellor Helmut Schmidt, who stated on the occasion of the 30th anniversary of the end of the Second World War: "There is no higher goal in world policy than peace".

With this change in the list of priorities of fundamental political values German foreign policy was changed completely and basically. Because anyone who raised peace to the highest fundamental value could not mean peace in freedom—otherwise freedom would be higher-ranking—but must mean peace at any price. Within just a few years a policy of qualified peace had changed to a policy of unconditional peace.

Peace at any price cannot be maintained by military means, but in the last consequence and with absolute certainty only through self-disarmament, thereby depriving oneself of the possibility to act unpeacefully. In clear understanding of this context Clausewitz coined a phrase a long time ago that the guilty in war is only the defender. The attacker always prefers to make his conquest peacefully. For practical application it follows by necessity that a policy which characterizes peace as the highest fundamental value must regard armed forces as completely superfluous or has decided in advance to surrender in case of difficulties.

The explosive effect of these contexts is evident. The Socialist-Liberal coalition has, with the modification of the sequence of fundamental political priorities, not only altered the policies of Adenauer but also has adopted a concept that is irreconcilable—in principle and eventually in practice—with a democracy armed and ready to defend itself and with the active membership of the Federal Republic of Germany in the Atlantic Alliance. Here, in this fundamental analysis of possible policies for Germany the foreign policy alternative of the current opposition is clearly visible.

The bewildered or indignant objection will come at this point, claiming that all of this is pettifogging or, at best, logic which can be reduced to absurdity by the political reality. Because, after all, the Socialist-Liberal coalition emphasizes week after week its readiness for national defense, announces its loyalty to the Atlantic Alliance, and has not questioned the German contribution to NATO in terms of material and manpower since 1960. And this, in fact, is true.

This, however, does not refute the result of the preceding analysis. It would apply only if it could be said that these facts concerning security policy represent the entire policy and stand for a homogenous, accepted foreign and security policy concept. But this is not the case.

Beneath the official government level of deeds and proclamations the total peace policy shows clear effects, especially in the SPD. Is it not true that acceptance and wide circulation at the highest levels of the SPD of the concept that peace is the first priority is in itself the beginning of the end of national military defense? Is not this thesis—in which war does not even exist for the defense of freedom—only a less suspicious definition of a policy of peace at any price with all its consequences?

What is the meaning of this politically guided disarmament campaign? For a long time now, it has ceased to include as a condition of disarmament the goal of undiminished or increased security but instead presents disarmament—without consideration to what the potential enemy is doing—as the self-sufficient aim. It is presented as the goal "without alternatives", the comfortable and cheap solution to the problem of German security, to make it palatable to a grateful public. How should a policy be evaluated which on the one hand accepts grim analyses of the security situation in Europe at NATO—meetings and signs corresponding communiques, but on the other hand discredits realistic discussion of the present threat on the domestic level and tries to prevent it by proclaiming any such consideration to be contrary to detente

What political consequences are sought, when the SPD parliamentary floor leader can announce without official contradiction that the Soviet Union's military might is defensive? Such qualification not only is directed against NATO's raison d'etre but, moreover, has never been claimed by the Soviet Union itself and can therefore be regarded as objectively wrong. What does it mean when, after an obscure campaign under the auspices of the highest authority, the introduction of a weapon into NATO's arsenal is being prevented, a weapon which undeniably would have reduced the decisive military deficit of NATO?

How credible and independent is a policy which, though severely—and justly—condemning human rights violations in South America, remains silent with respect to the same violations in East European countries? What use can self-determination have for a government that no longer dares to identify the enemies of freedom and prevent their influence in public affairs? Finally, what is to be thought of a political party which has never seriously endeavored to restrict the overt pacifism and anti-Americanism in its own youth-organizations?

There is no need to fear that a policy of peace at any price linked with the abolition of the Federal Armed Forces and the withdrawal from NATO will be decreed officially. The danger is that from the overall policy of the present government—independently from the development of threats—unrealistic euphoria will arise in the course of time to which a policy of an armed defense of freedom would appear superfluous and thus possibly lose the majority of votes in its favor. What the consequences would be have been described by Kissinger in the introduction to his dissertation: "Whenever," Kissinger wrote, "the maintenance of peace—peace conceived as the avoidance of war—has been the primary goal of a state or a group of states, the fate of the international system was controlled by the most ruthless member of the international community."

To prevent the domination of the most ruthless member of the international system is our highest duty in the foreign and security policy areas. The monopolization of the peace concept by the SPD will not make this task easier in any way. The word "peace" will continue to be a club used to try to kill everything that is offered as an alternative to unconditional peace. But this and the unpopularity that is to be expected when one tries to alter the "peace policy" that endangers freedom and wants to criticize the apologists of this policy must be taken in stride. Such abuse must be tolerated at least until it is made clear to the public that there are two forms of peace policy: one which means relative peace in freedom, and another that unavoidably leads to absolute peace in fear and terror.

However, it does not suffice to make this alternative evident. It must also be shown that peace rhetoric can be a means of war in the Soviet conception of policy and that caution is called for when lip service to peace is accompanied by an arms build-up which cannot be justified by the legitimate defense interests of the Soviet Union.

Not without reason, Lenin wrote a marginal note calling "splendid" the previously mentioned remarks by Clausewitz. In 1931 Manuilskij gave a classic formulation for his strategy of peace for the fight against capitalism. "Until the attainment of complete military superiority" Manuilskij said, "we will start the most theatrical peace movement that has ever existed. There will be electrifying proposals and extraordinary concessions, the capitalist countries, stupid and decadent, will be working with pleasure at their own destruction. They will be lured by opportunities for new friendships and as soon as we see a weak point in their defense we will smash them into pieces with our clenched fist."

That there were times when even the SPD recognized this context and the essential problems of their own peace rhetoric was proved by Schumacher's[10] statements at the SPD Party Convention of September 17, 1950. Without any "ifs" or "buts", Schumacher said not only that "the peace formula as a magic formula which removes all difficulties has its intellectual roots neither in the scientific nor humanitarian teachings of Socialism", but also pointed out that "there is a kind of guided pacifism in the service of war preparation" and—even more explicitly—that "the peace formula is an essential part of the Communist war preparation and aggression."

Meanwhile, times have changed. The SPD's "peace offensive" continues apparently unabated; or at any rate until the CDU begins to raise awareness for the background values of these problems and the medium and long term practical consequences of a policy of peace at any price—at least of the Federal elite.

The sequence of the "classical" post-war value-triad—freedom, peace, unity—is currently being rearranged by the German Social Democracy not only with regard to the first two values. Moreover, it is becoming increasingly evident that the collision of the basic values freedom and unity will be inevitable in connection with the renaissance of the ancient hopes for one Germany initiated by prominent Social Democrats.

The vehicle for this intentional collision is the current disarmament campaign which treats only superficially the question of the theory and practice of actual disarmament, but is essentially more interested in the redefinition of the security policy situation of the Federal Republic of Germany vis-a-vis the Soviet Union. For after all, in dealing

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Footnotes at end of article.

with a Soviet Union whose "military armament is defensive", and for whom political use of military superiority is thinkable, there is no need for military balance or a corresponding alliance—at least according to Herbert Wehner in his reply to a speech by Manfred Worner in Santa Barbara.[11]

But the reorientation of foreign policy in the Federal Republic of Germany cannot be reached by the shortest route—that much is clear even to the chief thinkers in the SPD. It calls for a circuitous route and has its price. Above all, it must be denied verbally until German policy has slackened old ties to such a degree that it is in fact without alternative. The ground for this is being prepared thoroughly at present.

On the one hand, through criticism of the leadership ability of the United States, the latent anti-Americanism—traditionally existent in the SPD—is being revived and the first seeds of doubt planted in the minds of those Germans, who up to now were pro-American. On the other hand, the Soviet Union is depicted in such a way that its limitless love for peace and ideological tolerance not only makes it appear not dangerous, but on the contrary, makes it seem a downright requirement to invest one-sided trust in this relationship. The reward for the realization of this option: the reunification of Germany.

The promoters of this development are taking it in stride that this unity is possible only in Socialism. But with this, freedom would be sacrificed for unity subsequently and finally, making the classical triad of values—freedom, peace, and unity—completely obsolete.

This policy is still in its beginning phase, but this is exactly the time to resist it. The advocates of the primacy of freedom should not fool themselves: Coupling the longing for peace and German unity can create a demolition charge which may not be highly explosive, but still able to move something. And yet, there is a good chance to preserve the goal of a qualified German unity, the "unity in freedom" without compromises. The population of the Federal Republic is familiar with the realities of Socialism in the German Democratic Republic and abhors it almost unanimously. The prospect of having even half of these "Socialist achievements" might well be unbearable in the long run and therefore unattractive in the Federal Republic, even if this half constituted the price for German reunification.

Thus, the danger does not lie with the will of the people. On the one hand it lies in the fact that the German government is creating facts one by one which, though unimportant if taken individually, are presaging sinister developments; and on the other hand, that the Federal Republic, having stripped itself militarily vis-a-vis the Soviet Union, could be forced into accepting this unity under terms set by the Soviet Union.

The precondition for the successful continuation of political discussions about this entire problem complex is that the CDU itself once again comes to grips with its own foreign policy, i.e. the sequence of priorities of fundamental political values. The statements by some prominent CDU-politicians leave some doubts in this respect.

FOOTNOTES

[1] SPD floor leader in the Bundestag.

[2] Socialist-Liberal coalition: A coalition of the Social Democratic Party (SPD) and the Free Democrats (FDP), which has constituted the German Federal Government in Bonn since 1969.

[3] Ostpolitik: The Federal Republic's policy toward the Soviet Union and the East European countries.

[4] SPD executive secretary.

[5] Christian Democratic Union, which with its Bavarian sister-party, the Christian Social Union (CSU), has constituted the parliamentary opposition in Bonn since 1969.

[6] A principal founder of the CDU and, with the founding of the Federal Republic of Germany in 1949, its first chancellor.

[7] Then a CDU member of the Bundestag; elected its president November 16, 1954.

[8] Ex-chancellor Willy Brandt, chairman of the SPD.

[9] Dietrich Stobbe, Lord Mayor of (West) Berlin.

[10] Kurt Schumacher was a founder of the post-World War II Social Democratic Party in the Federal Republic of Germany.

[11] SPD Bundestag floor leader Herbert Wehner, replying to a speech in Santa Barbara, California, by Manfred Wörner. In the Bonn parliament, Dr. Wörner frequently speaks as a CDU expert on military and security matters.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place and purpose of all meetings, when scheduled and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 19, 1979 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 20

9:00 a.m.

Foreign Relations

Closed meeting on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S–116, Capitol

Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To continue hearings in conjunction with the investigation of alleged fraud and mismanagement practices in the General Services Administration.

1318 Dirksen Building

Judiciary

Administrative Practice and Procedure Subcommittee

To resume hearings on S. 262, 755, and 1291, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.

424 Russell Building

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 535, to provide for an effective and safe transport of nuclear waste and radioactive nuclear reactor fuel.

5110 Dirksen Building

*Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings on S. 1371, proposed Domestic Energy Policy Act.

1202 Dirksen Building

Finance

Tourism and Sugar Subcommittee

To hold hearings on S. 589, 749, and 940, bills to provide for the applicability of tax rules affecting foreign conventions.

2221 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume oversight hearings on foreign acquisition of U.S. banks, and on proposed amendments to the International Banking Act of 1978.

5302 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To hold hearings on Title 10, to provide incentives for increasing the supply of energy from renewable energy resources, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

*Energy and Natural Resources

Energy Resources and Material Production Subcommittee

To resume hearings on S. 1388 and 1330, bills to provide for more rapid commercialization of geothermal energy.

6226 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To continue joint hearings with the Subcommittee on Resource Protection on S. 1325, to provide for adequate and safe treatment of hazardous substances being released into the environment, focusing on financing cleanup costs and compensation for personal or property damages and losses associated with hazardous waste storage and disposal.

6202 Dirksen Building

Foreign Relations

To receive testimony from Administration officials on Middle East security issues.

4221 Dirksen Building

Judiciary

To hold hearings on S. 1246, to prohibit the growth of a monopoly power forming among major petroleum companies, and to encourage oil companies to invest profits back into oil exploration, research, and development.

2228 Dirksen Building

Select on Intelligence

To continue closed hearings on issues relative to the SALT II Treaty (Exec. Y, 96th Cong., 1st sess.).

S–407, Capitol

2:00 p.m.

Environment and Public Works

To hold hearings on S. 558, to provide for a limited distribution of free or reduced rate tickets by the John F. Kennedy Center for the Performing Arts, receiving testimony on matters relating to the financing and indebtedness of the Center.

4200 Dirksen Building

*Select on Indian Affairs
Business meeting on pending committee business.
5110 Dirksen Building

3:00 p.m.
Finance
Oversight of the Internal Revenue Service Subcommittee
To resume hearings on the applicability of the Internal Revenue Code as it relates to employee stock ownership plans for railroads.
2221 Dirksen Building

JULY 23

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee.
To hold oversight hearings on the status of the Department of Agriculture's research into the production and marketing of alternative fuels from agricultural commodities and forest products, and also to discuss other types of energy research and energy conservation efforts in the Government and the private sector.
322 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee.
To hold hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of government-sponsored inventions in order to encourage private industry participation in Federal research and development programs.
235 Russell Building

Energy and Natural Resources
To hold hearings on S. 1308, 932, 1377, and printed Amendment No. 312 to S. 1308, all of which provide organizational and financial incentives necessary to foster the production of synthetic fuels.
3110 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on the implementation of hazardous waste management program.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs.
To hold oversight hearings on the conduct of monetary policy by the Federal Reserve System.
5302 Dirksen Building

Judiciary.
To hold hearings on pending nominations.
2228 Dirksen Building

2 p.m.
Conferees
On H.R. 3324, authorizing funds for fiscal year 1980 for international development and economic assistance programs, and for the Peace Corps.
S-116, Capitol

Energy and Natural Resources
Energy Regulation Subcommittee
To receive testimony from officials of the Energy Information Administration on the second status report on the current fuel situation.
3110 Dirksen Building

JULY 24

9:00 a.m.
Energy and Natural Resources
To continue hearings on S. 1308, 932, 1377, and printed Amendment No. 312 to S. 1308, all of which provide organizational and financial incentives necessary to foster the production of synthetic fuels.
3110 Dirksen Building

9:30 a.m.
Judiciary
Business meeting on pending calendar business.
2228 Dirksen Building

Labor and Human Resources
Business meeting to mark up Section 810, to waive the Davis-Bacon Act of 1931 as it applys to the wages paid to laborers and mechanics for work performed under authority of any Military Construction Act, of S. 1319, proposed Military Construction Authorization Act, 1980.
4232 Dirksen Building

9:50 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to hold hearings on the risk and benefit aspects in matters relating to science and technology decisions.
5110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on the conduct of monetary policy by the Federal Reserve System.
5302 Dirksen Building

Water Resources Subcommittee
Environment and Public Works
To hold hearings on S. 1241, authorizing funds through fiscal year 1981 for water resources projects, and on the proposed cost-sharing feature of the Administration's plan for reshaping water policy.
4200 Dirksen Building

Governmental Affairs
To hold oversight hearings on the activities of the Department of Energy.
3302 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings to examine the implications of general revenue sharing.
6202 Dirksen Building

Rules and Administration
To resume joint hearings with the House Administration Committee on S. 1436 and H.R. 4572, measures to provide for improved administration of public printing services and distribution of public documents.
2157 Rayburn Building

Joint Economic
To hold hearings on the impact of rising railroad coal shipping rates on the national energy goal of increased coal utilization.
6226 Dirksen Building

1:00 p.m.
*Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings to explore the areas of basic learning skills used in elementary and secondary schools.
4232 Dirksen Building

2:00 p.m.
Appropriations
To mark up H.R. 4393, making appropriations for fiscal year 1980 for the Department of the Treasury, and the U.S. Postal Service, and H.R. 4394, making appropriations for fiscal year 1980 for the Department of Housing and Urban Development and independent agencies.
S-128, Capitol

3:00 p.m.
*Energy and Natural Resources
Business meeting, on pending calendar business.
3110 Dirksen Building

JULY 25

9:00 a.m.
Special on Aging
Business meeting on pending committee business.
S-126, Capitol

9:30 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 262, 755, and 1291, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.
424 Russell Building

Judiciary
Improvements in Judiciary Machinery Subcommittee
To hold hearings on S. 739 and 1472, bills to allow local Federal courts the opportunity to review issues relating to environmental matters affecting its own district.
1224 Dirksen Building

9:50 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue joint hearings with the House Subcommittee on Science, Research and Technology of the Committee on Science and Technology, to hold hearings on the risk and benefit aspects in matters relating to science and technology decisions.
2318 Rayburn Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold joint hearings with the Select Committee on Small Business on the effect of Federal agricultural research and extension policy on the structure of farming.
322 Russell Building

Banking, Housing, and Urban Affairs
To hold hearings on S. 524, 581, and 730, bills to provide financial assistance for the development and conservation of energy programs, and Section 9 of S. 750, to require the use of fuel sources which are renewable in the distillation process of alcohol for motor fuel, and other related proposed legislation.
5302 Dirksen Building

Energy and Natural Resources
Business meeting, on pending calendar business.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To continue hearings on S. 1241, authorizing funds through fiscal year 1981 for water resources projects, and on the proposed cost-sharing feature of the Administration's plan for reshaping water policy.
4200 Dirksen Building

Governmental Affairs
To continue oversight hearings on the activities of the Department of Energy.
3302 Dirksen Building

Judiciary
To hold hearings to examine the policy and intent of a statutory charter which defines the investigative authority and responsibilities in matters under the jurisdiction of the F.B.I.
2228 Dirksen Building

Select on Small Business
To hold joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry on the effect of Federal agricultural research and extension policy on the structure of farming.
322 Russell Building

11:00 a.m.
Labor and Human Resources
To hold hearings on the nomination of William P. Hobgood, of Virginia, to be an Assistant Secretary of Labor.
4232 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

JULY 26

8:00 a.m.
Budget
To resume hearings in preparation for reporting the second concurrent resolution on the Congressional budget for fiscal year 1980.
6202 Dirksen Building

9:30 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To continue hearings on S. 262, 755, and 1291, bills to coordinate and oversee Federal regulatory policy, to promote competition in the regulated industries, and to increase public participation in rulemaking procedures.
424 Russell Building

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 34, proposing a constitutional amendment to extend the term of office of Members of the U.S. House of Representatives to four years.
5110 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).
4232 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To continue joint hearings with the Select Committee on Small Business on the effect of Federal agricultural research and extension policy on the structure of farming.
322 Russell Building

Banking, Housing, and Urban Affairs
To continue hearings on S. 524, 581, and 730, bills to provide financial assistance for the development and conservation of energy programs, and Section 9 of S. 750, to require the use of fuel sources which are renewable in the distillation process of alcohol for motor fuel, and other related proposed legislation.
5302 Dirksen Building

Judiciary
To continue hearings to examine the policy and intent of a statutory charter which defines the investigative authority and responsibilities in matters under the jurisdiction of the F.B.I.
2228 Dirksen Building

Rules and Administration
To resume joint hearings with the House Administration Committee on S. 1436 and H.R. 4572, measures to provide for improved administration of public printing services and distribution of public documents.
345 Cannon Building

Select on Small Business
To continue joint hearings with the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry on the effect of Federal agricultural research and extension policy on the structure of farming.
322 Russell Building

Joint Economic
To resume hearings on the Consumer Price Index figures, and on inflationary trends.
6226 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

3:00 p.m.
Finance
Health Subcommittee
To receive testimony from officials of the General Accounting Office concerning the implementation of section 19 of P.L. 95–142, which requires the Secretary of H.E.W. to establish a uniform system of reporting cost information for hospitals.
324 Russell Building

JULY 27

9:00 a.m.
Judiciary
To hold hearings on S. 680, to provide for the rights of citizens to sue in Federal courts for unlawful governmental action.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 1215, to establish a uniform Federal policy for the management and utilization of government-sponsored inventions in order to encourage private industry participation in Federal research and development programs.
235 Russell Building

Labor and Human Resources
Business meeting, to mark up S. 1075, to require drug companies to conduct postmarketing and scientific investigations of approved drugs, to transmit drug information to patients and doctors, and to provide more education to doctors and health professionals regarding the use of approved drugs; and S. 446, to provide legal protection to the employment rights of handicapped citizens.
4232 Dirksen Building

*Veterans' Affairs
To resume hearings on S. 870, to amend and extend education programs administered by the Veterans' Administration for veterans and dependents, and S. 881, to provide for the protection of certain officers and employees of the Veterans' Administration assigned to perform investigative or law enforcement functions.
412 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 524, 581, and 730, bills to provide financial assistance for the development and conservation of energy programs, and section 9 of S. 750, to require the use of fuel sources which are renewable in the distillation process of alcohol for motor fuel, and other related proposed legislation.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To receive testimony from officials of the Harvard University, School of Business on a 6-year review of energy resources.
3110 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 878 and 904, bills to simplify the administration of national policy requirements applicable to Federal assistance programs relating to State and local governments.
457 Russell Building

JULY 30

9:15 a.m.
Governmental Affairs
To hold hearings on S. 930, to restrict free Federal employee parking.
3302 Dirksen Building

10:00 a.m.
Select on Indian Affairs
To hold hearings to discuss alternative solutions to litigation to resolve water rights disputes between Indians and non-Indians.
5110 Dirksen Building

JULY 31

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 663 and 875, bills to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
6226 Dirksen Building

Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94–142).
4232 Dirksen Building

AUGUST 1

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.
4232 Dirksen Building

AUGUST 2

9:30 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 568, to promote the advancement of women in scientific, professional, and technical careers.
4232 Dirksen Building

10:00 a.m.
*Select on Indian Affairs
To hold oversight hearings on the activities of the Indian Health Service, Department of Health, Education, and Welfare.
5110 Dirksen Building

SEPTEMBER 12

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
457 Russell Building

SEPTEMBER 18

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

235 Russell Building

SEPTEMBER 19

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.

4232 Dirksen Building

Veterans' Affairs

To hold hearings on H.R. 4015, to provide the capability of maintaining health care and medical services for the elderly.

5110 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

235 Russell Building

SEPTEMBER 20

10:00 a.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To continue hearings on S. 1460, 1462, and 1463, bills to facilitate and streamline the implementation of the regulatory part of U.S. maritime policy.

235 Russell Building

SEPTEMBER 25

11:00 a.m.

Veterans' Affairs

To resume hearings on fiscal year 1980 legislative recommendations for veterans' programs.

5110 Dirksen Building

CANCELLATIONS

JULY 20

10:00 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To continue hearings on Title 8, to promote the use of gasohol in the United States, of S. 1308, to provide for the development of domestic energy supplies.

3110 Dirksen Building

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To mark up S. 1386, authorizing funds through fiscal year 1985 for the National Endowment for the Arts, and the National Endowment for the Humanities; and S. 1429, authorizing funds through fiscal year 1982 for Museum Services.

Room to be announced

JULY 24

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 446, proposed Equal Employment Opportunity for the Handicapped Act.

4232 Dirksen Building

JULY 30

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

AUGUST 1

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To resume hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

AUGUST 2

10:00 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To continue hearings on S. 1300, proposed International Air Transportation Competition Act.

235 Russell Building

SENATE—*Thursday, July 19, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

The Reverend Monsignor Walter Paska, pastor, Saints Peter and Paul Ukrainian Catholic Church of Baltimore, Md., and professor at Oblate College of Washington, D.C., offered the following prayer:

Let us pray:

Almighty God, in accordance with Your benevolent encouragement to seek the aid of divine providence in all our human and temporal endeavors, we ask Your continued blessing upon this august assembly, the distinguished Senate of the United States.

May its deliberations reflect the high purposes that are to benefit our country in advancing our social well-being, protecting our inalienable human freedoms, and enlightening us in the role of promoter of justice and peace throughout the world.

The profound awareness of Your presence as God of all nations leads us to anticipate the realization of these goals through our individual strivings and the common determinations of this revered legislative assembly.

Humbly, yet confidently, we petition these graces in behalf of this Senate and our country, for You are omnipotent toward all Your creation and infinitely merciful in response to our needs. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 19, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished minority leader. I have a matter or two I want to dispose of, but I shall be back.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, I have no need for my time this morning under the standing order. I see the Senator from Wisconsin is here. I am happy to yield to him on that time.

Mr. PROXMIRE. Mr. President, I thank my good friend, the distinguished Senator from Tennessee, for his generosity.

RAPHAEL LEMKIN: REMINDING US OF THE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, next month will mark the 20th anniversary of

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the death of Dr. Raphael Lemkin. As an ex-public prosecutor from Warsaw, Lemkin's name is far from well known. Yet the vision that this man pursued has great importance for the lives of millions of people throughout the world.

In the fall of 1946, Lemkin arrived at the United Nations headquarters in Lake Success to define for the world organization a new word which he had just coined, and to try to convince the group to do something about the horror that this word represented. The word was "genocide": "genos" from the Greek meaning race, and "cide" from the Latin for killing. It meant the mass murder of people for racial or religious reasons. The request Lemkin made was for the adoption of an international treaty outlawing the horrendous crime which he had just defined.

After more than 2 years of arduous lobbying, Lemkin saw part of his dream fulfilled. On December 9, 1948, the General Assembly proclaimed its opposition to the mass destruction of national, ethnic, racial, or religious groups by unanimously approving the Convention on the Prevention and Punishment of the Crime of Genocide.

Yet, this proclamation was not enough. In order for the treaty to be fully effective, each member nation was required to extend its own formal approval.

When Lemkin died in August 1959, over 60 nations had ratified the convention. Ironically, the United States—the nation that Lemkin chose to adopt as his own—was not one of them. Almost 20 years have passed since Lemkin's death and still the United States has not joined in outlawing this heinous crime.

Lemkin went to the United Nations not as a representative of any government or organization. He came as a personal witness to the devastation and terror of the genocide of the holocaust which had left him and his brother as the sole survivors of a family numbering almost 70 persons.

That, of course, was the terrible genocide against the Jews in Germany by Adolf Hitler and the Nazis. Yet, the idea which he pursued is one which has meaning for all of us, in the past, present, and future, who value the integrity of human existence. Genocide is a word which may touch us all.

I, therefore, urge my colleagues to reconsider Raphael Lemkin's request. Join with me in proclaiming our intolerance of genocide through support for the ratification of the Genocide Convention.

Mr. President, I yield the floor.

CANNON INTERNATIONAL AIRPORT

Mr. ROBERT C. BYRD. Mr. President, for the benefit of my colleagues who may find themselves traveling in the West at some future date, I would like to point out a significant change in one of the airports they may use. The airport at Reno, Nev., formerly known as Reno International Airport, has been renamed Cannon International Airport after the distinguished senior Senator from Nevada, HOWARD W. CANNON.

This is a most appropriate honor, as those of us familiar with Senator CANNON's record in aviation matters know well. He has been a tireless advocate of improved air service throughout the Nation, as his historic success in sponsoring and guiding to passage the Airline Deregulation Act last year attests.

Mr. President, may we have order in the Senate?

The ACTING PRESIDENT pro tempore. The Senate will come to order, please. The Senator from West Virginia will suspend until the Senate is in order. That includes all Senators and staff people.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

Senator CANNON has worked even harder to bring better air service to his home State. As Nevada is best known as a tourism center, transportation is its lifeblood. Senator CANNON has done a great deal to keep that lifeblood flowing and I am pleased that the people of his State have recognized that fact.

I understand that the airport which bears Senator CANNON's name is in the midst of an improvement program that will make it one of the best of its size in the world. Some $60 million is being spent to modernize the terminal, increase the number of passenger gates, and bring the facility in line with a tremendous growth in demand.

The Reno area is experiencing an economic boom, with numerous new hotels and other businesses having recently opened there. Growth in air traffic has kept pace, as Cannon International handled almost 94 percent more passengers in 1978 as the previous year. So I think it is safe to say that the name of our colleague will be on the lips of hundreds of thousands of travelers in the coming years.

This is a signal honor—I cannot think of any other Member of the Senate who shares it—and I wanted my colleagues to be aware of it. I thank the Chair.

SENATOR ROBERT C. BYRD ON "FACE THE NATION"

Mr. ROBERT C. BYRD. Mr. President, on Sunday, July 8, 1979—having just returned from my trip to the Soviet Union—I appeared on CBS television and radio's "Face the Nation." I was questioned by Ms. Lisa Myers of the Chicago Sun-Times, Mr. George Herman of CBS News, and Mr. Phil Jones of CBS News. I ask unanimous consent that the text of my remarks be printed, at this point, in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

TEXT OF REMARKS BY SENATOR ROBERT C. BYRD ON "FACE THE NATION"

HERMAN. Senator Byrd, in your talk with Soviet leaders last week, did you form any conclusion on whether they will accept the most likely Senate amendments to the SALT agreements?

Senator BYRD. I think that they would be very concerned about any amendments that would bring about the renegotiation of the treaty. I stated that I was not there to renegotiate the treaty, but I do feel that they now have a better understanding of the Senate's role and a better understanding of amendments to the resolution of ratification that would relieve some of the concerns of senators and the American people without altering the treaty text.

ANNOUNCER. From CBS News, Washington, a spontaneous and unrehearsed news interview on FACE THE NATION, with Senate Majority Leader Robert Byrd of West Virginia. Senator Byrd will be questioned by CBS News Congressional Correspondent Phil Jones; by Lisa Myers, Congressional Correspondent for The Chicago Sun-Times; and by CBS News Correspondent George Herman.

HERMAN. Senator Byrd, I'm going to accuse you of having spent so much time with diplomats and heads of state that you're beginning to talk like them. I asked you whether you think the Russians are likely to accept any amendments, and you say they have a better understanding. Does a better understanding bear some relation to a better acceptance?

Senator BYRD. It depends on what we're talking about. If you're talking about——

HERMAN. Well, you specify. I'll go along——

Senator BYRD. It depends on what we're talking about. If we're talking about major changes in the treaty text, then that's one thing; that opens up the treaty for renegotiation, in which case the Soviets would expect to open up some of their problem areas, and would probably demand some concessions where they have already mentioned concessions. But if we're talking about amendments to the resolution of ratification that help to clarify the meaning, that help to affirm the understanding of the Senate with respect to concerns that senators and the American people have, I think the Soviets are now well aware of the import of these.

MYERS. The administration and the President have claimed that any alteration of the treaty in terms of an amendment would end the SALT process because the Soviets would refuse to return to the bargaining table. You are saying that's not the case—that they would return to the bargaining table, but would seek further concessions. Is that correct?

Senator BYRD. I'm saying that if there are basic changes in the treaty text itself, these would require renegotiations. In the event of renegotiation, the Soviets would say, okay, you're opening up the treaty on this point, we want to reopen it on this; you want a concession on this, we want concessions on this. But there's a difference in amendments to the treaty text and amendments to the resolution of ratification. Amendments by way of reservations, understandings, and so forth—the resolution of ratification can be quite meaningful, and I would expect that the Senate would make such. I believe that, based on my conversations with Soviet leaders, they have a better understanding of this, and there could be such reaffirming, clarifying, reservations and understandings by way of amendments to the resolution of ratification that would relieve some of the concerns of myself, and other senators, and the American people.

JONES. Well Senator, I'm still puzzled. Could you be specific?

Senator BYRD. Yes.

JONES. After talking with the Soviet leaders, what changes can be made in this treaty that they will accept?

Senator BYRD. I can't presume to speak for the Soviet leaders, but I can give you some examples, one being that of the protocol. I made it clear—in my discussions with Soviet leaders—that in my judgment, the Senate would make indubitably clear the fact that the protocol is not to be considered a precedent; it's not to carry over. There is a definite limitation on the time, that being December 31, 1981, and I feel that the Senate will and ought to make clear that the protocol will not be extended beyond that time without the assent and the consent of the United States Senate. And this is very important to our European Allies as well. I say this based on my conversations with President Giscard d'Estaing and the Defense Minister of France, as well as the Defense Minister of Italy. This is one example.

Another example would be the Backfire statement that was made by Mr. Brezhnev in Vienna, in which he said that the production of the Backfire would not exceed 30 per year, and that the radius of action would not be increased to the point that the Backfire would be given intercontinental capability. Now, if they think the Senate ought to write this in as a part of its condition—if it approves the ratification of the treaty—conditioned on that statement's being kept.

And a third area would be that of noncircumvention. This, too, is very important to our European Allies. I think we should make it absolutely clear, by way of a reservation, understanding, statement, whatever you want to call it—that the acceptance of the treaty is being conditioned on our being able to continue the existing pattern of collaboration with our European Allies, in terms of modernization of weapons and so on.

JONES. But Senator Byrd, for example, the Backfire bomber; now, if it is that important, why not put it into the treaty?

Senator BYRD. Well, there are those who would like to see it in the treaty.

JONES. Would you?

Senator BYRD. That is a point on which the Soviets have been very, very sticky, and they gave up other concessions in return for our concession not to include that. Mr. Brezhnev also promised that that Backfire bomber, the Tum-22M, would not be given the capability of refueling in flight. So if we write into the resolution the condition that the treaty is approved on the basis of the statement that was made by the Soviet leader, that, in my judgment, does go a long way in relieving the concerns of myself and—and some senators, I should think.

HERMAN. This takes care of sort of half of the things that you talked about before you left Moscow. You said, in some things that their answers were quite satisfactory; in other things their answers were not so satisfactory. Now would you care to specify some of the unsatisfactory responses?

Senator BYRD. An example would be that of not opposing the continued UN expeditionary force in the Middle East. I did not get a satisfactory answer on that, and yet, I did not get a wholly unsatisfactory one. I feel that there are other options, based on my discussions with Mr. Gromyko. There are other options that ought to be pursued that—which, if raised in the right manner—might prove to be efficacious, and I have spoken to the President this morning about this—what I perceive to be an option—and he was very interested, and I will pursue it further with Mr. Vance. I think it's something that should be worked out through diplomatic channels.

HERMAN. We'll get back to your conversation with the President—in a moment, but I want to ask you, do you have some other unsatisfactory responses bearing on SALT, where you found their answers, as you said in Moscow, not reassuring.

Senator BYRD. They were not all satisfactory. Some were satisfactory. There would be some that I would not want to go into detail about at this time. I think that all of the results are not in yet. It will take some time, in connection with some of the matters that I posed to the Soviets—I didn't go expecting a quick answer or simplistic answer on anything, and as I say, what the eventual Soviet responses will be in connection with some things, will take a little time.

JONES. Did you make some proposals to them?

Senator BYRD. I assume you're pursuing the matter I just mentioned, and that, to be specific, to give you one example, is that of expressing interest in the cases of certain persons, like Mr. Shcharansky, whose cases are of interest to the American people.

JONES. You linked Shcharansky to SALT?

Senator BYRD. I did not link it, no, but I did discuss it briefly with Mr. Brezhnev. The discussions were of a confidential nature; I do not care to elaborate on them, but here again is one of the examples of a matter which I discussed, the answer to which I don't yet have, but to which there may be Soviet response——

MYERS. Senator, you previously have expressed concern as to whether we can catch the Soviets cheating—if they chose to cheat—on SALT II in the wake of intelligence losses in Iran. Now, there have been a number of proposals to make up some of that lost capability, many of which require some type of adherence or acceptance by the Soviet Union. One of those is the U-2 flights over Turkey. Did you discuss any of these verification issues with the Soviets, and did you impress upon them your concern in this area, particularly with regard to the U-2 flights?

Senator BYRD. I expressed that particular item. I expressed the concern of the Senate, inasmuch as I had had an opportunity to talk with other Senators—I made it a point to talk with other Senators before I went on the trip—not 99 other Senators, but a good many others, as many as I could possibly work into my schedule, so that when I went I took with me too the concerns of other Senators, and I indicated that this was one of the major concerns of the Senate——

MYERS. What was their response?

Senator BYRD. And that the Senate would view that provision in the treaty with great care, and would expect it to be lived up to concisely—to wit, that the Soviets would not take any actions that would impede verification——

MYERS. But what was their response to this? Did they say that they would be willing to go along with U-2 flights? Did they say that they'd have to think about it?

Senator BYRD. I don't think it would be profitable or wise for me to go into my discussions with respect to the U-2 flights over Turkey. I have reasons for saying this. I believe that the more important thing is to consider the fact that Turkey has some very serious political and economic problems right now, and I feel that I'd better leave it at that.

MYERS. In the absence of U-2 flights and some of these other things that have been proposed, do you think that this treaty is adequately verifiable?

Senator BYRD. I think it depends upon what is meant by adequate.

MYERS. Your definition, Senator.

Senator BYRD. I think that this information will come out of the hearings. This is one reason why I have urged my colleagues not to take hardened positions early——

HERMAN. Are you leaving?

Senator BYRD.—for the reason that I think that many of the questions will be answered in the course of the hearings.

HERMAN. Do you have a lean? Are you leaning towards the treaty, or away from it at this point?

Senator BYRD. As I told Mr. Brezhnev and Mr. Gromyko, I did not come to praise nor to condemn the treaty; I have not yet made up my own mind. I feel that if the vote were to be taken today, there would probably not be a two-thirds vote there, but that at the time when the treaty is voted on, perhaps in November, there may be two-thirds in favor of it, but that is by no means certain. So I'm not leaning for and I'm not leaning against at this point. I began, at the start, to approach this whole matter in a systematic and thorough, and I would hope, comprehensive way; and my visit to the Soviet Union was—is going to be a factor in my decision. But I've also said that I would want to at least hear part of the hearings—Foreign Relations, Armed Services, Intelligence—before I make a final decision.

HERMAN. Can we talk about your latest conversation with a world leader—you've talked to the President this morning. Did you call him; did he call you?

Senator BYRD. He called me.

HERMAN. And can you tell us what the President had to say about the progress of the meetings at Camp David?

Senator BYRD. He said very little about that. I've been invited to go; I am going because I want to give whatever support I can to the President. I have indicated that I'm not interested in drama; I'm interested in action, but I do feel that the President needs all of the support that he can get in developing plans to deal with the energy and inflation problems.

JONES. You say you're not interested in drama. Do you have a suspicion that that's what this is, political drama?

Senator BYRD. I'm not saying that, but I do think that there are those in the administration who have put high drama ahead of sound planning.

JONES. Who's that?

Senator BYRD. I'm not naming any names, and I don't know of any names, but I have my feelings.

HERMAN. Well, is that continuing? Is some sound planning now going on, or is it still all drama?

Senator BYRD. That would appear to be the case, that there is some sound planning going on, and I would think it recreant of me not to go when the President has asked me as Majority Leader to come, and make whatever contributions I can make. I have, as you know, submitted the name of Senators whom I consider to be experts in the energy problem, and I submitted to the President the names of Senators whom I think are experts in dealing with economic problems, inflation and so on, and the President is going to be meeting with them and has already met with some of them.

MYERS. Senator, the President has slipped to such a low point in the polls that many pollsters and other observers believe he cannot recover. No other President has ever recovered from such a low standing in the eyes of the American people. His own domestic advisers say energy is becoming his Vietnam. Do you believe—do you concur with that analogy—do you think the President can be reelected, or do you think it's time for the Democrats to start looking for a stronger candidate to top the ticket?

Senator BYRD. I think it's entirely too early to say that the President is down for the count. He has—he has done very well in many issues, foreign policy and domestic, and with the support of the Senate he has an exceptionally good report card, I think, thus far, on foreign policy issues, and on some of the domestic issues.

There are problems that are not only problems to the United States. The problem of inflation, the problem of energy is not only a national problem, but it's a world wide problem, and these forces that are external impact on our ability to deal with the problem domestically, in many instances. I would think that there's a year and a half yet; many things can change, and the President has indicated he will be a candidate, and I think that if he demonstrates leadership in connection with the energy problem and other issues that are very important to the American people, that picture can change.

MYERS. Are you endorsing him now for reelection?

Senator BYRD. I'm simply answering your question, as you first asked it.

JONES. Do you think it's unfair for Democrats to be organizing such things as draft Ted Kennedy movement and so forth?

Senator BYRD. Democrats will do that; I'm not——

JONES. I realize that (Laughter). Do you think that——

Senator BYRD. Let me finish that. Let me respond to your question. Mr. Kennedy has said that he is not a candidate, that he expects Mr. Carter to be a candidate; he expects Mr. Carter to win; he expects to support him——

JONES. Do you think Senator Kennedy——

Senator BYRD. I think at this time we ought to leave it with what Mr. Kennedy has stated.

JONES. But this is pulling the party—a part of the problem—and do you think that out of fairness to the President that Ted Kennedy, for example, should say, I will not accept the nomination in 1980?

Senator BYRD. I don't presume to tell Ted Kennedy what he should do; I'm quite confident that he's capable of deciding for himself what he ought to say and when he ought to say it.

JONES. Would Senator Kennedy be better for Democrats in the Senate who are running for reelection in 1980 if he—if he were heading the ticket?

Senator BYRD. In so far as Democrats in the Senate who are running for reelection, I should think that as we have seen so many times in the past, the factors of regional concern and the personal attributes of the candidates themselves really are what the people in their particular states, in the case of members of the House, their particular Congressional districts, really make the judgments on, not so much who is at the head of the ticket.

HERMAN. Let's—let's try West Virginia. West Virginia once decided between a Kennedy and Senator Humphrey. Where does West Virginia stand today on President Carter and his policies?

Senator BYRD. I think I've enunciated that very well in saying that the President has a problem, but I think that he has done very well in many issues, many of which his predecessors had delayed, many of which converged on him at a point in time when he had to deal with them, and the problem is that so many people overlook the good marks on the report card in the light of what is immediate, and I believe that the people of West Virginia—if Mr. Carter can bring forth an energy program that reflects leadership, if he can galvanize the American people into action, if they can really be sure that we have an energy problem—I believe that the American people have the capacity to get behind a leader.

HERMAN. Is that likely—that he will come forward with this kind of program?

Senator BYRD. I would hope so, and I think that the fact that he has gone to Camp David, has delayed his statement, indicates that he's trying to come up with sound planning, and that he will provide that leadership, if he is able to come up with a sound plan, and he's doing what I suggested all along. He's attempting to get the advice of others before announcing that there will be an announcement. That has been the problem. I'm not so concerned about the cancellation of his speech, for example, as I am that there be sound planning first.

MYERS. Senator, in light of all these critical domestic problems and the administration's inability thus far to deal with them, can the nation afford for the Senate to spend months debating the SALT II treaty that a lot of people think just doesn't really matter that much?

Senator BYRD. The SALT II treaty is vital to the security interests of this country, whether you're for it or against it, one has to view that it is vital, not only to the security interests of this country, but to our relations with our allies, and in this regard, may I say that it was the opinion of President Giscard d'Estaing and the Defense Ministers of Italy and France that if the SALT treaty is rejected, we could expect a stimulated arms race, we could expect a renewal of the cold war atmosphere, and we could also expect the possible isolation of the United States from its European allies. So this is not a matter that can be put off in the corner and covered over and while it may not be as dramatic—and it isn't, certainly, as the gas lines, and not as immediate—it certainly is immediate in terms of the short run and long run security interests of this country.

MYERS. Speaking of gas lines, is it time for gasoline rationing?

Senator BYRD. Well, it's certainly time for a standby gasoline rationing plan. I've advocated here that the President send up a new plan, not new legislation, but a new plan which will have a built-in time agreement, and a plan the facets of which can be worked out in advance by the members of the Senate and the members of the House who know something about energy, and something that will be a consensus, and around which a majority can be built.

JONES. Senator, concerning the SALT debate—several Senators on both sides of the treaty have written you, urging that there be television coverage of the floor debate. The Senate Foreign Relations Committee has indicated it thinks there ought to be television coverage, yet so far, there's no indication that you are willing to add any of your leadership clout to letting the American people come in and see this debate on the Senate floor. Why are you reluctant to do this?

Senator BYRD. Well, you're putting the word reluctant in my mouth. I choose to make my own words. My first responsibility as Majority Leader is to do whatever I can to see that the Senate reaches a sound judgment in connection with this very important and vital question.

To reach that judgment, I have to weigh whether or not in the kind of atmosphere that would be created by a televised debate—

JONES. What would that be?

Senator BYRD. Let me finish. Whether or not in the kind of atmosphere that would be created by a televised debate the judgment of every Senator would be non-partisan, would be affected solely by the facts, and would not be affected by something that's distractive, or something that is peripheral. Now the matter is being considered; I will continue to consider it. Who knows, the answer may be yes, but I have not said the answer would be no.

JONES. But Senator——

Senator BYRD. My first responsibility is what I'm going to adhere to—it's my first priority to see that that debate is thorough, comprehensive, and, hopefully, the kind of debate that will lead to a considered judgment and one that, is fair, and one that is right.

JONES. Isn't a factor that's just as important as all of those things you mentioned, though, the fact that the American public should be able to see every phase of this debate?

Senator BYRD. They will—they will see every phase of this debate.

JONES. But they won't——

Senator BYRD. When the United States Senate was closed, the American people have known what was going on in the Senate. The print media, the radio, the TV observers are there and report adequately on what's going on, artists make sketches——

JONES. But no television.

Senator BYRD. I'm not saying—I'm not saying that there won't be television, but I'm saying that I'm going to consider that very carefully, and that my first priority is, as I have stated——

JONES. Not the American people.

Senator BYRD. My first priority is the American people—that they get the right judgment on a very crucial and vital matter.

MYERS. Are you saying that television coverage would affect the votes of certain Senators, for example, some have suggested that you're worried about Minority Leader Howard Baker running for President for two months.

Senator BYRD. Well, you've made your suggestion; you've not heard that from me. I have said all along that I would hope that every judgment of every Senator would not be partisan. I think it's vital to the American people and its security interests that the judgments not be partisan.

HERMAN. Thank you very much, Senator, for being our guest today on "Face the Nation."

THE SENATE CHAMBER DESKS

Mr. ROBERT C. BYRD. Mr. President, in June of this year, a fascinating history of the Senate Chamber desks was prepared by the offices of the Senate Curator and Historian, at the direction of the Secretary of the Senate.

A reading of the report renews one's sense of the color and tradition that surround us in this impressive Chamber. I am sure that all Senators and students of the Senate will find the report interesting. I ask unanimous consent that the material be printed, at this point, in the RECORD.

There being no objection, the history was ordered to be printed in the RECORD. as follows:

THE SENATE CHAMBER DESKS— A BRIEF HISTORY

When British troops set the Capitol ablaze in 1814, they heavily damaged the Senate Chamber and destroyed its furnishings. As part of the renovation to reopen the Chamber in 1819, the Senate ordered 48 desks at a cost of $34 each from Thomas Constantine, a New York cabinetmaker, who also built the desks for the House of Representatives. Many of these desks remain in the Senate Chamber today, and desks of a similar design have been added as each new State entered the Union.

Over the years several modifications have been made to the desks, primarily to provide more room for the Senators. During much of the 19th century, a Senator's office was his desk on the Senate floor. Only gradually did Senators gain private rooms, as committee chairmen, or as space became available under the Olmstead terraces on the West Front, and finally in the first Senate Office Building opened in 1909. Until then space was always at a premium, and beginning in the 1830's three-inch high mahogany writing boxes were added to the desks. Hinged on the top, these writing boxes opened to provide additional space. The writing boxes were not added all at once, but were attached over the next 40 years, either at the request of the desk's occupant or when the desk changed hands. In 1860, for instance, when the Senate had moved to its current Chamber, the Senate carpenter, R. B. Griffin, added nine of the mahogany tops to the desks.

Not all Senators preferred the modification, and today one desk still does not have a writing box. This is the Webster desk, which supposedly Daniel Webster refused to have altered on the grounds that if his predecessor could have done without the additional space, so could he. None of Webster's successors have seen fit to abandon that stance. To match its height to the level of others in the Chamber, the desk is raised at its base. Webster had represented Massachusetts in the Senate but had been born in New Hampshire. For many years his desk was occupied by New Hampshire Senators Styles Bridges and Norris Cotton. In 1974, just before Cotton retired from the Senate, he secured adoption of a resolution (S. Res. 467, 93d Cong., 2d sess.) which required that the Webster desk always be assigned to the senior Senator from New Hampshire. Today the desk is used by Senator John Durkin (D.-N.H.)

Other early desks also show specific design characteristics. As best can be determined, the oldest desks have wooden inlays of circular and rectangular banding on their sides, "crotch veneer" mahogany across their front, and narrow reeding at their feet. The difference in shape and dimensions among the desks is attributed to their original semicircular arrangement in the Old Senate Chamber. A desk's shape conformed to its position in the room: on the aisle it would be narrow and angled; towards the center it tended to be wider and squarer. Supposedly, if the original desks were placed back in their original positions, they would form a perfect semicircle.

In the mid-nineteenth century mahogany shelves were added at the base of the desks. Later at the turn of the century the legs of the desks were enclosed with a metal grille connected to a plenum chamber below the floor which provided better ventilation. The sanders and inkwells on top of the desks have also undergone change. The original inkwells were made from clear cut glass, covered with square, flat tops that moved horizontally. In 1933, what remained of the original inkwells were replaced by containers with hinged covers because duplicates of the earlier design were no longer being manufactured.

Over the years the desks have been rearranged periodically, as new States sent Senators and as party representation increased and diminished. When additional desks were needed, they were generally contracted out, although the last four desks, for Alaska in 1959 and Hawaii in 1960, were built in the Senate carpentry shop. To keep track of the expanding number and constant rearrangement of the desks, at least seven different numbering systems were employed at different times. These numbers, in Roman and Arabic, can be seen underneath and inside the desks in various places. The current numbering system was devised in 1957 and consists of Roman numerals burned into the right-hand corner of the principal cross piece under the desks. However, the desks are not arranged in numerical order.

The easiest method for tracing the heritage of each desk is to read the names written and carved inside the desk drawers. This appears to be a 20th century tradition, since, for the most part, the earliest recorded names date back only to the first decade of the century. It is possible that 19th century Senators also inscribed their names in the desks, but that these names may have been lost during the refinishing of the drawers. Not all of the currently visible names in the drawers were written by the Senators themselves. Many have been copied by the same hand, indicating either that the older drawer bottoms were replaced and the names recopied, or that some staff member rather than the Senators took responsibility for chronicling each desk's occupants. In later decades Members of the Senate themselves have added their names to the lists of their predecessors.

One difficulty in tracing back the names into the 19th century is that the early Senate Doorkeepers kept such information a closely guarded secret. Isaac Bassett, page and Doorkeeper from 1831 through 1895, feared that relic hunters might destroy the furniture if they knew which pieces were Clay's, Calhoun's and Webster's. Bassett had reasonable cause for alarm, for in 1861 he had stopped the mutilation of one of the Chamber's most famous desks. In April 1861, when the Sixth Massachusetts Regiment was temporarily bivouacked in the Senate Chamber during a recess, Basset entered the Chamber in time to hear the sound of splitting wood on the Democratic side. Rushing over he found a Union soldier bayonetting the desk vacated by Jefferson Davis, President of the Confederacy. "Stop that; stop that; what are you doing?" Bassett shouted. "That is not Jeff. Davis' desk, it belongs to the Government of the United States. You were sent here to protect Government property, and not to destroy it." Today, a small block of wood inlaid on the left side of the desk (currently occupied by Senator John C. Stennis (D.-Miss.)) covers the spot where the bayonet once struck.

Traditions associated with the Senate desks are constantly evolving, and the most recent is that of the "candy desk". Senator George Murphy (R.-Calif.) originated the practice of keeping a supply of candy in his desk for other Senators. When the desk was subsequently passed on to Senators Paul Fannin, Richard Lugar, and David Durenberger, they have preserved the custom

The custom of dividing Senate desks by party is as old as the parties themselves, with Democrats traditionally sitting to the Presiding Officer's right and Republicans to his left. This division, however, has not always been so clear cut.

In the Old Senate Chamber, an equal number of desks were placed on either side of the aisle, without regard to party size. When one party elected more than half the Senators, some majority party Members had to sit on the minority side, usually along the center aisle and front row. There was no hard rule as to placement, and during the 1840's and '50's, some Democrats could be found sitting at random on the Whig side. When the Senate moved to its current Chamber in 1859, the practice of dividing the desks equally continued for several years. During the Civil War so many Southern Democratic Senators withdrew from the Senate that Republicans took places on the Democratic side, even though empty desks were available on the Republican side.

The new Chamber was large enough to permit a more flexible seating arrangement, and, in 1877, the practice developed of moving desks back and forth across the center aisle to permit all Members of the majority party to sit together on the appropriate side. From time to time since then, however, one party has elected such an overwhelming majority that it has again become necessary to have majority Members sitting on the minority side. For instance, during the 60th Congress (1907–1909) ten Republicans sat on the Democratic side, while during the 75th Congress (1937–1939) 13 Democrats sat on the Republican side.

Such seating became known as the "Cherokee Strip", meaning that the overflow of majority party Senators were off their reservation. (The Cherokee Strip in Oklahoma referred to land belonging to neither the Indian Territory nor the States.) By then it had become the practice for senior Senators to take front row and center aisle seats, so the junior majority party Members who filled the "Cherokee Strip" were assigned either the rear row or the end seats on the minority side.

Independent Senators traditionally have chosen for themselves which side of the aisle they preferred. At one point in the 1950's when Senator Wayne Morse of Oregon had left the Republican party but had not yet joined the Democratic party, he placed his chair in the middle of the center aisle to demonstrate his independence.

The seating of the Majority and Minority Leaders at the front row desks on either side of the center aisle is a relatively recent Senate tradition, dating back to 1927 for the Democrats and 1937 for the Republicans.

In the 19th century, party leadership was not institutionalized. Certain Senators were recognized as party leaders for reasons of personal popularity and political skill, but were not elected to official posts by their parties. Henry Clay, for instance, who sat at a rear seat near an entrance to the Chamber, where he could signal party Members as they came in before a vote, vigorously denied that he was his party's floor leader. Not until the 1890's did the party caucus chairmen emerge as floor leaders, and, for the most part, they kept their regular seats. The front row desks went to senior Senators in the party. For a number of years, the front seat on the Republican side was held by Senator Robert La Follette, Sr., an insurgent who was frequently at odds with the majority of his party.

Two earlier Democratic leaders, John T. Morgan, in 1902, and Oscar W. Underwood, in 1921, took the front row desk, but each continued to hold the desk after his service as leader had ended. Not until Underwood left the Senate did Democratic Minority Leader, Joseph Robinson, move to the front row desk, which he later held as Majority Leader. After Robinson's death, the desk went to his successor as Majority Leader, Alben Barkley, and has been used by Democratic leaders ever since. On the Republican side, the desk was held by senior Senators until 1937, when Minority Leader Charles McNary moved there and set the precedent which remains in effect today.

RURAL HEALTH CARE NEEDS

Mr. ROBERT C. BYRD. Mr. President, many rural areas of the country continue to be without adequate medical care, while expensive and duplicative health care services can be found in other regions. Twenty-seven percent of our population is in rural areas, served by only 12 percent of the country's doctors and 18 percent of our nurses. Of the 49 million Americans living in medically underserved areas, 30 million are in rural areas.

Rural Americans tend to see doctors and dentists less frequently than do other citizens. The more time consuming and costly it is, the less likely they are to receive preventive care—which is the key to effective health care and to holding down medical costs.

Nearly 40 percent of the Nation's elderly live in rural regions. Elderly citizens need proportionately more care than other citizens. The elderly today pay proportionately more for health care than they did in 1964, the year medicare was enacted. The median income of elderly households in this country is considerably below that of all households. It is lowest by far in rural regions.

Proportionately fewer rural Americans have private health coverage. A disproportionate number of those insured have individually purchased policies. While most Americans obtain health insurance as a fringe benefit of employment, many rural residents are less likely to be included in group coverage because of different situations. Individual policyholders generally pay higher premiums or receive less coverage for their money as compared to group policy beneficiaries. In the southern medically underserved counties of West Virginia, it has been estimated that nearly 30 percent of the population has no private or public health insurance protection.

The incidence of infant and maternal mortality, chronic illness, dental disease, nonimmunized children, and malnutrition continues to be significantly higher among rural residents than among metropolitan. The death rate from accidents is nearly four times as great in rural areas as in urban.

The 96th Congress is examining some critical questions concerning our national health care system. Rural areas have long suffered an unfair burden as a result of this country's maldistribution of health resources. The long trend of outmigration from rural areas has reversed itself, and rural regions are experiencing renewed economic and population growth. Access to adequate health care is important so that these areas can maintain and build upon their new growth. Rural health care is an issue which the Congress must address more thoroughly.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Does the Senator from Tennessee yield back the remainder of his time?

Mr. BAKER. Mr. President, I am prepared to yield it back unless the majority leader has need of it.

Mr. ROBERT C. BYRD. I thank the Senator.

No, I have not.

Mr. BAKER. Mr. President, I yield back my remaining time under the standing order.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. There will now be a period for the transaction of routine morning business until 10:45 a.m., with statements therein limited to 1 minute.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONGRESSIONAL AWARD PROGRAM ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed for not to exceed 1 minute on Calendar Order No. 256.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 221) to establish a congressional award program for the purpose of recognizing excellence and leadership among young people.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Congressional Award Program Act".

ESTABLISHMENT OF THE CONGRESSIONAL AWARD

SEC. 2. There is hereby established a program to be known as the Congressional Award. The Congressional Award shall be administered by a Congressional Award Board (hereinafter referred to as the "Board") and a National Director (hereinafter referred to as the "Director").

CONGRESSIONAL AWARD MEDALS

SEC. 3. (a) There are established three Congressional Award Medals, to be designated gold, silver, and bronze awards. The medals shall be of such design and materials as the Board may prescribe.

(b) The Director shall arrange for the presentation of the awards, including participation by Members of Congress when appropriate, and opportunities for the exchange of information and views among recipients and Members of Congress.

FUNCTIONS

SEC. 4. (a) The Board is authorized to—

(1) initiate and administer in the United States and its territories a program open to young people aged fourteen through twenty-three (with exceptions to be made by the Board) designed to promote youthful initiative, achievement, and excellence in the program areas of public service, personal creative development, and physical and expedition fitness;

(2) set the standards of achievement required for young people to qualify as recipients of the gold, silver, and bronze Congressional Award Medals;

(3) establish procedures for the verifying qualifications of individuals to be awarded the Congressional Award Medals, and designate the recipients of such medals;

(4) delineate the role, if any, of the Director and any Regional Directors in administering the Congressional Award;

(5) raise funds for the operation of the program; and

(6) establish such policies and programs for the Congressional Award as may be appropriate to carry out the provisions of this Act.

(b) The Board shall prepare and submit an annual report to the Congress before March 1 of each year summarizing the activities of the Congressional Award from the previous year and making appropriate recommendations. Minority views and recommendations, if any, of members of the Board shall be included in such reports.

MEMBERS OF THE BOARD

SEC. 5. (a) The Board shall consist of fifteen members, to be appointed by a Commission consisting of the majority and minority leaders of the Senate, and the Speaker and the minority leader of the House of Representatives.

(b) The Commission shall appoint individuals to the Board who have an interest in one of the fields of concern of the Congressional Award. The Commission shall, in making appointments to the Board, consider any recommendations submitted by the Committee for the Establishment and Promotion of the Congressional Award, members of the Board then in office, or other interested parties.

(c) Members of the Board shall serve for a term of six years, except that, of the members first appointed, five shall serve for terms of two years, five shall serve for terms of four years, and five shall serve for terms of six years, as designated by the Commission at the time of apopintment. Members of the Board, except members whose terms are designated by the Commission at the time of appointment, may serve until their successors are appointed. Any individual chosen to fill a vacancy on the Board shall be appointed only for the unexpired term of such vacancy. A vacancy on the Board shall not impair its power to function.

(d) The Board shall meet annually and at such other times as the Chairman may determine. The Chairman shall call a meeting whenever one-third of the Board requests a meeting in writing. Each member shall be given notice of the call of any meeting by registered mail or certified mail mailed to his last known address of record not less than fifteen days prior to such meeting.

(e) A majority of the members of the Board shall constitute a quorum.

(f) The Chairman and the Vice Chairman of the Board shall be elected for a two-year term by a majority vote of the Board. The Vice Chairman shall perform the duties of the Chairman in his absence. In case a vacancy occurs in the Chairmanship or Vice Chairmanship, the Board shall elect a member to fill such vacancy at the next meeting of the Board following the date on which the vacancy occurred.

(g) The Board is authorized to appoint from among its members or otherwise such committees as may be necessary and to assign to such committees such functions as may be appropriate to assist the Board in carrying out the provisions of this Act.

DIRECTOR OF THE CONGRESSIONAL AWARD

SEC. 6. (a) The Director of the Congressional Award (referred to in this Act as the "Director") shall be appointed by a two-thirds vote of the Board. The Director shall serve for a term of five years unless removed by a two-thirds vote of the Board.

(b) The Director may authorize any Regional director appointed pursuant to section 7 or any other officer or employee of the Congressional Award to perform any of the functions of the Director.

(c) The Director shall, in consultation with the Board—

(1) formulate programs to carry out the policies of the Congressional Award; and

(2) establish such divisions within the Congressional Award program areas as may be appropriate.

(d) The Director shall be an ex officio member of the Board.

REGIONAL AWARD DIRECTORS

SEC. 7. Regional award directors (referred to in this Act as a "Regional director") may be appointed by the Director for each State and territory or groups of States and territories of the United States and shall be approved by the Board. The Director shall make such appointments from lists of candidates compiled from recommendations solicited from a representative number of public and private youth organizations within such

State or group of States. Members of the Board may make nominations for Regional award directors.

ADMINISTRATIVE PROVISIONS

Sec. 8. (a) The Board shall have the authority, within the limits of available resources and donated funds, to take such action as may be necessary to carry out the provisions of this act, including the authority—

(1) to prescribe such rules and regulations as may be necessary concerning the operations, organization, and personnel of the Congressional Award;

(2) to seek funds and resources only from institutions and sources other than the Federal Government;

(3) to make such expenditures as may be necessary for administering the provisions of this Act;

(4) to enter into contracts or other arrangements, or modifications thereof, for the carrying out of such activities as may be necessary to carry out the purposes of this Act, except that no contract may be entered into for an amount in excess of the amounts available to the Board in any fiscal year;

(5) to acquire by purchase, lease, loan, or gift, and to hold and dispose of by grant, sale, lease, or loan property of all kinds necessary for, or resulting from, the exercise of authority granted by this Act;

(6) to receive and use funds donated from any source, if such funds are donated without restriction or without restriction other than that the funds donated by used in furtherance of one or more purposes among the purposes of the Congressional Award; and

(7) to accept and utilize the services of voluntary and uncompensated personnel.

(b) (1) The Board, its property, and its income (including any income of any fund established under this section) shall be exempt from all taxation now or hereafter imposed by the United States (other than taxes imposed under chapter 21 of the Internal Revenue Code of 1954, relating to Federal Insurance Contributions Act, and chapter 23 of such Code, relating to Federal Unemployment Tax Act), or by any State or local taxing authority, except that any real property and any tangible personal property (other than cash and securities) of the Board shall be subject to State and local taxation to the same extent according to its value as other real and tangible personal property is taxed.

(2) The receipts and disbursements of the Board in the discharge of its functions shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on budget outlays of the United States. The United States is not liable for any obligation or liability incurred by the Board.

(3) For purposes of sections 170, 2055, 2106 (a) (2), and 2522 of the Internal Revenue Code of 1954 the Board shall be considered to be an organization described in section 501(c) (3) of such Code which is exempt from taxation under section 501(c) of such Code.

EMPLOYMENT OF PERSONNEL

Sec. 9. (a) The Director shall, in accordance with such policies as the Board shall prescribe, appoint such other personnel as may be necessary to carry out the provisions of this Act, and may compensate such personnel from the funds of the Congressional Award.

(b) A person holding any other office in any branch of the Federal Government may serve as a member of a committee created by the Board, but shall not receive remuneration for services as a member of such Committee during any period for which he receives compensation for such other office of the Federal Government.

● Mr. WALLOP. Mr. President, it is with great pleasure that I address the Senate today in support of S. 221, the Congressional Award. This bill was first introduced in the Senate by Senator Brooke and me late in the 95th Congress. Because of a heavy legislative schedule at the end of the 95th Congress, the bill was not considered. I reintroduced it early in the 96th Congress and on July 12, 1979, it was favorably reported out of the Government Affairs Committee.

The congressional award is a program which seeks to give national recognition to the creativity, achievements, and leadership of young people of America and to create a real avenue of communication between the young and Members of the Congress and the Government.

Under the program, the young people would earn their awards by themselves, through organizations, or within the setting of their lives, be it industry, school, or Armed Forces. An important feature of the award is the contribution made by adults who, as members of a community with particular talents, are prepared to pass on their knowledge and creative spirit to the young. Understanding between generations is enhanced by a shared endeavor.

A congressional award may be earned by anyone between the ages of 14 and 23 who successfully completes all three sections of any of the three award levels: Bronze, silver, and gold. The qualifying standards are defined in terms of proficiency and perseverance. Participants are assessed on the use which they make of their individual creativity and aptitudes in three defined sections: Public service, personal interests, and exploration, and not in competition with others. Successful completion in many cases may depend more on persistence than on "brains" or athletic prowess. A handicap should not deter anyone from taking part or prevent anyone from obtaining an award.

There are three levels of the award which may be earned by participants of differing age and maturity. There is no necessity to progress from one to the other, and thus either the bronze, silver, or gold award program may be entered directly. The bronze award is for individuals in the 14 to 16 age range and is a time to discover what their capabilities in the three areas are and what new goals they can achieve. The silver award, for those above 16, has as its goal achievement of a higher level of proficiency in public service, personal interests, and exploration, as well as increased time requirements. The gold award, for those above 19, requires one to take the major role in planning the goals of any area with less supervision and direction. Considerable is expected, both in time demands and levels of endeavor.

For each level of the congressional award, those taking part would have to meet requirements of three sections: Public service, personal interest, and physical expedition fitness. Each of the three sections prescribes a different kind of activity. While the choice of activities within a section may vary, the names of the sections are the same for the bronze, silver, and gold.

The public service section involves practical community service after preliminary training or more specialized training in the more sophisticated fields. The aim is to encourage young people to develop compassion and a sense of responsibility in order to contribute in a creative manner to their community. Examples of public service could include such activities as lifesaving, youth service, disaster relief, or care of animals.

The aim of the expedition section is to foster the spirit of adventure and self-discovery that spans the history of our country. The cultivation of this aspect of everyone's life and its meaning in American culture cannot be emphasized enough. After training, journeys are planned and undertaken by one of the several modes of travel.

The purpose of the personal interest section is to stimulate young people to discover and develop interests of a creative and rewarding nature. It is hoped that this experience, as well as those of the other two sections, will have a lifetime effect. For all awards special provisions will be made for handicapped young people.

Some comparable perspective may perhaps be of value. A number of ideas from this award program have been developed from observation of the Duke of Edinburgh's award program in Great Britain. It was formulated by the individual who founded the outward bound schools. From its beginning 23 years ago, it has grown in 45 countries and has attracted over 1.5 million young people worldwide. There is no question that their particular program has been efficient and successful without depending on large government support. In England a high percentage of those achieving the Duke of Edinburgh's award feel it had a substantial part in shaping their lives and helping them reach their life's objectives.

The establishment of the congressional award in the United States is due to the efforts of a very dedicated group of individuals who compose the Committee for the Establishment and Promotion of the Congressional Award. They have gathered the support of organizations, individuals, and public officials from across the country. There are over 100 cosponsors on the companion bill in the House of Representatives, H.R. 2196, sponsored by James Howard of New Jersey. Hearings in the House Subcommittee on Select Education were held on July 17, 1979. The congressional award requires no Federal funding. Congress will appoint a board to oversee the development and operation of the program. It is anticipated that Members of Congress individually and collectively will become involved in the progress of the congressional award and, in particular, presentation ceremonies for award winners.

Mr. President, the congressional award will recognize the creative endeavors and achievements of the young people of America, while at the same time bringing the older and younger generations together to achieve that very end. Encouragement of young people is valuable and essential to the future of our country. The objectives of the program are significant, whether in a family, schools, youth organization, business, or government. They affect any community, large or small, and should be supported and encouraged.

Mr. President, I am pleased that 52 of my colleagues have joined in sponsoring this legislation. It is an indication of a commitment of the Senate to encourage and recognize the positive endeavors of the young people of our country. As the program is developed and is operating across the United States, Members of the 96th Congress will be able to look with pride to the passage of this legislation.

Mr. President, I urge immediate and strong support for the passage of S. 221.●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECESS FROM FRIDAY, JULY 20, 1979, TO 9 A.M. ON SATURDAY, JULY 21, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess until the hour of 9 o'clock on Saturday morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR SENATE TO CONVENE AT 10 A.M. ON MONDAY, JULY 23, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes on Monday, it convene at the hour of 10 o'clock a.m. following a recess.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SECRETARY CALIFANO LEAVES THE GOVERNMENT

Mr. RIBICOFF. Mr. President, I am very sorry to see Joe Califano leave the Government. He has served as HEW Secretary with great distinction. Secretary Califano has confronted some of the most difficult problems the Nation faces, and he has done his job in a constructive, competent, compassionate, and courageous way. Joe will be missed, and important programs for the Nation will suffer without his leadership.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. RIBICOFF. I would be pleased to yield to the distinguished Senator from Washington.

Mr. MAGNUSON. May I say there is no one who knows better how difficult the job is down there as Secretary than the Senator from Connecticut. I certainly agree with what he said about Joe Califano. It is a most difficult job. As I mentioned before, I am very sorry he is going because I have dealt with him on HEW appropriations. He has been most helpful, constructive, and compassionate. If it is because he has been innovative with new ideas, and if that is why they accepted his resignation, I think that is the absolutely wrong thing to do because HEW is one Department that needs new ideas. It also needs the type of strong, competent leadership that Joe Califano has provided.

Mr. RIBICOFF. I would say that I know the distinguished chairman has been with HEW proposals through many, many Secretaries. Certainly the leaving of Joe Califano has nothing to do with his ability and his performance as Secretary.

It seems to me that requesting Joe Califano to leave has to be under extraneous circumstances, circumstances that have nothing to do with how he has performed his work. The President, in my opinion, has made a grave mistake in terminating the services of Secretary Califano.

I do not think Secretary Califano left because he wanted to leave or resigned because he wanted to resign.

He was dedicated in his job, he did his job well. He devoted himself tirelessly, and I have been full of admiration for the way in which Joe Califano has performed as Secretary of HEW.

Mr. RIBICOFF subsequently said:

Mr. President, I spoke earlier today in the Senate of my high regard for Joe Califano as Secretary of the Department of Health, Education and Welfare. I have now received a copy of a statement he issued today regarding his departure from HEW. The statement is thoughtful, dignified and gracious. I request that Joe Califano's statement be printed in the RECORD.

The statement follows:

STATEMENT BY JOSEPH A. CALIFANO, JR.

I remember reading, a few years ago, a wise admonition for those who would understand our politics: Try to tell the difference between tides, waves and ripples.

By that measure, the matter of which individual runs a government department—or for how long—is surely little more than a ripple; the matter of who wins next year's election, a wave.

Certain issues, however, are truly tidal in their magnitude and meaning. Civil rights is one such issue. The issue of guaranteeing a fair share of this Nations' plenty to poor, old, and helpless people is another. The issue of enhancing health and education for millions of people is yet another.

These great tidal issues describe the mandate of this Department. And in the past thirty months, as Secretary of Health, Education, and Welfare, I have found myself immersed in all of them.

That experience has brought some frustrations. But I find myself thinking now only of the satisfactions.

There is the satisfaction of having attracted to this Department—from the Nation's universities and law firms, from the foundations and from within government itself—the best people to serve in a government department. In my judgment, since the days of the new frontier.

There is the satisfaction of having reorganized the Department, to help it become a more vibrant, effective institution and to recover hundreds of millions of tax dollars previously lost through fraud, abuse, and waste.

There is the satisfaction of having designed major legislative proposals: the national health plan, restoring the financial integrity of the social security system, recasting the nation's education laws with a 40 percent increase in funding, hospital cost containment, welfare reform and child health. Some of these have been passed by the Congress: some have not. All, I believe, will stand the test of time and eventually become law.

There is the satisfaction of enforcing the Nation's laws against discrimination with renewed energy and vigor.

There is the satisfaction of speaking out in defense of the public health on issues from childhood immunization to the dangers of smoking to adequate budget support for basic scientific research.

Much of what we began in these last thirty months, of course, is not yet finished. I can understand, however, that the President could feel the need to reorient his priorities, to rely more heavily on his personal staff, and to prepare his Administration for the challenges of the next eighteen months.

I intend, in the coming months, to continue speaking out on public issues and on behalf of the people served by this Department, people who must be able to turn to their government for compassion, hope, and help.

I wish the President well as he continues striving to fulfill the enormous responsibilities of his office, and to build upon his achievements, of which he can be justly proud.

Inevitably, there will be those who will say, in trying to explain this event, that I made waves. I hope I did—but I will leave that judgment to you and to the passage of time. Meanwhile, I will cherish the opportunity I have had to move with some of those great tides—and perhaps to have given them added momentum.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 10:45 a.m., having arrived, the Senate will now proceed to vote on final passage of H.R. 4387, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 4387) making appropriations for agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes.

The Senate resumed the consideration of the bill.

VOTE AGAINST AGRICULTURE APPROPRIATIONS

● Mr. PELL. Mr. President, I have voted against H.R. 4387, the agricultural, rural development, and related agencies appropriation bill, because I object to the massive subsidies it contains for agriculture at the expense of the taxpayers and consumers.

The subsidies contained in this bill are far too numerous and disparate. They range from $400,000 for the dairy and beekeepers indemnity programs to more than $3 billion in payments to farmers from the Commodity Credit Corporation.

Millions of dollars of subsidies are retained in this bill to support tobacco growth and marketing, although I am pleased to note that Federal support of tobacco research is being limited to health and safety projects. This limitation, which I initiated during the 95th Congress, is a step in the right direction but does not go far enough.

This bill also reduces funding for education at land grant colleges from $11.5 million to only $3 million and restricts the funds to purely agricultural education. This move alone eliminates Federal funding for eight positions at the University of Rhode Island and is a shortsighted step toward narrowing the education offered at land grant colleges.

I realize that this bill also contains funds for such vital programs as food stamps, $6.1 billion, and rural clean water, $75 million, which I do not oppose. I believe, however, that it is essential to cast my vote against continuing massive agricultural subsidies in these particularly difficult economic times.●

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall the bill, as amended, pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON: I announce that the Senator from Hawaii (Mr. MATSUNAGA), is necessarily absent.

I further announce that the Senator from Michigan (Mr. RIEGLE), is absent on official business.

Mr. STEVENS: I announce that the Senator from South Dakota (Mr. PRESSLER), is necessarily absent.

The ACTING PRESIDENT pro tempore. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 90, nays 7, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—90

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Percy
Pryor
Randolph
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—7

Armstrong
Byrd,
Harry F., Jr.
Helms
Pell
Proxmire
Ribicoff
Roth

NOT VOTING—3

Matsunaga
Pressler
Riegle

So the bill (H.R. 4387), as amended, was passed.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EAGLETON. Mr. President, I understand that the Secretary of the Senate is already authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments to H.R. 4387. Is that not correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. EAGLETON. Mr. President, I move that the Senate insist on its amendments to H.R. 4387 and request a conference with the House of Representatives on the disagreeing votes of the two Houses and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Acting President pro tempore (Mr. DECONCINI) appointed Mr. EAGLETON, Mr. STENNIS, Mr. PROXMIRE, Mr. ROBERT C. BYRD, Mr. BAYH, Mr. CHILES, Mr. BURDICK, Mr. SASSER, Mr. MAGNUSON, Mr. BELLMON, Mr. YOUNG, Mr. MCCLURE, Mr. GARN, and Mr. SCHMITT conferees on the part of the Senate.

Mr. EAGLETON. I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, some of the most successful programs ever carried out by the U.S. Government have been in the agricultural area. One need only think of the 25-year-old food-for-peace program as an example of effectiveness and efficiency in our agricultural policy. The valuable work of the Farmers Home Administration and the Soil Conservation Service, to name but two agencies, has been essential to the development of rural America.

I wish to commend the chairman of the Agriculture Subcommittee of the Appropriations Committee, Mr. EAGLETON, who has performed admirably as majority floor manager for this bill. His command of the wide range of agriculture and rural development issues contained in the bill reflects his long interest and hard work in this area.

The distinguished Senator from Oklahoma, Mr. BELLMON, as ranking member of the subcommittee and minority floor manager, has done a fine job in connection with this bill.

I take a moment to comment that, in the short period since the 1977 Omnibus Farm Act has been implemented, the fundamental soundness of the American agriculture system has been strengthened and renewed. This year, 1978, the United States will set a new record for food exports—over $30 billion worth of raw agricultural goods will be sold abroad. At home, this means fair prices for farmers and plentiful crops. The programs in this appropriations bill will help sustain that admirable record.

Once again, I commend the majority and minority managers and thank them on the part of the leadership for their efforts in completing deliberations on the bill in an expeditious and thorough manner.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4389, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 4389) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to the consideration of the bill, which had been reported from the Committee on Appropriations with amendments.

The ACTING PRESIDENT pro tempore. What is the will of the Senate?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be descinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAGNUSON. What is the pending business before the Senate?

The ACTING PRESIDENT pro tempore. The Labor-HEW appropriation bill, H.R. 4389, is the pending business.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of further amendment; and provided, further, that no point of order be considered as waived.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments agreed to are as follows:

On page 2, line 8, strike "$33,081,000" and insert "$33,791,000";

On page 2, line 11, after "2001–2003" insert a colon and the following:

Provided that, $710,000 of the funds may be expended from the Employment Security Administration Account in the Unemployment Trust Fund shall be available for the purpose of providing secretarial assistance to State Veterans Employment Representatives

On page 3, line 3, strike "$6,335,254,000" and insert "$6,423,055,000";

On page 3, line 7, strike "$667,263,000" and insert "$931,982,000";

On page 3, line 9, strike "$533,255,000" and insert "$797,974,000";

On page 3, line 10, after the period, strike through and including line 13;

On page 3, line 17, strike "$1,815,000,000" and insert "$1,627,000,000";

On page 3, line 23, strike "$258,550,000" and insert "$275,250,000";

On page 5, line 17, strike "$1,774,300,000" and insert "$1,773,590,000";

On page 8, line 13, strike "$436,171,000" and insert "$434,072,000";

On page 8, line 18, strike "$19,529,000" and insert "$21,628,000";

On page 9, line 13, strike "$181,520,000" and insert "$184,809,000";

On page 11, line 4, beginning with the colon, strike through and including page 12, line 2;

On page 12, line 6, after "Administration," insert "including $6,801,000 for the National Mine Health and Safety Academy,";

On page 12, line 7, strike "$142,983,000" and insert "$142,983,000";

On page 12, line 21, beginning with the colon, strike through and including page 13, line 2;

On page 13, line 13, strike "$86,197,000" and insert "$101,797,000";

On page 14, beginning with line 7, strike through and including line 10;

On page 14, line 11, strike "103" and insert "102";

On page 14, beginning with line 17, strike through and including line 20;

On page 15, line 11, strike "$1,318,343,000" and insert "$1,330,642,000";

On page 15, line 11, strike "$1,600,000" and insert "$2,000,000";

On page 16, line 10, after "employee" insert a colon and the following:

Provided further, That when the Health Services Administration provides health care services to active duty Department of Defense uniformed services personnel and their dependents, to retired uniformed services personnel and their dependents, and to the dependents of deceased uniformed services personnel in a Public Health Service medical facility, payment for the estimated cost shall be made by way of reimbursement to this appropriation.

On page 16, line 25, strike "$264,915,000" and insert "$298,415,000";

On page 17, line 10, strike "$961,158,000" and insert "$1,000,000,000";

On page 17, line 19, strike "$68,318,000" and insert "$67,000,000";

On page 17, line 25, strike "$341,246,000" and insert "$315,000,000";

On page 18, line 6, strike "$240,622,000" and insert "$242,000,000";

On page 18, line 11, strike "$215,402,000" and insert "$200,000,000";

On page 18, line 15, strike "$312,478,000" and insert "$304,000,000";

On page 18, line 21, strike "$208,981,000" and insert "$204,000,000";

On page 19, line 4, strike "$68,910,000" and insert "$70,000,000";

On page 19, line 8, strike "$107,528,000" and insert "$113,000,000, of which $3,000,000 shall remain available until expended to carry out a program of grants for public and nonprofit private vision research facilities";

On page 19, line 21, strike "$169,199,000" and insert "$164,000,000";

On page 20, line 12, strike "$42,431,000" and insert "$44,000,000";

On page 21, line 22, strike "$393,017,000" and insert "$391,148,000";

On page 21, line 11, after "which" insert "$1,500,000 shall be available only for the program relating to nutrition education for health professionals, and";

On page 22, line 4, after "provision" insert a colon and the following:

Provided, That $1,000,000 shall remain available until expended by grant for expansion of clinical teaching facilities under section 710(a) (1) of title VII, which shall be made without regard to section 720(b) of title VII

On page 23, line 23, strike "$186,986,000" and insert "$198,503,000";

On page 23, line 23, strike "$1,000,000" and insert "$2,000,000";

On page 25, line 14, after "$12,616,799,000" insert "to remain available until expended";

On page 26, line 11, after the period, insert "No payment shall be made from this appropriation to reimburse State or local expenditures made prior to September 30, 1978.";

On page 26, line 20, strike "$7,966,406,000" and insert "$7,969,906,000";

On page 27, line 1, strike "$121,695,000" and insert "$134,695,000";

On page 27, line 2, strike "$835,319,000" and insert "$839,319,000";

On page 28, line 5, strike "$3,477,132,000" and insert "$3,328,343,000";

On page 28, line 6, after "title II," insert "title III, part H,";

On page 28, line 8, strike "the Alcohol and Drug Abuse Education Act;";

On page 28, line 11, strike "$3,936,982,000" and insert "$3,784,428,000";

On page 28, line 17, strike "$3,477,132,000" and insert "$3,328,343,000";

On page 28, line 17, after "which" insert "$30,000,000 shall be for the purpose of section 116 and";

On page 28, line 19, strike "$345,789,000" and insert "$200,000,000";

On page 28, line 20, after "117" insert a semicolon and "and of which $235,000,000 shall be for the purposes of subpart 1 of subpart B, and $140,000,000 shall be for the purposes of subpart 2 of such part B, and any reductions in entitlements required thereby shall be proportionate among the States";

On page 29, line 2, strike "$1,250,000" and insert "$250,000";

On page 29, line 11, strike "$744,000,000" and insert "$700,000,000";

On page 29, line 13, strike "$662,000,000" and insert "$618,000,000";

On page 29, line 18, strike "$371,000,000" and insert "$399,000,000";

On page 29, line 19, beginning with "and" strike through and including page 30, the word "Act" in line 6, and insert a colon and the following:

Provided further, That no payment shall be made in any local educational agency with respect to an entitlement based on counting a number of children under section 3(b) of such Act of September 30, 1950, in an amount which exceeds 90 per centum of the amount of such payment for the fiscal year 1979: *Provided further*, That no such payment shall be made to any such agency unless either (a) the amount of such payment is equal to at least 1 per centum of the current expenditures of such agency for fiscal year 1979, or (b) the number of children so counted for fiscal year 1980 is at least 2,000: *Provided further*, That in computing the amount of such an entitlement for any such agency, no child living with a parent who works on Federal property in any county other than the county in which the district of such agency is located shall be counted: *And provided further*, That such payments shall otherwise be made in accordance with section 5(c) of such Act, notwithstanding the last two sentences thereof: *Provided further*, That the total amount paid with respect to entitlements under section 3(a) attributable to children who reside on, or reside with parents employed on, property which is described in section 403 (1) (c) of said Act shall not exceed the amounts paid under that section in fiscal year 1979, and any reductions required thereby shall be derived by proportionately reducing the payments attributable to such children applied for by all local educational agencies under section 3(a).

On page 31, line 13, strike "$33,000,000" and insert "$25,000,000";

On page 31, line 16, strike "$13,000,000" and insert "$9,000,000";

On page 31, line 17, strike "$17,000,000" and insert "$13,000,000";

On page 32, line 6, strike "$340,650,000" and insert "$299,569,000";

On page 32, line 7, strike "notwithstanding the provisions of paragraph 2 of section 604 (b) of the Emergency School Aid Act" and insert a colon and the following:

Provided, That the terms of the reservations contained in section 604(b) (2) of the Emergency School Aid Act and the limitation on the amount authorized to be reserved for the purpose of section 613 of such Act shall not apply to sums appropriated under this Act.

On page 32, line 16, strike "$1,045,325,000" and insert "$1,054,025,000";

On page 32, line 17, strike "$20,000,000" and insert "$30,000,000";

On page 32, line 25, strike "$879,880,000" and insert "$874,880,000";

On page 33, line 1, strike "$13,000,000" and insert "$10,000,000";

On page 33, line 16, strike "$112,317,000" and insert "$137,317,000";

On page 33, line 21, strike "$550,800,000" and insert "$510,000,000";

On page 33, line 21, strike "$300,800,000" and insert "$242,800,000";

On page 33, line 24, strike "$3,056,935,000" and insert "$2,958,935,000";

On page 33, line 25, strike "$3,015,550,000" and insert "$2,917,550,000";

On page 34, line 1, beginning with "That" strike through and including the word "Act" in line 7, and insert in lieu thereof the following:

That the amounts appropriated for Basic Grants under this Act shall be available for paying those grants only when the amounts previously appropriated for Basic Grants through September 30, 1980 under Public Law 95–480 are fully obligated for awards: *Provided further*, That the amounts appropriated for Basic Grants under Public Law 95–480 shall be available for paying Basic Grants only when the amounts previously appropriated for Basic Grants through September 30, 1979 under Public Law 95–205 are fully obligated for awards: *Provided further*, That if any Basic Grant funds appropriated by Public Law 95–205 remain unobligated on July 1, 1979, those funds must be used to pay Basic Grants to students for the 1979–80 Basic Grant award year notwithstanding section 411(b) (3) (B) (ii) of the Higher Education Act:

On page 35, line 7, after "year" insert a colon and the following:

Provided further, That funds contained in Public Law 95–480 under this head for work study grants shall remain available until September 30, 1981: *Provided further*, That funds appropriated for Basic Opportunity Grants may be paid without regard to section 411(b) (5): *Provided further*, That up to $20,000,000 of funds appropriated for part E, title IV of the Higher Education Act may be distributed as the Commissioner of Education determines without regard to section 462 of the Higher Education Act of 1965.

On page 35, line 18, strike "VII part E,";

On page 35, line 18, after "VIII," insert "and";

On page 35, line 19, strike ", and XI";

On page 35, line 19, strike "418,";

On page 35, line 22, strike "and";

On page 35, line 23, after "Act" insert "; and title XV, part B of the Education Amendments of 1978,";

On page 35, line 24, strike "$408,080,000" and insert "$361,380,000";

On page 36, line 1, after "Act" insert the following:

and including $10,000,000 for part A of title I of the Higher Education Act: *Provided*, That notwithstanding the provisions of section 102(b) of Public Law 92–318, the provisions of sections 103(a) and 106 of the Higher Education Act shall apply to funds appropriated under this Act, but section 103(a) shall apply only to the extent that it provides for the allotment to each State, from the sums appropriated for Part A of title I of the Higher Education Act that are not reserved pursuant to section 106(a) of that Act, of an amount which bears the same ratio to such sums as the population of such State bears to the population of all the States.

On page 36, line 15, after "title II," insert "parts B and C";

On page 36, line 17, strike "$264,475,000" and insert "$272,500,000";

On page 36, line 18, strike "$162,000,000" and insert "$180,000,000";

On page 37, line 1, strike "$3,135,000" and insert "$4,100,000";

On page 37, line 7, strike "$124,628,000" and insert "$110,706,000";

On page 39, line 5, strike "$98,285,000" and insert "$84,058,000";

On page 39, line 10, strike "$34,930,000" and insert "$34,037,000";

On page 40, line 12, after "$6,323,436,000" insert ", to remain available until expended";

On page 40, line 23, after "$7,072,210,000" insert ", to remain available until expended";

On page 41, line 10, after the period, insert the following:

No payment shall be made from this appropriation to reimburse State or local expenditures made prior to September 30, 1978.

On page 41, line 16, strike "domestic assistance to refugees in the United States less than 2 years, $23,500,000" and insert "aid to Cuban Refugees within the United States and other domestic refugee assistance, $91,500,000";

On page 44, line 6, after "$2,606,500,000," insert "to remain available until expended,";

On page 44, line 19, after the period, insert the following:

No payment shall be made from this appropriation to reimburse State or local expenditures made prior to September 30, 1978.

On page 45, line 8, strike "$2,519,436,000" and insert "$2,594,073,000";

On page 45, line 9, strike "$808,000,000" and insert "$826,316,000";

On page 45, line 10, after "1973;" insert "$1,200,000 shall be for activities under section 100(b)(3);";

On page 45, line 13, strike "$10,000,000" and insert "$15,000,000";

On page 46, line 4, strike "$365,000,000" and insert "$385,000,000";

On page 47, beginning with line 19, strike through and including page 48, line 8;

On page 48, line 9, strike "203" and insert "201";

On page 48, line 31, strike "204" and insert "202";

On page 49, line 3, strike "205" and insert "203";

On page 49, line 7, strike "206" and insert "204";

On page 49, line 12, strike "207" and insert "205";

On page 51, line 8, strike "208" and insert "206";

On page 51, line 18, strike "209" and insert "207";

On page 52, line 10, strike "210" and insert "208";

On page 52, line 23, strike "211" and insert "209";

On page 53, line 3, strike "212" and insert "210";

In page 53, line 8, strike "213" and insert "211";

On page 53, beginning on line 12, insert the following:

SEC. 212. Funds appropriated to the Department of Health, Education, and Welfare under title II may not be used to pay the compensation of experts or consultants (other than full-time employees) or organizations thereof, or to procure by contract the services of experts or consultants or organizations thereof, in excess of $160,000,000 during fiscal year 1980. Expenditures for all consultant services in the fourth quarter of fiscal year 1980 may not exceed 30 per centum of the total annual fiscal year 1980 expenditure for such consultant services.

On page 54, line 10, strike "$548,000,000" and insert "$780,000,00";

On page 54, beginning with line 14, insert the following:

COMMUNITY DEVELOPMENT CREDIT UNIONS, REVOLVING FUND

For the Community Service Administration for loans to community development credit unions, $12,000,000 together with amounts of principal and interest on loans repaid, to be available until expended.

On page 55, line 19, strike "and";

On page 55, line 21, after "(42 U.S.C. 6101 et seq.)" insert "and for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 125a)";

On page 55, line 23, strike "$23,075,000" and insert "$28,075,000";

On page 61, line 12, after the quotation mark, insert a semicolon and the following:

the Chairman of the National Mediation Board is authorized to make available for official reception and representative expenses not to exceed $2,500 from funds available for "Salaries and expenses, National Mediation Board."

UP AMENDMENT NO. 389

Mr. MAGNUSON. Mr. President, I send to the desk a technical amendment to the bill.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. MAGNUSON) proposes an unprinted amendment numbered 389:

On page 30, line 15, strike all beginning with "1980" through line 20, ending with the word "counted", and insert in lieu thereof: "1979 is at least 2,000: *Provided further*, That in computing the amount of such an entitlement for any such agency, no child shall be counted under section 3(b)(2)(B) of such act:"

Mr. MAGNUSON. This is merely to correct a mistake in the printing.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Washington.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

Mr. MAGNUSON. Let us finish this technical amendment.

Mr. HELMS. No, I want to get some understanding on another matter before we proceed any further on this bill. I know the Senator will forgive me.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, the question is on agreeing to a technical amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I have an opening statement.

The Committee on Departments of Labor and HEW recommends that $72.7 billion be provided for the human resource needs of the Nation. Counting all the trust funds and social security, the total is $237 billion or 43 percent of the entire budget.

I often believed, and so stated, that the tremendous amount of the $237 billion, 43 percent, is mainly caused by the inclusion of social security in the budget. I have always maintained that social security should not be in the budget. If I had my way about it, it would be run by an independent agency. But this is in the budget so we have to include it as part of the total.

It began by political bookkeeping in the first part of the Nixon administration. The Congress and the administration were being criticized for spending too much for defense and not enough for human needs in the budget. So they put social security in the budget, and that moved the budget way up above the defense budget. This was just a political move by the Nixon administration to make it look like more money was going to human needs programs.

But this bill, as large as it is, is $250 million less than the House allowed. It is $180 million less than last year's comparable level and, more significantly, it is $1 billion less than the President's budget request for fiscal 1980.

We would be $750 million below the House if it were not for the so-called Michel amendment which was deleted by the committee. This amendment made a $500 million reduction against entitlement programs such as medicaid and welfare. The Senate bill does not include this across-the-board reduction, because we chose to make specific reductions in individual programs in the bill whenever management savings were possible rather than use an indiscriminate, arbitrary cut against all entitlement programs in the bill. The State financing problems we encountered in the fiscal 1979 version of the Michel amendment which cuts a billion dollars out of these programs bears out the wisdom of our position.

CONSULTANTS

The committee held oversight hearings this past year on HEW's extensive use of consultants. The committee found they were spending much too much for far too little return. This excessive reliance on non-Federal personnel for day-to-day operational and decisionmaking functions is both damaging to employee morale and an inefficient and often ineffective use of Federal funds. The committee reduced the bill by $34 million, limiting consultants to $160 million versus last year's ceiling of $194 million.

CETA

For CETA jobs and training, a controversial matter in the committee and an activity that has been subjected to much criticism by the public and other people over the past year, the committee has provided $2.2 billion less than the fiscal 1979 level. This is nearly a billion dollars less than the President requested and $100 million less than the House provided. The committee level will fund 467,000 public service jobs compared to 725,000 jobs just 2 years ago. Some Senators have suggested lower levels, but I think those Senators should bear in mind that the best weapon against our No. 1 enemy—inflation—is employment. Higher employment is the only way to increase production and revenue while decreasing Federal expenditures and the waste of human resources.

YOUTH JOBS

The committee also raised funds for youth employment programs by $300 million above the President's budget and the House level. There are far too many young men and women hanging around our streets with nothing to do. The unemployment rate is over 30 percent for minority youth. Two years ago, when these special youth programs began, the unemployment rate for minority youth was nearly 40 percent. We are making progress, but more needs to be done. This bill provides 249,000 full-time jobs for youth. This is in addition to 1 million summer jobs for youth under the summer jobs program.

HEALTH

The committee provided $6.4 billion for the Public Health Service. The greatest emphasis has been on prevention programs. It is clear that an investment in these programs produces long-term savings in medical care costs not to mention the expansion of human productivity and the reduction of human suffering. In recognition of this, $8 million was added for immunization, particularly for young children, $9 million was added over the budget for hypertension and $4 million was added for genetic information and counseling.

The committee allowance for community health centers is $310 million. This is $29 million below the House allowance and $62 million less than the President's request. But more importantly, it is an increase of $50 million over the current 1979 level. This increase will fund 132 more health clinics in rural and urban underserved areas, where health care is generally unavailable to the economically disadvantaged.

NIH

NIH—The National Institutes of Health—is the first link in the chain of prevention. It is obviously one of our highest priorities. In addition to increasing the research budget, we have also fully funded the training programs which are so critical to the long-term quality of research in this Nation.

The committee has included $3.4 billion for the National Institutes of Health. This is $195 million more than the President wanted and $181 million more than the 1979 level.

The biggest increase is in cancer, where we added $39 million to the House level and $63 million to the President's budget and last year's level. The committee has instructed the Department in the report accompanying this bill, that the increase is to be focused on further research into the exciting new nontoxic cancer-treating drug called interferon, and on the development of community-based and comprehensive cancer centers.

In the area of health professional training, $72 million was added to the President's budget request for capitation grants, $62.6 million of which will go to schools of medicine, osteopathy, and dentistry. This level, which is $16 million less than the House allowance and $38.5 million less than the 1979 level, will continue to provide for an orderly phaseout. The committee allowed significant increases to student assistance and training programs to offset this reduction—and to provide more incentives for students to go to medically underserved areas.

The committee also added $10 million for allied health, which had been left out of the President's budget and House allowance. This is consistent with the committee's support for expanding the availability of health professionals who can provide a good deal of traditional health care services at a lower cost to the patient than would be charged by doctors.

PSRO'S

The committee added $17 million for professional standards review organizations. Due to the availability of trust funds for this activity, the committee increase will only add $7.5 million of new budget authority. These PSRO's, as they are called, offer the best opportunity for reducing hospital and long-term care costs while monitoring the quality of care provided. Until hospital costs containment legislation is passed, we should continue to support every vehicle available for controlling the escalating costs of medical care.

EDUCATION

In the field of education, the committee recommends $11.6 billion for education. This is $1.1 billion below the House, $600 million below the President's budget and $868 million below last year's amount. This does not represent as large a cut in education as it appears to be. A major portion of this reduction represents the elimination of $726 million of surplus fiscal 1978 and 1979 funds in the basic education opportunity grants program. This money can be spent in the fiscal years for which it was appropriated. This money was intended to be used for the 1980 program by the administration and the House.

HEW says that the $1.7 billion provided by the committee is sufficient to fund all the provisions of the basic opportunity grant program, including the independent students and other provisions of the Middle Income Student Assistance Act.

It was originally estimated that $2.1 billion appropriated for basic grants in fiscal 1978 would meet the needs of college students in the 1978–79 school year. However, revised department estimates indicate that $561 million will remain at the end of the school year in June 1979. Since this money remains available until September 30, 1979, the $561 million can be used to pay for grant awards for the 1979–80 school year. Similarly, the $165 million in fiscal 1979 funds that will be left over next June can be spent on grants for the 1980–81 school year. In other words, all funds will be obligated in the fiscal years for which they were appropriated. Therefore, there is no need to reappropriate the $726 million as the President's budget proposed.

Speaking of independent students, HEW told the Congress in April that the independent student provisions would be expanded in the 1979–80 school year to meet the provisions of the Middle Income Student Assistance Act. The committee strongly supports this position. Unfortunately, it now appears that the Department has sent letters to the college students saying that these provisions might not be funded this year. This is a most unfortunate occurrence; it causes a great deal of uncertainty among these students. I hope that the Department will stand by its April decision to fund the expanded provisions for independent students in the 1979–80 school year. Every effort must be made to clear this picture up as soon as possible.

IMPACT AID TO LOCAL SCHOOL DISTRICTS

For impact aid, the committee is recommending $725 million, a $91 million reduction below the 1979 appropriation and $52 million below the House. As usual, the most controversial item is the payments to the so-called "B" students, those whose parents live or work on Federal property. The committee has provided a recommendation of $205 million, which is $115 million below last year and $72 million below the House. However, the Senate proposal will continue to provide support to those school districts that are truly affected by the presence of Federal facilities, such as military bases. This is a reasonable and fair proposal which provides funds on a justifiable basis. In order to qualify for impact aid "B" funds, a school district must have at least 2,000 "B" students or the "B" payment the district received must have equaled at least 1 percent of the district's expenditures for 1978–79. I must point out that under this recommendation, no school district will lose more than 1 percent of total expenditures, even if it is eliminated from the formula. I believe that any school district can take a cut of less than 1 percent without having major damage done to its school budget. Our recommendation for the "A" students—those whose parents both work and live on Federal property—is $399 million, the same as the budget request. This is a reasonable and rational proposal. Those school districts that are heavily impacted by the presence of Federal activities will continue to receive support for both "A" and "B" students. At the same time, we can do this without greatly increasing the funds for impact aid.

EMERGENCY SCHOOL AID

Under emergency school aid, the committee has doubled funding for magnet schools from $25 million in 1979 to $50 million. The magnet school is proving to be a valuable tool to encourage voluntary desegregation. The committee believes it is important to continue to encourage voluntary desegregation.

AGING PROGRAMS

For Administration on Aging programs, the committee recommends $664 million, an increase of $38 million over the House bill, and $105 million over the President's budget.

The House-passed version of the bill put the entire increase into expanding the nutrition program, but did not provide any more funds for State and local area agencies on aging, which provide a wide variety of services to help the elderly take advantage of the nutritious meals program.

In the Senate bill, the distribution between funds for the area agency services and nutrition activities provide a good balance between this important source of hot meals for indigent elderly people and the supportive services, such as transportation services necessary to get them to the meal sites.

Too often there is a temptation to fund the highly visible programs with which we are all familiar, such as the nutrition program, while ignoring other essential services. It was the committee's fear that this might happen under the Older Americans Act program unless a major increase was provided for social services. Important as the nutrition program is in terms of diet, its potential for lessening the isolation of so many of our elderly is even more important. Without growth of both the social services and nutrition programs, we run the risk of reducing transportation, home health, legal and other vitally needed services.

In addition, the committee bill increases the House allowance and budget request for the National Institute on Aging to $70 million compared to the current level of $56.9 million. Throughout the National Institutes of Health as well as the Health Resources Administration and the Rehabilitation Services Administration, to mention only a few, interdisciplinary research and training programs for the elderly are being strengthened.

We have provided a 10-percent increase in jobs for the elderly, from the current level of 47,500 to 52,250. We have also made the jobs increase effective October 1, 1979, rather than waiting until July 1, 1980, as provided in the House version of the bill.

REHABILITATION SERVICES

The committee has increased appropriations for the vocational rehabilitation of physically handicapped persons in four areas: basic State support grants; direct grants to Indian tribes, which is a new Senate initiative; independent living funds to keep the handicapped out of institutions; and research.

CHILDREN'S PROGRAMS

For Head Start, we agreed with the $735 million House allowance, to provide for 7,800 more children to be served, for a total enrollment of 386,400. Together with $55 million added in the supplemental, the current level of $625 million will increase by $110 million in less than a year. In the area of child abuse prevention we agreed with the House floor amendment adding $4 million over the current level, for a total of $23 million.

EMERGENCY ENERGY SERVICES

The energy crisis affects the poor and the elderly the hardest; $250 million was provided to meet the utility costs of these people. This winter's fuel bills are expected to be much higher than their limited incomes will be able to afford.

The economically disadvantaged will also be assisted by the increases provided for the community food and nutrition program and for community economic development credit unions which are administered by the Community Services Administration.

ABORTION

Finally, on the issue of abortion, the Appropriations Committee decided to avoid spending our time arguing about this controversial subject in full committee and to send the House language to the Senate floor unchanged.

I will say that I personally find the House language far too restrictive and at the appropriate time plan to support an amendment to delete this language entirely.

There are many other items in this bill. I think there are 716 line items. Without going into detail, the Senator from Pennsylvania and I and the subcommittee went over them all. We all did a lot of work. I do not know how many witnesses we heard all told but it was over 1,000. I cannot compliment the subcommittee and its staff more than to say that I am so appreciative. They worked very hard. It is a big bill. It is a complex bill. It is going to be under the President's budget and within the budget figure of the Congress, if we do not figure future appropriations. The Budget Committee is always taking assumptions here and there. We cannot engage in guessing games about what might happen a few months down the road. We have done a good job in that. It is a difficult job. This is what I call, Mr. President, the kitchen work. It does not generate many headlines or anything of that kind, but it has to be done to run the Government.

We were plagued with the fact that the administration sent up a supplemental bill to the tune of $16.1 billion. We cut that $3 billion. It is down to $13 billion. The supplementals are getting to be the rule instead of the exception around here.

But this is the major appropriation bill. We did our best to whittle it down. If we continue to not be plagued with a lot of supplementals, we can balance the budget next year. Of course, our energy problems will make this difficult.

I am hopeful that on the emergency energy program the President will send that up with the amount of money needed to be appropriated separately, so the people of the country can look at it as a separate emergency item. Then we can get a true picture of how our energy problems affect us and what has to be done to begin to work out solutions.

We have kept the budget well within a reasonable percentage of the gross national product. It is very difficult, the way we keep books. In the total Appropriations Committee there are about $43 billion worth of loans. Social Security has added to this. Normal bookkeeping would not require these funds to be figured in as regular budget items. This causes the budget and the deficit to appear to be much larger than it really is.

I had hopes that we could have the budget balanced by next year. This bill is the biggest item in the budget. I think we have done a good job and I want to compliment the ranking minority member, the distinguished Senator from Pennsylvania, who has worked very hard and has held a lot of hearings. I believe we present to the Senate a good, well-rounded bill. I yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, Senator THURMOND has a brief statement. I ask unanimous consent to yield the floor to him for a couple of minutes without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, will the distinguished Senator from Washington yield for a question?

Mr. MAGNUSON. We are not concerned with questions yet as we are still trying to make our opening statements.

Mr. THURMOND. The distinguished Senator from Pennsylvania yielded to me for a few moments since I have other duties this morning.

Mr. MAGNUSON. All right.

Mr. THURMOND. Mr. President, it is my understanding that during subcommittee consideration of this fiscal year 1980 appropriation bill our colleague from North Dakota, Senator BURDICK, successfully advanced an amendment which would shift $710,000 from the grants to States account to the program administration account.

Mr. MAGNUSON. Yes, that is correct.

Mr. THURMOND. I also understand that this action was intended to fund 52 clerical positions within the Veterans' Employment Service, specifically those secretaries who assist the various State Veterans' Employment Representatives throughout our Nation. These positions are scheduled to be eliminated under current Department of Labor plans.

Mr. MAGNUSON. Yes, it is my understanding that the intent of the Burdick amendment is to restore funds for these clerical positions and the subcommittee and full committee agree with this position.

Mr. THURMOND. And the subcommittee and the full committee agreed with that position?

Mr. MAGNUSON. That was our understanding, yes.

Mr. THURMOND. I thank the chairman. I would like to commend him and our distinguished colleague from North Dakota (Mr. BURDICK), for the work you have done in this area. The State

VES representatives and their secretaries work as a team to implement the laws concerning jobs for veterans. Their responsibilities and duties are great and I believe it would be unwise to eliminate these clerical positions at a time when veterans are experiencing a high unemployment rate.

I thank the chairman and I thank the able Senator from Pennsylvania for yielding to me.

Mr. SCHWEIKER. Mr. President, I commend the chairman of our committee (Mr. MAGNUSON) for doing a very tedious, very significant job on a very difficult bill. I think he did it very fairly and in great depth and detail. It has been a privilege to work with him on this large and very complex bill.

Mr. President, I am glad to join with Senator MAGNUSON in recommending the fiscal 1980 Labor-HEW appropriations bill as reported from committee on July 13.

This has often been called a "people" bill because it affects Americans in all walks of life. Through the annual Labor-HEW appropriations bill, our committee provides funding for a variety of purposes designed to deal with the human and social problems our people face. The money in our bill assists the jobless, the medically underserved, victims of disease, the educationally disadvantaged, and many others who are less fortunate than ourselves.

The bill as reported from committee totals $72.7 billion. This is $250 million under the level of the House-passed bill, almost $1.1 billion under the President's budget and $180 million under the fiscal 1979 Labor-HEW appropriation. The total amount of our 1980 Labor-HEW bill at this point is well within our subcommittee's allocation under the first concurrent budget resolution.

While I would have provided more money in some areas, such as for the National Institutes of Health, and less in other areas, such as for public service jobs, I believe we have developed a reasonable bill which funds important priorities and yet holds the line on spending.

Let me list some highlights of the bill we have developed:

LABOR

For the Department of Labor, we provide $13 billion, or $53 million below the House allowance and $1 billion below the budget request.

Our allowance includes $3.1 billion, or $1.2 billion under the request, for CETA public service jobs to assist the very hardcore unemployed as well as those affected by the cyclical nature of the economy. Overall, the public service jobs program is being reduced from the fiscal 1979 level of 625,000 jobs to about 450,000 jobs by the end of fiscal 1980. This reduction reflects some improvement in the unemployment rate, a changing approach that focuses on the hard to employ, and disenchantment with the countercyclical public service jobs program, which has been riddled with fraud, abuse, and waste. Frankly, I thought we should have reduced the countercyclical program to 100,000 jobs by the end of fiscal 1980, but the committee did not support this.

However, our committee is not unmindful of the problems faced by prime sponsors in urban and rural areas with very high unemployment rates. In our report, we direct the Secretary of Labor to give consideration to reallocating some portion of unutilized public service jobs funds to alleviate unemployment problems in such areas.

Nevertheless, I believe the future of Government assistance in manpower programs lies primarily in encouraging business to train and hire the hard-core unemployed for jobs that are in demand in the private sector. I thus strongly support the new private sector initiatives program, which we are launching in fiscal 1979 and continuing in 1980. For the 2 years, we provide $200 million to start the formation of private industry councils, which will coordinate the program at the local level. I believe our committee is supportive of this program and will provide additional funds for it, as required, in future years.

In other areas, we provide $1.2 billion for youth jobs programs plus $609 million to maintain the summer jobs for youth program at an enrollment level of one million youths. The committee bill also increases assistance for low-income workers 55 years of age and older; funds the new targeted jobs tax credit program to assist disadvantaged youth, the handicapped and ex-offenders, and makes additional funds available for staff to process and help reduce the backlog of black lung disability claims.

HEALTH

Our total for the Public Health Service is $6.4 billion, or $42 million above the House allowance and $268 million above the budget request. This section of the bill includes the sum of $310 million, or $50 million above the 1979 level, for community health centers; $16.5 million, the same level as last year, for the health in underserved rural areas (HURA) program; and $165 million, an increase of $20 million over the budget, for family planning. We also provide increased funding for hypertension, maternal and child health grants and genetic counseling and information, among other programs.

In the area of disease control, we provide: $12 million to initiate a new program to assist State efforts to reduce the five leading causes of deaths and illness in each State; $26.5 million for immunization of chlidren, including $7 million to bring measles under control by 1982; and $15 million for rat control. In addition, we direct the Center for Disease Control to provide sufficient funds to expand its very effective diabetes control program from the present 12 States to 20 States in fiscal 1980.

This is a program that I initiated. I am very pleased to see it come along as well as it has.

For the National Institutes of Health, our committee provides a total of $3.4 billion, which is $195 million over the President's budget but $13 million below the House level. I did not feel that even the higher level in the House was sufficient to offset the toll taken by inflation and the need to maintain stability in funding new areas of NIH research.

I shall not try to recount my efforts to add more money to the NIH budget to assure a stable base of support for new competing research grants. However, I believe it is vital that we do recognize the principle of stability of NIH research. We must avoid putting biomedical research back into a boom-and-bust-cycle wherein programs are abolished, faculty positions terminated and laboratories dismantled, only to find that we have to reassemble these resources at a later date. It is a very costly process, in which we also risk losing promising investigators, one of our great human resources in biomedical research.

Biomedical research offers our best hope for prevention of disease. It holds out the promise of new treatments or cures for a wide variety of diseases as demonstrated by the significant advances made in diabetes and other areas. In fiscal 1979, we as a Nation will spend about $200 billion on health care while NIH spends only $3 billion, or 1.5 percent of overall costs, on health research activities. Thus, the cost of research is a minimal part of our national health expenditure. We cannot—we should not—allow it to be diminished in any way.

For drug abuse and mental health programs, we provide the same level as the House—$715 million. This includes $35 million for new community mental health centers. Funding for alcoholism was deferred because of a lack of authorizing legislation.

In health resources, we did not go along with the administration request to drop all capitation funding for health professions schools. Instead, we provide $72 million for capitation—about $16 million less than the House. In addition, we provide increases for national health service scholarships, health professions student loans and Area Health Education Centers (AHECS). The committee also agreed to $1 million to enlarge classroom and other teaching facilities at Penn State University Medical School in Hershey, Pa. The school is a leader in the field of rural medicine.

I am glad to report that we allow $62 million for health maintenance organizations, an increase of $29 million above the fiscal 1979 budget. This assures a significant expansion of a vital program which can help hold down rising health care costs. Also, our committee bill implements a new provision authorizing HMO's to get loans and loan guarantees for the acquisition and construction of ambulatory health care facilities.

In an effort to get away from the deemphasis on hospitalization and to bring down costs and health expenditures, ambulatory care is the way to go.

In addition, we provide $20 million for the second year of funding for the new adolescent pregnancy prevention program.

This came out of the Health Committee of which I am ranking Republican and was worked out in a very long and tedious struggle in committee last year and on the floor. It is now in a funding and startup capacity. The program is designed to provide comprehensive care and assistance to pregnant adolescents and adolescent parents.

EDUCATION

In education, the committee has provided $11.6 billion to carry out programs of assistance at the elementary, secondary, and postsecondary levels.

Our recommendation is $1.1 billion less than the amount provided by the House, $597 million below the President, and nearly $868 million under the current year's appropriation.

The reduction is due in large part to our proposed way of funding the basic educational opportunity grants program, known as BOG's, which is the primary form of college student aid. Our committee recommends that surplus funds in BOG's be spent now on grants for the coming school year rather than letting the surplus lapse, as the House has done, and requiring a new appropriation in fiscal 1980. Admittedly this is a bookkeeping change, but it is a sound one which will reduce requirements for 1980 by $726 million, without causing any reduction in BOG's awards to needy students.

The committee recommends $725 million for impact aid, compared to the House level of $777 million and $816 million in the 1979 appropriation.

I might say this was the chairman's addition, to try to work out a package proposal that did meet the idea of lowering support here and yet try to do it fairly. It was a good one and I support it. Our reduction would occur principally in payments for "B" children whose parents are Federal employees living in private homes. For the "B" children we provide $205 million, a $72 million reduction from the House level.

In the committee's view "B" children constitute less of a burden to school districts than do "A" children, whose parents live as well as work on nontaxable Federal property. For "A" payments, the committee has recommended the full $399 million requested by the President, or $28 million more than the House.

In other areas, we have agreed with the House increases for vocational education and education of handicapped schoolage children. We also have provided $200 million to expand the new concentration grants program which targets educational assistance on school districts with unusually large numbers of disadvantaged children.

For school desegregation assistance, we have provided a total of $300 million, $41 million less than in the House version of the bill. The committee has shifted money from programs found to be little more than general school aid to other programs—such as magnet schools—which actively assist both voluntary and court-ordered desegregation efforts.

WELFARE

In the areas of health and welfare assistance, the committee agrees with the House figures of $7 billion for assistance payments, $6.3 billion for the supplementary security income—or SSI—program, and $12.6 billion for medicaid.

The committee remains concerned about the unacceptably high levels of fraud, abuse, and waste in these programs. We are equally concerned about the effect of any outright funding limitation on payments to legitimate recipients. In fact, because of such a limitation in the 1979 act, we may need to borrow to meet entitlements in the current year and then appropriate additional funds in 1980 to replace the borrowed funds, which does not make an awful lot of sense. We have not recommended any additional funds for this purpose yet, because the administration has not yet revised its budget estimate to account for any borrowing.

RELATED AGENCIES

For the related agencies, the committee recommends a total of $1.6 billion, an increase of $249 million over the amount provided by the House.

The major difference with the House is over the question of funding for the energy crisis intervention program, administered by the Community Services Administration, which provides emergency fuel assistance to low-income and elderly persons to cope with winter heating costs. The committee has provided $250 million, compared to only $22 million in the House bill.

The committee feels that this program is critical to helping persons at the lower end of the economic scale meet the soaring costs of energy. In fact, the committee recognizes that still more funds may be required later as part of a broad national effort to deal with the mounting energy crisis, but believes the $250 million is sufficient to provide at least a floor of support for next winter.

LANGUAGE AMENDMENTS

I am glad to report that the committee bill also includes the House language restricting medicaid funding of abortions to instances where the mother's life would be endangered if the fetus were carried to term. I hope the Senate will have the good sense to preserve the House language and not ask the taxpayers of this country to finance medicaid abortions without limit.

Our committee, during a hearing earlier in the year, found that HEW relies excessively on consultants to carry out functions which should be performed by Federal personnel. Accordingly, the committee has reduced HEW's ceiling on consultant costs from $194 million to $160 million for 1980, a cutback of $34 million. However, the committee does expect the Department to give preference to funding congressionally mandated studies within the total amount it allows for consultants.

I might say, the chairman has done a very significant job, a fine contribution in this area, and I have supported his efforts.

Mr. President, I believe we have developed a basically sound bill, a frugal bill, and I urge its adoption.

Mr. BURDICK. Since the establishment of the farmworker program under CETA in 1974, the Department of Labor, through Rural America, has administered a nationwide housing assistance program, designed to aid migrant and seasonal farmworkers and their families in obtaining decent housing and to improve their living conditions.

The Labor Department is currently threatening to discontinue its support for these activities after the current fiscal year.

In the report that accompanies this bill, the Appropriations Committee went on record directing the Department of Labor to continue support for this unique national program of farmworker housing assistance. Our actions would in no way increase the overall amount of funding provided under the CETA program. Do you agree that it is important that this program be continued?

Mr. MAGNUSON. Yes, that is why we included the language you mentioned in our Appropriations Committee report.

I yield to the Senator from Missouri.

Mr. EAGLETON. Mr. President, I have two matters which I think can be disposed of expeditiously.

If the Senator from Washington does not mind, I will take 1 minute on an educational matter to say something and then I will get to my two amendments.

RESIGNATION OF SECRETARY CALIFANO

Mr. President, I just learned of the resignation of Secretary Califano.

I have been in the Senate for almost 11 years and Joe Califano is far and away the best Secretary of HEW in my experience. I spent a significant amount of time on HEW matters by reason of my service on the Labor and Human Resources Committee and the HEW Appropriations Subcommittee. Secretary Califano has at all times ably articulated administration policy. He has been a completely loyal supporter of the Carter administration.

His departure at this time is an enormous loss to the country.

UP AMENDMENT NO. 390

(Purpose: To remove earmarking for a certain program in higher education)

Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from Missouri (Mr. Eagleton), for himself and Mr. Pell, proposes an unprinted amendment numbered 390:
>
> On page 35, line 24, beginning with the word "including" strike out through the word "and" on line 1, page 36.

COOPERATIVE EDUCATION

Mr. EAGLETON. Mr. President, Senator Pell, and I are concerned about bill language on pages 35 and 36 which substantially changes the focus of the Cooperative Education Act.

The Education Amendments of 1976 provide authorization for cooperative education demonstration grants, limiting the authorization for this purpose to $3 million. Yet, the House-passed bill, from which the committee worked, contains bill language disregarding this $3 million ceiling on demonstrations, and appropriating $8 million for this purpose.

The effect of this amendment is to reduce the number of regular cooperative education awards to higher education institutions from 205 to 109.

Frankly, Mr. President, it may be that the Education Subcommittee in its reauthorization of the higher education bill this fall will agree that the focus of cooperative education should be shifted to large demonstration awards to large urban schools to develop institution-wide cooperative education programs. But that is a matter which should be thoroughly reviewed by the Education Subcommittee, not accomplished by 11 words in an appropriations bill.

I urge adoption of the amendment.

Mr. MAGNUSON. Mr. President, I agree with the interpretation of the authorizing problem and support this motion. I think it is the right motion.

Mr. SCHWEIKER. Mr. President, I think it is a good amendment. I also support it.

The PRESIDING OFFICER (Mr. BAUCUS). The question is on agreeing to the amendment of the Senator from Missouri.

The amendment (UP No. 390) was agreed to.

BIOTECHNOLOGY RESOURSES BRANCH DIVISION OF RESEARCH RESOURCES

Mr. EAGLETON. Mr. President, I note that the committee report to accompany this bill makes no specific reference to the Biotechnology Resources Branch of the Division of Research Resources.

As you know, BRP provides necessary support for complex technological capabilities required in biomedical research. Emphasis at present is in resources for computer science applications, biomedical engineering and study of biological structure and function which includes specialized instrumentation in mass spectrometry, nuclear magnet resonance, electron spin resonance, and so forth. This highly sophisticated technology so vital to core research is economically outside the scope of funding by the categorical Institutes of Health.

The Senate figure for DRR does include the budget request for an additional $256,000 for the Biotechnology Resources Branch. However, that amount will clearly not allow the present activity level to continue. In that the House figure is higher for this program, would the chairman by sympathetic to accepting a further increase for BRP in conference?

Mr. MAGNUSON. I, too, see BRP as an essential foundation of biomedical research and would indeed hope that the conference version of the bill will allow for strengthening of this program.

Mr. KENNEDY. Mr. President, I learned only a little more than an hour ago that the resignation of the distinguished Secretary of HEW has been accepted by the President of the United States.

I find that quite surprising, because I feel, as I will mention in a moment, that Joe Califano has been truly one of the outstanding individuals to serve President Carter. At a time when this Nation's attention was being focused on the issues of energy and the economy, it is puzzling that the first resignation to be accepted is that of the man who served as the voice of those who are most concerned about health, education, and the wellbeing of the people of this country.

No other Cabinet official and no other agency has a greater responsibility to look after those who, through the force of circumstance, through the accident of birth, or through the devastation of illness, are unable to look out for themselves.

There are those who like to run against Washington, those who speak about how out of touch Washington is with the problems of the people of this Nation. I think all of us who are in active public life have either heard those speeches or perhaps have even indulged in those speeches. But without the institution of HEW, there would be millions of handicapped people today and there would be millions of ill and diseased people in this Nation, whose lives would be decimated or destroyed and whose suffering would continue.

Much of the research in this country being done at some of the greatest research centers, such as the National Institutes of Health, falls within the general responsibilities of the Secretary of HEW.

I have had my differences with Secretary Califano on an issue in which I have strong views: The development and the fashioning of a health insurance program for the people of this Nation. We have spent many hours in discussion and debate, in the quietness of his office and in mine and in the hearing rooms of the Human Resources Committee.

Secretary Califano was a man of extraordinary dedication and loyalty to President Carter. He served two Presidents—President Johnson and President Carter—with loyalty, innovation, and commitment. He has served the people for whom HEW is concerned with a sense of compassion and sensitivity which those people rightfully deserve.

So, Mr. President, I, too, join those who commend the work of Secretary Califano and who draw attention to the many innovations he has been a part of over the years, as well as the responsiveness he has had for the neediest people in our society.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MAGNUSON. Mr. President, I associate myself with what the Senator has said about the Secretary. I have just received word that his resignation has been accepted.

Being HEW Secretary is the most difficult job in the Government. The proof of the pudding is—I have not kept track of this—that Joe Califano is the 12th Secretary in the 25 years of HEW's existence. They do not last long down there, because it is very difficult.

I, too, have had my differences with Joe Califano, but they have been friendly differences. We worked on the HEW appropriation bill very well. I am extremely sorry to see him go. I do not know the background of the reasons, but I think he did an excellent job, under very trying circumstances. He has worked long and hard to make HEW an effective department. Joe Califano has been a very good Secretary, one of the best. He has the best interests of the people in his mind and heart. He will be missed.

I associate myself with the remarks of the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am sure we speak for many of our colleagues here today who have had the closest relationship with the Secretary.

I certainly hope that the reason Secretary Califano's resignation was accepted was not that he was prepared to take controversial positions on some issues.

One of the most controversial positions he took involved a health issue: trying to provide leadership in this Nation in deterring the young people of this country, primarily the young teenage women of this country, from smoking.

The chairman of the Appropriations Committee is well aware that we have had an explosion in this country of smoking among young women, and that the long-range effect of this will be devastating. I believe there is uncontroverted evidence about the relationship between cancer and high tar and high nicotine.

We have heard warning voices across the landscape say that Secretary Califano would not last because he was prepared to deal with or face up to an issue of controversy, although it was one of his most important efforts and one of his most commendable efforts. I think all of us can think of many others—the teenage pregnancy legislation and many others.

I certainly hope that the willingness of Secretary Califano to take a position on an issue of such importance to the children of this country—basically, because that was the principal focus and the direction of that campaign—did not contribute to the reasons for the willingness to accept his resignation.

The acceptance of his resignation is not going to have an impact on home heating oil in Massachusetts next year, or in New England, nor will it deal with oil imports or synthetic fuels or energy productivity or mass transit or how we are going to deal with the extraordinary burdens of needy people as the cost of energy goes up next winter.

It just seems to me to be an extraordinary irony that at a time of both economic and energy crises, Secretary Califano's resignation was the first one to be accepted.

Mr. President, I call up my amendment. I believe the chairman of the Appropriations Committee is familiar with the amendment.

Basically, the amendment deals with three different items, all of which are familiar to the chairman. One is the Health Service Corps, a program authored by the chairman of the Appropriations Committee. It provides highly trained professionals—young, idealistic doctors and other professionals—to serve in underserved parts of this Nation.

This amendment increases by $12 million the appropriation for the National Health Service Corps, which I think has been one of the really creative and innovative of our health initiatives. It brings health professionals to 53 million Americans who live in underserved areas.

The rural counties of this country as well as the inner cities are defined as medically underserved and benefit from the program.

The amendment I have offered also includes $200 million for health planning. Of this amount, $123 million is intended for local agencies, $31 million for State agencies, $2.7 million for planning methods/centers, $30 million for conversion/closure grants, and $13.3 million for program support.

This body has passed health planning legislation on two different occasions. The House of Representatives has failed to do so, but House action is expected today.

The health planning agencies are made up of local consumers as well as providers who make determinations about the appropriate use of both facilities and health personnel. They are widely acclaimed to have saved both the Federal Government and the consumers of this Nation millions of dollars in avoiding unnecessary construction of medical facilities and other services.

Finally, my amendment includes $7.5 million for the primary care residency program. Some 30 or 40 years ago primary residency programs represented in excess of 70 percent of the residency programs. Then, as we saw the increase in biomedical research during the period of the late forties, fifties, even in the period of the sixties, the residency programs switched into specialities and less and less involved the area of primary care. What is needed in this country are primary care physicians performing the primary care function. That is what is of most concern to the average family.

The HEW primary care residency program is a very limited program designed to try to meet the need for primary care residencies. It will help to provide a change from the high degree of specialization that now occurs in the area of primary care. This shift will, of course, be of great value and help both in rural America as well as in the inner city.

I have had the opportunity to present these matters to the Appropriations Committee in testimony; to talk with the chairman of the committee, the distinguished Senator from Washington; and to work very closely with the ranking minority member of the Appropriations Committee, who is also the ranking member of the Health Subcommittee, the distinguished Senator from Pennsylvania. More than any other member of our Health Subcommittee, Senator SCHWEIKER has taken the time to work on the important details of health legislation. He has made an enormous contribution in the fashioning and shaping of our health policy and in following closely the dollar needs of these programs to insure an appropriate commitment of resources.

So I wish to commend Senators MAGNUSON and SCHWEIKER for the work that they have done in the health area. I also want to express the appreciation, I think, of the entire health community for the great work they have done.

There are some areas where we differ, but I do believe that once again Senator MAGNUSON and Senator SCHWEIKER and the Appropriations Committee have made an important contribution to the health of the people of this country.

I hope that this amendment will be accepted.

Mr. President, I ask unanimous consent that my full statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR EDWARD M. KENNEDY

Mr. President, our society's basic commitment to protecting and improving the health of all citizens is embodied in the health programs Congress has enacted and the health expenditures Congress makes. Last fall when the Administration quietly made available its preliminary budget estimates it was clear that the national commitment to health embodied in the Congressional appropriations process was in danger. The Administration proposed at that time to cut crucial health programs for the most vulnerable citizens in America to back away from our support of the world's greatest biomedical research effort and to reduce our pledge of assistance to this country's medical, nursing and other health schools.

As the implications of the Administration's proposal became clearer, thousands of concerned citizens and many Members of Congress made their position clear. To the extent that the Administration sought to trim the fat from wasteful programs, there was little debate. But to the extent that the Administration proposed to reduce, in both absolute and real dollars, a vast array of crucial federal health programs, widespread opposition emerged and grew. Almost all concerned shared in the belief that, even in a time of budgetary stringency, it makes no sense to impair the very health of the country.

The Administration soon came to the conclusion that, in the effort to reduce the deficit, it was wrong to reduce our fundamental commitment to the country's health. The preliminary budget estimates were revised. The Fiscal Year 1980 budget which finally emerged in January, while very tight, nonetheless provided substantially increased funding for many critical programs.

Nonetheless, in several vital areas, the Administration's health budget was woefully deficient. The National Institutes of Health, which received $13,186,000,000 in Fiscal Year 1979, was to be cut by $14 million at a time when the relevant rate of inflation was 8–10 percent. The "capitation" and other programs of assistance to medical, dental and other health schools—programs which make it so much easier for the poor and minorities to become health professionals—were scheduled to be eliminated altogether.

This outcome which would have placed an even greater debt on the shoulders of medical graduates and increased the incentives to enter high-pay specialties in wealthy communities. Both of these Administration proposals were clearly unacceptable, and I am glad that so far the House and the Senate have refused to go along. Instead of decreasing the NIH budget, the House recommended that it be increased by almost $200 million, and the Senate Appropriations Committee has recommended a similar, if somewhat smaller, increase. It is heartening to see, at a time when the temptation is great to cut a program which some see as "merely" subsidizing doctors, that our commitment to a strong biomedical research program remains intact.

In the area of health manpower, the Administration's proposal to eliminate outright the Capitation Grants Program, the Health Professions Student Loan Program, and several others was firmly rejected on both the House and Senate sides. I wish to commend my colleagues on the Appropriations Committee for their refusal to abandon altogether the commitment we have made to our medical, dental, and other health schools.

I regret that on both the House and Senate sides it was seen fit to reduce substantially the funds made available for health manpower programs. It was, and remains, my conviction that these programs should be "held harmless" until in this Congress we fully reexamine and reformulate our health manpower policy.

Mr. President, in fairness to the Administration, I wish to point out that funding levels proposed in the budget for Community Health Centers, the Prevention Formula Grant Program, HMOs, the Adolescent Pregnancy Program, and many others were entirely appropriate. In these areas, I am pleased to say, the Administration's lead has been followed by Congress. The Senate Appropriations Committee has recommended clearly adequate levels of funding for these important prorams.

I would have wished for higher levels in an ideal world; however, I recognize and appreciate the need for fiscal restraint and the obligation of the Senate Appropriations Committee to exercise such restraint. The new dollars provided for these programs—in some instances, the dollars necessary to get these programs off and running—will help a great deal.

Mr. President, when we compare what the federal health budget for Fiscal Year 1980 looked like when it was first discussed last fall with the appropriation levels for health which emerged last week from the Senate Appropriations Committee, I think we all have reason to be thankful. As I have done many times in the past, I want to commend the Chairman of the Labor/HEW Appropriations Subcommittee and the full Appropriations Committee, my good friend and distinguished colleague, Senator Magnuson, for his unremitting efforts to enhance the health of the American people as evidenced by the Labor/HEW bill before us today.

I also want to thank the ranking minority Member of the Subcommittee, Senator Schweiker, for the great work he has done in putting together a compassionate and responsible health budget. To the other Members of the Subcommittee and full Committee who joined in shaping the bill we consider today, I also extend my thanks.

Mr. President, since the Appropriations Committee acted last week, progress which has been made in the House in authorizing programs which the Senate has already authorized. This provides us with the opportunity to fill in two omitted items in the Fiscal Year '80 Labor/HEW Appropriations bill. In addition, Mr. President, I feel strongly that the funding level for the program designed to increase the number of primary care physicians in this country needs to be increased. I understand that the amendment which I am about to offer is acceptable to my distinguished colleague, Senator Magnuson. I trust that the other Members of the Senate will also find it acceptable.

Mr. President, let me briefly summarize the amendment I am offering—an amendment which has three parts.

First, I offer an unprinted amendment that adds $12 million to the appropriation for the National Health Service Corps (NHSC).

Mr. President, I understand that my distinguished colleague and Chairman of the Appropriations Committee, Senator Magnuson, will accept this amendment. I would like to add that Senator Magnuson was the leading author of the National Health Service Corps.

Mr. President, this $12 million was included in the Administration's budget request of $82 million for this program; however, only $70 million had been authorized. S. 230, which recently passed the Senate, raised the authorization level to $82 million. I anticipate that this figure will be accepted shortly by the House. We should increase the appropriation to the full $82 million authorization level.

The Corps is very important. Its members provide desperately needed health services to rural and urban underserved areas.

If we do not add this additional $12 million, HEW will be forced to cut back volunteer recruitment for the Corps. Up to 300 individuals who have received scholarship aid will be released from the Corps without completing their service obligation. In other words, this $12 million will buy a great deal of health services and simultaneously assure that our investment in young doctors is protected.

I hope my colleagues will join in voting for passage of this amendment.

Mr. President, the second part of the amendment which I am offering with Senators Schweiker and Williams would add an appropriation of $200 million for the health planning program.

Mr. President, I understand that Senator Magnuson, a longtime supporter of this program, finds the amendment acceptable.

There is now no funding for health planning in the Labor/HEW bill only because authorizing legislation has not been passed. Last year, the Senate passed S. 2410, "The Health Planning Amendments of 1978." Unfortunately, the companion bill died on the House floor in the crush of business at the end of the last session and this important program is now operating under a continuing resolution.

This year, however, the Senate passed unanimously, on May 1, 1979, "The Health Planning Amendments of 1979." Today, the House is expected to pass H.R. 3917, "The Health Planning and Research Development Amendments of 1979." The planning legislation will soon be in conference.

So that this program may receive the necessary funding to continue its extraordinary success, I believe it is important to add the necessary appropriation at this time. I anticipate that the conference will be completed within the next two weeks. Long before work on this appropriations bill is completed, the planning authorization bill will have been signed into law.

Mr. President, by appropriating the $200 million for this program, I know of no greater opportunity this Congress will have—early in its first session—to improve and support one of the most impressive cost containment programs in the health field.

The 205 Health Systems Agencies and the 56 State Health Planning Agencies, which seemed to make good conceptual sense when the program began five years ago, are now vividly demonstrating their work in containing costs and reallocating resources.

I would like to discuss quite specifically the cost effectiveness of the planning program and place its successes in the context of our entire health care system.

Mr. President, last year this country spent approximately $180 billion on health care, including all capital investment, health services, drugs, equipment, research, manpower training, etc. That came to about $830 per capita. This year, those figures will be significantly higher, approaching $1,000 per capita.

During the same year, this country spent approximately $165 million on health planning, including funds from all sources—federal, state, local, private, etc. That comes to about 77 cents per capita. In short, we spent significantly less than one dollar per capita to improve decisions on the expenditure of more than $800 for every man, woman, and child in this country.

When I say "improve decisions," I mean several things—things that are the very essence of what the health planning program is about:

I mean a local decision structure in which everyone has an opportunity to participate—indeed, it is dependent upon the effective participation of citizen volunteers.

I mean decisions that are made within the framework of a communitywide and community-developed long-range plan for sensible investment decisions.

I mean a plan that recognizes real constraints on resources—a reality-based plan that will not condone every added expenditure desired by every hospital and every physician.

I mean a program which keeps most regulatory powers needed to enforce the plan in the hands of state government, not the Federal Government.

Mr. President, one might then ask: What has that improved decision-making process accomplished? Fortunately, we now have data to answer this question. A recent survey of the planning agencies' performance in reviewing new capital investment projects covered the two-year period from the summer of 1976 to the summer of 1978. The first report of that survey, which analyzed data on the first 139 Health Systems Agencies surveyed, provides some interesting statistics.

These 139 HSAs, which cover about 60 percent of the population of the country, reviewed more than seven billion dollars in proposed capital investments, in spite of the fact that many of these agencies did not begin such review until 1977.

Of that $7 billion, one-quarter was deemed unnecessary and was not allowed to go forward. In other words, more than $1.8 billion of unneeded capital investment expenditures was prevented.

Pitting the cost of these HSAs and the relevant state agencies against the result, we find that for each dollar spent on health planning, eight dollars in proposed capital investments were denied—an impressive rate of return indeed.

If we further consider the operational costs that will not now be incurred in conjunction with $1.8 billion on unneeded capital projects, the savings are magnified many times again. For we know that annual operating costs approximate 50 percent of the capital costs.

It should be noted that these savings have occurred in the absence of any supportable claim that the quality of health care has suffered in any way.

In fact, many people have expressed concern that the Health Systems Agencies are too "dominated" by hospital and physician interests on their governing boards even though those provider interests are numerically in the minority. If that is true, we can look forward to even better performance as the consumer participants become more experienced, knowledgeable, and develop a better understanding of the very complex world of medical care.

In summary, Mr. President, for reasons obvious to all of us, it is important to appropriate funds for this program. It is important to show our commitment to this program—not just to avoid unnecessary confusion at the state and local levels and within state legislatures, but more importantly, because the planning program is the best means we now have to combat the astounding increases in health care costs and to assure that all Americans will have access to high-quality health care.

Mr. President, the $200 million that are included in this part of the amendment would be divided as follows:

HEALTH RESOURCES ADMINISTRATION

Health Planning and Resources Development:

Health planning:

Local agencies	$123,000,000
State agencies	31,000,000
Planning methods/centers	2,683,000
Conversion/closure grants	30,000,000
Program support	13,317,000
Subtotal, health planning	200,000,000

I hope my colleagues will join me in voting for passage of this part of the amendment.

The third part of the amendment I am offering today would increase the appropriations for primary care residency programs by $7,500,000—from $17,500,000, the same as the FY 1979 appropriations, to $25,000,000, the President's request and the full authorization level. The distinguished Chairman, Senator Magnuson, who has consistently demonstrated unflagging support for our primary care initiatives, has agreed to this increase.

Mr. President, I have spoken many times about our critical shortages of primary care physicians, the physicians who provide access to essential comprehensive health services, who are trained to emphasize quality health care, who emphasize prevention and who, by keeping people out of hospitals, can cut total hospital expenditures.

Ever since 1930, the percentage of physicians who devote their careers to practicing primary care has been declining. In 1930, fully 75 percent of all physicians were generalists. Now, only 39 percent of all physicians are in primary care fields. This astounding trend means many Americans either do without primary care or turn to sources which are inappropriate to meet their needs. As many as 60 million Americans are living in areas that are medically underserved and need more primary care physicians.

Mr. President, we have enacted a variety of programs to address primary care needs, including the National Health Service Corps legislation, which the distinguished Chairman has consistently supported. But the physicians who enter the Corps need excellent training in primary care. Therefore, we need to commit ourselves to assure that sufficient training positions are available in solid programs. By the mid-1980s, approximately 3,000 first-year positions in primary care, internal medicine and pediatrics programs need to be available. Currently, only 600 are available. This amendment would provide an additional 400 first-year positions. Without these funds, we will lose our momentum; we will give a signal to all those planning new programs that they need not continue; we will say to medical students that their interests in primary care will not be fulfilled; we will say to the American people that we will put off meeting their primary care needs.

Mr. President, the President of the United States has requested $25,000,000 for this activity. This amendment will provide that level of support. We are now moving forward, and I urge my colleagues to vote for this amendment.

APPROPRIATIONS HISTORY

	Amount
Fiscal year 1977	$10,000,000
Fiscal year 1978	15,000,000
Fiscal year 1979	17,500,000
Fiscal year 1980:	
Authorization	25,000,000
Request	25,000,000
House	17,500,000
Senate committee	17,500,000
Amendment	+7,500,000
Total	25,000,000

PHYSICIANS IN PRIMARY CARE

Year	Total number of all physicians	Percent of all physicians in primary care
1930	156,000	75
1950	200,000	55
1968	296,000	40
1977	364,000	39

RESIDENTS IN PRIMARY CARE IN 1979

	1st year	Total
Primary care internal medicine	300	700
Primary care pediatrics	310	750
Family practice [1]	2,600	6,500

[1] Not funded under the authority being amended.

DHEW SUPPORT FOR PRIMARY CARE INTERNAL MEDICINE AND PEDIATRICS RESIDENCIES, FISCAL YEAR 1979

	Amount
Continuation grants	$14,800,000
New grants	$2,400,000
Number of projects supported	89
Total number of residents in programs supported	1,465
Total number of 1st-year residents in programs supported	611

EFFECT OF AMENDMENT

	Without amendment	With amendment
Total dollars	$17,500,000	$25,000,000
Total projects	89	185
Total 1-year residents	600	1,000
Total residents, all years	1,465	2,400

Mr. President, I would like to conclude by re-expressing my firm belief that the promotion of the American people's health is one of the most basic responsibilities of the Federal Government. The people, the Congress, and succeeding Presidents have reaffirmed this commitment. To the extent that the Administration's budget for Fiscal Year 1980, in its preliminary form and, to a much lesser extent, in its final form, can be viewed as an invitation to retreat from that commitment, I think it is clear that the invitation has been declined and the commitment once again reaffirmed by Congress.

UP AMENDMENT NO. 391

(Purpose: To increase the appropriation for the National Health Service Corps by $12 million and to increase health planning by $200 million and to increase primary care by $7.5 million)

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 391.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, line 11, delete "$1,330,642,000" and insert "$1,342,642,000".

On page 21, line 22, delete "$391,148,000" and insert "$598,648,000".

Mr. MAGNUSON. Mr. President, of course, we considered these items, but it was necessary to set them aside at the time of the hearings and at the time of the markup because they had not been authorized. Now that they are on the way to authorization I am willing to accept the amendment, particularly in the National Health Service Corps because I am sort of the author of that, the father of the National Health Service Corps, and I do not want to make it an orphan in the Appropriations Committee.

The health planning money has a great deal of support in the States; and, of course, the Health Service Corps is critical.

But I wish to make it crystal clear that I am accepting these amendments only on condition that the conference on these items be completed by the time that this committee goes to the conference with the House of Representatives because if not we will simply have to recede to the House of Representatives.

I hope the Senator from Massachusetts understands that.

I said I hope the Senator from Massachusetts understands.

Mr. KENNEDY. Yes, I understand very well.

Mr. MAGNUSON. All right.

With that I am glad to accept the amendment.

Mr. SCHWEIKER. Mr. President, I support the amendment on the same basis the chairman mentioned. We have laid down a rule about this, and I think it has also cut some of my health programs but I respect the rule. With that understanding I certainly support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 392

(Purpose: To delete provision relative to abortions)

Mr. PACKWOOD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD) proposes an unprinted amendment numbered 392.

On page 52, beginning with line 23, strike out through line 2 on page 53.

Mr. MAGNUSON. Mr. President, I wonder if the Senator before he speaks will yield to the Senator from New York so we can get another matter out of the way. It will just take a minute.

Mr. PACKWOOD. Yes, so long as I have unanimous consent that this amendment will not lose its priority.

Mr. MAGNUSON. Yes.

Mr. PACKWOOD. Sure.

I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I thank the Senator so much. I shall take no more than 10 or 15 minutes.

Mr. President, I wish to take one moment to commend highly the chairman of the committee and the ranking minority member, both my friends, Senator MAGNUSON and Senator SCHWEIKER, who have done some very fine things within the limits of budgetary permission for education, the handicapped, and the aged.

I call attention especially to the fact that they have given special attention to the veneral disease program, a genetic disease program, and hypertension program.

There is $40 million in this bill for VD programs, and $14.5 million for genetic diseases. Hypertension is a program of particular interest to me in that it has directly shown to have materially reduced the rate of mortality and morbidity in the United States. This program was initiated by Mary Lasker—very famous woman, we all know, in the health field—with me. This program has had extraordinary results and I am grateful that the committee has seen fit to double its appropriation.

May I also in the way of general appreciation thank Senator SCHWEIKER, Senator MATHIAS, and Senator MAGNUSON for giving an opportunity to improve labor-management cooperation through providing $5 million in funding for labor-management committees under the Labor-Management Corporation Act of 1978, to deal with problems of alcoholism, drug abuse, and absenteeism and general morale in industrial plants.

This program seems to me, based on our World War II experience, to have a tremendous opportunity.

Also I thank them for their condition in allowing the reallocation of unutilized funds in public service employment to areas of very high unemployment especially affected now with a recession coming on.

Mr. President, one further comment, and then I shall just go directly to the business which I have in hand, and that is the hope that this particular committee in its conference with the House of Representatives may give high priority consideration to the program inaugurated under CETA to engage the private sector more fully in hiring and training the economically disadvantaged and the endemically unemployed. It is a very gifted program, launched with a great deal of publicity and attendance of the leaders of business and labor at the White House. I was present. I think Senator MAGNUSON was present and probably Senator SCHWEIKER, too.

It authorizes $400 million and has tremendous cooperation all over the country.

Mr. President, I ask unanimous consent to print in the RECORD an article from the New York Times, entitled "A Private Sector Training Approach Seeks to Revitalize CETA Program."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PRIVATE-SECTOR TRAINING APPROACH SEEKS TO REVITALIZE CETA PROGRAM

(By Joseph P. Fried)

Until three months ago, Antoinette Mongal, an unemployed 30-year-old woman divorced from her husband, had been looking for work that would offer a challenge as well as financial support for herself and her 9-year-old son. Today, amid the grease and clattering tools of a garage-like school in the Sunset Park section of Brooklyn, she is learning to repair automobiles, with a job waiting for her if she successfully completes the course.

Last year, 20-year-old Nelson Marrero, the son of a South Bronx building superintendent, was laid off from his printing-shop job when business slowed. He was, he recalled, "down in the dumps." Now, amid computer terminals at the Pan Am Building or surrounded by colorful travel posters in a classroom high in the World Trade Center, he is learning to be an airline-reservation clerk. He, too, has a job prospect upon graduation.

Miss Mongal and Mr. Marrero are among the first 400 New Yorkers to be part of what the Carter Administration and local officials across the country hope will be a successful new twist in an old and troubled program to provide jobs for the hard-core unemployed.

The program is CETA, the system of federally financed, locally administered job-training and public employment efforts authorized by the Comprehensive Employment and Training Act of 1973. The new twist, added by Federal legislation last year, is a "private-sector initiative" provision designed to make CETA more effective.

NEW YORK IN FOREFRONT

The provision calls for private-industry councils to be established in New York and other cities that, working with local government, are to use CETA funds to plan and arrange job-training efforts.

According to Albert Garizio, an official of the Federal Employment and Training Administration, New York is among the cities in the forefront in using the private-sector provision. A private-industry council was appointed by Mayor Koch in March, although the organization that joined the city in forming the council had already begun working toward a local program last year.

The organizations are the New York Chamber of Commerce and Industry, the New York Alliance of Business, the Rockefeller Brothers Fund and the Morgan Guaranty Trust Company. A broad range of businesses are represented on the council's advisory and operations panels.

The private-sector provision was added to CETA to bolster the involvement of private enterprise in CETA training efforts. Most of the efforts have been run by non-profit groups or public agencies; private employers and business organizations have usually served as consultants or provided the training as subcontractors to these groups and agencies.

Among the problems resulting from this system, critics of CETA charge, have been too many training operations that are ill-defined and do not provide the envisioned jobs in private industry.

"We run training programs and, after they're concluded, we seek private employers with which to place people," Michael Rubinger, an assistant commissioner in the New York City Department of Employment, said of the prevailing approach. "Now we're saying let's have those businesses involved from the beginning, so we know we can place the people. And we'll have more of the training done by private businesses, though not to the exclusion of nonprofit groups, which will still be involved."

According to Ted Small, president of the New York City Private Industry Council, "In every program we run, we know that there's a specific job that's been committed for each trainee who graduates."

The 400 council-sponsored trainees are only a small part of the more than 30,000 people receiving CETA-financed training generally in New York City, and the $4 million the council currently has for its efforts is only a fraction of the $100 million the city expects this year for all adult-training programs under CETA.

However, Mr. Small said, the council expected $3 million more from Washington shortly, and said it hoped that eventually as many as 1,000 companies would train and hire 4,000 to 8,000 council-sponsored people a year.

The more than 50 training efforts the council has arranged so far vary widely, from those involving individuals getting on-the-job training at various companies to the group of 20 going through the airline-reservation course. Pan American World Airways is providing the six months of instruction and a group of airlines has agreed to hire the graduates at $14,000 a year.

Other programs include a seven-month computer course for a group of severely handicapped people, with instruction by the Control Data Corporation and hiring commitments from various organizations; the training of a group hired by the Quality Care organization as home-dialysis technicians aiding kidney patients, and the seven-month auto-repair course involving 12 women at the Delehanty Institute.

The women are involved because a group called the Women in Apprenticeship Project referred them to the council, which generally gets its trainees through referrals from other groups and public agencies rather than by direct recruitment. Anyone interested in the council's programs and entry requirements—income may be no more than $7,810 a year in a family of four, for example—may ask about them at a State Job Service office or call the City Department of Employment at 433-5280.

Those already in the council's programs leave no doubt about the hopes they have invested.

"It's an opportunity for advancement—an airline has many departments and I can move up," 22-year-old Miguel Martinez said as he took a break from a discussion of baggage regulations in the airline-reservation course. Mr. Martinez, living with his family in a fire-scarred neighborhood in the Bushwick section of Brooklyn, said he had been having trouble getting a job despite his having taken a clerical and accounting course.

For Denise Hawkins, a 24-year-old woman from the Bedford-Stuyvesant area of Brooklyn, successfully completing the auto-repair course means "I'll be making it on my own for a change." Miss Hawkins, who has a 9-year-old daughter, said she had been unemployed since leaving a bank job in 1975 because "my nerves were getting too bad."

In classroom programs, the council pays the trainee the minimum wage of $2.90 an hour and also covers the cost of the instruction. During on-the-job training, trainees are paid a wage by the company involved, with the council reimbursing the company for half the amount until the training period ends and the person becomes an employee.

Mr. JAVITS. Mr. President, this article shows the very wonderful beginning which this program is having and it answers the fact that CETA opportunities shall not be dead end but shall provide sure jobs at the end of the training road and a sure training opportunity. The only way to do that is with private business.

The House has allowed the whole $400 million, $325 million in the bill and $75 million in fiscal year 1979. The Senate has allowed $125 million, plus the $75 million from 1979, for a total of $200 million. I do not necessarily argue for more money, but I do hope very much that the spirit will prevail that this program is so auspicious that we ought to give it a good chance, and that the attitude of the Senate conferees will be reflected accordingly.

Now, Mr. President, if I may ask the Senator from Washington, the chairman of the committee, a question regarding the appropriation for a program authorized in the Public Health Service Act.

Mr. MAGNUSON. I yield to the Senator.

Mr. JAVITS. I thank my colleague.

With respect to the appropriation for community health centers, I understand that the committee intends for at least $1.5 million to be expended for demonstration planning and development grants authorized under section 328 of the Public Health Service Act, Hospital-Affiliated Primary Care Centers. Is this, in fact, so?

Mr. MAGNUSON. Is the Hospital-Affiliated Primary Care Center program the Senator is referring to that program which, in many respects, is an extension of the Community Health Center program?

Mr. JAVITS. Exactly right. In addition to cross-referencing many of the provisions in the CHC legislation, this program is intended to provide a more appropriate cost-efficient setting for the delivery of primary health services by encouraging the reform of those hospitals whose emergency rooms and outpatient departments are used routinely for the receipt of primary health services by residents of a community where alternative sources of primary health services are scarce or nonexistent.

Mr. MAGNUSON. I will say it was the intent of the committee that at least $1.5 million of the Community Health Center appropriations be expended on these projects.

Mr. JAVITS. I thank the Senator, the chairman of the committee, very much for that. However, HEW estimates that the Department would realistically be able to fund roughly 10 projects in the first year, and this would cost $1.5 million. Therefore, I am concerned about the fate of this understanding in conference.

Mr. MAGNUSON. Inasmuch as the Senate appropriation for community health centers is lower than the House, I think it would be safe to assume that at least the $1.5 million would be included in conference.

Mr. JAVITS. I thank my colleague very much.

Mr. President, I have an item to bring up of some considerable interest to Senator RANDOLPH and myself. It is my understanding that the appropriation bill before us includes funding for the research and training program, specifically for research and training centers for employment (section 204(b) (12)). In view of the fact that in its authorizing legislation the Senate Labor and Human Resources Committee specifically cited the model employment and training program at the Human Resources Center, Albertson, N.Y., am I correct in assuming that this program will be supported with funds under this section, which I am informed are sufficient for this purpose?

Mr. RANDOLPH. Yes, the Senator is absolutely correct.

UP AMENDMENT NO. 393

(Purpose: To provide $10,000,000 for certain programs under the Adult Education Act)

Mr. JAVITS. Mr. President, I now send an amendment to the desk and ask that it be reported. This amendment is presented for Senator HAYAKAWA, Senator LEVIN, and myself.

The PRESIDING OFFICER. Will the Senator ask unanimous consent to call up this amendment?

Mr. JAVITS. I ask unanimous consent to call up two amendments, and if they are in any way contested I will take them back.

Mr. MAGNUSON. The Senator from Oregon has the floor. I yielded only for this colloquy.

Mr. JAVITS. I understand.

Mr. PACKWOOD. With the understanding, I ask unanimous consent, that if the Senator from New York's two amendments are taken up that my amendment be the immediate business following the disposition of his amendments, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Also, Senator PACKWOOD, if you would allow me, I have just asked unanimous consent if they are in any way contested I will take them back. I do not want to interfere with your amendment. I am very grateful to you as I have to go back to the SALT hearings.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 393.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, line 25, strike out "$874,880,000" and insert in lieu thereof "$884,880,000".

On page 33, line 17, before the period insert a semicolon and the following: "*Provided further*, That $5,000,000 shall be made available for carrying out section 317 of the Adult Education Act, and that $5,000,000 shall be made available for carrying out section 318 of the Adult Education Act".

Mr. JAVITS. This amendment, presented for Senator HAYAKAWA, Senator LEVIN, and myself, seeks specific authority for $5 million each under the Adult Education Act to assist in the education in connection with the settlement here of Indochinese refugees, of whom we are now proposing to take 14,000 a month, and other adult immigrants of the same kind, and also to deal with the problem of other immigrants, to wit, immigrants from the Soviet Union who are coming to this country and being admitted under our program in that connection.

As we are all intensely aware, the matter of the Vietnamese "boat people" has attracted great public and media attention. To attempt to provide a modicum of assistance to these troubled people, who have been rejected by their government and set adrift into a sea of misfortune, we have begun to engage in an international, cooperative effort with our brethren nations. As part of this effort, President Carter has requested an increase, a doubling of the monthly admission of Indochina refugees to the United States—from 7,000 to 14,000 per month. If this suggested rate were to continue over a 6-month period, there would be more than 80,000 new Indochina refugees in the United States—refugees whose English language skills, employment opportunities and hence, ability to participate fully in the fruits in our democratic system are severely limited.

No funds are currently available in H.R. 4389 to provide necessary and fundamental English language and basic skill straining for these new adult Americans. Without such assistance, which studies by Human Resources Committee staff during the consideration of last year's reauthorization of the Adult Education Act indicated cannot be adequately provided by the basic adult education program, these refugees could merely become wards of the State, unable to obtain employment and subject to unproductive and unfulfilling lives in their adopted land.

Although we provided assistance in the 1979 supplemental appropriation for processing and facilitating the entrance of these new immigrants, no funds have been made available for aiding these new Americans in the transition to a new life in a new country. Our amendment, by providing specific assistance to Indochinese refugees and to other new immigrants, will begin to enable these people, to whom we have opened our hearts, and our doors, to manage and cope in their new country. They and other new immigrants, those who may be skilled but who require English language training with which to get along in this new land to obtain productive employment—services not offered by school districts in the regular adult education program—need the specific help which only these particular authorities, section 317 and 318 of the Adult Education Act, can provide. I urge the adoption of the Javits-Hayakawa-Levin amendment.

I might point out, Mr. President, that no funds have been made available for aiding these new Americans in the transition to a new life in our country. In view of the fact that they are really on trial here, both groups, it is very important that we assist them in a special way to acquire fundamental English and basic skills training. That is the purpose of this particular amendment. I hope very much, in view of the exigencies which it seeks to meet, that the committee might agree to it.

Mr. MAGNUSON. I am aware of the critical need for education, but I really do not like to zero in on certain types of immigrants. It should be for all of them.

Mr. JAVITS. It is, but I only attributed it to these, because it is immediately in sight.

Mr. MAGNUSON. I understand that it is an immediate problem with the Vietnam refugees, and some of the immigrants from Russia. But, you know, I have got a few Swedes who need to be taken care of, too.

Mr. JAVITS. The authority is in general.

Mr. MAGNUSON. These Swedes cannot talk very good English yet. [Laughter.] But I want to be sure this is for all immigrants who need help.

Mr. JAVITS. It is.

Mr. MAGNUSON. Of course, the bulk will be for the Vietnamese, but I am willing to accept the amendment, because it is a matter that has arisen since we had our hearings.

Mr. SCHWEIKER. Mr. President, I am also willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 394

(Purpose: To provide funds for protection and advocacy of the developmentally disabled)

Mr. JAVITS. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) for himself, Mr. STAFFORD, and Mr. RANDOLPH proposes an unprinted amendment numbered 394.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45, line 16, strike out "$46,880,000" and insert in lieu thereof "$43,180,000".

On page 45, line 21, before the period insert a semicolon and the following: "and $7,500,000 shall be for section 113 of the Developmental Disabilities Services and Facilities Construction Act, as amended".

Mr. JAVITS. Mr. President, this amendment is presented for myself, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Vermont (Mr. STAFFORD), to increase the amounts available for State protection and advocacy systems for the developmentally disabled to $7.5 million.

This will involve no increase in the total amount suggested by the Appropriations Committee for programs for the developmentally disabled, merely a shift in funds from the basic State grants program (part C, section 131) to protection and advocacy. Mr. President, the Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978, Public Law 95–602, of which the distinguished Senators from West Virginia (Mr. RANDOLPH) and Vermont (Mr. STAFFORD) were the principal authors, in conjunction with my friend from Massachusetts (Mr. KENNEDY), who had such a major role in the revision of the developmentally disabilities program, greatly expanded the focus of the developmental disabilities program by revising the definition of "developmental disability" from one categorical in nature to one which is related to the function impairment. This means that there is a substantial expanded need for both direct services under the developmental disabilities program and for protection and advocacy.

The State grants for services under the developmental disabilities program has been increased by the Appropriations Committee by $16.8 million to accommodate the expansion of the program. We propose to sustain $13.1 million of that increase, but transfer into the protection and advocacy program the remaining $3.7 million for States to meet the need of the developmentally disabled to have the right to be protected. We expect that those funds will be used only to protect the rights of developmentally disabled persons, and for no other purpose.

I am informed that the Government Accounting Office has found the protection and advocacy program operated by States to be the most effective component of State developmental disabilities efforts under the Federal statute. We believe this amendment recognizes a cost effective and wise use of developmental disabilities moneys without an increase in outlays. That is the reason for submitting, the amendment, and we urge its adoption.

Mr. MAGNUSON. Mr. President, I am willing to accept the language of the Senator's proposal, but it appears that HEW is considering a reprograming request similar to his proposal, in which case the effort is wasted here.

Mr. JAVITS. Mr. President, the chairman has been so good to us in every way that I would make the following offer to him: If he wishes to take it to conference, we will be grateful and continue to offer it. If, in his judgment, the amendment should not be taken at all, we will concur with his view.

Mr. MAGNUSON. All right; we will take it to conference.

Mr. JAVITS. All right.

Mr. MAGNUSON. But I want to caution the Senator that if a reprograming comes down from the Department——

Mr. JAVITS. Then we will drop it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment (No. UP-394) was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, let me express my profound gratitude to my colleagues. This is a remarkable way we operate in this Chamber. Considering the exigencies upon me, I cannot express how pleased and how grateful I am for the accommodation.

UP AMENDMENT NO. 392

The Senate resumed the consideration of Mr. PACKWOOD's amendment (No. UP-392).

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, the amendment I offer is quite simple. In the bill as it is before us is the following language:

> None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

My amendment strikes out that language.

Mr. President, this is not a new subject. It is not a new debate. But I think each time we debate this subject, some review is in order.

First, as with the right to speak and the right to assemble, and the other constitutional liberties that are guaranteed, the women of this country are guaranteed, under the Constitution, the right to have an abortion. I emphasize the right to have one; the Supreme Court has indicated that they have no right to demand that the Government pay for it if they are indigent. But they do have the right to make the choice as to whether they want an abortion or not.

Interestingly, we do not have in this country a right to food, or a right to medicine, or a right to housing. Nowhere in the Constitution are those guaranteed. Nowhere is there a Supreme Court decision that says everyone in this country is entitled to those things as a matter of right.

In terms of constitutional rights, the Supreme Court has elevated the right to an abortion above the others (which we provide for the indigent, because we think it is decent). We think, if a person cannot afford education on his own, society should provide it, because it would be unfair to the poor and the indigent to be denied an education if they cannot afford it. But, there is no constitutional right that the taxpayers pay for their education.

We think it unfair, if a person is poor, that he be denied housing. And so we have programs to aid the poor in their search for housing, although there is no constitutional right that the poor have decent housing. We provide that money for them, because we think it is a fair thing to do.

There is no constitutional right to medical care; yet we have a broad, fancy, and very expensive medicaid program and other medical programs for the poor, to guarantee that they have adequate medical attention, because we think it unfair for any persons to be denied adequate medical attention if they are poor.

Now we come to the subject of abortions. Abortions and the view of society toward them have an interesting history in this country, and in the world, for that matter. If you look at history, the attitudes of society toward abortion have changed—changed markedly and changed repeatedly. Two hundred years ago, at the time of the founding of this country, abortion was not a crime. It was commonly practiced and generally accepted, and not regarded as immoral. The founders of this country were well familiar with the fact that abortion was practiced. They saw no need, in our Constitution or in our early laws, to outlaw the practice of abortion.

In the 19th century, and especially following the Civil War, we began to have different States passing laws prohibiting abortion, sometimes prohibiting it totally and sometimes allowing it when medically necessary, but generally prohibiting the right of a woman to have a legal abortion. The reasons for the passage of those laws were varied. Without question, there was some moral tinge to the passage of the laws. Of greater import, however, was the fact that at the time of the passage of the laws, an abortion was a very dangerous operation. Many, many women died. We did not have the modern drugs to fight infection that we have now, and to protect women abortions were, by and large, prohibited.

Starting in the 1950's and into the 1960's, beginning with the adoption of the American Law Institute's model code on abortion in the State of Colorado, we began to change our statutes and to loosen up or legalize abortion. Colorado was first. New York soon passed a legalized abortion statute. In the State of Washington, the issue of legalizing abortion was placed on the ballot, and the people of that State, by a rather wide margin, approved the legalization of abortion in that State.

We soon found ourselves in the position where a number of States permitted abortion and a number of States did not; and if you were a person of sufficient financial means who wanted an abortion, you flew to New York or Washington or to one of the other States that permitted a lawful abortion and, if the State allowed it, you paid your money and you had an abortion. If you were poor, you had your baby.

It did not matter that you wanted an abortion. If you could not afford to fly to New York or drive to the State of Washington, because you were poor, you were denied access to what the rich had access to.

Then in 1973 the Supreme Court in their famous decision legalized the right to an abortion. They said that nationwide it would be unconstitutional to deny to a woman the right to have an abortion. Their decision was generally separated into 3-month periods, but for the first 3 months of pregnancy you absolutely could not deny the woman the right to an abortion under any circumstances. It was her right.

In the second trimester the court put some restrictions on where the abortion could be done and under what circumstances, and in the third trimester a different set of circumstances.

Most abortions today that are done in this country are done in the first trimester, the first 3 months.

The law has not changed. The constitutional right has not changed. What we have been debating for the last 4 years is whether or not the Federal Government is going to pay a share of the cost of an abortion for the indigent woman who cannot otherwise afford it.

Let us make no mistake about it. Right to Life and the other groups that oppose Federal funding of abortions regard this as only the tip of the iceberg. What they really want is a constitutional amendment to reverse the Supreme Court decision altogether and to take away from all women the right that they now have, to have that abortion.

While this fight over medicaid funding, Federal funding, of abortions is an important fight, it is not going to be the end. I think Right to Life now realizes they could not get what they want from this Congress. They cannot get out of this Congress a constitutional amendment to reverse the Supreme Court decision. It is very clear that they are going to move the battlefield to the 1980 elections, and attempt to have some significant political victories that they can claim credit for, in the hopes of frightening this Congress in 1981 or 1982 into sending out a constitutional amendment to reverse the Supreme Court decision.

This Congress, so frightened, might very well do that, because the attitude would be if Right to Life can claim some significant political victories, why should we take the heat? Why do we not just send out this amendment to the States and let them battle it out in every State capitol?

Mr. President, if you think the fight over the equal rights amendment or statehood for the District of Columbia are tough fights, mean fights, bitter fights, they do not hold a candle to the divisiveness which would come to this country if they had to fight out, in every State capitol, the battle over ratification of an amendment that would take away from women the right to an abortion.

So the fight we have today is preliminary.

I would like to think that we would be decent enough and fair enough to the indigent to say that, as with a broken arm or a broken leg, or any other medical ailment, "We will not deny you treatment because you cannot afford it." Abortion is a medical procedure. Doctors have dealt with it for years. They are very well versed in it.

In this Congress there are people who are strongly opposed to abortion. There are people who are strongly in favor of the right of a woman to decide for herself whether she wants an abortion. I phrase that deliberately. No one, to my knowledge, in this Congress is trying to force anyone to have an abortion who does not want one. All those of us who share my views are trying to do, is to say that it is an individual choice for each woman and her physician to make in their own privacy with their own god. It is not for anyone in this Congress to force an abortion on anyone who does not want it. It is not for anyone in this Congress to deny an abortion to anyone who wants it.

Now, if we want to get into an extended debate as to whether or not we ought to have medical care for indigents at all, that is another matter. I think we should have it. There may be a few in this Congress who would say, "No, that is not a function of the Federal Government and we will not help fund any medical care for indigents." If that were the law, then medical funding for abortions at the Federal level would be out of the question, as would medical funding for any other ailment.

But, Mr. President, that is not the law. The law is that we will attempt, given the resources available, to provide medical care for people in this country who cannot afford it, except, say those who do not like abortions, except for abortions. There we will deny it, if this amendment that is in the bill remains in the bill.

> There we will deny it because we do not think you should have the right to make a choice as to whether or not you want an abortion.

Mr. President, it is not your business nor mine, nor the Federal Government's, whether or not a woman wants an abortion. That is her business. For us to have the presumption and the arrogance to say that we will deny to the poor the option to make that choice, because we may personally disagree with her choice, is an arrogance that demeans this body.

We like to think and we proudly brag about the protection of civil liberties in this country. We like to think that the great strength of this country is in its diversity and that there is no one uniform national opinion that can be forced on everybody. I share that view.

One of the great dangers to human liberties, civil liberties, in any country is when a majority becomes convinced it is right, with a capital R. Because if it is right with a capital R, if you disagree with it you are wrong with a capital W. And if any one of us thinks that God has talked to us personally and has said, "I am telling you what is right," and I become convinced that God has talked to me and I am convinced that I am right and you are wrong, then it is just a short step to where the end justifies the means because the end is so right.

Mr. President, there is no elective rightness or wrongness in abortion. There is an individual right to make a choice, as it should be. The Congress should not thwart that right for the poor by denying the money that gives them the power to exercise the right that has been guaranteed to them by the Constitution.

UP AMENDMENT 395

(Purpose: To restrict abortions financed by Federal Medicaid funds to cases where the mother's life is endangered or where medically necessary, or where rape or incest has been committed)

Mr. MAGNUSON. Mr. President, in line with the committee's directive, under which we agreed to take this so-called Hyde amendment language to the floor and submit an amendment thereto, I send to the desk a substitute for the language proposed to be stricken by the amendment of the Senator from Oregon.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Washington (Mr. MAGNUSON) proposes an unprinted amendment numbered 395.
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> On page 52, line 23, strike all through page 53, line 2, and insert in lieu thereof the following:
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> Section 209: None of the funds in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term, or where medically necessary or for the treatment of rape or incest. This section does not prohibit the use of drugs or devices to prevent implantation of the fertilized ovum.

Mr. MAGNUSON. Mr. President, this is exactly the language the Senate adopted last year on, I believe, two or three occasions, maybe more. Any language more restrictive than this would deprive the Senate of any bargaining ability in conference with the House. The language would restrict abortions to situations where the woman's doctor considers an abortion necessary for the physical and mental health of the mother of the fetus. This should be a decision between the doctor and the patient. On that, I agree with the Senator from Oregon.

The current compromise language, which is less restrictive than the current House language, has denied 99 percent of the abortions it previously provided for lower income women.

In the legislation, of course, I would like the whole business out of this bill. It does not belong in an appropriations bill at all. But this will give us, again, a strong position in negotiation with the House.

I just do not know why abortion seems to crop up now. We just play with the the idea. The legislative committees never do anything about it. It always comes on the HEW appropriations bill. I respect the viewpoints of those who are for abortion and those who are antiabortion, but I have always preferred to cut it out of the bill altogether. It seems that it is on every appropriations bill now, including that of the District of Columbia, yesterday, in the House.

I call upon the legislative committees to get busy on this subject. If they want to change it or to carry out the ideas of the Senator from North Carolina, who is a member of some of them let us let them do that, not continually put these amendments on the appropriations bills. Now is the time to leave it off the appropriations bill, but that is apparently not in the cards today, so I am submitting the language we passed last year as an amendment.

Mr. HELMS. Mr. President, I listened with great interest to my friend from Oregon. BOB PACKWOOD is my friend and we work together on some things. It is never a matter of comfort to me to oppose him. We have discussed this matter on this floor on a number of occasions, as he has indicated, and maybe we shall continue to do so.

With all due respect to my friend, I found remarkable some of the assertions that he made, such as the right to abortion. What the Senator is saying is that there is a right to terminate innocent human life. The last time I checked, Mr. President, one of the Ten Commandments forbade that. If my friend from Oregon can persuade the Senator from North Carolina that abortion is not the deliberate termination of innocent human life, then the Senator from North Carolina will withdraw from the field and will no longer challenge the Senator from Oregon or anyone else—and, I might add, we shall not consume the time of the distinguished chairman, who, every year, has to tolerate—or perhaps the word is "endure"—a prolonged discussion of this matter.

Mr. MAGNUSON. I thank the Senator from North Carolina.

(Mr. TSONGAS assumed the chair).

Mr. HELMS. As the Prince of Denmark once said in answer to a remark made to him, "That would be a consummation devoutly to be wished."

My friend from Oregon implored the Senate to be decent enough and fair enough, if I quote him correctly, to use the taxpayers' money to facilitate the termination of the lives of innocent human beings. I disagree.

My friend mentioned civil liberties, the civil liberty of a woman to have an abortion. How about the civil liberty of that unborn child, that child's right to be born and to be a citizen? God has not talked to this Senator about this matter, except through the Ten Commandments. That is enough for me.

It is repeatedly suggested in these debates, Mr. President, that those of us who vote and fight to restrict the use of the taxpayers' money for the purpose of Government-financed abortions are heedless of various reasons said to be justifications of abortion. This Senator is not heedless of the reasons. This Senator simply is not persuaded that any of them takes precedence over the right of an unborn child not to be deliberately killed.

A year or two ago, Mr. President, on a Sunday morning, I went to the children's ward of Duke University Medical Center in Durham, N.C. I toured the vicinity where newborn babies were lined up in an intensive care facility. I looked at all of the millions of dollars' worth of equipment, the most sophisticated technology, designed to preserve the life of those babies, some of which were scarcely bigger than my hand.

I saw the personnel of that intensive care facility scurrying back and forth, checking the meters and making adjustments in around-the-clock care of these little ones.

Then Dr. Lenox Baker took me across the hall to a lounge where six or eight couples who were the parents of these little ones were gathered. Over in the corner, one young man and his wife were on their knees praying for the survival of their child.

The very next day, I came back to Washington and walked on this floor and there was a debate about the right to deliberately terminate the lives of babies who, save for the grace of God, would have been in that hospital.

I do not relish this fight every year, Mr. President. Like every other Senator, I have a busy schedule. We have the SALT II hearings going on. We have the work of the Ethics Committee and the Agriculture Committee on which I serve. We have various other things in which I am trying to participate.

But the priority of the preservation of innocent human life comes first.

Now, the Hyde amendment which is in this bill as reported by the Appropriations Committee protects the mother where her life is involved. When we get beyond that, Mr. President, we are making mockery of human rights when we say we must provide abortions for those who cannot afford to have another child, or who say that they cannot afford to have another child, or the problems of bearing a child out of wedlock, or the trauma of bearing a child conceived during a criminal act.

Often the reasons put forward in defense of abortion have some appeal—but they all have a common defect—they ignore the sanctity of human life. What are the "reasons" most often heard? They are:

A serious question of health of the mother;

The financial burden represented by an additional child;

The fear that a child will be abnormal or retarded;

The problems of bearing a child out of wedlock; or

The trauma of bearing a child conceived during the criminal act of another.

I do not say that these concerns do not merit consideration. They tug at my heart. But I get back to square one, Mr. President. I think of the life of that little innocent human being, and I think of the millions of people across this country who do not want their money to be spent by the Federal Government to deliberately terminate the life of an innocent human being.

So these additional concerns, though, as I say, they tug at the hearts of all of us, cannot be allowed to stand alone. They must be balanced by that other interest, the interest of protecting the value of innocent human life.

Interests which are normally accorded a high level may not—may not—supersede the ultimate value which is the right to life and the ultimate responsibility of government which is the protection—the protection—of innocent human life.

I have said many times before on this floor, and I say again now, that those who promote funding of abortions have the power once and for all to end this debate.

They can put an end to the abortion controversy in Congress. They can put an end to it elsewhere. They can certainly put an end to it insofar as this Senator from North Carolina is concerned—simply show that an unborn child is not a human being. Show me that, Mr. President, and I will retire from the field.

In the years of the debate on the Hyde amendment in the House and the Helms amendment in the Senate, not one advocate of funding of abortion has dared to say that abortion is not—is not—the deliberate termination of innocent human life.

I have raised that question over and over again and I meet thunderous silence.

I tried to say several times before on this floor that if what we are talking about is not the funding of the termination of innocent human life, Senator MAGNUSON will never have to worry again about the prolonging of consideration of an appropriations bill.

It has been said during debate previously in this Senate that the Hyde amendment is really an issue of human rights and that the real motivation of those who support the Hyde amendment in the House and the Helms amendment in the Senate is to discriminate against the poor when the rich will continue to be able to afford a legal abortion. That statement was made here today.

Mr. President, I think it can be fairly shown that this is not accurate.

Following the Supreme Court decisions in 1973, I was one of the first Senators to offer an amendment to the Constitution to protect the lives of all unborn children, rich and poor, black and white, male and female.

So, Mr. President, while the protection of innocent human life is the essence of the debate today, there are other considerations as well. For example, last November the Chicago Sun-Times published a series of articles concerning legal abortions performed at clinics in Chicago. This series of articles was written by two distinguished investigative reporters, both named Pamela, Pamela Zekman and Pamela Warrick.

These reporters did a superb job of investigation. They spent 5 or 6 months of investigating legal abortion clinics which performed more than one-third of all of the abortions in the Chicago area according to the Sun-Times, and what did they find?

They found doctors performing abortions on women who were not even pregnant. They found abortions performed by inexperienced and unqualified people. They found clinics being operated under unsanitary and haphazard conditions which have led to severe infections and internal damage to patients. They found clinics which used an assembly line system in which doctors performed abortions within about 3 minutes. They found abortion clinics involved in kickback schemes, medicaid fraud and abuse costing the American taxpayers hundreds upon hundreds of thousands of dollars.

Most tragically of all, Mr. President, the Chicago Sun-Times found that at least 12 women had died following legal abortions in the Chicago area alone.

The Chicago Sun-Times articles become relevant, Mr. President, when we consider the arguments so often made on this floor, arguments about problems thought to be associated only with illegal, back alley abortions. We have been repeatedly told that if we would have legalized abortion and if we would only provide abortions at the taxpayers' expense, then we could end the trauma women suffer at the hands of those who perform abortions.

But these abortion clinics in Chicago, investigated by the Chicago Sun Times, were legal clinics, they were legal abortions, and the problems persist.

Some may respond that this is an aberration, not representative of the practice of abortion in other parts of the country. Or that when properly regulated and performed in hospitals, abortions are safe and have no complications.

But, a recent study conducted for the National Institute of Child Health and Human Development of women who had undergone abortion in New York State indicates otherwise.

The interim result of the 6-year study of thousands of women who had undergone abortions and an equal number of women who had not, indicates that among women who then have a child, those who have had a prior abortion have:

Had a spontaneous fetal death rate that is 85 percent higher than women who have not undergone an abortion;

Given birth to infants with substantially lower birth weight by a ratio of 32 percent over women who have not;

Given birth to premature infants at a ratio that is 67 percent higher than women who have not;

Suffered labor complications at a rate 47 percent higher than women who have not; and

Suffered complications at the time of delivery at a rate of 83 percent higher than women who have not.

These are the interim results of a Government commissioned study of women who had undergone abortions where there was no indication of the abuses that were found in Chicago.

These are some of the physical complications of abortion, but the journal of the American Psychiatric Association indicates that there are substantial injuries to the mental health of women who undergo abortions.

The March 3, 1978 issue of Psychiatric News reported that, "if women were aware of feelings deep in the unconscious, a decision to abort the fetus might well be different." The findings were based on a study by doctors at the University of British Columbia who found that while most women who had undergone abortions would not report adverse feelings about having had an abortion in such things as questionnaires, during indepth interviews and therapy these women's "feelings were invariably of intense pain involving bereavement and a sense of identification with the fetus. These feelings appeared even when the patient rationally considered that abortion had been inevitable and the only possible course of action."

At the unconscious level, the investigators found "a strong commitment to life, associated with positive feelings about the self and the unborn child and 'love' for the infant 'who should have been born.' "

This is a study of women who exercised that right, as often referred to on this floor, the right to an abortion. Disregarding the violation of the right of the unborn child, look at what happens to the women themselves.

The study concluded that "this evidence strongly suggests that whatever may be the case at the conscious level, at a much deeper, initially unconscious level, abortion is regarded by many women as infanticide."

Mr. President, no woman should be forced to conclude that abortion is the only answer to her problem. In this legislation today we are appropriating funds which will provide substantial aid to women who face such a situation. And there are other bills and programs to assist these women. We can do more. Last year, for example, I introduced legislation designed to improve the delivery of services to poor women who may face a problem pregnancy and I will continue to support such efforts. But we only provide these women with an illusion of help when we offer them abortion.

There are alternatives to abortions and hundreds of voluntary counseling organizations throughout the United States to help women find jobs, housing, education, and care for their infants when faced with a problem pregnancy. Organizations such as Birthright, Birthchoice and others which participate with Alternatives to Abortion International have done much in helping these women. They could do more if they were not barred from receiving Federal funds by the Department of Health, Education, and Welfare on the grounds that they do not adequately counsel women on alternatives to abortions because they will not provide or refer women to abortion clinics.

Mr. President, we were warned last year that a decision to restrict the use of Federal funds for abortion would result in an epidemic of abortion complications and injuries to women denied medicaid abortions. This concern was so great that the Center for Disease Control in Atlanta undertook a special hospital surveillance project similar to those it undertakes to investigate the possibility of an epidemic. The report, released this year, found that:

> Out of the 3,157 abortion complications reported through this hospital surveillance project, 7 occurred after admitted illegally induced procedures. In three other instances in which complications occurred, the women did not name the source of the abortion; for analytic purposes, it was assumed that these women also underwent an illegal or self-induced abortion.
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> None of these 10 complications occurred in women reported to be a Medicaid recipient. No abortion deaths related to either illegal or legal abortions were detected (and) there was also no significant differences between . . . the proportion of Medicaid women with abortion complications over the 8-month period.

Mr. President, we have been told that legal, federally funded abortions would bring an end to back-alley suffering. It has not. Instead, it has brought front-alley misery and abuses.

We have been told that abortion is a relatively safe and simple procedure which women should not worry about. Instead, we find that even under the best conditions, abortion has complications which result in tragedy in later life.

We have been told that abortion is a solution to the mental anguish and emotional problems of women who face problem pregnancies. Instead, we now find that abortion itself creates significant and deep emotional problems for women.

We have been told that any restrictions would result in a massive epidemic of illegal abortions and abortion related complications. Instead, we find that none of the complications recorded by the Center for Disease Control were from illegal abortions and that there was no difference in the number of complications between medicaid women and others.

What we have not been told, Mr. President, is that abortion is not the deliberate termination of innocent human life. And that is the bottom line in this debate.

Mr. President, there is much more I could say, but it has been said before and I suppose it will be said again, but I want to reiterate the challenge: Show that an abortion is not the deliberate termination of an innocent human life, and this argument can be settled. Do not talk to this Senator about the rights of anybody to take somebody else's life. If you want to talk about civil liberties, let us talk about the civil liberties of that unborn child.

With respect to the amendment of my friend from Oregon, Senator PACKWOOD, I must say that what he is proposing is that the Senate go on record as favoring no restrictions on medicaid funding of abortions. I suggest that this would be an unprecedented step, an unwise step, an awesome step—the ultimate deterioration of the Senate's position on this vital question.

Mr. HATCH. Mr. President, I urge the Senate to maintain the present language contained in the Labor-HEW appropriations bill with respect to Federal funding of abortion. Let us put to an end, at least for this Congress, this bitter controversy. The House recently approved identical language to that proposed by the Senate Appropriations Committee by a 61-vote margin. Nothing in this language, or in this bill, would prevent the States from choosing on their own to fund abortions of any sort. Let each State make this determination for itself, and let us get the Federal Government out of this activity, once and for all. Let us bring this issue back to the local level.

Under the terms of this provision, Federal funds could be continued to be used for abortions only in the event that a mother's life was endangered by a pregnancy.

Let me quote a respected colleague:

> Of all the endangered species, none have captured the imagination and sympathy of the American people as much. Support for their preservation is widespread, spanning differences in age and political philosophy. Drawing its strength from this grassroots support, citizen organizations and Congress have made great strides toward their permanent protection.

Before I go any further, let me explain that I have borrowed the previous statement from my friend, the distinguished Senator from Oregon (Mr. PACKWOOD), verbatim, from the CONGRESSIONAL RECORD of September 21, 1978. He was then speaking, however, not of unborn children, but of whales.

Another of our colleagues recently noted that—

> The magnitude of this crime cannot be condensed because it involves millions of separate, individual human beings.

Again, the subject was not abortion, although it could have been; these words were directed toward the Nazi holocaust.

Still another colleague remarked on the floor not too long ago that—

> There will certainly be criticism that this is a bill for the bleeding hearts of the country who over-react to everything. I never want to see the day that compassion for even the smallest creature is scorned. It may be true that Congress has many important matters to consider. However, a government should never be so large that it cannot take the time to alleviate the suffering of the small and defenseless.

These words were directed, not to the plight of unborn children, but to that of rabbits.

Mr. President, I challenge any Member of this body to witness the reality that is abortion without being moved, and deeply moved, at that. "No one can face up to this cruelty without trying to do something about it." This last observation was made by another of our colleagues in describing the motivation behind the Animal Welfare Act amendments which became law several years ago. It was made on the occasion of presentation of the Animal Welfare Institutes' Schweitzer Medal. Perhaps some day there may be a child welfare institute to present a "Schweiker Medal" to those who protect the unborn.

Let me recall another statement made recently in this body:

> We have used our dominion over our fellow creatures to destroy them. While we may not practice such cruelty ourselves, we all too often tolerate it.

Again, these words were not stated in the context of abortion, but in the context of the acceptance of an award from the New Jersey Animal Humane Society.

Let no one wonder why it is that, year after year, a growing majority of Congress—a bipartisan majority—opposes Federal funding of abortion. We deeply respect the concerns of our colleagues, concerns which we share, for the suffering of whales and rabbits, as well as for holocausts past and present in Germany, Cambodia, Uganda, and elsewhere. But that is not enough to draw our attention away from the present holocaust that is abortion.

I need not offend the sensibilities of my colleagues by recounting just what it is that the taxpayers' dollars have been purchasing in recent Labor-HEW bills. Nor need I recount the physical impact of saline solutions, razor-sharp curettes, and suction pumps.

Instead, I will only ask my colleagues to consider the agony of the great whales, pierced by explosive harpoons, thrashing to their deaths at the hands of human beings—and then consider what is being done to unborn children. Let us consider the torment of animals caught in traps and torn to pieces by sharp steel, and then consider what is being done to unborn children. And let us consider the pain of rabbits being beaten to death in perverse sport, and then consider what is being done to unborn humans.

Mr. President, I do not know how I can better communicate the sense of urgency that so many of us feel about this issue than to briefly read the text of a recent newspaper article from a Columbus, Ohio, newspaper. Its headline states, "Aborted Babies Sent to Dog Pound Incinerators." It reads:

> Aborted babies from the surrounding area have been burned in the local humane society's incinerator for at least 10 months. Columbus Pathology, Inc., the firm responsible for disposing of the human remains, has been barred from using the incinerator by Elaine Black, director of administration of the Capital Area Humane Society. The burning of aborted babies was brought to Miss Black's attention by her staff after repeated incidents that offended her employee's respect for life.

I have learned that the repeated incidents referred in the news item were occasions on which the disposers of the aborted children, having trucked the remains to the incinerators of the humane society, made great show of throwing the remains around like playthings.

This story is an example of why so many Members of this body are so resolutely and passionately concerned about abortion. As long as we here, in this sheltered Chamber, fail to hear the death cries of these unborn innocents, we will have to continue to listen to speeches such as this one.

RECALLING SENATOR DEWEY BARTLETT ON ABORTION

Mr. President, every year since the issue of Federal funding of abortion first confronted the Senate, the fundamental decency of the American people found a spokesman on the Senate floor in the person of Dewey Bartlett, my dear friend and former colleague. Whenever the Senate debated this issue, our former colleague from Oklahoma was here to speak against it. Everyone who knew him knew that his speeches on abortion were an ordeal for him, not because of the physical strain on his failing health, but because it was difficult for him to engage in legislative parley about the taking of human life.

Winning or losing on the issue of abortion, Dewey treated it not as politics but as a tragedy.

This year, for the first time, Senator Bartlett is not with us to speak as the conscience of the Senate against public funding of abortion. The newspapers some months ago said he lost his battle against cancer. We know that he won it, through faith and courage and unfailing kindness.

Those qualities characterized his defense of unborn children, and this is as good a time as any to share a little story about that subject.

During the last Congress, while Senator Bartlett was delivering a speech against public funding of abortion, he deplored the way hundreds of thousands of babies were being "taken." That was his word: "taken." When he said it, puzzled Senate staffers seated on the sofas along the walls of this room looked at one another quizzically.

They were probably too young to remember when, not too long ago, abortion was considered so awful that even the word itself was not lightly used. We used to speak of doctors "taking" the baby—that is, forcing delivery before it was old enough to survive—in cases where pregnancy endangered the mother's life. And we all understood that that "taking" was a tragedy for all concerned.

It was just like Dewey Bartlett to use that term in discussing abortion. And when he said it haltingly, you had to know he would rather be anywhere else, doing anything else, than here on the Senate floor talking about 1 million abortions a year. I feel precisely the same way.

I share his distaste having to fight this battle every year and, in the past, losing it through watered-down compromise language that allows HEW to do whatever it wants with respect to funding abortions.

Proponents of Federal funding of abortion have developed their own set of words to avoid confronting the reality of abortion. They have formulated a morally neutral vocabulary of euphemisms: "termination of pregnancy," "interruption of fetal development," "elimination of the products of conception." This is apt phraseology only if we consider human beings to be interchangeable parts of an assembly line.

From that point of view, we have seen abortion advocated as a cheap way of dealing with poverty or, more precisely, with the poor. We have seen it legitimated on grounds of personal privacy and public policy alike. But we have not seen it accepted, least of all by the taxpayers who are again being asked to send

Uncle Sam their dollars to squelch the lives of his littlest nieces and nephews.

My remarks on this subject, Mr. President, are a poor substitute for those which Senator Bartlett would have delivered today were he still with us. But I am nonetheless encouraged by this observation: That his long and diligent efforts to stop taxpayer funding of abortion are now coming to fruition. And to advance those efforts toward their goal, I urge acceptance of the Hyde amendment as approved by the House of Representatives.

I am always impressed by those whom we often describe as "environmentalists" who believe that man alone among living things is an intruder upon the environment. I think we have got to start thinking harder about the value of human life.

Those who are so enthralled with the "right" to abort unborn children have the right to create foundations and nonprofit institutions to finance abortions, I suppose, and not require the taxpayers of America to do this. That is exactly what they should do. That would be far preferable to requiring all taxpayers, no matter how repugnant they consider abortion, to pay the tab.

Mr. President, I admire the great fight that the distinguished Senator from Pennsylvania (Mr. SCHWEIKER), the distinguished Senator from North Carolina (Mr. HELMS), and many others in the body, have waged through the years in opposition to Federal funding of abortions.

I cannot add much to that effort other than to lend whatever support I am capable of.

I respect the beliefs of other Senators, who feel strongly the other way, and they are all friends of mine; I certainly do not want to sound caustic in my criticism because they are just as sincere in their approaches to this issue as myself.

I feel so deeply about this subject, Mr. President. I fervently hope that at least some of them may reconsider their positions and enable us to eliminate Federal funding of abortions.

I thank the Chair for the time. I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise in what I can only term as lukewarm support of the Magnuson amendment, and I use that term "lukewarm" very specifically because I feel that the Magnuson amendment is considerably less than the law of the land, and is merely before us as a compromise in hopes of making the best out of a difficult legislative situation.

I would like to read once again, because it has been a while since the Senate of the United States and the country as a whole have been reminded as to what the law of the land is relative to abortion. The case of Roe against Wade and let me read the summary:

> To summarize and to repeat:
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> 1. A state criminal abortion statute of the current Texas type, that excepts from criminality only a life saving procedure on behalf of the mother, without regard to pregnancy stage and without recognition of the other interests involved, is violative of the Due Process Clause of the Fourteenth Amendment.
>
> (a) For the stage prior to approximately the end of the first trimester, the abortion decision and its effectuation must be left to the medical judgment of the pregnant woman's attending physician.
>
> (b) For the stage subseqeuent to approximately the end of the first trimester, the State, in promoting its interest in the health of the mother, may, if it chooses, regulate the abortion procedure in ways that are reasonably related to maternal health.
>
> (c) For the stage subsequent to viability the State, in promoting its interest in the potentiality of human life, may, if it chooses, regulate, and even proscribe, abortion except where it is necessary, in appropriate medical judgment, for the preservation of the life or health of the mother.

The opinion then goes on to state other matters.

Again, I would like to quote from that decision a portion which, I think, bears upon our debate here this afternoon:

> The Court has recognized that a right of personal privacy, or a guarantee of certain areas or zones of privacy, does exist under the Constitution.

Then skipping and moving on:

> This right of privacy, whether it be founded in the Fourteenth Amendment's concept of personal liberty and restrictions upon state action, as we feel it is, or, as the District Court determined in the Ninth Amendment's reservation of rights to the people is broad enough to encompass a woman's decision whether or not to terminate her pregnancy. The detriment that the State would impose upon the pregnant woman by denying this choice altogether is apparent. Specific and direct harm medically diagnosable even in early pregnancy may be involved. Maternity, or additional offspring, may force upon the woman a distressful life and future. Psychological harm may be imminent. Mental and physical health may be taxed by child care. There is also the distress, for all concerned, associated with the unwanted child, and there is the problem of bringing a child into a family already unable, psychologically and otherwise, to care for it. In other cases, as in this * * *

Now, that is the law of the land, and what we are attempting to do here is to legislatively skirt the law of the land.

Setting aside what is the law of the land, and coming to the policy of the land, it is the policy of this country through the vehicle of medicaid to assure that those procedures that are serious, that are of a medical necessity, that are determined as being necessary by the physician, should be funded by the Federal Government.

And yet, in this one single instance of abortion, the legislative branch of the Government chooses de facto to obviate first, the law of the land, and second, the policy of the land insofar as what role the Government should play in the funding process of a serious, necessary medical procedure.

Based on my individual religious belief, I am opposed to abortion. However, I believe it is not proper in any way, not in the slightest way, for a U.S. Senator or Representative, or other legislator, to translate his or her religious belief into law. Indeed, the only obligation that rests upon us is to make certain that nobody does that.

The decision of the Supreme Court on abortion is the law of the land, and as such I support it—not, as a matter of personal choice, but as a result of the oath of office I took to uphold the Constitution of the United States. There is, in the sense of my job, no higher authority. Not a Torah, not a Bible, not a Koran—there is no higher authority than the law of the land insofar as the power and the obligations of a Senator are concerned.

To see that the philosophies and the thoughts of those works of faith are carried out is someone else's job—not the job of anyone on the floor of the U.S. Senate. What bothers me most about this debate is that, because others have failed to convince their congregations, it now becomes ours to do what they were unable to do.

The law of the land is clearly stated. Abortion is legal. It is the law of the land. It is the mother's choice, that is the law of the land, to abort in the first trimester. The States then can enter into procedures during the second trimester; and the most restrictive conclusions of the court are reached vis-a-vis abortion in the last stages of the pregnancy.

So I repeat my belief that the Constitution of the United States is the document which establishes the fundamental principles on which the country operates, and should not be tampered with to respond to what are personal and religious questions.

The basic question at issue here is—when does life begin? To me that is a religious issue that each individual must determine for himself or herself, and we as legislators should not be imposing any collective religious views on the rest of the country. This Nation was founded on the basic principle that religion would not be legislated or otherwise established; that each individual was free to follow his or her beliefs without interference by the Government.

The Supreme Court in its rulings in this area has carefully avoided drawing its opinions in religious terms or in ways that would establish a religious direction. We should be equally careful to avoid making religious policy because none of us has a monopoly on the truth in this area.

Now we come to the problem at hand: Should the Federal Government fund abortions through the medicaid program? Here we are really dealing with the issue of equity, because barring a change in the Supreme Court ruling on the legality of abortion and barring a constitutional amendment outlawing abortions, abortion remains legal, and abortions remain available, and they will continue to be sought by women whether or not there is the Hyde language or other restrictions.

What we will have achieved with the Hyde language or even with last year's so-called compromise language is to deny poor and indigent women the right to choose a medical procedure that the Supreme Court has decided is the right of all women. Or to put it another way: The Constitution now will only apply to the wealthy; if you can afford this procedure, you are free to choose. If you are poor, you have no right to choose.

I do not think that is the intention of the supporters of the Hyde language, but it is certainly the end result.

Finally, Mr. President, we should be sensitive to the dangers we run in setting policies that interfere with the right of doctors to practice their profession. I know that Government has taken steps to try to provide a fairer, more broadly based medical system through the medicare and medicaid system, and I applaud those efforts and I support the concept of a national health system. But these efforts do not encroach on the fundamental relationship of the doctor and his or her patient and on the doctor's right and responsibility to practice medicine and, in consultation with his or her patient, to make medical decisions that affect the patient. However, through this appropriations legislation, we are effectively handcuffing the doctors by forcing them to treat the poor and the indigent differently from the wealthy.

Mr. President, for the reasons cited above, I urge the adoption of the language proposed by the Senator from Washington that permits Federal funding of abortions where medically necessary. The decision whether or not the abortion procedure is medically necessary to the health of the woman is one that should be left to the doctor and his patient. We in the Congress are not physicians equipped to make those kinds of decisions and we should not put ourselves in the position of controlling those decisions. Of the greatest importance has to be the clear understanding of what it is our position represents.

It is not a furtherance of any religion—any. It is to assure that all can practice their beliefs, their religious beliefs, in total freedom and with no interference from their Government.

Now, there are those who would like to stand on the Senate floor and do away with the medicaid program or that policy which assures Federal funding for that which is medically necessary. That you have the power to do. But to selectively target that policy so as to circumvent the law of the land and, more importantly, to circumvent one of the great principles upon which this Nation is based, no, that is an improper use of the power granted to us under the Constitution.

Clearly, the proper thing to do would be to take the language of the Supreme Court and use it as the guideline for what we federally fund. That has not been done. As I said what you are doing here is to make a compromise, but what bothers me is it is not a legislative compromise. You are compromising the law of the land. You are compromising the Constitution of the United States. You are cheapening the independence of the judiciary. We cannot afford that kind of compromise. It sounds great for those who are benefited by that compromise. But I think it important to understand that sooner or later each one of us is going to be in the position of wanting independence of thought and remedy from the judiciary. But once this precedent has been established, then all of us are subject to de facto control of the judiciary by the legislative branch of Government.

That would be a disgrace and the end of all freedom.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, the Senator from North Carolina quoted an article from the Chicago Sun-Times indicating the number of women who had had abortions in the abortion clinics in Chicago and the number who had died; that there were doctors making easy profits on assembly-line abortions.

I am not here to defend the medical profession. It comes as no surprise to discover that there are some charlatans in the medical profession. There are some, unfortunately, in my profession, the practice of law. There are some in the practice of politics. We should not, however, make the mistake of generalizing from specifics, of assuming that the whole barrel is rotten because of a few bad apples.

Following that story in the Chicago Sun-Times, two other newspapers, good newspapers, one in Milwaukee, and one in Boston, Mass., surveyed the abortion clinic situation in their particular towns. Let me quote from the Boston Globe story:

> Reports indicate that not a single woman has died as a result of an abortion here since 1973.
>
> The principal findings:
>
> Massachusetts' clinics offer high quality treatment and medically safe procedures with a reputation for not profiteering.

Mr. President, I ask unanimous consent that the entire Boston Globe article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW SAFE ARE ABORTIONS?

(By Jean Dietz)

Abortion—the most common form of surgery now performed nationally and in Massachusetts—has become routine in the six years since its legalization by the U.S. Supreme Court.

Reports indicate that not a single woman has died as a result of an abortion here since 1973.

More than 175,000 abortions have been performed in the state in these six years. The pace is now reported at 35,000 to 40,000 a year—one abortion for every two births. Hysterectomies are the second most common type of surgery, almost 13,000 a year.

With one out of 10 women of childbearing age choosing abortion, with documented reports of dangerous, inept and mercenary practices in Chicago and rumors of horror stories here, The Globe checked into the situation.

Six of the state's nine major abortion clinics were visited. Federal and state health officials and pro- and anti-abortionists were interviewed.

The principal findings:

Massachusetts' clinics offer high quality treatment and medically safe procedures with a reputation for not profiteering.

Since 1977, only one complaint has been made to the state department of health concerning the quality of patient care at the clinics. Two malpractice suits have been filed, both in Suffolk Superior Court. (Both allege that the womb was perforated during the course of the abortion, a surgical mishap that made it necessary in those cases to remove the womb—and thereby sterilize the women.)

Allegations of poor practices were occasionally made but repeated calls to and interviews with major figures in the Right to Life movement did not turn up evidence to support the allegations.

Anti-abortion doctors warn that no matter how skillfully a doctor performs an abortion, a woman is running the risk of an unsuccessful pregnancy in the future.

Not unexpectedly, risks associated with abortion, however minimal, increase with the length of pregnancy. After the 16th week of pregnancy, obstetrical authorities point out, abortion becomes about as dangerous as natural childbirth. This hazard is increasingly being avoided, according to the national Center for Disease Control (CDC), by women who are seeking abortions earlier and earlier in pregnancy. Nearly half of all abortions, here and nationally, are now performed by the eighth week of pregnancy and nearly 90 percent by the 12th.

The majority of abortions in Massachusetts are performed in non-profit clinics located in Boston.

Checks with the state health department, to which abortion complications are supposed to be reported, and queries to hospital-based obstetrical services, where post-abortion patients suffering infections or bleeding would go for treatment, reveal that complaints are infrequent.

"The hospitals almost never see post-abortion infections, the most common problem in the past," says Dr. John F. Jewett, chairman of the Mass. Medical Society's committee on maternal welfare.

"The problem in Massachusetts has not been one of medical standards," says Pamela Lowry, public affairs chairman of the Planned Parenthood League, "but more one of a continuing battle against opponents of abortion."

In large measure, it has been controversy over abortion that has worked to keep medical standards high.

Nowhere in the nation has abortion remained as controversial an issue as it has in Massachusetts, primarily because the anti-abortion movement is an outgrowth of the decades-long furor here over legalization of birth control.

Dr. Joseph Stanton of St. Elizabeth's Hospital and a board member of Massachusetts Citizens for Life, says:

"Under the aegis of solving a social problem, the Supreme Court has wreaked havoc on the reproductive futures of tens of thousands of American women. The cover-up will finally be blown here when it's found that abortions can lead to a high rate of complications in subsequent pregnancies."

At present, a five-year, $100,000 study, sponsored by the national March of Dimes

Foundation, is investigating that question—whether induced abortion affects a woman's future ability to bear normal children. The same study, part of which is being conducted at the Boston Hospital for Women, will look into relationships between drinking and abortion and smoking and abortion. By 1981, when the entire study is complete, the outcome of some 25,000 pregnancies will have been examined, and the results compared of those who had previous abortions and those who did not.

So far, only one segment of the study is finished, that done by the New York State Health Department based on women who had legal abortions there in 1970 and 1971.

Preliminary data from that study released last January indicate that repeated abortions cause some increase in miscarriage or premature delivery. There was no evidence of birth defects, still births or tubal pregnancies.

The only laws in effect governing abortion in the Commonwealth are federal court rulings. The primary one is the Jan. 22, 1973, landmark decision of the US Supreme Court that said states may not interfere with the decision of a woman and her doctor to end an unwanted pregnancy during the first three months or to prevent abortions up to the sixth month of pregnancy. After that, all abortions are illegal.

Most clinics in the state are licensed on a voluntary basis.

"Most of the clinics welcome licensure," said Edna Smith, director of regulations for all health clinics for the state Public Health Department. "They themselves don't want quacks getting in. The clinics actually are bending over backwards to keep their standards high."

The clinics adhere strictly to the 13-week cut-off point at which they may legally abort.

Mrs. L. is a case in point. Over 35, the mother of three school-age children and a non-Massachusetts resident, Mrs. L. came to Preterm, one of Boston's non-profit clinics, seeking her third abortion.

When examined by Dr. Shiao-Yu Lee, one of 15 board-certified obstetrician-gynecologists on that clinic's staff, she was found to be 15 weeks pregnant—too far along for the abortion to be legally performed in the clinic.

Dr. Lee sent her to a hospital. Within minutes, Mrs. L. was refunded the $150 she had paid in advance for the abortion—the going rate at area clinics—and was on her way to have hospital arrangements made.

Part of the reason is that the technique whereby early abortion is performed differs drastically from mid-trimester abortion.

At the clinics and in private doctor's offices, abortions now are almost universally carried out by means of a 10-minute procedure called vacuum aspiration, which uses suction to empty the womb.

In hospitals, second trimester pregnancies (13th week to sixth month) are terminated by inducing labor. The standard means are by replacing some of the amniotic fluid that collects in the pregnant womb with saline solution (basically salt water) or by the use of a hormone-like drug, prostoglandin, that initiates labor. Second trimester abortions may take from five to 48 hours.

Another type of second trimester abortion is now becoming more widely accepted. Termed D & E (for dilation and evacuation), it involves stretching the mouth of the womb (cervix) gradually and extracting the fetus with an aspirator. While Dr. William Cates, chief of abortion surveillance for the national Center for Disease Control (CDC) said D & E's are considered safer, he also noted that overstretching of the cervix may become a factor in premature delivery in some women who have had repeated abortions.

Clinic or physician office abortions typically cost $150 without use of general anesthesia, and hospital abortions are three times that price. At those rates, abortion amounts to an $8 million-a-year medical practice in Massachusetts, with about 30,000 clinic abortions at $150, another two or three thousand at the same fee in private offices and 8000 in hospitals at a cost slightly under $500.

None of the clinics in Massachusetts overtly "sell" their services, but rely on telephone directly Yellow Pages listings, word of mouth and discreet ads in newspapers.

The three non-profit abortion clinics in Boston—Preterm, Crittenton Clinic and Bill Baird Center—perform the bulk (18 000 or more a year) of the abortions done in this state. All of them report financial difficulties.

The major for-profit clinics—Gynecare, New England Women's Service, and Charles Circle Clinic in Boston, and Amherst Medical Associates and Hampden County Gynecological Assn. in Springfield—account for 12,000 more.

While the for-profit clinics do not disclose their financial picture, the trend now is for them to expand their services from low-cost, low-profit abortions into other urological and gynecological services where they expect a better profit margin.

Although the Massachusetts abortion centers vary in "style"—some homey, others more aggressively feminist, and some rather perfunctorily professional—they all provide the same basic services: free pregnancy testing, the abortion itself, and counseling services both before and after the abortion.

Pre-abortion counseling centers make certain that the abortion candidate has seriously weighed the alternatives—continuing the pregnancy, keeping the baby or placing it for adoption. Post-abortion counseling checks the degree of psychological trauma and offers contraceptive education.

At Preterm, as at most of the state's abortion clinics, each woman is given a card with a dime scotch-taped on it before she leaves. The dime is a reminder that each woman should report back how they are feeling—even if they are feeling perfectly well.

Abortion is a crisis no woman welcomes, says Dr. Carol Nadelson, associate professor or psychiatry at Harvard Medical School. "Psychologically, it is as threatening as any other life crisis," she says. While not ultimately experienced as a major loss to most women, she points out, there are vulnerable individuals susceptible to conflicts following the procedure.

"Very few choose to have their babies and give them up," she notes. "It's not abortion or adoption. It's abortion or welfare."

Even seasoned doctors aren't always comfortable with the procedure:

Dr. Moussa Menasha, who has performed 12,000 abortions at New England Women's Service since it was licensed in 1973, confided: "Deep down, I'd rather deliver a baby. I consider abortion a necessary evil."

"Meanwhile, I'll never forget the woman who came in near death from septic abortions while I was a resident at Boston City Hospital between 1963 and 1967. It left a very bad taste in my mouth."

Mr. PACKWOOD. Now from the Milwaukee Journal of May 21, 1979, again the story being done after the Chicago story. What did they discover?

This was written by a woman reporter who posed as being pregnant and went to a number of clinics to see how she would be treated.

As a part of an evaluation in Milwaukee, a reporter visited the six Milwaukee clinics, posing as a woman with an unwanted pregnancy who didn't really feel comfortable with the idea of having an abortion.

At no time did a clinic employe try to sway the reporter toward an abortion. On the contrary, the general approach was to try to help the reporter work through her feelings and make the decision that would be best for her, not the decision that would profit the clinic.

Three other reporters who were not pregnant also went incognito to each clinic to see whether clinics were returning positive pregnancy results for women who are not pregnant. Every test came back negative. And in most cases, the counselors asked whether the reporters wanted information on birth control or wanted references in dealing with the symptoms that might have led them to believe they were pregnant.

Mr. President, I ask unanimous consent that the entire Milwaukee Journal article be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Nowadays, It's Easy To Get an Abortion

(By Barbara A. Koppe)

A pregnancy can be ended in a few minutes.

The lab work, the waiting, the recovery may take hours. The decision may take days or weeks to reach. The memories may last for a lifetime.

But it takes only a few minutes for "the procedure," as abortion is often called.

During early pregnancy, the fetal cells and blood can be suctioned out of the uterus in a matter of moments. For most women, the physical pain is minor and it takes only a short rest before they are back on their feet, ready to resume normal lives.

Obtaining an abortion today is a far cry from the era before 1973. In that year, the US Supreme Court guaranteed all American women the right to an abortion through the 24th week of pregnancy. Before 1973, women in states where abortion was not legal had to travel to another city or country. Some took their chances with an illegal abortionist, sometimes with disastrous consequences.

Now women can easily obtain abortions during the first third of pregnancy at a dozen Wisconsin facilities. The cost is usually less than $200. Abortions also are available later in pregnancy, although the costs are higher because a hospital stay is usually necessary.

The Supreme Court said that a woman does not need the permission of the father of a child to have an abortion, nor does a minor need the permission of her parents.

Abortions have become such a part of society that major credit cards may be used to pay for them at some clinics. Many health insurance policies also cover them—if a woman cares to file the claim. Many want no written record of their abortion and prefer to pay in cash instead. Abortion facilities routinely refuse to accept personal checks and require cash, money order or a credit card.

There are at least seven places—six clinics and a doctors' office—in Milwaukee that provide early abortions, with other facilities in Madison, Appleton and Green Bay. Some clinics perform only abortions. Others offer other health services that are generally supported by the more lucrative abortion business.

The clinics, which performed slightly more than 71 percent of the 15,586 abortions voluntarily reported in Wisconsin in 1977, are generally considered to be medically safe according to officials and counselors familiar with the abortion situation here. This is especially true when compared with clinics in some other cities.

"I think what we're dealing with in Milwaukee is different style and emphasis," said the Rev. Elinor Yeo, director of the Milwaukee Women's Health Organization clinic, who has done abortion counseling for more than 10 years. "I don't think anyone can go terribly wrong in this state."

UNSANITARY CONDITIONS

That doesn't hold true in every state, even though abortion is legal nationwide.

In Chicago, for example, some clinics were found to have unsanitary conditions that resulted in frequent infections in patients. Others rushed women through the procedure so quickly that doctors sometimes did not wait for the anesthetic to take effect before performing an abortion. Some women were told that their pregnancy tests were positive when they actually were not pregnant.

The six Milwaukee clinics have been inspected and approved by Planned Parenthood of Wisconsin, a neutral agency that does not perform abortions but helps people with various health and sexual problems. The Ansfield-Gilman Clinic, 4957 W. Fond du Las Ave., was not inspected because it is considered a physicians office.

FELT NO PRESSURE

As part of an evaluation in Milwaukee, a reporter visited the six Milwaukee clinics, posing as a woman with an unwanted pregnancy who did not really feel comfortable with the idea of having an abortion.

At no time did a clinic employee try to sway the reporter toward an abortion. On the contrary, the general approach was to try to help the reporter work through her feelings and make the decision that would be best for her, not the decision that would profit the clinic.

Three other reporters who were not pregnant also went incognito to each clinic to see whether clinics were returning positive pregnancy results for women who are not pregnant. Every test came back negative. And in most cases, the counselors asked whether the reporters wanted information on birth control or wanted references in dealing with the symptoms that might have led them to believe they were pregnant.

VACUUM METHOD USED

The clinics offer abortions during the first trimester of pregnancy, roughly the first 12 weeks after conception, or the 14 weeks after the beginning of a woman's last menstrual period. Pregnancy lasts an average of 39 to 40 weeks.

The method used by the clinics, vacuum aspiration, is usually performed under a local anesthetic. The uterine contents are removed by suction, after which the doctor scrapes the lining of the uterus to make sure nothing was missed. The fees in Milwaukee range from $130 to $200.

The clinics also regularly provide their patients with birth control information, either during a counseling session before the abortion or during the recovery period afterward. For most patients at a clinic, it usually takes from three to five hours to complete lab tests, undergo counseling, have the abortion and recover.

Later abortions are also available in Wisconsin, through about the 24th week. But they are more costly, can be traumatic and carry increased risk of medical complications. Some are done by a suction procedure while the patient is under a general anesthetic, some by a scraping of the uterus rather than suction and some by injection into the uterus of a chemical that induces labor and causes expulsion of the fetus.

The latest abortions, from the 17th through about the 24th week of pregnancy, are done at University Hospital in Madison. The chemicals prostaglandin and urea are injected into the uterus to induce labor. A two or three day hospital stay is required. The abortion costs about $700 to $750 if there are no complications.

In Milwaukee, Dr. Leon Gilman and Dr. Irving Ansfield do abortions through about the 22nd week, with the patient admitted to Northwest General Hospital. A spokesman in the doctors' office said a saline solution was used to induce labor. The hospital stay is usually one night and the total cost is about $1,200, she said.

At least two other doctors in Wisconsin also do abortions later than those in the clinics: Mohammad Shafi, head of Avenue Medical Services, about the 16th through 18th week of pregnancy, and Dusan Jovanovic, Madison, 13th through 16th week.

How does a woman select a clinic? Many simply turn to the Yellow Pages, where clinics are listed under "Birth Control Information Centers," and take pot luck, a practice that makes Ms. Yeo shudder.

"Don't ever do that," she said. "Be more careful. Check them out. You have no idea whether you're dealing with a board certified gynecologist or an ear doctor who might decide to make a few dollars doing abortions."

The National Abortion Federation, of New York, publishes a handbook on how to choose an abortion facility. The booklet, which is available from the federation, lists general information about abortion and the methods used. It suggests that a woman ask questions about what tests are included in the fee, the type of counseling offered, the doctor's qualifications, the recovery facilities and the amount of time required.

COUNSELING OFFERED

A woman's situation and personal preference are also important factors. Some women know exactly what they want, and are interested in obtaining the abortion as quickly and with as little bother as possible. They might prefer a place like the Ansfield-Gilman Clinic, where a reporter was told that a woman having an abortion would probably spend about 30 minutes at the clinic.

Many women have at least some mixed feelings about abortion and could benefit from talking to a good counselor. Instead of going to a doctor's office, they might prefer an independent clinic that is run by women and that has developed a sophisticated system of counseling.

The clinics with the most thorough and supportive system of counseling seemed to be the Milwaukee Women's Health Organization, 1124 W. State St.; Bread and Roses, 238 W. Wisconsin Ave.; Summit Medical Center, 606 W. Wisconsin Ave., and Metropolitan Medical Services, 2625 W. Wisconsin Ave.

"CRISIS THINGS"

The counselors at Milwaukee Women's Health Organization were particularly warm and caring. Bread and Roses had a distinctly feminist atmosphere. Both offer gynecological care, which their administrators said was financially supported by abortions.

"My feeling when I started this was that abortion could support a lot of other things," said Fran Kaplan, who opened Bread and Roses in February. "Abortions are crisis things. You have to have them. But there are a lot of other issues to talk about surrounding reproductive activities."

Summit Medical Center is one of the busiest and the fanciest of the Milwaukee clinics, with a recently remodeled suite of rooms spread over two floors. Even though there were many people waiting when the reporter visited, she did not feel rushed.

PROGRAM FOR MEN

The counseling program at Metropolitan seemed particularly comprehensive, with a new program available for men who accompany women to the clinic. The clinic also offers followup counseling for women who desire it.

Results of the free pregnancy tests at Metropolitan are not always immediately available, as they are at the other clinics. If the staff is busy performing abortions, a woman must call several hours later to obtain results of a pregnancy test. Also, the laboratory tests required before an abortion are not done at the clinic, but at Family Hospital a block away. Some women might consider this an inconvenience.

Avenue Medical Center, 606 W. Wisconsin Ave., runs an abortion clinic several days a week in the same office where Shafi maintains his obstetric and gynecology practice. The atmosphere appeared to be medically oriented, with numerous articles available about such subjects as nutrition and the dangers of smoking. The counselor's manner was very clinical.

BIG AD, SMALL BUSINESS

Associated Medical Services, 2040 W. Wisconsin Ave., which has one of the largest advertisements in the Yellow Pages, has one of the smallest businesses.

The listing mentions a 24 hour answering service and says that major credit cards are accepted. But it says nothing about another important fact: Business is by appointment only. Even a free pregnancy test requires an appointment. Counseling is done by the doctor, Milton Tarver, and by a clinic worker who has been trained by Tarver.

Most of the clinics offer reduced fees to low income patients whose medical costs are paid by Title 19, which has excluded abortions since spring, 1978. In some cases, a clinic operator will arrange for deferred payments. On rare occasions the fee will be waived.

Mr. PACKWOOD. Mr. President, let us get our facts straight. Women died by the scores and the hundreds before legalized abortion. There is no serious controversy over whether or not women are now more safely served by legal abortions in legal clinics, or whether they were more safely served by illegal abortions in back rooms. That fact is beyond dispute. The health of women is better protected under the law and legalized abortion than otherwise.

The Senator from North Carolina also used the expression "terminating innocent human life." If I counted correctly, he used that expression seven times.

Mr. President, the distinguished Senator from Utah said that those of us who support a woman's right to have an abortion cloak that word abortion with other neutral expressions as if we are afraid to say it.

I use the word "abortion." But let us take the expression of the Senator from North Carolina—"to terminate innocent human life." That term, that expression, in clear, cold language, means murder. Let us not hesitate, then, to use the word.

The Senator from North Carolina is saying that if we can convince him that abortion is not murder, he will no longer bother us on the floor with this subject. Mr. President, I cannot convince the Senator from North Carolina of that, nor can the Senator from Connecticut, nor can anybody else. In his personal opinion—his personal opinion—abortion is murder. There are others in this country, of equal ethical standing with us in the U.S. Senate, who support the right of a woman to decide for herself whether or not she wants an abortion.

The Senator from North Carolina talked about the hospital where he saw the doctors working so hard to sustain those little babies, to keep them alive, doctors who probably were pediatricians or gynecologists or obstetricians. Three groups that have supported the right of a woman to decide for herself whether she wants an abortion include the American Medical Association, the American College of Obstetricians and Gynecologists, and the American Academy of Pediatrics. These are not groups unconcerned with life, especially the life of a child. These are not groups that would condone murder. What they are saying, by their endorsement of a woman's right to choose, is that they do not think it is murder—because I do not think the Senator from North Carolina or anybody else is saying that these groups are condoning murder.

Mr. President, I ask unanimous consent to have printed in the Record at this point a list of medical organizations which have endorsed the right of a woman to have an abortion.

(Mr. EXON assumed the chair.)

There being no objection, the list was ordered to be printed in the Record, as follows:

Medical Organizations Which Have Endorsed Abortion Rights

American Public Health Association, 1968.

American Medical Women's Association, 1969.

American Psychiatric Association, 1969.

Group for the Advancement of Psychiatry, 1969.

American Protestant Hospital Association, 1970.

American Psychoanalytic Association, 1970.

American Medical Association, 1970.

American Medical Student Association, 1970.

American College of Obstetricians and Gynecologists, 1970.

Physicians Forum, 1973.

American Association of Planned Parenthood Physicians, 1973.

Physician's National Housestaff Association.

American Academy of Pediatrics.

Mr. PACKWOOD. Mr. President, there are other groups which have endorsed the right of a woman to decide for herself whether she wants an abortion, groups deeply concerned with the law, deeply concerned with human rights, civil liberties, and life. The American Civil Liberties Union, surely one of the premier organizations in this country concerned with the rights of individuals, has endorsed the right of a woman to decide whether or not she wants to have an abortion.

The American Bar Association, the traditional group that speaks for the organized lawyers of this country—prior to the Supreme Court decision—endorsed the right of a woman to make a choice for herself as to whether or not she wants an abortion.

Those groups are not going to pass a resolution endorsing murder. They obviously do not consider abortion murder.

I ask unanimous consent that a list of other organizations that have supported the right of a woman to make a choice as to whether she wants an abortion be printed in the Record at this point.

There being no objection, the list was ordered to be printed in the Record, as follows:

Other Organizations Which Have Endorsed Abortion Rights

National Abortion Rights Action League, 1968.

American Civil Liberties Union, 1968.

Planned Parenthood—World Population, 1969.

American Psychological Association, 1969.

National Organization for Women, 1970.

Urban League, 1970.

White House Conference on Children and Youth, 1970.

American Association of University Women, 1971.

American Home Economics Association, 1971.

National Association of Social Workers, 1971.

National Council on Family Relations, 1971.

National Emergency Civil Liberties Committee, 1972.

American Bar Association, 1972.

Child Welfare League of America, 1973.

American Veterans Committee, 1973.

Americans for Democratic Action, 1973.

Women's International League for Peace and Freedom, 1973.

Human Rights for Women, 1973.

National Association of Women Deans, Administrators and Counselors, 1973.

Intercollegiate Association of Women Students, 1973.

Women's Legal Defense Fund, 1974.

Workmen's Circle, 1974.

Americans United for Separation of Church and State, 1974.

National Women's Political Caucus, 1974.

National Alliance for Optional Parenthood, 1975.

National Commission on the Observance of International Women's Year, 1975.

National Conference of Black Lawyers, Women's Task Force, 1976.

National Women's Conference, 1977.

Mexican American Women's National Association, National Training Conference, 1977.

Coalition of Labor Union Women, 1977.

Women's Equity Action League.

Zero Population Growth.

Sierra Club.

Friends of the Earth.

Environmental Action.

National Conference of Commissioners of Uniform State Laws.

American Parents' Committee.

President's Task Force on the Mentally Handicapped.

National Capital Tay-Sachs Foundation.

Mr. PACKWOOD. Mr. President, let us get right down to the nub of it, however, right down to the issue, the bottom line issue of morality and whether or not it is moral for a woman to have the right to make a choice as to whether she wants an abortion. The Senator from North Carolina thinks that it is immoral to make that choice and that when you make that choice, it is murder. Let me read a list of religious organizations that support the right of a woman to have an abortion, organizations which, by any stretch of the imagination, cannot be accused of supporting murder:

The Episcopal Church; the Lutheran Church in America, the United Church of Christ; United Presbyterian Church; Church of the Brethren; the American Lutheran Church; the Christian Church; the Union of American Hebrew Congregations; the United Methodist Church.

Mr. President, I ask unanimous consent that this list of religious organizations, together with others that I did not read, which support the right of a woman to decide whether or not she wants to have an abortion, be printed in the Record.

There being no objection, the list was ordered to be printed in the Record, as follows:

Religious Organizations Which Have Endorsed Abortion Rights

National Federation of Temple Sisterhoods, 1965 (Reaffirmed 1975).

Episcopal Church, 1967 (Reaffirmed 1976).

American Baptist Churches, 1968.

American Friends Service Committee, 1970.

National Council of Jewish Women, 1969 (Reaffirmed 1979).

Presbyterian Church in the U.S., Committee on Women's Concerns and General Assembly, 1970 (Reaffirmed 1978).

Lutheran Church in America, 1970 (Reaffirmed 1978).

B'nai B'rith Women, 1970 (Reaffirmed 1978).

Moravian Church in America, Northern Province, 1970.

United Church of Christ, General Synod. 1971 (Reaffirmed 1977).

Women's League for Conservative Judaism. 1972 (Reaffirmed 1974).

American Humanist Association, 1972 (Reaffirmed 1977).

American Jewish Congress and Women's Division, 1972 (Reaffirmed 1978).

Board of Church and Society, United Methodist Church, 1972.

United Presbyterian Church, USA, General Assembly 1972 (Reaffirmed 1979).

Church of the Brethren, 1972.

Baptist Joint Committee on Public Affairs, 1973.

Women of the Episcopal Church, 1970 (Reaffirmed 1973).

National Association of Laity, 1973.

American Ethical Union, 1973 (Reaffirmed 1979).

Young Women's Christian Association 1973 (Reaffirmed 1979).

American Lutheran Church, 1974.

Reorganized Church of Jesus Christ of Latter Day Saints, 1974.

Central Conference of American Rabbis 1975.

Unitarian Universalist Women's Federation, 1975 (Reaffirmed 1979).

Christian Church (Disciples of Christ) 1975.

Friend Committee on National Legislation, 1975.

United Methodist Church, Women's Division and Board of Global Ministries, 1975.

Union of American Hebrew Congregations, 1975.

American Ethical Union, National Women's Conference, 1975 (Reaffirmed 1979).

Reformed Church in America, 1975.

Catholics for a Free Choice, 1975.

United Synagogue of America, 1975.

United Methodist Church, General Conference, 1976.

Episcopal Women's Caucus, 1978.

Mr. PACKWOOD. Mr. President, let me conclude with this: We have to make a decision, one way or the other, as to whether we are going to write into the law—write into the law—a prohibition, and write it in solely, because it reflects the view of a few of us in this Chamber who do not like abortion, do not believe in it, think it is wrong, think it is murder. We are going to write it in over the objections of a great spectrum of this country that does not believe it is murder, a great spectrum that includes some of the most esteemed religious, medical, and legal organizations in this country. In my opening comments, I referred to that as presumptuous and arrogant, and I say that again. None of us has the right to write into law our personal preferences and, when we think we do have that right, it is a time when we become very dangerous.

I hope that the Senate will have the tolerance and the decency to allow a poor woman, who cannot afford an abortion and whose personal convictions—personal convictions—do not prohibit her from having an abortion, that right to make that choice for herself, without our interference.

Mr. TSONGAS and Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts.

Mr. TSONGAS. I thank the Chair.

Mr. President, I rise in support of the amendment to provide abortions when medically necessary.

Abortion is never a happy alternative. The decision to terminate a pregnancy is made only after much consideration of health factors for both the fetus and the mother. The decision to terminate a pregnancy is made after soul-searching, agonizing, and finally determining that abortion is the proper alternative. The reasons women choose to terminate a pregnancy are not frivolous, and are the cause of mental anguish and emotional loss. It would be irresponsible for those of us in the Senate to overlook that point.

Mr. President, I have read testimony presented before the House Defense Appropriations Subcommittee by a man who is in the Navy. The wife of this gentleman became pregnant with their second child. This pregnancy was wanted, and all of the family was happily awaiting the new baby. However, the couple learned that the fetus was abnormal, and that, if carried to term would be delivered as a baby with no brain, no skull, no spine, and would face almost immediate death. For the health of the mother and family this couple decided to terminate the pregnancy. However, they were unable to do so, because the procedures could not be paid for with Federal dollars. So this mother was stuck with carrying to term this fetus who faced certain death.

Every day, she and her husband lived with the knowledge that their new baby would die upon birth. They had to prepare their 3-year-old child for the death of her brother or sister even before the baby was born. The mother had to endure 9 months of pregnancy, to feel the baby kick and move, only to deliver a child who had no chance of life.

The baby was anencephalic. She was born with a perfectly formed face, but with no brain, no skull, no spine, a separated pelvis, bad kidneys, and other malformed organs. She died 30 minutes after delivery

Mr. President and Members of the Senate I implore you to consider the case of the medically necessary abortion. There are health risks to both the mother and the fetus that are compelling enough to justify a termination of pregnancy.

I ask my colleagues to imagine the case when their wives or mothers or sisters or daughters are faced with a pregnancy that exacerbates known health risks.

We do not think that is possible, do we? It is always somebody else.

I ask my colleagues to envision their wives being pregnant with a child who faces certain death.

Not somebody else's—theirs.

Imagine their sister enduring a pregnancy which might endanger her life.

Not somebody else's sister—their sister.

Envision their daughters suffering a pregnancy resulting from rape.

Not my daughter. Not somebody else's daughter—their daughter.

I ask my colleagues to be honest with themselves and to the people who may be most directly affected about this issue.

We have seen cases of people in political life who have gotten up and spoken against these kinds of medically necessary abortions who then provided for them for their own families and for their own mistresses.

Mr. President, we in the Senate often pass legislation that will not affect our lives directly. We have been rightfully accused of exempting ourselves from many laws. The language of section 209 of the bill we consider now is no exception. I dare to say that Members of the Senate will not be directly affected by the restrictions of section 209. Our wives, sisters, and daughters will not have to rely on the Federal Government to provide medically necessary abortions. But some of the women who are our constituents will have no choice. It is for them that medically necessary abortions must be provided.

Mr. President, I urge Members of the Senate, to support the amendment to provide abortions when medically necessary. I ask that they remember the women they love when voting, and that they vote in support of the amendment by the Senator from Washington.

Mr. President, I yield back the remainder of my time.

Mr. EAGLETON. Mr. President, I urge the Senate to reject the motion to strike the Hyde language from this year's bill.

In the past, some have challenged the constitutionality of the Hyde amendment, citing the Supreme Court's 1973 decision. However, the Supreme Court, in June 1977, held that neither the medicaid program nor the equal protection clause of the Constitution require that Government provide financial assistance for nontherapeutic abortions.

In my judgment, this is not a matter of discrimination as some have argued. In most States, the medicaid program does not cover cosmetic surgery. It does not cover eyeglasses. It does not cover drugs. It does not cover psychiatric services. Clearly, the medicaid program does not cover all health services. Decisions have been made over the years as to what medical services are and are not covered through Federal funds. The Hyde amendment simply is another limitation on what services will be covered by Federal funds.

I know the debate over this question represents honest differences of opinions. I also realize that no amount of discussion is likely to change minds. But I would like the Senate to consider what I believe to be the most fundamental responsibility of Government, to wit, protection of the intrinsic dignity of human life. Retention of the Hyde amendment is essential to that protection.

Mr. SCHWEIKER. Mr. President, I am opposed to this amendment and support the House language. I believe that the key phrase here, "medically necessary," establishes criteria which could and would be used to provide abortion on demand, and because it would also offer a completely new aspect to the whole argument and the whole debate that is now before us.

With reference to the "medically necessary" language I oppose it, because it is unnecessary and dangerous. The "medically necessary" language is unnecessary, because the actual medical indications for abortion are exceedingly rare and true medically indicated cases would be covered by the "life of the mother" exception proposed by House language in the committee bill. Dr. Denis Cavanaugh, professor and chairman, Department of Obstetrics and Gynecology at St. Louis University, when asked about the medically necessary abortions stated that if "preservation of health" or "medically necessary" abortions were permitted elective abortion would be performed under the guise of mental health indications. He points out that even under a strict liberalization law enacted in California in 1968, 92 percent of the abortions performed in the first year were for "mental health" reasons. Dr. Cavanaugh further points out that if the life of the mother exception is approved, the true medical emergencies will be taken care of and the number of abortions will number in the thousands. But, if the "medically necessary" loophole is permitted, the number of abortions will be in the hundreds of thousands.

That is the issue here. That is the fight today. That is the contest.

Will the level of abortions permitted under the present law, which now numbers several thousand, prevail, or will the level be hundreds of thousands of abortions which the proposed language obviously would permit.

It can be maintained that Dr. Cavanaugh is a prominent physician with a strong antiabortion position whose statements on this issue must therefore be taken with care, and I would concede that point. Let me, therefore, share a quote from Dr. Alan Guttmacher, who was president of Planned Parenthood World Population and the one who moved Planned Parenthood into the abortion field. According to Dr. Guttmacher, writing in "Abortion—Yesterday, Today, and Tomorrow":

> Today it is possible for almost any patient to be brought through pregnancy alive, unless she suffers from a fatal illness such as cancer or leukemia, and if so, abortion would be unlikely to prolong life much less save life.

In the same vein Dr. Kenneth R. Niswander, chairman of the Department of Obstetrics and Gynecology at the University of California, a physician known for his support of abortion, has stated that—

> Few abortions need to be performed for organic disease in a well-conducted contemporary medical practice if the traditional demand of hazard to life is followed.

It is when the "traditional demand" or definition of hazard is not followed that I become concerned. I am certain that any "revised demand" would be construed to mean abortion for any reason was medically necessary. An example of the new thinking is a statement by Dr. Jane Hodgson, testifying before the U.S. District Court, Eastern District of New York, and she is head of an abortion clinic, so hardly could be credited with being biased on my side of the issue.

Dr. Hodgson said:

> In my medical judgment one that is not wanted by the patient—meaning the child—(is medically necessary), I feel there is a medical indication to abort a pregnancy where it is not wanted.

That could not be clearer. It could not be more succinct. It could not be more to the point of what this issue is all about.

Here is a leading medical doctor, head of an abortion clinic, making it very clear. Her judgment and testimony before the U.S. District Court, Eastern District of New York, was very specific:

> I feel there is a medical indication to abort a pregnancy where it is not wanted.

That is medically necessary—not wanted.

That is what the issue is about. That is why instead of several thousand abortions, as we are talking about now under the existing law, we are talking about hundreds of thousands of abortions under the proposed medically necessary provision.

In fact, the doctor goes on to say:

> I feel there is a medical indication to abort a pregnancy where it is not wanted. In good faith, I would recommend on a medical basis you understand, and it would be 100% . . . I think they are all medically necessary.

That is exactly what a leading authority, who heads an abortion clinic, a leading activist, believes. There is absolutely no doubt in my mind whatsoever that that is a standard the court will accept, and that is the standard that exists here today. So let us not deceive ourselves about what this language means.

Let us not kid ourselves. "Medically necessary" is just a cover word for abortion on demand.

Dr. Hodgson said it eloquently, truthfully, and forthrightly. She meant it. She testified under oath. She is an advocate on the other side of the issue.

Mr. President, the question has been raised by my good friend the Senator from Oregon, who very articulately, eloquently, and sincerely expresses his support for the motion that is pending; and the gist of his argument is something to the effect that we should not impose our personal preference on the mother. That is the sum total of what he is telling us today.

Well, there is no question that you can make a judgment solely on that rather narrow, parochial view about not imposing our judgment on the mother. I think there is a more humanitarian issue than that, and it is this: Are we going to impose our personal preference on the unborn child? Is that what we are going to do?

Forget the mother. Are we going to impose our personal preference, or the personal preference of the Senator from Oregon, on the unborn child? Does that not say something against the mother's right in this case?

Following the Senator's logic, I would suspect that a lot of us would not be here today. A lot of us would have been aborted, just by that decision, by that situation. I think a lot of us should thank our lucky stars that nobody years ago put this language in the law and that this was not the tradition, the practice. If we follow the logic of my good friend and colleague from Oregon, a certain percentage of us would not be here today, to represent ourselves and our beliefs and our respective States. We would not have been given that option. He wants to take away my option.

Sure, we are talking about the beginning of life. But that is what this is all about. I do not think we have the right to take the unborn child's option for life. Someone has to fight for that person, who cannot speak out. Someone has to stand up and represent them in the Senate. Someone has to speak up in conference and talk about their rights—the young who cannot be heard, who cannot participate in this debate, who are not old enough to vote. Yet, some of them, someday, will be sitting here, as we are.

This option is like Russian roulette. Some will be sitting here and some will not.

So the personal preference that the Senator is talking about is simply giving the mother the personal preference, rather than the unborn child.

I happen to believe that life is one of the most sacred things that we on this Earth have, and we should think twice about taking it away from anyone, under some judicial decree, under some law, under some rule or code.

We have a right, as Senators, not only to decide that basic issue, which he seems to ignore and forget and push on the back burner, but we also have another issue, and it is this: Because taking a life at that stage is an ethical and moral and religious issue—personally obnoxious to some of us—do we really have to ask our taxpayers to finance that policy? Do we really have to do that? Is that something that is required?

The Supreme Court has said we do not have to do that. The Court has said we have a right, as a matter of public policy, to decide whether we should fund certain activities, this being one of them.

So, aside from the deeper philosophical issue on which I challenge my colleague, we have the other issue of deciding what medical benefits to reimburse. We do not reimburse for all medical benefits now. There is a long list of benefits for which we do not reimburse people, for which we do not pay. We do not pay for a lot of things that perhaps everybody should have and the poor should have and the middle-income people should have.

We do it for one reason or another, as a matter of public policy. So we have just as much right, in terms of what the Court said, to make the issue here in terms of what we believe is a matter of conscience and a matter of public policy.

We have debated this issue a number of times, Mr. President. We all have very strong views on it. The issue came out of our committee in a different form this year; last year the people who were the proponents of some kind of abortion had the votes in the Senate Appropriations Committee to strike the language.

This year, that was not the case. They did not have the votes to strike the House antiabortion language; and a new judgment is being made in the Senate right now on this issue. I do not know what the outcome will be. I think it will be significantly different from before.

I think this is the key question: Whether we are going to open the door, whether we are going to allow abortion on demand, whether we are going to give, as Dr. Hodgson said, unlimited right to abort an unwanted child.

That is what the issue is all about. The fact that, for the first time, we come to the Senate floor with the House language is an indication that there is new thinking in many areas of our land. There is a realization of how deep this issue runs, how basic it is, and a realization that perhaps we should examine more closely, on the Senate side, the policy we have rubberstamped before.

So this will be the key vote. This will be the test question, whether we are going to open abortion to everyone on demand or whether we are going to restrict it as in the House language. That is the issue before the Senate, and I strongly hope the Senate will support the language in the present bill.

Mr. HELMS. Mr. President, I associate myself with the remarks of the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

As he has indicated, the pending amendment, with all due respect, is an abortion-on-demand amendment.

We have considered this language before. It is not within the language of the current law. No one should be mistaken over the meaning of this phrase "medically necessary". While it sounds as though it is a restriction on abortions limiting the use of Federal funds to abortions for which there are medical indications, in reality, to those who perform abortions it is a clear code word for "abortion on demand."

As some of my colleagues may know, I am a party in a case involving the Hyde amendment in Federal district court in New York. During the trial, doctors who perform medicaid abortions stated under oath that according to their judgment any patient who came in and asked for an abortion no matter what the reason or even without a reason was seeking a "medically necessary" abortion.

The present committee language adequately covers all medically necessary abortions. It provides for abortion when the mother's life is endangered. There are no other medically necessary abortions.

As the distinguished Senator from Pennsylvania (Mr. SCHWEIKER) has said, the former president of Planned Parenthood, Dr. Alan Guttmacher stated in 1967:

> Today it is possible for almost any patient to be brought through pregnancy alive, unless she suffers from a fatal illness such as cancer or leukemia, and if so, abortion would be unlikely to prolong, much less save life.

So I hope Senators will understand precisely what they are voting on when they come to the floor shortly.

Mr. President, the distinguished Senator from Oregon read a list of church organizations purporting to support the termination of innocent human life, the deliberate termination of innocent human life. What my friend did not say is that no church, to my knowledge, has voted on this question. This is typical of the way church organizations are run. Some spokesman or some board, not necessarily representing the membership of the church, takes a position on a controversial matter. I have seen it happen many times before.

Mr. President, I present for the RECORD a letter from the Christian Action Council. On that board are many distinguished Christian religious leaders of this country, such as a dear friend of mine, Ruth Graham, who is the wife of Billy Graham, of North Carolina. The chairman is Rev. Harold O. J. Brown, Professor of Theology, Trinity Evangelical Divinity School, in Deerfield, Ill.

Mr. President, I ask unanimous consent that the names of the chairman and the sponsors of the Christian Action Council be printed in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

CHAIRMAN

Rev. Harold O. J. Brown, Ph.D., *Professor of Theology, Trinity Evangelical Divinity School, Deerfield, Ill.*

SPONSORS

David Allen, M.D., *Associate Prof. of Pastoral Counseling, New Haven, Conn.*

Rev. William Bentley, *President, National Black Evangelical Association, Chicago, Illinois*

Rev. Donald G. Bloesch, Th.D., *Prof. of Theology, Dubuque Theological Seminary, Dubuque, Iowa*

Mrs. Grace Hancox Brown, *Deerfield, Illinois*

Rev. Gordon H. Clark, Ph.D., *Prof. of Philosophy, Covenant College, Lookout Mountain, Tenn.*

Mrs. Elisabeth Elliott, *Missionary, Author, Lecturer, Hamilton, Mass.*

D. Stuart Brisco, *Pastor, Elmbrook Church, Waukesha, Wisconsin*

Mrs. Ruth Bell Graham, *Montreat, N.C.*

Thomas T. Howard, Ph.D., Professor of English, Gordon College, Hamilton, Mass.

Mrs. Judy Brown Hull, New York, N.Y.

Mrs. Lola Kindley, Washington, D.C.

C. Everett Koop, M.D., Surgeon-in-Chief. Children's Hospital, Philadelphia, Pa.

Rev. Harold Lindsell, Ph.D., Editor Emeritus, Christianity Today, Carol Stream, Ill.

Rev. J. Robertson McQuilkin, President, Columbia Bible College, Columbia, S.C.

Rev. Peter C. Moore, Fellowship of Christians in Universities and Schools, Stamford, Conn.

Mrs. Edith Schaeffer, L'Abri Fellowship, Huemoz, Switzerland.

Rev. H. Stanley Wood, Bethany Collegiate Presbyterian Church, Havertown, Pa.

Rev. George Knight III, Ph.D., Prof. of New Testament Covenant Theological Seminary, St. Louis, Missouri.

Richard L. Ganz, Ph.D., Counselor, Lecturer, Christian Counseling and Educational Found., Laverock, Pa.

Mr. HELMS. Mr. President, I ask unanimous consent that the text of the letter from the Christian Action Council, signed by W. Douglas Badger, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 18, 1979.

DEAR SENATOR: Very shortly you will again be confronted with the emotional issue of abortion funding in the Labor/HEW Appropriations bill. Over the years, dozens of arguments have been sincerely, if passionately, advanced by advocates on both sides of the question. The heartening result of all of the discussion, all of the debate, all of the argumentation has been that, though the rhetoric has often been divisive, the dialogue has clarified a number of points which previously were shrouded in obscurity. Today, more than six years after the *Roe* v. *Wade* decision was handed down by the Supreme Court, we know much more than we previously did about the sociological and medical effects of induced abortion.

By far the most persuasive fact that has emerged from the continuing abortion debate is that induced abortion destroys human life. This is not simply a matter of religious dogma, as many have been led to believe. The myth that abortion is of concern only to a single religious minority has been exploded not only by the proliferation of Protestant, Jewish and secular pro-life groups, but also by the recent "Hyde" vote in the House. More than two-thirds of the 241 representatives who voted in favor of the "life of the mother" language were non-Catholics, and a majority of Baptists, Episcopalians, Lutherans, Methodists, Mormons and Presbyterians voted pro-life. Clearly, the knowledge that a unique human life exists in the womb and the opposition to abortion which attends that knowledge knows no theological or denominational bounds.

But the most compelling evidence of the fact that abortion takes human life comes from the pro-choice groups themselves. Planned Parenthood, for example, published materials as recently as 1965 which stated that, while contraception prevents a new life from beginning "abortion kills the life of a baby after it has begun." Subsequent evidence gathered by fetologists and other scientists has served only to buttress this position. Indeed, an editorial published in the prestigious journal of the California Medical Association, California Medicine, which called for the liberalization of abortion laws, said that it was a "scientific fact, which everyone really knows, that human life begins at conception and is continuous whether intra-uterine or extra-uterine until death. The very considerable semantic gymnastics which are required to rationalize abortion as anything but taking a human life would be ludicrous if they were not often put forth under socially impeccable auspices."

Even physicians who support abortion in practice as well as in theory have expressed revulsion at the barbarism inherent in the procedure. Last fall, at a meeting of the Association of Planned Parenthood Physicians, doctors from the Boulder (Col.) Abortion Clinic filed a report entitled "What About Us?" in which they detailed the traumatic physical and emotional reactions of medical personnel to performing second trimester D&E abortions. In this relatively new procedure, the unborn child is systematically dismembered, his skull crushed, and his limbs, head and torso removed piece by piece from the womb. The report's authors, Dr. Warren M. Hern and Ms. Billie Corrigan, wrote:

"No one who has not performed this procedure can know what it is like or what it means; but having performed it, we are bewildered by the possibilities of interpretation. We have reached a point in this particular technology where there is no possibility of denial of an act of destruction by the operator. It is before one's eyes. The sensations of dismemberment flow through the forceps like an electric current."

Dr. Bernard Nathanson, who operated one of the nation's first legal abortion clinics (a facility which performed some 60,000 abortions in 1974 alone), wrote in the New England Journal of Medicine, "I am deeply troubled by my own increasing certainly that I had in fact presided over 60,000 deaths. There is no longer serious doubts in my mind that human life exists within the womb from the very onset of pregnancy."

The question, then, is not whether human life is taken in abortion, but whether Congress should fund abortions with the certain knowledge that they do take human life. Given this fact, the Senate cannot use the tax money collected from this nation's citizens to pay for abortions.

A second fact which undergirds this conclusion is only beginning to come to light: abortion is unsafe for the mother as well as for her unborn child. Last summer, NIH released the preliminary findings of its study of the effects of induced abortion on subsequent reproductive function. This report indicates that the millions of American women who have obtained legal abortions since 1973 have opened themselves to a myriad of medical problems including:

An 85% greater chance of miscarriages;

A 32% greater chance of giving birth to a low birthweight infant;

A 67% greater chance of premature (28 weeks gestation or less) delivery;

A 47% greater chance of suffering labor complications;

An 83% greater chance of being afflicted by a variety of delivery complications.

These are the problems incurred by women who have induced abortions in the first trimester under the best of circumstances. But in reality abortions are often not performed under the best of circumstances. The Chicago Sun-Times recently ran a series of articles exposing the degradation and physical brutality—sometimes to the point of death—endured by women who procured abortions in some of Chicago's posh Michigan Avenue clinics. The details are too gruesome and too numerous to recount—two-minute abortions performed without anesthetics, "phantom abortions" done on women who were not in fact pregnant, "counseling service" personnel who received bonuses for selling abortions to clients, and, most tragically of all, the deaths of at least 12 Chicago-area women directly linked to their "safe, legal" abortions. Many of these women obtained their abortions with the help of Medicaid funds—with our tax dollars. One physician, a Dr. Arnold Bickham, allegedly collected nearly $800,000 of our Medicaid dollars in 1974. Can the Senate continue to use tax revenues to bankroll more Dr. Bickhams at the expense of the health and well-being of American women?

Yet despite the overwhelming evidence which confirms abortion's deletorious effects on mother and child, there are many who have voiced the opinion that it is wrong to deny the poor subsidy for a procedure which the rich can procure. But the fact is that the more than a quarter of a billion dollars which our nation has expended on the provision of abortions for the poor have not benefitted the poor one iota. These monies should have been used, and future outlays should be used, to subsidize constructive and creative programs designed truly to alleviate the horrible circumstances of poverty—circumstances which all too often lead women, out of a sense of profound despair, to seek in vain for relief at the hands of an abortionist. As Rev. Jesse Jackson has said:

"As a matter of conscience I must oppose the use of federal funds for a policy of killing infants. The money would much better be expended to meet human needs. I am therefore urging that the Hyde Amendment be supported in the interest of a more humane policy and some new directions on issues of caring for the most precious resource we have—our children."

Yet there are many who, though realizing that abortion does nothing to improve the quality of life of low-income people, nevertheless support Medicaid funding of abortions as a safe alternative to "back-alley" procedures. They argue that if women are denied legal abortions because of inability to pay, they would seek out illegal abortions at increased risk to their health. But the most recent statistics compiled by the Center for Disease Control in Atlanta indicate that these fears are ungrounded. They found that, despite a 99 percent reduction in Medicaid-funded abortions, poor women "are not choosing self-induced or non-physician-induced abortions to any large extent." The predicted public health disaster has not accompanied the cutback of Medicaid funds. We must mobilize this society's vast resources to provide these women who carry their pregnancies to term with the finest pre- and post-natal care which this society has to offer, rather than to seek to restore funds for the wanton destruction of their young.

The people of this nation have learned many hard but valuable lessons in our six year experience with abortion on demand. We have learned that making abortion legal has not made it safe because of the medical complications which inhere to the procedure even when performed in ideal conditions. We have learned that legalizing abortion has not eliminated the back-alley, but rather has created a new and more profitable one—and one that is protected by the law. We have learned that federal dollars spent to provide the poor with abortions have done nothing to improve their circumstances, but instead has put the American taxpayer in partnership with the unscrupulous abortionists who line their pockets with Medicaid funds. We have learned—or we ought to have learned—that the vast majority of Americans do not wish their elected representatives to coerce them into providing and paying for actions that are grossly repugnant to them.

The Congress so far this session has proven responsive to the voice of the people on this matter. On June 27 the House of Representatives, by an unprecedented 61 vote margin, approved the "life of the mother" language. Last Friday the Senate Appropriations Committee for the first time followed suit. This means that the way is now clear for Congress to avoid the constant haggling and incessant roll calls which have plagued it in years past. One vote to retain the Committee-approved language will put an end to the Labor/HEW abortion battle for 1979.

We urge you to spare yourselves and the American people a pointless donnybrook. We urge you to vote for the language approved by the Senate Appropriations Committee.

Sincerely yours,

W. DOUGLAS BADGER,
Congressional Liaison.

Mr. HELMS. Mr. President, last year, I made available to every Member of the Senate a reprint from Life magazine. It is entitled "Life Before Birth." I hope every Senator took the time at least to glance at this publication, because it spells out the fact that what happens in an abortion is the deliberate termination of innocent human life. The photographs are here.

That is not some abstract being. That is a baby. That is a baby who, had it not been aborted, would have had a chance to live and grow and contribute in citizenship to this country.

So we are not talking about something abstract. We are not talking about some woman's right. We are talking about a baby's right to be born.

Mr. President, I wish I had enough copies of this publication to furnish each Senator with a second copy. I am going to file this copy at the desk. Senators may want to stop by and look at the developmental process of a human being.

I ask unanimous consent, Mr. President, that the text only of "Drama of Life Before Birth" published by Life magazine be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

DRAMA OF LIFE BEFORE BIRTH

[Portraits not printed in RECORD]

This is the first portrait ever made of a living embryo inside its mother's womb. It is one of an unprecedented set of color photographs—strikingly complete in their clinical detail but at the same time strangely beautiful—of human embryos in their natural state. They were taken by Swedish photographer Lennart Nilsson, who worked seven years on his project. The embryos shown on the following pages had been surgically removed for a variety of medical reasons. But, using a specially built super wide-angle lens and a tiny flash beam at the end of surgical scope. Nilsson was able to shoot this picture of a living 15-week-old embryo, its eyes still sealed shut, from only one inch away.

In the Western world a person's life is reckoned from the day he comes out of the womb. But the Chinese, overestimating by three months, having traditionally counted a child one year old at birth in recognition of the unceasingly active life that has already taken place. In the 266 days from conception to birth, the single fertilized egg cell becomes a staggeringly complex organization of some 200 million cells, having increased the original weight a billionfold.

This embryonic growth and development has long fascinated photographer Nilsson. Working in cooperation with surgeons at five hospitals in Stockholm, he has been documenting the various prenatal stages. The result is more than a record of an absorbing human episode. By studying pictures like these, embryologists get a deeper and more detailed understanding of life before birth.

FERTILIZATION

The birth of a human life really occurs at the moment the mother's egg cell is fertilized by one of the father's sperm cells. When an egg is ripe—as the one at right is—it leaves the mother's ovary and moves slowly down the fallopian tube toward the uterus on a current of special fluid. The tiny swarming cells clustered on the egg help nourish it, then drop off before fertilization.

The male sperm as they enter the cervix are affected by the presence of the egg. If there is no prospect of an egg, they just mill around aimlessly, as at left. (The sperm here are magnified about 2,000 times.) But while an egg is present—and for a time before and after—they stream purposefully toward it, as in the picture below, which was made under laboratory conditions. (In the body, only about 75 percent of the sperm would be pointing in the same direction.) Swimming upstream by lashing their tails back and forth, they move at a rate of three inches per hour across the cervix, through the uterus and up the fallopian tube to meet the egg. There are actually more than 200 million sperm engaged in this race—but only one will win and fertilize the egg. The egg, which carries all the food and energy, is about 90,000 times as large as the sperm, but egg and sperm each contributes exactly half of the new individual's total hereditary material.

3½ WEEKS

This photograph is one of the few known to show face and head development at such an early stage—though this embryo is an imperfect one (the blue tissue at right is torn and ragged). At top is the incipient head. The two upper bulges will expand into the two halves of the forebrain, while the bulges just below them will join some time during the eighth week of life to form the lower jaw. At this stage the four bulges surround a central cavity that will become the mouth.

This embryo is so tiny—about a tenth of an inch long—that the mother may not even know she is pregnant. Yet there is already impressive internal development, though not visible here. This embryo has the beginnings of eyes, spinal cord, nervous system, thyroid gland, lungs, stomach, liver, kidney and intestines. Its primitive heart, which began beating haltingly on the 18th day, is now pumping more confidently. On the bulge of the chest, the tiny buds of arms—not yet visible—are forming.

4 WEEKS

In profile view, the red bulge at left is the heart, and the red streak coming up the middle and curving toward the heart is the main artery, the aorta. The heart, in proportion to its body, is nine times as large as an adult's. It has to be powerful to force the blood not only around the embryo but also around the umbilical cord and placenta. Reddish area between heart and aorta is where main blood vessels come together. The bulge at top is side view of forebrain. Below it are two rounded, dull-reddish areas. The one at left is the lower-jaw-to-be, the other smaller one will be the tiny bone the tongue will be attached to. These structures often resemble "gill arcs" in fish embryos. Some scientists believe this is a leftover from earlier evolution, when our ancestors may have breathed through gill-like organs. Others have lately come round to the less romantic view that this is just the way things happen to look at this stage of embryonic growth.

5 WEEKS

Here, as the second month of life gets under way, the embryo has grown to about a third of an inch long. The head takes up about one third of the body's total volume. The dark circle of the eyes—the black pigment layer of the retina—is plainly visible. The fainter inner circle is the lens. To the right of the eye is a vertical cleft which will become part of the ear. The beginning stumps of arms and legs stand out darkly. The embryo's arms develop faster than the legs do. As a matter of fact, all the parts nearer the head develop most rapidly.

At this point a skeleton has barely begun to form. A close look along the backline will reveal the vertabrae of the spine. No bone has yet formed, only cartilage. The pointed tail, curving up out of its bottom, will disappear into the body as the embryo grows. The larger appendage just above the tail is the umbilical cord—which has here been broken off.

During this period it is almost impossible to distinguish a human embryo from any other mammalian embryo. It is a critical time. The rapidly multiplying cells are particularly sensitive to certain chemical substances. From 28 to 42 days, the arms and legs can be deformed by thalidomide. (Some of the famous "thalidomide babies," in fact, were born with flipperlike arms much like those shown here.) The brain, too, is susceptible to damage, and the embryo will shortly be at its most vulnerable to the ravages of the German measles virus if its mother should catch the disease.

6 WEEKS

The rear view at left shows the embryo inside transparent membrane called the amnion sac. (In preceding pictures, embryo had been removed from sac.) The amnion is filled with a salt solution which bathes the body's cells. In a complex and incompletely understood process, the body recycles the fluid, swallowing some, absorbing some via the gut, expelling some along with waste matter—while at the same time manufacturing more of it. The embryo floats almost weightlessly in the fluid so it is protected from shocks and does not have to fight gravity. Ball at lower left is the yolk sac, attached by a stalk to the umbilical cord (not seen here). It serves temporary function of making blood cells—a task gradually taken over by the liver and bone marrow. The spongy material at lower right is part of the placenta.

6½ WEEKS

Folded over with head lying on chest, the embryo is now more than half an inch long—measured "from crown to rump," the standard embryologists. The spongy placenta—the blood-vessel network that forms around the embryo in these early stages and passes vital substances back and forth between mother and child—has been partially peeled back here for better visibility. The amnion sac is wrinkled because some fluid has seeped out. Just over the embryo's head is the vein-lined yolk sac, attached by its blood-filled stalk. The eyes are now wide open, though still without eyelids or irises; the black color is the reflection of the retina at the back of the eye. The fingers, growing fast, have reached the first joint, though they are still webbed—as are the toes.

6½ WEEKS

Rising from the dark, bulbous liver and curving up to the placenta at top of picture is the umbilical cord. Its two arteries and single vein, filled with blood are plainly visible. Through the placenta the vein brings in food, oxygen and various chemical substances from the mother, while the arteries take back waste material for the mother to get rid of. Though the embryo now weighs only 1/30 of an ounce, it has all the internal organs of the adult in various stages of development. It already has a little mouth with lips, an early tongue and buds for 20 milk teeth. Its sex and reproductive organs have begun to sprout. With all its major bodily systems laid down, the embryo is now becoming much less susceptible to serious damage from outside sources.

8 WEEKS

This is the transition point where an embryo, a Greek word meaning to swell, starts being called technically a fetus, a Latin word meaning young one. The key to this switchover is the formation of the first real bone cells that begin to replace the cartilage. This is seen in the close-up of the feet at right. At far right, in a closeup about 40 times actual size, the eye is still open, but gluey ridges are beginning to form at their edges which will soon seal the eyes shut to protect them in their final delicate formation. They will not open again until the seventh month. The nostrils, seen only as dim shadows, are also plugged up with protective material at this stage.

11 WEEKS

At 11 weeks, the fetus is practically enveloped by the blood-rich placental mass. But when the placenta is peeled away on one side and the amnion's interior lit, the fetus, now more than 2½ inches long, is revealed. It floats buoyantly in the amniotic fluid, along with the umbilical cord. The yolk sac now lies useless. The starlike spots around the amnion are merely bubbles in a fluid the photographer has used to support the amnion.

Though totally immersed, the fetus keeps inhaling and exhaling just enough to send the salty fluid into and out of its lungs. But it does not drown because it gets oxygen in the blood brought in by the umbilical cord, not from air. Bones, including the ribs, are now rapidly forming. The body wall has grown from the spine forward and is joined at the front—like a coat being buttoned. All the body systems are now working. Nerves and muscles are synchronizing with the young bones so that the arms and legs can make their first movements. Soon, as the fetus' living quarters get more cramped and as it gains steadily in strength, the mother will begin to feel the sharp kick and thrust of foot, knee and elbow.

12 WEEKS

For this photograph, the fetus has been backlighted to show the bone-growing process in the arm and hand. Most of the initial embryonic skeleton is composed of cartilage, the material the soft part of the adult nose is made of. At 8 weeks of age, the permanent skeleton had already begun to form, made of real bone, built up in rigid layers of calcium. The cartilage serves only as a mold. The bone cells actively invade the cartilage and displace it. In the picture above, the dark spots show where true bone areas are taking hold, while the dim outlines show cartilage which the bone has not yet replaced. In the long bones of the arm and leg, bone growth starts in the middle, then moves outward in both directions.

16 WEEKS

In the four weeks that have elapsed between the picture at right and the one above, the fetus' crown-to-rump measurements have increased from barely over 3 inches to nearly 5½ inches. The body has filled out fantastically, quite recognizable now as a human baby. It has begun to crowd its living quarters. The head, neck and spine curve to follow the circular uterine cavity. Stretched by the fetus, the uterus occupies all the room in the mother's pelvis. The placenta, now too small to surround the amnion, has fallen to one side but still hangs on to link the amnion with the wall of the uterus. The umbilical cord is seen looping between the baby's arms and down past its leg. The first thin transparent layer of skin begins to replace the temporary protective membrane. The eyes are still closed, but the nose, lips and ears finally look like nose, lips and ears.

18 WEEKS

This fetus, measuring more than six inches from crown to rump, is clearly sucking its thumb. This pre-natal practice prepares the baby to feed spontaneously as soon as it is born.

The new skin is still so transparently thin that the branching blood vessels appear to be right out on the surface. The thinness of the skin makes it exceptionally vulnerable to the baby's fast-growing fingernails. It may put quite a number of scratches on its face before it is born. (Sometimes one of the first things an attending nurse has to do after a baby is born is to clip its long, dangerous fingernails.)

The 18-week-old fetus is active and energetic and does a lot of muscle-flexing. It can make an impressively hard fist, and the punches and kicks are plainly felt by the mother. It can go through the motions of crying, too. It is equipped with a complete set of vocal cords but, without air, it cannot make a sound. It is still totally submerged in salty fluid, but as it grows to take up more and more of the amnion sac, there is less and less room for the fluid. The excess is carried out in the blood through the umbilical cord and placenta, to be excreted eventually by the mother.

28 WEEKS

The growing baby, now over 10 inches long and weighing 2¼ pounds, presses hard against the tough, elastic membrane that drapes it like a veil. This fetal membrane is the "caul" of folklore. At this stage the baby may have hair on its head. The skin is thicker but it needs protection from the long, salty immersion. To do this job, the skin makes for itself a white, creamy coating called the vernix. The cells that glue the now-completed eyes shut are wearing away, and soon the lid will open on a lightless world.

The umbilical cord is seen here passing around the baby's neck. This is not uncommon, and the baby is not in much danger of choking to death. This is because the cord remains stiff, like a full garden hose, and tends to straighten automatically when bent. It stays this way because the blood rushes through it at a speed of about four mph.

At birth, pressure of the fetal fluid can make the amnion sac expand. Under labor contractions the sac bulges and bursts, spilling forth its fluid; this is the familiar "breaking of the water." Here the development of the fetus is virtually completed, and some premature babies are born no older than this one. The extra time in the womb gives it added strength and health and time to acquire from its mother precious, though short-term, immunity to a number of diseases.

Mr. HELMS. I thank the Chair.

Mr. HATCH. Mr. President, I also associate myself with the remarks of both my colleagues (Mr. SCHWEIKER) from Pennsylvania (Mr. HELMS) from North Carolina. In particular the remarks of the distinguished Senator from Pennsylvania were right on point.

The issue is not whether a woman has a right to choose. The issue rather is whether the taxpayers of America should be forced to pay for abortions, a practice that some might consider repugnant. At least to me, that is the issue.

Also, I might add in response to the distinguished Senator from Massachusetts (Mr. TSONGAS) that I am aware of the terrible condition of anencephalia. Unfortunately, that has been brought into the abortion debate. It should not have been because the condition described renders the being incapable of surviving outside of the womb. Consequently. there is no moral or rational reason for a woman to continue such a pregnancy for neither the mother nor the fetus benefits from it.

Therefore, when such a condition is diagnosed with medical certainty indicating the fetus has no brain, then labor can be immediately induced and pregnancy ended.

This situation is entirely different from the situation where the fetus has a physical or mental disability. I oppose and will oppose aborting such individuals. Each such person has a right to continue his or her life and to make his or her own unique contributions to our society.

What concerns me, and my earlier remarks were concerned with this, is the fact that many of our colleagues who are proponents of abortion seem to have great and warm human feelings in many other areas, feelings which I share. I do not understand however the lack of feelings in this area.

But be that as it may, I feel very strongly about this issue; I think that the tide is changing. I do not know what the outcome will be today, but sooner or later we are going to win this battle, as I believe the majority of the American people want us to do.

Mr. President, I have been extremely concerned that many people in our society who differ with proponents of abortion, yet who pay taxes, are forced to subsidize abortions.

What I called for last year, and suggested to those who are such vociferous proponents of abortion or the right to have abortions, is that if they are so dedicated in their beliefs let them pay for them. Do not call on the American taxpayers to do this. Let them set up foundations or nonprofit institutions to pay for them. Let them do it in any of a variety of ways that are legally permissible. But, as the Senator from Pennsylvania has noted here today, there does not seem to be a great movement in this direction.

Those who are so dedicated and remonstrate so enthusiastically in favor of abortion, it seems to me, should lead the movement for such private institutions and facilities if they feel so strongly about it.

I would still disagree with them, but the fact is that that would be acting far more sincerely and with greater integrity than in requiring the taxpayers, many of whom disapprove strongly of abortions, to pay for these abortions.

It is catastrophic that we have better than a million abortions per year in this country. Those are the reported ones. Nor does this include the use of American taxpayer dollars to subsidize abortions in other countries.

One thing that bothers me in particular is the fact that, under current law, parents may or may not have any right to counsel their children with regard to abortions. Children may be able to make these decisions entirely without parental consent and without parental counseling.

It is ironic that a judge, but not parents, can weigh the merits of abortion for minors. Courts are acting in loco parentis in the worst and most literal sense of the term. There is no area of modern life in my opinion which better illustrates the descent of modern society: The substitution of the State, in the form of the Federal judiciary, in the place of the private institution, in this case the family.

Let us at least partially reverse this destructive trend.

I call upon those churches, in particular, to which my distinguished friend from Oregon has made reference to come out publicly and state their belief the propriety of the Federal Government subsidizing these abortions; and their belief that abortion is a good and desirable practice, that it is a good Christian practice.

I notice that the distinguished Senator from North Carolina is on his feet.

Mr. HELMS. Mr. President, I understand and appreciate the Senator. If he has completed his remarks I have an amendment to call up.

Mr. HATCH. I am delighted to yield the floor to the Senator from North Carolina.

Mr. HELMS. I thank the Senator.

UP AMENDMENT NO. 396

Mr. President, I have an unprinted amendment at the desk which I call up and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 396:

On page 1, line 3, strike out "or where medically necessary".

Mr. HELMS. Mr. President, there is nothing more that needs to be said on behalf of this amendment because if this amendment is rejected and the Magnuson amendment is adopted, then this Senate will be going on record as being in favor of abortion on demand. It is just as simple as that.

I have no further comment. I want the Senators to understand what the code word is and this amendment would strike the code word.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. McCLURE. Mr. President, the Senate again is confronted with an issue it would rather not address: the Federal funding of abortion. Before 1973, there was no need for the Congress to spend much of the summer entangled in this personally troubling subject. Abortion was, as it had always been, a matter for State and local legislation. But in 1973, a majority of a badly split Supreme Court struck down the abortion laws of all 50 States, the most lenient statutes along with the most stringent. In so doing, the Court's inventive majority handed down its own final solution to the abortion question.

Or so it thought.

The last 6 years have shown that the Supreme Court settled nothing. On the contrary, every session of Congress since 1973 has been plagued with matters related to abortion. It crops up in appropriations bills, Defense bills, District of Columbia bills, Peace Corps bills, medicaid bills, nomination hearings. The annual process of passing a Labor-HEW appropriation, once merely difficult, has lately become a terrible ordeal.

This year, the handwriting is on the wall. The House of Representatives, by the largest majority ever (180–241), has dug in its heels and refused to allow Federal funding of any abortion not performed to save a mother's life. That restriction, the Hyde amendment, is enduring tribute to its author, Representative HENRY HYDE of Illinois.

This year, for the first time, the Senate Appropriations Committee did not strike the Hyde amendment.

This year, almost every State in the Union has in effect its own severe restrictions on taxpayer funding of abortion.

This year, a handful of Federal judges, in States like Illinois, are desperately searching for new excuses to strike down Federal and State "Hyde amendments," knowing that their judicial ingenuity will not overcome the Supreme Court's decision of 1977 that upheld the constitutionality of the Hyde approach.

So what will the Senate do this year? I do not venture to predict such matters and will defer to professional prognosticators. But I will say what I hope the Senate will do.

I hope we will consider the utter needlessness of this annual spectacle on abortion funding.

I hope we will consider the action of most of the State legislatures, which have reflected the consensus of the grassroots of government.

I hope we will consider all the places in the Federal budget where we have had to trim a few dollars to help the taxpayers.

I realize that there is a constituency for nearly every Government program, while there is rarely a negative constituency against it. As every Member of the Senate can testify, we receive lots of mail against Government spending in general, but little mail demanding an end to any particular Federal program.

With one major exception: Federal funding of abortion.

Why, then, this annual ordeal? This bill contains generous appropriations for medicaid alone, not to mention billions more for other health programs. We are more than meeting our commitments to the poor and the sick.

In fact, abortion is not even a matter of health. It does not belong in the context of medicaid or other medical programs. As George Will has pointed out in a characteristically perceptive column, abortions have become a commodity, not a cure. They may be performed by physicians, but they do not involve the practice of medicine.

I have deliberately not discussed the morality of abortion, though I find it abhorrent.

I have not discussed the constitutionality of it, though I am confident that the Supreme Court's decision of 1973 will one day be held in the same regard as the Dred Scott decision of an earlier era. Others will handle those arguments better than I and have a better claim to act as spokesmen on this issue.

I make these observations in a different capacity:

First, as someone who believes that the Federal legislature should not lightly disregard the decisions of most State legislatures against the public funding of abortion.

Second, as a fiscal conservative, who thinks that Federal funding of abortion is perhaps the most expendable line item in the entire Federal budget.

Finally, as a member of the Appropriations Committee, who believes that the funding of abortion should be removed from the annual appropriations process once and for all.

To conclude these remarks as bluntly as possible, Mr. President, I would like to suggest that the question of Federal funding of abortion has already been decided. One side has won, the other has lost. That funding is drawing to an end. It never was approved by the Congress. It was never included in the medicaid law. It was a bureaucratic innovation, fostered by gremlins within HEW without legislative mandate from the Congress.

It was only a matter of time before the public discovered how their money was being spent. When they did, they demanded a halt. The House has called that halt, by a formidable margin. There is no reason for the Members of that body to back up a single step.

Here in the Senate, year by year, the vote against Federal funding has continued to grow. There are sure to be several more votes for the Hyde amendment this year than there were before the last elections. I am not alone in seeing a cause-and-effect relationship there.

It is folly to pursue this needless Armageddon during every long hot summer in Washington. If the Senate fails to maintain the Hyde amendment in this bill, we will come back and back to it for months, perhaps interrupting our consideration of the SALT treaty for yet another vote on a stalemated conference with the House.

I wonder what Leonid Brezhnev will make of that? Mighty peculiar, these Americans.

But I am more interested in what our own people will make of it: the Senate of the United States, the last to catch on, the last to get the message, the last to understand that the taxpayers will put up with an awful lot but will not pay for abortions.

Mr. President, I want to read the George Will column in the Washington Post of June 25, 1978, because I think it makes the point very well:

> A few years ago a women had a healthy breast removed surgically because it interfered with her golf swing. The interesting question is not whether what she did was censurable, but whether what the surgeon did was medicine. The distinction between true and false ends of medicine is germane to the annual debate about public funding (primarily through Medicaid) of abortions.
>
> Opponents of funding for most abortions have a decisive argument that is logically independent of views about the general morality of abortion. The argument is that few abortions are, properly speaking, medical procedures, and so should not be subsidized by funds appropriated for medical programs.
>
> Dr. Leon Kass of the University of Chicago argues for what he calls "the old-fashioned view" that health is the true goal of the physician's art. If his argument is correct (and it is not easily assailed), most abortions are not acts of medicine, properly understood. The vast majority of abortions are non-therapeutic, in that they are not performed to ensure the health of the woman (who surely should not be called a "patient"). Although they are performed by persons licensed to practice medicine, they serve not the pursuit of health, but rather the woman's desire for convenience, absence of distress—in a word, happiness.
>
> Kass gives other examples less bizarre than that of the woman golfer, of physicians' skills put to non-medical purposes. Aminocentesis, a diagnostic technique that reveals many fetal disorders, also reveals the sex of the fetus, and abortions have been performed because the fetus was not of the desired sex. Some doctors specialize in pharmacologically induced "peace of mind," and dispense amphetamines to physically healthy but discontented people seeking mood "elevations."
>
> . Such doctors are not practicing medicine—the pursuit of health—any more than are narcotics peddlers. Doctors who perform artificial insemination may be doing good; they are not doing medicine, any more than are practitioners of the "cosmetic surgery" that corrects other than inborn or acquired abnormalities.
>
> Such practices, says Kass, "the worthy and the unworthy alike, aim not at the patient's health but rather at satisfying his, albeit in some cases reasonable, wishes." They are acts not of medicine but of gratification: for consumers, not patients.
>
> Another false goal of medicine is "behavior modification," using physicians' skills to produce "social adjustment." Kass warns that biological manipulation (such as psychosurgery or sophisticated drugging for violent people) is apt to increase as more is learned about the biological contribution to behavior. But even if such manipulation by "biobehavioral conditioners" has "socially useful" outcomes, it is not medicine.
>
> Kass notes that when medicine's powers were fewer, its goal—health—was clearer. And the World Health Organization has muddied things by defining "health" as "a state of complete [sic] physical, mental and social [sic] well-being." That means that happiness is a medical commodity; happiness is the doctor's business. That, in turn, means almost everything is the doctor's business, so "medicine" becomes a classification that excludes nothing, and hence does not classify.
>
> What Kass calls "creeping medical imperialism" is encouraged by a definition of medicine that is not properly related to health or, more precisely, is related to an overbroad definition of health that includes "happiness" and "contentment" and "good citizenship."
>
> From the fact that physicians have a monopoly on the right to perform surgery, it does not follow that surgery is always medicine. Non-therapeutic abortion is the second most common surgical procedure, after circumcision. Most abortions are "birth control of last resort" or, more accurately, of first resort.
>
> Most women seeking abortions are unmarried and neither they nor the man attempted contraception. According to one study, 1.7 million of the "sexually active" teen-age women do not use any contraceptives. Most abortions are measures of relief from the consequences of pleasure pursued irresponsibly.
>
> Supporters of subsidized abortions argue that such relief is not only a social good, but also is an individual right that must, as a matter of equity, be subsidized for those who cannot afford it. But no such argument can establish the propriety of using funds appropriated for medical services to promote such a goal, which, whether defensible or indefensible, is not a true goal of medicine. Most abortions have no more to do with medicine than did the golfer's mastectomy.

I thank the Chair.

Mr. JAVITS. Mr. President, I rise in support of the amendment of the Senator from Washington (Mr. MAGNUSON).

This is a very profound social question which we are debating, and we have debated it for some years. The debate has always been highly exacerbated. It has caused delay, and I am sure it will again.

But, Mr. President, we finally arrived at a firm position in the Senate which made medical necessity the test. This position made possible the settlement reflected in current law with the House of Representatives. Many here did not like it and many there did not like it, but the matter was stabilized and settled.

That settlement is not being upset by people like Senator PACKWOOD and myself. The settlement is being upset by those who want the whole thing. Whatever is their view becomes the most acceptable, moral, and just view there is.

So whatever makes this argument continue, and it seems to promise to continue, it will be because, after our having arrived, after long and arduous effort, at some kind of resolution, the matter is not allowed to rest, but is being brought up again and again and again, until the opponents of the use of medicaid money for abortions prevail.

Whether they try to wear us out or not, it is our duty as legislators not to be worn out. And having arrived at a conclusion—a hard-fought, agreed, negotiated conclusion—the matter should be allowed to rest where it is. That is exactly the effect of Senator MAGNUSON's amendment.

Now as to the merits. This is not, Mr. President—I repeat, this is not—anything other than an economic question and a social question. It is neither a moral question nor a question of any other character but social and economic, for this reason: If those who, as I say, want to simply eliminate this proposition from the medicaid situation prevail, will that eliminate abortion? Will it mean there will be no abortions in our country? As we all understand, there would have to be a constitutional amendment or universal law positively to that effect, and the Supreme Court has already indicated that such a law would be unconstitutional. Therefore, there would have to be a constitutional amendment in order to prevent it. Then it would be like prohibition, Mr. President, causing more danger and more difficulty, this time lethal and mortal, not just gangsters running liquor but innocent women who would be forced to seek illegal abortions.

So, Mr. President, the elimination of abortion cannot prevail. We understand that there will be abortions whether this particular provision, the so-called Hyde amendment, remains or not. The difference will be that the poor cannot have them, and those who can afford it can. That is the only difference, and that is why it is an economic and social question.

Therefore the poor, who are most likely to be hurt and to need it for medical reasons, will not get it, but those who may not need it, like the woman who had her breast removed that the Senator from Idaho talked about in the previous argument, can have it hereafter, just the same as they did before.

That is the real vice in this Hyde amendment—that it discriminates against people who are poor when they are exercising their right to get medical treatment. This amendment would result in the poor receiving a medical opinion that they need it for medical reasons and then they cannot have it because they are poor. This, I think, offends the whole character and fabric of American law.

There is one other thing which I think is very important—the fact that teenagers by the hundreds of thousands do not use means of contraception. This fact proves that the amendment of Senator MAGNUSON should carry beyond everything else, because those young people really need it. Here is where you blight two lives, the life of the young mother, who does not want the child, who has had the child conceived in some ill-thought moment, and the child. What happens to that child?

Mr. President, how much of our crime and delinquency is attributable to these unwanted children running around the streets with a key around their neck so they can get into the apartment whenever the street light gives out?

I think this is a subject I know particularly well, Mr. President, having come from the largest metropolis in the world, and having confronted the social implications of this fact in the Congress of the United States for 33 years.

So, Mr. President, because this is an economic and a social question, and not a medical question and not a moral question, because this Hyde amendment will not eliminate abortion but will just eliminate it from those who need it the most, the poor and the sick, and the sick who are poor. I deeply feel that the settlement arrived at by tension, bv debate, by controversy, by fortitude—this settlement has been negotiated and the matter is now stable. Instead of destabilizing it we ought to vote to continue the social stabilitv which has now been engendered bv the compromise arrived at.

For those reasons, Mr. President, I hope very much that the Senate will sustain the chairman of the Appropriations Committee, Senator MAGNUSON. I do not intend for anvthing I say to denigrate the role of Senator PACKWOOD. This has been a tough thing to do. For many, many years I stood on this floor and debated the civil rights bills. When I did, the Chamber froze. It was as cold as ice, with all the sacred cows of the Senate against it. Nonetheless we prevailed because it was socially right, because enough Senators, the Harts and the Douglases and the Mansfields and the Dirksens, stood up and fought for what was right.

The Senator is a young man and he is doing the right thing in all respects, and if others join him he shall prevail also.

The PRESIDING OFFICER (Mr. PRYOR). The Chair recognizes the Senator from Iowa.

Mr. JEPSEN. Mr. President, the debate on the subject of abortion could go on and on, each debating what side, subject matter, or logic in their heart and in their own mind I am sure they feel is correct. It is a very emotional subject. There has been much written about it. There has been much which has been published of late as to those who would take interpretation of the very loose basic laws. There are court cases with testimony upon testimony, some of which I would like to touch upon briefly this afternoon.

If the Senate adopts the language offered by the Senators from Oregon and Washington, it is imperative that we realize what we, in effect, are saying to the doctors who must, in consultation with their patients, decide whether or not an abortion is "medically necessary."

The problem I have with the language is that it is so subjective that it is hard to imagine a situation or a possibility that would not qualify as medically necessary.

The reason I feel this way is illustrated clearly in the testimony presented in the case of McCrae against Califano, which was the lead case challenging the Hyde amendment in terms of its constitutionality.

In particular, I would just like to read for the RECORD some excerpts in the testimony of Jane Hodgson, M.D., and Karen Mulhauser.

> The Court: I think the question really is would you be able to give in good faith certificates in cases where you thought life was in danger?
>
> Question: That is the question.
>
> Answer: I cannot conceive it as a possibility. If it were possible that you could do that, why there would still be problems.
>
> The Court: Would they be problems of medical judgment?
>
> The Witness: In my medical judgment, every one that is not wanted by the patient, I feel there is a medical indication to abort a pregnancy where it is not wanted. I in good faith, I would recommend on a medical basis, you understand, that and it would be 100 percent.
>
> Question: You are referring to medical necessity abortions that you would say are medically necessary?
>
> Answer: I think they are all medically necessary, not just one with hypertension, but the woman coming in and applying, and most of them are necessary.

It goes on in another section of this case:

> Dr. Jonsen: Ms. Mulhauser, you mentioned twice in the course of your testimony, you used the phrase, "medically necessary abortions." Would you expand a little bit on that for us?
>
> Ms. Mulhauser: Okay. "Medically necessary" has been defined by the Supreme Court in its earlier 1973 Doe v. Bolton rulings to include that a physician, when considering the medical aspects of an abortion, could consider the woman's physical health, her emotional wellbeing, and familiar considerations as well. That is, I would presume if she already has more children in her family than she feels she can adequately care for and provide for, so affecting the children's health, that could also be considered. So it would be defined more broadly from my perspective, and also for the Supreme Court, than just physical health.

And finally, in the McCrae trial, a Dr. Hoffman said:

> I consider all abortions medically necessary in adolescents.

Mr. President, there has been much talk here this afternoon about the law of the land. We are the makers of the law of the land, and as makers of the law of the land, ought to understand and respect the law of the land.

I realize that in the Roe decision by the Supreme Court in 1973 women were given the right to choose up to at least until the second trimester to terminate their pregnancies. I do not happen to agree with that decision by those nine men and I hope some day to see it reversed. However, I would call to your attention that nowhere in the law of the land do I find where it says that we must in this Congress take money that has been taken from the taxpayers, all of them, and use it to pay the medical expense of an abortion for those on welfare when they find their pregnancies inconvenient or socially troublesome.

There has been some discussion this afternoon, and I certainly do have a sympathetic vibration and feel an emotional understanding of what they are trying to say, that in the event that a fetus, a young, unborn baby, because of something that has happened to this mother by way of contracting a disease of some sort, has the possibility of being born deformed or being born with something wrong, that this is a reason for justifying abortion.

I think I can best illustrate this by a story, a true story, that took place a number of years ago about a teacher in a school system, one of the most beloved teachers in the entire school system, who was talking to his class about abortion. He was telling them about a woman that he knew who, while carrying her unborn child, contracted a disease which led her doctor to advise her that there was a 60–40 chance that the baby would be born deformed. His advice to this woman was to have an abortion. But that lady said no. She would not do it.

The teacher then asked his students if the lady should have had the abortion, and three-fourths of them responded by saying that she should have.

At that point, the teacher said, "That lady was my mother, and I was that baby."

The only people I know who are for abortion are already born.

Mr. WEICKER. Mr. President, I should like, once again, to repeat what I think is the important language.

No one is to say that we cannot establish policies vis-a-vis the treatment and care of our citizens. That is our function. But the law of the land—the law of the land—is so very clear on the point of abortion.

> (a) For the stage prior to approximately the end of the first trimester, the abortion decision and its effectuation must be left to the medical judgment of the pregnant woman's attending physician.

There is nothing there that is loose at all. It is very specific. Nothing we do here is going to change that. Anyone can go out under those circumstances—under those circumstances—and have an abortion.

> (b) For the stage subsequent to approximately the end of the first trimester, the State, in promoting its interest in the health of the mother, may, if it chooses, regulate the abortion procedure in ways that are reasonably related to maternal health.

Another key phrase, "maternal health." Even there, the State cannot rush out and do whatever it wants to. It has to relate to maternal health.

> (c) For the stage subsequent to viability the State, in promoting its interest in the potentiality of human life, may, if it chooses, regulate and even proscribe—

Now, for the first time, without qualification, may proscribe—

> abortion except where it is necessary, in appropriate medical judgment, for the preservation of the life or health of the mother.

I think what bothers me about the debate on the Senate floor is to give even the impression that what we do is going to change the law of the land insofar as abortion is concerned. It is not. That law has been established, has been clearly defined. All we are saying now is that as a matter of policy, we are going to withdraw medicaid from those who choose to avail themselves of the law.

All the rich people can go out and get an abortion. But the poor cannot. Tell me, what kind of policy is that? When have we ever in the history of this Nation, applied the laws of the land in such a sense? We have never done that. Indeed, if anything, it has been the exact reverse.

But to differentiate public policy on the basis of income, which is all we are doing right here, where is the equity in that? Where is the commonsense in that?

I think I am well aware, as everybody else is, what it is that is trying to be achieved here. It is an end run. It is an end run around the decision of the Supreme Court, to try to accomplish de facto what the opponents of abortion cannot do de jure.

Earlier during the day, the distinguished Senator from Oregon made what to me is a crucial point in this debate. That is the definition of the word, "murder." In this country, it is not my definition, it is not that of the Senator from Oregon or the Senator from North Carolina. It is not defined by this particular group of doctors or this particular group of ministers. It is very carefully defined by the full constitutional process. And we should not go ahead and, ad hoc, each come up with his own version. It does not make any difference what is right, it makes no difference what is wrong; these are matters of personal judgment; it is what is legal. It is what is legal.

Abortion is legal—legal. Carefully defined and carried out in the sense of that definition, it is legal. So let us leave the legality of abortion off the floor.

Now, how do we want the policy of this country to be defined relative to the medical care of its citizens? That is a proper matter for debate.

What other procedures would be obnoxious to Members of this body or to the citizenry as a whole that should be withdrawn from the medicaid program? Maybe somebody has it in their faith that they do not want the Federal Government to finance somebody's broken leg or dialysis or vaccination.

I would so much more admire the opponents of abortion if they came onto this floor and moved to eliminate medicaid. That puts the issue where it belongs. But I do not think they want that. What they seek to do via the legislative route is to end run the law of the land.

Far more the issue here this afternoon is not the murder of the unborn as it is the murder of the Constitution of the United States and, more particularly, the concept of separation of church and state. That is the issue. Cloak it in any other garb, that is the issue.

Mr. McCLURE. Will the Senator yield?

Mr. WEICKER. Let me finish my comments; then I shall be glad to yield.

That is the issue. The only concern with religious belief, the only concern with religious belief that should be espoused by any Senator on this floor, is the guarantee that anyone's belief—anyone's religious belief—can be a matter of conscience, can be a matter of practice, without interference in any measure by the state. That is our concern.

That is our concern. Not to legislate. Not to legislate, in any sense, religious belief.

This country was founded on that principle. Indeed many of those who object the most to abortions are members of religious minorities—minorities.

It is that they can practice their faith in total freedom that I stand here and refuse to participate in legislating a portion of their beliefs.

Maybe it is that the law of the land will change in the sense of another decision emanating from the judicial processes of our States and Federal Government, but that is not the case now.

As to the matter, which is our proper concern, I find it tragic that full realization of one's constitutional rights in this country depends on his or her economic status.

Before I sit down, does the Senator from Idaho want the floor?

Mr. McCLURE. I just wanted to comment on a comment the Senator made and I certainly would not do that without respecting his right to respond to it.

I have been waiting for someone in this argument, someone in a social context, to raise the argument that laws against murder are simply religious beliefs and, therefore, invalid under the Constitution.

The Senator has injected that issue here on the basis that a law against murder is furthering a religious belief of some individual.

I think it is a little bit more deeply rooted than simply a religious belief, though it is a religious belief which I hold, as well.

Mr. WEICKER. But who defines murder?

Mr. McCLURE. That question then becomes a legitimate exercise for the legislative body and there are some who very profoundly believe they have the right in that context, not in religious belief, to define abortion as murder.

Mr. WEICKER. But that, of course, is not what the opponents of the Magnuson amendment are doing here today; is it?

Mr. McCLURE. They are, for a variety of reasons which I tried to outline in my statement, one of which is that abortion is not essentially in the great majority of medical practice, therefore, should not be included in medicaid. It is a matter of convenience, such as cosmetic surgery, or a woman who had a breast removed because it interefered with her golf swing.

I do not think we have yet decided that is a medical practice that ought to be subsidized by the taxpayers.

Mr. WEICKER. Does the distinguished Senator from Idaho place an abortion in the same category as cosmetic surgery, or surgery required to improve somebody's golf swing; is the Senator equating these?

Mr. McCLURE. In terms of medical practice, yes, because, for the majority of those abortions, which many of us think should not be subsidized, they are for the convenience of the mother, not medically necessary, therefore, not a medical practice.

Mr. WEICKER. The Senator says "the convenience of the mother." How does that relate to the medical judgment applied as to whether or not an abortion should take place?

Mr. McCLURE. Well, if the Senator had been present when I was making my remarks and referring to the column written by George Will, if we define the practice of medicine broadly to be to the peace of mind; that is, the happiness, of the person who is being affected, could it include the elements of the person's husband or wife, because that, indeed, might make them very happy.

We have not gotten to the point where we can define it as medicine, that the elimination by means of medically killing somebody's spouse is, therefore, a practice of medicine.

Mr. WEICKER. Well, again, I do not care to expand on what, to me, is a tragic comparison—cosmetic surgery and abortion, tennis elbow or golf elbow and abortion. Tragic. A tragic comparison.

The Hyde language, so restrictive, goes way beyond what is even contemplated or espoused by the distinguished Senator from Idaho. Believe me, the cosmetic argument is one that would not apply in probably a tenth of 1 percent of those cases, or of those situations that result in abortion.

Medically necessary, medical judgment, maternal health. These are rather specific terms and, I might add, not much different from the terms used in the amendment of the distinguished Senator from Washington.

Nobody is advocating cosmetic abortion, frivolous abortion. The amendment of the distinguished Senator from Washington states:

> None of the funds in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term, or where medically necessary or for the treatment of rape or incest.

I think that is rather specific, rather narrow.

The judgments made on what is medically necessary, I think, are far better done by doctors than U.S. Senators. But none of that, really, is an issue or should be an issue in this debate.

The law of the land has already been established. It merely comes down as to whether or not rich or poor, anyone can have an abortion—period. No more than that. As simple as that. On that issue, there should be no differentiation.

Mr. President, I yield the floor.

Mr. JEPSEN. Will the Senator yield for a question?

Mr. WEICKER. Yes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa for a question.

Mr. JEPSEN. Mr. President, the Senator emphasizes "this law of the land," he says abortion is legal.

For nearly 150 years, racism was legal. Then along came the Dred Scott decision to reinforce that legality. It did not recognize the black as a person as defined under the Constitution, and that was legal.

Did that make it right?

Mr. WEICKER. Absolutely not.

Mr. JEPSEN. Did we——

Mr. WEICKER. It would not make any difference what my opinion was. I could fight to make sure that would be overturned or a change would take place.

Mr. JEPSEN. But the Senator has been saying that we should not legislate these things.

Mr. WEICKER. We are not legislating the legality of abortions here. We are not doing that. We are merely trying to legislate whether or not people are going to get funds for what is legal, and we are legislating that the poor will not get them. That is all we are legislating. We are not legislating the legality of abortion. Or does the Senator think he is?

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. JEPSEN. The Senator from Connecticut is suggesting we should not do whatever we can. Maybe we should not have passed the 1964 Civil Rights Act then. I appreciate and understand that we could legislate against abortions, unless in ones' own heart and own mind he really recognizes that it would not make all that much difference, as people have said.

Mr. WEICKER. My response there would be to go ahead and legislate that abortion is a crime. Does the Senator want to do that? That is a proper debate.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. JEPSEN. I yield to the Senator from Idaho.

Mr. McCLURE. If I understand the Senator from Connecticut correctly, he would argue that what is legal must be funded—cosmetic surgery, tennis elbow, removal of a breast in order to get a better golf swing. Those are legal. We certainly are not funding those things under this bill. We carefully shied away from funding those kinds of nonnecessary elective procedures, even though they may be legal.

So we have narrowed our focus on things which may indeed be legal, but nevertheless it is our judgment that they should or should not be funded at the taxpayers' expense.

Mr. WEICKER. In my kindest terms, I have tried to avoid getting into an argument over this comparison the Senator is making between cosmetic surgery——

Mr. McCLURE. I notice that the Senator is trying to avoid it.

Mr. WEICKER. I avoid it for a very personal reason. I can assure the Senator that the matter of abortion is something less than cosmetic.

Mr. McCLURE. Mr. President, I ask for the yeas and nays on the Helms amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCLURE. I thank the Senator from Iowa for yielding.

Mr. EXON and Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. Has the Senator from Connecticut yielded?

Mr. WEICKER. I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I support the amendment offered by the Senator from North Carolina to the amendment of the Senator from Washington. I suspect that that amendment, as it is now worded, probably represents my position on this issue better than anything else. I suspect that that position probably will not prevail. Maybe I am wrong, but I stand here unashamed against abortion, except in the case of provable rape or incest.

I know that when I say that, all kinds of questions will be raised immediately as to how you prove rape or incest. I do not know exactly. But if the amendment offered by the Senator from North Carolina does not prevail, then I will, in my good conscience, have to support the Hyde amendment which is offered to the Senate by the bill that was sent from the House of Representatives.

I am not ashamed to stand here and say that I am against abortion. I freely admit that one might make a case that we should not tack this on this bill because we are discriminating against the poor. Well, I do not believe that the poor are any more entitled to abortion than are the rich.

I was interested in the statement by the Senator from Connecticut indicating that somehow this was a separation of church and State issue. I suggest that it is not. The Senator from Oregon read a list of churches that were supporting this measure, and in that list he included the Episcopal Church. For the record, I am an Episcopalian, and I have been one all my life. If it is the position of my church that it is in favor of abortion, then at least this is one Episcopalian who is in opposition. So the position of the Episcopalians in the United States, therefore, is not unanimous.

I do not think this is an issue of the separation of church and State. It is a very legitimate and deep-seated feeling that many of us have.

As I said at the beginning of my statement, I am not sure that I am right, but I am going to be faithful to the position I believe in firmly.

This matter has been debated in this body on many occasions. I think I receive more mail on this subject than anything else. For 8 years as Governor of my State, I was deluged with postcards, time and time again; yet, the senders of those postcards knew or should have known the stand of this individual on abortion.

I have been deluged by postcards and letters since I have been a Member of the U.S. Senate. But no matter how many postcards I receive on this issue, pro or con, unless I have a change of heart—and I suspect that I will not have—I remain opposed to abortion.

I may be forced to go along with the Hyde amendment, although I think it is a little too restrictive, because, as I have said, I think we should have something to allow for abortion in the case of provable rape or incest.

I have a feeling that I probably will not have the choice eventually of the amendment that is offered by the Senator from North Carolina to the amendment of the Senator from Washington. Nevertheless, I think that is the best thing that could come out of this body, so far as this Senator from Nebraska is concerned.

I emphasize again that I am not sure I am right. I may be wrong.

I know that my beloved children are split right down the middle on the matter of abortion, and I think no less of those who do not happen to agree with their father. But at least I want the RECORD to show, in advance of the vote, where I stand and how I will vote on these amendments.

Mr. PACKWOOD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question before the Senate is the amendment of the Senator from North Carolina (Mr. HELMS) to the amendment offered by the Senator from Washington (Mr. MAGNUSON).

Mr. PACKWOOD. And that is to strike out the words "medically necessary"?

The PRESIDING OFFICER. The words are "where medically necessary."

Mr. PACKWOOD. Mr. President, we have debated this matter for the better part of 4 hours today. I do not know how many hours it was debated last year and the year before that.

I was intrigued with the Senator from Nebraska when he said, "I am not sure; I may be wrong." Then there should be a dot, dot, dot; because then he says, in essence, "But, by God, I am going to enforce it, anyway, on everybody in this country."

I am not sure I am right, either. The longer I am in this business of government, the less positive I become that every vote I make is right. I wish I could have all the facts and all the knowledge every time we have to move in this body. We never will be in that situation.

From whatever polls we take in this country, it appears that the bulk of the people in this country support the right of a woman to make a choice as to whether or not she wants an abortion. I am not saying that public opinion polls make something right or wrong; but if the polls are accurate, they seem to support the right of a woman to make that choice.

The Supreme Court, as the Senator from Connecticut said, has made that decision complete. It is a constitutional right to have the choice.

As I said earlier, we have no constitutional right to housing; we have no constitutional right to education; we have no constitutional right to medical care. But the Federal Government funds all those things for the poor, when those things do not even rise to the dignity of a constitutional right.

Now what we are going to do is to say that because some of us disagree with whether or not a woman should have a right to make a choice, to exercise her constitutional prerogative, because some in this body disagree with that right, we are not going to fund it.

I am not going to make the argument we have to fund it. The Supreme Court has already clearly talked on that issue. There is no constitutional compulsion for us to fund abortion for indigent women as there is no constitutional right to fund housing for indigent women, education for indigent women, or any kind of medical care for indigent women.

If this Senate votes to support the Helms amendment, let it be said loudly and clearly why. It is because, if his amendment carries, a split majority in the Senate does not like abortion and is going to attempt, because of our personal dislikes, to deny to poor women the option to exercise their constitutional right.

Mr. President, I move to lay the amendment of the Senator from North Carolina on the table.

Mr. BAYH addressed the Chair.

Mr. SCHWEIKER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan (Mr. RIEGLE), is absent on official business.

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—46

Baucus
Bayh
Bellmon
Bentsen
Bradley
Bumpers
Burdick
Chafee
Cohen
Cranston
Culver
Glenn
Gravel
Hart
Hayakawa
Heinz
Hollings
Inouye
Jackson
Javits
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Packwood
Percy
Ribicoff
Sarbanes
Schmitt
Simpson
Stafford
Stevens
Stevenson
Tower
Tsongas
Wallop
Weicker
Williams

NAYS—53

Armstrong
Baker
Biden
Boren
Boschwitz
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Hatch
Hatfield
Heflin
Helms
Huddleston
Humphrey
Jepsen
Johnston
Laxalt
Long
Lugar
McClure
Melcher
Nelson
Nunn
Pell
Pressler
Proxmire
Pryor
Randolph
Roth
Sasser
Schweiker
Stennis
Stewart
Stone
Talmadge
Thurmond
Warner
Young
Zorinsky

NOT VOTING—1

Riegle

So the motion to lay on the table Mr. HELMS' amendment (UP No. 396) was rejected.

Mr. MAGNUSON. Mr. President, now the question recurs on the Helms amendment, is that correct?

The PRESIDING OFFICER. The Senator from Washington is corrrect.

Mr. MAGNUSON. And the Helms amendment strikes the three words "where medically necessary", which is what the Senate voted on last year.

Mr. BAYH. Mr. President——

Mr. MAGNUSON. The question is whether or not we want to go back to the strict Hyde amendment, or whether we want to vote as the Senate voted last year. The language that I was instructed by the Appropriations Committee to present is the exact language we voted on last year. The Helms amendment would strike the words "or medically necessary," is that right?

Mr. HATCH. "Where medically necessary."

Mr. MAGNUSON. "Where medically necessary"—three words. So the vote is up or down on the Helms amendment.

Mr. BAYH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Indiana?

Mr. MAGNUSON. I yield.

Mr. BAYH. I think it is important that the Senate know, I say to my distinguished chairman, and I address the question to him as chairman of the Appropriations Committtee: We fought this battle long and hard, trying to negotiate a position that made sense, that protected the Senate's position and also did not open the door so that everybody that wanted to could walk in and get an abortion.

The language in the amendment right now has served to condone some abortions, but has restricted it to those who really need abortions because of severe physical disability, and it is my position that if we go ahead with this as it is right now, we are going to seriously jeopardize the position of the Senate to bargain for anything, and capitulate completely to the House position. Does the Senator from Washington feel this jeopardizes our position? He is the chairman.

Mr. MAGNUSON. Of course, we would have no bargaining power at all if this amendment carries. We would have to go right back to the House language of the Hyde amendment. If the Senate wants that, that is fine. But we will have some bargaining power if we adopt the language we adopted overwhelmingly last year, after five or six votes. We would have some bargaining power with the House, and possibly might end up going to the present law, I do not know.

Mr. BAYH. I think the chairman is correct. It is no use to delay this at any great length, but it seems to me, after several years of frustrating effort to try to compromise differences of opinion strongly held on the basis of deep moral and religious convictions, the language we arrived at this last year under the leadership of the Senator from Washington went as far as we could possibly go without going to the House position, completely capitulating, and buying the Hyde language.

That was why I was hopeful we would turn down this last effort, because that weakens it. To go along and adopt the language as it is now would weaken this effort even further, is that not correct?

Mr. MAGNUSON. Mr. President, I should not be debating this issue, because I would rather have no language at all on the bill. I feel it does not belong on the bill. But it is here, and this is the only position we could take, those of us who agreed to the language last year, and overwhelming agreed to it. If we do so again, then we can have a bargaining position with the House, who again have adopted the stricter Hyde amendment, and the amendment of the Senator from North Carolina goes right back to the Hyde amendment.

Mr. NUNN. Mr. President, will the Senator from Washington yield so that I may pose a question to the Senator from Indiana?

Mr. MAGNUSON. Yes.

Mr. NUNN. Just for a moment.

Would the Senator from Indiana explain to the Senator from Georgia the difference between the present law and the Helms amendment?

Mr. BAYH. The major difference is that if the Helms amendment passes, we are excluded, except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term.

Mr. NUNN. What would the Senator suggest for a Senator who happens not to be on either side of this question, and would like to continue with the present law?

It seems to me the committee has given us a position that is not completely consistent with present law. The Helms amendment goes further in the other direction than the present law, and what I would like to do is vote for the present law. Maybe there are only two or three of us in that position, but it is a rather close vote. What, then, are we supposed to do? For some Senators, the present law is too far to the right; for others, the present law is too far to the left. Why could we not have an amendment and let the Senate go on record in favor of the present law, and stick with it, instead of trying to play games in conference? It is awfully hard, on an issue like this, for Senators to vote for a tactical position, especially when that is not the substantive position that the Senator happens to believe in.

Mr. BAYH. Mr. President, will the Senator from Georgia permit me to interpose a parliamentary inquiry?

Mr. NUNN. Yes.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Would it be possible, parliamentarily, for the Senator from Indiana, after the vote on the pending amendment, to suggest a substitute which could represent the position addressed by the Senator from Georgia, which would be a restatement of the law as it now is?

The PRESIDING OFFICER. After a vote occurs on the pending second degree amendment, another amendment to the amendment of the Senator from Washington would be in order.

Mr. BAYH. If the Senator, then, will permit me to further transgress on his time, if the Senate should be wise enough to turn down the amendment now before us, the Senator from Indiana will yield to the Senator from Washington to propose the language as it now is in the law. I think that was where we wanted to end up, was it not, MAGGIE? We just wanted to get some bargaining position with the House last year, after tying up the Senate hour after hour after hour.

Mr. MAGNUSON. The overwhelming majority of the Senate did not agree with the present law last year, but we had to give in to the House, to get this bill passed.

Let me finish. I have no objection to the present law, but what we did was to take the language that we passed last year, the Senate language. We would have very little bargaining power under present law. They would probably say, "Let us go back to the Hyde amendment and stick to it."

Mr. NUNN. I would say to the Senator from Washington that I happen to be one of those who finds it very difficult to explain a vote on abortion as a tactical position to strengthen the conferees. What I would like to do is vote on a substantive position which would allow us to come to the present law. That is my substantive position. It is difficult not to explain a vote on the whole issue of abortion.

Mr. MAGNUSON. I do not think the majority of the Senate wants the Helms amendment, which is the Hyde amendment.

Mr. NUNN. It depends on what the alternative is.

Mr. MAGNUSON. If you want the Hyde amendment, vote for it.

Mr. BAYH. Will the Senator from Georgia permit me to pose a question to the Senator from Washington?

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from Washington has the floor.

Mr. MAGNUSON. I will yield for a question.

Mr. BAYH. Mr. President, if we vote down the amendment of the Senator from North Carolina, or the amendment of the Senator from Washington as amended by the Senator from North Carolina, so that we start out with a clean slate, would not the Senator from Washington feel that an amendment by himself or by the Senator from Indiana offering the present law would put us in a better position than if we accepted the amendment as it is now amended by the Senator from North Carolina?

Mr. MAGNUSON. Yes, by all means.

Mr. CHILES. Will the Senator yield the floor? I would like the floor in my own right.

Mr. MAGNUSON. All right.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, I listened to the Senator from Georgia and I think he expresses very much sort of where I am on this question. It seems to be a position of having people on both sides of this question mad at you. But generally speaking, I think it is a position that we have had not 1 year but we have had over several years and that is where we generally end up. I have been on these conferences that lasted meeting after meeting after meeting. In many of them we sort of go in and look at each other across the table and then go out again. The distinguished former Senator from Massachusetts would always say we had to have a stronger bargaining position and in the House his counterpart would say they had to have a stronger bargaining position. As the Senator knows, we delayed the HEW appropriations for months for 2 years in a row.

Why do we not start there one time, just to say to our conferees, "You are instructed to stay with this position. Quit playing games." Eventually, I think that is where we are going to end up.

What I would like to find out from the Senator from North Carolina, if I could have his attention, is this: Would he agree to conform his amendment to the present language? He will not? Well, I see it as a way to go ahead and get rid of this matter.

Mr. HELMS. Will the Senator yield?

Mr. CHILES. I yield.

Mr. HELMS. There have been all sorts of questions asked of people who do not represent my side on this matter. It is all very well to have a colloquy between people opposed to the amendment about what it may mean. But let me say this to the Senator: The amendment as amended by the Helms amendment will protect the life of the mother and will protect the mother in case of rape or incest. All we are taking out are the code words used in abortion clinics. If you want abortion on demand, vote against the Helms amendment. We are taking out the code words and that is all. A woman goes into an abortion clinic and says, "I have a headache and I am pregnant." He will say, "That is fine, you can have an abortion."

Mr. CHILES. But that is where we have ended up for 2 years in a row, and maybe the Senator from Georgia and I will end up there this time. But it seems that is where we have ended up for 2 years in a row, and maybe we would be better off to end up there now. In that case, we would just have to get around to the point of amending the Helms amendment. I do not think that we necessarily have to have a great position to go bargain with if we are firm in our position and if we let the conferees know we are firm in our position. I think that is just as good.

Mr. MAGNUSON. Will the Senator yield?

Mr. CHILES. I yield.

Mr. MAGNUSON. I would agree with the Senator, with the understanding that I am going to hold tight for that language and not the Hyde amendment or a similar amendment to the Helms amendment. If I hold tight to that and stick to it, that is one thing. But I want the Senate to understand that. I am not going to agree to the Hyde amendment, nor to the Helms amendment, which is the same as the Hyde amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. I have listened to the Senator from Florida, who sat there very patiently on those conferences for a long period of time, and I have to say what he says makes a lot of sense. The Senator from Georgia expressed a similar desire. I have to confess that, with the chairman, that is where I would like to see us end up.

I took a different position following his lead as to how we get there. We have lost that opportunity. Now I think the opportunity available to us is to do what we would like to end up with and just hang tight.

With all due respect to our distinguished colleage from North Carolina, the difference in this code word situation is that the language as it now is significantly tightens this situation and they can only get an abortion if they have a problem where there are instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term.

The alternative is to say you can have a mother who is going to be permanently disabled. She might almost die but not quite. What that doctor has to swear to on a stack of Bibles is, "I know she is going to die." Or she has been raped or she became pregnant because of incest.

This is a very emotional kind of thing and I guess nobody knows it more than the Senator from Indiana, having held the hearings over the years and being at the top of the hit list. I am sorry about that. Frankly—I came to the conclusion we were talking about life and I was opposed to abortion. But I was also not in favor of the U.S. Senate and the Federal Government telling every woman in America that they should reach the same conclusion that the Senator from Indiana reached. It seems to me that the issue involved here is are we going to let this be a matter of any personal decision between the mother, father, the doctor, and the good Lord, or shall we put the stamp down and say, "Thou shall not do it except under these circumstances."

That is why I think the language in the act now goes about as far as we can to resolve these differences. Nobody is completely happy with it. I am not completely happy with it. I think we have a lot of arbitrariness in it, but I think we have worked it out.

I think if the Senator would turn down, with all due respect, the language interposed on the chairman by our distinguished colleague from North Carolina, I am prepared to either offer myself—if the chairman wants me to offer it, I will offer it—to offer an amendment as the language now is and will see what the disposition of the Senate is.

Mr. NUNN. In other words, if the Helms amendment now is voted down those of us in favor of casting a ballot in favor of the present law would have the opportunity to do that. Is that what the Senator is assuring?

Mr. BAYH. Exactly. As soon as I can get the floor I will offer that amendment specifically reinstating the language which is the result of a long, torturous process, as the Senator from Florida well knows, in which I think we certainly tightened the restrictions significantly.

Mr. SCHWEIKER. Mr. President, I just want to point out one thing I think the people who are arguing for another vote have overlooked. This exact same vote was before the Senate last year and the year before. In the last Congress, the clearest identical vote was on a Brooke motion to table a Domenici amendment and to strike these same words, "medically necessary." That motion to strike carried, 59 to 36, in the last Congress—59 to 36; that is 23 votes.

The exact same motion in this Congress just reversed that; it lost 46 to 53, so there has been a shift of about 15 votes.

Let us not talk about maneuvers, that may or may not affect the conference on this bill. There has been a momentous attitudinal shift in the Senate. We have 20 new Members; those opposed to abortion have gone from a 59 to 36 loss in 1977 to a 46 to 53 victory today. I think that has to be taken into consideration, notwithstanding the comments of the other Senators.

This is a changed situation. I have been carrying this fight in committee now since 1974 and for the first time, we had the votes to win in committee. For the first time, we had the votes to win on the floor.

My point is that it is fine to talk about positioning and what we are going to do in conference, but the Senate has changed about 20 votes in 2 years. We have to take that into consideration in understanding the will of the Senate. All I want to say is, let us work with the will of the Senate. Let us not argue that because of some miscalculation or because we are bargaining or positioning ourselves, this has caused a change. There has been a real change. It has been a landslide change, from 59 to 36 to 46 to 53. The will of the Senate is at issue, too.

Obviously, 20 of the Senators are now; obviously, they have expressed the view of the grassroots and this is reflected in the will of the Senate. All I want to say is, put that in the context of the debate we are engaging in.

Mr. MATSUNAGA. Will the Senator yield?

Mr. SCHWEIKER. Yes.

Mr. MATSUNAGA. I remind the Senator from Pennsylvania that the last vote was a procedural vote. That is, there were many who may have felt that they were not for tabling, but then, when voting on the merits of the issue, may vote otherwise.

I remind the Senator that he cannot very well judge the sentiment of the Members on a procedural vote.

Mr. SCHWEIKER. Mr. President, I do not agree with my good colleague, because I have here the same, identical, exact vote. It was a Brooke procedural motion to table the Domenici amendment. The Domenici amendment moved to strike exactly the same two words we are striking now. I compared one procedural vote to another procedural vote.

It could not be a more crystal-clear comparison. It is an exact comparison, with a switch of about 20 votes.

Mr. BAYH. Will the Senator yield?

Mr. SCHWEIKER. Yes.

Mr. BAYH. I think the Senator is accurate in describing what happened last year. First, we have a different set of colleagues right now. But I think we also have one other matter that was absent then that it present now.

Is the Senator from Indiana not accurate that, at the time the Senator from Pennsylvania is describing what happened, the language which was later worked out in conference was not available to the Senator or to the Senate as as alternate? Is that not accurate?

Mr. SCHWEIKER. We have had this language for 2 years.

Mr. BAYH. But that alternative was not presented at the time the issue was joined as presented by the Senator from Pennsylvania.

Mr. SCHWEIKER. In the 1977 vote.

Mr. BAYH. That is right.

Mr. SCHWEIKER. We had not agreed to a conference yet.

Mr. BAYH. That is right.

What I am suggesting is that I think there are at least two of our colleagues who have said that the reason they changed or the reason they voted for the Helms language is where they wanted to end up was the language as presently stated in the law.

Mr. SCHWEIKER. The Senator is correct in his analysis of it. But by the same token, here are two votes on medical necessity and here is an exact comparison of two votes in terms of the attitudinal shift. It was some 20 votes. That is my point.

Mr. MAGNUSON. Let us vote.

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Let us vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan (Mr. RIEGLE) is absent on official business.

The PRESIDING OFFICER (Mr. BOREN). Have all Senators in the Chamber who wish to vote done so? Are there any other Senators desiring to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—46

Armstrong
Biden
Boren
Boschwitz
Byrd,
Harry F., Jr.
Cannon
Church
Cochran
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Goldwater
Hatch
Hatfield
Heflin
Helms
Huddleston
Humphrey
Jepsen
Johnston
Laxalt
Long
Lugar
McClure
Melcher
Pell
Pressler
Proxmire
Randolph
Roth
Schweiker
Stennis
Stewart
Stone
Talmadge
Thurmond
Warner
Young
Zorinsky

NAYS—53

Baker
Baucus
Bayh
Bellmon
Bentsen
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chafee
Chiles
Cohen
Cranston
Culver
Glenn
Gravel
Hart
Hayakawa
Heinz
Hollings
Inouye
Jackson
Javits
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Percy
Pryor
Ribicoff
Sarbanes
Sasser
Schmitt
Simpson
Stafford
Stevens
Stevenson
Tower
Tsongas
Wallop
Weicker
Williams

NOT VOTING—1

Riegle

So Mr. HELMS' amendment (UP No. 396) was rejected.

UP AMENDMENT NO. 397

Mr. BAYH. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Indiana (Mr. BAYH) proposes an unprinted amendment numbered 397.

Mr. SCHWEIKER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

Mr. BAYH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. SCHWEIKER. I would like to hear the language, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. SCHWEIKER. I object.

The PRESIDING OFFICER. Objection is heard.

The amendment will be stated.

The second assistant legislative clerk read as follows:

> In lieu of the language proposed to be inserted by the amendment of the Senator from Washington, insert the following:
>
> SEC. 209. None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.
>
> The Secretary shall promptly issue regulations and establish procedures to ensure that the provisions of this section are rigorously enforced.

Mr. BAYH. Mr. President, I will not inconvenience my colleagues at length on this matter, except to reiterate what was said prior to the preceding vote.

This measure is a restatement of the language hammered out after days of efforts under the leadership of our distinguished Appropriations Committee chairman, Senator MAGNUSON. That is what the law says now. I do not suppose there is a person in this body who is completely happy with it. I am not, and neither is the Senator from Washington.

It seems to me that this is the best resolution of a very difficult emotional, philosophical, religious, and moral question.

Mr. BUMPERS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAYH. Mr. President, I reemphasize that after studying this measure myself, I came to the conclusion that we are talking about life. As one Member of this body who happened to chair the only Senate hearings Congress has ever held on this subject, I was opposed to abortion. I then concluded that it was such a personal matter that I was not prepared for the Congress of the United States to make that decision for others but that, rather, I would like each person to make that decision for himself or herself—wife, husband, doctor—praying that they did the right thing.

This, it seems to me, imposes significant restrictions on that personal choice. However, it has been in operation, and I am prepared to conclude that it is about the best we can do under the circumstances.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. STEVENS. Mr. President, I am inclined to agree with the Senator. I have sat through too many of those debates, and I think that we, as a group made up of 99 men and 1 lady, have been wrestling with the problem for too long, that we really are unable to deal with it completely.

I think the Senator is right to offer the language which was the compromise, as I understand it, which was finally hammered out previously.

If this Senate adopts this amendment, will the Senator join in a motion to instruct the conferees prior to their appointment to stand by this language so that we can set a precedent that, if it must be in the appropriations bill, this will be the language and nothing else?

Mr. BAYH. I certainly will.

Mr. STEVENS. Mr. President, will the Senator add me as a cosponsor to the amendment on this basis?

Mr. BAYH. Mr. President, I ask unanimous consent to add the Senator from Alaska as a cosponsor on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I say to my colleague I desire no credit of authorship of this amendment. It is the language that is now in the law. In colloquy with our distinguished colleagues from Florida and Georgia, I pledged to them that they would have a chance to vote on the current law. So that is where we are.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, this is the exact language of the law as it is now. I have said, prior to the vote on this bill, that I would consider that as to the Senate, this is as far as they would go and not adopt the Hyde amendment, and I would stick in conference as hard as I could for the law as it is now which we hammered out after weeks and months and about 25 votes in the Senate, I believe, last year. I recommend this to the Senate.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment introduced by the distinguished Senator from Indiana, Senator BAYH.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, just before the Senate votes, I want them to understand how restrictive the present law is and when we talk about a symbolic victory or symbolic defeat this surely has to be one for one like myself who wanted to extend to indigent women the Federal funding of abortions. Prior to the present law, the Department of Health, Education, and Welfare funded approximately 250,000 abortions a year under medicaid. Under the present law for the last 13 months, the Department of Health, Education, and Welfare has funded, and I am rounding them off to the nearest hundred, 3,400 abortions. Of these, 2,400 were because the life of the woman was in danger, and 100 were for rape or incest.

So you are talking about less than 1,000 abortions in terms of a difference between the Helms amendment which struck out "medically necessary" and the present law.

I am going to vote against this. I am going to vote against it because for all practical purposes, the present law denies funding to indigent women for abortions. For those who vote for this and think that they are doing very much to help the poor woman who cannot otherwise afford medical help, they are deluding themselves. I simply do not want to be on record as basically funding 1 percent of the abortions that we used to fund for the indigent women of this country.

Mr. PERCY. Mr. President, we are again considering one of the most divisive issues of the past decade—whether to fund medicaid abortions and under what guidelines. Practically no issue has generated as much emotionally charged mail or as heated a lobbying effort by the respective interest groups.

A woman's right to make her own decisions on her own reproductive system is the key issue and my main concern. This right had been confirmed by the Supreme Court in more than one decision.

Prohibiting medicaid funding does not stop abortions. It only denies to poor women equal access to this medical service. It is estimated that 70 percent of the women who today get legal and safe abortions would still get abortions if they had to resort to unsafe means. The effects of forcing women to make this choice would be tragic. Deaths due to improperly conducted abortions would rise sharply.

Although I support a woman's right to choose to have an abortion, I would like to see the number of abortions greatly reduced. This can be accomplished by making more alternatives readily available. It is for this reason I strongly supported the Teenage Pregnancy Act which stresses providing counseling and supportive services necessary to enable pregnant teenagers to responsibly cope with this situation.

The need for more family planning services is readily apparent. There were more than 600,000 births to teenagers between 15 and 19 in 1978, and an additional 30,000 pregnant teenagers under 15 years of age. Teenagers comprise the only age group with an increasing birth rate.

If medicaid funding of abortion is approved, it does not coerce an individual into performing an act repugnant to her, it does not even require a State to fund such medical procedures. It simply gives a State the option to receive a partial subsidy of the costs, if it chooses, and only among those States do indigent women then have the choice. It is the cruelest form of discrimination to force women to bear unwanted children while more affluent women have ready access to abortion.

I, therefore, urge my colleagues to vote to remove present prohibitions against medicaid funding of abortion.

The PRESIDING OFFICER (Mr. ZORINSKY). The question is on agreeing to the amendment of the Senator from Indiana.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan (Mr. RIEGLE) is absent on official business.

The PRESIDING OFFICER (Mr. BRADLEY). Have all Senators in the Chamber desiring to vote done so?

The result was announced—yeas 57, nays 42, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—57

Baker
Bayh
Bellmon
Bentsen
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Gravel
Hart
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Inouye
Jackson
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Morgan
Moynihan
Muskie
Nelson
Nunn
Pell
Percy
Pryor
Sarbanes
Sasser
Schmitt
Simpson
Stafford
Stevens
Stevenson
Stewart
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams

NAYS—42

Armstrong
Baucus
Biden
Boren
Boschwitz
Cochran
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hatch
Hatfield
Helms
Humphrey
Javits
Jepsen
Johnston
Laxalt
Long
Lugar
McClure
Melcher
Metzenbaum
Packwood
Pressler
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Stennis
Stone
Young
Zorinsky

NOT VOTING—1

Riegle

So Mr. BAYH's amendment (UP No. 397) was agreed to.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MAGNUSON. I yield to the majority leader. May we have order, so that we can hear?

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their seats.

THE OUTLOOK FOR REMAINDER OF WEEK

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time to state the outlook for the rest of the day and for tomorrow and Saturday.

The Senate was in late yesterday, and in consideration of that fact the distinguished manager of the bill (Mr. MAGNUSON) has indicated that Senators will not be in late today. There will probably be another vote.

Mr. BUMPERS is prepared to call up an amendment at this time. There is no time limit on that amendment, but I believe the Senate will not be in session longer than until about 6, give or take a little bit, on this measure today. The Senator indicates that is correct.

Tomorrow the Senate will resume action on the bill at 10:30 a.m. The majority leader is authorized to call up the export control bill tomorrow, but is not going to do so. The Senate will stay on the Labor-HEW appropriations bill tomorrow until it disposes of that bill, after which the Senate will take up the export control bill. There is a time agreement on the export control bill. Senators, therefore, may expect votes on amendments to that bill and motions in relation to the same on Saturday. The Senate will come in at 9 o'clock on Saturday.

If the Senate completes action on Labor-HEW tomorrow at a reasonable hour, it will proceed tomorrow to the export control bill, and hopefully complete action on it on Saturday. If the Senate does not complete action on the Labor-HEW appropriation bill tomorrow, we will be on that bill on Saturday, and will then proceed to the export control bill.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MAGNUSON. I hope that Senators who have amendments to the Labor-HEW bill will show up tomorrow morning at 10:30. Usually we start out in the morning at 10:30, and there is no one who shows up. You cannot find anyone who wants to present his amendment, although Senators have served notice that they want to present amendments. If Senators will do that, we can finish this long, complex Labor-HEW appropriation bill early tomorrow. So I hope those who have amendments will show up at least by a quarter to 11, because if you do not, I am going to ask for third reading and just go ahead with the bill because I have no one who has an amendment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume consideration of the Labor-HEW appropriation bill tomorrow morning at 10:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may I ask whether any Senator is willing to lay down an amendment following action on the Bumpers amendment tonight? If a Senator is willing to lay down an amendment, we can complete action on it tomorrow morning.

Well, let me say to the Chair that the leadership will attempt to get someone to lay down an amendment before the day is over.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Washington as amended by the substitute amendment offered by the Senator from Indiana.

The amendment (UP No. 395), as amended, was agreed to.

The **PRESIDING OFFICER**. The Senate having agreed to the amendment by the Senator from Washington, as amended by the Senator from Indiana, to strike and insert, under the precedents the amendment by the Senator from Oregon to simply strike the same language is rendered moot and will not be acted upon.

Mr. **ROBERT C. BYRD**. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. **MAGNUSON**. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The **PRESIDING OFFICER**. The Senator from Arkansas is recognized.

Mr. **BUMPERS**. I yield to the Senator from Ohio for the purpose of introducing a statement in the RECORD.

Mr. **METZENBAUM**. Mr. President, I want to commend the distinguished chairman of the Appropriations Committee for the farsighted and responsible decisions that he and the members of the committee have made regarding the Labor-HEW appropriations bills. They have chosen to sustain programs that are designed to serve those members of our society who suffer the most from inflation and recession.

It is no secret that we are living in a time of limited resources.

It is no secret that social programs of all kinds are under massive political attack.

And it is no secret that there is a widespread feeling in this country and in the world at large that America has lost its sense of priorities. There is a feeling that we are confused about our fundamental commitments and that we are more concerned with petty squabbles than with the Nation's long-term goals.

We see that confusion in many areas. But I can think of no better example of shortsightedness than our failure to respond vigorously to the problem of youth unemployment.

For the 35 percent of the young black people in this country who cannot find work, the concerns that our Nation's leaders have expressed about the impending economic slowdown can have very little meaning. This figure is deceiving. There are estimates that over 60 percent of the black youth located in our inner cities are unable to find employment. These young people, and the black community in general, have been living for years with unemployment rates that far exceed the worst that the Nation as a whole experienced during the Great Depression.

For these young people, the absence of job opportunity means the absence of hope. It means their continued exclusion from the mainstream of our economy. And it means for them a vision of a grim future of unemployment, poverty, and despair.

Yet, Mr. President, the administration's budget proposal would have cut by 25 percent the largest and oldest youth employment effort—the summer youth program, which provides fully 40 percent of all employment for nonwhite teenagers.

I strongly opposed that budget reduction and I urged the distinguished chairman of the Committee on Appropriations to restore the necessary funds to the budget. The committee has done so and because of that action, 1 million young people will have summer jobs. That decision represents a clear statement that we recognize that the best of all investments is an investment in this Nation's youth.

Another aspect of our youth unemployment problem has to do with providing our young people with the training they need to become productive citizens. I am proud that the Center for Vocational Education at Ohio State University, my own alma mater, is the Nation's leader in developing and strengthening vocational curriculums. I am pleased that once again, the committee has recognized the value of this unique program by appropriating $5.5 million for its support.

Furthermore, I want to express my strong support for the action taken by the committee to restore the administration's proposed cuts in nutrition programs for the elderly. I offered an amendment to the first budget resolution, which was adopted, to make room to maintain the program at its current policy level. The committee's action in this regard faithfully reflects the Senate's intent to protect elderly Americans from having to choose between shelter, heat, and food.

Mr. President, I believe that the committee's action in all of these areas is constructive and in this Nation's long-term interest. Once again, I commend the chairman and I offer him my sincere gratitude for his outstanding efforts.

UP AMENDMENT NO. 398

(Purpose: To disallow the use of funds to carry out section 115 of the Federal Mine Safety and Health Act of 1977)

Mr. **BUMPERS**. Mr. President, I have an amendment at the desk. I ask that it be reported.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS), for himself, Mr. PRYOR, Mr. WALLOP, Mr. JEPSEN, Mr. FORD, Mr. EXON, Mr. SIMPSON, Mr. SASSER, Mr. CANNON, Mr. HUMPHREY, Mr. DOMENICI, Mr. STEVENS, Mr. HELMS, and Mr. DURKIN, proposes an unprinted amendment numbered 398:

On page 12, line 21, after the word "disasters", insert the following:

Mr. **BUMPERS**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 21, after the word "disasters", insert the following: ": *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977, or to carry out that portion of section 104 (g)(1) of such Act relating to the enforcement of any training requirement, with respect to shell dredging, or with respect to any sand, gravel, stone, surface clay, colloidal phosphate or limestone mine."

Mr. **BUMPERS**. Mr. President, I will try to make my purpose as clear as possible in as short a time as possible, so we can get out at a reasonably early hour.

First of all, Mr. President, this amendment deals with that portion of the bill dealing with the Federal Mine Safety and Health Administration.

My amendment is very simple: It prohibits the Mine Safety Health Administration from enforcing the training regulations that are found in the Mine Safety and Health Act of 1977 as they relate to shell dredging, sand and gravel, limestone, surface clay, colloidal phosphate, and stone mining.

Mr. President, the language that I have in this amendment is already in the House bill. I consider this matter so serious that we should not allow it to be a conferencable item. When Congress tried to upgrade the mine safety programs in 1977 it simply failed to recognize the magnitude of the problems it was going to cause for some of the metal and nonmetal mining industry, especially the small, almost "mom and pop" type, mining operations in the country. By consolidating all mining activities under one authority, we have oversimplified just as we did in the case of OSHA, and we have created some tremendous hardships on some very innocent people.

Like OSHA in its early years, today MSHA—another nice acronym to go home and tell the folks about—is expanding its regulatory control far beyond anything Congress ever intended. In those industries where MSHA has clear authority to regulate, the agency has developed regulations that are unnecessarily demanding and terribly expensive. In the first year alone those regulations are going to cost the industry $130 million, or nearly twice as much as the Senate Human Resources Committee projected it would cost when it drafted this act.

The cost to the sand and gravel industry alone, which is big in my State, is going to be $45 million. Who is going to pay it? The same folks, the consumers. More inflation by Government regulation.

In those industries where MSHA clearly lacks authority, the agency has forged ahead without hesitation. It has moved right on into industries that this Congress and the Senate never had any intention of them regulating. To talk about unwarranted intrusion, let me give an example. When we passed that law everybody envisioned coal miners down in the bowels of the Earth breathing dust from the coal, jeopardizing their lives and safety. But what has the bill turned out to be? We are regulating the peat moss industry, we are regulating the telephone companies when they go out and dig a ditch and put a cable in it. We are regulating the sugarcane industry in Hawaii if they disturb a lava bed in order to get a road through the cane fields to take the cane out. They are covered.

We are even regulating kitty litter. We have a mine down in Tennessee that produces kitty litter, and the interesting thing about that is the clay from which that kitty litter is made is a half-mile from the mill where it is processed. But the law says if the milling operation is on the mine site it is covered, too. So not just the 10 or 15 people involved in the mining operation are covered but the 250 people working in the mill are covered.

That is what has happened in the country and that is what the business community and the American people are upset about. We sit around here and beat our chests in self-flagellation and say, "Is this awful or not?" Why not exercise our oversight responsibility? Today we have a good opportunity to exercise our oversight responsibility and relieve the burden on a number of people. I could go on forever with this list of people the Mine Safety Health Administration is trying to regulate.

The President speaks about the alienation of the American people. He is certainly right. Why would they not be alienated, when we allow things like this to happen?

In all fairness to the Mine Safety Health Administration, it is not only their fault but it is also our fault.

The most troublesome part of that law is section 115, the one that establishes the training provisions.

I want you to listen to this, Mr. President, because you will not believe it unless you read it. If you have a copy of the act in front of you, look at it.

It says that new surface miners are required to undergo 24 hours of training.

I do not care if it is just a husband and his wife digging up sand and gravel with a bulldozer in their backyard and they need someone to carry water to them. They cannot hire him until they have given him 24 hours of training.

I will change that. I do not want to misspeak myself. That is the way it was. This agency had the good sense to change that. They now require 8 hours of preemployment training and the other 16 hours must be given some time in the next 60 days.

I do not care whether the workers are running a wheelbarrow or carrying water, and it makes no difference how many employees there are in that mining operation. They are covered and they must have 8 hours of training at the operator's expense before they can go to work.

That is the law. They have to go through 8 hours more training in learning how to carry water every year they stay.

That is not too burdensome, because not too many people stay a year. Most of them quit after 2 or 3 months.

The cost of compliance with these provisions is almost impossible to compute. There is a variation in the figure, but the cost of training, according to one estimate of the industry, is $690. It costs $690 to train a person to run a wheelbarrow or carry water from one place to another, and the annual refresher training course is $160. This is all at the expense of the operator, all resulting in higher prices for his products, and all resulting in higher prices to the consumer.

I received a brochure recently. It does not take people long to move in every time the Government passes a new law. We already have at least one company sending out brochures to all mining companies in the country saying:

> You are going to have to start training employees. We can do it cheaper than you can.

The brochure says:

> We will train these people for $510, and if you do it, it is going to cost you $756.

We are going to at least create a new industry, and soon there will be companies across the country that will train these employees who, for the most part, stay less than 6 months in that occupation.

Two more facts: MSHA says that the turnover rate in all these industries I am trying to exclude from these training provisions is 30 percent a year. The industry says it is at least 56 percent.

I had one call the other day from a man who is in this business.

He has had a turnover rate for the last 6 months of 86 percent, and he is going to be required, to spend over $500 to train each one of those new people.

I am on the Small Business Committee, Mr. President.

We have 7,600 sand and gravel mines in the United States. These are just sand and gravel. Six thousand of them have 10 or less employees. Everybody sits around here crying about small business and how we have to get together to protect small business. I believe it. I used to be a small businessman. I sold my business, because I could see the handwriting on the wall and I could see I was not going to be able to continue to compete with some of the big boys; 3,000 of these operators employ less than 5 employees.

They cannot afford this. If you want to put those people out of business, vote against this amendment. If you want to give them a fighting chance, vote for it.

I think the most distressing thing, of course, is that the regulations are so inflexible. In my opinion, in the future everybody who tries to cut into the surface of the Earth for any purpose will be regulated, unless we do something.

Let us talk about the dangers in this industry. The whole genesis of this legislation, the whole rationale for it, is workers' safety. So let us talk about that just a moment.

Within the Department of Labor, there is a Bureau of Labor Statistics and it keeps figures on the relative rates of safety of various industries. The Bureau has what it calls a Standard Industrial Classification, SIC for short. In government, you cannot have an organization unless you have an acronym for it. This one is "SIC."

The sand and gravel industry has a better safety record, according to the Government's own figures, measured in lost time per million man-hours, than 78 percent of the 271 other industries in that Standard Industrial Classification. Why, sand and gravel has a better safety record than residential construction; a better safety record than the automobile repair business; a better safety record than Woodward and Lothrop and Hechts and Sears and other general merchandise stores, vehicle body manufacturers, and literally dozens of others. Yet, those people are not subjected to any such expense as this.

The stone industry has a better safety record than 55 percent of the industries listed in its Standard Industrial Classification. Why, the stone industry has a better safety record than the plumbing industry, a better safety record than the heating and air-conditioning industry the paint industry, the masonry trade, and on and on. And those industries are not going to have an inspector on their premises every time they hire somebody. Despite the fact that a lot of those people have a lot worse safety record than the sand and gravel and the stone industry have, they will go home at night, secure in the knowledge that they are not going to have an inspector on their premises in the morning, telling them what they have to do.

Let us talk about fatalities. Let us talk about how many people get killed in these industries that I am trying to exempt. That is one of the justifications. You know, neither the Bureau of Labor Statistics nor OSHA give much weight to fatalities. But it has been debated here and it has been argued in committee and on the floor of the Senate that this is one of the strongest arguments for the law. Even if it were statistically significant, I want the Senators to listen to this: There have been 12 deaths in 1979 so far in the sand and gravel industry.

Twelve deaths in the sand and gravel industry, and that is a pretty compelling figure, without even looking at anything behind it. But what is really interesting is, how did they die? I am going to tick it off for you, and you will find it interesting.

Three of them drowned. The reason they did is that they were provided life jackets and they either did not put them on or they did not buckle them.

In another case, a miner with 37 years of experience was struck by material dropped from a front-end loader. Here is how MSHA described that—

> The accident was not immediately reported because there was no indication of serious injury or broken skin. A broken pelvis was later found and the victim died 2 days later.

Fifth, a truckdriver, who was delivering material from a steel mill, drove his truck into some powerlines, tried to jump out, and was electrocuted.

Victim No. 6 was the vice president of the company, with 20 years' mining experience. He unwittingly attempted to free a 2,300-volt power cable that was submerged in a dredge pool while standing in 12 inches of water.

Another sand and gravel worker was killed while arriving at work. Here is what MSHA said about that death:

> Man came to work on a motorcycle. He was late, rushed, and ran into a water truck.

There were five other fatalities this year that might have been preventable. But of those I have listed, I ask the Senators, which one of those would have been prevented if each one of those men, many of whom had many years of experience, would have still been alive if they had had that 8 hours of experience before they went to work, or 16 more hours within the first 60 days?

Look at the crushed stone industry. Two deaths, neither one of which would have been prevented with all the training envisioned by this bill. Here is how MSHA described those two accidents:

> A tire service contractor had repaired a flat tire on a Michigan 475 front end loader. The victim observed a valve cap was missing. As he approached the tire to replace the cap, the tire exploded.
>
> The victim reportedly thought there was a bobcat under the scales at the scale house. He attempted to shoot the cat and shot himself.

Does anybody think that 24 hours' training is going to prevent that?

Mr. President, in some respects those instances are rather humorous. They were not humorous to the families, of course. They are not humorous to me, nor is anything about anybody losing their life for any purpose, under any circumstances. But I want to say this amendment is not going to stop MSHA from inspecting work sites in the seven industries I mentioned in my amendment. MSHA can still uncover hazards, and I promise you they will. But they do not have to provide 24 hours training at such an outrageous expense, when the benefits are absolutely marginal, if that.

Mr. President, I just want to say that I wish everybody could know what we are about to do to ourselves if we do not adopt this amendment. We might win this in conference. The Senate might agree to recede to the House. But why take that chance? Why not just adopt this amendment, which is essentially the same language as the House. Then we will know that at least about 7,600 sand and gravel operators and thousands of other operators who are very small, family-owned operators will not be put through this burdensome, unnecessary expense.

I yield the floor, Mr. President.

Mr. WALLOP. Mr. President, I rise in support of and also as a cosponsor of this amendment.

I compliment my colleague from Arkansas on clearly delineating the ridiculousness of the circumstances with which this industry has been faced.

I think it is fair to say that neither he nor I nor any of the other cosponsors of the amendment or the bills that are in to achieve the same thing are, in any way, unconcerned about safety in the sand and gravel and limestone industry. I just do not think that that comes out as a viable argument against those of us who are in support of this.

I should like to do one thing in addition to what the Senator from Arkansas has done. He called the attention of the Senate to the inflexibility and to the expansion of the Mining Safety and Health Administration. Everybody knows that many of the agencies of the Federal Government are notorious for expanding their authority above and beyond the intent of Congress and above and beyond the intent and limitations of the written law. Behavior of that kind is found in the training regulations promulgated by the agency. There is an absolutely blatant overstepping of their authority.

Furthermore, Mr. President, to the amazement of almost anybody who reviews this thing, they admit it. MSHA has acknowledged it and the Department of Labor, in an analysis of economic consequences of mandatory safety and health training standards, when they created and wrote that analysis, said the following thing:

> The MSHA regulations do impose significant requirements beyond those necessary to comply with the statutory mandate.

On page 4, I quote:

> As noted previously, the MSHA regulation does impose requirements which are beyond statutory mandate.

I guess, Mr. President, that this is no news to anybody. But something that is news, maybe a real sort of man-bites-dog story in this tragic tale, is the fact that this industry came and requested to be put under OSHA. I mean, any time we have an industry in the United States that comes in and desires to be maintained under the standards of the Occupational Safety and Health Act, to be relieved from the burden of arrogance under the mine safety, that ought to tell those of us something in this body, that this industry is not trying to get out from under safety standards for its employees.

The industry is trying to get out from under hyprocrisy, it is trying to get out from under arrogance, it is trying to get out from under unnecessary expense, and out from under a burden over which they are underlaid and will collapse.

I want to add a little something to what my colleague said on the cost of this thing because the committee assured the Senate that the entire cost of implementing this would be $69.15 million a year—the entire cost of MSHA, not the training regulations.

I think my colleague slightly misspoke himself when he suggested there would be only $69 million for the training.

But if we can believe it, the Department of Labor estimates the cost of implementing just the training regulations, not the act, just the training regulations, will cost $130 million, and it has gone up $5 million since Senator Bumpers and I introduced our bill.

Mr. President, I hope some Members of the Senate are listening in their offices. I hope they see the wisdom of trying to relieve small businessmen of this country from a burden which they do not need to bear in order to provide safety for the people that work for them.

I also hope that the Congress, and the Senate in particular, recognizes we really are not in the business of creating satellite industries, such as those mentioned by my colleagues, Senator Bumpers, the training schools.

I also hope that many of the Members can recall the horror with which a constituent of mine wrote me about one of the training techniques that was given by an MSHA instructor.

If we can imagine what most of the country chuckled over, that little piece of filth, some took some purient delight in that, the Washington Post said it was obviously a joke, but it is not if you are the wife of a small sand and gravel operator who is the only one who can take time off from the business to get the training and you are faced with this.

Mr. President, I hope the Senate sees the wisdom of the amendment.

I yield the floor.

Mr. WILLIAMS. Mr. President, I was going to point out to the Senator from Arkansas a little bit of what I believe to be oratorical excess. I think he said something about the requirements of MSHA, and its safety training requirements going to those who are digging holes for telephone poles, and it clearly does not.

There are a few other, perhaps understandable, excesses of oratory.

Mr. WALLOP. If the Senator will yield, what he said was, "digging a trench for an underground cable," not setting a pole, and I think the Senator will find that is true.

Mr. WILLIAMS. I will state it categorically, that it is not covered under the training provisions of the Mine Safety and Health Act.

So I want to make a statement that will hew very closely to the facts that we have very diligently searched for and found.

Mr. President, I am, to a great extent, very surprised by the pressure which has been exerted over the past several months, to excuse the operators of sand, gravel, limestone, clay, and some other mines from the requirement that they provide basic safety and health training to their miner employees.

When the Committee on Labor and Human Resources added this provision to the Federal Mine Safety and Health Act of 1979, we were adding a provision which had the mining industry's support.

In our hearings on the Mine Safety and Health Act, nearly every witness stressed the need for adequate safety training of miners. Witness after witness, representing both the miners and the industry, stressed the need for the type of training if the incidence of fatalities and injuries in our mines was to be permanently reduced.

Mr. President, the first few months on any mining job are the most hazardous to workers when they are new on the job, and do not fully understand the risks and hazards involved.

In a recent analysis of workers' compensation data, the Bureau of Labor Statistics has documented just how dangerous those first few months can be. The figures are truly astounding.

For the period of the study—1976 to

1977—more than 40 percent of all injuries reported to State workers' compensation agencies occurred during the first year of employment. Half of these occurred during the first 3 months. In Wyoming, for example, in 1977, 65.4 percent of reported injuries occurred in the first year of employment—and 34.4 percent occurred during the first 3 months.

These are figures for all occupations, but this trend holds true for the kinds of mining which would be excluded from the training requirement under the Bumpers amendment.

So far this year, Mr. President, 32 miners in the stone—including limestone—sand and gravel, and clay industries, died on the job—32 miners in these industries killed on the job. Of these fatalities, 3 occurred within the first 3 months on the job, 11 occurred within the first 6 months on the job, and 18 occurred within the first year on the job.

There was a description of a couple of accidents that was offered by the Senator from Arkansas. One involved the drowning of some sand and gravel miners. Obviously, I am sure we will all conclude there is nothing but somberness about any of these deaths—any of them.

The details of the miners who drowned in the boat, who were sand and gravel miners, just spells out completely the necessity for early training.

I will take a moment here to explain this to the Senator from Arkansas.

From the full description of how the two drowned, I wonder how this would not lead any reasonable person to conclude that those men should have had some elementary safety training. Especially when part of their job was to go in a boat, from a barge to the place of operation. If we cannot conclude that some training should have been required to be given these miners on how to use that boat, I would be greatly surprised.

The details of the accident—this are reported from the accident scene—indicate that two men drowned when the boat swamped while en route from the barge to the shore. The boat was a Yazoo model 1218, 12-foot aluminum, with foam flotation material built into the three seats. The manufacturer's maximum load capacity was 510 pounds, and the manufacturer's maximum passenger capacity was 310 pounds.

The company had covered the floor of the boat with 1-inch boards to protect the hull when tools and equipment were transported. This reduced the load capacity to an unknown amount.

The boat was powered by a 4-horsepower outboard motor which weighed 40 to 80 pounds, depending on fuel weight.

A plant foreman instructed an employee to take the boat and three other men to shore and return for the other three men still on the barge. The boat was provided with vest-type life preservers. From the company personnel records, the total estimated weight of the four men in the boat at the time of the accident was 630 pounds. We should recall that 310 pounds was the weight that was known to be safe on that particular boat.

One passenger survived. Two were drowned and one survived. The survivor had his lifejacket on, and it was securely fastened. The boat operator did not have his on. The victims had their jackets on but not fastened.

The boat swamped by taking water over the bow. When the victims jumped out of the boat, the boat was going down, their vests came off on entering the water, and they did not resurface.

I do not know whether these men could swim or not. Evidently, they could not. Their job took them out in the water on a little boat. How much training was necessary to teach them the capacity of the boat? They obviously did not even know enough about a life preserver to know how to put it on and fasten it. How much training would that have taken? They obviously had no training in that part of their job.

I will say that we could probably extend that. If they had no training to know how to get there with a boat or to get away from their job with a boat, I wonder about the rest of the story and whether they had training in the other operations of their work.

Perhaps they had to do chipping on a block, as in another of these accident reports? If so, and they did not get any training in how to do that death may also have resulted from that lack of knowledge.

That is exactly what happened in a stone quarry operation in which a person was killed when splitting a granite block, using a pin and feather weights. They were driven by a sledge hammer. The block was 32 inches long and 4 inches high, resting on the quarry floor. The victim was standing on the quarry floor and was reaching over the block to strike the pins with a sledge.

Proper procedure is to stand over the pin to hit it. The pin was either mushroomed or became mushroomed by striking it at an angle. A piece of steel chipped off the pin and struck the victim at the base of the collarbone, rupturing an artery, causing the lungs to fill with blood.

Here is something that seems elemental—working the wrong angle, standing at the side of the block rather than on top of the block. The pin splits, and a piece comes flying straight back at him. An artery ruptures, and the man dies.

There are other problems here, I would think, that could be avoided by proper initial training. If there had been any worker there who knew anything about stopping the flow of blood by a tourniquet or with pressure, that man could have lived. It seems innocuous, the splitting of a block of granite. It was a death split for this man, with no training, because training was elemental to this job. If he had been trained to get up on top of the block he might not have been killed by a flying splinter of that pin.

We could go on and on with these examples of the miners who were unnecessarily killed, in a number that tells me, in conscience, that I cannot stand here and say that those people going into those mines can go in without training at all. I do not care whether there are 3 on the job or 33; whether it is mom and pop or son or whatever. Not when you have a job with this kind of risk, with these kinds of percentages. This is dangerous business. And the training requirements of this law were developed at the suggestion of this industry.

They came to us and told us training was necessary. We put it into the law. Then the Labor Department went to write their regulations, and the Department gave the industry every opportunity to consult. The Department changed the regulations to meet the objections of the industry, and they stretched out the training requirement for surface miners. And out of all this consultation, came an administrative flexibility that we should applaud—and we would like to see more of it. This Department of Government responded and tailored its final regulations to meet these concerns.

On oversight hearings, we heard MSHA applauded by the industry, and I could highlight the limestone industry in particular. We had witnesses from the National Limestone Institute. Limestone, I believe, is a Wyoming operation—a good part, I believe.

Am I right or wrong, or am I thinking of trona?

Mr. WALLOP. Trona.

Mr. WILLIAMS. I was thinking of trona. I have had hours upon hours of discussions with the trona industry people. As I recall, it runs along the Green River, 20 miles. They had problems, and I consulted and consulted with the trona industry. I do not know how they feel today. With the mood going around here, they probably do not want any law at all.

Mr. WALLOP. The trona industry is underground mining, basically like something with respect to the coal industry, but it had not sought to be excluded from this act.

Mr. WILLIAMS. As I recall, in all those hours of deliberation with trona representatives, they pushed training requirements.

As I said earlier, the sand and gravel people pushed training, too, and we responded. We put the training in there. Then the regulations were a little burdensome, and they consulted with the Department.

Coming back to the Limestone Institute, they testified here 2 or 3 months ago—May 4, as a matter of fact—before our committee. The Limestone witnesses said that MSHA officials have been "very communicative" and they "attempted to accommodate our concerns when convinced of their merits and when the law has permitted such flexibility."

And further, the Limestone Institute said:

> The application of training rules has become flexible enough that we have been able to adjust to that. I think that when this gets into practice, it is a workable solution.

There has been some discussion and consultation, with the principal offeror of this amendment, the Senator from Arkansas, a good friend, with whom I disagree on this amendment. I am glad I do not disagree with him on many things, but on this one, yes.

Therefore, we have consulted. We tried to adjust our differences about the requirements of this law. We did not work it out in consultation.

I believe that mining is a very hazardous occupation, and stone and sand and gravel mining is no less hazardous than other classes of hard-rock mining. Consistently, more than half of all fatalities in the hard-rock industry are among stone and sand and gravel miners. The frequency rates for both fatalities and nonfatal injuries in this segment of the hard-rock industry continue to be high, and where injuries do in fact occur, they tend to be more serious than injuries in other segments of the mining industry.

A recent Bureau of Labor Statistics study of injuries in the mining industry showed that for the industry as a whole, 39.4 percent of all reported injuries occurred in the first year of employment.

The rates for crushed and broken stone (43.3 percent), sand and gravel (43.3 percent), and clay and related minerals (46.2 percent), all industries which would be exempt from the training requirement under the Bumpers amendment, exceeded the all-industry rate, and also compared unfavorably with the rate for coal mining (underground and surface) which was 32 percent.

Given the trend of injuries and fatalities among inexperienced miners and the extremely hazardous nature of this type of mining, I beieve it would be irresponsible for us not to enforce the provisions of existing law which requires basic, elementary safety training of these miners.

Mr. President, I am deeply concerned with the claims that these training requirements impose an undue and unusual hardship on the operators of stone and sand and gravel mines. And, that in implementing the training requirement, the Secretary of Labor has compounded the problems of these operators.

The Committee on Labor and Human Resources held oversight hearings on this issue in May of this year. We investigated these allegations, and, based on the record which was developed, I have concluded that the Secretary has gone to considerable lengths to accommodate the legitimate needs of the industry.

Mr. President, let me start by discussing the statutory requirement. Section 115 of the Mine Safety Law requires all new underground miners to receive 40 hours of safety and health training before assuming work in the mine. It requires 24 hours of such training for each new surface miner. It requires 8 hours of annual retraining for all miners. It also requires training for miners who are assigned new tasks, involving new techniques with which they are not familiar. The act requires that such training be provided by the mine operator in accordance with a training plan which he develops, so that it meets the specific needs of his operation.

The oversight hearings held by the Committee on Labor and Human Resources showed that MSHA has been quite flexible in meeting the needs of stone and sand and gravel mine operators in implementing this statutory requirement.

First, MSHA agreed to grandfather in all miners who had been hired by the effective date of the regulation—October 13, 1978. Any miner hired by that date would be considered an experienced miner, and would not have to be given new miner safety training.

Second, MSHA required that the instructors who were to give the training to miners be themselves certified as competent to do so. As of July 10, some 23,352 instructors have been certified by MSHA. Of these, only 4,180 (or 17.9 percent) actually attended MSHA training programs. Of the certified instructors, 7,899 (33.8 percent) were grandfathered in by MSHA, and an additional 11,473 (49.1 percent) were certified based on the mine operators' representation of their credentials. This again demonstrates how accommodating MSHA has been in meeting the needs of the mine operators.

Third, MSHA has made a number of rulings to accommodate the expressed concerns of operators and to insure that the training requirements were not unreasonably implemented to require greater effort on the part of operators than was absolutely necessary to insure the adequate protection of miners.

Stone and sand and gravel operators have complained that their high employee turnover rate meant that 24 hours of training would often be wasted on new employees who would not last on the job. In response to this complaint, MSHA adjusted its requirements so that operators now need give only 8 hours of training initially, with the remaining 16 hours spread out over a 60-day period. Thus far, MSHA has received about 8,200 requests to spread out this training, and, all have been approved.

When operators complained that they did not have the resources to develop their own training programs, MSHA responded bv developing sample training plans for various segments of the industry. Moreover, representatives from MSHA's 10 training centers met individually with operators to help them tailor their training plans to meet the needs of their own particular mines.

When operators complained that the training requirements resulted in unnecessary paperwork, MSHA reviewed the paperwork and filing requirements, and eliminated the unnecessary filing of training completion forms.

When operators complained that annual refresher training would interrupt production, MSHA responded by permitting refresher training to be given in segments of as little as one-half hour throughout the 1-year period.

When operators complained that the training regulations required them to train customer's truckdrivers, the person who fills the Coke machine, or their own office personnel, MSHA quickly responded by stating that those workers who are not exposed to hazards need not be trained. MSHA further stated that millworkers need not be trained in the extractive process, but only in the avoidance of the particular hazards to which they may be exposed in the mill.

When operators complained that many of them did not have the ability or resources to conduct their own training, MSHA responded by insuring that the training regulations permitted operators to participate in cooperative training programs, or in approved training programs run by industry groups, State governments, educational institutions, and the like.

In truth, Mr. President, MSHA has demonstrated that it has a great deal of flexibility, and is willing to use this flexibility to accommodate the legitimate concerns and needs of small mine operators.

MSHA has also acted with alacrity in reviewing and approving the training plans submitted by mine operators. As of June 30 of this year, of 9,712 active metal and nonmetal mines, 8,935 or 92 percent have approved training plans. Of the 7,678 sand, gravel, stone, and clay active mines, 6,973 or 91 percent have had their training plans approved. The vast majority of these plans have been approved since March 12 of this year, a period of only 4 months. In addition, MSHA is continuing to work with the remaining mine operators in order to approve their plans.

It is obvious, Mr. President, that MSHA is doing its best to expedite the processing and approval of training plans. Over 90 percent of the active metal and nonmetal mines have already had their training plans approved.

Mr. President, as I have mentioned, even representatives of an industry which would be exempt from training under the Bumpers' amendment feel that MSHA has been more than responsive to industry needs in implementing the training requirement, at our hearing on May 4, 1979.

Mr. President, the record developed by the Committee on Labor and Human Resources in connection with this issue clearly shows that there is no justification for the Bumpers' amendment.

Mining is clearly a hazardous occupation, and stone and sand and gravel mining is as hazardous as other forms of hard-rock mining. There is also a great need to train miners with respect to these hazards. All the available data shows that a widely disproportionate percentage of the injuries and fatalities occur among inexperienced miners, in the first few months of their employment. Clearly, the purpose of safety training, is to teach miners how to avoid these initial hazards and to prevent serious workplace injuries.

And, finally, Mr. President, the record indicates that MSHA has done everything within its power to ease the training burden of the stone and sand and gravel mine operators. Only miners who are actually exposed to mining hazards need to be trained. The requirements for acceptable training plans are obviously well enough understood so that 92 out of every 100 active metal and nonmetal mines have had their plans approved.

MSHA has facilitated the development of the plans, and has held more than 700 meetings in every State of the Union to explain the requirements to mine operators.

In short, Mr. President, most problems of mine operators with respect to the safety training requirements have been addressed. But, there will be a very real hardship to miners if the Bumpers amendment is adopted. Miners are being seriously injured and killed daily in our mines, and all too often, these tragedies are the result of insufficient experience and inadequate training.

UP AMENDMENT NO. 399

Mr. President, I said earlier that I had hoped that we could reach agreement on this issue. Now, I send to the desk what I think is an adjustment, in the spirit of compromise, that will reflect what should be our concern for the welfare of miners and their safety. It will deal only with training, and it will permit a reduction of initial hours of training for surface miners in this industry before they go on the job. It will not legislate on this appropriations bill by changing the total hours over all, but it will spread those hours out, starting with 4 hours. Then, maybe these people who are working in quarries, who are working on blocks, will get a chance to know that if they stand at the side and do their chipping, it could split, as it did when a man was killed; or if their mining operation puts them in a little boat, they will know how to put on a life preserver.

My amendment requires 4 hours of training before a miner goes to work, with the balance spread over 6 months. As I speak, I get myself to the point where I am going to change that 4 hours to 6 hours. That is what we printed, and we are going to stay with 6 hours of prework training, and 6 months of time to provide the balance of the training for these operations.

This is in the spirit of trying to preserve what we feel is essential, some training before the miner faces that hostile environment. This was the training that was put into the law at the request of some mining operators—and more than the acquiescence, the understanding of the other operators. We keep training in, but we reduce the initial burden by making it 6 hours at the beginning, rather than 8, and stretching the remaining training over a longer period of time to add some flexibility for operators with high turnover.

I hope that the Senator from Washington, who carries the burden of all of these matters and comes to us from the Labor Committee with such good will, can be supportive of this amendment which I send to the desk and offer as a substitute and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS) proposes an unprinted amendment numbered 399 as a substitute for amendment numbered 398.

In lieu of the matter proposed to be inserted by the amendment, insert the following:

On page 12, line 21, after the word "disaster" strike the period and insert in lieu thereof, a colon, and add the following:

"*Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out the training provisions of Section 115 of the Federal Mine Safety and Health Act of 1977 with respect to shell dredging, or with respect to any surface sand, surface gravel, surface clay, surface collodial phosphate or surface limestone mine in a manner which will require any operator of such mine to provide new miners having no surface mining experience with more than six hours of initial training before such miner commences work in the mine, and which requires the remaining eighteen hours of training to be provided in any less time than the first one hundred and eighty days after the miner commences work in such mine, unless the mine operator shall agree to provide such training pursuant to a shorter period of time."

Mr. WILLIAMS. Mr. President, the Committee on Labor and Human Resources has already commenced its oversight of the question of the effects which the Federal Mine Safety and Health Act of 1977 is having on small mine operators and operators in the stone and sand and gravel industries. We have already had hearings on this question, and we are beginning to learn a great deal about the effect of the act, and of the training requirements in particular.

I believe that this training is of critical importance to miners, especially to inexperienced miners. The data which has been developed to date shows that inexperienced miners are most vulnerable to death or injury on the job.

So far this year, 32 miners engaged in mining which would be exempt from the training requirement under the amendment of the Senator from Arkansas have been killed on the job. Of these 32 miners, 18 of them (or 56.25 percent) were killed in the first year of their mining employment.

Similarly, a study by the Bureau of Labor Statistics shows that 43.3 percent of the sand and gravel miners and crushed and broken stone miners, and 46.2 percent of the clay miners who suffer serious injuries are injured during their first year of mining employment.

The reason, quite simply, is that their inexperience means that they are just unable to recognize the hazards in their employment, and they are unaware of what to do to avoid those hazards. They do not have the experience necessary to protect themselves, and so they are vulnerable to injury or death—much more so than their more experienced fellow miners.

The intention of the training requirement is to make up through training for these miners' lack of practical experience, and hopefully, to put them into the workplace in a position where they are better able to protect themselves.

In developing the training provisions of the Mine Safety Act, we were mindful of the differences between mines and between types of mining operations.

For this reason, the statute itself sets out only bare bones training requirements, and encourages the Secretary, in implementing these requirements, to be as flexible as he possibly can in accommodating the special needs of mine operators.

The committee's oversight, so far, has demonstrated that the Secretary has been quite flexible in this regard, and has gone to considerable lengths to meet the needs of mine operators. Indeed, witnesses from the limestone industry, an industry which would be exempt from training under the Bumpers amendment told us that their meetings with senior MSHA officials have been productive and that MSHA has moved to accommodate their concerns. The industry's witness said, and I quote:

> The application of the training rules have become flexible enough that we have been able to adjust to that. I think that when this gets into practice, it is a workable solution.

Still, I know that the Senator from Arkansas, and others have grave concern that there is still insufficient flexibility in MSHA's implementation of the training requirements.

Mine operators do not, I believe, object to the idea of training, rather, they feel they need greater leeway with respect to the scheduling of training, and some assurance that their training dollars will be spent on employees who will work out, and who will stay. One of the consistent complaints we heard in our committee hearings on this issue is that employee turnover in these types of operations often means that after training miners, the miner only lasts a couple of days on the job. The training is wasted, and the mine operator must start again. The dislocation of mine operations can be considerable.

My amendment addresses this concern, and relieves some of this pressure on mine operators.

My amendment says that only 6 hours of the required training need be given before the miner enters the mine. This, I believe, is just a bare minimum, necessary to enable new miners to know the hazards they are confronting. My amendment requires that the remaining 18 hours of training be spread over a 6-month period, pursuant to any schedule which the mine operator may select—which is compatible with his operations.

By spreading out the remaining training over 6 months, the mine operator is able to maximize the use of valuable on the job training, which is so effective and which would result in the least possible interference with normal production in the mine.

I believe that this is a reasonable approach, and by incorporating it in this appropriation bill, we are gaining the opportunity to study its effects and its impact. I urge the Senate to adopt my amendment.

Mr. MAGNUSON. Mr. President, I am inclined to support the substitute amendment to the Bumpers amendment. The Bumpers amendment would prohibit all training of miners in a select list of surface mines.

The Williams substitute would reduce the initial training to 6 hours and permit the remaining training to be given over 6-month period.

This would give the mine operators, I think, the sufficient flexibility they need, without denying vital training to help reduce accidents and deaths.

Now, a minimum of 8 hours of initial training is required, with the remaining training required to be within 60 days. This would spread it out a little, and I think the Williams substitute is a reasonable approach to the matter.

Mr. JEPSEN and Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Iowa.

Mr. JEPSEN. Mr. President, will the distinguished Senator from New Jersey (Mr. WILLIAMS) yield for a question?

Mr. WILLIAMS. I do not have the

floor. The Senator has the floor. I am happy to answer any questions.

Mr. JEPSEN. I am sorry. I did not hear the Senator.

Mr. WILLIAMS. I do not have the floor. I will answer any questions. The Senator has the floor. I will answer any questions I can.

Mr. JEPSEN. Just out of curiosity and for my own edification, has the Senator from New Jersey ever worked in a sand or gravel or limestone pit or quarry?

Mr. WILLIAMS. Yes.

Mr. JEPSEN. I thank the Senator very much.

Mr. President, this amendment of which I am a cosponsor is an attempt to correct what I consider to be an exercise of overkill by the Mine Safety and Health Administration in their effort to insure a proper level and quality of training regulations and enforcement in the mining industry.

Mr. President, the State of Iowa is a small State which is supported by agriculture, insurance, and many small businesses. There are approximately 268 licensed miners, and currently Iowa has 1,111 mining sites which have been identified by MSHA. Several Iowa mining industries own more than one site.

Mr. President, I wish to make it abundantly clear that I am confident that all of us here have the safety and quality of training in the mining industry uppermost in our minds. Furthermore, MSHA is serving a worthwhile and necessary function by insuring that a quality working environment of safety is maintained in the mining industry.

Nevertheless, Mr. President, what we are faced with today is an agency as a result of the action here in the passage of the Mine Safety and Health Act of 1977, who in the name of safety is literally crippling the industry it seeks to help. Not the total industry, but certainly the industry that is part of the industry that is being asked to be exempted from the training which this amendment does and that is namely and specifically the shell dredging, sand, gravel, limestone, surface clay, and colloidal phosphate mining.

Mr. President, I have been informed by some of the mining interests in my State that the MSHA regulations are too stringent, that the time schedules and enforcement procedures are overallocated and overdesigned for this particular aspect of the mining industry. Limestone, sand, and gravel industries are unnecessarily hampered by the MSHA training. In short, Mr. President, my State, like others, is over regulated in this particular field.

I note in comparison to other States that Iowa, my State, is one of the largest in these areas of mining.

Mr. President, this amendment is limited in its scope. It seeks only to prohibit MSHA from enforcing its training regulations as they apply to the shell dredging, sand, gravel, limestone, surface, clay, and colloidal phosphate mining.

I cosponsored this amendment because I know all too well what regulations are and enforcement procedures are doing to small business but, more specifically, to this particular industry.

Mr. President, this country and my State cannot afford the luxury of having its business and industry made impotent by unnecessary and costly regulations.

I wish to say, in conclusion, that I am of the opinion that we should go much further than this amendment. I would like this body to adopt S. 625, by Senator WALLOP, which I also cosponsor, and which addresses this problem in a more sweeping fashion. I feel we should correct, we must correct the problem in total now. However, I accept today's approach and hope that at least with today's action we can help the mining industry just this little bit.

I wish to point out some facts. Senator WALLOP mentioned that this industry came under and asked to be under OSHA. I am talking about these industries that we are referring to in this amendment. I can tell Senators from personal knowledge, that the mining industry, came and asked Congress for help only as a matter of self-defense, a choice between the lesser of two evils in order to stay alive. They have worked primarily in the surface area and are restricted and regulated by coal mining regulations when most of their work is above the ground. It is killing them.

In addition to that, with bureaucrats back here in the regulatory agency who need to practice to chew gum they have absolutely promulgated regulations that are driving them up the wall; for example, they are required to have a stop sign down at the bottom of the pit. When you do down there about all you can do is back a truck up back and forth to load it up and get out of there.

As my grandfather did with the horse and wagon, as my father did with the Model A truck, as my brothers and I did with 1936 and 1938 Chevy trucks and as my brother's son is now doing with pickup trucks, we used to go to the limestone pit to get limestone to put on our land. We would get sand to use to put in some cement feeding platforms. You know what my brother has to do now if he goes in the gravel pit in Iowa because of this bird-hatching regulation. If he does not want to be cited, he has to be given a driver training course before he can drive, and I know he has been driving more than 37 years. Nevertheless, he has to have a driver training course to teach him how to drive his pickup down to get a load of sand.

In Iowa this year one gravel pit got cited, for not providing drinking water in a pit area when the temperature outside was zero and all the workers were within 1,000 feet of a heated scalehouse with running water.

There is another member who complained because he got cited, receiving a closure order in a crushing plant not being operated during the winter. Maybe will have to pay a fine for it.

Out there in real life in the real working world all of these people are asking is "Please don't fix it if it isn't broken." They are third and fourth generation sand, gravel, and limestone pits producers and laborers. They are doing well. All they are asking now is to leave them alone and let them do what we have done best in this country, and that is the development and production of the private sector by the individual businessman who somehow or another has managed to bring this country to the greatest standard and quality of living ever in existence, and they did it long before we had regulatory agencies; and ever since we got the influx of regulations and the type of thing we are seeing here, we have lowered our productivity, we are in economic trouble, we have inflation problems, we have an energy crunch now because we have a Department of Energy with 3,000 regulations, and a few other things.

We have an Environment Protection Agency which is more concerned about a few turtles and a few cottontails rather than real jobs and production, all of which is at the expense of working men and women.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. JEPSEN. Certainly.

Mr. WILLIAMS. The question is—and I think this sums up fully what the Senator is talking about—your brother, I gather, is in the sand and gravel business, is that it?

Mr. JEPSEN. No, he is not. He is one of the customers, as my family and other Iowa farm families have been for years.

Mr. WILLIAMS. Obviously, I was going to say, anybody who was in the business before October 12, 1978, does not have to be provided this new miner training at all, and certainly nobody who is not employed by the mining operations has to come under the training that this requires of new miners. And brand new miners, must under this substitute amendment must get only that reduced amount of training, 6 hours before they go into the mine, with the balance of the statutory amount of training spread over a period of 6 months. And no training at all for customers. That is the current practice. If your brother is a customer he does not have to be trained right now, if he is just hauling away.

Mr. JEPSEN. Out in Iowa, Senator, just from March 9, 1978, to March 9, 1979, reveals that Iowa limestone-producing members, at least 35, have provided MSHA with signed releases in keeping with the Privacy Act of 1974, requesting that copies of all citations be forwarded to the ILPA office. Based on information supplied to ILPA by MSHA during the past year:

First, 44 producers have been inspected a total of 102 times;

Second, 46 additional follow-up visits have resulted; and

Third, from these inspections a total of 306 citations have been issued.

Today there are 30 mine inspectors for the State of Iowa, 20 of them working. That is an average of 1 inspector for every 100 employees. There is not any business, manufacturing, construction, agriculture or any other industry, that comes proportionally close to this figure, and yet, the ironical part is that the occupational injury rate for mining in Iowa is much better than the rate for manufacturing, construction, or agriculture.

All we, the proponents are asking in this amendment is just the beginning. It it not enough, to just scratch the surface. The proponents of this amendment are asking for these people to be left alone to make a profit, in order to continue to stay in business. I repeat these people are third and fourth generations, and there is not anybody in Washington, D.C. bureaucracy who knows as much about their business as they do.

Mr. DOMENICI. Mr. President, will the Senator yield to the Senator from New Mexico for an observation?

Mr. JEPSEN. Yes, if the Senator will allow me a few more seconds.

Mr. DOMENICI. Certainly.

Mr. President, I rise in support of the amendment of the Senator from Arkansas.

There is no question that the Mine Safety and Health Administration has gone far beyond the mandate of the Congress in its enabling legislation.

It presents a classic case of over-regulation and proliferation of forms and notices. The industry has been subjected to often unnecessary waste of manhours at enormous cost for no apparent reason.

Most of the firms affected have established strong safety records and are predominately small businesses which are crippled by the costs required for compliance.

This amendment is a first step in forcing MSHA to recognize the boundaries for its actions established by the Congress. Apparently the misnomer that hyperactivity, statistically a large number of fines, and a stream of regulations is the way for regulatory agencies to justify themselves. The time has come to give the squeaky wheel the ax rather than more oil.

Again I stress that the paring of MSHA's jurisdiction does not affect hazardous industries or activities. It is meant to force MSHA to revert to the role for which it was established and to become more cost efficient. It was meant to constructively contribute in the productivity of this country by promoting reduction in manhours lost. Its benefit in some cases has been wiped out by its requirements; the cure being worse than the symptom.

Mr. President, I fully endorse the restriction in enforcing training regulations as they apply to shale dredging, sand, gravel, limestone, surface clay, and colloidal phosphate mining as being enormously expensive with negligible effect. I urge its speedy adoption.

I am here today, and I am going to predict that exactly the same thing is going to happen to this law that happened to OSHA.

When I first came to this Senate almost 7 years ago I was sitting over here, and I remember the distinguished Senator from Colorado, Peter Dominick, getting up and on an appropriations bill trying to limit OSHA. I sat there and said, "What in the world is Senator Dominick limiting OSHA for in an appropriations bill?"

Well, I remember the good Senator from New Jersey got up and said, "Senator, if you do not put this amendment of OSHA here on the appropriations bill, we will have some oversight hearings and we will take care of the abuses." That was 7 years ago.

Well, the good Senator from Colorado pulled the amendment. We appropriated, and next year came up. I sat behind him again, and an appropriation bill came up, and I said, "What in the world is happening?" He said that OSHA cannot enforce its law against—and he put somebody in there. Senator MAGNUSON's predecessor, Senator McClellan, stood up and said, "Why do we have to draw laws, legislation, on appropriation bills?"

The Senator from New Jersey got up and said, "If you will take that amendment down, we will have oversight hearings on this OSHA bill."

Finally, the Senate got fed up and they passed a limitation here on OSHA in an appropriation bill because America got fed up with overregulation by OSHA, overextending itself, saying that you have got to have two restrooms in a little tiny grocery store with two people, and on and on.

I am not here to offer that kind of restrictive amendment on this law. But I predict, from what I have heard in the field, that it is coming. If you do not get this agency in before this committee and find out whether they are trying to prove they are the best finers in America, we are going to be putting limitations on them right here in appropriation bills because they walk into mines now and it looks like they are trying to prove that they can issue more fines than the next team down the road that is looking at another mine.

In fact, I am convinced that you could get them in and prove the following: They wanted this law because they said the Department of the Interior does not fine enough people, and I am convinced that they are going to prove to us that they can fine enough people, collect enough money in fines, to prove their existence, and I will bet you if we got them before a committee we could prove that they are on a path to pay their way by fining miners in America who are doing little or nothing wrong.

In my State, Senator, the miners, not the management, but the miners, in the potash mines, where there is no danger, are telling this Senator, "Get them off our backs. They are making us pay a fine for a little light bulb because they say there is nothing in this book that says we can exempt you." So it is a little light bulb, and it is $10, and the miners are telling that, not the management.

They walk down these little pathways and they fine them because they measure something and they say, "The rule book says 18 inches and it is 14," and the miner said, "It has been 14 inches forever, and it does not hurt anybody." But they walk out and they say, "The regulation says you have got to be fined first time through."

Now, the reason I am taking the floor is because I believe the American people are kind of fed up to here. They like America, but they do not like their Government, as Senator WENDELL FORD said the other day. This is part of it. I merely urge, in all respect, that the committee which has jurisdiction seriously tell them that we do not want them to prove their existence by fining people; that we want regulations that are sensible, and if they need to change the law have them change it, because if they are doing it in my State, they are doing it in every State in the Union.

I was on the floor when this law was passed, and what we really were trying to get at—and I say to my good friend from Iowa we were not trying to get at people who were in the sand and gravel business—what we were trying to get at was the dangerous deep coal mines of America that did not have adequate protection. Many of us voted for that law right here on the floor after we tried to get some exemptions and failed by three or four votes. We said, "Deep coal mines are dangerous. Pass this law."

Now we have got them out there spending all this money worrying about sand and gravel pits in New Mexico, worrying about potash mines where there has not been any accident at all, but it comes under their jurisdiction, fining them for first offenses. It does not make any difference at all, just fine, citation. "How much can we collect?" And that is why I came down here.

This amendment does not cure these evils, but I support it. Get them out from under them. If anything makes any sense I am for it, but we ought to make this point. If we do not want to legislate on appropriation bills—and Senator MAGNUSON does not like it—we had better get on this agency and make sure they are becoming sensible.

Mr. JEPSEN. Just for the record—I know I used a personal instance but I want you all here to know that—I have worked in a limestone pit, and I have many friends who have sand quarries, and so on, and I do know a lot about the business and a lot about their problem situations.

What I said was all true. But let us pretend maybe there is a question of credibility since you do not think they told my brother he had to take a driver's test to pick up sand, or that they did not cite my brother because it was so ridiculous. I assure you that in order to comply with what the inspector had told and advised my brother, before he could drive his truck down the pit, he did have to take 4 hours of driver's training. They were friends, and I will tell you what my brother would have told him he could do with his gravel pit. But let us go and see what was testified to here before the House Subcommittee on Health and Safety in 1979.

When you talk about these people watching what they were doing, listen to this:

> We were cited for not having a guard on a V-Belt which is at the very top of our plant. It is some 70 feet above the ground and can only be reached by ladder. My point is that it is so located that one of our employees cannot accidentally be caught in it. The only reason we have access to it is for maintenance purposes and, to perform maintenance, the equipment is shut off.
>
> We think, if an operator can show that the probability of an accident is reasonably low, the inspector should have the discretion not to write the citation. In most dealings with government agencies, MSHA included,

government officials answer our complaints by saying "It's the law." Whether the law makes sense is of no importance. We should focus our efforts to have these regulations serve as guidelines for inspectors and allow judgments to be based on common sense. All too often these rules serve as a crutch and relieve (or prevent) the inspector of any responsible decision.

We are consistently cited for scaling violations. In many instances we are cited for areas of the mine which have been inspected for years and have not received a citation. In one particular instance, we received a citation in general. No specific area was mentioned. In talking with our foreman, he said we had done more scaling in six months than the last two years—and MSHA wants us to do more. To accomplish more scaling, we would have to add two more men and provide them with a cherry picker.

Regulations pertaining to scaling are very subjective. We feel that you could quit producing, put all your men onto scaling, and the inspector will still find scaling problems. To remedy this, I would like to see an exemption of fines on scaling citations. Let us do what we think is reasonable; and if MSHA disagrees, then specifically show us. If we don't get relief in this area, we will always receive a citation, resulting in fines.

We were cited for our berms not being sufficiently high. The regulations say, "Berms, bumper blocks . . . shall be provided to prevent overtravel and overturning at dumping locations."

The inspector said the berm had to be "axle high." At this particular point, the Euclid is backing up very slowly on almost level ground. To go over the berm would take an intentional effort. Even if a man intentionally ran it over the berm, due to the vast weight of the stone and Euclid, the truck would fall flat on its underbelly and be stuck on the berm. The point is that the inspector made up his own standard, to prevent an accident which we think is beyond a reasonable probability.

We were cited for a self-rescuer which had a broken seal. This regulation is a good example of a rule that should not pertain to underground limestone. Our mine has never failed an air quality test. This, I believe, would probably be true for most limestone mines. Due to our method of mining, we have tremendous room sizes, which vary from 25 x 25 x 25 to 50 x 50 x 20. Also, our mine is classified as nongaseous.

True, we are underground, but our roads and work areas are so big that a self-rescuer is not needed. We should work to have our industry exempted from being required to keep these devices, which must be inspected monthly, cost about $4.00 per rescuer, and offer nothing in terms of helping a miner in an underground emergency. Incidentally, I talked to an ex-inspector who said self-rescuers in underground limestone mines are ridiculous, "but it is still the law."

We were fined for not having a fire extinguisher at our refueling area. We agree this was wrong. However, the inspector said that the extinguisher had to be placed in the middle of all the barrels of fuel. If I were refueling my truck next to all those barrels of fuel and a fire started, the last place I would go to get a fire extinguisher is in the center of those barrels. Incidentally, each unit of mobile equipment has its own extinguisher.

We were cited for using our front-end loader to pull a scraper (used to keep haul roads clean) to jump start it. The inspector's report said that it was probable, if a man were between the two pieces of equipment, he would be seriously hurt. I agree. However, that was not the case. There was a man on the loader and a man on the scraper; no one between the two. The ground was level and the brakes on both machines worked. 57.9-2 says, "Equipment defects affecting safety shall be corrected before the equipment is used." Because a starter is not working does not affect the ability of the machine to be handled safely, especially with the conditions described above.

In instances, we have been cited for not having proper bushing fittings, or not having cover plates on. These citations we will not argue over. But the citations which are subjective or where the inspector knows the condition is safe, but cites us anyway because the regulations call for it, we are against.

There are four or five pages of examples of this type of thing. This is the type of thing we are addressing ourselves to. Hopefully during this session of Congress, I and others will introduce legislation which will provide that any governmental agency that issues citations or brings an action against a business, and the business elects to take them to court and prevails, the Government agency has to pay for it, and pay for it out of its budget, not out of a special fund. Maybe that will keep them from developing some of these over-efficient bird-hatching types of requirements that they put on the people out there in real life, working for a living, paying the bills, taking care of their kids, and obeying the law.

I yield to the Senator from Arkansas.

Mr. PRYOR. Mr. President, I appreciate the Senator's yielding. I would like to say to my colleagues that as a cosponsor I rise in support of the amendment of Senator BUMPERS, Senator WALLOP, and others. And notwithstanding the remarks of the distinguished chairman of the Labor and Human Resources Committee, the Senator from New Jersey, I would like to state that the Federal Mine Safety and Health Amendments Act of 1977 as presently on the statute books represents a piece of legislation that was well-meaning and whose purpose was good; however, in implementing these amendments, the Mine Health and Safety Administration has been an agency which has overstepped its bounds.

Its regulations are confusing; there is a duplication of jurisdiction between OSHA and MSHA. Today people who are operating small facilities like gravel pits, limestone quarries, and other such facilities do not know what the regulations are and are being harassed day after day by people who come in from district offices and attempt to regulate, not knowing the full impact of the regulations and having very little concern for the day-to-day activities and the day-to-day plight of these particular businesses.

I would also like to respond to one of the statements of the chairman that the "industry" supported this particular legislation at its inception. I would like to respectfully say to my distinguished friend, who is certainly one of the men I admire greatly in this body, that not all of the people who are involved in sand and gravel operations, in limestone quarries, or other such businesses are members of the "industry."

These are small mom-and-pop operations, many of them. They are, as Senator BUMPERS so eloquently stated and Senator WALLOP confirmed, often in people's backyards. We feel that today people involved in these particular businesses should be exempt from regulation which is burdensome, which is overlapping, which is duplicative, and which is certainly, we feel, very destructive to the free enterprise system.

The PRESIDING OFFICER. Who yields time? The question is on agreeing to the amendment of the Senator from Arkansas.

Mr. WALLOP. Mr. President, I wonder if we could have a quorum call while I find Senator BUMPERS. I am sure he would want to make a closing statement.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I just want to make a few final points with my colleagues.

This substitute is just a rearrangement of chairs. It has no substance. The law as it is presently constituted says employees will get 8 hours of pre-employment training and 16 hours within the next 60 days. The substitute says instead of getting 8 hours of pre-employment training, they are going to get 6 hours of pre-employment training, 2 hours less than the law currently requires, and the other 18 hours they can get somewhere down the pike.

Mr. President, we are talking about an economic burden on a group of people that are literally being discriminated against. Some are already suffering under OSHA. Now we are subjecting them to MSHA. There is a tremendous overlap involved.

Mr. WILLIAMS. Please, let us not get confused here.

Mr. BUMPERS. Senator, will you agree that there are overlapping jurisdictions in much of the mining industry between OSHA and MSHA?

Mr. WILLIAMS. The answer is, that there should be no overlapping of jurisdiction between MSHA and OSHA.

Mr. BUMPERS. Let us get down to the kitty litter operation down in Tennessee.

Mr. WILLIAMS. That kitty litter operation again. The Senator knows more about kitty litter than I do, but I am told here the kitty litter has something to do with clay, and clay mining will be included in the amendment either way we go.

Mr. BUMPERS. It is not going to be included if my amendment does not pass.

Mr. WILLIAMS. Every type of mining dealt with in your amendment is dealt with in the substitute.

Mr. BUMPERS. Pardon?

Mr. WILLIAMS. Everything that is in your amendment is in the substitute.

Mr. BUMPERS. Oh, yes, but my amendment eliminates the 24-hour training period for people not in the coal industry.

Let me make that point clear to my dear colleagues: We are not talking about the people who go down in the bowels of the Earth to mine coal. We are not even talking about surface mining of coal. We are talking about colloidal phosphate, sand and gravel, shell dredging. The statistics the Senator from New Jersey gave earlier about injuries and fatalities included the whole waterfront, not just the industries covered by my amendment.

But to get back to kitty litter, MSHA has taken the position that the 250 people who work in the mill—not in mining, but in the mill—are covered by their regulations, and everybody who works in that mill will have to get 24 hours of training. That is the part that is outrageous about this whole thing, and that is the reason for my amendment.

If my amendment fails, that industry in Tennessee will be subjected to OSHA and MSHA, and that is just one isolated case. If you would conduct a survey, you would find there were thousands of them. There are thousands of operators in this country in the sand and gravel business, 3,000 of which have less than five employees. There is a man in California who has been hauled into court and been forced to put up thousands of dollars in legal fees fighting efforts to force him to provide safety standards. You know how many employees he has? Two. Do you know who they are? He and his wife.

That is what I am trying to eliminate. And bear in mind that the preemployment training of 24 hours, or 8 hours and later 16 hours, is not just for people in hazardous occupations. That is for the water carriers, the wheelbarrow pushers, the common laborers—the whole smear.

I have found that it is a lot easier to vote for bills that affect the State of Oregon, if they do not adversely affect Arkansas. I found when I come in here and the floor manager says, "This is just a little old bill that does something to New Jersey and does not amount to anything." "Aye." But what happens when they put something on my desk as I have put on the desks of other Senators, to show how important these industries are in the States, and tell you without equivocation or refutation that it will cost these operators and the American people $139 million the first year? I cannot believe some of the things we do here, but I can believe President Carter when he talks about the alienation of the people in this country, and I run across something like this. I can certainly understand it a lot better than I did before.

Look at this chart and see if those seven industries are important to your State and how they are important.

I remind Senators that this substitute amendment is no substitute at all. As I say, it is just kind of rearranging the deck chairs on the *Titanic*, from 8 hours on the front end to 6 hours, with the other 16 coming on down the pike.

Bear in mind that 56 percent of the employees in this industry do not even stay a year. It is a very high turnover industry. It is an industry that affords employment for a lot of small operators in the country.

We come in here and cavalierly, almost without debate, impose tremendous economic burdens on them. I promise Senators we are legislating a lot of people out of business unless we pass this amendment.

If I thought I had a prayer, my amendment would be a lot more stringent than it is. I have only hit what I think to be the most outrageous part of the whole thing. I urge my colleagues to support my amendment and give relief to small business. Everybody goes to the Independent Association of Small Business and says, "I have a 70 percent voting record with small business, and I always vote for small business." But here is a chance to pick up some good Brownie points.

Mr. SASSER. Will the Senator yield me 3 minutes?

Mr. BUMPERS. Yes.

Mr. WILLIAMS. Will the Senator withhold that while I put something into the Record?

Mr. SASSER. I yield.

Mr. WILLIAMS. It has been suggested that there has been an overlap between MSHA and OSHA. The law instructs the Secretary to avoid overlaps between MSHA and OSHA, and the Secretary has tried to work out any differences to the extent possible, in advance so people know where they stand. I ask unanimous consent to have printed in the Record nine pages which spell out clearly there is no overlap. It is the agreement between MSHA and OSHA, and it sets out the jurisdictions. It goes through a series of operations, and then has the rather remarkable heading which reflects what has been worked out between OSHA and MSHA. It says "MHSA Authority Ends and OSHA Authority Begins." There is no overlap and it is all worked out. I think it should be in the Record.

There being no objection, the information was ordered to be printed in the Record, as follows:

Interagency Agreement

The Mine Safety and Health Administration (MSHA), U.S. Department of Labor, and the Occupational Safety and Health Administration (OSHA), U.S. Department of Labor, have entered into this agreement to delineate certain areas of authority, set forth factors regarding determinations relating to convenience of administration, provide a procedure for determining general jurisdictional questions, and provide for coordination between MSHA and OSHA in all areas of mutual interest.

A. Authority and principle:

1. The Federal Mine Safety and Health Act of 1977, Pub. L. 91-173 as amended by Pub. L. 95-164 (Mine Act), authorizes the Secretary of Labor to promulgate and enforce safety and health standards regarding working conditions of employees engaged in underground and surface mineral extraction (mining), related operations, and preparation and milling of the minerals extracted.

2. The Occupational Safety and Health Act of 1970 (OSH Act) gives the Secretary of Labor authority over all working conditions of employees engaged in business affecting commerce except those conditions with respect to which other Federal agencies exercise statutory authority to prescribe or enforce regulations affecting occupational safety or health. The OSH Act also provides that States may operate their own occupational safety and health programs under a plan approved by the Secretary.

3. This agreement is entered into to set forth the general principle and specific procedures which will guide MSHA and OSHA. The agreement will also serve as guidance to employers and employees in the affected industries in determining the jurisdiction of the two statutes involved. The general principle is that as to unsafe and unhealthful working conditions on mine sites and in milling operations, the Secretary will apply the provisions of the Mine Act and standards promulgated thereunder to eliminate those conditions. However, where the provisions of the Mine Act either do not cover or do not otherwise apply to occupational safety and health hazards on mine or mill sites (e.g., hospitals on mine sites) or where there is statutory coverage under the Mine Act but there exist no MSHA standards applicable to particular working conditions on such sites, then the OSH Act will be applied to those working conditions. Also, if an employer has control of the working conditions on the mine site or milling operation and such employer is neither a mine operator nor an independent contractor subject to the Mine Act, the OSH Act may be applied to such an employer where the application of the OSH Act would, in such a case, provide a more effective remedy than citing a mine operator or an independent contractor subject to the Mine Act who does not, in such circumstances, have direct control over the working conditions.

B. Clarification of authority:

1. Section 4 of the Mine Act gives MSHA jurisdiction over each coal or other mine and each operator of such mine. Section 3(d) defines "operator" and includes in that definition independent contractors performing construction at mines.

2. Section 3(h)(1) of the Mine Act gives MSHA jurisdiction over lands, structures, facilities, equipment, and other property used in, to be used in, or resulting from mineral extraction or used in or to be used in mineral milling. This includes the authority to regulate the construction of such facilities, structures and other property. Further, Section 3(h)(1) directs the Secretary of Labor, in making a determination of what constitutes mineral milling, to give due consideration to the convenience of administration resultin from the delegation to one Assistant Secretary of all authority with respect to the health and safety of miners employed at one physical establishment.

3. Appendix A provides more detailed descriptions of the kinds of operations included in mining and milling and the kinds of ancillary operations over which OSHA has authority. Notwithstanding the clarification of authority provided by Appendix A, there will remain areas of uncertainty regarding the application of the Mine Act, especially in operations near the termination of the milling cycle and the beginning of the manufacturing cycle.

4. Under section 3(h)(1), the scope of the term milling may be expanded to apply to mineral product manufacturing processes where these processes are related, technologically or geographically, to milling. Or, the term milling may be narrowed to exclude from the scope of the term processes listed in Appendix A where such processes are unrelated, technologically, or geographically, to mineral milling. Determinations shall be made by agreements between MSHA and OSHA.

5. The following factors, among others, shall be considered in making determinations of what constitutes mineral milling under section 3(h)(1) and whether a physical establishment is subject to either authority by MSHA or OSHA: the processes conducted at the facility, the relation of all processes at the facility to each other, the number of individuals employed in each process, and the expertise and enforcement capability of each agency with respect to the safety and health hazards associated with all the processes conducted at the facility. The consid-

eration of these factors will reflect Congress' intention that doubts be resolved in favor of inclusion of a facility within the coverage of the Mine Act.

6. Pursuant to the authority in section 3(h)(1) to determine what constitutes mineral milling considering convenience of administration, the following jurisdictional determinations are made:

a. MSHA jurisdiction includes salt processing facilities on mine property; electrolytic plants where the plants are an integral part of milling operations; stone cutting and stone sawing operations on mine property where such operations do not occur in a stone polishing or finishing plant; and alumina and cement plants.

b. OSHA jurisdiction includes the following, whether or not located on mine property: brick, clay pipe and refractory plants; ceramic plants; fertilizer product operations; concrete batch, asphalt batch, and hot mix plants; smelters and refineries. OSHA jurisdiction also includes salt and cement distribution terminals not located on mine property, and milling operations associated with gypsum board plants not located on mine property.

7. "Borrow pits" are subject to OSHA jurisdiction except those borrow pits located on mine property or related to mining. (For example, a borrow pit used to build a road or construct a surface facility on mine property is subject to MSHA jurisdiction.) "Borrow pit" means an area of land where the overburden, consisting of unconsolidated rock, glacial debris, or other earth material overlying bedrock is extracted from the surface. Extraction occurs on a one-time only basis or only intermittently as need occurs, for use as fill materials by the extracting party in the form in which it is extracted. No milling is involved, except for the use of a scalping screen to remove large rocks, wood and trash. The material is used by the extracting party more for its bulk than its intrinsic qualities on land which is relatively near the borrow pit.

8. When any question of jurisdiction between MSHA and OSHA arises, the appropriate MSHA District Manager and OSHA Regional Administrator or OSHA State Designee in those States with approved plans shall attempt to resolve it at the local level in accordance with this Memorandum and existing law and policy. Jurisdictional questions that can not be decided at the local level shall be promptly transmitted to the respective National Offices which will attempt to resolve the matter. If unresolved, the matter shall be referred to the Secretary of Labor for decision.

C. Enforcement procedures:

In the interest of administrative convenience and the efficient use of resources the agencies agree to the following enforcement procedures:

1. When OSHA receives information concerning unsafe or unhealthful working conditions in an area for which MSHA has authority for employee safety and health, OSHA will forward that information to MSHA.

2. When MSHA receives information regarding a possible unsafe or unhealthful condition in an area for which MSHA has authority and determines that such a condition exists but that none of the Mine Act's provisions with respect to imminent danger authority or any enforceable standards issued thereunder provide an appropriate remedy, then MSHA will refer the matter to OSHA for appropriate action under the authority of the OSH Act.

3. When MSHA receives information regarding unsafe or unhealthful working conditions in an area for which OSHA has authority for employee safety and health, MSHA will forward that information to OSHA for appropriate action.

4. Each agency agrees to notify the other of the disposition of enforcement matters forwarded to it for appropriate action.

5. OSHA will not conduct general inspections of mine or mill sites except with respect to those areas set forth in this Agreement and its Appendix A.

D. Interagency coordination:

1. The Office of Legislative and Interagency Affairs in OSHA and the Office of the Assistant Secretary in MSHA shall serve as liaison points to facilitate communication and cooperation.

2. MSHA and OSHA will endeavor to develop compatible safety and health standards, regulations, and policies with respect to the mutual goals of the two organizations including joint rulemaking, where appropriate. This interagency coordination may also include cooperative training, shared use of facilities, and technical assistance.

E. Subagreements:

Subagreements to accomplish the purposes set by this agreement may be developed and modified, as deemed necessary, by OSHA and MSHA. Such subagreements will include specific provisions for detailing the coordination between the agencies.

F. Period of agreement:

This Interagency Agreement shall continue in effect unless modified or terminated by mutual consent of both parties or terminated by either party upon thirty (30) days advance written notice to the other and approved by the Secretary in either case.

This agreement will become effective on the date of the last signature and it supersedes the Memorandum of Understanding between OSHA and MESA.

Appendix A

DEFINITIONS

"Coal or other mine" is defined in the Mine Act as:

"(A) an area of land from which minerals are extracted in nonliquid form or, if in liquid form, are extracted with workers undeground, (B) private ways and roads appurtenant to such area, and (C) lands, excavations, underground passageways, shafts, slopes, tunnels and workings, structures, facilities, equipment, machines, tools, or other property including impoundments, retention dams, and tailings ponds, on the surface or underground, used in, or to be used in, or resulting from, the work of extracting such minerals from their natural deposits in nonliquid form, or if in liquid form with workers underground, or used in, or to be used in, the milling of such minerals, or the work of preparing coal or other minerals, and includes custom coal preparation facilities."

"Miner" is defined in the Mine Act as:

"Any individual working in a coal or other mine."

"Operator" is defined in the Mine Act as:

"Any owner, lessee, or other person who operates, controls, or supervises a coal or other mine or any independent contractor performing services or construction at such mine."

"Mining and Milling":

Mining has been defined as the science, technique, and business of mineral discovery and exploitation. It entails such work as directed to the severence of minerals from the natural deposits by methods of underground excavations, opencast work, quarrying, hydraulicking and alluvial dredging. Minerals so excavated usually require upgrading processes to effect a separation of the valuable minerals from the gangue constituents of the material mined. This latter process is usually termed "milling" and is made up of numerous procedures which are accomplished with and through many types of equipment and techniques.

Milling is the art of treating the crude crust of the earth to produce therefrom the primary consumer derivatives. The essential operation in all such processes is separation of one or more valuable desired constituents of the crude from the undesired contaminants with which it is associated.

A crude is any mixture of minerals in the form in which it occurs in the earth's crust. An ore is a solid crude containing valuable constituents in such amounts as to constitute a promise of possible profit in extraction, treatment, and sale. The valuable constituents of an ore are ordinarily called valuable minerals, or often just minerals; the associated worthless material is called gangue.

In some ores the mineral is in the chemical state in which it is desired by primary consumers, e.g., graphite, sulphur, asbestos, talc, garnet. In fact, this is true of the majority of nonmetallic minerals. In metallic ores however, the valuable minerals in their natural state are rarely the product desired by the consumer, and chemical treatment of such minerals is a necessary step in the process of beneficiation. The end products are usually the result of concentration by the methods of ore dressing (milling) followed by further concentration through metallurgical processes. The valuable produce of the oredressing treatment is called Concentrate; the discarded waste is Tailing.*

SPECIFIC EXAMPLES OF MSHA AUTHORITY

Mining-MSHA:

Following is a list indicating mining operations and minerals for which MSHA has authority to regulate.

Mining operations;
Underground mining;
Open pit mining;
Quarrying;
Solution mining (Precipitate & Leaching);
Dredging (When the primary purpose of the dredging operation is to recover metal or nonmetallic minerals for milling and/or sale or use);
Hydraulicking;
Ponds—brine evaporation; and
Auger Mining.

Minerals: Coal.

Metals:

(Included but not limited to)

Alumina, antimony, bauxite, beryl, bismuth, chrome, cobalt, copper, gold, iron, lead, manganese, mercury, molybdenum, nickel, rare earths, silver, titanium, tungsten, uranium, vanadium, zinc, zirconium.

Nonmetals:

(Inducled but not limited to)

Abrasives, aplite, asbestos, barite, baron, bromine, calcium chloride, clay, mica, mineral pigments, oil shale, peat, perlite, potash, pumice, potash rock, diatomite, feldspar, fluorspar, gilsonite, graphite, gypsum, kyanite, magnesite, salt, shale, sodium compounds, sulfur, talc, soapstone, and pyrophyllite, vermiculite, wollastonite.

Subgroups of nonmetals: (Sand and Gravel, and Crushed and Dimsension Stone Industries): Sand, Gravel, Cement, Gabbro, Gneiss, Lime, Limestone, Marble, Native Asphalt (impregnated stone and sand), Quartizite, Schist, Slate, and Taprock or Diabase.

Milling—MSHA authority: Following is a list with general definitions of milling processes for which MSHA has authority to regulate subject to Paragraph B6 of the Agreement. Milling consists of one or more of the following processes: crushing, grinding, pulverizing, sizing, concentrating, washing, drying, roasting, pelletizing, sintering, evaporating, calcining, kiln treatment, sawing and cutting stone, heat expansion, retorting (mercury), leaching, and briquetting.

Crushing: Crushing is the process used to reduce the size of mined materials into smaller, relatively coarse particles. Crushing may be done in one or more stages, usually preparatory for the sequential stage of grinding, when concentration of ore is involved.

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*Preface, p.v., Handbook of Mineral Dressing. Authur P. Taggart, Second Printing, March 1947, John Wiley and Sons, Inc.

Grinding: Grinding is the process of reducing the size of a mined product into relatively fine particles.

Pulverizing: Pulverizing is the process whereby mined products are reduced to fine particles, such as to dust or powder size.

Sizing: Sizing is the process of separating particles of mixed sizes into groups of particles of all the same size, or into groups in which particles range between maximum and minimum sizes.

Concentrating: Concentrating is the process of separating and accumulating economic minerals from gangue, or the upgrading of ore or minerals.

Washing: Washing is the process of cleaning mineral products by the buoyant action of flowing water.

Drying: Drying is the process of removing uncombined water from mineral products, ores, or concentrates, for example, by the application of heat, in air-actuated vacuum type filters, or by pressure type equipment.

Roasting: Roasting is the process of applying heat to mineral products to change their physical or chemical qualities for the purpose of improving their amenability to other milling processes.

Pelletizing: Pelletizing is the process in which finely divided material is rolled in a drum, cone, or on an inclined disk so that the particles cling together and roll up into small spherical pellets. This process is applicable to milling only when accomplished in relation to, and as an integral part of, other milling processes.

Sintering: Sintering is the process of agglomerating small particles to form larger particles, cakes or masses, usually by bringing together constituents through the application of heat at temperatures below the melting point.

This process is applicable to milling only when accomplished in relation to, and as an integral part of, other milling processes.

Evaporating: Evaporating is the process of upgrading or concentrating soluble salts from naturally occurring, or other brines, by causing uncombined water to be removed by application of solar or other heat.

Calcining: Calcining is the process of applying heat to mineral materials to upgrade them by driving off volatile chemically combined components and effecting physical changes.

This process is applicable to milling only when accomplished in relation to, and as an integral part of, other milling processes.

Kiln Treatment: Kiln Treatment is the process of roasting, calcining, drying, evaporating, and otherwise upgrading mineral products through the application of heat.

This process is applicable to milling only when accomplished in relation to, and as an integral part of, other milling processes.

Sawing and Cutting Stone: Sawing and cutting stone is the process of reducing quarried stone to smaller sizes at the quarry site when the sawing and cutting is not associated with polishing or finishing.

Heat Expansion: Heat expansion is a process for upgrading material by sudden heating of the substance in a rotary kiln or sinter hearth to cause the material to bloat or expand to produce a lighter material per unit of volume.

Retorting: Retorting is a process usually performed at certain mine sites, and is accomplished by heating the crushed material in a closed retort to volatilize the metal, matterial or hydrocarbon which is then condensed and recovered as upgraded metal, material or hydrocarbon.

Leaching: Leaching is the process by which a soluble metallic compound is removed from a mineral by selectively dissolving it in a suitable solvent, such as water, sulfuric acid, hydrocholoric acid, cyanide, or other solvent, to make the compound amenable to further milling processes.

Briquetting: Briquetting is a process by which iron ore, or other pulverized mineral commodities, are bound together into briquettes, under pressure, with or without a binding agent, and thus made conveniently available for further processing.

MSHA AUTHORITY ENDS—OSHA AUTHORITY BEGINS

Subject to Paragraph B.5. of the Agreement, the following are types of operations which may be on or contiguous to mining and/or milling operations listed above, over which MSHA does not have authority to prescribe and enforce employee safety and health standards, and over which OSHA has full authority, under the Act, to prescribe and enforce safety and health standards regarding working conditions of employees.

OSHA regulatory authority commences as indicated in the following types of operations:

Gypsum Board Plant: If the plant is located on mine property, commences at the point when milling, as defined, is completed, and the gypsum and other materials are combined to enter the sequential processes necessary to produce gypsum board. If not located on mine property, OSHA has authority over entire plant.

Brick, Clay Pipe and Refractory Plants: Commences after arrival of raw materials at the plant stockpile.

Ceramic Plant: Commences after arrival of the clay and other additives at the plant stockpile.

Fertilizer Products: Commences at the point when milling, as defined, is completed, and two or more raw materials are combined to produce another product. Note that a "kiln", as it relates to these products for roasting and drying, is considered to be within the scope of the milling definition.

Asphalt-Mixing Plant: Commences after arrival of sand and gravel at the plant stockpile.

Concrete Ready-Mix or Batch Plants: Commences after arrival of sand and gravel at the plant stockpile.

Custom Stone Finishing: Commences at the point when milling, as defined, is completed, and the stone is polished, engraved, or otherwise processed to obtain a finished product and includes sawing and cutting when associated with polishing and finishing.

Smelting: Commences at the point where milling, as defined, is completed, and metallic ores or concentrates are blended with other materials and are thermally processed to produce metal.

Electrowinning: Commences at the point where milling, as defined, is completed, and metals are recovered by means of electrochemical processes.

Salt and cement distribution terminals not located on mine properly.

Refining: Commences at the point where milling, as defined, is completed, and material enters the sequential processes to produce a product of higher purity.

Mr. BUMPERS. Is there any pending legislation in the Senate or before the Senator's committee that regulates or provides safety and health standards for Sears, Roebuck, Woodies, or Hechts? Their accident rates are a lot higher than the industries I am exempting. Are we going to do anything to them?

Mr. WILLIAMS. They are fully covered under the legislation colloguially called OSHA.

Mr. BUMPERS. It must not be working too well because these people have not been covered in the past so the general merchandise stores in the country have an accident rate well above the sand and gravel industry, the stone industry, and well above all seven of these industries I am trying to exempt. But they are not going to spend any $130 million a year on health and safety standards.

I will say what happened to the businesses I am talking about. The industries that I am exempting were previously under the jurisdiction of the Interior Department. From 1972 to 1977, in the sand and gravel industry the accident rate for disabling injuries per million man-hours dropped from 1972, when it was a rate of 15.55, to a 1970 rate of 10.20, almost a 30 percent reduction in the sand and gravel industry in 5 years. MSHA took over in 1977 and the rate is now back up to 15.55, where it was in 1972.

Does the Senator want me to go on? Here is what has happened in the crushed stone industry: In 1973 it had a disabling injury rate of 20.60 injuries per million man-hours. That dropped all the way down to 16.69, about a 25 percent reduction, in 1977, and in 1978 when MSHA took over the rate went back to 21.05.

Talk about trying to fix something that is not broke and that is what MSHA is doing.

Mr. JOHNSTON. Vote.

Mr. BUMPERS. Mr. President, I am ready to vote. I did promise to yield to the Senator from Tennessee.

Mr. SASSER. Mr. President, I rise in opposition to the substitute amendment. When I heard the distinguished Senator from Arkansas raise the flag for kitty litter a moment ago that struck a responsive chord with me. We had a situation in western Tennessee where a small businessman in the business of manufacturing kitty litter called my office and indicated that employees in his factory were being required to take mine safety training at company expense although these employees never approached the clay mines where the raw material came from.

I was upset and I wrote a rather strong letter to the Mine Health and Safety Administration asking for an explanation. I must confess, Mr. President, that the reporters and editorial writers in my State had a field day with this one. The headlines were reading, "Sasser Boxed In by Kitty Litter." Others were saying, "If something is not done, kitty litter will go as high as hair on a cat's back."

Well, it is funny and I got a number of laughs out of it myself. But I tell this story, Mr. President, to indicate some of the things that are going on here. In other words, a small businessman, whose employees never approach the mines, is being required to subsidize mine safety training for employees who are not miners and, therefore, do not go near the mines.

For that reason, I join the distinguished Senator from Arkansas in opposition to the substitute.

● Mr. DOLE. Mr. President, the Senator from Kansas would like to speak in favor of the amendment offered by my colleague from Arkansas, Senator BUMPERS. Once again, under current law of the Mine Safety and Health Act, small businesses are burdened with extra costs because of regulations that are not relevant. This amendment is not an attempt to slowly chip away at MSHA's effectiveness by exempting a particular business segment here and there. I support MSHA in its efforts to assure the safety of miners across the country. However, we are talking about a select segment of small businesses that deal with resources that come from the surface, that is very different from the larger tunnel mine and strip mining corporations which employ hundreds of personnel and where the training requirements are helpful and can potentially save many lives. As the record shows there has not been a single fatality in this industry's surface mines.

From letters I have received from small concrete and gravel companies, I have learned they have spent thousands of dollars in an effort to adhere to MSHA's regulations that are costly and unnecessary. The Senator from Kansas believes this needless expense in complying with MSHA rules and regulations serves only to create negative feelings.

Mr. President, we have the opportunity to help the small businessman realize that Government is not the enemy, but instead an effort to provide a safe and healthy work place for all parties involved. This amendment is a clarifying effort which does only good and, hopefully, will clear some of the confusion in MSHA's role toward small business.●

● Mr. SIMPSON. Mr. President, I speak in support of Senator Bumper's amendment to restrict the use of funds to carry out Mine Safety and Health Administration training programs for sand, gravel, and crushed stone operations.

The sand, gravel, and crushed stone operations throughout the Nation are faced with oppressive and senseless requirements as a result of being transferred from the jurisdiction of the Occupational Safety and Health Administration to the Mine Safety and Health Administration. Since I entered the Senate in January, many sand and gravel operators in Wyoming have documented for me the particular and grotesque problems they face in complying with the training program requirements imposed on them by MSHA.

Essentially, the MSHA training program fails to recognize that sand, gravel, and crushed stone operations are more appropriately part of the construction industry—rather than mining activities. The training programs required for employees of these operations are excessive and, in fact, useless aside from being plain nuts in some instances because of the nature of the industry.

As a result of this situation, the sand, gravel and crushed stone operators have requested that they be removed from the jurisdiction of MSHA and be supervised instead under the former safety inspections required by the Occupational Safety and Health Administration. My good friend and colleague from Wyoming, Senator Wallop, stated it so very well when he made the comment "When industries ask to be placed under the jurisdiction of the Occupational Safety and Health Administration, one must know the alternative is unbearable."

Senators Wallop and Bumpers have introduced legislation to make this transfer and I have cosponsored it. However, at the present moment it is crucial that the sand, gravel, and crushed stone operations be exempted from the MSHA training programs requirement. Senator Bumper's amendment will do this and I strongly urge its approval.●

Mr. HATFIELD. Mr. President, I move to table the substitute and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion to table the substitute, UP amendment numbered 399. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. Ford), the Senator from Kentucky (Mr. Huddleston), and the Senator from Maine (Mr. Muskie) are necessarily absent.

I further announce that the Senator from Michigan (Mr. Riegle), the Senator from Wisconsin (Mr. Nelson) are absent on official business.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. Young) is necesarily absent.

The PRESIDING OFFICER. Are there any Senators still wishing to vote?

The result was announced—yeas 59, nays 35, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—59

Armstrong
Baker
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Exon
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Helms
Hollings
Humphrey
Inouye
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Lugar
McClure
Nunn
Packwood
Percy
Pressler
Pryor
Roth
Sasser
Schmitt
Simpson
Stennis
Stevens
Stevenson
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Zorinsky

NAYS—35

Baucus
Bayh
Biden
Bradley
Burdick
Chafee
Cranston
Culver
Eagleton
Gravel
Heflin
Heinz
Jackson
Javits
Kennedy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Pell
Proxmire
Randolph
Ribicoff
Sarbanes
Schweiker
Stafford
Stewart
Tsongas
Weicker
Williams

NOT VOTING—6

Ford
Huddleston
Muskie
Nelson
Riegle
Young

So the motion to lay on the table UP amendment No. 399 was agreed to.

Mr. MAGNUSON. Mr. President, in view of the vote, I am inclined to accept the Bumpers amendment and avoid a rollcall.

Mr. BUMPERS. That is fine with me.

Mr. MAGNUSON. Many of the Senators have been told that this would be the last rollcall vote, and it is agreeable with the Senator from Pennsylvania.

Mr. BUMPERS. Mr. President, my amendment is now the pending business. I am perfectly willing to go on a voice vote, if the distinguished floor manager is.

Mr. President, before voting, I ask unanimous consent that the Senator from Utah (Mr. Hatch) and the Senator from Georgia (Mr. Nunn) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment (UP No. 398) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, could we have an amendment laid down tonight?

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Could we have an amendment laid down tonight?

Senator Tsongas is willing to lay down an amendment tonight.

The PRESIDING OFFICER. The Senate will be in order and suspend business until we can hear. The Senate will be in order. Will everybody suspend their conversations so that we can return to the pending business?

The Senator from Massachusetts.

UP AMENDMENT NO. 400

(Subsequently amendment No. 360)

(Purpose: To strike section 208 and insert old "Byrd" language)

Mr. TSONGAS. Mr. President, I have an amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Massachusetts (Mr. Tsongas), for himself and Mr. Javits, proposes an unprinted amendment numbered 400.

Mr. TSONGAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 52, line 10, strike section 208 and insert the following:
>
> None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by such student, in order to comply with Title VI of the Civil Rights Act of 1964.

Mr. TSONGAS. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

● Mr. HOLLINGS. Mr. President, last year, when the Labor-HEW appropriations bill was enacted, the conferees included a requirement for the Department of Labor to conduct a study of the OSHA cotton dust standards with the intent of developing less costly and more technologically feasible alternatives. In addition, the study was intended to examine the inflationary impact of the standards and their effect on the competitive posture of the U.S. textile industry.

This study was recently delivered to the Congress, and while it provides a vigorous defense of the cotton dust standards, it falls far short of the intent of Congress in those other areas specifically identified in the conference report. I strongly regret the shortcomings of the report and its failure to provide Congress with pertinent data and reasonable alternatives with which to address legitimate problems that exist with respect to the cotton dust standards.

The American Textile Manufacturers Institute, Inc., and the National Cotton Council of America have also reviewed the Labor Department study, and they have submitted to me some of their comments. While I do not necessarily concur with all of the comments made by these groups, I do wish to share with my colleagues their concerns. At this time I ask that the ATMI and Cotton Council comments be included in the RECORD.

The comments follow:

AMERICAN TEXTILE
MANUFACTURERS INSTITUTE, INC.,
Washington, D.C., July 17, 1979.

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, D.C.

DEAR FRITZ: Under the 1979 Departments of Labor-Health, Education, Welfare Appropriations Act (P.L. 95–480), Congress directed that the Department of Labor undertake a study and submit to Congress a report on more feasible alternatives to the standard for occupational exposure to cotton dust which the Occupational Safety & Health Administration (OSHA) had promulgated on June 23, 1978. The directive required the submission of the report by March 4, 1979. On May 14, 1979, OSHA submitted a report to Congress entitled "Cotton Dust—Review of Alternative Technical Standards and Control Technologies", purportedly in response to the directive. We are aware of your interest in the directive at the time of the legislation's enactment and feel it is appropriate to give you our view on the report.

Unfortunately, OSHA did not respond to the directive of Congress. Instead, the report is no more than a poor attempt to justify the standard promulgated by OSHA in June, 1978. It is in effect, a rehash, without citation or reference, of the preamble to the standard issued in 1978. Moreover, it contains, in at least one instance, erroneous statements regarding experiments commenced by industry concerning the washing of cotton. Finally, it perpetuates certain gross distortions of fact contained in the preamble to the promulgated standard and treats conjecture and crude estimates as statements of fact. A detailed analysis of even the critical flaws in the report would take many pages. Accordingly, our comments here will treat only generally a few of the major defects.

In regard to the cost of engineering controls, the report perpetuates the gross distortions of fact contained in the preamble to the promulgated standard. Specifically, OSHA continues to utilize cost figures for permissible exposure limits which are not the standard's limits. By doing so, OSHA has understated the cost of the promulgated standard by over one billion dollars. Thus, the entire analysis in the report which OSHA claims to be a "cost-benefit" analysis is meaningless.

Compounding the distortion of the actual cost of engineering controls, OSHA proceeds to determine the cost of benefits resulting from the promulgated standard by the use of invalid premises in statistical manipulations and stating crude estimates and pure speculation as fact.

First, OSHA generated wholly invalid figures for the prevalence of the non-disabling grades of byssinosis in all sectors of the cotton processing industry. For example this was done by taking a single percentage obtained from a questionable eight-year old study of five cotton textile manufacturing plants, a study its author admitted was not representative of the manufacturing sector, and applying that percentage to employees in another sector of the industry, such as knitting, where there is no evidence of byssinosis whatsoever. Such logically and statistically invalid manipulations cannot support any rational conclusion or analysis. Moreover, OSHA's prevalence figures must be given short shrift since the record of the hearings before OSHA in 1977 on the proposed standard reveal a study of approximately 37,000 active textile employees in which indicated prevalence of byssinosis was slightly more than 2%.

Having developed a figure by this process for the number of active employees in each sector of the entire cotton processing industry purportedly having one of the non-disabling grades of byssinosis, OSHA proceeded to compound the fallacy by applying an arbitrary multiplier to the total number of retired employees. This arbitrary multiplier is a "crude estimate" derived by Dr. Arend Bouhuys, one of OSHA's witnesses at its hearing, from the ratio of active and retired employees who took part in a very limited study conducted by Dr. Bouhuys. The nonrepresentative character of that study and its ratios means that none of the numbers of retired employees in the report has validity. Accordingly, all of the figures in the report for the number of retired employees who have any grades of byssinosis are completely invalid. This invalidity, of course, renders useless all of the report's "benefit" calculations.

Finally, OSHA alleges that "35,000 employed and retired textile mill workers are disabled from dust-related disease." This categorical statement, believed to be derived also from the limited Bouhuys study mentioned above, is false and without support from any source.

Among the subjects treated in passing is research. The report mentions only briefly research on removal from raw cotton of the substances causing byssinosis by reference to less significant parts of the total government program. No mention is made of the involvement of the private sector which, on its own or in cooperation with others, has been a very active participant for some time. Indeed, recent accomplishments at College Station, Texas, reported by the Department of Agriculture, which verify the suspicion that cotton bracts contains the causative agents, also received financial support from the cotton industry. In our judgment, identification of those agents, until completed remains the most critical element of the entire program, an emphasis not at all apparent in the OSHA account.

We have treated certain of the report's major defects, but must point out that these are only a few of those defects. There are many more of equal significance. Moreover, we cannot overemphasize one critical flaw which undermines the entire report, OSHA's failure to respond to the Congressional directive to study more feasible alternatives to the cotton dust standard.

Very truly yours,
W. RAY SHOCKLEY,
Executive Vice President.

NATIONAL COTTON COUNCIL OF AMERICA,
Washington, D.C., July 17, 1979.
Hon. ERNEST F. HOLLINGS,
U. S. Senate,
Washington, D.C.

DEAR SENATOR HOLLINGS: The National Cotton Council's technical and ecomonic research departments have completed a review of the Department of Labor's study entitled "Cotton Dust: Review of Alternative Technical Standards and Control Technologies." Our preliminary critique of the document is enclosed.

In our view, the study falls far short of satisfying the mandate given to the Department to review the standards toward developing viable alternatives which are less costly and more technologically feasible. Neither does the study adequately review the inflationary impact of the standards or their effect on the U.S. cotton textile industry's ability to compete with foreign industry.

The most disturbing aspect of the study is the unothodox, erroneous treatment of data which leads the Department to completely unfounded conclusions about the extent of a dust-related health problem, the cost of control and the cost effectiveness of alternative approaches. Our conclusion is that the study borders on mockery of the Congressional directive given to the Department.

The enclosed is by no means a complete critical review of the study. Yet it points to some of the more obvious methodological flaws and shows that the Department has made no serious effort to evaluate more cost efficient alternatives to the burdensome standard OSHA promulgated.

Sincerely,
C. HOKE LEGGETT,
President.

Enclosure.

A PRELIMINARY CRITIQUE OF THE DEPARTMENT OF LABOR'S REPORT TO CONGRESS

Congress ordered the Department of Labor ("DOL" or "the Department") to reassess the cotton dust standard promulgated by the Occupational Safety and Health Administration ("OSHA". Specifically, the Department was ordered: (1) to determine whether there are more technologically and economically feasible alternatives and (2) to review the inflationary impact of the standard and its effect on the ability of the U.S. cotton textile industry to compete with foreign industry.

DOL REVIEWED OSHA'S PROPOSALS ONLY

At best, the DOL's recently issued report is only a restatement of why OSHA chose the standard it issued rather than other proposals previously advanced by the agency and subsequently rejected. The Department did not even consider the textile industry-proposed alternative which relies on less severe engineering controls combined with medical surveillance. In fact, the DOL's cost effectiveness estimates attribute nothing to medical surveillance toward reducing the incidence of byssinosis although medical surveillance would have been mandated under all the proposed alternatives. OSHA's rationale in requiring medical surveillance was that reactors could be detected in the early, reversible stages and transferred to a non-dusty work area. The DOL's failure to acknowledge the relative efficiency of medical surveillance versus engineering controls in preventing byssinosis tends to bias the cost effectiveness findings in favor of lower dust level alternatives.

THE FINAL STANDARD'S COSTS ARE UNDERSTATED IN REVIEW OF ALTERNATIVES

Another serious flaw in the DOL's study was its failure to acknowledge that OSHA's cost estimates were for a considerably less severe standard than the one finally promulgated. The greatest error involved the agency's estimates for the spinning through warping areas of textile mills. OSHA used the industry's estimates, which were based on reducing dust levels to 500 micrograms per cubic meter, and mistakenly concluded that these estimates were based on reducing dust levels to the 200 microgram level. When confronted with its error, OSHA attempted to rationalize its misuse of industry numbers by alleging that the costs for reducing dust concentrations to 500 micrograms would also reduce concentrations to 200 micrograms. Yet all of the data in the hearing record establishes that the difficulty—and, consequently, the incremental cost—of dust abatement increases as the permissible exposure limit decreases. The record plainly shows that the compliance costs for the standard will be nearly 3 times what OSHA claims they are, even in 1974 dollars. In 1978 dollars, the costs will exceed $2.5 billion, compared with OSHA's alleged $655 million figure. Even though OSHA's inappropriate use of the industry's costs figures was pointed out in briefs filed with the Court of Appeals for the D.C. Circuit, the DOL continues to use the understated numbers in its reassessment of alternatives. This obviously causes the OSHA-selected alternative to appear far more cost effective than it actually is.

NUMBER MANIPULATION ACCOUNTS FOR FINAL STANDARD'S OSTENSIBLE COST EFFECTIVENESS

Much of the ostensible cost effectiveness of OSHA's final standard versus the initially proposed standard lies more in the manipulation of numbers than in any real improvements in cost effectiveness. For example, in Table III–6 (page 61 of the study), the DOL purports to show the cost effectiveness of an across-the-board 200 microgram standard. For the yarn manufacturing area, the table shows compliance costs of $202.8 million, which results in a cost of $9,672 per case of byssinosis avoided. Then, in Table V–3 (page 80), the DOL shows the cost of implementing OSHA's final standard in the yarn manufacturing area to be $145 million, with a cost of $6,916 per byssinosis case avoided. Of course the dust exposure level for yarn manufacturing is 200 micrograms in both instances. Yet the Department's study strangely finds the cost of complying with the same 200 micrograms standard in yarn manufacturing to be substantially lower in the final standard. The study is replete with this kind of pseudo arithmetic.

DOSE-RESPONSE AND EXPOSED POPULATION ESTIMATES ARE UNFOUNDED

Still another flaw in the DOL's reasoning centers on dose-response assumptions that were used to calculate the industrywide prevalence of byssinosis and, subsequently, to compute the number of cases that would be avoided by implementation of alternative standards. The DOL's fabrication and misuse of dose-response data results in a whopping overstatment of industrywide byssinosis prevalance. One problem relates to the Department's exposed population estimate, which is grossly overstated. The DOL claims 560 thousand workers are exposed to cotton dust in the industries covered by the standard. The truth is that there are only 535 thousand jobs in the entire cotton and cotton textile industries, 160 thousand of which are in farming, which is not even covered by the standard (see appended table). Moreover, approximately another 15 percent are in office, clerical and other jobs which involve no exposure to cotton dust. The DOL's exposed population estimate is, therefore, easily overstated by 75 percent.

Another particularly disturbing aspect of the study was the DOL's assumption of a linear dose-response relationship between the textile and non-textile sectors based upon Dr. Merchant's limited studies in five textile mills. The Department assumed that workers' response to a given dust level is the same in every textile and non-textile operation. This assumption is incredible in view of record evidence that dose-response is non-linear from operation to operation and from sector to sector. Moreover, the assumption is entirely inconsistent with the DOL's observation on page 20 that dust levels and composition vary at each stage of processing, thus posing differing risks to workers. Clearly, the assumption results in an overstatement of the industrywide byssinosis prevalance and further distorts DOL's cost-effectiveness findings.

For example, the DOL alleges a 17 percent prevalence of byssinosis in the ginning industry, which accounts for 15.7 thousand of the Department's estimated 84 thousand cases of byssinosis, industrywide. This exceptionally high prevalence rate was used despite the results of a NIOSH study (the only existing study in the U.S. ginning industry) which found no excess chronic respiratory disease and not a single case of classical byssinosis among cotton gin workers. 43 Fed. Reg. 27421.

An equally unfounded assumption was made about byssinosis prevalence in the knitting industry. Most of the yarns processed have already been through a wet dyeing or finishing operation which presumably would qualify the knit fabric-forming operations for exemption from the standard. Consequently, the DOL's estimate of an exposed population totaling 200,000 in knitting mills sharply overstates the number of knitting mill workers who are covered by the standard. Moreover, the estimate of 7 percent prevalence is totally without foundation. Not a single case of byssinosis has ever been detected among knitting industry workers. Among the other countries that have implemented cotton dust standards, not one has included coverage for knitting industry workers. The Department's completely unfounded prevalence assumptions for the knitting industry account for 14,000 "cases" of the industrywide prevalence tally of 84,000.

A 21 percent prevalence estimate is used for cottonseed oil mills. This is nearly 10 times the prevalence found by Dr. Hans Weill who conducted the only study among cottonseed oil mill workers.

In the warehouse sector, the Department theorizes a 15 percent byssinosis prevalence, whereas the only existing study, made by Dr. Martin L. Barman, found zero prevalence.

For classing offices, where cotton is not processed (small tufts of fiber are handled at arms length), the Department extrapolates Dr. Merchant's prevalence findings for yarn manufacturing. There is no basis for assuming a linear prevalence relationship between yarns or any other cotton manufacturing process and classing rooms, where not a single case of byssinosis has ever been detected.

An 11 percent prevalence of byssinosis was used for the waste industries although studies among waste recyclers and garnetters show much lower prevalence levels.

To arrive at its prevalence and case estimates for yarn manufacturing, the Department used Dr. Merchant's findings for a 500 microgram dust level in yarn manufacturing. Nonetheless, the DOL's footnote "h" to Table II–1 implies that OSHA considers the average dust level in yarn manufacturing operations to be less than 500 micrograms.

For the weaving sectors, DOL fails to explain the 7.1 to 16 percent prevalence range used for the cotton broadwoven, blend broadwoven and narrow fabrics industries. The Department's study assumed an average dust level of 900 micrograms in weaving operations, yet OSHA, in its brief to the Court of Appeals, claimed that dust levels in 75 percent of weave rooms are already below the mandated 750 microgram level. Also, it is noteworthy that no other country in the world considers byssinosis prevalence in weaving operations to be high enough to warrant their inclusion under cotton dust standards.

PREVALENCE AND COST DATA WERE MISUSED IN COST EFFECTIVENESS ESTIMATES

Even if DOL's byssinosis prevalance estimates were accurate, it is entirely inappropriate to compare prevalence—i.e., the accumulated cases of byssinosis over years of exposure—with annual compliance costs to compute cost effectiveness. A more appropriate procedure would be to compare accumulated compliance cost over at least a 20 year period with the estimated reduction in byssinosis prevalence due to a particular alternative. OSHA's mandate is to protect workers from material impairments of health. Grades ½, 1 and 2 have been identified by OSHA as non-chronic, reversible stages of byssinosis and therefore, by its own definition, do not constitute material impairments of health. 43 Fed. Reg. 27352; See also pp. 17–18 of the DOL's study. DOL admits that cost effectiveness estimates should take into account the capability of medical surveillance to detect these early, reversible grades so that workers could be transferred away from exposure. Page 44 of study. An absence of data was cited by the DOL for its failure to take into account the beneficial impact of medical surveillance. Curiously, an absence of data did not prevent the Department from making numerous false assumptions about the prevalence of all grades of byssinosis in every sector and operation throughout the industry.

TECHNOLOGICAL FEASIBILITY CLAIM IS UNSUPPORTED

Finally, the DOL's assertion that OSHA's standard is technologically feasible is not supported by substantial evidence. NIOSH has studies underway to assess the standard's technological feasibility. Moreover, the Department's conclusions are overly optimistic with respect to short term technological innovations that would make compliance easier and less costly. While considerable research is directed toward this end, technologically viable innovations do not appear to be imminent since much of the research is just getting under way. Washed cotton, for example, is *not* on the verge of feasibility as the DOL claims. If economic and technological feasibility can be demonstrated, NIOSH has indicated that at least a 3-year study will be required to assess the health effects of washed cotton on exposed workers. The industry cannot await results of such a study before being forced to expend large sums for engineering controls mandated by the standard.

THE DOL'S REVIEW BORDERS ON MOCKERY OF CONGRESSIONAL DIRECTIVE

There are numerous other instances in the study where the DOL fabricated, misinterpreted or misused data. But the gross methodological flaws noted herein are sufficient to show that the internal study borders on mockery of the Congressional directive to the Department. Certainly, no serious effort was made to evaluate more cost efficient alternatives to the ultra-expensive standard OSHA promulgated. Further, the miscalculations of compliance costs invalidate the study's inflationary impact findings as well as its conclusions about the balance of trade implications for cotton textiles.●

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. TSONGAS. I yield.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

The Senate will come in at 10 o'clock tomorrow morning and will resume action on the pending business at 10:30 a.m. At that time, the pending question will be on the adoption of the amendment by the Senator from Massachusetts (Mr. Tsongas). A rollcall vote on that amendment has been ordered, and Senators are so informed.

Mr. TSONGAS. Mr. President, reserving the right to object——

Mr. STEVENS. Mr. President, will the Senator yield? May I clarify that, with the Senator's consent?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. Does this mean that the vote on the Tsongas amendment will take place at 10 o'clock or that we will resume at 10 o'clock?

Mr. ROBERT C. BYRD. It means that we will resume action on the amendment at 10:30, but the vote is not set for 10:30.

Mr. TSONGAS. It is my understanding that the discussion will be tomorrow morning.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. President, will the Senator agree to a time limitation on the amendment?

Mr. President, I ask unanimous consent that there be a 1-hour limitation on the amendment, that the time be equally divided and controlled in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair and I thank the Senator who is the author of the amendment.

Mr. TSONGAS. Mr. President, since we are going to debate this matter tomorrow, I reserve my time until tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time on the amendment be charged to any side tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, that Senators speak therein up to 3 minutes, and that the period not extend beyond 12 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL ADVISORY COUNCIL ON EXTENSION AND CONTINUING EDUCATION—MESSAGE FROM THE PRESIDENT—PM 86

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I hereby transmit the 1978 Annual Report of the National Advisory Council on Extension and Continuing Education as required by Section 112 of the Higher Education Act of 1965.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1979.*

REPORT OF THE NATIONAL SCIENCE FOUNDATION—MESSAGE FROM THE PRESIDENT—PM 87

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am pleased to transmit to the Congress the 28th Annual Report of the National Science Foundation.

The Foundation supports a large part of the nation's basic research in science and engineering and has national significance in its science education and training programs.

Throughout my Administration, I have frequently called to your attention that much of our social and economic progress depends upon a firm base of science and technology. In March 1979, I addressed this theme in a special message to you, highlighting the science and technology initiatives taken in my Administration in domestic, national security, and international arenas. I also pointed out that our national investment in scientific research, especially basic research, is returned to us many times over in the advances it generates in health care, energy, food production, and the protection and proper use of our resources and environment.

We live in an increasingly demanding world, in which we are called on to make judgments that affect our progress and well-being as human beings and nations. Our planning and decision-making require better understanding of the laws of nature, the effects of technological development, and the complexities of human relationships. The search for such understanding demands the aggressive development of new knowledge, an adequate supply of trained, responsible scientists, and a well-informed citizenry.

The National Science Foundation plays an important role in developing these scientific and human resources. It is my hope that this Annual Report of the Foundation will encourage your continued strong support.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1979.*

MESSAGES FROM THE HOUSE

At 5:29 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Zablocki, Mr. Solarz, Mr. Diggs, Mrs. Collins of Illinois, Mr. Pease, Mr. Gray, Mr. Wolpe, Mr. Fithian, Mr. Broomfield, Mr. Goodling, Mr. Buchanan, and Mrs. Fenwick were appointed managers of the conference on the part of the House.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1808. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, its second Monetary Policy Report; to the Committee on Banking, Housing, and Urban Affairs.

EC–1809. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of March 1979, on (1) the average number of passengers per day on board each train operated, and (2) the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC–1810. A communication from the Administrator, National Aeronautics and Space Administration, reporting, pursuant to law, the proposed use of $590,000 of "Construction of Facilities" (CofF) funds appropriated to NASA for fiscal year 1976, for the correction of a structural failure during the construction of the Water Immersion Facility (WIF) at the Lyndon B. Johnson Space Center (JSC), Houston, Texas; to the Committee on Commerce, Science, and Transporation.

EC–1811. A communication from the Assistant Secretary, Department of the Interior, transmitting a draft of proposed legislation to amend the Helium Act (50 U.S.C. 165 et seq.) to delete requirements to repay notes, equity debt, and interest accrued and unpaid thereon; to authorize and direct the Secretary of the Treasury to cancel all notes and debts related to the Helium Fund together with interest accrued and unpaid thereon; to eliminate the Secretary's borrowing authority; and to repeal the authorization of the Helium Fund; to the Committee on Energy and Natural Resources.

EC–1812. A communication from the Assistant Secretary, Department of the Interior, transmitting a draft of proposed legislation to authorize the establishment of the City of Rocks National Monument in the State of Idaho, and for other purposes; to the Committee on Energy and Natural Resources.

EC–1813. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, reports entitled (1) "Petroleum Market Shares: Report on Sales of Refined Petroleum Products," and (2) "Petroleum Market Shares: Report on Sales of Retail Gasoline"; to the Committee on Energy and Natural Resources.

EC–1814. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final environmental impact statement and supplemental information on the Milan, Illinois, local protection project; to the Committee on Environment and Public Works.

EC–1815. A communication from the Executive Director, Advisory Committee for Trade Negotiations, transmitting, pursuant to law, a report on the Multilateral Trade Negotiations, June 1979; to the Committee on Finance.

EC–1816. A communication from the President, Overseas Private Investment Corporation, transmitting, pursuant to law, its first annual report; to the Committee on Foreign Relations.

EC–1817. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–1818. A communication from the Assistant Secretary (Legislative Affairs), Department of the Treasury, transmitting, pursuant to law, project performance audit reports prepared by the International Bank for Reconstructon and Development (IBRD); to the Committee on Foreign Relations.

EC–1819. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–60, "Harbor and Boating Safety Act of 1979" and report, adopted by the Council on July 12, 1979; to the Committee on Governmental Affairs.

EC–1820. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–66, "District of Columbia Smoking Restriction Act of 1979" and report, adopted by the Council on July 12, 1979; to the Committee on Governmental Affairs.

EC–1821. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–59, "District of Columbia Noise Control Amendments Act of 1979" and report, adopted by the Council on July 12, 1979; to the Committee on Governmental Affairs.

EC–1822. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–62, "Multi-Family Rental Housing Purchase Act of 1979" and report, adopted by the Council on July 12, 1979; to the Committee on Governmental Affairs.

EC–1823. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–63, "Cooperative Regulation Act of 1979" and report, adopted by the Council on July 12, 1979; to the Committee on Governmental Affairs.

EC–1824. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–65, "District of Columbia Income and Franchise Tax Statute of Limitations Extension Act of 1979" and report, adopted by the Council on July 12, 1979; to the Committee on Governmental Affairs.

EC–1825. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–64, "Immunization of School Students Act of 1979" and report, adopted by the Council on July 12, 1979; to the Committee on Governmental Affairs.

EC–1826. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–67, "Standards of Assistance Relating to Persons Residing in Community Residence Facilities Act of 1979" and report, adopted by the Council on July 12, 1979; to the Committee on Governmental Affairs.

EC–1827. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3–68, "Criminal Justice Supervisory Board Amendments Act of 1979" and report, adopted by the Council on July 12, 1979; to the Committee on Governmental Affairs.

EC–1828. A communication from the Acting Administrative Assistant to the Governor-Elect, Canal Zone Government, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC–1829. A communication from the Deputy Assistant Secretary-Indian Affairs, Department of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of Goshute Indian judgment funds in Dockets 326–B and J before the Indian Claims Commission; to the Select Committee on Indian Affairs.

EC–1830. A communication from the Chairman, Administrative Conference of the United States, transmitting, pursuant to law, the 1977 report of the Administrative Conference of the United States; to the Committee on the Judiciary.

EC–1831. A communication from the Chief Commissioner, United States Court of Claims, transmitting pursuant to law, a report of the Trial Commissioner dated June 19, 1978, and a report of the Review Panel dated June 14, 1979, in the case of Messrs. J. Clarence Ingram, Don W. Ingram, and Dick L. Ingram v. The United States, Cong. Ref. 2–73; to the Committee on the Judiciary.

EC–1832. A communication from the Secretary of Labor, transmitting, pursuant to law, a report for 1979 on the activities undertaken by the Department in 1978 in the administration of the Age Discrimination in Employment Act of 1967; to the Committee on Labor and Human Resources.

EC–1833. A communication from the Secretary of Health, Education, and Welfare, transmitting pursuant to law, the sixth annual report of the Director of the National Heart, Lung, and Blood Institute (NHLBI) which examines the accomplishments of the Institute during the past year and projects the needs and goals for the coming year; to the Committee on Labor and Human Resources.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–393. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION CHAPTER —

"Whereas, The Pacific Fishery Management Council includes the western states of Oregon, Washington, Idaho, and California which have few common characteristics; and

"Whereas, Only one fishery exists in the State of Idaho, and yet Idaho votes on all fisheries subject to council jurisdiction; and

"Whereas, California has a unique coastline over 1,100 miles in length; and

"Whereas, California is much larger geographically than other states, and of comparable size to east coast states organized under one council; and

"Whereas, The State of California and Mexico share resources not found north of the California border, which are subject to bilateral and cooperative research efforts between California and Mexico; and

"Whereas, California alone has more fisheries in the fisheries conservation zone than the other Pacific council states combined, shares few fisheries, and, in fact, has more diverse fisheries not common with the other Pacific council member states; and

"Whereas, The recreational fishery is a large and valuable asset to California and its problems are primarily inherent to this state; and

"Whereas, The Pacific Fishery Management Council is formulating specific plans subjecting certain fisheries to council jurisdiction, and four of those plans relating to domestic fisheries for anchovies, jack mackerel, squid, and bill fish would affect only California; and

"Whereas, Landings and shipments in California exceed one billion pounds annually and have a significant impact on California's fishing industry and all segments of California's economy; and

"Whereas, Other fisheries only pursued in California may soon be the subject of council management planning efforts; and

"Whereas, The Pacific Fishery Management Council recently voted to recommend to the Secretary of Commerce that the State of Alaska be given voting status, rather than observer status, on the council, thus creating a further voting disadvantage for California; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly*, That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to seek legislation to establish a fishery management council including only the State of California; and be it further

"*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–394. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary.

"SENATE CONCURRENT RESOLUTION NO. 4

"Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

"Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

"Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

"Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

"Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation. The Louisiana Legislature firmly believes that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

"Whereas, under Article V of the Constitution of the United States, amendments to the federal constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states the Congress shall call a constitutional convention for the purpose of proposing amendments which shall be valid to all intents and purposes when ratified by three-fourths of the several states.

"Therefore, be it resolved by the Senate of the Legislature of the state of Louisiana, the House of Representatives thereof concurring, that the Congress of the United States institute procedures to propose and submit to the several states an amendment to the Constitution of the United States requiring that the federal budget be balanced in the absence of a national emergency.

"Be it further resolved that, alternatively, this body respectfully petitions the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

"Be it further resolved, that this application by the Louisiana Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the constitution identical in subject matter to that contained in the Resolution, then this petition for a constitutional convention shall no longer be of any force or effect.

"Be it further resolved, that this application and request be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose.

"Be it further resolved, that the Louisiana Legislature also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropirate amendment to the federal constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the federal constitution.

"Be it further resolved that a duly attested copy of this Resolution be immediately transmitted to the President of the United States, to the secretary of the United States Senate, to the clerk of the United States House of Representatives, to each member of the Louisiana delegation to the United States Congress, and to the presiding officer of each house of each state Legislature in the United States."

POM-395. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Armed Services:

"Resolution

"Whereas, the consolidation of all United States Army Intelligence Training programs at Fort Devens in the commonwealth represents sound military thinking; and

"Whereas, such consolidation is cost-effective and is in the best interest of the development of a unified intelligence system within the Army of the United States; and

"Whereas, the plan for such consolidation represents a plan for major expansion of the mission of Fort Devens; and

"Whereas, such expansion, when fully implemented, would result in the addition of over two thousand permanent personnel and students at Fort Devens, with obvious economic benefits to the commonwealth; now, therefore be it

"*Resolved*, That the Massachusetts Senate memorialize the President of the United States, the Department of Defense and the Congress of the United States to take all necessary action to implement a plan expanding the mission of Fort Devens by consolidating all United States Army intelligence training at Fort Devens; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the Department of Defense, the Speaker of the House of Representatives and to the President of the United States Senate."

POM-396. A resolution adopted by the Legislature of the State of North Carolina; to the Committee on the Judiciary:

"Whereas, the North Carolina Senate is firmly committed to the Constitutional principle that neither the Congress nor the State legislatures should attempt to make any law respecting the establishment of religion, or prohibiting the free exercise thereof; and

"Whereas, the North Carolina Senate also recognizes that this State and this nation were founded on, and have grown great upon a trust in and dependence upon Almighty God: The Preamble to the Constitution of North Carolina expresses the gratitude of the people of the State to "Almighty God, the Sovereign Ruler of Nations, for the preservation of the American Union and the existence of our civil, political and religious liberties," and acknowledges our "dependence upon Him for the continuance of those blessings to ourselves and our posterity". Article I of the Constitution of North Carolina declares that "All persons have a natural and inalienable right to worship Almighty God according to the dictates of their own consciences, and no human authority shall, in any case whatever, control or interfere with the rights of conscience." The Declaration of Independence declares that "the Laws of Nature and Nature's God" entitle the people of the American colonies "to assume among the Powers of the earth a separate and equal station," and appeals to "the Supreme Judge of the World for the rectitude of our intentions". The Articles of Confederation under which the American Union functioned prior to the adoption of the Constitution of the United States stated that "it has pleased the Great Governor of the World to incline the hearts of the legislatures we respectively represent in Congress, to approve of, and authorize us to ratify the said Articles of Confederation . . .". The Ordinance for the Government of the Territory of the United States, Northwest of the River Ohio, enacted in 1787, states that "Religion, morality, and knowledge" are "necessary to good government and the happiness of mankind", and that identical language appears in Article IX of the Constitution of North Carolina; and

"Whereas, it has been the custom of both houses of the General Assembly of North Carolina to open each daily session with prayer, and there has been no assertion that the practice has resulted in the establishment of any religion or the suppression of the free exercise of religion; Now, therefore, be it resolved by the Senate:

"Section 1. The Senate of North Carolina expresses to the President and the Congress of the United States that the Senate is convinced that it is possible to allow the tradition of [S-nonsectarian] prayer in the public schools to continue, on a purely voluntary basis, and with adequate safeguards to avoid any coercion or the appearance of coercion, and at the same time to protect our citizens against any semblance of an established State religion.

"Sec. 2. The Senate of North Carolina does not believe that the Constitution of the United States requries that in all governmental activities the existence of a Divine Being must be ignored.

"Sec. 3. The Senate of North Carolina expresses its appreciation to those members of the Congress of the United States who are attempting to allow voluntary prayer to be continued as a structured part of our public school program, and urges the President of the United States to support those efforts, to the end that "this Nation, under God, shall have a new birth of freedom".

"Sec. 4. The Principal Clerk of the Senate shall transmit a copy of this resolution to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of the North Carolina delegation in the United States Congress.

"Sec. 5. This resolution is effective upon its adoption."

POM-397. A resolution adopted by the Board of County Commissioners of St. Louis County, Minnesota, opposing transfer of jurisdiction and authorities relatiing to the Western Lake Superior Drainage Basin of Minnesota and Wisconsin to the Detroit, Michigan Office of the Corps of Engineers; to the Committee on Environment and Public Works.

POM-398. A resolution adopted by the City Council of the City of Chisholm, Minnesota, opposing transfer of authority and jurisdiction relating to the Western Lake Superior Drainage Basin of Minnesota and Wisconsin to the Detroit, Michigan Office of the Corps of Engineers; to the Committee on Environment and Public Works.

POM-399. A resolution adopted by the Columbus (Ohio) Board of Education, endorsing H.J. Res. 74, proposing an amendment to the Constitution of the United States to prohibit compelling the attendance of a student in a public school other than the public school nearest the residence of such student; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Appropriations, with amendments:

H.R. 4392. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes (together with additional views) (Rept. No. 96-251).

By Mr. MUSKIE, from the Committee on the Budget, without amendment, unfavorably:

S. Res. 190. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 688.

● Mr. MUSKIE. Mr. President, I wish to advise the Senate that a majority of the Budget Committee has voted to report unfavorably Senate Resolution 190, waiving section 402(a) of the Congressional Budget and Impoundment Control Act of 1974 with respect to consideration of S. 688, a bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981. The committee recommends that the resolution not be adopted at this time to allow additional time for consideration of the budgetary impact of all energy legislation.

The committee believes it would be more orderly for the Senate to proceed to consideration of S. 1309 after our committee has had the opportunity to review the budgetary impact of synthetic fuel and energy supply legislation now pending in the Congress. In addition, the committee will have the opportunity to include in its considerations the comprehensive Presidential energy initiatives expected shortly.

A delay in enactment of S. 688 is not expected to impede the appropriations for ongoing Department of Energy programs since many of the activities authorized in S. 688 already are authorized in existing law.

Under all these circumstances, Mr. President, the Budget Committee voted to report Senate Resolution 190 with an unfavorable recommendation at this time. This recommendation is made without prejudice to reconsideration when the total budgetary demands for 1980 energy legislation become clear after the report, expected very soon, of the additional major energy bills now being marked up by the Energy Committee.

BUDGET COMMITTEE CONSIDERATIONS

As Senators are aware, section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House or the Senate to consider any bill or resolution which directly or indirectly authorizes the enactment of new budget authority for a fiscal year unless that bill or resolution is reported in the House or Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year. Since S. 688 authorizes the enactment of new budget authority which would become available in fiscal year 1980, and the bill was reported after May 15, 1979, a resolution waiving section 402(a) must be adopted before the Senate can consider the bill.

Mr. President, S. 688 authorizes appropriations of $8.1 billion in fiscal year 1980 for the civilian programs of the Department of Energy, including $0.1 billion for science programs and $7.4 billion for energy supply programs. This authorization level is estimated to result in offsetting receipts from energy supply activities of $1.6 billion in fiscal year 1980. Therefore, the net authorization is approximately $6.5 billion—$0.7 billion in science programs and $5.8 billion in energy supply.

If S. 688 were enacted and fully funded, net outlays are estimated at $2.9 billion in fiscal year 1980 and $2.7 billion in fiscal years 1981–82. In conjunction with enactment and full funding of other authorization bills assumed in the budget, S. 688 could exceed the fiscal year 1980 budget targets for energy programs by $2.6 billion in budget authority and $1.6 billion in outlays.

But, Mr. President, as we are all well aware, demands for Federal dollars to achieve energy independence for the United States are much greater than this bill.

The Budget Committee recognizes that changing national priorities with respect to energy will undoubtedly require upward adjustments to the Federal budget for fiscal year 1980 and beyond. The committee has established an energy task force and is prepared to move expeditiously and work with other committees of the Congress to review the total budgetary outlook for energy programs over the next decade. But, Mr. President, it is important to avoid a piecemeal approach to this massive and complex problem.●

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HART (for himself and Mr. Pressler):

S. 1540. To establish a Commission to study laws and policies of the United States and major industries for their effect on competition, and for other purposes; to the Committee on the Judiciary.

By Mr. DOMENICI (for himself and Mr. Burdick):

S. 1541. A bill to amend the Social Security Act to provide reimbursement to States at a level of 90% for the administrative costs they incur in implementing the Indian Health Care Improvement Act; to the Committee on Finance.

By Mr. PERCY:

S. 1542. A bill to amend the Internal Revenue Code of 1954 to provide for a $100 exclusion of interest from gross income and to increase the amount of the dividend exclusion and provide an additional interest exclusion if the dividends and interest are reinvested; to the Committee on Finance.

By Mr. NELSON (for himself and Mr. Bentsen):

S. 1543. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Finance.

By Mr. LAXALT:

S. 1544. A bill granting the consent and approval of Congress to the California-Nevada Interstate Compact; to the Committee on the Judiciary.

By Mr. ROTH:

S. 1545. A bill to improve the regulatory process by authorizing the President to direct agencies to eliminate overlapping or conflicting regulations and revise regulations that are of major significance to the national interest, to provide for Congressional oversight of actions taken by agencies in response to Presidential directives, to provide for more rational procedures to reduce regulatory conflicts, and for other purposes; to the Committee on Governmental Affairs.

STATEMENTS OF INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HART (for himself and Mr. Pressler):

S. 1540. To establish a Commission to study laws and policies of the United States and major industries for their effect on competition, and for other purposes; to the Committee on the Judiciary.

COMPETITION REVIEW ACT

● Mr. HART. Mr. President, today Senator Pressler and I are reintroducing the Competition Review Act. A nearly identical bill is being introduced in the House by Representative Udall and more than 20 cosponsors. The legislation has one overarching objective: To strengthen the free enterprise economy by promoting increased competition wherever it can be shown to be economically feasible and desirable.

This bill goes right to the heart of many of the problems facing our Nation today. Inflation, unemployment, unfair taxation, and overregulation are all due in part to an economic structure that has substituted concentration for meaningful competition.

We have seen such an increase in the concentration of economic power—and the inevitable expansion of Government regulatory power to control it—that the future of our free enterprise system as we know it is beginning to suffer from slow strangulation.

This bill therefore calls for a thorough examination of the degree of competition and concentration in 12 basic U.S. industries, as well as the laws and regulations which affect the operation of the marketplace. It should provide comprehensive data and recommendations for revitalizing the free enterprise system.

The objectives of this measure have been strongly endorsed by a diverse group of witnesses during hearings held on the bill by the Senate Small Business Committee in January 1978. In the course of those hearings, criticisms of the bill's approach were discussed and several changes have been incorporated into this new bill to address those criticisms.

The bill would establish a Competition Review Commission to undertake a comprehensive study of the laws, regulatory policies, enforcement procedures, and any other governmental practices which have a significant impact on competition and concentration. The Commission would then determine the extent and nature of competition within 12 basic industries, and within any other sectors of the economy as the Commission deems necessary for a complete analysis of competition in America.

The Commission would then evaluate the effect of the current structure and operation of the marketplace on: Employment, price levels, profit levels, efficiency, innovation, the quality of goods and services produced, the ability of U.S. corporations to compete with their foreign counterparts, regional economic development, the political and social impact of industrial concentration, and the net benefit or harm of such elements to the U.S. economy.

This study would produce the first comprehensive, scholarly, and independent assessment of the state of competition in our economy. It would examine the trends toward greater economic concentration in both business and labor, and would evaluate the effectiveness of Government intervention in the marketplace. It would identify and demonstrate those areas where fair and open competition—the lifeblood of our economy—has been threatened, and why. It would establish the costs and benefits—both social and economic—of steps needed to increase competition. And it would enable intelligent decisions to be made to insure the long-term health of our economy.

There are several features of this bill which insure against just another study. First, the Competition Review Commission would have the broadest powers to obtain information. At the same time, however, there would be adequate safeguards to protect firms and other private interests from disclosure of trade secrets and other kinds of confidential information.

Second, the bill insures a broad range of interests would be represented on, and considered by the Competition Review Commission. The Commission would be comprised of experts representing the academic community, management, labor, consumers, and the executive and legislative branches of the Federal Government.

And by having Members of Congress as voting members of the Commission, Congress would have a genuine and ongoing interest in its findings and recommendations.

Third, the bill directs the Commission to carefully consider previous data obtained and analyses performed relating to its own purpose. The intent is to avoid imposing undue burdens on private firms to comply with the Commission's requests for information.

Fourth, the Commission would be able to require other Federal agencies to perform specific tasks. It would also be able to request the President detail to it appropriate Government employees, on a nonreimbursable basis, to participate as members of Commission task forces.

Finally, the scope of the Commission's study would be broader than any ever undertaken. For example, studies in the past have focused on one industry, or one set of regulations, or one provision in the tax code. The study proposed by the Competition Review Act would be the first study to examine the competitive impact of all the Government's laws and regulations on each of the major industries. It would be the first study to consider how the structure of major industries evolved, and to what extent the structure determines competitive behavior.

Mr. President, the concentration of economic power—especially corporate power—is on the rise. Throughout the mid-1970's, the top 200 corporations listed on the "Fortune 500"—which comprises less than one-tenth of 1 percent of all manufacturing companies—accounted for two-thirds of the manufacturing assets and three-fifths of the sales, employment, and net income after sales taxes. These 200 companies held a greater share of U.S. assets in 1974 than was held by the top 500 firms in 1954. If corporate power continues to grow at this rate, the top 200 corporations in the 1980's will have roughly three-fourths of all U.S. assets—about the same share as is held by the top 500 corporations today.

There is a great debate as to the significance of such statistics. While concentration is thought by many economists to mark an absence of competition, it is considered by others to be merely a characteristic of industries with extremely high capital requirements. The data collected by the Competition Review Commission should help to resolve some of the issues raised by such competing theories of concentration, and to narrow those areas in which objective conclusions cannot be reached.

Mr. President, we should not abandon the idea of an open, competitive free-market system before it has been given a fair chance. We should encourage the development of a healthy small- and medium-sized business community—threatened by neither monopolistic nor oligopolistic firms on the one hand, nor a mountain of Government redtape on the other.

Deconcentration and deregulation must go hand in hand if we are to restore genuine competition to overconcentrated, overregulated industries. That is why the scope of the proposed study includes an examination of both our Government and our private sector, within the context of a global economy.

The measure we are offering today does not say, "big is bad" or "small is beautiful." This measure says, "let's make sure we're heading in the right direction."

I ask unanimous consent that the bill and a factsheet be printed in the RECORD.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 1540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Competition Review Act".

ESTABLISHMENT

SEC. 2. There is hereby established as an independent instrumentality of the United States in the executive branch a Commission to be known as the Competition Review Commission (hereinafter referred to in this Act as the "Commission").

MEMBERS

SEC. 3. (a) The Commission shall be composed of the following individuals:

(1) The chairman and ranking minority member of the Subcommittee on Monopolies and Commercial Law of the House of Representatives.

(2) The chairman and ranking minority member of the Subcommittee on Antitrust Monopoly and Business Rights of the United States Senate.

(3) Four individuals appointed by the President of the United States with the advice and consent of the Senate, from among individuals in private life who shall be specially qualified to serve on the Commission by virtue of their education, training, or experience, and who shall be selected from the fields of labor, business, consumer interests, and the academic community.

(4) The Chairman of the Federal Trade Commission or his designate.

(5) The Assistant Attorney General of the United States in charge of the Antitrust Division of the United States Department of Justice or his designate.

(6) The Secretary of Commerce or his designate.

(b) Members shall be appointed for the duration of the activities of the Commission.

(c) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) The Chairman of the Commission shall be appointed by the President.

(3) The Commission shall meet at the call of the Chairman, or at the call of a majority of the Commission members, but shall meet at least every other month during the life of the Commission.

DUTIES

SEC. 4. (a) The Commission shall conduct a comprehensive study of the laws, regulations, policies, and any other governmental practices of the United States which have a significant impact on competition including, but not limited to, the antitrust laws and exemptions to the antitrust laws, the patent laws, the internal revenue laws and regulations, the National Labor Relations Act, regulatory policies, and Federal contracting and bidding practices.

(b) The Commission shall study the major industries of the United States to determine the extent and nature of competition within such industries. Such studies shall include the following industries:

(1) chemicals, pharmaceuticals, and other ethical drugs;

(2) electrical machinery and equipment;

(3) electronic computing and communication equipment;

(4) energy;

(5) iron and steel;

(6) nonferrous metals;

(7) motor vehicles;

(8) transporation;

(9) newspaper publishing and communications;

(10) financial institutions;

(11) the paper and corrugated container industry;

(12) the food industry; and

(13) such other sectors of industry or commerce as the Commission deems may be necessary or useful for comprehensive understanding of the competitive status of American industry and commerce.

(c) In the course of the studies conducted under subsections (a) and (b) of this section, the Commission shall evaluate the laws, enforcement procedures, policies, and other actions of the Federal Government and the degree of concentration within the major industries considering the effect of such concentration and such laws and regulations and policies on employment, price levels, profit levels, efficiency, innovation, the quality of goods and services produced, the ability of United States corporations to compete with their foreign counterparts, regional economic development, the political and social impact of industrial concentration, and the net benefit or harm of such elements to the United States economy.

(d) The Commission may make such additional studies as it deems appropriate to carry out its other duties under this Act.

(e) If the Commission determines in the course of the performance of its duties that any person is violating or has violated any law, it shall refer the matter to the appropriate authority.

DIRECTOR AND STAFF

SEC. 5. (a) The Commission shall have an Executive Director who shall be appointed by the Commission and who shall be compensated as provided in section 10 of this Act.

(b) Subject to such rules as may be adopted by the Commission, with the approval of the Commission, the Director may appoint and fix the pay of such additional personnel as he deems desirable.

(c) Subject to such rules as may be adopted by the Commission, with the approval of the Commission, the Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed $200 per diem.

(d)(1) The President may detail to the Commission on a nonreimbursable basis, such employees of any department, agency, or other establishment in the executive branch as he determines to be necessary to assist the Commission in carrying out its duties under this Act, with special consideration being given to the detailing of employees of the Federal Trade Commission and of the Antitrust Division of the Department of Justice who have professional training and experience in dealing with issues relating to competition and to the economic impact of regulatory activity. No individual shall be detailed to the Commission for any period in excess of ten months unless such individual volunteers to serve with the Commission for such longer period.

(2) For purposes of carrying out the study required by section 4 of this Act, the individuals detailed to the Commission pursuant to paragraph (1) of this subsection shall be organized into such task forces as the Commission determines are necessary. Each such task force shall have at least one individual assigned to it who has professional training and experience in dealing with issues relating to competition and to the economic impact of regulatory activity. Not more than half of the professional positions on any task force may be filled with individuals detailed from independent Federal regulatory agencies which are being studied by such task force.

POWERS OF COMMISSION

Sec. 6. (a) The Commission may for the purpose of carrying out this Act hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission may deem advisable. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) (1) The Commission shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter which the Commission is empowered to study or investigate by this Act. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may, upon application by the Commission, order such person to appear before the Commission to produce evidence or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpenas of the Commission shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) All process of any court to which application may be made under this section may be served in the judicial district wherein the person required to be served resides or may be found.

(d) The Commission may exercise all powers of the Federal Trade Commission under section 6(b) of the Federal Trade Commission Act and all powers of the Attorney General of the United States under the Antitrust Civil Process Act.

LITIGATION

Sec. 7. An action brought in any court of the United States challenging any provision of this Act or any action of the Commission pursuant to this Act shall be filed only in the United States District Court for the District of Columbia Circuit or the United States Court of Appeals for the District of Columbia as the case may be and shall be advanced on the calendar of such courts in advance of all other matters.

REPORTS

Sec. 8. (a) Not later than six months after the last member of the Commission is appointed and qualifies the Commission shall transmit to the President and the Speaker of the House of Representatives and the President pro tempore of the Senate a specific plan for the organization, structure, and accomplishment of the studies required under section 4 of this Act.

(b) Not later than twelve months after the transmittal of the plan required by subsection (a) of this section, the Commission shall compile and publish a comprehensive bibliography of research, studies, analyses, and other materials on competition and antitrust policies. The Commission shall examine and analyze such materials and issue a preliminary report outlining those areas and industries which merit the greatest study and set its priorities accordingly. A copy of the report shall be transmitted to the President, the Speaker of the House and the President pro tempore of the Senate.

(c) Not later than six months after the transmittal of the preliminary report required by subsection (b) of this section the Commission shall transmit to the President and the Speaker of the House of Representatives and the President pro tempore of the Senate a specific timetable for and preliminary outline of the studies required under section 4 of this Act.

(d) The Commission shall make such interim reports as it deems advisable and shall make a preliminary report not later than three years after the date of the transmittal required under subsection (c) of this section.

(e) Not later than five years after the date of enactment of this Act the Commission shall transmit its final report on the state of competition in the American economy, and the studies required under section 4 of this Act to the President and Speaker of the House of Representatives and the President pro tempore of the Senate. The Commission shall submit detailed reports on the status of each industry studied, including a detailed program for legislative and executive action to stimulate or otherwise promote competition for each area or industry where a lack of competition is found to be detrimental to the public interest and the free enterprise system.

CONFIDENTIALITY

Sec. 9. Notwithstanding any other provision of law, all information obtained by the Commission shall—

(1) remain in the custody of the Commission or of the Administrator of General Services without disclosure except to the staff of the Commission while engaged in the duties of the Commission; and

(2) be held under seal by the Administrator of General Services for a period of not less than five years after the termination of the Commission pursuant to section 11 of this Act.

TECHNICAL AMENDMENT

Sec. 10. Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(141) Executive Director, Competition Review Commission.".

TERMINATION

Sec. 11. The Commission shall cease to exist ninety days after submitting its final report pursuant to section 8 of this Act.

AUTHORIZATION OF APPROPRIATIONS

Sec. 12. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

[Fact Sheet]

Competition Review Act

Introduced by Senators Gary Hart and Larry Pressler on July 19, 1979, and by Representative Morris Udall and more than 20 cosponsors in the House.

PURPOSE

To strengthen the economy by promoting increased competition wherever it can be shown to be economically feasible and desirable. The bill would establish a Competition Review Commission to undertake a comprehensive study of the laws, regulatory policies, enforcement procedures, and any other governmental practices which have a significant impact on competition and concentration. The Commission would then determine the extent and nature of competition within 12 basic industries, and within any other sectors of the economy as the Commission deems necessary for a complete analysis of competition in America.

COMPOSITION OF COMMISSION

The Commission would be comprised of experts representing the academic community, labor, management, consumers and the executive and legislative branches of government. The eleven voting members would be: the chairmen and ranking minority members of the House and Senate Judiciary Subcommittees having jurisdiction over antitrust matters; the Chairman of the Federal Trade Commission; the Assistant Attorney General in charge of the Antitrust Division in the Department of Justice; the Secretary of Commerce; and four members appointed by the President.

INDUSTRIES TO BE STUDIED

Chemicals, pharmaceuticals, other ethical drugs;

Electrical machinery and equipment;

Electronic computing and communications equipment;

Energy;

Iron and steel;

Nonferrous metals;

Motor vehicles;

Transportation;

Newspaper publishing and communications;

Financial institutions;

Paper and corrugated container industry; and

Food industry.

WHY WERE THESE TWELVE INDUSTRIES SELECTED

These are the keystone industries of our economy; that is, they represent our most basic industries which provide essential goods and services. In each there is a significant amount of government regulation, a high degree of concentration, or both.

DUTIES OF COMMISSION

The Commission will study the laws, regulations, policies and any other governmental practices which have a significant impact on competition. This would include, but would not be limited to, the antitrust laws and exemptions to them, the patent laws, the internal revenue laws and regulations, the National Labor Relations Act, regulatory policies, and Federal contracting and bidding practices. The Commission will then assess within twelve major industries the state of competition and concentration. The Commission will then evaluate the practices of the government and the degree of economic concentration, considering the effect of each on: employment, price levels, profit levels, efficiency, innovation, the quality of goods and services produced, the ability of American corporations to compete with their foreign counterparts, regional economic development, the political and social impact of industrial concentration, and the net benefit or harm of such elements to the United States economy. The Commission may make additional studies as it deems appropriate.

POWERS OF THE COMMISSION

The Commission may hold hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission deems advisable. The Commission has the power to issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence it deems necessary to complete its task.

The Commission would have the same power as the Federal Trade Commission under section 6(b) of the FTC Act, which includes the power to require line-of-business accounting. It would also have the same investigative powers as the Attorney General under the Antitrust Civil Process Act.

HOW WILL COMMISSION AVOID DUPLICATING EFFORTS OF EXISTING FEDERAL AGENCIES?

The Commission would be instructed to integrate existing data provided by other Federal agencies where it deems appropriate, and would be able to call upon other Federal agencies to perform specific analyses. Moreover, the Commission would be able to request the President detail to it appropriate government employees, on a nonreimbursable basis, to participate as members of Commission task forces. Beyond that, the Commission would be able to include in its findings any other studies from outside sources and any other sets of recommendations which it finds has merit.

WHAT KIND OF RECOMMENDATIONS MIGHT THE COMMISSION PROPOSE?

The Commission's recommendations will be left to its own discretion, of course. But, depending on the data it uncovers, the Commission could recommend that Federal procurement policies further aid small business, or that specific provisions of the tax code be modified to discourage specific kinds of conglomeration. It might recommend further deregulation of certain industries.●

By Mr. DOMENICI (for himself and Mr. BURDICK):

S. 1541. A bill to amend the Social Security Act to provide reimbursement to States at a level of 90 percent for the administrative costs they incur in implementing the Indian Health Care Improvement Act; to the Committee on Finance.

● Mr. DOMENICI. Mr President, I am introducing today legislation to amend the Social Security Act to provide reimbursement at a level of 90 percent to States for the administrative costs they incur in implementing Public Law 94-437, the Indian Health Care Improvement Act.

The Social Security Act and Public Law 94–437 specify that, under the medicaid program, the Federal Government will pay 100 percent of the amounts expended for medicaid services. Public Law 94–437 does not include administrative costs in this 100 percent matching for services. In fact, the Social Security Act specifices that States shall be reimbursed for only 50 percent of their administrative costs.

While the Indian Health Care Improvement Act accepts the Indian Health Service and its conditions as a wholly Federal concern, it places the States in the middle of a Federal scheme by requiring them to pick up 50 percent of the administrative expenditures. Simply stated, through the IHCIA, the States have been stuck with half the cost of administering a program which is Federal in responsibility, operation and purpose. My proposal, by providing for a 40-percent increase in the rate of Federal reimbursement for State administrative costs, will insure that the Federal Government assumes, as it should, the major financial responsibility for the administrative costs States incur in implementing the Indian Health Care Improvement Act.

Mr. President, let me reiterate my strong belief that the States must not be expected to continue to bear an inordinate share of administrative costs for a program which is totally Federal in responsibility. The legislation I am introducing today will help to remedy this situation and provide real financial relief to the affected States. I ask unanimous consent that the text of this bill be printed in the RECORD, and I look forward to prompt and favorable action on this proposal.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1541

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That 'a) section 1903(a) of the Social Security Act is amended—

(1) by adding "plus" at the end of paragraph (5);

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by adding after and below paragraph (6) the following new paragraph:

"(7) an amount equal to 90 per centum of the sums expended during such quarter, which are attributable to the proper and efficient administration of so much of the State plan as relates to the provision of medical assistance in Indian Health Service facilities which are eligible for reimbursement under the State plan pursuant to the provisions of Section 1911; plus,"

(b) The amendments made by subsection (a) shall be effective with respect to expenditures made, under State plans approved under title XIX of the Social Security Act, beginning with the quarter which begins on October 1, 1979.●

By Mr. PERCY:

S. 1542. A bill to amend the Internal Revenue Code of 1954 to provide for a $100 exclusion of interest from gross income and to increase the amount of the dividend exclusion and provide an additional interest exclusion if the dividends and interest are reinvested; to the Committee on Finance.

SMALL SAVERS INCENTIVE ACT OF 1979

Mr. PERCY. Mr. President, I am introducing today legislation to increase the current tax exclusion for dividends and to provide a similar exclusion for interest earned from a savings account. This proposal will provide a $100 exclusion for interest earned from a savings account, like the existing exclusion for dividends from domestic corporations. In addition, this proposal will allow an additional exclusion for both dividends and interest up to $400 to the extent that the interest and dividends are reinvested during the tax year.

Our tax system, working with inflation, has crippled savings and investment in this country. Inflation eats so much of the value of interest and dividends that by the time taxes are paid the plate is scraped clean. Most people do not have enough money to make the large deposits that earn top interest rates or to buy into profitable big time investment deals. During this period of spiraling inflation, it is the small investor who, many times, is hit the hardest.

Without new domestic investment there can be no growth in the capital necessary for new plant and equipment. The result is lagging productivity and soaring inflation. Higher levels of investment are key to fighting inflation and actively competing with foreign goods. During the period of 1966 to 1976, the United States invested only 13.5 percent of its gross national product in new plant and equipment. On the other hand, our Nation's primary competitor, Japan, invested 26.4 percent; West Germany invested 17.4 percent and the United Kingdom, 14.9 percent.

We need to encourage Americans to save more to increase the amount of money available for expanded capital investment. The American rate of savings falls far below those of other industrialized nations. In 1976, the U.S. rate of savings as a percentage of disposable national income was only 4.8 percent, while the Japanese saved 25.3 percent, the West Germans saved 13.2 percent and the citizens of the United Kingdom saved 6.6 percent.

Mr. President, this proposal will encourage Americans to save because, after the first $100 exclusion, it requires dividends and interest to be reinvested and thus assures there is a net increase in savings and investment.

In addition, there is now new evidence which demonstrates an increase in domestic savings rates will boost our long-term domestic investment rate by a greater degree than is commonly recognized. Some economists support the theory that a rise in the domestic savings rate will have little impact on long-term domestic investment, given effective international mobility of capital. That is, the money will flow either abroad or replace foreign investment here as capital seeks out the most promising areas.

The findings of a new study conducted by economists Martin Feldstein and Charles Horioka for the National Bureau of Economic Research, dispute this assumption of efficient international capital mobility. Feldstein and Horioka examined the relationship between the domestic savings rate and the domestic investment rate in 21 major industrial countries from 1960 to 1974. They found that "the evidence strongly contradicts the hypothesis of perfect world capital mobility * * * [and] * * * indicates that most of any incremental savings tends to remain in the country in which the savings is done."

Mr. President, this proposal offers those important incentives and will benefit particularly the small saver who sees the value of his savings actually decreasing. Not only does his rate of return not keep pace with inflation, but our tax system then takes away part of his modest earnings. To the small saver today it makes more sense to buy a new television before the price goes up than to purchase a savings certificate whose value will go down.

It is imperative that we change our policy and reward savings rather than consumption and I urge the Congress to enact these incentives for the benefit of the taxpayer and the American economy.

I ask unanimous consent that an analysis of this bill as well as its text be printed at this point in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends received by individuals) is amended—

(1) by inserting "AND INTEREST" after "DIVIDENDS" in the heading of such section;

(2) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include amounts received during the taxable year by an individual as—

"(1) dividends from domestic corporations—

"(A) to the extent that the dividends do not exceed $100, and

"(B) to the extent that the dividends exceed $100 but do not exceed $500, if such dividends constitute qualified dividends; and

"(2) dividends or interest on a time or demand deposit with a bank (as defined in section 581), a savings institution described in section 591, or a credit union insured under Federal or State law—

"(A) to the extent that the amount of interest or dividends does not exceed $100, and

"(B) to the extent that the amount of interest exceeds $100 but does not exceed $500, if such dividends or interest constitute qualified dividends or interest.

For purposes of this subsection, dividends or interest described in paragraph (2) which are credited to the account of an individual shall be treated as received on the day on which so credited."; and

(3) by adding at the end thereof the following new subsection:

"(e) QUALIFIED DIVIDENDS OR INTEREST.—

"(1) IN GENERAL.—For purposes of subsection (a)(1)(B) or (2)(B), the term 'qualified dividends or interest' means that portion of the excess of dividends or interest described in such subsection which the taxpayer, promptly upon receipt of the dividend or interest—

"(A) uses to purchase stock in a domestic corporation the dividends of which are excludible under subsection (a), or

"(B) uses to make a time or demand deposit the interest or dividends on which are excludible under subsection (a).

"(2) NET INVESTMENT LIMITATION.—No amount of dividends or interest received during any taxable year shall be treated as qualified dividends or interest if as of the last day of such taxable year the investment base of the taxpayer is less than the sum of—

"(A) the investment base of the taxpayer as of the first day of the taxable year, plus

"(B) the amount of dividends or interest excludible from gross income for such taxable year as qualified dividends or interest (determined without regard to this paragraph).".

"(3) INVESTMENT BASE.—For purposes of this subsection, the term 'investment base' means an amount equal to the sum of—

"(A) the amount of the adjusted basis (within the meaning of section 1011) of all stock in domestic corporations held by the taxpayer, and

"(B) the amount of money in all time or demand deposits of the taxpayer with institutions described in subsection (a)(2).".

(b)(1) Section 116(b) of such code is amended by striking out "Subsection (a)" and inserting in lieu thereof "subsection (a)(1)".

(2) Section 116(c) of such Code is amended—

(A) by striking out paragraph (1), and

(B) by inserting "and interest" after "dividends" each place it appears in paragraph (3).

(3) Section 116(d)(1) of such Code is amended by inserting "and interest" after "dividends".

(4) The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by inserting "and interest" after "dividends" in the item relating to section 116.

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

AN ANALYSIS

The Small Savers Incentive Act of 1979 amends the Internal Revenue Code of 1954 to provide for a $100 exclusion of interest from gross income and to increase the amount of the existing dividend exclusion and to provide an additional interest exclusion if the dividends and interest are reinvested.

Subsection (a) describes the amounts eligible for the exclusions. The first $100 of dividends from domestic corporations and the first $100 of interest received during the taxable year by an individual are excluded from gross income. In addition, for both dividends and interest received in excess of $100, but not more than $500, an exclusion is provided if the dividends and interest are reinvested.

Subsection (e) defines qualified dividends and interest for the purposes of the additional exclusions.

Paragraph (1) requires that a taxpayer must increase his "investment base" for the taxable year in order to qualify for the exclusions provided by this Act for reinvested dividends and interest.

Paragraph (2) defines "investment base" as the sum equal to the amount of the adjusted basis of all stock in domestic corporations plus the amount of money in all deposits in eligible savings institutions. Therefore, if the investment base on December 31 is less than the investment base on January 1 of the same taxable year, no exclusions will be allowed for reinvested dividends and interest.

Subparagraph (c) establishes the effective date of these amendments as taxable years beginning after December 31, 1979.

Mr. DANFORTH. Mr. President, I am pleased to join with the Senator from Illinois in sponsoring the Small Savers Incentive Act of 1979.

Americans save only 6.5 percent of their disposable income. This is significantly below the rate of savings of our trading competitors. For example, in Japan, individuals save almost 25 percent of their income.

It is an economic maxim that saving equals investment. To the extent that we save, we invest in new plant and equipment, research and development, and, more generally, in America's economic future.

Senator PERCY has been a leader in pressing Congress to provide incentives for economic growth. This bill is a further step forward in that direction.

By Mr. NELSON (for himself and Mr. BENTSEN):

S. 1543. A bill relating to tax treatment of qualified dividend reinvestment plans; to the Committee on Finance.

● Mr. NELSON. Mr. President, today I am introducing legislation which would defer current Federal tax on dividends reinvested in original issue stock of any company having a qualified dividend reinvestment plan. A qualified reinvestment plan would be defined as a plan which provides for reinvestment of a cash dividend in the original issue stock of a company.

This proposal is identical to S. 3430, a bill I introduced during the 95th Congress.

Under the proposal, a single taxpayer would be allowed to reinvest a maximum of $1,500 in dividends annually. A married taxpayer filing a joint return would be allowed a maximum of $3,000.

The purpose of this proposal is to encourage capital formation and to provide a stimulus to construction of essential capital facilities, employment opportunities, and a stronger economy. In essence, this proposal would encourage increased reinvestment of dividends in original issue stock of capital intensive companies by deferring current taxes on dividends which are reinvested.

This legislation would be beneficial not only to the companies involved, in assisting them to obtain essential equity capital, but also to the participating stockholders, in providing them with a simple, convenient and economical way to build up their investment.

In recent years businesses requiring periodic infusions of new capital have had great difficulty raising equity capital at reasonable cost. Utility companies, in particular, are capital intensive and must continually offer new common stock to finance their capital requirements. However, they find it more and more difficult and expensive to attract this necessary capital through large public offerings in the marketplace. An article in the May 28 issue of Business Week examined the capital formation problems of the utilities industry. It points out that "even under the lowest growth forecast, the investor-owned electric utility industry figures that it will need at least $500 billion over the next 15 years to build enough capacity to meet demand. Yet the industry's ability to foot that enormous bill is questionable."

According to Charles A. Benore, utilities analyst with Paine Webber Mitchell Hutchins Inc., "the industry is trending at a barebones level of financial integrity." According to Business Week, industry profitability is low and the "squeeze is getting tighter as costs head up."

Utilities now generate just 40 percent of their construction needs internally and most analysts consider 50 percent an absolute minimum for financial integrity. The result is that utilities will be forced to go to the capital markets where they have already been borrowing enormous amounts. Over the past 3 years, utilities have borrowed $36 billion, which accounts for more than a quarter of all long-term borrowing by nonfinancial companies, according to Business Week.

This proposal will allow the companies to avoid the expensive capital markets and still raise needed equity. By keeping their capital formation costs down, the companies may be able to pass the savings on to their consumers.

Many companies have adopted dividend reinvestment plans under which their stockholders have the option of automatically investing any cash dividends declared by a company in original issue stock of the company.

Under existing law, Federal income tax is imposed currently on the value of the stock received by the stockholder who opts to participate in a dividend reinvestment plan and take stock instead of cash. This is a disincentive to those stockholders who may be pressed to use the cash dividends to pay the current tax. Deferral of the current tax would greatly encourage increased participation.

Several provisions in the proposal prevent abuse of the tax deferral privilege. If a corporation purchases its own stock within 1 year of making a distribution pursuant to a dividend reinvestment plan, the distribution shall be presumed not to have been made pursuant to a qualified dividend reinvestment plan.

Moreover, although stock purchased with reinvested dividends would basically be regarded as the equivalent of a conventional stock dividend, the cost basis of the stock would be zero and the holding period of the stock would commence on the date of purchase.

Under the proposal, a shareholder purchasing stock with reinvested dividends would be required to hold the stock for at least 1 year. If the shareholder sells stock acquired with reinvested dividends within 1 year of acquisition, any gain on the sale would, in effect, be taxed at ordinary, rather than capital gains rates.

Because this proposal is aimed at encouraging capital formation, dividend reinvestment plans which use reinvested dividends to purchase a company's previously issued and outstanding stock in the marketplace will not qualify. The proposal is strictly limited to plans which purchase original issue stock.

This proposal would provide substantial, direct and immediate help in the formation of new capital. It would represent a step in the direction of reducing the double tax on dividends by eliminating the tax imposed at the stockholder level when the dividends are reinvested in the corporation.

On the investor level, the proposal will primarily benefit middle income taxpayers. Studies by the New York Stock Exchange indicate that 71 percent of all stockholders have incomes between $12,000 and $50,000; 50 percent of all shareholders have stock portfolios valued at less than $10,000; and 55 percent of all dividends received are by individuals in income levels of less than $50,000.

Finally, this proposal would encourage savings by supplementing retirement income. In this respect, it is analogous to Keogh and IRA programs which have been fostered by favorable tax treatment.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 305 (relating to distributions of stock and stock rights) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) QUALIFIED DIVIDEND REINVESTMENT PLANS.—

"(1) IN GENERAL.—Subject to the limitation under paragraph (2) if a shareholder makes an election under paragraph (7), a distribution of stock under a qualified dividend reinvestment plan shall be considered to be a distribution of stock of a corporation made by such corporation to its shareholders with respect to its stock under subsection (a), and subsection (b) shall not apply.

"(2) LIMITATION.—The amount of any distribution excluded from gross income by any taxpayer under subsection (a) by reason of paragraph (1) shall not exceed $1,500 per year ($3,000 in the case of a joint return under section 6013).

"(3) BASIS AND HOLDING PERIOD.—Notwithstanding any other provision of this title, the basis of stock received as a distribution pursuant to a qualified dividend reinvestment plan by a shareholder who makes an election under paragraph (7) shall be zero and the holding period of such stock shall commence on the date of such distribution.

"(4) DISPOSITIONS.—Under regulations prescribed by the Secretary, if a shareholder sells common stock of a corporation within 1 year following the receipt of stock described in paragraph (3) of the same corporation, the stock so sold shall be deemed to be the stock so described commencing with the first shares received during said 1-year period.

"(5) DEFINITION OF QUALIFIED DIVIDEND REINVESTMENT PLAN.—The term 'qualified dividend reinvestment plan' means a plan under which the common and/o" preferred shareholders of a domestic corporation (other than a regulated investment company) who elect to participate in such plan receive a distribution otherwise payable in property only in shares (including fractional shares) of authorized but unissued common stock of the corporation which common stock is pursuant to such plan (i) designated by the board of directors of the corporation as issued for purposes of this subsection and (ii) priced at not less than 95 per centum of fair market value as of the date of distribution.

"(6) PRESUMPTION.—If a corporation, or a member of its 'affiliated group' within the meaning of section 1504(a), has purchased or purchases its common stock within 1 year of making a distribution pursuant to a dividend reinvestment plan, such distribution shall be presumed not to have been made pursuant to a qualified dividend, reinvestment plan. Under regulations prescribed by the Secretary the corporation may establish that it had a business purpose for purchasing such stock which is not inconsistent with the intent of this subsection, in which event the distribution will not be disqualified hereunder.

"(7) SHAREHOLDER ELECTION.—Pursuant to regulations prescribed by the Secretary, a shareholder may elect to have paragraph (1) apply to any distribution of stock described therein by making such election on the shareholder's Federal income tax return on which such distribution is reported."

SEC. 2. EFFECTIVE DATE.—This amendment shall apply with respect to distributions made on or after January 1, 1980.●

By Mr. ROTH:

S. 1545. A bill to improve the regulatory process by authorizing the President to direct agencies to eliminate overlapping or conflicting regulations and revise regulations that are of major significance to the national interest, to provide for congressional oversight of actions taken by agencies in response to Presidential directives, to provide for more rational procedures to reduce regulatory conflicts and for other purposes; to the Committee on Governmental Affairs.

ACCOUNTABILITY IN REGULATORY RULEMAKING ACT OF 1979

● Mr. ROTH. Mr. President, Federal regulatory activity has become a pervasive influence in American life. Today it is hard to think of a single aspect of economic or social activity untouched by Government regulation. Regulatory agencies are "growth industries" gradually extending to influence both businesses and individuals. We are witnessing the most rapid and consuming growth of centralized control over economic and social activities in our history, and this expansion is becoming extremely costly to both business and the general public.

The growth of Federal regulatory activities is just plain staggering. There are no universally accepted definitions of what regulation entails, but a few general figures illustrate its momentum and meaning. As late as the midfifties, the Federal Government had only four areas of major regulatory responsibility: Antitrust, financial institutions, transportation, and communications. By 1977, there were 85 Federal agencies regulating some aspect of private activity and over 116 different identifiable regulatory programs. Over one-fourth of these new agencies were created between the years 1969 and 1975. The 30 largest regulatory bodies employed more than 215,000 persons in 1977 and the growth in the total budget of all regulatory agencies was phenomenal—from $2.2 billion to fund Federal regulatory activities in 1974 to $4.8 billion to support such activities in 1979, a 115-percent jump.

One of the results of this rapid expansion has been a tremendous increase in the regulatory burden thrust upon the public and business. The costs regulation imposes on the public has reached truly astounding levels. Accurate calculation of total regulatory costs is impossible at present but several experts have developed rough estimates of such costs which range from $100 to $200 billion per year.

In 1973, U.S. businesses, small and large alike, spent 145 million man-hours filling out forms in compliance with conflicting and confusing regulations. Just 3 years later, the time devoted by businesses to Federal paperwork had jumped 45 percent to 210 million man-hours or enough time to produce 1 year's worth of Detroit's best-selling make of cars. Fighting agency regulations has become so tedious that it is almost like swimming through chewing gum.

Such abstract figures do not tell the whole story, however, for regulatory costs imposed upon business ultimately must be paid for by each of us as consumers. Recently, the Regulatory Council, a coordinating group created by the President, released its first "Regulatory Calendar," a listing of projected regulations to be promulgated by various regulatory agencies over the coming months. One hundred and nine new regulations filed by 20 agencies were included in the calendar. The projected costs to the consumer of many of these regulations is incredible. A proposal from one regulatory agency would increase the costs of a pickup truck by $169 per vehicle. Another would raise the cost of a lawnmower by $35 and most disturbing of all, one regulation proposed would raise local water rates by $10 to $20 a year for each family.

The fact is we can no longer ignore the costs and inefficiencies of our regulatory system. Until rather recently, the chief issue in debate over new Government policies was whether it was legitimate for the Federal Government to do something at all. Today, the legitimacy barrier has fallen and Government is involved in a tremendous range of business and private activity. Because of this fact, we must ask ourselves several important questions: What price must we pay for a given policy? What sacrifices and tradeoffs do we have to make to reach the goals we have set? What level of sacrifice and expense do the goals justify? Without asking these questions and seeking to answer them, we will never be able to slow the rising tide of Government regulation.

The questions I have just raised point to one of the most serious problems facing our regulatory system: Overlap and duplication among regulatory programs. Our regulatory system has become so complex and the regulators so singleminded in pursuit of their regulatory agendas that conflict and duplication among programs and regulations is endemic and increasingly expensive to our economy.

For example, the National Highway Traffic Safety Administration has regulations requiring the American automotive fleet to achieve a 27.5 mile-a-gallon fuel efficiency rating by 1985 while at the same time mandating safety features for cars whose extra weight reduces fuel efficiency. Meeting strict EPA emission standards requires cars to burn unleaded gasoline which delivers fewer miles per gallon than leaded fuel and costs more to manufacture and buy.

Conflicting regulations in the steel industry have created a morass of confusion and added regulatory costs. The Environmental Protection Agency permitted steel workers to install giant sheds over their coke ovens to reduce pollution.

After inspecting such plants, the Occupational Safety and Health Administration decided the sheds might increase the emissions workers are exposed to and prohibited the construction of such sheds causing expensive delays and needless confusion.

No one would argue that many regulatory programs are not necessary and important to our Nation's health. What I am arguing, however, is that our regulatory system has gotten so unwieldly in the last few years that agencies do not know who is doing what and often issue regulations which conflict or overlap with those of other agencies or run directly counter to established national purposes in general. Someone has to step into this jungle and help bring order out of chaos.

Mr. President, I believe the regulatory system is desperately in need of a mechanism for balancing the demands of competing and conflicting regulatory agencies and programs. There is a need for accountability in the regulatory process and for a method of establishing responsibility for the actions of the regulators. Currently, appointed rather than elected, specialist rather than generalist, regulatory agency officials enjoy an independence from the political process—and from one another—that weakens our national ability to make wise, balanced decisions, or to hold anyone politically accountable when choices are made badly or not at all.

There is no effective method in our existing regulatory system of establishing responsibility for any actions. No method exists for coordinating the decisions of one agency with those of other agencies, or conforming them to the judgments of elected officials.

I have developed a procedure which will give the President, acting in concert with the Congress, the responsibility for making the critical balancing choices which are becoming more and more necessary in our increasingly complex regulatory system. I believe this proposal raises the most fundamental questions of all with respect to regulations: Who is accountable for regulatory policy? Who controls the regulators? Who is responsible for the actions of Federal agencies?

My proposal will insure that someone is held accountable for the "headless fourth branch of government". It will set down a carefully designed process allowing the President to balance the competing demands of regulatory agencies and important national objectives when serious conflicts arise. The legislation would not allow the President to take any actions "under the table" or off the record.

Any and all Presidential actions could be taken only after a fully developed record, including public comments, was established. The Congress would maintain effective oversight of the process through a modified legislative veto provision and the bill includes a 4-year sunset provision. In short, the procedures outlined in the bill are designed to insure that the process for minimizing conflicts among regulatory and national objectives is clear, direct, and open to the "sunshine" of public scrutiny.

It is time that all elected officials in the Federal Government take responsibility for the actions of the regulators. This does not mean that the Congress should become involved in the day-to-day activities of the regulatory agencies. Rather, it means that major policymaking activities, which have national implications, should be subject to the control of the elected representatives of the people. And in this effort, I believe Congress and the President should work together for both institutions have the responsibility to make the bureaucracy accountable.

My proposal reflects these concerns and I would hope the issues raised by the ideas I have outlined will be examined by the Congress in its regulatory reform efforts. I intend to raise these issues in the Governmental Affairs Committee, of which I am a member, as it considers S. 262, the Ribicoff-Percy regulatory reform legislation, S. 755, the administration's regulatory reform bill, and other regulatory reform legislation. I believe the issues the legislation raises are of fundamental importance in our consideration of the many issues surrounding Government regulation.

Mr. President, the Nation can no longer afford the luxury of costly and inefficient Government control. Progress so far in our efforts to gain control over regulatory programs has been slow. I hope my proposal can provide the catalyst for solid efforts to reduce the burdens and costs of regulation and gain control of the regulatory system.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1545

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Accountability in Regulatory Rulemaking Act of 1979".

FINDINGS AND PURPOSES

Sec. 101. The Congress finds and declares that—

(1) the proliferation of regulatory agencies, programs and purposes has produced conflicting and overlapping regulations and defuses accountability for regulatory actions;

(2) responsibility for regulatory actions is vested to a significant degree in the hands of unelected officials;

(3) the rulemaking process is a policymaking function in which the elected officials of the Federal Government should assume greater responsibility;

(4) important and necessary balancing decisions often must be made between conflicting regulatory agencies or between the needs of the nation as a whole and a particular regulatory action and these decisions should only be made by the elected officials of the Federal Government.

(5) the President is the elected official most capable of making the necessary balancing judgments while the Congress should review and ensure that Presidential actions

and directives in reaching such judgments are wise and appropriate.

IMPROVING REGULATORY DECISIONS

SEC. 102. Title 5, United States Code, is amended by adding immediately after Chapter 5 the following new chapter:

"Chapter 6—PRESIDENTIAL REVIEW OF AGENCY ACTIONS—ADDITIONAL AUTHORITY

"601. Definitions.
"602. Applicability.
"603. Review of agency rules.
"604. Procedures for the issuance of Executive orders.
"605. Congressional oversight.
"606. Judicial review.
"607. Effect on Presidential powers.
"608. Termination.
"609. Separability.

"§ 601 Definitions

"For purposes of this chapter—

"(1) the term 'agency' has the same meaning as in section 551(1) of this title; and

"(2) the term 'rule' has the same meaning as in section 551(4) of this title.

"§ 602. Applicability

"(a) The provisions of this chapter do not apply to—

"(1) any monetary policy function of the Board of Governors of the Federal Reserve System and the Federal Open Market Committee;

"(2) the Equal Employment Opportunity Commission;

"(3) any function under the Civil Rights Act of 1964, the Education Amendments of 1972, title VIII of the Act of April 11, 1968 (Public Law 284 90th Congress, relating to civil rights) sections 1977 through 1981 of the Revised Statutes, and any other provision of law relating to the enforcement of the civil rights of individuals;

"(4) the Federal Election Commission;

"(5) any function of the Federal Communications Commission under section 315 of the Communications Act of 1934, relating to the equal opportunity and fairness doctrines; and

"(6) licensing and ratemaking proceedings.

"§ 603. Review of agency rules

"(a)(1) The President is authorized to direct any agency to consider, reconsider, or make a decision concerning the adoption of a rule if he determines that the rule (A) is of major significance to the national interest, and (B) adversely affects the achievement of any statutory goal which the President determines is of at least equal importance as the statutory goal served by the rule. The President shall taken action under this subsection by issuing an Executive order in which he expressly makes the determination required by the preceding sentence, and which specifies the order of priority he determines appropriate for the achievement of the statutory goals affected by the rule. Any such Executive order shall be issued in accordance with the provisions of section 604 of this title.

"(2) In directing an agency to reconsider a rule under this subsection, the President may order the agency to reopen the record, if any, concerning the rule.

"(b) After directing an agency to consider, reconsider, or make a decision concerning the adoption of a rule pursuant to an Executive order issued under subsection (a), and after the agency has taken action pursuant to such Executive order, the President may modify or reverse the rule of the agency by issuing an Executive order in accordance with the provisions of section 604 of this title. Any such Executive order shall direct the agency to issue a rule in conformity with such Executive order, and shall set forth the reasons for the decision of the President concerning such rule. The President may not modify or reverse a rule under this chapter if the agency does not have the power to make such a modification or reversal. If the proceedings concerning the rule are required to be made on the record, the President shall base his decision on the record concerning the rule, including any record made on the consideration, reconsideration, or decision concerning the rule by the agency pursuant to an Executive order issued under subsection (a) of this section.

"(c) An executive order issued under this chapter shall not be subject to review in any court.

"§ 604. Procedures for the issuance of Executive orders

"(a) At least 30 days prior to the date on which the President intends to issue an Executive order under section 603 of this title, the President shall publish a notice in the Federal Register which informs the public of the nature of the proposed Executive order and the rule with which the Executive order is concerned and which invites written comments from the public.

"(b) In issuing any Executive order under section 603 of this title, the President shall comply with any statute or regulation which establishes requirements with respect to the receipt of ex parte communications and the making of decisions on the record with which the agency is required to comply. The President may receive oral and written presentations in the process of formulating an Executive order under section 603 of this title unless the agency adopting the rule is prohibited from receiving such presentations.

"(c) The President shall establish a docket file for each rule on which he takes action under this chapter. The President shall maintain in such file any written comment or presentation and a record of any oral presentation received from the public or from Federal officials and employees concerning the rule and shall make such file available to the public. The president shall require an agency to include such file in the agency record concerning the rule.

"§ 605. Congressional oversight

"(a) (1) The President shall transmit a copy of any Executive order issued under this chapter to the Secretary of the Senate and the Clerk of the House of Representatives on the date on which the Executive order is issued. Except as provided in paragraph (2) of this subsection, an Executive order shall not become effective if—

"(A) within 70 calendar days of continuous session of Congress after the date of transmittal of the Executive order to the Congress, both Houses of Congress adopt a resolution of disapproval concerning such Executive order; or

"(B) within 40 calendar days of continuous session of the Congress after the date of transmittal of the Executive order to the Congress, one House of Congress agrees to a resolution of disapproval concerning such Executive order and at the end of 30 additional such calendar days after the date of transmittal of such resolution of disapproval to the other House of Congress, such other House has not disapproved such resolution.

"(2) Notwithstanding paragraph (1) of this subsection, if at the end of 40 calendar days of continuous session of the Congress after the date of transmittal of an Executive order to the Congress, neither House has agreed to a resolution of disapproval concerning such Executive order, and the committee to which a resolution of disapproval concerning such Executive order has been referred has not reported or has not been discharged from further consideration of such a resolution, such Executive order shall be effective at the end of such 40-day period.

"(b) For purposes of this section, the term 'resolution of disapproval' means a concurrent resolution of the Congress, the matter after the resolving clause of which is as follows: 'That the Congress disapproves the Executive order issued by the President dealing with the matter of   , which Executive order was transmitted to the Congress on   .', the first blank being filled with the title of the Executive order and such further description as may be necessary to identify it and the second blank being filled with the date of transmittal of the Executive order of the Congress.

"(C) The provisions of subsection (b) and (d) of this section are enacted by the Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but are applicable only with respect to the procedure to be followed in that House in the case of resolutions described by subsection (a) of this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(d)(1) Resolutions of disapproval shall, upon introduction, be immediately referred by the presiding officer of the Senate or of the House of Representatives to the appropriate committee of the Senate or the House of Representatives.

"(2) If the committee to which a resolution has been referred does not report a resolution within 35 calendar days of continuous session of Congress after the date of transmittal of the Executive order to which such resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(3) Such motion to discharge must be supported by one-fifth of the Members of the House of Congress involved, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a resolution of disapproval has been reported with respect to the same Executive order); and debate thereon shall be limited to not more than 1 hour, the time to be divided in the House equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order.

"(4)(A) Except as provided in subparagraphs (B) and (C), consideration of a resolution of disapproval shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(B) When the committee has reported or has been discharged from further consideration of a resolution of disapproval, it shall be in order at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order.

"(C) Debate on the resolution shall be limited to not more than two hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not in order. An amendment to, or motion to recommit the resolution is not in order.

"(e) Any time during the period of 30 calendar days of continuous session of Congress after the date of transmittal of an Executive order to the Congress, but before a resolution of disapproval has been ordered reported in either House of Congress concerning such Executive order, the President may make amendments or modifications to such

Executive order consistent with the provisions of this chapter. Any amendment or modified Executive order shall not take effect until 70 calendar days of continuous session of Congress after the date of transmission of the amendment or modification to the Congress.

"(f) Congressional inaction on, or rejection of, a resolution of disapproval under this section shall not be deemed an expression of approval of the Executive order with which the resolution is concerned.

"(g) For the purposes of this section—

"(1) continuity of session is broken only by an adjournment sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of calendar days of continuous session.

"§ 606. Judicial review

"(a) Except as otherwise provided in this section, a rule adopted by an agency pursuant to an Executive order issued under section 603 of this title shall be subject to judicial review under the same standards and procedures that apply to any similar rule not issued pursuant to such an Executive order.

"(b) Any action for review of a rule adopted pursuant to an Executive order issued under section 603 of this title that is brought within 60 days after the effective date of the rule shall be given preference and expedited and heard and determined at the earliest practicable date.

"(c) A rule adopted pursuant to an Executive order issued pursuant to section 603 of this title may be set aside if the Executive order upon which it is based is found not to have been issued in accordance with the procedures set forth in this chapter.

"§ 607. Effect on Presidential powers

"The provisions of this chapter do not alter or limit any power of the President to review agency rules under any statute which was in effect on the day before the effective date of this chapter.

"§ 608. Termination

"The President may not issue any Executive order under this chapter after four years after the date of enactment.

"§ 609. Separability

"If any provision of this chapter or the application thereof to any person or circumstance is held invalid, neither the remainder of this chapter nor the application of such provision to other persons or circumstances shall be affected thereby.".●

ADDITIONAL COSPONSORS

S. 43

At the request of Mr. HATCH, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 43, the National Ski Patrol System Recognition Act.

S. 1121

At the request of Mr. HAYAKAWA, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 1121, a bill to amend the Saccharin Study and Labeling Act.

S. 1304

At the request of Mr. BAUCUS, the Senator from Michigan (Mr. LEVIN) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 1304, the Legislative Oversight Act of 1979.

S. 1377

At the request of Mr. DOMENICI, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1377, the Synthetic Fuels Production Act of 1979.

S. 1383

At the request of Mr. MELCHER, the Senator from Idaho (Mr. MCCLURE) and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 1383, a bill to amend title 23, United States Code, to establish uniform national standards for weight and length of vehicles using the National System of Interstate and Defense Highways, and for other purposes.

S. 1433

At the request of Mr. PACKWOOD, the Senator from Maine (Mr. COHEN) was added as a cosponsor of S. 1433, a bill to improve the safety certification process for airplanes.

S. 1444

At the request of Mr. BAUCUS, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1444, the Taxpayer Protection and Reimbursement Act.

S. 1524

At the request of Mr. DOLE, the Senator from Mississippi (Mr. COCHRAN) and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 1524, to prohibit the enforcement of compliance with voluntary guidelines by withholding Government contracts.

AMENDMENTS SUBMITTED FOR PRINTING

RECLAMATION REFORM ACT—S. 14

AMENDMENTS NOS. 354 THROUGH 358

(Ordered to be printed and to lie on the table.)

Mr. NELSON submitted five amendments intended to be proposed by him to S. 14, a bill to amend and supplement the acreage limitation and residency provisions of the Federal reclamation laws, as amended and supplemented, and for other purposes.

● Mr. NELSON. Mr. President, the following amendments to S. 14, the Reclamation Reform Act, address several important problems in the bill. In order for my colleagues to have a chance to review these amendments, I am submitting additional amendments in the next few days, and many of these will have my strong support as well.

The amendments submitted today by no means represent a complete list of amendments needed to make S. 14 an acceptable bill. Additional amendments on residency, exemptions for Corps of Engineer projects, unlimited leasing, unlimited management, and several other areas are needed. Moreover, a mechanism must be provided to allow a more equitable distribution of the land that is sold by large landowners pursuant to reclamation law. As the bill is written, most of large landowners will be able to escape any requirement to sell their land, and thus will have unlimited access to enormous Federal subsidies. To the extent that land is sold pursuant to reclamation law, however, there is no guarantee that it too will not pass into the hands of other large landowners.

Fortunately, a number of other Senators have been working to draft appropriate amendments to solve these problems. These efforts have my strong support. I believe that it is possible that, working together, we can make S. 14 into a sound piece of legislation.

The amendments I am submitting today would do the following:

First. Change the provisions which allow a district to escape the acreage limitations by "paying out" its obligation. In the 1950's many reclamation districts were able to convince the Interior Department to write into their contracts provisions allowing them to be exempt from acreage limitations once they completed their contractual obligations with the Government. The Interior Department now acknowledges this as a policy error. Nonetheless, a promise was made to these districts, and the law should uphold the promise. Payout is, however, bad policy, and there is no reason to extend this bad policy to all of reclamation law, as suggested by S. 14. In fact, there is no such thing as "payout." According to the Interior Department, most reclamation districts are only required to pay a fraction—usually about 20 percent—of the costs of a project allocated to irrigation. This amount is then repaid over 50 years without interest. This amounts to an enormous subsidy—a 1,760-acre farm (a typical farm size limitation under the provisions of S. 14) would receive a total subsidy with a present value of $850,000, according to the American Journal of Agricultural Economics. According to an Interior audit, when the Central Valley project reaches its projected payout date it will be $9 billion in debt; the Missouri River Basin $1.3 billion in debt. Even if interest is ignored, current payout schedules would not result in complete principal repayment until well after the year 2700.

The payout provision of S. 14 is made worse by the allowance of lump-sum or accelerated payout. Since many reclamation districts vote on a per acre basis, large landowners could force small farmers to join the district in borrowing money to payout in advance, forcing the smaller farmers to pay interest on the obligation—interest they do not pay under a normal repayment contract. The small farmers, of course, would gain nothing from this provision.

The fact is that acreage limitations were part of the deal—if a district wanted the water, then it had to agree to this condition. There was never any intention in the law that they could buy their way out of the deal.

Nonetheless, the amendment proposed here is a very moderate one. It ratifies existing contracts, and it allows the Secretary to lift the restrictions at the end of a payout period if he is convinced that a pattern of family farming has been established. This, hopefully, will reduce unnecessary paperwork and bureaucratic regulation.

A strong argument could be made that this amendment is too lenient, but I believe it is one that a majority of the Senate can and should accept.

Second. Establishing a 640-acre limitation. This amendment would cut the per farm limitation to 640 acres. The purpose of this amendment is to distribute the benefits of reclamation programs to as many family farmers as possible. Frankly, I think that 320 acres would be adequate, but certainly 640 acres is. The class one equivalency provision would apply to this figure, so for most areas, the limitation would, in practice, be about 960 acres. According to the USDA, a 320-acre farm in a reclamation project would net an income of $14,000 to $85,000 per year. Bureau data show figures of $8,000 to $37,000, except in the Milk River Project in Montana, where 640 acres are needed. Over 92 percent of all farms would be unaffected by this limitation.

Third. Delete the exemption for the Imperial Valley. This exemption grants this district something the courts have refused—an exemption from acreage limitations. Imperial is one of the largest and wealthiest districts in the country. One percent of its landowners own 28 percent of the land; 10 percent own 60 percent. The district has been exempted because of an administrative ruling which the courts have ruled had no legal authority. While this ruling has been in effect since Herbert Hoover, it has always been in doubt. In effect, the large landowners in Imperial have had an almost 50-year bonus of subsidized water, and it is time for the Government to give the law the full force and effect it was intended to have.

Fourth. Equivalency. This amendment would alter the equivalency formula in the bill. Under S. 14, equivalency is applied to all districts, regardless of the length of their growing season. Thus, areas such as the Central Valley, where double cropping is allowed, are treated the same as areas such as Milk River, where farmers are fortunate to get in one crop. The equivalency provision has been proposed many times before, but it has always been limited to areas with less than 180-day growing seasons. Without this limitation, the provision is just another way to expand the acreage limitation.

Fifth. Length of the recordable contract. Under S. 14, landowners have 3 years to sign a recordable contract, and the contract runs for 10 years. Most of the value of the subsidy, however, is captured in the first 10 years, according to Interior. This amendment would provide 1 year to sign a contract and limit the contract period to 5 years.

I ask unanimous consent that the amendments be printed in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

Amendment No. 354

On page 10, line 23, strike section 6 and insert in lieu thereof a new section 6 to read as follows:

REPAYMENT OF CONSTRUCTION CHARGES

"Sec. 6(a). The acreage limitation provisions of Federal Reclamation Law shall cease to apply to any landholding upon completion of repayment by any contracting entity of the amount required by the terms of any contracts with the Secretary relating to the delivery of water supplies to such landholdings for agricultural use.

(b) The Secretary shall provide, upon request of any owner of a landholding for which a contracting entity completed repayment, a certificate acknowledging that the landholding is free of the acreage limitations of the Federal Reclamation Law. Such certificate shall be in a form suitable for entry in the land records of the county in which such landholding is located.

(c) Nothing in this Act shall be construed as authorizing or allowing a lump sum or other accelerated payment of a contract in order to terminate the acreage limitation except in the case of a repayment contract which is in effect upon the date of enactment of this Act and which specifically provides for such accelerated repayment and except as provided in subsection (d) below.

(d) The Secretary is authorized to negotiate accelerated or lump sum repayment of outstanding indebtedness if he finds that the amount of such indebtedness is less than five percent of the total of the agricultural water users repayment obligation for a project and that a pattern of family farming has been established in the project service area.".

Amendment No. 355

On page 8, line 14, strike the words "one thousand two hundred and eighty" and insert in lieu thereof the words "six hundred and forty".

Amendment No. 356

On page 13, strike subsection (c) and reletter the following sub-sections as appropriate.

Amendment No. 357

On page 10, line 16, strike the period after the word "season" and insert in lieu thereof the following: "*Provided,* That this section shall not apply to any project, unit or division of a project, or repayment contracting entity, if the average frost free growing season, as conclusively determined from published Department of Commerce records, exceeds one hundred and eighty days and that a landholding on such project, unit or division of a project may not exceed one thousand two hundred and eighty acres.".

Amendment No. 358

On page 9, line 10, strike the word "ten" and insert in lieu thereof the word "five".

On page 9, line 5, strike the word "three" and insert in lieu thereof the word "one".●

EXPORT ADMINISTRATION ACT—S. 737

AMENDMENT NO. 359

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to S. 737, a bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1980—H.R. 4389

AMENDMENT NO. 360

(Ordered to be printed.)

Mr. TSONGAS proposed an amendment to H.R. 4389, an act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes.

AMENDMENT NO. 361

(Ordered to be printed and to lie on the table.)

Mr. SASSER submitted an amendment intended to be proposed by him to H.R. 4389, supra.

NOTICES OF HEARINGS

TRADE HEARINGS—COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold hearings on S. 377, the International Trade and Investment Reorganization Act; S. 891, S. 937, S. 1471, S. 1491, and other proposals relating to the reorganization of the trade functions of the Government beginning at 10 a.m. on July 23, 1979, in room 3302, Dirksen Senate Office Building.

The hearings on these proposals will continue on July 25, at 10 a.m. and 1:30 p.m.; and July 26 at 1 p.m.

At the hearings on July 23 representatives of the administration will present the President's proposals for reorganization in this area.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, the Select Committee on Indian Affairs will hold a hearing on the status of recent water rights litigation involving Indian tribes on July 30, 1979, at 10 a.m. in room 5110 of the Dirksen Senate Office Building.

The committee will take testimony from the Department of Justice and the Department of the Interior. The purpose of this hearing is to explore alternatives to resolving water rights disputes between Indians and non-Indians through negotiation and legislation rather than extensive and expensive litigation.

Anyone desiring information about this hearing should contact Gary Kimble of the committee staff at 224–2251.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, on Monday, July 23, and on Tuesday, July 24, 1979, the Committee on Energy and Natural Resources will hold hearings on the organizational and financial incentives necessary to foster the production of synthetic fuels. The principal legislative proposals before the committee are S. 1308, the Energy Supply Act; S. 932, the Defense Production Act amendments (as passed the House of Representatives); S. 1377, the Synthetic Fuels Production Act of 1979; and the National Energy Mobilization Board (amendment No. 312 to S. 1308).

Invited witnesses for July 23 are:

Mr. Frank G. Zarb, Lazard Freres & Co., New York, N.Y.;

Mr. Richard W. Manderbach, Bank of America, Los Angeles, Calif.; and

Mr. Michael Jackson, managing director, on behalf of himself and Mr. Jerome Katzin, managing director, Lehman Bros.-Kuhn Loeb, Inc.

Invited witnesses for July 24 are:

Hon. James R. Schlesinger, Secretary of Energy; and

Hon. W. Michael Blumenthal, Secretary of the Treasury.

The hearing on July 23 will begin at 9:30 a.m. and on July 24 at 9 a.m. in room 3110 of the Dirksen Senate Office

Building. Questions concerning these hearings should be directed to Richard D. Grundy of the committee staff at 224-9894.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, the Select Committee on Indian Affairs will hold a hearing on the status of Indian health and the role of the Indian Health Service in meeting Indian health needs on August 2, 1979, at 9 a.m. in room 5110 of the Dirksen Senate Office Building. The purpose of this hearing will be to take testimony from organizations concerned with Indian health and the Indian Health Service.

Anyone desiring additional information about the hearing should contact Max Richtman of the committee staff at 224-2251.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, July 24, 1979, beginning at 3 p.m. to hold a markup session on pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today beginning at 2 to hold a hearing on the nomination of Congressman ABNER MIKVA.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Energy and Natural Resources Committee be authorized to meet during the session of the Senate on Friday, July 20, 1979, to hold a markup session on title 2 of S. 1308, the Energy Supply Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY REGULATION SUBCOMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Energy Regulation Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Monday, July 23, 1979, beginning at 2 p.m. to receive reports from Department of Energy officials on the fuel situation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today—beginning at 5 p.m.—to be briefed by the State Department on the situation in Nicaragua.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE 10TH ANNIVERSARY OF APOLLO

● Mr. STEVENSON. Mr. President, today and tomorrow mark the 10th anniversary of one of the most extraordinary accomplishments of our lifetime: the landing and safe return of the first men on the Moon. Many speeches will note this anniversary of the Apollo 11 mission, and we will commemorate it with a special symposium, sponsored by the Senate Committee on Commerce, Science, and Transportation, and the House Committee on Science and Technology, this afternoon at 4 p.m. in the Senate Caucus Room.

I think it is appropriate today to recognize two of our colleagues in the Senate who were part of the Apollo achievement: JOHN GLENN, the distinguished Senator from Ohio, and JACK SCHMITT, the distinguished Senator from New Mexico.

John Glenn, the first American to orbit Earth, was one of the original seven U.S. astronauts. His flight on February 20, 1962, proved that this country would not concede leadership as a spacefaring nation to the U.S.S.R. This flight also demonstrated that the United States was in active pursuit of its national goal of landing a man on the Moon and returning him safely to Earth. The *Friendship 7*, a Mercury spacecraft launched by an Atlas booster, orbited the Earth three times before completing its nearly 5-hour flight. As we prepare for an era of routine manned operations and utilization of space, the importance of this first orbital flight and its pilot should be noted.

Astronaut GLENN's courageous achievement was the climax of a distinguished military career. From World War II through the Korean war, Senator GLENN flew over 120 combat missions and earned the Distinguished Flying Cross five times. Later he was the pilot on the first transcontinental flight to average supersonic speed.

Following his historic orbital flight. Colonel GLENN participated in the design and development of the Apollo spacecraft and flight control system. In the Senate since 1975 he has provided particularly valuable leadership in two areas of overriding international significance: nuclear nonproliferation and Far Eastern relations.

JACK SCHMITT, the first and thus far the only scientist-astronaut, was on the Moon for more than 22 hours, longer than any other person. His flight was the final one of the Apollo program. His presence on this mission made it the richest in terms of scientific content and results. A distinguished geologist, Dr. SCHMITT came to NASA from the U.S. Geological Survey. As a geologist, he received many academic and professional awards, among them a Fulbright Fellowship.

Senator SCHMITT flew to the Moon on December 7, 1972, and returned to Earth on December 19. He was the 12th man to walk on the Moon and the first field geologist to do so. He conducted extensive biological survey and sampling on the Moon's Taurus-Littrow region. The Apollo 17 mission was the scientific culmination to the highly successful Apollo program, whose first mission—Apollo 11—we note today.

Senator SCHMITT. has served in the Senate since 1976. I have been privileged to work with him on several committees: the Committee on Ethics and the Science, Technology, and Space Subcommittee of the Commerce, Science, and Transportation Committee. He has brought valuable perspective and knowledge to our efforts to establish a national space policy that will enable the United States to realize the economic and cultural benefits of space.

Senators GLENN and SCHMITT participated in one of the great achievements of mankind, and they now serve with distinction in this body. We are honored by their presence. We salute them.●

BUREAUCRACY TOO PROMINENT IN CARTER'S PLAN

● Mr. ARMSTRONG. Mr. President, President Carter has recommended creation of a huge new bureaucracy to ease the Nation's energy shortage. In my opinion such a proposal is an illogical response to an increasingly serious problem.

On Tuesday, the Rocky Mountain News pointed out some of the main objections to bureaucratizing energy production and consumption. I commend this perceptive editorial to my colleagues and ask that it be printed in the RECORD.

The article follows:

[From the Rocky Mountain News, July 17, 1979]

BUREAUCRACY TOO PROMINENT IN CARTER'S PLAN

As President Carter, fighting for his political life, addressed the nation Sunday night, it was easy to sympathize with this decent, well-meaning man who is so sorely beset.

Whether his fault or not, the ship has sprung leaks on his watch. The nation suffers inflation, recession and dependence on OPEC, which jerks it around like a puppy on a leash. Carter's proposals, even the good ones, are shredded in Congress. He is the Rodney Dangerfield of national politics: On Capitol Hill he gets no respect.

After 12 days of pondering at Camp David, Carter tried to reverse his record-low popularity with a blockbuster address. In fact he gave two speeches, a Sunday School sermon about lost virtues and an outline of his energy policy. He would have been better off sticking to energy; the moralizing may have distracted people from the crisis at hand.

Carter will get no argument here about the danger of being at the mercy of foreign oil suppliers. Nor about the need for the country to unite and rally in a drive to win the energy battle and "seize control of our common destiny."

However, the president erred in seeming to blame the people for pessimism and a "crisis of confidence" about the future. After a generation of inept leadership, which did not end when Carter entered the White House, the public shows horse sense in worrying about what is next.

The speech also was marred by hokey Rafshoonery. Carter tried to revert to his successful campaign tactic of running against Washington, blaming the government for being isolated from the people.

This sort of thing no longer washes, Carter has resided at 1600 Pennsylvania Ave. for

30 months, more than half of a presidential term. If the government is out of touch, it's his fault for not controlling it. Similarly, it's his fault for not being able to deal with a Congress of his own party.

Whether Carter did indeed shore up his crumbling presidency is beyond this newspaper's ability to judge and predict at this time. The answer will be given by the people, one by one, to whom he addressed his unusual religious-patriotic sermon.

The energy policy was vintage Carter. He remains suspicious of market forces and private initiative, and he puts his faith in government controls, directives and bureaucracies, existing and to-be-created.

To create a synthetic fuels industry, Carter would take $140 billion from the oil industry through higher taxes. He would pass this vast sum through the Department of Energy and his proposed Energy Security Corps. And he would expect enough money to emerge to produce the equivalent of 2.5 million barrels of oil a day by 1990.

A simpler, surer and more efficient, way would be for the government to announce how much "synfuel" it wants in a decade, how much it will cost and leave it to the private sector to determine how to reach the goal.

Another new bureaucracy Carter wants is an Energy Mobilization Board to cut through red tap holding up new energy projects. Certainly an end to infighting and lawsuits that delay new energy sources for a dozen years is needed. Lacking a White House that can knock bureaucratic heads together, the board may be a price that will have to be paid.

Among Carter's other proposals are several that seem sensible and should be pursued: Setting a quota on foreign oil and not letting more in; encouraging production of heavy crude oil and gas from unconventional sources such as coal seams and pressurized brine, requiring utilities to cut their use of oil in half by 1990 by switching to coal and other fuels; more use of energy-saving mass-transit.

Unfortunately, Carter's approach calls for a powerful (stifling?) statist and bureaucratic role in energy at the very time Congress is seeing that private enterprise can do the job faster. So the prospect is for more White House-Capitol Hill deadlocks and valuable time lost in moving toward energy independence.●

CRIME AND THE ELDERLY

● Mr. DOMENICI. Mr. President, we are all aware that the issue of crime against older Americans has, in the last few years, become a subject of wide concern and research.

Many steps have been taken at the national, State and local levels to prevent the incidence of crime against older persons. However, there exists considerable evidence that serious crime problems are still faced by our elderly citizens.

As the ranking minority member of the Senate Special Committee on Aging, I am concerned that senior citizens are not only more susceptible to becoming crime victims but also more likely to suffer serious injuries and severe financial hardships as a result of crime.

I strongly believe that we must continue the war against crime throughout our Nation and do all we can to insure a life without fear for all older Americans.

I recently read an article written by Mr. Victor Lipman in the Parade Magazine of July 8, 1979 entitled "How Con Artists Rob Elderly." In the article, Mr. Lipman illustrates the elderly citizens' vulnerability to con artists and suggests that preventable measures can be taken to educate potential victims about such crimes.

Mr. President, I would like to underscore the importance of older Americans learning what they can do to reduce their chances of becoming crime victims. Through the continuation and expansion of educational programs about crime and crime prevention techniques, we can help to reduce an older person's fear of crime and free them from subsequent hardships and isolation.

Mr. President, I would like to share with my colleagues Mr. Lipman's views and comments and ask that the text of his article be printed in the RECORD.

The article follows:

HOW CON ARTISTS ROB ELDERLY

(By Victor Lipman)

In Chicago, an elderly woman was raking leaves in her front yard one morning when she was approached by a chimney repairman. There was not a moment to lose, he warned her, because her chimney was about to collapse. He had noticed it as he was driving past her house. Fortunately, he explained, his assistants were working nearby in a panel truck and could make the necessary repairs.

The woman gratefully assented, and almost before she knew what was happening, the "repairmen" had roped off her yard climbed onto the roof, ripped down the old chimney and installed a new one. They were so helpful, they even drove her to the bank to take out money to pay them. Later she learned that her benefactors had been con artists. She had paid $4100—10 times the going rate—for a chimney she didn't need.

In Massachusetts, an elderly woman answered her doorbell one day to find a salesman standing outside holding a sewing machine. He explained how several weeks earlier her husband had made a $50 deposit on the $150 item and how he had simply come to deliver it and collect the balance.

"I'm sorry," the woman said softly, "but my husband just passed away." Then she was quiet for a moment and, touched that her husband had intended to surprise her with his gift, bought the machine as a final memento. Later she discovered that the machine was worth $30, and the only contact the salesman had had with her husband was seeking his name in an obituary.

Most victims of con artists and swindlers never report the crimes—often because they are embarrassed to admit they were "taken." Still, there is little doubt this particular brand of white-collar crime is big business in the United States. The House Judiciary Committee's Subcommittee on Crime estimates that various kinds of swindlers dupe, defraud and cheat unsuspecting Americans out of $21 billion annually. And, say investigators, although people of any age can be victimized, the prime targets for these schemers are senior citizens.

"Although many elderly people are retired or on fixed incomes, they might have a little savings," explains Leonard Sanders, president of the Consumer Affairs Foundation, a nonprofit consumer education organization. "They're on the lookout to increase their incomes above Social Security or whatever retirement programs they may have. They may be looking for home business opportunities or retirement properties—and these are areas of the marketplace that lend themselves to schemes."

Another factor is that some con artists perceive the elderly as trusting or gullible, an easy mark. "People generally outside the mainstream—whether they're very young or old—are apt to be vulnerable," says April Moore of the National Consumers League.

The list of swindles directed at senior citizens is as comprehensive as the imagination. Hearing aid and insurance ripoffs, health quackery and work-at-home rackets are some of the better-known ones. Most hinge on glib promises of "incredible bargains" or "quick money."

A now-defunct organization called Texas Frog Farmers promised to make people rich by enabling them to raise frogs in their spare time. By purchasing the company's deluxe "electronic frog feeder" for several thousand dollars, people could supposedly grow fat frogs in their own basements and sell them to gourmet restaurants across the country, thereby capitalizing on the high price of frogs' legs.

"First of all," recalls Arthur Ercolini of the Eastern Massachusetts Better Business Bureau, "the frogs wouldn't eat from the feeder. Second, it's not that easy to grow frogs in your cellar. And third, there wasn't that big a market for frogs' legs. Other than that, it was a great investment."

More common is the fraudulent retirement land deal. Problems sometimes arise when elderly people purchase attractive-sounding retirement properties, site unseen, in distant locales. Explains Ercolini: "What good is it if you own a piece of Arizona desert or Florida real estate if roads aren't put in, if facilities aren't built, or if a nearby community doesn't exist? It isn't worth a damn to you unless you can build on it and live on it. That's been the biggest problem lately—companies not coming across with developments. A person may have perfectly good title to the property, but it's worthless."

Of course, not all investments, business opportunities, or repair offers geared to the elderly are ripoffs; the vast majority are perfectly legitimate. The trick is to be able to weed out the ones that aren't.

This can be difficult because con artists often seem like sincere, likable individuals. They can be young or old, men or women. As their name implies, they work their schemes by first gaining a person's confidence. And they are usually persuasive salesmen—the type that could sell ice to an Eskimo. So whether they're peddling a "surefire" cure for arthritis or a "fantastic" sealing compound for the driveway, their offers may seem too tempting to resist.

"If a deal sounds too good to be true," warns Leonard Sanders, "it usually is."

"Con men make it seem like they're doing you a favor," adds Jim Baumhart of Chicago's Better Business Bureau. "It's their way of picking your pocket."

Money lost to con men is hard to recover. Although countless state and federal consumer fraud laws are on the books, and numerous organizations—including the Federal Trade Commission, U.S. Postal Service, and local police departments—try to track them down, con men are elusive. Shady businesses fold overnight or go mysteriously bankrupt. Some set up headquarters in one part of the country to "do business" only out of state—stymieing local investigators. Others, like home-repair rackets operating out of small trucks, are notoriously mobile. "One day they're in Maine, the next day they're in New York," says one investigator. "By the time the Better Business Bureau or the attorney general or the state police are alerted to them, they're two states away and working fast."

Perhaps what most swindlers prey on is the comforting illusion that "it could never happen to me."

Typical is the story of one old man who recently lost $3400 in a Massachusetts housing swindle. The $3400 was a 10 percent down-payment on a house that was soon to be built. It turned out that the developer—who netted $100,000 in the operation—had no intention of ever building. How could he? He didn't even own the land he was selling.

"I couldn't believe it," the victim said sadly. "He was such a nice, pleasant fellow—well-dressed, with a fancy office and a Lincoln Continental. Why, I talked to him just four days before he disappeared, and he was as cheerful as could be."

To investigators like Chicago's Jim Baumhart, however, this story has a disturbingly familiar ring to it. "It's the age-old line," he says." 'He didn't look like a con man.' Well, what does a con man look like? He pauses. "A con man looks like your son or the guy next door." ●

BYRON ALEXANDER BICKERSTAFF

● Mr. COHEN. Mr. President, the State of Maine has always been proud of its rich local traditions.

There is in the town of Gardiner, Maine, a unique individual, Byron Alexander Bickerstaff, who has for 45 years given greatly of himself to benefit his neighbors. Now 76 years old and retired from the State highway department, Mr. Bickerstaff continues to take an active role in the community and local civic groups.

Over the years, Mr. Bickerstaff has observed daily life in this small Maine community. He has recorded his observations in a work of rustic poetry entitled "Spring Cove Thoughts." Mr. Bickerstaff's simple, personal poems reflect his warm nature and his concern for his neighbors and his town.

I ask to print in the RECORD one of Mr. Bickerstaff's poems as a tribute to his contribution to Gardiner and to Maine.

The poem follows:

SUNSET

This is the time of day. The time that I love best.
When the Earth turns toward night and creation seems to rest.

All about there's a noticeable quiet,
Hardly a sound is heard,
Not even the stealthy stir of an animal,
Nor the trilling of a bird.
From the west in all its glory,
Comes the feel of a gentle breeze,
It kisses each and every leaf and caresses all the trees.

As we sit on the veranda and gaze out o'er the land,
I look into the eyes of my Helen.
And gently take her hand.

For we are getting older, We're in the sunset of our lives,
But we shall go on together,
As always—husband and wife.●

GOVERNMENT CONSULTANTS

● Mr. PRYOR. Mr. President, a few weeks ago, I overheard an interesting discussion in a Washington cab I was sharing with two strangers. They were debating the amount they should charge a Federal agency for their consulting services. Finally deciding that they could get $25,000 as easily as $12,000, they set the fee at the higher rate.

I do not know if the agency did, in fact, agree to their fee, but I would not be surprised.

On returning to the office from my cab ride, I started trying to find out about the number of consultants paid by the Federal Government, and how consulting firms were actually chosen to perform work for the Federal Government.

My research on this subject to date indicates that not only do we not know exactly how many consultants are used by Federal agencies, but we are not even sure what some of these people do for the Government, or how much their services cost the American taxpayer or why they were retained in the first place.

My concerns about this practice were reaffirmed by a recent article "Uncle Sam's Army of Invisible Employees" in the May 5, 1979, issue of National Journal.

The Civil Service Reform Act, enacted into law last year, contains a provision which is intended to limit the total number of civilian employees in the executive branch to the number employed as of September 30, 1977. This provision, however, only applies to full-time, part-time, and intermittent employees and excludes those individuals whose services are contracted for. If we, in the Congress, are going to be able to limit the size and growth of the Government, then I believe that we must find out the number and cost of additional personnel who are paid by Federal funds and establish a system for controlling the growth of consultant services.

A part of this problem is that there is no accepted Government-wide definition of consultant nor a single authority responsible for overseeing the Government's use of experts and consultants. The principal authority governing the use of experts and consultants in the Federal service is found in title 5, United States Code, section 3109, but many agencies have separate statutory authority which enables them to utilize consultants.

Chapter 304 of the Federal Personnel Manual on Employment of Experts and Consultants supplies instructions on the proper use of experts and consultants. Under these guidelines over 61 agencies have been granted authority to hire consultants without approval of the Office of Personnel Management (formerly the Civil Service Commission). Although OPM monitors appointments of experts and consultants to insure that title. 5, United States Code, section 3109 is not used as a device to circumvent the merit system of employment, it does not give OPM the authority to regulate the use of specialists. I believe that we should begin to consider whether additional authority is needed by the Government's central personnel management agency in this area.

As the chairman of the Governmental Affairs Subcommittee on Civil Service and General Services, I intend to pursue the number, cost and purposes of consultants in the Federal Government, the adequacy of current controls on such activity, and the effect of such personnel on the work of Government.

I recognize the value of consultant services, but in a time when every expenditure of taxpayer dollars needs the strictest scrutiny, I think we must examine expenses for consultant services and make sure these funds are being used in a responsible, efficient way.

At the present time, I am inclined to believe this to be a gross abuse existing in the area of consultant services.●

REGARDING UNITED STATES-TAIWAN RELATIONS

● Mr. DOMENICI. Mr. President, on January 1, 1979, President Carter extended full diplomatic relations to the People's Republic of China and, in doing so, derecognized our long-term friend and ally, the Republic of China on Taiwan. Following this abrupt and precipitous policy change, the burden fell upon the Congress to begin to ferret out the shape of future relations between the United States and the Republic of China. The Taiwan Relations Act went a long way toward restoring and institutionalizing the relationship between Taiwan and the United States.

Under the provisions of the Taiwan Relations Act, U.S. contracts with the Government in Taipei are conducted by the American Institute in Taiwan. Taiwan's counterpart agency, the Coordination Council for North American Affairs, carries on the day-to-day diplomatic activities which were previously assigned to the Embassy of the Republic of China. The Coordination Council is now headed by Mr. Konsin C. Shah, a distinguished businessman and diplomat who previously represented his country as Ambassador to New Zealand. On Monday, July 9, Ambassador Shah addressed the National Press Club and outlined the progress which is being made to establish a smooth working relationship between our two countries. Ambassador Shah's remarks, entitled "The Beginning of a New Era," outlined not only the emerging United States-Taiwan relationship but also explored many aspects of economic life in the Republic of China since January 1, 1979.

Mr. President, I would like to share Ambassador Shah's remarks with my colleagues and I therefore ask that the text of his speech "The Beginning of a New Era" be printed in the RECORD.

The speech follows:

THE BEGINNING OF A NEW ERA

President Wiese, Mr. Kyle, Mr. Zimmerman, honored guests, ladies and gentlemen:

It is indeed an honor and a great privilege to appear before you and report on the state of affairs between our two peoples. Since I am a member of the counterpart instrumentality of the American Institute in Taiwan, a nonprofit corporation incorporated in the District of Columbia, the observations and opinions expressed hereafter are entirely the personal opinions of my own.

Immediately after my arrival in Washington I called on Mr. David Dean, my counterpart and wet nurse at the AIT. Both he and I agreed that we couldn't do much until the publication of the Executive Order which would implement the Taiwan Relations Act.

Then on June 22 the Executive Order was issued, which, at first glance, looked more like Moses' Tablets than anything else. I called Mr. Dean on the telephone and found out that he needed translation also. "David, do you think we can untangle this by Christmas?"

Well, Mr. Dean and I are trying to restore, if only in part, the smooth working relations which the peoples on both sides enjoyed until January 1, 1979, in order to carry on an age-old relationship which bound our two peoples in times of war and peace. Thus, the wheels of a new era begin to gather speed and momentum.

Whatever be the legal language embodying the Executive Order for Public Law 96–8, it may be summarized in 5 sentences. 1. The delegation to the State Department of most of the functions of this Act in conference with other departments. 2. The reservation to the President of the U.S. of other functions, primarily those regarding defense articles made available to Taiwan. 3. The specifications of laws and determinations to the extent of their applicability and inapplicability to AIT. 4. The designation of CCNAA, my office, to act as the counterpart instrumentality of AIT, and 5. Agreements and arrangements referred to in the President's Memorandum of December 30, 1978, shall continue in force.

The decision to create the CCNAA, in the absence of diplomatic ties, aimed at continuing substantive relations between Taiwan and the United States, as indicated in President Carter's original statement of last December 15. My office in Washington, now located at 5161 River Road, Washington, D.C. shall perform much of the functions as previously performed by the Republic of China Embassy.

For the rest of the country, we maintain only eight branch offices, namely, in New York, Atlanta, Houston, Chicago, San Francisco, Los Angeles, Seattle and Honolulu.

During the diplomatic crisis that occurred last Winter, a large sector of the American people have expressed themselves unmistakably that they stood firmly on our side by their messages by the thousands, in the form of letters, telegrams and telephone calls from all 50 States, as was also reflected at opinion polls that a strong feeling of friendship is in store for the Chinese people on Taiwan. On the other hand, despite the change in the official American policy, the people of the Republic of China on Taiwan will remain friends with the people of the United States, as was recently underlined by President Chiang Ching-kuo in an interview with the Fortune Magazine.

Another indication has been the support given, and substantial improvement to the Taiwan Relations Act by the United States Congress.

It was the outpouring of such strong friendly feelings which have inspired the incorporation in the Taiwan Relations Act such language as that anything other than peaceful means to determine the future of Taiwan is to be considered a threat to the peace and security of the Western Pacific area and of grave concern to the U.S.

We shall look forward to the serious implementation of the provisions in the Act.

It is equally noteworthy that to implement the above, the Act obligates the United States to "maintain its capacity to resist any resort to force or other forms of coercion that would jeopardize the security or social or economic system of the people on Taiwan," and that "the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability."

The change of relations with the United States was not our first diplomatic setback. Since June 1971 we faced a series of diplomatic buffetings. Seemingly humiliated, we successfully weathered each crisis, mainly because an open society in contrast to tyranny and a resurgent and resilient economy are the mainstay of our great national strength. Like the "wise" man who built his house upon solid ground, even when "the rains descended, and the floods came, and the winds blew; and beat upon that house; and it fell not; for its foundation was laid upon a rock."

As was only natural, we reacted initially to the United States move to "derecognize" the Republic of China with shock. The initial period of dismay and even bitterness was short-lived. Once again we turned to the prudent words of our late President Chiang Kai-shek who told us in June 1971: "With dignity and self-reliance face adversity without panic." Calm determination was soon restored, and a nation united quickly put its shoulders to the wheel. After a short period of uncertainties, even the stock market rebounded to normal. Our Premier Sun told the nation: "We are not discouraged. We have met with adversity not defeat."

One of your distinguished colleagues, Mr. Fox Butterfield, was visiting in Taiwan in May after a fact-finding trip to mainland China. In his dispatch from Taipei, Butterfield spoke how the Republic of China has adjusted "with surprising ease" to President Carter's decision to break off diplomatic relations. Taiwan, Butterfield added, "has sailed through a diplomatic storm and is heading for continued prosperity. There has been no flight of people or capital. Stock market and real estate values are climbing again, and the 1979 rate of economic growth may well be above the forecast of 8.5 percent. Foreign investment, a measure of confidence in the Republic of China, appears headed for a record since 1950."

Last year the Republic of China's economic growth rate reached an all-time high of 12.9 percent in real terms which broke all records. Industrial production up 25.4 percent, foreign trade rose 32.8 percent, per capita income up from US$706 in 1976 to US$1,304 in 1978, and may rise 14 percent to US$1,656 in the current fiscal year. Our GNP has climbed 20-fold in a single generation, reaching US$24 billion in 1978. The total volume of our foreign trade has increased 15 times between 1962 and 1978, from US$523 million to US$23.7 billion, with a favorable balance of US$1.68 billion.

Nothing projects more sharply the image of cordial and close relations between our peoples than the economic and trade ties that have developed within the last two decades. Based on the rising statistics of American investments and American trade during the past 20 years and the trends and policies on both sides, I see new opportunities and encouraging prospects ahead.

Since 1952 foreign investments in Taiwan, including American and overseas Chinese investments, have reached the total of US$1.92 billion, of which US$600 million, or one-third, is American. In 1978 alone, foreign and overseas Chinese investments amounted to US$212.9 million, up 30 percent over 1977. The United States remains the leading foreign investor followed closely by overseas Chinese investments second.

That foreign and overseas Chinese investments in Taiwan paused momentarily but have not shown continuous decline since the United States announcement of diplomatic break carries a message of special significance. Authoritative sources recently disclosed that foreign and overseas Chinese investments in the first quarter of this year totaled US$110 million, twice as much as the corresponding period last year. (Interloping here)

The phenomenal expansion of two-way trade between our two peoples during the past two and a half decades has been another encouraging sign. How rapidly this trade has grown may be seen by looking at the trade volume for the year 1953 which was only US$105 million. Two decades later, it had reached US$3.71 billion by 1974, a 35-fold increase. Last year it rose to US$7.53 billion, an increase of nearly US$2 billion over 1977, so much so that the ubiquitous distractor of all trade forward moved in. Our exports to the United States reached US$5.1 billion, a 40-percent increase over 1977, and our imports from the United States rose to US$2.3 billion from US$1.7 billion in 1977. The United States suffered a deficit of US$2.1 billion.

Such a deficit does not reflect a happy growth. On our part we regard this serious enough for us to launch a Buy America Policy and purchasing missions to implement it. Each year we send a number of special trade missions to visit the United States, scouting various industrial and agricultural channels for commodities. The first of two such missions this year has just completed their visit to north-west United States, while three missions to this country last year signed contracts for the purchase of well over a billion worth of American goods.

Therefore the shoe has been on the other foot. In any normal situation American export missions should be on tour in Taiwan. In the past two decades the United States has set the scene of a growing and maturing market. American business should start voluntary investigation for greater possibilities.

Has the diplomatic break had an adverse effect on our trade? Not entirely. Our two-way trade in the January-February period this year chalked up a 40 percent gain, reaching US$1.3 billion. Unless interrupted by a recession, there is a general prediction that trade between our two countries would likely reach US$10 billion by the end of the year.

TRADE AND ECONOMIC RELATIONS

Here, I should like to make two observations regarding the future of our economic relations: one of more immediate concern to American exporters, and the other for all of us who would like to see the healthy growth and continuation of our two-way trade.

The more immediate concern is, of course, how much will American exporters be adversely affected by the economic slowdown which seems to be setting in in the wake of higher cost of oil. News from Geneva recently bore stronger premonitions which cause the President of the U.S. to predict the loss of 800,000 jobs when oil price was raised from approximately $15 to $20 a barrel, and that it will also raise the rate of inflation by 2½%. With April and May economic indices not entirely encouraging, and the June index which we have just received also showing hesitation and even fear, the continuous growth of the American economy is, with a sort of under-statement of the year flat or, seriously retarded. An American recession would mean the reduction of orders placed in countries like Taiwan. The real concern for all of us is, of course, by how much, or whether there will be further deceleration rather than zero growth.

Since the beginning of this year, our two-way trade has been growing, up to the month of may, at 30% rate in comparison with the same period of last year. This is unexpectedly and extraordinarily high. Looking more closely, therefore, the picture is even healthier for American exporters since the rate of American export to the Republic of China on Taiwan has been growing at close to 40 percent over that of 1978, whereas the export from Taiwan to the United States has only been growing at about 25 percent. This increment of trade is something phenomenal. Should an immediate recession in the United States, let us say, reduce by one-third the amount of orders placed by American importers on Taiwan, the level of import by the United States from Taiwan would still be somewhat close or slightly under the level of 1978. Since the Republic of China export to the United States constitutes approximately one-third of all exports from Taiwan, a one-third reduction of such export will constitute a 10 percent reduction of all exports from our island. Unless exports to other countries also take such a drastic cutting, then the economy in the Republic of China on Taiwan will not be seriously buffeted by a recession here since it would far from wipe out the trade increment we enjoy. To keep our economy on an even keel, we will have to go back to the lesson we learned in 1974–75 when we had launched major infrastructure projects at home, thus shifting employment which was lost in the export quarter to internal reconstruction programs and keeping up a healthy picture of our over-all economy. At this moment, we are proceeding with 12 more major reconstruction projects, and I am certain that the authorities back there will speed up the construction of such projects once export sales show strong signs of declining.

If one analyzes the nature of American exports to the Republic of China on Taiwan, one can clearly see that a reduction in Taiwan exports to the outside world will not seriously affect, if at all, imports from the soybeans, cotton, tobacco, capital goods, whole plants such as nuclear and thermo power plants, energy resources such as coal and uranium, industrial raw materials, and fine instruments which are required by the rapid advance of technology. In successive years we have liberalized imports as well as reducing tariff. From 1977–78 we had even increased our purchases of Californian and Floridian oranges, Californian grape wine, north-western applies, cheese and American beef. These items, which would have been considered luxury imports a decade ago, are now being more widely consumed in ordinary households with a speedy rise of our per capita income, which is currently about $1,500 per head per year.

When our export sales are reduced on account of recession elsewhere, there may be a reduction of imports of luxuries. But the shipment of instruments, the whole plants, industrial raw products, and capital goods, uranium and coal, particularly the grain and other agricultural products must continue to flow. The acquisition of four million tons, now costing over a half billion dollars, of grain, corn and soybeans from the United States will continue so long as we want to keep up the animal protein which our populace needs.

One should not lose sight of the buy-America policy in the Government of the Republic of China on Taiwan. The Government has been sending missions two or three times each year to the United States to negotiate and to conclude orders so that what could otherwise be bought elsewhere get a better chance of being purchased in this country, particularly if the orders would be placed by government and government-related industries. In the case of a recession here and a reduction of exports from the Republic of China, thereby triggering government infrastructure programs in order to keep up the economy, the percentage of imports covered by the buy-America policy becomes even larger, since these infrastructure purchases are almost entirely conducted by the government.

For these and other reasons, I am optimistic that, in spite of the looming shadow of a recession in the United States, the outlook for American exports to the Republic of China remains healthy and is unlikely to suffer cutbacks of any large magnitude.

On a long-term basis, economists and businessmen are concerned with the growing imbalance of the two-way trade between America and Taiwan. Last year it was to the tune of 2.1 billion U.S. dollars. Unless the rate of growth of trade is tempered from those found in April and May, some people are alarmed that the speedy growth of trade may even bring a larger deficit for the United States. However, if we examine more closely, it does not have to be so.

First of all, there are items of American exports whose movement is momentarily retarded. In recent years, we have become increasingly reliant on American supply of enriched uranium which is now firing our nuclear power plants following a drastic diversification of our energy program. Agreement previously reached between American and ROC authorities placed the ceiling of American uranium supply at a quantity enough to keep eight of Taiwan's plants going. At the moment, nuclear plant number two is near completion, and a number three plant is under construction. Number six is still on the drawing board. But the pace at which these power plants are being completed is so fast that the rising uranium demand will quickly match that of our demand on oil supply in dollar volume. It is to be expected that the uranium price will more or less keep pace with the rise of international oil price and, therefore, the payment by Taiwan for uranium export from the United States will be rising at a phenomenal rate, quickly offsetting a large part of the payment deficit on the American side.

Another important item is the sale of defense supplies. In seeking defense equipment, developing countries are often faced with a choice between the free world and the Soviet Union, a choice which we had never exercised in the Republic of China on Taiwan. Until December 31, 1978, the Government of the Republic of China had faithfully abided by the terms and conditions of the Mutual Defense Treaty between the United States and the Government of the Republic of China which the former recognized until January 1 this year. Purchases and imports of defense equipment were almost exclusively from the United States, growing in dollar volume until it is now a sizable amount each year. With the abrogation of the Treaty, one would realize that the needs of the defense of Taiwan may be considerably increased. Even a normal flow of what is called pipeline supplies would cost the government on Taiwan hundreds of millions of dollars a year and, together with uranium supply, they will visibly fill in the gap of trade imbalance.

One mustn't forget the more than $600 million of American equity investment, plus the nearly two billion dollars of loans extended to the various industries on Taiwan. The profits accrued by their export would be free to return to the U.S. Therefore what seems to be a good-sized trade deficit doesn't have to end up a payment deficit for the U.S. In other words, our prosperity is shared by American banks and investors, and we don't have a monopoly over such proceeds.

Furthermore, as the economy on Taiwan further matures, we will phase out some of our export industries such as cheap textiles, low-priced garment and footwear, as well as the low-priced electronic appliances, and the more technology-intensive industries we will phase into will require more and more high cost capital goods from the more developing countries. And, coupled with a sensible balancing of trade policy as has been adopted by the government, a more mature economy on Taiwan will be strongly inclined to close the trade gap which is causing so much attention from all quarters.

So much optimism for the future of our economic relations.

Looking above and beyond our trade, there must be things more important than just dollars and cents. After all, it was liberty and God-given rights which inspired the Founding Fathers of this great nation to the great movement still in process. We are also a people determined to preserve our freedom and our rights, and in that order. We have chosen the cause of the Free World because we have determined on the type of open society, the type of free economy, and the right and opportunity to higher education and self-betterment, and we believe in them sufficiently to agree that any price paid is worth paying. This is why we refuse to capitulate whatever be the diplomatic body blows we have suffered. Thirty years ago we applauded the Finns at Karelia and the British at Dunkerque where so many admired the splendid courage of so few. Today we look at even greater odds of the combined Communist world straight in the eye, and we are fewer still, feeling certain that just because of our century-old misfortune at the hands of colonialism, our determination to remain free against imponderable odds shall not be treated by posterity as human folly. This, perhaps, is why you have permitted me to occupy this forum.

Recently the publisher of a leading newspaper asked me to wrap up the situation back in Taiwan. I told him in eight words: "We have a *roaring economy*, a *prepared military*. We face *beleaguered diplomacy*, but we keep up our *undaunted spirits*."

It is with such hopes and resolutions that I look optimistically into the future of this new era and prepare myself to work closely with Mr. David Dean, Mr. Kyle and their honorable colleagues at the AIT in good faith and with friendliness and dignity.

Thank you.●

INTERSTATE TAXATION (S. 983)

● Mr. **MATHIAS.** Mr. President, a year ago the Supreme Court decided Moorman Manufacturing against Bair, and stated:

> It is clear that the legislative power granted to Congress by the Commerce Clause of the Constitution would amply justify the enactment of legislation requiring all States to adhere to uniform rules for the division of income. It is to that body, and not this court, that the Constitution has committed such policy decisions.

Recently, in Japan Lines, Ltd. against County of Los Angeles, the Court went a step further. It struck down an attempt by Los Angeles to tax shipping containers that were temporarily present in California. These containers were already subject to tax in Japan, and the court held, in an 8 to 1 decision, that the tax violated the Commerce Clause of the Constitution. In so concluding, the Court said:

> California . . . will go uncompensated for the services it undeniably renders the containers; and, by exempting appellants' containers from tax, the State in effect will be forced to discriminate against domestic, in favor of foreign, commerce. These arguments are not without weight, and, to the extent appellees cannot recoup the value of their services through user fees, they may indeed be disadvantaged by our decision today. These arguments, however, are directed to the wrong forum. "Whatever subjects of this [the commercial] power are in their nature national, or admit only of one uniform system, or plan of regulation, may justly be said to be of such a nature as to require exclusive legislation by Congress." Cooley against Board of Wardens, 12 How. 299, 319 (1851). The problems to which appellees refer are problems that admit only of a federal remedy. They do not admit of a unilateral solution by a State.

Mr. President, I think that is about as unequivocal a statement as I have ever heard—especially from the Supreme Court.

In view of the Supreme Court's stated opinion in both the Moorman and the Japan Lines cases that a national standard is desirable, I suggest that we act quickly.

I testified, on June 5, 1979, before the Foreign Relations Committee that if the President and Congress cannot guarantee protection from double taxation to our trading partners abroad, there would be some justification for them to conclude that they must negotiate separate treaties with each of the States of the Union to protect their interests. Of course, our Constitution would bar such treaties. So, we are in effect telling our trading partners that they have no way to protect themselves via the treaty process—another example of a Catch-22.

I am convinced that a treaty-by-treaty approach is not the solution to this problem. It must be addressed legislatively. The 50 United States must speak with one voice. If the Executive is negotiating treaties while the House of Representatives clamors that it has been euchred out of its legitimate responsibilities in the area of taxation, and the Supreme Court requests—almost pleads—for congressional action, that is not speaking with one voice.

Frustration by business both domestic and foreign, with the State taxation of interstate commerce has brought the problem to our attention. It is a problem that must, by its nature, be addressed by both Houses of Congress. The Supreme Court has said clearly that the solution to the problem is within our ambit. Senator HARRY BYRD, chairman of the Finance Subcommittee on Taxation and Debt Management, has scheduled hearings on September 21, 1979 to continue the discussion of the issues raised by the United States-United Kingdom Tax Treaty and the Japan Lines case. I am looking forward to a complete examination of all points of view.

I recommend a bill to regulate S. 983, State Taxation of Interstate Commerce, to my colleagues as a starting point that is already half-way to the goal. Much of the hardest work has been done. It is time for the Congress as a whole to focus on this issue of national and international dimension, and do away with discriminatory and unfair taxation, while insuring that fair taxes are paid.●

NOMINATION OF G. WILLIAM MILLER TO BE SECRETARY OF THE TREASURY

● Mr. PELL. Mr. President, President Carter's nomination of G. William Miller to serve as Secretary of the Treasury is an excellent appointment and one which I enthusiastically support.

Bill Miller was at the pinnacle of a brilliant career as a national business leader when he was selected last year by President Carter to serve as chairman of the Federal Reserve's Board of Governors. At that time, despite his broad national experience in business, finance, and national economic affairs, there were those who questioned his qualifications for the exacting responsibility of leading in the formulation of national monetary policy.

Bill Miller's outstanding performance in the Federal Reserve board chairmanship quickly convinced the doubters. Indeed, my only reservation at his nomination as Secretary of the Treasury arises from the loss of his sure, steady, and capable leadership at the Federal Reserve.

Bill Miller is a man of exceptional intelligence, unflagging industry, and unquestioned integrity. and he has today demonstrated his selfless willingness to place those abilities at the service of his country in whatever capacity they are most needed.

I commend President Carter on his nomination of Bill Miller, and I look forward very much to early Senate confirmation of his appointment.●

FUTURE OF BUSINESS

● Mr. GOLDWATER. Mr. President, the great problem with American business for many years has been its inability to explain itself in terms that the American people could understand. This has led to many of the problems that today plague the business community in these times of inflation and energy shortage. The public misconception of the whole subject of corporate profits is only one facet of this country's problem.

In this connection, Mr. President, the Center for Strategic and International Studies at Georgetown University has recently published an extremely enlightening article in a publication entitled "Future of Business." In it, Mr. George Hammond, an expert in public relations, explains that business will have to find its voice if it is to recapture its acceptability as a full member of the American Society.

Because of its extreme importance at this particular time, I ask that this article be printed in the RECORD.

The article follows:

FUTURE OF BUSINESS: BUSINESS HAS FAILED TO EXPLAIN ITSELF

(By George Hammond)

This paper voices a widely-held yearning for someone to do for business what Alexander Hamilton, James Madison, and John Jay did for government, not too long ago. The Federalist Papers clearly explained the essentials of government and how its benefits could best be enjoyed.

The Founding Fathers were so persuasive that, in the fact of what was assumed to be insuperable opposition, they mobilized opinion in support of the new Constitution, and it was ratified.

The virtue of originality and the pressure to reach a single profound decision are not present, today, to focus attention on business in the same way. To the contrary, business as we think of it has been argued about for more than a century and a half. Yet, all the experience of the passing years has not brought either clarity or understanding.

WHY HAS BUSINESS FAILED TO EXPLAIN ITSELF?

Mao Tse-tung is not often cited approvingly in our reading, but he used to stress that correct policies in any period derive from an accurate assessment of the period's "primary contradiction"—that is, its most salient problem. The Chairman's counsel applies to what has been happening to business.

Through the pediod of the last 150 years in this country, the greatest contradiction has been—and remains—between the perceived and the real nature of business.

Desipte all the theorizing and the ebbs and flows of anti-business activity, business is not just a part of American society, disjoined from other parts. Though they are uncharacteristically unperceiving on this subject, thinkers and doers in government, the arts, education and academia, and in the enlarging non-profit category of organized interests, all act in unison as if the dividing line existed.

The phenomenon dates from the 1820s. Then it was that trade began to be overshadowed by business—the organizing of people, money, machines, and unifying management for new purposes, in new ways.

Not long in coming was the polarizing of different interests in this new creation: the investors, the entrepreneurs, the operatives, the inventors, the sellers. These were directly involved and had conflicting claims that grew in unforeseen directions. Meantime, other groups began to be affected by business, and vice versa. New claims demanded consideration: from free-thinkers, the religious, and the anti-materialistic.

Farming was for years a bigger enterprise, and more populous. In fact, all operatives in the early factories had to have had roots elsewhere, and it took time for them to feel an allegianace to their new and better livelihood.

Significant in this review is the fact that fledgling business was impacted by events, not in the reverse order. Ups and downs of trade forced factories to lay off, with consequences not greater than local misfortunes.

A recent book by Anthony E. C. Wallace, an extraordinarily perceptive anthropologist, documents the transition step by step, with many surprising insights. The book, "Rockdale," describes the growth of an American village in the early Industrial Revolution. Rockdale was a village lying along the banks of Chester Creek in Delaware County in southeastern Pennsylvania between Philadelphia and Delaware, where people manufactured cotton cloth.

Wallace describes the beginnings of controversy that revolved around who should own the new tools of business. This was long before Marx, but not before the ideas of socialism, growing out of the Industrial Revolution of the 1700s and the Enlightenment of the seventeenth and eighteenth centuries.

So the first ferment in the area around and about Rockdale was the work of Robert Owen Fanny Wright, and the Utopian socialists, a group who went up and down the colonies expounding views which were also being propagated in Britain, and to a degree implementing them. Communal communities were founded at New Lanark and New Harmony, and even a commune at Valley Forge. These communes soon failed and were largely forgotten.

Then a new force joined, principally composed of newcomers from the British Isles who had already heard the call to organize the workers. Soon labor controversies spread, with what today we call plenty of provocation. A strike that spelled its victory in a 10-hour day, was worth it to workers, including children, who put in 14-hour days tending machines.

Wallace describes what countered these early indictments of business. To the surprise of many, he ascribes this result to what he calls "the Evangelical counter-attack," and "the emergence of Christian industrialism."

The Theory of Christian Capitalism he said "grew more out of the need to rationalize what was already happening in places like Rockdale than out of existing traditions in political and economic theory. It was formed in part to provide an intellectually satisfying response to Utopian socialists and to southern advocates of free trade; but it also served to reassure the capitalist and worker alike that the British economic system, their principal competitor, was fatally oppressive to workers, to colonial populations and to developing nations. . . . It was a point of view that connected strictly economic variables—rents and wages, capital investments and prices, and so forth—to other dimensions of society, including the general welfare, historical process, and a system of Christian religious values.

"This clearly was an ideology that gave the manufacturers effective criteria for making decisions. And, for a time at least," Wallace writes, "the emerging American economic system seemed to be working in just about the way that the theory of Christian Capitalism said it should."

Inexorably, as business demonstrated a new means to greater rewards, the problems multiplied. Now farmers and cotton growers had differences of real scale with industrial capitalism, increasingly becoming the prevailing business mode.

Always, however, there was this segregation of the other forces or groups, from business. The illusion lingered that business was not truly a necessary adjunct and could be curbed, cajoled, even proscribed.

For a few decades toward the end of the nineteenth century, business seemed to dominate. There were farmers, true, but not yet the beanstalk-like growth of the professions, the arts, the social service and health groups, or the academic, communications, or knowledge industries.

With these, important new urges developed to draw lines against business. And acrimony grew, because of what Gerald Dunne has called "the fierce intellectual pride of self-made and self-educated men."

The recommended antidote has been "to explain business." All the problems could be borne if only business were understood.

This is demonstrably untrue, but the importance of the conventional belief that it is true, which lingers, is very great.

The mission has changed. What business really wants to do—badly enough—it can do. We will see that it has not, ever committed its massive resources to *explaining itself*—only occasional passes. But it can and must mobilize its resources now to explain the American system in its entirety. The American society functions impressively because business provides the means—in cash—for the existence of every major and minor classification of the system.

Fanaticism, growing from sound roots, can destroy the whole creation; that is a very real threat. Unless it is banished it can send back into a primitive state all of the generations to come.

The erosion of support for the institution of business occupies the whole being of many who want a perfect world of their imagining. In their view, a gulf does separate business from all else. That obsession has beguiling aspects, and makes the coming struggle one that will strain emotions as well as common sense.

Why business has not explained itself is not hard to understand.

Until they achieved the distinction of being the targets of savage critics—the circulation-motivated publishers of popular magazines and their suddenly famous muckrakers—businessmen felt no responsibility for explaining. They were engrossed in developing a new pattern that would change the world, and theirs was a full-time job.

It was, moreover, easy to opt out, if the idea had occurred to them, because an undercurrent of hostility had a history going back centuries. The gospels admonished the rich man; the choice was between God and Mammon. Only passing notice was paid to Jesus' more tolerant counsel: "Render unto Caesar the things that are Caesar's, and render unto God the things that are God's."

Even the role that envy played did not loom large as long as wealth seemed to be reserved to families whose retainers could not recall how it originated; or, later, if wealth rewarded the great personal risk-taking of the long line of captains of trade.

The explosion of wealth that marked success in organizing business on a larger and larger scale tipped the scales, and general indictment of the manipulators made explaining difficult. No volunteers stepped forward.

Another factor was the creation of a stereotype by a strong school of historians who shared an active dislike for business. This part of the story was told in detail by Dr. Edward N. Saveth in 1952, himself a historian of historians. He quoted the distinguished Francis Parkman's appraisal, "Business swallows much that is noble" and the consensus of his fellows that "Thoughts bent on practical gains are not pleasant to contemplate, no matter how much virtue may accompany them."

For an example of almost inexplicable influence one has to bring Thorstein Veblen into the discussion at this point. Karl Marx had preceded him, and by coincidence was also his model in being impecunious and steadfastly unemployed.

Veblen was unique. A vivid portrait in a few words was this one, taken from the book, "The Spirit of Enterprise." The late Edgar M. Queeny, the great chief executive of Monsanto Chemical, in his much-neglected book, illuminated the cross-currents of the twenties and thirties. On Veblen, he wrote:

"One receives the impression from Veblen's works that his humble origin, his foreign parentage and a youth spent in a colony of recent immigrants, thwarted any real comprehension of the true American mentality. Veblen's adolescence and young manhood were lived amidst the hardships and unemployment of the depression years of the 1880's. When studying at Johns Hopkins and Yale he found himself an economic and spiritual outcast from a relatively gay and wealthy American student body. For seven years after his graduation he was unsuccessful in securing a job, and it was not until he had passed his forty-sixth year that his annual salary exceeded $600.

"His origin, his difficulty in finding employment and the contrast between the riches into contact with which he was thrown, and his own poverty, may account for his bitter and sarcastic attitude toward the American economic system out of which the riches came.

"It appears that a sense of inferiority caused him to withdraw within himself, sit on the sidelines and sneer at American life and American business. . . . His advocacy of the abolition of private property, of which he failed to attain any material amount, and his antipathy toward competition, may have stemmed somewhat from his sense of inferiority."

Veblen's writings damn what he termed "the conscientious withdrawal of efficiency" and "capitalistic sabotage" in which he said businessmen indulged. In Queeny's view, Veblen

"argued that this capitalistic sabotage caused periodic recurrences of streets full of idle men and factories full of idle machines. He insisted that there was no technological reason why both men and machines should not be continually busy as there were always people who wanted and needed the goods that these men and machines were capable of producing. He argued that while the common man was periodically unemployed and in want there were 'kept classes'—people who lived in leisure, contributing nothing to the pool of consumable goods; that members of these kept classes spent their lifetime vying with each other as to the most conspicuous manner of wasting their riches.

"He urged that the revolution, which he hoped would take place during a period of depression, should under no circumstances countenance businessmen in its ranks, as such a movement of overturn can hope to succeed only if it excludes the businessmen from all positions of responsibility.' "

A host of followers who shared Veblen's views spread across the globe, and businessmen were now under a constant barrage for shortcomings that they considered too ridiculous to counter—unwisely, as the future unfolded, and the Veblen-charmed brainpower of the New Deal tried to transform his warped visions into reality.

If ever there were a time when American business endeavored to explain itself, it was in the twenties. We had survived World War I; we had performed prodigies of output and organization, even if belatedly. The tensions subsided. The cry was "Back to normalcy."

Warren G. Harding was elected in 1920 and selected Andrew Mellon as his Secretary of the Treasury. The circumstances were auspicious for businessmen to achieve.

But as the details are reviewed, extraordinary contradictions and inconsistencies become apparent.

A short, severe depression opened the twenties. As the decade wore on, circumstances beyond their control conspired against the farmers. For them it was downhill most of the way.

The resolution of the leadership of the business community was mobilized against organized labor. What came to be called "The American System" was launched and supported, and union membership declined. Still, the green lights seemed to be blinking. It was a time when the American Magazine every month chronicled the rise and times of successful American businessmen; Horatio Alger was a popular pundit.

It was a time when brokers' customers' men discovered investors' unsuspected "nest-eggs," and induced hopeful "investors" to discover the Stock Exchange. In a rising and reassuring torrent, the surplus savings of at first thousands and then millions found their way into the stock market. Prices rose and the dance grew wilder. Not illogically, a great deal of pontificating about prosperity developed. Waddill Catchings, a fascinating ex-pedagogue who was then president of Goldman Sachs, wrote "The Road to Plenty," a book he later came to regret.

Even the legendary Bernard Baruch, a Democrat, assured the readers of the American Magazine, in the spring of 1929, that they need no longer worry about the business cycle.

Despite, however, the skill of Secretary Mellon in reducing the Federal Debt, and the aura of confidence in which business basked, the crash came in 1929. Suddenly the predictable rewards of wild speculation became real. It was a great time for recrimination, for scapegoating.

A quite different undertaking in "business explaining itself" then began. Anyone who had given much thought to the subject was well aware that business failed to explain itself in reports to stockholders, in advertisements, in speeches, even in employee meetings. Business explained itself every day, however, in what it did. Its action could be temporarily obscured by words while euphoria prevailed; but once the rose-colored glasses dropped, the acts spoke louder.

A careful reading of the record reveals a sharp difference of opinion on the inevitability of the long Depression as an aftermath to the crash. The conventional wisdom is that Herbert Hoover was a tragic figure who misunderstood the most important things; and that Roosevelt, striving against odds, finally turned the country around.

A largely submerged school of thought believed—to the contrary—that the healing was in process and that had Roosevelt joined with Hoover between his election and his inauguration, it would have been possible to revitalize the wealth-producing mechanism.

Be that as it may, the drama of the Bank Holiday and FDR's inauguration, which inspired some of the most impressive pros in American political history, set the mood.

But even then, the first steps taken by the new administration were healing steps. None other than the flamboyant General Hugh Johnson believed that all that was needed to knit up the raveled fabric of the American economy was business confidence.

At this juncture, unfortunately, two things happened. Some activists in Congress felt that the events leading up to the collapse should be thoroughly investigated in order that appropriate safeguards might be established. And in doing this, some resourceful and relentless inquisitors became involved in the "explanation of business."

James Landis, Senator O'Mahoney, Leon Henderson, Ferdinand Pecora, Benjamin Cohen, Tommy Corcoran, and others, worked around the clock to understand to their satisfaction how the business community, and particularly the banking community, really worked and how they could improve the complex process.

The testimony of business leaders was a factor so tremendous in its ultimate significance that, even now, it is difficult to make the present generation understand.

When J. P. Morgan, the younger, revealed in questioning that the House of Morgan had a "preferred list" of nationally known figures in the business community and also in other walks of life, who were invited to purchase new issues of securities at prices lower than they were being offered to the public, the indignation was not surprising, nor was it to be glossed over.

As the Washington lanterns shot their beams into more areas of the business community, they illumined other practices which up to that time had not been considered reprehensible.

All of this is so well known that the only purpose of mentioning it here is to establish that business—when prodded—has not been derelict in explaining itself. It has been most effective, at times—and not helpful.

The conventional story continues with the accomplishments of the One Hundred Days and other recorded achievements of the New Deal. Businessmen soon became querulous about their adversaries in the government, and not much later, choleric.

So much ammunition was around that it would have been shameful for a previously outvoted political party, the Democrats, not to use it in creating a rationale for its perpetual overseeing. And that is what happened.

Just as the moon has its dark side, there is a nether side of the story of the thirties that has never been adequately told, nor its significance understood.

Veblen had ventured into prescribing strategy for abolishing his discontentment. "By settled habit," he had written at the turn of the century, "the American people are quite unable to see their way to entrust any appreciable responsibility to any other than businessmen." He forecast that a revolution resulting in the utilization of the means of production in the interests of all could never be accomplished "without an intensive campaign of inquiry and publicity, such as will bring the underlying population to a reasonable understanding of what it is all about."

The Queeny book, previously referred to, tells just how painstakingly the New Dealers took Veblen's prescription.

Condemnation of the business community by politicians and a growing number of social critics was unrelieved, but it culminated in an unprecedented proceeding, the 18 months' investigation of the Temporary National Economic Committee.

Some extraordinary innovations marked this enterprise that did more to "validate" and perpetuate the desired contempt for the business system than any other single undertaking.

Its makeup was new and ingenious. This important executive committee was composed not only of members of Congress but of representatives of the executive departments and federal regulatory agencies as well.

Its chairman, Senator O'Mahoney, reassured all that it would "pursue an objective study of the nation's economy," and Queeny's research confirmed both Senator O'Mahoney's sincerity and the relative impartiality of other Congressional members of the committee.

The representatives of the executive departments and federal regulatory agencies—a cabal of the New Deal—constituted, however, a practical working majority. They planned the hearings, by executive order controlled the expenditure of four-fifths of the committee funds, and selected and summoned the witnesses.

Public hearings of the committee began December 1, 1938, and continued, with but slight interruptions, for 18 months. More than 20,000 pages of printed testimony and 3.300 technical exhibits were in the records of its hearings. Copies of the hearings were distributed to a free mailing list consisting of 7.000 individuals, public, university, and professional libraries, foundations, research organizations, newspaper and periodical libraries.

The committee also designated several economists and sociologists to make studies of subjects raised at the hearings and make reports. These reports were published in a series of 43 monographs.

Authors of these monographs went outside of testimony before the committee to sources and references that helped to prove their theories. Nevertheless, the monographs were given the rather curious status of "testimony before the committee." Although the committee's report states that the monographs represent "solely the views of the agency and authors and not necessarily that of the Temporary National Economic Committee," 240,000 copies of these monographs were given the committee imprint and were broadcast. Each page on each monograph and each cover bears the heading, "Concentration of Economic Power."

Referring to these monographs, the committee's final report states:

"We have been particularly careful to present under our imprint a body of information essential to an understanding of the operation of our economic system and which will prove most useful to the legislative and administrative branches of government, to industrialists, labor leaders, and citizens generally in their search for solutions of our economic ills. Communications received by the committee show the use to which this material is being put, indicating that the information, conclusions and recommendations will have continuing and profound effects in shaping the thinking of individuals, and groups, leading eventually to an informed public opinion."

The presidential message to Congress requesting establishment of the committee called attention to the "need for a thorough study of the concentration of economic power and its injurious effects on the American system of free enterprise.

"To meet the situation I have described, there should be a thorough study of the concentration of economic power in American industry and the effect of that concentration upon the decline of competition. . . . The study should not be confined to the traditional antitrust field. The effects of tax, patent, and other Government policies cannot be ignored.

Queeny noted that while the "information, conclusion and recommendations" are expected to "have continuing and profound effects in shaping the thinking of individuals and groups, leading eventually to an informed public opinion," the hearings did not cover the all-important subject to businessmen—that which the presidential message said should not be ignored—the effect of tax, and other governmental policies on unemployment, on investment, and the preservation of our free competitive economy as the American way of life.

Meanwhile, the huge cost of the anti-business campaign was building up. It was revealed almost unintentionally at the opening of the Temporary National Economic Committee's inquiry.

Witnesses presented two easels, on one page of which was flatly asserted that the Depression cost the nation $119 billion in wages and salaries, and $132 billion in total national income.

Such was the brainwashed mood of the country that no one asked whether this loss on a scale beyond comprehension could have been prevented by a different and non-polemic treatment of the business community which, after all, paid the wages and salaries, and produced the national income.

The true story has proof from more reliable statistics. The failure of the New Deal became clearer when Hitler marched into Poland in 1939 and world affairs forced a different imperative on the United States. After 5 years of the New Deal, there were still 9.5 million unemployed—17 percent of the labor force. National income was still lower than it was in 1930.

At a seminar years later, Arthur Schlesinger, Jr., the chronicler of the New Deal, was asked what he thought would have happened—in view of these figures—if there had not been a war. He thought a moment and responded, "Mr. Roosevelt didn't really understand the problem. He didn't spend enough money."

Because we have come far from the circumstances and the attitudes and the pressures of the twenties and thirties, it is disquieting to quote the present chairman of the board of General Motors, Thomas A. Murphy, who wrote not long ago:

"We business people are often told that all we have to do to improve the public's opinion, and with it the course of government regulation, is to speak out, to get across our side of the story. I submit that this speaking out has not produced much in the way of results nor is it likely to. Business has not done the job of communicating very well and has done next to nothing to persuade the public that the marketplace rather than the government is almost always a better regulator."

To this should be added the support conviction of Walter Lippmann:

"The market is not something invented by businessmen and speculators for their profit, or by classical economists for their intellectual pleasure. The market is the only possible means by which labor that has been analyzed into its separate specialties, can be synthesized into useful work. Failure to understand that truth is a sure sign of failure to understand the technical principle of production in the modern world."

Events ultimately shape the future, overwhelming the actions and the words of people. There is, however, a syllogism worth stating, simple as it sounds: Misunderstanding requires explanation; business is misunderstood; ergo, business must explain. And the key is: Business doesn't explain, men and women do the explaining.

At the opening of the decade of the seventies, David Broder of the Washington Post, nonpareil of political editors and surveyors of the scene, took a sabbatical. On a fellowship, he spent several months at the Institute of Politics of the John F. Kennedy School of Government at Harvard.

Interrupting this adventure, he spent an evening back in Washington with a group of friends he had regularly informed. They enjoyed his update on political events and then pressed him for his views on Harvard, and its students.

One comment he indelibly imprinted on their memories: "They don't care about anything that happened more than five years ago. Even Jack Kennedy. To them he's too long ago."

A chance remark on a local phenomenon would not seem to serve well as a text, but profundity may lurk in it.

It means that the tradition of learning from the lives of those who made their marks has lost its appeal—at least to some of the more promising of their successors.

I disagree. There are still lessons worth learning that buoy courage and fire determination to find solutions.

I will, therefore, cite a few examples of men who, in different ways, helped to explain business. I had personal association with many of them and recall the inspiration and the instruction they unconsciously passed along.

The spectrum of their personalities and their responses is, predictably, very wide.

First, is an early Morgan. A Morgan of a different family. He was Edwin Denison Morgan, an entrepreneur whose history was not what one might anticipate from the usual recitals of happenings in the mid-nineteenth century. Like so many men of means, he began as a clerk in a mercantile establishment. He had, however, such a feeling for business and so many talents that he climbed rapidly and accumulated a fortune. Although uncommon in those days, he went into politics, first as a State Senator and later as Governor of New York State during the Civil War, and later still as United States Senator. Edwin Denison Morgan lived a life so full of virtue and value, not simply to himself but to the society of his time, that the eulogies at his passing seem almost incomprehensible to anyone of this generation. It was he, incidentally, who took a half-formed idea and visualized what a great central park could be to New York City. He fathered the Central Park concept, put it through the legislature; untold millions have been his beneficiaries.

He was never seduced by the opportunities that ingenuity and easy conscience provided in those days to the much-written-about Robber Barons.

John D. Rockefeller, the senior; an enigma and a paradox. He belongs here because he dramatized, all too vividly, the as-yet unimagined potential of goal-oriented business organization. His start was unpromising, for his father—whom he hardly even saw—was always off somewhere doing something; gradually, the reality dawned that he was a con man—a professional in "snake-oil" selling.

John D. was a paradox because in relentlessly exhausting the possibilities of scheming and competing, he caused enmity, sorrow, and tragedy; yet to his last breath he never felt that what he had done was in any way wrong. Later, he opened another vista with a concept of philanthropy that has not been without its use as a rationalization for the accumulation of wealth. He certainly did explain business—by deeds, not words.

Henry Ford. Most people do not associate Henry Ford with the truism that business is a profit and loss matter. He had, however, failed twice before he got the Ford Motor Company over the hump and began a career not simply unique, but almost unbelievably so. In contrast with Rockefeller, Ford amassed an almost equal fortune without opprobrium engendered by his business methods. On the contrary, his concept and his execution were so brilliant—the perfection of mass production and marketing techniques—that nothing less than a miracle occurred. Between 1907–8 and 1915–16, Ford reduced the price of his staple touring car from $850 to $360, with unit sales going up from 6,398 to 472,350 cars.

In a highly-readable book, "The Public Image of Henry Ford", Davis L. Lewis writes:

"In 1913, the Ford Motor Company distributed $11,200,000 in dividends among its twelve stockholders and several hundred thousand dollars in bonuses to a select list of employees. On August 1 of that year, the company for the fourth time in three years substantially reduced prices on the Model T Ford and Couzens (Ford's principal partner) became colossally rich, paid executives higher salaries and bonuses, and gave the public ever cheaper cars. This led them to ask themselves: 'What of our workers?' "

Ford had an even more astonishing answer to this question, which Lewis describes in great detail. What most of us remember are the essentials: In January 1914 Ford startled the world by announcing that the company was reducing the work-day at Ford to eight hours—converting the factory to three shifts instead of two—and instituting a $5-a-day basic wage for his 9,600 employees. At that time the then current average daily wage was $2.50.

"The profit-sharing announcement brought a deluge of mail," Lewis writes. "It rained letters; it poured letters. Letters came by dozens, by grosses, by hundreds, yes, and almost literally by thousands," declared the Ford Times. Fourteen thousand letters were directed to the company's employment office within one week of the announcement. Seven weeks later, an average of 500 letters a day—virtually all of them addressed to Henry Ford—poured into the company's mail room from job applicants and persons offering congratulations or seeking additional information on the plan.

Ford was not popular with his fellow employers, but the public took him and his Model T. to their hearts. If ever virtue had its reward, the profit reports of Ford tell the story. The net income of the company for 9 months of 1914 was $24,698,000. In 1916, it was $57 million, and after the war years, the curve resumed in 1919 at $69 million, and hit $75 million in 1921.

Fred Crawford. If Rockfeller and Ford are remembered, it is not for what they said but for what they did. Crawford remains the only one of his kind: he was the builder of a big and successful automobile parts manufacturer, Thompson Products Corporation of Cleveland; and what commends him to us is that he proved that the boss can tell his own employees what business is all about, and be effective. He noticed that when the union came to town, its first act was to hire a union hall in order to talk to recruits. Crawford did not intend to have a union interfere with his direction of the company, and he laid plans that succeeded throughout his leadership.

He built a cafeteria into which he could bring the thousands of his employees, at one time. This he did regularly. A sample: Returning from Detroit, he said, "Boys, here's where we stand on the new front-wheel suspension. Chevrolet has been studying it for months. They like it, it has come through every test, and they want it.

"But at the price they will pay, we cannot make a dollar profit, according to our present studies. Whether or not we can cut costs enough to make a success of it is up to us now. I am willing to settle at that price if you think we should, and if you think we've got a chance to cut costs enough to make some money. How many of you say we should sell it to Chevrolet?"

If there were any faint-hearted employees, they were hidden behind what appeared to be a unanimous show of hands. And they made money on the deal.

When the union, trying to organize him, hand-billed the plant, accusing Crawford of being a Hitler, Fred went down to a local costumer, rented a Hitler uniform, called a meeting, and told them, "Here's what I'm supposed to look like." And then he ad libbed another warm, informative talk about the company and his people.

Alfred P. Sloan. To many, Sloan is the paragon of corporate capabilities and virtues. His monument is General Motors Corporation, an unbelievably effective embroidery of skills that seems to spread satisfaction to all but those who have achieved their considerable reputations by arguing the point.

The visibility and the record of GM explain it as a business, but Sloan pursued the endeavor to explain. A milestone was his recruitment of Peter Drucker, today perhaps the single most quoted expert in business management, to explore GM carte blanche, and describe it. The result is Drucker's "Concept of the Corporation," which, with Sloan's autobiography, are on the small "must" list for anyone who would understand business.

Ernest R. Breech. In the infinite variety of personalities, business seems to have produced only one Ernest Breech, and he has left much to be remembered. As a child from the Ozarks, he became a CPA, winning the Gold Medal for the highest mark in the Illinois examinations. He was soon climbing the ladder in General Motors, and fast. GM had a substantial interest in the young Bendix Aviation Corporation, and when war orders from Britain and France began flowing in, months before Pearl Harbor, it became apparent that Vincent Bendix, a great conglomerator of his time, could not pilot the company. Breech was drafted for the job and left General Motors to become president of Bendix.

The subsequent figures are almost unbelievable. The company grew from less than $40 million to $950 million in 18 months. It opened six divisions when materials were impossible to get and labor impossible to find. The biggest went into a vacant grocery warehouse in Chicago. Breech sent 30 men to put it together. In 6 months it was the largest aircraft carburetor plant in the world, "manned" entirely by women.

Ernie's performance was so conspicuous that when "young" Henry Ford took over the company from his grandfather at the age of 28, knowing that he needed exceptional capability to make it survive, he offered the assignment to Breech.

Though Ford offered Breech total responsibility at Ford, Ernie pondered the challenge for three weeks before he took it. To gain an impression of the magnitude of the task, Ford Motor Company had been averaging $2 million a year profit for the years 1931 through 1946, and with further deterioration was losing $10 million a month when Breech took over.

He assembled a remarkable team. He persuaded Del Harder to leave the presidency of the E. W. Bliss Press Company; he persuaded General Browning, who had been president of United Wallpaper Company before the war, to come back to civilian life as head of purchasing; he again called on Lewis Crusoe, who had helped him with Bendix during the war and who had returned as head of Fisher Body Division of General Motors; he brought in Harold Youngren, who was chief engineer of the Oldsmobile Division and also John Dykstra, another Olds top executive.

According to William Gossett, who had served Breech as outside counsel at Bendix and went with him to become Ford's chief counsel, "They tore into every policy, every plan, every operation." They applied every sound business method, that many of them had learned from Alfred P. Sloan. The turnaround was unprecedented. Breech took early retirement in 1960, and that year the company's net income was $427,900,000. During Breech's 14 years, the Corporation had total profits of $3,278,800,000, and paid the federal government $3,657,200 in income taxes to help dispel the prophesies of the country's post-war collapse and depression.

That was not the end; the outcome of a struggle involving Howard Hughes and a group of bankers to determine the future of TWA was a trust agreement, and Breech was drafted as chairman of the board of TWA and one of the three trustees. The story was the same. He helped TWA on its way in such a fashion that it became a cliche that when directors were staring at figures they did not wish to see, the chorus went up, "Can we get Breech?"

In a lifetime of showing by example what mastery of business fundamentals could do for people, success never involved Ernie in the machinations that caused Lord Keynes to say, "Capitalism is the extraordinary belief that the nastiest of men for the nastiest of motives will somehow work for the benefit of us all." (Breech incidentally, was never an admirer of Lord Keynes.)

These men did not consciously devote their time to explaining business, as I have noted. One outstanding example of consistent effort, consciously and clearly focused on this target should also be included:

Claude Robinson. Robinson was perhaps the most eloquent evangelist of business, and effective in propaganda, too. His book, "Understanding Profits," is must reading today. As a pioneer in the burgeoning opinion research field, he bridged the gap between the business community and the public. Many of the business leaders of his day were his friends, and he counseled them continually. Well informed, he was almost proof against contradiction.

Yet, it has to be said that his career ended in frustration. Never did his admirers take up the torch that he extended to them, as he had always hoped they would.

Like flashes of lightning, small events sometimes illuminate large areas of the social landscape, and two remain vivid.

For many years, we worked closely with Craig Sheaffer, son of the founder of the company that made the White Dot fountain pen prized for decades. It is no exaggeration to say that Craig was considerably to the right of Louis XIV. He felt this deeply and was constantly probing to confirm whether in fact his suspicions were accurate.

Such an obsession was a constant topic of our conversations and resulted in a number of fact-finding ventures.

At one juncture I suggested to Craig that he let me bring to an informal dinner as many deans of the business schools in the tri-state metropolitan New York areas as would accept invitations. I wanted him to meet them and listen to them and size them up before sweepingly characterizing them as liberals or even—in extremis—left-wingers.

He agreed, and more than a dozen responded. Conversation moved along briskly at a good cocktail hour and dinner in a private room at the Biltmore.

When the cigars were smoked half-way down, Craig finally could hold back no longer. He vented his misgivings about the academic community and its distorted views about business and businessmen. The silence was pregnant, and finally the dean of the business school at Rutgers decided the hour had struck, and he responded.

"Mr. Sheaffer, I believe I understand you and I doubt that I can reassure you," he said. "But if I may, let me tell you what is really behind this situation you think you have perceived.

"Let's say that a professor on graduating was among the brightest in his class. That he became a professor was because, at that crossroads, the department heads ganged up on him: 'Joe, you have to make the right choice. With your record it will be sad if you shift from an intellectual life to a commonplace, practical career. You should teach,' the priesthood chorused. They were throwing him the torch. And he caught it.

"The years go by and surprisingly soon the class gathers for its 25th reunion. They make for the softball game and the beer, converging in their Fords and their Chevrolets, plus a couple of Cadillacs, and one Rolls-Royce.

"As the grads pile out, it's hard for the professor to remember who those chaps were who arrived in Cadillacs and the Rolls. And then it dawns on him that they were the dull, ignored trio who usually were not prepared, nor bright enough to disguise it. But in 25 years they had put together fortunes, while he was having a tough time making ends meet on a professor's salary.

"I can assure you, Mr. Sheaffer, that our hypothetical professor is not a Red; probably only a few like him have read Thorstein Veblen or Karl Marx, but they share one vivid realization: there is something fundamentally wrong with the system."

The conversation took a different turn for the last hour and I can testify that because Craig enjoyed these men and respected their abilities, he was affected deeply by that explanation.

This memory reappears often, for another reason: We did not do a good job of turning that conversation around again. We were not prepared nor inclined to try to make those deans understand how much they owed to the business community. Few businessmen do well the job of explaining and justifying the business system. They are often disposed to put their money to work; they will employ mercenaries; they will underwrite pamphlets; they will distribute materials, but they are most reluctant to debate theory and its practical significance.

Another memory contributes to this discussion. For many years the American Can Company, one of the large industrial combinations, had as its chairman, Dudley W. Figgis. Mr. Figgis was a gentleman of the old school, emphatically.

We knew, therefore, the problem when we had to break some bad news to him. At the time, Fortune magazine was at the zenith of its early sweep to prominence as the heartless revealer of corporate shortcomings and foibles. We told Mr. Figgis that Fortune was going to do a piece on Canco.

"They can't do that," he said.

We explained that they could, and, further, conveyed our feeling that if Mr. Figgis would meet with the writer and researcher, he might temper the stormy blast.

He virtually tossed us out of the office at that point, but after two weeks he had acquiesced to the meeting.

Glaring at the editorial team from Fortune, the chairman cleared his throat and said, "I should tell you people that I did not wish to have this meeting. I am here much against my will. But be that as it may, I want to make one thing clear at the outset. I am going to be completely frank with you; and to show you how frank I am going to be, I will tell you now that I am not going to be as frank as you think I am!"

The audacity of it crumpled up the visitors; there was laughter all around; the ice was broken, and the final result was better than we had feared.

One of the deepest and strongest roots of the almost impenetrable screen between leaders of the business community and the rest of society is psychological—but very real.

It can be described in this way: If you have spent your entire adult life in business, and during all the long years of your greatest accomplishment and success no one has had one good word for the business you are in, you soon grow a shell of belligerent resignation—"To hell with them!"

This is not a superficial observation. In close personal association with successful railroad executives and oil company tycoons, I have spotted this syndrome all too well. It is not just irritation, it is an aura that has colored their lives.

If the evidence indicts business for not explaining itself, one exception must be noted. It is of such importance that it deserves recall and analysis. It is the example of what explanation, conveyed with conviction, skill, and courage, did for chain stores in the United States.

As Godfrey M. Lebhar tells in "Chain Stores in America 1859–1962."

"The rapid and spectacular progress that chain stores made between 1920 and 1930 carried them to a certain point, but that apparently was as far as they were destined to go.

". . . The history of retailing reveals that every innovation in distribution methods has been opposed by those fearful of its impact on the existing order. Department stores, mail-order houses, house-to-house sellers and, most recently, the supermarkets, each in turn ran into more or less organized opposition. Almost invariably the State legislatures were appealed to for special taxes or other restrictive measures designed to check the new method of distribution or to stop it altogether.

"But nothing of this kind ever approached in intensity or scope what the chains ran into. The rapidity of their growth between 1910 and 1920, couple with the price-cutting which many of them practiced, made them the target for plenty of criticism from manufacturers, wholesalers and independent retailers, but no definite effort to check their progress other than indirectly seems to have been made before the early '20s."

Beginning with a suggestion that the number of chain stores in any community should be limited by law, made at the 1922 Convention of the National Association of Retail Grocers, no less than 689 bills were introduced in State legislatures during the next decade, and 28 were enacted. In the next decade, 527 were introduced, and 32 were enacted. They varied in their provisions but were uniformly restrictive.

The chains fought back in the courts, but the pivotal decision was handed down on May 18, 1931. "The chain stores learned to their amazement that, so far as the Supreme Court was concerned," Lebhar tells, "chain stores could lawfully be taxed differently from independent stores, and that the tax could be lawfully graduated according to the number of stores operated." The decision in the Indiana chain store tax case, was a divided one,—five to four.

The tempo stepped up and the next major development occurred in the state of California. It was a surprise, a chain store victory against odds—a successful endeavor to explain business to the public.

A California group, calling itself "The Anti-Monopoly League," encouraged by the growth of agitation against big business in general,—characteristic of the mid-Depression thirties—succeeeded in getting a bill passed, and according to Lebhar, "Nothing that chains could see or do at Sacramento could prevail." After a public hearing, Governor Merriam signed the bill and the chains taking the only option left open invoked a referendum under the California law.

The chains had 13 months in which to convince the voters of California that the chain store tax was against their interest.

It is significant, though little remembered today, that this milestone undertaking on the coast was put in the hands of a leading advertising agency, Lord & Thomas, the forerunner of the well-known international agency, Foote, Cone & Belding. Quoting Lebhar, "Lord & Thomas, in turn, assigned its executive vice president, Don Francisco, to be the campaign director." The report that the agency put out after it had succeeded in the referendum is a document that anyone interested in business explaining itself to the public should study, and perhaps memorize.

The report declared,

"California in 1936 was a field presenting special handicaps to any attempts at interpreting business sympathetically. It was a stronghold for all sorts of political doctrines based on discontent. Its State treasury was embarrassed by a big deficit which lent a powerful appeal to any proposal to tax the other fellow. Finally, neither the time nor the place was auspicious for any effort based on reason and intelligent analysis; both were ideal for a campaign of emotional inflammatory character."

A few sentences quoting Francisco are interesting:

"In the California campaign, committees and conferences were avoided. Events moved too rapidly for meetings. I had the ablest advisors on every hand and I used them constantly. Most of the ideas we used were suggested to me by my associates. But in the conduct of the campaign, even the chain store executives let us 'call the signals.' Never have I worked with the advantage of such full confidence and "complete cooperation."

Francisco was eloquent. He declared that:

"Business cannot proceed on the assumption that customers are friends. Motorists may buy at your service station but damn you because they think you are a monopoly. They may go out of their way to save a few pennies at your chain store and then denounce you for paying low wages. Making friends and making customers are two different jobs—separate though related.

"Without friends, without enlightened public opinion based upon self-interest, a business with a million customers can be crucified by a militant minority."

It is not possible here to describe the details. The task involved organization at the precinct level, tremendous distribution of information about the benefits of mass merchandising, powerful advertising, and every element that Francisco and his team could call upon.

The chains won a decisive victory, by a vote of 1,369,778 to 1,067,443. 57 out of California's 58 counties voted "No."

It appeared that the tide had turned. In Washintgon, however, Congressman Wright Patman of Texas, who had been conducting hearings into the activities of chain stores for months, was relentless. In February 1938, he was emboldened to introduce a bill so drastic that it still carries the label, "Death Sentence Bill."

These details must be stated:

The tax imposed started at $50 a store on the tenth to the fifteenth store and increased progressively until all stores in excess of 500 would have to pay; $1,000 each annually. That was only the beginning! After the tax had been calculated on that basis, the amount was to be multiplied by the number of states in which the taxpayer operated.

Lebhar points out:

"Just by way of example, the tax on the Woolworth Company in 1938 would have amounted to some $81,000,000 although its net profits that year amounted to only $28,000,000! With 1,864 stores in operation in 48 states and the District of Columbia, the tax would have amounted to $1,650,000 if all the stores had been operated in a single State but because they were scattered all over the union, that sum had to be multiplied by 49, giving the tidy sum of $81,070,000.

"But recognizing that these taxes amounted practically to a death sentence for most of the chains which had achieved even a moderate degree of success, the bill did graciously provide an escape for those who desired to take advantage of it. The full impact of the tax was deferred for two years during which period the affected chains could liquidate voluntarily. In other words, they could escape the death penalty by committing suicide!"

As in no recorded previous instance, the decision as to what should be done about the threatening extinction of mass merchandising had to be made by one man, John Hartford, the president of the privately owned Great Atlantic & Pacific Tea Company. The chains as a group, national and local, had fought and won in California, but figures collected by Lebhar show the lopsided importance of the A&P under the threat of the Death Sentence Bill.

He gives a table: "The impact of the Death Sentence Bill on 24 chains as of 1938." Together they add up to 32,866 stores, in varying numbers of states. Their 1938 earnings total $88,213,477, and what H.R. 1 (The Patman Bill) would have cost them based on 1938 figures aggregated $873,819,950.

Of these totals, the A&P had in 40 states 12,000 of the total 32,866 stores and its tax would have been $471 million—more than half of the 24-chain total of $873,819,950!

Carl Byoir was public relations advisor to Hartford and after consultation, Hartford decided to fight the Patman Bill unstintingly.

The Byoir organization had defeated a chain store tax in New York State on behalf of the A&P, and the major battle now opened with a full-page advertisement in 1,600 newspapers. In it, John Hartford and his brother, George, declared their intention to defend the interests of the A&P's management, its employees, the consumer, the farmer, and labor, with a national explanation program they would launch. Closing this unprecedented declaration of purpose, the Hartford brothers stated:

"Since the task we have set before us is one involving the widest dissemination of complete information to all of the American people, and since this is a profession in which we are not expert, we have engaged Carl Byoir & Associates, public relations counsel, to do this work. We realize that our views are seldom news. We know, therefore, that we must be prepared to spend a substantial sum of money in telling our story to all of the American people. We declare now that this money will be spent in the dissemination of information through paid advertising and every medium available to us, and in cooperating in the work or formation of study groups among consumers, farmers and workers, which provide open forums for a discussion of all measures affecting the cost of living.

"We believe that when the American people have all of the facts they will make their decision known to their representatives in Congress. As Americans we will be content with that decision."

The campaign was as vigorous as Francisco's, but on a national scale. For months, trained emissaries of the A&P participated with hundreds of organizations in joint study programs of the benefits to their members of mass distribution through chain stores. As the import of Patman's bill and its inevitable costs to the public began to be understood, support for the chains became stronger and stronger.

The bill which had gone nowhere in Congress in 1938 was re-introduced the following year, and referred to the Committee on Ways and Means. Lebhar comments, "But although no action was taken on it that year, the mere fact that it was pending precipitated nationwide discussion of the chain-store system. Nearly 350 national organizations representing all lines of activity—agricultural, industrial, commercial, labor and consumer—not only discussed the bill but passed resolutions condemning it."

The conclusion was dramatic. Hearings started in March of 1940 and continued daily until May 16. Almost 200 witnesses were heard and the printed record of the hearings comprises 2,257 pages.

Most significant, however, was that of all the witnesses, only 25 appeared in favor of the bill, 20 of whom were wholesalers and retailers, or their association spokesmen—as Lebhar observed, ". . . . all interested witnesses who admittedly expected to fall heir to the business then being done by the chains if the chains were eliminated from the picture."

The other five appearing in favor of the bill were congressmen. Lebhar comments, "In view of the fact that more than 70 had joined Mr. Patman as cosponsors of the bill when it had been originally introduced in 1938, a greater turn-out than five might have been expected. Even though some of the cosponsors of 1938 had lost their seats, what about the rest of them? Could it have been that the widespread opposition the bill had developed in the two years prior to the hearing had caused most of the sponsors to change their minds about it?"

In marked contrast, 150 witnesses against the bill began on April 10 to tell their story. Among them were included representatives of almost every important economic and social group that comprised the nation's framework. Only ten chain store operators appeared as witnesses. As Lebhar relates, "The reason for not having more was more or less obvious—the time available could be put to more effective use by presenting the testimony of others who were not interested so directly as the chains in the defeat of the bill."

On June 17, Chairman McCormack announced, as reported by Lebhar, "that his subcommittee had voted not to report the bill favorably either in its original form or with the amendment which had been submitted, designed to 'freeze' the chains at their existing size and locations.

"The effect of that decision was to kill the Patman Bill forever."

There have been other seismic changes in the American economy that should have spelled progress, but did not achieve their potentials. Critics fanned hostility toward them. They organized pressure and succeeded in obtaining from government lasting restraints on the targeted practices—with huge costs to the public.

One wonders why the frustrated corporate and industry leaders who lost these battles, one by one, were so oblivious of the fight fought, the victory won, and the benefits to the public preserved, in the chain store example.

WHAT CAN BE DONE ABOUT THE FAILURE TO EXPLAIN BUSINESS

The word "fortunate" has been so long associated with business that it is thought of as the main support. It is also often used interchangeably with "accident." The result is fatalism, a disinclination to believe that anything planned can be made to happen, and so why bother?

The compelling reason why industry *must* explain effectively is so new that it has hardly any history. It is as fresh as the near bankruptcy of New York City of only a few months ago.

The word is now out and dominating policy discussions and decision-making in every walk of life, that funds generated by the business community are both indispensable and not guaranteed. The import of this universal cry "where is the money coming from?" cannot be exaggerated.

Each morning's headlines tell of shifts in policy and attempts to arouse support for bridging of the gap between the private sector with the wherewithal, and the expanding public sector with its needs and entitlements.

Ignorance of how business actually functions did not use to be a crime; starry-eyed proposals for improving business performance attracted considerable enthusiasm. Not today.

We are witnessing an extraordinary awakening of the "little man with his vote."

Referenda are increasing in popularity, often with almost disastrous results to the functioning of government; nevertheless, it is recognized now that policy is not imposed on the public; the public is beginning to define the limits of its willingness to be imposed upon, to be cajoled to foot the bill.

Clearly, the message is coming through the pocketbook. No matter how many pages of statistics are produced to show rising indices of income and broadly distributed affluence, the effects of rising costs are educating the public.

It is disturbing that the blanket word "inflation" is freely applied to high prices, because imposing large costs on industry—for environmental reasons, to give consumers broad new opportunities to affect business decisions, and to finance more and more worthy projects—also pushes up costs and, hence, prices.

This points to the first need in explaining: much more effective research of a special kind.

What can a company learn about its own activities that is really interesting and important to the consumer, to the neighbor, to the voter?

Here difficulties are encountered because editors and broadcasters earn their living by knowing what it is that people are interested in—what they will read or listen to. Up to now, these communicators have been right in observing that facts, and even anecdotes, about business—unless they are of a faintly scandalous nature—do not get attention. As R. H. Coase observed: "The public is commonly more interested in the struggle between truth and falsehood than it is in the truth itself."

So business has to work doubly hard to find facts that *do* compel attention, and to find ways to get through to the opinion molders and to the masses.

An effective method need not be new. For example:

Du Pont conducted an admirable program for many years. Each summer the company invited a dozen professors from various institutions to spend a week in Wilmington, becoming familiar with the company's policies and practices. It was an article of faith that whatever the question asked, it would be answered. Not all companies would find this an attractive proviso, but Du Pont made it work brilliantly.

One day a call came in from the midwest from a professor who had been in the group the previous summer. "I had to tell you this. Last night at a cocktail party, the usual argument got going over the shortcomings of business, and as it waxed hotter, finally a professor who had not spoken, chimed in and in a few minutes had the anti's on the run. He was drawing information we both had absorbed with you in Wilmington.

"But, Glen, the astonishing thing was that, if you remember, this was the one professor of the group that we did not feel you had really made much progress with."

How I wish that a program like that were a customary, even commonplace, part of the operations today of a thousand, or two thousands, companies in this country!

Another example:

John L. Collyer became president of The B. F. Goodrich Company in 1939. He had returned to the United States from his post as head of the Dunlop Company in England, which had worldwide interests. He was impressed to find that Goodrich had a pilot plant making synthetic rubber. From his associations in Europe he knew the German war preparations, and particularly of its expanding synthetic rubber program.

So he began a crusade in which he bombarded the American people with studies of our tenuous natural rubber supply—97 per cent of it obtained from the Far East—and of the alarming shutoff we faced. I worked with him at that time and every few months he would issue a new study of the world rubber situation and its implications for the American consumer and voter.

After his position had been vindicated and the United States accomplished a miracle of changing over almost 100 per cent to synthetic rubber during the war, he then embarked on two further crusades that depended for their success entirely upon public opinion.

One, he insisted that the wartime synthetic rubber plants built by the government should be sold to private industry and become tax-generating. No one had ever heard of a government plant—other than a munitions plant—being sold *back* to private industry. He prevailed, however; it was done.

And, two, he waged a campaign to prevent the reestablishment of a worldwide natural rubber cartel. He kept reminding the public of the skyrocketing prices under the earlier Stevenson restriction scheme, and the subsequent International Rubber Control scheme. More B. F. Goodrich studies in small easel form passed from hand to hand by the thousands; people at gas pumps got them from their dealers, and as they thumbed the pages, they began to understand how they would be affected by what others might consider "only business" concerns.

Tires today would cost ten times what they cost, had he failed. But he did not. The cartel never materialized.

Bill Holler, the famous sales whiz of Chevrolet, had a formula, and he preached it: "The way you sell a million Chevys is to sell them one at a time."

And there's a strong point here. What business has to do is not to take shortcuts, not to believe:

That a press release or a speech will reach all the people;

That the company can give the job to an association;

That the company can't call upon competent manpower;

That the company can't develop a plan that will work;

That the company can't afford the money to make it work.

A company needs to meet people face-to-face in thousands of communities—with constantly renewed contacts. This has to become a routine form of corporate activity.

Why should this seem so exceptional? Business deals in this way daily with millions of consumers in supplying their product and service needs.

The major undertaking needed now to demonstrate the mutuality of interest between business and the other segments of society is a major challenge, certainly by comparison with the efforts that have previously been made to explain business.

Yet, its success may hinge on another undertaking that business must shoulder: recapturing its acceptability as a full member of the American society.

Business has been looked down upon for decades, but only recently have its critics been bold enough to accomplish its banishment—by law and by regulation, and with what is assumed to be public approval.

This all rests on a vast and not entirely spontaneous misunderstanding of "conflict of interest."

This paper, from first to last, has urged recognition of the total pervasiveness of business in the concerns of people in every walk of life. It should be clear, therefore, that the presence of business and businessmen in government, in the councils of the press, of nonprofit institutions, of academia, of education and of the arts, is logical. To ban business is illogical.

We all know of numberless examples of this being done, however. Those who make a career out of opposing business—of which there are many in government and elsewhere—find it most convenient to lay down rules barring businessmen from participating. This has the added advantage of solving an awkward problem—how to explain the lack of practical experience on the part of those who set the ground rules.

Business will have to find its voice and make it sufficiently loud to contradict firmly this concocted theory of simon-pure "governance."

Those who have the stomach for this fight will find that—as argued earlier—there is a great reservoir of support, untapped, once the millions of men and women—in their many interest groupings—have been convinced of mutuality of interest with business.

A key factor in enlisting this support will be the success that businessmen, in turn, have in generating belief that they really do share the yearnings of all classes, and that they are not transfixed by their marketing plans, their computer readouts, and their bank balances.

What may become a critical factor in determining the outcome of the effort that needs to be made, is the handling of the new buzz word "issue-management."

With the best of intentions, scores of American business leaders are taking action now to accomplish, if they can, satisfactory solutions to a host of thorny issues. They have organized task forces to give to issues warranted and thoughtful study.

They move, armed with facts, logic, and reason, into the political arenas and use their considerable personal talents and impressiveness. The results of the early campaigns were gratifying. Dangers of strongly-supported labor law revisions were fended off; the newly dedicated protagonists blocked a strong campaign to establish a consumer office that held vast intervention possibilities.

Those who cheer this timely dedication on the part of many important businessmen only hope that the precision of the undertaking—the admirable rationality of it—does not have the unwanted result of making business seem even more self-centered and aloof from the interests of the average man and woman.

A companion endeavor, to make completely understood the mutuality of interest previously alluded to, can defuse what could be a new source of tension and acrimony.

A former editor of Barron's and a member of Fortune's Board of Editors, John A. Davenport, had some wise things to say in the spring of 1974 about the profit-and-loss economy. He concluded:

"We live not in a mixed economy but in a mixed-up economy—in which government-induced inflation rages while officials seek to tinker with the thermometer. Meanwhile, the business community is urged to take on 'social responsibilities' which it cannot reasonably fulfill.

"Let the businessman aim at profits, for in doing so he fulfills a large share of this much-debated 'social responsibility.'

"Yet at a time when not only individual corporation but the whole business system are under attack, business responsibility does not quite end in showing black ink 'below the line.'

"In one way or another, businessmen must learn to become more effective defenders of the whole political economy, and the moral values which support it, than is the case today.

"We are not asking here that busy executives become overnight accomplished orators and philosophers. We do suggest, as Walter Lippmann reminded us in his 'The Public Philosophy,' that the deepest issues of our day are philosophical and that 'ideas have consequences.' The ideas and ideals that have shaped what we know as Western civilization are now at issue.

"It is time for businessmen to bring to their defense a fraction, at least, of the energy and money now being dissipated on the sale of widgets. This is no doubt a difficult assignment. If undertaken with courage and good sense, it could yield a needed and substantial national dividend."●

REACTION TO PRESIDENT CARTER

● Mr. ARMSTRONG. Mr. President, it is becoming increasingly clear that President Carter missed the mark in his evaluation of the mood of America in his nationwide address Sunday night.

This week two articles appeared which put into perspective the extent to which Mr. Carter has gone awry and point the way toward a more practical and timely approach to closing the Nation's energy gap. I request that the two articles be printed in the Record.

The articles follow:

[From the Wall Street Journal, July 17, 1979]

THE CARTER SPEECH: NOTHING NEW

(By Lindley H. Clark, Jr.)

Jimmy Carter was clear and forceful. There were none of those odd pauses in the middle of sentences, none of the hesitancy that has marred other presentations. It was, without doubt, his best television performance.

It's too bad he found nothing worthwhile to say.

On Sunday night he told the nation that its economic and energy problems were the fault of the Organization of Petroleum Exporting Countries. "This," he said, with a perfectly straight face, "is the direct cause of the long lines that have made millions of you spend aggravating hours waiting for gasoline. It's a cause of the increased inflation and unemployment that we now face."

He didn't explain how OPEC could so neatly have arranged for gasoline lines in New York and Washington and none in the Midwest. There was no hint that a congressionally mandated allocations system could have played a part in the mess. Nor did Mr. Carter suggest that big budget deficits and expansive monetary policy could have had something to do with the inflation.

Instead he urged more government to attack the problems fundamentally caused by too much government. It was ever thus.

Last week I talked with William E. Simon, who served as Treasury Secretary from 1974 to 1977 and before that spent several uneasy months in the midst of Energy Crisis I.

Mr. Simon set down his thoughts on energy in his best-selling book, "A Time for Truth" (Reader's Digest Press). He feels that matters were badly mishandled under a Republican administration and that things haven't gotten any better under Mr. Carter.

LOSS OF CONFIDENCE

"This fellow in the White House is a bigger disaster than even his worst detractors said," Mr. Simon commented. "He has lost confidence in himself. Traveling around the world, talking with former colleagues, government officials and businessmen, it's embarrassing. This man is held in contempt."

Mr. Simon's energy plan is simple enough: "The U.S. is blessed with a super-abundance of natural resources and technology. We should use that technology to achieve energy self-sufficiency. We should exercise the leadership that would persuade OPEC to moderate its prices. All the pieces are there; the only reason the right things aren't done is politics."

The former Treasury Secretary would like to see the Energy Department abolished, but he isn't optimistic. In his book he recalls the time when the Federal Energy Administration, the ancestor of the Energy Department, was scheduled to go out of existence. A newspaper reporter called him at the Treasury and asked what he thought of extending the life of the FEA:

"I exclaimed, 'Extend its life! That place is a menace. It's strangling the energy industry at the very time when we need production. It should be wiped out of existence.' . . . But that day I learned that President Ford had already decided to extend the life of this bureaucratic abortion."

Republicans tend to oppose regulation firmly—unless they're doing the regulating. What they forget, Mr. Simon warns, is that Republicans go out of office and their sins sometimes linger on behind them.

One Republican sin that didn't get anywhere, fortunately, was Nelson Rockefeller's $100 billion energy corporation that would have lent money to private industry to develop new fuel technologies. Mr. Carter's energy subsidy scheme differs from the Rockefeller-Ford boondoggle in detail but not in substance, so Mr. Simon's comments on the earlier incarnation are appropriate:

"Even with taxation and inflation set aside," he wrote, "there is no conceivable justification for the government to subsidize a massive construction program for an industry that the same government has actively prevented from functioning. If the energy industries are simply freed from their regulatory bondage and are allowed to function sanely, they will pay for their own expansion out of their own profits.

"That is free enterprise, and in the entire history of mankind nothing has ever served better as a 'catalyst and stimulant' to invention and innovation than the profit system. That system will quickly bring about the increased production necessary for self-sufficiency. There is time, using fossil fuels alone, the resources yet to be discovered . . . and nuclear energy for the energy industries to devise synthetic fuels and new technologies like solar, geothermal and tidal energy."

Ralph Nader, the self-appointed consumer spokesman, found only one flaw in Mr. Carter's speech: no specific attack on nuclear energy. Nuclear power does entail risks, as the accident at Pennsylvania's Three Mile Island plant has emphasized.

"Three Mile Island hasn't changed the need for nuclear energy," Mr. Simon says. "Some people talk as though we should have a government that removes all risks. Nothing is risk-free, but we should minimize the risk." He calls for frequent inspections and safety checks.

ENERGY MOBILIZATION BOARD

One of the more touching aspects of Mr. Carter's speech was the proposal to create an energy mobilization board which "like the War Production Board in World War II," would have the responsibility and authority to "cut through red tape, the delay and the endless roadblocks to completing key energy projects."

The first question that sparks is whether Mr. Carter, or his writers, bothered to read the history of World War II and WPB. War production got rolling in spite of the WPB and its competing agencies, not because of them.

Donald Nelson, the Sears executive who headed WPB, tried hard to gear the nation for war. But for some time he was still surrounded by conflicting agencies. He found it impossible to strictly control priorities or to prevent expansion of production in unneeded directions.

The second question is whether Mr. Carter or anyone else considered the fact that the best way to deal with the red tape and delays would be to eliminate or drastically cut the government regulations that are the root of the problem. That would free a few regulators (and an entire energy mobilization board) for more productive tasks.

In Washington, of course, things don't work that way. As Mr. Simon says, "People spend hours down there figuring out the best way for the government to do things that it shouldn't be doing in the first place. The regulatory system has gotten completely out of control. No matter how well-intentioned the administration may be, it won't be able to persuade the regulators to behave any differently."

All in all, it seems that 10 days on the mountain at Camp David did not produce much. The New York Times noted that one of the television programs canceled for the Sunday night speech was an episode of "Moses the Lawgiver" in which Moses comes down from the mountain with the Ten Commandments.

Mr. Carter is out of his league.

[From the Wall Street Journal, July 17, 1979]

. . . AND A MISREADING OF THE NATION'S "SOUL"

(By Rocee Ricklefs)

Dear President Carter:

That was a remarkable speech Sunday night, but I wonder if you're missing the point. Mr. President, we're not out of confidence, we are out of gas.

You have taken a hard and long look at a national problem and found exactly what one might expect of a man who doesn't actually sit in gas lines himself—a spiritual crisis. But is that what is really happening?

You say that the gap between the citizens and Washington has never been so wide, and perhaps you are right. But now you have taken this a step farther and defined the country's energy problem not merely in Washington's terms, but in your own.

You roam America in your Boeing 707 and helicopter seeking insight into the nation's soul. But all the while the voter wanders America in his Chevrolet Impala seeking only a green flag and a little unleaded.

You asked in your speech, "Why have we not been able to get together as a nation to resolve our serious energy problem?" Perhaps the reason is that almost nobody sees this as quite the religious crusade that it seems to you. You may tie it all in with the decline of the family and self-indulgence, but to many of us, it has more to do with prosaic old supply and demand. Obviously, the energy crisis is a critical problem, but it's a problem to be solved, the stuff of normal life rather than a symptom of spiritual crisis. Perhaps we can say it is the moral equivalent of some wars, but it somehow doesn't measure up to Iwo Jima and Guadalcanal.

A Southern governor you quote told you, "Mr. President, you're not leading this nation, you're just managing the government." The fact is, though, that an awfully big crowd of non-governors would happily settle for a little more effective managing of the government.

This isn't because people like to think small, but because they suspect your broader leadership might address problems that are a bit overblown in your mind and not quite central to their lives.

For instance, you worry that we are losing our confidence as a nation, and undoubtedly there is a fair bit of truth here. But perhaps what we've mainly lost is our overconfidence. The "confidence" of the 1960s that we have lost is what made smart people pay 40 times earnings for "concept" stocks and delude themselves that we could never lose a war.

Perhaps people today feel that the unusual combination of happy circumstances in the years after World War II, including ludicrously cheap energy, is ending. Today, people see that there are limits. They've learned that you never really solve your problems. at best, you only trade them in for problems you like better. Some goals you achieve while others you don't quite meet. But is this a spiritual crisis or simply a rational adjustment to reality?

What is happening is that we increasingly realize we are in the same boat as other countries. For instance, much is made of our growing dependence on foreign oil as some sort of sign of national collapse. Certainly, most of us are willing to sacrifice to reduce this dependence, as well we should.

But let us keep this in perspective. These days, ironically, a degree of dependence goes hand in hand with a high standard of living. Before two car families came into vogue, this country exported oil. But everybody else is in the same situation. If Russians are willing to eat potatoes and cabbage, they don't need us for grain. But if the Soviet leaders want to put meat on the dinner tables of Leningrad and Minsk, they will have to get the grain to feed the cattle from us, their most powerful adversary.

While we depend on Saudi Arabia for oil, that underpopulated vast nation, surrounded by hostile states, depends on us for military security. We must import some of our oil, but Japan must import it all. Without trade, Britain goes hungry. Yet people adjust. Britain may strive to improve its agriculture, but it doesn't feel a spiritual collapse just because oranges don't grow there.

But what seemed the most far-fetched was your effort to link the energy crisis to the decline of the "strong families, close-knit communities and faith in God" of yesteryear. Mr. President, in the real world, the main connection between declining gasoline supplies and rising divorce rates is that a divorced couple is more likely to own two cars. One person may spend the weekend in church while another spends it in a disco. It's hard to tell which contributes more to the energy crisis.

If millions of people aren't living the way you would like, perhaps it is because they don't want to. Grandma hasn't moved out of the family homestead because she is suffering from a spiritual collapse. She's done it because nowadays she can afford her own pad.

Mr. President, a great many of us respect your religious and social views even if we don't subscribe to them ourselves. Some people may look to you for spiritual awakening. But more people look to you for heating oil.

One of the great joys of living in countries like ours is that people can live their lives as they see fit without taking their cues from the leader's social and religious views. Some people like to party, and some people like to teach Sunday school. What nobody likes is setting the thermostat at 76 degrees.●

FARM CREDIT ACT AMENDMENTS

● Mr. MORGAN. Mr. President, Monday I was unavoidably absent when the distinguished Senator from Georgia (Mr. TALMADGE) introduced S. 1465, a bill to amend the Farm Credit Act of 1971.

It was my privilege to sponsor this legislation along with Senators McGOVERN, ZORINSKY, DOLE, and PRESSLER.

The purpose of these amendments are to update and modernize the capacity of the farm credit system to keep pace with the growing credit needs of farmers, ranchers, and their cooperatives. The farm credit system, which consists of production credit associations, Federal land bank associations, and banks for cooperatives, is the largest lender to American agriculture with a total loan volume of about $50 billion per year.

These amendments will not require any appropriated funds. The banks and associations of the farm credit system are organized as cooperatives, and use no Federal dollars. While the Farm Credit Administration, which regulates the system, is a Federal agency, its budget is met by membership rather than with public funds.

Mr. President, there are a number of provisions in this bill that will benefit America's farmers and ranchers across our 50 States. Senator TALMADGE certainly addressed many of these points. However, I would like to pay particular attention to two proposals in this legislation that I believe are especially noteworthy, particularly because of roles that the Senate has played in the past year or so.

First, I am pleased to see that this legislation expands the ability of the Federal Land Banks to make long-term loans to producers and harvesters of aquatic products. Last year, I was a primary sponsor of a bill, along with the late Senator James Allen of Alabama, that provided such authority to the Production Credit Associations. The impact of this new provision has been very beneficial to fishermen, especially in North Carolina where loan activity has doubled.

Second, I am especially supportive of efforts to permit the Banks for Cooperatives to finance agricultural exports by cooperatives. This proposal comes at a time when it is clear that many farmer cooperatives should be seeking a more active role in international markets. By gaining the value-added currently lost to middlemen in the international marketplace, the farmers of this Nation can take a meaningful step in securing their financial destiny.

The proposal that will permit entry into the international marketplace comes just 10 months short of the signing of the Agricultural Trade Export Expansion Act of 1978, a bill that I sponsored in this body. Indeed, Congress recognized formally at that time the value of international markets to enhanced farm income. To me, this bill, S. 1465, is a logical and necessary second step for the Congress to take.

In closing my remarks, I would like to note that this bill comes as a result of rather intensive work at the grassroots of rural America. While this bill is supported by the administration, it is not an administation effort. Rather, this bill comes as a consequence of the work of many dedicated individuals trying to work in a reasonable and intelligent fashion to improve the Farm Credit System. Mr. President, I believe that this bill deserves the support of all members of this Chamber. It is my understanding that the Senate Agriculture, Nutrition and Forestry Committee plans to hold hearings and mark this bill up in the very near future. I certainly pledge my strongest support to the committee in its efforts.●

FOOD STAMP PROGRAM AUTHORIZATIONS

● Mr. HATCH. Mr. President, the Budget Committee yesterday reported Senate Resolution 195, a resolution waiving section 402(a) of the Budget Act with respect to S. 1309, a food stamp bill. Senator ARMSTRONG and I had intended to file minority views with the report on this resolution to explain our negative votes. Unfortunately, the committee did not file a report on this controversial resolution, and our views will not be printed. Mr. President, I ask that these views be printed in the Record.

The views follow:

Minority Views of Orrin G. Hatch and William L. Armstrong on Senate Resolution 195

The Budget Committee has voted to favorably report S. Res. 195. This resolution would waive section 402(a) of the Budget Act for S. 1309, a bill that would substantially increase the FY 1979 authorization for the food stamp program. We oppose this resolution and would like to explain our reasons for our negative votes in committee.

The first reason we voted against the waiver for S. 1309 is that Senator Hatch still has not received satisfactory answers to questions he posed to the Department of Agriculture in March as part of our hearing process on the first budget resolution. As he pointed out to his colleagues on the floor of the Senate on June 21, 1979, the Department took three months to respond to his request, and when they did, several of his questions were not even answered. Senator Hatch indicated his reluctance to consider massive funding increases for this program before he received satisfactory answers to his questions, and resubmitted the questions to USDA for another try. His questions concerned options for changing the food stamp program to save money. The Department claims it is unable to respond to his questions. We find it curious that USDA is so good at projecting increased needs, but can offer no information to those who seek to bring fiscal responsibility to this program.

Second, we are opposed to lifting the cap on the food stamp program. When eligibility for this program was greatly expanded by the 1977 amendments, Congress promised the American people that we would not let the costs get out of control by imposing the cap. We are not willing to break that promise. A major reason that the food stamp program is projected to exceed the cap in FY 1979 is because USDA implemented the eligibility expanding provisions of the 1977 amendments before it implemented provisions designed to limit eligibility. Therefore, at the beginning of this year, USDA brought thousands of people on the food stamp rolls who will not be eligible after the eligibility limiting provisions are enforced. But it will be difficult to eliminate these people from the rolls, and this is a major reason why USDA insists that it must exceed the cap on the program.

Finally, we want to make clear that we are completely sympathetic to the plight of the elderly and disabled who are constantly finding their purchasing power eroded by the inflationary spending policies of this Congress and the Administration. But we don't believe that the answer to the destruction of their life savings through inflation is to throw them a few food stamps. If this Congress really cares about the plight of the elderly and handicapped, the best thing it could do is to reverse the destructive economic policies it has followed for the last several years and which have led to the stagnation of our economy and double-digit rates of inflation. Letting the food stamp program grow out of control, to levels now projected to be above the cap by $2 billion in FY 1980 and almost $3 billion in FY 1981 will do nothing to help us bring spending and therefore inflation under control.

The Administration could help in this cause by appointing officials at USDA who know and care about agriculture, which has been neglected by the consumer advocates and political activists, such as Carol Foreman, who are more interested in social tinkering than in responsible financial management of their programs. The best thing we in the Congress can do for our elderly and disabled is to bring the cost of their necessities—food, shelter, and medical care—under control by reducing the general rate of inflation through sound fiscal management. Rather than pushing them into a state of dependency through our inflationary spending policies, let's enable them to be financially independent of the federal government. Let's allow them to keep their pride of being able to take care of themselves and forget about the social tinkerers who nurture their egos (and their power and salaries) by sending ever growing numbers of our elderly and disabled into a state of dependency on the government. We think most of our elderly and disabled do not want to collect food stamps. We think they would rather support themselves. And we think the overwhelming majority of them could do so if the government would stop its profligate ways and control inflation. We propose that we take the first step in this direction by maintaining the cap on the food stamp program. For reasons of budgetary control, we recommend that the Senate reject the budget waiver for S. 1309.●

SENATOR CULVER'S TESTIMONY ON HIGH ENERGY COSTS AND THE ELDERLY

● Mr. EAGLETON. Mr. President, as chairman of the Senate Subcommittee on Aging, I continue to be deeply concerned about the financial ability of senior citizens to cope with spiraling fuel costs. During the subcommittee's recent hearings on the impact of the energy crisis on the elderly, Senator Culver submitted an excellent statement of the need for a continued and expanded Federal commitment to an energy assistance program. Senator Culver represents the State of Iowa, which has the third highest proportion of senior citizens among the 50 States. He has long been concerned about the burden costly heating bills are placing on older Americans, and he is one of the Senate's leading supporters of Federal programs to help these people cope with mounting heating costs.

In his statement, Senator Culver warns of this winter's potentially disastrous consequences for our low-income senior citizens from the presently spiraling fuel prices if effective relief is not forthcoming. He considers the Federal low-income home weatherization program our most promising and practical long-term solution to the problem, noting that it has insulated 500,000 homes so far of an estimated 8 million substandard homes in need of such improvements. Senator Culver points out that past funding for the Federal emergency fuel assistance program has enabled it to reach only about 1 million low-income households of the 15 million households eligible for fuel cost aid.

Mr. President, I believe Senator Culver has presented an informative and insightful statement on this serious and growing problem, and I am sure my colleagues in the Senate can benefit from reviewing his testimony. I request that his statement be printed in the Record.

The statement follows:

Statement of Senator John Culver

Mr. Chairman, I appreciate this opportunity to convey to the Senate Subcommittee on Aging my deep concern about the effect of rising energy costs on our Nation's elderly. For many of us, the present oil shortage may mean a wait in a gasoline line or a crimp in the family budget imposed by higher energy costs. However, for many senior citizens on limited incomes, higher utility bills mean a literal struggle for health and even survival.

What was a problem for older Americans several years ago, and became a crisis in the last winter or two, could well turn into a human disaster this coming winter if meaningful relief is not found. With the fuel cost increases we have witnessed in recent months—to say nothing of certain boosts in the months ahead—the tragedy cases will multiply, and millions more senior citizens will suffer serious hardship this winter.

To many people it comes as no surprise that the elderly are hard hit by high energy costs, but a review of several factors reveals just how vulnerable senior citizens are to high utility costs. First, their incomes are substantially lower than those of younger households. The median income of elderly families is only about half that of younger families. There are some 7.3 million poor or near-poor senior citizens in the U.S. today. Whereas utility bills for the typical American family average between five and ten percent of their income, they commonly amount to 20 or 30 percent of senior citizens' income. Winter heating bills often can consume 40, 60 or 80 percent of their monthly income, and in some instances even exceed it. Not only do the aged have less income to absorb higher fuel costs, but many have little or no savings to reduce them with energy-saving home improvement.

Closely related is the condition of their homes, which as a rule are older than most. Half the Nation's elderly homeowners live in houses built over 30 years ago. Older and less valuable, many of these homes have little or no insulation, broken windows, leaky roofs, older furnaces and the like. Over half of our senior citizens live in single family detached homes which are less energy-efficient.

Perhaps the most tragic threat posed to the elderly relates to their poorer health. The National Institute on Aging has issued a warning of the dangers of hypothermia, a potentially fatal condition in which body temperature drops below normal due to continued exposure to cold temperatures. The elderly are particularly susceptible to accidental hypothermia, even with home temperatures in the low sixties. So the home temperatures millions of older Americans are maintaining—in the low sixties, fifties, forties and even thirties—are an open invitation to debilitating illness and even a threat to their very survival.

As we all know, fuel prices have risen this decade at an unprecedented rate. Since the beginning of 1970, heating fuel oil prices have jumped 250 percent, natural gas prices 180 percent, and electricity 106 percent. In the last 12 months alone, fuel oil rose 23 percent, natural gas 13 percent, and electricity five percent. And these escalating prices do not reflect the surges we have experienced in recent weeks and are certain to witness throughout the year. In the 1977–78 winter, fuel oil sold in parts of Iowa for about 47 cents a gallon. Recently, it sold for 64 cents a gallon, and there has been speculation that it could even approach a dollar a gallon in some parts of the Nation this winter.

The principal meassage I wish to convey, Mr. Chairman, is that if recent winters have been difficult for older Americans, the coming winters could have disastrous consequences unless effective relief is forthcoming. These dramatic increases in fuel costs will place an absolutely intolerable burden on most low-income senior citizens. These people are completely at the mercy of utility bills, and have already had to make cruel choices between heat and food, or heat and medical care.

I would like to cite several examples of the measures elderly Iowans are forced to take to cope with unbearable heating costs. For instance, an elderly Iowa woman, unable to afford her heating bill, turned off her furnace and used electric blanket as her only source of heat; then she received a shut-off notice from the electric company. In another instance, an eastern Iowa woman in her seventies managed to pay her heating bill this past winter but only by foregoing medication prescribed for her heart; upon learning of this in the spring, her doctor said it was a wonder she survived without the medicine. Or consider the hardship confronting an elderly woman from western Iowa who knew she could not afford her heating bills: in November she turned off the heat, piled all her blankets on her bed, and basically stayed in bed until March, eating food she had placed nearby. One 93-year-old woman living near Cedar Rapids, Iowa, chopped wood and collected corn cobs and nutshells for use in her only source of heat, a wood stove. Another elderly Iowan heated and lived in only one room of an eight-room house; ironically she placed foodstuffs in the refrigerator so they wouldn't freeze. CAP agency workers say it is not unusual to find elderly people spending the winter in their kitchen, using the oven as the only source of heat, and living on cold cereal, or beans and crackers.

As you know, Mr. Chairman, over the past three years the federal government's short-term response to the elderly's energy plight has been limited to a $200 million Crisis Intervention Program. This emergency fuel assistance is designed to help in crisis situations where heating fuel is unavailable, utility bills cannot be paid, or serious hardship is inflicted by payment of prohibitive heating bills. I have had numerous communications from Iowans over the past several months inquiring about aspects of this program—reflecting the need for this type of fuel cost assistance. This response has been too little and too late, however. In the past the assistance has generally not been available until late winter or spring—after the period of the greatest need. In the future, it should be made available in early winter to help minimize the actual suffering.

The $200 million Crisis Intervention Program simply does not meet the need. Of the 15 million households in the U.S. meeting the income eligibility requirement, only about one million households annually have received aid each year under this program. There is a limit on the amount of aid a person may receive, and the average assistance per person is well below $100. How many more senior citizens must turn off their furnaces before we recognize their desperate need? How many more senior citizens must forego essential medication to pay heating bills before we are willing to provide meaningful relief? How many more senior citizens must exist on one meal a day during the winter before we provide the funds necessary to minimize the suffering?

In light of the Carter Administration's recent decision to decontrol oil prices, the situation can only worsen. The price of foreign oil has jumped dramatically since the first of the year, and domestically produced oil will rise steadily to that level over the next two years. The effect of this decontrol is the flow of additional dollars from the pockets of the elderly and other consumers into the treasuries of the oil companies and the Federal government. It is projected that existing federal income taxes alone will net at least an additional $33 billion over the next five years due to greater oil company revenues. And President Carter's proposed oil windfall profits tax would produce another $22 billion in estimated federal revenues through 1984.

Senators Javits and Jackson recently introduced a bill to provide fuel cost assistance for those low-income citizens eligible for food stamps, AFDC, or SSI. The cost projected for the first year of this proposed program would not exceed $4.5 billion. An advisory committee to the Department of Energy has issued a report recommending a $3.2 billion per year ongoing energy assistance program for poor and near-poor persons. And President Carter has proposed that additional income tax and windfall profits tax revenues resulting from his oil decontrol decision be used to create an Energy Security Fund, some $2 billion of which should assist low-income citizens in meeting their higher fuel costs through 1982. I am encouraged that these serious recommendations acknowledge the magnitude of the problem and include allocating a portion of the added tens of billions of dollars in oil decontrol tax revenues to relieve the suffering by the elderly and poor.

The most promising federal effort to help the elderly cope with high energy costs is the low-income home weatherization program. I have had the opportunity to visit the homes of several elderly Iowans which were being insulated with federal funds, and to see firsthand the value of our low-income home winterization effort. Few federal programs can boast of such broad benefits in three areas of national priority—conserving energy and reducing our dependence on foreign oil; alleviating the financial plight of hundreds of thousands of elderly and low-income families by reducing their monthly heating bills; and creating tens of thousands of productive jobs.

For about $250 per home—which is the average winterization cost—heating fuel assistance can be cut by at least one-third, or roughly 200 gallons of fuel oil a year. And in a rundown home, complete insulation—costing $750 to $1000—can cut heating fuel use by as much as two-thirds or three-quarters. The improvements made on these homes include weatherstripping, calking, patching leaky roofs, replacing broken windows, adding storm windows and doors, insulating attics, and blowing insulation into sidewalls. These improvements are made at no charge to the low-income homeowner.

The weatherization program is administered on the federal level by the Department of Energy, and on the local level by Community Action Program (CAP) agencies, with CETA labor. The funding level for Fiscal Year 1979 is $200 million. To date, approximately 500,000 homes have been weatherized under this program since 1973.

One disturbing problem with the weatherization program has recently come to my attention. Many CAP agencies are finding that while insulation supplies are adequate, a serious shortage of CETA labor has developed. This lack of manpower for weatherization crews is leading to heavy backlogs of applications and significant stockpiling of insulation. A chief cause of this shortage of CETA workers is the low hourly wage of $3.15 and the lack of effective incentives to retain trained weatherization crew members. Another troubling factor is the rapid turnover of CETA workers, and the resultant difficulty in maintaining crews with enough experience to handle the weatherization tasks. In some areas the shortage of CETA help is crippling the weatherization program. Lengthy delays and heavy backlogs in homes to be weatherized are commonplace. One estimate, in fact, speculates that were it not for the labor shortage, up to 300,000 additional homes nationwide would have been insulated to date.

At a time when we have finally brought the funding for this home weatherization program up to a respectable level, it is particularly troubling to have this most promising endeavor restricted by a lack of labor. And in light of the scaling down of the CETA program from over 700,000 workers nationwide, to well under 500,000 workers, the situation will likely further deteriorate. In many areas across the Nation with relatively low unemployment rates, weatherization activities could slow to a crawl because of fewer CETA positions and an inability to attract workers at wages ten percent over the federal minimum wage. Mr. Chairman, we must examine whether the CETA program as currently structured—with its modest wages, high turnover and various restraints—is the proper work force upon which to base our crucial weatherization efforts. We might consider whether a few changes in the CETA program as it applies to weatherization would be sufficient, or other alternatives such as an independent labor force with somewhat higher wages, less turnover and more training to complement the CETA labor.

The 500,000 substandard homes that have been weatherized under this program since 1973 represent only a dent in the nationwide need. The Department of Energy estimates that eight million homes of poor persons have little or no insulation, so only six percent have been weatherized thus far. Once the labor shortage has been addressed, we can better evaluate the adequacy of current levels of weatherization funding.

In conclusion, Mr. Chairman we cannot afford to let our indispensable home winterization program be hampered by a shortage of funds, material or labor. It represents the best long-term solution to the twin goals of conserving energy and reducing the elderly's costly fuel bills. And we must not let another winter pass without more meaningful fuel cost assistance for the elderly and poor. Frankly, it is difficult to imagine what additional drastic measures many of our senior citizens will be forced to resort to if they must absorb the kind of fuel costs we are anticipating for this coming winter. I firmly hope those drastic steps need not become reality and can be left to the imagination.●

TOO MUCH GOVERNMENT

● Mr. ARMSTRONG. Mr. President, I have long believed that the Nation's energy shortage is caused by an excess of Government . . . too many regulations and controls have gradually throttled private sector efforts to produce, efficiently use, and conserve energy.

Last Tuesday's Wall Street Journal summed up the case so well that I hope every Member of the Senate will take a moment to read the Journal's thoughtful editorial. In just a few paragraphs, the Journal emphasizes the futility and danger of getting the Government even more deeply involved in producing and distributing the Nation's energy supply.

I request that the article be printed in the RECORD.

The article follows:

[The Wall Street Journal, July 17, 1979]

THE REAL JIMMY CARTER

Out of all the sermonic and confusing rhetoric President Carter has showered on the American public these last two days, at least one thing is clear. The President has weighed the merits of either getting the government out of the energy business or getting it more deeply in. He has chosen to get it further in, on a massive, almost unbelievable scale. The real Jimmy Carter has finally stood up, on the far left of the Democratic Party.

There'll be a new government "Energy Security Corp." to siphon $140 billion in "windfall profits" from the oil companies over the next 10 years. That would pretty much eliminate oil profits of any kind. While the oil companies quietly pass out of business, the ESC would squander this money on expensive and technological risky forms of energy.

There'll be an Energy Mobilization Board to ride roughshod over normal legal processes, except maybe those that are mainly responsible for retarding energy development, the environmental laws, for example.

There'll be a new army of government inspectors scouring the country, levying $10,000 fines on any hapless building operator whose thermostats are showing something less than 78 degrees. Electric utilities will be "made" to switch out of oil—as if they themselves, and not the government, are to blame for their not doing that.

There'll be a federal "Solar Bank" finally to capture the elusive riches of solar power. The President will set conservation goals for states, import quotas for the nation, etc.

In short, Mr. Carter has reacted to the public's low opinion of his administration by "getting tough" and proposing a further suspension of private freedoms. He justifies this on grounds that it is the American people, not his administration and the Congress, who deserve the blame for our economic problems. He summons up the memory of Franklin Roosevelt as he casts himself in the role of a President leading the country out of awful crisis; except where FDR confronted Depression and poverty, Mr. Carter seems to find his crisis in excessive affluence:

"Too many of us now tend to worship self-indulgence and consumption . . . we have learned that piling up material goods cannot fill the emptiness of lives which have no confidence or purpose . . . the symptoms of this crisis of the American spirit are all around us: two-thirds of our people do not even vote, the productivity of American workers is actually dropping and the willingness of Americans to save for the future has fallen below that of all other people in the Western world . . . there is a growing disrespect for government and for churches and for schools, the news media and other institutions. . . ."

Quite an indictment. It is the kind of indictment clergymen use to lash their congregations with on Sunday mornings and it is appropriate in that setting of spiritual redemption. But it is highly inappropriate coming from the man who is supposed to be managing the affairs of the United States government. The two key problems that provoked this rhetorical outburst—inflation and gasoline lines—are clearly and directly attributable to the policies of the Carter administration.

The gasoline lines are caused by the government's refusal to remove price controls, and hence supply allocations. Given the enormous economic inefficiencies that have resulted from this refusal, it now seems clear that prices of gasoline would fall, not rise further, after decontrol. Other forms of government intervention—energy use regulation and draconian environmental rules, in particular—have added to the dislocations and inefficiencies. It doesn't take a $140 billion government program to solve the energy problem; the problem would evaporate if the government would simply get out of energy

As to those other problems of the American "spirit," low savings and productivity and low confidence in institutions—the main cause is inflation. Why should anyone have confidence in a government that can't balance its budget or run a stable monetary policy? Or why should they save the money it prints?

Now, it seems, it will be necessary to print still more money, and generate still more inflation, to finance the latest grandiose schemes dreamed up by the statists who hold the President in their grip. They are in the saddle and they are exultant about the President's vigorous showmanship Sunday night and Monday. The only trouble is that the policies he has proposed will only get the country into a deeper tangle. And next year, the voters will have a chance to decide which side they're on—or at least so we hope.●

SNOWMOBILES

● Mr. DURENBERGER. Mr. President, as we continue into the energy shortage, and as all Americans are going to have to make sacrifices and cut back on their use of energy, it is still important that we recognize, and give consideration to, those needs of snowmobiles and other recreational vehicles.

All of us are going to have to cut back on all uses of energy. The Minnesota State Energy Agency has recommended that a 17-percent reduction of energy use be made by all Minnesotans. But if one thing has become clear in the past 2 years of debate about the shape of our national energy policy, it is that Americans demand equity. When the administration proposed gas rationing, I voted against it partly because it was based on vehicle ownership. In my view, vehicle ownership cannot serve as the basis for an equitable rationing distribution system.

Minnesota is a place of beauty in the winter, a land of crystalline white and vivid blue skies. Each winter, a growing number of my constituents and our wintertime visitors journey into this world, transported over fields and hills by their skis, showshoes, and snowmobiles.

These ardent outdoor families and friends have found an ideal way to enjoy a season too many others look upon with despair. They have found a way to seek familiar locations now cloaked with a mantle of snow and to visit new places they have never been before on my State's exciting year-round recreational trail system.

I understand the thrill of being outdoors in winter, and the fun of a day on the trail with your family, with a barbecue lunch at one of our beautiful State parks. I am committed to preserving the environment and the quality of life we enjoy in Minnesota.

I am also committed to protecting Minnesotan's right to be able to enjoy our winter wonderland, and I am committed to protecting our economy, as well.

Snowmobiles play a significant role in the economic and social life of the State of Minnesota.

Arctic Cat and Polaris snowmobiles are manufactured in the State and account for about 45 percent of all snowmobile production in the United States, producing 110,000 snowmobiles annually. There are between 2,000 and 2,400 people employed in the industry in Minnesota.

The State's winter recreation industry is heavily dependent on snowmobile use. Eight million dollars annually is spent on a 4,000 mile State trail system and a 6,000 mile local trail program which is supported by the State grant program. There is a $30 million operating cost for State snowmobile use annually.

Three hundred thousand snowmobiles are registered in Minnesota, and it is estimated that more than 1 million people use snowmobiles during a Minnesota winter.

Snowmobiling is an important part of the life of at least a quarter of the State citizens. Festivals, races, rallys, and organizations which exist statewide are an indication of the enthusiasm of State residents.

A low-energy mode of transportation—up to 42 miles per gallon—the snowmobile serves an important transportation role in bad weather for farmers, forest workers, security people, and utility companies.

I am confident that Minnesotans will wisely respond to the call to reduce our energy consumption in all areas.●

WINDFALL PROFITS TAX

● Mr. BELLMON. Mr. President, it is generally felt by most Americans that the so-called windfall profits tax which is winding its way through Congress is primarily aimed at the major oil producing companies of this country. Many lose sight of the impact this tax will have upon the small producers of this Nation. I was once again reminded of this fact this morning after a meeting with Sylvester Tinker, chief of the Osage Indian Tribe of Oklahoma.

Mr. President, the Osage Mineral Reservation, consisting of approximately 1.5 million acres in northeastern Oklahoma is held in trust by the United States for the use and benefit of the Osage Tribe. The oil, gas, coal, and other minerals contained in the reservation are reserved to the Osage Tribe in perpetuity. Over 90 percent of the Osage oil mining lessess are small, independent operators, who are dependent on current income to maintain their high rate of activity. To illustrate, there are over 9,900 oil wells producing an average of less than three barrels of oil per day on the Osage Mineral Reservation. Many of these wells have been brought into production during the last 5 years.

The escalation of the price of oil over recent years Mr. President, has resulted in a significant increase in the activity of the oil lessees on this reservation. Prior to 1974, the oil producing rate from this area experienced a consistent decline each year of approximately 8 percent. Had this decline in production continued, only an estimated 7.3 million barrels of oil would have been produced in 1978 instead of the 10.8 million barrels actually produced. The Osage Tribal Council estimates that 10 million barrels of oil have been produced during the 1974–78 period which would not have been produced without price increases.

Mr. President, the proposed windfall profits tax will result in an annual tax increase to the Osage Tribe of approximately $2.4 million based upon 1978 oil production and the May 1, 1979, price of oil. Since the vast majority of the Osage Indians owning headright interest are dependent on oil income from this reservation for their livelihood, such a tax will cause economic hardships on these individuals by removing the incentive for continued increased oil production. This is particularly so for those wells producing less than 3 barrels per day.

Based upon these conclusions, Mr. President, the Osage Tribal Council adopted a resolution on July 11, 1979, opposing the proposed windfall profits tax. At this time I would ask that this resolution be printed in the RECORD in full at the conclusion of my remarks. This resolution speaks to the adverse impact of a windfall profits tax upon small, independent oil producers, and should remind us that the enactment of such a tax does not fall exclusively upon the major oil companies, who are best able to deal with such a tax.

Thank you, Mr. President.

The resolution follows:

RESOLUTION OF THE OSAGE TRIBAL COUNCIL

Whereas,

1. The United States House of Representatives has passed H.R. 3919, A Bill To impose a windfall profits tax on domestic crude oil which is applicable to the royalty oil of the Osage Tribe of Indians, and

2. The Osage Mineral Reservation consisting of approximately 1,500,000 acres is held in trust by the United States for the use and benefit of the Osage Tribe, pursuant to a Deed executed June 14, 1883, by the Cherokee Nation. The oil, gas, coal, and other minerals are reserved to the Osage Tribe "in perpetuity," by virtue of the Act of October 21, 1978 (92 Stat., 1660), Public Law 95–496, and

3. The escalation of the price of oil has resulted in an increase of the amount of bonuses paid for leases purchased, the number of wells drilled, and the number of barrels of oil produced thereby resulting in greater increase in energy and annual income to Osage headright annuitants: Now, therefore, be it

Resolved,

1. That the Osage Tribal Council, the elected governing body of the Osage Tribe of Indians, opposes the Windfall Profits Tax in general for the reason that it is unfair, unjust, capricious, unreasonable, and probably unconstitutional to place a windfall profits tax on one natural resource such as oil and not impose a similar tax on all other natural resources. Gold, silver, timber, coal, and many other natural resources have escalated in price more than oil and some of these are more scarce than oil, and

2. That the Osage Tribal Council opposes a Windfall Profits Tax on all royalty oil for the reason that there are hundreds of thousands of small royalty owners who will never receive but a small pittance of money from their royalty oil regardless of the price of oil, and

3. That the Osage Tribal Council further opposes a Windfall Profits Tax on all royalty oil owned by Native American Indian Tribes for the reason that these lands are aboriginal lands still owned by the various individual Indian Tribes that should be entitled to reap the profits from the islands, if there are any profits, and

4. A Windfall Profits Tax, as proposed, is in violation of the Treaty rights of the Indian Tribes and, in the case of the Osage Tribe of Indians, it is in violation of not only the Treaty rights, but the Allotment Act of June 28, 1906, 34 Stat. 539, as amended. To place a tax on the wards of the United States Government would be both morally and legally wrong, and

5. That it is the consensus of the Osage Tribal Council that the proposed Windfall Profits Tax will result in a decline in the production of oil from the Osage Mineral Estate and a reduction in energy because economic incentives of the Osage oil mining lessees to drill new wells and maintain existing wells at peak production will be absent. Over 90 percent of the Osage oil mining lessees are small, independent operators. The margin of profit to these operators is small compared to major producers, and further, if the profit incentive is removed from these marginal wells, the production will decline rather than increase, and in a great many instances will be abandoned and plugged, and

6. There are approximately 9,970 oil wells producing an average of less than 3 barrels of oil per well per day in Osage County, Oklahoma. These minerals are owned by the Osage Tribe of Indians. The annual production of oil in Osage County, Oklahoma, is approximately 11,000,000 barrels. The majority of the royalty oil belonging to the Osage Tribe of Indians is one-sixth ($\frac{1}{6}$) for primary production and one-eighth ($\frac{1}{8}$) for secondary production. Approximately 75 percent of all production in Osage County is "Tier 3 Oil." The proposed base price of $16 per barrel for "Tier 3 Oil" is less than the May, 1979 posted price of $19.35 per barrel, resulting in a loss to the Osage Tribe of Indians, which will decrease its annual income by more than $2 million. Such a decrease would result in a reduction of Osage headright income. If the Windfall Profits tax is adopted, as reported out of the House, it would be necessary for oil to increase to approximately $24.38 per barrel before the Osage tribal income would equal its present day income, and

7. The vast majority of the Osage Indians owning Osage headright interests are dependent on income from their Osage headright interests in order to maintain their livelihood. The average income of the individual Osage annuitant is only slightly above that of the poverty level, as fixed by the United States Government, even with oil at its present price of $19.35 per barrel. Any reduction would be very detrimental to the Osage Tribe of Indians, and

8. The Osage Allotment Act of June 28, 1906, provided that the Osage Mineral Reservation should be held in Trust by the United States Government for 25 years. This Act has been amended and extended the Osage Mineral Reservation "in perpetuity," permitting only certain taxes to be levied against the production of oil and gas belonging to the Osage Tribe of Indians, but said amendments do not provide for any such tax as the proposed Windfall Profits Tax. The Osage Tribal Council believes that all royalty oil should be exempt from the Windfall Profits Tax and, if not all royalty oil, at least the royalty of all Indian Tribes should be exempt, and

9. That the Osage Tribal Council respectfully requests the Finance Committee of the United States Senate to seriously consider the above stated reasons in their deliberation of the Windfall Profits Tax, and respectfully recommends to the Committee that it consider an "oil profits plowback bill" instead of a "windfall profits tax" since it is the resolute opinion of the Osage Tribal Council that an "oil profits plowback bill" will increase production far exceeding the "windfall profits tax," and

10. That the Osage Tribal Council respectfully requests the Senate Finance Committee, in any event, to exempt therefrom the royalty oil of the Osage Tribe of Indians for the above stated reasons, and

11. That the Principal Chief or, in his absence the Acting Principal Chief of the Osage Tribe of Indians, is hereby authorized to execute this Resolution; that a copy of this Resolution be sent to each member of the Finance Committee of the United States Senate and to the Honorable Henry Bellmon and to all House members from the State of Oklahoma.

CERTIFICATION

I hereby certify that the foregoing Resolution was considered by the Osage Tribal Council at a duly called meeting in Pawhuska, Oklahoma, at which a quorum was present, and that said Resolution was adopted by a vote of Eight (8) for, and None (0) against this 11th day of July, 1979.●

OUR DECLINING AIR DEFENSE CAPABILITY

● Mr. ARMSTRONG. Mr. President, for some time I have been concerned about our Nation's declining air defense capability. A few days ago, a Canadian military officer, who has been a deputy chief of staff of the North American Air Defense Command, expressed his concern in the most emphatic terms.

I hope my colleagues will take a moment to read the following article from the Colorado Springs Sun. It is my hope that many Members of the Senate will begin to feel, as I do, that it is time for us to start shoring up our air defense—before it is too late.

I submit the article for printing in the RECORD.

NORAD OFFICIAL RETIRES, CHARGES DEFENSES POOR

(By Nancy Johnson)

A top Canadian official at the North American Air Defense Command (NORAD) said Wednesday he is retiring early because the United States and Canada have failed to maintain their air defense capability.

"Our defenses are so poor (the Soviets) could put 10 bombers through Canada in the middle of the night and we'd never know they're there," said Maj. Gen. Ross Barber, deputy chief of staff for plans and programs at NORAD.

Barber is one of six deputy chiefs of staff who report directly to Gen. James E. Hill, NORAD commander in chief.

Barber said he will leave his post with NORAD Aug. 3 after 35 years in the military because he is "entirely out of step with Washington and Ottawa."

At age 53, he could serve two more years.

Barber said both countries are ignoring one of three major security threats by permitting the deterioration of their capabilities to detect and deter bomber strikes, particularly in the prime threat corridor over Canada. The polar route is the shortest distance from the Soviet Union to the United States.

Low-flying Soviet bombers are capable of eluding the two radar networks guarding the northern approaches to the continent, according to the general.

Both networks are composed of old, unreliable equipment, he said.

He said that while it would cost little to upgrade the bomber defense radar system to a deterrence capability, the United States and Canada have ignored the threat.

Further complicating the American defense strategy, he said, is the growing capability of the Soviets to launch cruise missiles from their bombers.

The cruise missile can be released over Canada for a United States target, while the traditional gravity bomb must be unloaded over its target, Barber explained.

Cost has unnnecessarily dissuaded the countries from improving their detection systems, according to Barber.

He said it costs $100 million annually to operate the second string of radars guarding the northern approaches. Eighty percent of those costs are attributed to personnel, he said.

But the more sophisticated "three-dimensional" radar systems available are composed of solid state components that require little maintenance, he explained.

The new radars probably can be bought for $5 million each and the total cost amortized over four to five years because of the savings in personnel costs, according to Barber.

Other military officials apparently disagree and Barber said it is putting the United States in an untenable bargaining position.

Barber envisions a scenario in which the Soviets send a fleet of bombers to the United States, betting they are capable of wiping out the majority of the U.S. retaliatory capability.

Once a Soviet bomber has penetrated the interior, "there's not a hope in hell of finding her," he said.

If the Soviets were capable of destroying most of the country's land and air-launched missiles, the only remaining threat to them would be the U.S. nuclear submarines, which carry missiles that have relatively poor guidance systems, Barber said.

But the general emphasized that one leg of the so-called strategic triad can't be improved at the expense of another.

NORAD could provide 25 to 30 minutes warning of an impending attack if the Soviets launched their land-based Intercontinental Ballistic Missiles (ICBMs), he said.

There would be a minimum of six minutes warning of a submarine-launched attack on the United States, he said.

Under both circumstances, the United States could deploy its nuclear arsenal for a retaliatory attack—a threat which would probably deter the Soviets from attacking, Barber said.

Even a small improvement in the air defense network could provide a threat capable of deterring a Soviet air attack, Barber said.

"But the gut issue is that there's a lack of recognition that something can and should be done for our air defense," he added

As a Canadian, the general said, he couldn't comment on the planned reorganization of the Aerospace Defense Command. But he commented: "I'd hate to see NORAD weakened," adding that it should retain all its responsibilities for analysing and assessing possible nuclear threats.

ADCOM's functions are scheduled to be transferred to the Strategic Air Command and the Tactical Air Command, with NORAD retaining operational control. The reorganization follows several years of cutbacks in the number of ADCOM fighter-interceptors and radar sites.●

RETIREMENT OF JUDGE DANIEL C. JENKINS

● Mr. GLENN. Mr. President, Judge Daniel C. Jenkins of New Lexington, Ohio, retired February 8, 1979, after 30 years of distinguished service on the bench. Judge Jenkins is the only lawyer to have served in both the probate and juvenile courts in Perry County, Ohio. He is also the longest tenured judge in Perry County.

Born in Shawnee, Ohio, on October 24, 1911, Judge Jenkins is a graduate of Denison University, Granville, Ohio, and the University of Cincinnati where he received his law degree in 1936. He practiced law until 1941 when he volunteered for the U.S. Army as a private in the infantry.

In 1942 he was commissioned as a second lieutenant at Fort Benning, Ga. He then served as a captain at Fort Jackson, S.C., and later graduated from the Command and General Staff College at Fort Leavenworth, Kans. He had a distinguished military career in World War II in Europe as a major. Returning to the United States in 1945, he continued to serve as an instructor in the U.S. Army Reserve until 1955 when he resigned as a lieutenant colonel.

He resumed his law practice in New Lexington until 1948 when he was elected judge of the probate and juvenile courts, Perry County, Ohio, an office he held until the present time.

Judge Jenkins and his wife, the former Katherine Jean Montgomery are the parents of four children, Daniel, Katherine, Anne, and David.

Judge Jenkins' civic activities are many. He has distinguished himself in the Methodist Church and in the Masonic Lodge where he was elected Grand Master of Ohio in 1961.

Judge Jenkins has proven himself worthy of the high office bestowed on him and is held in high esteem and affection by his colleagues and by the community. His contribution on the bench has set a high standard for others to follow. His fairness in reviewing cases and his guidance to the youth of the community will long be remembered.

But perhaps best of all, he will be remembered for his kindness, his sensitivity, and generous spirit. He is well loved, and we all feel better for having known him. He is a true humanitarian. We wish him and his family well on a much deserved retirement.

Mr. President, I request that an article commemorating Judge Jenkins' tenure that appeared in the January 26 edition of the Columbus Dispatch be printed in its entirety in the RECORD.

The article follows:

THIRTY YEARS ON BENCH TO END: JUDGE JENKINS IS HONORED

SOMERSET, OHIO.—The Perry County Bar Association Thursday night paid tribute to Judge Daniel C. Jenkins, 67, who retires Feb. 8 after 30 years on the bench.

Judge Jenkins is the only lawyer to have served in the probate and juvenile courts in Perry County.

His predecessor was a non-lawyer who served under a grandfather clause of a law which was passed to require that probate and juvenile judges be lawyers.

Veteran attorney Joseph C. Allen spoke in honor of Jenkins and praised him for his fairness, promptness and courtesy.

"He (Jenkins) was always up on the law, and his decisions were just and unreversed," Allen said.

Allen said he was sorry to see Jenkins leave the bench, that he enjoyed practicing in his court and that he kept his court active and his docket up to date.

"He kept us on our toes," Allen concluded.

Common Pleas Judge Robert G. Tague echoed Allen's comments and called it a "rare and honored privilege" to have served as a colleague on the bench for 16 years.

Tague said Jenkins was the longest tenured judge in Perry County, and that he served with dignity, integrity, sensitivity and scholarship.

"He has made an indelible imprint on Probate Court of the county," Tague concluded.

Jenkins was born in Shawnee, graduated from New Lexington High School, Denison University and the University of Cincinnati Law School.

He served in the armed services in World War II and has been active in veteran's organizations.

He also became active in the Masonic Lodge and served as grand master of the Ohio Masonic Order.

Tague said Jenkins has had lifetime of service to others.●

DEPARTMENT OF DEFENSE ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL DEFENSE RESEARCH AND PROCUREMENT PROGRAMS

● Mr. CULVER. Mr. President, Public Law 93-608 requires the Department of Defense to make an annual report on the funds obligated for chemical warfare and biological defense research and procurement programs. I think it is useful to provide this information to the public so that it is available for scrutiny to all who have a concern for their Government's activities in this area.

Mr. President, I ask to have printed in the RECORD the report on funds obligated for chemical warfare and biological defense during fiscal year 1978.

The report follows:

DEPARTMENT OF DEFENSE—ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (OCT. 1, 1977, THROUGH SEPT. 30 1978), NOV. 30, 1978

DEPARTMENT OF DEFENSE ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS FOR THE PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, RCS DD-D.R. & E. (SA) 1065 (ACTUAL DOLLARS)

	Army	Navy and Marine Corps	Air Force	Total
Chemical warfare program	$61, 488, 000	$3, 263, 000	$14, 748, 000	$79, 499, 000
R.D.T. & E.	(28, 920, 000)	(3, 263, 000)	(2, 700, 000)	(34, 883, 000)
Procurement	(32, 568, 000)	(0)	(12, 048, 000)	(44, 616, 000)
Biological research program	16, 540, 000	0	0	16, 540, 000
R.D.T. & E.	(16, 540, 000)	(0)	(0)	(16, 540, 000)
Procurement	(0)	(0)	(0)	(0)
Ordnance program	38, 294, 000	0	56, 000	38, 350, 000
R.D.T. & E.	(7, 494, 000)	(0)	(56, 000)	(7, 550, 000)
Procurement	(30, 800, 000)	(0)	(0)	(30, 800, 000)
Total program	116, 322, 000	3, 263, 000	14, 804, 000	134, 389, 000
R.D.T. & E.	(52, 954, 000)	(3, 263, 000)	(2, 756, 000)	(58, 973, 000)
Procurement	(63, 368, 000)	(0)	(12, 048, 000)	(75, 416, 000)

DEPARTMENT OF THE ARMY ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (OCT. 1, 1977 THROUGH SEPT. 30, 1978), RCS DD-DR. & E. (SA) 1065

[In conducting the research described in this report, the investigators adhered to the "Guide for Laboratory Animal Facilities and Care" as promulgated by the Committee on the Guide for Laboratory Animal Resources, National Academy of Sciences—National Research Council]

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT 1, 1977, THROUGH SEPT 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT 30, 1978; RCS DD-D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars) Prior year Current fiscal year	 In-house Contract	Explanation of obligation
Chemical warfare program	1. 092 27. 828	24. 480 4. 440	During fiscal year 1978, the Department of the Army obligated $28,920,000 for general research investigations, development, and test of chemical warfare agents, weapons systems, and defensive equipment. Program areas of effort concerned with these obligations were as follows: Chemical research: Basic research $680, 000 Exploratory development 3, 949, 000 Engineering development 100, 000 Total chemical research 4, 729, 000 Lethal chemical program: Exploratory development 887, 000 Advanced development 0 Engineering development 1, 535, 000 Testing 1, 933, 000 Total lethal chemical 4, 355, 000 Incapacitating chemical program: Exploratory development 190, 000 Advanced development 0 Engineering development 0 Testing 0 Total incapacitating chemical 190, 000 Defensive equipment program: Exploratory development 11, 236, 000 Advanced development 1, 407, 000 Engineering development 6, 041, 000 Testing 450, 000 Total defensive equipment 19, 134, 000 Simulant test support 512, 000
1. Chemical research	. 378 4. 351	4. 046 . 683	
(a) Basic research	(. 000) (. 680)	(. 575) (. 105)	Basic research in support of chemical materiel: Basic research is conducted in life/related sciences to obtain fundamental information in support of: defensive systems against CB threat agents; prophylaxis and therapy against chemical agents; and a deterrence system of chemical munitions. In the medical defense area, in studies of the roles of cyclic nucleotides in prophylaxis and therapy (P and T), dibutyrl cyclic adenine methyl phosphonate (cAMP) was observed to cause a 70 percent increase in sodium ion-dependent high affinity choline uptake and to antagonize a region-specific lowering of brain acetylcholine by atropine. This is significant because it will aid in the development of chemical agent poisoning antidotes with less of a behavioral decrement than current antidotes. In the area of chemical defense, a vehicle-mounted ionic cluster mass spectrometer was constructed in collaboration with the United Kingdom. It was successfully operated for use in identifying materials that respond to ionization detectors. This will provide substantial support to exploratory development efforts leading to an NBC reconnaissance vehicle, and miniaturized detection devices. In the area of chemical munitions, for the first time a new high-pressure capillary rheometer was used to measure the rheological properties of a lethal chemical agent. This will materially aid in studies for the improved dissemination of liquid agents.

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE ARMY, RCS DD–D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS: DD–D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year	In-house	
	Current fiscal year	Contract	
(b) General chemical investigations.	(.378) (3.671)	(3.471) (.578)	Exploratory development effort: General chemical investigations: The purpose of this effort is to obtain data on compounds posing a potential threat to the U.S. chemical defensive posture; to avoid technological surprises; and to maintain up-to-date technology in toxicity screening, chemical synthesis and physical-analytical chemistry in support of chemical defense/deterrent investigations. Accomplishment include pharmacological screening of over 150 compounds. Results with one of these potential threat agents were significant enough to merit further study. A continuous need exists for maintaining an up-to-date capability to identify and quantify chemical unknowns. For this purpose, improvements in analytical methodology included the installation of a negative ion mode in an existing mass spectrometer and the development of a novel fluoresence/colorimetric analytical technique. Methods were developed for using chemical ionization mass spectrometry, a particularly sensitive technique, in the identification of potential threat and deterrent agents. Studies to develop improved screening techniques to increase quantitation and predictiveness in initial pharmacological tests included: completion of feasibility studies on use of a cardiotachometer for measuring heart rate in mice, and completion of the evaluation of a rat pole-climb technique for use in studying irritant compounds. Physical property data such as vapor pressure, density, viscosity and surface tension were determined for a number of chemical compounds. Similarly, analytical chemistry studies, such as elemental analysis, enzymatic analysis, thin layer gas chromography, and functional group analysis were conducted. Toxicological effects of chemical agents: Toxicological evaluations conducted under this effort are used for a variety of purposes. For example, chemical compounds are studied in laboratory animals to observe behavioral influences, effects on body systems and to estimate the toxicities for man. Data are transmitted to agencies both within and without the Department of Defense. Within DOD, the information is used to evaluate medical and physical defensive posture; to obtain approval for use of chemicals in training or in quelling civil disturbance; to assist the munitions developer; and to provide data to help develop safety procedures for handling hazardous materials. Major accomplishments include: publication of three reports on the acute and chronic toxicity of binary chemical components for GB; determination of acute and chronic toxicities of 2 binary components of VX; continued the acute toxicological evaluation of thickened GD by inhalation; completed the acute toxicological evaluation of thickened binary VX by absorption through the skin in clothed and unclothed test animals; performed acute toxicological evaluations of several training agents and for various simulants for binary agent systems. Studies to develop new pharmacological and genetic methodology for evaluating toxic effects from chemical exposure included work on a battery of physiological tests, e.g., cardiovascular, respiratory and neurological, for use with rodents; and the use of the Ames assay, micronucleus test, and Drosophila test for evaluating possible genetic effects. Operational science/technology: The military effectiveness of a chemical agent depends upon the pharmacological response that it elicits, its physical state, and the system used to deliver it. These factors dictate the optimal use of agents and their delivery systems to produce desired effects. Thus, the purpose of this effort is to investigate the mechanisms controlling the operational performance of chemical defensive/deterrent systems. Data from these studies are used as a technology base and predictive model to conduct chemical defense/deterrent system studies and to provide design guidance for new concepts or for improvements to existing systems. Significant accomplishments include the establishment of experimental and instrumentation techniques to study the decontamination of thickened agents from surfaces by jet engine exhaust. Results will be used to aid in designing armored vehicle decontamination systems. Studies to evaluate the plugging of protective face mask filters by battlefield particulates was initiated. The effects of medium sized particles on the M–17 mask were studied and in the future the effects of finer particles will be investigated. In the study of bulk liquid dissemination from spin-stabilized munitions, the rheological characteristics of non-Newtonian viscoelastic liquids were determined and a predictive model for Newtonian liquids was completed. These data are used to assess threat systems and relate to munition design. Investigation of imbiber beads for use in increasing dissemination effectiveness of volatile liquids was continued. Study of bulk liquid dissemination from nonrotating munitions included determination of particle size distribution as a function of dissemination velocity for thickened liquids. Explosive dissemination studies included determination of cloud velocities and particle size distribution of neat and thickened liquids. Chemical threat assessment Technology: The objective is to determine the potential foreign chemical warfare threat and vulnerability and identity the needs for improved U.S. chemical defensive measures and capabilities based on laboratory and field experimentation on foreign materiel concepts. Outputs will be the establishment of the test, assessment and analytic technology and the data base required to evaluate foreign capabilities. This effort will identify requirements affecting all other technical areas. A literature survey to evaluate explosive dissemination of thickened agent threat was completed. Experimental design feasibility tests were conducted and test hardware was fabricated. A chamber test method was developed and program initiated to select proper field test simulants for agents other than thickened mustard when delivered by aerial bombs, to develop explosive projector experimental methodology. A study was completed of physical properties controlling pickup and transfer of neat and thickened liquid from contaminated terrain and equipment to determine implications of personnel hazards when operating in contaminated areas. A program to evaluate fabric permeation mechanisms and to identify associated vulnerability problem areas of U.S. protective systems was completed. Experimental and theoretical program was completed to clarify and quantify high temperature/high velocity airstream method of decontamination and recommend improved decontamination techniques and systems. Comprehensive test program was concluded of internal vapor hazard buildup from external vehicle contamination to enable quantitative assessment of the survivability/vulnerability of personnel and systems in a chemical environment. Test program was conducted to acquire the experimental data base and to quantify the evaporation of thickened liquids from contaminated surfaces and to clarify agent persistence. Development of transport and diffusion models for evaporating liquids will continue, with emphasis on expanding the model to include thickened liquids and liquid mixtures. Test results, recommendations, and reports will be published for each work item as data is developed. Chemical training agents and equipment: The objective of this effort is to provide simulant agents (persistent and nonpersistent) and disseminating devices to train both individuals and units to survive in a chemical warfare environment through recognition of attack, execution of protective procedures, and decontamination when attack is recognized. Agents must be identifiable through field detection methods and decontaminated by field methods. The feasibility of using a single point, multiple tube, launcher with airburst simulators was demonstrated. The feasibility of using a modification of an existing portable decontamination apparatus for dissemination of a nonpersistent agent simulant was demonstrated. No satisfactory alternatives to polyethylene glycol 200 (PEG 200) or butyl mercaptan (BM) as persistent and nonpersistent agent simulants, respectively, were identified. Feasibility studies of employing additives with PEG 200 to impart particular properties advantageous for training were begun, e.g., use of fluorescent dyes, thickeners and hygroscopicity modifiers. These studies include toxicological and environmental impact evaluation of candidate additives. Additional toxicological studies were made with the candidate total intake simulant diethyl morpholino phosphoroamidale (DMMPA). A teratology test gave negative results. A 2-yr carcinogenic study was initiated by the National Cancer Institute.

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	Current fiscal year	In-house	Contract	
					Engineering development effort: Training system for chemical defense, phase I: The U.S. assessment of the one liter simulator projectile airburst liquid (SPAL), a chemical defense training device was completed. SPAL was U.S. type classified in February 1978. SPAL will be deployed in current year 1979, for chemical defense training of U.S. forces. Office of the Surgeon General (OTSG) approval to use polyethylene glycol 200 (PEG 200) as a simulant persistent agent in field decontamination and ground chemical contamination training exercises was received, and use of PEG 200 is such training exercises was begun. PEG is replacing molasses residuum and motor oil as a liquid simulant agent. PEG 200 is medically/environmentally suitable and it produces responses with our current detector papers, whereas the former liquid simulants are not suitable in terms of these criteria. Training system for chemical defense, phase II: A training device requirement (TDR) for an improved airburst simulator for persistent agent simulant and for a portable bulk disseminator for nonpersistent agent simulant was approved by DA in June 1978. Engineering development of phase II devices was begun in August 1978. The improved airburst simulator (ABS) is similar to SPAL. however, it has been designed to enhance area coverage and to enable the user to set up and to operate the device more readily, compared with SPAL. The device will use a high explosive axial burster and five airburst munitions, and it will be launched from a single point on the ground. The portable bulk disseminator (PBD) will be a modification of the existing M–11 1½ quart portable decontamination apparatus and the nonpersistent simulant agent will be normal butyl mercaptan, a malodorous compound which has been approved by OTSG for training use.
Lethal chemical program	.251	4.104	4.344	.011	
(a) Agent investigations and weapons concepts.	(.000)	(.887)	(.876)	(.011)	Exploratory development effort: Lethal chemical agents/weapons: The objective of this program is to evolve agent/munition system concepts and supporting technology wihch will provide the United States with a credible lethal chemical agent deterrent capability. Studies were conducted on ways to reduce the high pressures and temperatures of the binary VX reaction in support of the XM–736 VX–2 8 inch projectile program. Constituents of the reaction products were identified and annalogs of the sulfur chemical intermediate (NM) were investigated with one of the analogs producing a decrease in pressure of the binary VX reaction. Full scale munition chamber toxic agent trials were also conducted to investigate the binary VX reaction of the XM–736 projectile. Investigation continued of possible candidates for a binary intermediate volatility agent by conducting laboratory reactions and toxicological testing of various chemical compounds. Studies on the clothing penetration capabilities of thickened binary VZ, unthickened binary VX, and neat VX were carried out and the stability of these lethal agents on soil were investigated. Several binary agent munition concepts were analytically assessed and, in several instances, subjected to static and/or dynamic tests. A concept of binary GB for the 155mm projectile was dynamically evaluated for ballistic and dissemination performance. Experimentation was conducted with binary concepts for the 81mm mortar projectile as a lightweight mobile system for delivering lethal agents. Binary agent designs for the 8-in./130mm and 8-in./155mm extended range projectiles were evolved and a new prototype binary sabot for the former munition was tested. Concepts for a prototype binary agent land mine were studied and methods to disseminate binary lethal agents from artillery projectiles at low levels were evaluated. Various types of chemical compounds, including volatile analogs of binary VX, were studied as potential new lethal agents with greater effectiveness through clothing.
(b) Agent pilot plant investigations.	(.000)	(.000)	(.000)	(.000)	Advanced development effort: Lethal chemical agent processes: No effort expended in this area.
(c) Tactical weapons systems.	(.000)	(1.535)	(1.535)	(.000)	Advanced development effort: Lethal chemical materiel: Advanced development efforts were limited to completion of 2 contracts for the general support rocket system (GSRS) lethal binary warhead. All in-house work was suspended for fiscal year 1978 by specific guidance provided by DA. No new contractual efforts, including 6.2 exploratory development work, could be pursued, however, previously awarded contracts supported with fiscal year 1977 funds were allowed to be completed. Consequently, the technical effort was completed on the contracts "Reaction System Design: Binary Submunition/Segment Concept Development" by the Aerojet Ordnance & Manufacturing Co. and "The Effects of Bulk Liquid Fill on Rocket Flight Performance" by the Martin Marietta Corp. Final reports of both contracts were prepared and published. Engineering development effort: Lethal chemical ground munition: Activities were devoted to continuing development of the XM–736 VX–2 8-in projectile. In fiscal year 1978, development test II of the projectile was initiated and several phases were successfully implemented. In the DTII safety phase, premature ejection of the liquid filled canisters from the projectile occurred. An intensive investigation was initiated to identify the cause of the malfunction and its correction. The most likely reasons for the early functioning of the projectile are flaws in the parent material used to manufacture the projectile's aluminum base, thereby causing a brittle condition on the base, and weakening of the aluminum base threads at time of launch due to weapon setback forces in conjunction with torsional forces exerted by the liquid filled internal canisters during spin-up of the projectile. Either, or both, of these reasons could cause premature shearing of the projectile's base threads and ejection of the liquid filled canisters. Various modifications to the projectile were considered to resolve this problem and test hardware was modified. Dynamic evaluations were conducted on the modified XM–736 projectiles, but the early functioning problem was not resolved. Additional modifications to the projectile were being made and dynamically evaluated at the end of the fiscal year. When the early functioning problem is resolved, the DTII safety phase will be resumed. In preparation for operational test II (OTII) of the XM–736 projectile, test planning was accomplished with TRADOC. Under the producibility engineering and planning (PEP) program, design refinements were made to some of the XM–736 projectile's components to enhance mass producibility and test hardware was partially made for subsequent evaluation. Several meetings were held with the Simulant/Simulation Committee to review the use of chemical simulants and mathematical modeling techniques for evaluating the effectiveness of the XM–736 projectile.
(d) Materiel tests in support of joint operations plan and/or service requirement.	(.000)	(.007)	(.000)	(.000)	Efforts were directed toward the preparation of planning documents and environmental assessments for the testing of the BLU–80/B chemical bomb (Bigeye). Simulant dissemination flight tests and static safety tests are scheduled for the fiscal year 1979 time frame.
(e) Army materiel development tests.	(.251)	(1.675)	(1.926)	(.000)	Efforts were directed toward the testing of binary weapon systems. 6 specific test programs were in progress during this period. Major emphasis was on the testing of the projectile, 8-in, XM–736. 31 simulant dissemination trials were conducted to obtain data on area coverage, liquid recovery estimates, and droplet spectra for XM–736 projectile. Trials were conducted under a variety of meteorological conditions, tube to target range and quadrant elevations. 600 of a total of 900 projectiles have been fired to provide data which will be used to produce firing tables. Testing in the area of vibration, adverse environment, hazards, soldier evaluation, sequential rough handling, and portions of the safety testing have been completed. Storage and transportation and safety firing testing will continue into fiscal year 1979. Program is currently suspended pending resolution of the cause of the early functioning of the rounds. A malfunction test has been conducted. 56 rounds were fired to determine the cause and the fix for the early function of the XM–736 8-in projectile. In addition, 722 rounds of a total of 1,446 rounds of the 8-in M–426 and M–509 projectiles have been fired to: (1) assess safety characteristics and safety release for the M–577 fuze; (2) assess reliability; and (3) to obtain data for firing tables.

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	Funds obligated (millions of dollars)		
Description of R.D.T. & E. effort	Prior year Current fiscal year	In-house Contract	Explanation of obligation
			Exploratory development testing of the projectile, 155-mm, IVA involved firing 36 projectiles in order to evaluate ballistic stability, accuracy of the projectile, and round fuze compatibility. No unusual flight characteristics of the projectiles were observed. Further testing of the round/fuze combination should be accomplished prior to development testing. In addition, 2 simulant dissemination trials were conducted to obtain preliminary data on the droplet spectra for an intermediate volatility agent reactive simulant, area coverage and liquid recovery estimates.
3. Incapacitating chemical program	.000 .190	.190 .000	
(a) Agent investigations and weapons concepts.	(.000) (.190)	(.190) (.000)	Exploratory development effort: Incapacitating chemical agents/weapons: The objective of this effort is to uncover and evaluate incapacitating chemicals, develop concepts of use, and establish the feasibility of munition devices for their delivery. Since there is a need for incapacitating agents that are effective through the skin, studies to evaluate the effectiveness of glycolate solutions for this purpose were conducted. Included were quantitative fabric penetration studies and a series of tests to determine the dose response of glycolate solutions on both clothed and unclothed laboratory test animals. Studies on two methods for disseminating agent solutions included determination of particle size as a function of explosive dissemination parameters and from the aerodynamic breakup of bulk liquid. In the search for improved incapacitating agents, studies were conducted in two new series of compounds. 1 new compound was especially potent, but its safety ratio was too low. 2 successful contract efforts on incapacitating pryotechnic munition technology involved conceptual studies on safety aspects and munitions redesign.
(b) Agent pilot plant investigations.	(.000) (.000)	(.000) (.000)	No effort expended in this area.
4. Defense equipment program	.463 18.671	15.388 3.746	
(a) Physical protection investigations.	(.050) (2.205)	(1.946) (.309)	Exploratory development effort: Chemical decontamination and contamination avoidance: The objective of this technical area is to evolve procedures, materials and equipment for use in decontamination of personnel, personal items, clothing and tactical T.O. & E. equipment by all armed services. Included are studies on designs and materials which preclude chemical contamination and allow for ease and speed of decontamination to the optimum degree practicable. The studies also support decontamination concepts for industrial operations. To accomplish the overall objective, the program includes studies on improved personal decontamination systems which are more rapid, efficient and effective; on materials and designs which preclude contamination and ease decontamination; on documentation for field expedient means of decontamination; on research and development of new decontaminants and other means for destruction or removal of chemical agents on materials, methods and equipment for large scale decontamination; and on decontamination means allied to entry/exit procedures in collective protection. Studies on field expedient materials and procedures for decontamination were completed. A final report is in progress. A specification revision which includes 11 camouflage colors, for agent impermeable paints suitable for either brush or spray application, has been published. The companion cost comparison study between alkyd and urethane paints was completed. The design effort for a jet exhaust powered decontamination apparatus has been completed and fabrication of a feasibility model begun. A concurrent laboratory scale investigation of the thermal and mechanical aspects of agent removal is underway. Other contract efforts initiated will provide a laboratory scale model of a vehicular exhaust powered apparatus, concepts models of steam hot water systems and feasibility studies of radiative agent removal using high intensity infrared radiation. Examination of the repackaging possibilities of the M–258 kit continued in an effort to provide a kit which would be quicker to use, more effective, and additionally provide the capability of more than one decontamination per kit. Prototypes are expected during the 1st quarter fiscal year 1979. A comprehensive evaluation of water based decontaminants, including the German emulsion, was begun. In addition, a compatibility study to examine the effects of agents, decontaminants, and breakdown products on plastics, packaging materials, electronic and avionic components was undertaken. Chemical protection technology: The exploratory development in this technology area is to provide new and improved concepts, methods and materials for individual respiratory, body and collective protection against all potential threat agents for triservice application. In addition, this work is in support of concepts for occupational health and safety in industrial operations. This work is accomplished by combined in-house/contractor efforts on improved sorbents; concepts for residual gas life indicators; studies on materials and methods which reduce energy, logistical and/or physiological demands and improve optical and communications characteristics of protective items; and evaluation of protective systems against all potential agents. Potential threats to current materiel or systems are considered throughout the research and development cycle. To prove the feasibility of residual life indicator (RELI) for large area filters, 3 separate techniques were examined. The use of probes placed in various locations within the filter (probe-in-bed) was studied in-house using the MCPE filter. Additional work in this area is being done by MSA Co under a contract awarded in 3d quarter fiscal year 1978. Additional in-house work on the use of pilot tubes attached to large filters indicates that this method may also be feasible. The contractual work being done at Worchester Polytechnical Institute (WPI) on a methane/ethane pulse method looks the most promising. This technique has shown that it will work with many size filters. The second draft of the all services chemical protective clothing plan was distributed for review. In support of elements of this proposed plan, a contract with Andrulis Research Corp. was awarded during the 3d quarter fiscal year 1978. This contract will investigate new reactive compounds that can be incorporated into protective clothing. The contract with Lehigh University was completed. The results have been published in the final report. The compound of choice has been provided to Springborn Laboratories to be milled and molded. The first phase of the end point testing of standard overgarments was completed and the report published. The efforts on collective protection for combat vehicles developed into a major program. This program was staffed during the 4th fiscal year 1978 and is now developing the knowledge gaps and data required to fill them. A report on the mechanisms by which ASC Whetlerite provides protection against CK was published. Studies were also conducted at Drexel University to determine the effect of impregnating charcoal with cupric compounds at various humidities on CK life.
(b) Chemical warning and detection investigation.	(.000) (2.657)	(2.147) (.510)	Exploratory development effort: Chemical detection and identification technology: The objective of the chemical detection and identification technology project is to evolve new physical, chemical and biochemical concepts for use in the development of equipment for detecting and identifying lethal and incapacitating agents in air, water, and surfaces, including kits with increased sensitivity to chemical agents, ease of use, and decreased logistical burden; individual detectors for the soldiers; and field capability for sampling and analyzing for rapid identification of toxic chemical agents. All tasks are applicable to Army, Air Force, Navy, and Marine requirements. Foreign state-of-the-art trends and potential threats to present materiel or systems are considered.

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars): Prior year Current fiscal year	In-house Contract	Explanation of obligation
			A revised draft requirements document for a detector kit for chemical agents in water is being staffed by U.S. Army Engineers School and the item is ready for advanced development. Breadboard kits have been fabricated. Tests with natural waters (swamp, high acidity, high turbidity) using threat chemical agents were satisfactory. Studies on the eelenzyme and indoxylacetate substrate system for detection of nerve agents by enzyme inhibition demonstrated that the system could be stored at elevated temperatures, without loss of effectiveness. Studies to find the optimum quantity of enzyme to retain the required sensitivity after storage were initiated. Search continued for nonmutagenic dyes to substitute for the mutagenci B–1 dye used in the liquid chemical agent detector paper. The dye changes color when toxic chemical agent droplets impinge on the detector paper. Several dyes were found that are promising. Study has begun on chemical agent monitoring and reconnaissance concepts to determine the requirements, the available concepts, and the developmental approaches to be taken. This includes sampling and analysis of vapors and surfaces, a systems analysis evaluation of the problem, and applications to vehicles. Chemical alarms technology: The objective of the chemical alarms technology project is to evolve new and improved concepts for automatic detection of all lethal and incapacitating agents in military operations and in support of industrial operations; to broaden the capability of alarms to detect new agents; to increase system effectiveness by decreasing the logistics burden; to develop a remote sensing capability; and to improve the means of disseminating the warning of chemical attack. All tasks are applicable to Army, Air Force, Navy, and Marine Corps requirements. Potential threats are considered. The remote sensing alarm work concerned studies of applications of lasers to military chemical agent detection. The optimum fill parameters for the isotopic CO_2 laser chemical remote sensor were determined. Efforts on heterogdyne detection and range-resolved, laser-induced detection and ranging (DIAL/DISC) for agent vapors and aerosols were initiated. The program to determine optical constants of agents and potential interferences, including high resolution spectroscopy using a laser diode spectrometer was started. High resolution atmospheric transmission data and a preliminary spectral discrimination program have been computer modeled. A survey of chemical remote sensing concepts and new technology has been conducted to ensure that all relevant technology is being applied. Feasibility has been proved for automatic liquid agent detection with a small hot-grooved dimmer that works on the principles of interruption of an electrical circuit when agent hits one of the grooves which then triggers a visual and/or audible signal. Experimental development was essentially completed. A formal requirements document is being finalized and the item is ready for AD. Feasibility studies for advanced chemical agent detector/alarm (ACADA) concentrated on the ionization detector principle and a modified version, the ion mobility spectrometer (IMS), with the enzyme alarm as backup. Results with IMS have been promising, displaying improved agent sensitivity and interference rejection. Feasibility was proved for a chemical agent warning transmission system that consists of a portable pyrotechnic cartridge device to provide both an audible and visual warning signal within a distance of 500 meters. Experimental development is being completed, a formal requirements document is being prepared, and the item is ready for ED.
(c) Advanced development of defense systems.	(.157) (6.364)	(3.681) (2.840)	Advanced development effort: Decontamination apparatus vehicle: The decontamination apparatus for vehicles (DAV) is being developed to meet one of the needs cited in the U.S. Army Ordnance and Chemical Center and School study, "Improved Chemical Defense for Battalion-Sized Units" made in 1975. The real threat of battlefield contamination by thickened and unthickened vesicants and nerve agents dictates the requirement for a crew operated decontamination apparatus which would reduce the toxic chemical hazard of tactical vehicles and weapon systems in the combat zone. The DAV will supplement the standard M–11 apparatus which is suitable for very limited, emergency decontamination. The DAV will be manually operated, vehicle mounted and man portable. The apparatus will possess sufficient RAM factors, decontaminant storage life, low temperature operability and environmental survivability to be cost and operationally effective. This development project centers on a 2-yr competitive contract which will progressively evaluate design candidates and delectively choose the best technical approach through trade-off analyses. Decontamination of weapons systems: The effects of the chemical agents, decontaminants, and agent breakdown products on metals were studied. A literature search was completed and 2 letter reports were written: 1. Effects of decontaminants on metals and nonmetals. 2. Effects of agents and agent breakdown products on metals and nonmetals. Experimental work has been done to determine the effect of DS–2 on weld couples and on the silicone gasket from the XM–613 shipping container. A corrosion measurement system, which will measure corrosion rates and the effect of galvanic couples, is on order. The effects of the chemical agents, decontaminants and agent breakdown products on nonmetals were studied. A literature search has been completed on plastics to obtain background information and attempt to find a predictive capability of the effect of solvents. Experimental work has been done to determine the effect of emersion of components in decontaminating solutions. Efforts were begun to develop a surface active displacement solution and to develop microencapsulated decontaminants. Chemical warning and detection materiel: The objective of this task is to conduct the AD of the remote sensing chemical agent alarm XM–21, capable of monitoring the atmosphere in order to provide early warning of chemical agent attack. The alarm is based on the principle that all nerve agents have spectral bands which emit or absorb naturally occurring infrared radiations which can be measured by spectroscopy. Alternative approaches to the infrared alarm for satisfying the service requirements have been considered and found unable to meet these requirements. These alternatives have included the forward-looking infrared, used for fire control and night reconnaissance. The system will have a capability for utilizing sky and terrain backgrounds and scanning over the company front. Foreign state-of-the-art and potential threats to present materiel and systems have been considered. AD was initiated in fiscal year 1974 and halted in fiscal year 1975 by a congressional direction to consider alternative technology to satisfy the Army requirement, primarily FLIR. Efforts during the past 2 yrs have been limited, as approved by congressional committee, to carrying on efforts to evaluate FLIR as compared to remote sensing chemical agent alarm. These efforts were concluded early in fiscal year 1978, with data analysis and recommendations to Defense Development Research and Engineering Office in mid-fiscal year 1978. Engineering development effort: Individual chemical protection: There is a military requirement for a field protective mask to provide respiratory protection against field concentrations of all chemical and biological agents in vapor or aerosal form. This mask with appropriate components shall replace the M–17 and M–17A1 masks, the M–9A1 special purpose mask, the M–24 and M–25A1 masks to meet the following needs: improved operational capabilities and reduced logistical burden, suitability for wear under a wide range of operational conditions, and improved performance and storage characteristics.

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars)				Explanation of obligation
	Prior year	In-house	Current fiscal year	Contract	
					Engineering development for the new protective mask XM-29 was initiated and conducted during the current reporting period. In order to preclude a break in contractual technical effort, a letter contract was awarded to Sierra Engineering Co., Sierra Madre, Calif., for the engineering development of the new protective mask. The contract was subsequently definitized into a formal contract. An extensive research and development program was conducted to upgrade the protective coating system for the mask. The final selection of the coating system was made. The system selected will be Viton B–50 on the inner surface with polyurethane on both outer and inner surfaces. All final design considerations have been accomplished. The tooling fabricated during the advanced development phase has been modified to reflect all ED design changes. The interim technical data package is approximately 60 percent complete. A general officer review was conducted with the recommendation that the program remain on its present schedule of type classification in 4th quarter, fiscal year 1979 (September 1979) and that the investigation of a variable thickness lens concept be continued. This investigation was completed. An extensive testing program has been conducted through the utilization of the U.S. Army Human Engineering Laboratory. As a result of a meeting with the Canadian Government, the final version of the memorandum of understanding has been prepared and submitted to higher headquarters for review and approval. Field trials of approximately 700 combat spectacles have been conducted to determine durability and user acceptance. In-house efforts have included component design and evaluation, producibility, product assurance and maintenance studies. Fabrication of items for in-house testing has been initiated. Coordination and planning of the DT/OT II evaluations to be initiated in 1st quarter, fiscal year 1979 with TECOM/TRADOC has been accomplished.
(d) Collective protection system.	(.000)	(.000)	(.000)	(.000)	No effort expended in this area.
(e) Warning and detection equipment.	(.256)	(.850)	(.671)	(.077)	Exploratory development effort: Paper, chemical agent detector, XM–9: The objective of this effort is to conduct ED of the chemical agent detector which is a dye impregnated paper that turns red when hit with liquid agent. The paper is wrapped around the soldier's arms and legs and attached to the outside of vehicles. Positive color changes indicates a liquid chemical agent rain attack. This item will provide the Army and other services with a capability whereby each individual can determine when or if they or their equipment has been exposed to droplets of toxic chemical agents. It does not replace any existing item. This item is in the final stages of development which is scheduled for completion in fiscal year 1980. Developmental testing, which proved the chemical agent detector paper met design requirements, was completed. Biological testing of the B–1 dye used in the chemical and detector paper confirmed its mutagenicity. A modified safety protocol, approved by the Surgeon General of the Army, is to be in all field testing.
(f) Medical defense against chemical agents.	(.000)	(6.324)	(6.324)	(.000)	Exploratory development effort: In the area of medical prophylaxis and therapy of nerve agents, significant advancements were made toward an understanding of limitations of current antidotes. Potent components of current antidote formulations cause neurobehavioral side effects. The nature, extent, and duration of these side effects are being studied. Preliminary studies have been completed and a program of definitive animal studies has been approved and initiated. Human studies have been designed to answer critical questions of extent of incapacitation and decrement of performance caused by antidotes given when no agent is present. Such human studies are now being reviewed in detail including independent scientific and human use review. Novel experimental studies have been developed to measure defined neurobehavioral systems potentially decremented by antidotes. Such studies were selected for maximal reproducibility, interpretability in terms of biomedical knowledge of anatomic, pharmacologic, and neurobehavioral systems, and extrapolatability to field situations. An understanding of mechanisms of antidote action has been advanced by development of new theories of antidote action. The time dependency of antidote efficacy has been studied. Data available suggest a more limited allowance of time past exposure than previously appreciated for antidote effectiveness. The time dependency of antidote effectiveness seems to be less critical with lower exposures. Approaches to improving time dependency of antidote administration have been identified and research initiated. Predominant among promising methods to improve therapy is oral pyridostigmine pretreatment. Data indicate a major pyridostigmine-induced increase in subsequent therapy efficacy in animals challenged with toxic anticholinesterases. Human studies have been designed to measure whether any decrement of performance is associated with dosages of pyridostigmine expected to be protective. A major limitation of the currently fielded antidote mixture (TAB) is a limited shelf life unless it is refrigerated. The current FDA requirements of TAB shelf life (95 percent of original components) is limited by a temperature dependent decomposition of benactyzine, a component of the TAB antidote mixture. Data indicates that benactyzine is the TAB component most responsible for TAB-induced incapacitation. Data supporting an extension of TAB shelf life were submitted to FDA on the basis that a drop in benactyzine with time would be beneficial. The drop in side effects is not associated with a significant drop in efficacy. A number of approaches have been initiated or accelerated subsequent to a growing appreciation of limitation of currently fielded antidotes. The antidote screening program has been modified to select effective candidate antidotes with minimal associated incapacitation. Research studies on antidote effects on brain acetylcholine levels have identified highly effective experimental antidote mixtures which are associated with significant reduction of the amplitude and direction of brain neurochemical alteration and apparent side effects after antidote alone or poisoning plus antidote therapy. Research studies on the classical molecular target of anticholinesterase action have confirmed the presence of multiple forms of acetylcolinesterase in the body. These isoenzymes seem to have differing levels of resistence to anticholinesterases. Studies have been designed and initiated to determine whether such is a basis of tolerance to poisoning and a viable approach to prophylaxis. Research on potentially protective compounds which theory and available data suggest will extend the time of antidote effectiveness is being pursued. Compounds which may extend the time of antidote administration prior to injury, or prolong the effective time to therapy after poisoning, have been identified. New experimental designs are being developed which better allow replication, interpretation, and extrapolation of studies on prevention of injury by hazardous chemicals. Concepts of dynamics of protection and decontamination of skin exposures have been advanced. Use of mechanical removal of thickened chemicals and rapid use of large volumes of soap and water for nonthickened chemicals seem to be more important than strength of decontamination solutions for prevention of injury. Preliminary data on protective skin creams and powders suggest that such may offer practical protection for individuals precluded from working in the currently fielded chemical gloves. Such barriers may extend the time to decontamination. Understanding of the mechanisms of injury by the chemical agent mustard was advanced by information on the nucleotide bases involved in mustard-induced damage of DNA. This work is important toward the identification of specific repair systems. Study design was selected for animal trials of an antidote to replace nitrites for cyanide injury. Attempts to field an oral preparation for use against glycolate injury was advanced by a review of human cases.
(g) Materiel tests in support of joint operational plans and/or service requirements.	(.000)	(.041)	(.051)	(.010)	Efforts were directed toward the testing of the following: 1. LOPAIR/FLIR comparison test: This test was designed to obtain data on the relative capabilities of a LOPAIR system and a FLIR system equipped with spectral filters, to detect, and to discriminate between simulant chemical agent clouds, various interferences, and clouds containing mixtures of simulant and interferring materials. The LOPAIR and FLIR systems were evaluated in a side by side configuration under a variety of simulated chemical agent and interferring material environments. The test series included air release trials, range determination trials, operator training trials and comparison trials. A total of 109 trials were conducted. A test report presenting the results of the field evaluation performance of the two detectors under a toxic chemical simulant and dust/smoke/water/vapor interferring environment was published.

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Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
			2. Decontamination study: A laboratory investigation was conducted to determine how closely a thickened simulant simulated the selected agents in the process of decontamination of an asphalt surface. A series of experiments were conducted wherein asphalt samples were challenged using the selected agents plus the simulant and evaporation studies performed. In addition, after the asphalt was contaminated, several decontaminating solutions were employed to determine the effectiveness of the solutions in removing agents from weathered asphalt surfaces. Laboratory testing was completed and the results were provided the sponsors. Work was in support of a large-scale decontamination feasibility study. 3. Chemical defense analysis: An operation research study is in preparation to demonstrate the feasibility of using existing technology to predict concentration of chemical agents on an air base pursuant to attack with chemical agents. The analysis will provide time varying concentration and dosage contours for various combinations of munition systems, agents, seasons, time of day and upwind detonation distances. During this period, all parameters have been established and preparation has been initiated for computerized output. 4. Standard operating procedures for selected airfield decontaminating areas: Effort was directed toward the preparation of 2 standard operating procedures for airfield decontamination operations after chemical contamination. During this period an SOP for decontaminating selected aircraft areas to permit refueling/rearming of the aircraft with minimum hazard to ground crew was prepared. Aircraft decontamination must be kept to a minimum to allow quick mission turn around. A second SOP for decontaminating ground vehicles and equipment to permit quick mission turn around has been completed in draft form.
(h) Materiel development tests.	(.000) (.399)	(.399) (.000)	Engineering development effort: Tests were conducted on the U.S. Army's defensive equipment and materiel and in the long term environmental storage and surveillance testing. Test efforts were as follows: 1. Chemical agent detector kit, XM–256: The XM–256 chemical agent detector kit was subjected to human factors and agent sensitivity testing to determine the effects of extreme climatic environment (arctic, tropic and desert) on the item and to determine agent sensitivity of kits after 90 days carrying by individual soldiers. Tropic and Arctic testing has been completed and reported. Sensitivity testing of the desert carried item is scheduled for 1st quarter, fiscal year 1979. Data to date indicates that the carrying case is too fragile for field use. Upon correction of the case deficiency, the kit is acceptable. 2. XM–9 chemical agent detector paper: This test was designed to determine if the XM–9 meets the design requirements performance standards, and technical characteristics of the SDR, effects of extreme climatic environment on the item, and whether engineering is reasonably complete. Testing has been completed and a report published. 3. DT II of patriot air defense system: This test is designed to determine if system components can be successfully decontaminated, if subjected to a chemical attack, without damage to the system. During this period, planning was completed. Testing is scheduled for fiscal year 1979. 4. Protective mask, hood and corrective spectacles (XM–29): This test is designed to assess the technical performance of the test items and to determine: (a) the degrees to which the items meet the required operational requirements (ROC); (b) if items provide the required protection; and (c) if items possess adequate functional capabilities. During this period, planning has been completed. Testing is to be initiated in fiscal year 1979 with scheduled completion in fiscal year 1980. 5. Protective outfit, toxicological, microclimate controlled (POTMC) for EOD personnel: This test is designed to determine whether the deficiencies found during development testing have been corrected; to determine if the maintenance test support package is adequate; to determine visual and assembling defects; and to test reliability of the protective suit. During this period, monitoring of the first article testing at the contractor plan was performed. Planning for the reliability test was completed. Test is scheduled for fiscal year 1979. 6. M–51 CB shelter system: This test is designed to evaluate the performance of the M–51 collective protection shelter system and to determine if the corrective actions were taken relative to deficiencies and shortcomings reported from earlier testing are satisfactory. Testing will consist of safety test, initial performance, rain test, DOP-challenge test and maintainability scheduled for fiscal year 1979. During this report period, personnel monitored testing at the contractor plan and CSL. 7. UHF manpack satellite communications ground terminal: This test is designed to determine if system components can be successfully decontaminated after CB contamination without damage to the system. All planning has been completed. Test is scheduled for fiscal year 1979. 8. Modular collective protection equipment: This test was designed to determine if the corrective actions were taken relative to deficiencies and shortcomings reported from earlier tests are satisfactory. During this period testing at the contractor plant was monitored. Testing after desert storage was completed. Final report is in progress.
5. Simulant test support	.000 .512	.512 .000	
(a) Materiel tests in support of joint operational plans and/or service requirements.	(.000) (.512)	(.512) (.000)	Efforts were directed toward the planning, conducting, and/or reporting of the following joint operational tests and operations research studies: 1. Thickened agent investigation: This test was designed to obtain data on the dissemination characteristics of bursting munitions filled with thickened simulant and to estimate dose-casualty relationships for such munitions. 18 field trials using thickened simulants were conducted. Report was published. 2. Agent transfer factors: This test is designed to provide data on the transfer factor and pickup associated with the field employment of vehicles and equipment when exposed to thickened agent munitions. 48 trials were conducted under a simulated threat environment. Test series consisted of maintenance, operations, and offensive activities associated with 8 different vehicles and weapons. Data reduction and report preparation is in progress. 3. Effects of chemical attack on tactical staging operations: This study will evaluate the effects of an attack with chemical agents in tactical staging areas and will provide a data base for an appraisal of the effects of such an attack in tactical operations. The study will analyze, evaluate, and correlate the data from past pertinent studies and tests. The study will identify and validate knowledge gaps wherein a test phase will be designed in order to answer valid knowledge gaps. Draft of the OR study has been completed. Coordination and review is in progress. Study will be published 1st quarter fiscal year 1979. 4. Safety evaluation TMU 28/B spray tank: This test was designed to determine the operational hazards associated with the TMU 28/B spray tank when inadvertently released during take off or landing and if damaged from hostile fire during storage, transportation, loading or unloading from strike aircraft. 36 trials were conducted during this period. The data analysis was completed and a final report was published. 5. Chemical logistics evaluation: This test is designed to evaluate the current U.S. Marine Corps chemical weapon and support systems. Planning and coordination with the Marine Corps has been completed. Laboratory investigation for the determination of the simulant material to be selected for field use is in progress. Dissemination tests and testing of 2 filling units will be conducted in fiscal year 1979. Stockpile-to-target sequence validation is scheduled for fiscal year 1980. 6. Protection capabilities of standard personnel gear: This test is designed to evaluate the protection capabilities of the standard Army combat environmental uniforms, U.S. Navy foul weather gear, the Army's wet weather gear and candidate material for future fabrication of foul weather gear. During this period planning has been completed and the test plan has been forwarded to appropriate authorities for approval. Testing is scheduled for fiscal year 1979.

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE ARMY, RCS DD–D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS: DD–D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
			7. Simulant review and selection: This effort is a combination study and laboratory test and is designed to determine from laboratory/chamber experiments the physical/chemical properties most important in simulating thickened agents and to develop a spectrum of chemical agent simulants for use in the field. The simulant review committee coordinated their findings with other agencies that are involved in testing chemical systems. Information regarding selection and use of various test materials to simulate agent behavior was provided. The literature review has been increased as pertinent data becomes available. Preparation and behavior of thickened agents and simulants have been studied with emphasis on preparation of stable thickened test materials. An interim report for fiscal year 1978 has been published.
			8. Capabilities of collective protection: This study will evaluate the CB collective protection facilites for both mobile and permanent structures. An evaluation of each collective protection system has been made against CB hazards. Study has been published.
			9. Effects of aircraft spray: This study provided estimates of the effectiveness of aircraft spray systems to deliver chemical agents over forested temperate areas. Examination of Forest Service work provided canopy penetration a as function of particle size and foliage density. Spray tank paramenters were obtained from previous tests. Area/contamination density estimates were calculated. Study has been published.
			10. Vulnerability of LVTP–7 vehicle: This test determined the vulnerability of the LVTP–7 vehicle when subjected to massive chemical attack. Test was conducted in the defensive test chamber using simulants. Test demonstrated that the protective systems provide the required degree of protection to personnel. Report has been published.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1977 THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS DD–DR. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
Chemical warfare program	18.990 13.578	9.786 22.782	During the fiscal year 1978, the Department of the Army obligated $32,568,000 for procurement activities associated with chemical warfare agents, weapons systems, defensive equipment and production base projects. Program areas of effort concerned with these obligations were as follows: Lethal chemical program: Materiel procurement ... 0 Production base projects ... 0 Total lethal chemical ... 0 Incapacitating chemical program: Materiel procurement ... 0 Production base projects ... 0 Total incapacitating chemical ... 0 Defensive equipment program: Materiel procurement ... $30,249,000 Production base projects ... 2,319,000 Total defensive equipment ... 32,568,000
1. Lethal chemical program	.000 .000	.000 .000	
(a) Item procurements	(.000) (.000)	(.000) (.000)	No obligations were incurred for procurement of lethal chemical end items.
(b) Production base projects	(.000) (.000)	(.000) (.000)	No obligations were incurred for production base projects in support of lethal chemical programs.
2. Incapacitating chemical program	.000 .000	.000 .000	
(a) Item procurements	(.000) (.000)	(.000) (.000)	No obligations were incurred for procurement of incapacitating chemical items.
(b) Production base projects	(.000) (.000)	(.000) (.000)	No obligations were incurred for production base projects in support of incapacitating chemical programs.
3. Defense equipment program	18.990 13.578	9.786 22.782	
(a) Item procurements:			
(1) Decontaminating apparatus, M12A1.	(.161) (.000)	(.001) (.160)	Obligations incurred for in-house support and procurement of M12A1 decontaminating apparatus.
(2) Filter unit M8A3	(.011) (.378)	(.047) (.342)	Obligations incurred for procurement and in-house engineering support for M8A3 filter unit to supply purified air for crewmembers of armored vehicles.
(3) Filter unit, M13A1.	(.036) (.723)	(.079) (.680)	Obligations incurred for procurement and in-house engineering support for M13A1 filter unit used to supply purified air for crewmembers of armored vehicles.
(4) Alarm, M8–M10, chemical agent.	(2.623) (9.040)	(3.988) (7.675)	Obligations incurred for procurement and in-house engineering support of chemical agent alarms used to detect chemical agents.
(5) Shelter system, M51.	(13.583) (.328)	(1.874) (12.037)	Obligations incurred for procurement, retrofit and in-house engineering support of M51 shelter used to provide CB protection to field units.
(6) Modular collective protective equipment.	(2.506) (.000)	(.640) (1.866)	Obligations incurred for procurement and engineering support of modular collective protection equipment used to provide CB protection to field units.
(7) Mask, M24	(.070) (.790)	(.838) (.022)	Obligations incurred for procurement and in-house engineering support of M24 mask used to provide CB protection to aircrew personnel.
(b) Production base projects:			
(1) MMT CB filters	(.000) (.654)	(.654) (.000)	Obligations incurred for establishment of production process data to provide industry for manufacture of numerous large CB filters.
(2) MMT new protective mask.	(.000) (.724)	(.724) (.000)	Obligations incurred to establish a pilot facility to prove out production concept for the new protective masks.
(3) MMT tech for preparation of B–1 dye.	(.000) (.461)	(.461) (.000)	Obligations incurred to conclude an alternate manufacturing and grinding process for B–1 dye (used in CB detector kits) to eliminate carcinogenic intermediates.
(4) MMT biological warning system.	(.000) (.480)	(.480) (.000)	Obligations incurred to resolve production problem areas for specific components prior to industry production.

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS DD-D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
Biological research program	0.205 16.335	12.605 3.935	During fiscal year 1978 the Department of the Army obligated $16,540,000 for general biological research investigations and the development and test of physical and medical defensive systems. Programs areas effort were as follows: Biological research: Basic research — $300,000 Total biological research — 300,000 Defensive systems: Exploratory development — 12,018,000 Advanced development — 0 Engineering development — 4,118,000 Testing — 104,000 Total defensive systems — 16,240,000 Simulant test support — 0
1. Biological research	.000 .300	.260 .040	
(a) Basic research	(.000) (.300)	(.260) (.040)	Basic research in support of biological defense materiel: The objectives of this task are to provide research in support of the biological defense program and to maintain a technology base in nonmedical aspects of biological defense. Research is conducted to select and appraise the potential of new concepts for rapid detection, identification, and decontamination of biological threat agents in the field. Potential threats to present and future materiel or systems are considered. Remote detection of biological aerosols was investigated by measuring, for the first time, laser-fluorescence of aerosolized biological threat materials. A liaison was established with the U.S. Army night vision and electro-optics labs to investigate excimer (ultra-violet) lasers and ultra-violet flash lamp approaches to the problem of biological threat agent detection. Work continued on basic studies to appraise the detection potential of microwave absorption of biological aerosols. Inhouse and contract research was conducted to explore the potential of immobilized enzyme methods as virus detection kit approaches.
2. Defensive equipment program	.205 16.035	12,345 3.895	
(a) Physical defense against biological agents.	(.000) (.844)	(.844) (.000)	Physical defense against biological attack: The objectives of the investigations in this area are to evolve new concepts for rapid detection and warning of a biological agent attack, new or improved decontaminating agents, equipment, and procedures for use against biological contamination, and to evaluate protective items for biological defense. All tasks are applicable to Army, Air Force, Navy, and Marine Corps requirements. Candidate detection and decontamination concepts are evaluated for feasibility; those with sufficient promise are tested for entry into AD. Potential threats to present and future materiel or systems are considered. No viable alternatives presently exist for achieving the required biological defense capability. Remote detection of biological aerosol clouds using laser excited fluorescence and chemiluminescence alarms was demonstrated under simulated field conditions and showed favorable potential for continuation toward AD as a fixed installation alarm. Progress was made on improved methods for a biological detection kit for field verification of the presence of harmful biological materials. Effective decontamination of biological simulants by aerosolized bleach was demonstrated in chamber tests. Collaborative support was begun for a comparative study of aerosolized NaCl, nonpathogenic bacterial spores and a chemical vapor for leakage testing of the XM29 prototype mask.
(b) Biological defense materiel concepts.	(.000) (.000)	(.000) (.000)	No effort expended in this area.
(c) Biological defense materiel.	.000) (4.118)	(2.889) (1.229)	Engineering development effort: The objective of this project is to complete ED on a first generation biological agent detection and warning system for Army field use. The system will be employed at brigade and division tactical operations centers. This materiel is responsive to the capability requirements of the armed services. The development of this system is scheduled for completion in fiscal year 1981. The unit consists of the XM19 alarm which automatically detects biological agent in the atmosphere by a chemiluminescent reaction. The XM2 sampler, which is then automatically activated, samples the atmosphere for subsequent identification by designated medical laboratories. During the past year, engineering designs and draft technical manuals were completed and evaluated. Field, engineering, and reliability tests were conducted and evaluated, all of which were found satisfactory except the reliability tests. Nuclear vulnerability tests were successfully performed. Aerosol inertial separators were designed, fabricated, and evaluated for use in the XM19 and XM2. Alternate designs of critical XM19 components were tested and evaluated. Design improvements of the XM19 and XM2 continued to reduce the unit costs in production. Refill kit designs were completed and tested.
(d) Medical defense against biological agents.	(.205) (10.765)	(8.370) (2.600)	The experimental programs of the U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID) are targeted toward: (a) Medical defense against biological warfare (BW); (b) infectious illnesses which pose special problems to our military forces; and (c) the safe study of infectious, highly dangerous micro-organisms in the unique and special containment facilities of USAMRIID. During the past year, the research programs of USAMRIID followed the revised work priorities established during fiscal year 1977 which emphasized studies on some of the most virulent and pathogenic microorganisms known. Based upon agreements reached with the Center for Disease Control (CDC) and the new priorities, USAMRIID initiated studies this year with Lassa fever virus, Congo/Crimean hemorrhagic fever viruses, the bacterial agent causing Legionnaires' disease, and with the anthrax bacillus. Laboratory containment suite modifications were initiated to permit the safe, simultaneous handling of all these agents, as well as with beginning in fiscal year 1979, the generally lethal Ebola-Marburg viruses. USAMRIID and U.S. Navy researchers became involved in an unexpected 1977–78 outbreak of Rift Valley fever throughout Egypt which occurred for the first time in history. Because there were thousands of cases, with the appearance of hemorrhagic disease, encephalitis, and blindness as complications, and the occurrence of many human deaths, additional emphasis was placed on in-house studies of Rift Valley fever (RVF) virus, diagnostic methods and viral chemotherapy. In addition, industrial production through contract was stepped up and given 1st priority to produce 300,000 doses of a new RVF vaccine. USAMRIID is the sole source (worldwide) of this human vaccine. Since it is quite possible that RVF could spread into other Mideast countries, the problem has potential military medical importance. Work was continued on other high priority organisms including Machupo virus, the etiologic agent of Bolivian hemorrhagic fever (BHF), as well as on Korean hemorrhagic fever (KHF) virus and botulism. These organisms all possess significant BW potential, are lethal for man and present enormous safety problems. Fortunately, USAMRIID is one of the few laboratories in the free world where such agents can be studied with minimum risk to laboratory personnel and no risk to the surrounding environment. The goal of this research is to develop safe and effective vaccines or toxoids for these highly dangerous but poorly understood diseases. Work in pathogenesis and immunogenesis continues to support these vaccine development studies.

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year	In-house	
	Current fiscal year	Contract	

Second-order priorities included studies on Japanese B encaphalitis, Argentine hemorrhagic fever, Chikungunya, and Venezuelan equine encephalomyelitis (VEE). Toxin studies continued with bacterial exotoxins and enterotoxins. New diagnostic capabilities were developed as were new treatment methods for viruses, bacteria and bacterial toxins. Rickettsial studies continued in exogenous tick-borne spotted fever, epidemic typhus fever and Q fever. The organisms or toxins in this priority are also highly dangerous for man, possess significant BW potential and pose special problems of safety; however, at an intermediate order of magnitude. Third-order priorities included studies on western and eastern equine encephalitis (WEE and EEE), melioidosis and tularemia.

Reactivation of a dynamic new USAMRIID program in fiscal year 1977 to permit studies in research volunteers was followed this year by extensive use of human subjects in both USAMRIID and Walter Reed Army Institute of Research (WRAIR) research studies. The new MRVS (medical research volunteer subject) projects replace the old "Project Whitecoat." Each specific project protocol must undergo extensive ethical (human use) and scientific committee reviews within USAMRIID and again at higher command levels before final approval is given. In other important progress regarding human studies this fiscal year, USAMRIID's clinical facilities were upgraded further for safety caring for patients with rate, highly contageous diseases and for performing diagnostic microbiologic and clinical laboratory tests on such patients. In addition, an agreement was reached with CDC to accept such potentially contagious patients in transfer from their laboratories for diagnostic studies and treatment at USAMRIID. A similar agreement is being negotiated with the Plum Island Animal Disease Center of U.S. Department of Agriculture where studies with RVF are planned to begin in early fiscal year 1979.

Specific statements of USAMRIID progress are included under the following headings: clinical studies, vaccine development, vaccine adjuvant studies, immunological responsiveness studies, pathogenesis studies, diagnostic studies, therapy, toxin studies, and rickettsial studies.

Clinical studies:

Clinical studies performed during fiscal year 1978 included those on new experimental vaccines in volunteers, long-term phase III studies of the existing experimental vaccines being used to protect laboratory personnel, studies performed in collaboration with WRAIR and National Institutes of Health (NIH), and finally studies to provide clinical care to patients admitted to the USAMRIID high-containment suite when they were suspected of having been exposed to a highly dangerous infectious microorganism.

Major areas of clinical research included 2 vaccine trials in volunteers with an inactivated Rocky Mountain spotted fever vaccine (jointly funded by USAMRIID and NIH/NIAID) and the 1st initial trial in phase I testing in volunteers of live, attenuated virus vaccine for Dengue-2. The latter study was performed in collaboration with investigators from WRAIR who developed the vaccine. A major clinical study also involved the 1st systematic nontherapeutic evaluation in volunteers of human transfer factor; this was conducted in cooperation with research investigators from NIH/NIAID.

The phase III testing of a large number of experimental vaccines was continued in the laboratory workers of USAMRIID and other collaborating institutions. These vaccines were administered primarily for the safety of "at-risk" laboratory workers and included live attenuated TC-83 VEE vaccine, inactivated EEE and WEE vaccines, inactivated phase II Q fever vaccine, attenuated live tularemia (LVS) vaccine, anthrax vaccine, inactivated RVF vaccine, inactivated Chikungunya vaccine and polyvalent botulinum toxoid. Additional assessment studies performed on both the live, attenuated VEE vaccine (TC-83) and the killed VEE vaccine (C-84) suggested that a combination of both vaccines should be used in the future protection of laboratory workers. Initial VEE vaccination will be performed with the live TC-83 product and booster C-84 vaccinations will be given to those individuals whose anti-VEE titer either does not reach, or falls below, values deemed to be protective. These studies provide needed human safety and efficacy data which will support ultimate decisions on the use of these vaccines to protect U.S. forces.

The unique USAMRIID isolation facility for the hospitalization of patients was used on several different occasions during fiscal year 1978. 2 USAMRIID investigators were hospitalized following a potential exposure to Machupo-virsus and both were given prophylactic treatment with hyperimmune anti-Machupo human plasma. In neither instance did evidence for an actual infection develop. These unique facilities were also used this year following an agreement with CDC for the transfer of 2 laboratory workers from that Institute and a Peace Corps worker from Africa who each had been suspected of being exposed to Lassa fever virus. Again, the illness did not develop.

Important new safety measures were taken during fiscal year 1978 to upgrade the abilities of USAMRIID to handle highly contagious patients. These efforts included the acquisition of additional containment equipment designed to treat a hospitalized patient within a specially constructed, plastic isolator module containing its own independent air supply and filtration system. Orders were placed to acquire additional modules for hospitalized patients and also to acquire modules designed for the transport of contagious patients within aircraft or ambulances.

To further the safety practices of USAMRIID, facilities were set aside and a training program established to permit clinical laboratory samples and clinical microbiologic samples to be handled and assayed under the strictest forms of microbiologic containment using pressurized plastic suits with filtered air supply. In addition, a building modification program was initiated to upgrade the unique ward facilities to permit the care of patients by hospital personnel who will be dressed in similar protective suits.

Vaccine development:

The development of new vaccines constitutes a major requirement in the USAMRIID research mission; the major aspect of this program dealt with attempts to create new vaccines, against important viruses, with emphasis on arenaviruses that produce highly lethal hemorrhagic fevers. The viral vaccine program also included new studies on RVF virus, continued work to create an attenuated Dengue-1 vaccine, and continued research to improve vaccines for the alphaviruses including VEE, EEE, WEE, and Chikungunya.

Attempts to develop a potent inactivated BHF vaccine in a certifiable substrate continued to be frustrated by low yields of virus antigen and difficulties in obtaining consistent virus inactivation. Alternative approaches to existing virus inactivation procedures were studied through contracts in an effort to resolve this problem. On the other hand, in an exciting breakthrough, the attenuated strain of Junin virus (virulent strains of which cause Argentine hemorrhagic fever) was found to protect monkeys and laboratory rodents against both the Argentine and Bolivian forms of hemorrhagic fever. Since the attenuated Junin virus has already been used in 600 human recipients in Argentina, additional studies with this attenuated virus vaccine are planned.

Another approach has been to examine the immunizing potential of subunit polypeptides obtained from the arenaviruses. Both glycoprotein and nucleoprotein subunits of Pichinde virus and the lethal Machupo virus were obtained through fractionation and purification. When used as vaccines, these purified subunits protected animals against homologous virus challenge. Similar studies were then initiated with RVF virus; again, appropriate growth, purification, concentration, and radiolabeling techniques allowed for the identification of three major subunits, 2 of which were glycoproteins. These will now be tested for immunogenicity.

The recent strains of RVF virus collected in Egypt were compared with the older parent strain viruses and shown to have comparable antigenic markers, indicating that the newly produced vaccines should protect equally well against all strains of this virus.

Studies with selected clones of the Dengue-1 virus were continued and additional tests developed to identify virulence "markers" to permit the selection of an avirulent virus subpopulation that could be used as a possible human vaccine. A major breakthrough in this regard was the development of a new method to detect low-titer viremia in monkeys. The absence of viremia in subhuman primates may eventually turn out to be the optimal "marker" available for selecting a vaccine candidate appropriate for human use.

In another fundamental breakthrough with respect to the development of safe vaccines, it was found that hydroxylapatite column chromatographic techniques could be used to physically separate alphaviruses on the basis of differences in virion surface charge. This permitted large numbers of virus strains of VEE, EEE, and WEE to be differentiated and separated from each other. This new capability will help permit the selection of single, non-heterogeneous populations of a virus which can then be used for experimental vaccine development. This chromatographic technique is being applied to another alphavirus, Chikungunya, and it may work as well for RVF virus and perhaps even the arenaviruses.

Initial studies were begun to develop bacterial vaccines against melioidosis and Legionnaires' disease.

Another important facet of the vaccine development program includes the need for highly standardized, carefully monitored laboratory animal data when experimental vaccines are initially tested. USAMRIID programs have been developed to do this. The requirement for extensive recordkeeping and quality control animal measurement data is essential so that acceptable and complete data can eventually be submitted for approval to support the value of a new vaccine prior to its initial testing in man.

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 178; RCS DD-D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year	In-house	
	Current fiscal year	Contract	

Diagnostic studies:

Diagnostic studies covered several different areas. A major new research thrust was initiated in order to establish and maintain immunologically based diagnostic capabilities for a wide variety of virus diseases of special importance to the USAMRIID medical defense program. The new approaches involved the development of improved fluorescent antibody technology, radioimmunoassay (RIA) methods, enzyme-linked immunosorbant assay (ELISA), and chemiluminescent-immunoassay techniques, all of which are being compared with each other, as well as with the more time-consuming microbiological assay methods, such as viral plaque neutralization tests, which can be employed to provide validation for each new method. Spot tests on microscopic slides for fluorescent antibody identification of a large number of viruses were prepared, standardized, and tested for safety. Additional slides to test for new viruses are currently being developed both in-house and under contract.

Unique new aspects of diagnostic work included a confirmation of the reliability of the fluorescent antibody techniques for the diagnosis of KHF. Serum specimens obtained from nephroso-nephritis patients in 3 Scandinavian countries were positive for the KHF antigen, providing important new evidence that the diseases are linked or are identical. Tissue culture growth of KHF virus was achieved for the first time. There were also initial breakthroughs showing that the new RIA and ELISA techniques had great usefulness for virological diagnosis. ELISA techniques have also been developed for bacterial organisms and toxins and appear to provide a more rapid method for diagnosis of Legionnaires' disease.

A major accomplishment was the development of a fully contained P4-level diagnostic clinical laboratory, previously described under clinical studies. This included the training of personnel necessary to permit all diagnostic microbiological and clinical laboratory samples to be handled and processed in fully contained biological safety laboratories, with investigators and technicians working in total-body positive-pressure safety suits.

Additional approaches in the diagnostic area included further studies to determine if changes in chemiluminescence or the biochemical composition of white blood cells or blood platelets could be used as early indicators of the presence of an infectious disease. Further progress was made on computerizing the various diagnostic approaches of a biochemical nature to determine if diagnostic patterns might emerge which would be of greater value than changes in single biochemical parameters alone. Finally, a new technique using isotachophoresis was developed to permit the isolation of immune antigen-antibody complexes from serum that could possibly prove to be of value in the diagnostic area.

Therapy studies:

Therapy studies involved important new work on antiviral compounds against unique, highly dangerous viruses. Work was continued on the use of aerosolized antibiotics in pulmonary infections, and the use of metabolic and physiologic approaches for providing supportive therapy. This latter need is especially important during overwhelming infections, including those complicated by disseminated intravascular coagulation or the development of hepatorenal failure.

A dramatic achievement was the discovery that ribavirin was effective for therapy of such dangerous infections as those caused by members of the arenavirus group of hemorrhagic diseases, RVF, and possibly yellow fever. Earlier work with the interferon-inducing drug, poly(ICLC), was continued and new studies were introduced to determine if antioxidant drugs had value in infections due to lipid-containing viruses, but the major emphasis was placed on studying the therapeutic effectiveness of ribavirin. While ribavirin was previously shown to have prophylactic efficacy, the major new finding showed that it was effective even though treatment was not begun until after the onset of clinical illness due to Machupo virus in monkeys and guinea pigs, RVF infection in mice and hamsters, and to a limited degree, yellow fever infection in monkeys. Work is ongoing to determine the localization of ribavirin within tissues and the molecular mechanism of its antiviral activity within cells. In addition, arrangements were made to obtain new analogs of ribavirin that could cross the blood-brain barrier.

Studies to extend knowledge in the areas of aerosol therapy of antibiotics indicate that pulmonary concentrations of drugs, such as kanamycin, can reach a therapeutic level without dangerous accumulation in the kidneys. Aerosol therapy was more effective against bronchopneumonia in animal models than against frank lobar consolidations.

Since antimicrobial agents are not available for all lethal infections, continued emphasis was placed on improving metabolic and physiologic support and correction of imbalances. It proved possible to control many of the infection-induced abnormalities in amino acid, protein, carbohydrate, insulin, free fatty acid, and ketone metabolism during experimental infections by the therapeutic administration of appropriate metabolic substrates. Studies are underway to control hepatorenal failure by using hemoperfusion techniques and correction of salt and water imbalances.

The catastrophic complication of disseminated intravascular coagulation during a variety of bacterial, viral and parasitic infections was approached with a protease inhibitor, aprotinin, as a therapeutic drug to influence the kinin system. Studies in monkeys were conducted to determine the pharmacokinetics of aprotinin during experimentally induced infection and to determine the effects of aprotinin on blood clotting mechanisms.

Bacterial toxin studies:

Studies included the botulinum neurotoxins, anthrax toxins, several staphyloccal enterotoxins, enterotoxins produced by cholera and Shigella species, diphtheria exotoxin, and Pseudomonas exotoxin A and exoenzyme S.

In a major new program, a USAMRIID effort was initiated to produce a multivalent botulinum toxoid, since the capability to produce additional quantities of this older vaccine no longer exists elsewhere in the free world. This program made excellent progress. The representative, previously used strains of toxin-producing organisms were obtained. Initial efforts began with botulinum neurotoxin A and were highly successful, allowing for the production of sufficient volumes of culture to permit extraction and purification by modern chemical techniques of milligram quantities of neurotoxin A. Modern techniques were also used to toxoid this into a safe and immunogenic vaccine.

In addition, a program was initiated to collect many liters of high-titer human anti-botulinum plasma from individuals who previously had been immunized repeatedly with the existing polyvalent botulinum toxoid. Army and Food and Drug Administration approval was obfained for using this human hyperimmune botulinum plasma for the therapy of accute botulism if this should become necessary. In addition, arrangements were made under contract to convert large quantities of the plasma into hyperimmune botulinum immunoglobulin.

Studies on anthrax toxins and protective immunogens had been at a virtual standstill for at least a decade. During fiscal year 1978, USAMRIID entered this field in an attempt to produce a more effective immunogen that could be used in man for production of protective immunity. The currently available vaccine is a crude culture filtrate which requires 18 mo. for the primary vaccination series. Anthrax organisms produce at least three poorly characterized exoproteins: protective antigen, edema factor and lethal factor. It is necessary to reestablish methodology to culture selected strains, in order to produce sufficient exoproteins to allow for their eventual differentiation, purification and toxoiding by modern techniques.

Much basic work was accomplished in defining the tertiary and secondary structures of staphylococcal enterotoxin B (SEB) and its component peptides, and in comparing them with comparable portions of SEA and SEC_1 enterotoxins to define which portions of the protein molecules were immunogenic and which caused toxicity. In addition, a capability for sequencing protiens was established. Initial steps were taken to ascertain the correct amino acid sequences of staphylococcal toxins with emphasis on SEC_1 and the dermatolysins. In other basic work, the mechanism used by staphylococci to excrete their exoprotein toxins was shown to depend upon the fatty acid composition of external staphylococcal membranes. Evidence was also obtained that a proteinase was required to release the toxin into the culture medium.

The mechanism of action of SEB was studied with respect to the exchange and loss of fluid across the intestinal mucosa of the rabbit. A potential breakthrough in therapy emerged, when it was shown that SEB could be taken up and bound by activated charcoal. Initial attempts were then made to utilize this concept in hemoperfusion studies which would allow toxin in the bloodstream to be removed during extracorporeal circulation through a charcoal filter. Exploratory physiologic studies were also performed to determine if either cholera or Shigella enterotoxins were toxic following exposure by parenteral or aerosol route, rather than the usual gastrointestinal route.

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE ARMY, RCS DD–D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS DD–D.R. & E. (SA) 1065—Continued

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year	In-house	
	Current fiscal year	Contract	

Vaccine adjuvant studies:

A portion of vaccine development research is devoted to the study of potential adjuvants that could improve the immunogenicity of marginally effective vaccines. Adjuvants selected for applied study emphasized those with a potential for eventually being approved for use in man. These included 2 interferon-inducers, lysine-stabilized poly(I)* poly(C) [poly(ICLC)] and an analog of the drug, tilorone hydrochloride. Other adjuvants included dialyzable leukocyte extracts, biodegradable oil-water emulsions, and muramyl dipeptide.

In the studies using tilorone analogs or poly(ICLC), an adjuvant-vaccine combination significantly enhanced resistance in mice against all test virus infections when compared with control mice which received the vaccines without adjuvant. Similarly, a lipid emulsion given with VEE vaccine was effective in both mice and monkeys on the basis of both enhanced resistance to virus challenge and development of higher serum neutralizing antibody titers.

In more basic studies, the various experimental adjuvants have been compared to the effects achieved with complete Freund's adjuvant which, although it is not safe for use in man, has long acceptance as being the most potent product available for enhancing the immunogenicity of weak antigens in animals. In these comparisons, the Freund's adjuvant was found to potentiate both cellular and humoral primary immune responses whereas muranyl dipeptide in oil appeared to improve the primary cell-mediated immune responses, but potentiated only anamnestic humoral responses to inactivated VEE vaccine antigens.

Immunologic responsiveness studies:

Another sizable portion of the in-house program involved studies to determine how immune responses can be measured and manipulated in order that efficacious safe vaccines can be developed. These studies included investigations into the relative efficacy of experimental vaccines administered via different routes, the responsiveness of cell-mediated immune mechanisms to vaccines or infection, the effects of "selective" and general immunosuppression (such as that produced by acute irradiation) the immunologic functions of macrophages and lymphocytes, and the production of immune complexes in plasma.

Because BW defensive measures must consider the exposure of troops via an aerosol, research was conducted to determine optimal immunologic methods for generating protective immunity on mucosal surfaces throughout the respiratory tract. These included studies of aerosol immunization to tularemia via the lungs and studies of airborne infections with Japanese B encephalitis (JBE) in monkeys and mice, and Pseudomonas pseudomallei (melioidosis) infections in mice and hamsters. Mice surviving an initial infection with JBE were solidly protected against rechallenge, but neither killed virus vaccines nor the passive administration of immune serum protected them. This work gained in importance with the recognition of a massive outbreak of JBE in India in 1978 which caused many thousand cases and at least 1,000 deaths. Aerosol infections also produced lethal melioidosis in hamsters and squirrel monkeys. Initial studies suggested that some protection against respiratory melioidosis could be provided by killed cell vaccines.

To evaluate cell-mediated immunity, comparisons between leukocyte-adherence inhibition tests and macrophage migration factor tests were followed during tularemia infection in mice. Other studies in mice identified, through Mishell-Dutton assays, the extent of participation of B- and T-lymphocytes and macrophages in response to vaccination with either live or killed tularemia vaccines. Methods were also devised to quantitate delayed hypersensitivity reactions and to detect the magnitude of "suppressor" or "helper" functions of different transfused lymphocyte populations in mice inoculated with the live, attenuated tularemia vaccine. Protection against highly virulent tularemia organisms appeared to require both T- and B-lymphocyte activity. In other studies, the participation of cell-mediated immune mechanisms were studied in nude mice because of their congenital lack of thymic functions. This approach was especially valuable in attempting to determine why some of the arenavirus infections were capable of producing delayed lethal encephalitis. Studies using the nude mice led to the conclusion that lethal encephalitis caused by Tacaribe virus was immune-mediated and dependent upon the presence of intact functioning T-lymphocyte mechanisms.

Methods were developed to study the production of immune complexes in the circulation following the exposure of immunized or nonimmunized animals to virulent microorganisms. This new approach uses isotachophoresis to identify the complexes through their patterns of migration in an electrical field.

Additional basic studies were conducted to define the role of lymphocytes and macrophages in immune mechanisms. A series of novel studies defined, for the first time, the physical and chemical requirements for lymphocyte chemotaxis under in vitro conditions. Lymphocytes migrating between agarose and glass layers were attracted by gradients of chemotactic factors which differed chemically from those known to attract polymorphonuclear leukocytes.

Because some anti-inflammatory agents may affect the induction of immunity through their cytoskeletal effects, the cytoskeletal probes (cytochalasin-A and colchicine) were used to define the role of cellular microfilaments and microtubules in regulating lymphocyte movement through lymph nodes, during cell cooperation actions, and during their recirculation throughout the body. It was also shown that the high endothelial cells of lymph nodes venules could remove antigen-receptor complexes from the surfaces of recirculating lymphocytes without damage to the lymphocytes. The "scrubbing" process was postulated to be of value in exposing new receptors which rendered the lymphocyte more responsive to subsequent antigenic stimulation.

Studies of macrophage function continued to use cells collected from the pulmonary alveoli of cynomolgus monkeys during pulmonary infection. The intravenous administration of the drug, glucan, prior to an aerosol exposure to an infectious organism was found to exert a nonspecific stimulating effect on the monocyte-phagocyte system; this treatment materially reduced mortality during intracellular infections, such as tularemia in rats. Mechanisms were developed for studying the detailed function of macrophage organelles following bacterial phagocytosis. The mannose-rich capsule of tularemia organisms was found to be important in allowing the organisms to be destroyed within macrophages. However, these phagocytic cells were capable of taking up virulent tularemia organisms whether or not their mannose-rich capsule had been removed.

Still other immune responses were studied in animals whose immune system had been suppressed. Suppression studies associated with high doses of whole body irradiation were limited during fiscal year 1978 because the USAMRIID high voltage X-ray source could no longer be repaired; it is being replaced. In other suppression studies, cyclophosphamide treatments given prior to animal immunization with various types of vaccines were used in an effort to abolish humoral antibody responses, while at the same time allowing cell-mediated immune functions to be preserved, or even potenitated if these were being repressed by blocking antibodies. When treated with cyclophosphamide, animals showed a loss of immune protection when challenged with VEE virus, unchanged protection against tularemia, but enhanced protection when challenged with rickettsial organisms, including those which produced Q fever and tick-borne spotted fever.

Pathogenesis studies:

Pathogenesis studies in animal infections are needed to test new vaccines, diagnostic techniques and therapeutic measures. During the year, USAMRIID attempted to create suitable model infections in laboratory animals for Legionnaires' disease, KHF, Lassa fever, Congo-Crimean hemorrhagic fever, RVF, and infections with arenaviruses less dangerous than Lassa virus, i.e., Pichinde and Tacaribe. In searching for a representative model, expecially for such a difficult disease to study as KHF, a large variety of both common and rare laboratory animal species were tested, including some, such as cotton rats, vesper mice, and voles, which are not available commercially and must be bred in-house. Such studies also call for different subhuman primate species as well as inbred stains of the more common laboratory rodents.

Emphasis has also been continued on defining the unique pathogenic patterns of illness produced by aerosolized organisms, including bacterial bronchopneumonias, lobar pneuminias, and the study of viruses, such as JBE, which appear capable of entering the central nervous system from the nasal mucosa through olfactory nerves which traverse the cribriform plate.

Additional studies have been conducted to define some of the physiological and biochemical responses that accompany infectious diseases. These included studies of body fluid and electrolyte shifts in yellow fever and the hepatorenal failures which may accompany various infections. This work has been strengthened by the development of computerized techniques for collecting and recording data from many ongoing simultaneous physiologic measurements. Biochemical studies included additional work to define the mechanisms used to provide metabilizable energy for the infected host and to characterize the role of the liver in producing the large variety of new "acute-phase reactant" serum glycoproteins and hepatic metallothioneins during a variety of different infections.

S EC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE ARMY, RCS DD–D.R. & E. (SA) 1065—Continued

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS DD–D.R. & E. (SA) 1065—Continued

	Funds obligated (millions of dollars)		
Description of R.D.T. & E. effort	Prior year Current fiscal year	In-house Contract	Explanation of obligation
			Progress was made in defining the nature of Pseudomonas exotoxins. Additional studies for scaled-up production and purification of Pseudomonas exotoxin A were made, with toxoiding mechanisms being developed. The resultant toxoid provided partial protection against Pseudomonas infection in burned mice, whereas, little protective efficacy was demonstrated in burned infected rats. Attempts to purify another Pseudomonas exoprotein, exoenzyme S, yielded initial successes.
			Major advances were made in studying the specific toxic mechanism of action of Pseudomonas exotoxin and the closely related diphtheria exotoxin. In vitro studies in cultured cells employed radioactively labeled exotoxin molecules to demonstrate for the first time that specific cellular receptors exist for each of these exotoxins. The presence of a specific cellular receptor is necessary to allow the toxin to enter a susceptible cell. The USAMRIID demonstration that such receptors exist on susceptible cells has already been followed by identification of drugs which prevent the binding of toxins to cells, thus preventing toxin entry and lethal action. In closely related, equally novel work, both diphtheria and Pseudomonas exotoxins have been conjugated with either ferritin or colloidal gold in order to visualize the toxin receptors on cells by electron microscopy.
			Rickettsiology research:
			Rickettsiology studies emphasized continuing attempts to produce, improve or evaluate richettsial vaccines. Other amount of research involved pathogenesis studies by light and electron microscopy to elucidate the nature of the earliest stages of the vascular endothelial lesions which characterize many richettsial diseases.
			Q fever studies proceeded along three paths. Additional data were gathered in monkeys to evaluate the relative efficacy of the inactivated phase I Q fever vaccine prior to initial testing in man. These tests used a newly standardized cynomolgus monkey model in which Q fever infection closely resembles the illness seen in man, with comparable interstitial pneumonia, hematologic, physiologic and immunologic responses. Additional attempts were made to isolate purified components of Coxiella burnetii in hopes of identifying specific components that were highly immunogenic and effective in preventing Q fever without having the undesirable side-effects of the existing phase II Q fever vaccine. Soluble phase I antigens of C. burnetii were treated with various enzymes, including proteinase, lipase or lysozyme, with the last producing an immunogen which appeared to exhibit reduced reactogenicity.
			A third line of study involved the infection of athymic, nude mice and normal euthymic control mice with small-particle aerosols of C. burnetii. Euthymic mice recovered rapidly from the infection and cleared rickettsiae from peripheral blood and spleen within 14 days, whereas, the immunodeficient athymic mice showed continued presence of rickettsiae in blood and spleen for at least 60 days. This finding adds to the evidence concerning the importance of cell-mediated immunity in host resistance against Q fever.
			Additional studies of the new Rocky Mountain spotted fever vaccine were conducted in volunteers, as discussed in the paragraphs on clinical studies. In addition, studies in laboratory animals were continued to produce broadly protective vaccine against all varieties of spotted fever rickettsiae. Studies in guinea pigs showed that the new Rocky Mountain spotted fever vaccine prepared for human use was protective against virulent strains of Rickettsia rickettsii obtained from diverse geographical sources. In addition, cross-protection studies were conducted in guinea pigs and mice relating to the immunologic similarities of Rickettsia species: rickettsii, conorii, sibirica and akari. Although none of these rickettsiae produces lethal illness in guinea pigs, they each induce cross-protection against infection by other members of the spotted fever group, as shown by prevention of a febrile response. A lethal R. akari infection was found to occur if BALB/c mice were used as an animal model, such mice being protected from death.
			In a final aspect of the studies on immunization against spotted fever rickettsiae, two additional approaches were used. Soluble immunogenic antigens derived from suspensions of whole rickettsiae were found to protect laboratory animals. Limited success was achieved in attempting to use a relatively avirulent organism, Rickettsia montana, as a live rickettsial vaccine.
			Since spotted fever rickettsiae produce vascular lesions, studies were conducted using light and electron microscopy to demonstrate the earliest changes in endothelial cells in infected tissue culture cells or in the vascular endothelial cells of arteries obtained from guinea pigs. As an alternative approach, a chick embryo model was used to study the initial lesions in vessels of the allantoic membranes. In each instance, the rickettsiae were always present in the earliest lesions. In the egg, vascular lesions appeared before the embryo was competent immunologically and before proteins of the complement and coagulation systems had developed. These data, in combination, suggest that the vascular lesions can best be explained by direct action of the rickettsial organisms per se.
			In one final area, the methods used successfully to produce a whole-organism spotted fever vaccine from tissue culture were extended to Rickettsia prowazekii to determine if an improved epidemic typhus vaccine could be prepared. This new tissue culture vaccine was at least as efficacious as the presently available commercial vaccine. Further tests are planned for comparing these products in subhuman primates.
			Summary:
			This brief review of USAMRIID progress during fiscal year 1978 illustrates the success of a multidisciplinary approach in fulfillment of the mission of the Institute. It becomes obvious that a medical research program directed toward BW Defense involves every aspect of microbiology, aerobiology and immunology.
2. (e) Foreign biological threat	(.000) (.204)	(.138) (.066)	Operations research studies were conducted to evaluate and assess the biological threat to the United States and the U.S. military forces throughout the world. During this period nine operation research studies were completed. Four additional studies were in progress and are scheduled for completion in fiscal year 1979.
(f) Army materiel development tests.	(.000) (.104)	(.104) (.000)	Efforts were directed toward the conduct of a test to determine the feasibility of chemical neutralizations of biological aerosol clouds under field conditions. 4 trials were conducted. Results indicated that aerosol neutralization is feasible under optimum conditions. Further field testing is required before a final evaluation can be made.
3. Simulant test support	.000 .000	.000 .000	No effort expended in this area.

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS DD–D.R. & E. (SA) 1065

	Funds obligated (millions of dollars)		
Description of PAA effort	Prior year Current fiscal year	In-house Contract	Explanation of obligation
Biological research program	0.000 .000	0.000 .000	During the fiscal year 1978, the Department of the Army obligated 0 for procurement activities associated with biological defensive equipment and production base projects.

SEC. 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE ARMY, RCS DD-D.D.R. & E. (SA) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS DD-D.D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
Ordnance program	0.069 7.425	6.985 .509	During fiscal year 1978, the Department of the Army obligated $7,494,000 for general research investigations, development, and test of smoke/obscurants, riot control agents, and weapon systems and other support equipment. Program areas of effort concerned with these obligations were as follows: Smoke/obscurants program: $6,567,000 Riot control program: 487,000 Other support programs: 0 Test support: 440,000 Total obligation: 7,494,000

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1977 THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE ARMY; DATE OF REPORT: SEPT. 30, 1978; RCS DD-DR. & E. (SA) 1065

Description of PAA effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
Ordnance program	9.888 20.912	14.019 16.781	During the fiscal year 1978, the Department of the Army obligated $30,800,000 for procurement activities associated with smoke/obscurants, riot control agents, weapons systems and other support equipment. Program areas of effort concerned with these obligations were as follows: Smoke/obscurants program: $27,675,000 Riot control program: 2,125,000 Other support equipment: 1,000,000

SEC. 4.—ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS, ADJUSTMENT SUMMARY, TO REPORT FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977, DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065

ADJUSTMENT SUMMARY TO THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977

Page	Description	From—		To—	
	SEC. I—CHEMICAL WARFARE PROGRAM				
	Under explanation of obligations, change figures as follows:				
1	1st line, "Department of the Army" obligated	$26,156,000		$25,299,000	
	Chemical research:				
	Basic research	801,000		811,000	
	Exploratory development	5,682,000		5,306,000	
	Total chemical research	6,483,000		6,117,000	
	Lethal chemical program:				
	Exploratory development	1,281,000		1,281,000	
	Advanced development	461,000		461,000	
	Engineering development	59,000		59,000	
	Testing	24,000		24,000	
	Total lethal chemical	1,825,000		1,825,000	
	Incapacitating chemical program:				
	Exploratory development	711,000		711,000	
	Advanced development	120,000		120,000	
	Total incapacitating chemical	831,000		831,000	
	Defensive equipment program:				
	Exploratory development	9,457,000		9,022,000	
	Advanced development	3,991,000		4,148,000	
	Engineering development	2,255,000		2,232,000	
	Testing	320,000		320,000	
	Total defensive equipment	16,023,000		15,722,000	
	Simulant test support	994,000		804,000	
	Under funds obligated, change figures as follows:				
1	Chemical warfare program	1.061	20.993	.871	20.674
		25.095	5.163	24.428	4.625
3	(a) Basic research	(.000)	(.766)	(.000)	(.776)
		(.801)	(.035)	(.811)	(.035)
3	(b) General chemical investigations	(.212)	(5.149)	(.212)	(4.871)
		(5.470)	(.533)	(5.094)	(.435)
15	Defense equipment program	.438	11.789	.438	11.928
		15.585	4.234	15.284	3.794
16	(a) Physical protection investigations	(.206)	(3.384)	(.194)	(3.436)
		(4.487)	(1.309)	(4.224)	(.982)
21	(b) Advanced development of defensive systems	(.102)	(2.724)	(.102)	(2.819)
		(5.181)	(2.559)	(5.338)	(2.621)
22	(c) Collective protection system	(.000)	(.055)	(.000)	(.047)

SEC. 4.—ANNUAL REPORT ON CHEMICAL AND BIOLOGICAL RESEARCH PROGRAM OBLIGATIONS, ADJUSTMENT SUMMARY, TO REPORT FOR THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977 DEPARTMENT OF THE ARMY, RCS DD-D.R. & E. (SA) 1065—Continued

ADJUSTMENT SUMMARY TO THE PERIOD OCT. 1, 1976, THROUGH SEPT. 30, 1977—Continued

		From—		To—	
		Prior year Current year	In-house Contract	Prior year Current year	In-house Contract
	SEC. 1—CHEMICAL WARFARE PROGRAM—Continued				
24	(e) Medical defense against chemical agents	(.070) (.120)	(.015) (4.442)	(.047) (.120)	(.000) (4.442)
28	Simulant test support	(4.644) .190	(3.22) .994	(4.484) .000	(.162) .804
28	(a) Material tests in support of joint operations plans and/or service requirements	.804 (.190)	.000 (.994)	.804 (.000)	.000 (.804)
		(.804)	(.000)	(.804)	(.000)
	SEC. II—BIOLOGICAL RESEARCH PROGRAM				
1	1st Line, "Department of the Army" obligated	No change from fiscal year 1977 report.			
	Biological reserach:				
	Basic research				
	Exploratory development				
	Total biological research				
	Defensive systems:				
	Exploratory development				
	Advanced development				
	Engineering development				
	Testing				
	Total defensive systems				
	Simulant test support				
	Under funds obligated, change figures as follows:				
1	Biological research program	1.608	10.159	1.608	10.190
2	Defensive equipment program	14.305 1.608	5.754 9.926	14.305 1.608	5.723 9.957
2	(a) Physical defense against biological agents	13.935 (.015)	5.617 (.754)	13.935 (.015)	5.586 (.750)
3	(c) Biological defense materiel	(1.102) (1.593)	(.363) (2.310)	(1.102) (1.593)	(.367) (2.345)
		(3.612)	(2.895)	(3.612)	(2.860)
	SECTION III—ORDNANCE PROGRAM				
	Under funds obligated, change figures as follows:				
	First line, "Department of the Army" obligated	$5,976,000		$5,952,000	
	Ordnance program	.201	5.394	.201	5.418
		5.775	.582	5.751	.534
	Smoke/obscurants program	3,754,000		3,730,000	
	Herbicide program	0		0	
	Riot control program	1,448,000		1,448,000	
	Other support program	650,000		650,000	
	Test support	124,000		124,000	

SEC. 1.—OBLIGATION REPORT ON CHEMICAL WARFARE PROGRAM FOR THE PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE NAVY, RCS: DD-D.R. & E. (A) 1065

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE NAVY; DATE OF REPORT: SEPT. 30, 1978; RCS: DD-D.R. & E. (A) 1065

	Funds obligated (in millions of dollars)		
Description of R.D.T. & E. effort	Prior year Current fiscal year	In-house Contract	Explanation of obligation
1. Chemical warfare program	9.625	1.741	During the period Oct. 1, 1977 through Sept. 30, 1978, the Navy obligated $3,263,000 for research and development efforts.
(a) Defensive equipment program	3.263 1.325	1.572 1.041	
(1) Exploratory development.	1.363 .229	.372 .245	Funds support defense requirements analysis, development of automated chemical/biological detection systems, joint development of new C/B protection for shipboard personnel.
(2) Engineering development.	.262 1.096	.017 .796	The purposes of this program are: (1) provide U.S. Navy ships with C/W advanced warning capabilities utilizing passive infrared techniques and (2) to provide U.S. Navy ships with a C/W agent point sampling detector and surface contamination monitor.
(b) Offensive equipment program	1.101 8.300	.355 .700	Funds support: (1) Navy liaison and coordination with other services; (2) fabrication of safe separation test vehicles; (3) fabrication of engineering development models of the Bigeye binary munition; (4) conduct of component qualification tests; (5) completion of aircraft compatibility studies and evaluations; (6) conduct of toxicity and dissemination test and evaluation.
(1) Engineering Development.	1.900 8.300	1.200 .700	
	1.900	1.200	

DEPARTMENT OF THE AIR FORCE ANNUAL REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS (OCT. 1, 1977, THROUGH SEPT. 30, 1978) RCS: DD-D. R. & E. (SA) 1065 SEPT. 30, 1978

SEC. 1.—OBLIGATION REPORT OF CHEMICAL WARFARE LETHAL AND INCAPACITATING AND DEFENSEIVE EQUIPMENT PROGRAMS FOR THE PERIOD OCT. 1, 1977, THROUGH SEPT. 30 1978, RCS: DD-D.R. & E. (SA) 1065, DEPARTMENT OF THE AIR FORCE, SEPI. 30, 1978

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE ANNUAL PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE AIR FORCE; DATE OF REPORT: SEPT. 30, 1978; RCS; DD-D.R. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
Defensive equipment program:			
Research	.000 .000	.000 .000	
Exploratory development	.000	.000	
Advanced development	.000 .000	.000 .000	
Engineering development	.000 +.031	.000 .240	Development and testing of agent detection devices. Development of chemical-agent hardened structures. Evaluation and development of protection garments and respirators for aircrews and ground support personnel. Chemical-casualty systems development.
Total, defensive	2.700 +.031	2.460 .240	
	2.700	2.460	

OBLIGATION REPORT OF PROCUREMENT FUNDS FOR THE PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE AIR FORCE, RCS: DD-D.R. & E. (SA) 1065

Description of procurement effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
Chemical warfare program	4,400	.000	
Defensive equipment program	0 4,400	.000	
Protective clothing and equipment.	0 4,400	.000	Obligations used for initial issue of protective clothing and equipment and thereby provide USAF personnel with an initial capability to operate in a toxic chemical environment.
	0		

OBLIGATION REPORT OF OPERATIONS AND MAINTENANCE FUNDS FOR THE PERIOD OCT. 1, 1977 THROUGH SEPT. 30, 1978, DEPARTMENT OF THE AIR FORCE, RCS: DD-D.R. E. (SA) 1065

Description of operation and maintenance effort	Funds obligated (millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
Chemical warfare program	11.512	.000	
Defensive equipment program	12.048 11.512	12.048 .000	
Protective clothing and equipment.	12.048 11.512	12.048 .000	Obligations used to complete initial issue of protective clothing and equipment and thereby provide USAF personnel with an initial capability to operate in a toxic chemical environment.
	12.048	12.048	

SEC. 2.—OBLIGATION REPORT ON BIOLOGICAL RESEARCH PROGRAM FOR THE PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE AIR FORCE, RCS: DD-DR. & E. (SA) 1065, SEPT. 30, 1978

Negative.

SEC. 3.—OBLIGATION REPORT ON ORDNANCE PROGRAM FOR THE PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978, DEPARTMENT OF THE AIR FORCE, RCS: DD-DR. & E. (SA) 1065, SEPT. 30, 1978

OBLIGATION REPORT OF RESEARCH, DEVELOPMENT, TEST, AND EVALUATION FUNDS FOR THE PERIOD OCT. 1, 1977, THROUGH SEPT. 30, 1978; REPORTING SERVICE: DEPARTMENT OF THE AIR FORCE; DATE OF REPORT: SEPT. 30, 1978; RCS: DD-DR. & E. (SA) 1065

Description of R.D.T. & E. effort	Funds obligated (in millions of dollars)		Explanation of obligation
	Prior year Current fiscal year	In-house Contract	
Ordnance program:			
Research	.000	.000	
Exploratory development	.000 .000	.000 .000	
Advanced development	.000 .000	.000 .000	
Engineering development	.000 .000	.000 .056	The Bigeye binary chemical munition is a joint-development program with the Navy acting as lead service. The Air Force tests and certifies the weapon's compatability with selected Air Force aircraft.
Total, ordnance obligations	.056 .000	.000 .056	
	.056	.000	

THE ACT OF STATE DOCTRINE

● Mr. MATHIAS. Mr. President, on July 11, a week after Independence Day, Americans passed an uncommemorated anniversary in their history that I think should not go unnoted.

Thirty-two years ago last week, one of our most distinguished judges, Learned Hand, gently showed the door of his Federal appeals court in New York to one Arnold Bernstein. Bernstein, a German and a Jew, was suing a Belgian corporation for the money it had made as the result of its ownership of a ship, the *Gandia*. Mr. Bernstein had once owned the *Gandia*, before the Nazi officials of Germany confiscated it, along with his entire shipping line. Under threats of indefinite imprisonment and death, in 1939, after 2 years of detention, he signed his company away. First to one Marius Boeger, and then to the Belgian company. In U.S. court, Mr. Bernstein wanted the Belgian company to reimburse him for the profits made from the operations of the ship, and to turn over to him the insurance collected on it after it had been sunk.

His claim was simple: The ship was not legally the Belgians'. Bernstein got them into court by going after the insurance money, which was in a New York account.

Judge Hand effectively locked the courthouse door against Mr. Bernstein. He observed that even though Nazi tactics were "utterly odious" to the laws generally followed by the court; even though the forced transfer may have breached the law of Hitler's Third Reich itself—not to mention international law; even though Bernstein might have been able to prove that he was illegally deprived of his livelihood; and even though the Belgian corporation may have been fully aware of the taint of the transaction when it bought the extorted shipping line from the Nazis—still, in spite of all this injustice, U.S. courts could provide no remedy. They adhere to a notion known as the act of state doctrine.

In his lengthy apologia, Judge Hand noted the irony of the situation. Had the Nazis passed a law allowing private citizens to terrorize disfavored groups of their property, and had Bernstein's business been taken by someone obeying this law of his land, the case against the Belgian company would have had a hearing. Actions taken by private Germans under German law would be examined by U.S. courts, and in Bernstein's case the court would have declared the taking contrary to New York public policy and of no effect in this country.

The problem was that the damage was done by officials of the Nazi government. Bernstein was harmed by an act of a foreign government, and he asked the court to invalidate that act of property deprivation. But Judge Hand felt bound:

> We have repeatedly declared, for over a period of at least thirty years, that a court of the forum will not undertake to pass upon the validity . . . of the acts of officials of that [foreign] state. . . .

This sad episode is an embarrassment to Americans an their system and sense of justice precisely because it is not a faded or even fast-fading picture of a quaint judicial practice. Our courts today, alone among the courts of developed legal systems around the world, still refuse to "sit in judgment," as they put it, on acts of foreign countries that occurred in those countries but are at issue in cases before our own courts. What exactly "sitting in judgment" entails is, understandably, unclear, and that means that cases properly before U.S. courts—that is, disputes that courts have the power to decide—often get dismissed if a judge picks up any scent of a foreign government at all. If the court is asked to look into the lawfulness of a confiscation decreed by a foreign government, as in Bernstein's case, it declines to do so.

The effect is that decrees or acts contrary to international law and even the law of the country involved are accorded full force within our own borders. Normally, foreign laws will not be enforced here in the United States if the laws offend our public policy or notions of justice, but this sensible rule is discarded by our courts when faced with an "act of state."

Recently, our courts have gone even further in their abstention. Private defendants have succeeded in convincing judges that if an act of a foreign government played a part in causing the plaintiff's injury, the Act of State doctrine requires dismissal of the case. A case decided in 1977 is illustrative. There, the Brazilian Government denied an aircraft broker's request to import crop-dusting planes.

The import license was denied because such imports were not allowed under the foreign law if there existed a "national capacity of production" of crop dusters. The aircraft broker, who had an exclusive distributorship contract with the American aircraft manufacturer of the crop duster he wanted to import, complained that the United States manufacturer had purposedly acted to place a Brazilian manufacturer in the position of being able to say that it could produce the crop dusters. The build up of the Brazilian company, the broker said, was the manufacturer's way of getting out of the distributorship agreement—it avoided its obligation to supply the broker with planes.

The court woodenly "applied" the Act of State doctrine by dismissing the case, since it felt a decision would involve inquiry into the motivation of Brazil in denying the import license. Such an inquiry, the court felt, might somehow interfere with the conduct of U.S. foreign relations, although it did not elaborate, since the decision was simply "covered" by the act of state doctrine.

Without this bar, the court would have heard the case against the manufacturer and decided if its successful scheme was a breach of the broker's contractual rights. The Brazilian involvement provided a convenient shield for the activities of the private defendant.

Legal experts can utter what the act of state doctrine dictates: U.S. courts will not pass judgment on an act done by a foreign government in its own territory, when that act is at issue in cases the courts are empowered otherwise to decide. But legal circles spin when it comes to the reason for this doctrine. And the act of state cases bear out a more durable legal maxim: "The reason of the law ceasing, the law itself also ceases." The act of state doctrine is crippled by misunderstanding and unsupported by clear reasons. Its application and misapplication do not yield good law. Bernstein's case and the crop dusters' case demonstrate the results. Some of the reasons advanced in support of the doctrine—reasons that I believe have crumbled away—include the following four.

There is no jurisdiction in our courts over actions of a sovereign foreign government. In other words, the argument goes, courts lack the power to hear cases involving acts of foreign governments. This rationale rests on a misunderstanding of the meaning and nature of "jurisdiction." The question in these act of state cases is not jurisdiction, or power to decide cases, at all.

A court may lack jurisdiction over a foreign government, because of the sovereign immunity afforded by our laws to foreign governments in certain types of cases. But the issue in act of state cases is one of choosing to exercise jurisdiction or authority that is undisputed. The court's power to decide cases is determined according to our rules of jurisdiction, which screen out controversies without a reasonable connection to the courts.

As things are now, our courts do not exercise their judgment at all—they automatically refuse to exercise their judicial power in cases involving acts of foreign governments.

There is no law to apply to governmental actions, no standards or rules by which to judge the acts of foreign governments. But law is not some ideal, awaiting discovery by wise judges. Wise judges make and develop law—not spontaneously, to be sure, and not with reference solely to their own store of knowledge and beliefs, but with consultation, comparison, and deliberation.

The act of state doctrine has caused American courts to deny the widely accepted idea that government actions can be measured by legal standards. And what about those cases brought under laws on the books, where private defendants are shielded by the fact that a foreign government had a hand in bringing about the plaintiff's injury? "Anything goes" seems to be the rule laid down by the American judicial branch.

By shirking a responsibility taken on by other judiciaries around the world, take no part in the development or application of international law. Perhaps unconsciously, they also shirk the responsibility of applying our own domestic laws, by allowing the act of state doctrine to seep into cases that tangentially involve foreign governmental acts.

The political branches alone of the three traditional branches of American government are competent to deal with situations involving acts of foreign governments. Other countries with independent judiciaries do not agree, and in any case such an evaluation undercuts American confidence in an able judiciary with a history of rendering just decisions under law, untainted by political influences.

Our courts, in act of state cases, do not even pause to consider if in fact Congress or the Executive is actually a better place for a given controversy to be thrashed out. They defer when there may not be anyone or any institution to defer to, leaving suitors in the lurch, and their own reputation somewhere out there, too.

The courts wish to avoid embarrassing the Executive in its conduct of foreign affairs. But the courts' impulsive application of a "doctrine" of judicial abnegation is more harmful to their integrity and to the pride of all Americans in their system of justice than any feared embarrassment to the State Department could be. Surely judges have the discretion to refrain from passing judgment on a foreign government, if the examination would interfere with international political affairs. But they need not be kept bound and gagged for fear of their capacity to embarrass our foreign policymakers.

Centuries ago, when the Act of State doctrine was pronounced in the courts of England (which have since abandoned it), there was reason behind the practice of abstention, but it has no place in our judicial system today. We respect the sovereignty and equality of all nations, but we also respect the increasingly important international law.

The President has established relations, often delicate, with governments around the world. But it is not only ambassadors who journey into the world; citizens, too, crisscross the globe. When they return home with a grievance that requires a judicial remedy, they ought not to lose their chance to be heard because of an ingrained judicial reflex of closing up shop at the barest suggestion of foreign governmental involvement. Recourse to the Act of State doctrine has become a bad habit, befitting neither our courts nor our commitment to the concept of justice under law.

We should kick the habit. Congress, under a constitutional mandate to pass laws regarding foreign commerce and international law, is an appropriate taskmaster. In the next few weeks, I will introduce legislation that directs U.S. courts to decide cases involving acts of foreign governments according to applicable law.

No longer would "act of state" be the magic words that close the courthouse doors. With this legislation—the rule-of-law bill—Congress can unlock the doors of justice, without intruding on the deliberations that take place in the courtroom. The rule-of-law bill prescribes no standards of international law, and does not seek to establish new conflict-of-laws rules—those rules used in deciding when foreign laws are applicable in our courts. The bill would simply require that such standards and rules are applied when called for, and that courts break the reflex of dropping all rules of law in the face of acts of foreign governments.

At the same time, our foreign policies and Executive action would remain protected from judicial interference. The courts would not interfere with truly political disputes, even when they have the power to decide such cases, because they would still turn away cases involving political questions, or cases they think would be better adjusted by political or diplomatic means. And the Executive would not interfere in legal disputes, as it may now under one interpretation of the act-of-state doctrine. This variant of the doctrine allows the President or the State Department to tell a court to free itself of the restraint of the doctrine in a given case. A second variant, codified in our statute books as the Hickenlooper amendment to the Foreign Assistance Act, removes the act-of-state bar in a limited situation where there has been an expropriation, but allows the President to reerect the bar. The rule-of-law bill would reaffirm the independence of our courts, which has been undermined by current practices.

Arnold Bernstein ended up with the opportunity to prove his case in court, thanks to a 1949 State Department press release "relieving" courts of the act-of-state restraint in Nazi dispossession cases. But justice in this country should not be an "opportunity"; it is our right and heritage. I propose that Arnold Bernstein's uncommemorated day in history prompt us to do something really worth commemorating: Open the doors of our courts to future Bernsteins who seek justice, and abandon an old doctrine that has outlived its time.●

RESIGNATION OF HEW SECRETARY CALIFANO

Mr. HATFIELD. Mr. President, I, too, acknowledge with regret the resignation of HEW Secretary Joe Califano. I believe him to be one of the most able and responsive Secretaries in the history of that beleaguered and overburdened Department.

While we have not seen eye to eye on every issue, and speaking as a Member of the minority party, I, nonetheless, note that his highly competent and demanding administration of HEW has been effective in reducing many of the problems and abuses which have plagued this largest of all civilian Federal agencies.

His energy and enthusiasm has revitalized that Department and focused attention on programs committed to the health, longevity, and well-being of all Americans.

His often controversial but always courageous leadership has certainly earned my respect and that of many of my colleagues.

JOSEPH CALIFANO

Mr. PELL. Mr. President, I am disturbed to learn our Republic will be losing the services of Joseph Califano, who did such an extraordinary job during his tenure as Secretary. Actually, since Senator RIBICOFF was Secretary and in the 10 years that I have been chairman of the Subcommittee on Education, Arts, and Humanities, I have worked with no other Secretary with such good a grasp and fine handle on the fantastically sprawling and diverse Department of Health, Education, and Welfare. Secretary Califano not only did his job efficiently and well, but always demonstrated deep compassion for the vast number of Americans who look to the Department for assistance in alleviating their daily problems.

A WIDER DEBATE NEEDED ON REGISTRATION: VOLUNTEERING IN AMERICA

Mr. CRANSTON. Mr. President, two very fine articles appeared today in the Washington Post regarding proposals to reinstitute registration for the draft.

The two articles stress different points—national security questions in one case and political ones in the other. But the conclusions are the same. Congress should not mandate the return to active registration of 18-year-old Americans for the draft at this time. The Post said:

> The problems are of a scale that permit, indeed demand, orderly scrutiny.

Military manpower expert Martin Binkin said:

> Too many questions are unanswered and, until they are fully resolved, reinstituting peacetime registration—an act that would be sure to reopen old wounds—would be premature.

I second this call for caution because I believe that peacetime registration—and the threat of peacetime induction it entails—is itself a tremendous compromise of the liberty and privacy that is every American's right. Those rights should be abridged only in the case of an overwhelming national security interest. At this point, the administration states that this abridgement is not necessary because with the improved computer capacity requested this year, the Selective Service can meet stringent DOD mobilization requirements without peacetime registration. Thus, I conclude that the test of an "overwhelming national security interest" for registration has not met by its advocates.

For another reason, however, I welcome the prospect of the full and far-ranging debate on the question of the all-volunteer force in these articles. I hope that the debate will contribute to another interrelated but fledgling issue—the state of volunteerism in America. We should discuss the proper Federal role in fostering volunteer services—perhaps through the noncompulsory, comprehensive volunteer program focused on youth.

The All-Volunteer force has been sold to recruits almost totally on the basis of material benefits—good basic pay plus food, clothing, medical care and housing and future benefits—retirement pensions and GI bill educational assistance. Conspicuously absent has been any appeal to service or a spirit of volunteerism. I do understand the military's choice of this tack in the post-Vietnam era. But I fear the implications of the Federal Government playing down the very important values of volunteering, service to others and service to the Nation—in this area of military recruiting.

We should consider the possible benefits to the military, and to all of society, of a drive to increase volunteering in America. And we should again stress the value of service to the Nation through the military—as well as stressing pay and benefits.

Mr. President, I ask unanimous consent that the two articles from the Washington Post of today, July 19, 1979, be printed in the Record.

There being no objection, the articles was ordered to be printed in the Record, as follows:

[From the Washington Post, July 19, 1979]

THE DRAFT ISSUE

The House is about to vote on a measure requiring 18-year-old men to start registering, after the 1980 elections, for the draft. The vote is being taken under conditions that make success unlikely, and that is just as well. For the issues involved are momentous and complex, and neither the country nor the Congress has yet been attentive enough to them to ensure that a good overall decision will be made. As educational vehicles, the House measure and a similar Senate bill, due to be debated later, are useful. But it would be unfortunate to make a national commitment strictly on the basis of these debates.

Peacetime registration, after all, is a step back toward a draft, and a draft is a good deal more than a procedure for furnishing military manpower. It involves technical judgments on what sorts of forces the nation requires, and this in turn requires political judgments on the sorts of defense and foreign policies those forces are meant to serve. Moreover, the draft—involuntary military service—involves social judgments on the kind of society Americans wish to build. No bill on registering 18-year-olds can avoid reaching these larger questions, and the current House and Senate measures have served to raise them. But they have not yet been adequately weighed.

This is not to say that the all-volunteer force instituted after draft calls were suspended in 1973 (the registration requirement was suspended in 1975) is the signal success its more ardent defenders claim. Nor is it to ignore the substantial problems of the active reserve and, especially, the individual ready reserve, which provides replacements for casualties in a European war—the contingency most on the minds of manpower planners. Ending the draft unquestionably contributed to reserve problems by removing the draft's spur to reserve service. Responsible discussion has been obstructed, moreover, by the Pentagon's refusal to declassify the results of its mobilization exercises, which apparently revealed certain reserve deficiencies. The numbers cannot be unfamiliar to the Russians. They should be made available for American public examination.

The Carter administration came to office politically disposed to associate the draft with the unpopularity of Vietnam, and therefore little inclined to think about reinstituting it. Its officials now argue that, notwithstanding the travails of the all-volunteer force and the diminishing pool of 18-year-olds, manpower needs can be met into the 1980s by means other than the draft: better recruitment, incentives for retention of experienced servicemen, etc. Many citizens opposed to registration, however, prefer to pick up on themes popularized during the Vietnam war. They see registration as the camel's nose under the tent of (beyond the draft) an adventurist foreign policy and a militarization of American society. Still others feel the draft should be treated as a social project and linked to some concept of universal national service for youth. The administration, striving to make the all-volunteer force work better, has hoped to preempt the wider, hotter debate.

If the all-volunteer force were problem-free, however, the draft issue would not have been revived in the first place. Fortunately, the problems are of a scale that permit, indeed demand, orderly scrutiny. That scrutiny should not be crowded by a hasty proregistration decision in the House.

[From the Washington Post, July 19, 1979]

PEACETIME REGISTRATION: PROCEED WITH CAUTION

(By Martin Binkin)

The military registration debate is reaching the floors of Congress. On the House side, a proposal tacked onto the defense authorization bill would require the president to begin registration of 18-year-old males in January 1981. In the Senate, the Armed Services Committee proposes the registration of males 18 through 26 to begin no later than January 1980.

Thus far, the issue has been inappropriately linked to the question of whether or not the volunteer army is working. This has happened largely because the strongest advocates for peacetime registration and the sharpest critics of volunteer forces are one and the same. As a result, many oppose registration for fear that it is but a first step in a conspiracy to return to the draft. It is important that Congress move out of the line of this emotional cross fire and consider the issue on its merits.

Registration was terminated by President Ford in 1975, a decision taken largely in the interest of economy but no doubt influenced by the view that a conventional war would not last long enough for mobilization to matter and, even if it did, reservists could fill the breach until the Selective Service System could be reconstituted and begin to deliver fresh recruits.

But a recent reassessment of the demands of an intense conventional conflict coupled with problems in manning the reserve forces have raised fears that the U.S. Army would run short of combat troops should the forces of NATO and the Warsaw Pact square off in a replay of World War II. As matters stand, the nation's Selective Service machinery, which is now "deep standby," could not deliver the first inductees to Army boot camps until some 110 days after a decision to mobilize. Allowing for training and travel, this would mean that the first replacements would not reach the battlefield until at least 200 days after mobilization, which many now consider to be too late to make a difference.

The Carter administration wants to speed up the process; as a first step, it has proposed increased funding for fiscal year 1979 and 1980 to improve the computer capabilities of Selective Service and to increase the size of its full-time staff from about 100 to 150. The administration contends that its modernized system would ultimately be able to deliver the first recruits within 30 days, in which case combat replacements would be available as early as 115 days after mobilization—considered by the Pentagon to be soon enough to fill out new units and replace combat casualties. Moreover—and this is important—the administration claims that this schedule would be met without preregistration.

But not everyone agrees. Critics question the feasibility of meeting such a tight schedule, even by a streamlined system. They discount the prospects for registering up to 6 million youths, storing the data on computers at regional sites, notifying inductees to report, giving physical examinations and beginning actual inductions—all within 30 days. Instead, they argue, peacetime registration would give Selective Service a leg up, virtually ensuring that the 30-day timetable could be met, with some proponents claiming that inductions could start within 12 days.

To resolve the issue, Congress should address two questions: To what extent is an enhanced mobilization capability necessary to the nation's security? Is peacetime registration necessary to achieve it?

To answer the first, Congress will have to sort out conflicting testimony of expert witnesses who have expressed widely divergent views of the number of troops that would have to be mustered in an emergency, how soon they would be needed and how best to raise them. Much depends on the validity of assumptions regarding the amount of warning time before hostilities commence, the duration and intensity of conflict, casualty rates and other factors over which there is wide disagreement. Whether the military could train, equip and deploy large numbers of recruits even if they were available is also open to question.

Should analysis lead to the conclusion that an accelerated induction schedule is a good idea, it is still far from clear that peacetime registration is necessary to accomplish it. Claims that the administration's proposed improvements will be enough to revive the Selective Service System should invite a healthy measure of skepticism, but so too should the claims that a failure to endorse peacetime registration would pose an undue risk to U.S. national security.

This is all to say that too many questions are unanswered and, until they are fully resolved, reinstituting peacetime registration—an act that would be sure to reopen old wounds—would be premature. Indeed, the debate should not proceed to a legislative conclusion on the basis of the incomplete, conflicting and often emotional arguments presented so far.

Rather, it would seem prudent for Congress to go along with proposals to beef up Selective Service, which needs to be done in any event, and give the administration some time to iron out the technical problems that are bothering the skeptics. In the meantime, Congress should press the White House for a comprehensive, coordinated and coherent standby draft policy and legislative proposals to underpin it. This will also give all parties time to do their homework on other critical questions that have been left hanging: Should women register? What form should registration take? Face-to-face at draft boards? By postcard mail-in? Or passively, by tapping existing government files? How is compliance to be enforced and what penalties will be imposed for failure to comply?

Once answers are in hand, Congress will be in a better position to make the rational and careful analysis that an issue with such important social and national-security implications deserves.

LINKING SALT AND THE ENERGY CRISIS

Mr. HATCH. Mr. President, the New York Times of July 16 carried an article by Mr. Norman Podhoretz, who as the editor of Commentary magazine presides over one of the few founts of originality in our national debate.

Mr. Podhoretz was writing before the President told the Nation about its lack of moral fiber and how it ought to stop criticizing the Government. His own focus is slightly different, although he addresses—and goes further toward answering—the same question.

Mr. Podhoretz points out that the real dispute in the Nation at the moment is between those who dislike U.S. power and want to see it contract, and those who believe that U.S. global power is essential to our survival, and that our economic system can solve, rather than exacerbate, our problems. For the former, the oil crisis offers an unparalleled opportunity to impose their ideas on the country, just as the fear of nuclear war might compel the United States to submit to the yoke of an unverifiable international agreement. The latter, says Mr. Podhoretz, are finally realizing that such negativism is entirely self-generated, and is not required on a more balanced view of our situation.

This is a nice thought. However, it does not appear to have dawned at the other end of Pennsylvania Avenue. There self-reproach and the hair shirt of an inevitably catastrophic energy policy are the order of the day. Nevertheless, Mr. Podhoretz' essay is not in the least an exercise in futility. Only the truth, felicitously phrased, can make us free.

Mr. President, I recommend this article to my colleagues, and ask unanimous consent to have it printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, July 16, 1979]

Linking SALT and the Energy Crisis

(By Norman Podhoretz)

By what may be a fortunate coincidence, the SALT debate and the energy crisis are coming to a simultaneous head. From one point of view these two issues are of course unrelated. But from another perspective they can be seen as posing the same question in two different forms: the question of whether the United States will persist in a self-imposed contraction of its own power.

Thus in the SALT debate the issue is not merely the narrow one of whether this is a good treaty. What we are being asked more broadly to decide is whether we wish to acquiesce in a Soviet drive for military superiority and the political power over us that would inevitably accompany it.

Because our greater wealth and technological sophistication enable us to match and surpass anything the Russians do, they can only succeed in this drive if we allow them to. Under SALT I we allowed them to reach parity. The question surrounding SALT II is whether by continuing with unilateral measures of disarmament—as we did for example in renouncing the B–1 bomber and the neutron bomb—while they both enlarge and refine their own arsenals, we will now permit them to achieve superiority.

The case of energy raises a parallel issue. In the six years since OPEC launched its economic aggressions against us, we have chosen to remain at its mercy. Seizing the oil fields by force was ruled out from the start as unthinkable, despite the fact that threats to a nation's vital raw materials have always been considered sufficient justification for such action.

Yet neither has the production of more domestic oil nor the development of alternative sources of energy been encouraged. Incentives to the former are opposed on the ground that they would yield "obscene" windfall profits. As for alternative sources, nuclear energy is denounced as unsafe, coal is blocked as damaging to the environment, and now that synthetic fuels may be approaching economic feasibility, a campaign is being mounted to show that they too are environmentally "unacceptable."

What remains is conservation. But conservation on the scale demanded is a euphemism for a voluntary decision to shrink the economy, which in turn means lowering the general standard of living, and further damaging the influence of the United States in international affairs. It is, in effect, what might be called a policy of unilateral economic disarmament.

Why has the United States chosen to disarm itself in these two essential ways? The obvious answer is the prevalence among us of a revulsion against American power. A significant body of opinion in this country now blames our military power for having provoked the Russians into an arms race, and it also believes that our economic power has come from exploiting the resources of others. But if this sour view of American power is responsible for placing us on a course of unilateral economic and military disarmament, a change of attitude could lead to a reversal; and there are signs that this may now be happening.

First, the fact that the Russians have responded to American cutbacks in defense not by reciprocal cuts but by forging still more relentlessly forward has begun to cast doubt on the idea that they have been racing only to catch up with us.

Second, the effects of OPEC price increases have begun to concentrate the American mind, if not as wonderfully as the prospect of hanging is said to do, then at least more sharply than ever before on the fact that if anyone is being exploited these days, it is the United States and not the new imperialists of the Persian Gulf.

Third, more and more people are also beginning to see that "conservation" is only a way of submitting to the dictates of this bizarre new imperialism as to how to live our lives, and that liberation lies in freeing ourselves from the environmentalist hostility to growth that has blocked the development of domestic sources of energy.

These new understandings are only in their political infancy. But the coincidental coming together of the Senate hearings on SALT and the exacerbation of the energy crisis could serve as the occasion for their maturation into a force that would finally reverse the self-imposed decline of American power.

WHITE-COLLAR CRIME

Mr. HATCH. Mr. President, white collar crime is a serious problem that faces our Nation. Other crimes such as burglary and robbery often receive more attention, but the Joint Economic Committee of Congress has recently estimated that $44 billion are lost annually through white collar crime. Property theft, such as burglary and robbery, accounts for a loss of $4 billion annually. There is a compelling need for greater public awareness of the blight of white-collar crime, as well as for the development of innovative techniques to combat it.

The U.S. News & World Report conducted an interview with Prof. W. Steve Albrecht concerning the surprising profile of the white-collar crook. Professor Albrecht teaches in the graduate school of management at Brigham Young University, and has been an accountant and business consultant specializing in corporate auditing and fraud detection. He is currently involved in a study to develop innovative methods for detecting fraud.

I urge my colleagues to carefully read the article and give thought to ways in which white collar crime can be detected and controlled. As Professor Albrecht has noted about the white collar criminal:

> We find that, among those who have gone to jail, there's a good record of not reverting to crime. But those who are turned loose get reinforcement for their dishonesty—and go back to their old habits. That's why we think it's important to deal firmly with white-collar criminals.

I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Surprising Profile of the White-Collar Crook

Q. Professor Albrecht, would you list the characteristics of the typical white-collar criminal?

A. We compared white-collar criminals with other criminals, with college students and with the population at large. We found that in most respects the white-collar criminal is very much like you and me.

He's older than the typical property offender. He's more likely to be married, less likely to be divorced; less likely to have used drugs or alcohol; more likely to be an active church member; weighs more than average; has more children; has a more stable family life; scores higher on psychological tests of self-esteem, self-sufficiency, achievement; has higher self-control, and is more kind and empathetic.

In fact, the typical offender of the white-collar type turns out to be someone just like the normal citizen who's placed in a situation where he has a great opportunity to steal and is under high situational pressure.

Q. Are you referring to the white-collar criminal as male because statistically that is the case?

A. No. A much higher percentage of white-collar criminals are women than is the case in other property offenses.

And our personal feeling is that as more women move into management-type positions or into jobs that present the opportunity for theft, the total of women offenders will rise.

Q. How are most white-collar criminals discovered? Is it because they get careless or because someone blows the whistle on them?

A. Very seldom are the perpetrators caught actually stealing the money or stealing the goods. Almost always they're caught by someone who notices that they're living beyond their means.

For example, there was a chief teller at a New York bank who stole a million dollars. He was making something like $11,000 a year but was betting $30,000 a day on horse races. They caught him because of his extravagant betting.

Q. Companies pay accountants and auditing firms to scrutinize their books. Don't the auditors routinely spot this type of crime?

A. Sometimes they do, but often thieves are caught by accident rather than by discovery in the act.

The auditing profession is concerned about all this and is trying to decide what companies can do to cut down on white-collar crime. That is the basic reason for the studies that four colleagues and I are pursuing. One of the country's largest auditing firms—Peat, Marwick, Mitchell—is paying for the project. We will come up with recommendations that we'll pass along to our client and to the American Institute of Certified Public Accountants.

Q. What sorts of recommendations are you coming up with?

A. We're drawing up a list of "red flags" that will help an employer detect fraud. It helps identify three areas where that sort of crime can occur: One, situations in which people or groups of people are put in positions where the *pressures* to commit fraud are too great for them to handle; two, situations where people have *easy opportunities* to commit fraud and, three, *personality factors* which indicate that people are becoming less honest.

Q. Could you give some examples of these "red flag" signs?

A. Under pressures on individuals, we mention such things as high personal debts, severe illness in the family, stock-market speculation, loan-shark involvement, excessive gambling and excessive use of alcohol or drugs.

There are two different types of opportunities for fraud:

One involves an employe's personal situation. He may be completely familiar with every phase of a company's operations, including opportunities for covering up crime; he may be in a position of trust, or he may have especially close associations with fellow workers, suppliers and other key people.

The second set of opportunities rests in the environment in which the firm operates. For example, the company may not insist on annual vacations for executives; it may not use adequate personnel-screening policies; it may not regularly rotate or transfer employes; it may not have a firm code of ethics or inform employees as to what happens to people who violate the rules.

A company that doesn't have a decent compensation package runs higher-than-average risks of fostering white-collar crime. Fraud often occurs in a business where workers think they are underpaid. I recall one example in which an individual stole just enough to feel justified—by his personal standards—that he was making up for the sum he was underpaid.

Q. What are some of the personality traits that you would say employers should be alert for?

A. Questions to ask in that area include these:

Does the worker have a reputation for being a "wheeler-dealer"—always pushing for power, influence, social status? Is he or she arrogant, egocentric or emotionally unstable? Are there questionable associates, poor references, indications of a criminal history?

Q. Suppose that a convicted white-collar criminal has been given a suspended sentence by a judge. Is he likely to go back to stealing, or is one experience usually enough to steer him away from further criminal behavior?

A. We find that, among those who have gone to jail, there's a good record of not reverting to crime.

But those who are turned loose get reinforcement for their dishonesty—and go back to their old habits. That's why we think it's important to deal firmly with white-collar criminals.

RESIGNATION OF ATTORNEY GENERAL GRIFFIN B. BELL

Mr. KENNEDY. Mr. President, Griffin Bell's resignation as Attorney General of the United States closes an important and valuable chapter in the recent history of the Department of Justice. Griffin Bell served this administration with distinction. In dealing with the complex and important problems facing our Nation, Judge Bell tempered determination and integrity with humor and humanity. Judge Bell was keenly interested in the work of the Federal courts and the work of the Senate Judiciary Committee. He worked with the Department of Justice in developing and refining legislative proposals on many fronts—Criminal Code reform, improvements of the Federal court system, a charter for the FBI, the Foreign Intelligence Surveillance Act, to name just a few. I have personally appreciated Judge Bell's advice and counsel throughout his tenure as Attorney General and have taken great personal satisfaction in our close working relationship and constructive interchange of ideas.

Griffin Bell has been a longtime friend of the Kennedy family. He vigorously campaigned for President Kennedy during the 1960 election. Attorney General Robert Kennedy was pleased with President Kennedy's decision to nominate Judge Bell to the fifth circuit court of appeals. He served for 14 years on the Federal bench and—after a single year in private practice—returned to Government when he was appointed Attorney General by President Carter. Throughout his entire career of public service, Judge Bell's honesty and integrity have gone unchallenged. When Judge Bell was nominated by the President to the office of Attorney General of the United States, I expressed the hope that he would pursue equal justice under law for all Americans and would promote policies which would make our system of justice more effective and fair.

At the conclusion of his confirmation hearings, I stated:

> If Judge Bell fulfills his own commitments and the pledges of President Carter, then he will have gone beyond the standards established by his critics, and my own as well. I have confidence that he will.

The confidence that I and others throughout the Nation expressed in Griffin Bell has proven to be more than simply justified. Judge Bell has done more than just silence his critics; he has been a courageous, independent, and fair-minded Attorney General. His decision to resign will result in the loss of a valuable public official.

At the same time, I am most pleased with the decision of the President to nominate Benjamin Civiletti to be the next Attorney General. Mr. Civiletti's meteoric rise within the Justice Department—first as Assistant Attorney General for the Criminal Division, then as Deputy Attorney General and now Attorney General-designate, can be traced to the simple facts of competence, integrity, and dedication to the rule of law. I look forward to working closely with him as I have in the past; his nomination by the President assures continuity within the Justice Department and the continued vigorous, but fair enforcement of the law.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the ranking minority member of the Judiciary Committee.

Mr. THURMOND. Mr. President, I associate myself with the remarks of the able and distinguished Senator from Massachusetts.

Attorney General Bell comes from the State of Georgia. He served on the circuit court of appeals from that circuit. He made a very fine record there.

As Attorney General, he has proved to be able and fair, and it is a pleasure for me to commend him for the outstanding service he has rendered in this important position.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Maryland.

Mr. MATHIAS. Mr. President, I join the Senator from Massachusetts and the Senator from South Carolina in taking note of the Attorney General's resignation.

In the years in which he served in Washington, the Attorney General has been a particularly useful public servant. He has brought to his difficult job a desire—an obvious evident desire—to do justice and to promote equity in all the many and varied duties which the Attorney General must perform. I think he has succeeded in those goals to a very large degree.

I, too, join the chairman of the Judiciary Committee in thanking Attorney General Bell for his services to the Nation.

Of course, I take pride in the fact that Ben Civiletti, who will be nominated to fill that job, is a citizen of Maryland. We expect great things of him and look forward to his administration of the Justice Department.

Mr. STEVENS. Mr. President, will the Senator yield on whatever time I have under the morning hour concept?

Mr. KENNEDY. I yield.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. KENNEDY. Mr. President, we intend to commence hearings on Mr. Civiletti as early as possible. This is the desire of the President, Mr. Bell, as well as Mr. Civiletti.

So we will notify the Senate in a very short time and look forward to early hearings and an early report to the Senate.

Mr. STEVENS. Mr. President, if I am not mistaken, this is one of the resignations we anticipated from conversations we have had previously.

Judge Bell indicated that he had a desire to return home. It is a surprise that it comes at this time, but it is no surprise that he intended to leave.

I want to state, as a member of the minority, that I have known many attorneys general, and I cannot recall an attorney general who went out of his way to a greater extent to act in a bipartisan fashion, to invite members of the minority to join the majority, to confer with him on policies affecting the Justice Department. He is truly a Southern gentleman. As a matter of fact, he even served grits for breakfast, as I recall. He has been a delightful man to work with, and he has been a most able attorney in the position of Attorney General.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JAVITS. Mr. President, I am one of those who voted against the confirmation of the nomination of Judge Bell, and I feel it my duty and my pleasure to testify to his service, his fairness, his decency, and his high professional standards as Attorney General of the United States.

Mr. KENNEDY. Mr. President, I thank the Senators.

NATIONAL JOGGING DAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed, for not to exceed 2 minutes, to consider Calendar No. 253.

The PRESIDING OFFICER (Mr. BOREN). The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 196) to designate October 13, 1979, as "National Jogging Day."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. THURMOND. Mr. President, I am offering today a Senate resolution which would request the President to declare October 13, 1979, National Jogging Day.

National Jogging Day was initiated in 1968 and encourages Americans to incorporate some form of fitness activity into their everyday lives. Last year over 300,000 people participated in a variety of events: races, fun runs, bicycling, walkathons, and many other activities which stressed participation as well as competition on that special day of observance.

The sponsor for these annual events held throughout the country is the National Jogging Association which is in its second decade of service. The members of this nonprofit educational organization number more than 35,000 people who realize that fitness and good health go hand-in-hand. This group is dedicated to promoting safe, enjoyable exercise and to encouraging Americans to make some form of exercise a part of their daily activity.

Mr. President, I have long understood the benefits of a complete program of physical fitness and I jog about 3 miles every day. Among the 12 cosponsors of this resolution, at least one is a marathon runner and several others are joggers. We believe this measure to be one which has great merit.

I urge my fellow Senators to give this bill, which requires no expenditure of Government funds, their support.

Mr. STEVENS. Mr. President, on behalf of the joggers of America, I thank the Senator from South Carolina.

Mr. ROBERT C. BYRD. Mr. President, on behalf of those who do not jog, I express support for the resolution.

Mr. THURMOND. Mr. President, I thank both Senators.

Mr. ROBERT C. BYRD. I do my exercise in playing the violin.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 196

Whereas the public awareness of the need for maintaining physical fitness is becoming increasingly evident; and

Whereas jogging is an excellent, convenient, and inexpensive form of exercise that provides opportunities for a graduated program of physical fitness for most individuals regardless of age, sex, or level of fitness; and

Whereas numerous medical authorities believe that a regular, sensible jogging program improves the function of the cardiovascular system, reduces coronary risk factors, and serves as an advisable supplement to a weight-reducing or weight-control program; and

Whereas a positive correlation exists between the development of a fit body and the ability to experience an enriched and more satisfying life; and

Where an estimated twenty-five million persons all across America jog or run as a recreational activity which is beneficial and enjoyable: Now, therefore, be it

Resolved, That the President is authorized and requested to issue a proclamation declaring October 13, 1979, as "National Jogging Day", and calling upon the people of the United States and interested groups to celebrate such day by participating in fitness-related sports, seminars, and other events throughout the United States and to incorporate regular exercise into their everyday life.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSITIONAL RULES FOR TAX-EXEMPT MORTGAGE BONDS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed, for not to exceed 5 minutes, to consider Calendar No. 255.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 188) relating to transitional rules for tax exempt mortgage bonds.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRAVEL. Mr. President, under present law State and local governments may issue tax-exempt bonds for single-family homes. A bill introduced in the House, H.R. 3712, denies the tax exemption for interest on housing mortgage bonds issued after April 25, 1979. The retroactive effective date in the House bill has jeopardized bond issues in progress on April 25, 1979. These pending bond issues have met difficulty in obtaining satisfactory opinions of counsel regarding their potential tax status and closings of sales have become uncertain. The House Ways and Means Committee has recognized these difficulties and has tentatively adopted rules allowing the issue of tax-exempt housing mortgage bonds after April 25, 1979, for those bond issues in progress before that date.

The transitional rules tentatively adopted by the House Committee are included in Senate Resolution No. 188. These rules provide tax exempt status to bonds issued after April 25, 1979, if official actions had been taken by that date indicating an intent to issue such bonds. The necessary official action would include authorization to hire bond counsel, authorization to hire bond underwriters or authorization to conduct a market analysis. In addition, provisions of the resolution deal with rollovers of existing tax exempt mortgage bond issues and special rules for projects under development.

Senate Resolution No. 188 puts the Senate on record in support of the tentatively adopted House transitional rules. An expression of Senate agreement to the transitional rules will add some certainty to the market for transitional mortgage bonds and allow them to go to issue. The resolution does not address the substantive issue of tax exemption for housing bonds, leaving that for future Senate consideration. Failure to act favorably on this resolution will add even greater uncertainty to the market by implying that we do not agree with the House transitional rules. The Senate Finance Committee referred out this resolution with no dissenting votes.

Mr. President, I am pleased to ask unanimous consent to add the name of the Senator from Tennessee, (Mr. SASSER) as a cosponsor of this resolution and would like to express my appreciation to the other cosponsors, Senators RANDOLPH, LEAHY, DOMENICI, STAFFORD, HART, MOYNIHAN, BUMPERS, PRYOR, BRADLEY, and TSONGAS.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. GRAVEL. Mr. President, Senate Committee approval of this resolution had particular significance for the State of Alaska. Extremely high construction costs and lack of available mortgage money has plagued Alaska for many years. The creation of the Alaska Housing Finance Corporation in 1971 and the more recent use of the tax exempt bond mechanism by several municipalities in Alaska has made the dream of homeownership a reality for any Alaskans.

Upon introduction of H.R. 3712, which contained the retroactive effective date of April 25, 1979, two bond issues from Alaska were jeopardized. The Alaska Housing Finance Corporation opened the sale of a $105 million issue on June 21. The city and borough of Juneau began the sale of a $29 million issue on June 14. Both of these issues were crucial to providing mortgage money for housing to be constructed during the 1979 construction season.

It is my understanding that the action of the Senate Finance Committee in approving these transitional rules had an immediate impact on the Alaska issues. The statewide $105 million issue closed approximately 30 minutes after the committee action and the Juneau issue closed in Chicago several hours later. I have no doubt that other issues from around the country will be similarly affected by Senate approval of this resolution.

I ask unanimous consent to have printed in the RECORD a letter I received which details the importance of speedy approval of the transitional rules for pending bond issues.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ALSTON, MILLER & GAINES,
Washington, D.C., June 27, 1979.
Hon. MIKE GRAVEL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRAVEL:

IMPACT OF WAYS AND MEANS DELAY IN APPROVING TRANSITIONAL RULES FOR MORTGAGE SUBSIDY BONDS

Prior to introduction April 25, 1979 of H.R. 3712 by Messrs. Ullman, Reuss, Ashley, Conable and Stanton, a number of local governments had taken steps to issue mortgage subsidy bonds. In recognition of this, the Committee on Ways and Means began consideration of transitional rules in late May and early June which would enable most local governments to obtain the financing they had relied upon in good faith. On June 6, however, a new proposal for a different permanent solution caused the Committee to recess. It was reported the Committee would return to this subject on or after June 18. Later the date was moved back to June 28. It now appears the Committee may not consider mortgage subsidy bonds until July 10 or later.

A number of bond issues sold to prospective investors are scheduled to close between June 30 and July 12. If investors refuse to accept mortgage subsidy bonds on the closing day because of the debate and delay in the Committee, local governments will have to refinance at higher costs. Currently some local governments have guarantees of specific yields on "transitional" securities. The guarantees expire on the closing date. After expiration it will probably cost an additional .25 percent to borrow the same funds in public bondmarkets. This could amount to an additional $2,100,000 in interest cost alone for an issuer.

Mortgage rates in some cities employing this financing are approximately 11.5 percent. Mortgage subsidy bonds would allow home purchasers in these localities to pay approximately 8.65 percent. On and after June 30, increased interest costs in public bond markets will probably raise the cost of mortgages subsidized through this type of financing to approximately 8.90 percent.

At present many of the local communities issuing mortgage bonds have a desirable rating of AA or AAA. Ratings are, to a significant extent, a function of the cost of money to the issuer and the proceeds realizable from reinvestment. Current bond ratings might be reduced if interest rates continue to rise, as they are expected to do. The issuer would have to pay more to borrow public money, and would probably receive a lower return on reinvestment. This would add to the cost of selling bonds after June 30.

The administrative expense to local governments for underwriting mortgage subsidy bonds is around $180,000 for an issue of approximately $30,000,000. If closing is delayed much of the work paid for will have to be repeated. This could double administrative expenses.

In several sections of the United States these forthcoming bonds have been advertised. Prospective home purchasers are delaying closing in order to determine whether they will be able to participate in mortgage subsidy programs. The reluctance to close by a large number of home buyers has ramifications for the construction of new housing. Many contractors gauge the demand for housing by the current rate of closings. If the rate of closings declines, general contractors are likely to reduce their willingness to undertake new projects.

In some states approximately half of all financing for new home mortgages is now provided through subsidy bonds. The financial institutions domiciled in these states are not large enough to meet the current demand for mortgage financing.

These comments are submitted for your consideration in behalf of our client, John Nuveen & Co., Inc., an investment banker which underwrites mortgage subsidy bonds. Our client does not have any position on the proposals for a permanent rule governing issuance of mortgage subsidy bonds. We do feel it is important to understand the implications of delay in approving a transitional rule. The affected state and local governments have planned to issue subsidy bonds for some time, and incurred certain costs which are likely to increase with further delay. If you have any questions or comments, please let us know.

Sincerely yours,

WALTER D. VINYARD, Jr.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. MATHIAS. I understand that there has been some question about whether, in the transitional rule tentatively agreed to by the Ways and Means Committee, the word "and" that appears in section (1)(A)(iii)(b) of the Senator's resolution should be "or". Accordingly, the Ways and Means Committee may decide to modify what it did. Is it the Senator's intention that his resolution express the sense of the Senate that it would not support a more liberal transition rule than the one contained in his resolution?

Mr. GRAVEL. Mr. President, this resolution is not intended to put the Senate on record against a more liberal transitional rule on mortgage bonds, but merely to give to the bond markets a signal that the Senate agrees, at a minimum, with the transitional rule tentatively agreed to by the House Ways and Means Committee. If the House, in action on their bill, should adopt a rule more liberal than their tentative rule it would be entirely appropriate for the Senate to concur or go beyond what the House does.

Mr. MATHIAS. Is that yes or no?

Mr. GRAVEL. No.

Mr. MATHIAS. I thank the distinguished Senator from Alaska.

UP AMENDMENT NO. 401

Mr. GRAVEL. Mr. President, at the request of Senator BENTSEN I send to the desk a technical amendment to Senate Resolution 188 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. STEVENS. I object, Mr. President. We wish to have that read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Insert the following new subparagraph (C) at the end of paragraph (1):

"(C) Confirmation of authority—If a State law enacted before June 16, 1979 provides that localities may establish nonprofit corporations to issue tax exempt obligations to finance owner occupied residences, any official action taken by a governing body or local authority shall be treated as official action taken by the governing body of the nonprofit corporation for such locality established pursuant to State law."

Mr. GRAVEL. Mr. President, I did not hear it the first time. I ask the clerk to read it again, please.

The PRESIDING OFFICER. The amendment will be restated.

The assistant clerk read as follows:

Insert the following new subparagraph (C) at the end of paragraph (1):

"(C) Confirmation of authority—If a State law enacted before June 16, 1979 provides that localities may establish nonprofit corporations to issue tax exempt obligations to finance owner occupied residences, any official action taken by a governing body or local authority shall be treated as official action taken by the governing body of the nonprofit corporation for such locality established pursuant to State law."

Mr. GRAVEL. Mr. President, the State of Texas recently enacted legislation authorizing nonprofit corporations to issue tax exempt obligations to finance owner occupied residences. Senator BENTSEN's amendment will simply insure that bonds issued by such nonprofit corporations will meet the requirements of the transition rule if appropriate official action had been taken by a governing body or locality in a timely manner.

The purpose of the amendment is to allow the Texas public nonprofit corporation to issue mortgage subsidy bonds in compliance with the transition provisions of Senate Resolution 188 if qualifying official action had been taken prior to April 25, 1979, by either the city or county government or the local housing authority. I ask that the amendment be adopted.

Mr. PRYOR. Mr. President, I am pleased to be a cosponsor of Senate Resolution 188, introduced by Senator GRAVEL, to express the sense of the Senate that the transition rule tentatively adopted by the House Ways and Means Committee on H.R. 3712 should be adopted by the Senate as well.

On April 25, 1979, Representative AL ULLMAN introduced legislation, H.R. 3712, to remove the tax exemption from housing bond. This action had the effect of cutting off in midstream a number of housing bond issues all around the country. In my State of Arkansas there were at least 15 such issues—some only 5 days away from market.

The substance of the bill aside, it soon became clear that unless those bonds that were "in the pipeline" when the bill was introduced were released, a great many people who had been counting on the bond funds would find themselves in a bind. One of my constituents had sold his house and arranged to buy another when the bonds were suspended; he later lost his new home as a result. A small home building firm had constructed new houses to be bought with the proceeds of a bond issue; after this great expense the builder has had to watch these homes sit vacant.

The Ways and Means Committee began considering the very complex issue of housing bonds in mid-May. It is now mid-July, and young families, bankers, builders, and realtors in Arkansas and the rest of the country have been hanging in limbo for more than 2 months—people who had made important personal and business decisions based on the expected availability of housing bond money.

The Ways and Means Committee has been very sympathetic to the difficulties caused by the cutoff, and after some consideration it adopted a fair and reasonable transition rule which would allow many of the pending bonds to continue to market. But the best transition rule in the world cannot do any good unless it is enacted.

It appears that the Ways and Means Committee will vote on the housing bond bill a week from today. That action, coupled with this Senate resolution, will give bond dealers and buyers the assurance they need to go forward with the sale of the bonds.

With the building season half over, speedy action on this matter is imperative. An affirmative vote tonight will make a great difference in many households around the Nation. I urge the Senate to approve this resolution.

● Mr. DOMENICI. Mr. President, this is a relatively uncomplicated resolution. The introduction of H.R. 3712 in the House of Representatives brought the issue of tax exempt mortgage bonds to a halt because of that bill's retroactive effective date of April 25, 1979.

Unfortunately, over 100 issues of proposed tax-exempt housing bonds—with a face value of over $3 billion—were still in the process of being issued as of April 25, 1979.

Needless to say, this brought a certain amount of disorder to the marketplace.

Understandably concerned over the dimensions of the disruptive effect this retroactive provision was causing, on June 5, 1979, the House Ways and Means Committee tentatively decided to modify the effective date of the bill and to allow the issuance of bonds which were already in process.

The purpose of this resolution, of which I am a cosponsor, is simply to send a signal to the Nation's bond markets that the U.S. Senate is in sympathy with these House transitional rules.

And since the resolution takes no position with respect to the ultimate outcome of the municipal mortgage bond legislation, it is a measure on which we can all find common agreement.

I urge its passage.

Thank you, Mr. President.●

Mr. GRAVEL. Mr. President, to my knowledge, there is no objection to this. This is the Bentsen amendment. I was offering it to accommodate him so he would not have to be here present.

I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

Mr. GRAVEL. Mr. President, I move adoption of the resolution.

The resolution, as amended, was considered and agreed to as follows:

S. Res. 188

Resolved, That it is the sense of the Senate that (1) any amendments to section 103 of the Internal Revenue Code of 1954 pertaining to exemptions from Federal income tax on interest on obligations, the proceeds of which are to be used to provide mortgages on owner-occupied and multifamily residences, shall not apply to obligations whose issuance qualifies pursuant to the following transitional rules:

(A) With respect to issues the proceeds of which are to be used to provide mortgages on owner-occupied residences—

(i) Bonds or other tax-exempt obligations may be issued for projects if, prior to April 25, 1979, certain official actions indicating an intent to issue such bonds had occurred. A qualifying official action includes:

(a) authorization to hire bond counsel,

(b) authorization to hire bond underwriters, or

(c) authorization to conduct a market analysis.

(ii) The rollover of bonds or other tax-exempt obligations outstanding on April 24, 1979, is allowed where the maturity date of the bonds or other tax-exempt obligations is no longer than the life of the initial mortgages on the properties.

(iii) Bonds or other tax-exempt obligations may be issued for the financing of projects in the development stage where prior to April 25, 1979,

(a) construction had begun,

(b) the number and location of the units had been approved by a governing body, or a State or local housing agency or a similar agency, and

(c) tax-exempt construction financing had been issued with respect to the project or there exists written evidence that a governmental unit intended to issue bonds or other tax-exempt obligations to finance the acquisition of the units by home buyers.

(B) With respect to issues the proceeds of which are to be used to provide mortgages on multifamily rental projects—

(i) Bonds or other tax-exempt obligations may be issued for projects if prior to April 25, 1979, certain official actions indicating an intent to issue such bonds had occurred. A qualifying official action includes:

(a) authorization to hire bond counsel,

(b) authorization to hire bond underwriters, or

(c) authorization to conduct a market analysis.

(ii) The rollover of bonds or other tax-exempt obligations outstanding on April 24, 1979, is allowed where the maturity date of the tax-exempt obligations is no longer than the life of the initial mortgages on the properties.

(iii) The issuance of bonds or other tax-exempt obligations if allowed for financing of projects in the development stage where prior to April 25, 1979:

(a) a plan specifying the number and location of rental units had been approved by a governing body, or State or local housing agency, or any similar agency, and

(b) substantial expenditures for the project had been incurred.

(C) Confirmation of authority—If a state law enacted before June 16, 1979 provides that localities may establish nonprofit corporations to issue tax exempt obligations to finance owner occupied residences, any official action taken by a governing body or local authority shall be treated as official action taken by the governing body of the nonprofit corporation for such locality established pursuant to State law.

(2) This resolution is not intended in any way to prejudge the outcome of congressional consideration of legislation relating to the exemptions from Federal income tax on interest on bonds and other obligations whose issuance does not qualify pursuant to the transitional rules set forth in this resolution.

Mr. GRAVEL. I thank the President.

Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS UNTIL 9:45 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Order for recognition of Senator BRADLEY and Senator DURKIN tomorrow, and for routine morning business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized under the standing order on tomorrow, Mr. BRADLEY be recognized for not to exceed 15 minutes, that he be followed by Mr. DURKIN for not to exceed 10 minutes, and that the remaining time between that point and the hour of 10:30 a.m. be utilized as routine morning business, and that Senators be permitted to speak therein up to 2 minutes each.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, did the Senator change the leadership time for tomorrow?

Mr. ROBERT C. BYRD. No.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 9:45 a.m. tomorrow.

Upon the conclusion of the standing order for the recognition of the two leaders, Mr. BRADLEY will be recognized for not to exceed 15 minutes, after which Mr. DURKIN will be recognized for not to exceed 10 minutes, and following that there will be a period for the transaction of routine morning business, not to extend beyond 10:30 a.m., and Senators may speak therein up to 2 minutes each.

At 10:30 a.m. the Senate will resume consideration of the Labor-HEW appropriations bill. The pending question at that time will be on the adoption of the amendment offered by the distinguished Senator from Massachusetts (Mr. TSONGAS). There is a 1-hour time limitation on that amendment.

There will be rollcall votes throughout the day. Hopefully, the Senate will complete action on the Labor-HEW appropriations bill. If it does, the Senate will proceed then thereupon to the consideration of Calendar Order No. 181, S. 737, the export regulation bill, and there will be rollcall votes thereon. There is a time agreement on the export bill.

In any event, the Senate will be in on Saturday. The convening time is 9 a.m.

So the business before the Senate on Saturday will be the Labor-HEW appropriations bill if it has not been disposed of prior to Saturday and/or the export regulation bill on which there is a time agreement.

So there will be rollcall votes on Saturday.

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:45 a.m. tomorrow.

The motion was agreed to; and at 7:17 p.m., the Senate recessed until 9:45 a.m., Friday, July 20, 1979.

NOMINATIONS

Executive nominations received by the Senate on July 19, 1979:

DEPARTMENT OF STATE

Jack Richard Perry, of Georgia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of American to Bulgaria.

Frank George Wisner II, of the District of Columbia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Zambia.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Douglas J. Bennet, Jr., of Connecticut, to be Administrator of the Agency for International Development, vice John J. Gilligan, resigned.

THE JUDICIARY

Dudley H. Bowen, Jr., of Georgia, to be U.S. District judge for the southern district of Georgia, vice a new position created by Public Law 95–486, approved October 20, 1978.

Juan Guerrero Burciaga, of New Mexico, to be U.S. district judge for the district of New Mexico, vice a new position created by Public Law 95–486, approved October 20, 1978.

DEPARTMENT OF JUSTICE

Irvin B. Smith, Jr., of Delaware, to be U.S. Marshal for the district of Delaware for the term of 4 years, vice Peter J. McLaughlin, resigned.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

Thomas Ehrlich, of California, to be Director of the U.S. International Development Cooperation Agency. (New position.)

HOUSE OF REPRESENTATIVES—*Thursday, July 19, 1979*

The House met at 10 a.m.

Rev. C. Scott James, Holy Cross Episcopal Church, Simpsonville, S.C., offered the following prayer:

Almighty God, who brings harmony and order to the forces of nature, we pray that You will make us Your instruments of peace and harmony in this land and the world. Help this body assembled to be sensitive to the problems and opportunities that are before them. Give us the wisdom to find new ways to preserve and develop our natural resources. Direct us in finding ways to enable each person to find dignity and meaning in his life. Instill in us that inner confidence that we can confess our sins of omission. And grant us the grace and hope that we can become one with You in Your providential plan for this Nation and this world.

All this we pray in Christ's name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 10. Concurrent resolution to express the sense of Congress that a United Nations special investigatory commission should be established to secure a full accounting of Americans listed as missing in Southeast Asia; and

H. Con. Res. 159. Concurrent resolution welcoming the first directly elected Parliament of the European Community into the family of freely elected representative bodies.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2729) entitled "An act to authorize appropriations for activities of the National Science Foundation, and for other purposes."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1019) entitled "An act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHURCH, Mr. PELL, Mr. MCGOVERN, Mr. GLENN, Mr. JAVITS, Mr. PERCY, and Mr. HAYAKAWA to be conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 562. An act to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

WELCOME TO REVEREND JAMES

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, I am pleased to welcome Rev. Charles Scott James, who opened our proceedings today with such an inspiring message.

A graduate of the University of South Carolina and the Virginia Theological Seminary, Reverend James enlisted in the U.S. Army and served 3 years in the Army Intelligence Corps. He has ministered to the people of South Carolina for 10 years and has been my minister at Holy Cross Episcopal Church in Simpsonville, S.C., for the last 5 years.

Active in civic affairs, Reverend James is chaplain to the chamber of commerce, the Golden Strip Arts Festival Committee, the South Greenville Senior Citizen Advisory Committee, the Tri-County Mental Health Board, and on the board of directors of Kiwanis.

I have known Reverend James personally for several years and commend him for his unselfish contributions to his community, State, and country. I am especially impressed with the outstanding job he has done within his church and particularly with young people—our Nation's future leaders. He most notably has served on the board of the Episcopal Church Home for Children for 6 years and now serves as vice president of that board.

I know my colleagues will agree that South Carolina and the Episcopal Church are fortunate to have a minister of the caliber of Reverend James. On behalf of the House of Representatives, I thank him for being with us today and extend a warm welcome also to Mrs. James and their daughter, Christy.

PERMISSION FOR SUBCOMMITTEE ON WATER RESOURCES OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. FLIPPO. Mr. Speaker, I ask unanimous consent that the Subcommittee on Water Resources of the Committee on Public Works and Transportation be permitted to meet today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs be permitted to sit past 10 a.m. today, July 19, 1979, in order to complete its markup of H.R. 4100, the Development Financing Act of 1979.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ENERGY TIMETABLE

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to include extraneous material.)

Mr. WRIGHT. Mr. Speaker, on yesterday afternoon, leaders from the various committees of the House which have jurisdiction over energy legislation met with three representatives of the administration, the Director of the Office of Management and Budget, Mr. McIntyre; the Secretary of Energy, Dr. Schlesinger; and a representative of the White House, Mr. Eizenstadt. Together we established a timetable for the consideration of various components of the President's energy plan by the House.

I believe all Members of the House can take great pride in the fact that the House already is well along on performing this schedule of achievements.

Before our adjournment for the August home district work period, the House already will have completed action on at least five major components of the President's energy program. Those include, of course, the major synthetic fuels initiative and the windfall profits tax, which the House passed in June.

An administration spokesman yesterday afternoon agreed that the windfall profits tax passed by the House clearly would produce sufficient revenues to finance the entire program outlined by President Carter between now and 1990.

Next week we shall take up three more of the major components of the President's energy program.

Mr. Speaker, I include in the RECORD at this point a timetable with respect to when we expect and intend through our various committees to take action on various parts of the President's program. I commend it to the reading of all Members:

ENERGY TIMETABLE

The Speaker's ad hoc Committee on Energy Legislation met for two hours Wednesday afternoon with Secretary Schlesinger, OMB Director McIntyre, and White House representative Eizenstadt, and established a timetable for legislative performance on each of the components of the President's recommended energy program.

Specific target dates were established with representatives of the respective House Committees for beginning and—wherever possible—completing action. In those cases where hearings cannot commence without more specific descriptions of administrative requests, the administration has promised to meet early deadlines for supplying the necessary information—in most cases, before the end of this week, and in each case, before the end of August.

Before the August home district work period begins, the House will have completed action on at least five major legislative components of the overall energy plan.

Two of these already have passed the House and are awaiting action in the Senate. They are the Moorhead bill containing major synthetic fuel initiatives which the House approved on June 26, 1979, and the windfall profits tax which the House approved on June 28, 1979. Administration spokesmen present at the Wednesday afternoon meeting agreed that the windfall profits tax as passed by the House clearly would produce sufficient revenues to finance the entire program outlined by President Carter between now and 1990.

The House next week will take up three additional bills—the two Department of Energy Authorization bills, encompassing the entire range of programs conducted by the Department, and the standby rationing authority, reported on Tuesday by the House Commerce Committee.

Since the standby rationing authority legislation is an amended Senate bill, it is possible that this legislation may actually be placed on the President's desk by the end of July.

It is reported likely that Committees in the Senate will complete action before the August recess on "fast-track" legislation, cutting red tape and reducing the processing time on major energy projects. It also is considered possible that this legislation, together with provisions creating an Energy Mobilization Board and an Energy Security Corporation, may be attached in the Senate to the House-passed Moorhead bill.

It seems likely that the Senate Energy Committee may complete the above action prior to early August, and that the entire Senate may have the opportunity to vote upon such a composite bill in early September.

Other components of the President's general energy program, and their present status in Congress are as follows:

Tax Credits.—Ways and Means will begin consideration before August. Still awaiting some specifics from Administration.

Utility Coal Conversion.—Administration proposal due before August. Will be considered by House Commerce Committee.

Solar Bank.—Administration promises draft legislation before end of this week. Committee consideration (Banking, Finance and Urban Affairs Committee) will begin immediately.

Mass Transit.—No big hurry, since Administration proposal does not begin until October 1, 1980; but the Public Works Committee is ready to proceed. Subcommittee Chairman Howard promising early action.

Low Income Assistance.—Administration recommendations and budget estimates due this week. Subcommittee Chairman Moffett promises early action.

Automobile Research.—Science Committee Chairman Fuqua says Committee can act this month.

Appropriations.—On schedule, including items in bills this month to accommodate necessary portions of new energy initiatives.

The Administration and Congressional leaders thus have agreed to a realistic timetable by which we jointly expect and intend to enact the various components of President Carter's energy plan expeditiously—as expeditiously as possible, consistent with the sound craftsmanship and careful deliberation which the public has every right to expect of us.

FOREMOTHER FOR TODAY—ELIZABETH BLACKWELL

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, Elizabeth Blackwell was rejected by 29 American medical schools before New York's Geneva College admitted her in 1847. The president of Geneva College asked the students to vote on whether or not they wanted a woman as a fellow student. As a joke, the students voted yes. They never expected Elizabeth Blackwell to come and study with them. But she did.

In 1849 Elizabeth Blackwell, graduating at the head of her class, became the first woman to obtain a medical degree in the United States. Dr. Blackwell had to go to Paris to get her first practical experience. Returning to America she was barred by her male colleagues from practicing in city hospitals. She opened a one-room dispensary in a New York slum and later enlarged it into the New York Infirmary for Women and Children.

Elizabeth Blackwell spoke out for preventive medicine, higher standards of hygiene, sex education, and better opportunities for women in medicine. By 1900, due largely to Dr. Blackwell's efforts, the United States had more than 7,000 practicing women physicians.

☐ 1010

SUMMIT ON INTERNATIONAL FINANCE—GOLD AND U.S. LEADERSHIP

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute to revise and extend his remarks.)

● Mr. GONZALEZ. Mr. Speaker, if there was ever a time when the United States needed to exert world economic leadership, that time is now. World financial and monetary arrangements are in tatters, because nothing has been done to repair the vacuum created when President Nixon closed down the U.S. gold window and shredded the Bretton Woods monetary arrangements. Not the much-heralded but short-lived Smithsonian agreement that followed, not the glittering meetings at Rambouillet, and not the subdued monetary reform agreement at the Bahamas really repaired the breach.

Last year and again this year we have seen the administration undertake valiant efforts to protect the value of the dollar. We have seen auction sales of our monetary gold, and the gold of the International Monetary Fund, take place as a means to stabilize a situation that is blown back and forth by the changing tides of international fortune.

But in all this time nothing has been done to create a set of credible monetary arrangements. It has been argued that gold is no longer a part of the monetary system, but gold speculation persists, and central bankers around the world have done anything but abandon gold.

Indeed, far from giving up the ghost, gold maintains its hold, as the current wave of speculation shows. More quietly, even as the United States sells off gold, other countries are acquiring it. According to the Bank for International Settlements, the official holdings of gold, valued at the arbitrary price of $35 an ounce, has actually been increasing, not going down.

Meanwhile, into the monetary vacuum there has come the European monetary system, which is by no means the result of accidental forces. It is, in fact, according again to the Bank for Internationals Settlements, "Another, less direct consequence of the dollar crisis."

In short, into the monetary vacuum there has moved gold speculation and regionalized attempts to stave off the weakness of the dollar. Far from settling down, governed by the free markets that were so heralded in 1973, world monetary values have gone through their most violent shifts in the last 12 months. Now that OPEC has again loosed the forces of inflation and recession and again set up a massive deficit for the industrial and Third World alike, all the jerry-built efforts of the last year to stabilize matters have collapsed.

What is to be done?

It is not enough for the industrial world to meet at Tokyo and swear to be modest in their oil consumption. It is not enough to come to multilateral trade agreements that supposedly fend off worldwide trade wars.

What is necessary is for this country, as still the biggest and most powerful of all, to accept the challenge of leadership. This is the time for a world monetary conference, to set up the new arrangements that are required to keep speculation in check, to assure a steady pace of development, and to cope with all the forces that now threaten to tear apart the fabric of world economic order. There is no time to waste. The speculators have sent us a clear message: they do not believe that this country or any other will come to grips with the real challenge of our times—the challenge of breaking the powers of OPEC that have made vassals of us all, the challenge of preventing trade warfare, and the challenge of reestablishing economic and monetary order.

No one else can provide leadership except the United States. The time has long since passed for us to act. This is the time for this country to bring together world leadership, to force concerted action—which is the only kind of action that will prevent us all from being placed on the cross of gold again.●

PLANS TO REORGANIZE STRUCTURE OF FOREIGN TRADE POLICY

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, this morning the Carter administration will be announcing plans to reorganize the structure of our foreign trade policy. I think the administration's proposal deserves the support of the Congress.

These reorganization proposals are almost identical to legislation which Mr. FRENZEL of Minnesota and I and several of our colleagues recently introduced. In essence, the reorganization would consolidate all of the foreign trade responsibilities that are scattered across several departments and agencies into two structures. One would be the present Department of Commerce, the name of which would be changed to the Department of Trade and Commerce. Then for the negotiating and trade coordinating responsibilities a special trade representative office would handle those functions.

The Multilateral Trade Agreement which the House overwhelmingly approved last week opens up significant new opportunities to expand markets overseas for American business. In order to capitalize on that opportunity we need to reorganize our trade structure and the administration program does this.

THE WHITE HOUSE REPORT CARDS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the Carter administration has at last admitted what most of us have known—they are running an unruly schoolroom not a government. The Washington Post says that report cards have been issued for top administration figures.

After almost 1,000 days in office, Jimmy Carter wants to know how bright, how stable, and how mature his closest aides are. Asking Hamilton Jordan to evaluate questions on maturity and stability shows just how chaotic the situation is in the White House.

But I think the basic idea is a good one. After all, the Carter administration resembles a badly run elementary school classroom more than it does a government.

Here we have Joe Califano, the class snitch, telling teacher about smoking in the boys room. We have Andy Young flunking political geography. And then we have Jordan, the class cut-up. Bella Abzug who was suspended and Midge Costanza who was expelled.

And presiding over all this chaos is schoolmarm Carter trying desperately to bring the class to order with spitballs and paper airplanes flying around his head. He does not know it yet—but school is out.

LEGISLATION TO INCLUDE U.S. VIRGIN ISLANDS WITHIN FARM CREDIT DISTRICTS OF THE UNITED STATES

(Mr. EVANS of the Virgin Islands asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of the Virgin Islands. Mr. Speaker, today I am introducing legislation to amend the Farm Credit Act of 1971 to include the U.S. Virgin Islands within the farm credit districts of the United States.

The Farm Credit Act of 1971, while applicable to farm related activities, also authorizes the production credit associations and the banks for cooperatives of the farm credit system to make loans and credit available to producers, harvestors and cooperative associations of aquatic products. The act, although it includes the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico, does not include the Virgin Islands.

Both the fishing and agriculture industries in the U.S. Virgin Islands are extremely important in meeting our day-to-day food requirements, in addition to providing much needed employment. I feel very strongly that the availability of farm credit loans to recipients in my home district will serve to insure that these industries will continue to survive and meet the needs of our rapidly growing local population.

I urge the House to adopt this legislation.

EVENTS OF LAST 48 HOURS CAN ONLY BE DESCRIBED AS BIZARRE

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, many Americans are concerned about events of the last 48 hours which can only be described as bizarre.

Our President is reported to have indicated that he intends to hand over the management of Government to others and become a "teaching President." So much for new leadership.

Our President reportedly told his Cabinet that he will never again hold a press conference in Washington where his words, he said, get twisted. So much for open, responsive Government.

Our Secretary of the Treasury described the upcoming recession as satisfactorily short. A satisfactory recession? So much for human concern.

Mr. Speaker, the crisis of confidence in this country regarding this Democratic administration has been escalated at the worst possible time.

OUR ALLIES AROUND THE WORLD NEED TO BE REASSURED REGARDING STABILITY OF THIS NATION'S POLICIES

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, nothing mirrors the indecisiveness at the White House these days more than the lack of confidence in the American dollar abroad. I happen to think that President Carter does need to make a few changes in his administration, particularly in his less-than-competent White House staff. However, as he dallies around, the price of gold has hit new records above $300 an ounce, and the value of our dollar continues to drop in relation to other currencies. Our allies around the world need to be reassured regarding the stability of this Nation's policies. I urge the President to take whatever actions he deems necessary, but for the sake of our economy, to do it now.

IT IS TIME TO STOP DUMPING OUR GOLD

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, it is time to stop dumping our gold, our only true monetary asset, our only way to make the dollar sound once more.

Arabs have the oil. Arabs get our dollars, thanks to our ridiculous energy policy, which has destroyed domestic production. Now the Arabs are buying our gold.

Ninety percent of the gold sold at the last Treasury auction went to Germany's Dresdner Bank, which buys for the Saudi Arabian Monetary Authority. Before 1971, we gave away more than 60 percent of our gold reserves—once used for backing the world's strongest currency—to central and international bankers at the ridiculous price of $35 an ounce.

Why do we not sell our gold to Americans in the form of small coins, or use it to back our rapidly depreciating dollar?

Uncontrolled printing of dollars did not occur before Johnson removed the gold backing from the Federal Reserve notes and Nixon closed the gold window.

The destruction of the U.S. dollar will continue until we have the flexibility and other benefits of a gold currency.

LEADERSHIP MEETING ON ENERGY

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, when the distinguished majority leader first mentioned, a few moments ago, that he had participated in a meeting with three members of the White House staff, I was really concerned. For a moment there, I thought they either needed more information for their work evaluation sheets or wanted to imbue the House leadership with their new found "spirit of resignation."

While I am pleased to note that the White House participants had more important things on their minds than finding out when the distinguished gentleman from Texas comes to work in the morning, it would appear they still have a ways to go before coming to grips with this energy situation. How do they, or the Members of this House for that matter, expect to be able to win the "moral equivalent of war," if they will not bring into play the most potent weapon now available—the immediate decontrol of oil, gas and natural gas? Keeping things on a moral plane, "sins of omission" are just as bad as "sins of commission."

IS THERE ANY TRUTH TO RUMORS THAT THE ENTIRE DEMOCRATIC BASEBALL TEAM HAS HANDED IN THEIR RESIGNATIONS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I would like to follow up on my statement last night concerning the annual Roll Call Congressional Baseball Game, scheduled to be played next Thursday, July 26.

I am really concerned about the silence from the Democratic team. Is there any truth to the rumors I have heard that to keep in step with the Democratic administration in the White House, the entire Democratic baseball team has handed in their resignations? Say it is not so, Mr. Speaker.

I did not think it would be much of a contest next Thursday evening anyway, but my team and I figure that playing the Democrats is slightly better than playing no team at all.

I eagerly await a statement from the gentleman from Florida, coach and manager of the opposing team.

□ 1020

REQUEST FOR PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORT ON S. 1030, EMERGENCY ENERGY CONSERVATION ACT OF 1979

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight Friday, July 20, 1979, to file a report on the Senate bill (S. 1030) to authorize the President to create an emergency program to conserve energy, and for other purposes.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Michigan?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, what is the legislation?

Mr. DINGELL. Mr. Speaker, if the gentleman will yield, it is S. 1030, certain conservation proposals.

Mr. BAUMAN. Is it the gentleman's rationing bill?

Mr. DINGELL. Yes.

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

SECRETARY CALIFANO PRAISED

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, the rumors are afloat in this city of the pending resignations of some of the President's Cabinet. The morning paper carries a guesstimation that one of them might be Secretary Joe Califano.

I hope that is not the case. Secretary Califano is one of the most talented men in Government today. He works longer and harder and as effectively as any man in Government. We may disagree with some of the things that have happened in HEW, because that is one of the most impossible jobs that any one person can be faced with in Government, but overall, Mr. Califano has acquitted himself with great dignity and ability. He well may be the most talented man in Federal Government today. Our country needs that kind of man in Government.

Mr. Speaker, I would hope that we can maintain the services of this highly qualified man.

PROVIDING FOR CONSIDERATION OF H.R. 3917, HEALTH PLANNING AND RESOURCES DEVELOPMENT AMENDMENTS OF 1979

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 305 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 305

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3917) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against sections 106 and 107 of the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 3917, the House shall proceed, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, to the consideration of the bill S. 544, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 3917 as passed by the House.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 305 is the rule providing for the consideration of the bill H.R. 3917, health planning and resources developments of 1979. It is an open rule, providing 1 hour of general debate, and it includes three waivers of points of order. Two of those are waivers of section 402(a) of the Budget Act. That section prohibits consideration of a bill that authorizes new budget authority for a fiscal year unless the bill was reported by May 15 of the preceding year.

Two sections of this bill would indirectly authorize new budget authority in this fiscal year, which makes the first

Budget Act waiver necessary. It is a technical waiver, however, since the Interstate and Foreign Commerce Committee will offer a floor amendment to cure the Budget Act violation.

The second waiver of section 402(a) applies to the consideration of the Senate bill, S. 544. The rule provides that after the passage of H.R. 3917, it will be in order to strike out all after the enacting clause of the Senate bill and insert the House-passed language. Since the Senate bill would be subject to points of order under section 402(a) of the Budget Act, the rule waives those points of order to permit consideration of the Senate bill. This also is a technical waiver, since the Senate bill will be considered only in order to insert the House-passed language.

Finally, there is a waiver of points of order against two sections of the bill under clause 5 of rule XXI, which prohibits appropriations in an authorization. The two sections of the bill to which the waiver applies include changes in planning grant programs and provide for the carryover of some grant funds. In both instances, the provisions could be construed as appropriations in an authorization.

Mr. Speaker, the bill H.R. 3917 reauthorizes funds for fiscal years 1980 to 1982 for local and State health planning agencies, and continues Federal loan and project grants for some hospital modernization and construction.

Most importantly, this bill represents a continuation of our national effort to encourage the consolidation of fragmented health resource development and planning initiatives. The health systems agencies offer this Nation one of its few opportunities to reduce the price of health care to consumers, to the employers who pay health insurance premiums and to the Government, which pays for medicare and medicaid.

This bill will help eliminate waste and inefficiency in communities where there are unneeded duplications of health services. At the same time, it will address the problems of the many areas that do not have physicians, emergency medical services or other health care resources.

Mr. Speaker, I know of no controversy on this rule, and I urge its adoption so that the House may move to expeditious consideration of the bill.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, the health planning and resources development amendments are very important. They should be enacted into law without further delay. The gentleman from Massachusetts has ably explained the provisions of the resolution. It has been read for the benefit of the Members.

Mr. Speaker, this measure has been scheduled for floor action before. I am glad that it is on the calendar today. I know of no opposition to the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 395, nays 10, not voting 29, as follows:

[Roll No. 358]

YEAS—395

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, Phillip
Butler
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Pevser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Svnar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—10

Bauman
Breaux
Collins, Tex.
Crane, Daniel
Crane, Philip
Frenzel
Hansen
McDonald
Paul
Symms

NOT VOTING—29

Alexander
Anderson, Ill.
AuCoin
Bolling
Buchanan
Burton, John
Byron
Conyers
Davis, S.C.
Diggs
Dodd
Dougherty
Edwards, Okla.
Emery
Fish
Flood
Ford, Mich.
Forsythe
Gibbons
Hollenbeck
Ireland
Luken
Marriott
Obey
Roe
Rousselot
Stark
Whitehurst
Young, Alaska

☐ 1040

The Clerk announced the following pairs:

Mr. Obey with Mr. Fish.
Mr. John L. Burton with Mr. Emery.
Mr. AuCoin with Mr. Forsythe.
Mrs. Byron with Mr. Hollenbeck.
Mr. Ford of Michigan with Mr. Young of Alaska.
Mr. Stark with Mr. Whitehurst.
Mr. Gibbons with Mr. Rousselot.
Mr. Diggs with Mr. Marriott.
Mr. Alexander with Mr. Anderson of Illinois.
Mr. Conyers with Mr. Buchanan.
Mr. Davis of South Carolina with Mr. Dougherty.
Mr. Dodd with Mr. Flood.
Mr. Roe with Mr. Luken.
Mr. Ireland with Mr. Edwards of Oklahoma.

Mr. DANIEL B. CRANE changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed a bill and joint resolution of the House of the following titles:

On July 16, 1979:

H.R. 4556. An act to amend section 1521 of the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to extend conditional designations of State health planning and development agencies.

On July 17, 1979:

H.J. Res. 353. Joint resolution congratulating the men and women of the Apollo program upon the tenth anniversary of the first manned landing on the Moon and requesting the President to proclaim the period of July 16 through 24, 1979, as "United States Space Observance."

☐ 1050

HEALTH PLANNING AND RESOURCES DEVELOPMENT AMENDMENTS OF 1979

Mr. WAXMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3917) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. WAXMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3917, with Mr. MOAKLEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. WAXMAN) will be recognized for 30 minutes, and the gentleman from Kentucky (Mr. CARTER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the legislation before us today is H.R. 3917, the Health Planning and Resources Development Amendments of 1979, a bill which would amend titles XV and XVI of the Public Health Service Act to revise and extend the program of health planning and resources development.

The health planning program which we are proposing to extend and amend was established by Public Law 93-641, the National Health Planning and Resources Development Act of 1974. Since its passage significant progress has been made in implementing this law. Two hundred and five health systems agencies (HSA's) have been designated on a conditional basis. Of these, more than 180 have moved to full designation. Fifty-seven State health planning and development agencies (SHPDA's) have been established. In addition, a number of health planning centers have been put in place to meet the technical assistance and training needs of the agencies.

H.R. 3917 is the result of careful analysis of the existing health planning program, 2 days of hearings and several days of markup by the Committee on Interstate and Foreign Commerce. As a result of this process, the committee has concluded that the basic structure of the planning system is sound. The HSA's after spending much of their initial efforts on organizational matters are now beginning to concentrate on the development of health plans and their implementation.

Some initial results look encouraging. A study of the planning agencies performance in reviewing new capital investment projects has recently been completed. It included 81 percent of the health systems agencies. The report reveals that these agencies over a 2-year period officially reviewed $8.4 billion in certificate of need or section 1122 applications and disapproved $1 billion. These disapprovals benefit consumers by saving them from having to pay for the costs related to the unnecessary capital. When this amount is compared with Federal, State, and local investments in health planning we realize an 800 percent return on investment through this function alone—an impressive figure. Through our program oversight activities we will continue to examine the program's accomplishments and we are currently working with the General Accounting Office to validate these claimed savings.

These planning agencies will begin to realize their full potential during the next 3 years if not deterred from their focus on planning by new and unnecessary organizational requirements. However, the early experience of this program indicates that some changes in the law are in order. H.R. 3917 accomplishes these changes without undue disruption to the developing planning effort. The reported bill deals with nine major issues.

First, the planning program is extended for 3 years at funding levels which recognize inflation and the increase in responsibility required of fully designated health planning agencies. The bill would authorize $205 million in fiscal year 1980 and $219 and $233 million in fiscal year 1981 and 1982 respectively.

Second, HSA organizational requirements are slightly modified and the governing body requirements strengthened. Provisions are made for active local elected official participation in the health planning process. The process for selecting HSA governing body members would be required to be open and well publicized. More adequate support would be required to be given to continuing education and training of governing body members so that their decisionmaking capability would be enhanced. In public HSA's, the bill would provide the regional planning board or unit of local government with more authority over health planning in its area.

Third, the reported bill would provide a larger role for Governors and State government in the health planning process. It would assure a Governor's active involvement in both health service area and HSA designation. In addition, the State health planning and development agency would be required to define statewide health needs for local HSA's to consider in their planning activities.

The Governor of each State would be permitted to disapprove the State health plan if he finds the plan does not effectively meet those established statewide health needs. The bill also contains provisions to allow the Secretary to extend conditional designation for State agencies beyond the 36-month limitation in current law and thus prevent the termination of those State agencies not currently eligible for full designation.

Fourth, the legislation would strengthen the linkages between planning at local and State levels and that which takes place at the Federal level. The Secretary would be required to analyze and review the health plans which are developed by the HSA's and the States and use that analysis in modifying the national guidelines for health planning and in developing additional guidelines.

The bill makes it clear that the national guidelines for health planning are not to be rigid standards inflexibly applied but rather benchmarks which HSA's can adjust as local circumstances require. The bill requires more adequate consultation with various groups prior to provision and establishment of additional national guidelines.

Fifth, the requirements for State certificate of need programs are strengthened. The reported bill requires closer ties between planning and regulatory decisions by requiring that certificate of need decisions not be inconsistent with the State health plan. Required certificate of need coverage would be extened to major medical equipment—defined as equipment over $150,000—that would be used to serve inpatients of a hospital.

This change would close a loophole in existing certificate of need requirements where an individual can purchase equipment and install it in leased space in a hospital or in a facility adjacent to a hospital and carry out diagnostic or treatment procedures avoiding certificate of need review. Health maintenance organizations and other prepaid providers have incentives to provide only those facilities and services which are necessary to their members.

For this reason and to encourage development of innovative financing and delivery systems, the bill would require States to exempt HMO's and other providers of health care on a prepaid basis from certificate of need coverage. Provisions are also added to assure fairness to applicants under the certificate of need process. It would prohibit a pocket-veto of a certificate of need application by requiring that if a State does not complete a review of an application within the prescribed time, then a certificate of need would have to be awarded.

Sixth, the planning agencies are encouraged to begin planning for a reduction in unneeded and duplicative health facilities and services. Experts have testified that we have at least 100,000 excess hospital beds. Such excesses contribute to total costs because higher prices must be charged to cover the fixed costs of keeping the unit or facility in operation. Health planning agencies should begin to identify this excess capacity while assuring access to needed services.

I should point out, however, that while the health planning agencies are expected to focus on making the health care system more efficient, neither the bill or the existing law contains authority for the health planning agencies to require or force individual institutions to close unneeded or duplicative services. Such changes would have to come about voluntarily. Grants would be authorized to assist in this process by paying some of the costs related to a facility's voluntary closure.

Seventh, emphasis is placed on plan implementation. It was necessary during the first several years of this program that planning agencies focus their attention on the development of plans to guide the development of the health services in their areas. Now that plans are becoming more fully developed, an HSA's attention should begin to turn toward plan implementation. The committee's bill has recognized this shift by encouraging a 2-year planning cycle as compared with an annual planning cycle that is suggested by existing law.

In addition, while lowering the authorization levels, the committee approved the extension of the area health service development fund authorizations to allow HSA's through small grants of seed money to stimulate the development of new services where they are needed.

Eighth, the bill requires health planning agencies to begin to identify those circumstances in which competition may serve to appropriately allocate the supply of health services and work to strengthen market forces. Competition in health care is generally considered unworkable. Extensive insurance coverage, the methods used to pay for services, the urgent nature of the need for some services, and the lack of consumer knowledge about services lead individuals often to make decisions respecting their use of services with almost no regard to price, and lead providers to make decisions respecting the supply of services substantially uneffected by the usual incentives and risks that exist in other industries. While this is the general rule, there are some exceptions. The choice among an insurance plan and HMO's has been shown to be influenced by price and other factors. Some noninstitutional services, such as home health services, may also be subject to such factors. The committee's bill would encourage health planning agencies to identify those situations in which market forces can appropriately allocate supply and work to strengthen them.

Finally, the resource development authority of title XVI of the Public Health Service Act is also revised and extended. The bill would extend Federal loan and loan guarantee support of health care facilities although support would be limited to priority areas. Project grant authority for the modernization of public and private hospitals and health care facilities to correct life safety code and other accreditation violations would be extended for 3 years. New grant authority for the construction of outpatient medical facilities in medically underserved areas and the conversion of existing facilities into facilities for outpatient and long-term care would be established. The legislation repeals the provisions of existing law that have provided allotment grants to States to develop health care facilities. The bill would authorize $140 million for fiscal year 1979 and $180 million in fiscal year 1980 and $215 million in fiscal year 1981 for the development of health care resources.

Mr. Chairman, H.R. 3917 is important legislation. The health planning and resources development programs which it extends and amends have great potential to help us move toward a more efficient health care delivery system and to prevent duplication of unnecessary facilities and services and thus help contain rapidly rising health care costs. It will also provide for the identification of areas where services are not adequate or access to services is poor and a mechanism to work to solve this problem. Yet the health-planning program needs strengthening. We believe that the 3-year extension and these substantive changes will greatly assist the planning program in reaching maturity and beginning to fulfill its promise of working toward increasing accessibility to care, maintaining quality care, and restraining increases in cost for the citizens of our Nation.

Mr. Chairman, I would like to pay tribute to the ranking Republican member of our subcommittee, the gentleman from Kentucky, Dr. TIM LEE CARTER, who gave us great leadership. He is very familiar with this legislation and this program, having participated in the development of the health-planning program itself. The other members of the subcommittee joined in what was an educational process for us and, I think, a worthwhile contribution to the legislative process.

We discussed not only the legislation and the implications of the amendments to extend this legislation but many of the underlying assumptions. In that discussion I think we concluded that the health-planing process, having gone through its infancy, is now beginning to meet its responsibility of controlling costs and finding ways to make health care accessible to all our people. This is a very important program, one that is desperately needed.

Mr. CARTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in the consideration of this legislation and other legislation before our committee, it has been necessary for me to work closely with the distinguished gentleman from California (Mr. WAXMAN). I must say that he has been a kindly, congenial gentleman.

More than fame and more than money
Is the comment bright and sunny,
And the hearty warm approval of a friend
Oh it gives to life a savor,
And it strengthens those who waiver,
And it gives one heart and courage to the end.
If he has earned your praise, bestow it:
If you like him, let him know it;
Let words of strong encouragement be said.

Mr. Chairman, I wish also to commend the distinguished gentleman from West Virginia (Mr. STAGGERS), the chairman of the full committee, with whom it has been my pleasure to serve for many years. The gentleman from West Virginia is a man who has the welfare of the common people at heart. The gentlemen on my side of the aisle have also been extremely helpful. I appreciate their efforts.

This morning, Mr. Chairman, we are taking up health planning and the Health Planning and Resources Development Amendments of 1979. The explosion of exotic equipment such as CAT scanners, linear accelerators, and intensive care units, including infant and coronary care, has been so tremendous that costs have escalated. Since almost every hospital desires this equipment, it is necessary to locate it at spots where it can be most extensively and economically used. This is to be done through development of health plans by health systems agencies and coordinated by State health coordinating councils and State health planning and development agencies.

In the first title, planning is considered; in the second title, develpment of resources is to be considered; and in the third title, closure of excessive beds or transfer to acute care, intermediate care, or personal care facilities is considered, and funds are made available for such transfer.

This legislation, I know, poses problems to many. The closure of hospital beds is painful, but we have an excess of 130,000 at this time, each one costing approximately $30,000 a year.

But, Mr. Chairman, it is necessary that a closure of these beds be made in order to save the patient money, and it is necessary to properly allocate resources and make them available to greater numbers of people.

This is the purpose, Mr. Chairman, of this legislation. After the plans are made for a certain area, it would be hoped that there would be a central hospital where much of the equipment necessary for examination and treatment would be located. This would be a central area. Extending from the central area, there would perhaps be satellite hospitals.

Secondly, Mr. Chairman, health planning also provides for building new facilities, particularly in areas where there are great population increases. I have heard some of my good friends this morning mention suburban areas. This bill provides funds for building where population shows tremendous increases.

Mr. Chairman, funding will also be provided for renovation of older hospitals, and in the case of areas where health care is absent or lacking, complete funding would be provided to establish ambulatory care facilities.

☐ 1100

Mr. Chairman, under the third part of this legislation, funds would be provided, as I stated previously, for closure of unneeded beds or for transformation of these beds either into acute, into intermediate, or into personal care beds.

I believe that the committee has fashioned a good bill—one which represents reasonable compromises of opposing points of view—and one which has received strong support on both sides of the aisle.

During markup of this bill—a great deal of attention was paid to the regulatory aspects of health planning, an entirely appropriate action at a time when we all attempting to free our economy from needless governmental interference.

Nevertheless I believe that we must keep in mind that supporting the health planning system does not mean that we are giving a blanket endorsement to the regulatory approach.

One of the virtues of the health planning system Congress has designed is its local flexibility and its ability to involve local citizens in a communitywide examination of local health needs.

This is not regulation in the style of an Interstate Commerce Commission or a Food and Drug Administration; health planning is a cooperative system which provides an opportunity for all of the actors in the health care scene to participate in the decisionmaking process.

Most importantly health planning is not monolithic system with the ability or the authority to impose on a very large and very diverse health care system one universal regulatory scheme such as the administration has proposed to limit hospital revenue.

Health systems agencies and their health systems plans provide an opportunity to explore and resolve the many complex concerns we have in the health care field whether our concern of the moment is the need to contain costs or curb the duplication of expensive resources or whether our concern is for individuals and groups who are not receiving sufficient attention from our health care system.

One thing is clear to me. any solutions which any of us might devise will require public support and local commitment.

I strongly believe that health planning is the best way to develop that support because it has the ability to interact with the shared concerns of consumer and provider of insurance carrier and hospital of the person who often pays the bill, the employer, and the person who receives the benefit, the worker, and of all those interested in high quality health care for every American.

Keeping these points in mind I would like to emphasize what I believe are some of the important improvements approved by the committee in its deliberations.

First, the committee has taken steps to insure that health planning will be primarily a local process done by and for local people in consideration of their special needs and circumstances.

The local focus of health planning will be assured by making it clear that national health planning guidelines are only benchmarks, not regulations designed to assist the local community in arriving at decisions concerning the shape of the health care delivery system in their area.

Second, the bill provides assurances that HSA's will have the benefit of the expertise of those health professionals whose institutions are most affected by HSA decisions—hospital administrators and medical school deans.

Third, the bill charts a responsible course on the subject of medical equipment by insuring that equipment used to provide services to inpatients will be regulated under the certificate of need program while at the same time insuring that the private practice of medicine will not be impaired by needless regulatory requirements.

Most importantly, I believe that the bill does an excellent job of clarifying and improving the structure of the health planning system but does not unduly interfere with the important tasks health planning is charged with carrying out.

In a time of scarce resources and competing goals the importance of the tasks which the health planning system must confront cannot be emphasized enough. We must always keep in mind that communities rightfully take a great deal of pride in their health care facilities. We know that each community wants to have the best medical facilities available with the most up-to-date technology money can buy.

Unfortunately we are now realizing that we just cannot afford to have an open-heart surgery unit or a CAT scanner in every single neighborhood or in every hospital.

We now find that we may have built as many as 130,000 excess hospital beds because of our heartfelt desire to provide the best facilities for health care. We find that we have open-heart surgery units wherein there are not enough procedures being performed to maintain the competence of their staffs. We have similar duplications and inefficiencies among many other hospital services and all of this is expensive to maintain.

It is easy enough to point out that some areas have excessive duplication of services or too many beds.

It is extremely difficult to inform a community that their hospital will not be allowed to add a new wing or install nuclear medicine equipment. That hospital may be in one of those areas with too many beds or, perhaps, a nuclear medicine department already exists in the regional referral hospital, and health planning agencies may, therefore, deny the application of the community's hospital.

The problem is that this denial may alienate the public from the planning process or perhaps politically force an overturning of the planning agency's decision—with higher costs being the end result.

Inflation in health care costs is so severe that we cannot allow this to happen. We must be creative to find ways to work together to avoid excess capacity and duplication of resources while avoiding the loss of support for our health planning efforts and for our hospitals and health care facilities. In other words, we are going to have to perform a delicate balancing act.

I know that it will not be an easy task but I submit that it is one that must be undertaken.

I am also confident that we have the dedication, the interest, and the courage to do the job.

This is why I support the health planning program and why I would urge speedy enactment of these important amendments.

Mr. WAXMAN. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland (Ms. MIKULSKI).

Ms. MIKULSKI. Mr. Chairman, I rise in support of Health Planning and Resources Development Amendments of 1979 (H.R. 3917).

As a member of the Health and Environment Subcommittee, I have worked very hard on this legislation. It is not a perfect bill, in fact, I have three major reservations, which I will detail later, but I think that health planning is crucial if we will ever achieve good health care for all Americans at a price they can afford.

Health planning, as mandated by Congress, is different from Government regulation in the traditional sense. Power is given to the local community to have participation into decisions. The HSA's have been structured to include all health care interests; both consumers and providers.

This planning process allows people to have a voice. And I strongly believe that the best ideas always come from the grassroots. Now health care decisions are not made based strictly on economics; there is politics to the process.

For example, in Baltimore 13 hospitals sought approval to buy CAT scanners—when the area already had two. Only nine of these requests were approved. That represents a savings of four CAT scanners—which is considerable, but I still find it hard to believe that the Baltimore community needs all of these magnificent machines.

During the first 3 years of the Health Planning Act progress was slow, but there was progress. According to a survey done by the American Health Planning, the planning process saved over $3.4 billion during a 2-year time frame. It was a good beginning. We should continue.

In my judgment the legislation that is before my colleagues is not perfect.

Since the essential purpose of health planning is the rational allocation of scarce and expensive resources, I believe that all major decisions on health care should be considered by the local HSA. For this reason, I believe that there are three areas of the legislation that could be stronger. First, certificate of need should be required for all purchases of major medical equipment regardless of location. The present law exempts the purchase of major medical equipment by physicians for us in their office. This loophole has created a proliferation of expensive equipment. A recent study by the Harvard School of Public Health indicates that 15 percent of all CAT scanners are now in physicians' offices.

Second, I think the law should require Federal health facilities to get a recommendation from the local HSA before constructions, modernization, or closure of a Federal health facility. Approximately 10 percent of all general/surgical hospital beds in the Nation are under the authority of the Federal Government, yet these facilities are exempted even from review by the health planning legislation.

Third. And finally, I do not believe that prepaid plans, including HMO's should be exempt from the health planning process. I know the ingenuity of the American people. If the Federal Government gives a specific group a loophole, they will find a way to use it to their advantage—as well, they should. Yet when HMO's have been part of the planning process, they have been "forced to use a vacant hospital in the area (Orange County, Calif.), instead of building a new structure."

I attempted to make these changes in the legislation in the subcommittee and full committee, and was not successful. I think that it would have been a better bill with my revisions, but I am a stronger supporter of the bill and I urge that my colleagues pass the legislation quickly.

The local HSA's and SHPDA has been operating under a continuing resolution; they need to see that the Federal Government feels that the work that they have been doing to allocate the extensive health resources has our support.

In conclusion, I would like to make part of the Record, a speech that I made to the National Journal's Conference on Health Policy. It explains my philosophy on the questions of competition versus planning:

Can Competition and Planning exist together? The title of the topic asserts certain assumptions;

That competition is a rational and desirable goal; whose outcome is a well-functioning economy which meets the needs of our society.

That competition in health care is best reached by encouraging the development of HMO's and other prepaid health plans.

That planning is a rigid and irrevocable form of regulation which prevents innovation, causes the market to malfunction and misallocates resources. And thus, competition and planning are antithetical. We are led to believe that there is one final principle from physics that controls economics, namely, that competition and planning cannot occupy the same space at the same time.

In beginning the discussion, I would like to define "competition" I chose the definition from Webster rather than Samuelson because I think that our concept of competition must be greater than strictly economics when referring to health care.

Competition in my dictionary is defined as; "a contest denotes a striving for the same object or prize, usually in accordance with certain fixed rules." When the Washington Redskins get ready to play the Dallas Cowboys, they know that there will only be 11 players allowed on the field, the game will last four quarters and that a touchdown will get them 6 points and the kick after 1. And as they devise their strategy for the game, these rules are an essential component to their "game plan."

Competition depends on the existence of a recognized ruler, agreed to by all the players.

In a health system, I believe they complement each other. Let's examine how competition and planning work in the field of health care.

One of the tenets of modern liberalism is that the free market economy, despite some misallocations, is the touchstone of our success as the most affluent and free society in history. Competition is our ultimate cultural value, shared by all. We believe in competition; it has been enshrined by the courts, nutured in business schools, passed on as our economic way of life in our colleges, and it is embraced by millions of government bureaucrats, politicians, workers and entreprenuers as the code word for progress and personal happiness. But in many respects the ethic of competition, described long ago as peculiarly American by Max Weber in his book "The Protestant Ethic and the Spirit of Capitalism" is largely mythical.

The free market, upon which competition is dependent and without which the term becomes meaningless, may be relevant as a concept with which students in introductory economics have to be acquainted, much the way a baby has to crawl before it can walk but which is without any real meaning when we look at our modern economy.

It can be said that the free-market competition disappeared from the American scene with the full flowering of the Industrial Revolution. Today, the realities of power as exercised by multinational corporations, organized labor and omnipresent federal government have totally changed the classical model of Thomas Jefferson—or Adam Smith. For those who long for the nostalgia of the past, it isn't coming back. And nowhere is that more true than in our health care system.

Right now, for example:

Hospitals are reimbursed for their costs—and 94% of those costs are paid by third party payers, so there is no incentive to hold costs down; in fact, there is more "competition" among hospitals to buy more expensive equipment rather than to lower costs to attract patients.

Physicians are reimbursed on a fee for service basis; but "competition" not only does not lead to lower costs, a higher ratio of physicians in an area usually means more treatment per capita and higher fees.

Physicians, hospitals and other trade medical care providers have organized into trade associations that work to restrict "competition" in the name of free enterprise and deliberately limit advertising which might inform consumers of price differentials for service.

Meanwhile the federal government through capitation grants and other programs has largely determined what type of medical providers are needed and where they will be located. In my opinion the present reimbursement system has badly skewed the health care field. It is the present reimbursement system that determines that doctors may be paid directly—but no other health professionals; that treatment for illness will be reimbursed, but not prevention of illness; that services performed in a hospital will be reimbursed more easily than equivalent services for lower cost in an office or at home.

My colleagues who advocate competition believe that the problems of the Health Care System—apparently including reimbursement will be solved if we increase the number of HMO's and other prepaid plans even to the point of exempting them from the planning process. I cannot agree.

I want to make clear that I am not against HMOS. They are an excellent service, and I appreciate the examples of successful HMOS which have actually reduced the cost of care while maintaining high level services. But I have some very serious questions about adopting competition among HMOS as the centerpiece of our National Health Policy.

Any rational prepaid health plan that is striving for economic self sufficiency has to make a calculated decision to seek the best risks for its clients—both physically and financially.

So I question, in this model of competition among HMOS—who is competing with whom—and for what? Who is going to compete for the poor, the elderly, the marginally employed? Who is going to compete for the residents of the inner cities or rural areas? The past track record of HMOS isn't too good. Too often, they are competing for the healthy and the affluent—or at least well-salaried. This would be my goal too, if I were trying to maximize profit, but it is not my goal in working to assure all Americans quality Health care at reasonable cost.

Many HMOS have had, and are still having, considerable financial difficulty. The federal government has not only passed legislation requiring employers to offer federal designated HMOS a choice for their employees, it has provided considerable start up funds for them to begin. This is not exactly the free market at work. Economists estimate that an HMO requires a catchment area of 60–70,000 people to be economical, There cannot be many such catchment areas worth competing for what happens when they have all been covered? Where does the next generation of HMOS begin?

As for the subscriber: We have yet to solve the very real personal problem that once he or she signs up for a plan, no matter what kind of experiences or care is received, there is no further leverage to insure quality care except the future incentive to reenroll. That may seem very distant to a person immediately dissatisfied with the response to a severe health problem.

So I don't think that competition among prepaid health plans is the key to solving our problems. And I certainly don't want to do away with planning to encourage more prepaid plans.

Planning is a key component of any free enterprise endeavor. No one would run a business for profits without outlining the needs in the long and short run. Frankly, we haven't seen much voluntary action in this area by either hospitals or doctors, at least not until the threat of federal interference appeared. Hospitals were aware that there were over 100,000 excess beds, yet new wings were built every year. There were more CAT scanners in southern California than were needed for the entire western part of the USA. Everyone blamed the reimbursement system, but no one was working to make the system more competitive.

So the federal government, because of its large investment in health care, was forced to come into this world of overinvestment, overutilization, co-existing with underserved communities and neglected populations. One of the mechanisms that the government chose was mandating health planning.

At the outset, I want to make it clear that I don't think that health planning can solve all our problems either and in fact, during the 3 years since the Health Planning Act, progress has been slow, But I think that there are components in the Health Planning Act that can help.

Health planning, as mandated by Congress, is different from government regulation in the traditional sense. Power is given to the local community to have participation into decisions. The HSA's have been structured to include all health care interests; both consumers and providers.

This planning process allows people to have a voice. And I strongly believe that the best ideas always come from the grassroots.

Now, Health decisions aren't made based on strictly economics; there is politics in the process. This might not always produce the best decision in the economic sense, but I think that it is a vital component, for the long run, if health care delivery is to be improved.

For example, in Baltimore 13 hospitals sought approval to buy 13 CAT scanners—when the area already had two. Only nine of these requests were approved. That represents a saving of four CAT scanners—which is a considerable saving—but I still find it hard to believe that the Baltimore community needs all of these magnificient machines. The planning system is just beginning; it is far from perfect.

I can see positive results already from some aspects of both planning and competition, in health care but I want to stress that I think it is counterproductive to use these words as codewords for classic economic stereotypes. We can't afford to think in terms of emotions and value systems which are largely irrelevant to our current situation in health care and throughout our economy.

It is always dangerous to try to predict the future, but there is one thing we can be absolutely sure of—our population is getting older, and any health care policy must reflect this trend. During the next thirty years, a larger and larger proportion of our population is going to be over 65, and an increasingly larger proportion of that group will be over 75. To think that we can meet health care needs by mandating that an employer must offer three different kinds of health care system based on the proliferation of HMOS in 1980—in the face of population patterns—is equivalent to designing a suburb based on expanding kindergartens or investing in a fleet of 10 cylinder limousines. It ignores demographic reality in favor of economic abstraction. I think we must strive for a pluralistic health care quality system, which provides access to quality health care in a diverse and equitable fashion. After all, the Declaration of Independence begins by assuring us the right to "life, liberty, and the pursuit of happiness . . ." At least the first and last of these assume access to health care. And most Americans consider this their right.

I believe we need a new system of financing health care—a system that will allow for real competition among prevention and treatment modes. Consumers in a reimbursement system should be able to choose to receive service from nurse practitioners, nutritionists and occupational therapists as well as doctors.

We need a system that puts more emphasis on preventing illness, and less on treatment; that encourages cost saving innovations, like second opinions for surgery, and does not routinely pass along hospital costs.

I believe we should strive for a health care system that ensures that people truly have options and have the information they need to make personal choices.

Working with these criteria, I believe we can have a health care system that minimizes the quality of health care available, minimizes economic waste and administrative expense, and is equitable and adaptable to local needs and personal choice.

Mr. FLORIO. Mr. Chairman, will the gentlewoman yield?

Ms. MIKULSKI. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, I rise in strong support of the health planning legislation before us and I want to commend the gentleman from California for his able chairmanship of the Health and Environment Subcommittee. I would urge the Members to support this bill, and to realize the importance of the health planning concept in action around the Nation. Established to assure "equal access to quality health care at a reasonable cost," we have here a key component to improving our Nation's health care system.

This has been a controversial matter, leading up to and following the Commerce Committee's markup of H.R. 3917, reauthorizing the health planning law. It has been brought to my attention that several Members are of the belief that the Southern New Jersey Health Systems Agency has attempted to add conditions to a certificate of need calling for a change in the composition of a hospital's board of trustees.

As the Representative of a district that is in the jurisdiction of the Southern New Jersey HSA, I would like to take a few minutes to clarify the record. An amendment is expected to be offered today for the purpose of limiting conditions on certificates of need, and the actions of this HSA have been cited prominently—and not entirely accurately in the argument for the amendment.

First of all, may I assure you that at no time has the agency placed such a condition on a certificate of need. This is verified in a letter dated July 13, 1979, from Dr. Joanne E. Finley, New Jersey commissioner of health. The letter states in part that at no time has the Southern New Jersey HSA, or any other HSA in New Jersey, asked that a condition relating to the composition of board of trustee membership be placed on a certificate of need.

For those Members not familiar with the details of the certificate of need process, the Health Systems Agency is only a recommending body. In both the existing law and proposed legislation, final authority for conditions is solely vested with the State commissioner of health, who formally issues the certificate.

The Health Systems Agency has a limited amount of resources to carry out its planning activities and be effective in cost containment. The certificate of need process offers one vehicle for the implementation of a comprehensive, cost effective health services plan for each area. For example, it can encourage an applicant to seek the lowest bid on construction or the most reasonable rate for a loan. Or, it can stimulate alternative methods of health care delivery by encouraging an institution to establish outpatient surgery. HSA's in New Jersey have encouraged hospitals to form community advisory committees to give the patients in a hospital service area a recommending voice in hospital policies. This is a far cry, however, from changing the composition of the board of trustees.

In my opinion, we have started a local decisionmaking process that is working. I urge that the House proceed with this new process and continue to evaluate its effectiveness. If the southern New Jersey HSA has been wrongly cited as an example of abuse and misconduct, I hope that my explanation clarifies these local negotiations, and I would certainly not think it appropriate to drastically alter the nature of the certificate of need process on unjustified grounds.

Mr. Chairman, I firmly believe that all HSA's in my State have provided a forum for local decisionmaking by consumers and providers working together and making inroads on cost containment, accessibility, and acceptability to health care delivery—just as the original legislation intended.

Mr. WAXMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD. Mr. Chairman, as a sponsor of H.R. 562, legislation to repeal titles XV and XVI of the Public Health Service Act, which were created by Public Law 93-641, the National Health Planning and Resources Development Act of 1974, I urge my colleagues to vote against the bill before us now, H.R. 3917, to reauthorize the 1974 Health Planning Act. This extension should be defeated as it is a major step toward complete nationalization of the health care professions:

First, the law presently provides both the mechanism and the means for total centralized control of health care by the Federal Government. Title XV establishes the mechanism by: First, directing the Secretary of the Department of Health, Education, and Welfare to issue guidelines concerning national health planning policy; second, setting national health priorities; and third, creating a nationwide network of health systems agencies, health service areas, and State health planning and development agencies.

Title XVI provides the means by authorizing Federal aid for developing health resources—essentially building new medical facilities or modernizing old ones—and Federal funding for the health systems agencies established in title XV. Acceptance of these funds brings a medical facility under Federal control, if indeed it is not already taking orders from HEW through prior acceptance of funds from Federal programs such as medicare and medicaid.

Federal health planning by its very nature will lead to total Federal control of health care. One of the law's alleged purposes is to control the cost of health care, which has been rising at a high rate for the past few years. But it attempts to do this by treating the effect, the rising prices, not the cause, which is: First, Government-caused inflation, and second, Government programs that socialize health care. When payments of medical services are collectivized, as under medicare and medicaid, the individual pays the same amount regardless of the cost and frequency of his own treatment. If health care is free on demand, demand soars and prices rise.

The health planners propose to stop this by ordering prices to hold still. They propose maximum allowable cost for drugs, and professional standards review for the elderly and indigent under medicare and medicaid, to make sure the Government pays for no unnecessary services. Thus, free medicine for the elderly and indigent is leading directly to Government rationing of health care services to these citizens. Eventually the health planners would like to insure that the Government does not pay for costly services which the planning process determines are unneeded, thereby extending Government rationing of health care to everyone.

Such controls, however, will not work unless they are total. Prices will continue to rise so long as the Government continues its inflationary policies and its involvement in health care, leading the planners to lobby for complete nationalization. There are only two ways to deal with the consequences of the insatiable demand induced by Government health care programs. One is to eliminate the Government programs and allow the market to bring supply and demand back into balance. The other is to give the Government total control over supply. The health planners leave no doubt which option they choose.

Second, Federal health planning is politicizing the entire field of health care. Instead of market demand determining and directing the supply of medical facilities and services, these decisions increasingly are being made by Government and quasi-Government officials. The decision to build a new hospital is not being determined by the demand for medical services by the people in a given area, but by officials of a health systems agency who, in conjunction with officials of HEW's appropriate regional planning center, attempt to determine if their health plans are in accord with the national health priorities set by Congress and the national guidelines for health planning issued by the Secretary of HEW. Thus decisions affecting the health of millions of people must go through layer after layer of health planners before anything can be done. Since the decision is political, not economic, those with political pull will get the new hospital, if anyone does, not necessarily those who need it most. Such a system is designated not to provide health services, but to prevent them from being provided.

Third, Public Law 93-641—and the pending bill to extend it—is unconstitutional, probably on many grounds. At the very least it is a violation of the 10th amendment. In fact, several States have filed suit charging that the law is an illegal intrusion on a State's rights.

If we continue down the road being paved by Federal health planners, the American people will be denied the right to control their own health. Government planners not only will be setting doctor and hospital fees, but rationing medical care as well. Whether or not someone should have an operation no longer will be a medical decision arrived at by the individual and his doctor, but a political decision arrived at by Government health planners. In Great Britain, where health planners have been in control for many years under the National Health Service, patients are waiting in line in some cases for years for a hospital bed to have a needed operation.

This is what Government health planning will lead to in our country if we do not change our course and begin systematically eliminating Government control of health care.

For these reasons I am unable to support this bill and hope you will join me in voting against H.R. 3917.

Mr. WAXMAN. Mr. Chairman, I yield 1 minute to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 3917 to amend titles XV and XVI of the Public Health Service Act.

In specific, I strongly support the amendments made to section 1536 of the act which provide for an integrated statewide planning process in Puerto Rico and other States similarly situated. This eliminates conflicts and the duplication on efforts which characterize health planning in single health system agency States.

Puerto Rico runs a very extensive public health service which provides health care to over 1.4 million persons or half of the island population. In order to do this, the Puerto Rico Department of Health has a very well staffed planning unit. The single HSA designated in 1976 lacked real community support, failed to comply with its obligation and was not granted full designation by HEW. As to this date, no independent group has applied for designation as HSA for Puerto Rico. There is only one agency capable of performing the functions mandated by Public Law 93-641 and that is the Puerto Rico State Health Planning and Development Agency. This agency, however, will be unable to comply with all required functions because it lacks the funds the HSA had access to. Failure to meet the October 1980 compliance deadline will mean disaster for the Puerto Rico health system, having an adverse effect on 60 percent of the population depending on public health services. In fact, the HSA's jurisdiction is identical to the Department of Health's planning unit, which is the local State Health Planning and Development Agency. This produces a situation of overlapping responsibilities, duplication of efforts, and wasted resources, time and funds, and both agencies are constantly interfering with each other's efforts to carry out their respective functions.

On the question of community participation, I would like to point out that a law recently enacted by the Puerto Rico legislature regarding health planning in Puerto Rico mandates and safeguards community participation in all aspects of the health planning process. The Government has every intention of promoting genuine and effective community participation in the process to the fullest extent possible.

I am aware that various States and territories who elected to have single statewide health system agencies (HSA's) would not do it again.

Section 1536 of this bill extends to several States the option of having only one State health planning agency.

On behalf of the Government of Puerto Rico and of other States and territories facing the same problems in the Health Planning and Resources system as we do, I urge my colleagues to vote favorably on this bill.

Mr. WAXMAN. Mr. Chairman, I yield 3 minutes to a most valued member of the subcommittee, the gentleman from Texas (Mr. GRAMM).

Mr. GRAMM. Mr. Chairman, I would like to begin by pointing out what we are voting on here today. We are voting a comprehensive set of amendments to the Health Planning Act. If you oppose health planning, it by no means follows that you should vote against these amendments, because their defeat will not end health planning. Their defeat will insure the preservation of the system as it now exists. I believe these amendments represent a definite improvement. I think they go a long way toward making this system accountable and efficient. These amendments contain some innovations that are important to the American people.

One of the most important innovations is the creation of competition in the health care market. We tolerate planning in the health care market, because we have a system which, because of third-party payments, makes the buyer nonprice conscious. This, therefore, creates, on the supply side, nonprice competition, nonconcern about duplication and expense. We, therefore, have imposed a comprehensive set of controls to prevent duplication.

One of the most important things that we have done in these amendments is to recognize that in a prepaid plan, whether it is an HMO or simply a vendor of care who is licensed by a State and selling on a prepaid basis, once he sells a contract to provide a service, all of our standard market forces work in his case and, therefore, there is no reason to control him. There is no justification for limiting his access to equipment and capital and, under these amendments, we help promote in this area, which has been devoid of competitive forces in the past, a new competition which can give us the vehicle to some day let free enterprise work again in the health care market.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to point out to the Members of the House of Representatives the contribution the gentleman played in offering an amendment to this bill that would allow HMO's to be encouraged by opting out of the regulatory system that we have under health planning. That, and other amendments to the health planning law, I think will give a direction that we hope the regulatory agency will take itself to try to promote competition rather than bringing everything under regulation, where competition can work and where it is appropriate.

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It is, I think, a new thrust in the approach to health planning, and the amendment that the gentleman from Texas offered is an indication of desire I think on the part of many of us to try to develop some competition, some market forces in the health care system where so few are now present.

Mr. GRAMM. I thank the gentleman from California. I yield back the balance of my time.

Mr. WAXMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Chairman, I appreciate very much the distinguished chairman of our subcommittee yielding to me at this time so that I might pose to him a series of questions dealing with certain aspects of this legislation.

I am concerned about the possible misinterpretation of two amendments to H.R. 3917, both of which were offered by the gentleman and adopted in committee.

The first amendment added the phrase, "broadly representative of the health service area," to section 1512(b)(3)(c) of the act.

Am I correct in my understanding that this is not simply a restatement of existing law and that the intent of this amendment is to reject the Department of HEW's present interpretation of section 1512 as requiring that the consumer representatives on HSA governing bodies be roughly approximate in their demographic characteristics to the general population of the health service areas?

Mr. WAXMAN. The gentleman is correct in his understanding that it is clearly not our intent to require quotas. HSA would insure that their consumer members are representative of the community by including on the governing body representatives of each of the major subgroups or the population of the area.

In addition, we would expect more than token representation of each subgroup which comprises a substantial percentage of the population.

Mr. SATTERFIELD. I am also concerned about a change in section 117, which may be somewhat ambiguous. The amendment to which I refer provides that State health planning and development agencies may defer providing notice of the beginning of a certificate of need review if a letter of findings of noncompliance with the requirements of title VI of the Civil Rights Act of 1964 has been issued by the Secretary of HEW to the applicant.

Is this intended to be a preemptive grant of authority to the State agencies? In other words, if a State law requires that a certificate of need review be completed within any certain time, will that law be nullified?

The CHAIRMAN. The time of the gentleman from Virginia (Mr. SATTERFIELD) has expired.

Mr. WAXMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Virginia.

Mr. Chairman, if the gentleman would yield to me, section 117 to which the gentleman referred only provides an extension to the requirement of section 1532(b) of the Health Planning Act and of the new section 1527(a)(8). It would not preempt any requirements of State law.

Mr. SATTERFIELD. I have one additional question: Assuming the State law does allow deferral of the beginning of certificate of need review, would this amendment enable the Secretary of HEW to require that the State agency defer such a review?

Mr. WAXMAN. No. This amendment to title XV does not enable the Secretary of HEW to require that the State agency defer such review.

Mr. SATTERFIELD. I thank the gentleman from California.

Mr. CARTER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Wyoming (Mr. CHENEY).

Mr. CHENEY. Mr. Chairman, may I ask the distinguished chairman of the subcommittee a question?

Mr. WAXMAN. Yes.

Mr. CHENEY. I would like to direct the gentleman's attention to the committee report language regarding health systems agencies, planning grants, where it states that the Secretary is authorized to use up to 5 percent of the appropriations for HSA planning grants to include the budget of HSA's which have extraordinary expenses which cannot be met from their existing grant.

Such expenses might include travel by representatives in health service areas which includes many square miles or are in a rural area. Travel expense is a special problem for a State like Wyoming, for a health systems agency.

I would like to ask the chairman if this is to meet such expenses?

Mr. WAXMAN. The committee designed this provision to add flexibility to the funding formula so that the Secretary could recognize these and other extraordinary expenses.

Mr. CARTER. Mr. Chairman, I have no further requests for time.

Mr. WAXMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I thank the distinguished chairman of the subcommittee.

I rise to ask a question in connection with the statement made by the gentleman from Kentucky (Mr. CARTER). The gentleman from Kentucky referred to the fact that this would unquestionably call for a reduction in the number of hospital beds. Would the gentleman be kind enough to explain to me what is anticipated by this? How will this come about as a result of these amendments?

Mr. WAXMAN. I would be pleased to respond.

It will require proposals from facilities to construct or expand, to be reviewed prior to receiving a certificate of need from the health planning agency. In that review for a certificate of need, the agency would ask whether the faciliites that are already available to the community are sufficient or whether this new facility would be needed. That is one very important way that we can avoid duplication of services or additional beds, which we all end up paying for and which end up not being used.

Mr. GONZALEZ. In other words, if I understand this correctly, and please correct me if I do not, the determination as to sufficiency would be made by this local system, the local review system?

Mr. WAXMAN. The local health systems agency would make a recommendation to the State agency if the State has the power to determine whether a certificate of need would be granted.

Mr. GONZALEZ. I thank the gentleman.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am delighted to yield to the gentleman from Kentucky.

Mr. CARTER. This applies particularly to excess beds, beds that are not used and are a great expense to the people to maintain. Each empty bed costs approximately $20,000 to $30,000 a year.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GONZALEZ) has expired.

Mr. CARTER. Mr. Chairman, I yield to the gentleman from Texas (Mr. GONZALEZ) 2 additional minutes.

Of course, this would provide funds for conversion of unused beds to skilled, intermediate or personal nursing home care, or even retirement of the beds if it was thought to be necessary, but only if they were surplus and were not needed.

I trust that answers the distinguished gentleman's question.

Mr. GONZALEZ. It does, and I thank the gentleman.

● Mr. GOLDWATER. Mr. Chairman, I rise in opposition to H.R. 3917.

I think if the membership of the House was familiar with the experience Los Angeles County has had with its health systems agency, the planning body created under this act when originally passed in 1974, there would be considerable sentiment to defeat this bill.

When this measure became law it was intended to provide a network of careful planning and coordination of the dispersed health care resources in a given geographical area. In Los Angeles, the HSA has been a total fiasco. Federal dollars have been poured down the drain in a classic case of fraud, waste, and abuse of tax dollars. Agency officials have personally profited from the use of public funds. At this juncture—5 years after the HSA network was established through this legislation—there is presently no operating health systems agency in Los Angeles County. Clearly, the lofty goals of this act have not been realized—and I am highly skeptical of the prospects for a workable health planning program in the future.

There are also general principles in this legislation which I find objectionable. The idea that the Federal Government is the best provider of health services is not something to which I subscribe. This legislation places in the hands of the public sector an undue concentration of authority in the delivery of health services. Federal regulations and guidelines not only encumber hospital administrators and medical professionals, but actually add to the rapidly rising costs of health care. Inflation in this sector of the economy is most pronounced, and Government mandates are the primary reason.

The direction of health policy in this country, if allowed to be dictated by laws such as this, disrupt the more efficient free market approach which would make health care resources available to a larger segment of the population, at lower cost and higher quality. When the Government steps in, as it is doing under this bill, and offers an array of services to the public at taxpayer expense, the demand for these services will increase, adding to the snowballing burden on the Federal Treasury to pick up the tab for these services.

I plan to support several of the amendments to this legislation which will make important modifications in the law. But on final passage I cannot support a measure which has demonstrated so little effectiveness in the time since the original legislation was conceived. When a health agency in my area has absconded with public funds, when the Federal Government takes it upon itself to be a medical professional, then I find the role of Government in our health care system to be misguided, making this bill unacceptable.

I only wish to add that I regret I cannot support the efforts of my respected colleagues, Messrs. WAXMAN and CARTER, who I know have worked diligently in bringing this bill to the floor. But in my view, the Federal role under this legislation is wrong. I urge a "no" vote on H.R. 3917.●

● Mr. BROYHILL. Mr. Chairman, I am pleased to lend my support to H.R. 3917, a bill which contains the first significant amendments to the health planning and resources development program since the enactment of Public Law 93-641.

Now that the planning process is maturing, it is appropriate that we engage in a midcourse adjustment of the act to smooth over certain rough spots which have become more visible in the last few years.

In general, I believe that this bill strikes a better balance than does existing law with respect to the various participatory roles of States and local entities on the one hand and HEW on the other. Furthermore, the bill strongly recognizes circumstances in which competitive market forces can be encouraged to allocate health services.

On a personal note, this spring I met with representatives of the six North Carolina Health Systems Agencies and learned of the uncertainty caused by a funding crisis which had severely hampered their efforts to faithfully carry out the requirements of the planning law. HEW had told these agencies that the amount of grant money which they could plan on being available to them for fiscal year 1979 would be 44 cents per capita, rather than the 49 cents per capita received during fiscal year 1978. It is obvious that in order to effectively manage their health planning program a health systems agency should know at the beginning of their grant year how much money will be available to them. Because of this problem, the bill requires that the amount of Federal funds collected the previous fiscal year be used as the basis for determining the Federal match for the current fiscal year.

Some other welcome fiscal changes are the following:

First, the minimum planning grant is progressively increased;

Second, HEW may match contributed non-Federal funds for an HSA which receives the minimum grant;

Third, certain extraordinary expenses such as those incurred in rural areas might be cause for increasing the funding level;

Fourth, grants made in fiscal year 1979 may be increased on a pro rata basis to the 1980 minimum if appropriations are made for that purpose; and

Fifth, carryover of unobligated funds to the next fiscal year is permitted if appropriate.

Though there are numerous other good substantive provisions in the bill, I would particularly like to call attention to the inclusion of an administrator of a private hospital as a member of the National Council on Health Planning and Development as well as at least one person engaged in the administration of a hospital as a member of the governing body and executive committee (if any) of an HSA. Because a major focus of the planning process relates to hospital services, it is vital that expertise in this area be specifically recognized.

In conclusion, I believe that the bill is an improvement over the one considered by this body last year and makes necessary corrections in the existing law. I urge its passage.●

● Mr. SHANNON. Mr. Chairman, the two main problems in the health care industry are: First, cost and second, accessibility. Our health care costs have reached a staggering 8.8 percent of the GNP and over $165 billion a year. Yet, with over $750 a year being spent for each person in the United States, many millions of Americans have poor quality, clinic care and/or little care.

The National Health Planning and Development Act was enacted to address these problems. Health Systems Agencies look at the health care industry as a system of limited resources. They plan in order to find the best and most equitable way to distribute these limited resources.

In the few years since 1974, when this bill was passed, even if this program only succeeded in setting up the organization necessary to carry out the goals of the bill, it would have been an achievement. But, much more than this happened. I can assure you of this as I was once counsel to a HSA. In the 2-year period from 1976 to 1978, Health Systems Agencies approved $8.3 billion in capital expenditures or necessary, efficient, quality investments. They denied another $2.3 billion in extravagant expenses. They negotiated away another $1.2 billion in excess expenses. When I say "negotiated away" I mean that they suggested ways to cut expenses in various areas of medical expenses during the certificate of need process. This role of identifying waste is vital if they are to help the health care system make cuts which retain the quality of medicine.

Health Systems Agencies have also approached the other main area of concern in health care: access. For instance, one Southern HSA assisted in the successful recruitment of two doctors for two medically underserved counties. One Northeast HSA helped in the establishment of a county hypertension screening program. Another agency, in the Midwest, helped in establishing a geriatrics program in medical school. The list continues.

It is certainly true that this act has had some problems in its implementation. But, this social experiment has been largely a grand success.

Some of the amendments in the current bill will serve to better these agencies, such as by increasing the role of the State governments. Others, such as the one which excludes all prepaid health plans will severely weaken the agencies. But, I am in favor of the current bill, without any further weakening changes, so that we may make a swift statement of support for this program which helps medicine to serve more people in a more efficient manner with higher quality for all.●

Mr. WAXMAN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

H.R. 3917

[Report No. 96-190]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES TO PUBLIC HEALTH SERVICE ACT; AND TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Health Planning and Resources Development Amendments of 1979".

(b) Whenever in this Act (other than in subsections (j) and (k) of section 115) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

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TITLE I—REVISION OF HEALTH PLANNING AUTHORITY

REVISION AND REPORTING ON NATIONAL GUIDELINES FOR HEALTH PLANNING

SEC. 101. (a) (1) Section 1501 is amended (A) by striking out "and shall, as he deems appropriate, by regulation revise such guidelines" in subsection (a), and (B) by adding after subsection (c) the following:

"(d) The Secretary shall, on an annual basis, review the standards and goals included in the guidelines issued under subsection (a). In conducting such a review, the Secretary shall review the health systems plans and annual implementation plans of health systems agencies and State health plans. If the Secretary proposes to revise a guideline issued under subsection (a), he shall make such revision by regulations promulgated in accordance with section 553 of title 5, United States Code.

"(e) (1) The Secretary shall collect data to determine whether the health care delivery systems meet or are changing to meet the standards and goals included in the guidelines issued under subsection (a) and to determine the personnel, facilities, and other resources needed to meet such standards and goals. The Secretary shall prescribe (A) the manner in which such data shall be assembled and reported to the Secretary by health systems agencies, State health planning and development agencies, and other entities, and (B) the definitions which shall be used by such agencies and entities in assembling and reporting such data.

"(2) The Secretary shall from the data collected under paragraph (1) periodically make public a (A) statement of the relationship between such standards and goals and the status of the supply, distribution, and organization of health resources with respect to which such standards and goals were established, and (B) summary of changes (either through additions or reductions) in resources needed to meet such standards and goals.".

Subsection (c) of section 1501 is amended by striking out "In issuing guidelines under subsection (a) the Secretary shall" and inserting in lieu thereof "At least 45 days before the initial publication of a regulation proposing a guideline under subsection (a) or a revision under subsection (d) of such a guideline, the Secretary shall, with respect to such proposed guideline or revision,".

(b) (1) Section 1513(b) (1) is amended by adding after and below subparagraph (F) the following:

"The agency shall also assemble and report to the Secretary such data (including data on the personnel, facilities, and other resources needed to meet the goals set forth in the agency's health system plan) as the Secretary may require to carry out his responsibilities under section 1501(e). The Secretary may not require the assembling and reporting of data under this paragraph which is regularly collected by any entity of the Department of Health, Education, and Welfare under a provision of law other than this title.".

(2) Section 1522(b) (10) is amended by inserting after "require the State agency to" the following: "(A) assemble and report to the Secretary data (other than data which is regularly collected by any entity of the Department of Health, Education, and Welfare under a provision of law other than this title) which the Secretary may require to carry out his responsibilities under section 1501(e), including data on the personnel, facilities, and other resources needed to meet the goals set forth in the State health plan, and (B)".

NATIONAL HEALTH PRIORITIES; NATIONAL COUNCIL ON HEALTH PLANNING AND DEVELOPMENT

SEC. 102. (a) (1) Section 1502 is amended by adding at the end the following:

"(11) The identification and discontinuance of duplicative or unneeded services and facilities.

"(12) The adoption of policies which will (A) contain the rapidly rising costs of health care delivery, (B) insure more appropriate use of health care services, and (C) promote greater efficiency in the health care delivery system.

"(13) The elimination of inappropriate placement in insititutions of persons with mental health problems and the improvement of the quality of care provided those with mental health problems for whom institutional care is appropriate.

"(14) Assurance of access to community mental health centers and other mental health care providers for needed mental health services to emphasize the provision of outpatient as a preferable alternative to inpatient mental health services.".

(2) Section 1502(9) is amended by inserting before the period the following: "and the development and use of cost saving technology".

(b) The fourth sentence of section 1503(b) (1) is amended by inserting after "Federal Government," the following: "not less than one shall be an administrator of a private hospital,".

THE ROLE OF COMPETITION IN THE ALLOCATION OF HEALTH SERVICES

SEC. 103. (a) Section 1502 is amended (1) by inserting "(a)" after "1502.", and (2) by adding at the end the following:

"(b) (1) The Congress finds that extensive coverage by public and private health insurance of health services, particularly of inpatient health services, and the prevailing methods of paying for health services through health insurance have—

"(A) resulted in individuals making decisions respecting their use of those health services without regard to the price of the health services,

"(B) diminished the effect of the market forces of supply and demand on decisions of providers respecting the supply of those health services and the facilities through which they would be provided, and

"(C) consequently encouraged duplication and excess supply of certain health services and facilities, particularly in the case of inpatient health services, and have encouraged excessive use of health services and facilities.

"(2) For health services, such as inpatient health services and other institutional health services, for which the market forces of supply and demand do not or will not appropriately allocate supply because of the effects described in paragraph (1) of health insurance coverage and the methods of paying for health care under insurance, health systems agencies and State health planning and development agencies should in the exercise of their functions under such title XV take actions to allocate the supply of such services.

"(3) For the health services for which the market forces of supply and demand appropriately allocate or will appropriately allocate supply, health systems agencies and State health planning and development agencies should in the performance of their functions under title XV of the Public Health Service Act give priority to actions which would strengthen the effect of such forces on the supply of such services.".

(b) Section 1513(a) is amended (1) by striking out "and" at the end of paragraph (3), (2) by inserting "and" at the end of paragraph (4), and (3) by adding after paragraph (4) the following:

"(5) strengthening in accordance with section 1502(b) the effect of the market forces of supply and demand on the supply of health services,".

(c) Section 1532(c) is amended by adding at the end the following:

"(10) In accordance with section 1502(b), the factors which affect the effect of the market forces of supply and demand on the health services being reviewed.".

DESIGNATION OF HEALTH SERVICE AREAS

SEC. 104. (a) The first sentence of section 1511(b) (4) is amended by striking out "if he determines that a boundary for a health service area no longer meets the requirements of subsection (a), he may revise the boundaries" and inserting in lieu thereof the following: "if he determines, after providing reasonable opportunity for a public hearing—

"(A) that a health service area does not meet the requirement of paragraph (1) of subsection (a) relating to effective planning and development of health services, and

"(B) revision of the boundaries would establish an area which meets such requirement and which better meets at least one other requirement of such subsection,

he may revise the boundaries".

(b) Section 1511(c) is repealed.

(c) (1) (A) Section 1536(a) is amended by inserting "the Commonwealth of Puerto Rico," before "the Virgin Islands".

(B) Section 1531(1) is amended by striking out "and the Commonwealth of Puerto Rico".

(2) The amendments made by paragraph (1) shall apply on and after the date the designation agreements (under section 1515 of the Public Health Service Act) in effect on the date of the enactment of this Act for the health systems agencies in the Commonwealth of Puerto Rico expire.

DESIGNATION OF HEALTH SYSTEMS AGENCIES

SEC. 105. (a) Section 1515(b) (4) is amended by striking out the last sentence and inserting in lieu thereof: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor for approval. When the Secretary enters into an agreement with an entity under paragraph (1), the Secretary shall notify the Governor of the State in which such entity is located of such agreement.".

(b) The last sentence of section 1515(c) (2) is amended to read as follows: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor for approval.".

(c) Section 1515(c) is amended by adding after paragraph (3) the following:

"(4) Before renewing an agreement with a health systems agency under this subsection, the Secretary shall provide the State health planning and development agency of the State in which the health systems agency is located an opportunity to comment on the performance of such agency and to provide a recommendation on whether such agreement should be renewed and whether its renewal should be made subject to conditions as authorized by paragraph (3).

"(5) If the Secretary enters into an agreement under this subsection with an entity or renews such an agreement, the Secretary shall notify the Governor of the State in which such entity is located of the agreement, its renewal, and, if any conditions have been imposed under paragraph (3), such conditions.".

(d)(1)(A) Paragraphs (1) and (3) of section 1515(c) are each amended by striking out "twelve months" and inserting in lieu thereof "thirty-six months".

(B) The amendments made by subparagraph (A) shall take effect with respect to designation agreements entered into under section 1515(c) of the Public Health Service Act after the date of the enactment of this Act.

(2) Section 1515(c)(1) is amended—

(A) by inserting "(A)" after "(c)(1)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the entity is not complying with the provisions of such agreement.", and

(D) by adding at the end the following:

"(B) Before the Secretary may terminate, under subparagraph (A)(ii), an agreement with an entity for designation as the health systems agency for a health service area, the Secretary shall—

"(i) consult with the Governor and the Statewide Health Coordinating Council of each State in which is located the health service area respecting the proposed termination,

"(ii) give the entity notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the entity is not in compliance with the agreement, and (II) the actions that the entity should take to come into compliance with the agreement, and

"(iii) provide the entity with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice. The Secretary may not terminate such an agreement before consulting with the National Council on Health Planning and Development respecting the proposed termination.

(e) Section 1515(c) (as amended by subsection (d)) is amended by adding after clause (ii) of paragraph (1)(A) the following: "A designation agreement under this subsection may be terminated by the Secretary before the expiration of its term if the health service area with respect to which the agreement was entered into is revised under section 1511(b)(4) and the Secretary determines, after consultation with the Governor of each State in which the health service area (as revised) is located, that the health system agency designated under such agreement cannot effectively carry out the agreement for the area (as revised). In terminating an agreement under the preceding sentence, the Secretary may provide that the termination not take effect before an agreement for the designation of a new agency takes effect and shall provide the agency designated under the agreement to be terminated an opportunity to terminate its affair in a satisfactory manner.".

(f) Section 1514 is amended by striking out "(including entities" through "section 304)".

(g) Section 1515(d) is amended (1) by inserting "agreement" after "If a designation", and (2) by inserting "or is not renewed" after "prescribed for its expiration".

PLANNING GRANTS

SEC. 106. (a) Section 1516 is amended by redesignating subsection (c) as subsection (d) and by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The amount of any grant under subsection (a) to a health systems agency designated under section 1515(b) shall be determined by the Secretary.

"(c)(1) Except as provided in paragraph (2), the amount of a grant under subsection (a) to a health systems agency designated under section 1515(c) shall be the greater of the amount determined under subparagraph (A), (B), or (C) as follows:

"(A) The amount of a grant to a health systems agency shall be the lesser of—

"(i) if the population of the health service area for which the agency is designated—

"(I) is not over one million, the product of $0.70 and the population of such area,

"(II) is over one million but not over two million, the sum of $700,000 and the product of $0.50 and the population of such area which is over one million, or

"(III) is over two million, the sum of $1,200,000 and the product of $0.30 and the population of such area which is over two million, or

"(ii) $3,750,000.

"(B)(i) If the application of the health systems agency for such grant states that the agency, in its latest fiscal year ending before the period in which such grant will be available for obligation, collected non-Federal funds meeting the requirements of clause (ii) for the purposes for which such grant may be made, the amount of such grant shall be the sum of—

"(I) the amount determined under subparagraph (A) or (C), whichever is applicable, and

"(II) the lesser of the amount of such non-Federal funds or the product of $0.25 and the population of the health service area for which the agency is designated.

"(ii) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by clause (i) shall be funds which are not paid to the agency for the performance of particular services by it and which are otherwise contributed to the agency without conditions as to their use other than the condition that the funds shall be used for the purposes for which a grant made under this section may be used.

"(C) The amount of a grant to a health systems agency may not be less than—

"(i) in the case of a grant made in the fiscal year ending September 30, 1979, $175,000 and, to the extent appropriations are specifically made after the date of the enactment of the Health Planning and Resources Development Amendments of 1979 to provide the additional amount authorized by this clause, an amount which bears the same ratio to $25,000 as the number of days beginning in the period beginning on such date of enactment and ending on the date of the period for which the grant was made bears to 365,

"(ii) $200,000 in the case of a grant made in the fiscal year ending September 30, 1980,

"(iii) $215,000 in the case of a grant made in the fiscal year ending September 30, 1981, and

"(iv) $230,000 in the case of a grant made in any succeeding fiscal year.

"(2) If the Secretary determines, after review of the budget of a health systems agency and after consultation with the State health planning and development agency of the State in which such agency is located, that the amount of a grant which is to be made to the agency in accordance with paragraph (1) is in excess of the amount needed by the agency to adequately perform its functions under its designation agreement, the amount of the grant to the agency shall be such amount as the Secretary determines the agency needs for the performance of such functions.".

(b) Subsection (d) (as so redesignated) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Of the amount appropriated under paragraph (1) for any fiscal year, the Secretary may use not more than 5 per centum of such amount to increase the amount of a grant in such fiscal year to a health systems agency under subsection (a) to assist the agency in meeting extraordinary expenses (including extraordinary expenses resulting from the agency's health systems area being located in more than one State or from the agency serving a large health service area) which would not be covered under the amount of the grant that would be available to the agency under subsection (c).

"(3) Notwithstanding subsection (c)(1), if the total of the amounts appropriated under paragraph (1) for any fiscal year (reduced by the amount to be retained by the Secretary for use under paragraph (2)) is less than the amount required to make grants to each health system agency designated under section 1515(c) in the amount prescribed for such agency by subparagraph (A), (B), or (C) of such subsection, the Secretary shall make a pro rata reduction in the amount of the grant to each such agency, but, to the extent of available appropriations, no such agency shall receive a grant in an amount less than the amount prescribed by such paragraph (C) for such fiscal year.".

(c) The second sentence of section 1516(a) is amended by inserting "(including submission of the health systems agency's budget)" after "such conditions".

CARRYOVER OF GRANT FUNDS

SEC. 107. (a)(1) The second sentence of section 1516(a) is amended by striking out ", and shall be available for obligation" and all that follows in such sentence and inserting in lieu thereof a period.

(2) Such section is amended by inserting after the second sentence the following: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, except that (1) no funds under any grant to an agency may be obligated in any period in which a designation agreement is not in effect for such agency, and (2) notwithstanding clause (1), a grant made to a conditionally designated entity with which the Secretary will not enter into a designation agreement under section 1515 (c) shall be available for obligation for such additional period as the Secretary determines such entity will require to satisfactorily terminate its activities under the agreement for its conditional designation.".

(b) The second sentence of section 1525(a) is amended to read as follows: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, but no funds under any grant to a State Agency may be obligated in any period in which a designation agreement is not in effect for such State Agency.".

(c) Section 1526(c) is amended (1) by striking out "(1) such a grant" and all that follows through "(2)", and (2) by inserting at the end the following: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, but no funds under any grant to a State Agency may be obligated in any period in which a designation agreement is not in effect for such State Agency.".

MEMBERSHIP REQUIREMENTS

SEC. 108. (a)(1) Clause (i) of section 1512 (b)(3)(C) is amended by (A) inserting "(I)" after "shall be", and (B) by striking out all after "providers of health care" and inserting in lieu thereof ", (II) shall include individuals representing the principal social, economic, linguistic, handicapped, and racial populations and geographic areas of the health service area and major purchasers of health care (including labor organizations) in the area.".

(2) The first sentence of section 1512(b)(3)(C)(ii) is amended (A) by striking out "residents of" and inserting in lieu thereof "residents of, or have their principal place of business in,", (B) in subclause(I), by inserting "podiatrists, physician assistants," after "optometrists,", and (C) by striking out subclauses (II), (III), (IV), and (V) and inserting in lieu thereof the following: "(II) hospitals and other health care institutions (such as facilities for long-term care, rehabilitation facilities, and health maintenance organizations), (III) if the health service area contains one or more accredited schools of medicine, the dean of at least one such school, (IV) health professional schools (other than schools of medicine if such schools are represented pursuant to subclause (III)), (V) the allied health professions, (VI) health care insurers, and (VII) other providers of health care as defined in section 1531(3).".

(3) The second sentence of section 1512(b)(3)(C)(ii) is amended (A) by striking out "one-third" and inserting in lieu thereof "one-half", and (B) by inserting before the period at the end the following: "and of such direct providers of health care, at least one shall be a person engaged in the administration of a hospital".

(b)(1) Section 1512(b)(3)(C)(iii) is amended by redesignating subclauses (II) and (III) as subclauses (IV) and (V), respectively, and by striking out subclause (I) and inserting in lieu thereof the following:

"(I) include (either through consumer or provider members) public elected officials and other representatives of general purpose local governments in the agency's health service area.

"(II) include (either through consumer or provider members) representatives of public and private agencies in the area concerned with health,

"(III) include (through consumer and provider members) individuals who are knowledgeable about mental health services (including services for substance abuse),".

(2) Subclause (IV) (as so redesignated) of such section is amended (A) by striking out "is equal" and inserting in lieu thereof "is at least equal", and (B) by striking out "and" at the end.

(3) Such section is amended by striking out subclause (V) (as so redesignated) and inserting in lieu thereof the following:

"(V) if the health systems agency serves an area in which there is located one or more hospitals or other health care facilities of the Veterans' Administration, include as an ex officio member, an individual whom the Chief Medical Director of the Veterans' Administration shall have designated for such purpose, and

"(VI) if the agency serves an area in which there is located one or more qualified health maintenance organizations (within the meaning of section 1310), include at least one member who is representative of such organizations.".

(c) Section 1512(b)(3)(C) is amended by inserting after and below clause (iv) the following:

"A member of a governing body or other entity appointed pursuant to clause (iii)(V) shall not be considered in determining the number of members of the governing body for purposes of the numerical limit prescribed by subparagraph (A).".

(d)(1) Section 1512(b)(3)(C)(i) is amended by striking out "who are not (nor within the twelve months preceding appointment been) providers of health care" and inserting in lieu thereof "who are not providers of health care and have not within the twelve months preceding appointment been direct providers of health care (as defined in section 1531(3)(A))".

(2) Section 1531(3) is amended to read as follows:

"(3) The term 'provider of health care' means an individual—

"(A) who is a direct provider of health care (including a physician, dentist, nurse, podiatrist, optometrist, physician assistant, or ancillary personnel employed under the supervision of a physician) in that the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions (including hospitals, long-term care facilities, rehabilitation facilities, substance abuse treatment facilities, outpatient facilities, and health maintenance organizations) in which such care is provided and, when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration;

"(B) who holds a fiduciary position with, or has a fiduciary interest in, any entity described in clause (ii) or (iv) of subparagraph (C) other than an entity described in such clause which is also an entity described in section 501(c)(3) of the Internal Revenue Code of 1954 and which does not have as its primary purpose the delivery of health care, the conduct of research, the conduct of instruction for health professionals, or the production of drugs or articles described in clause (iii) of subparagraph (C);

"(C) who receives (either directly or through his spouse) more than one-third of his gross annual income from any one or combination of—

"(i) fees or other compensation for research into or instruction in the provision of health care,

"(ii) entities engaged in the provision of health care or in research or instruction in the provision of health care,

"(iii) producing or supplying drugs or other articles for individuals or entities for use in the provision of or in research into or instruction in the provision of health care, or

"(iv) entities engaged in producing drugs or such other articles;

"(D) who is the spouse of an individual described in subparagraph (A), (B), or (C); or

"(E) who is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.".

(e) Section 1512(b)(3)(C)(iv) is amended by adding before the period at the end a comma and the following "except that appointments shall be made to such subcommittees and groups in such a manner that a majority of their members shall be consumers of health care".

GOVERNING BODY SELECTION

Sec. 109. Section 1512(b)(3) is amended by adding after subparagraph (C) the following new subparagraph:

"(D) Selection.—Each health systems agency shall establish a process for the selection of the members of its governing body which process, to the extent permitted by the State law applicable to the incorporation of the agency, is designed to assure that (i) such members are selected in accordance with the requirements of subparagraph (C), (ii) there is the opportunity for broad participation in such process by the residents of the health service area of the agency, and (iii) the participation of such residents will be encouraged and facilitated. Each agency shall make public such process and report it to the Secretary.".

RESPONSIBILITIES OF GOVERNING BODIES

Sec. 110. (a) Section 1512(b)(3)(B)(i) is amended to read as follows:

"(i) shall be responsible for—

"(I) the internal affairs of the health systems agency, including matters relating to the staff of the agency and the agency's budget, except that the governing body for health planning of an agency which is a public regional planning body or unit of general local government shall not be responsible for the establishment of personnel rules and practices for the staff of the agency or for the agency's budget unless authorized by the planning body or unit of government, and

"(II) procedures and criteria developed and published pursuant to section 1532 and applicable to its functions under subsections (e), (f), and (g) of section 1513;".

(b) Section 1512(b)(3)(A) is amended (1) by striking out "have a governing body for health planning, which is established in accordance with subparagraph (C)," and inserting in lieu thereof "appoint a governing body for health planning in accordance with subparagraph (C)", (2) by striking out "which has exclusive" and inserting in lieu thereof "which shall have exclusive", and (3) by striking out "not more than twenty-five members" and inserting in lieu thereof "not less than ten members and of not more than thirty members".

(c) Section 1512(b)(3)(B)(iv) is amended by striking out "(g), and (h)" and inserting in lieu thereof "and (g)".

(d)(1) Paragraph (4) of section 1512(b) is amended to read as follows:

"(4) Liability.—

"(A) In general.—Except as provided in subparagraph (B)—

"(i) a health systems agency shall not, by reason of the performance of any duty, function, or activity, required of, or authorized to be undertaken by, the agency under this title, be liable for the payment of damages under any law of the United States or any State (or political subdivision thereof) if the member of the governing body of the agency or employee of the agency who acted on behalf of the agency in the performance of such duty, function, or activity acted within the scope of his duty, function, or activity, as such a member or employee, exercised due care, and acted without malice toward any person affected by his performance; and

"(ii) no individual member of the governing body of a health systems agency or employee of a health systems agency shall, by reason of his performance on behalf of the agency of any duty, function, or activity required of, or authorized to be undertaken by, the agency under this title, be liable for the payment of damages under any law of the United States or any State (or political subdivision of a State) if he acted within the scope of his duty, function, or activity as such a member or employee, exercised due care, and acted without malice toward any person affected by his performance.

"(b) Exception.—Subparagraph (A) does not apply with respect to civil actions for bodily injury to individuals or physical damages to property brought against a health systems agency or any member of the governing body of or employee of such an agency.".

MEETINGS AND RECORDS

Sec. 111. (a) Section 1512(b)(3)(B)(viii) is amended by striking out "conduct its business meetings in public" and inserting in lieu thereof "hold in public meetings to conduct the business of the agency (other than any part of a meeting in which it is likely, as determined by the governing body, that information of a personal nature will be disclosed and such a disclosure would constitute a clearly unwarranted invasion of personal privacy or that information relating to the agency's participation in a judicial proceeding will be disclosed)", and (2) by striking out "its records and data" and insering in lieu thereof "records and data of the agency (other than personnel and medical and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy and records or data of the agency relating to its participation in a judicial proceeding)".

(b) Section 1522(b)(6) is amended (1) by inserting after "State Agency" the following: ", in accordance with applicable State law," and (2) by striking out "conduct its business meetings in public" and inserting in lieu thereof "hold in public meetings to conduct the business of the State Agency".

(c) Section 1512(b)(6) is amended by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D) and by adding before subparagraph (B) (as so redesignated) the following:

"(A) provide that any executive committee of the agency and any entity appointed by the governing body or executive committee of the agency shall (i) hold in public meetings to conduct the business of the committee or entity (other than any part of a meeting in which it is likely, as determined by the executive committee or entity, that information of a personal nature will be disclosed and such disclosure would constitute a clearly unwarranted invasion of personal privacy or that information relating the agency's participation in a judicial proceeding will be disclosed), and (ii) give adequate notice of its meetings to those persons who have requested such notice;".

SUPPORT AND REIMBURSEMENT FOR MEMBERS OF GOVERNING BODIES

Sec. 112. (a) Section 1512(b)(3) is amended by adding after subparagraph (D) (added by section 109 of this Act) the following new subparagraph:

"(E) Support.—Each health systems agency shall have an identifiable program of providing assistance to the members of its governing body, executive committee (if any), and any entity appointed by the governing body or executive committee in making decisions for the agency, and shall include in such program means to determine the support needs of the members and to provide for meeting those needs (including the provision of training and continuing education).".

(b) Section 1512(b)(3)(B)(vi) is amended by striking out "reimburse" and by inserting in lieu thereof "reimburse (or when appropriate make advances to)".

(c) Section 1512(b)(2)(A) is amended by adding at the end the following: "At least one member of the staff shall be designated to have the responsibility of providing the members of the governing body of an agency with such information and technical assistance as they may require to effectively perform their functions.".

CONFLICTS OF INTEREST

Sec. 113. (a) Section 1512(b)(3) is amended by adding after subparagraph (E) (added by section 112 of this Act) the following new subparagraph:

"(F) Conflicts of interest.—No member of a governing body, executive committee, or entity appointed by a governing body, or executive committee may, in the exercise of any function of the agency described in subsection (e), (f), or (g) of section 1513, vote on any matter before the governing body, executive committee, or any such entity respecting any individual or entity with which such member has any substantial ownership, employment, fiduciary, contractual, creditor, or consultative relationship. A governing body, executive committee, and any entity appointed by a governing body or executive committee shall require each of its members who has or has had such a relationship with an individual or entity involved in any matter before the governing body, committee, or entity to make a written disclosure of such relationship before any action is taken by the body, committee, or entity with respect to such matter in the exercise of any function of the agency described in section 1513 and to make such relationship public in any meeting in which such action is to be taken.".

(b) Section 1524 is amended by adding at the end the following new subsection:

"(d) No member of any SHCC may, in the exercise of any function of the SHCC described in subsection (c)(6), vote on any matter before the SHCC respecting any individual or entity with which such member has any substantial ownership, employment, fiduciary, contractual, creditor, or consultative relationship. Each SHCC shall require each of its members who has or has had such a relationship with an individual or entity involved in any matter before the SHCC to make a written disclosure of such relationship before any action is taken by the SHCC with respect to such matter in the exercise of any function under subsection (c) and to make such relationship public in any meeting in which such action is to be taken.".

STAFF EXPERTISE

Sec. 114. The first sentence of section 1512(b)(2)(A) is amended (1) by striking out "and" after "health planning,", and (2) by inserting before the period a comma and the following: "(v) to the extent feasible, financial and economic analysis, and (vi) to the extent feasible, prevention of disease and other public health matters".

HEALTH PLAN REQUIREMENTS

Sec. 115. (a) Section 1524(c)(1) is amended by striking out "Review" and inserting in lieu thereof "Establish a uniform format for HSP's and review".

(b) Section 1513(b)(2) is amended (1) by striking out "establish" in the first sentence and inserting in lieu thereof "establish (in accordance with the format established pursuant to section 1524(c)(1))", and (2) by inserting after the first sentence the following: "The HSP of the agency shall include goals for the delivery of mental health services in its health service area which goals shall be developed under a procedure under which persons (acting as an advisory group or subcommittee appointed by the agency or, if the agency requests and is authorized by order of the Secretary to use an existing group, acting as part of such a group) knowledgeable about such services (including services for substance abuse) will be consulted with respect to such goals.".

(c)(1)(A) Section 1523(a)(1) is amended by inserting "(A)" after "(1)" and by inserting before the period a comma and the following: "and (B) determine the statewide health needs of the State after providing reasonable opportunity for the submission of written recommendations respecting such needs by the State health authority, the State mental health authority, and other agencies of the State government, designated by the Governor for the purpose of making such recommendations, and after consulting with the Statewide Health Coordinating Council".

(B) Section 1523(a)(2) is amended (i) by striking out "statewide health needs" and inserting in lieu thereof "statewide health needs determined under paragraph (1)(B)", and (ii) by inserting after the first sentence the following: "In carrying out its functions under this paragraph, the State Agency shall refer the HSP's to the State health authority, the State mental health authority, and other agencies of the State government (designated by the Governor to make the review prescribed by this sentence) to review the goals and related resource requirements of the HSP's and to make written recommendations to the State Agency respecting such goals and requirements.".

(C) Subsection (a) of section 1523 is amended by adding after and below the last paragraph the following: "If in determining the statewide health needs under paragraph (1)(B) or in preparing or revising a preliminary State health plan under paragraph (2) the State Agency does not take an action proposed in a recommendation submitted under the applicable paragraph, the State Agency shall when publishing such needs or health plan make available to the public a written statement of its reasons for not taking such action.".

(D) Section 1524(c)(2) is amended (i) by inserting "as determined by the State Agency of the State" after "statewide health needs" each place it occurs, and (ii) by inserting at the end of subparagraph (B) the following: "If in preparing or revising the State health plan the SHCC does not take an action proposed in a recommendation submitted under section 1523(a)(1)(B), the SHCC shall when publishing such plan make available to the public a written statement of its reasons for not taking such action.".

(2) Section 1513(b)(2) is amended (A) by striking out "and" after "resources of the area;", (B) by striking out "resources" and inserting in lieu thereof "resources (including entities described in section 1532(c)(7))", and (C) by inserting before the period at the end of the first sentence a semicolon and the following: "and (D) which are responsive to statewide health needs as determined by the State health planning and development agency".

(d) Section 1513(b)(2) is amended (1) by striking out "establishing" in the second sentence and inserting in lieu thereof "establishing or revising", and (2) by inserting after the sentence added by subsection (b) the following: "The HSP shall also include a statement of changes (through increases or reductions, or both) in personnel, facilities, and other resources which the agency determines are required to meet the goals set forth in the preceding sentence. The health systems agency may identify in such a statement of changes any health care facility which provides inpatient health services and which the agency determines should undertake such changes.".

(e) Section 1513(b)(3) is amended by adding at the end the following "The AIP shall include a statement of changes (through increases or reductions, or both) in personnel, facilities, and other resources which the agency determines are required to meet the objectives described pursuant to the first sentence. The health systems agency may identify in such a statement of changes any health care facility which provides inpatient health services and which the agency determines should undertake such changes. If the health systems agency is a public regional planning body or unit of general local government, the planning body or unit of government shall be given a reasonable opportunity to comment on the proposed AIP and to propose additions to and other revisions in it. Any such proposed additions or other revisions not included in the AIP approved by the agency shall be appended to the AIP. Before establishing or revising an AIP, the agency shall conduct a public hearing on the proposed AIP and shall give interested persons an opportunity to submit their views orally and in writing. Not less than thirty days prior to such hearing, the agency shall publish in at least two newspapers of general circulation throughout its health service area a notice of its consideration of the proposed AIP, the time and place of the hearing, the place at which interested persons may review the AIP in advance of the hearing, and the place and period during which to submit written comments to the agency on the AIP.".

(f) Section 1513(b)(4) is amended to read as follows:

"(4) If a health service area includes an area under the jurisdiction of an Indian tribe or an Alaska Native Village, the establishment of an HSP and AIP under this subsection for such health service area does not affect the authority of such tribe or Village to establish and carry out a health plan for the Indian health programs in the area under its jurisdiction; and if such tribe or Village establishes such a health plan, such plan shall be included in the HSP for such health service area.".

(g) (1) Section 1513(b) (2) (C) is amended by striking out "and is consistent with".

(2) Section 1513(b) (2) is amended by adding at the end the following: "If the health systems agency is a public regional planning body or unit of general local government, the planning body or unit of government shall be given a reasonable opportunity to comment on the proposed HSP and to propose additions to and other revisions in it. Any such proposed additions or other revisions not included in the HSP approved by the agency shall be appended to the HSP. Each health systems agency shall make its HSP available to the State health planning and development agency of each State in which the health service area of the health systems agency is located for inclusion in the preliminary State health plan to be prepared under section 1523(a) (2) and, if the goals contained in the HSP are not consistent with guidelines issued by the Secretary under section 1501, it shall provide the State agency with a detailed statement of the reasons for the inconsistency between such goals and guidelines. When making such HSP available to a Statewide Health Coordinating Council under section 1524(c) (2) (A), the agency shall also report such statement to such Council.".

(h) Section 1524(c) (2) is amended by adding at the end the following:

"(C) The State health plan or any revised State health plan approved by the SHCC shall be the State health plan for the State for purposes of this title unless, within sixty days from the date the plan was approved, the Governor of the State disapproves the plan. The State health plan for a State may be disapproved by the Governor of the State only if the Governor determines that the plan does not effectively meet the statewide health needs of the State as determined by the State Agency for the State. In disapproving a State health plan, a Governor shall make public a detailed statement of the basis for the determination that the plan does not meet such needs and shall specify the changes in the plan which the Governor determines are needed to meet such needs. Subparagraph (B) does not apply to the preparation of revisions of a State health plan disapproved by a Governor.

"(D) In carrying out its functions with respect to the goals and resource requirements for mental health services of the State health plan, the SHCC may establish a procedure under which persons (acting as or as part of an advisory group or subcommittee appointed by the SHCC) knowledgeable about mental health services (including services for substance abuse) will have the opportunity to make recommendations to the SHCC respecting such services.

"(E) The State health authority, the State mental health authority, and other agencies of the State government, designated by the Governor, shall carry out those parts of the State health plan which relate to the government of the State.".

(i) (1) The first sentence of section 1513 (b) (2) is amended by striking out "annually" and inserting in lieu thereof "biennially".

(2) The first sentence of section 1523(a) (2) and the first sentence of section 1524(c) (2) (A) are each amended by striking out "and review and revise as necessary (but at least annually)" and inserting in lieu thereof ", review at least biennially, and revise as necessary".

(3) Section 1524(c) (1) is amended by striking out "review annually and coordinate the HSP and AIP" and inserting in lieu thereof "review and coordinate at least biennially the HSP and review and coordinate at least annually the AIP".

(j) (1) Section 303(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by adding after and below paragraph (16) the following: "Such plan shall be consistent with the State health plan in effect for such State under section 1524(c) of the Public Health Service Act.".

(2) Section 409(e) of the Drug Abuse Office and Treatment Act of 1972 is amended by adding after and below paragraph (13) the following: "Such plan shall be consistent with the State health plan in effect for such State under section 152(c) of the Public Health Service Act.".

(k) (1) Subsection (a) of section 206 of the Community Mental Health Centers Act is amended to read as follows:

"(a) No grant may be made under this part to any entity or community mental health center in any State for a fiscal year ending after September 30, 1981, unless a State health plan meeting the requirements of section 1524 of the Public Health Service Act is in effect for such State.".

(2) (A) Subsection (a) of section 222 of such Act is amended by striking out "pursuant to a State plan approved under section 237."

(B) Paragraphs (2) and (3) of section 222(b) of such Act are amended to read as follows:

"(2) the Secretary finds that the application meets the applicable requirements of subsection (a); and

"(3) the Secretary finds that the application has been approved and recommended by the State agency and is entitled to priority over other projects within the State as determined by the State agency.".

(3) (A) Subsection (c) (1) of section 223 of such Act is amended (i) by striking out "with the provisions required by section 237 to be a State plan or" in subparagraph (A), (ii) by striking out subparagraph (D), (iii) by inserting "or" at the end of subparagraph (B), and (iv) by striking out "; or" at the end of subparagraph (C) and inserting in lieu thereof a comma.

(B) Section 223(c) (2) (B) of such Act is amended by striking out "(C), or (D)" and inserting in lieu thereof "or (C)".

(4) Section 224(2) of such Act is amended by striking out "or 237(c)".

(5) Section 227(a) of such Act is amended by striking out "(with State plans approved under section 237)" and inserting in lieu thereof "(with State health plans in effect under section 1524 of the Public Health Service Act after September 30, 1981)".

(6) Section 235(2) of such Act is amended by striking out "section 314(d)" and inserting in lieu thereof "section 314(g)".

(7) Section 236 of such Act is amended (A) in paragraph (1), by striking out "(A)" and ", or (B)" and all that follows in that paragraph through "hospital", (B) by striking out paragraph (3), (C) by inserting "and" at the end of paragraph (1), and (D) by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period.

(8) Section 237 of such Act is amended to read as follows:

"STATE MENTAL HEALTH AUTHORITY

"SEC. 237. (a) The State mental health authority shall—

"(1) establish minimum standards for the maintenance and operation of community mental health services, including services provided through community mental health centers, which receive financial assistance under this title and provide for the enforcement of such standards and shall insure that the assistance provided under this title is in furtherance of the State health plan in effect for the State under section 1524 of the Public Health Service Act;

"(2) establish a program for community mental health centers within the State (A) which is based on a statewide inventory of existing facilities and the need for the comprehensive mental health services described in section 201(b); (B) which shall provide for adequate community mental health centers to furnish needed services for persons unable to pay therefor; (C) which is consistent with the State health plan in effect for such State under section 1524(c); and (D) which conforms with regulations prescribed by the Secretary under section 236;

"(3) set forth the relative need, determined in accordance with regulations prescribed under section 236, for the projects included in a program described in paragraph (2); and

"(4) make such reports in such form and containing such information as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(b) The State mental health authority shall designate a State advisory council to consult with it in carrying out its functions under this title and title XV of the Public Health Service Act. Such council shall include (1) representatives of entities concerned with the planning, operation, or use of community mental health services, including the services provided through community health centers, and other mental health facilities, and (2) representatives of consumers and providers of the services of such facilities who are familiar with the need for such services. A majority of the members of such council shall be individuals who are not providers of health care (as defined in section 1531(3) of the Public Health Service Act).".

(9) Section 314(g) (2) (D) (iv) of the Public Health Service Act is amended by striking out "a plan" and inserting in lieu thereof "a plan which is consistent with the State health plan in effect for the State under section 1524(c) and".

CRITERIA AND PROCEDURES FOR REVIEWS

SEC. 116. (a) (1) The first sentence of section 1532(a) is amended (A) by striking out "; and in performing" and inserting in lieu thereof "; in performing", and (B) by inserting before the period a semicolon and the following: "and in performing its review functions a Statewide Health Coordinating Council shall (except to the extent approved by the Secretary) follow procedures and apply criteria developed and published by the Council in accordance with regulations of the Secretary".

(2) The second sentence of such section is amended by striking out "and States Agencies" and inserting in lieu thereof ", State Agencies, and Statewide Health Coordinating Councils".

(b) (1) Subsections (b) and (c) of section 1532 are each amended—

(A) by striking out "agency and State Agency" each place it occurs (other than in paragraph (11) of subsection (b)) and inserting in lieu thereof "agency, State Agency, and Statewide Health Coordinating Council", and

(B) by striking out "agency or State Agency" each place it occurs and inserting in lieu thereof "agency, State Agency, or Statewide Health Coordinating Council".

(2) Subsection (b) (4) of such section is amended by striking out "agency or a State Agency" and inserting in lieu thereof "agency, State Agency, or Statewide Health Coordinating Council".

(3) Section 1532(c) (1) is amended by striking out "HSP and AIP" and inserting in

lieu thereof "HSP, AIP, and State health plan".

(c) Section 1532(a) is amended by adding at the end the following: "Health systems agencies, the State Agency, and, if appropriate, the Statewide Health Coordinating Council within each State shall cooperate in the development of procedures and criteria under this subsection to the extent appropriate to the achievement of efficiency in their reviews and consistency in criteria for such reviews.".

(d) Section 1532(c)(6) is amended to read as follows:

"(6) In the case of health services proposed to be provided—

"(A) the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of such services,

"(B) the effect of the means proposed for the delivery of such services on the clinical needs of health professional training programs in the area in which such services are to be provided,

"(C) if such services are to be available in a limited number of facilities, the extent to which the health professions schools in the area will have access to the services for training purposes,

"(D) the availability of alternative uses of such resources for the provision of other health services, and

"(E) the extent to which such proposed services will be accessible to all the residents of the area to be served by such services.".

(e) Section 1532(c) (as amended by section 103(c)) is amended by adding at the end the following:

"(11) In the case of health services or facilities proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities similar to those proposed.".

(f) Section 1532(a) is amended by adding after the sentence added by subsection (c) the following: "The Secretary shall review at least annually regulations promulgated under this section and provide opportunity for the submission of comments by health systems agencies, State Agencies, and Statewide Health Coordinating Councils on the need for the revision of such regulations. At least forty-five days before the initial publication of a regulation proposing a revision in a regulation of the Secretary under this section, the Secretary shall, with respect to such proposed revision, consult with and solicit the recommendations from health systems agencies, State Agencies, and Statewide Health Coordinating Councils."

(g)(1) Section 1532(b)(3) is amended by adding at the end the following: "Each health systems agency, State Agency, and Statewide Health Coordinating Council shall develop procedures to assure that requests for information in connection with a review under this title are limited to only that information which is necessary for the agency, State Agency, or Statewide Health Coordinating Council to perform the review.".

(2) Section 1532(b)(3) is amended (A) by inserting "(A) after "(3)", and (2) by adding at the end the following:

"(B) Each health systems agency, State Agency, and Statewide Health Coordinating Council shall develop procedures to enable any person submitting data to designate data which he believes should not be released to the public and to submit such data separately. If the agency, State Agency, and Statewide Health Coordinating Council proposes to release for inspection any data designated under this paragraph, the agency, State Agency, or Statewide Health Coordinating Council shall notify, in writing and by certified mail, the person who submitted the data of the intent to release the data. The agency, State Agency, or Statewide Health Coordinating Council may not release such data until the expiration of 30 days after the person submitting the data has received the notice required by this paragraph.".

(3) Section 1532(b)(10) is amended by striking out "pertinent" and inserting in lieu thereof "essential".

CERTIFICATE OF NEED PROGRAMS

SEC. 117. (a) Part C of title XV is amended by adding at the end the following:

"CERTIFICATE OF NEED PROGRAM

"SEC. 1527. (a) The certificate of need program required by section 1523(a)(4)(B) shall, in accordance with this section, provide for the following:

"(1) Review and determination of need under such program for—

"(A) major medical equipment and institutional health services, and

"(B) capital expenditures,

shall be made before the time such equipment is acquired, such services are offered, substantial expenditures are undertaken in preparation for such offering, or capital expenditures are obligated.

"(2) The acquisition and offering of only such equipment and services as may be found by the State Agency to be needed; and the obligation of only those capital expenditures found to be needed by the State Agency. The issuance of a certificate of need may not be conditioned upon compliance with a requirement not directly related to a determination of the need for the equipment, service, or expenditure for which the certificate is to be issued.

"(3) An application for a certificate of need for an institutional health service, medical equipment, or capital expenditure shall specify the time the applicant will require to make such service or equipment available or to obligate such expenditure and a timetable for making such service or equipment available or obligating such expenditure. After the issuance of a certificate of need, the State Agency shall review the progress of the holder of the certificate in meeting the timetable specified in the approved application for the certificate. If on the basis of such a review the State Agency determines that the holder of a certificate is not meeting such timetable and is not making a good faith effort to meet it, the State Agency may, after considering any recommendation made by the health systems agency which received a report from the State Agency on such review, withdraw the certificate.

"(4) In issuing a certificate of need, the State shall specify in the certificate the maximum amount of capital expenditures which may be obligated under such certificate. The program shall, in accordance with regulations promulgated by the Secretary, prescribe the extent to which a project authorized by a certificate of need shall be subject to further review if the amount of capital expenditures obligated or expected to be obligated for the project exceed the maximum specified in the certificate of need.

"(5) The program shall provide that each decision of the State Agency not to issue a certificate of need shall, upon request of the person who applied for such certificate, be reviewed under an appeals mechanism consistent with State law governing the practices and procedures of administrative agencies or, if there is no such State law, by an entity (other than the State Agency) designated by the Governor.

"(6) The program shall provide that each decision of the State Agency to issue a certificate of need (A) shall not be inconsistent with the State health plan in effect for such State under section 1524(c), and (B) shall be issued by the State Agency solely on the basis of the record established in administrative proceedings held with respect to the application for such certificate.

"(7) The program may permit reviews of applications for certificates of need to be conducted in such a manner that (A) comparisons of applications for such certificates may be made, and (B) priorities for approval of such applications may be established.

"(8)(A)(i) Section 1532(b)(2) does not apply to review by a State Agency of an application for a certificate of need. Except as provided in clauses (ii) and (iii) such a review shall be completed before the expiration of the ninety-day period beginning on the date the State Agency provides the notice required by section 1532(b)(1).

"(ii) A review under paragraph (7)(A) of two or more applications for certificates of need shall be completed before the expiration of the ninety-day period prescribed by clause (i) or, if State law prescribes a longer period for reviews under that paragraph, before the expiration of such longer period. If a request is made to the State Agency for a hearing under section 1532(b)(8) on an application, the review of the application shall be completed before the expiration of the ninety-day period prescribed by clause (i) or, if State law prescribes a longer period for reviews involving such a hearing, before the expiration of such longer period.

"(iii) If an applicant and the State Agency agree to a period of review of the applicant's application which is longer than the period prescribed by clause (i) or (ii), the review of the application shall be completed not later than the expiration of such longer period.

"(B) Notwithstanding the requirements of section 1523(a)(4) and this section respecting State Agency determination of need, if a State Agency fails to complete its review of an application for a certificate of need in the applicable time prescribed by subparagraph (A), the application shall be considered approved and the State Agency shall issue the certificate.

"(b)(1) Under the program a certificate of need shall not be required for the offering of an institutional health service, the acquisition of major medical equipment, or the obligation of a capital expenditure by—

"(A) a health maintenance organization or any other provider of health services which organization or other provider provides or otherwise makes available ambulatory and inpatient health services on a prepaid basis to individuals enrolled with the provider to receive such services on such basis if at least 75 per centum of the patients who receive the institutional health service or the health service provided with such equipment or through such expenditure are individuals who are so enrolled; or

"(B) any other provider of health services if the provider has entered into agreements with one or more providers of health services described in subparagraph (A) under which agreements—

"(i) the institutional health service or the health service provided with such equipment or through such expenditure will be made available to individuals enrolled with such providers to receive ambulatory and inpatient health services on a prepaid basis, and

"(ii) at least 75 per centum of the annual revenues from such service, equipment, or expenditure will be provided by such providers under such agreements.

"(2)(A)(i) Each provider of health services which is exempt under paragraph (1) from obtaining a certificate of need for the offering of an institutional health service, the acquisition of major medical equipment, or the obligation of a capital expenditure shall, at least thirty days before contractual arrangements are entered into to offer such service, acquire such equipment, or obligate such expenditure, provide the health systems agency designated for the health service area in which the such service will be offered, equipment used, or expenditure obligated and the State Agency for the State in which such activity will occur the notice described in clause (ii).

"(ii) The notice required by clause (i)

shall (I) describe the service which will be offered, the equipment which will be acquired, or the purposes for which the capital expenditure will be obligated, (II) in the case of a provider of health services who is exempt under subparagraph (A) of paragraph (1), the basis for the providers determination that of the patients who will receive the institutional health service or the service to be provided with such equipment or through such expenditure at least 75 per centum will be enrollees of the provider, and (III) in the case of a provider of health services who is exempt under subparagraph (B) of paragraph (1), the terms of each agreement described in such subparagraph which the provider has entered into and the basis for the providers determination that at least 75 per centum of the revenues from the service, equipment, or expenditure will be provided under such agreements.

"(B) If a provider of health services makes the offering, acquisition, or obligation described in the notice submitted by the provider under subparagraph (A), then not later than fifteen months after the date of such offering, acquisition, or obligation and annually thereafter, such provider of health services shall report, with respect to each year beginning on and after such date, to the health systems agency and the State Agency which received the notice under subparagraph (A)—

"(i) if the provider is exempt under paragraph (1)(A) from obtaining a certificate of need for such offering, acquisition, or expenditure, the percentage of the patients receiving in the year reported on the services resulting from such offering, acquisition, or expenditure who were enrolled with the provider to receive ambulatory and inpatient health services on a prepaid basis, or

"(ii) if the provider is exempt under paragraph (1)(B) from obtaining a certificate of need for such offering, acquisition, or expenditure, the revenues received in the year reported on under the agreements described in such paragraph from the service offered, equipment acquired, or expenditure obligated.

"(3) If on the basis of a report filed by a provider of health services under paragraph (2)(B) a State Agency determines—

"(A) in the case of a report filed by a provider under clause (i) of such paragraph, that in the year reported on less than 75 per centum of the patients who received the services with respect to which the report was made were enrolled with the provider to receive ambulatory and inpatient health services on a prepaid basis, or

"(B) in the case of a report filed by a provider under clause (ii) of such paragraph, that in the year reported on the percent of revenues received under agreements described in subparagraph (A) from the service, equipment, or expenditure with respect to which the report was filed was less than 75 per centum of the total revenues received in such period from such equipment, service, or expenditure,

the State Agency shall notify in writing the provider of such determination, and such provider shall not be permitted to use, after sixty days after the receipt of such notice, such service, equipment, or expenditure in the provision of health services to other than individuals enrolled with a provider of ambulatory and inpatient health services to receive health services on a prepaid basis.

"(4) If under paragraph (3) a provider of health services is not permitted to use a service, equipment, or expenditure to provide services to other than individuals enrolled with a provider of ambulatory and inpatient health services to receive health services on a prepaid basis—

"(A) the provider shall make such annual reports to the State Agency involved as it may require to assure that the requirement of paragraph (3) is being met; and

"(B) the State Agency involved shall—

"(i) notify the Secretary that the provider is prohibited from using such service, equipment, or expenditure to provide services to individuals who are entitled to insurance benefits under title XVIII of the Social Security Act and for whom the provider would otherwise receive reimbursement under section 1815 of such Act for the provision of such services, and

"(ii) notify the State agency responsible for administering the State plan approved under title XIX of such Act that the provider is prohibited from using such service, equipment, or expenditure to provide services to individuals who are entitled to medical assistance under such plan and for whom the provider would otherwise receive reimbursement under the provision of the plan required by section 1902(a)(13)(D) of such Act for the provision of such services.

"(5) If on the basis of a report filed under paragraph (4)(A) the State Agency determines that the provider of health services is with respect to the service, equipment, or expenditure reported on meeting the requirements of paragraph (1), the State Agency shall notify the provider of the determination, and the requirement of paragraph (3) shall not apply to the provider. Such provider shall with respect to such service, equipment, or expenditure make the reports required by paragraph (2)(B). The first such report shall be due not later than fifteen months after the date of the receipt of the notice under this paragraph and shall apply with respect to the year beginning on that date. The State Agency shall also notify the Secretary and the State agency notified under paragraph (4)(B) of the determination made under this paragraph.

"(6) For purposes of this subsection, a provider provides ambulatory and inpatient health services on a prepaid basis to individuals enrolled with the provider to receive such services on such basis if the provider is compensated (except for copayments) for the provision of such services by a payment which is paid on a periodic basis without regard to the date the health services are provided and which is fixed without regard to the frequency, extent, or kind of health service actually furnished.

"(7) The certificate of need program may apply to a health maintenance organization only to the extent that it is not exempt under paragraph (1)(A) and then only to the acquisition of major medical equipment, the offering of institutional health services, and the obligation of capital expenditures.

"(c) Notwithstanding section 1532(c), when an application is made by an osteopathic or allopathic facility for a certificate of need to construct, expand, modernize, acquire major medical equipment, or add services, the need for that construction, expansion, modernization, acquisition of equipment, or addition of services shall be considered on the basis of the need for and the availability in the community of services and facilities for osteopathic and allopathic physicians and their patients. The State Agency shall consider the application in terms of its impact on existing and proposed institutional training programs for doctors of osteopathy and medicine at the student, internship, and residency training levels.

"(d) Notwithstanding section 1532(c), an application for a certificate of need for a capital expenditure which is required—

"(1) to eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations,

"(2) to comply with State licensure standards, or

"(3) to comply with accreditation standards compliance with which is required to receive reimbursements under title XVIII of the Social Security Act or payments under a State plan for medical assistance approved under title XIX of such Act,

shall be approved, but only to the extent that the capital expenditure is required to eliminate or prevent such hazards or to comply with such standards.

"(e)(1) Under the program a certificate of need shall not be required for the acquisition of major medical equipment which will not be owned by or located in a health care facility unless—

"(A) the notice required by paragraph (2) is not filed in accordance with that paragraph with respect to such acquisition, or

"(B) the State Agency finds, within thirty days after the date it receives a notice in accordance with paragraph (2) with respect to such acquisition, that the equipment will be used to provide services for inpatients of a hospital.

"(2) Before any person enters into a contractual arrangement to acquire major medical equipment which will not be owned by or located in a health care facility, such person shall notify the State Agency of the State in which such equipment will be located of such person's intent to acquire such equipment. Such notice shall be made in writing and shall be made at least thirty days before contractual arrangements are entered into to acquire the equipment with respect to which the notice is given.

"(f) In granting certificates of need under such a program, a State Agency shall take into account recommendations made by health systems agencies within the State under section 1513(f).".

(b)(1) Section 1523(a)(4)(B) is amended by striking out "new institutional health services proposed to be offered or developed within the State" and inserting in lieu thereof "the obligation of capital expenditures within the State and the offering within the State of new institutional health services and the acquisition of major medical equipment".

(2) The second sentence of section 1523 (a)(4) is amended to read as follows: "A certificate of need program shall not be found satisfactory to the Secretary unless each determination of need within the State is made by the State Agency solely on the basis of its review conducted in accordance with the procedures and criteria it has adopted in accordance with this title and regulations promulgated under it.".

(3)(A) Section 1531 is amended (i) by striking out "For purposes of this title" and inserting in lieu thereof "Except as otherwise provided, for purposes of this title", and (ii) by adding after paragraph (5) the following new paragraphs:

"(6) For purposes of sections 1523 and 1527, the term 'capital expenditure' means an expenditure—

"(A) made by or on behalf of a health care facility (as such facilities are defined in regulations prescribed under section 1122 of the Social Security Act); and

"(B)(i) which (I) under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or (II) is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and

"(ii) which (I) exceeds the expenditure minimum, (II) substantially changes the bed capacity of the facility with respect to which the expenditure is made, or (III) substantially changes the services of such facility.

Such term does not include an expenditure to obtain (either by purchase or under lease or comparable arrangement) an existing health care facility the services or bed capacity of which is not changed in being so obtained. For purposes of subparagraph (B)(ii)(I), the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure described in subparagraph (B)(i) is made shall be included in determining if such expenditure exceeds the expenditure minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under section 1527 shall be considered capital expenditures for purposes of sections 1523 and 1527, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of such sections if a transfer of the equipment or facilities at fair market value would be subject to review under section 1527.

"(7) For purposes of section 1523 and 1527, the term 'major medical equipment' means medical equipment which is used for the provision of medical and other health services and which costs in excess of the expenditure minimum, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of section 1861 (s) of such Act.

"(8) For purposes of paragraphs (6) and (7), the term 'expenditure minimum' means (A) $150,000 for the twelve-month period beginning with the month in which this paragraph is enacted, and (B) for each twelve-month period thereafter, $150,000 or, if different, the figure in effect for the preceding twelve-month period, adjusted to reflect the change in the preceding twelve-month period in the composite construction cost index maintained by the Department of Commerce.".

(B) Section 1531(5) is amended by striking out "and health maintenance organizations (as such facilities and organizations" and inserting in lieu thereof "(as such facilities".

(4)(A) Section 1522(b)(13)(A) is amended by inserting after "agencies," the following: "by any agency of the State authorized by such mechanism to make such review, or, if there is no such State law,".

(B) Section 1522(b)(13)(B) is amended by inserting "under subparagraph (A)" after "the reviewing agency".

(c)(1) Section 1531(5) is amended by inserting "and rehabilitation facilities" before "and includes".

(2) Section 1531 is amended by adding after the paragraphs added by subsection (b)(3)(A) the following new paragraph:

"(9) The term 'rehabilitation facility' means an inpatient facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of medical and other services which are provided under competent professional supervision.".

(d) Section 1532(c)(8) is amended by inserting before the period the following: "and of other providers of ambulatory and inpatient health services to enrollees on a prepaid basis".

(e) Within one hundred and eighty days of the date of the enactment of this Act, the Secretary of Health, Education, and Welfare shall promulgate such regulations as may be necessary to enable the States to establish certificate of need programs which meet the requirements of section 1527 of the Public Health Service Act.

APPROPRIATENESS REVIEW

SEC. 118 (a)(1) Section 1513(g)(1) is amended by striking out "all institutional health services offered in the health service area of the agency" and inserting in lieu thereof "at least those institutional and home health services which are offered in the health service area of the agency and which have been designated by the Secretary by regulation for appropriateness review under this paragraph".

(2) Section 1523(a)(6) is amended by striking out "all institutional health services being offered in the State" and inserting in lieu thereof "all institutional and home health services which are offered in the State and which have been designated by the Secretary for appropriateness review under this paragraph".

(b) Part C of title XV is amended by adding after section 1527 the following new section:

"GRANTS TO STATES FOR REDUCTION OF EXCESS HOSPITAL CAPACITY

"SEC. 1528. (a) For the purpose of demonstrating the effectiveness of various means for reducing excesses in resources and facilities of hospitals (referred to in this section as 'excess hospital capacity'), the Secretary may make grants to State Agencies designated under section 1521(b)(3) to assist such Agencies in—

"(1) identifying (by geographic region or by health service) excess hospital capacity,

"(2) developing programs to inform the public of the costs associated with excess hospital capacity,

"(3) developing programs to reduce excess hospital capacity in a manner which will produce the greatest savings in the cost of health care delivery,

"(4) developing means to overcome barriers to the reduction of excess hospital capacity, and

"(5) any other activity related to the reduction of excess hospital capacity.

"(b) Grants under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe. The Secretary shall report annually to the Congress on the activities assisted with grants under subsection (a).

"(c) There are authorized to be appropriated to make payments under grants under subsection (a) $4,000,000 for the fiscal year ending September 30, 1980, $4,000,000 for the fiscal year ending September 30, 1981, and $4,000,000 for the fiscal year ending September 30, 1982."

REVIEW AND APPROVAL OF PROPOSED USERS OF FEDERAL FUNDS

SEC. 119. (a) Section 1524(c)(6) is amended—

(1) by striking out "approve or disapprove" in the first sentence and inserting in lieu thereof "recommend approval or disapproval of (A)",

(2) by striking out "or the Comprehensive" in the first sentence and inserting in lieu thereof "section 409 of the Drug Abuse Office and Treatment Act of 1972, or the Comprehensive",

(3) by inserting before the period at the end of the first sentence a comma and the following: "and (B) any application (and any revision of an application) submitted to the Secretary by a State for a grant or contract under any provision of law referred to in clause (A) for projects in more than one health service area of the State",

(4) by amending the third sentence to read as follows: "If a SHCC recommends disapproval of such a plan or application, the Secretary, after making a finding that such plan or application is not in conformity with the State health plan, may not make Federal funds available under such State plan or application.",

(5) by inserting after the third sentence the following new sentence: "If the Secretary makes such a finding, he shall notify the Governor of his finding and the reasons therefor and advise him that he has thirty days in which to submit a revised State plan or application that conforms with the State health plan.", and

(6) by striking out "If after such review" in the last sentence and inserting in lieu thereof the following: "If after reviewing a recommendation of a SHCC to disapprove such State plan or application,".

(b)(1) Section 1513(e)(1)(A)(i) is amended—

(A) by inserting "of 1972" after "Treatment Act", and

(B) by inserting after "health resources" the following: 'by any entity other than the government of a State unless such resources are solely within the health service area of such agency".

(2) Section 1513(e)(1)(A)(ii) is amended by striking out "an allotment" and inserting in lieu thereof "an allotment, contract, or grant".

(3) The first sentence of section 1513(e)(1)(B) is amended by striking out "under title IV, VII, or VIII of this Act" and all that follows in such sentence and inserting in lieu thereof the following: "for research or training unless the grants or contracts are to be made, entered into, or used for the development, expansion, or support of health resources which, in the case of grants or contracts for training, would make a significant change in the health services available in the health service area or which, in the case of grants or contracts for research, would significantly change the delivery of health services, or the distribution or extent of health resources, available to persons in the health service area other than those who are participants in such research.".

(4) Section 1513(e)(2) is amended—

(A) by striking out "such paragraph" in the first sentence and inserting in lieu thereof "paragraph (1)(A)(i)", and

(B) by striking out "If" in the second sentence and inserting in lieu thereof "If under paragraph (1)(A)(i)".

(5) Section 1513(e) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) The Governor of a State shall allow health systems agencies sixty days to make the review required by paragraph (1)(A)(ii). If under such paragraph an agency disapproves a proposed use of Federal funds in its health service area, the Governor may not make such Federal funds available for such use until he has made, upon request of the entity making such proposal, a review of the agency decision. In making any such review of any agency decision, the Governor shall give the State health planning and development agency an opportunity to consider the decision of the health systems agency and to submit to the Governor its comments on the decision. The Governor, after taking into consideration such State Agency's comments (if any), may make such Federal funds available for such use, notwithstanding the disapproval of the health systems agency. Each such decision by the Governor to make funds available shall be submitted to the appropriate health systems agency and State health planning and development agency and shall contain a detailed statement of the reasons for the decision.".

COORDINATION OF HEALTH PLANNING WITH RATE REVIEW

SEC. 120. (a) Section 1513(d) is amended by inserting after the first sentence the following: "Each health systems agency shall also coordinate its activities with any entity of the State in which the agency is located which reviews the rates or budgets of health care facilities located in the health systems agency's health service area.".

(b) Section 1522(b)(7)(A) is amended by inserting before the comma at the end the following: "and for the coordination by the State Agency in the conduct of its activities with any entity of the State which reviews the rates or budgets of health care facilities in the State".

(c) (1) Section 1526 is amended—

(A) by striking out "(not later than six months after the date of the enactment of this title)" in the first sentence of subsection (a); and

(B) by striking out the last sentence of subsection (a).

(2) Such section is further amended—

(A) by inserting before the period in the first sentence of subsection (a) "or to any other entity of the government of a State which has so indicated an intent to regulate such rates";

(B) by striking out "A State Agency" in subsection (b) (1) and inserting in lieu thereof "An entity";

(C) by striking out "the State Agency" in subparagraphs (A) and (F) of such subsection and inserting in lieu thereof "the entity";

(D) by inserting "if it is a State Agency," after "(D)" and "(E)", respectively, in such subsection;

(E) by adding after and below subparagraph (G) of such subsection the following: "If an entity which is not a State Agency receives a grant under subsection (a), such entity shall coordinate its activities under the grant with the State Agency for the State in which such entity is located, share with the State Agency data obtained from such activities, and for purposes of such activities, develop with the State Agency criteria for the review of hospital services, equipment, and facilities which guidelines are not in conflict with criteria adopted by the State Agency.";

(F) by striking out "a State Agency" in subsection (b) (2) and inserting in lieu thereof "an entity" and by striking out "the State Agency" in such subsection and inserting in lieu thereof "the entity"; and

(G) by striking out "State Agency" in subsection (d) and in the first sentence of subsection (c) and inserting in lieu thereof "entity".

COORDINATION WITHIN STANDARD METROPOLITAN STATISTICAL AREAS AND WITH OTHER ENTITIES

SEC. 121. Subsection (d) of section 1513 is amended (1) by inserting "(1)" after "(d)", (2) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively, and (3) by adding at the end the following:

"(2) Each health systems agency which has all or part of its health service area within a part of a standard metropolitan statistical area (as determined by the Office of Management and Budget) shall coordinate its activities with the activities of any other health systems agency which has any part of its health service area within such standard metropolitan statistical area. Such coordination shall be carried out in accordance with a plan approved by the Secretary which shall at least provide that each health systems agency designated for a health service area within any part of a single standard metropolitan statistical area shall review (A) each HSP and AIP for each health service area, (B) the criteria used in accordance with section 1532 for reviews affecting any such area, and (C) each decision under certificate of need programs which affect any such area.

"(3) The Secretary shall by regulation provide for the sharing of health planning data between health systems agencies and Indian tribes and Alaska Native Villages.".

STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

SEC. 122. (a) Section 1521(b) (4) is amended by adding at the end of the following: "Before renewing an agreement under this paragraph with a State Agency for a State, the Secretary shall provide each health systems designated for a health service area located (in whole or in part) in such State an opportunity to comment on the performance of the State Agency and to provide a recommendation on whether such agreement should be renewed.".

(b) (1) (A) Paragraphs (3) and (4) of section 1521(b) are each amended by striking out twelve months and inserting in lieu thereof "thirty-six months".

(B) The amendments made by subparagraph (A) shall apply with respect to designation agreements entered into under section 1521(b) (3) of the Public Health Service Act after the date of the enactment of this Act.

(2) Section 1521 (b) (3) is amended—

(A) by inserting "(A)" after "(3)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the designated State Agency is not complying with the provisions of such agreement.", and

(D) by adding at the end of the following:

"(B) Before the Secretary may terminate an agreement with a designated State Agency under subparagraph (A) (ii), the Secretary shall—

"(i) consult with the Statewide Health Coordinating Council of the State for which the State Agency is designated respecting the proposed termination,

"(ii) give the State Agency notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the State Agency is not in compliance with the agreement, and (II) the actions that the State Agency should take to come into compliance with the agreement, and

"(iii) provide the State Agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice.

The Secretary may not terminate such an agreement before consulting with the National Council on Health Planning and Development respecting the proposed termination.

(c) (1) (A) Section 1513(h) is repealed.

(B) Section 1522(b) (13) is amended by striking out ", (g), or (h)" and inserting in lieu thereof "or (g)".

(C) Section 1513(a) is amended by striking out "through (h)" and inserting in lieu thereof "through (g)".

(2) Paragraph (3) of section 1523(a) is amended by striking out "review of the State medical facilities plan required under section 1603, and in the".

(3) Section 1523(a) is amended by adding after paragraph (6) the following new paragraph:

"(7) Prepare an inventory of the health care facilities (other than Federal health care facilities) located in the State and evaluate on an ongoing basis the physical condition of such facilities. Such inventory and evaluations shall be reported to the health systems agencies designated for health service areas located (in whole or in part) in the State for purposes of the functions of the agency under section 1513(b).".

(d) Subsection (d) of section 1521 is amended to read as follows:

"(d) If an agreement under subsection (b) (3) for the designation of a State Agency for a State is not in effect upon the expiration of—

"(1) the fourth fiscal year which begins after the calendar year in which the National Health Planning and Development Act of 1974 is enacted,

"(2) the first regular session of the legislature of such State which begins after the promulgation of the regulations under section 117(e) of the Health Planning and Resources Development Amendments of 1979, or

"(3) the sixth month after the month in which such regulations are promulgated,

whichever occurs later, no grant may be made to or contract entered into with the State under this Act, the Community Mental Health Centers Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, or the Drug Abuse Office and Treatment Act of 1972 until such time as such an agreement is in effect.".

(e) Paragraph (5) of section 1523(a) is amended by striking out "1413(f)" and inserting in lieu thereof "1513(f)".

(f) Section 1521(b) (1) is amended by striking out "this part" and inserting in lieu thereof "this title".

(g) The first sentence of section 1521(b) (2) (B) is amended by inserting before the period a comma and the following: "except that the Secretary may extend the period for such additional time as se finds appropriate if he finds that the designated State Agency is making a good faith effort to comply with the requirements of section 1523".

STATEWIDE HEALTH COORDINATING COUNCIL COMPOSITION

SEC. 123. (a) (1) Section 1524(b) (1) (A) (ii) is amended by inserting before the period a comma and the following: "except that the number of representatives on the SHCC to which a health systems agency designated for a health service area which is not entirely within the State shall be a number which is based on the relationship of the population of the portion of such health service area within the State to the population of the largest health service area located entirey within the State, except that each such agency shall be entitled to at least one representative on the SHCC".

(2) Section 1524(b) (1) (A) (iii) is amended to read as follows:

"(iii) Except as otherwise provided in clause (ii) and this clause, each such health systems agency shall be entitled to at least two representatives on the SHCC. If there are more than ten health systems agencies within a State, each health systems agency within such State shall be entitled to only one representative on the SHCC. Of the representatives of health systems agencies on the SHCC, not less than one-half shall be individuals who are consumers of health care and who are not providers of health care.".

(3) Section 1524(b) (1) (A) (i) is amended (A) by inserting "(or if the number of representatives on the SHCC to which health systems agencies are entitled under the second sentence of clause (iii) is less than sixteen, no fewer than the number to which they are entitled)" after "sixteen representatives". (B) by striking out "at least five", and (C) by adding at the end the following: "Each agency shall submit a number of nominees to the Governor which is at least twice the number of representatives on the SHCC to which the agency is entitled.".

(b) Section 1524(b) (2) is amended to read as follows:

"(2) The Governor may select, by and with the advice and consent of the State senate, or, in the case of a State with a unicameral legislature, of the State legislature, the chairman of the SHCC from among the members of the SHCC. If the Governor does not select the chairman, the SHCC shall select the chairman from among its members.".

(c) Section 1524(b) (1) (C) is amended (1) by striking out "one-third" and inserting in lieu thereof "one-half", and (2) by inserting after the period the following: "Members of a SHCC who are providers of health care shall represent the classifications of providers listed in section 1512(b) (3) (C) (ii) and of such members at least one shall be a person engaged in the administration of a hospital.".

(d) The first sentence of section 1524(c)(2)(B) is amended by striking out "State agency" and inserting in lieu thereof "State Agency".

AUTHORIZATIONS

SEC. 124. (a) Section 1516(d)(1) (as amended by section 106) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $150,000,000 for the fiscal year ending September 30, 1980, $160,000,000 for the fiscal year ending September 30, 1981, and $170,000,000 for the fiscal year ending September 30, 1982".

(b) Section 1525(c) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $35,000,000 for the fiscal year ending September 30, 1980, $37,000,000 for the fiscal year ending September 30, 1981, and $39,000,000 for the fiscal year ending September 30, 1982".

(c) Section 1526(e) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $6,000,000 for the fiscal year ending September 30, 1980, $7,000,000 for the fiscal year ending September 30, 1981, and $8,000,000 for the fiscal year ending September 30, 1982".

(d) Section 1534(d) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $10,000,000 for the fiscal year ending September 30, 1980, $11,000,000 for the fiscal year ending September 30, 1981, and $12,000,000 for the fiscal year ending September 30, 1982".

(e) Section 1640(d) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $25,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, and $50,000,000 for the fiscal year ending September 30, 1982".

REPORT ON EFFECTIVENESS OF PLANNING LAW

SEC. 125. Section 1535 is amended by adding after subsection (d) the following new subsection:

"(e) The Secretary shall report to the Congress on the results of the reviews conducted pursuant to subsections (c)(7) and (d)(6) respecting improvements in health and health care and restraints on increases in health care costs.".

TECHNICAL AMENDMENT

SEC. 126. Section 1903(m)(2)(C) of the Social Security Act is amended by striking out "the date the entity enters into a contract with the State under this title for the provision of health services on a prepaid risk basis" and inserting in lieu thereof "the date the entitly qualifies as a health maintenance organization (as determined by the Secretary)".

EFFECTIVE DATE

SEC. 127. The amendments made by this title (other than by sections 101, 102, 103, 104(d), 105(d), 106, 107, 117, 122(b), 124, and 126) shall take effect one year after the date of the enactment of this Act, except that on and after the date of the enactment of this Act—

(1) the changes in the membership of the health systems agencies and the Statewide Health Coordinating Councils required by amendments to sections 1512, 1524, and 1531 shall be implemented through selections of members to fill vacancies occurring after such date,

(2) a health systems agency, a State health planning and development agency, and a Statewide Health Coordinating Council may make the organizational and related charges required by the amendments to sections 1512, 1522, 1523, 1524, and 1531 of the Public Health Service Act, and

(3) health systems agencies, State health planning and development agencies, and Statewide Health Coordinating Councils may act in accordance with the changes in their functions made by the amendments to sections, 1513, 1522, 1523, 1524, and 1532 of the Public Health Service Act.

Except as provided in section 1516(c)(1)(C)(i) of the Public Health Service Act as amended by section 106, the amendments made by section 106 shall apply with respect to grants made under section 1516 of the Public Health Service Act after the date of the enactment of this Act. The amendments made by section 117 shall take effect 180 days after the date of the enactment of this Act, except that if the Secretary of Health, Education, and Welfare determines that any amendment made by such section will require a State to change its laws before the State health planning and development agency designated for such State may perform its functions under section 1523(a)(4)(B) of the Public Health Service Act, such amendment shall take effect in such State after the close of the first regular session of the legislature of such State which begins after the promulgation of the regulations under subsection (e) of section 117.

TITLE II—REVISION OF AUTHORITY FOR HEALTH RESOURCES DEVELOPMENT

REVISION AND EXTENSION OF ASSISTANCE

SEC. 201. (a) Part B of title XVI is repealed.

(b)(1) Subsections (a) and (b) of section 1620 are amended to read as follows:

"(a)(1) The Secretary, during the period ending September 30, 1981, may, in accordance with this part, make loans from the fund established under section 1622(d) to any public or nonprofit private entity for projects for—

"(A) modernization of medical facilities,

"(B) construction of new outpatient medical facilities,

"(C) construction of new hospitals in (i) areas which have experienced (as determined under regulations of the Secretary) recent rapid population growth, or (ii) areas where merger or closure of medical facilities has resulted in a reduction in the number of hospital beds available in such areas, and

"(D) conversion of existing medical facilities to outpatient medical facilities or facilities for long-term care.

"(2)(A) The Secretary, during the period ending September 30, 1981, may, in accordance with this part, guarantee to—

"(i) non-Federal lenders for their loans to nonprofit private entities for medical facilities projects described in paragraph (1), and

"(ii) the Federal Financing Bank for its loans to nonprofit entities for such projects, payment of principal and interest on such loans.

"(B) In the case of a guarantee of any loan to a nonprofit private entity under subparagraph (A)(i) which is located in an urban or rural poverty area, the Secretary shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made, amounts sufficient to reduce by 3 per centum per annum the net effective interest rate otherwise payable on such loan. Each holder of such a loan which is guaranteed under such paragraph shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

"(b) The principal amount of a loan directly made or guaranteed under subsection (a) for a medical facilities project, when added to any other assistance provided such project under part B, may not exceed 90 per centum of the cost of such project unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the principal amount, when added to other assistance under part B, may cover up to 100 per centum of such costs.".

(2) Section 1622(b)(2)(D) is amended by inserting after "per annum" the following: "in the case of a loan made for a project located in an urban or rural poverty area".

(c) Section 1625 is amended to read as follows:

"PROJECT GRANTS

"SEC. 1625. (a)(1) The Secretary may make grants for construction or modernization projects designed to (A) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (B) avoid noncompliance with State or voluntary licensure or accreditation standards. A grant under this paragraph may only be made to a nonprofit private entity or to a State or political subdivision of a State, including any city, town, county, borough, hospital district authority, or public or quasi-public corporation, for a project described in the preceding sentence for any medical facility owned or operated by such entity, State, or political subdivision of a State.

"(2) The amount of any grant under paragraph (1) may not exceed 75 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

"(3) There are authorized to be appropriated for grants under paragraph (1) $50,000,000 for the fiscal year ending September 30, 1980, $50,000,000 for the fiscal year ending September 30, 1981, and $50,000,000 for the fiscal year ending September 30, 1982.

"(b)(1) The Secretary may make grants to public and nonprofit private entities for projects for (A) construction or modernization of outpatient medical facilities which are located apart from hospitals and which will provide services for medically underserved populations, and (B) conversion of existing facilities into outpatient medical facilities or facilities for long-term care to provide services for such populations.

"(2) The amount of any grant under paragraph (1) may not exceed 80 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

"(3) There are authorized to be appropriated for grants under paragraph (1) $15,000,000 for the fiscal year ending September 30, 1980, $15,000,000 for the fiscal year ending September 30, 1981, and $15,000,000 for the fiscal year ending September 30, 1982.".

CONFORMING AMENDMENTS

SEC. 202. (a) Part A of title XVI is repealed and parts C, D, E, and F of title XVI are redesignated as parts, A, B, C, and D, respectively.

(b) Part C (as so redesignated) of title XVI is amended by striking out section 1630, by redesignating section 1631 through 1635 as section 1622 through 1626, respectively, and by inserting before section 1622 (as so redesignated) the following:

"GENERAL REGULATIONS

"SEC. 1620. The Secretary shall by regulation—

"(1) prescribe the manner in which he shall determine the priority among projects for which assistance is available under part A or B, based on the relative need of different areas for such projects and giving special consideration—

"(A) to projects for medical facilities serving areas with relatively small financial resourecs and for medical facilities serving rural communities,

"(B) in the case of projects for modernization of medical facilities, to projects for faciliites serving densely populated areas.

"(C) in the case of projects for construction of outpatient medical facilities, to projects that will be located in, and provide services for residents of, areas determined by the Secretary to be rural or urban poverty areas,

"(D) to projects designed to (i) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulaitons, or (ii) avoid noncompliance with State or voluntary licensure or accreditation standards, and

"(E) to projects for medical facilities which, alone or in conjunction with other facilites, will provide comprehensive health care, including outpatient and preventive care as well as hospitalization;

"(2) prescribe for medical facilities projects assisted under part A or B general standards of construction, modernization, and equipment, which standards may vary on the basis of the class of facilities and their location; and

"(3) prescribe the general manner in which each entity which receives financial assistance under part A or B or has received financial assistance under part A or B or title VI shall be required to comply with the assurances required to be made at the time such assistance was received and the means by which such entity shall be required to demonstrate compliance with such assurances.
An entity subject to the requirements prescribed pursuant to paragraph (3) respecting compliance with assurances made in connection with receipt of financial assistance shall submit periodically to the Secretary data and information which reasonably supports the entity's compliance with such assurances. The Secretary may not waive the requirement of the preceding sentence.

"APPLICATIONS

"SEC. 1621. (a) No loan, loan guarantee, or grant may be made under part A or B for a medical facilities project unless an application for such project has been submitted to and approved by the Secretary. If two or more entities join in a project, an application for such project may be filed by any of such entities or by all of them.

"(b)(1) An application for a medical facilities project shall be submitted in such form and manner as the Secretary shall by regulation prescribe and shall, except as provided in paragraph (2), set forth—

"(A) in the case of a modernization project for a medical facility for continuation of existing health services, a finding by the State Agency of a continued need for such services, and, in the case of any other project for a medical facility, a finding by the State Agency of the need for the new health services to be provided through the medical facility upon completion of the project;

"(B) in the case of an application for a grant, assurances satisfactory to the Secretary that (i) the applicant making the application would not be able to complete the project for which the application is submitted without the grant applied for, and (ii) in the case of a project to construct a new medical facility, it would be inappropriate to convert an existing medical facility to provide the services to be provided through the new medical facility;

"(C) a description of the site of such project;

"(D) plans and specifications therefor which meet the requirements of the regulations prescribed under section 1620(2);

"(E) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a public or other nonprofit entity which is to operate the facility on completion of the project;

"(F) reasonable asurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed, and, for the purpose of determining if the requirements of this subparagraph are met, Federal assistance provided directly to a medical facility which is located in an area determined by the Secretary to be an urban or rural poverty area or through benefits provided individuals served at such facility shall be considered as financial support;

"(G) the type of assistance being sought under part A or B for the project;

"(H) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar structon in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 FR 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(I) in the case of a project for the construction or modernization of an outpatient facility, reasonable assurance that the services of a general hospital will be available to patients at such facility who are in need of hospital care; and

"(J) reasonable assurance that at all times after such application is approved (i) the facility or portion thereof to be constructed, modernized, or converted will be made available to all persons residing or employed in the area served by the facility, and (ii) there will be made available in the facility or portion thereof to be constructed, modernized, or converted a reasonable volume of services to persons unable to pay therefor and the Secretary, in determining the reasonableness of the volume of services provided, shall take into consideration the extent to which compliance is feasible from a financial viewpoint.

"(2)(A) The Secretary may waive—

"(i) the requirements of subparagraph (D) of paragraph (1) for compliance with modernization and equipment standards prescribed pursuant to section 1620(2), and

"(ii) the requirement of subparagraph (E) of paragraph (1) respecting title to a project site,
in the case of an application for a project described in subparagraph (B) of this paragraph.

"(B) A project referred to in subparagraph (A) is a project—

"(i) for the modernization of an outpatient medical facility which will provide general purpose health services, which is not part of a hospital, and which will serve a medically underserved population as defined in section 1624 or as designated by a health systems agency, and

"(ii) for which the applicant seeks a loan under part A the principal amount of which does not exceed $20,000.".

(c) Part C (as so redesignated) of title XVI is amended by adding at the end thereof the following new section:

"ENFORCEMENT OF ASSURANCES

"SEC. 1627. The Secretary shall investigate and ascertain, on a periodic basis, with respect to each entity which is receiving financial assistance under this title or which has received financial assistance under title VI or this title, the extent of compliance by such entity with the assurances required to be made at the time such assistance was received. If the Secretary finds that such an entity has failed to comply with any such assurance, the Secretary shall report such noncompliance to the health systems agency for the health service area in which such entity is located and the State health planning and development agency of the State in which the entity is located and shall take any action authorized by law (including an action for specific performance brought by the Attorney General upon request of the Secretary) which will effect compliance by the entity with such assurances. An action to effectuate compliance with any such assurance may be brought by a person other than the Secretary only if a complaint has been filed by such person with the Secretary and the Secretary has dismissed such complaint or the Attorney General has not brought a civil action for compliance with such assurance within six months after the date on which the complaint was filed with the Secretary.".

TECHNICAL AMENDMENTS

SEC. 203. (a) Part A (as so redesignated) of title XVI is amended—

(1) by striking out section 1621 and by redesignating sections 1620 and 1622 as sections 1601 and 1602, respectively,

(2) by striking out "section 1622(d)" in subsection (a)(1) of section 1601 (as so redesignated) and inserting in lieu thereof "section 1602(d)", and

(3) by striking out "section 1620(b)(2)" each place it occurs in subsection (d) of section 1602 (as so redesignated) and inserting in lieu thereof "section 1601(a)(2)(B)".

(b) Section 1625 of part B (as so redesignated) is redesignated as section 1610.

(c) Subsection (a)(1) of section 1622 (as so redesignated is amended by striking out "section 1604" and inserting in lieu thereof "section 1621".

(d) Section 1623 (as so redesignated) is amended by striking out "STATE" in the heading for such section.

(e) Section 1624 (as so redesignated) is amended by striking out paragraphs (1) and (2) and by redesignating paragraphs (3) through (16) as paragraphs (1) through (14), respectively.

(f) Section 1626 (as so redesignated) is amended by striking out "section 1604" and inserting in lieu thereof "section 1621".

(g)(1) Section 1602 (as so designated) is amended by adding at the end there of the following:

"(f)(1) The Secretary may take such action as may be necessary to prevent a default on a loan made or guaranteed under this part or under title VI, including the waiver of regulatory conditions, deferral of loan payments, renegotiation of loans, and the expenditure of funds for technical and consultative assistance, for the temporary payment of the interest and principal on such loan, and for other purposes. Any such expenditure made under the preceding sentence on behalf of a medical facility shall be made under such terms and conditions as the Secretary shall prescribe, including the implementation of such operation, and financial reforms as the Secretary determines are appropriate and the disclosure of such financial or other information as the Secretary may require to determine the extent of the implementation of such reforms.

"(2) The Secretary may take such action, as he deems appropriate to protect the interest of the United States in the event of a default on a loan made or guaranteed under this part or under title VI, including taking possession of, holding, and using real property pledged as security for such a loan or loan guarantee.".

(2) Paragraph (1) of subsection (d) is amended (A) by striking out "and" at the end of subparagraph (D), (B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and",

and (C) by adding after subparagraph (E) the following:

"(F) to enable the Secretary to take the action authorized by subsection (f).".

(3) Paragraph (2) of subsection (d) is amended (A) by striking out "and" at the end of subparagraph (D), (B) by inserting "and" at the end of subparargraph (E), and (C) by adding after subparagraph (E) the following:

"(F) to enable the Secretary to take the action authorized by subsection (f),".

EFFECTIVE DATE

SEC. 204. The amendments made by this title shall take effect October 1, 1979, except that the amendments made by section 201 (b) respecting the payment of an interest subsidy for a loan or loan guarantee made under part A of title XVI of the Public Health Service Act shall apply only with respect to loans and loan guarantees made after October 1, 1979, and with respect to loans and loan guarantees made under such part before such date the Secretary shall continue to pay the interest subsidy authorized for such loans and loan guarantees before such date.

TITLE III—PROGRAM TO ASSIST AND ENCOURAGE THE DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES

AUTHORIZATION OF PROGRAM

SEC. 301. (a) Title XVI, as amended by title II of this Act, is amended by adding at the end the following new part:

"PART E—PROGRAM TO ASSIST AND ENCOURAGE THE DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES

"ESTABLISHMENT OF PROGRAM

"SEC. 1641. The Secretary shall establish a program under which grants and technical assistance may be provided to hospitals to assist and encourage them to discontinue the provision of unneeded hospital services.

"GRANTS

"SEC. 1642. (a) Under the program established under section 1641, the Secretary may make grants to hospitals in operation on the date of the enactment of this part to assist the hospitals in discontinuing the provision of unneeded inpatient hospital services or all hospital services.

"(b)(1) A grant under subsection (a) shall be subject to such terms and conditions as the Secretary may by regulation prescribe to assure that the grant is used for the purpose for which it was made.

"(2) The amount of any grant under subsection (a) shall be determined by the Secretary. The recipient of a grant may use the grant—

"(A) in the case of a grantee which discontinues the provision of all hospital services, for the liquidation of the outstanding debt on the facilities of the grantee used for the provision of the services;

"(B) in the case of a grantee which in discontinuing the provision of an inpatient hospital service converts or proposes to convert an identifiable part of a hospital facility used in the provision of the discontinued service to the delivery of another health service, for the planning, development (including construction and acquisition of equipment), and delivery of the health service;

"(C) to provide reasonable termination pay for personnel of the grantee who will lose employment because of the discontinuance of hospital services made by the grantee, retraining of such personnel, assisting such personnel in securing employment, and other costs of implementing arrangements described in subsection (d); and

"(D) for such other costs which the Secretary determines may need to be incurred by the grantee in discontinuing hospital services.

"(c)(1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form and submitted in such manner as the Secretary may prescribe and shall include—

"(A) a description of each service to be discontinued and, if a part of a hospital is to be converted to another use in connection with such discontinuance, a description of such part;

"(B) an evaluation of the impact of such discontinuance and conversion on the provision of health care in the health service area in which such service is provided;

"(C) an estimate of the change in the applicant's costs which will result from such discontinuance and conversion; and

"(D) such other information as the Secretary may require.

"(2)(A) The health systems agency for the health service area in which is located an applicant for a grant under subsection (a) shall (i) in making the review of the applicant's application under section 1513(e), determine the need for each service proposed to be discontinued by the applicant, (ii) in the case of an application for the conversion of a facility, determine the need for each service which will be provided as a result of the conversion, and (iii) make a recommendation to the State Agency for the State in which the applicant is located respecting approval by the Secretary of the applicant's application.

"(B) A State Agency which has received a recommendation from a health systems agency under subparagraph (A) respecting an application shall, after consideration of such recommendation, make a recommendation to the Secretary respecting the approval by the Secretary of the application. A State Agency's recommendation under this subparagraph respecting the approval of an application (i) shall be based upon (I) the need for each service proposed to be discontinued by the applicant, (II) in the case of an application for the conversion of a facility, the need for each service which will be provided as a result of the conversion, and (III) such other criteria as the Secretary may prescribe, and (ii) shall be accompanied by the health systems agency's recommendation made with respect to the approval of the application.

"(3)(A) The Secretary may not approve an application for a grant under subsection (a)—

"(i) if a State Agency recommended that the application not be approved, or

"(ii) if the Secretary is unable to determine that the cost of providing inpatient health services in the health service area in which the applicant is located will be less than if the inpatient health services proposed to be discontinued were not discontinued.

"(B) In considering applications for grants under subsection (a) the Secretary shall consider the recommendations of health systems agencies and State Agencies and shall give special consideration to applications (i) which will assist health systems agencies and State Agencies to meet the goals in their health systems plans and State health plans, or (ii) which will result in the greatest reduction in hospital costs within a health service area.

"(d)(1) Except as provided in paragraph (3), the Secretary may not approve an application submitted under subsection (c) unless the Secretary of Labor has, in accordance with paragraph (3), reviewed the application and notified the Secretary that the applicant has provided satisfactory assurances that the applicant will implement fair and equitable arrangements for the protection of the interests of the applicant's employees who will be affected by a discontinuance of hospital services, including, where appropriate, arrangements for the payment of reasonable termination pay, provision of retraining, and provision for priorities in reemployment by the applicant.

"(2) The Secretary of Labor shall by regulation prescribe guidelines for arrangements for the protection of the interests of employees affected by the discontinuance of hospital services. The Secretary of Labor shall consult with the Secretary of Health, Education, and Welfare in the promulgation of such guidelines. Such guidelines shall first be promulgated not later than the promulgation of regulations by the Secretary for the administration of the grants authorized by subsection (a).

"(3) The Secretary of Labor shall review each application submitted under subsection (c) to determine if the assurances described in paragraph (1) have been provided with the application and if they are satisfactory and shall notify the Secretary respecting his determination. Such review shall be completed within—

"(A) ninety days from the date of the receipt of the application from the Secretary of Health, Education, and Welfare, or

"(B) one hundred and twenty days from such date if the Secretary of Labor has by regulation prescribed the circumstances under which the review will require at least one hundred and twenty days.

If within the applicable period, the Secretary of Labor does not notify the Secretary of Health, Education, and Welfare respecting his determination, the Secretary of Health, Education, and Welfare shall review the application to determine if the applicant has provided the assurances described in paragraph (1) and if such assurances are satisfactory. The Secretary may not approve the application unless he determines that such assurances have been provided and that they are satisfactory.

"(e) The records and audits requirements of section 705 shall apply with respect to grants made under subsection (a).

"(f) For purposes of this part, the term 'hospital' means, with respect to any fiscal year, an institution (including a distinct part of an institution participating in the programs established under title XVIII of the Social Security Act)—

"(1) which satisfies paragraphs (1) and (7) of section 1861(e) of such Act,

"(2) imposes charges or accepts payments for services provided to patients, and

"(3) the average duration of a patient's stay in which was thirty days or less in the preceding fiscal year,

but such term does not include a Federal hospital or a psychiatric hospital (as described in section 1861(f)(1) of the Social Security Act).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1643. To make payments under grants under section 1642(a) there are authorized to be appropriated $50,000,000 for the fiscal year ending September 30, 1980, $75,000,000 for the fiscal year ending September 30, 1981, and $100,000,000 for the fiscal year ending September 30, 1982.".

(b) Section 1624 is amended by striking out "For purposes of this title" and inserting in lieu thereof "Except as provided in section 1642(f), for purposes of this title".

STUDY

SEC. 302. The Secretary of Health, Education, and Welfare shall conduct a study of the effect on the elimination of unneeded hospital services made during the two fiscal year period ending September 30, 1981, by the program authorized by part E of title XVI of the Public Health Service Act. The Secretary shall not later than January 1, 1982, report the results of the study to Congress together with his recommendations for any revisions in the program under such part E which he determines to be appropriate, including any revision in the authorizations of appropriations for grants under such program.

Mr. WAXMAN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 6, line 5, strike out "(11)" and insert in lieu thereof "(12)".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

Mr. WAXMAN. Mr. Chairman, I ask unanimous consent that the committee amendments, with the exception of the committee amendments on page 63, be considered as read, printed in the RECORD, and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

(The committee amendments, except those on page 63, are as follows:)

Committee amendments: Page 6, line 7, strike out "(12)" and insert in lieu thereof "(13)". Page 6, line 12, strike out "(13)" and insert in lieu thereof "(14)". Page 6, line 17, strike out "(14)" and insert in lieu thereof "(15)". Page 9, line 3, strike out "(10)" and insert in lieu thereof "(11)".

Page 13, line 5, insert before the close quotation marks the following:

Before the Secretary may permit the term of an agreement to expire without renewing the agreement, the Secretary shall make the consultations prescribed by clause (i) and the preceding sentence, give the entity with which the agreement was made notice of the intention not to renew the agreement and the reasons for not renewing the agreement, and provide, as prescribed by clause (iii), the entity an opportunity for a hearing on the matter specified in the notice.

Page 14, insert after line 10 the following:

(h) Section 1515(c)(3) is amended by adding at the end the following: "If the Secretary determines that a health systems agency has not met such requirements, the Secretary may impose in the renewal of the designation agreement of the agency such conditions as the Secretary determines are necessary to assure that the agency will meet such requirements before the expiration of the period for which the agreement is renewed. The Secretary may not impose on a health systems agency any such conditions unless the Secretary has—

"(A) provided the agency with notice of his intent to impose such conditions and included in that notice specification of the requirements which the Secretary has determined the agency has not met and the basis for the determination of the Secretary that the imposition of such conditions is necessary to assure compliance with such requirements; and

"(B) provided the agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the conditions.".

Page 21, line 7, insert "broadly representative of the health service area and" after "(II)".

Page 48, line 13, strike out "(11)" and insert in lieu thereof "(12)".

Page 50, strike out lines 1 through 5 and insert in lieu thereof "Agency.".

Page 53, insert after the period in line 9 the following:

If a letter of findings of noncompliance with the requirements of title VI of the Civil Rights Act of 1964 has been issued by the Secretary to an applicant for a certificate of need, the State Agency may defer providing the notice required by section 1533(b)(1) until—

"(I) the Secretary has issued to the applicant a letter of findings of compliance with such requirements, or

"(II) in the administrative process begun by the issuance by the Secretary of a notice of deferral of Federal financial assistance a final decision of compliance with such requirements has been made or upon judicial review of a decison made in such administrative process a final decision of compliance with such requirements has been made.

whichever occurs first. If after a review of an application for a certificate of need has begun a letter of findings of noncompliance with the requirements of such title VI is issued to the applicant by the Secretray, the State Agency may suspend review of the application during the period beginning on the date such letter is issued and ending on the date whichever of the actions referred to in subclause (I) or (II) occurs and any period during which such review is so suspended shall not be counted in determining if the review has been completed within the time period prescribed by this subparagraph.

Page 78, line 11, insert before the close quotation marks the following:

Before the Secretary may permit the term of an agreement to expire without renewing the agreement, the Secretary shall make the consultations prescribed by clause (i) and the preceding sentence, give the State Agency with which the agreement was made notice of the intention not to renew the agreement and the reasons for not renewing the agreement, and provide, as prescribed by clause (iii), the State Agency an opportunity for a hearing on the matter specified in the notice.

Page 86, line 24, strike out "1981" and insert in lieu thereof "1982".

Page 87, line 16, strike out "1981" and insert in lieu thereof "1982".

Page 99, line 13, strike out "organization, operation" and insert in lieu thereof "organizational, operational".

Page 99, line 18, insert ", consistent with State law respecting foreclosure procedures," after "action".

Page 99, line 22, insert "for a reasonable period of time" after "including".

The CHAIRMAN. The question is on the committee amendments except those on page 63.

The committee amendments were agreed to.

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The CHAIRMAN. The Clerk will report the committee amendments on page 63.

The Clerk read as follows:

Committee amendments: Page 63, line 6 strike out "not".

Page 63, line 9, strike out "unless" and insert in lieu thereof "if".

Mr. WAXMAN. Mr. Chairman, I ask unanimous consent that the committee amendments on page 63 be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. M'CLORY

Mr. McCLORY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLORY: Page 34, insert after line 11 the following:

(b)(1) Section 1513(b)(2)(A) is amended by inserting "(primarily with regard to health care equipment and to health services provided by health care institutions, health care facilities, and other providers of health care and other health resources)" after "healthful environment".

Page 34, line 12, strike out "(b)" and insert in lieu thereof "(2)" and strike out "(1)" and insert in lieu thereof "(A)".

Page 34, line 15, strike out "(2)" and insert in lieu thereof "(B)".

Mr. McCLORY. I appreciate the willingness of the committee to let me offer this amendment at this time so that I may attend a full committee meeting of the Committee on the Judiciary where important legislation is being marked up.

Mr. Chairman, my amendment to the Health Planning and Resources Development Amendments of 1979 is offered as a solution to problems which seem to be appearing in HSA service areas throughout the country.

The Senate version of this legislation already contains such a provision.

I first became aware of the broad range of authority being exercised by health systems agencies when the HSA in my own congressional district proposed a plan containing a provision which could be interpreted to allow schools and other organizations outside the family structure to provide family planning materials and information to teenagers and even to preteens in this area without parental knowledge or consent. I received an abundance of mail from outraged parents who did not want the HSA interfering in an area which they rightly considered the responsibility of the family. This proposal was deleted from the final health planning document.

However, through my study of this problem, I discovered that HSA's in other sections of the country were dealing with many highly controversial subjects such as gun control, abortion, nuclear power, airbags, and sex education. In fact, the final health systems plan for my district contained the following subjects: Solid waste (recycling cans, bottles, et cetera), noise control, highway safety and motor vehicle accidents, food protection, housing and residential hazards control, education of children of potential danger of noise pollution, fire safety, nuclear power (sun lamps, microwave ovens), domestic violence prevention, communications systems (911 systems), mosquitos and birds and recreational areas and mass gatherings control.

Mr. Chairman, while these subjects do have a bearing on the health of the residents of my district, I hardly feel that such a grassroots forum as the health systems agency should be used to spend large amounts of time on discussion and making plans concerning these issues. There are various local, State and National Government agencies which are currently handling these responsibilities.

It was my understanding that the main purpose of the health systems agency was planning for and promotion of health care facilities and health services and personnel. When an HSA becomes involved in areas in which they do not have any expertise, they are taking time away from their primary responsibility. As I stated, many of these subjects listed above do have an effect on the health of the residents of a community, but an HSA board should not take it upon itself to make decisions in these areas unless the appropriate agency fails to initiate action of its own to correct situations which would adversely effect the health of the residents of an area.

My amendment would add a clearer definition to that section of the health planning bill which appears to be giving the HSA the right to review and make decisions in these vaguely related areas. It adds after "healthful environment" the words "primarily with regard to health care equipment and to health services provided by health care institutions, health care facilities and other providers of health care and other health resources."

Mr. Chairman, the health systems agency in my district has done a fine job of eliminating the duplication of services and planning for health care needs of the three-county area of Lake, Kane, and McHenry counties which it serves. They have saved the taxpayers a considerable sum since their inception. However, to continue to perform to the best of their ability, I feel they should focus their efforts on planning for the health care system.

The HSA in the 13th District of Illinois has lost some of the respect previously enjoyed throughout the service area. The HSA needs the support of the community if its plans for health care are to succeed in any given area.

Hopefully, my amendment, clarifying the main purpose of the HSA, will restore some of the confidence the people seem to have lost for health systems agencies.

I urge my colleagues to join me in passing this amendment. As I stated before. this amendment has already been passed by the Senate twice—once in the 95th Congress as an amendment by Senator SCHWEICKER during floor consideration of the bill and again in the 96th Congress as a part of S. 544, the Senate health planning measure.

I urge its adoption here.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the Chairman of the subcommittee, the distinguished gentleman from California.

Mr. WAXMAN. Can I assume that the gentleman from Illinois does not intend to alter the committee's decisions and intent relating to the proper role of the health planning agency with respect to disease prevention which is specifically set forth in the committee report (H.R. 96-190) on pages 92 and 93.

Mr. McCLORY. The gentleman is correct.

Mr. WAXMAN. Then I can support the gentleman's amendment. Health planning agencies should have as their primary responsibility planning for health services and the manpower and facilities needed to provide them. This, however, should not preclude them from identifying the cause of health problems and with others working to reduce or eliminate those causes particularly in cases where there are not other local, State, or Federal agencies with this as their responsibility. In doing so the HSA should be cognizant of the strong views people hold on some of these issues and avoid generating unnecessary or unproductive controversy.

Mr. CARTER. Mr. Chairman, will the distinguished gentleman from Illinois yield?

Mr. McCLORY. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, we accept the amendment offered by the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I am very grateful for the thoughtful and favorable consideration by the committee on both sides.

AMENDMENTS OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Chairman, I offer two amendments, and I ask unanimous consent that the amendments be considered as read, printed in the RECORD, and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The amendments are as follows:

Amendments offered by Mr. WAXMAN: Page 3, line 5, insert "(A)" after "(a)(1)" and insert after line 21 on page 4 the following:

(B) The amendments made by subparagraph (A) do not authorize the enactment of new budget authority before October 1, 1979.

Page 17, beginning in line 13 strike out "the date of the enactment of the Health Planning and Resources Development Amendments of 1979" and insert in lieu thereof "October 1, 1979.".

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. McCLORY).

The amendment was agreed to.

Mr. WAXMAN. Mr. Chairman, the two amendments which I am offering are designed to correct technical problems in the bill and bring it into compliance with the Budget Act.

The first amendment makes changes on pages 3 and 4 of the reported bill to assure that the new requirement that the Secretary collect certain data (related to the goals and standards in the national guidelines) does not authorize new budget authority before the start of fiscal year 1980.

The second amendment modifies a provision of the bill on page 17 that allows the Secretary to provide minimally funded HSA's a pro rata increase in the grants awarded in fiscal year 1979 to reflect the new minimum funding level established in the bill (an increase from $175,000 to $200,000). The amendment would allow such increases to be made only out of appropriations made after October 1, 1979.

Mr. Chairman, I urge the adoption of these technical amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. WAXMAN).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. SATTERFIELD

Mr. SATTERFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SATTERFIELD: Page 51, line 1, insert after the period the following: "Except as otherwise authorized by this section, the issuance of a certificate of need may not be made subject to any criterion or condition unless the criterion or condition directly relates to—

"(A) the ability of the applicant to provide the service for which the certificate is to be issued or a service through the equipment or expenditure for which the certificate is to be issued,

"(B) the quality of such service, and

"(C) the availability and accessibility of such service to patients in need of it,

or the criterion or condition is otherwise directly related to a determination of the need for such service.".

Mr. SATTERFIELD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SATTERFIELD. Mr. Chairman, this amendment provides simply that the issuance of a certificate of need shall not be subjected to criteria or conditions which are extraneous to the issue of need. It does make clear, however, that criteria and conditions would be permitted if they deal with the ability of the applicant to provide the service through the equipment or expenditure for which the certificate is sought; the quality of that service; the availability and accessibility of the service to patients who need it; and any other criteria or condition which is directly related to a determination of the need for such service.

The amendment is designed to prohibit the application of criteria or conditions which do not pertain to the need for the service being applied for. It would not, however, prevent an agency from requiring the closure or conversion of unused bed capacity as a condition to approving an application which would create new beds because this would be directly related to the need for the service and the ability of the applicant to provide the service.

The requirement for a certificate of need is indeed an integral part of effective health planning as a device to insure that new institutional health facilities and services are genuinely needed. Now—why is this amendment needed? Unfortunately, there are instances of abuse, where the certificate of need has been used for wholly extraneous purposes. Let me cite a few examples of that abuse which this amendment would stop.

In the District of Columbia, a private, nonprofit hospital was granted approval for a renovation and modernization project only on the condition that it alter the racial and sexual composition of its governing body.

In southern New Jersey a health systems agency attempted to coerce a certificate of need applicant into allowing an outside organization to select members of its governing body.

In Colorado a health systems agency informed a hospital which sought a certificate of need to expand its coronary care unit. That the certificate of need would be granted if the applicant, among other things, reduced the number of its obstetric and pediatric beds.

The New York City Health Systems Agency is requiring all certificate-of-need applicants to establish community advisory boards to advise the governing boards of the applicants.

In California, a hospital seeking approval of an intensive care unit was told by a health systems agency that the hospital must first amend its medical staff by-laws to provide that all criminal activity committed in the presence of medical staff would have to be reported to the agency.

Now the objectives of these conditions may be desirable—even laudable—I do not argue that. But as laudable as they may be they lie far beyond the scope of the application for and issuance of a certificate of need. They have nothing whatever to do with need or with the process of health planning designed to match health services with the health needs of a community.

These abuses reflect a disposition to use the certificate of need process as leverage to require an applicant to do certain things which are not related to the objective of the process. Often agencies have used the leverage to achieve indirectly that which Congress has refused to permit them to do directly, as in the case of decertification of services unrelated to a certificate of need application.

Furthermore the imposition of unrelated conditions is fundamentally and unavoidably unfair. They arbitrarily impose requirements upon those hospitals which are unfortunate enough to require renovation, modernization, or new facilities. They directly discourage and delay the offering of hospital services which are unquestionably needed by the community. And they tend to politicize and corrupt the health planning process.

The argument has been advanced that this amendment would impose Federal limitations upon State programs. I could accept that argument if the certificate of need programs required by the Health Planning Act were truly State programs, but that is not the case. These State certificate of need programs are required by Federal law. They are approved and regulated in great detail by the Department of HEW. They are administered by planning agencies which are designated and funded by HEW. There is simply no question that under this act States have been preempted to a great degree and the Federal Government has far more control of and responsibility for the health planning process than State governments. In any event, should a State wish to decertify health services or change the composition of hospital boards, it still has the right and authority to do so by direct legislation without distorting and abusing the certificate of need process.

This amendment will have the effect of strengthening certificate of need programs by keeping them focused on the need for new services and facilities. On the other hand if certificates of need are permitted to become ensnarled in extraneous issues the effect upon the health planning system will be disastrous. This amendment will both reaffirm and strengthen the original policy of the health planning act.

I request favorable consideration of my amendment.

□ 1130

Mr. WAXMAN. Mr. Chairman, I rise in opposition to this amendment. Mr. Chairman and Members, I reluctantly oppose this amendment, because I understand what the gentleman from Virginia is trying to do.

Mr. Chairman, I oppose this amendment. A similar amendment to the one that Mr. SATTERFIELD now offers was considered by the full committee by a vote of 15 to 9. Members of the House should vote to defeat Mr. SATTERFIELD's amendment for the following reasons:

First. States should be able to operate their certificate of need programs with a minimum of Federal intervention. A certificate of need program is a State program established by State law. While the program must comply with the minimum requirements of Federal law, the State now has the discretion to go beyond these minimum requirements as it sees fit. Under current Federal law a State may establish criteria or other regulations which either permit or prohibit conditions being placed on certificates of need.

Second. Criteria and conditions which would be prohibited by Mr. SATTERFIELD's amendment are necessary to carry out sound health planning. Criteria such as the cost of the proposed service and the service's relationship to other services are important factors which should be considered. The State health planning agency may want to condition the approval of a hypertension screening program on the applicant's agreement to establish specific arrangements for followup care. The State agency may want to approve two of four proposed CT scanner applications on the condition that radiologists at nearby hospitals have hospital privileges to perform scans at the hospitals which would operate the two scanners. Approval of a major renovation project may be conditioned upon a facility's compliance with the State's bed reduction plan. This latter provision is required as part of Michigan State law. These would be prohibited by the Satterfield amendment.

Third. The amendment would prohibit the State health planning agency from using criteria which are currently required to be used by section 1532(c). For example, the amendment would prohibit the planning agency from considering less costly alternatives, which is one of the essential cornerstones necessary for a successful planning program.

Mr. Chairman, I cannot accept the principle on which this amendment is based that a certificate of need can be awarded by only considering the need for the service under review without looking at how the proposed service fits into the health system as a whole. Such an approach would inappropriately force the States to ignore such important issues as continuity of care, appropriate referral arrangements, a service's relationship to complimentary or followup services, the needs of our medical education system, and the cost of this service or other services. I urge the Members of the House to defeat this amendment.

While I can understand that we would not want conditions attached to a request for a certificate of need that are beyond any rational connection, I think that if we adopt this amendment we are going much further in eliminating the right of a State to attach conditions to a certificate of need application than is reasonable.

So, I urge that we reject the amendment.

AMENDMENT OFFERED BY MR. PREYER TO THE AMENDMENT OFFERED BY MR. SATTERFIELD

Mr. PREYER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. PREYER to the amendment offered by Mr. SATTERFIELD: In the matter proposed to be inserted in line 1 on page 51, strike out "may not be made subject to" and all that follows and insert in lieu thereof the following: "may not be made subject to any condition unless the condition directly relates to criteria of the State Agency relating to its review of applications for certificates of need and developed and published by the State Agency after providing reasonable opportunity for a hearing and the submission of written data, views, and arguments.".

Mr. PREYER. Mr. Chairman, I must reluctantly oppose the amendment by the gentleman from Virginia. I certainly recognize the problem which he seeks to address.

There is no doubt that bringing some order to the certificate-of-need process is a difficult task. Unfortunately, some conditions on certificates of need have been unpopular and frivolous and have created problems for health planning.

Mr. SATTERFIELD's solution to the problem is throwing baby out with bath water. It would unnecessarily restrict the health-planning agencies to carry out their functions.

I would like to provide some background on this issue. To begin with, State authorities are responsible for approving major health care expenditures after they consider the recommendations of local planning agencies. Once approved a certificate of need is issued.

Current law allows State planning agencies authority to condition their approval of a certificate of need on some other action and local planning agencies to recommend such conditions. For example, a local health systems agency would condition an application for an emergency room contingent on the applicant providing an interpreter for the hospital's Spanish-speaking patients. Or the health systems agency could condition an application for a new brain scanner contingent on that hospital's willingness to permit the scanner to be used by radiologists in a nearby hospital.

Concern about conditioning has been broadened by charges of unfair play by local health systems agencies in the certificate-of-need approval process. The amendment I offer is a carefully constructed approach which addresses the major problems caused by conditioning. It does so in recognition of a State's own right to carry out a certificate-of-need program. This amendment has the support of the subcommittee chairman. Mr. WAXMAN, and the ranking minority member, Dr. CARTER, has agreed to this compromise.

I have been concerned that conditioning has become heavy handed in some cases. Hospital administrators have persuasively argued that conditions have been placed on their certificate of need only days before an application was to be considered by a health systems agency. This is an unfortunate situation which certainly does nothing to promote harmony between providers and recipients of health care.

My amendment takes care of this overriding problem. It sets up an administrative procedure by which all interested parties can express their views on review criteria and only allows the State to adopt conditions that are directly related to that review criteria.

This way, no one will be fooled or surprised at the last moment. Conditioning will only take place to the extent that it meets the approval of the people most involved in the health planning process. No one's views will be ignored.

Consequently, conditioning based on hospital board composition is unlikely. I doubt whether a State would want to adopt criteria and condition on these grounds. The committee, in its report, discourages this sort of conditioning.

But the important thing to remember is that the health planning law has a purpose of removing the decisionmaking from Washington in putting it back where it belongs—at the State and local level.

The States know their own needs better than we do. This amendment does not preempt their authority to do what is best for their State. To the contrary, it encourages active and educated local interest in health planning.

I think most of us would agree that health care is too intimate to be left to the effects of arbitrary regulation. Our responsibility in the House of Representatives is to be fair. That is why the conditioning ground rules must be understood by every applicant for a certificate of need.

Beyond fairness, however, the States ought to run the program as they see fit. My amendment would achieve this objective and would resolve the conditioning problem. I urge its adoption.

☐ 1140

Mr. CARTER. Mr. Chairman, I move to strike the last word.

I would like to engage the distinguished gentleman in the well in a colloquy, if I may.

I want to say first that I supported the Satterfield amendment. I feel that it is needed but I found after first considering it that it adversely affected States rights. It preempted the State of Michigan, for instance, from proceeding with its closure, under certificate of need of unused hospital beds.

I would ask the distinguished gentleman in the well if his amendment remedies this portion of the Satterfield amendment.

Mr. PREYER. Mr. Chairman, in my judgment it does. It allows other types of conditioning beyond those directly related to the service provided.

Mr. CARTER. Mr. Chairman, is it not also true that this legislation requires that each HSA be broadly representative of every part of society, of every group, ethnic or otherwise, is that correct?

Mr. PREYER. The gentleman is correct. The amendment does not change those provisions in the law.

Mr. CARTER. And in no way could this amendment be interpreted as being against any group of people whatever its ethnic background, is that correct?

Mr. PREYER. The gentleman is correct.

Mr. CARTER. I thank the distinguished gentleman.

Mr. SATTERFIELD. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I will be happy to yield to the gentleman from Virginia.

Mr. SATTERFIELD. I would like to ask the gentleman a question. Does the gentleman feel the amendment I offered in any way would do that?

Mr. CARTER. I do not; no, sir. The only thing I feel the gentleman's amendment would do would be that it would preempt certain States from going ahead. I am informed that the State of Michigan could not close the hospital which it is trying to do now.

Mr. SATTERFIELD. Would the gentleman yield further, Mr. Chairman?

Mr. CARTER. I yield to the gentleman from Virginia.

Mr. SATTERFIELD. I intend to address the question of preemption in due course.

Mr. CARTER. Mr. Chairman, I certainly would not want to preempt any State from such an action.

I thank the distinguished gentleman.

Mr. ANDREWS of North Carolina. Mr. Chairman, I move to strike the last word.

I would like to thank and congratulate my distinguished friend and colleague from North Carolina (Mr. PREYER) and to concur in the remarks he has made in support of his amendment and to pledge my support and ask others to be supportive as well.

Mr. WAXMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

The objections I raised to the original Satterfield amendment I think are pretty well handled by this perfecting amendment to the Satterfield amendment. It would prohibit any condition not related to criteria formally adopted by the State health planning and development agency and this will assure that all parties know of and have an opportunity to participate in the establishment of the ground rules for certificate of need review. The amendment avoids the problems of the Satterfield amendment and yet deals with the problems that have been raised and assures fairness.

I want to point out the original Satterfield amendment was cosponsored by the gentleman from Kentucky (Mr. CARTER) and I am pleased to see that he is willing to support this perfecting amendment to the Satterfield amendment which I would find acceptable to us.

Mr. GRAMM. Mr. Chairman, I move to strike the requisite number of words.

I would like to review for my colleagues what we are talking about here. We are talking about giving individuals who compose boards within the State and individuals in HEW the power to tell vendors of care whether they can or cannot open a new facility, whether they can or cannot buy a piece of equipment, whether they can or cannot provide a service.

Mr. Chairman, we found, in receiving mail from our constituents and in talking to individuals who appeared before our subcommittee, that there has been a fantastic amount of abuse relating to certificate of need. HEW has attempted to impose many things on hospitals that had absolutely nothing to do with whether or not they should be able to buy and operate a CAT scanner. They attempt to tell them how they should make up their boards in terms of both sexual and racial mixes. They attempt to tell them what other services they should provide that have absolutely nothing to do with operating a CAT scanner.

Mr. Chairman, in my mind there is nothing in the Satterfield amendment that in any way precludes the ability of those reviewing certificates of need from determining how the CAT scanner is going to be used and who is going to use it. What it does say is that you cannot deny, or impose a condition on the allowance of, a certificate of need for a CAT scanner on the basis of what other services the hospital might provide. It has absolutely nothing to do with a CAT scanner.

Our distinguished colleague, the ranking minority member of the committee, talks about preemption of States. The objective of the Constitution was to preempt States in certain matters relating to individual freedom. Here we are talking about giving the States the ability to impose conditions, other than need, on certificates of need and I think that is an important Government function and I think it is clearly within the parameters of the Constitution itself.

Mr. Chairman, I prefer the Preyer amendment to no amendment at all but I do not think it addresses the basic point of the Satterfield amendment.

Mr. CARTER. Mr. Chairman, will the distinguished gentleman yield?

Mr. GRAMM. I would be happy to yield.

Mr. CARTER. Mr. Chairman, I thank my good friend from Texas for yielding.

I want to just state why I support the amendment as amended. I support the

Satterfield amendment. I think it is all right. However, we are keeping the State of Michigan from closing down hospital rooms which are costing $20,000 to $30,000 a day. For us to tell them they have to undergo this expense, you know, it does not make economic sense, as I see it.

I know my good friend is a great economist.

Mr. GRAMM. Mr. Chairman, if I may reclaim my time, I would like to answer my distinguished colleague from Kentucky in the following manner: We are not, by the Satterfield amendment, precluding the State of Michigan from shutting down hospital beds. What we are doing is precluding them from imposing on hospitals who do not want to shut down the beds a necessity to shut them down in order to have new equipment if the facility is approved.

Mr. Chairman, the question is, If we are going to close down health facilities, do we want to address that head on and analyze it on a cost-benefit basis with elected officials making those decisions or do we want to do it through subterfuge, by allowing bureaucrats to force the shutdown of facilities against the will of independent providers in order to get additional equipment?

□ 1150

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I yield to my distinguished colleague, the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, I would just like to respond, now that the gentleman from Kentucky, the distinguished ranking member of the committee, has mentioned the Michigan situation.

I think it demonstrates precisely why we need the Satterfield amendment. I happen to be familiar with what is going on in the State of Michigan today. We are the only State that has a hospital bed decertification law. It is going to be an absolute and unmitigated disaster before it is over and what it demonstrates is that we cannot arbitrarily through a political agency stalk up and down the State and find hospitals and then designate them for closure and expect to have any success in terms of a better match between the needs and the capacity that we have available in our health care delivery system. This approach will not work and to the extent that the law has no teeth as passed by the State legislature, because they were unwilling to impose sanctions, the only way that they can implement the State law is to use the certificate of need process in the health systems agencies as a lever, as a coercive device.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GRAMM) has expired.

(At the request of Mr. STOCKMAN, and by unanimous consent, Mr. GRAMM was allowed to proceed for 3 additional minutes.)

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield further?

Mr. GRAMM. I would be happy to yield to my colleague, the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, it is ironic that the gentleman from Virginia has to be offering this amendment, because the Members will remember that when we passed this law back in 1974 they attempted to include in that law Federal decertification authority. It was rejected by the Congress for the clear reasons that we do not want bureaucrats, federally appointed or funded, intervening in our local communities to shut down hospital beds, service units, wards or whatever.

Now what we are finding is that some of the so-called more progressive States are attempting to adopt the same law, but use the Federal club to enforce those laws, the decertification approach that we turned down in this Congress.

So I think it is imperative that we adopt the gentleman's amendment and that we make sure that certificate of need on new facilities, new capacity, is narrowly focused only on that new service or capacity that is under question, so that it cannot be used as a club, as a coercive device, as a blackmail weapon to enforce State laws that the Congress has refused to adopt.

Mr. GRAMM. Mr. Chairman, if I can reclaim my time, I would just like to summarize before my 3 minutes expires.

We are voting here on what the certificate of need should have to do with.

The Satterfield amendment says it should have to do with need. We do not intend to give and have not given, in legislation concerning HEW or State agencies, the power to shut down medical facilities; but they are doing it through the vehicle of certificate of need by expanding it far beyond the framework we intended.

The question before us is: Do we want certificate of need to be gaged on the basis of the need for that facility or for the equipment that is sought or do we want to give broad powers to shut down facilities and to impose constraints that have absolutely nothing to do with the facility or the equipment sought? With all due respect to my colleague, the gentleman from North Carolina, and I have the highest regard for the gentleman's ability and intentions, I do not think that the gentleman's amendment to the amendment of the gentleman from Virginia (Mr. SATTERFIELD) does the job. I think it goes only part way. If we want to control this act, rather than allowing the bureaucrats to do it, it is imperative that we vote down the Preyer amendment and then adopt the Satterfield amendment.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I would be happy to yield to my chairman.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for yielding.

The situation in Michigan is a very unique situation. It is the only State in the country that has adopted a closure hospital law. Whether we want that law or not in our States, we are precluding the States from even adopting such legislation if we adopt the Satterfield amenment without the Preyer perfecting amendment.

It seems to me that the gentleman is correct in saying that we want to look at the need for the facility. That is clearly what certificate of need is all about; but I think we ought to let the local people look at other factors, such as cost and other availability.

Mr. LEE. Mr. Chairman, I move to strike the requisite number of words.

I yield to the distinguished minority member, the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman for yielding.

I wish to say plainly that this amendment if it passes will permit the State of Michigan and its HSA's selected by local people decide what they want to do in their State.

I think that we should leave it to the local people. We refused to require States to provide for decertification in 1974, as the gentleman correctly said. We are refusing to do it now. We are leaving it to your State and we think that your State should have that right. That is the reason why I support the amendment of the distinguished gentleman from North Carolina.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. LEE. I would be happy to yield to my good friend.

Mr. GRAMM. Mr. Chairman, it seems to me that our distinguished colleague, the gentleman from Kentucky, is missing the point, that we refuse to allow facilities to be shut down through decertification. The Congress turned that down before.

Mr. CARTER. Mr. Chairman, we are certainly not doing this at all.

Mr. GRAMM. That is exactly what we are doing.

Mr. CARTER. We have in this country, as the gentleman well knows, 130,000 unused beds, each of which costs us $30,000 a day.

As a good economist, as a great economist, as a wonderful professor from the great State of Texas who teaches economics, the gentleman knows that the State of Michigan stands to save thousands and thousands of dollars every day, if we permit them to go ahead.

I think we should permit them to save money. Should we tell them to be wasteful? No.

Mr. Chairman, I thank my good friend for yielding.

Mr. LEE. Mr. Chairman, I thank the gentleman.

Mr. Chairman, if I may reclaim my time, I think that the salient points made by the distinguished gentleman from Michigan and the distinguished gentleman from Texas are very much on point, that there has, indeed, been an abuse of the certificate-of-need process at the local levels by the HSA's, that we, indeed, need to constrain this abuse which the Satterfield amendment attempts to do.

Mr. Chairman, I urge my colleagues to vote no on the amendment to the amendment and to vote aye on the amendment of the gentleman from Virginia (Mr. SATTERFIELD).

Mr. SATTERFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina (Mr. PREYER).

Lest there be some confusion, let me make it perfectly clear that you cannot support the amendment which I have drafted and offered and consistently support the Preyer amendment, too. The Preyer amendment takes away every requirement and safeguard that is written into my amendment and would restore the law essentially to what it is today.

Now, I have listened with great interest to the question about preemption of States. There is no one in this body who will stand stronger for States rights than I or who opposes preemption of States rights to do things; but let us not make any mistake about it, when we passed the Health Planning and Resources Development Act in the first instance, we preempted the States in the area of certificates of need and they are preempted now.

Today the Secretary of HEW, and if you adopt this Preyer amendment he will be able to continue, can mandate to the States the criteria, for and the parameters of their certificates of need programs and he can require that they do the same things that I complain about, conditions which I think ought to be stopped.

I sympathize with the gentleman's suggestion that the people in Michigan ought to be able to make up their own minds, but we are dealing now with a Federal program. We are dealing with a system that is funded by the Federal Government. It is carried out by Federal agencies which are funded and controlled by the Federal Government and answerable to the Secretary of HEW. We are talking about certificate of need programs that have to be satisfactory to the Secretary of HEW or it will not function under this act.

What we are talking about now is whether this Congress is going to state the parameters of the certificate of need or whether we are going to let a bureaucrat downtown, and his subordinates down the line, dictate what we are going to do. I believe Congress has the responsibility to act and that we ought to act now by approving my amendment and by voting the Preyer amendment down, because it does not do anything to change the law as it exists today. Let us make no mistake about that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. PREYER) to the amendment offered by the gentleman from Virginia (Mr. SATTERFIELD).

The question was taken; and on a division (demanded by Mr. WAXMAN) there were—ayes 9, noes 9.

Mr. WAXMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1210

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from California (Mr. WAXMAN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 203, noes 211, not voting 20, as follows:

[Roll No. 359]

AYES—203

Addabbo
Akaka
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bennett
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bonior
Bonker
Brademas
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Garcia
Gephardt
Giaimo
Gilman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Holland
Holtzman
Horton
Hughes
Hutto
Ichord
Jacobs
Jenrette
Johnson, Calif.
Jones, N.C.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lloyd
Long, La.
Lowry
Lundine
McCormack
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Myers, Pa.
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Rangel
Ratchford
Reuss
Richmond
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Whitley
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

NOES—211

Abdnor
Albosta
Ambro
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Benjamin
Bethune
Bevill
Boner
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Clinger
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Findley
Flippo
Fountain
Frenzel
Fuqua
Gaydos
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Hyde
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Martin
Mathis
Mazzoli
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nelson
Nichols
O'Brien
Panetta
Pashayan
Patten
Paul
Petri
Pickle
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—20

Anderson, Ill.
Bolling
Brodhead
Coleman
Conyers
Coughlin
Dodd
Edwards, Okla.
Emery
Fish
Flood
Forsythe
Gibbons
Huckaby
Ireland
Jones, Tenn.
Leach, Iowa
Luken
Marriott
Ritter

☐ 1220

The Clerk announced the following pairs:

On this vote:

Mr. Dodd for, with Mr. Jones of Tennessee against.

Mr. Flood for, with Mr. Marriott against.

Mr. Conyers for, with Mr. Coleman against.

Mr. GILMAN and Mr. SANTINI changed their vote from "no" to "aye."

Messrs. FINDLEY, HAGEDORN, HUBBARD, CLEVELAND, DE LA GARZA, STRATTON, McCLORY, RAILSBACK, LUJAN, MICA, and RAHALL changed their vote from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1230

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. SATTERFIELD).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BARNES

Mr. BARNES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARNES: Page 38, insert after line 24 the following:

(2)(A) Section 1512(b)(3)(B)(ii) is amended by inserting before the semicolon the following: "and in the case of a health systems agency which is a public regional planning body or unit of general local government, the planning body or unit of government shall only be given, in accordance with section 1513(b)(2), a reasonable opportunity to comment on a health systems plan proposed by the governing body and to propose additions to and other revisions in it".

(B) Clauses (iii) and (iv) of section 1512 (b)(3)(B) are each amended by striking out "approval" and inserting in lieu thereof "approval or disapproval".

Page 39, line 1, strike out "(2)" and insert in lieu thereof "(C)".

Page 39, line 8, strike out "approved" and insert in lieu thereof "established".

Page 39, insert after line 20 the following:

(D) The amendments made by subparagraphs (A) and (B) shall not apply with respect to a health systems agency for which a designation under section 1515 of the Public Health Service Act was in effect on January 1, 1979, and which is a unit of general local government.

Mr. BARNES (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BARNES. Mr. Chairman, this amendment is being offered specifically to preserve a situation in existing law which allows the county government in Montgomery County, Md., to continue its supervision of the health systems agency there. It is my understanding that our county is one of the very few in the country which functions as its own HSA. The members of the HSA are appointed by our county executive, an elected official, subject to the approval of a seven-member elected county council.

The county government also exercises final approval over any recommendations by the HSA. This system has worked well in promoting health planning over the 3 years it has been in effect, while at the same time maintaining a significant role for local officials. The Montgomery County Health Systems Agency has been praised in health journals and is an effective demonstration of how an HSA can plan broadly for the health-care needs of its community, rather than solely with facilities planning.

My intention in offering this amendment would be simply to allow a good system to continue. There was some question about whether the language in H.R. 3917, as reported, would reduce the significant role the Montgomery County government now plays in health planning, and it would be my hope that the distinguished chairman of the Health Subcommittee, the gentleman from California, would find the amendment acceptable.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. BARNES. Yes, I yield to the gentleman.

Mr. WAXMAN. I thank the gentleman for yielding. The amendment is acceptable. It allows Montgomery County, and those who are already handling their affairs through a public agency, to continue in that regard. We accept the amendment.

Mr. BARNES. I thank the distinguished chairman, and I yield back the balance of my time.

Mr. CARTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to engage the chairman of the subcommittee in a colloquy. Due to the noise in the House I regret to say that I did not understand the gentleman's amendment. I would like to know its content.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I am happy to yield.

Mr. WAXMAN. The amendment of the gentleman from Maryland (Mr. BARNES) would allow for those public agencies, allow existing units of local government to approve the plan and do those things that they now do under the Health Planning Act. It, in effect, grandfathers in those who already operate under that kind of procedure. In this way we will not adversely affect the way they have been conducting their business and we will continue to in allowing local governments to handle the decisionmaking with regard to the HSA's.

Mr. CARTER. This applies to HSA's which are already in effect, is that correct?

Mr. WAXMAN. If the gentleman will continue to yield, that is correct, only to those that are already in effect. It grandfathers them in.

Mr. CARTER. I thank the distinguished gentleman and I have no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BARNES).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. YOUNG OF ALASKA

Mr. YOUNG of Alaska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Alaska: Page 16, beginning in line 20, strike out "or the product of $0.25 and the population of the health service area for which the agency is designated" and insert in lieu thereof "or $200,000 or the product of $0.25, and the population of the health service area for which the agency is designated, whichever is greater".

Mr. YOUNG of Alaska (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. YOUNG of Alaska. Mr. Chairman, when we developed and approved the Health Planning and Resources Development Act of 1974 it was with the understanding that the legislation would be a vehicle to provide local control for the improvement of health status and containment of spiraling health care costs. Two hundred HSA's were authorized as the major new tool of local areas to use in order to accomplish our objectives. Although all HSA's have been established and developed, there has been no improvement in support of the "minimally funded agency" status and subsequently there is a danger of diminishing effectiveness.

I am submitting an amendment today to support the "minimally funded agencies" allowing the Department of Health, Education, and Welfare to match contributed non-Federal funds up to the amount of $200,000. With this amendment the six affected HSA's would no longer be penalized, or discriminated against, because of their low population areas. The amendment recognizes their efforts to amass non-Federal dollars and provides them with the necessary funding, yet caps the total amount authorized.

Appropriate planning efforts by Maryland HSA No. 2, Michigan HSA No. 7, Colorado HSA No. 3, and all HSA's in my State, Alaska, are being seriously handicapped by current budget limitations. Let us alter the funding patterns for the minimally funded and bring them to realistic levels. I do not wish to see the health planning effort, this far established, continuously have its successful implementation efforts eroded by lack of congressional action. The minimally funded HSA's either must be allowed to work for increased funding levels or they will begin to fold.

Gentleman, I urge you to vote for this amendment thus allowing us to continue the original intent of the act we passed in 1975.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, the gentleman's amendment is clearly acceptable to us. It deals with the special problems of large areas such as Alaska and others that need this special grandfathering, and we support this.

Mr. YOUNG of Alaska. Mr. Chairman, I thank the gentleman for his support.

Mr. CARTER. Mr. Chairman, will the distinguished gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman.

Mr. CARTER. Mr. Chairman, I support the gentleman's amendment.

Mr. YOUNG of Alaska. I thank the gentleman very much.

☐ 1240

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alaska (Mr. YOUNG).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: On page 29, after line 21, insert the following:

(e) Section 1513(a) is amended by adding after the first sentence the following:

"None of the funds authorized to be appropriated under this title or Title XVI shall be used, directly or indirectly, to pay for any personal services of any individuals intended or designed to influence the issuance, amendment or revocation of any executive order or similar promulgation by and Federal, State or local agency or to influence the passage, amendment or defeat of any legislation by the Congress or by any state or local legislative body."

Mr. VOLKMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOLKMER. Mr. Chairman, this amendment is a result of what has happened last year in the State of Missouri when the HSA in Kansas City used Federal funds to hire a lobbyist to lobby the Missouri Legislature at a pay of $25,000 plus expenses.

I firmly believe that the HSA's should not be permitted to hire outside lobbyists for the sole reason of lobbying and entertaining members of the Missouri State Assembly. This amendment solely restricts them from using any funds for hiring outside personnel to lobby the Congress or State and local legislative bodies for HSA-sponsored legislation or any type of legislation that they may or may not desire, either pro or con.

The amendment does not restrict the HSA personnel from informing members of State legislative bodies or local legislative bodies or Members of Congress of their views, their personal views, on legislation. It only restricts them from hiring lobbyists. I do not believe that it is right, and I believe that right now, in fact, the HEW guidelines are now restricting this.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from California, the chairman of the subcommittee.

Mr. WAXMAN. Mr. Chairman, as I understand the amendment, HSA's would be prohibited from hiring lobbyists.

Mr. VOLKMER. Yes.

Mr. WAXMAN. But the members of HSA's governing body and members of the staff would not be prohibited from informing Government officials of their positions?

Mr. VOLKMER. That is correct. They would not be restricted. They could tell them, call them up and say, "We do not think this is right."

Mr. WAXMAN. I find the amendment acceptable, and I urge our colleagues to adopt it.

Mr. VOLKMER. I thank the gentleman.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Kentucky.

Mr. CARTER. I thank the distinguished gentleman for yielding. As I interpret this amendment, it would prevent an HSA's from using Government money, money that we appropriate, to hire an outside person to influence the Congress or to influence other groups. Is that correct?

Mr. VOLKMER. Yes.

Mr. CARTER. In a sense, if we permitted this we would be permitting the theory of Mao Tse-tung to come into effect, to use the Government's money to destroy the Government.

Mr. VOLKMER. It has been done.

Mr. CARTER. Mr. Chairman, I approve the gentleman's amendment.

Mr. VOLKMER. I thank the gentleman.

Ms. MIKULSKI. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentlewoman from Maryland.

Ms. MIKULSKI. Mr. Chairman, I do not quite understand the impact of the gentleman's amendment. I often turn to the HSA in my community for consultative information so that I can be an effective member of this Health Subcommittee; I look to it for information on health, treatments, needs, and innovations in competitive modes.

Mr. VOLKMER. Very good.

Ms. MIKULSKI. Could we still do that?

Mr. VOLKMER. Oh, yes.

Ms. MIKULSKI. They could still consult with elected officials?

Mr. VOLKMER. Yes; they could call the gentlewoman up and volunteer under this amendment. Let us say that they needed to inform the gentlewoman of something. They can call the gentlewoman, write her a letter, anything they want, even ask the gentlewoman to sponsor a bill.

Ms. MIKULSKI. What can they not do?

Mr. VOLKMER. They cannot go out and hire the gentlewoman's friend for $50,000 to come down here and talk to us.

Ms. MIKULSKI. That is maybe why I would object to it.

Mr. VOLKMER. They cannot hire an outside lobbyist.

Ms. MIKULSKI. I understand, but they themselves can perform consultative and advisory functions?

Mr. VOLKMER. Right.

Ms. MIKULSKI. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. LIVINGSTON

Mr. LIVINGSTON. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. LIVINGSTON: Page 21, add after line 3 the following:

SEC. 108. (a) Section 1512(b)(1)(A) is amended to read as follows:

"(A) a public agency which is established in that portion of the State in which the largest part of the population of the health service area resides and which agency only engages in health planning and development functions;".

Page 26, line 18, strike out "Each" and insert in lieu thereof "Except as otherwise provided in this subparagraph, each".

Page 27, insert before the close quotation marks in line 4 the following: "In the case of a health systems agency which is a public agency described in subsection (b)(1)(A), 25 percent of the members of the governing body shall be selected by the Governor of the State in which the agency is established, 30 percent of the members shall be selected by the chief governing authority of each political subdivision within the health service area for which the agency is designated. The remaining members shall be selected under a process which assures that such remaining members will not be nominated or selected by the governing body.".

Page 27, strike out line 24 and all that follows through line 7 on page 28 and insert in lieu thereof the following:

"(b) The second sentence of section 1512(b)(3)(A) is amended to read as follows: "Any other health systems agency shall have a governing body composed, in accordance with subparagraph (C), of not less than ten members and not more than thirty members.".

Mr. LIVINGSTON (during the reading). Mr. Chairman, I ask unanimous consent that my amendments may be considered en bloc, and that they be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LIVINGSTON. Mr. Chairman, it is my very sincere belief that private corporations really have no business doing public business with public funds without a large degree of accountability. Yet, roughly 170 HSA's currently act as private corporations.

My amendments would merely reduce the size of unwieldy boards and make more than one-half of the board members of HSA's directly accountable to elected officials at the State and local levels. Actually, they are really only calling an HSA agency what it really is. The House committee report of September 26, 1974, stresses that the HSA's are to be private corporations because, and I will read:

> The health service, as opposed to other types of community services, is basically a private industry with over two-thirds of its resource expenditures coming from the private sector.

Mr. Chairman, essentially this means that the committee made these HSA's private corporations, simply because they would be controlling private industry, and because the Members were concerned that private industry would overwhelm them with opposition unless the control came from a private, rather than a public agency. Yet, they funded the private companies with public funds, and empowered them to control private industry. It is my point to call them, very simply, what they are; that is, public agencies, and to make their members accountable to the public.

The General Accounting Office has recently examined the HSA's and has found that the health systems agencies have yet to prove themselves. They are having a difficult time establishing credibility in the community. The GAO is particularly concerned about the ability of the HSA's to handle serious health issues. The cause, in my opinion, is because of their unwieldy structures. Many of them have boards consisting of as many as 70 to 100 persons, and most importantly, they lack accountability to local officials.

The GAO pointed out that HSA's are not accountable to the people, and thus should not be making decisions for which elected officials are responsible. If the HSA's do a bad job for the community, someone, in my opinion, should be responsible and accountable for their decisions.

With my amendments, the people can bring pressure on the elected officials who in turn can pressure, or fire if necessary, roughly 55 percent of the board members appointed. This is absolutely vital if we are to receive responsible decisions which are in the public interest.

These HSA agencies spend a great deal of money, Mr. Chairman. In Los Angeles, before the certification of the particular HSA in question was revoked, the HSA was allotted almost $2 million in public funds. In New Orleans the HSA was allotted almost $1 million in public funds. The New Orleans area problems are particularly acute, and called my attention to the need for these revisions. The executive director of my area HSA, as principal authority under its board, recently rendered a decision which was contrary to the interests and beliefs of all of the members of the Louisiana House delegation to this body, the two Senators, the Governor, and all the elected State officials of the particular area in which the HSA had jurisdiction. I am glad to say, Mr. Chairman, that there was a happy ending and the problem was corrected, but had there been more accountability on behalf of the HSA board members, there would have been no problem in the first place.

The HSA in the district of the very distinguished chairman of this subcommittee in Los Angeles was studied by the Comptroller General of the United States. They found that there were mishandling of board elections; mishandling of legal services billing; mishandling of agency staff hiring; mishandling of budget problems; and, in fact, the HSA's were providing misleading information to HEW. There also was discovered certain deficiencies in the HEW monitoring procedures.

□ 1250

Now, Mr. Chairman, these problems were discussed and predicted as early as in 1974. Those predictions have come to pass. They were rendered on this floor in the discussion of the original act by the late Bill Steiger who took the floor and said of HSA board members:

> How are they selected? By themselves.
>
> Who do they represent? Basically they represent themselves.
>
> At no point, in my judgment, the way the bill is drafted, is there any effective, meaningful accountability.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. Livingston was allowed to proceed for 3 additional minutes.)

Mr. LIVINGSTON. Mr. Steiger also said on the floor on December 13, 1974, the day this bill originally passed this body that—

> There remains one basic weakness, and that basic weakness is the lack of accountability to the public, and in particular to the communities encompassed by an areawise health planning agency.

Despite his comments, that is the case today. The law, even as amended by H.R. 3917, still does nothing to solve this problem. The problem is simple and apparent. If this health planning business is truly in the public interest, if it is truly going to work, then it should have the same limitations as any other function of government, and the persons responsible for the health planning should be responsible and accountable to the people.

Accordingly, Mr. Chairman, I would ask this body to pass my amendments.

Mr. WAXMAN. Mr. Chairman, I move to strike the last word and rise in opposition to the amendment.

Mr. Chairman, I strongly oppose this amendment. Its adoption would mean that a good part of the time, effort of thousands of volunteers and funds ($500 million) invested by the Federal Government in this program have been wasted. It will also mean that the next 2 years will be unproductively spent on organizational matters at a time when the program is starting to have an impact. The disruption which this amendment would cause is immense

The Livingston amendment would require:

First. All 177 private nonprofit HSA's to change their structures or be terminated and in their place new public HSA's be funded.

Second. Many HSA's, which are now located close to the geographic center of a health service area, to move to the population center of the area.

Third. One hundred and seventy-seven HSA's to change the mechanism for the selection of board members so that 25 percent of the members of the HSA are selected by the Governor; 30 percent are selected by chief governing authority of each political subdivision in the area; and the remaining members be nominated and selected by other than the governing body.

Fourth. Ninety HSA's to reduce the size of the governing body be limited to 30 members therefore excluding points of view.

The gentleman argues that the HSA's are too independent of public influence. Yet the HSA is tied to government at the local, State, and national levels at the present time. At the local level elected officials participate in the process and often appoint members. Approximately 15 percent of HSA governing body members currently are public officials. In some HSA's; for example, northern Virginia, HSA local elected officials appoint all the members of the HSA. At the State level, the Governor plays an important role in HSA designation and State government makes final decisions on new facilities and services after HSA recommendations. At the Federal level, the Department of Health, Education, and Welfare is charged with assuring HSA accountability in carrying out the provisions of the Health Planning Act.

If HSA's made final decisions respecting new facilities or services or State or Federal funds, the gentleman might have reason to be concerned. But HSA's make no final decisions. They make recommendations to the State on certificates of need and recommendations to HEW on proposed uses of Federal funds.

Mr. Chairman, the amendment will cause major disruption in the health planning program. The committee in its hearings on this issue found no evidence that such a drastic change in the planning system is either necessary or desirable. In fact it specifically rejected an amendment that put additional constraints on the HSA selection process. I urge the defeat on this amendment.

Mr. LIVINGSTON. Mr. Chairman, will the gentleman yield to me?

Mr. WAXMAN. I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Can the gentleman point out anywhere in the existing law where the board members are, in fact, accountable and can be fired for improper use of their duties?

Mr. WAXMAN. That determination would be left to an agency's bylaws. The formation of a health systems agency is subject to HEW approval. There is usually conditional designation under which the agency serves and is reviewed before full designation is given.

Mr. LIVINGSTON. Mr. Chairman, will the gentleman yield further?

Mr. WAXMAN. I do yield.

Mr. LIVINGSTON. Does the gentleman agree with me that the present law does, in fact, permit situations whereby the executive director might manipulate the membership of the board and actually control its board to the detriment of any outside interests?

Mr. WAXMAN. Well, the intent of the law is certainly not to have that occur. The intent of the law is to let the governing body make its decisions to recommend to the State agency for what ever action may be before them. If there is a manipulative staff person, that is an unfortunate circumstance which we would hope the board members would deal with in an appropriate way.

Mr. LIVINGSTON. Will the gentleman yield further, Mr. Chairman?

Mr. WAXMAN. I yield further to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Chairman, I sincerely concur that is not the intent of the law. Frankly, it is my particular belief that the intent of the law is a good one. However, my amendments go far to safeguard against any misappropriation or misuse of funds or bad exercise of duty on behalf of the board members and/or on behalf of the executive staff and that is my purpose.

Mr. WAXMAN. Mr. Chairman, I will reclaim my time and say I certainly know what the gentleman intends but I feel this amendment would be so disruptive to all the agencies that have worked well, even though in the gentleman's area they may have been unsuccessful. There are 177 agencies now that are nonprofit corporations that have gone through the organizational stage. To say to them now that we are going to have to dump all the work they have accomplished so far would be tremendously disruptive to the planning system.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARTER. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, if we really want to politicize the HSA's and the SHCC's and so forth, the thing to do is to adopt this amendment. Twenty-five percent of the appointments would be made by the Governor of the State and, of course, more than likely they would be of his political persuasion and I do not know that they would be more accountable, really, than people who are selected as they are.

Mr. Chairman, if one is familiar with those who are in HSA's and State health coordinating councils, one will find they are high-quality citizens interested in the health of their people, dedicated groups, dedicated people. In meeting with them and discussing health problems with them I have found them to be of the highest caliber. I have seen no evidence of untoward actions on their part. I strongly support the present legislation and oppose the amendment.

Mr. LIVINGSTON. Mr. Chairman, would the gentleman yield to me.

Mr. CARTER. I will be happy to yield.

Mr. LIVINGSTON. Would the distinguished minority leader of the subcommittee concede that, in fact, there have been numerous violations. One illustration being one in Los Angeles where the certification has been yanked because of the activities of the board members and of the executive staff and that that might not have had to come into play and the certification might have actually been carried on?

Mr. CARTER. Mr. Chairman, I reclaim my time.

There might have been such an incident in Los Angeles and, if so, by the gentleman's own words he states it was corrected and I heartily approve of such correction.

Mr. LIVINGSTON. Would the gentleman yield further?

Mr. CARTER. I yield further to the gentleman from Louisiana.

Mr. LIVINGSTON. The certificate was actually yanked and my point is if my amendments were passed, it would not have been necessary.

Mr. CARTER. I think the secretary did what was right and it just proves that the system does work in this case.

Mr. Chairman, I oppose the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Louisiana (Mr. LIVINGSTON).

The question was taken; and on a division (demanded by Mr. LIVINGSTON) there were—ayes 16, noes 10.

RECORDED VOTE

Mr. WAXMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 135, noes 274, not voting 25, as follows:

[Roll No. 360]

AYES—135

Applegate
Archer
Ashbrook
Bafalis
Bailey
Bauman
Beard, Tenn.
Bennett
Boggs
Bowen
Breaux
Brinkley
Broomfield
Burgener
Campbell
Carney
Clausen
Clinger
Coleman
Collins, Tex.
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Deckard
Derwinski
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
English
Erdahl
Evans, Del.
Evans, Ga.
Findley
Frenzel
Gaydos
Gingrich
Goldwater
Goodling
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Harsha
Hightower
Hillis
Hinson
Holt
Hopkins
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jeffries
Johnson, Colo.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leach, La.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McKinney
Madigan
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead,
Calif.
Murphy, Pa.
Murtha
Pashayan
Paul
Pursell
Quayle
Rahall
Railsback
Rhodes
Ritter
Robinson
Roth
Rousselot
Rudd
Runnels
Schulze
Sebelius
Shumway
Shuster
Slack
Snowe
Solomon
Spence
Stangeland
Stockman
Symms
Tauke
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
Whitehurst
Williams, Ohio
Wilson, Tex.
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—274

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson,
Calif.
Andrews, N.C.
Andrews,
N. Dak.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Badham
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Bingham
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carter
Cavanaugh
Chappell
Cheney
Cleveland
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Devine
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Howard
Hubbard
Hughes
Hutto
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Lowry
Lundine
McCormack
McDonald
McEwen
McHugh
McKay
Markey
Marks
Marlenee
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Sensenbrenner
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Taylor
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—25

Anderson, Ill.
Blanchard
Bolling
Carr
Chisholm
Clay
Conyers
Diggs
Downey
Edwards, Okla.
Emery
Fish
Flood
Forsythe
Gibbons
Hammer-
schmidt
Horton
Long, Md.
Luken
Maguire
Marriott
Moffett
Seiberling
Shannon
Wilson, C. H.

☐ 1310

The Clerk announced the following pairs:

On this vote:

Mr. Emery for, with Mr. Horton against.

Mr. RITTER changed his vote from "no" to "aye."

Mr. BUCHANAN changed his vote from "aye" to "no."

So the amendments were rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PAUL

Mr. PAUL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PAUL: Page 45, insert after line 25 the following:

(1) Section 1513(b) is amended by adding at the end the following:

"(5) The HSP of a health systems agency shall include a statement of the effect that achievement of the goals of the HSP will have on the requirements placed on the practice of medicine by the Oath of Hippocrates (as restated in Geneva, Switzerland, in 1948 by the World Medical Association), and the AIP of a health systems agency shall include a statement of the effect that achievement of the objectives in the AIP will have on such requirements."

Mr. PAUL. Mr. Chairman, my amendment simply requires one thing: Namely, that the 205 health system agencies describe their plans in terms of the ancient and venerable oath of Hippocrates, as restated by the World Medical Association at Geneva, in 1948. My amendment would not require compliance with the oath. It simply requires that the health planning activities undertaken by the health system agencies point out how their goals conform or disagree with the ethical dictates of the oath.

Mr. Chairman, I would just like to recite this oath to the Members as it was rewritten in Geneva in 1948:

OATH OF HIPPOCRATES, GENEVA VERSION, 1948

> Now being admitted to the profession of medicine, I solemnly pledge to consecrate my life to the service of humanity. I will give respect and gratitude to my deserving teachers. I will practice medicine with conscience and dignity. The health and life of my patient will be my first consideration, I will hold in confidence all that my patient confides in me.
>
> I will maintain the honor and the noble traditions of the medical professions. My colleagues will be as my brothers. I will not permit consideration of race, religion, nationality, party politics or social standing to intervene between my duty and my patient.
>
> I will maintain the utmost respect for human life from the time of its conception. Even under threat, I will not use my knowledge contrary to the laws of humanity.
>
> These promises I make freely and upon my honor.

Mr. Chairman, medical scientist and educator, A. C. Ivy said in 1949:

> Though I had been in medicine for thirty years, I realized for the first time at the Nuremberg Trials, the full meaning of the contribution of Hippocrates and his school to medicine and human welfare . . . One cannot conceive of a sound society with medicine that does not have a sound moral philosophy.

In the years preceding World War II, German academic medicine was preeminent. Germany was the leading world center for post-graduate medical studies, just as the United States is today. The prostitution of German medicine occurred by degrees as collaboration with the Nazis proceeded. If we are not careful, the anti-moral elements that characterized Nazi medicine will become present in America to a degree not once thought possible only a few years ago. The government talks inordinantly of "cost control" in a vain attempt to neutralize government inflation and because the sanctity of life for one individual is subordinated to the quality of life for another.

Dr. Leo Alexander, an official American medical expert at the Nuremberg Trials of German physician-executioners of Nazi medical atrocities, has stated:

> Whatever proportions these crimes finally assumed, it became evident to all who investigated them that they had started from small beginnings. The beginnings at first were merely a subtle shift in emphasis in the basic attitude of physicians. It started with the acceptance of the attitude, basic in the euthanasia movement, that there is such a thing as a life not worthy to be lived.
>
> This attitude in its early stages concerned itself merely with the severely and chronically sick. Gradually the sphere of those to be included in this category was enlarged to encompass the socially unproductive, the ideologically unwanted, the racially unwanted, and finally all nonGermans.

A physician is a human being and equally shares and suffers the human condition. He or she has no genetic immunity to vice, ignorance, or temptation. Dr. Herbert Ratner, Oak Park, Ill., has stated:

> Medicine has undergone an erosion since the post-Nazi-holocaust reaffirmation of the Hippocratic Oath and Helsinki declaration on human experimentation. It is seen in the acceptance of killing as a new function of the medical profession, namely the killing of the unborn child and the promotion of active euthanasia among the born. To advance killing in medicine, however, is just as monstrous as tolerating injustice in law.

Doctors need to be protected from becoming the tools of amoral health plutocrats. Patients need their sanctity of life respected by all physicians, not just a majority. With the wide intrusion of tax funds into the health arena, the inevitable cost question arises, "Is it worthwhile to spend x dollars to keep Smith alive?" To an ever increasing degree we are lulled by a false-faced liberalism which identifies the venerable and traditional medical oath with tyranny, but which oath in reality protects both patient and doctor from the tyranny of the state.

When we emancipate ourselves from the oath of Hippocrates, we liberate ourselves to commit atrocity. I urge adoption of the amendment.

□ 1320

Mr. WAXMAN. Mr. Chairman, I move to strike the last word, and I would like to engage the author of this amendment in some discussion so that I can understand what this amendment does.

Mr. Chairman, as I understand this amendment, the gentleman is asking that in the health plan there be a statement of how the goals affect this particular oath; is that correct?

Mr. PAUL. If the gentleman will yield, if what we spend the money on does not fulfill the goals stated in the oath of Hippocrates at Geneva, a report to this effect is required. It would be like an ethical impact statement. You do not have to follow the Hippocratic oath, but the purpose would be to say whether or not you are following it or not following in all Government health planning.

Mr. WAXMAN. The gentleman, I hope, understands that what health planning agencies do is not just what we spend money on, but the whole health care system in the area.

Mr. PAUL. I think it would be wise for the whole health care system if they followed some type of ethical conduct.

Mr. WAXMAN. But what the gentleman is suggesting is that the ethic as stated in this oath be the official ethic of this country that we tell all health officials to abide by.

Mr. PAUL. Is there anything specific in the oath that the gentleman objects to?

Mr. WAXMAN. I do not know. It seems to me that it is presumptuous of us to decide what the morality is for all health authorities in this country. There is a mention here about which I think there is some controversy, where it says, "I will maintain the utmost respect for human life from the time of its inception."

Certainly, we want to respect human life, but with that I assume the gentleman would be imposing the views that he may have on the question of abortions on all doctors in this country? Is the gentleman making a moral judgment and wanting us to put in the law his moral version of the law?

Mr. PAUL. I am asking that we use this as the standard of ethical conduct in the practice of medicine when Government money is involved, at least to indicate whether or not these standards are followed.

Mr. WAXMAN. Government money is not involved in all of the practice of medicine under the health planning system. It is all the health care that is given in this country.

Mr. PAUL. I think that all of medicine should be under some ethical standards if the Government is going to be regulating it, as they are.

Mr. WAXMAN. I do not dispute they ought to be under ethical standards. I do question whether the gentleman should decide what ethical standards are appropriate.

It does provide a lot of paperwork for the agencies, it makes them go through a lot of busy work. I do not see that it does any good. On that basis, I would oppose it.

I do not have any disagreement with the morality stated in this, and I can assure the gentleman that I am as sensitive about what went on during the Nazi period as anybody in this House; but I do not allow the gentleman or anyone else to decide for me what a statement of ethics ought to be, and I think it is presumptuous of the gentleman to want to say to all of the doctors in this country that the gentleman is going to provide an oath of the gentleman's version of what he thinks morality would be for the practice of their profession.

Mr. PAUL. I think if we have no standards we will continue to slip into some bad habits. Already we have heard stories about what the CIA has done in their experimentation with drugs. We already know that hospitals frequently keep fetuses alive from deliberate abortion and experimentations going on in this manner. We have heard about the lack of treatment of syphilitic patients by purposely withholding treatment.

Mr. WAXMAN. I do not see how this addresses any of it. All this says is that they have to spell it out. In the health planning agency, with all of the people who work there, they will have to hire a couple of extra people to look and see whether the people, in carrying out the health professional work in that area, met the requirement that the gentleman would set out in his version of morality.

I believe we need greater moral standing in this country, but spelling it out and having bureaucrats make a chart and enforce one version of it does not impose morality, it does not suggest that anyone is going to be more ethical in their conduct.

Mr. PAUL. I would have to disagree, because if you got a report in that says they diverted from the Hippocratic oath and that they were restraining treatment for 100 black male syphilitic patients, I think this would alert us to a very serious problem that we were condoning by Government health planning. So I think it would act to prevent that from happening.

Mr. WAXMAN. I would just raise for my colleagues the specter of some employees on the payroll of a health systems agency going around, checking what doctors are doing, to see whether they live up to the standard of morality that the gentleman from Texas (Mr. PAUL) would have us adopt for them.

I think that there is a moral standard in this country, there is a Judeo-Christian tradition and laws pursuant to that tradition, and I think it is sufficient to have our rights protected on that basis without asking bureaucrats to make this kind of inquiry.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise enthusiastically to support this excellent amendment offered by the gentleman from Texas (Mr. PAUL).

Mr. Chairman, I put in the CONGRESSIONAL RECORD of 2 days ago, the July 18 RECORD, at page 19389, one of the most beautiful speeches I have ever heard in my life from the famous Dr. Koop, who has separated three sets of Siamese twins. It is about infanticide American style. Dr. Koop points out—and he has done great historical research in this area—the similarity of what happened in Nazi Germany in the 1920's and early 1930's and compares it to some of the moves in both the experimentation field and the area of daily treatment of patients that is happening in medicine today.

The gentleman from Texas (Mr. PAUL) quite properly pointed out some of the most heinous experiments from CIA drug experiments to experiments on syphilitic patients in some Southern States, also to experimentation with sterilization that involved court decisions. I think it is the height of naivete to say that the U.S. House of Representatives does not impose all sorts of moral and ethical standards on every level of American life. I have been aware of this from the time I first started looking at this House when I was in grade school. We always do that. I think, since this is taxpayers' money in the public sector, and since we are always preaching to the private sector, how about going back to the most time-honored oath that doctors generically have ever revered, and if it causes any problems for the subcommittee here today, well then write something better than the Hippocratic oath over the next year and a half.

I would like to point out that I inserted in the RECORD on June 20, 1 month ago, why the Hippocratic oath is so badly needed. Again I referred to these ghastly experiments by Nazi Germany which were legal under the law at that time, and they were the first medical group ever to completely throw out and disregard the Hippocratic oath. That insert also contained information concerning dangerous trends and practices in American medicine today.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Mr. Chairman, I have a couple of questions to ask.

Concerning the time-honored, ancient oath, did the oath of September 1948 word for word restate Hippocrates' oath?

Mr. DORNAN. The one in Geneva?

Mr. JOHN L. BURTON. Yes.

Mr. DORNAN. My understanding is that it did. The principles are the same, in any case.

Mr. JOHN L. BURTON. The gentleman understands it did. They restated the oath, which says, "The health and life of my patient will be my first consideration," which means that no doctor, as I understand it, will be able to refuse any patient any medical service, regardless of the fact that the patient cannot afford to pay the fee.

Mr. DORNAN. The interpretation of the——

Mr. JOHN L. BURTON. No. That is what the oath said. My father was a doctor. I saw this oath on his wall from the time I was old enough to read. He was probably one of the few doctors I know of who followed it. And as I read it, the first consideration is the health and the life of the patient and, therefore, if we put this into the standard, that no physician in this country, no surgeon can refuse to operate or perform a medical service, regardless of the fact that a person cannot pay a fee, I think that is wonderful, regardless of the paperwork.

□ 1330

Mr. DORNAN. Eloquently stated. I agree with the gentleman. If anyone is concerned on either side of the aisle that this is some sly, devious attempt——

Mr. JOHN L. BURTON. No. I am in favor of that. I am absolutely in favor of our mandating that doctors have to give first consideration to the illness of their patients and not whether or not they can afford to pay a fee.

Mr. DORNAN. Absolutely.

Mr. JOHN L. BURTON. That is going to be in the law.

Mr. DORNAN. As a guideline by which to judge medicine. Absolutely.

Mr. JOHN L. BURTON. If any doctor refuses to treat a sick person just because that person cannot pay the fee, we will find out about it, and we can do something to him.

Mr. DORNAN. Right. If the distinguished gentleman from California is concerned that there is some devious deal concerned only with antiabortion motives here, I can assure the gentleman that was not my attempt when I first considered putting this amendment in myself, believe me.

What it is directed toward is the failure to treat all patients according to the oath and these experiments on patients and fetuses, enforced sterilization of human beings and the absolutely obnoxious situation at the Johns Hopkins University Medical Center, where they let a fetus lie on a table, a born child actually, for over 2 days and in 16-millimeter color film watched it starve to death because there was a sign at its feet that said, "No feeding, intravenously or by mouth." That is the kind of medical madness that is a throwback to Nazi Germany that this will prevent.

Mr. JOHN L. BURTON. If my friend will continue to yield, I will be glad to try to get some additional time and give him some back.

First of all, we are not talking about Federal funds in the health planning service area. We are talking about everything.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. JOHN L. BURTON and by unanimous consent, Mr. DORNAN was allowed to proceed for 5 additional minutes.)

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I am really concerned about this one, because I would love to have this the policy of the country, that "I solemnly pledge * * * that the health and life of my patient will be my first consideration."

Therefore, no physician will be able to deny treatment to his patient or her patient mainly on the basis that the person cannot pay the fee or is not covered by some health insurance plan. Is that correct?

Mr. DORNAN. If it were to be so interpreted like that——

Mr. JOHN L. BURTON. That is what it says.

Mr. DORNAN. I would enthusiastically support that, particularly when we hear nightmare story after nightmare story of emergency wards rolling gurneys off to the side until someone who is semiconscious fills out a credit application.

Mr. JOHN L. BURTON. Instead of his finding out, "What is wrong with you, young man?" They say, "What is your insurance coverage?" I say they ought to follow this oath.

Mr. DORNAN. I agree.

Mr. JOHN L. BURTON. Too few doctors have done that. I wonder if the gentleman got the time, would he yield to me, perhaps we could get a little confirmation from the good doctor, the gentleman from Texas (Mr. PAUL), over there.

Mr. DORNAN. I find us in enthusiastic agreement once again.

Mr. JOHN L. BURTON. I am a little worried about the paperwork, and maybe FRANK HORTON in the Paperwork Commission ought to come down.

Mr. PAUL. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Texas.

Mr. PAUL. Mr. Chairman, I really do not understand any resistance to this if we expect the doctor as the individual to take this oath and follow this oath. It seems to me that when the Government is involved in planning and really getting involved in the practice of medicine, the very least we could expect is that the Government take the same oath.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield to me?

Mr. DORNAN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I would like to ask the gentleman from Texas if he agreed with what I said about that part of the oath that said, "My first duty is to the health of my patient," and therefore the doctor——

Mr. PAUL. I do not think there is any question that the first duty of the doctor is the duty to the health and life of the patient.

Mr. JOHN L. BURTON. In other words, that is the first duty. The first duty should not be to ask him for a Blue Cross card to take care of the person's illness.

Mr. PAUL. It should not be.

Mr. JOHN L. BURTON. I am glad we made that congressional history matter for the courts to determine, although the paperwork would be somewhat burdensome on the legislative history, that this has nothing to do with abortion but would stop doctors from preventing to give care without checking a fee first. I think it is a dynamite idea.

Mr. DORNAN. I thank the gentleman very much.

Mr. CARTER. Mr. Chairman, I rise in reluctant opposition to the amendment. I took this oath when I graduated from medical school many years ago. I have tried to the best of my ability never to break that oath or infringe upon it in any way. To me, it is a very dear oath. I have it on the wall of my office at home. I still maintain an office and a clinic.

You know, back where I came from in Appalachia, if I was able to get just a dollar for an office visit, I was extremely fortunate.

I decided that I would treat every patient who came inside my door, and I did. I never turned one away as long as I was physically able. But, my friends, I would not impose this upon members who are not of this profession. I do not think that we should do that.

I think that, as far as we are concerned, as far as physicians are concerned, certainly we should obey, and we should stick to the tenets of the Hippocratic Oath, which I hold in my hand here today.

Mr. BROYHILL. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I am happy to yield to my good friend, the gentleman from North Carolina.

Mr. BROYHILL. As the gentleman knows, the Government does not impose this oath on physicians. There is no Government oath that is required of physicians. Is that not correct?

Mr. CARTER. That is correct.

Mr. BROYHILL. I am concerned, of course, as to what effect this is going to have. If we are going to put a statement of this kind in the health systems plan, there is not a Member here who can tell us what effect that is going to have, what legal battles will ensue because of that. We are forgetting about what the purpose of this bill is, which is to do something about the overconstruction of medical facilities in this country.

I do not see that this furthers the purpose of what this act is all about.

Mr. CARTER. The distinguished gentleman is quite correct. I will have to say, after listening to all of the debate on this issue that, as an old gentleman said when he watched two women fighting, "I ain't seen such a hullabaloo since the battle of Shiloh."

I strongly oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. PAUL).

The question was taken; and on a division (demanded by Mr. BROYHILL) there were—ayes 20, noes 22.

Mr. PAUL. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. One hundred and four Members are present, a quorum.

The pending business is the demand of the gentleman from Texas (Mr. PAUL) for a recorded vote.

□ 1340

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORNAN: Page 80, insert after line 21 the following:

(h) Section 1523 is amended by adding at the end the following:

"(d) No funds made available under a grant under section 1525 may be used by a State Agency to, directly or indirectly, influence the issuance, amendment, or revocation of any Executive order or similar promulgation by any Federal, State, or local agency or to influence the passage, amendment, or defeat of any legislation by the Congress or by any State or local legislative body, except that this subsection does not apply to the use of such funds by a State Agency in making its views known on any matter upon the request of any Member of Congress, committee of Congress, or any other Federal, State, or local governmental authority."

Mr. DORNAN. Mr. Chairman, this amendment is almost identical to the one that was accepted by the committee by the distinguished gentleman from Missouri (Mr. VOLKMER). Mr. VOLKMER's amendment addressed itself to statewide health coordinating councils or HSA's hiring outside PR firms to lobby for what they think is needed in America. Sometimes the causes are very good, sometimes they are controversial.

In my State of California, which has over 10 percent of the Nation's population, the HSA's not only utilize outside lobby groups, but inside the HSA, they have been lobbying for things such as water pollution and gun control. One HSA across the river in Virginia actually publicly announced and informed in writing that they would be lobbying for gun control and they would test the effectiveness of their lobbying power on gun control by seeing if any legislation were passed.

What my amendment does, and I have a companion amendment I hope to offer in a moment, it merely says internally, inside the agencies these people must never be denied from using any funds to answer our requests for information at the Federal, State, and local level. But they must not use the Federal moneys we supply them with to generate phone calls, and to go around the States or federally lobbying for what they think is good legislation at any governmental level.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman.

Mr. JOHN L. BURTON. What if they are called upon to testify before say a State legislative committee?

Mr. DORNAN. Absolutely they can do that.

Mr. JOHN L. BURTON. What if they heard that a bill was up and they had to initiate the call to see if they could be a witness as opposed to lobbying activities? And why has the gentleman picked gun control? I can think of a much easier issue to try to learn whether one has muscle or not.

Mr. DORNAN. I have obviously picked an issue which is in the extreme of what they are doing.

Mr. JOHN L. BURTON. If the gentleman will continue to yield, there would be nothing in the gentleman's amendment to prohibit them from seeing if they could testify before a committee? What the gentleman is trying to do is prevent them from using Federal funds to start a grassroots lobbying campaign?

Mr. DORNAN. Exactly. Even on gun control if we request their input, because of the toll of deaths by handguns across the country, and if they have a safety program, well let them come forward if we request it.

Mr. JOHN L. BURTON. If the gentleman will continue to yield, would they be prohibited from writing to the chairman of the subcommittee and saying would you keep us advised of when you are holding a hearing on such and such a bill so that we may testify?

Mr. DORNAN. It is the identical restriction that is on the Legal Services Corporation, and I suppose it would operate the same way.

Mr. JOHN L. BURTON. That is right. We went through a lot of trouble with that, and I discussed that with our friend, Mr. MOORHEAD. What I am asking is would the gentleman's amendment prohibit them from communicating to a legislative body to be made aware of when a hearing is being held and being asked to be put on a witness list?

Mr. DORNAN. No. Besides, anyone could do that at any time.

Mr. JOHN L. BURTON. Not anybody is subject to the effect of the gentleman's amendment, if adopted.

Mr. DORNAN. That is true.

Mr. JOHN L. BURTON. My daughter is not, my wife is not. What I am saying is if the gentleman's amendment were adopted it would not prohibit them from contacting legislative committees or congressional committees, or even city councils for the purpose of getting information for the purpose of letting them know when hearings would be held?

Mr. DORNAN. I would say of course that would be all right. It is generating grass roots lobbying efforts. The phone calls, the letter-writing campaigns, and type of communication that concerns me.

Mr. JOHN L. BURTON. The gentleman's amendment would prohibit them from making a phone call to 50 people and asking them to write to 50 more people and start a chain letter?

Mr. DORNAN. That is correct.

Mr. JOHN L. BURTON. But it would not stop an organization itself from engaging in legislative advocacy as opposed to what the gentleman is talking about?

Mr. DORNAN. Exactly. The gentleman's clarifying colloquy here as a formal part of the record, with my acquiescence to the gentleman's interpretation I think would give them guidance. I concur.

Mr. JOHN L. BURTON. May I say that I appreciate the gentleman's acquiescence to my interpretation.

Mr. WAXMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

I would remind my colleagues, Mr. Chairman, the purpose of this legislation, its overall goals, of course, are to provide access to quality health care at reasonable costs. We do that hopefully through planning which provides for the quality health care and not overbuilding and surplus hospital beds which, of course, are costly to consumers.

☐ 1350

In this planning process it takes a great deal of consultation and a great deal of communication. The gentleman's amendment goes entirely too far. He has stated that he is concerned about some instance that he knows of where some of these people have gone to great excess in attempting to influence legislation at some particular place, some particular governmental level. But, what he has done here is, instead of taking a rifle to go at a particular subject, he has gotten a blunderbuss and he is killing everybody in sight, because what the amendment says is that no funds can be used by a State agency to influence the passage, amendment, or defeat of any legislation by Congress or by any State or local legislative body.

I certainly want the members of HSA's in North Carolina to have the right to go to their State legislature and say what is right or wrong about the State law that is governing them. I want them to have the right to come to Washington, D.C., and testify before our committee, to say what they like or do not like about the law that is regulating them. This is just not wise at all, and we should defeat it overwhelmingly.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL. I will be glad to yield to the gentleman from California.

Mr. DORNAN. In analyzing the gentleman's remarks, which I certainly take in the best spirit, about firing with a blunderbuss instead of a rifle, he feels that it is too narrow in the closing lines of my amendment where I say that HSA officials can only make their views known upon the request of a Member of Congress. I am sure the gentleman agrees with me that this broad-grass local lobbying that Mr. John Burton spoke about is wrong, where they are trying to whip up popular support.

Mr. BROYHILL. I do not think we should limit any Member of an HSA, either the State agency or the local HSA's, from having a right to call me without my having to call them first. I just do not think that is right. They ought to have a right to pick up a phone and say, "Congressman, I have got a problem with this legislation; I have got a problem with this regulation being promulgated by HEW, and I want to ask your help and advice in getting something done about it."

I do not think we should limit them from doing that, and it would limit them. The gentleman is saying that I would have to call that individual before he could tell me his views, and I object to that.

Mr. DORNAN. Mr. Chairman, I think the gentleman from North Carolina makes a good point. I am going to withdraw my amendment, and I understand that there is another Member who has a more precise, rifle-shot amendment that will be suggested. I will withdraw my own amendment at this point. If I am not able to prove it, to my own satisfaction at least, to committee members on this side of the aisle, I will be back next year.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ashbrook: At page 94, strike lines 22 through 25; at page 95, strike lines 1 through 8; redesignate subsequent paragraphs accordingly.

Mr. ASHBROOK. Mr. Chairman, as I indicated a week ago, this amendment is the kind that does not take 5 minutes. I do not even need 30 seconds.

The purpose is very simple. It is to waive the application of the Davis-Bacon Act in medical construction projects financed through local guarantees and grants made available under this act.

Mr. WAXMAN. Mr. Chairman, I rise in opposition to the amendment. This is an amendment that we have seen a number of times on the floor. It has nothing to do with the planning act. I think it would be a step backwards in terms of labor relations in this country. We rejected it in the past, and I think we ought to reject it again.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Ashbrook).

The question was taken; and on a division (demanded by Mr. Ashbrook) there were—ayes 12; noes 26.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1400

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Ohio (Mr. Ashbrook) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Moakley, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3917) to amend title XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development, and for other purposes, pursuant to House Resolution 305, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. PAUL

Mr. PAUL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PAUL. Yes, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Paul moves to recommit the bill, H.R. 3917, to the Committee on Interstate and Foreign Commerce with instruction to report the same back with the following amendment: Page 45, insert after line 25 the following:

(1) Section 1513(b) is amended by adding at the end the following:

"(5) The HSP of a health systems agency shall include a statement of the effect that achievement of the goals of the HSP will have on the requirements placed on the practice of medicine by the Oath of Hippocrates (as restated in Geneva, Switzerland, in 1948 by the World Medical Association), and the AIP of a health systems agency shall include a statement of the effect that achievement of the objectives in the AIP will have on such requirements."

The SPEAKER. Does the gentleman from Texas (Mr. Paul) wish to be recognized on the motion to recommit?

Mr. PAUL. No, Mr. Speaker, I do not. I yield back my time.

The SPEAKER. Does the gentleman from California (Mr. Waxman) desire 5 minutes on the motion to recommit?

Mr. WAXMAN. We are opposed to the motion to recommit, Mr. Speaker.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. PAUL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 55, nays 364, not voting 15, as follows:

[Roll No. 361]

YEAS—55

Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Bennett
Brown, Ohio
Burton, John
Carney
Cavanaugh
Collins, Tex.
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
de la Garza
Derwinski
Dickinson
Dornan
Erdahl
Erlenborn
Evans, Ind.
Goldwater
Gradison
Grisham
Hansen
Harris
Hillis
Hyde
Ichord
Kelly
Kostmayer
Kramer
Lagomarsino
Lewis
Livingston
Loeffler
Lungren
McDonald
Martin
Moorhead, Calif.
Paul
Quayle
Ritter
Rousselot
Rudd
Satterfield
Shumway
Shuster
Solomon
Symms
Thomas
Treen
Wydler

NAYS—364

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derrick
Devine
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Green
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
LaFalce
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thompson
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
White
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—15

Anderson, Ill.
Bolling
Conyers
Edwards, Okla.
Emery
Fish
Flood
Forsythe
Gibbons
Luken
Marriott
Mikva
Traxler
Wilson, C. H.
Wyatt

☐ 1420

The Clerk announced the following pairs:

Mr. Traxler with Mr. Emery.

Mr. Charles H. Wilson of California with Mr. Edwards of Oklahoma.

Mr. Mikva with Mr. Fish.

Mr. Flood with Mr. Marriott.

Mr. Conyers with Mr. Wyatt.

Mr. Gibbons with Mr. Forsythe.

Mr. Luken with Mr. Anderson of Illinois.

Mr. RITTER and Mr. KOSTMAYER changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MINISH). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 374, nays 45. not voting 15, as follows:

[Roll No. 362]

YEAS—374

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Roybal
Royer
Runnels
Russo
Sabo
Santini
Satterfield

Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—45

Archer
Ashbrook
Badham
Bauman
Bennett
Carney
Collins, Tex.
Crane, Daniel
Crane, Philip
Dannemeyer
Derwinski
Dornan
Gingrich
Goldwater
Hansen
Hillis
Holt
Ichord
Jeffries
Kelly
Kindness
Kramer
Lagomarsino
Leath, Tex.
Lewis
Livingston
Loeffler
Lott
Lungren
McDonald
Miller, Ohio
Montgomery
Moorhead, Calif.
Paul
Roberts
Rousselot
Rudd
Sensenbrenner
Shumway
Shuster
Stockman
Stump
Symms
Taylor
Volkmer

NOT VOTING—15

Anderson, Ill.
Bolling
Conyers
Edwards, Okla.
Emery
Fish
Flood
Forsythe
Gibbons
Grisham
Hinson
Luken
Marriott
Mikva
Spellman

☐ 1440

The Clerk announced the following pairs:

Mrs. Spellman with Mr. Emery.
Mr. Mikva with Mr. Anderson of Illinois.
Mr. Flood with Mr. Fish.
Mr. Conyers with Mr. Hinson.
Mr. Gibbons with Mr. Marriott.
Mr. Luken with Mr. Forsythe.
Mr. Edwards of Oklahoma with Mr. Grisham.

Mr. DORNAN changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 305, the Committee on Interstate and Foreign Commerce is discharged from the further consideration of the Senate bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. WAXMAN

Mr. WAXMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WAXMAN moves to strike out all after the enacting clause of the Senate bill. S. 544, and insert in lieu thereof the provisions contained in H.R. 3917, as passed, as follows:

SHORT TITLE; REFERENCES TO PUBLIC HEALTH SERVICE ACT; AND TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Health Planning and Resources Development Amendments of 1979".

(b) Whenever in this Act (other than in subsections (j) and (k) of section 115) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TABLE OF CONTENTS

Sec. 1. Short title; references to Public Health Service Act; and table of contents.

TITLE I—REVISION OF HEALTH PLANNING AUTHORITY

Sec. 101. Revision and reporting on national guidelines for health planning.
Sec. 102. National health priorities; National Council on Health Planning and Development.
Sec. 103. The role of competition in the allocation of health services.
Sec. 104. Designation of health service areas.
Sec. 105. Designation of health systems agencies.
Sec. 106. Planning grants.
Sec. 107. Carryover of grant funds.
Sec. 108. Membership requirements.
Sec. 109. Governing body selection.
Sec. 110. Responsibilities of governing bodies.
Sec. 111. Meetings and records.
Sec. 112. Support and reimbursement for members of governing bodies.
Sec. 113. Conflicts of interest.
Sec. 114. Staff expertise.
Sec. 115. Health plan requirements.
Sec. 116. Criteria and procedures for reviews.
Sec. 117. Certificate of need programs.
Sec. 118. Appropriateness review.
Sec. 119. Review and approval of proposed uses of Federal funds.
Sec. 120. Coordination of health planning with rate review.
Sec. 121. Coordination within standard metropolitan statistical areas and with other entities.
Sec. 122. State health planning and development agencies.
Sec. 123. Statewide Health Coordinating Council composition.
Sec. 124. Authorizations.
Sec. 125. Report on effectiveness of planning law.
Sec. 126. Technical amendment.
Sec. 127. Effective date.

TITLE II—REVISION OF AUTHORITY FOR HEALTH RESOURCES DEVELOPMENT

Sec. 201. Revision and extension of assistance.
Sec. 202. Conforming amendments.
Sec. 203. Technical amendments.
Sec. 204. Effective date.

TITLE III—PROGRAM TO ASSIST AND ENCOURAGE THE DISCONTINUANCE OF UNNEEDED HOSPIAL SERVICES

Sec. 301. Authorization of program.
Sec. 302. Study.

TITLE I—REVISION OF HEALTH PLANNING AUTHORITY

REVISION AND REPORTING ON NATIONAL GUIDELINES FOR HEALTH PLANNING

SEC. 101. (a)(1)(A) Section 1501 is amended (A) by striking out "and shall, as he deems appropriate, by regulation revise such guidelines" in subsection (a), and (B) by adding after subsection (c) the following: (d) the Secretary shall, on an annual basis, review the standards and goals included in the guidelines issued under subsection (a). In conducting such a review, the Secretary shall review the health systems plans and annual implementation plans of health systems agencies and State health plans. If the Secretary proposes to revise a guideline issued under subsection (a), he shall make such revision by regulations promulgated in accordance with section 553 of title 5, United States Code.

"(e)(1) The Secretary shall collect data to determine whether the health care delivery systems meet or are changing to meet the standards and goals included in the guidelines issued under subsection (a) and to determine the personnel, facilities, and other resources needed to meet such standards and goals. The Secretary shall prescribe (A) the manner in which such data shall be assembled and reported to the Secretary by health systems agencies, State health planning and development agencies, and other entities, and (B) the definitions which shall be used by such agencies and entities in assembling and reporting such data.

"(2) The Secretary shall from the data collected under paragraph (1) periodically make public a (A) statement of the relationtionship between such standards and goals and the status of the supply, distribution, and organization of health resources with respect to which such standards and goals were established, and (B) summary of changes (either through additions or reductions) in resources needed to meet such standards and goals.".

(B) The amendments made by subparagraph (A) do not authorize the enactment of new budget authority before October 1, 1979.

(2) Subsection (c) of section 1501 is amended by striking out "In issuing guidelines under subsection (a) the Secretary shall" and inserting in lieu thereof "At least 45 days before the initial publication of a regulation proposing a guideline under subsection (a) or a revision under subsection (d) of such a guideline, the Secretary shall, with respect to such proposed guideline or revision,".

(b)(1) Section 1513(b)(1) is amended by adding after and below subparagraph (F) the following:

"The agency shall also assemble and report to the Secretary such data (including data on the personnel, facilities, and other resources needed to meet the goals set forth in the agency's health system plan) as the Secretary may require to carry out his responsibilities under section 1501(e). The Secretary may not require the assembling and reporting of data under this paragraph which is regularly collected by any entity of the Department of Health, Education, and Welfare under a provision of law other than this title.".

(2) Section 1522(b)(10) is amended by inserting after "require the State agency to" the following: "(A) assemble and report to the Secretary data (other than data which is regularly collected by any entity of the Department of Health, Education, and Welfare under a provision of law other than this title) which the Secretary may require to carry out his responsibilities under section 1501(e), including data on the personnel, facilities, and other resources needed to meet the goals set forth in the State health plan, and (B)".

NATIONAL HEALTH PRIORITIES; NATIONAL COUNCIL ON HEALTH PLANNING AND DEVELOPMENT

SEC. 102. (a)(1) Section 1502 is amended by adding at the end the following:

(12) The identification and discontinuance of duplicative or unneeded services and facilities.

(13) The adoption of policies which will (A) contain the rapidly rising costs of health care delivery, (B) insure more appropriate use of health care services, and (C) promote greater efficiency in the health care delivery system.

(14) The elimination of inappropriate placement in institutions of persons with mental health problems and the improvement of the quality of care provided those

with mental health problems for whom institutional care is appropriate.

(15) Assurance of access to community mental health centers and other mental health care providers for needed mental health services to emphasize the provision of outpatient as a preferable alternative to inpatient mental health services.".

(2) Section 1502(9) is amended by inserting before the period the following: "and the development and use of cost saving technology".

(b) The fourth sentence of section 1503 (b)(1) is amended by inserting after "Federal Government," the following: "not less than one shall be an administrator of a private hospital,".

THE ROLE OF COMPETITION IN THE ALLOCATION OF HEALTH SERVICES

SEC. 103. (a) Section 1502 is amended (1) by inserting "(a)" after "1502.", and (2) by adding at the end the following:

"(b)(1) The Congress finds that extensive coverage by public and private health insurance of health services, particularly of inpatient health services, and the prevailing methods of paying for health services through health insurance have—

"(A) resulted in individuals making decisions respecting their use of those health services without regard to the price of the health services,

"(B) diminished the effect of the market forces of supply and demand on decisions of providers respecting the supply of those health services and the facilities through which they would be provided,

"(C) consequently encouraged duplication and excess supply of certain health services and facilities, particularly in the case of inpatient health services, and have encouraged excessive use of health services and facilities.

"(2) For health services, such as inpatient health services and other institutional health services, for which the market forces of supply and demand do not or will not appropriately allocate supply because of the effects described in paragraph (1) of health insurance coverage and the methods of paying for health care under insurance, health systems agencies and State health planning and development agencies should in the exercise of their functions under such title XV take actions to allocate the supply of such services.

"(3) For the health services for which the market forces of supply and demand appropriately allocate or will appropriately allocate supply, health systems agencies and State health planning and development agencies should in the performance of their functions under title XV of the Public Health Service Act give priority to actions which would strengthen the effect of such forces on the supply of such services.".

(b) Section 1513(a) is amended (1) by striking out "and" at the end of paragraph (3), (2) by inserting "and" at the end of paragraph (4), and (3) by adding after paragraph (4) the following:

"(5) strengthening in accordance with section 1502(b) the effect of the market forces of supply and demand on the supply of health services,".

(c) Section 1532(c) is amended by adding at the end the following:

(11) In accordance with section 1502(b), the factors which affect the effect of the market forces of supply and demand on the health services being reviewed.".

DESIGNATION OF HEALTH SERVICE AREAS

SEC. 104. (a) The first sentence of section 1511(b)(4) is amended by striking out "if he determines that a boundary for a health service area no longer meets the requirements of subsection (a), he may revise the boundaries" and inserting in lieu thereof the following: "if he determines, after providing reasonable opportunity for a public hearing—

"(A) that a health service area does not meet the requirement of paragraph (1) of subsection (a) relating to effective planning and development of health services, and

"(B) revision of the boundaries would establish an area which meets such requirement and which better meets at least one other requirement of such subsection,
he may revise the boundaries".

(b) Section 1511(c) is repealed.

(c)(1)(A) Section 1536(a) is amended by inserting "the Commonwealth of Puerto Rico," before "the Virgin Islands".

(B) Section 1531(1) is amended by striking out "and the Commonwealth of Puerto Rico".

(2) The amendments made by paragraph (1) shall apply on and after the date the designation agreements (under section 1515 of the Public Health Service Act) in effect on the date of the enactment of this Act for the health systems agencies in the Commonwealth of Puerto Rico expire.

DESIGNATION OF HEALTH SYSTEMS AGENCIES

SEC. 105. (a) Section 1515(b)(4) is amended by striking out the last sentence and inserting in lieu thereof: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor for approval. When the Secretary enters into an agreement with an entity under paragraph (1), the Secretary shall notify the Governor of the State in which such entity is located of such agreement.".

(b) The last sentence of section 1515(c)(2) is amended to read as follows: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor for approval.".

(c) Section 1515(c) is amended by adding after paragraph (3) the following:

"(4) Before renewing an agreement with a health systems agency under this subsection, the Secretary shall provide the State health planning and development agency of the State in which the health systems agency is located an opportunity to comment on the performance of such agency and to provide a recommendation on whether such agreement should be renewed and whether its renewal should be made subject to conditions as authorized by paragraph (3).

"(5) If the Secretary enters into an agreement under this subsection with an entity or renews such an agreement, the Secretary shall notify the Governor of the State in which such entity is located of the agreement, its renewal, and, if any conditions have been imposed under paragraph (3), such conditions.".

(d)(1)(A) Paragraphs (1) and (3) of section 1515(c) are each amended by striking out "twelve months" and inserting in lieu thereof "thirty-six months".

(B) The amendments made by subparagraph (A) shall take effect with respect to designation agreements entered into under section 1515(c) of the Public Health Service Act after the date of the enactment of this Act.

(2) Section 1515(c)(1) is amended—

(A) by inserting "(A)" after "(c)(1)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the entity is not complying with the provisions of such agreement.", and

(D) by adding at the end the following:

"(B) Before the Secretary may terminate, under subparagraph (A)(ii), an agreement with an entity for designation as the health systems agency for a health service area, the Secretary shall—

"(i) consult with the Governor and the Statewide Health Coordinating Council of each State in which is located the health service area respecting the proposed termination,

"(ii) give the entity notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the entity is not in compliance with the agreement, and (II) the actions that the entity should take to come into compliance with the agreement, and

"(iii) provide the entity with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice.
The Secretary may not terminate such an agreement before consulting with the National Council on Health Planning and Development respecting the proposed termination. Before the Secretary may permit the term of an agreement to expire without renewing the agreement, the Secretary shall make the consultations prescribed by clause (i) and the preceding sentence, give the entity with which the agreement was made notice of the intention not to renew the agreement, and the reasons for not renewing the agreement, and provide, as prescribed by clause (iii), the entity an opportunity for a hearing on the matter specified in the notice.".

(e) Section 1515(c) (as amended by subsection (d) is amended by adding after clause (ii) of paragraph (1)(A) the following: "A designation agreement under this subsection may be terminated by the Secretary before the expiration of its term if the health service area with respect to which the agreement was entered into is revised under section 1511(b)(4) and the Secretary determines, after consultation with the Governor of each State in which the health service area (as revised) is located, that the health systems agency designated under such agreement cannot effectively carry out the agreement for the area (as revised). In terminating an agreement under the preceding sentence, the Secretary may provide that the termination not take effect before an agreement for the designation of a new agency takes effect and shall provide the agency designated under the agreement to be terminated an opportunity to terminate its affairs in a satisfactory manner.".

(f) Section 1514 is amended by striking out "(including entities" through "section 304)".

(g) Section 1515(d) is amended (1) by inserting "agreement" after "If a designation", and (2) by inserting "or is not renewed" after "prescribed for its expiration".

(h) Section 1515(c)(3) is amended by adding at the end the following: "If the Secretary determines that a health systems agency has not met such requirements, the Secretary may impose in the renewal of the designation agreement of the agency such conditions as the Secretary determines are necessary to assure that the agency will meet such requirements before the expiration of the period for which the agreement is renewed. The Secretary may not impose on a health systems agency any such conditions unless the Secretary has—

"(A) provided the agency with notice of his intent to impose such conditions and included in that notice specification of the requirements which the Secretary has determined the agency has not met and the basis for the determination of the Secretary that the imposition of such conditions is necessary to assure compliance with such requirements; and

"(B) provided the agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the conditions.".

PLANNING GRANTS

Sec. 106. (a) Section 1516 is amended by redesignating subsection (c) as subsection (d) and by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The amount of any grant under subsection (a) to a health systems agency designated under section 1515(b) shall be determined by the Secretary.

"(c)(1) Except as provided in paragraph (2), the amount of a grant under subsection (a) to a health systems agency designated under section 1515(c) shall be the greater of the amount determined under subparagraph (A), (B), or (C) as follows:

"(A) The amount of a grant to a health systems agency shall be the lesser of—

"(i) if the population of the health service area for which the agency is designated—

"(I) is not over one million, the product of $0.70 and the population of such area,

"(II) is over one million but not over two million, the sum of $700,000 and the product of $0.50 and the population of such area which is over one million, or

"(III) is over two million, the sum of $1,200,000 and the product of $0.30 and the population of such area which is over two million, or

"(ii) $3,750,000.

"(B)(i) If the application of the health systems agency for such grant states that the agency, in its latest fiscal year ending before the period in which such grant will be available for obligation, collected non-Federal funds meeting the requirements of clause (ii) for the purposes for which such grant may be made, the amount of such grant shall be the sum of—

"(I) the amount determined under subparagraph (A) or (C), whichever is applicable, and

"(II) the lesser of the amount of such non-Federal funds or $200,000 or the product of $0.25, and the population of the health service area for which the agency is designated, whichever is greater.

"(ii) The non-Federal funds which an agency may use for the purpose of obtaining a grant under subsection (a) which is computed on the basis of the formula prescribed by clause (i) shall be funds which are not paid to the agency for the performance of particular services by it and which are otherwise contributed to the agency without conditions as to their use other than the condition that the funds shall be used for the purposes for which a grant made under this section may be used.

"(C) The amount of a grant to a health systems agency may not be less than—

"(i) in the case of a grant made in the fiscal year ending September 30, 1979, $175,000, and, to the extent appropriations are specifically made after October 1, 1979, to provide the additional amount authorized by this clause, an amount which bears the same ratio to $25,000 as the number of days beginning in the period beginning on such date of enactment and ending on the date of the period for which the grant was made bears to 365,

"(ii) $200,000 in the case of a grant made in the fiscal year ending September 30, 1980,

"(iii) $215,000 in the case of a grant made in the fiscal year ending September 30, 1981, and

"(iv) $230,000 in the case of a grant made in any succeeding fiscal year.

"(2) If the Secretary determines, after review of the budget of a health systems agency and after consultation with the State health planning and development agency of the State in which such agency is located, that the amount of a grant which is to be made to the agency in accordance with paragraph (1) is in excess of the amount needed by the agency to adequately perform its functions under its designation agreement, the amount of the grant to the agency shall be such amount as the Secretary determines the agency needs for the performance of such functions.".

(b) Subsection (d) (as so redesignated) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Of the amount appropriated under paragraph (1) for any fiscal year, the Secretary may use not more than 5 per centum of such amount to increase the amount of a grant in such fiscal year to a health systems agency under subsection (a) to assist the agency in meeting extraordinary expenses (including extraordinary expenses resulting from the agency's health systems area being located in more than one State or from the agency serving a large health service area) which would not be covered under the amount of the grant that would be available to the agency under subsection (c).

"(3) Notwithstanding subsection (c)(1), if the total of the amounts appropriated under paragraph (1) for any fiscal year (reduced by the amount to be retained by the Secretary for use under paragraph (2)) is less than the amount required to make grants to each health system agency designated under section 1515(c) in the amount prescribed for such agency by subparagraph (A), (B), or (C) of such subsection, the Secretary shall make a pro rata reduction in the amount of the grant to each such agency, but, to the extent of available appropriations, no such agency shall receive a grant in an amount less than the amount prescribed by such subparagraph (C) for such fiscal year.".

(c) The second sentence of section 1516(a) is amended by inserting "(including submission of the health systems agency's budget)" after "such conditions".

CARRYOVER OF GRANT FUNDS

Sec. 107. (a)(1) The second sentence of section 1516(a) is amended by striking out ", and shall be available for obligation" and all that follows in such sentence and inserting in lieu thereof a period.

(2) Such section is amended by inserting after the second sentence the following: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, except that (1) no funds under any grant to an agency may be obligated in any period in which a designation agreement is not in effect for such agency, and (2) notwithstanding clause (1), a grant made to a conditionally designated entity with which the Secretary will not enter into a designation agreement under section 1515(c) shall be available for obligation for such additional period as the Secretary determines such entity will require to satisfactorily terminate its activities under the agreement for its conditional designation.".

(b) The second sentence of section 1525(a) is amended to read as follows: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, but no funds under any grant to a State Agency may be obligated in any period in which a designation agreement is not in effect for such State Agency.".

(c) Section 1526(c) is amended (1) by striking out "(1) such a grant" and all that follows through "(2)", and (2) by inserting at the end the following: "Funds under a grant which remain available for obligation at the end of the fiscal year in which the grant has been made shall remain available for obligation in the succeeding fiscal year, but no funds under any grant to a State Agency may be obligated in any period in which a designation agreement is not in effect for such State Agency.".

MEMBERSHIP REQUIREMENTS

Sec. 108. (a)(1) Clause (i) of section 1512(b)(3)(C) is amended by (A) inserting "(I)" after "shall be", and (B) by striking out all after "providers of health care" and inserting in lieu thereof ", and (II) broadly representative of the health service area and shall include individuals representing the principal social, economic, linguistic, handicapped, and racial populations and geographic areas of the health service area and major purchasers of health care (including labor organizations) in the area.".

(2) The first sentence of section 1512(b)(3)(C)(ii), is amended (A) by striking out "residents of" and inserting in lieu thereof "residents of, or have their principal place of business in,", (B) in subclause (I), by inserting "podiatrists, physician assistants," after "optometrists,", and (C) by striking out subclauses (II), (III), (IV), and (V) and inserting in lieu thereof the following: "(II) hospitals and other health care institutions (such as facilities for long-term care, rehabilitation facilities, and health maintenance organizations), (III) if the health service area contains one or more accredited schools of medicine, the dean of at least one such school, (IV) health professional schools (other than schools of medicine if such schools are represented pursuant to subclause (III)), (V) the allied health professions, (VI) health care insurers, and (VII) other providers of health care as defined in section 1531(3).".

(3) The second sentence of section 1512(b)(3)(C)(ii) is amended (A) by striking out "one-third" and inserting in lieu thereof "one-half", and (B) by inserting before the period at the end the following: "and of such direct providers of health care, at least one shall be a person engaged in the administration of a hospital".

(b)(1) Section 1512(b)(3)(C)(iii) is amended by redesignating subclauses (II) and (III) as subclauses (IV) and (V), respectively, and by striking out subclause (I) and inserting in lieu thereof the following:

"(I) include (either through consumer or provider members) public elected officials and other representatives of general purpose local governments in the agency's health service area,

"(II) include (either through consumer or provider members) representatives of public and private agencies in the area concerned with health,

"(III) include (through consumer and provider members) individuals who are knowledgeable about mental health services (including services for substance abuse),".

(2) Subclause (IV) (as so redesignated) of such section is amended (A) by striking out "is equal" and inserting in lieu thereof "is at least equal", and (B) by striking out "and" at the end.

(3) Such section is amended by striking out subclause (V) (as so redesignated) and inserting in lieu thereof the following:

"(V) if the health systems agency serves an area in which there is located one or more hospitals or other health care facilities of the Veterans' Administration, include, as an ex officio member, an individual whom the Chief Medical Director of the Veterans' Administration shall have designated for such purpose, and

"(VI) if the agency serves an area in which there is located one or more qualified health maintenance organizations (within the meaning of section 1310), include at least one member who is representative of such organizations.".

(c) Section 1512(b)(3)(C) is amended by inserting after and below clause (iv) the following:

"A member of a governing body or other entity appointed pursuant to clause (iii)(V) shall not be considered in determining the number of members of the governing body for purposes of the numerical limit prescribed by subparagraph (A).".

(d)(1) Section 1512(b)(3)(C)(i) is amended by striking out "who are not (nor within the twelve months preceding appointment been) providers of health care" and inserting in lieu thereof "who are not providers of health care and have not within the twelve months preceding appointment been direct providers of health care (as defined in section 1531(3)(A))".

(2) Section 1531(3) is amended to read as follows:

"(3) The term 'provider of health care' means an individual—

"(A) who is a direct provider of health care (including a physician, dentist, nurse, podiatrist, optometrist, physician assistant, or ancillary personnel employed under the supervision of a physician) in that the individual's primary current activity is the provision of health care to individuals or the administration of facilities or institutions (including hospitals, long-term care facilities, rehabilitation facilities, substance abuse treatment facilities, outpatient facilities, and health maintenance organizations) in which such care is provided and, when required by State law, the individual has received professional training in the provision of such care or in such administration and is licensed or certified for such provision or administration;

"(B) who holds a fiduciary position with, or has a fiduciary interest in, any entity described in clause (ii) or (iv) of subparagraph (C) other than an entity described in such clause which is also an entity described in section 501(c)(3) of the Internal Revenue Code of 1954 and which does not have as its primary purpose the delivery of health care, the conduct of research, the conduct of instruction for health professionals, or the production of drugs or articles described in clause (iii) of subparagraph (C);

"(C) who receives (either directly) or through his spouse) more than one-third of his gross annual income from any one or combination of—

"(i) fees or other compensation for research into or instruction in the provision of health care,

"(ii) entities engaged in the provision of health care or in research or instruction in the provision of health care,

"(iii) producing or supplying drugs or other articles for individuals or entities for use in the provision of or in research into or instruction in the provision of health care, or

"(iv) entities engaged in producing drugs or such other articles;

"(D) who is the spouse of an individual described in subparagraph (A), (B), or (C); or

"(E) who is engaged in issuing any policy or contract of individual or group health insurance or hospital or medical service benefits.".

(e) Section 1512(b)(3)(C)(iv) is amended by adding before the period at the end a comma and the following "except that appointments shall be made to such subcommittees and groups in such a manner that a majority of their members shall be consumers of health care".

GOVERNING BODY SELECTION

SEC. 109. Section 1512(b)(3) is amended by adding after subparagraph (C) the following new subparagraph:

"(D) SELECTION.—Each health systems agency shall establish a process for the selection of the members of its governing body which process, to the extent permitted by the State law applicable to the incorporation of the agency, is designed to assure that (i) such members are selected in accordance with the requirements of subparagraph (C), (ii) there is the opportunity for broad participation in such process by the residents of the health service area of the agency, and (iii) the participation of such residents will be encouraged and facilitated. Each agency shall make public such process and report it to the Secretary.".

RESPONSIBILITIES OF GOVERNING BODIES

SEC. 110. (a) Section 1512(b)(3)(B)(i) is amended to read as follows:

"(i) shall be responsible for—

"(I) the internal affairs of the health systems agency, including matters relating to the staff of the agency and the agency's budget, except that the governing body for health planning of an agency which is a public regional planning body or unit of general local government shall not be responsible for the establishment of personnel rules and practices for the staff of the agency or for the agency's budget unless authorized by the planning body or unit of government, and

"(II) procedures and criteria developed and published pursuant to section 1532 and applicable to its functions under subsections (e), (f), and (g) of section 1513;".

(b) Section 1512(b)(3)(A) is amended (1) by striking out "have a governing body for health planning, which is established in accordance with subparagraph (C)," and inserting in lieu thereof "appoint a governing body for health planning in accordance with subparagraph (C)," (2) by striking out "which has exclusive" and inserting in lieu thereof "which shall have exclusive", and (3) by striking out "not more than tweny-five members" and inserting in lieu thereof "not less than ten members and of not more than thirty members".

(c) Section 1512(b)(3)(B)(iv) is amended by striking out "(g), and (h)" and inserting in lieu thereof "and (g)".

(d)(1) Paragraph (4) of section 1512(b) is amended to read as follows:

"(4) LIABILITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B)—

"(i) a health systems agency shall not, by reason of the performance of any duty, function, or activity, required of, or authorized to be undertaken by, the agency under this title, be liable for the payment of damages under any law of the United States or any State (or political subdivision thereof) if the member of the governing body of the agency or employee of the agency who acted on behalf of the agency in the performance of such duty, function, or activity acted within the scope of his duty, function, or activity as such a member or employee, exercised due care, and acted without malice toward any person affected by his performance; and

"(ii) no individual member of the governing body of a health systems agency or employee of a health systems agency shall, by reason of his performance on behalf of the agency of any duty, function, or activity required of, or authorized to be undertaken by, the agency under this title, be liable for the payment of damages under any law of the United States or any State (or political subdivision of a State) if he acted within the scope of his duty, function, or activity as such a member or employee, exercised due care, and acted without malice toward any person affected by his performance.

"(B) EXCEPTION.—Subparagraph (A) does not apply with respect to civil actions for bodily injury to individuals or physical damages to property brought against a health systems agency or any member of the governing body of or employee of such an agency.".

(e) Section 1513(a) is amended by adding after the first sentence the following: "None of the funds authorized to be appropriated under this title or title XVI shall be used, directly or indirectly, to pay for any personal services of any individuals intended or designed to influence the issuance, amendment, or revocation of any executive order or similar promulgation by and Federal, State, or local agency or to influence the passage, amendment or defeat of any legislation by the Congress or by any State or local legislative body.

MEETING AND RECORDS

SEC. 111. (a) Section 1512(b)(3)(B)(viii) is amended by striking out "conduct its business meetings in public" and inserting in lieu thereof "hold in public meetings to conduct the business of the agency (other than any part of a meeting in which it is likely, as determined by the governing body, that information of a personal nature will be disclosed and such a disclosure would constitute a clearly unwarranted invasion of personal privacy or that information relating to the agency's participation in a judicial proceeding will be disclosed)", and (2) by striking out "its records and data" and inserting in lieu thereof "records and data of the agency (other than personnel and medical and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy and records or data of the agency relating to its participation in a judicial proceeding)".

(b) Section 1522(b)(6) is amended (1) by inserting after "State Agency" the following: ", in accordance with applicable State law,", and (2) by striking out "conduct its business meetings in public" and inserting in lieu thereof "hold in public meetings to conduct the business of the State Agency".

(c) Section 1512(b)(6) is amended by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D) and by adding before subparagraph (B) (as so redesignated) the following:

"(A) provide that any executive committee of the agency and any entity appointed by the governing body or executive committee of the agency shall (i) hold in public meetings to conduct the business of the committee or entity (other than any part of a meeting in which it is likely, as determined by the executive committee or entity, that information of a personal nature will be disclosed and such disclosure would constitute a clearly unwarranted invasion of personal privacy or that information relating the agency's participation in a judicial proceeding will be disclosed), and (ii) give adequate notice of its meetings to those persons who have requested such notice;".

SUPPORT AND REIMBURSEMENT FOR MEMBERS OF GOVERNING BODIES

SEC. 112. (a) Section 1512(b)(3) is amended by adding after subparagraph (D) (added by section 109 of this Act) the following new subparagraph:

"(E) SUPPORT.—Each health systems agency shall have an identifiable program of providing assistance to the members of its governing body, executive committee (if any), and any entity appointed by the governing body or executive committee in making decisions for the agency, and shall include in such program means to determine the support needs of the members and to provide for meeting those needs (including the provision of training and continuing education).".

(b) Section 1512(b)(3)(B)(vi) is amended by striking out "reimburse" and by inserting in lieu thereof "reimburse (or when appropriate make advances to)".

(c) Section 1512(b)(2)(A) is amended by adding at the end the following: "At least one member of the staff shall be designated to have the responsibility of providing the members of the governing body of an agency with such information and technical assistance as they may require to effectively perform their functions.".

CONFLICTS OF INTEREST

SEC. 113. (a) Section 1512(b)(3) is amended by adding after subparagraph (E) (added by section 112 of this Act) the following new subparagraph:

"(F) CONFLICTS OF INTEREST.—No member of a governing body, executive committee, or any entity appointed by a governing body, or executive committee may, in the exercise of any function of the agency described in subsection (e), (f), or (g) of section 1513, vote on any matter before the governing body, executive committee, or any such entity respecting any individual or entity with which such member has any substantial ownership, employment, fiduciary, contractual, creditor, or consultative relationship. A governing body, executive committee, and any entity appointed by a governing body or executive committee shall require each of its members who has or has had such a relationship with an individual or entity involved in any matter before the governing body, committee, or entity to make a written disclosure of such relationship before any action is taken by the body, committee, or entity with respect to such matter in the exercise of any function of the agency described in section 1513 and to make such relationship public in any meeting in which such action is to be taken.".

(b) Section 1524 is amended by adding at the end the following new subsection:

"(d) No member of any SHCC may, in the exercise of any function of the SHCC described in subsection (c)(6), vote on any matter before the SHCC respecting any individual or entity with which such member has any substantial ownership, employment, fiduciary, contractual, creditor, or consultative relationship. Each SHCC shall require each of its members who has or has had such a relationship with an individual or entity involved in any matter before the SHCC to make a written disclosure of such relationship before any action is taken by the SHCC with respect to such matter in the exercise of any function under subsection (c) and to make such relationship public in any meeting in which such action is to be taken.".

STAFF EXPERTISE

SEC. 114. The first sentence of section 1512 (b)(2)(A) is amended (1) by striking out "and" after "health planning,", and (2) by inserting before the period a comma and the following: "(v) to the extent feasible, financial and economic analysis, and (vi) to the extent feasible, prevention of disease and other public health matters".

HEALTH PLAN REQUIREMENTS

SEC. 115. (a) Section 1524(c)(1) is amended by striking out "Review" and inserting in lieu thereof "Establish a uniform format for HSP's and review".

(b)(1) Section 1513(b)(2)(A) is amended by inserting "(primarily with regard to health care equipment and to health services provided by health care institutions, health care facilities, and other providers of health care and other health resources)" after "healthful environment".

(2) Section 1513(b)(2) is amended (A) by striking out "establish" in the first sentence and inserting in lieu thereof "establish (in accordance with the format established pursuant to section 1524(c)(1))", and (B) by inserting after the first sentence the following: "The HSP of the agency shall include goals for the delivery of mental health services in its health service area which goals shall be developed under a procedure under which persons (acting as an advisory group or subcommittee appointed by the agency or, if the agency requests and is authorized by order of the Secretary to use an existing group, acting as part of such a group) knowledgeable about such services (including services for substance abuse) will be consulted with respect to such goals.".

(c)(1)(A) Section 1523(a)(1) is amended by inserting "(A)" after "(1)" and by inserting before the period a comma and the following: "and (B) determine the statewide health needs of the State after providing reasonable opportunity for the submission of written recommendations respecting such needs by the State health authority, the State mental health authority, and other agencies of the State government, designated by the Governor for the purpose of making such recommendations, and after consulting with the Statewide Health Coordinating Council".

(B) Section 1523(a)(2) is amended (i) by striking out "statewide health needs" and inserting in lieu thereof "statewide health needs determined under paragraph (1)(B)", and (ii) by inserting after the first sentence the following: "In carrying out its functions under this paragraph, the State Agency shall refer the HSP's to the State health authority, the State mental health authority, and other agencies of the State government (designated by the Governor to make the review prescribed by this sentence) to review the goals and related resource requirements of the HSP's and to make written recommendations to the State Agency respecting such goals and requirements.".

(C) Subsection (a) of section 1523 is amended by adding after and below the last paragraph the following: "If in determining the statewide health needs under paragraph (1)(B) or in preparing or revising a preliminary State health plan under paragraph (2) the State Agency does not take an action proposed in a recommendation submitted under the applicable paragraph, the State Agency shall when publishing such needs or health plan make available to the public a written statement of its reasons for not taking such action.".

(D) Section 1524(c)(2) is amended (i) by inserting "as determined by the State Agency of the State" after "statewide health needs" each place it occurs, and (ii) by inserting at the end of subparagraph (B) the following: "If in preparing or revising the State health plan the SHCC does not take an action proposed in a recommendation submitted under section 1523(a)(1)(B), the SHCC shall when publishing such plan make available to the public a written statement of its reasons for not taking such action.".

(2) Section 1513(b)(2) is amended (A) by striking out "and" after "resources of the area;", (B) by striking out "resources" and inserting in lieu thereof "resources (including entities described in section 1532(c)(7))", and (C) by inserting before the period at the end of the first sentence a semicolon and the following: "and (D) which are responsive to statewide health needs as determined by the State health planning and development agency".

(d) Section 1513(b)(2) is amended (1) by striking out "establishing" in the second sentence and inserting in lieu thereof "establishing or revising", and (2) by inserting after the sentence added by subsection (b) the following: "The HSP shall also include a statement of changes (through increases or reductions, or both) in personnel, facilities, and other resources which the agency determines are required to meet the goals set forth in the preceding sentence. The health systems agency may identify in such a statement of changes any health care facility which provides inpatient health services and which the agency determines should undertake such changes.".

(e) Section 1513(b)(3) is amended by adding at the end the following: "The AIP shall include a statement of changes (through increases or reductions, or both) in personnel, facilities, and other resources which the agency determines are required to meet the objectives described pursuant to the first sentence. The health systems agency may identify in such a statement of changes any health care facility which provides inpatient health services and which the agency determines should undertake such changes. If the health systems agency is a public regional planning body or unit of general local government, the planning body or unit of government shall be given a reasonable opportunity to comment on the proposed AIP and to propose additions to and other revisions in it. Any such proposed additions or other revisions not included in the AIP approved by the agency shall be appended to the AIP. Before establishing or revising an AIP, the agency shall conduct a public hearing on the proposed AIP and shall give interested persons an opportunity to submit their views orally and in writing. Not less than thirty days prior to such hearing, the agency shall publish in at least two newspapers of general circulation throughout its health service area a notice of its consideration of the proposed AIP, the time and place of the hearing, the place at which interested persons may review the AIP in advance of the hearing, and the place and period during which to submit written comments to the agency on the AIP.".

(f) Section 1513(b)(4) is amended to read as follows:

"(4) If a health service area includes an area under the jurisdiction of an Indian tribe or an Alaska Native Village, the establishment of an HSP and AIP under this subsection for such health service area does not affect the authority of such tribe or Village to establish and carry out a health plan for the Indian health programs in the area under its jurisdiction; and if such tribe or Village establishes such a health plan, such plan shall be included in the HSP for such health service area.".

(g)(1) Section 1513(b)(2)(C) is amended by striking out "and is consistent with".

(2)(A) Section 1512(b)(3)(B)(ii) is amended by inserting before the semicolon the following: "and in the case of a health systems agency which is a public regional planning body or unit of general local government, the planning body or unit of government shall only be given, in accordance with section 1513(b)(2), a reasonable opportunity to comment on a health systems plan proposed by the governing body and to propose additions to and other revisions in it".

(B) Clauses (iii) and (iv) of section 1512 (b)(3)(B) are each amended by striking out "approval" and inserting in lieu thereof "approval or disapproval".

(C) Section 1513(b)(2) is amended by adding at the end the following: "If the health systems agency is a public regional planning body or unit of general local government, the planning body or unit of government shall be given a reasonable opportunity to comment on the proposed HSP and to propose additions to and other revisions in it. Any such proposed additions or other revisions not included in the HSP established by the agency shall be appended to the HSP. Each health systems agency shall make its HSP available to the State health planning and development agency of each State in which the health service area of the health systems agency is located for inclusion in the preliminary State health plan to be prepared under section 1523(a)(2) and, if the goals contained in the HSP are not consistent with guidelines issued by the Secretary under section 1501, it shall provide the State agency with a detailed statement of the reasons for the inconsistency between such goals and guidelines. When making such HSP available to a Statewide Health Coordinating Council under section 1524(c)(2)(A), the agency shall also report such statement to such Council.".

(D) The amendments made by subparagraphs (A) and (B) shall not apply with respect to a health systems agency for which a designation under section 1515 of the Public Health Service Act was in effect on January 1, 1979, and which is a unit of general local government.

(h) Section 1524(c)(2) is amended by adding at the end the following:

"(C) The State health plan or any revised State health plan approved by the SHCC shall be the State health plan for the State for purposes of this title unless, within sixty days from the date the plan was approved, the Governor of the State disapproves the plan. The State health plan for a State may be diapproved by the Governor of the State only if the Governor determines that the plan does not effectively meet the statewide health needs of the State as determined by the State Agency for the State. In disapproving a State health plan, a Governor shall make public a detailed statement of the basis for the determination that the plan does not meet such needs and shall specify the changes in the plan which the Governor determines are needed to meet such needs. Subparagraph (B) does not apply to the preparation of revisions of a State health plan disapproved by a Governor.

"(D) In carrying out its functions with respect to the goals and resource requirements for mental health services of the State health plan, the SHCC may establish a procedure under which persons (acting as or as part of an advisory group or subcommittee appointed by the SHCC) knowledgeable about mental health services (including services for substance abuse) will have the opportunity to make recommendations to the SHCC respecting such services.

"(E) The State health authority, the State mental health authority, and other agencies of the State government, designated by the Governor, shall carry out those parts of the State health plan which relate to the government of the State.".

(i)(1) The first sentence of section 1513(b)(2) is amended by striking out "annually" and inserting in lieu thereof biennially".

(2) The first sentence of section 1523(a)(2) and the first sentence of section 1524(c)(2)(A) are each amended by striking out "and review and revise as necessary (but at least annually)" and inserting in lieu thereof ", review at least biennially, and revise as necessary".

(3) Section 1524(c)(1) is amended by striking out "review annually and coordinate the HSP and AIP" and inserting in lieu thereof "review and coordinate at least biennially the HSP and review and coordinate at least annually the AIP".

(j)(1) Section 303(a) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 is amended by adding after and below paragraph (16) the following: "Such plan shall be consistent with the State health plan in effect for such State under section 1524(c) of the Public Health Service Act.".

(2) Section 409(e) of the Drug Abuse Office and Treatment Act of 1972 is amended by adding after and below paragraph (13) the following: "Such plan shall be consistent with State health plan in effect for such State under section 1524(c) of the Public Health Service Act.".

(k)(1) Subsection (a) of section 206 of the Community Mental Health Centers Act is amended to read as follows:

"(a) No grant may be made under this part to any entity or community mental health center in any State for a fiscal year ending after September 30, 1981, unless a State health plan meeting the requirements of section 1524 of the Public Health Service Act is in effect for such State.".

(2)(A) Subsection (a) of section 222 of such Act is amended by striking out "pursuant to a State plan approved under section 237".

(B) Paragraphs (2) and (3) of section 222(b) of such Act are amended to read as follows:

"(2) the Secretary finds that the application meets the applicable requirements of subsection (a); and

"(3) the Secretary finds that the application has been approved and recommended by the State agency and is entitled to priority over other projects within the State as determined by the State agency.".

(3)(A) Subsection (c)(1) of section 223 of such Act is amended (i) by striking out "with the provisions required by section 237 to be in a State plan or" in subparagraph (A), (ii) by striking out subparagraph (D), (iii) by inserting "or" at the end of subparagraph (B), and (iv) by striking out "; or" at the end of subparagraph (C) and inserting in lieu thereof a comma.

(B) Section 223(c)(2)(B) of such Act is amended by striking out "(C), or (D)" and inserting in lieu thereof "or (C)".

(4) Section 224(2) of such Act is amended by striking out "or 237(c)".

(5) Section 227(a) of such Act is amended by striking out "(with State plans approved under section 237)" and inserting in lieu thereof "(with State health plans in effect under section 1524 of the Public Health Service Act after September 30, 1981)".

(6) Section 235(2) of such Act is amended by striking out "section 314(d)" and inserting in lieu thereof "section 314(g)".

(7) Section 236 of such Act is amended (A) in paragraph (1), by striking out "(A)" and ", or (B)" and all that follows in that paragraph through "hospital", (B) by striking out paragraph (3), (C) by inserting "and" at the end of paragraph (1), and (D) by striking out "; and" at the end of paragraph (2) and inserting in lieu thereof a period.

(8) Section 237 of such Act is amended to read as follows:

"STATE MENTAL HEALTH AUTHORITY

"Sec. 237. (a) The State mental health authority shall—

"(1) establish minimum standards for the maintenance and operation of community mental health services, including services provided through community mental health centers, which receive financial assistance under this title and provide for the enforcement of such standards and shall insure that the assistance provided under this title is in furtherance of the State health plan in effect for the State under section 1524 of the Public Health Service Act;

"(2) establish a program for community mental health centers within the State (A) which is based on a statewide inventory of existing facilities and the need for the comprehensive mental health services described in section 201(b); (B) which shall provide for adequate community mental health centers to furnish needed services for persons unable to pay therefore; (C) which is consistent with the State health plan in effect for such State under section 1524(c); and (D) which conforms with regulations prescribed by the Secretary under section 236;

"(3) set forth the relative need, determined in accordance with regulations prescribed under section 236, for the projects included in a program described in paragraph (2); and

"(4) make such reports in such form and containing such information as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(b) The State mental health authority shall designate a State advisory council to consult with it in carrying out its functions under this title and title XV of the Public Health Service Act. Such council shall include (1) representatives of entities concerned with the planning, operation, or use of community mental health services, including the services provided through community mental health centers, and other mental health facilities, and (2) representatives of consumers and providers of the services of such facilities who are familiar with the need for such services. A majority of the members of such council shall be individuals who are not providers of health care (as defined in section 1531(3) of the Public Health Service Act).".

(9) Section 314(g)(2)(D)(iv) of the Public Health Service Act is amended by striking out "a plan" and inserting in lieu thereof "a plan which is consistent with the State health plan in effect for the State under section 1524(c) and".

CRITERIA AND PROCEDURES FOR REVIEW

Sec. 116. (a)(1) The first sentence of section 1532(a) is amended (A) by striking out "; and in performing" and inserting in lieu thereof "; in performing", and (B) by inserting before the period a semicolon and the following: "and in performing its review functions a Statewide Health Coordinating Council shall (except to the extent approved by the Secretary) follow procedures and apply criteria developed and published by the Council in accordance with regulations of the Secretary".

(2) The second sentence of such section is amended by striking out "and States Agencies" and inserting in lieu thereof ", State Agencies, and Statewide Health Coordinating Councils".

(b)(1) Subsections (b) and (c) of section 1532 are each amended—

(A) by striking out "agency and State Agency" each place it occurs (other than in paragraph (11) of subsection (b)) and inserting in lieu thereof "agency, State Agency, and Statewide Health Coordinating Council", and

(B) by striking out "agency or State Agency" each place it occurs and inserting in lieu thereof "agency, State Agency, or Statewide Health Coordinating Council".

(2) Subsection (b)(4) of such section is amended by striking out "agency or a State Agency" and inserting in lieu thereof "agency, State Agency, or Statewide Health Coordinating Council".

(3) Section 1532(c)(1) is amended by striking out "HSP and AIP" and inserting in lieu thereof "HSP, AIP, and State health plan".

(c) Section 1532(a) is amended by adding at the end the following: "Health systems agencies, the State Agency, and, if appropriate, the Statewide Health Coordinating Council within each State shall cooperate in development of procedures and criteria under this subsection to the extent appropriate to the achievement of efficiency in their reviews and consistency in criteria for such reviews.".

(d) Section 1532(c)(6) is amended to read as follows:

"(6) In the case of health services proposed to be provided—

"(A) the availability of resources (including health manpower, management personnel, and funds for capital and operating needs) for the provision of such services,

"(B) the effect of the means proposed for the delivery of such services on the clinical needs of health professional training programs in the area in which such services are to be provided,

"(C) if such services are to be available in a limited number of facilities, the extent to which the health professions schools in the area will have access to the services for training purposes,

"(D) the availability of alternative uses of such resources for the provision of other health services, and

"(E) the extent to which such proposed services will be accessible to all the residents of the area to be served by such services.".

(e) Section 1532(c) (as amended by section 103(c)) is amended by adding at the end the following:

"(12) In the case of health services or facilities proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities similar to those proposed.".

(f) Section 1532(a) is amended by adding after the sentence added by subsection (c) the following: "The Secretary shall review at least annually regulations promulgated under this section and provide opportunity for the submission of comments by health systems agencies, State Agencies, and Statewide Health Coordinating Councils on the need for the revision of such regulations. At least forty-five days before the initial publication of a regulation proposing a revision in a regulation of the Secretary under this section, the Secretary shall, with respect to such proposed revision, consult with and solicit the recommendations from health systems agencies, State Agencies, and Statewide Health Coordinating Councils."

(g)(1) Section 1532(b)(3) is amended by adding at the end the following: "Each health systems agency, State Agency, and Statewide Health Coordinating Council shall develop procedures to assure that requests for information in connection with a review under this title are limited to only that information which is necessary for the agency, State Agency, or Statewide Health Coordinating Council to perform the review.".

(2) Section 1532(b)(3) is amended (A) by inserting "(A)" after "(3)", and (2) by adding at the end the following:

"(B) Each health systems agency, State Agency, and Statewide Health Coordinating Council shall develop procedures to enable any person submitting data to designate data which he believes should not be released to the public and to submit such data separately. If the agency, State Agency, and Statewide Health Coordinating Council proposes to release for inspection any data designated under this paragraph, the agency, State Agency, or Statewide Health Coordinating Council shall notify, in writing and by certified mail, the person who submitted the data of the intent to release the data. The agency, State Agency, or Statewide Health Coordinating Council may not release such data until the expiration of 30 days after the person submitting the data has received the notice required by this paragraph.".

(3) Section 1532(b)(10) is amended by striking out "pertinent" and inserting in lieu thereof "essential".

CERTIFICATE OF NEED PROGRAMS

SEC. 117. (a) Part C of title XV is amended by adding at the end the following:

"CERTIFICATE OF NEED PROGRAM

"SEC. 1527. (a) The certificate of need program required by section 1523(a)(4)(B) shall, in accordance with this section, provide for the following:

"(1) Review and determination of need under such program for—

"(A) major medical equipment and institutional health services, and

"(B) capital expenditures,

shall be made before the time such equipment is acquired, such services are offered, substantial expenditures are undertaken in preparation for such offering, or capital expenditures are obligated.

"(2) The acquisition and offering of only such equipment and services as may be found by the State Agency to be needed; and the obligation of only those capital expenditures found to be needed by the State Agency. Except as otherwise authorized by this section, the issuance of a certificate of need may not be made subject to any criterion or condition unless the criterion or condition directly relates to—

"(A) the ability of the applicant to provide the service for which the certificate is to be issued or a service through the equipment or expenditure for which the certificate is to be issued,

"(B) the quality of such service, and

"(C) the availability and accessibility of such service to patients in need of it,

or the criterion or condition is otherwise directly related to a determination of the need for such service.

"(3) An application for a certificate of need for an institutional health service, medical equipment, or capital expenditure shall specify the time the applicant will require to make such service or equipment available or to obligate such expenditure and a timetable for making such service or equipment available or obligating such expenditure. After the issuance of a certificate of need, the State Agency shall review the progress of the holder of the certificate in meeting the timetable specified in the approved application for the certificate. If on the basis of such a review the State Agency determines that the holder of a certificate is not meeting such timetable and is not making a good faith effort to meet it, the State Agency may, after considering any recommendation made by the health systems agency which received a report from the State Agency on such review, withdraw the certificate.

"(4) In issuing a certificate of need, the State shall specify in the certificate the maximum amount of capital expenditures which may be obligated under such certificate. The program shall, in accordance with regulations promulgated by the Secretary, prescribe the extent to which a project authorized by a certificate of need shall be subject to further review if the amount of capital expenditures obligated or expected to be obligated for the project exceed the maximum specified in the certificate of need.

"(5) The program shall provide that each decision of the State Agency not to issue a certificate of need shall, upon request of the person who applied for such certificate, be reviewed under an appeals mechanism consistent with State law governing the practices and procedures of administrative agencies or, if there is no such State law, by an entity (other than the State Agency) designated by the Governor.

"(6) The program shall provide that each decision of the State Agency to issue a certificate of need (A) shall not be inconsistent with the State health plan in effect for such State under section 1524(c), and (B) shall be issued by the State Agency solely on the basis of the record established in administrative proceedings held with respect to the application for such certificate.

"(7) The program may permit reviews of applications for certificates of need to be conducted in such a manner that (A) comparisons of applications for such certificates may be made, and (B) priorities for approval of such applications may be established.

"(8)(A)(i) Section 1532(b)(2) does not apply to review by a State Agency of an application for a certificate of need. Except as provided in clauses (ii) and (iii), such a review shall be completed before the expiration of the ninety-day period beginning on the date the State Agency provides the notice required by section 1532(b)(1). If a letter of findings of noncompliance with the requirements of title VI of the Civil Rights Act of 1964 has been issued by the Secretary to an applicant for a certificate of need, the State Agency may defer providing the notice required by section 1532(b)(1) until—

"(I) the Secretary has issued to the applicant a letter of findings of compliance with such requirements, or

"(II) in the administrative process begun by the issuance by the Secretary of a notice of deferral of Federal financial assistance a final decision of compliance with such requirements has been made or upon judicial review of a decision made in such administrative process a final decision of compliance with such requirements has been made,

whichever occurs first. If after a review of an application for a certificate of need has begun a letter of findings of noncompliance with the requirements of such title VI is issued to the applicant by the Secretary, the State Agency may suspend review of the application during the period beginning on the date such letter is issued and ending on the date whichever of the actions referred to in subclause (I) or (II) occurs and any period during which such review is so suspended shall not be counted in determining if the review has been completed within the time period prescribed by this subparagraph.

"(ii) A review under paragraph (7)(A) of two or more applications for certificates of need shall be completed before the expiration of the ninety-day period prescribed by clause (i) or, if State law prescribes a longer period for reviews under that paragraph, before the expiration of such longer period. If a request is made to the State Agency for a hearing under section 1532(b)(8) on an application, the review of the application shall be completed before the expiration of the ninety-day period prescribed by clause (i) or, if State law prescribes a longer period for reviews involving such a hearing, before the expiration of such longer period.

"(iii) If an applicant and the State Agency agree to a period of review of the applicant's application which is longer than the period prescribed by clause (i) or (ii), the review of the application shall be completed not later than the expiration of such longer period.

"(B) Notwithstanding the requirements of section 1523(a)(4) and this section respecting State Agency determination of need, if a State Agency fails to complete its review of an application for a certificate of need in the applicable time prescribed by subparagraph (A), the application shall be considered approved and the State Agency shall issue the certificate.

"(b)(1) Under the program a certificate of need shall not be required for the offering of an institutional health service, the acquisition of major medical equipment, or the obligation of a capital expenditure by—

"(A) a health maintenance organization or any other provider of health services which organization or other provider provides or otherwise makes available ambulatory and inpatient health services on a prepaid basis to individuals enrolled with the provider to receive such services on such basis if at least 75 per centum of the patients who receive the institutional health service or the health service provided with such equipment or through such expenditure are individuals who are so enrolled; or

"(B) any other provider of health services if the provider has entered into agreements with one or more providers of health services described in subparagraph (A) under which agreements—

"(i) the institutional health service or the health service provided with such equipment or through such expenditure will be made available to individuals enrolled with such providers to receive ambulatory and inpatient health services on a prepaid basis, and

"(ii) at least 75 per centum of the annual revenues from such service, equipment, or expenditure will be provided by such providers under such agreements.

"(2)(A)(i) Each provider of health services which is exempt under paragraph (1) from obtaining a certificate of need for the offering of an institutional health service, the acquisition of major medical equipment, or the obligation of a capital expenditure shall, at least thirty days before contractual arrangements are entered into to offer such service, acquire such equipment, or obligate such expenditure, provide the health systems agency designated for the health service area in which the such service will be offered, equipment used, or expenditure obligated and the State Agency for the State in which such activity will occur the notice described in clause (ii).

"(ii) The notice required by clause (i) shall (I) describe the service which will be offered, the equipment which will be acquired, or the purposes for which the capital expenditure will be obligated, (II) in the case of a provider of health services who is exempt under subparagraph (A) of paragraph (1), the basis for the provider's determination that of the patients who will receive the institutional health service or the service to be provided with such equipment or through such expenditure at least 75 per centum will be enrollees of the provider, and (III) in the case of a provider of health services who is exempt under subparagraph (B) of paragraph (1), the terms of each agreement described in such subparagraph which the provider has entered into and the basis for the provider's determination that at least 75 per centum of the revenues from the service, equipment, or expenditure will be provided under such agreements.

"(B) If a provider of health services makes the offering, acquisition, or obligation described in the notice submitted by the provider under subparagraph (A), then not later than fifteen months after the date of such offering, acquisition, or obligation and annually thereafter, such provider of health services shall report, with respect to each year beginning on and after such date, to the health systems agency, and the State Agency which received the notice under subparagraph (A)—

"(i) if the provider is exempt under paragraph (1)(A) from obtaining a certificate of need for such offering, acquisition, or expenditure, the percentage of the patients receiving in the year reported on the services resulting from such offering, acquisition, or expenditure who were enrolled with the provider to receive ambulatory and inpatient health services on a prepaid basis, or

"(ii) if the provider is exempt under paragraph (1)(B) from obtaining a certificate of need for such offering, acquisition, or expenditure, the revenues received in the year reported on under the agreements described in such paragraph from the service offered, equipment acquired, or expenditure obligated.

"(3) If on the basis of a report filed by a provider of health services under paragraph (2)(B) a State Agency determines—

"(A) in the case of a report filed by a provider under clause (i) of such paragraph, that in the year reported on less than 75 per centum of the patients who received the services with respect to which the report was made were enrolled with the provider to receive ambulatory and inpatient health services on a prepaid basis, or

"(B) in the case of a report filed by a provider under clause (ii) of such paragraph, that in the year reported on the percent of revenues received under agreements described in subparagraph (A) from the service, equipment, or expenditure with respect to which the report was filed was less than 75 per centum of the total revenues received in such period from such equipment, service, or expenditure,

the State Agency shall notify in writing the provider of such determination, and such provider shall not be permitted to use, after sixty days after the receipt of such notice, such service, equipment, or expenditure in the provision of health services to other than individuals enrolled with a provider of ambulatory and inpatient health services to receive health services on a prepaid basis.

"(4) If under paragraph (3) a provider of health services is not permitted to use a service, equipment, or expenditure to provide services to other than individuals enrolled with a provider of ambulatory and inpatient health services to receive health services on a prepaid basis—

"(A) the provider shall make such annual reports to the State Agency involved as it may require to assure that the requirement of paragraph (3) is being met; and

"(B) the State Agency involved shall—

"(i) notify the Secretary that the provider is prohibited from using such service, equipment, or expenditure to provide services to individuals who are entitled to insurance benefits under title XVIII of the Social Security Act and for whom the provider would otherwise receive reimbursement under section 1815 of such Act for the provision of such services, and

"(ii) notify the State agency responsible for administering the State plan approved under title XIX of such Act that the provider is prohibited from using such service, equipment, or expendituure to provide services to individuals who are entitled to medical assistance under such plan and for whom the provider would otherwise receive reimbursement under the provision of the plan required by section 1902(a)(13)(D) of such Act for the provision of such services.

"(5) If on the basis of a report filed under paragraph (4)(A) the State Agency determines that the provider of health services is with respect to the service, equipment, or expenditure reported on meeting the requirements of paragraph (1), the State Agency shall notify the provider of the determination, and the requirement of paragraph (3) shall not apply to the provider. Such provider shall with respect to such service, equipment, or expenditure make the reports required by paragraph (2)(B). The first such report shall be due not later than fifteen months after the date of the receipt of the notice under this paragraph and shall apply with respect to the year beginning on that date. The State Agency shall also notify the Secretary and the State agency notified under paragraph (4)(B) of the determination made under this paragraph.

"(6) For purposes of this subsection, a provider provides ambulatory and inpatient health services on a prepaid basis to individuals enrolled with the provider to receive such services on such basis if the provider is compensated (except for copayments) for the provision of such services by a payment which is paid on a periodic basis without regard to the date the health services are provided and which is fixed without regard to the frequency, extent, or kind of health service actually furnished.

"(7) The certificate of need program may apply to a health maintenance organization only to the extent that it is not exempt under paragraph (1)(A) and then only to the acquisition of major medical equipment, the offering of institutional health services, and the obligation of capital expenditures.

"(c) Notwithstanding section 1532(c), when an application is made by an osteopathic or allopathic facility for a certificate of need to construct, expand, modernize, acquire major medical equipment, or add services, the need for that construction, expansion, modernization, acquisition of equipment, or addition of services shall be considered on the basis of the need for and the availability in the community of services and facilities for osteopathic and allopathic physicians and their patients. The State Agency shall consider the application in terms of its impact on existing and proposed institutional training programs for doctors of osteopathy and medicine at the student, internship, and residency training levels.

"(d) Notwithstanding section 1532(c), an application for a certificate of need for a capital expenditure which is required—

"(1) to eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations,

"(2) to comply with State licensure standards, or

"(3) to comply with accreditation standards compliance with which is required to receive reimbursements under title XVIII of the Social Security Act or payments under a State plan for medical assistance approved under title XIX of such Act,

shall be approved, but only to the extent that the capital expenditure is required to eliminate or prevent such hazards or to comply with such standards.

"(e)(1) Under the program a certificate of need shall be required for the acquisition of major medical equipment which will not be owned by or located in a health care facility unless—

"(A) the notice required by paragraph (2) is not filed in accordance with that paragraph with respect to such acquisition, or

"(B) the State Agency finds, within thirty days after the date it receives a notice in accordance with paragraph (2) with respect to such acquisition, that the equipment will be used to provide services for inpatients of a hospital.

"(2) Before any person enters into a contractual arrangement to acquire major medical equipment which will not be owned by or located in a health care facility, such person shall notify the State Agency of the State in which such equipment will be located of such person's intent to acquire such equipment. Such notice shall be made in writing and shall be made at least thirty days before contractual arrangements are entered into to acquire the equipment with respect to which the notice is given.

"(f) In granting certificates of need under such a program, a State Agency shall take into account recommendations made by health systems agencies within the State under section 1513(f).".

(b)(1) Section 1523(a)(4)(B) is amended by striking out "new institutional health services proposed to be offered or developed within the State" and inserting in lieu thereof "the obligation of capital expenditures within the State and the offering within the State of new institutional health services and the acquisition of major medical equipment".

(2) The second sentence of section 1523(a)(4) is amended to read as follows: "A certificate of need program shall not be found satisfactory to the Secretary unless each determination of need within the State is made by the State Agency solely on the basis of its review conducted in accordance with the procedures and criteria it has adopted in accordance with this title and regulations promulgated under it.".

(3)(A) Section 1531 is amended (i) by striking out "For purposes of this title" and inserting in lieu thereof "Except as otherwise provided, for purposes of this title", and (ii) by adding after paragraph (5) the following new paragraphs:

"(6) For purposes of sections 1523 and 1527, the term 'capital expenditure' means an expenditure—

"(A) made by or on behalf of a health care facility (as such facilities are defined in regulations prescribed under section 1122 of the Social Security Act); and

"(B)(i) which (I) under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance, or (II) is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part; and

"(ii) which (I) exceeds the expenditure minimum, (II) substantially changes the bed capacity of the facility with respect to which the expenditure is made, or (III) substantially changes the services of such facility.

Such term does not include an expenditure to obtain (either by purchase or under lease or comparable arrangement) an existing health care facility the services or bed capacity of which is not changed in being so obtained. For purposes of subparagraph (B) (ii) (I), the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure described in subparagraph (B) (i) is made shall be included in determining if such expenditure exceeds the expenditure minimum. Donations of equipment or facilities to a health care facility which if acquired directly by such facility would be subject to review under section 1527 shall be considered capital expenditures for purposes of sections 1523 and 1527, and a transfer of equipment or facilities for less than fair market value shall be considered a capital expenditure for purposes of such sections if a transfer of the equipment or facilities at fair market value would be subject to review under section 1527.

"(7) For purposes of sections 1523 and 1527, the term 'major medical equipment' means medical equipment which is used for the provision of medical and other health services and which costs in excess of the expenditure minimum, except that such term does not include medical equipment acquired by or on behalf of a clinical laboratory to provide clinical laboratory services if the clinical laboratory is independent of a physician's office and a hospital and it has been determined under title XVIII of the Social Security Act to meet the requirements of paragraphs (10) and (11) of section 1861 (s) of such Act.

"(8) For purposes of paragraphs (6) and (7), the term 'expenditure minimum' means (A) $150,000 for the twelve-month period beginning with the month in which this paragraph is enacted, and (B) for each twelve-month period thereafter, $150,000 or, if different, the figure in effect for the preceding twelve-month period, adjusted to reflect the change in the preceding twelve-month period in the composite construction cost index maintained by the Department of Commerce.".

(B) Section 1531(5) is amended by striking out "and health maintenance organizations (as such facilities and organizations" and inserting in lieu thereof "(as such facilities".

(4) (A) Section 1522(b) (13) (A) is amended by inserting after "agencies," the following: "by any agency of the State authorized by such mechanism to make such review or, if there is no such State law,".

(B) Section 1522(b) (13) (B) is amended by inserting "under subparagraph (A)" after "the reviewing agency".

(c) (1) Section 1531(5) is amended by inserting "and rehabilitation facilities" before "and includes".

(2) Section 1531 is amended by adding after the paragraphs added by subsection (b) (3) (A) the following new paragraph:

"(9) The term 'rehabilitation facility' means an inpatient facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of medical and other services which are provided under competent professional supervision.".

(d) Section 1532(c) (8) is amended by inserting before the period the following: "and of other providers of ambulatory and inpatient health services to enrollees on a prepaid basis".

(e) Within one hundred and eighty days of the date of the enactment of this Act, the Secretary of Health, Education, and Welfare shall promulgate such regulations as may be necessary to enable the States to establish certificate of need programs which meet the requirements of section 1527 of the Public Health Service Act.

APPROPRIATENESS REVIEW

SEC. 118. (a) (1) Section 1513(g) (1) is amended by striking out "all institutional health services offered in the health service area of the agency" and inserting in lieu thereof "at least those institutional and home health services which are offered in the health service area of the agency and which have been designated by the Secretary by regulation for appropriateness review under this paragraph".

(2) Section 1523(a) (6) is amended by striking out "all institutional health services being offered in the State" and inserting in lieu thereof "all institutional and home health services which are offered in the State and which have been designated by the Secretary for appropriateness review under this paragraph".

(b) Part C of title XV is amended by adding after section 1527 the following new section:

"GRANTS TO STATES FOR REDUCTION OF EXCESS HOSPITAL CAPACITY

"SEC. 1528 (a) For the purpose of demonstrating the effectiveness of various means for reducing excesses in resources and facilities of hospitals (referred to in this section as 'excess hospital capacity'), the Secretary may make grants to State Agencies designated under section 152(b) (3) to assist such Agencies in—

"(1) identifying (by geographic region or by health service) excess hospital capacity,

"(2) developing programs to inform the public of the costs associated with excess hospital capacity,

"(3) developing programs to reduce excess hospital capacity in a manner which will produce the greatest savings in the cost of health care delivery,

"(4) developing means to overcome barriers to the reduction of excess hospital capacity, and

"(5) any other activity related to the reduction of excess hospital capacity.

"(b) Grants under subsection (a) shall be made on such terms and conditions as the Secretary may prescribe. The Secretary shall report annually to the Congress on the activities assisted with grants under subsection (a).

"(c) There are authorized to be appropriated to make payments under grants under subsection (a) $4,000,000 for the fiscal year ending September 30, 1980, $4,000,000 for the fiscal year ending September 30, 1981, and $4,000,000 for the fiscal year ending September 30, 1982.".

REVIEW AND APPROVAL OF PROPOSED USES OF FEDERAL FUNDS

SEC. 119. (a) Section 1524(c) (6) is amended—

(1) by striking out "approve or disapprove" in the first sentence and inserting in lieu thereof "recommend approval or disapproval of (A)",

(2) by striking out "or the Comprehensive" in the first sentence and inserting in lieu thereof "section 409 of the Drug Abuse Office and Treatment Act of 1972, or the Comprehensive",

(3) by inserting before the period at the end of the first sentence a comma and the following: "and (B) any application (and any revision of an application) submitted to the Secretary by a State for a grant or contract under any provision of law referred to in clause (A) for projects in more than one health service area of the State",

(4) by amending the third sentence to read as follows: "If a SHCC recommends disapproval of such a plan or application, the Secretary, after making a finding that such plan or application is not in conformity with the State health plan, may not make Federal funds available under such State plan or application.",

(5) by inserting after the third sentence the following new sentence: "If the Secretary makes such a finding, he shall notify the Governor of his finding and the reasons therefor and advise him that he has thirty days in which to submit a revised State plan or application that conforms with the State health plan.", and

(6) by striking out "If after such review" in the last sentence and inserting in lieu thereof the following: "If after reviewing a recommendation of a SHCC to disapprove such State plan or application,".

(b) (1) Section 1513(e) (1) (A) (i) is amended—

(A) by inserting "of 1972" after "Treatment Act", and

(B) by inserting after "health resources" the following: "by any entity other than the government of a State unless such resources are solely within the health service area of such agency".

(2) Section 1513(e) (1) (A) (ii) is amended by striking out "an allotment" and inserting in lieu thereof "an allotment, contract, or grant".

(3) The first sentence of section 1513(e) (1) (B) is amended by striking out "under title IV, VII, or VIII of this Act" and all that follows in such sentence and inserting in lieu thereof the following: "for research or training unless the grants or contracts are to be made, entered into, or used for the development, expansion, or support of health resources which, in the case of grants or contracts for training, would make a significant change in the health services available in the health service area or which, in the case of grants or contracts for research, would significantly change the delivery of health services, or the distribution or extent of health resources, available to persons in the health service area other than those who are participants in such research.".

(4) Section 1513(e) (2) is amended—

(A) by striking out "such paragraph" in the first sentence and inserting in lieu thereof "paragraph (1) (A) (i)", and

(B) by striking out "If" in the second sentence and inserting in lieu thereof "If under paragraph (1) (A) (i)".

(5) Section 1513(e) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) The Governor of a State shall allow health systems agencies sixty days to make the review required by paragraph (1) (A) (ii). If under such paragraph an agency disapproves a proposed use of Federal funds in its health service area, the Governor may not make such Federal funds available for such use until he has made, upon request of the entity making such proposal, a review of the agency decision. In making any such review of any agency decision, the Governor shall give the State health planning and development agency an opportunity to consider the decision of the health systems agency and to submit to the Governor its comments on the decision. The Governor, after taking into consideration such State Agency's comments (if any), may make such Federal funds available for such use, notwithstanding the disapproval of the health systems agency. Each such decision by the Governor to make funds available shall be submitted to the appropriate health systems agency and State health planning and development agency and shall contain a detailed statement of the reasons for the decision.".

COORDINATION OF HEALTH PLANNING WITH RATE REVIEW

SEC. 120. (a) Section 1513(d) is amended by inserting after the first sentence the following: "Each health systems agency shall also coordinate its activities with any entity of the State in which the agency is located which reviews the rates or budgets of health care facilities located in the health systems agency's health service area.".

(b) Section 1522(b)(7)(A) is amended by inserting before the comma at the end the following: "and for the coordination by the State Agency in the conduct of its activities with any entity of the State which reviews the rates or budgets of health care faciliies in the State".

(c)(1) Section 1526 is amended—

(A) by striking out "(not later than six months after the date of the enactment of this title)" in the first sentence of subsection (a); and

(B) by striking out the last sentence of subsection (a).

(2) Such section is further amended—

(A) by inserting before the period in the first sentence of subsection (a) "or to any other entity of the government of a State which has so indicated an intent to regulate such rates";

(B) by striking out "A State Agency" in subsection (b)(1) and inserting in lieu thereof "An entity";

(C) by striking out "the State Agency" in subparagraphs (A) and (F) of such subsection and inserting in lieu thereof "the entity";

(D) by inserting "if it is a State Agency," after "(D)" and "(E)", respectively, in such subsection;

(E) by adding after and below subparagraph (G) of such subsection the following: "If an entity which is not a State Agency receives a grant under subsection (a), such entity shall coordinate its activities under the grant with the State Agency for the State in which such entity is located, share with the State Agency data obtained from such activities, develop with the State Agency criteria for the review of hospital services, equipment, and facilities which guidelines are not in conflict with criteria adopted by the State Agency.";

(F) by striking out "a State Agency" in subsection (b)(2) and inserting in lieu thereof "an entity" and by striking out "the State Agency" in such subsection and inserting in lieu thereof "the entity"; and

(G) by striking out "State Agency" in subsection (d) and in the first sentence of subsection (c) and inserting in lieu thereof "entity".

COORDINATION WITHIN STANDARD METROPOLITAN STATISTICAL AREAS AND WITH OTHER ENTITIES

SEC. 121. Subsection (d) of section 1513 is amended (1) by inserting "(1)" after "(d)", (2) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively, and (3) by adding at the end of the following:

"(2) Each health systems agency which has all or part of its health service area within a part of a standard metropolitan statistical area (as determined by the Office of Management and Budget) shall coordinate its activities with the activities of any other health systems agency which has any part of its health service area within such standard metropolitan statistical area. Such coordination shall be carried out in accordance with a plan approved by the Secretary which shall at least provide that each health systems agency designated for a health service area within any part of a single standard metropolitan statistical area shall review (A) each HSP and AIP for each such health service area, (B) the criteria used in accordance with section 1532 for reviews affecting any such area, and (C) each decision under certificate of need programs which affect any such area.

"(3) The Secretary shall by regulation provide for the sharing of health planning data between health systems agencies and Indian tribes and Alaska Native Villages.".

STATE HEALTH PLANNING AND DEVELOPMENT AGENCIES

SEC. 122. (a) Section 1521(b)(4) is amended by adding at the end the following: "Before renewing an agreement under this paragraph with a State Agency for a State, the Secretary shall provide each health systems agency designated for a health service area located (in whole or in part) in such State an opportunity to comment on the performance of the State Agency and to provide a recommendation on whether such agreement should be renewed.".

(b)(1)(A) Paragraphs (3) and (4) of section 1521(b) are each amended by striking out "twelve months" and inserting in lieu thereof "thirty-six months".

(B) The amendments made by subparagraph (A) shall apply with respect to designation agreements entered into under section 1521(b)(3) of the Public Health Service Act after the date of the enactment of this Act.

(2) Section 1521(b)(3) is amended—

(A) by inserting "(A)" after "(3)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the designated State Agency is not complying with the provisions of such agreement.", and

(D) by adding at the end the following:

"(B) Before the Secretary may terminate an agreement with a designated State Agency under subparagraph (A)(ii), the Secretary shall—

"(i) consult with the Statewide Health Coordinating Council of the State for which the State Agency is designated respecting the proposed termination,

"(ii) give the State Agency notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the State Agency is not in compliance with the agreement, and (II) the actions that the State Agency should take to come into compliance with the agreement, and

"(iii) provide the State Agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice.

The Secretary may not terminate such an agreement before consulting with the National Council on Health Planning and Development respecting the proposed termination. Before the Secretary may permit the term of an agreement to expire without renewing the agreement, the Secretary shall make the consultations prescribed by clause (i) and the preceding sentence, give the State Agency with which the agreement was made notice of the intention not to renew the agreement and the reasons for not renewing the agreement, and provide, as prescribed by clause (iii), the State Agency an opportunity for a hearing on the matter specified in the notice.".

(c)(1)(A) Section 1513(h) is repealed.

(B) Section 1522(b)(13) is amended by striking out ", (g), or (h)" and inserting in lieu thereof "or (g)".

(C) Section 1513(a) is amended by striking out "through (h)" and inserting in lieu thereof "through (g)".

(2) Paragraph (3) of section 1523(a) is amended by striking out "review of the State medical facilities plan required under section 1603, and in the".

(3) Section 1523(a) is amended by adding after paragraph (6) the following new paragraph:

"(7) Prepare an inventory of the health care facilities (other than Federal health care facilities) located in the State and evaluate on an ongoing basis the physical condition of such facilities. Such inventory and evaluations shall be reported to the health systems agencies designated for health service areas located (in whole or in part) in the State for purposes of the functions of the agency under section 1513(b).".

(d) Subsection (d) of section 1521 is amended to read as follows:

"(d) If an agreement under subsection (b)(3) for the designation of a State Agency for a State is not in effect upon the expiration of—

"(1) the fourth fiscal year which begins after the calendar year in which the National Health Planning and Development Act of 1974 is enacted,

"(2) the first regular session of the legislature of such State which begins after the promulgation of the regulations under section 117(e) of the Health Planning and Resources Development Amendments of 1979, or

"(3) the sixth month after the month in which such regulations are promulgated,

whichever occurs later, no grant may be made to or contract entered into with the State under this Act, the Community Mental Health Centers Act, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, or the Drug Abuse Office and Treatment Act of 1972 until such time as such an agreement is in effect.".

(e) Paragraph (5) of section 1523(a) is amended by striking out "1413(f)" and inserting in lieu thereof "1513(f)".

(f) Section 1521(b)(1) is amended by striking out "this part" and inserting in lieu thereof "this title".

(g) The first sentence of section 1521(b)(2)(B) is amended by inserting before the period a comma and the following: "except that the Secretary may extend the period for such additional time as he finds appropriate if he finds that the designated State Agency is making a good faith effort to comply with the requirements of section 1523".

STATEWIDE HEALTH COORDINATING COUNCIL COMPOSITION

SEC. 123. (a)(1) Section 1524(b)(1)(A)(ii) is amended by inserting before the period a comma and the following: "except that the number of representatives on the SHCC to which a health systems agency designated for a health service area which is not entirely within the State shall be a number which is based on the relationship of the population of the portion of such health service area within the State to the population of the largest health service area located entirely within the State, except that each such agency shall be entitled to at least one representative on the SHCC".

(2) Section 1524(b)(1)(A)(iii) is amended to read as follows:

"(iii) Except as otherwise provided in clause (ii) and this clause, each such health systems agency shall be entitled to at least two representatives on the SHCC. If there are more than ten health systems agencies within a State, each health systems agency within such State shall be entitled to only one representative on the SHCC. Of the representatives of health systems agencies on the SHCC, not less than one-half shall be individuals who are consumers of health care and who are not providers of health care.".

(3) Section 1524(b)(1)(A)(i) is amended (A) by inserting "(or if the number of representatives on the SHCC to which health systems agencies are entitled under the second sentence of clause (iii) is less than sixteen, no fewer than the number to which they are entitled)" after "sixteen representatives", (B) by striking out "at least five", and (C) by adding at the end the following: "Each agency shall submit a number of nominees

to the Governor which is at least twice the number of representatives on the SHCC to which the agency is entitled.".

(b) Section 1524(b)(2) is amended to read as follows:

"(2) The Governor may select, by and with the advice and consent of the State senate, or, in the case of a State with a unicameral legislature, of the State legislature, the chairman of the SHCC from among the members of the SHCC. If the Governor does not select the chairman, the SHCC shall select the chairman from among its members.".

(c) Section 1524(b)(1)(C) is amended (1) by striking out "one-third" and inserting in lieu thereof "one-half", and (2) by inserting after the period the following: "Members of a SHCC who are providers of health care shall represent the classifications of providers listed in section 1512(b)(3)(C)(ii) and of such members at least one shall be a person engaged in the administration of a hospital.".

(d) The first sentence of section 1524(c)(2)(B) is amended by striking out "State agency" and inserting in lieu thereof "State Agency".

AUTHORIZATIONS

SEC. 124. (a) Section 1516(d)(1) (as amended by section 106) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $150,000,000 for the fiscal year ending September 30, 1980, $160,000,000 for the fiscal year ending September 30, 1981, and $170,000,000 for the fiscal year ending September 30, 1982".

(b) Section 1525(c) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $35,000,000 for the fiscal year ending September 30, 1980, $37,000,000 for the fiscal year ending September 30, 1981, and $39,000,000 for the fiscal year ending September 30, 1982".

(c) Section 1526(e) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $6,000,000 for the fiscal year ending September 30, 1980, $7,000,000 for the fiscal year ending September 30, 1981, and $8,000,000 for the fiscal year ending September 30, 1982".

(d) Section 1534(d) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $10,000,000 for the fiscal year ending September 30, 1980, $11,000,000 for the fiscal year ending September 30, 1981, and $12,000,000 for the fiscal year ending September 30, 1982".

(e) Section 1640(d) is amended—

(1) by striking out "and" after "1976,", and

(2) by inserting before the period the following: ", $25,000,000 for the fiscal year ending September 30, 1980, $40,000,000 for the fiscal year ending September 30, 1981, and $50,000,000 for the fiscal year ending September 30, 1982".

REPORT ON EFFECTIVENESS OF PLANNING LAW

SEC. 125. Section 1535 is amended by adding after subsection (d) the following new subsection:

"(e) The Secretary shall report to the Congress on the results of the reviews conducted pursuant to subsections (c)(7) and (d)(6) respecting improvements in health and health care and restraints on increases in health care costs.".

TECHNICAL AMENDMENT

SEC. 126. Section 1903(m)(2)(C) of the Social Security Act is amended by striking out "the date the entity enters into a contract with the State under this title for the provision of health services on a prepaid risk basis" and inserting in lieu thereof "the date the entity qualifies as a health maintenance organization (as determined by the Secretary)".

EFFECTIVE DATE

SEC. 127. The amendments made by this title (other than by sections 101, 102, 103, 104(d) 105(d), 106, 107 117, 122(b), 124, and 126) shall take effect one year after the date of the enactment of this Act, except that on and after the date of the enactment of this Act—

(1) the changes in the membership of the health systems agencies and the Statewide Health Coordinating Councils required by amendments to sections 1512, 1524, and 1531 shall be implemented through selections of members to fill vacancies occurring after such date,

(2) a health systems agency, a State health planning and development agency, and a Statewide Health Coordinating Council may make the organizational and related changes required by the amendments to sections 1512, 1522, 1523, 1524, and 1531 of the Public Health Service Act, and

(3) health systems agencies, State health planning and development agencies, and Statewide Health Coordinating Councils may act in accordance with the changes in their functions made by the amendments to sections 1513, 1522, 1523, 1524, and 1532 of the Public Health Service Act.

Except as provided in section 1516(c)(1)(C)(i) of the Public Health Service Act as amended by section 106, the amendments made by section 106 shall apply with respect to grants made under section 1516 of the Public Health Service Act after the date of the enactment of this Act. The amendments made by section 117 shall take effect 180 days after the date of the enactment of this Act, except that if the Secretary of Health, Education, and Welfare determines that any amendment made by such section will require a State to change its laws before the State health planning and development agency designated for such State may perform its functions under section 1523(a)(4)(B) of the Public Health Service Act such amendment shall take effect in such State after the close of the first regular session of the legislature of such State which begins after the promulgation of the regulations under subsection (e) of section 117.

TITLE II—REVISION OF AUTHORITY FOR HEALTH RESOURCES DEVELOPMENT

REVISION AND EXTENSION OF ASSISTANCE

SEC. 201. (a) Part B of title XVI is repealed.

(b)(1) Subsections (a) and (b) of section 1620 are amended to read as follows:

"(a)(1) The Secretary, during the period ending September 30, 1982, may, in accordance with this part, make loans from the fund established under section 1622(d) to any public or nonprofit private entity for projects for—

"(A) modernization of medical facilities,

"(B) construction of new outpatient medical facilities,

"(C) construction of new hospitals in (i) areas which have experienced (as determined under regulations of the Secretary) recent rapid population growth, or (ii) areas where merger or closure of medical facilities has resulted in a reduction in the number of hospital beds available in such areas, and

"(D) conversion of existing medical facilities to outpatient medical facilities or facilities for long-term care.

"(2)(A) The Secretary, during the period ending September 30, 1982, may, in accordance with this part, guarantee to—

"(i) non-Federal lenders for their loans to non-profit private entities for medical facilities projects described in paragraph (1), and

"(ii) the Federal Financing Bank for its loans to nonprofit private entities for such projects, payment of principal and interest on such loans.

"(B) In the case of a guarantee of any loan to a non-profit private entity under subparagraph (A)(i) which is located in an urban or rural poverty area, the Secretary shall pay, to the holder of such loan and for and on behalf of the project for which the loan was made, amounts sufficient to reduce by 3 per centum per annum the net effective interest rate otherwise payable on such loan. Each holder of such a loan which is guaranteed under such subparagraph shall have a contractual right to receive from the United States interest payments required by the preceding sentence.

"(b) The principal amount of a loan directly made or guaranteed under subsection (a) for a medical facilities project, when added to any other assistance provided such project under part B, may not exceed 90 per centum of the cost of such project unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the principal amount, when added to other assistance under part B, may cover up to 100 per centum of such costs.".

(2) Section 1622(b)(2)(D) is amended by inserting after "per annum" the following: "in the case of a loan made for a project located in an urban or rural poverty area".

(c) Section 1625 is amended to read as follows:

"PROJECT GRANTS

"SEC. 1625. (a)(1) The Secretary may make grants for construction or modernization projects designed to (A) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (B) avoid noncompliance with State or voluntary licensure or accreditation standards. A grant under this paragraph may only be made to a nonprofit private entity or to a State or political subdivision of a State, including any city, town, county, borough, hospital district authority, or public or quasi-public corporation, for a project described in the preceding sentence for any medical facility owned or operated by such entity, State, or political subdivision of a State.

"(2) The amount of any grant under paragraph (1) may not exceed 75 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

"(3) There are authorized to be appropriated for grants under paragraph (1) $50,000,000 for the fiscal year ending September 30, 1980, $50,000,000 for the fiscal year ending September 30, 1981, and $50,000,000 for the fiscal year ending September 30, 1982.

"(b)(1) The Secretary may make grants to public and nonprofit private entities for projects for (A) construction or modernization of outpatient medical facilities which are located apart from hospitals and which will provide services for medically underserved populations, and (B) conversion of existing facilities into outpatient medical facilities or facilities for long-term care to provide services for such populations.

"(2) The amount of any grant under paragraph (1) may not exceed 80 per centum of the cost of the project for which the grant is made unless the project is located in an area determined by the Secretary to be an urban or rural poverty area, in which case the grant may cover up to 100 per centum of such costs.

"(3) There are authorized to be appropriated for grants under paragraph (1) $15,000,000 for the fiscal year ending September 30, 1980, $15,000,000 for the fiscal year ending September 30, 1981, and $15,000,000 for the fiscal year ending September 30, 1982.".

CONFORMING AMENDMENTS

SEC. 202. (a) Part A of title XVI is repealed and parts C, D, E, and F of title XVI are redesignated as parts A, B, C, and D, respectively.

(b) Part C (as so redesignated) of title XVI is amended by striking out section 1630, by redesignating section 1631 through 1635 as section 1622 through 1626, respectively, and by inserting before section 1622 (as so redesignated) the following:

"GENERAL REGULATIONS

"SEC. 1620. The Secretary shall by regulation—

"(1) prescribe the manner in which he shall determine the priority among projects for which assistance is available under part A or B, based on the relative need of different areas for such projects and giving special consideration—

"(A) to projects for medical facilities serving areas with relatively small financial resources and for medical facilities serving rural communities,

"(B) in the case of projects for modernization of medical facilities, to projects for facilities serving densely populated areas,

"(C) in the case of projects for construction of outpatient medical facilities, to projects that will be located in, and provide services for residents of, areas determined by the Secretary to be rural or urban poverty areas,

"(D) to projects designed to (i) eliminate or prevent imminent safety hazards as defined by Federal, State, or local fire, building, or life safety codes or regulations, or (ii) avoid noncompliance with State or voluntary licensure or accreditation standards, and

"(E) to projects for medical facilities which, alone or in conjunction with other facilities, will provide comprehensive health care, including outpatient and preventive care as well as hospitalization;

"(2) prescribe for medical facilities projects assisted under part A or B general standards of construction, modernization, and equipment, which standards may vary on the basis of the class of facilities and their location; and

"(3) prescribe the general manner in which each entity which receives financial assistance under part A or B or has received financial assistance under part A or B or title VI shall be required to comply with the assurances required to be made at the time such assistance was received and the means by which such entity shall be required to demonstrate compliance with such assurances.

An entity subject to the requirements prescribed pursuant to paragraph (3) respecting compliance with assurances made in connection with receipt of financial assistance shall submit periodically to the Secretary data and information which reasonably supports the entity's compliance with such assurances. The Secretary may not waive the requirement of the preceding sentence.

"APPLICATIONS

"SEC. 1621. (a) No loan, loan guarantee, or grant may be made under part A or B for a medical facilities project unless an application for such project has been submitted to and approved by the Secretary. If two or more entities join in a project, an application for such project may be filed by any of such entities or by all of them.

"(b) (1) An application for a medical facilities project shall be submitted in such form and manner as the Secretary shall by regulation prescribe and shall, except as provided in paragraph (2), set forth—

"(A) in the case of a modernization project for a medical facility for continuation of existing health services, a finding by the State Agency of a continued need for such services, and, in the case of any other project for a medical facility, a finding by the State Agency of the need for the new health services to be provided through the medical facility upon completion of the project;

"(B) in the case of an application for a grant, assurances satisfactory to the Secretary that (i) the applicant making the application would not be able to complete the project for which the application is submitted without the grant applied for, and (ii) in the case of a project to construct a new medical facility, it would be inappropriate to convert an existing medical facility to provide the services to be provided through the new medical facility;

"(C) a description of the site of such project;

"(D) plans and specifications therefor which meet the requirements of the regulations prescribed under section 1620(2);

"(E) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a pubic or other nonprofit entity which is to operate the facility on completion of the project;

"(F) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed, and, for the purpose of determining if the requirements of this subparagraph are met, Federal assistance provided directly to a medical facility which is located in an area determined by the Secretary to be an urban or rural poverty area or through benefits provided individuals served at such facility shall be considered as financial support;

"(G) the type of assistance being sought under part A or B for the project;

"(H) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those pevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 FR 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(I) in the case of a project for the construction or modernization of an outpatient facility, reasonable assurance that the services of a general hospital will be available to patients at such facility who are in need of hospital care; and

"(J) reasonable assurance that at all times after such application is approved (i) the facility or portion thereof to be constructed, modernized, or converted will be made available to all persons residing or employed in the area served by the facility, and (ii) there will be made available in the facility or portion thereof to be constructed, modernized, or converted a reasonable volume of services to persons unable to pay therefor and the Secretary, in determining the reasonableness of the volume of services provided, shall take into consideration the extent to which compliance is feasible from a financial viewpoint.

"(2) (A) The Secretary may waive—

"(i) the requirements of subparagraph (D) of paragraph (1) for compliance with modernization and equipment standards prescribed pursuant to section 1620(2), and

"(ii) the requirement of subparagraph (E) of paragraph (1) respecting title to a project site,

in the case of an application for a project described in subparagraph (B) of this paragraph.

"(B) A project referred to in subparagraph (A) is a project—

"(i) for the modernization of an outpatient medical facility which will provide general purpose health services, which is not part of a hospital, and which will serve a medically underserved population as defined in section 1624 or as designated by a health systems agency, and

"(ii) for which the applicant seeks a loan under part A the principal amount of which does not exceed $20,000.".

(c) Part C (as so designated) of title XVI is amended by adding at the end thereof the following new section:

"ENFORCEMENT OF ASSURANCES

"SEC. 1627. The Secretary shall investigate and ascertain, on a periodic basis, with respect to each entity which is receiving financial assistance under this title or which has received financial assistance under title VI or this title, the extent of compliance by such entity with the assurances required to be made at the time such assistance was received. If the Secretary finds that such an entity has failed to comply with any such assurance, the Secretary shall report such noncompliance to the health systems agency for the health service area in which such entity is located and the State health planning and development agency of the State in which the entity is located and shall take any action authorized by law (including an action for specific performance brought by the Attorner General upon request of the Secretary) which will effect compliance by the entity with such assurances. An action to effectuate compliance with any such assurance may be brought by a person other than the Secretary only if a complaint has been filed by such person with the Secretary and the Secretary has dismissed such complaint or the Attorney General has not brought a civil action for compliance with such assurance within six months after the date on which the complaint was filed with the Secretary.".

TECHNICAL AMENDMENTS

SEC. 203. (a) Part A (as so redesignated) of title XVI is amended—

(1) by striking out section 1621 and by redesignating sections 1620 and 1622 as sections 1601 and 1602, respectively,

(2) by striking out "section 1622(d)" in subsection (a) (1) of section 1601 (as so redesignated) and inserting in lieu thereof "section 1602(d)", and

(3) by striking out "section 1620(b) (2)" each place it occurs in subsection (d) of section 1602 (as so redesignated) and inserting in lieu thereof "section 1601(a) (2) (B)".

(b) Section 1625 of part B (as so redesignated) is redesignated as section 1610.

(c) Subsection (a) (1) of section 1622 (as so redesignated) is amended by striking out "section 1604" and inserting in lieu thereof "section 1621".

(d) Section 1623 (as so redesignated) is amended by striking out "STATE" in the heading for such section.

(e) Section 1624 (as so redesignated) is amended by striking out paragraphs (1) and (2) and by redesignating paragraphs (3) through (16) as paragraphs (1) through (14), respectively.

(f) Section 1626 (as so redesignated) is amended by striking out "section 1604" and inserting in lieu thereof "section 1621".

(g) (1) Section 1602 (as so redesignated) is amended by adding at the end thereof the following:

"(f) (1) The Secretary may take such action as may be necessary to prevent a default on a loan made or guaranteed under this part or under title VI, including the waiver of regulatory conditions, deferral of loan payments, renegotiation of loans, and the expenditure of funds for technical and consultative assistance, for the temporary payment of the interest and principal on such a loan, and for other purposes. Any such expenditure made under the preceding sentence on behalf of a medical facility shall be made under such terms and conditions as the Secretary shall prescribe, including the implementation of such organizational, operational, and financial reforms as the Secretary determines are appropriate and the disclosure of such financial or other information as the Secretary may require to determine the extent of the implementation of such reforms.

"(2) The Secretary may take such action, consistent with State law, respecting foreclosure procedure as he deems appropriate to protect the interest of the United States or guaranteed under this part or under title VI, including for a reasonable period of time taking possession of, holding, and using real property pledged as security for such a loan or loan guarantee.".

(2) Paragraph (1) of subsection (d) is amended (A) by striking out "and" at the end of subparagraph (D), (B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and (C) by adding after subparagraph (E) the following:

"(F) to enable the Secretary to take the action authorized by subsection (f).".

(3) Paragraph (2) of subsection (d) is amended (A) by striking out "and" at the end of subparagraph (D), (B) by inserting "and" at the end of subparagraph (E), and (C) by adding after subparagraph (E) the following:

"(F) to enable the Secretary to take the action authorized by subsection (f),".

EFFECTIVE DATE

SEC. 204. The amendments made by this title shall take effect October 1, 1979, except that the amendments made by section 201(b) respecting the payment of an interest subsidy for a loan or loan guarantee made under part A of title XVI of the Public Health Service Act shall apply only with respect to loans and loan guarantees made after October 1, 1979, and with respect to loans and loan guarantees made under such part before such date the Secretary shall continue to pay the interest subsidy authorized for such loans and loan guarantees before such date.

TITLE III—PROGRAM TO ASSIST AND ENCOURAGE THE DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES

AUTHORIZATION OF PROGRAM

SEC. 301. (a) Title XVI, as amended by title II of this Act, is amended by adding at the end the following new part:

"PART E—PROGRAM TO ASSIST AND ENCOURAGE THE DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES

"ESTABLISHMENT OF PROGRAM

"SEC. 1641. The Secretary shall establish a program under which grants and technical assistance may be provided to hospitals to assist and encourage them to discontinue the provision of unneeded hospital services.

"GRANTS

"SEC. 1642. (a) Under the program established under section 1641, the Secretary may make grants to hospitals in operation on the date of the enactment of this part to assist the hospitals in discontinuing the provision of unneeded inpatient hospital services or all hospital services.

"(b)(1) A grant under subsection (a) shall be subject to such terms and conditions as the Secretary may by regulation prescribe to assure that the grant is used for the purpose for which it was made.

"(2) The amount of any grant under subsection (a) shall be determined by the Secretary. The recipient of a grant may use the grant—

"(A) in the case of a grantee which discontinues the provision of all hospital services, for the liquidation of the outstanding debt on the facilities of the grantee used for the provision of the services;

"(B) in the case of a grantee which in discontinuing the provision of an inpatient hospital service converts or proposes to convert an identifiable part of a hospital facility used in the provision of the discontinued service to the delivery of another health service, for the planning, development (including construction and acquisition of equipment), and delivery of the health service;

"(C) to provide reasonable termination pay for personnel of the grantee who will lose employment because of the discontinuance of hospital services made by the grantee, retraining of such personnel, assisting such personnel in securing employment, and other costs of implementing arrangements described in subsection (d); and

"(D) for such other costs which the Secretary determines may need to be incurred by the grantee in discontinuing hospital services.

"(c)(1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form and submitted in such manner as the Secretary may prescribe and shall include—

"(A) a description of each service to be discontinued and, if a part of a hospital is to be converted to another use in connection with such discontinuance, a description of such part;

"(B) an evaluation of the impact of such discontinuance and conversion on the provision of health care in the health service area in which such service is provided;

"(C) an estimate of the change in the applicant's costs which will result from such discontinuance and conversion; and

"(D) such other information as the Secretary may require.

"(2)(A) The health systems agency for the health service area in which is located an applicant for a grant under subsection (a) shall (i) in making the review of the applicant's application under section 1513 (e), determine the need for each service proposed to be discontinued by the applicant, (ii) in the case of an application for the conversion of a facility, determine the need for each service which will be provided as a result of the conversion, and (iii) make a recommendation to the State agency for the State in which the applicant is located respecting approval by the Secretary of the applicant's application.

"(B) A State Agency which has received a recommendation from a health systems agency under subparagraph (A) respecting an application shall, after consideration of such recommendation, make a recommendation to the Secretary respecting the approval by the Secretary of the application. A State Agency's recommendation under this subparagraph respecting the approval of an application (i) shall be based upon (I) the need for each service proposed to be discontinued by the applicant, (II) in the case of an application for the conversion of a facility, the need for each service which will be provided as a result of the conversion, and (III) such other criteria as the Secretary may prescribe, and (ii) shall be accompanied by the health systems agency's recommendation made with respect to the approval of the application.

"(3)(A) The Secretary may not approve an application for a grant under subsection (a)—

"(i) if a State Agency recommended that the application not be approved, or

"(ii) if the Secretary is unable to determine that the cost of providing inpatient health services in the health service area in which the applicant is located will be less than if the inpatient health services proposed to be discontinued and were not discontinued.

"(B) In considering applications for grants under subsection (a) the Secretary shall consider the recommendations of health systems agencies and State Agencies and shall give special consideration to applications (i) which will assist health systems agencies and State Agencies to meet the goals in their health systems plans and State health plans, or (ii) which will result in the greatest reduction in hospital costs within a health service area.

"(d)(1) Except as provided in paragraph (3), the Secretary may not approve an application submitted under subsection (c) unless the Secretary of Labor has, in accordance with paragraph (3), reviewed the application and notified the Secretary that the applicant has provided satisfactory assurances that the applicant will implement fair and equitable arrangements for the protection of the interests of the applicant's employees who will be affected by a discontinuance of hospital services, including, where appropriate, arrangements for the payment of reasonable termination pay, provision of retraining, and provision for priorties in reemployment by the applicant.

"(2) The Secretary of Labor shall by regulation prescribe guidelines for arrangements for the protection of the interests of employees affected by the discontinuance of hospital services. The Secretary of Labor shall consult with the Secretary of Health, Education, and Welfare in the promulgation of such guidelines. Such guidelines shall first be promulgated not later than the promulgation of regulations by the Secretary for the administration of the grants authorized by subsection (a).

"(3) The Secretary of Labor shall review each application submitted under subsection (c) to determine if the assurances described in paragraph (1) have been provided with the application and if they are satisfactory and shall notify the Secretary respecting his determination. Such review shall be completed within—

(A) ninety days from the date of the receipt of the application from the Secretary of Health, Education, and Welfare, or

"(B) one hundred and twenty days from such date if the Secretary of Labor has by regulation prescribed the circumstances under which the review will require at least one hundred and twenty days.

If within the applicable period, the Secretary of Labor does not notify the Secretary of Health, Education, and Welfare respecting his determination, the Secretary of Health, Education, and Welfare shall review the application to determine if the applicant has provided the assurances described in paragraph (1) and if such assurances are satisfactory. The Secretary may not approve the application unless he determines that such assurances have been provided and that they are satisfactory.

"(e) The records and audits requirements of section 705 shall apply with respect to grants made under subsection (a).

"(f) For purposes of this part, the term 'hospital' means, with respect to any fiscal year, an institution (including a distinct part of an institution participating in the programs established under title XVIII of the Social Security Act)—

"(1) which satisfies paragraphs (1) and (7) of section 1861(e) of such Act,

"(2) imposes charges or accepts payments for services provided to patients, and

"(3) the average duration of a patient's stay in which was thirty days or less in the preceding fiscal year,

but such term does not include a Federal hospital or a psychiatric hospital (as described in section 1861(f)(1) of the Social Security Act).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1643. To make payments under grants under section 1642(a) there are authorized to be appropriated $50,000,000 for the fiscal year ending September 30, 1980, $75,000,000 for the fiscal year ending September 30, 1981, and $100,000,000 for the fiscal year ending September 30, 1982.".

(b) Section 1624 is amended by striking out "For purposes of this title" and inserting in lieu thereof "Except as provided in section 1642(f), for purposes of this title".

STUDY

SEC. 302. The Secretary of Health, Education, and Welfare shall conduct a study of the effect on the elimination of unneeded hospital services made during the two fiscal year period ending September 30, 1981, by the program authorized by part E of title XVI of the Public Health Service Act. The Secretary shall not later than January 1, 1982, report the results of the study to Congress together with his recommendations for any revisions in the program under such part E which he determines to be appropriate, including any revision in the authorizations of appropriations for grants under such program.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "A bill to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3917) was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 3917, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON RESOLUTION RELATING TO INTERN PROGRAMS AND THE CLERK HIRE ALLOWANCE

Mr. BRADEMAS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–352) on the resolution (H. Res. 359) relating to intern programs and the clerk hire allowance, which was referred to the House Calendar and ordered to be printed.

RESIGNATION OF HEW SECRETARY JOSEPH A. CALIFANO, JR.

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, it is with sadness that I note the resignation today of Secretary of Health, Education, and Welfare, Joseph A. Califano, Jr., and I take this time to pay tribute to Mr. Califano for his outstanding service in a position of great responsibility.

I should like to observe, Mr. Speaker, that it seems to me that the objective standards by which the performance of a Cabinet officer normally is judged are the following:

First. Has he established and maintained control over the Department he heads?

Second. Has he established and maintained an effective working relationship with Congress?

Third. Has he been an effective steward of the program of the President?

Mr. Speaker, I believe that judged by all three of these standards, Joseph Califano rates high marks not only in President Carter's Cabinet but, indeed, in comparison to the Cabinet of any other recent President.

Mr. Speaker, I have for nearly 21 years had the privilege of serving on the Committee on Education and Labor, one of the committees in the House with jurisdiction over a number of the programs that are administered by the Department of Health, Education, and Welfare. I have, therefore, had firsthand opportunity to observe the work of Secretary Califano and I think it fitting that note be taken at this time of some of the highlights of the 2½ years of Secretary Califano's service as head of the Department of Health, Education, and Welfare.

Mr. Califano worked with Congress to implement the President's policy of increasing Federal support for education—40 percent in a period of 2 years. He was instrumental in securing enactment of major legislation to improve Federal programs for education at all levels, including the landmark Middle Income Student Assistance Act of 1978, a major administration priority.

He focused new attention on the prevention of disease and illness, a major ingredient in the President's 1976 election campaign.

He designed the administration's proposals aimed at controlling the rising costs of hospital care and developed the administration's national health insurance initiative.

He designed the administration's proposals, passed by Congress in modified form, to assure the financial integrity of the social security system.

He reorganized and streamlined the Department.

He reduced dramatically fraud, abuse and waste in HEW programs.

Let me, Mr. Speaker, speak of Secretary Califano's stewardship of the Department of Health, Education, and Welfare in still more personal terms.

Mr. Speaker, at a time when it is fashionable to criticize those who serve in public office, I think it only fair that tribute be paid to those who have assumed the most demanding responsibilities and have carried them out with integrity, acumen, and effectiveness.

Joseph Califano has met those tests during his years of service as Secretary of Health, Education, and Welfare and I want to express my appreciation to him for his service to the Nation.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I would be glad to yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, may I ask, did the gentleman try to discourage President Carter from dismissing Secretary Califano?

Mr. BRADEMAS. I might say to my friend from California that I was not consulted on that matter, but if I had been, I certainly would have tried to do that.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. I thank the gentleman for yielding.

Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Indiana (Mr. BRADEMAS), the Democratic whip, and join him by saying:

Mr. Speaker, it was with deep personal disappointment that I learned this morning that the President decided to display his new leadership ability by accepting the resignation of the Secretary of Health, Education, and Welfare. The departure of Secretary Califano is a blow to me personally and to the Subcommittee on Postsecondary Education which I chair. In fact, he was to have testified at a hearing of my subcommittee this morning to present the long-awaited recommendations of the administration for the reauthorization of the Higher Education Act.

During the first hour of that hearing, Mr. Speaker, member after member of the subcommittee spoke of the great loss this decision was to the administration and to the country. I only wish the Secretary had been present to hear himself described by Members from both sides of the aisle as "the most able member of the Cabinet," "a great Secretary," "a tremendous friend of education and social progress," and "a man who helped make this country more just."

With the accomplishments in domestic programs of the Johnson administration behind him, Joe Califano could have honorably and understandably retired from the fray of public policymaking and could have built his very successful career in private life as a distinguished veteran. But at substantial personal and financial sacrifice, he decided not to rest on his laurels and he returned to the battles for social justice in this administration.

It is particularly sad to realize that this action was apparently taken because Secretary Califano made hard decisions based on principle, not on the polls. He was not afraid to use the power of his office because he felt that power should be used for the good of people. I learned today that advocacy for good and right is a liability in this administration. It is a sad day for this country.

Our country's greatness came about in large part because people have been willing to take risks. We learned today that a dedicated public servant cannot survive if he or she makes someone in the White House uneasy.

Joe Califano obviously did not accept the maxim: "If you want to get along, go along." He refused to be what one at the top must apparently be today: Bland, mediocre, and meek. He believed his oath of office. He believed in enforcing the laws—and he had some tough and unpopular laws to enforce.

During his service as Secretary of HEW, we saw Federal funds for education increase by 40 percent and for postsecondary education increase by 50 percent. He was an advocate for the changes last year in the Elementary and Secondary Education Act which strengthened the role of the Federal Government in serving the poor and those of limited English-speaking ability. He was an architect of the Middle Income Student Assistance Act, which extended the student assistance programs to millions of students from middle-income families. He helped guide the embattled proposal to create a Department of Education through the House and the Senate. He helped to put on the books most of the social programs enacted in the last decade and a half. His many achievements to implement the commitments to equal opportunity and excellence in education made by his great friend and former boss, Lyndon Johnson, would have made our late President proud.

This is the worst time in recent years for a change of this magnitude at HEW. We are in the midst of the process of reauthorizing the Higher Education Act, and we had a great deal of work to accomplish with Joe Califano in the months ahead.

Mr. Speaker, I fear that Joe Califano's successor must approach the job knowing that to rock the boat, to question decisions, or to disagree is anathema to this administration. I shall nevertheless attempt to continue to work with the Department of Health, Education, and Welfare and to follow up on Joe Califano's recommendations and ideas in the vital area of education.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding.

I just want to say that of all of the members of the President's Cabinet, it seems to me that Secretary Califano was the most experienced, and the most knowledgeable in the job that he was performing.

I happened to have been at the ceremony just the day before yesterday in which he participated with the Ambassador of Switzerland in connection with an agreement with respect to social security, and the gentleman from New York (Mr. WYDLER) and I were there attending.

He was a very able administrator of that Department, and it is disturbing to me that in the resignation of Secretary Califano, one of the more able if not the most able of the President's Cabinet, is the one who has to go.

Mr. BRADEMAS. I share the gentleman's high remarks.

The SPEAKER pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. BRADEMAS was allowed to proceed for 1 additional minute.)

Mr. MOFFETT. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Speaker, I thank the gentleman for yielding and say that I agree with what the gentleman from Illinois has said, and also the gentleman from Indiana. I would hope that this decision does not signal that this administration wants to discourage people in the Cabinet from being outspoken. I think it well might. I think this can have a chilling effect on those who serve in the Cabinet now and those who might serve in the future. Joe Califano was the most capable person in the Cabinet.

I think it is a deplorable action, not that we want to be the ones to name the Cabinet, but it does send a bad signal.

Mr. PICKLE. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Speaker, I thank the gentleman.

Earlier this morning from the well I expressed the hope that the rumor we heard about Mr. Califano might not be true and that he would not be one of those who would resign and be accepted. That now has happened. It is a fact. I think we have lost probably the most talented man in the Cabinet. But it has happened.

All we can do now is pay our respects to this man who has given our Nation great service, perhaps more so than any member of the Cabinet. Our hearts go out to him and his family. Our Nation is the loser in this resignation shuffleboard.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding.

I simply want to associate myself with the gentleman from Indiana's remarks. I also want to point out, under Secretary Califano's leadership, for the first time an HEW Secretary said that the social security system indeed was inequitable toward women.

This alone has made his tenure as HEW Secretary worthwhile. As Chair of the task force on the inequities toward women in the social security system, I want the Secretary to know that we will continue the work in this important area.

Mr. JACOBS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Speaker, I thank the gentleman for yielding.

In a few days the House will take up a bill correcting a loophole in social security disability. There is a situation in our country where some people can go on social security disability and receive more money than they got when they were working.

Secretary Califano has stood tall against that abuse of the system in order to save the system. I am persuaded that pressure by special interests against the Secretary for his reasonable action in the public interest of both social security beneficiaries and social security taxpayers, had something to do with his retirement from office. I sincerely hope the bill will pass so that Mr. Califano's devotion to duty will not have been completely undone.

On many accounts America owes Mr. Califano a debt of gratitude as he joins those other Americans in history who paid the price for their "Profiles in Courage."

● Mr. O'NEILL. Mr. Speaker, I was greatly saddened to learn today of the resignation of the distinguished Secretary of Health, Education, and Welfare, Joseph A. Califano.

I have known Joe Califano for nearly two decades. No other Cabinet officer has ever served his President on Capitol Hill with greater dedication or loyalty. No finer or more committed Democrat exists than Joe Califano.

As one of the most able and talented men I have ever known in Washington, Joe Califano brought, to his position as Secretary of HEW, competence, experience and an independent style that was unique in any administration.

Secretary Califano has been exemplary in his administrative actions, controlling a department that has had far-reaching responsibility over the health, education and well-being of the people of this country. He brought order and effective reorganization to a burgeoning and disorganized bureaucracy—the largest in the Federal Government.

Secretary Califano has maintained close, personal yet professionally competent working relationships with Members of Congress, and HEW's legislative liaison operation has set an impressive example which other agencies and departments have sought to emulate.

Joe Califano is respected on Capitol Hill, for his no-nonsense approach, for his diligence and for his steadfastness. Secretary Califano has been a resolute advocate for the programs which his agency has administered, and I want to commend him for his special commitment to the Institute of Health, and in particular, his continuing efforts on behalf of cancer research.

A man of strong personal conviction and courage, Secretary Califano has been unafraid to stand up and be counted. He has not hesitated to take controversial positions whenever these stands were in the best interests of the Nation and the only right course to pursue. Joe Califano has cared enough to be concerned about what happens to the health and welfare of our children and our grandchildren.

We need forthright people like Joe Califano serving in the highest levels of our Government. I am proud to call Joe Califano my friend and to take this opportunity to commend his dedication, service, and commitment to President Carter and to the Nation.●

● Mr. BOLAND. Mr. Speaker, the resignation of Secretary of Health, Education, and Welfare Joseph Califano has deprived the administration and the American people of the services of a truly dedicated public servant.

I have known Joe Califano for a long time. I know him to be a man of tremendous ability and unquestioned integrity. His distinguished career in the Defense

Department in the early 1960's and as the chief architect of a number of the more important of the Great Society programs later in the decade gave him a reputation for competence, dedication, and loyalty. That reputation has only been enhanced by his tenure at HEW.

To be Secretary of HEW is to try to do the toughest job in the Cabinet. The programs and policies of HEW touch the lives of just about everyone in this country. Trying to make decisions on sensitive domestic policy questions while dealing with the competing and conflicting demands of people seeking to influence those decisions is a job of incredible proportions. Joe Califano did that job with courage and with wisdom. He was one of the best Secretaries the Department of HEW ever had and I am sorry to see him go.●

● Mr. CORMAN. Mr. Speaker, today, I express my appreciation for the professional and personal dedication Joe Califano has given the people of the Nation in his role as Secretary of Health, Education, and Welfare.

I had the great privilege of working closely with Joe over the past 2½ years on issues of particular and critical importance to the poor and disabled. Joe was never too busy to find time either during or after a long working day to listen to a problem and negotiate the best possible solution that would be acceptable to pass key health and welfare legislation. Joe played a major role in the Subcommittee on Public Assistance and Unemployment Compensation's success in reporting out a strong and positive first step toward a comprehensive reform of our welfare system, just this week. Two years ago, he also was there to provide the same effective guidance and cooperation to the Welfare Reform Subcommittee's efforts to move the President's better jobs and income package. Joe Califano has a strong regard and personal commitment to meeting the needs of the less fortunate.

Joe is a man of action. He brought greater credibility and public support to health and welfare programs by reducing fraud, error, and abuse. He worked hard to improve existing programs and expand, as quickly as possible, quality health care for every American. This determination and refusal to shy away from difficult issues deserves recognition.

No other Secretary in my 19 years of public service has been more effective and willing to work with the Congress. I applaud Joe Califano's contributions, and commend his willingness and fairness to achieve the best possible remedies to problems and initiate effective and efficient proposals to meet the needs of our Nation. He provided wise counsel to Congress and exceptional service to his country.●

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in paying their tributes to Mr. Califano.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

□ 1450

Mr. BAUMAN. Mr. Speaker, reserving the right to object to the request just made, could the gentleman from Indiana tell us how many more of these speeches he is going to have to make for other members of the Cabinet in the next few days? America would like to know, I think.

Mr. BRADEMAS. Mr. Speaker, I renew my unanimous-consent request.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

REPORT ON RESOLUTION IN THE MATTER OF REPRESENTATIVE CHARLES C. DIGGS, JR.

Mr. BENNETT, from the Committee on Standards of Official Conduct, submitted a privileged report (Rept. No. 96-351), on the resolution (H. Res. 378) in the matter of Representative CHARLES C. DIGGS, JR., which was referred to the House Calendar and ordered to be printed.

PRINTING OF HOUSE RESOLUTION 378, IN THE MATTER OF REPRESENTATIVE CHARLES C. DIGGS, JR.

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that the report on the resolution (H. Res. 378) in the matter of Representative CHARLES C. DIGGS, JR., be printed in two volumes, and that volume 2 be limited to 600 copies.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman tell us why he is limiting the second volume? Is there something special in there?

Mr. BENNETT. Mr. Speaker, if the gentleman will yield, the reason is purely to save money. It is many hundreds of pages thick. It is the transcript of the trial and the report refers to it, but it is really not necessary to print thousands of copies of the transcript of the trial, which is available to Members otherwise. It is just purely to save money.

Mr. ROUSSELOT. Members can pick it up from the court?

Mr. BENNETT. That is correct.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. DANNEMEYER. Mr. Speaker, reserving the right to object, did the distinguished gentleman from Florida plan to take up this resolution today?

Mr. BENNETT. No. It would have to be scheduled by the Speaker.

Mr. DANNEMEYER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1019, STRIKING CERTAIN PROVISIONS RELATING TO UGANDA

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, would the gentleman tell us what the Senate amendment is?

Mr. ZABLOCKI. Would the gentleman yield?

Mr. BAUMAN. I yield to the gentleman.

Mr. ZABLOCKI. I would ask the chairman of the subcommittee, the gentleman from New York (Mr. SOLARZ) to respond.

Mr. BAUMAN. I would yield to Mr. SOLARZ.

Mr. SOLARZ. My understanding is that the Senate bill lifted the prohibition against any form of aid to Uganda. The House bill lifted the prohibition only against economic aid to Uganda. An agreement has been reached which will hopefully be ratified in the conference whereby we would lift the prohibition on economic aid to Uganda, we would lift the prohibition on security assistance, but we would maintain the prohibition on military assistance.

Mr. BAUMAN. And those are the only amendments?

Mr. SOLARZ. That is right.

Mr. BAUMAN. I thank the gentleman, and withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and, without objection, appoints the following conferees: Messrs. ZABLOCKI, SOLARZ, and DIGGS, Mrs. COLLINS of Illinois, and Messrs, PEASE, GRAY, WOLPE, FITHIAN, BROOMFIELD, GOODLING, and BUCHANAN, and Mrs. FENWICK.

There was no objection.

REQUEST FOR IMMEDIATE CONSIDERATION OF HOUSE RESOLUTION 362, EXPRESSING SENSE OF HOUSE OF REPRESENTATIVES ON PRESIDENT'S PROVIDING EMERGENCY ASSISTANCE TO INDOCHINESE REFUGEES

Ms. HOLTZMAN. Mr. Speaker, on behalf of the gentleman from Wisconsin (Mr. ZABLOCKI) and myself, I ask unanimous consent that the Committee on Foreign Affairs and the Committee on the Judiciary be discharged from further consideration of the resolution (H. Res. 362), expressing the sense of the House of Representatives with respect to the President's providing emergency assistance to Indochinese refugees, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

Mr. McCLORY. Mr. Speaker, reserving the right to object, I take this action because I want to ask the gentlewoman several questions relating to the genesis and the evolution of this resolution, its purpose and its significance insofar as the forthcoming U.N. Conference on Refugees which is taking place in Geneva, Switzerland, tomorrow and the day after, which the gentlewoman and I and several others will be attending.

Ms. HOLTZMAN. Will the gentleman yield?

Mr. McCLORY. I yield to the gentlewoman.

Ms. HOLTZMAN. I thank my colleague for yielding.

Mr. Speaker, I would say to my colleague that this resolution was introduced by myself and the gentleman from New York (Mr. FISH). It is a bipartisan resolution the purpose of which is to express the sense of the House with respect to the emergency situation now involving the Indochinese refugees. The thrust of the resolution is that the United States ought to do everything possible to help the refugees and alleviate the refugee crisis.

The goals of this resolution are, first, to help the countries of first asylum by advocating the immediate movement of approved refugees in camps to the United States, thereby encouraging them to continue to provide sanctuary for the refugees and, second, to help the refugees themselves by advocating their rescue on the high seas.

Passage of this resolution also will strengthen the hand of the United States at Geneva.

Mr. McCLORY. Further under the reservation, I think the purpose of our mission to Geneva would be first to do everything we can to discontinue or stem the flow of refugees from Vietnam; and second, to encourage other countries to participate by resettling refugees in their countries and participating in the financial obligations that are involved. The resolution is silent on the first subject and is only inferentially touched upon on the second subject. Could the gentlewoman indicate why the resolution is limited in these respects?

Ms. HOLTZMAN. If the gentleman will continue to yield, because the basic thrust of this resolution coming out of the Subcommittee on Immigration, Refugees, and International Law, was to address the areas within the jurisdiction of the subcommittee, which are basically the movement of refugees to the United States and the provision of assistance to refugees. The gentleman is well aware, and I know this myself from having toured the refugee camps in Southeast Asia, that the problem cannot be resolved only by the United States helping refugees, but we must have efforts by other countries of the world to resettle these refugees. We also must take steps to try to get Vietnam to stop its policy of generating refugees.

The overall problem I would say which has numerous aspects. The resolution addresses itself to only two of these; the role of the United States with regard to bringing the refugees who have been approved by the Attorney General here promptly, and also calling on the President to engage in a rescue effort for refugees.

Mr. McCLORY. I thank the gentlewoman for her explanation. I would just like to say that the resolution does not say everything that I would like it to say, and it may not say everything other Members might like it to say or have it contain. It is a sense-of-the-House resolution and it could be useful to us in our discussions in Geneva, it seems to me. With respect to adding provisions with respect to details and specifics, it is a subject that can be handled by direct legislation, by amendments to our immigration laws, for instance, and by hearings before the House Foreign Affairs Committee and the Judiciary Committee. I would earnestly hope that the Members would not object to the entertainment of this sense-of-the-House resolution, and I myself withdraw my reservation of objection.

Mr. YOUNG of Florida. Mr. Speaker, reserving the right to object, under my reservation I would wonder if the gentlewoman would respond to several questions. No. 1, is this resolution amendable?

Ms. HOLTZMAN. Would the gentleman yield?

Mr. YOUNG of Florida. Yes, I will be happy to yield.

Ms. HOLTZMAN. It is amendable, if the gentleman withdraws his reservation of objection, if there is no objection and it is considered in the House and I yield for that purpose.

Mr. YOUNG of Florida. My next question under the reservation would the gentlewoman be willing to yield for an amendment that I think would add language that many of us are concerned about?

Let me under my reservation of objection tell the gentlewoman what I have in mind. It would really only add another paragraph after paragraph 4 in the resolving section where we say it is the sense of the House of Representatives that the President should, and I would add this language:

□ 1500

Demand an immediate session of the United Nations General Assembly for the purpose of establishing all economic sanctions possible against the Socialist Republic of Vietnam.

The reason I think language like that is needed is because the first four paragraphs tell what we are going to do for the refugees. We are going to take them off the high seas—I accept that. We are bringing them to the United States—I accept that. But, so far the first four paragraphs are costing the American taxpayer and the American economy.

Since this is a sense of the Congress resolution, we really ought to say to the President in this resolution that the United States ought to do something more. It does not force him or require him, it just says that it is the sense of Congress that he should. Would the gentlewoman be willing to allow for that type of amendment?

Ms. HOLTZMAN. I would have to have the opportunity to review the amendment. I believe it may be well beyond the scope of the resolution itself, which deals with the question of immediate use of U.S. resources to help the refugees on the high seas and those who are already in refugee camps. The response of the United States with regard to getting other nations involved, I think, is beyond the scope of this resolution.

Mr. YOUNG of Florida. Mr. Speaker, further reserving the right to object, after this unanimous-consent request is granted, I have lost my right to review this situation. I do not want to lose that right because I feel very strongly about this issue.

I am willing to pay the cost, the expense to our taxpayers and to our economy, but I just think that we ought to, somewhere, write down our feeling that we ought to be doing something about stopping the creation of any more of these refugees. I would not want to object to this resolution, but I may be constrained to if we cannot at least debate the question of whether or not the President should make this effort.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I will be glad to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I would hope that the gentleman from Florida would keep his thoughts and his intentions on the basic issue before us today, which is to expeditiously have a statement approved on the part of this House that we are truly interested in the plight of the boat people that have either left voluntarily or have been driven out of Vietnam.

Those are dire events. Let me assure the gentleman from Florida that as chairman of the Foreign Affairs Committee, the amendment he intends to proffer to House Resolution 362, now pending, we will give full review to. I can assure the gentleman that today a group is going to Geneva, and next week there is a delegation going to Asia to have an on-the-spot investigation and inspection of the plight of these people. The Foreign Affairs Committee will thoroughly, I can assure the gentleman, thoroughly consider his proposal as expeditiously as possible. I would hope that he would not object.

Mr. YOUNG of Florida. Further reserving the right to object, Mr. Speaker, I must respond to my distinguished friend with this: We have still before us the foreign assistance appropriations bill for fiscal year 1980. Two days ago we passed a supplemental appropriations bill that also included foreign assistance money. When we combine these two bills that are moving through the Congress at this very moment, we have already done what the gentleman suggests we should do, because we will have appropriated $131.5 million for the Indochinese refugees, and we have appropriated $75.5 million for the United Nations High Commissioner on Refugees for Indochinese refugees.

So, I submit to the gentleman that the Congress has already done, or is in the process of doing, what he is talking about. We have been actually making the dollars available.

What I am saying is, that is fine and I am willing to go along with that. I supported that in subcommittee, in committee, and on the floor of this body. I am saying that is not enough. It is time to let the rest of the world know, and especially Vietnam, that we are not going to continue to take care of their people while, in effect, we are blinking our eyes at what they are doing—pushing those people into the sea. This is a serious matter, and I think it deserves consideration by this Congress. It will not delay the departure of our traveling colleagues to Geneva.

I am of the opinion that if we cannot at least debate this issue on what is nothing more than a sense of the Congress resolution, then we ought not debate the resolution because we are already paying for the other parts of it.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I appreciate the gentleman's yielding. I want to assure him that if he were to withdraw his reservation of objection I would yield time to debate his concern on Vietnam, which I share. All I am saying to the gentleman is right now the issue before us is where does the United States stand on reaching out a helping hand to people who are dying on the open seas in Southeast Asia. Where does the United States stand on people who are languishing in refugee camps, who have already been approved for admission to the United States.

The issue, I say to my friend, is are we going to turn our backs on them today—which is what the consequence would be of an objection by the gentleman or by anybody else—or will the United States stand true to its humanitarian tradition and reach a hand out.

I urge the gentleman not to continue with his reservation of objection.

Mr. YOUNG of Florida. I must respond to the gentlewoman in this way: We have already done what she is talking about. We have already said that the Congress is reaching out. We have already appropriated in the supplemental $34 million for the United Nations High Commissioner on Refugees for Indochinese refugees. We have already appropriated in the supplemental $34,176,000 for direct aid to Indochinese refugees. The fiscal year 1980 legislation before us already has in the bill $41.5 million for the United Nations High Commissioner on Refugees for Indochinese refugees. It already has $97.3 million for direct aid to Indochinese refugees.

I am saying to the gentlewoman that we have already done with dollars, what she is saying. So, in effect, the first four paragraphs are redundant. What we have not done, either in the supplemental or in the foreign aid bill pending before us today, is to bring any real pressure on Vietnam, that uncivilized group of people who are pushing these masses of humanity into the sea, causing them to lose their lives, to drown in the sea. We are willing to stop that suffering and we have gone on record that we want them to live by appropriating American tax dollars.

But, I say that the time is now, to quit being namby-pamby with Vietnam or the United Nations or anybody else, and to take a stand at least in words saying that it is high time that something was done about that uncivilized bunch of murderers who today run Vietnam, Cambodia, Laos, and any other place where they have a chance.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I would like to know what the resolution offered by the gentlewoman from New York does. As the gentleman says, we have not really done anything other than taking an hour or more of our time. I would also like to know the Members who would be going to the Geneva meeting and to whatever other meetings are involved in this thing. Is the gentleman aware of this, or can the gentlewoman tell us?

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. Further reserving the right to object, I yield to the gentleman from Illinois.

Mr. McCLORY. I intend to go as one of the representatives appointed by the Speaker. The gentlewoman from New York (Ms. HOLTZMAN), the gentleman from New York (Mr. FISH), the ranking minority member on the subcommittee, and I believe the gentleman from New York (Mr. SOLARZ), the gentleman from New York (Mr. WOLFF), and one or two other Members of the House are planning to be there. The delegation is led by Vice President WALTER MONDALE.

Mr. CHARLES H. WILSON of California. They will go to Geneva and Hanoi?

Mr. McCLORY. No, we are attending the meeting in Geneva tomorrow and Saturday, and then returning home.

Mr. CHARLES H. WILSON of California. If the gentleman will yield further, what is the purpose of this meeting?

Mr. McCLORY. There are 70 nations meeting on refugees which has been called by the Secretary General of the United Nations. There will be representatives from 70 nations, I understand, plus the Chinese and Soviets.

Mr. CHARLES H. WILSON of California. Have we had any indication from anyone, other than the United States, who is going to assist in this refugee problem?

Mr. McCLORY. Yes.

Mr. CHARLES H. WILSON of California. What are some of the other nations?

Mr. McCLORY. I am very encouraged by the participation of other nations in participating in resettling refugees, in providing funds for taking care of them in the refugee centers, and there is momentum going right now.

□ 1510

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman from Florida yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. We have indicated we will take 14,000 a year, is that right, into the United States?

Mr. YOUNG of Florida. Mr. Speaker, the figure is 14,000 per month beginning October 1.

Mr. McCLORY. The present agreement is for us to accept 7,000. Actually, we are not able to process and resettle 7,000. I think the highest figure they have ever gotten is 6,000 and there are a lot of them that are not being resettled.

There has been substantial agreement on the part of other countries, Australia and Taiwan, for instance, and other countries. Canada is accepting some. The Japanese, for the first time, are going to accept a substantial number.

There is a great deal of progress being made. This is one of our efforts, to try to get other countries to participate actively.

Mr. CHARLES H. WILSON of California. Are Communist countries taking them in?

Mr. McCLORY. Yes; Communist China, of course, they should expand their receipt of the ethnic Chinese. They have already received, I understand, about 200,000, but the thing you have to remember is there is still about 1.5 million ethnic Chinese in Vietnam. If all of them are going to be expelled we have a larger problem than we have at the present time.

I think our first effort should be, at the Geneva conference, to try to stem the flow of refugees. That will be my principal effort, to try to get other nations to cooperate with us in telling the Vietnamese, "Don't send these people out, don't take their property away from them, don't send these people out to be abandoned and lose their lives through drowning, starvation, or whatever." That is the most humane thing, it seems to me.

Mr. YOUNG of Florida. Mr. Speaker, further reserving the right to object, I yield to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I fail to understand what the problem is here. It is my feeling that the majority of people in this House would support the amendment of the gentleman from Florida. There is very little doubt that if we want to help the refugees the way to do it is to prevent them from becoming refugees in the first place.

As the gentleman from Florida has already pointed out, we have provided funds for the refugees in the camps. I think practically everyone is in support of the amendment. I fail to see what the objection is to adding the language the gentleman from Florida suggests.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield to me?

Mr. YOUNG of Florida. Further reserving the right to object, I yield to the gentleman from Maryland (Mr. Long).

Mr. LONG of Maryland. I can see no real conflict between these two amendments. We have a practical problem of where these people are going to be put when they are rescued. We have the practical problem of stopping them from being dumped on the high seas and then we have the humanitarian problem of picking up those who are on the high seas. It seems to me the United States has by far the best Navy in the world, the most far flung, the best bases in that area. Our first order of business should be picking these people up so that they do not drown.

The next order of business should be to find someplace to put them while we decide what countries will take them. The next thing should be to take all the measures we can take—it will take somewhat longer—to put pressure on Vietnam to stop dumping them on the high seas, on China to accept them because most of them are ethnic Chinese and China ought to be accepting them, it seems to me.

Those are practical problems. I see no reason why both amendments cannot be resolved here.

Mr. McCLORY. Will the gentleman yield to me under his reservation?

Mr. YOUNG of Florida. Mr. Speaker, further reserving the right to object, let me say I agree with my distinguished colleague from Maryland (Mr. Long) and I yield to the gentleman from Illinois (Mr. McClory).

Mr. McCLORY. Mr. Speaker, may I ask the gentlewoman from New York would she recognize me for purposes of an amendment which would be along this line, that we would add a paragraph in the resolution to the effect that we urge the United Nations to use its influence against the Government of Vietnam to discontinue its actions resulting in the large flow of refugees, or words to that effect.

Mr. YOUNG of Florida. Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from New York for a response to the question.

Ms. HOLTZMAN. Mr. Speaker, I cannot answer the gentleman because I did not hear all the words in his amendment but I would say to him that although I might agree to accept it there may be others who would object to the consideration of such an amendment.

I would like to point out to my colleague from Florida—and I have said this before—I have been deeply concerned about the policy of Vietnam. When I traveled to Southeast Asia to tour the refugee camps I made public for the first time I believe in this country that the ethnic Chinese who were being——

Mr. THOMAS. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Regular order has been demanded. Is there objection to the request of the gentlewoman from New York (Ms. Holtzman) for the immediate consideration of the resolution?

PARLIAMENTARY INQUIRY

Mr. YOUNG of Florida. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The genleman will state it.

Mr. YOUNG of Florida. Mr. Speaker, I am not sure whether the gentlewoman from New York answered yes or no to the question of allowing me to offer an amendment.

May I ask if the Chairman recalls what the gentlewoman said?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

Is there objection to the request of the gentlewoman from New York (Ms. Holtzman)?

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. WOLFF. Mr. Speaker, I hope that it is clearly understood that this decision on the resolution by Ms. Holtzman in no way indicates a lack of compassion on the part of the Congress or the American people. Further, it in no way indicates a lack of determination that the United States will continue to do its rightful part in helping to share the burden of Indochinese refugees.

However, today's vote is a clear signal that the Congress and the American people expect the nations of the world to help share the burden. That is why a congressional delegation is leaving shortly for Geneva, and I hope to be able to report back on Monday that our mission has been a success, and that the world community has rallied round as it should.

I should comment that the indications for success are good as I am sure we were all heartened by the very generous announcement by the Government of Canada that she will accept 50,000 refugees in the next year—a move by Canada which should be applauded by people and governments of good will across the globe.

Finally, I hope that the Government of Vietnam does not misinterpret today's vote. Let me make it clear that today we have sent a signal to Hanoi that they, too, must help—that the refugee outflow must be regularized, and the horrifying conditions of the present refugee ships must be made humanitarian so that the thousands who have already perished on the seas will not be simply the predecessors of thousands more in the coming months.

I am hopeful that the talks my delegation and I will hold during our August mission to Hanoi will help bring a greater understanding on the part of Hanoi of its responsibilities to its own citizens, and to its neighbors in Southeast Asia.

Next week, after the Geneva conference, we will have ample opportunities to address the question of the United States and our long range refugee programs, and I am confident that we will move to meet the humanitarian needs of the Indochinese refugees with the compassion and generosity which is characteristic of America.

FOREIGN ASSISTANCE APPROPRIATIONS, 1980

Mr. LONG of Maryland. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER pro tempore (Mr. Minish). The question is on the motion offered by the gentleman from Maryland (Mr. Long).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 391, nays 13, not voting 30, as follows:

[Roll No. 363]

YEAS—391

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham

Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
Maguire
Markey
Marks
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
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Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—13

Bauman
Breaux
Carney
Collins, Tex.
Crane, Daniel
Crane, Philip
Hansen
Lloyd
McDonald
Mitchell, Md.
Paul
Symms
Wilson, Bob

NOT VOTING—30

Anderson, Ill.
Badham
Bolling
Buchanan
Conyers
Daniel, Dan
Diggs
Edgar
Edwards, Okla.
Emery
Erlenborn
Fish
Flood
Forsythe
Gibbons
Horton
Luken
McKinney
Madigan
Marriott
Mazzoli
Mikva
Pursell
Runnels
Treen
Trible
White
Wolff
Yatron
Young, Alaska

☐ 1530

Mr. GUARINI changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4473, with Mr. KAZEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Wednesday, July 18, 1979, the Clerk had read through line 17 on page 5.

Mr. ANDERSON of California. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from California (Mr. ANDERSON) is recognized for 5 minutes.

Mr. ANDERSON of California. Mr. Chairman, I would like to ask a question of the distinguished chairman from the State of Maryland, who, as in years past, has done such an excellent job in guiding this bill through the committee and onto the House floor.

In the legislation we have before us today, nearly $50 million is being appropriated for transportation of Indochinese refugees to the United States.

As our colleagues may know, I certainly feel that the United States has a responsibility to admit onto our shores a fair share of these refugees; and hope that we will vigorously pursue international efforts to encourage other nations to do the same. Several months ago, I suggested to our colleagues that our responsibility is much the same with respect to these refugees today, as it was with Jewish refugees fleeing Europe during the Hitler years. And I urged that our Nation respond more generously than we did at that time.

I must question, though, whether the current program of transporting and processing these refugees is being administered in the most cost-effective manner. Currently, the Intergovernmental Committee for European Migration, ICEM, is administering this program, with U.S. tax dollars.

But now, apparently, ICEM is seeking to canvass foreign carriers to implement the airlift program. ICEM has also set a charge of $36 to process each refugee, and to administer them with physical examinations.

At least one U.S.-flag carrier has indicated that it would transport these refugees at a cost that is less than what has apparently been suggested by foreign carriers. And the highly respected U.S. Catholic Conference has said, it has been reported to me, that it could process and give health exams to the refugees at two-thirds the cost of what ICEM is charging now.

It seems to me that we may be able to transport and process these refugees at a lesser expense than is presently the case under the ICEM administration. And, of course, if a U.S. carrier were contracted to airlift the refugees, the U.S. tax dollars required to pay for the service would be returned to our economy.

Yesterday, I wrote the State Department, requesting that they look into this matter, study alternative proposals, and report back to me. I wonder whether the committee has done the same, and whether they have taken this into consideration in estimating the amount called for in this legislation. The fact that this amount has been estimated by the committee to be sufficient for 7,000 refugees per month, not the 14,000 figure that the President has pledged, would seem to indicate that this is a particularly important point to study. Because I presume that in several months we will be considering a supplemental bill to help provide for the balance of these refugees. Perhaps some organization other than ICEM, and the Military Air Command comes immediately to mind, could implement this program with a better eye on U.S. interests.

Before the gentleman replies, I would only like to emphasize that this should not be construed to imply that I would close our doors to these refugees who are in such great need of our help, but only that this program should be administered just the same as all our Government programs ought to be, in a manner that is as efficient as possible.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of California. I am very happy to yield to the subcommittee chairman.

Mr. LONG of Maryland. Mr. Chairman, in response to the gentleman from California (Mr. ANDERSON), let me say that the committee is in a constant battle with the administration to make sure that these programs are carried out in the most expeditious way at the minimum cost and, wherever possible, with the use of U.S. carriers.

Let me say, at the gentleman's suggestion, that we will continue to look into this and make sure the transportation of these refugees is both expeditious and cost-effective. I want to emphasize—and I am glad the gentleman agrees with me—that we should not hold up the rescue of a single person who is floundering in the seas. First we have to rescue them and get them to safety, and after that we will worry about the cost.

Mr. ANDERSON of California. Mr. Chairman. I thank the gentleman very much.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For payment to the African Development Fund by the Secretary of the Treasury, $41,666,667, for the United States contribution to the second replenishment of resources, to remain available until expended.

☐ 1540

AMENDMENT OFFERED BY MRS. SMITH OF NEBRASKA

Mrs. SMITH of Nebraska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SMITH of Nebraska: On page 5, line 20: Strike "$41,666,667" and insert "$25,000,000".

Mrs. SMITH of Nebraska. Mr. Chairman, my amendment would delete $16,666,667 from this appropriations bill for the African Development Fund, and leave the contribution at the $25 million level of last year.

I urge my colleagues to vote to delete this money for a very simple reason: It is not authorized by existing law.

It is true that H.R. 3829 does authorize this amount and other appropriations in this bill. But H.R. 3829 has not yet been brought to the House so that the Congress can work its will.

Furthermore, and more importantly, when that authorizing legislation comes to the floor, many amendments will be offered to lower amounts authorized for foreign assistance programs.

If the House today appropriates unauthorized money, such action will certainly deeply influence consideration of H.R. 3829 and its proposed foreign assistance authorizations.

This is far more than a technicality. I for one resist any attempt like this to get the cart before the horse.

I am sure that many of my colleagues share my frustrated feelings in battling so hard to save many worthy domestic investment and assistance programs from the administration's meat axe slashes and then face this bill's effort to sharply increase our foreign assistance programs by 9 percent to $8.155,552,251, an increase of nearly $700 million.

One of the largest increases is for international financial institutions such as this African Development Fund. The total for this category of foreign assistance is about $2.7 billion, up $207 million from amounts appropriated for this purpose in the current fiscal year, but down, I am glad to report, nearly $1 billion from administration proposals.

Mr. Chairman, as a member of the Foreign Operations Appropriations Subcommittee, I have become convinced that if the foreign assistance programs were subjected to the same rigorous scrutiny as are most of our domestic programs that most could not survive.

Indeed, I find few of my colleagues here in the House contending that U.S. funding through these international financial institutions is productive of anything other than satisfying the humanitarian instincts of the Members of Congress and some constituents.

For years, I and my colleague, the gentleman from Florida, have been among those who have been shouting into the ears of Congress that it is long past time to stop committing ourselves to contributing money willy nilly to the foreign assistance program in the vague hope that somehow we are doing some good for the poor people of the Earth.

A good place to start a reexamination is the African Development Fund—not better and no worse than all the rest of these multilateral development agencies through which increasingly larger proportions of total U.S. foreign assistance is channeled.

My Appropriations Committee's investigative report published in March 1979 criticized these international financial institutions for, in effect, forcing money on some of the less-developed countries (LDC's), lack of adequate coordination among the institutions and bilateral donors, failure to analyze loan proposals closely enough in early stages, lack of a proper project audit system to detect, investigate, and eliminate irregularities, and other inadequacies.

I say that the African Development Fund is typical of the international financial institutions criticized.

Nevertheless, under authorizing legislation to be considered soon, the United States would become the largest single contributor to the African Development Fund among 20 countries involved.

This would be true, Mr. Chairman, even though the United States is not even a member of the African Development Bank that is charged with the management and operations of the African Development Fund.

And this is true even though our own American foreign aid program proposes to contribute $1.4 million to the African Development Bank in fiscal year 1980. That would make our contribution to the bank total $8 million so far—about right when you consider the contributions of some other nations.

I submit for the RECORD the following list of contributors to the African Development Fund toward a total of $729.4 million. As I said, the United States has committed itself, if Congress approves, to providing the largest amount—$125 million over 3 years, of which the target of my amendment would be the first installment.

In contrast, not even one oil-rich African member of the notorious Organization of Petroleum Exporting Countries (OPEC) has committed even $1 to this African Development Fund. In fact, few OPEC countries anywhere contribute much to it. Kuwait has committed the princely sum of $10 million; Saudi Arabia, $20 million.

And I cannot help asking why, if the richest African nations themselves do not contribute to the African Development Fund, why should the United States? It is even more shockingly callous, because the biggest increase in the cost of living for the less-developed countries has been for OPEC oil.

Contributors and the amounts they have committed to the African Development Fund for the second replenishment totaling $730.2 million:

[In millions]

African Development Bank	$11.1
Belgium	13.3
Brazil	10.0
Canada	75.2
Denmark	27.8
Finland	8.9
France	21.7
Germany	81.7
Italy	33.3
Japan	105.6
Kuwait	10.0
Netherlands	20.0
Norway	33.3
Saudi Arabia	20.0
Spain	11.1
Sweden	46.7
Switzerland	35.6
United Kingdom	33.3
Yugoslavia	6.7
United States	125.0
Total	730.2

With earlier contributions through mid-May of 1979 of $538.2 millon, the African Development Fund's total resources are nearly $1.3 billion.

Other OPEC countries that are milking our economy of money, such as the United Arab Emirates, Nigeria, Algeria, Libya, Iran, Iraq, Qatar, Gabon, Ecuador, Indonesia, and Venezela—none of these is contributing one red cent to the African Development Fund.

And look who is benefiting from the African Development Fund loans: The odious Central African Empire, famous, or infamous, for the massacre of dozens of children by government forces and for the incredible coronation of Emperor Bokassa costing $25 million.

Likewise, the African Development Fund has advanced loans to such other repressive regimes as those at present governing Mozambique, Ethiopia, and Somalia.

I draw my colleagues' attention to the fact that the bill expressly forbids any U.S. foreign aid directly to a number of countries, except under certain circumstance, including Mozambique and the Central African Empire.

Yet, the African Development Fund, managed by the African Development Bank of which the United States is not a member and over which the United States has no control, already has made loans to both these countries.

Mr. Chairman, some of our Senators are currently engaged in a difficult struggle to save the Valentine Weather Station in north-central Nebraska from a Government that wishes to deprive my constituents of weather service protection to save a minuscule $9,000.

I cannot possibly express in words my exasperation at the incongruity that exists between my attempt here to save $16,000,000 of taxpayers money and the effort to save our weather station at the staggering expense of $9,000. This $16,000,000 would go to a fund over which we have no control, we do not know what it would be used for or who it would go to, and we would never get an audit to find out what was done with it.

I urge your support.

The CHAIRMAN. The time of the gentlewoman from Nebraska (Mrs. SMITH) has expired.

(On request of Mr. LAGOMARSINO and by unanimous consent, Mrs. SMITH of Nebraska was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentlewoman for yielding.

Mr. Chairman, I want to join the gentlewoman in supporting her amendment. As I understand what the amendment does, it will cut back our contribution to the African Development Fund to the same sum that we gave last year; is that correct?

Mrs. SMITH of Nebraska. That is exactly correct.

Mr. LAGOMARSINO. The gentlewoman's amendment does not cut out all of our contributions to the fund?

Mrs. SMITH of Nebraska. Indeed it does not, And, moreover, at the end of this year we will have contributed some $8 million additional to the African Development Bank.

Mr. LAGOMARSINO. Mr. Chairman, I must say that I join with the gentlewoman in expressing amazement and other strong sentiments over the fact that all of these countries that she mentioned, the United Arab Emirates, Nigeria, Algeria, Libya, Iran, Iraq, Qatar, Gabon, Ecuador, Indonesia, and Venezuela do not contribute anything to this fund, even though some of those countries are directly in the region.

Mr. Chairman, I hope that the amendment passes.

Mrs. SMITH of Nebraska. Mr. Chairman, I appreciate the gentleman's comment.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope to oppose this amendment, although I am a great admirer of the gentlewoman from Nebraska (Mrs. SMITH). She is a valuable member of my subcommittee, and I want to tell the Members that there is no one who works harder to save the taxpayers' money, more indefatigable in getting good sound economy in our foreign aid program than the gentlewoman from Nebraska (Mrs. SMITH), and it has been a great joy to work with her over the years.

However, Mr. Chairman, I have to oppose her on this issue, unfortunately.

Reduced funding for the African Development Fund in the fiscal year 1980 appropriations bill would jeopardize effective U.S. participation in the fund and seriously impair U.S. relations with African countries.

The cessation of African Development Fund lending would directly hurt the poorest countries and the people which the United States wishes to help the most. Africa is the world's least developed continent and lags far behind other developing regions by almost all indicators of development. Life expectancies in Africa average 43 years, almost 10 years less than in other developing regions and 30 years less than in the United States. Less than 20 percent of the population of sub-Saharan Africa has access to safe water and sewage facilities. To meet this development challenge, 80 percent of Fund resources now go to countries with a per capita income of $280 or less, and priority is given to projects which help meet basic health, education, and food requirements.

Failure to participate in the African Development Fund replenishment on time would also send a negative signal to African countries concerning our commitment to assisting in their development in an era when Africa is of increasing importance to the United States. The U.S. investment in Africa has more than quadrupled since 1965. U.S. exports to African countries have grown from $1 to over $5 billion during the past decade, and we import many raw materials critically needed in U.S. industry from African countries. The United States also has an important political stake in Africa, as underscored by recent developments in the horn of Africa and in southern Africa. The U.S. participation in the second replenishment also represents a cost-effective way to strengthen U.S. relations with African countries and to promote their development. The U.S. share of the replenishment is 17 percent, well below the level of our contributions to the soft loan windows of the other development banks. Every dollar the United States contributes to the fund is matched by almost $5 from other donors. On a cumulative basis, the United States will also remain behind Japan in the level of its contributions to the African Development Fund even after the replenishment.

□ 1550

Let me say this in answer to what the gentlewoman has said about cutting large projects. I have been to Africa to a number of countries, especially to the Sahel, and I can tell the gentlewoman that in no part of the world are we going in more for capital saving economic development than we are in Africa. I do not know of very much waste.

I would be surprised if there were not some waste in every foreign aid program everywhere in the world, mut I know of no place where there is less waste than in Africa.

Now, on the question of the authorization which the gentlewoman has raised, let me point out that most of this bill or a large part of this bill has had to proceed without authorizations, but as I said yesterday, if the authorizations are not forthcoming, the money in this appropriation will lapse and cannot be spent.

So that the fact that we do not have an authorization is not a defect really in this bill at this time. It merely gives us the opportunity to move ahead at this particular time.

Mr. Chairman, I urge the amendment be defeated.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise to oppose the gentlewoman's amendment.

I think it would be wise if we knew something about the history of America's involvement in the African Development Fund. In the early years of the Nixon administration, a commitment was made by then President Nixon that America would enter into the African Development Fund.

After that commitment was made, for 10 long years America did not honor that commitment. We made the commitment that we would come into the funds, and then nothing happened.

In the interim, while our commitment to join the African Development Fund languished for almost 10 years, Germany, France, Canada, and other nations were contributing to the African Development Fund.

It was my amendment in the Committee on Banking, Finance, and Urban Affairs that brought us into the African Development Fund—I think that was under the Ford administration—with a commitment that we would start off slowly but that we would attempt to undo the damage done by the years that intervened between the time we made our commitment and the time we started living up to it. So it really is a matter of honor.

The second point I would like to make is this: The gentlewoman has raised questions as to why the oil rich nations are not giving to the African Development Fund. The answer is very simple. They have set up their own African-Arab Bank, and they make contributions to that.

I was in Khartoum in the Sudan, and I met with the president and the managers of the Arab-African Bank; and that night I met with them they were able to show me documentation where they had just give $25 million; $25 million had come from that bank to one African nation.

I am not making any plea for the practices and policies of the OPEC nations. I am saying that such a bank is established and is operative.

Now why do we need the African Development Fund? The chairman has pointed out on many occasions that it is to build up the infrastructure.

I glanced around earlier, and I saw the gentleman from Delaware (Mr. EVANS) on the floor. We were in the Sudan together.

Let me tell my colleagues a little bit about the potential for that Fund. There are 200 million acres of arable land in the Sudan alone, 200 million acres, enough for the Sudan to become the breadbasket not only for Africa, but for parts of Europe.

The African Development Fund primarily is used for building up infrastructures to implement that kind of thing. It is not a food-giveaway program. It is the development of an economic system and the economic infrastructures.

One last comment I would like to make to the gentlewoman. I share the gentlewoman's concern that from time to time some African nations develop a form of government which is not in harmony with ours, but I also understand that all of these new nations are going through transitional periods; and it is my belief that as they move further in terms of historical transitions they are going to embrace forms of government more closely akin to ours.

But if they do not, it is still their right to choose their form of government.

Finally, my district is poor. We have high unemployment. We have enormous needs. There are 8,000 people on the waiting list in the city of Baltimore for section 8 housing. I have an obligation to those people, but I do not think that I would be serving my people if, in some blind fashion, we started reneging on commitments and cutting back on our obligations to the overseas countries. Over the long haul, the development of those nations will mean just as much to my constituents as it will mean to the African nations.

I would urge defeat of the gentlewoman's amendment.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I would be delighted to yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman the gentleman realizes, does he not, that the population of Africa is about 400 million people. The appropriations involved here for the African Development Fund is approximately $40 million, which is about 10 cents, I believe, for every person in Africa. Latin America has a population almost as large as that of Africa, but the Inter-American Development Bank, we have an appropriation for $800 million, roughly 20 times as much as what we are giving to the African Development Fund; and Africa, of course, is a far poorer continent per capita. I think we can justify this. Would the gentleman agree?

Mr. MITCHELL of Maryland. The gentleman is absolutely right. I wish my colleague would go and see some of the things that are being developed through the African Development Fund, some of the factories, water lines, and agriculture projects that are beginning to move.

Mr. DIXON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as a freshman member of the Appropriations Committee, I would certainly like to acknowledge the assistance that the chairman and the other members of the committee have given me in my tenure there in the last 7 months.

I listened with particular interest to the comments of my colleague from Nebraska.

I think yesterday the gentleman from Illinois (Mr. SIMON) addressed the issue of an either/or situation, suggesting that either we are going to support domestic programs or either we are going to support foreign aid programs.

He pointed out very clearly that many of the people who are making that suggestion are not the supporters of domestic programs.

My colleague from Nebraska asked a good question, and that is when she suggested this is a good place to start.

I ask my colleagues, why is this a good place to start? Is it a good place to start because the United States does not have an economic interest in Africa? I do not think any of us would argue that.

Is it a good place to start because Africa is not becoming a very strong, Third World political force? I do not think anyone would argue that.

Is it a good place not to start because of humanitarian reasons? Well, we might ask that question.

Is there any doubt in any Member of this Congress that Africa is one of the poorest countries in this world? Is there any doubt that many of the nations in Africa, in fact 20 of the world's 30 poorest nations are in Africa. Seventy-five percent of the population is engaged in subsistence agriculture. Does that make it a good place to start cutting?

What about the point of the $41.6 million that this bill this year authorizes? My colleague from Nebraska raises the point that we will be the largest contributor. The fact of the matter is that is not true. With this budget request, we will be providing 17.5 percent of the total contribution to the African Fund.

□ 1600

It seems to me that we are now ranked sixth in countries contributing to the African Fund. That is far short of our best.

But let me ask another question as to why is this a good place to start cutting? Is there any evidence in the committee or on this floor that the fund has not operated well? There has been no evidence of that.

Is there any evidence that the programs are not designed to go to the basic needy in African society or to their countries? There is no evidence of that.

I suggest to the Members yes, this is a good place to start. It is a good place for our country to carry a portion of the load that we can afford to. Certainly $125 million out of a $713 million commitment of all of the countries participating in this fund is not more than our fair share.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

The gentlewoman from Nebraska in the course of her presentation complained about the unwillingness of the Federal Government to fund a weather station in her district and described the difficulties which she would encounter in justifying to her constituents an appropriation of $41 million for the African Development Fund when the Federal Government was unwilling to provide a lesser amount of money for a desperately needed weather station in Nebraska.

I want to say to my very good friend, the gentlewoman from Nebraska, who plays such an active and important role on this subcommittee, that if, in fact, the adoption of her amendment to eliminate $16 million from the African Development Fund could somehow or other free up the resources which would make it possible for the Federal Government to fund this weather station, that I for one, out of great regard and affection for her, might very well be willing to support the amendment, because I think if the people of Nebraska need a weather station, then by golly they ought to have it. I certainly think we have to put first things first.

But the problem is that even if this amendment is adopted the Federal Government is unlikely, I would assume, to take the resources freed up by the adoption of this amendment and use them for the establishment of this weather station in Nebraska. So the real choice which confronts the members of the committee is not whether we provide $16 million additional to Africa, or put a weather station in Nebraska, but whether we are going to live up to our commitments which were made by the President in Lagos during the course of his trip to Africa a year ago to provide these resources to the African Development Bank.

I will tell the Members why I am troubled by this amendment. I am troubled first of all because there is absolutely no doubt, as the distinguished gentleman from California and the distinguished chairman of the committee have pointed out, that Africa really is the poorest part of the world. But let me flesh that out a little bit more for the Members in terms of some of the statistics which dramatically demonstrate precisely how poor Africa is. It is a part of the world where the collective literacy rate is only 21 percent. It is a part of the world where the life expectancy is no more than 42 years, where 15 percent of the babies that are born die before they reach the age of one, and where over 30 percent of the children in Africa die before they reach the age of five. It is a part of the world where the average per capita income is less than $260 a year.

If there is any part of the world in which we have a humanitarian interest in providing the resources which will make it possible for them to escape from the worst kind of poverty imaginable, it seems to me it is Africa.

But there is another reason why I am troubled by this amendment. I am troubled by the amendment because it seems to me we ought to approach the problem of funding the regional development banks with some measure of equity. Right now we are providing to the Inter-American Development Bank, if this bill is adopted as presently amended, somewhere in the vicinity of $870 million.

We will be providing to the Asian Development Bank somewhere around $355 million. Even if this amendment is defeated and the committee's recommendations are adopted, we will be providing the munificent sum of $41 million.

So even without this amendment there is clearly a kind of imbalance in the resources we are willing to make available to Africa, even though it is the poorest part of the world, in comparison to the resources we are willing to make available through the regional development banks in the other parts of the world.

But there is something else that has troubled me about this amendment in relationship to the equities involved. We have adopted amendments on the floor to this legislation which would cut the appropriation for the Inter-American Development Bank from the amount requested by the administration by 14 percent. We adopted an amendment which would cut the amount of money available to the Asian Development Bank from the amount requested by the administration by 15 percent.

If the gentlewoman's amendment is adopted we will have cut the amount of money available to the African Development Bank from the amount requested by the administration by a grand total of 40 percent, which is almost three times as steep a cut as the amount we have taken out of the other regional development banks.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, I am troubled by this amendment for another reason as well. I am troubled by it because it seems to me that we are engaged in a kind of competition these days for influence in Africa with our Soviet adversaries. Over the course of the last 2 years the Soviet Union has poured over $2 billion worth of arms into those countries in Africa with which they are associated and allied. We have provided during that period of time less than $100 million worth of arms to those countries in Africa with which we are associated and allied.

We have chosen instead to compete for influence with the Soviet Union in Africa not through engaging in an arms race in the continent but through providing development assistance to these desperately poor countries who need our help so much, because we have made a calculation that in the long run what Africa really needs and what Africa will really appreciate is not arms but aid.

If we adopt this amendment, and the philosophy which lies behind it, we will, in effect, be saying to the rest of Africa, we are not going to compete with the Soviet Union for influence by providing arms, and I do not think we ought to, but if this amendment is adopted we are also going to be saying we should not compete in terms of providing economic aid, which is the one area where we really can make a difference in terms of our ability to respond to the needs of Africa.

Lastly, may I say I am troubled by this amendment because a year ago during the course of the first visit ever made by an American President to the Continent of Africa, President Carter pledged in Lagos to provide over the course of 3 years $125 million to the African Development Fund. The money contained in this bill is the first payment on that commitment. I think it really would be unfortunate if we repudiated that commitment by adopting this amendment.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(At the request of Mr. CAVANAUGH and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I am happy to yield to the gentleman.

Mr. CAVANAUGH. I would like to thank the gentleman for yielding. I want to commend the gentleman for his statement and particularly for the empathy and the sympathy and the concern that he expresses for the needs of the people of Nebraska, and the appreciation that he has for a weather station in Valentine, Nebr. It is a legitimate request that the people of my State have made for that facility and one that is necessary.

But I also want to commend the gentleman for pointing out that that aspiration on the part of the people of Nebraska is in no way in conflict with the requirements of this contribution by the United States to the African Development Fund but, in fact, in harmony, and the people in Nebraska, as all of the American people, members of the greatest Nation on Earth, cannot turn their backs on other aspiring peoples of the world or eventually the destinies of history would catch up and be offensive and retributive to the people of Valentine, Nebr., as well as the people of the United States. We have a great stake in Africa as a great nation, and I commend the gentleman for pointing that out, and pointing out that these goals and aspirations we have for the people of Africa, our contributions to their development is in no way in conflict with the goals and the aspirations we have for our people or the needs of our people in Valentine or any other part of the world.

☐ 1610

Mr. SOLARZ. I want to assure the gentleman from Nebraska and the gentlewoman from Nebraska that if and when a bill comes to this floor with money for a weather station for Nebraska, they can count on the support of the gentleman from New York for that amendment.

Mr. CAVANAUGH. I thank the gentleman.

Mr. SOLARZ. Let me just say in connection with that, because I think we ought to be helping poor people in Africa, because I think we ought to treat the regional development banks with some measure of equality, I think we ought to support the President in the commitment he made and defeat this amendment.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I wish to strongly associate myself with the remarks of the gentleman from New York. I join him in his support of Nebraska, but let us help the poorest of the poor in Africa.

Mr. SOLARZ. I thank the gentleman.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am not so sure that the gentleman from New York was ridiculing Mrs. SMITH's weather station; I am not sure he was not, but on the other hand, I am not so sure that the question she raises and the question he tried to address, of priority of foreign aid vis-a-vis domestic programs—and my good friend from Maryland tried to address that same question—they may have addressed it satisfactorily to the Members of this House, but I do not think that they have for the citizenry at large in this country. Whether you go to the union halls in New York City or Iowa or Nebraska, or whether you go to the chambers of commerce in New York City, Iowa, or Nebraska, or whether you go to the senior citizens centers in New York City, Iowa, or Nebraska, you have the same people asking the same questions: "If you cannot fund this domestic program or that domestic program, how can you fund foreign aid the way you do?"

We have not addressed that question adequately. "Maybe," you say, "it is impossible because there is no constituency for foreign aid."

On the other hand, if a representative democracy, a participatory democracy, is going to work, there has to be some relationship between what our constituents want and what we vote. I do not mean in computerized fashion—I do not mean that at all, but there has to be some relationship.

The people back home just do not see, whether it is a weather station or whether it is a senior citizen today being denied the food stamps because of the medical deductibility of the 1977 act cutting them out of it, or whether it is Amtrak vis-a-vis the railroads in India that we talked about the other day, or what have you, the people just do not understand not funding the domestic program, but at the same time funding foreign aid. We ought to be able to explain it, and we cannot.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I will yield for 30 seconds, no more. The gentleman has the ability to talk for a long time.

Mr. SOLARZ. I will be very brief, and I thank the gentleman for yielding. I just want to point out that I think the priorities on behalf of which the gentleman has just spoken are clearly reflected in this legislation, because in a $532 billion budget, with only $7 billion being devoted to foreign aid, this means that 98.5 percent of the funds in the budget are not going to foreign aid, and are going, presumably, for the kinds of programs on behalf of which the gentleman is speaking.

Mr. GRASSLEY. I can think in those same terms, but when programs are not being funded, when people see that the needs of this Nation are not being met, that percentage is no justification to them.

On another point, it is one thing to talk about the humanitarian responsibilities of America to the world. Those are legitimate points of discussion in this assembly or any other public assembly, but I think it is kind of irresponsible for our generation—I am 45, and people in this body range from 25 all the way up to near 80—but for our generation of elected people to talk about our humanitarian responsibilities around the world, it would be one thing if we were funding those today and paying for them today, but we are not doing that. We are borrowing money. We have been borrowing money 15 out of the last 16 fiscal years. It is unexplainable to me and to the people at large that we are meeting our humanitarian responsibilities by borrowing money and letting our children and grandchildren pick up the tab to meet our humanitarian responsibilities.

Now, if we have the money or if we want to increase taxes to fund foreign aid or cut out some funding somewhere else, and we have got the money to do it without borrowing it, that is one thing. But, borrowing is quite another thing. I do not think we should be meeting our humanitarian responsibilities and letting somebody else pick up the bill. That is not a very responsible way to be humanitarian.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I think the gentleman has made a very impassioned speech, but I cannot help feeling that it was a greater speech than was needed for one of the most insignificant parts of our foreign aid program. It seems to me that it should be addressed to some of the places where we are really putting big money. As the gentleman knows, I have been very critical of them. What we need to do is put more of our foreign aid into economic development, and this is one of the programs that does that.

I do not think we ought to be shortchanging a program which is addressing economic development and at the same time turn the nations over to the Russians, who pour hundreds of millions of dollars in weaponry into that continent. I doubt if the gentleman does either.

Mr. GRASSLEY. I say to the gentleman from Maryland (Mr. Long) that the principle behind the points I was making are the same regardless of the size of the program.

Mr. McHUGH. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I will not take the 5 minutes, but I would like to respond briefly to the statement of the gentleman from Iowa, a thoughtful statement, and one which certainly reflects the political realities in many of our districts.

I know that many of us are asked how is it that the United States can spend money on foreign assistance when projects in Nebraska or other projects at home cannot be funded, and it is a good question. I get those questions in my district, and I am sure everyone else does as well. One of the responses, of course, is the humanitarian response. Mr. Solarz and others have talked about that very eloquently, but I would suggest to the gentleman from Iowa, if I may, that he respond, in addition to the humanitarian response, with an argument in terms of our own economic self-interest, because the United States in fact does have an interest economically in the development of the continent of Africa.

For example, the gentleman from Iowa comes from an agricultural producing State, a very good agricultural producing State. And as you know, this country exports one-third of its agricultural produce, something which is absolutely vital to our economic well-being.

Approximately 50 percent of our agricultural exports go to the Third World, and the greatest opportunity for expanding those exports from States like Iowa reside in the Third World. So, I suggest that in Iowa, as in New York, that we make some arguments related to our own economic interest as well as our humanitarian concerns. We also have imports from the developing countries, including many in Africa. For example, we import 50 percent of our tin and manganese from the Third World, a clear connection to our economic self-interest.

So, Mr. Chairman, I think it is important, in responding to our constituents, to take on the responsibility of education. But, I find that many Members of Congress are reluctant to take the risk politically of suggesting that there is a good reason for foreign assistance. There are humanitarian reasons and they are very important; but we also have a large measure of self-interest in foreign aid. I think the American people, or at least the ones in my district who are told about this self-interest understand it, respond to it, and support foreign assistance when there is that relationship. So, Mr. Chairman, for all the reasons that have been stated, I hope that this amendment is rejected.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, frankly I am amazed that I would have to take the well to speak against the amendment. Usually the gentleman from New York (Mr. Solarz) speaks, with his eloquence and wisdom he usually overcomes the opposition. But, in this case he did not, so I have to come to his rescue.

The issue here, however, is first technical. If I am wrong, I wish to be corrected by the experts on that. As I understand it, our contribution called for under this bill would be 17.1 percent of the replenishment of the African Development Bank. That is a rather limited U.S. figure by comparison, for example, with our U.N. contribution of 25 percent, and larger percentages that we contribute to other entities.

Then, I understand if we would fail to make our contribution that other countries have the right to withhold theirs so our denying these funds would have a devastating effect on the African Development Bank. Therefore, it is practical and necessary for us to make this contribution.

There is one other point I would inject into this debate, if I may.

Twenty years ago when the African countries commenced acquiring their independence from the then colonial powers, one of the precepts of U.S. foreign policy was that the expertise in handling Africa rested with the former colonial countries, Great Britain, France, and, in the case of Zaire, Belgium. The U.S. role in Africa would be secondary because of the great knowledge, experience and ability of the British and French. As a result, we did not assert ourselves as we should have. In all these years many of the African countries have looked to the U.S. for leadership because what they do not want is a continuation of a form of economic subserviency to the former colonial countries. Therefore, I believe that our investment in the regional economic development of Africa is a sound investment. In the long run it will help establish that continent, as I support the figure in the bill and against the gentlewoman's amendment, I am not retreating from my opposition in what I consider to be the discredited administration policy vis-a-vis Zimbabwe-Rhodesia. But looking at the picture of the entire continent this is a good investment, the regional economic development of Africa is a desperately needed thing. Our contribution is fair, it is sound, it is practical, it is in our interest and, therefore, I would urge the rejection of this amendment.

Mr. STOKES. Mr. Chairman, I move to strike the requisite number of words and will speak in opposition to the amendment.

Mr. Chairman, I would like to make just a couple of observations. The gentleman in the well, the gentleman from Iowa (Mr. Grassley), helped me in terms of speaking to the issue of priorities. The gentleman helped me to try to put the amendment of the gentlewoman from Nebraska (Mrs. Smith) in real meaningful perspective.

When I looked at this amendment and saw what we are talking about is an area where we previously only appropriated $25 million and this year we propose a very small increase to the sum of $40 million for people who happen to reside in Africa, who happen to reside in the poorest countries in the world, it does not seem to me we are asking too much.

When I make a comparison of the fact that our Nation is presently putting billions of dollars into the World Bank, we are putting hundreds of millions of dollars into the Asian Development Bank, hundreds of millions of dollars into the Inter-American Development Bank, I have no real problem being able to prioritize this issue and realize we are talking about a very minimal sum when we talk about economic development in the poorest part of the world.

I looked at a few statistics here a moment ago and saw where 80 percent of the funds will be targeted to countries with a 1976 per capita gross national product of $280. I also have no problem prioritizing this issue, Mr. Chairman, when I, on a comparative basis, realize that here in North America and Canada that the gross national product per capita is $7,100, as compared to this $280 in the poorest part of the world. I also have no problem putting the priorities here in perspective when I realize that these funds will be used for basic health service projects like development of safe water systems, for human waste disposal, nutrition and immunization. When I realize we are talking about a part of the world where disease is rampant, where illiteracy predominates throughout the entire continent, when we realize this is a part of the world where they have a disease called river blindness or onchocerciasis, where at the age of 40 people go blind because they are bitten on the eyelid by a fly that carries a disease that has not been wiped out in that part of the world. I have no real problem being able to understand that the greatest nation in the world certainly has a great humanitarian purpose in trying to help this part of the world.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I will be glad to yield to the gentleman from Illinois.

Mr. HYDE. I appreciate what the gentleman has said. You know, I listened to my good friend from Iowa mention his age. He is 45. I am 55. I fought in the last war. I have come to realize that what happens many miles away has an impact on what happens in Iowa, Nebraska, and Illinois. It just seems to me by looking at a map that the continent of Africa is very strategically important. It is between us and the Middle East where the petroleum is that we need to exist, really. Africa is a huge continent with a lot of people who are friendly toward us. Whether we know it or not we have many friends over there. I am unwilling to show contempt or disinterest in that continent and say to Mr. Castro, "It is all yours." Say to the Soviet Union, "Go ahead." I think it is people, it is resources, it is raw materials, it is minerals, it is geography, and it is very important that we maintain an interest because what happens over there does have an impact on what happens over here.

I thank the gentleman for yielding.

Mr. STOKES. Mr. Chairman, I thank the gentleman for his comments.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I will be delighted to yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, in 2½ years I find this one of the more interesting colloquies because whatever side one is on they are still speaking eloquently the truth.

And, I never have heard a more impassioned speech than the one delivered by the gentleman from Iowa about putting a debt burden on Americans for generations yet to be born. I also completely agree with the case made on the other side that there is not only a humanitarian case to be clearly made for economic aid to Africa but also a solid case for American self-interest, just as we increase our defense budget with just cause and rely on other generations to pay for debt.

I think what also must be discussed concerning distribution of diminishing dollars—almost discussed more eloquently on the other side than this side—is the fact that we have people living in far worse squalor in some of our major cities than in most of the cities of Africa.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. STOKES was allowed to proceed for 2 additional minutes.)

Mr. STOKES. I will just briefly yield to my friend from California (Mr. DORNAN) and then I would like to reclaim my time.

Mr. DORNAN. Thank you. I would like to finish my point. I think what is going on here today is that there are many noble causes that scream out for justice and mercy and demand attention. 1,500 "boat people" dying today, tomorrow and every day for the foreseeable future, people are still starving to death in the Sahel area of Africa. What we had better do is determine when we are going to run out of even borrowed money in this House and our Nation and when are we going to start to bring a reasonable cohesiveness to our funding process so we can do part of all of these wonderful things without destroying the Nation. For humane reasons though I will vote against this amendment while acknowledging the thoughtfulness of the gentlelady's amendment.

Mr. STOKES. Mr. Chairman, if I may reclaim my time from the gentleman I would like, Mr. Chairman, to refer to the comments made by the gentleman from Illinois (Mr. HYDE). I think the gentleman helped put this whole matter into perspective. I think he is right when we consider out of every 8 barrels of oil being used in this country today that that oil is coming from Nigeria which is a part of the African Continent and when we think of the fact as this country runs out of minerals that we are now turning to that part of the world which is rich in minerals and the other kinds of ingredients this country has just about used up. It is going to be helpful to have a friend or some friends in that part of the world and it seems to me this is a very small price to be paying for it.

I urge the defeat of the gentlewoman's amendment.

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Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words. I rise to speak in favor of the amendment.

Mr. Chairman, the arguments that have been presented on both sides indeed have their valid points, but I think the gentleman from California (Mr. STOKES) is correct that perspective is needed.

This amendment simply suggests that the U.S. taxpayers be asked to pay $16 million less for the replenishment to the African Development Fund thus leaving it at last year's level of funding. That is a valid argument.

The manner in which the arguments have been presented in opposition to the amendment seem to suggest that the gentlewoman is trying to repeal the entire development fund, to do away with it. That is hardly the case.

I understand that there are good arguments to honor our commitments in this impoverished part of the world. But to hear the opponents of the amendment speak, it would appear we have done nothing for this part of the world over the years.

I would like to call the attention of the committee to pages 16, 17, and 18 of the report, which I find very interesting. It contains a table that is printed in each foreign aid report and having read these for some years, I can say it is a very interesting catalog of the generosity of the American people unselfishly giving of their money to other countries all over the world. It shows that since 1945 we have expended of our own wealth and substance $214,884,075,000. Yes, I said $214 billion.

If you will look closely at the table before us, you will find that of these amounts we have not been at all stingy in dealing with individual countries in Africa. Many of them have passed through the stages of colonialism to independence in the years in which this chart catalogues our generosity; but just look down the chart. Even with the turbulent political situation we find in Africa, with very little freedom for the 200 million citizens of those nations, with almost no democracies on the entire continent, even with many one-party dictatorships in which their people suffer from repression and death, Americans have still been willing to give enormous amounts of money to a country like Botswana, $81 million.

To the Cape Verde Islands, a tiny little nation, $30 million.

The Central African Empire, which this bill says shall have no money henceforth because of their despotic ruler, almost $15 million.

Chad, $71 million.

Djibouti, $2 million.

Ethiopia, $663 million.

Gabon, $17 million.

Gambia, $17 million.

Ghana, $360 million.

And a little nation like Guinea-Bissau, almost $14 million.

The Ivory Coast, $44 million.

Even Lesotho, $57 million.

Madagascar, $22 million.

Malawi, $36 million.

I could go down the list. Take the nation of Nigeria that was referred to as being so important for oil imports. We give them millions of dollars every day for the oil that we buy from them. We have given them $408 million in foreign aid in this 30-year period.

What I am saying is that the gentlewoman from Nebraska is right to bring up the issue of the need for a weather station in her district. America has many needs of its own and the people of the American Nation have been most generous to others. The gentlewoman is suggesting that in this particular instance we should be $16 million less generous. That is not going to break the African Development Fund. It might set an example for reasonable and prudent cuts in other areas.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. To my good friend from the State of California, I yield.

Mr. JOHN L. BURTON. I thank the gentleman very much.

Most of the money that was given after World War II was to stop the entire part of Western Europe from going Communist.

Mr. BAUMAN. That is true.

Mr. JOHN L. BURTON. I think my friend would say that that was in the best interests of this country.

Mr. BAUMAN. Yes, I agree with the Marshall plan.

Mr. JOHN L. BURTON. I mean the Marshall plan; the Truman doctrine, it was money given to keep nations in the free enterprise capitalist system as against going Socialistic.

I think most of the moneys that we have contributed in foreign aid have really been to stop nations from joining the Socialist bloc. I think they have either been investments that have returned money in their ability to purchase some of our goods or that they have within our economic sphere of influence and not been usurped by the Socialist bloc nations.

I would think that the gentleman would agree that that was money well spent. I would just as soon bribe a country to see their way to being like us than I would try to kill a country the way we have failed to do with the war in Southeast Asia.

Mr. BAUMAN. Mr. Chairman, I say to the gentleman, I do share the gentleman's concern for trying to preserve the free enterprise system and the democratic system——

Mr. JOHN L. BURTON. I did not say that was necessarily my concern.

Mr. BAUMAN [continuing]. In foreign nations; but I would also say that the gentleman would have to look very hard to find a nation in Africa that is not either Socialist or a nondemocracy. Most of the nations are not.

Mr. JOHN L. BURTON. I will agree with that.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words. I rise to oppose the amendment.

Mr. Chairman, I will take only 1 minute. I simply want to, as the gentleman from Maryland suggested, try to put this in perspective. The gentleman from Maryland has indicated that in the period in which the gentleman discussed the past 30 years we have spent $215 billion in foreign assistance.

I think the gentleman ought to understand that is approximately the amount we spend on defense in 1½ years.

When we are trying to defend the interest of this country, are we sensible in concluding that the only effective measures by which we defend the country are military measures, or are there other measures which also give us additional political and economic influence around the world? I think we know what the answer is.

Also, I want to make the point that out of that $215 billion in that time period, a total of $6.3 billion—I will repeat that, $6.3 billion of the $215 billion has gone to Africa. That is a very small amount. That is less, incidentally, than we have given the Republic of China (Taiwan) in that time, which is $6.5 billion. It is less than we gave France. It is less than half of what we gave Israel. It is less than half of what we have given Korea and less than one-fifth what we gave Vietnam.

So I agree with the gentleman from Maryland, we ought to put these things in perspective.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Surely.

Mr. JOHN L. BURTON. Mr. Chairman, I just say this, if we would have given some money to Ethiopia back in 1936 when they needed it, we might not have gotten World War II started. We would not have had this great national debt that is really not a social-welfare debt nor a foreign affairs debt, but it is a military debt. The first time we ever had a national debt was to pay for a Seminole war party down in Florida back in the Andy Jackson era, as the gentleman well knows; so I think if we would have given money to Ethiopia sooner, we would not have a national debt now.

Mr. OBEY. Mr. Chairman, if I could simply reclaim my time.

Mr. JOHN L. BURTON. The gentleman can reclaim his time.

Mr. OBEY. Mr. Chairman, I would point out that while we have given $6.3 billion to Africa over the period of time in question, we have given to Southeast Asia $40 billion.

Mr. JOHN L. BURTON. No; those were the bombs we dropped on Southeast Asia.

Mr. OBEY. We gave Latin America $14 billion; East Asia $58 billion; Europe, $35.7 billion; so again, I think we ought to keep it in perspective.

Mr. JOHN L. BURTON. Mr. Chairman, if the gentleman would yield for just 1 more second; the Pilgrims started out on the *Speedwell* from England, that was a leaky boat and had to put into Holland to get repairs.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, my arguments in support of this amendment were, hopefully, going to be strictly to the issue of the dollars involved; but I cannot help but respond to some of the political comments that have been made about how we should not be trying to bribe these countries, and we are not. We are trying to bribe countries with foreign assistance.

Also, the suggestion that if we do not do certain things we are going to be turning that part of the world over to Castro. All I can say is that if we are going to turn anything in Africa over to Castro, we had better hurry up before he takes it all with the apparent acquiescence of our own Ambassador to the United Nations.

But let us talk about the dollars. The money in this bill is a 66-percent increase in funds over last year. Unfortunately, as much as I want to help cure river disease, and I do, river blindness, I also want to help cure heart disease, cancer, and diabetes for Americans; but that is not the isssue in this debate. I do not want to make this an us versus them basis.

The problem is that the African Development Fund cannot handle this money. As a matter of fact, the African Development Fund is administered by the African Development Bank, because it cannot administer itself.

Now, the African Development Bank cannot administer it effectively, either. The proof of that——

Mr. Chairman, I wonder if we might have order.

Mr. Chairman, I would like to point out that in the number of years that I have served in this body, I have been many hours on the floor. I have never hissed or booed or yelled "Vote" or been anything less than courteous to another speaker. I am not concerned about the little lack of decorum in the House today for myself, because it is not that bad; but throughout this debate, which gets occasionally heated, and that is understandable, but throughout this debate there has been considerable lack of courtesy shown to some of the speakers. I just hope that our colleagues would understand that we are debating some very important issues here. We are going to get to a vote eventually. Yelling "Vote" is not going to get us there any sooner; by hissing and booing, if that should be the case as it has been in the past, is not going to get us to a vote any sooner; so why do we not just go ahead and debate the issues on their merits and then let us get to a vote.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Chairman, I disagree with the gentleman on this issue, but I strongly associate myself with the remarks he has just expressed.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman from Alabama (Mr. BUCHANAN).

The point I was trying to make, Mr. Chairman, is this: The African Development Fund cannot administer itself. The African Development Bank must administer it. In our budget for AID for this year there is 1,400,000 of American dollars directly from AID to the African Development Bank. To do what? To try to help them improve their capability to administer their funds.

Now, until such time as they create that capability, then I am afraid they cannot even effectively handle the $25 million. But I am willing to go along with the $25 million. I just do not think we ought to bring them in with a 66-percent increase. Since they cannot administer it properly, it is going to be wasted.

Mr. Chairman, I am supporting my President in his battle against the lack of confidence in this country, in his battle against the crises, the moral crisis, the energy crisis, and the economic crisis in this country. He is asking our people to hold back and not spend on a lot of things, and I am willing to go along with that. I want to support him. I want him to succeed because it is important to the success of my country that my President succeed.

But now, when we are asking our own people to hold back so much and to sacrifice so much, to come up with an additional 66 percent when the organization that is going to get it cannot effectively administer it is just asking the American people to spend money that is going to be spent with nothing achieved.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, may I ask the gentleman from Florida (Mr. YOUNG), has the gentleman visited any of the industrial sites in any of the African countries which are the products of the African Development Banks?

Mr. YOUNG of Florida. The answer is "No."

Mr. MITCHELL of Maryland. If the gentleman has visited or if he will get the chance to visit them, he will see that the African Development Bank has indeed administered funds properly in terms of projects. I have been there, and I have seen them.

I have seen water projects. I have seen industrial projects. I have seen manufacturing projects, and I think the gentleman deceives this House by saying they do not have the capability of administering the fund.

Mr. YOUNG of Florida. Mr. Chairman, if that be the case, then I can say that AID has sent us an erroneous message.

Will the gentleman join me in reducing that amount they are asking us to appropriate?

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has expired.

Mr. MITCHELL of Maryland. I cannot answer the gentleman's question because his time has expired.

Mr. YOUNG of Florida. Mr. Chairman, I will say to the gentleman I will get more time.

(By unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 1 additional minute.)

Mr. YOUNG of Florida. Mr. Chairman, if what the gentleman from Maryland (Mr. MITCHELL) says is correct, if they are able to administer the funds, then

AID is not telling us the truth. So now I ask the gentleman, if I share his belief will he join me in taking from this bill the $1.4 million that they are asking us to appropriate——

Mr. MITCHELL of Maryland. No, I will not.

Mr. YOUNG of Florida. Mr. Chairman, I wish the gentleman would let me finish.

Will the gentleman join me in taking this amount from AID if it is not needed to help them improve the administrative capability of the African Development Bank?

Mr. MITCHELL of Maryland. Mr. Chairman, the answer is "No" because I am not at all sure that that million dollars that is going in there——

Mr. YOUNG of Florida. But this is borne out by the AID justification.

Mr. MITCHELL of Maryland. Mr. Chairman, does the gentleman want me to respond?

Mr. YOUNG of Florida. No, I wish to reclaim my time.

Mr. MITCHELL of Maryland. If the gentleman will let me respond, my response will be that if we enhance their ability to administer the fund——

Mr. YOUNG of Florida. A point of order, Mr. Chairman. I have yielded to the gentleman, but now I would like to get my time back. The gentleman answered the question; he said, "No."

Mr. Chairman, this is a copy of the AID justification. I will ask the Members to please take a look at it. If they doubt what I am saying, they can read it. It is right here at the desk.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I suggest to the gentleman that the African Development Bank is well advised to ask for assistance from the United States.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has again expired.

(On request of Mr. HYDE, and by unanimous consent. Mr. YOUNG of Florida was allowed to proceed for 1 additional minute.)

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I am very happy to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I suggest that the African Development Bank is well advised to ask assistance from the United States so that we may provide money and technical assistance in the administering of a very complicated and important financial institution over there.

They could turn to the French, they could turn to the Belgians, they could turn to the British, but they are turning to the United States, and I think that should be something we should welcome and not use as a mark against them.

Mr. YOUNG of Florida. But, Mr. Chairman, until such time as they do that, why can they not get by on the same $25 million level they had last year? That is my whole point.

I am willing to go along with the $25 million, but I am not willing to go along with a 66-percent increase, especially in view of the conditions in our own country as voiced by our own President just a few days ago.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not a member of the committee in charge of this legislation today. Often many of us who are not members are very reluctant to take the well to speak to issues that come before the Committee when we are not members of the committee of jurisdiction, but I am constrained to speak and to share with the Members a few random thoughts.

First of all, I find this incredible. We are actually here biting the bullet. These are strong amendments. We are saving an incredible amount of the taxpayers' dollars, the incredible, awesome amount of $16 million.

First, we all know on this floor, every single Member from left to right, Republicans and Democrats, old and young, that Africa over the years, for an incredible number of reasons that are buried and rooted in the history of this Nation—and we are still dealing with these issues even on the floor of this Congress—has not received its fair share of resources.

This is $16 million. We are biting the bullet. We are saving taxpayers' dollars.

This is $41.6 million to help the poorest people on the face of the Earth. Where is the incredible dignity? Where is the incredible generosity of America? We sit here nickel-and-diming poor people to death.

I for one would suggest, Mr. Chairman, to the Members of the Committee that this entire debate, with all due respect, lacks dignity. I am embarrassed as I sit here as a Member of this Congress and watch us battle for hours over a $16 million amendment.

Do we want to balance the budget? Why did we take only a brief time to authorize $670 million as a down payment on a $40 billion "turkey" known as the MX missile? We could have saved millions to build all the way stations they could ever use.

If we want to save taxpayers' money, there was a Trident submarine for $1.5 billion that we do not need. There was a $2.1 billion nuclear aircraft carrier that is a sitting duck. That is a $2 billion "turkey." But here we are biting the incredible bullet for $16 million.

Some Member alluded to an eloquent speech in which one Member said, "My constituents asked, 'Why are we not helping Americans? Why are we helping people abroad?' "

My distinguished colleague, the gentleman from New York already responded to that. The 98.5 percent of this budget is not going to AID or foreign assistance.

Second, foreign assistance comes in two parts. I came here during the era during which we challenge the insanity and the immorality of America's involvement in its insane adventurism in Indochina. As part of that concern many of us oppose military assistance. That is where we are spending an incredible amount of money.

We are still sabre rattling and missile rattling. But I would dare say to all my colleagues who are prepared to knock out $16 million, a paltry amount of money, that we ought to be embarrassed to even bring to the floor of this Congress the sum of $41.6 million for the incredible number of people who are suffering in great misery.

So the Members can go home and say, "We bit the bullet."

Next week we will vote upon a $126 billion budget, and we can bite the bullet all day long. We can bite missiles, we can bite planes, we can bite submarines, let us save some taxpayers' dollars.

But $16 million? Who are we playing with? We are talking about human lives. We are supposed to be the greatest Nation in the world. We are more interested in building military weapons and rattling our missiles and sabres, but I would suggest to the Members that the most powerful weapon America has is its commitment to democratic principles, its commitment to justice, its commitment to human life, is commitment to people, and its commitment to generosity in the world. We are more than prepared to stand up to the Soviet Union and build $40 billion worth of MX missiles that we do not need, but we will fight like hell against $16 million to help an incredible number of human beings.

I do not think there is any congressional district in this country that would be willing to say we should strike $16 million from this when they realize the incredible disease, the incredible hunger, and the incredible poverty that is real because no one has been willing to go out there and provide the resources.

But I think the American people would be astounded if they ever understood the insanity of the billions of dollars we spend sabre-rattling and missile-rattling. We could cut the military budget, we could pass the Strategic Arms Limitation Treaty, and there apparently we do not bite the bullet, but for black Africa $16 million is a big deal. I find it absolutely incredible, and it is embarrassing to me.

□ 1650

It lacks dignity, to me, to stand here on the floor of this Congress in this atmosphere debating 3 hours on a $16 million deal, where we have to stand here and beg our colleagues for some humanity and some dignity. America ought to be bigger than that and we as Members of Congress ought to be bigger than that.

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

Mr. DELLUMS. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. LONG of Maryland. Mr. Chairman, reserving the right to object, I would like to get some feeling as to how many other Members want to speak. The plane is leaving shortly. I do not intend to object. The plane is leaving shortly for Geneva. We want to get a vote before the Members leave.

The CHAIRMAN. For what purpose does the gentleman from Maryland rise?

Mr. LONG of Maryland. Mr. Chairman, I am trying to find out whether there are very many Members who want to speak, so that we can close debate.

The CHAIRMAN. At this time the gentleman from California (Mr. DELLUMS) has the time.

The Chair recognizes the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, the gentleman from California does not have the time yet, because I have reserved the right to object.

The CHAIRMAN. The gentleman from Maryland (Mr. LONG) reserves the right to object.

Mr. LONG of Maryland. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California (Mr. DELLUMS)?

There was no objection.

The CHAIRMAN. The gentleman from California (Mr. DELLUMS) is recognized for 2 additional minutes.

Mr. DELLUMS. Mr. Chairman, I shall not take the 2 minutes. I would simply conclude by pointing out to my colleagues that this is not economy, that the image that we project in the world, fighting over $16 million to help starving people, does not project a powerful and friendly image of America to the world. It would seem to me, Mr. Chairman, that we should be more than mirrors of public opinion; we should at times be prepared, with courage and dignity and integrity, to move beyond simply being mirror images of unenlightened public opinion and stand as leaders on the floor of this Congress. It means taking a chance, it means putting our jobs on the line. It means saying to people that there are people in the world that we have a responsibility to help.

There are places where we can cut money. I simply disagree that this is the place. I think, historically, we have cut black Africa out for a long time, and I, for one, say that that time has to end.

This amendment should be rejected out of hand. I would suggest to all of my colleagues who have a sense of dignity, who have a sense of caring about other human beings, that they reject this amendment overwhelmingly.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Nebraska (Mrs. SMITH).

The question was taken; and on a division (demanded by Mrs. SMITH of Nebraska) there were—ayes 18, noes 30.

Mrs. SMITH of Nebraska. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

Mrs. SMITH of Nebraska. Mr. Chairman, I withdraw my point of order that a quorum is not present.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentlewoman from Nebraska (Mrs. SMITH) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and three were—ayes 148, noes 262, not voting 24, as follows:

[Roll No. 364]

AYES—148

Abdnor
Albosta
Ambro
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Breaux
Broyhill
Burgener
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Coleman
Collins, Tex.
Corcoran
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Donnelly
Duncan, Tenn.
Early
Edwards, Ala.
English
Evans, Ind.
Gaydos
Gingrich
Goldwater
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Hillis
Hinson
Holland
Holt
Hopkins
Hubbard
Huckaby
Ichord
Ireland
Jeffords
Jeffries
Jenrette
Johnson, Colo.
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
McEwen
Madigan
Marlenee
Martin
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Nichols
O'Brien
Pashayan
Paul
Quayle
Quillen
Rahall
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Satterfield
Sawyer
Schulze
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Trible
Walker
Watkins
Weaver
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, C. H.
Young, Alaska
Young, Fla.
Young, Mo.

NOES—262

Addabbo
Akaka
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carr
Cavanaugh
Chisholm
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derrick
Derwinski
Diggs
Dixon
Dodd
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gray
Green
Gudger
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hutto
Hyde
Jacobs
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Stewart
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Waxman
Weiss
White
Whitley
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—24

Alexander
Anderson, Ill.
Bolling
Bowen
Conyers
Davis, S.C.
Dicks
Dingell
Edgar
Edwards, Okla.
Emery
Fish
Flood
Forsythe
Gibbons
Guarini
Luken
McKay
Marriott
Moakley
Patterson
Santini
Slack
Steed

The Clerk announced the following pairs:

On this vote:

Mr. Santini for, with Mr. Guarini against.

Mr. AUCOIN changed his vote from "no" to "aye."

Mrs. BOUQUARD and Messrs. MATHIS, AUCOIN, and WINN changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, as amended, and of section 2 of the United Nations Environment Program Participation Act of 1973, $267,280,000: *Provided*, That not more than $10,000,000 shall be available for the United Nations Environment Program.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida: On page 6, line 2, strike "$267,280,000" and insert in lieu thereof "$263,330,000".

And on line 4, strike the period and insert the following: ": *Provided further*, That not more than $126,050,000 shall be available for the United Nations Development Program."

Mr. LONG of Maryland. Mr. Chairman, I move that the Committee do now rise.

PARLIAMENTARY INQUIRY

Mr. YOUNG of Florida. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. YOUNG of Florida. Mr. Chairman, the motion to rise will in no way affect the right of the gentleman from Florida to his 5 minutes when we reconvene on this bill?

The CHAIRMAN. Not in the slightest. The gentleman will be recognized for 5 minutes to speak on behalf of his amendment when the Committee reconvenes.

Mr. YOUNG of Florida. I thank the very distinguished Chairman.

The CHAIRMAN. The question is on the motion offered by the gentleman from Maryland (Mr. LONG).

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. KAZEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4473) making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. LONG of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4473, just considered, and that I may be permitted to include extraneous and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3633, NURSE TRAINING AMENDMENTS OF 1979

Mrs. CHISHOLM. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 306 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 306

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 401(b)(1) and 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3633) to amend title VIII of the Public Health Service Act to extend for one fiscal year the program of assistance for nurse training, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 3633, the House shall proceed, sections 401(a) and 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to the consideration of the bill S. 230, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 3633 as passed by the House.

□ 1720

The SPEAKER pro tempore. The gentlewoman from New York (Mrs. CHISHOLM) is recognized for 1 hour.

Mrs. CHISHOLM. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 306 extends for 1 fiscal year the program of assistance for nurse training, and for other purposes.

This is an open rule granting 1 hour of general debate with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce. The bill is to be read for amendment under the 5-minute rule by titles rather than by sections. A motion to recommit is in order upon completion of consideration of the bill.

The rule provides several waivers of the Budget Act so that the bill might be considered. These waivers are somewhat of a technical nature, since the Committee on Interstate and Foreign Commerce has agreed to offer amendments on the floor curing the budget violations. The specific waivers of the Budget Act are for sections 401(b)(1), and 402(a).

Section 401(b)(1) of the Budget Act prohibits the consideration of a bill providing new entitlement authority which is to become effective before the first day of the fiscal year which begins in the calendar year in which the bill is reported. Section 313 of the bill provides new entitlement authority which could become effective before October 1, 1979, the beginning of fiscal year 1980, and thus, would be subject to a point of order.

Section 402(a) of the Budget Act prohibits consideration of any bill which directly or indirectly, authorizes the enactment of new budget authority for a fiscal year unless the bill was reported by May 15 preceding the beginning of the fiscal year. Sections 303–307 and 314 of the bill would indirectly authorize the enactment of new budget authority to support various activities under the Public Health Service Act which could become effective during fiscal year 1979, and, thus, should have been reported by May 15, 1978.

After passage of H.R. 3633, the rule makes in order S. 230 and waives the following sections of the Budget Act: Section 401(a) (contract authority not subject in advance by appropriations acts) and section 402(a) to permit consideration of the Senate bill.

Mr. Speaker, H.R. 3633 authorizes appropriations totaling $103 million for fiscal year 1980 for various aspects of the Public Health Service Act, which provides for loans, scholarships, traineeships, and grants to assist nursing schools and their students. The bill makes several changes with respect to pay and compensation of officers of the Public Health Service Corps. Finally, the bill also revises other sections of the act governing operation requirements for health education centers, and other health professions assistance programs. In addition, the bill specifically requires the Secretary of Health, Education, and Welfare to arrange for the conduct of a study to determine the need to continue a specific program of Federal financial support for nursing education.

Mr. Speaker, the assistance provided in H.R. 3633 is a very important component of the program of Federal support for health professions training. I urge my colleagues to adopt House Resolution 306 so that we might proceed to the consideration of H.R. 3633, the Nurse Training Amendments of 1979.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the able gentlewoman from New York has correctly described the provisions of the rule.

Mr. Speaker, the nurses training amendments are most important. This measure is long overdue. I have had a number of communications from nurses back in my district, as well as institutions, pointing out how valuable this legislation is, and I concur in their views.

Mr. Speaker, I urge the adoption of the rule and the passage of the measure.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Ms. CHISHOLM. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WAIVING CERTAIN POINTS OF ORDER AGAINST THE BILL, H.R. 4440, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 322 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 322

Resolved, That during the consideration of the bill (H.R. 4440) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1980, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6, rule XXI, are hereby waived: beginning on page 3, lines 2 through 23; beginning on page 4, lines 7 through 21; beginning on page 6, line 20 through page 7, line 20; beginning on page 13, line 20 through page 14, line 3; beginning on page 15, line 22 through page 16, line 20; beginning on page 17, line 18 through page 18, line 16; beginning on page 21, lines 8 through 18; beginning on page 22, line 17 through page 23, line 3; beginning on page 24, line 16 through page 26, line 20; and beginning on page 27, lines 10 through 20.

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. Derrick) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Ohio (Mr. Latta), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 322 waives points of order against certain specific sections of the bill, H.R. 4440, which provides appropriations for the Department of Transportation and related agencies.

The resolution waives points of order under clause 2 and clause 6 of rule XXI. Clause 2 prohibits unauthorized appropriations and, since some of the authorizing legislation for these appropriations—like the Coast Guard authorization the House recently passed—is not law, certain parts of this appropriation are technically not authorized. The rule waives points of order against the affected sections.

Clause 2 of rule XXI also prohibits provisions in appropriations bills that would change existing law. There is one section of this bill that includes a rescission, and since technically that is regarded as changing existing law, the section was included among those protected by waivers.

Finally, the rule waives points of order under clause 6 of rule XXI, which prohibits the reappropriation of funds that have already been appropriated. The waiver is necessary in one instance to allow the transfer of funds that have already been appropriated.

Mr. Speaker, this appropriations bill includes funding for such important agencies as the Coast Guard, the Urban Mass Transportation Administration, the Civil Aeronautics Board, and the Interstate and Foreign Commerce Commission.

The appropriations will provide money for major programs like the Coast Guard effort to help prevent oil pollution from offshore drilling. In addition, there is money for mass transit and for several railroad programs, all of which are becoming increasingly important in light of our current gasoline shortage. These programs will help to increase our national energy efficiency.

Mr. Speaker, I support this important appropriation and I urge the adoption of the resolution so that we may proceed to consider the bill in a timely fashion.

□ 1730

Mr. LATTA. Mr. Speaker, I agree wholeheartedly with the statements just made by the gentleman from South Carolina (Mr. Derrick).

I would like to point out that, notwithstanding the fact that his rule will make in order a bill that provides for $9,522,515,782 it is still $673,975,218 less than the amount in the first budget resolution.

There are a couple of items, Mr. Speaker, that I think deserve special note. I am sure that the Members who have been watching the Panama Canal developments will want to know that the bill appropriates funds for the Panama Canal Commission for a 6-month period from October 1, 1979, through March 31, 1980. Technically these funds have not yet been authorized, although authorizing legislation has passed the House.

One other item of note in this bill is funding for Amtrak. The bill includes $722 million for grants to Amtrak, which is $112 million more than provided in fiscal year 1979.

I might say one problem with Amtrak pointed out before the Committee on Rules is that it has too few passengers. I quite agree with that. At that time I pointed out that I could offer a suggestion which would help passenger numbers with Amtrak and that is that it stop to pick up passengers. As a matter of fact, an Amtrak train runs across my district for more than a hundred miles from Toledo, Ohio, to a point near Chicago, Ill., without stopping once to pick up passengers. I would suggest to Amtrak if they want to increase their passenger load and perhaps reduce the amount which will have to be made in grants from the Federal Treasury, that it stop occasionally and pick up passengers. Bryan, Ohio has been negotiating with Amtrak month after month after month trying to get an Amtrak train to stop. No success as of this time. I suggest that we urge Amtrak to stop and pick up passengers when they are searching for ways to cut down on travel by automobile. I think it should do so.

Mr. Speaker, I have no requests for time and I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 4040, DEPARTMENT OF DEFENSE AUTHORIZATIONS, 1980

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 386 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 368

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4040) to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve Component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1980 for civil defense, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, three hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, and one hour to be equally divided and controlled by a Member opposed to, and a Member in favor of, the provisions of section 812 of the bill, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 4040, it shall be in order to move to take from the Speaker's table the bill S. 428 and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 4040 as passed by the House.

The SPEAKER pro tempore. The gentleman from Texas (Mr. Frost) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only I yield 30 minutes to the gentleman from Tennessee (Mr. Quillen), pending which I yield myself as much time as I may consume.

Mr. Speaker, House Resolution 368 provides for the consideration of H.R. 4040, the Department of Defense authorization for fiscal year 1980.

While H.R. 4040 authorizes appropriations of $42.1 billion, the amount reflects less than one-third of the total budget authority for the Department of Defense in fiscal year 1980. Of the $42.1 billion authorized, these amounts are to be allotted as follows: $28.6 billion for major weapons procurements; $13.4 billion for research, development, test and evaluation; and $138 million for civil defense. The bill also authorizes personnel strengths for the active military forces, the Reserve components of the Armed Forces and Department of Defense civilian personnel. H.R. 4040, however, does not authorize appropriations for these personnel; this funding will be considered under separate legislation.

H.R. 4040 contains two significant provisions I should like to bring to the attention of my colleagues. The Armed Services Committee has recommended the authorization of a nuclear-powered aircraft carrier, instead of the conventional carrier recommended by the President, at a cost of $2.1 billion. The committee has also added a general provision to the bill to require the commencement of registration under the Selective Service System beginning in January 1981 for males who become 18 years of age after December 31, 1980.

Because of the importance of this authorization to our Nation's future defense capabilities, the Committee on Rules has granted H.R. 4040 an open rule, which allows any germane amendment to be offered. The rule provides for 3 hours of general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services. And, because the Selective Service registration issue is of great importance, far-reaching implications and of no small controversy among the Members of this body, the committee has further provided for 1 hour of general debate on section 812 of the bill. This fourth hour of debate is to be equally divided and controlled by a member opposed to, and a member in favor of, the registration provisions contained in section 812 of H.R. 4040.

The resolution provides that the bill will be read for amendment under the 5-minute rule by titles instead of by sections. House Resolution 368 also provides that after passage of H.R. 4040, it shall then be in order to consider S. 428 and to strike all after the enacting clause of the Senate bill and to substitute the provisions of H.R. 4040 as passed by the House.

Mr. Speaker, the Committee on Rules is well aware that there are many controversial provisions in this bill, but it was the decision of the committee to send this bill to the House floor with an open rule so that the House might work its will on these provisions. I would urge my colleagues to adopt this rule and provide us the opportunity to fully debate these issues.

□ 1740

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let us face it, there is objection to the rule. Registration is being brought in on a defense bill and it should be considered in a separate bill, so that the American people will know what is happening on that subject alone. I am afraid at this point they do not.

It is such an important thing for the young men of this Nation to know exactly what they can expect after going in and registering, although they do not have to do that under this measure until December 31, 1980. It is so important that they know exactly what to expect, whether or not it is going to lead to a draft, whether or not they are going to be called to duty, whether or not their commitment to the armed services is going to be real.

I would prefer that this measure be brought out in a separate bill, but the Committee on Rules decided that it would be brought out allowing a full debate on the measure on the floor. Unfortunately the news has not gotten out to the American people in advance in the way that it should.

Mr. Speaker, the Washington Post has belittled the draft issue to a degree in an editorial. The Commander in Chief, I understand, and those in the Defense Department are not sure whether it is the right thing or not. Thousands and thousands of people are not sure themselves, but hopefully the debate on the floor of the House will create some guidelines for all to follow.

Mr. Speaker, I voted against the rule in committee and will vote against the rule on the floor of the House, should there be a call for a vote.

Mr. JOHN L. BURTON. Mr. Speaker, if the gentleman will yield, there surely will be, I assure the gentleman.

Mr. QUILLEN. Mr. Speaker, the able gentleman from Texas (Mr. FROST) has explained the provisions of the rule. I have no requests for time.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I would be happy to yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I can assure the gentleman there will be a call for a vote on this ignominious rule.

Mr. QUILLEN. I thank the gentleman.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I would be happy to yield.

Mr. SEIBERLING. Well, I certainly want to commend the gentleman from Tennessee for the point that the gentleman has just made. Of course, the question of registration, like the question of the renewal of the draft, like the question of the All-Volunteer Army, is a very important question. It seems to me that it is the sort of thing that ought to be dealt with as an entirely separate issue and in the past it always has been. To have it as a sort of an afterthought on a military authorization bill, it seems to me is not doing justice to the significance of this issue and to the American people, whose concern is very serious and particularly to the young people of our country who are the ones who will be the most affected.

My hometown paper has written several editorials pointing out the inequity and the impropriety of this method of proceeding.

I think it would be entirely proper to vote against this resolution and send this bill back to the Committee on Rules and the Committee on Armed Services in order that they may delete that portion of the bill and deal with it as a separate subject.

I commend the gentleman for his position.

Mr. QUILLEN. Mr. Speaker, I thank the gentleman for his contribution.

Mr. Speaker, I do have some requests for time. I will withhold until the gentleman from Texas yields.

Mr. FROST. Mr. Speaker, I have some requests for time, also.

At this point, I yield 5 minutes to my distinguished colleague, the gentleman from Connecticut (Mr. DODD), a member of the Committee on Rules, who wishes to be heard on this matter.

Mr. DODD. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to associate my remarks with those of the gentleman from Tennessee with regard to section 812 of this bill.

For the purpose of informing the membership; yesterday the House Committee on Rules voted in a 7-to-7 tie on a motion of mine to postpone consideration of the resolution before us. It was our intention with that proposal to try to convince the Committee on Armed Services to separate out section 812 so that we might deal with the issue of registration and selective service separately.

I would like to share with my colleagues in the House today the rationale that I used at the time I made that motion.

This will be the first time in the history of this country that we have ever dealt with the issue of registration or the Selective Service Act as an adjunct to another piece of legislation. In the past 203 years of history in this country, we have always dealt with this issue separately.

I would point out to my colleagues that the reason that the Congress of the United States has always dealt with this issue in that fashion is because of the very far-reaching economic, social cultural, and political problems that are involved every time we approach selective service registration and the draft.

It should be stated for the record that we are not dealing with the draft issue here. It is a registration matter, but the registration effort is the first step in the direction to reinstatement of the draft.

I would also point out to my colleagues two other points: One is that there is really no reason if we are not in an emergency situation for the Congress to even act on this matter. The President has the authority under existing law to impose registration; if he saw fit this afternoon, he could do it. So there is really no need or necessity for registration in this legislation.

I should point out that under this particular legislation we call for the imposition of registration of all males who reach 18 years of age on or before January 1, 1981. We are then also asking in this same legislation for a study to be done by the executive branch to be completed on January 1, 1980.

In effect, we are putting the cart before the horse. We are asking on the one hand for a study, but we are saying on the second hand that no matter what the study says, we are going to impose registration anyway. So I do not know why we should be asking for a study if it is going to be the will of this body to impose registration regardless of what the study may say in the final analysis.

I point out on the substantive grounds that there are a variety of means or alternatives that we could use in reaching the same effect that registration will give us. There are existing data bases that could be called upon to let us know where these young men and women may be that we may want to call upon during a time of emergency.

I met in my own State with 35 recruiters from every service. All but two of those recruiters argued that regisistration would set back their effort. For the first time in 4 years, they are finally having the ability to get into schools, to begin to talk to people.

In fact, in school districts in my own State they were denied the opportunity to go into schools and for the first time in a few years they are finally getting the opportunity. Their fear is that by imposing registration they are going to rear up again a head of a monster that does not need to be brought up at this time.

So for the reasons that I have outlined, first, historically there is no need for us to be dealing with this as a part of another legislation.

Second, the President already has the authority.

Third, we are asking for a study and also imposing registration, at one and the same time.

I would also point out that the other body saw fit to separate the issue. They decided that it was of such importance that they did not want it to be attached to the DOD authorization bill and insisted in their own Committee on Armed Services that the issue of registration be dealt with separately.

I feel that we should do the same, and for that reason I will reluctantly oppose this rule.

Mr. Speaker, I thank the gentleman for yielding.

☐ 1750

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if this rule is adopted and the bill passes, there is a great possibility that the Senate will only have an opportunity to discuss this measure in conference. I do not see why the measure on its own cannot be presented to the House, because it is an important measure.

If we need registration, then we should have registration. I for one do not believe that the American people are ready to think about military action in any way when this Nation is domestically so much in a crisis that I am afraid another wrong step could lead into some kind of a revolt.

Mr. Speaker, at this time I yield 4 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I urge support of the rule by the Members.

One always has the choice to fight a rule if he wishes, especially if the substance of the bill is objectionable to the individual Member who might lead that battle. But the rule before us has been described correctly by the gentleman from Texas (Mr. FROST), and the Members should know that there is no way by which you are going to remove draft registration from the bill by defeating this rule. In fact, this rule addresses registration opponents' concerns by separately allowing 1 hour of debate on that one section of the bill, with the time being divided between the opponents and proponents, a suggestion I made in the Committee on Rules.

The suggestion was also made by the gentleman from Connecticut (Mr. DODD) that the Committee on Rules arrogate unto itself the right to decide whether or not other committees of the House will be allowed to include certain matters in a bill. He objects to registration, and he advanced the theory that if we do not give this bill any rule at all the rejection would force the Committee on Armed Services to deal with this, pull the bill back, remove this section, and report it out again and then we would give it a rule.

That places the Committee on Rules of the House in a position of rewriting legislation for every committee. It has been done in the past, but not every often, and it should not be.

My suggestion to the opponents is not to vote against the rule but to deal with the issue squarely when it comes before the House under the 5-minute rule and under the 1 hour of debate. At that time the motion can be offered to strike the entire registration section, and each Member can make his judgment.

But as far as debating the merits of registration or reimposing the draft, that is not our job in the Committee on Rules. That issue is in the Committee on Armed Services, and the members of the Committee on Armed Services can defend their product far better than we can.

So, Mr. Speaker, my suggestion is that we support the rule and allow the House to work its will during general debate and during the 5-minute rule, and if the Members do not like the section on registration, they can vote it out, but the Committee on Rules does not have the proper jurisdiction to take this action.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I always thought that one of the functions of the Committee on Rules is to decide what is the proper and orderly way to take up issues before the House, and the complaint against this rule is that we have two entirely separate major issues to debate as separate issues, and we should not have the registration question buried in a much larger context.

Mr. BAUMAN. Mr. Speaker, I say to the gentleman from Ohio (Mr. SEIBERLING) that he is correct. Theoretically, the function of the committee is to allow orderly procedure, but it is not unusual for committees of proper jurisdiction to report totally diverse propositions within one measure.

I say to the gentleman that the Committee on Agriculture has habitually reported out food stamp increase bills tied to farm subsidies in order to get the legislation through the House.

In this case the Committee on Armed Services has jurisdiction over the military, and we reported the bill from the Committee on Rules, by one vote, admittedly. But draft negotiation should be an issue to be decided by the full House and not by our committee.

Mr. SEIBERLING. Mr. Speaker, if the gentleman will yield further, I do not question the right of the Committee on Rules to make that decision, but I also say, on the other hand, if they had decided that it was desirable to separate these two issues, it would be entirely within the province of the committee as part of its normal function to refer it back to the Committee on Armed Services and recommend that they split the two issues.

Mr. BAUMAN. Mr. Speaker, there is no way under our procedure that we can report two different parts of the bill to the House.

Mr. SEIBERLING. We can reject the rule.

Mr. BAUMAN. We can reject the rule, but this happens to be a $43 billion defense bill on which the majority of our committee felt was important enough to allow the House to work its will. At the same time we have protected the House's rights to vote on registration.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I rise in opposition, strong opposition, to this rule.

I do not believe it is fair to put such a serious problem as this in a military procurement bill; this issue such as registration and the draft. If there is ever one piece of legislation that deserves special attention, it is this.

I believe it is most serious that we take this under due consideration, and that we separate the two and study it further, but we should not bring it up in this manner.

As I understand it, this is the first time it has ever been brought up in this way; it has always been legislated separately; it has never been brought up in this manner whereby we are asked to vote on a piece of legislation such as military procurement along with this most serious issue of draft and registration.

This is a very, very controversial issue. I think our recorded history of the past 20 years is disastrous in the way we have used the draft and abused the draft. When we think of what has happened in the last two so-called undeclared wars, it is frightening. They could not have been fought without the draft, and I think this is most serious legislation we are considering. We are carelessly putting this most fundamental freedom issue on this bill and carelessly trying to curtail the most basic of all human rights—the right to use one's life as he or she sees fit.

I think that unless we consider this most deliberately, we could make a very grave error. It is not as if we do not do this today, we are in opposition to the draft or to registration. All that should be asked is that we give this more consideration more time and a fair hearing.

Mr. Speaker, I think it is just totally unfair to bring this up under these conditions. I urge the defeat of this rule.

Mrs. HOLT. Mr. Speaker, will the gentleman yield?

Mr. PAUL. I will be glad to yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Speaker, I wonder if the gentleman is aware of the number of days of hearings and the number of witnesses who have appeared before the Subcommittee on Military Personnel of the Committee on Armed Services.

We have had hearings during 1976, 1977, 1978, and 1979. We have struggled with this question of manpower in that subcommittee all during this time.

Mr. Speaker, I think this is the place, since this is a very, very important part of our manpower needs and our defense posture in this country, to bring it out. Let us discuss it. Let us tell the American people what the issue is.

Mr. PAUL. Mr. Speaker, let me ask the gentlewoman this question: Has this ever been brought up under these circumstances before, or has registration and the draft only been brought up as a separate issue?

Mrs. HOLT. It has been brought up as a separate issue, but it is being brought up at this time and presented to the President for him to make a careful study to determine how it should be done so that we are not going to rush into it pellmell.

We are not burning any bridges by including it in this bill. The Committee on Rules has given us 1 hour to air the issue completely on the floor, so I think we are giving it ample consideration.

Mr. DODD. Mr. Speaker, will the gentleman yield?

Mr. PAUL. I am glad to yield to the gentleman from Connecticut.

Mr. DODD. Mr. Speaker, I want to compliment the gentleman from Texas (Mr. PAUL) on his statement.

Let us be very honest and realistic. We all know there are a lot of items in this procurement bill. There are going to be many Members who are reluctant to vote against the procurement bill, even though they may have strong objections to registration under this particular act. But if we were allowed to deal with it separately, if we were allowed to address all of the very serious issues attached to that particular bill, I think we would end up with a far better debate and a more meaningful bill than we will when we are allocated 1 hour of general debate and time under the 5-minute rule, the amendment process.

We are just not going to be focusing our attention as clearly as we should on an issue that has such long-term ramifications.

Mr. Speaker, I think the gentleman's point is well taken.

Mr. PAUL. Mr. Speaker, I thank the gentleman from Connecticut (Mr. DODD) for his comment. I cannot conceive of a more important issue than this, and to address the issue in 1 hour is just not adequate. The most fundamental issue in the study and understanding of human freedom is to be debated when the draft is debated. It deserves respectful and thorough consideration.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I would like to endorse the comments of our colleagues, the gentleman from Texas (Mr. PAUL) and the gentleman from Connecticut (Mr. DODD). We are given 1 hour of general debate. If there is anything in the House of Representatives that is a bigger waste of time than general debate, it is probably a quorum call. So general debate is nothing.

We are talking about a procurement bill in which there are going to be amendments to various parts under the 5-minute rule. Then we are going to talk about how much time is going to be allotted to talk about registration, which is a civil liberties issue and a great issue. That determines what kind of country we are going to be, and everybody is going to be in a hurry to get some place, so we will want to limit that because we had an hour of general debate that nobody is going to be listening to.

Members are going to be stuck with a bill, and they may find registration so abhorrent—and yet they do not want to vote against a procurement bill—that it is going to be tough for them to make a decision on this item. I think that is very unwise.

We are giving the President, my good friend, the gentlewoman from Maryland (Mrs. HOLT), said, a chance to look at it; yet the bill mandates the process, I believe, by 1981.

□ 1800

I just do not fully understand why we tie in registration to this bill, when there are so many people who are strongly for national defense but strongly against the fascistic conscription type thing that follows peacetime registration. It ought to be something that the Armed Services Committee, which I respect and love deeply, had some consideration for us. They could have brought it up in another bill.

We know the bum's brush we get when we talk about military weapons systems and everything else in these bills. Now we have an entirely different issue, and I really doubt if we are going to have much time under the 5-minute rule to discuss it.

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Speaker, I simply want to say that I find it is ironic that, at a time when people are expressing great concern about the intrusion of Government into the lives of individual citizens, we are even considering this idea in the context of some other great national issue. If ever an issue deserves to be discussed only on its own, it is an issue of this magnitude in terms of the individual rights of every American citizen.

Mr. Speaker, we ought to defeat the rule.

Mr. JOHN L. BURTON. I thank the gentleman.

Mr. Speaker, in closing, I wonder how many of my colleagues can remember back, I believe, in 1940, the picture on the front page of every newspaper of the guy with the blindfold putting his hand in the fish bowl and coming up with the number 158; 158, that was the first number of a person conscripted in the peacetime draft in the United States in 1940. A lot of the people in our country remember this.

I think the gentleman from Tennessee is absolutely right. With the chaos that is going on downtown at 1600 Pennsylvania Avenue, God knows they need conscription and registration shoved on their male children who are not even of the age of 18.

The SPEAKER pro tempore (Mr. DUNCAN of Oregon). The time of the gentleman from California (Mr. JOHN L. BURTON) has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding additional time.

Mr. Speaker, there are kids who are still in high school, the males, mind you—not everybody; the males, I would remind the gentlewoman from Maryland—who are going to be the ones who have to register under this proposal. The President can do it, anyway. We are not going to get a fair shot at it. I will tell the Members that it is not really unfair to me, because I can vote against this procurement bill with or without conscription or registration in it. But for many of the people who do have a different stance on national defense, you are going to cause a tremendous moral dilemma as to whether they vote against a defense authorization bill or whether they vote for a registration bill I do not think it is fair. I do not think it is equitable. I think we ought to defeat the rule and let the Armed Services Committee come back with another bill, give them something else to do. We have the full month of August for them to separate the bills.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas (Mr. WHITE), a member of the Committee on Armed Services.

Mr. WHITE. Mr. Speaker, I want to to remind the House, first, that all we are asking for today is an open rule. Whatever the attitude of the Members is toward the contents, this is a major authorization which is the predicate for the appropriations bill that we are trying to get out. Any matter that the Members do not like, they can vote to remove. There are 10 lines that are controversial in this particular measure—10 lines—and then 3 pages that follow, asking the President for various reports. And that is all that we have.

There has been a lot of propaganda that has been sent to the Members' offices indicating that this committee has not held hearings. This committee has held hearings over the years on this topic and it has had a number of witnesses pro and con this year on this subject. Many of them.

This committee, the subcommittee, the Personnel Subcommittee, is charged with manpower levels. We are charged with making sure that we have the forces that can respond in the event of a challenge to this Nation. What has this committee seen? This committee has seen that we are 500,000 short on individual Ready Reserve; we are 180,000 short on National Guard on Active Reserve. We cannot respond if we are challenged at the present time. Let us not talk about rules, let us not talk about a separate thing. Let us talk about the danger to this country at the present time. It would take 7 months to get a man in the field to stand in an attack in Europe. This bill proposes to cut two. I know there is a challenge on the part of the report that says 13 days. But they also talk about eliminating or curtailing the Privacy Act. The Privacy Act is here, and you cannot get it any other way.

If you love your country, if you are concerned about your country, let us at least debate it, because you can at least take it off anytime you want to. Our committee is responsible for the manpower levels of this Nation. The trouble is that we probably know too much. That is what makes us agitated, that is why we got the bill out of the major committee almost without descent. There were four votes, if I remember, four or five votes against this total bill and against this registration, because we are absolutely concerned.

All this bill asks for is a standby reserve, a standby registration, not an actual draft. We are not asking people to come in now. We are just saying, "Let us take a chance, let us do what we have to do to prevent a crisis that will come in the future if we are attacked. Give us a chance to cut off those two precious months by giving us standby reserves. We cannot go out and get this information any other way. We are not telling the President how to do it. We are just merely saying, "Mr. President, go forward." Sure, he has this power right now. We are telling him to go to it because we know that we are in a crisis. We also ask a number of things, which I know the Members would want the President to do—as to the feasibility of drafting women, as to how we should proceed for an induction if we do have an induction. Selective Service is in a crisis at the present time, and if the Members do not believe it, listen to the words which I will quote of Secretary Brown right down the line, who says:

> I think that Selective Service is not in a situation now where it could meet our requirements should there be a major conflict . . . For that reason, I believe that we ought to bring Selective Service up to a higher degree of readiness.

I think we should examine it. I think we may well want to proceed with an updating of records, using existing records. I think that would probably take legislation. Every one of the Joint Chiefs of Staff came forward. Virtually every expert witness came forward and said, "We have to have stand-by legislation or else we are in the soup."

That is what we are asking for the Members to do today. It gives us a chance to debate it. We have an hour on the floor. We have ten lines, ten lines on which the question is whether it is controversial or whether it should be removed. Ten lines. Does this merit a separate bill to delay this important legislation at the present time? This committee has jurisdiction of this subject. This is part of the mobilization. This is part of the manpower, the back-up forces. That is why we went forward in this manner.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, as I understand the bill, the registration takes effect in 1981. I do not know how much delay there would be in putting it in a separate bill and bringing it up.

Mr. WHITE. There is an amendment on the floor, which I personally favor, and, from my own standpoint, I hope it is adopted, that will put it in 1980. I think it is that serious. I would like to go to 1980. Some say we cannot go to 1980 because of the mechanism. I would like to go to 1980.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume, and I would like to make an observation or two, if I may.

Mr. Speaker, if this rule is adopted it is going to open up the Selective Service Act. Practically any amendment to the act that you want to offer will be permissible.

It would seem to me that logic would prevail, that a separate bill would be brought to the floor of the House with the proper safeguards made by the Committee on Rules for consideration of such an important measure on this floor without opening the floodgate. An amendment could be offered, in my opinion, if one chooses to do so, to bring females under the registration immediately.

The other observation is that it permits the President to make a study of the matter, which is inconsistent with the logic involved, because the registration must be ready by December 31, 1980.

We only have now, I think, three or four Cabinet members serving downtown. Everything is in disarray. How do we know if any kind of study will be made? How do we know we are going to have a Secretary of Defense? I think the logic speaks for itself.

□ 1810

Let this House act. Do what it will. But let us bring out a separate measure so that we can protect the system, so that we can do whatever is necessary.

Mr. FROST. Mr. Speaker, I do have some additional requests. However, before I yield I wish to make one point. I want to make this clear.

The gentleman from California has raised the question of people maybe possibly would feel that they had to vote for the entire bill even though they opposed the draft but favored the military authorization.

I would point out that the rule as written is an open rule. The Selective Service provision is subject to a motion to strike. Under the rule as written, those persons, those Members of this House who may be opposed to Selective Service will have that opportunity under this rule. It is a fair rule. They will have the chance for a separate vote on Selective Service.

I wanted to clarify that point, because I believe the gentleman from California perhaps did not understand that aspect of the rule.

Mr. Speaker, at this time I would like to yield 2 minutes to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Speaker, I wish to associate myself with the words of the gentleman from Tennessee (Mr. QUILLEN), who says that when we debate this issue, it should be debated in full after extensive hearings before the appropriate committees, and this whole Nation should be alerted to the fact that we are about to undertake again, once again, a peacetime draft, with the registration being simply the first foot in the door.

The distinguished Senator from Georgia (Mr. NUNN), said on a program that I was on with him, that the registration is indeed the first step to the draft.

It requires far more debate, not only here in this Congress, but among the people of this Nation, to determine whether we are ready once again to embark on a peacetime draft with such terrible results in the Vietnam war days.

Do you know that we had the draft in World War I and the draft in World War II, not to bring people into the Army, but to keep them out, because the people of this Nation, when this Nation was truly threatened, enlisted in such great numbers that we needed more people on the farm and in the defense industry; and we put the draft in to make sure there were enough in those industrial areas.

Now something is terribly wrong if we must force young people to go into the Army at a time when this Nation is not sure that they belong there.

Mr. FROST. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Pennsylvania (Mr. KOSTMAYER).

Mr. KOSTMAYER. Mr. Speaker, the gentleman from Texas (Mr. PAUL) and I do not often agree, but we agree fundamentally on this issue.

A number of issues will be considered in this bill. Only one of them is the issue of registration. By virtue of the fact that it is only one of a number of issues to be considered, it will receive less consideration, and we will spend less time on it than if we were to consider it the way the other body did as a separate bill.

Further, if the amendment to strike the provision on any registration fails some Members will be compelled to vote against the entire bill on final passage.

It is an important issue. It is a fundamental issue, and it deserves more attention than this rule will give it.

The proponents of this rule have not explained why they object to considering this issue separately.

What we are talking about is denying people in this country the fundamental constitutional rights, where you live, where you work, wih whom you associate and even what you say. Because when you are drafted you lose those rights. None of us quarrels with that during wartime or when our security is directly threatened. But the issue this afternoon is peacetime registration.

If we are going to do that, and I think registration is a step toward the draft, which I think is a mistake, I think we owe the Amercian people a full and thorough discussion of the issue.

What I do not understand is why the proponents of this rule object to that.

I urge that the rule be defeated.

Mr. FROST. Mr. Speaker, I yield 1 minute to my distinguished colleague the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I think we need to confine our discussion to the rule and to the merits of the rule. I support this rule. I have heard the arguments on both sides, and they have been very impressive, but at the same time as volatile as the issue is that is in question, registration, we need to keep in mind that we are talking about just that, registration, and not the draft, and that we do have 1 hour that has been allowed.

To me, this offers ample opportunity and time for this body to discuss and to make the decision of whether or not we wish to include it in the overall appropriations bill. I think that is a very important part to keep in mind.

I urge my colleagues to support this rule and to allow this legislation to come before the House.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Mississippi (Mr. MONTGOMERY), a member of the Committee on Armed Services.

Mr. MONTGOMERY. Mr. Speaker, to no surprise to anyone, I rise in support of this rule. I will try to be very brief and say that, as the gentleman from Texas who is handling the rule, I am a member of the Subcommittee on Military Personnel of the Committee on Armed Services.

As the chairman, the gentleman from Texas (Mr. WHITE) said, we have the responsibility to report to the Congress and bring legislation before the House that affects the military personnel. This is what we have done. We have been looking into the military personnel situation under the all-volunteer concept for several years. We have been having hearings as the gentlewoman from Maryland said, since 1976, and quite frankly, ladies and gentlemen, I have been introducing legislation since 1977 to bring back the draft.

Whether we like it or not, down the road we are going to have to go back to the Selective Service System. The all-volunteer system is not working.

Now, the gentleman from Connecticut (Mr. DODD), who is on the Rules Committee—I wish the gentleman would listen—the gentleman from Connecticut (Mr. DODD) said that we do not have an emergency. When we discuss this bill next week or whenever we bring it up, I will bring a chart to the floor that will show the total Army situation, which includes the Active Army, which includes the individual Ready Reserve, the Standby Reserve, the National Guard, and the Army Reserve, which is now 650,000 personnel short.

We have got an emergency. We had better do something about it.

Quite frankly, I think the people of this country are a little ahead of the Congress on what is happening to our military.

The Gallup Poll was recently released, and the question was asked of 1,500 Americans between 18 and 24 years of age, "Would you favor or oppose registration of males only?" Seventy-eight percent said they would favor—this is 18 to 24—22 percent said they would oppose.

So, I really sincerely believe that sometimes the American people could be ahead of the Congress.

Who is supporting this registration besides the Subcommittee on Military Personnel and the House Committee on Armed Services?

The Chairman of the Joint Chiefs of Staff, Gen. David Jones, who we all have great respect for, testified before our committee that he supported registration and taking the Selective Service System out of the deep freeze. Also, all members of the military on the Joint Chiefs of Staff support registration.

Several months ago, the Secretary of the Army opposed registration, Secretary Alexander. Recently, he has come out now supporting registration. He has found out the trouble that the Army is in.

Only the first week in July, the Army has dropped back now, calling for 17-year-old dropouts from high school to come into the military service, because they are not making personnel quotas. In fact, we are two infantry divisions short in the Regular Army, because we cannot get enough to volunteer.

I guess the main point would be, what is best for our country, and the Armed Services Committee has this responsibility.

The gentlewoman from Colorado (Mrs. SCHROEDER) offered an amendment taking out registration in the committee bill. She only got 4 votes for it and 45 votes against the amendment. So one can see that the Committee on Armed Services is totally in support of registration and beefing up the Selective Service.

Now, what does it do? What does it do if we require these young men to register? It would save us 2 months in getting Americans into uniform in case there is an emergency. We really do not have any choice. If we do not adopt the rule today, we are delaying us further. Our military is in bad shape. Listen to some of us who feel like we know something about the military.

I would like to ask Members who have been out and looked at some of these military unit regulars or the National Guard in the last 2 months. I am sure that a number of the Members have not been out to look at the Regulars and Reserves as I have done.

□ 1820

Mr. DODD. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Connecticut.

Mr. DODD. Mr. Speaker, I thank the gentleman. He has anticipated my comment I appreciate the gentleman yielding. I spoke to 35 recruiters all in my own State of Connecticut and all but 2 were opposed to registration. They were doing just fine. They pointed out, in fact, that test scores were higher, that they had less desertion in every branch of the services except one, the U.S. Navy. They were getting better-qualified people.

I would point out to my good friend that he is identifying exactly what the problem is here today. He is talking about——

Mr. MONTGOMERY. Mr. Speaker, I really do not have enough time to continue to yield to the gentleman.

Mr. DODD. Let me make the last comment that this is a very serious and complicated problem and we should deal with it.

Mr. MONTGOMERY. Mr. Speaker, I say to the gentleman, thanks a lot for using my last 30 seconds.

Mr. FROST. Mr. Speaker, does the gentleman from Mississippi desire more time?

Mr. MONTGOMERY. Yes; I would like to have 1 minute.

Mr. FROST. Mr. Speaker, I yield 1 additional minute to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. I want to thank the gentleman.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I will be glad to yield to another distinguished gentleman from Texas.

Mr. GONZALEZ. I thank my very distinguished colleague that I consider does have expertise in this matter. There is one question that bothers me and that has come out. Several statements have been made that this legislation is not necessary because the President now has the authority to do this. Is this true?

Mr. MONTGOMERY. He has the authority, but as the gentleman from California said, we do not know what is going on in the White House today. He has the responsibility, he has not moved on this situation. I wish he would move out. By taking this action maybe we will have some effect on the President moving much more quickly. The gentleman is right, he has the authority. He has not done anything.

Mr. GONZALEZ. It is very bothersome, if the gentleman will yield further, because whether we like it or not he is the Commander in Chief. And it seems to me we are foistering legislation where it is superfluous if he has this authority.

Mr. MONTGOMERY. Mr. Speaker, I think that is a good argument for the point I have been trying to make. We had better move out and get something done. Thank you.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Thank you, Mr. Speaker.

I had not, like many others, intended to address this question, but I think it is extremely important. I have been around and visited recruiters in my district and in other parts of the Western United States. It is true that some quotas in some areas are being met. It is true that in many instances, we are getting a better caliber volunteer. I believe wholeheartedly in the volunteer concept for our armed forces. I think that is a wonderful idea and a wonderful transition to get us away from the drastic occurrence in Vietnam.

We have difficulties today trying to encourage our young people to take a more active part in our land and in the activities of our Nation. But the real problem that we face is that although we are getting some good volunteers, and basically meeting some reduced quotas for active Armed Forces, the real problem is, Members of this House, that our responsibility lies with the Reserves. We do not have any incentive for young people to go into the Reserves who would be drastically needed in case of an emergency. Face it, Members of the House, if there should be an emergency, an adventure by North Korea, an adventure by the Warsaw Pact into the territory manned by our troops, manned in some cases by our troops and NATO troops, for instance on the Plain of Central Europe, we have two choices under the present situation. That is either to roll over and give up territory, give up our volunteer forces, give up our present uniformed services, give up territory of our allies, or send reinforcements and raw troops from the United States. I do not think any Member of this House would like on his conscience the fact that we delayed by a vote tonight 2 months in calling up Reserves if we need them so that they might be adequately trained to give an incentive to people to go into the Reserves lest they might be drafted down the line. That is what we would do.

It has been called by our people who have fought wars, who have had the distasteful job of managing wars that we would be sending young people from our Nation in an emergency out to a pure suicide mission. I do not think anybody wants that.

Mr. WEAVER. Mr. Speaker, would the gentleman yield?

Mr. BADHAM. Yes; I yield to the gentleman.

Mr. WEAVER. Does not the gentleman feel that a major move by the Russians across into Western Europe with tanks and troops would cause immediately a whole world war, a nuclear war?

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, earlier the gentleman from Maryland (Mr. BAUMAN), pointed out the difficulty or impossibility of removing the registration aspect of this bill which, of course, leads me to do something normally I would not do, in protest, at least, to vote against a rule on the grounds that it should be a separate bill. I am aware of the fact that the rule is open, but it presents an awkward situation.

If we want to stir the young people of America up, take the first step toward compulsory military service by registering them for the draft without a provision for conscientious objection to those who would not serve because of one or another conscientious belief in military service. They might or might not accept an alternative. All options should be open to this Nation's young men and women.

Any bill which might possibly lead to compulsory military service should absolutely have it in the protection that has been afforded to the veterans of every war up until Vietnam in our history. Every single President in our history, every single President in the history of this Republic, has granted complete and total amnesty to those who refused to serve. It has yet to be done in the case of those who served in Vietnam. If ever there is to be compulsory military service again, provision for those who object to either alternative service or no service at all should and must be made, and that should be the subject of a separate bill and, indeed, a separate debate.

I do not suppose that a great majority of my colleagues feel as deeply as I do about conscientious objection. I happen to have served in the Navy in World War II. A lot of us have served. I cannot say that in the first instance I was terribly enthusiastic, and I certainly was less enthusiastic when I was called back during the Korean conflict. If I had had a conscientious objection I would not have served.

The fact is, however, that I hold absolutely nothing against all of the wonderful young people who left this country because of their conscientious beliefs, who would not even be heard by a draft board. In one of my counties in New Jersey during the war in Southeast Asia the draft board refused to give any of the youngtsers their names and addresses and they would not hear one conscientious objection case.

We are taking a very dangerous step, and believe me, the youngsters of this Nation will resent it bitterly. Registration which might lead to a draft is extremely serious business and important business. There is no rational excuse for folding it into an otherwise noncontroversial bill. I urge the defeat of the rule and a separate bill devoted entirely to the conscription question.

Mr. QUILLEN. I yield 2 minutes to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, I will be voting against this rule because I believe tonight has indicated that this should be a separate bill. Any debate at all on "registration" immediately turns into a debate on the draft, and by the third colleague's remarks we are certainly going to be debating even broader defense subjects and the need to take a good, long, hard look at our whole broad range of military forces and needs.

I have a bill very similar in number to the defense bill, 4040, H.R. 4080. It gives to any man or woman who volunteers to serve a tax credit for the rest of their life of 5 percent for a 2-year enlistment and 10 percent for a 4-year enlistment. This type of real benefit or reward is the only way that we are going to make our military forces strong.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. Yes; I will yield to the gentleman.

Mr. BAUMAN. I want to say to my friend from California, based on his recent voting record I am not surprised at his announced intentions.

□ 1830

Mr. DORNAN. I thank the gentleman for the compliment. The draft is simply not going to work. One of my colleagues pointed out that there were more people than we could handle coming into the military in World War II, this was true but the one thing that escapes everyone who discusses this matter is that during the Vietnam war there were more draft dodgers pro rated to the population than in World War II than there were in Korea or Vietnam by far. If a volunteer military will not work in this affluent Nation of ours, then I do not see how a draft can possibly work. Please vote down this rule and let us hope that the leadership of this House will bring a separate bill to the floor as fast as is humanly possible so we can get on with a thorough discussion of whether or not the volunteer military can work and see if we have developed every method possible to make it work.

Mr. CARR. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Speaker, I thank the gentleman for yielding. I would like to respond to several of the speakers who say, one, that this is not merely registration. When we pass this, we are breathing life into the entire military Selective Service Act.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. QUILLEN. Mr. Speaker, I yield 1 additional minute to the gentleman from Michigan (Mr. CARR).

Mr. CARR. That is precisely what my good friend from Mississippi wants to do. He wants to bring back the draft. We are breathing life into this entire military Selective Service Act, not only for what is good in the bill, but for what is bad in it. We should not forget the recent history of all the bad things about the draft, the inequities.

Are we going to require these registrants to carry a card? Are we going to require these registrants to file their change of address with some Selective Service Board somewhere everytime they move? Are we going to require these cards to have classifications on them? Are we going to have a lottery? Who is going to finance it? Are we going to have more draft boards? How are we going to know whether someone is 4–F or 1–A? All the questions that plagued the draft when it was put in and terminated will be back with us. We will do much better to deal with it separately and not as a tack-on feature to a military authorization bill.

Mr. FROST. Mr. Speaker, I yield 2 mintes to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Speaker, I rise in support of this rule. I think that in my listening to the discussion so far, we have gone very far afield from what is actually being presented to us.

When this legislation gets to the floor I will not support this registration because I do believe that when we reinstitute the draft, we should do it in a specific piece of legislation. But, I think it is timely and an appropriate manner to consider the work of this committee. I appeared before the committee. I think they conducted comprehensive hearings, and I think this rule presents the responsible method to dispose of the result of that committee work in presenting us with really the first step toward addressing the real deficiencies that exist in the current all-volunteer system.

I disagree with the method that the committee has selected. I think we ought to do it in a more comprehensive manner, but I think that the proposal the committee submits to us is submitted in a responsible way. The Rules Committee has acted responsibly, and the House can act responsibly in starting a debate on whether or not the system works.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Texas.

Mr. WHITE. I wanted to bring up this point: It is true that the bill does not change the basic law as to conscientious objectors or any other phase mentioned by Mr. THOMPSON. Also, there is no classification presented in this particular measure. We only went to registration and tried to limit it as much as possible. The cost is less than $10 million.

That is why we talked about males reaching the age of 18, trying to get just the beginnings of Selective Service, the mechanism, without the draft. It is merely standby legislation. I merely wanted to point that out.

Mr. QUILLEN. Mr. Speaker, I want to say again that if this rule is adopted it opens up the entire Selective Service System. Second, I come from a State that, when there is a national emergency, when this Nation's security is challenged, we are called, "the Volunteer State." People in Tennessee respond to that challenge. But today, with the crisis as we have it domestically, the challenge simply is not there.

Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I would just remind all of the Members who have debated the issue of registration—and I am not at all sure I want to vote for it and I certainly am not very much in favor of a peacetime draft—they can debate all they want, but this rule does not withhold any rights to address the issue they would have even if a bill were considered separately.

Members will have an hour's debate just on this issue alone, but there are 3 hours of additional debate on the rest of the bill, and that can be used also. The other day the House spent 3 hours debating whether to add $3 million for the whale commission at the State Department, so surely there will be plenty of chance to debate fully and address the issue of draft registration.

But, I suggest that the opponents here are trying to defeat registration and do not want to address the issue; they do not want it ever to come to the floor.

Mr. QUILLEN. Mr. Speaker, I would remind the gentleman from Maryland that if this rule is adopted the registration remains in the bill. The final vote is on the DOD weaponry bill, so I think it is going to cause a dilemma for those who support a great national defense and who are against registration. A decision will have to be made, and that is why these two measures are put together. They should not be, and I urge a vote against the rule.

Mr. FROST. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I wish to reiterate a very simple point. This is an open rule. There is an opportunity for those who oppose the draft to vote in favor of a motion to strike that section. They will not be hoodwinked; they will not be blackmailed into voting for the draft because it is tied to a military authorization bill. It will be a separate vote, a separate opportunity to express themselves.

Further, Mr. Speaker, I would point out that this Congress, justifiably or unjustifiably, is often criticized in the press and otherwise as ducking the tough issues. To defeat this rule ducks the tough issue of Selective Service registration. Adopting this rule gives the Congress the opportunity to express itself clearly, gives those who oppose the draft the opportunity to vote no on the draft and those who favor Selective Service registration the opportunity to vote "yes."

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that noes appeared to have it.

Mr. WHITE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 219, nays 158, not voting 57, as follows:

[Roll No. 365]

YEAS—219

Abdnor
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Anthony
Archer
Ashbrook
Aspin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Bonior
Bouquard
Breaux
Brinkley
Brooks
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Collins, Tex.
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Davis, S.C.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dingell
Donnelly
Dougherty
Duncan, Oreg.
Edwards, Ala.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fazio
Findley
Flippo
Fountain
Fowler
Frost
Fuqua
Gaydos
Giaimo
Gingrich
Ginn
Goldwater
Goodling
Gore
Gradison
Gramm
Gudger
Hagedorn
Hall, Tex.
Hammer-
schmidt
Hance
Hanley
Hansen
Harsha
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Horton
Hubbard
Hughes
Hutto
Hyde
Ichord
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kindness
Kogovsek
Kramer
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lujan
Lungren
McCloskey
McCormack
McDonald
McEwen
Madigan
Marks
Martin
Mathis
Matsui
Mavroules
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead,
Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nichols
O'Brien
Pashayan
Pepper
Perkins
Pickle
Preyer
Price
Rhodes
Ritter
Roberts
Robinson
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Scheuer
Sebelius
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Snyder
Solomon
Spence
Stack
Staggers
Stanton
Stenholm
Stratton
Stump
Symms
Synar
Taylor
Thomas
Treen
Trible
Udall
Ullman
Vander Jagt
Volkmer
Walgren
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wright
Wyatt
Wydler
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—158

Addabbo
Akaka
Anderson,
Calif.
Andrews,
N. Dak.
Applegate
Ashley
Atkinson
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bingham
Blanchard
Boner
Bonker
Brademas
Brodhead
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corcoran
Corman
Crane, Daniel
Crane, Philip
Danielson
Dannemeyer
Davis, Mich.
Deckard
Dellums
Dixon
Dodd
Dornan
Drinan
Duncan, Tenn.
Eckhardt
Edwards, Calif.
Evans, Del.
Fascell
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frenzel
Garcia
Gephardt
Gilman
Glickman
Gonzalez
Grassley
Grisham
Guyer
Hall, Ohio
Hamilton
Harkin
Harris
Hawkins
Heckler
Hollenbeck
Hopkins
Howard
Jacobs
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lehman
Leland
Long, Md.
Lowry
Lundine
McDade
McHugh
Maguire
Markey
Marlenee
Mattox
Mazzoli
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Murphy, Pa.
Natcher
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Paul
Pease
Petri
Peyser
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Roe
Rosenthal
Roth
Roybal
Runnels
Russo
Sabo
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Smith, Iowa
Smith, Nebr.
Snowe
Spellman
St Germain
Stangeland
Stewart
Studds
Swift
Tauke
Thompson
Traxler
Van Deerlin
Vanik
Vento
Walker
Waxman
Weaver
Weiss
Wirth
Wolpe
Wylie
Yates
Yatron

NOT VOTING—57

Anderson, Ill.
Boland
Bolling
Bowen
Broomfield
Brown, Calif.
Coleman
Conyers
Dicks
Diggs
Downey
Early
Edgar
Edwards, Okla.
Emery
Erdahl
Erlenborn
Fish
Flood
Forsythe
Gibbons
Gray
Green
Guarini
Holtzman
Huckaby
Ireland
Jeffords
Jenrette
Kemp
Luken
McClory
McKay
McKinney
Marriott
Miller, Calif.
Moakley
Moffett
Murphy, N.Y.
Nelson
Nolan
Patterson
Pritchard
Pursell
Railsback
Rodino
Rose
Rostenkowski
Schulze
Solarz
Stark
Steed
Stockman
Stokes
Williams, Ohio
Wilson, C. H.
Wolff

□ 1850

The Clerk announced the following pairs:

On this vote:

Mr. Solarz for, with Mr. Gray against.

Until further notice:

Mr. Guarini with Mr. Broomfield.
Mr. Moakley with Mr. Railsback.
Mr. Early with Mr. Emery.
Mr. Steed with Mr. Erlenborn.
Mr. Charles H. Wilson of California with Mr. Pursell.
Mr. Wolff with Mr. Marriott.
Mr. Rostenkowski with Mr. McClory.
Mr. Jenrette with Mr. Coleman.
Mr. Boland with Mr. Williams of Ohio.
Mr. Downey with Mr. Pritchard.
Mr. Flood with Mr. Green.
Ms. Holtzman with Mr. Forsythe.
Mr. Rodino with Mr. Fish.
Mr. Rose with Mr. McKinney.
Mr. Patterson with Mr. Stockman.
Mr. Stokes with Mr. Schulze.
Mr. Ireland with Mr. Erdahl.
Mr. Murphy of New York with Mr. Jeffords.
Mr. Diggs with Mr. Kemp.
Mr. Brown of California with Mr. Edwards of Oklahoma.
Mr. Dicks with Mr. Miller of California.
Mr. Stark with Mr. Edgar.
Mr. McKay with Mr. Luken.
Mr. Moffett with Mr. Nelson.
Mr. Nolan with Mr. Conyers.
Mr. Bowen with Mr. Huckaby.
Mr. Gibbons with Mr. Anderson of Illinois.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3000, DEPARTMENT OF ENERGY AUTHORIZATION, 1980–81

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–367) on the resolution (H. Res. 379) providing for the consideration of the bill (H.R. 3000) to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3180, AUTHORIZING SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENT OF ENERGY FOR FISCAL YEAR 1979

Mr. DERRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–368) on the resolution (H. Res. 380) providing for the consideration of the bill (H.R. 3180) to authorize certain supplemental appropriations for the Department of Energy for fiscal year 1979 and to make certain amendments relating to the administration of such Department, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 51, FUELS TRANSPORTATION SAFETY AMENDMENTS ACT OF 1979

Mr. DERICK, from the Committee on Rules, submitted a privileged report (Rept. No. 96–369), on the resolution (H. Res. 381) providing for the consideration of the bill (H.R. 51) to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes, which was referred to the House Calendar and ordered to be printed.

CORRECTING HOUSE RESOLUTION 375 RELATING TO ORDER OF APPOINTMENT TO COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to correct House Resolution 375 in the order of appointment to the Committee on Post Office and Civil Service to show that the gentleman from Pennsylvania (Mr. YATRON) follow the gentleman from Nebraska (Mr. CAVANAUGH) in the seniority order of the Committee on Post Office and Civil Service.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3920, UNEMPLOYMENT COMPENSATION RE PER DIEM COMPENSATION

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 352 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 352

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3920) to amend the Unemployment Compensation Amendments of 1976 with respect to the National Commission on Unemployment Compensation, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 352 provides for the consideration of H.R. 3920, an act to extend the National Commission on Unemployment Compensation. The resolution allows 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. This is an open rule, allowing consideration of any germane amendment under the 5-minute rule.

At the conclusion of the consideration of the bill for amendment, the previous question will be considered as ordered without intervening motion except one motion to recommit.

In addition, the resolution provides for a waiver of points of order against the bill under section 402(a) of the Budget Act. Section 402(a) provides that it shall not be in order to consider any bill authorizing new expenditures for a fiscal year unless the bill has been reported by May 15 preceding the beginning of that fiscal year. Section 1 of H.R. 3920 fixes per diem compensation for Commission members during fiscal year 1980, and since the bill was not reported by May 15, 1979, section 1 is in violation of section 402(a) of the Congressional Budget Act.

However, because of the need to alleviate the financial burden imposed on Commission members by their service, and in view of the relatively small cost involved ($200,000 for fiscal year 1980), the Committee on Rules granted a waiver in this case. The Budget Committee supported the waiver.

Mr. Speaker, H.R. 3920 would extend the life of the National Commission on Unemployment Compensation from July 1, 1979 to July 1, 1980, and fixes maximum compensation for its members. The Commission was established on October 20, 1976, and is charged with undertaking a thorough study of the Federal/States unemployment insurance system and recommending improvements to the Congress. Delays in hiring Commission members have made the previous reporting deadline unrealistic. The extension provided for in H.R. 3920 would allow the Commission to complete its important work.

H.R. 3920 also provides that farm operators who employ alien workers will continue to be exempt from payment of unemployment tax on those workers until January 1, 1982, in order to give Congress sufficient time to study the recommendations of the National Commission in this area.

Mr. Speaker, I urge my colleagues to adopt House Resolution 352 so that we may proceed to the consideration of H.R. 3920.

□ 1900

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides for the consideration of the bill H.R. 3920, National Commission on Unemployment Compensation. This is an open rule providing 1 hour of general debate to be divided between the chairman and ranking minority member of the Committee on Ways and Means.

The rule waives section 402(a) of the Budget Act, requiring new budget authority to be reported by May 15 preceding the beginning of the fiscal year. Since section 1 of the bill as reported indirectly authorizes the enactment of new budget authority becoming effective October 1, 1979, and since the bill was not reported by May 15, 1979, it would be subject to a point of order under section 402(a). The Budget Committee has stated, however, that it has no objection to granting a waiver of this section because of the need for compensation for Commission members and because of the relatively small cost of the bill.

The rule also provides one motion to recommit.

H.R. 3920 authorizes pay for members of the National Commission who are not full-time officers of the United States. The effective date of this provision is October 1, 1979. In addition, the due date for submission of the final report is extended from July 1, 1979, to July 1, 1980. Finally the bill extends a provision from January 1, 1980, to January 1, 1982, excluding agricultural services performed by certain alien workers from the Federal unemployment tax. The Congressional Budget Office estimates that the provisions dealing with pay for Commission members will cost $200,000 in fiscal year 1980.

Mr. Speaker, the Ways and Means Committee reported this legislation from committee by a voice vote. Although I have in the past expressed opposition to the creation of new commissions such as this, H.R. 3920 is merely a 1-year extension of an existing commission with a modest price tag, and consequently I have no objection to the bill or the rule providing for its consideration.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

1978 ANNUAL REPORT OF NATIONAL ADVISORY COUNCIL ON EXTENSION AND CONTINUING EDUCATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor:

To the Congress of the United States:

I hereby transmit the 1978 Annual Report of the National Advisory Council on Extension and Continuing Education as required by Section 112 of the Higher Education Act of 1965.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1979*.

TWENTY-EIGHTH ANNUAL REPORT OF NATIONAL SCIENCE FOUNDATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science and Technology:

To the Congress of the United States:

I am pleased to transmit to the Congress the 28th Annual Report of the National Science Foundation.

The Foundation supports a large part of the nation's basic research in science and engineering and has national significance in its science education and training programs.

Throughout my Administration, I have frequently called to your attention that much of our social and economic progress depends upon a firm base of science and technology. In March 1979, I addressed this theme in a special message to you, highlighting the science and technology initiatives taken in my Administration in domestic, national security, and international arenas. I also pointed out that our national investment in scientific research, especially basic research, is returned to us many times over in the advances it generates in health care, energy, food production, and the protection and proper use of our resources and environment.

We live in an increasingly demanding world, in which we are called on to make judgments that affect our progress and well-being as human beings and nations. Our planning and decision-making require better understanding of the laws of nature, the effects of technological development, and the complexities of human relationships. The search for such understanding demands the aggressive development of new knowledge, an adequate supply of trained, responsible scientists, and a well-informed citizenry.

The National Science Foundation plays an important role in developing these scientific and human resources. It is my hope that this Annual Report of the Foundation will encourage your continued strong support.

JIMMY CARTER.

THE WHITE HOUSE, *July 19, 1979*.

WHY THERE IS A NEED FOR DEFENSE R. & D.

(Mr. CHARLES H. WILSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. CHARLES H. WILSON of California. Mr. Speaker, as a member of the House Armed Services Committee. I have heard the arguments made by critics of defense spending many times. But, never have I heard them so impressively refuted as in remarks made by Mr. S. A. Conigliaro, president of the Sperry Division of Sperry Rand Corp. The division is the corporation's principal contributor to new technologies in guidance and control for land, sea, and missile applications.

Mr. Conigliaro's remarks, which appear in the May-June addition of National Defense magazine, discuss the need for defense spending in general and for defense research and development in particular. His experience in the defense industry qualifies him as an expert in this field.

For the information of my colleagues I would like to briefly list some of Mr. Conigliaro's accomplishments with Sperry Rand. The list is impressive and deserving of attention.

He joined Sperry in 1946 as a design engineer and worked on shipboard computer development and missile systems integrated before becoming involved with Sperry's Polaris navigation subsystem program in 1959. In 1961, he was appointed manager of the Polaris program and in 1966 he was designated head of the newly formed systems management unit. Mr. Conigliaro has been president of Sperry since 1971.

Mr. Conigliaro is a member of several professional societies including the Institute of Navigation, the American Society of Naval Engineers. In addition he serves on the board of trustees for the National Security Industrial Association where he is also vice chairman, and the Polytechnic Institute of New York where he is chairman of the Research Committee.

I submit his remarks for the review of my colleagues and ask that they pay particular attention to Mr. Conigliaro's statements with respect to the necessary improvements that we must make to meet the challenge of the future. His arguments are, in my opinion, very convincing.

R&D FOR DEFENSE—THE VITAL INVESTMENT

(By S. A. Conigliaro)

On January 22, 1979, President Carter told America that his proposed budget for fiscal 1980 emphasizes research and development "to meet future challenges to our security." He targeted defense R&D for $13.6 billion in obligational authority. While this represents a 6 percent increase over the Fiscal 1979 amount, it represents no real increase after adjustment for inflation. At the same time, congressional advocates of non-defense programs are forming a coalition to achieve major defense cuts which would reduce even further the status quo funding of R&D.

This failure to allocate increased funds to R&D, despite the acknowledgement of its critical importance, is a relatively recent phenomenon. In the post-Sputnik decade, R&D received new emphasis and defense benefited. The Polaris/Poseidon nuclear submarines were born in that decade, as were submarine-launched missiles and multiple independently-targeted reentry vehicles. Challenges to R&D spending were few, because Soviet advances and our need to catch up—if not to maintain superiority—were obvious.

Today, while R&D remains as vital as ever to our national defense and security, increased costs and complacency are fueling criticisms of military spending. Critics argue that our entire defense philosophy needs to be restructured to save money and eliminate what they regard as inefficiency, unnecessary redundancy, and waste.

DEFENSE CRITICS

One such argument appears in a study entitled "The Price of Our Defense: A New Strategy for Military Spending." This study, excerpted in a recent Scientific American, calls for changing the nature of the triad, which the U.S. has maintained as its strategic nuclear deterrent for the past two decades. The triad includes silo-based ICBM's submarine-launched ballistic missiles, and manned penetrating bombers. One conclusion of this study is that overall R&D funding should be cut by almost 70 per cent to the equivalent of $4.1 billion in the 1980's.

Such drastic reductions in R&D may be appealing because of the short-term monetary savings they offer, but they could seriously damage U.S. defense capabilities in the future. Such reductions could compromise our deterrent and put us at a military and political disadvantage from which we would be hard-pressed to recover.

National security does not spring forth and remain with any country without determined commitment and effort. The security currently provided by U.S. defense forces is the direct result of expenditures made as long as 20 years ago. Research programs can take 10 years or longer to advance to development and production stages. If the United States winds down its support of R&D during the next decade, then by the 1990's, the Soviets will have acquired the technology to countermeasure our most sophisticated weapons systems. In some areas, they may have such countermeasure capability right now.

Our advanced technological leadership can no longer be assumed. Our military superiority can no longer be taken for granted. We have lived off our lead in technology longer than we have had a right to.

COSTS OF VIETNAM

During the Vietnam years, we put our short-range objectives of waging and winning the war ahead of our long-range military objectives. We lost ground. At the same time, the Soviets continued to increase their defense expenditures 3 to 4 per cent a year, as they had been doing year after year, since the 1950's. Along with this increase went an increase in technological innovation and R&D in general. Since 1960, the Soviets have expanded the number of their research institutes by 30 per cent. They are determined to match, if not surpass, us in the very technology that has been our forte. They are spending twice as much on R&D as are all the NATO nations combined, according to a former chairman of the United Kingdom's NATO Military Committee. In short, they have applied unprecedented thrust to their efforts to tip the balance in their favor.

The Soviets have built up their strategic and conventional military forces on an unparalleled scale and at a far greater speed than we have. The buildup has not been in numbers alone, but in quality—in missile accuracy and in antiaircraft defense, for example. The Soviets have accelerated their efforts to incorporate new technology into all their forces, in the air, on land and at sea. They lead us in antiship missile technology, artillery, high-frequency radio wave propagation, explosive power generation, and are vying for the lead in use of high-energy lasers and high-yield nuclear weapons.

No longer can U.S. leadership presume to intimidate the Soviets with superiority in strategic weapons: Some say our deterrent itself has been deterred. A lack of will on our part to increase the deterrent's effectiveness with new technologies would seriously compromise any value it might still possess as a foreign policy tool and the foundation of our national security.

The Soviet Union's rapid rate of improvement in nuclear missiles has surprised even our top defense analysts, as Defense Secretary Brown told Congress in January 1979. Soviet missiles now have accuracies to 1200 feet; by 1983 the accuracies are likely to approach 600 feet, and the missiles could be sufficiently precise to destroy more than 90 per cent of our Minuteman missile force. If we want to keep land-based missiles as an effective component of the triad, we will have to bury our missiles or move them around, and hope that the Soviets will make no new advances, say in satellite detection of the underground sites, to make the ICBM's vulnerable once again.

Despite the growth in Soviet military strength, our own deterrent can remain convincing—provided that we keep the critical role of R&D in mind as we debate the defense budget and the long-term structure of our overall military capability.

Dr. William Perry, the U.S. Under Secretary of Defense for Research and Engineering, believes that "the key to our successful competition with the Warsaw Pact countries lies in releasing our industry so that it can exploit the technology, which is available, to the advantage of defense." Releasing our industry to exploit technology is, of course, only the beginning. We must aim to translate new technology into hardware on the battlefield.

We must succeed in attaining this goal, but we won't unless industry and the federal government maintain a strong commitment to R&D in a continuing joint effort to produce superior systems and hardware to those of the Soviets.

It is reassuring to hear the President proclaim his commitment to R&D, but it is disappointing to find no real growth in defense expenditures for R&D proposed for the next fiscal year, and then to see powerful forces inside and outside government mounting an effort to slash the budget even further, against the President's inclination, and even that of the general public as well.

PUBLIC SUPPORT OF DEFENSE

Recent opinion surveys have found strong public sentiment against the United States' letting its guard down. The opinion analyst Daniel Yankelovich describes a growing public willingness to increase defense spending and to support higher levels of American military and civilian preparedness. An Associated Press/NBC poll conducted last October found that an overwhelming 70 percent of those surveyed favored maintaining or increasing the level of our defense expenditures.

We hope that this public sentiment will emerge as a positive factor in the growing debate over the character of our future military posture.

Most proposals for restructuring the strategic triad include a key role for our submarine fleet ballistic missiles. The Polaris/Poseidon/Trident nuclear submarines are the most survivable component of our three-pronged strategic nuclear deterrent, but there's no room for complacency. Some reports suggest that the Soviets are developing a new sensor system able to pinpoint the locations of the deeply submerged submarines in a 100-mile range. If this is true, it points up an urgent need for us to increase our efforts to help maintain the undetectability of our fleet ballistic missile submarines.

IMPROVEMENTS NEEDED

Some of the key R&D needs for the submarine fleet are immediately apparent. We need to reduce further all detectable emissions from our relatively quiet nuclear subs. We need to improve long-range underwater communications, to enable subs, surface ships, aircraft, and shore bases to coordinate their combat information swiftly and with minimal risk of detection.

We must also improve the accuracy of the submarine-launched missiles. This is, indirectly, a function of the sub's navigation system, since accurate missile targeting and firing is based on knowing the precise location of the submarine. An Improved Accuracy Program, which Sperry is coordinating for the Navy, is addressing this need for the new generation of Trident submarines and it will incorporate new technologies for measuring the sub's true location and initial missile firing orders.

R&D efforts relating to tactical warfare must also be expanded. One specific area stands out because of the urgency that many of our defense analysts attach to it.

The enormous tank build-up of the Warsaw Pact countries over the past decade is the single greatest threat to the NATO nations. The ratio in tank strength is about three to one in favor of the Pact. In addition to battle tanks, Soviet R&D has produced a unique vehicle called the BMP, a lightweight, armored personnel carrier with chemical and nuclear shielding. The BMP mounts a low velocity gun which fires rocket-assisted projectiles and anti-tank guided missiles. NATO has no comparable vehicle.

An overriding concern of our defense strategists is that some morning, during "routine" Pact exercises, thousands of those tanks and BMP's will roll across the borders in a massed armored assault on NATO.

Dealing with this kind of threat is a high-priority concern. Attempting to play catch-up in numbers, matching tank-for-tank, gun-for-gun, does not appear to be a realistic approach. One reason is that NATO, including the U.S., will not spend the money required to do this. We must stay ahead with a convincing deterrent based on superior technology, not superior numbers. In the area of countering a massed armor threat, precision-guided munitions (PGM's) appear to constitute a good response, and work in this area needs to be accelerated.

At a recent demonstration of precision-guided munitions at White Sands Missile Range, Defense Under Secretary Perry said that PGM's could have a greater significance to warfare than radar had at the start of World War II. Sperry, among other defense contractors, is woking in the new field of millimeter wave technology for PGM's. This new technology will be applied to guidance systems to improve operation in bad weather and under battlefield conditions, particularly where smoke is used. Millimeter wave technology promises to overcome the limitations of infrared usage for target detection. It is an exciting area: one in which the United States could assume a strong position, provided that shortsighted cuts do not take their toll on the R&D that will bring millimetrics into the battlefield.

In his State of the Union address, President Carter declared that the United States could have both SALT II and security. "Our deterrent is overwhelming," he said. This may be valid for the moment, but with continued Soviet assaults on our technological leadership, our deterrent will not be valid forever.

Recent events in Iran have shown us the error of taking for granted our preconceived ideas about foreign affairs. Only two months before the collapse of the Shah/Bakhtiar government, many U.S. officials were confident of the ability of the Shah to maintain his power and resolve his problems.

The sudden turnaround in the situation has handed us a new challenge. Will we overcome it without undergoing major upheavals in our Western society? If we cannot be flexible in our response, we will have to pay a heavy price.

Addressing our military capability, Dr. Malcolm Currie, former Director of Defense Reseach and Engineering, said, "A continuation of present trends could lead to dominance by the Soviet Union in deployed military technology in a decade."

Recent trends in Soviet military aggressiveness—not just in procurement and deployment, but in research and development—present new threats, and new challenges, to our national security. If we waver in our commitment to maintain our security through continued investment in R&D, we may find ourselves in a second-place position from which we will be unable to rise.

SHATTER THE SILENCE VIGIL

(Mr. WIRTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WIRTH. Mr. Speaker, I rise to speak as a participant in Shatter the Silence Vigil, 1979, joining my concerned colleagues in bringing the plight of Soviet Jews, who wish to emigrate, to the attention of the House.

I would like to address today the case of Grigory Hess. Mr. Hess, an electrical engineer and resident of Minsk in the Soviet Union, wishes to emigrate to Israel with his wife, Elena, and his two young daughters. Mr. Hess first applied for an exit visa for himself and his family in 1972, planning to join Elena Hess' parents in Israel.

Since 1973, when their application was refused, Mr. Hess has only been able to find work as a laborer. Additionally, his family has been harassed, threatened, interrogated, and subjected to house arrest for their status as "refuseniks." Their telephone line has been disconnected and they are victims of thorough government surveillance. Mr. Hess is continually dismissed from any menial jobs he can obtain when his "refusenik" status is discovered.

During my recent trip to the Soviet Union with the 17 Member delegation from the Congress, I participated in discussions with Soviet officials on the human rights question. We discussed our overwhelming concern for human rights—why we are so adamant about it or why it is an issue at all. Hopefully, we helped the Soviets come to realize that a more liberal policy toward this issue is essential in gaining U.S. capital and technology.

The emigration system of the Soviet Union is fraught with strict and inequitable regulations and long delays. The plight of dissidents and refuseniks in the Soviet Union is one of uncertainty and hardship. Through this Shatter the Silence project and letters to top-ranking Soviet officials, I hope we can urge greater cooperation and understanding on the part of the Soviet Government for basic human rights and privileges.

In recent months, we have seen the release of several political prisoners from the Soviet Union. Hopefully, this is not merely a token gesture, but a gesture of increasing mutual effort and good will on this front. In improving the emigration situation for Soviet Jews, we also foster a better relationship with the Soviet Union in respect to international teamwork in other areas.

I have written to Soviet Premier Kosygin concerning the case of Grigory Hess, inviting his intervention in this particular emigration problem to bring about a positive result for the Hess family. The Commission on International Jewish Affairs in Denver, Colo., has "adopted" this family's case and is also making efforts on their behalf. Though repeatedly rejected for emigration, the Hess family remains strong in their faith and desire to reach Israel.

I hope that this appeal will assist Grigory Hess and his family in some way and I intend to continue to impress upon the Soviet Government the deep concern and commitment of the American people in the area of human rights violations.

DEDICATION OF NASA TELESCOPE FACILITY ON MAUNA KEA, HAWAII

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. AKAKA. Mr. Speaker, on July 6, 1979, I was invited to participate in the dedication ceremony of the recently completed NASA infrared telescope facility, located on the slopes of Mauna Kea, on the Island of Hawaii.

It will be used mainly to provide supporting data for NASA's planetary exploration programs. Additionally, it will provide an excellent site for observation of heavenly bodies in the unexplored middle and far infrared portions of the galaxy.

Mr. Speaker, I will include at the end of my remarks the opening statement which was delivered by Dr. John Jeffries, director of the University of Hawaii Institute for Astronomy, in the RECORD. I feel that Dr. Jefferies' words commemorate the occasion very nicely, and give recognition to those who have helped in this accomplishment.

Recently, the Ways and Means Committee reported out H.R. 1319, a bill which I sponsored that would extend the duty-free entry of the 3.6 meter telescope and other articles for the Canada-France-Hawaii telescope project at Mauna Kea. I would like to urge each of you to support this bill, for it will undoubtedly prove beneficial to the project, and should, in the long run, prove to work in the best interest of science and all mankind.

Mr. Speaker, the material to which I referred is as follows:

OPENING STATEMENT

(By Dr. John Jefferies)

On behalf of the University's program and the infrared telescope facility project in particular, I welcome you most warmly to this important and happy occasion which we are celebrating today. Our ceremony will be in two parts—one here, one at lunch at the Naniloa Hotel. It seemed best not to prolong the time here because of the altitude, but rather to limit it to a tour of the building and a benediction by the Reverend Lion Ua, after that, we will go down the mountain and continue the celebration at lunch.

The infrared telescope facility, or IRTF as we call it was conceived, designed and built as a new tool for studying the universe in infrared wavelengths. This new and exciting area of astronomy opens up whole new fields for study—for example, such cold objects as planets, and dust shells surrounding stars in the process of formation.

The Institute for Astronomy has been particularly proud to have been associated with the IRTF project and we look forward to the opportunity to manage it for NASA and the wider astronomical community. Standing here today under this fine example of modern engineering, it is hard to remember the struggles which have marked its birth. The project has been under way for a long time and many people have participated in it. At the risk of presumption, I would like to recognize some of those people:

Bill Brunk from the planetary astronomy office of NASA has been involved from the beginning and remains so today. We are all heavily in Bill's debt for the effort that he gave during the often turbulent days of the project, especially in 1975 when the mirror broke under polishing.

Jerry Smith, project manager since 1976, guided it within the University of Hawaii with a sure hand. He has earned the highest respect and admiration from all of us associated with the project. Jerry was greatly assisted by a committee of outside astronomers and engineers who generously gave their time and effort to advise us.

Fred Gillett represents this group here at the dedication today. Engineering staff at Kitt Peak National Observatory and at the jet propulsion lab projected staff at Ford Aerospace who had the prime contract for the telescope mounting, the opticians at Kitt Peak National Observatory for their work on the mirror, and many others contributed their skills and knowledge to bring the facility to completion.

This is a unique and fine telescope and one which will certainly cast a new light of understanding on the origin and structure of the universe.

A short time ago I read a copy of a letter, almost 100 years old, from King Kalakaua to a certain Captain Floyd who was associated with the then-new Lick Observatory in California. Kalakaua was expressing the need for something like that here and lamenting the general lack of interest in Hawaii in scientific matters. His wishes have been well met now, 100 years later; it has been a rare privilege to have been associated with this exciting joint program of the University of Hawaii and the National Aeronautics and Space Administration.

Dr. Frosch and President Matsuda: As the heads of the two agencies whose collaborative efforts have resulted in the completion of this fine telescope which we are dedicating today, we at the project level would like to welcome you to what is essentially your facility, and we have put together a small souvenir of this day, which we would like you to accept.

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ENDING SEX DISCRIMINATION IN THE SOCIAL SECURITY LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, I am pleased to join with Congressman JOHN BURTON and Congresswoman MARY ROSE OAKAR in introducing legislation to eliminate sex discrimination in entitlement to social security benefits.

In the 95th Congress I introduced legislation which guaranteed equal standing between men and women in their entitlement to certain benefits under the social security laws. That legislation, which was cosponsored by 85 of my colleagues, was in response to the signal sent to Congress in the landmark Weinberger against Wisenfeld decision issued by the Supreme Court in 1975.

In that ruling the Court said:

> The Constitution of the United States forbids gender-based differentiation that results in the efforts of women workers required to pay social security taxes producing less protection for their families than is produced by the efforts of men.

The Wisenfeld decision held specifically that paying survivors' benefits to a widow with children but denying them to a widower in the same situation, violated the right to equal protection under the fifth amendment. The Court observed that this distinction was based on an "archaic and overbroad generalization that male workers' earnings are vital to their families support, while female workers' earnings did not significantly contribute to their families' support."

The legislation I introduced in 1976 addressed that situation as well as discrimination in the payment of other benefits. It also removed sex-based application of the dependency requirement which was the subject of a 1977 Supreme Court decision.

In that decision, Califano against Goldfarb, the Supreme Court struck down gender-based distinctions in the payment of widowers' benefits. The Court said "this distinction invidiously discriminates against female workers by affording them less protection for their surviving spouses than it affords male workers." Justice Brennan in writing for the majority noted that congressional intent was not to provide differential treatment. but to "aid the dependent spouse of a deceased wage earner" based on a "presumption that wives are usually dependent." He observed that assumptions about the dependency of women on men are more consistent with traditional role-typing then with present day reality.

Justice Brennan's observation is supported by U.S. Department of Labor statistics which show that 47 percent of married women were in the labor force on any given date in 1977, compared with 17 percent in 1940 when the social security program was first underway. The Department of Labor estimates that 9 out of every 10 women will work outside the home at some time in their lives.

In response to these court decisions and the heightened public dissatisfaction with the discriminatory nature of the social security program Congress in the 1977 amendments to the Social Security Act, asked HEW to examine the program from the perspective of the changed roles of women and men in present day society. HEW issued its study in February of this year at which time Secretary Califano said:

> It is time for the Social Security Program to begin to face the profound changes needed to assure that both men and women have the same opportunity for fair and adequate social security benefits.

The legislation we are introducing today removes gender-based discrimination in social security benefit programs not yet addressed by court decisions or legislation. These include divorced husbands' benefits, fathers' benefits, benefits provided in the remarriage of a surviving spouse, transitional insured status, the treatment of self-employment income and the effect of marriage on childhood disability benefits.

This legislation is but a small part of an unfinished agenda for making the social security program responsive to the situations of women who work both in and outside the home. First and foremost, we must recognize in our attitudes and in our laws that marriage is an economic partnership. The social security program should allow women who work in the home a way of building independent entitlement to benefits. The proposal advanced by our former colleagues, Congressman Don Fraser and Congresswomen Martha Keys which who allow husbands and wives to share an earnings record should be seriously considered.

We must also deal with the inequitable situation in which women who have contributed to social security, realize no higher benefit in retirement than the woman who did not contribute to the program. I shall soon be reintroducing legislation which will allow couples with individual earnings records to combine their earnings so that they will receive a higher benefit than the couple where only one spouse had an earnings record under social security.

Even when a woman does have an earnings record under social security, her contribution often does not buy the same protection against disability available to men. Due to child-rearing and other familial obligations, women often have sporadic employment records. This pattern of interrupted employment makes it difficult, if not impossible, for many women to meet the "recently covered work" requirement of the disability law. Legislation I introduced early this year would remove the "recently covered work" requirement from the disability program.

Americans are becoming increasingly disenchanted with the social security program. If we really want to restore faith and trust in the program we will have to take steps to insure that it no longer disenfranchises the women of this Nation.●

NATIONAL POW–MIA RECOGNITION DAY

The SPEAKER pro tempore (Mr. Kostmayer). Under a previous order of the House, the gentleman from California (Mr. Dornan) is recognized for 60 minutes.

GENERAL LEAVE

Mr. DORNAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous matter on the subject of my special order on today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DORNAN. Mr. Speaker, this is an unusual special order, because today you will hear words like "traitor," "treason," "quisling," "collaboration with the enemy," "betrayal of colleagues," and it is an important special order. I had originally hoped to join with my colleagues who are interested in this subject of the appointment by Governor Brown of California of a man from the Vietnam conflict over whom hangs the worst cloud of any of the great majority of heroic POW's who returned to this country.

I thought that yesterday, the day that the President by proclamation had asked the Nation to pay homage not only to the POW's who were fortunately returned to us, but to the thousands of men who are still missing in action and their courageous families who have suffered for so long. Because it was going late last night, but not as late as we had anticipated, I put this special order off until today.

Those colleagues who have joined me tonight on the floor, therefore, had other arrangements tonight and, in deference to their trying to make some of these commitments, what I will do is close with my remarks and start now yielding to them so that they can attend these other functions.

Mr. BADHAM. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I yield to the distinguished gentleman from California (Mr. Badham).

Mr. BADHAM. I thank the gentleman for yielding.

Mr. Speaker, I am pleased, in a desperate sort of way, to take part in the gentleman's special order, because I think it is important. I happen to represent a good portion of that supervisorial district in the county of Orange, in the State of California, wherein the subject of this special order has been appointed by the Governor of the State of California.

Mr. Speaker, in an act of total disregard for the people of Orange County, Calif., Governor "anything for Tom and Jane" Brown appointed Edison "I'll tell you anything you want to know" Miller to the Orange County Board of Supervisors. Mr. Miller will fill a vacancy which occurred when a former supervisor was convicted on bribery charges.

When rumors began to circulate that the Governor was seriously considering appointing the controversial Miller, there was a loud cry of opposition from many of the residents of the third supervisorial district in Orange County. In all of the discussion of the possibility of such an appointment, I did not hear one resident of the district express a desire to be represented by Mr. Miller.

In spite of almost unanimous opposition among the people involved, among people who would be represented by the appointee—by the people who live in Orange County—Governor Brown offered the appointment to Mr. Miller who's only identified supporters, Ms. Fonda and Mr. Hayden, reside in Malibu. Malibu is not only not in the district * * * it is not even in the county.

Mr. Miller was a colonel in the Marine Corps and a former prisoner of war in Vietnam, but his biography doesn't end there. In 1973 Colonel Miller was retired from the Marine Corps under formal censure after returning fellow POW's testified that he had collaborated with the North Vietnamese in anti-American activities. The Secretary of the Navy John Warner made statements to the effect that the Navy had enough evidence against Edison Miller to warrant taking further steps that could have resulted in a court martial conviction. It was decided that it was in the best interests, of his family and the Navy, to censure and retire now Supervisor Miller.

In what he thought would be in the best interests of his Presidential bid for 1980, Governor Brown appointed this man of deeply questioned background to represent the third supervisorial district in Orange County. This district is comprised of a large military and veteran population. Therefore, the appointment was not only not in the best interests of Orange County but a slap in the face to those who either have served or are serving this Nation in one of the branches of the military.

To judge the propriety of the appointment, one must only look to two comments from within the Governor's own party. The chairman of the California Democrat Party was quoted as saying that the Governor's "action reflects a lack of interest and concern for the needs of Orange County and * * * a preoccupation with what he feels will be most useful to him in his national Presidential campaign." An aide to Governor Brown recalled a conversation in which the Governor kept saying, "I've got to shore up the left. I've got to shore up the left." If that was his intent, it was at the expense of the people of the third supervisorial district of Orange County.

Mr. DORNAN. Mr. Speaker, I thank the gentleman for his remarks.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I yield to the distinguished gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, the gentleman to which reference has been made, Mr. Edison Miller, appears to be and is now the new supervisor in Orange County, Calif. This district is essentially contiguous with the 39th Congressional District, the district which I am privileged to represent in this body.

We were deeply concerned in our county because we have had a history of very sad performance by public officials. We have had something like 40 or 45 public officials who have gone on trials for various crimes, and the previous occupant of this seat, Mr. Diedrich, was convicted of bribery, so a vacancy came into existence. Under the law, our governor could appoint a replacement. We have many qualified men and women in our county who are fully qualified for this job, but he chose to appoint a person with no prior experience in government at all, a man who brings with him a great controversy over his conduct in the Vietnam War.

In looking up just exactly what went on over there, I found out, by a little research, that Mr. Miller, when he was in the military—he was in the Marine Corps—exhibited a great deal of enthusiasm for his work as a pilot. For instance, a record of a portion of a book written, entitled "POW," showed as follows: Warner recalled that whatever dislike Miller now professes for war, he had flown combat with zeal, and fervor. It seemed to Warner that, far from exhibiting any notable compassion for the Vietnamese, Miller had displayed an intense preoccupation with distributing ordnance upon them. Warner felt this was why Miller was now in prison.

On the day of the shoot-down, as they pulled out of an attack run, Miller had announced the loss of the aircraft's flight control hydraulic system. Standard operating procedure, on which they had been briefed only a few days earlier, was to head for home or for an area where they might be easily rescued, such as at sea. But Miller had reported the problem. Warner had assumed that they would do as instructed and was amazed when the squadron commander elected to remain in combat. He had several bombs left and meant to use them.

In a post release interview, Warner recalled that he tried to dissuade Miller, but to no avail. Likewise, Miller recalled that, had he followed the instructions, he would have gone home. Minutes later, in any case, both men were hanging in their parachutes.

The reason I mentioned this is because it illustrates that we are not dealing with a person who at that point in his life was reticent about his involvement in the war in Vietnam. He was dedicated to achieving his objectives of working his way up, as he called it, to be a general in the Marine Corps.

Then we find later on in the same book, we find the same Mr. Miller, in the same book, on page 575, reading in part, as follows:

> Wilber and Miller were installed in a room at one end of the building, and the other 24 men were assigned more or less evenly into the other five rooms. From the outset, the accommodations accorded Wilber and Miller and the conditions of their confinement were a source of intense irritation to the others. The two seniors had a flush toilet, which remained off limits to the others—they were still required to use waste buckets. Wilber and Miller enjoyed many other niceties that were denied the others; a table, a bench, writing materials, potted plants, and an aquarium containing several goldfish, curtains on the windows, extra blankets, extra clothing, extra food. Most annoying to the others, though, was the extra freedom the two were granted. Their door was unlocked and 5:30 a.m., and they had the run of the compound until bedtime at 9:30 p.m. The others were allowed out of their cells from 8 a.m. until 10:30 a.m., then they were locked up again until siesta was over at 2 p.m. They were locked up again for the night at 4:30 p.m.

The relevance of this particular quote is quite simple. Before the shootdown, Mr. Miller was obviously intent on prosecuting the war with vigor. Afterwards, he had taken up a posture as a prisoner of war, of violating his code of conduct of the military and, obviously, had done things which prompted his captors to give him treatment which was not given to his fellow prisoners.

The question is, do we want a gentleman of this type, who will sell out, in effect, his peers, for the purpose of personal advancement in terms of what he sees to be the light?

I question whether we want a person such as that serving in any public body in this country, let alone in a responsible position in Orange County local government.

☐ 1920

Let us not kid ourselves. There is only one reason that Jerry Brown, the Governor of California, put this man Miller on the Board of Supervisors of Orange County. There will be an election for the U.S. Senate in 1982. That is the expiration of the normal term of Senator HAYAKAWA.

It is not secret that Mr. Hayden seeks and covets that seat very dearly. It is a matter of known fact that the reason Mr. Miller was appointed to this job was on the recommendation of Mr. Hayden and Jane Fonda. I question that is a good recommendation for appointment to this position, and it points up that what Mr. Hayden is after is someone to give him contact in the infrastructure of the political climate of Orange County. We resent very highly that Mr. Brown, our Governor, would use this aspiration of Mr. Hayden as a means of advancing the cause of Mr. Hayden to run for the U.S. Senate.

We do not want the recommendation of a couple of Socialists who aspire to higher office in this country having one of their own in a position of local government in Orange County.

I would suggest, Mr. Speaker, that in the very near future the people at the local level will demonstrate quite clearly by either recall movement or in the election which Mr. Miller must stand next June in our primary, that he is not wanted in this job; and we will make short shrift of his being there to tell him that the Governor has made a mistake in placing him in that position.

Thank you.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I yield willingly to the distinguished gentleman, also from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. Mr. Speaker, I would like to join the gentleman in the well in expressing my regret at this action by the Governor of California, perhaps from a different viewpoint.

When a vacancy occurs on a Board of Supervisors of one of our 58 counties in California, the Governor has an option to either permit an election or in some counties to make the appointment.

In this case the appointment that he has chosen to make, which he was not required to make under the law, is of an individual, a former regular officer in the Marine Corps, who left the Marine Corps with a letter of reprimand, under a cloud, and under circumstances which, when coupled with this appointment, attract disrepute to one of the great institutions of the United States, the U.S. Marine Corps.

The President made a very moving speech the other evening, mentioning the need in this country for restoration of the faith of our people in our institutions. Certainly at a time of peace, when our armed forces could be called upon at any time into a combat situation, public respect for the institution of the Marine Corps itself is a major consideration.

The two major Marine Corps installations on the West Coast of the United States are located in or nearby Orange County, the Marine Air Station at El Toro and the Marine Base at Camp Pendleton.

It was my privilege to serve in the Marine Corps Reserve from 1948 until I retired in 1972 as a colonel. I opposed the war from 1967 on, when I first campaigned for Congress. It is one thing to oppose the war and to exercise free speech in opposition to the war; and it is quite another, as an officer of the United States, required to be loyal to the Commander in Chief of the United States, to speak out against that policy, particularly as a senior officer, sharing custody with others of lesser rank who were looking to him for example and leadership.

The Marine Corps had its first experience with prisoner-of-war defection during the Korean war, when, with 16 nations fighting in Korea under the auspices of the United Nations, prisoners from 16 nations were put under interrogation and torture in the Yalu River prison camps.

Only 3 of some 228 marines who were taken prisoner acted in a manner which violated what we in the Marine Corps considered as the proper role of a prisoner in custody. But the code of conduct had not been defined at that time, and shortly thereafter in the early 1950's, the Armed Forces of the United States did adopt a code of conduct for the behavior of prisoners of war in captivity.

It was recognized that under torture, men, and distinguished men, could be expected to break.

There are none of us in this Chamber or none of us who ever served in the military who would not concede that under conditions of torture, we ourselves might break, and we might sign a germ warfare confession, as Col. Frank Schwabel of the Marine Corps did in the early 1950's under torture in the Yalu River camps.

There were instances in Vietnam where prisoners under torture made confessions and performed acts in violation of the formal code of conduct but no one criticizes those acts and no apology need be made for them. The difference in the case of Colonel Miller was that his collaboration and his violations of the military code of conduct, that there would be no collaboration with the enemy, that he would maintain respect for the chain of command, that he would not issue statements detrimental to the policies of the United States, his breaches of the code of conduct were, from the testimony of his co-prisoners of war, committed not under torture but were committed under circumstances in which he received special favors.

Under these circumstances, it seems to me that for Colonel Miller to be appointed to high political office is an error in judgment on the part of the Governor of California, which casts discredit on our basic institution of civilian control over the military. I regret to say that those marines and those members in the armed services who served in captivity, who suffered torture and who have universally and unanimously indicated their distress, their shame over the actions of Colonel Miller, must feel now that those in civilian authority have let them down.

I suppose more than anyone else in this Chamber, as a leader in the effort to end the war, as one whose words were quoted to those same POW's in Vietnam, as were the words of the Senator from South Dakota (Mr. McGovern), to try to indicate to those prisoners that the war was wrong and that their captivities were in vain, I feel a particular regret.

I join the gentleman in the well in his expression of concern. I think the attention of the Nation should be called to a political act which, in my judgment, casts disrepute and some shame on the political institutions of American and particularly on one of our greatest institutions, the U.S. Marine Corps.

There are many marines and former marines living in Orange County, and many of them are qualified for political office.

It seems to me almost a tragedy that this particular individual was selected for this honor.

Mr. DORNAN. I thank the gentleman for joining us in this special order, with his eloquent remarks.

I might add that several POW's visited my office today and expressed particular interest in hoping that the gentleman from California (Mr. McCloskey) would join us in this special order. I assured them that he would and that his remarks would be eloquent, and he certainly has not let me down.

I think his effort tonight is most significant in what I had hoped to accomplish with this special order.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I yield to another distinguished gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. I thank the gentleman for yielding.

My colleague, the gentleman from California (Mr. McCloskey) has certainly made an eloquent statement as to what this is all about and what his special concerns are.

My other colleague, the gentleman from California (Mr. Dannemeyer), has pointed out what Tom Hayden seeks to gain by all of this.

I think what we must ask ourselves is what does Governor Brown seek to obtain from all of this?

I think it is rather plain that what he seeks to obtain and perhaps has obtained—time will tell—is the strong support of Jane Fonda and Tom Hayden, because he did what they asked him to. There is no mystery about it. It was admitted very openly.

I think it is probably another example of Governor Brown's self-described action of canoe paddling. He told a YMCA group of youngsters that his activities in politics sometimes resembled that of someone paddling a canoe. He said, "You paddle a little bit on the left side and you paddle a little bit on the right, and the canoe goes down the middle of the river."

Well, that might be all right with regard to common political things, but I think in this event the Governor has certainly gone far too far, and I would submit that this appointment of someone who is under a cloud, as Edison Miller is, who left the service under that cloud, does little credit to a man who quite obviously seeks to become the Commander in Chief of all of the Armed Forces of the United States.

We can imagine the kind of honor and credit that members of those Armed Forces would have for their Commander in Chief were he to achieve that high office after he has made this appointment.

I thank the gentleman for yielding.

□ 1930

Mr. DORNAN. Thank you very much for an eloquent contribution and that powerful point about a man who lusts after the Presidency at 41 years of age in such a way that it has become a media freak show every time he attempts to appear anywhere in the country or anywhere in his own State.

I would now yield willingly to the distinguished gentleman from California and I look forward to his contribution. I know how hard he has worked over the last few days to try to garner facts in this case. I would yield to Mr. Lungren.

Mr. LUNGREN. I thank my colleague.

As a Congressman from California who represents parts of Los Angeles County and Orange County, I became very much aware of this appointment by the Governor of the State not only in talking with some constituents but in reading the local news. I was extremely concerned about it not because I was one of those who served in Vietnam. I did not do that. But I had a good number of people that I went to high school and college with who did and one very good friend of mine in college was a POW for several years, as a matter of fact. I think the seriousness of this situation is something that I do not believe was fully appreciated by the Governor.

There has been some attempt, it appears to me, by statements out of the Governor's office and by statements by Mr. Miller himself to try and downplay his background in the Vietnam war and his actions as a POW. I would just like to make reference to the news release from the Office of the Assistant Secretary of Defense, September 27, 1973, in which he indicated that letters of censure characterizing the conduct of Lieutenant Colonel Miller during these periods, while they were—while he was a POW, were characterized as failing to meet the standard of conduct to be exercised by officers of the Armed Forces of the United States.

Having had the opportunity to speak to some of the gentlemen involved in this situation it became very apparent that what is crucially important to POW's during their time of captivity is the morale they happen to have as a group. The old slogan that in numbers there is strength is precisely true in those circumstances. That is why it is so crucially important here, because the accusations made against Mr. Miller involved actions that he partook in which absolutely destroyed the morale of certain individuals who were fellow POW's.

I would suggest this, if Mr. Miller continues to say, as he has said, in the past, that these are mere accusations, that he questions some of the facts involved, Mr. Miller himself holds the key to answering any unanswered question, and that is under, and I think quite properly so, under the rules and regulations that are followed by the Department of the Navy. The actual accusations made against him, the facts involved in the investigation are closed as a right of privacy. That is so as one attempts to live out the rest of his life as a private citizen those facts and that investigation cannot come forward. I think that is appropriate.

But in this case he and Governor Brown have allowed him to be put in a position of public trust, of public responsibility, and if there is a cloud Mr. Miller himself holds the key to trying to get rid of that cloud. By that I mean he is the only one who with his permission can allow the allegations, the facts of the investigation contained in the Department of Navy files to become public. I suggest that he do so.

As we know, when we decided to become members of the public in terms of public officials we opened ourselves up to much inquiry. Many of us receive questions from members of the press, for instance, about taxes and whether or not we will allow them to look at our income tax returns. We file financial reports. We open up parts of our personal lives that we would not open otherwise because of the fact that we think people have a right to know and make judgments on it. It seems to me this is precisely the case here. Mr. Miller has become a public official. There is a tremendous amount of controversy involved. There are accusations being made, and one of the defenses that has been raised so far is we do not know the precise accusations.

Mr. Miller can help us determine the validity of those accusations if he will agree to allow the files to be opened.

Let me just give a suggestion of what we are talking about. There is an article that appeared in the Los Angeles Times just the other day quoting Navy Captain John McCain, and it says:

> McCain, taken prisoner by the North Vietnamese about the same time as Miller, said he was in a cell adjacent to an interrogation room where he said Miller has made tapes "not only condemning U.S. participation in the war but also the United States as a government."
>
> The Navy captain said Miller was given food, "things like eggs, bread, bananas and fruit that none of the rest of us got."
>
> McCain said Miller and another POW made a tape "we called the Bob and Ed show"—referring to Miller and Robert J. Schweitzer, who died in a car accident after being returned to this country.
>
> "It was an hour-long conversation between the two of them. They said there was no reason for us to obey the (military) code of conduct because it didn't apply since the United States was involved in an illegal war," McCain said.
>
> "It was played to us time and again by the North Vietnamese. They say it didn't cause damage. Well, it certainly hurt morale."

Another article that appears in the Los Angeles Times this week quotes an ex-Air Force officer who, as they said, kept his antiwar views quiet despite torture during 6 years as a prisoner of war in Vietnam, but who when he did return made very, very open his antiwar comments. In asking him about this appointment this is what he said: "There is a world of difference between POW's condemning the war in America and speaking out against it to their North Vietnamese captors."

Mr. Flesher said, "I believe there were grounds for a court-martial," of Miller.

So the fact of the matter is we have at the very least a very controversial appointment by the Governor who has done it for purely political reasons, evidently to pay off certain political debts that he owes Mr. Hayden and Miss Fonda. Despite the protestations of many, many people in one of the counties I represent, Orange County, he went forward and did this. That is the cloud that has not been lifted.

I think the very least that we can ask be done is that the cloud be lifted and the cloud be lifted by the only man who can do so, Mr. Miller himself.

I would hope the gentleman, Governor Brown who aspires, as we know so very, very well, to be the Commander in Chief of the Armed Forces of the United States, would show a little more respect, a little more sensitivity to the feelings of the many, many men who served honorably in the Vietnam war, even though many of them knew it was an unpopular war. Those men who served so honorably as POW's, even though they knew it was an unpopular war, and even though many were tortured, tortured while they were there, and tortured to do things and say things critical of this country, and critical of their fellow prisoners, I would hope this order that we have today at least will assist in directing some attention to some questions that need to be addressed. I hope that the Governor in the future would reconsider such decisions and such actions and that Mr. Miller himself would realize that there is reason for a question to still be raised about his appointment and about whether he is truly a representative of the people he has now been appointed to represent, the people of Orange County.

I thank my colleague from California for calling this special order. I think it is extremely important that we all make an attempt to direct some attention to this unfortunate set of circumstances.

Mr. DORNAN. I thank the gentleman for his eloquent and excellent remarks, particularly underscoring the point the gentleman made that if Edison Miller feels so self-righteous about the fact that it is 1 or 2 POW's against 556 other of the men who suffered in those camps, then all I want to do is release that letter of censure. We all respect the Privacy Act. We all believe in secured credit files and their being kept private, and military records that involve letters of reprimand and letters of varying degrees I believe should be kept private; but in this case this letter of censure forced him out of the Navy and would have prevented him from ever being promoted again. That was the purpose it was to serve. The only reason he escaped court-martial, according to the Secretary of the Navy and the DOD chiefs at that time was because they did not want to cause the other POW's to go through a reinterrogation at a point when there were multiple divorces and adjustments, and terribly human tolls and suffering that were still continuing even after they had come home. Many of the POW's were ready to bite the bullet and testify to keep faith with themselves, and also the men they left in Hanoi who were tortured to death. Some of them were starved to death and 100 or more killed in the village, Jim Keasler said, but particularly the men that the Cubans literally beat to death during the worst torture period of 1968.

☐ 1940

I will later on in my remarks point to this unbelievable difference in situation between the absolute favored treatment that Edison Miller and Walter Wilbur got, and a few others who saw the errors of their ways and came back home, as were the words used in the tap code system, and the unbelievable, medieval torture some of the men have suffered.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I yield to the distinguished gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague from California for calling this to the attention of the House because Edison Miller, who has been appointed to this job, this representative job in Orange County, is a symbolism of the very worst that occured during those terrible times in Vietnam; a person who would turn on his own, who provided substantial assistance to our known enemy, and to have this occur as a result of an appointment process by the Governor of our State, I think, is a very sad commentary. That is so especially when we realize—as a matter of fact, an Orange County assemblyman, Richard Robertson, a Democrat, when asked about this appointment said that Edison Miller, and I quote, "is Vietnam's answer to Tokyo Rose."

Now, that is a fellow Democrat commenting on our Governor's appointment. He summarized very quickly the agony that occurred to all of these fine POW's who were trying in every way they could to withstand the torture, as the gentleman has already explained, and others have, the torture and the insidious attempts to woo away these fine men to help the enemy. Here was one, Mr. Miller, who obviously helped very openly.

To have our Governor, who as we all know is seeking higher position than he now has, participate in giving voice to that symbolism of the worst kind of activity during the Vietnam war, I think, is a very sad commentary, but it is even worse when we consider that it was done for such obvious political reasons because our good Governor had tried to show that he was a strong fiscal conservative by being for a balanced budget and all of these things. That he now has used his appointment process to politically satisfy the extreme left in his own party, I think, makes it even worse. It is a crass appointment just to keep the yelping group from his extreme left from nipping at him, as they were doing because he was advocating a balanced budget and many of the things that the gentleman and I agree with, to utilize this appointment to give appreciation to a symbolism of the worst kind, I think, is just a tragic mark on our history in California.

To do it for political reasons that are so obvious, I think, makes it even far more of a calamity. But, we are getting used to seeing that kind of action by our Governor from time to time.

I appreciate the time the gentleman has taken to discuss this here today, because it is a national issue when we are trying to again renew our efforts to get recognition from the Vietnam Government of the missing in action and show our American people that this week we have not forgotten our POW's, to have our Governor so blatantly misuse, I think, an appointment power I do not think the gentleman—if we could call him that—Mr. Miller is even qualified for the job, much less being used as symbolism for this worst kind of carping criticism from the left that he was becoming too much of a conservative. So, he makes this kind of misuse of his appointment power.

So, I thank my colleague for taking this time and addressing it properly so that not only the House but, hopefully, our own State will know that there are public officials who are concerned about this misuse of an appointment power.

Mr. DORNAN. I thank the gentleman for his eloquent remarks. I know that as he travels throughout the State of California in the coming year and a half, he is going to hear this issue brought up again and again, because it is a national issue.

● Mr. MICA. Mr. Speaker, to former servicemen and women of the United States who fought in the four wars of this 20th century and were taken prisoner by our enemies, and to the families, friends and loved ones of those who were and perhaps still are missing in action, this is an important day. It is National POW/MIA Recognition Day—the day set aside by a resolution passed overwhelmingly by the Congress and proclaimed by the President.

On this day, Mr. Speaker, we honor those soldiers, sailors, marines, and airmen who gave their freedom, and in many cases, as Lincoln said in his Gettysburg Address, "the last full measure of devotion"—during World War I, World War II, and the Korean war and the war in Vietnam. Though on Memorial Day each year, we salute the memories of all our fighting men and women who gave their lives in all the wars fought by our great Nation, and though on Veterans Day we honor all those who have defended this Nation, never before have we paused to pay tribute to POW's and MIA's on a special day.

Now this Nation has such a day, Mr. Speaker. July 18, 1979, is a day of special honor for those fighting men and for their families, friends and loved ones. Many of those families are still suffering—missing the sons, husbands, fiancees and relatives who went off to fight, were reported missing in action and still, to this day, have not been heard from. The deaths have not been reported. Their fate is unknown.

As a member of the House Task Force on POW/MIA's and as Florida's only member of the House Veterans' Affairs Committee, I will continue to work for a final accounting of all our missing men in Southeast Asia, as well as the rest of the world. Also, I feel we should pay special tribute to those individuals who were captured and spent much time living in deplorable conditions.

So it is for these families and loved ones living with their tragic wondering, as much as it is for the prisoners of war and the missing in action themselves that the Congress and the President have set aside this day of honor. We owe them our countries deepest gratitude and appreciation.

Thank you Mr. Speaker.●

● Mr. GRISHAM. Mr. Speaker, I wish to associate myself with the remarks of my distinguished colleague from California. The appointment of Edison Miller to the Orange County Board of Supervisors is a slap in the face of every American who served in the uniformed services of the United States.

From the information I have received on short notice, and from the remarks of others who served in Vietnam, the appointment is a grave injustice. I would like to quote Lt. Col. Hubert K. Flesher, an ex-POW who also held antiwar views but kept them quiet despite 6 years of torture. He said the appointment is "more than a mistake" and that it "is bound to cause a hell of a lot of doubts and all sorts of ill feelings."

Mr. Speaker, I agree. Hundreds of Americans were prisoners of war. It shows extremely poor judgment to select the one that allegedly openly spoke out to the Vietnamese Government against the war and against the American Government for its participation in the war, and appoint that person to a prestigious position like the Orange County Board of Supervisors.

I was a POW myself. And although I served in a different war and during a different era, I can neither understand nor condone this appointment.

I also want to point out to my colleagues that we have done a great deal lately to help our Nation's veterans. We recently proclaimed May 28 to June 3 as "Vietnam Veterans Week." As many of you remember, the purpose was to raise the self-esteem of Vietnam veterans, gain recognition for the difficult task they were asked to perform, and generate compassion for the problems a significant portion still experience as a result of their service. Now I ask you, how are these men going to feel when an ex-Marine Corps officer, who was under formal censure after an investigation into charges that he collaborated with the North Vietnamese, is appointed to a supervisorial position? Are these men going to think we paid tribute to them? Or lip service to them?

I also want to point out that yesterday, July 17, 1979, was officially designated as "National POW-MIA Recognition Day." I think the Governor of California has an ironic way of recognizing POW's. He could have, and should have, exercised better judgment with this appointment.●

● Mr. OTTINGER. Mr. Speaker, uncovering the fate of those American servicemen and civilians listed as missing remains of utmost importance to the United States. President Carter has set aside today to honor the missing in action and prisoners of war, and to assure their families and friends that they have not been forgotten. It would be easy for Americans to ignore these lost men in the face of the pressing energy crisis and rampant inflation. However, we cannot lose sight of the supreme sacrifice of the captured and interned, of the lost in combat and those never recovered.

As we honor those who never returned from all the wars the United States has fought, we must be especially aware of those for whom the agony is real and recent. Over 2,300 Americans remain unaccounted for in Southeast Asia since the cessation of the Vietnam conflict. Let us take advantage of this occasion not only as a memorial, but as an opportunity to leave no path unexplored in securing definitive information to ease the pain and uncertainty which shrouds the lives of the families and friends of those still listed as missing. The war is over, but too many of its victims' fates are still unresolved. It is a reality we cannot ignore, and which we must pursue.

The Defense Department and administration's position on the POW/MIA situation has been largely determined by speculation and presumption. They list their speculations as conclusions—"conclusions" that are challengeable in light of the "uncorrelated information" recently released by the Defense Department, including several thousand reports of live-sightings and the dramatic return of Pfc. Robert Garwood. The military services presume all POW's and MIA's dead without attempting to determine the facts. Meanwhile, Congress assumes that since the Departments of State and Defense say so, it must be. It is a sad state of affairs when one cannot rely on the information provided by Government agencies, yet we must face this as a reality which cannot be ignored.

There are indeed recourses and pressure points which are available if we are willing to take the initiative and actively settle this problem. Unfortunately, the necessary priority has never been established. Let us take the initiative today, and work toward the release and return of all prisoners, the fullest possible accounting for those whose fate remains uncertain, and the repatriation of remains of those who died serving our country. This threefold objective is realistically within our realm, and our human obligation.●

● Mr. PHILIP M. CRANE. Mr. Speaker, I rise in honor of National POW-MIA Recognition Day. On this day we pay tribute to the brave Americans who, while in the service of their country, became prisoners of war or missing in action. Since World War I, 142,227 American military men were captured and interned, 92,761 were lost in combat and never recovered.

Over 2,400 MIA's from the Vietnam war attract my greatest concern. Never before has the United States been subjected to such a callous attitude toward human life as that manifested by the Communist Governments of Vietnam, Laos, and Cambodia. Though each of them seeks our economic aid, they have done little in providing information on MIA's and POW's. Those governments claim it is our moral obligation to provide economic assistance. Indeed, it is their moral obligation to be more forthcoming concerning our missing. We cannot accept any proposal which would allow those men to be used for political or diplomatic blackmail. Those Communist governments must be held fully accountable.

The administration's lack of constructive effort on this issue is deplorable. Little has been done to convince the governments in question that we will not forget this issue. Little pressure has been applied to gain the information we seek. Little has been said by the President on this matter. We owe the 2,400-odd unaccounted for men and their families nothing less than the fullest possible accounting. There is no question in my mind that the Vietnamese and Laotian Governments have more information than they have revealed. Some of the missing were listed as POW's, but were not returned with the others. Those missing were primarily pilots and navigators, crew of aircraft over North Vietnam and Laos. After their aircraft were hit by missiles or antiaircraft fire, a substantial number of these men were observed to have successfully parachuted to the ground. It is clear, therefore, that most of these men managed to land safely. The point is that more information is available than is being provided us.

It has been over 6 years since the Paris accords were signed; it has been 4 years since the Government of the Republic of South Vietnam surrendered. Still we have yet to receive a full accounting. In August of this year, a congressional delegation will travel to Hanoi to discuss this outstanding matter. It is essential that the Governments of Cambodia, Laos and Vietnam understand that we will be decidedly opposed to considering their requests of us until they fulfill their duty. It is time for the charade to end. It is time for them to make known the fate of these missing men. It is time for a full accounting.●

● Mr. GOLDWATER. Mr. Speaker, there is not much more that I can add to what has already been said by my colleagues in the California delegation about the disgraceful appointment by Governor Brown to fill the vacancy in the Orange County supervisorial district. Marine Corps Col. Edison Miller is not an American. His censure by the Navy for his act of collaboration with the North Vietnamese in acts of brutal, cold-blooded, Hitlerian torture, while he was a captive of the enemy, is a shame to the citizens of Orange County, the people of the State of California, and to our entire Nation.

Governor Brown's act is so blatantly political, so undeserving, so inappropriate—that it is an insult to the institution of government. I only wish to reiterate what has already been articulated by the speakers who have preceded me. Governor Brown would be well advised to withdraw this appointment. It has no place as an act by a public servant. This man is not only unqualified to be a county supervisor, but is unqualified to be a citizen of this country. This brings to my mind the horrible memories of our tragic involvement in Southeast Asia. This appointment is most irresponsible and unbefitting the office of the chief executive of California.●

Mr. DORNAN. Mr. Speaker, to continue let me state that I have spoken with three men who have won this great Nation's highest decoration, the Medal of Honor, about this issue. One of them missed joining us as a colleague by seven votes. That is less than one family. In the first recount it went up to 17, and in the final recount it was still less than a hundred. He was one of about two dozen POW's who promised themselves in this 6-, 7-, 8-, 9-year nightmare of theirs that they spent in Vietnam, that they would try to come home and serve in public life so that their months and months and years of thinking about what was good and healthy about our country and what was wrong about our country could be acted upon in public office. As fate would have it, none of them have achieved this except one of them briefly in a New England State as Secretary of State, and he also lost, in a race a few months ago, to come to this House. To be the first man out of 566 with a public office, what should be an elected position, but appointed from a Governor who has never had the honor of wearing his Nation's uniform under this ghastly set of circumstances is a particular irony.

I would like to read the remarks of a close friend of mine, another highly-decorated Air Force officer, the first black American to ever achieve the rank of full General, 4-star Air Force General, the incomparable Daniel "Chappie" James, at the press conference of September 27, 1973, when it was determined to be in the best interests of the Navy that Lieutenant Colonel Miller and another Navy officer—Colonel Miller being a Marine—be let go for the good of the service. Also, the determination was made not to pursue seven court martial charges against both men because, as I said earlier, it would involve a tremendous psychological adjustment for many of the POW's to come back to Washington, D.C., and to relive this nightmare experience of theirs.

When one of the press people asked General James to specifically say what it was in Admiral Stockdale's charges, what he was accusing the men of doing, he said:

> Captain Wilbur was charged and Colonel Miller was charged with the same charges and specifications, with violation of the Uniform Code of Military Justice: Article 81, conspiracy; Article 82, solicitation; Article 92, failure to obey an order or regulation; Article 94, mutiny; Article 104, aiding and abetting the enemy; Article 105, misconduct as a prisoner; and Article 134, violation of Title 18, 52387, causing and attempting to cause insubordination and disloyalty.

That last charge, it was explained to me in my office by several POW's, that last charge destroyed the career of several dozen men because younger men that were being shot down over North Vietnam when the intensity of the war picked up in the second half of 1962, were sent to Wilbur and Miller, who functioned as Judas goats to tell these younger officers that they could do or say anything they wanted. The North Vietnamese captors kept the younger officers isolated from the oldtimers who had been there, like Floyd Thompson, since March 26, 1964.

He was in and completing his ninth year. As Alvaraz had been shot down in the Tonkin Gulf incident in August of 1954, he was well into his eighth year. They kept them from the older men and Wilbur and Miller caused these younger men to make statements that brought letters of reprimand into their files, less to be sure than the officials' letter of censure given to Wilbur and Miller, but letters of reprimand that denied these younger officers the opportunity to hold command again, if ever, in the military service. Obviously, most of all of them have gotten out of the service.

I would like to read excerpts from this book that I hold, "POW." I have read carefully 15 books on the struggle of our POW's from Nick Rose's "Five Years to Freedom" to Robby Risner's "Passing of the Night," the "Code of Honor" book by John Vermesy, the book "Hell Was in Session" by Adm. Jeremiah Denton, books like "Seven Years in Hanoi," "Six Years in Hell," "They Would Not Let Us Die." One book after another would bring to light some new aspect of the incredible depths of torture, psychological and physical that the men went through.

But the one definitive book that although it was no better in highlight areas of the personal struggle of individual POW's, it became the definitive book in telling the whole story, published by Reader's Digest, the superb job of documentation in writing by John G. Hubbell entitled beautifully and simply. "POW."

In this book, and I will submit for the RECORD for people who may have difficulty obtaining it from libraries or buying it from Thomas Crowell Press, because it was published in 1976, I will read the front page which tells the story of men who gave their lives trying to be good Americans and just as importantly good friends to their fellow prisoners.

Ron Storz who tapped out a poignant goodby with Morse code in broom sweeps as he was left behind in the infamous Alcatraz area where they had taken about a dozen of the toughest senior prisoners.

Norm Schmidt, who one night was kept awake in his cell all night long. It was the third night in a row he was kept awake by the screams of other men being tortured, he was an F-104 Starfighter pilot from a Georgia Air Force base where I had flown. I had been helping his wife back in this country at that time, a known POW. He said to his roommate:

> I can't stand this crap any more, I am going to take one shot at the first guy I can that lays a hand on me.

Three days later they came for his clothes. He was never seen again. His remains were returned through one of these token congressional trips that go seldom to Vietnam.

Ed Atterbury, a man whose bracelet I still wear, all he did was live up to the code of conduct and attempt to escape. He and John Vermesy were out overnight, they had stained their skins with iodine, woven for months conical hats, all the men helped them assemble rags of clothing to make them look like Vietnamese. They almost made it. They stayed out a day. They did not get far enough down the river. They were captured, brought back. John Vermesy was beaten for 38 days until he could not move for weeks, had to be fed by hand like an infant.

Ed Atterbury was beaten with large strips of black rubber from truck tires. I had today described to me in my office exactly how this procedure took place by the man who was blamed for the communications effort in this escape. He serves with us here on the Hill in a different capacity than Congressmen. He said they would take a large truck tire, cut a long strip of thick black rubber off, knot it in the ends so that the torturer would have a knot to hold onto and it would not slip out of his hand and they beat Ed Atterbury to death slowly over an 8-day period. Two prisoners stood on his hands, two on his legs, they stripped him stark naked and took every piece of flesh off of his body on the back.

The man telling me this story was beaten 8 days straight himself, 50 lashes per day. On one day they hit a high point of 200 lashes.

J. J. Connell, another man to whom the book, "POW," is dedicated, was a particularly good resister in the beginning. He refused to sign confessions and disgraceful attacks upon the United States that Edison Miller would sign without even smoke being blown in his face. He pretended they crippled his hand by beating him. He pretended his capacities were diminished. He kept this act going for over a year and a half until finally other prisoners felt that he really was not losing his senses. He began to lose weight. One day he disappeared. His remains were given back.

Freddy Frederick, Ken Cameron, the same type of story. Betty Ann Olsen, captured in the Tet offensive and died trying to conduct herself in a dignified way on the way up to prison in the north.

Hank Blood, a civilian man over in Vietnam with a relief mission, AID mission, tried to hang on on the way up to Hanoi and died.

Other names out of respect for the family members the author Hubbell only called the name "Robert," "Top Benson." All the others north and south who did not make it back.

One case is particularly tragic. The gentleman who is the author of the book tries to disguise his identity "The Faker." While I know his real identity, I will respect the author's reasons, because I do not know how the man's wife or children should read this book and not have nightmares for the rest of their lives. The three Cubans that were over there that our men with some resistance and bravado nicknamed "Pancho," "Carlos," and "Fidel," the Cuban torture masters that ran the entire torture program for a year and a half particularly worked over this man. The biggest of the Cubans nicknamed "Fidel" would bring this man, "The Faker," who was catatonic, could not speak back if he wanted to, would not even blink when he was punched full in the face or smashed with short strip of rubber in the face breaking his nose, closing his eyes, Fidel would get him down on the floor in front of other Americans, made to stand at attention and beat his skull into floor, pick him up, punch him into the wall, smash him until there was blood all over the cell. The Americans who were in that room witnessing it I have talked to personally. They said the tears were running down their faces. They thought they would lose their very sanity watching a fellow American beaten to death and all this time this prisoner was not even blinking. Finally, he also began to lose weight. They force fed him for months. He thought every American had had his face cut off and it had been replaced with a Russian face. He lost his sanity. He was taken off like many other missing in action and, we do not know what happened to them; he also died at some unknown place in some unknown cell somewhere without anyone there to help him or feed him.

All this time Edison Miller is groveling, willingly collaborating with this enemy and with this prison system. The Rat, the Bug, the Soap Fairy, all of these rotten torture masters that were breaking the spirit of our men, only to have our men come back and say, "You get nothing out of me until you torture me again," which I think is even more admirable and amazing than being broken, because I do not know anybody in this body or the other body that would not be broken. All this time Edison Miller, collaborating, leading younger men to destroy their careers and the amazing thing about it is that he came home and debated me on the Panorama Show in this city. It did not last long, he shut his mouth after 5 minutes and the host accused me of ruining the show, because all I said to him was—

> Look, Ed, I helped your wife, I wore your name on a POW bracelet for a while, I tried to help your children. My heart went out to them, it went out to your wife. I put your wife on my show with a 4-star Marine general, Lou Walt, and he looked her in the eyes as I did and we convinced her that you were being tortured, that there is no way any American could do the things you were doing or say the things you were saying unless they had been severely tortured and I understand they never blew smoke in your face.

He admitted that, shut up, and then outside the studio—this was in 1973—he had the gall and the arrogance typical of his performance over the last 2 weeks, to tell me that all of the men, over 90 percent of them did what he did and that they were all liars.

Where have we ever heard POW's called liars before? Out of the mouths of Jane Fonda and Tom Hayden. Hayden having the disgusting bravado to claim that these men so severely tortured were the best-treated prisoners in the history of American warfare.

I had a POW officer in my room today roll up his pants legs and show me how he had lost 65 pounds in 6 days of incessant torture during which he was forced to kneel in his own blood and excrement and where he was not allowed to sleep for 1 minute.

I do not know how many of them were punched in the face and their teeth knocked out all over the floor, how many of them were trussed up like pigs and hung from the ceiling and kicked in their faces and beaten. Only later on with the Cuban interference in this torture did they begin the sophisticated type of torture where they would work on nerve endings and spinal columns and try not to leave any marks on the men. But the chains that they wore, the shackles that were covered with pus, with skin completely covering the rusty shackles that they made the men wear, all of this while Edison Miller was shooting off his mouth.

I submit for the RECORD excerpts from the book, POW, which, if people will not take the time to read the full text, will they please just read these excerpts.

☐ 2000

Now I would like to discuss Governor Brown. I called his office the day before this appointment. Actually, I guess it was hours before. I talked to his personal secretary, Carlotta, I forget her last name, I think it is Mellon. I told her that I was calling, as someone from a different party and basically a different philosophy, in a spirit of magnanimity. I was begging her not to do this to the missing-in-action families who were at that moment coming to Washington for their 10th convention, 10 years in a row, begging for this Government to somehow or other put the pressure on North Vietnam to make a proper accounting of the missing people. I asked her please to implore with the Governor to at least wait until over the weekend. I would try to get the letter of censure.

Senator WARNER might be speaking to her, to please read the book "POW."

Then I was shocked when she told me they had read the book. They had read as much documentation as they could. They have already talked to Senator WARNER and they were taking everything under advisement that would make a proper decision.

Well, I say to my fellow citizens across this country that the censure of one person is diminished only by the fact that it is one person.

I personally today, personally for whatever it matters, censure Gov. Jerry Brown, at 41 years of age who knows absolutely nothing about the history of what went on in Vietnam, who rejected in a most harsh way the first groups of refugees to come to this country until he saw that he had not only misjudged his fellow Californians, but the whole country, if not the world, and he shut his mouth on that one and tried to reel back in his statements, a man that I have not yet heard speak out on the 1,500 people dying, the boat people who are dying all over the South China Sea today, never heard an utterance out of him or, of course, never out of Fonda or Hayden about the genocide of 2 million people in Cambodia; Hayden appearing on a local television show or radio show in Los Angeles, the Michael Jackson show, and saying, "We don't have reporters inside Cambodia. How do we know?"

How many reporters did we have inside Auschwitz and Belsen and inside Calbon and Treblinka and all of Hitler's death camps?

We knew the stories were true that were coming out. The figures were so gross, we could not believe them.

People were rejecting the Cambodian slaughter, because the countryside was literally covered with bones; not a word out of Fonda and Hayden or out of Jerry Brown or out of their lawyer, Kuntzler, or Dellinger.

We hear Joan Baez standing up, certainly courageously taking the same stand that she did during the Vietnam war and earning for her the contempt of those that are now beyond even the description of extreme left.

The documentation of what Edison Miller did to his friends and the very thought that Governor Brown read these words of what this man did, it just staggers the imagination.

And to whom do the media run for corroboration? To people like Alfonso Ray Riati. I saw this man attempting to come up and walk precincts in the Thorniss-McGovern race in 1974 with a giant picture of Ho Chi Min on his briefcase.

I went to Mrs. McGovern. I said:

> Is this what you want, Eleanor, people with Ho Chi Min briefcases running around?

She said:

> We need that like a hole in the head.

I saw them leaving the airport the next day.

No, it was one thing to be against this 10-year undeclared, undecisive war in Vietnam and one thing to question some of our policies there; but it is another thing to function in the exact opposite way to the most beautiful words in Scripture, John 13: 15, "Greater love hath no man than he gives his life for his fellow man."

Edison Miller in a most heinous way sold out his friends and did it over and over again.

I recommend to you the book, "The Passing of the Night," by my former squadron commander, Robbie Risner. Risner personally said to Ed Miller through the communications code:

> Please come back. This is your last chance. Return to the others and stop collaborating with the enemy. This is your chance to rejoin the team.

He advised them:

> You are being disloyal to your country, to your respective service, and to your fellow prisoners of war.

He ordered them to abide by the code of conduct to specifically write nothing for their captors nor make any public appearances nor to meet any delegations. He warned them that they faced court-martial if they disobeyed, asked if they would not please comply.

That next day Wilbur, who appears to have been the pathetic willing puppet of the more forceful and arrogant Edison Miller, gave the communications back in separate written messages and they called Risner's attention to their opinions on the war and said that they would not obey these orders.

Miller at one time after another said that he expected fully to be court-martialed when he got home.

Well, maybe the Navy and the Defense Department did not bite the bullet back there in 1973. I do not want to second guess that decision that this would come back, in my judgment, that it would come back to haunt them. Their decision was honorable, not to put the POW's through torture, to allow the Americans this moment of honor when at meeting after meeting, at Boy Scout meetings, club meetings, ladies' clubs, veterans gatherings, all across the country, we were celebrating what was the one moment of honor left to us, that the overwhelming majority of Americans had conducted themselves with such decency and courage that it gave our country great spirit again.

The President said the other night that we had a crisis of spirit. You read "POW" and "When Hell Was in Session" and "Passing of the Night," you talk to Medal of Honor winner Bud Day and Medal of Honor winner Jim Stockdale, who retired as commander of the Naval War College to become president of a great southern university; Jerry Denton has also become president of the university. Talk to these great Americans and you will see that this country has no reason to feel shame or to feel that there is any loss of confidence or crisis. The loss of confidence is by the American people in elected officials like Jerry Brown, who would arrogantly appoint a man considered by his colleagues to be a traitor, a collaborator, and a Vicund Quisling.

I hope that the citizens of California will, if not recall Jerry Brown, make sure that they retire him to the ignominious meetings that Fonda and Hayden attend around our State.

I take great pride in pointing to the vote in the California Assembly and State Senate the other day that was made by this fine Democrat, Mr. Robinson, a vote up or down on the Miller appointment, 78 to 0 in the assembly out of 80 distinguished men and women, and 29 to 0 in the senate out of 40 distinguished men and women.

I would just sum up my remarks with the following observation, that I would hope my fellow Californians and all Americans who come across this special order tonight would make, and that is this: Commonsense tells me that when you have one man calling all of his colleagues traitors and liars and that they all did what he did and you have men with the Distinguished Flying Cross, Bronze Star, Silver Star, Distinguished Crosses, and men whose voices literally scream out to us from the grave, because they told their roommates their opinions of Edison Miller before they died serving their country, when you have this massive body of evidence from honorable men on one side and one man, supported by a handful of enlisted collaborators, who also escaped courts-martial other than for the reasons of the merits of the case, then I would ask America and I would ask this disgraceful Governor of California, how they could possibly come to the conclusion that all these honorable, decent, good, courageous men who retire from the military with the highest of honors could be wrong and this man, who slunk back into what I hope will be private life without ever contesting really the charges against him, I ask you, which side of the argument does commonsense come down on?

Edison Miller is a lawyer. If he reads these remarks and dares to say that I say them under the immunity of the well in the House of Representatives, I remind him, I have said them to his face. I said them publicly.

Tom Hayden is suing me for $10 million. So what? Edison Miller is suing another POW, a good and honorable friend of mine, Spike Nasmythe. He is suing a fellow broadcaster in Los Angeles. I have suspicions that the money comes out of Jane Fonda's movie earnings to pay for all of these harassment type suits.

I have excellent lawyers that will defend me and make them rue the day they brought a malicious harassment lawsuit against me. I know that Spike Nasmythe has excellent legal assistance also. Let them continue their guerrilla court warfare.

Let Edison Miller accuse me of not saying this on the outside. I will meet him in debate in Orange County, Los Angeles County, on the steps of the City Hall at Los Angeles or up at Sacramento itself. He is not going to get away with this. The demonstrations have already started in Orange County.

I would just ask the good citizens there to put the blame for this properly where it belongs, at the feet of the Governor of the State of California who is no longer worthy of holding that office, let alone ever daring to mention in a sentence that he thinks he could become the Commander in Chief over men of the quality of men that kept faith with their brother prisoners and with their fellow citizens in the United States of America.

I would ask that some of the Democrats that I called twice yesterday and today in our distinguished delegation to please put party aside and join in with us. You have 5 legislative days to put your remarks in to join with the assembly and the State senate from which many of you came.

Please do not let the media have the opportunity here to say that this is a partisan solely Republican venture to take the Governor to task and to take to task this ridiculous appointment of a quisling from the Vietnam war.

I ask, I beg some of the Democrats, those of you that have worn uniforms honorably, those of you who were officers, particularly the one of you that was a fighter pilot, to join in this special order over the next 5 days so that the press knows it is bipartisan in nature.

The House has not heard the last on this issue. I will be submitting periodically in the Extension of Remarks over the next month up until the recall, or hopefully the primary defeat of Edison Miller, every piece of information that I can get and every bit of POW information that comes into my office to clarify the record on this.

□ 2010

Yes the past is coming back to haunt us, and I beg the Defense Department again to write a definitive directive on how prison camp collaboration should be handled. God forbid that this Nation should ever get into another war but I have asked the Defense Department for 6 years to give us a directive on how to handle pro-Communist people who twist the minds of all POW's by controlling the mail in and out of the POW camps. The psychological torture that other prisoners went through of seeing Wilbur and Warner allowed to walk about the compound yards and sit around sunning themselves while some men were in solitary for 4 to 5 years. Miller ate special food and left the camp in special groups to visit museums and go to parks in Hanoi and participate in God knows what.

Yet he was hoisted on his own petard, because if he had been a little less traitorous, he probably would have been released in one of the four groups of 3 men, 12 of them who were released from 1968 to 1972. But he was too valuable and so willing in his function as a puppet for his Communist captors that they had to keep him until the end. Edison Miller's release came in the first large group, way out of sequence from his shoot-down date. The men who were on that first airplane on February 12, 1973, were supposed to be in the oldtimer group that went down in 1964, 1965, and 1965. Miller went down in late 1967.

That was the final insult from the North Vietnamese Communists to our true heroes, to put the loathed Miller out of turn among real men who held him beneath contempt. He sat alone on that flight. He has not attended a single POW function for 6 years, and thank God he did not have the gall to show up at the White House dinner for the POW's in 1973.

But he now has the gall to push himself into public life and to take his first wife and his sons and all the POW's who want to forget his treason through the agony of remembering the daily insults of what he did to them. Less than 10 men did what he did and he was the highest rank and now he attacks the memory of men who were tortured to death in the process of maintaining honor and keeping faith with their friends.

Mr. Speaker, I close with a plea again to any of the Democratic members of the California delegation to join in this special order:

POW

Thunderbird, Stardust, and Desert Inn cellblocks became separate camps; and even internal communicating was dangerous. Men were unable to hold to the letter of Stockdale's BACK US policy, promulgated in March, 1967, and reading the "news"—propaganda—over the camp radio had become routine. The most arresting performance of the season was "The Bob and Ed Show." That was how many referred to a lengthy conversation between two American senior officers which was tape-recorded by the Vietnamese and played back in many prison camps. For its Communist producer, the tape was a propaganda triumph. For the most part, its American listeners, when they first heard it, were incredulous, unwilling to believe that such remarks could be extracted from two of their seniors for less than the most severe torture. But as the relaxed conversation proceeded, incredulity degenerated into profound disgust.

The tape was introduced to the prisoners as a discussion of the war between two American pilots who were meeting for the first time. It was unlike anything the others had heard before. To be sure, they had often heard other American prisoners broadcast denunciations of the war, the U.S. government, and themselves, but it had always been apparent that such statements were coerced; if they were not read in the awkward, poor English the Vietnamese wrote, they were delivered in voices that were full of the pain of torture. But there was nothing awkward about the conversation in "The Bob and Ed Show," and no pain in the tone of the men's voices. There was an easy spontaneity to the conversation, a quality of sincerity and conviction.

The conversationalists were Marine Lt. Col. Edison Wainwright Miller, who had been downed on October 13, 1967; and Navy Cmdr. Robert James Schweitzer, who was bagged on January 5, 1968. Miller had been an F-4 squadron commander, based at Chu Lai; Schweitzer had been flying off the carrier *Kitty Hawk*.

On tape, these two emphatically assured each other that America's Vietnam intervention was deplorable, that the undeclared war was illegal, that their captors had every right to call them criminals, and that they were indeed subject to prosecution as such. They agreed that since the American prisoners in North Vietnam were criminals, the U.S. military's Code of Conduct did not apply, that the captives would be foolish to abide by it. They made it clear that they had no intention of adhering to the Code, and reminded each other that imprisoned criminals in the United States got time off for good behavior. Miller said he felt disgusted by the American bombing of peaceful peasants and children.

The broadcast lasted for most of an hour. It puzzled, enraged, demoralized most of the Americans who heard it. Old hands who had suffered unbelievable torture for refusing to say such things could not believe that two senior officers would sell out in such fashion. Many worried about the effect of the broadcast on the younger, junior officers, who had been resisting the enemy's brutal attempts to enlist them in this propaganda campaign.

Jim Stockdale had been moved from Room 18 and was now isolated in another cell near the Vegas courtyard. "The Bob and Ed Show" had infuriated and depressed him. He felt it imperative that he do something, say something to counter it, but he was not in communication with anyone; since the morning of his departure from Alcatraz, no one knew he was alive. The frustration intensified his angry depression. Then a guard came, indicating that it was time for Stockdale to empty his waste bucket. As he was escorted through the Vegas courtyard toward the dump area, he rattled tap code on the bucket, a loud "BS," which meant ——!" From the cellblocks around the courtyard came a good deal of cough code that all spelled "R," meaning, "Roger!" He felt a little better.

Another American who was intensely interested in Ed Miller was Marine Lt. James Howie Warner, who was his radar operator when they were shot down. Warner recalled that whatever dislike Miller now professed for the war, he had flown combat with zeal and fervor. It seemed to Warner that, far from exhibiting any notable compassion for the Vietnamese, Miller displayed an intense preoccupation with distributing ordnance upon them. Warner felt that this was why he and Miller were now in prison. On the day of their shootdown, as they had pulled out of an attack run, Miller had announced that loss of the aircraft's flight control hydraulic system. Standard operating procedure, on which they had been briefed only a few days earlier, was to head for home or for an area where they might be easily rescued, such as the sea. When Miller had reported the problem, Warner had assumed that they would do as instructed, and was amazed when the squadron commander elected to remain in combat. He had several bombs left, and meant to use them. In a post-release interview, Warner recalled that he tried to dissuade Miller, but to no avail. Likewise, Miller recalled that, had he followed instructions, he would have gone home. Minutes later, in any case, both men were hanging in their parachutes. (pg. 480)

. . . In post-release interviews, Finlay recalled that Miller displayed little interest in his views, and said that he fully expected to be court-martialed when he returned to the United States; but Miller said that he had no idea whether he would be court-martialed, only that he did not discount the possibility. (pg. 526)

Miller once suggested that the four juniors write a joint letter to the other prisoners, urging them to cooperate with the Vietnamese. The juniors declined and Miller did not press the matter. (pg. 555)

Miller and Schweitzer continued to produce all kinds of the most virulent antiwar, even anti-American, material for the enemy. Their letters and tape-recorded messages to families and friends, congressmen and antiwar organizations were presented often over the camp radio—for example a Mother's Day message Ed Miller had tape-recorded in May. Some excerpts:

"Mothers have been suffering for the loss of injury of sons in time of war since time began. But I think this war is different . . . Today, America's mothers must face the fact that their sons are killing fellow human beings and destroying foreign countries for an unjust cause, making our actions not only illegal, but immoral . . . immorality is the rottenness which is consuming us . . .

"We are a militaristic nation of the first order . . . our foreign policy is predicated on militarism . . . our leaders offer no hope for change, only more of the same . . . My personal participation in this war is my personal shame and tragedy. My country's immoral and illegal actions which are now culminated in the tragedy of Vietnam is America's shame and a blight on the world's conscience . . ."

The prisoner leadership did not dispute any American's right to harbor such thoughts. However, they felt it inappropriate that American military officers—and worse, senior officers—should willingly and frequently deliver themselves of such remarks from an enemy prison camp. Wilber, Miller, and Schweitzer, all members of the Department of the Navy, received a message from Jim Stockdale, the senior Navy Officer in Hanoi: "Write nothing for the V. Meet no delegations. Make no tapes. No early releases. Are you with us?"

The next day Wilber and Miller replied jointly, "We actively oppose this war." (pg. 559)

Wilber and Miller collaborated on a tape-recorded, July 4, "Open Letter to the American People." It was broadcast on July 3 to American servicemen in South Vietnam. Taking turns speaking, they described themselves as patriotic American officers who had dedicated their lives to the service of their country who now had discovered that they had been "excessively politically naive, career-oriented and guilty of what is correctly termed a military mentality." Their leaders, they said, had deceived them, they had "committed aggression in Indochina," and they characterized American actions as "barbaric" and "immoral." They charged that American policy "is to economically divide and dominate the world," then ended with an Independence Day wish for "continued successes" to those who were struggling to end the Vietnam War. (pg. 559)

On August 2, Acting Wing Commander Robbie Risner initiated a dialogue with Wilber and Miller that was to culminate in the stripping of the two of their military authority.

Risner offered the two "a chance to rejoin the team." He advised them that they were being disloyal to their country, their services, and their fellow prisoners of war. He ordered them to abide by the Code of Conduct, and specifically to write nothing for their captors nor make any public appearances nor meet any delegations. He warned them that they faced courts-martial if they disobeyed his order, and asked whether or not they would comply.

The next day Wilber and Miller gave the Roadrunner communicators separate written messages for Risner. Wilber called Risner's attention to the illegality of the war but said that he would obey all legal military orders.

On the same day these messages were sent to Risner, a tape-recorded Wilber-Miller message "to the Congress of the United States, via Representative McClosky and Senator McGovern" was broadcast to American servicemen in South Vietnam. In this message the two officers commended to Congress a July 1, 1971, seven-point proposal that had been advanced by Viet Cong delegates at the Paris peace talks. Chief among the points was that the United States announce a 1971 date by which all American forces would be out of Vietnam. Wilber and Miller said this was "the only honorable way out" and called on Congress to support it. (pp. 560–1)

The accommodations accorded Wilber and Miller and the conditions of their confinement were a source of intense irritation to the others. The two seniors had a flush toilet, which remained off limits to the others—they were still required to use waste buckets. Wilber and Miller enjoyed many other niceties that were denied the others; a table, a bench, writing materials, potted plants, an aquarium containing several goldfish, curtains on the windows, extra blankets, extra clothing, extra food. Most annoying to the others, though, was the extra freedom the two were granted. Their door was unlocked at 5:30 a.m., and they had the run of the compounds until bedtime at 9:30 p.m. The others were allowed out of their cells from 8:00 a.m. until 10:30 a.m., then were locked up again until siesta was over at 2:00 p.m. They were locked up again for the night at 4:30 p.m. On Sundays, because of reduced guard force, all prisoners save Wilber and Miller remained locked in their cells all day; the two seniors were free as on any other day. (pg. 576)

Wilber and Miller continued their antiwar activities and continued to enjoy the extras their captors gave them. The patience of the others began to wear thin. Locked behind their barred cell windows while the two seniors were in the yard sunning themselves, they chided them, "Doesn't it bother you guys at all to be out there while we're in here?"

In a post-release interview, Wilber insisted that it did bother them, that he and Miller would have preferred that everyone be granted maximum outside time. However, he said, since the door to the room they shared was left open, there seemed no point in not taking advantage of it.

One evening Wilber and Miller were observed leaving the camp wearing civilian clothing, suits and ties. The next day, when other Americans inquired of them as to their destination and activity of the previous evening, the two refused to answer, insisting that they had been engaged in matters which would have no effect on the others. (pg. 579)

Wilber and Miller left the camp on several occasions. Wilber says that they visited Reunification Park, in the middle of Hanoi, attended a circus and also several museums. He insists that these entertainments were freely given, that he and Miller acquired no obligation to their captors in accepting them. (pg. 580)

Other prisoners speculated that the two men were not more valuable to their captors in Hanoi than they would be if released.

The old-timers hoped that any new arrivals who opposed the war would be military men enough to keep their opinions to themselves, at least until the war ended and they were free. But it would not be easy, especially for the younger men, when urged by two senior officers, Wilber and Miller, to join them in the antiwar movement. Viking squadron kept trying to get word to the new prisoners in the Zoo that Wilber and Miller were "bad news," had been stripped of their military authority, had no claim to their obedience, and were to be ignored. (pg. 581)

SECRETARY OF THE NAVY DECISION ANNOUNCED ON FORMER POW OFFICERS

Secretary of the Navy John W. Warner today issued administrative letters of censure to Navy Captain Walter E. Wilber and to Marine Corps Lieutenant Colonel Edison W. Miller for their conduct during certain periods of their confinement as POW's in North Vietnam. At the same time, Secretary Warner dismissed charges that had been preferred against the two for violations of the Uniform Code of Military Justice.

The letters of censure characterized the conduct of Captain Wilber and Lieutenant Colonel Miller during those periods as failing to meet the standards expected of officers of the armed forces of the United States.

Upon receipt of the charges, Secretary Warner directed the Judge Advocate General of the Navy to review the charges in the light of the investigative records relating to the cases. After considering the views of the Judge Advocate General, the Secretary determined that he would act as the convening authority under the Uniform Code of Military Justice with responsibility for disposition of the charges. Then the Secretary personally interviewed 19 former POW's, identified as possible witnesses in the event of further proceedings under the Uniform Code of Military Justice.

Secretary Warner's decision to issue letters of censure but to dismiss charges was based upon this extensive personal review.

Secretary Warner concluded that the convening of a pretrial investigation under Article 32 of the Uniform Code of Military Justice was warranted by the evidence. He further concluded, however, that any beneficial purposes which might be served through the conduct of such a public investigation, and through a possible subsequent trial by general court-martial, would be more than offset by the disruptive effects such proceedings would be bound to have upon the entire community of former POW's and their families.

Further lengthy investigative and trial proceedings would necessarily involve extensive public reinterrogation of many former POW's concerning their lives in captivity. They would thus be compelled once again to relive this period at a time when they and their families are attempting to resume and reconstruct their normal lives and careers.

Secretary Warner also announced that both officers will be retired. The Secretary determined that both retirements would be in the best interests of the Naval Service.

(This is not a verbatim transcript; it is prepared from notes which contain the sense of the answers only.)

Announcements:

1. On the Hill: Deputy Secretary of Defense Clements and Chairman, JCS, Admiral Moorer, testified at 10:00 AM before the House Armed Services Committee, regarding flight pay; various other representatives are appearing before House Appropriations Committee regarding FY 74 Defense appropriations: Lt. Gen. Evans, USAF Deputy Chief of Staff, R & D, will be the chief witness.

2. Media representatives are invited to attend the Defense Orientation Conference Association briefings to be held between 9:00 and 11:00 o'clock, tomorrow, September 26, at the Pentagon. The program will include a welcome by myself at 9:00, followed by remarks by Maj. Gen. Martin G. Colladay, Vice Director of the Joint Staff at 9:15, and remarks by the Deputy Secretary William P. Clements, Jr., at 10:15.

3. Secretary of Navy Warner today issued administrative letters of censure to Capt. Walter E. Wilber, USN, and to Marine Corps Lt. Col. Edison W. Miller, USMC, for their conduct during certain periods of their confinement as POWs in North Vietnam. At the same time Secretary Warner dismissed charges that had been deferred against the two for violations of the Uniform Code of Military Justice. The letters of censure characterized the conduct of Captain Wilber and Lt. Col. Miller during those periods as failing to meet the standards expected of officers of the armed forces of the United States.

Q. How does this administrative letter affect your rank among various actions like a reprimand and . . .?

A. It's a different thing from actions taken under the Uniform Code of Military Justice; it's a traditional authority that is given to the Secretary of the Navy and to him alone in this circumstance.

Q. It is more severe than a reprimand, less severe than a reprimand?

A. They rank about the same. I have for you the paragraphs from the JAG's manual that describes a letter of censure. Anything, of course, goes into a man's jacket that is of derogatory nature, such as a letter of censure or a letter of reprimand.

Q. Is it any different than a punitive letter of censure? What I'm trying to get is the degree of severity of the censure.

A. I couldn't compare it. I'd rather take the question and get a comparison for you by the legal staff.

Q. Isn't that almost moot since they've decided to retire anyway?

A. Yes.

Q. That is an enforced retirement?

A. Col. Miller had already been ruled physically unfit and was to be retired with a 60 percent disability. That was a medical decision that had been made and the execution of which was pending the outcome of this consideration of charges. Miller will be discharged from the Navy within a matter of days. Capt. Wilber had written a letter requesting retirement. That letter has already been acted upon by the Secretary of the Navy, so he is on his way out also.

Q. Will they retire at their present rank?

A. Yes.

Q. The phraseology of the statement, "will be retired" and for the good of the Service, would suggest that this is not an action that they themselves have taken because they're entitled to it, but rather that they're being put out of the Service; that's the way it sounds to me. Was that the intent?

A. No. The intent was not to imply that they were being forced out, but that it was for the good of the Service, that it would accrue to the good of the Service, that they would retire.

Q. This phrase "for the good of the Service" crops up in officer retirements periodically and almost always it is a prejudicial phrase it seems. Is that not the case?

A. I would not like to place any further connotation on the words here. They speak for themselves in my mind this morning.

Q. Did Miller ask to be retired for medical or other reasons?

A. No, Miller's was a medical decision.

Q. Did he ask to stay on active duty?

A. No.

Q. He was examined and they said, you're not really well enough to stay on active duty?

A. That's right; you're not physically qualified.

Q. What were his injuries?

A. I'll have to get that for you.

Q. When did Wilber write his letter?

A. I don't know, but it was early. It was some time in the past.

Q. Will you find out for us?

A. I'll find out.

Q. Did the Secretary of the Navy consider disruptive effect on the POW community of not pressing these charges?

A. The Secretary weighed all of the factors bearing on the problem and in the context of what was better for all concerned with a just regard for the families and the dependents of the men, he came to the decision that he reached.

Q. He asked the other POWs some of whom expressed very strong opinions on Wilber and Miller, whether or not this should go through with disruptive effects.

A. It is my understanding that this was among the subjects discussed with the POWs that he interviewed in reaching the decision.

Q. Back to Miller, were his injuries the result of any torture?

A. I don't know whether they were the result of his bailout, or treatment he received, or malnutrition, or something like that. I'd have to find that out for you, because I don't have any details on the medical aspects upon which the disability was based.

Q. This action pretty well precludes anybody else filing on these guys again doesn't it by taking this action that he took? It can't happen like it did last time where now that this charge has been dismissed, somebody can turn around like after the Guy charges were dismissed?

A. I think this precludes any further action. I think that this is final action in this particular case. I would have to check it because I don't know, but I don't think so at this point. It's my understanding now that this is it. In my mind, it looks like it would be double jeopardy unless there were some totally different charges.

Q. They dropped the other charges on those enlisted men?

A. That's right.

Q. Then somebody else filed charges against them?

A. Yes.

Q. Are you going to check on the status of that for us to see where they stand?

A. Yes, I'll check.

Q. Can you be a little more specific on what it was Adm. Stockdale was accusing these two men of doing?

A. Capt. Wilber was charged with violation of the Uniform Code of Military Justice, Article 81, conspiracy; Article 82, solicitation; Article 92, failure to obey an order or regulation; Article 94, mutiny; Article 104, aiding the enemy; Article 105, misconduct as a prisoner; and Article 134, violation of Title 18S2387 cause and an attempt to cause insubordination and disloyalty. Col. Miller was charged with the same charges and specifications.

Q. What actions do they translate into?

A. This is all I have here, and this incidentally was put out to you on 26 June 1973.

Q. Can you tell us specifically what these men did?

A. I don't have that.

Q. Will that ever be made public?

A. No.

Q. As I understand it, we've got a situation where Secretary Warner found that there was cause to carry it to Article 32, but decided not to, essentially for the good of the Navy. Is that right?

A. Yes.

Q. I think you did say that he found cause for convening Article 32, is that correct?

A. But as convening authority under Article 32 of the Uniform Code of Military Justice, the Secretary had full responsibility to decide whether to convene a pre-trial investigation with the view to possible referral of the charges to a general courts martial or to dismiss the charges. Having decided for the reasons that I stated that he would not convene a courts martial, it would have been pointless to convene a pre-trial investigation.

Q. Doesn't this decison essentially rob the Code of Conduct of any legal meaning whatsoever?

A. I wouldn't like to speculate on what effect it would have on the Code of Conduct. I'd be second-guessing the Secretary of the Navy and I certainly don't intend to do that.

Q. As far as the others that are left, there's no way in the world that they can bring charges against those people now, is there? Here's the Secretary saying, we do have some evidence against these people, but we don't want to courts martial them.

A. Let me check. That's in the Army's Court and I'll have to look into that.

Q. Now who has the final authority in the Army, the Secretary of the Army?

A. That's right.

Q. Could he be overruled by the Secretary of Defense?

A. On review. These things have got all kinds of reviews that go all the way up to the Supreme Court of the United States, if it goes that far. The Calley case is still going through the various reviews. Justice is more complete in the Services than anyplace else.

Q. But there's no way that you can (inaudible) Services and not prosecute these for the good of the Service.

A. I wouldn't like to speculate on that right now, but I'll try to find out the information that you asked me about.

Q. I would like to try out Mr. Friedheim's news management ploy of yesterday for another look. I have already run into this morning a roadblock that this has thrown up and I think we'd better get this cleared up before we go through much further. I went in and asked for just a simple, straight interview without any idea of having opposing views to this particular project and I was told, you know what the boss said yesterday, we're not going to discuss anything that's under debate on the Hill. This particular thing is not under debate. You haven't made it clear to your subordinates anyway, that this is not to be used as a roadblock to block information.

A. It certainly isn't, and it wasn't intended that way by Mr. Friedheim. There has been no change. It was reported by some as being a new policy; it is not a new policy; it's been in effect ever since I was here. We do not infringe upon the responsibilities of the Members of Congress on the Hill to engage in debate on various issues that have come up and we don't enter into that head on with anybody. Your putting in a query, or asking for information, or something else, doesn't have anything to do with that at all. There is no change from what it has been. This is something that has been in effect all along and Mr. Friedheim was restating that yesterday. Let's discuss this later.

Q. Have there been any decisions reached by the DSARC meeting on F–100 engine?

A. No, it's in review right now.

LET'S COUNT ALL GOVERNMENT WORKERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. Quayle) is recognized for 5 minutes.

● **Mr. QUAYLE.** Mr. Speaker, during consideration of the Department of Education bill (H.R. 2444) I offered a successful amendment which provides that all consultants and experts hired by the Department will count as permanent, full-time employees. The amendment passed 263 to 143, and I realized that there are a great number of people who agree that the use of consultants is excessive.

According to a survey by the National Journal, the budgets of the largest Cabinet Departments like Defense and HEW, support 4 Government workers who do not work directly for the Federal Government for every 1 who shows up on the payroll.

If that ratio holds for the rest of the Government, more than 8 million persons depend indirectly on the Federal Government for their salaries.

Outlays for grants and contracts, which support most of the Government's indirect employees, grew from $65 billion in 1970 to $150 billion in 1978. The civilian Government payroll grew in cost from $29 billion to $45 billion during that period, when the number of Federal employees was held almost constant. Yet during the Carter administration the number of additional Federal employees has ranged from a high of 115,000—in addition to the 2.1 million constant Federal workers—quoted in 1978 during civil service reform debate to the 48,000 additional employees reported now by the Office of Personnel Management. Variances are due to seasonal change and more outside Government contracts.

Of the estimated 8 million indirect Federal employees, perhaps 3 million do work that the Federal employees would have to do themselves if the Government could not go outside for help. The worker who builds Air Force fighters and the Energy Department consultant fall into this category.

The other 5 million do not do anything that the Government needs to keep operating. Rather, they perform services, usually for State and local governments, that the Federal Government feels are valuable for society.

The Government Accounting Office recognized less than 2 years ago in its report, "Government Consultants Standard Definition and Uniform Data Needed," that the Federal Government does not know the number of consultants that serve the Government. The Federal procurement data system set up in the 93d Congress deals only with acquisition, and only began collecting data in October of 1978. This identifies contract action over $10,000 reported by the agency for consulting services.

Since that time, the Office of Management and Budget issued in May 1978 a uniform definition of consulting services. Just 3 months ago, OMB issued a report to the President outlining the reduction of consultant services in the Federal Government using this new standard, yet still GAO cannot offer me complete information regarding the use of consultants throughout the entire Government. Nor do they expect to be able to get those figures for me. If they do not know, then who does? Obviously, no one.

That is why I am offering a bill to amend the 1978 Civil Service Reform Act to establish a comprehensive employment ceiling for the Federal Government. This applies to both the cost of the Federal work force and costs of experts and consultants and services contracted by the Federal Government. The President would be required to establish the ceiling and transmit a report to Congress regarding the ceiling. Congress would have 60 days to review the proposal before it would go into law, if no resolution of disapproval were passed. The President would also have the power to provide guidelines for evaluating recurring and similar contracts the total cost of which is $10,000.

If you are serious about wanting to limit the size of the bureaucracy and its "shadow government," I would urge you to support this amendment.●

NATION MUST PROVIDE BEST SAFETY EQUIPMENT FOR MEN AND WOMEN OF ARMED FORCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 10 minutes.

● Mr. MILLER of Ohio. Mr. Speaker, on February 5, 1979, there was an apparent malfunction of the throttle of the F-14A (Tomcat) on which Lt. Rex. R. Douglas was the radar intercept officer. After the aircraft had landed on the carrier *Dwight D. Eisenhower*, its nosegear crossed the edge of the flight deck, and its two crew members hastily ejected, thinking the plane was going overboard. The pilot was rescued, but Lieutenant Douglas was not recovered, despite an extensive search.

Since that fatal day, the parents of Lieutenant Douglas, Mr. and Mrs. Rex E. Douglas of Marietta, Ohio, have become champions of the cause to improve survival equipment for crews of naval aircraft. The following remarks delivered by Cmdr. F. L. Lewis at the memorial service aboard the U.S.S. *Eisenhower* for Lt. Rex R. Douglas are printed here as a reminder that our Nation must never slacken its efforts to provide the very best safety equipment for our one irreplaceable asset—the dedicated, highly trained young men and women who serve in our Armed Forces.

"There is no other gathering of the people involved in carrier aviation that brings more sadness than this Memorial Service today. To lose, in a tragic accident, a fine young man, a dedicated Naval officer, a shipmate, and a friend, can bear heavily upon us—as individuals, and as a command. I knew Rex well; he would have wished to spare us the mourning. He was an exuberant man, full of life, full of humor and optimistic about his future. He had every right to be, because he controlled his future; he obtained his goals.

Rex was born on 4 September 1952 in Portsmouth, Ohio. He attended schools in his hometown—Marietta—and in December 1974 graduated from Ohio State University. Upon graduation he was commissioned an Ensign, United States Navy. With his love of flying, he was destined to become a fighter crewman. He received his wings in March 1976, and joined VF-142 in February 1977. He was a veteran of a Mediterranean deployment aboard the USS *America*. He was promoted to Lieutenant as of 1 January this year, and he married the former Rebecca Ellen Biggs on the 5th of January. At 26 years of age, he had attained goals that most people cannot achieve in a lifetime. Flying the finest fighter off the newest carrier, with the beginnings of a devoted family life with Becky, he was the embodiment of success in our culture.

Aside from the skills, attitudes, and talents that each of us in the carrier aviation brotherhood must possess, we each have our own special attributes. Rex Douglas' finest "above-and-beyond" attribute was his ability to relate to life. He accepted the shortfalls we all encounter with a stoicism far beyond his years. More importantly, he enjoyed to the fullest life's pleasures. His wit, his relaxed nature, his ability to see humor while others fretted over molehills, often saved the day when problems appeared overwhelming. Whether airborne, where Rex and I spent many hours as a crew, or in the Ready Room, or at the Admin's ashore, his friendliness was contagious. He enjoyed things, he enjoyed events and he enjoyed people—I'd venture to guess that among our men before me today, Rex "Squeeze" Douglas had more friends than any other officer in the command. His love of people made that so—they loved him back. Since his tragic death, I've had sailors from all parts of IKE, come up to me and say "Skipper, I was really sorry to hear about Squeeze—or Mr. Douglas. Just the other day he . . ." and they would go on to tell me of a recent conversation with him or describe an event they had witnessed. His long range plans for the future resulted from his love of people also—his eventual goal was to settle down, among friends, to a simpler style of life than we are now able to enjoy. He reasoned that a simple style of life could give him more time for close, meaningful relationships with the people he loved. He would have succeeded. We can only pray now that his life is simple; that is among friends.

We'll all carry on with our duties. We'll each answer our calling. And we will all hope to be as successful as Rex.

Men, not metal, make ships/and men, not airplanes, make squadrons. Rex Douglas will always be, Fighter Squadron 142.●

ENERGY AND DEMOGRAPHICS: HOW THE WEST HAS WON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO), is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, the last in a series of articles by the Washington Post on Western States-Eastern States conflict notes the tremendous influence the West has on the East because of its rich resources and rapid economic growth.

The article notes:

> Virtually every major political movement of the past decade—from environmentalism to Proposition 13—has had its origin in the West.

The article also notes the dependence of the West on the East and the Federal Government, specifically in the area of water development.

I feel that such an interdependence warrants strong effort toward understanding and resolving the basic conflicts between the two regions.

In this light, I insert into the RECORD the last of four articles by the Washington Post on the "Embattled West," published June 20, 1979:

ENERGY AND DEMOGRAPHICS: HOW THE WEST HAS WON

(By Joel Kotkin and Lou Cannon)

LOS ANGELES.—At the turn of the century, when the United States still was largely an eastern nation, historian Frederick Jackson Turner advanced the idea that it was the western edge of settlement that played the determining role in shaping American consciousness.

Writing at a time when western population was small and western influence peripheral in terms of national power, Turner found symbolic importance in the West. The West was the frontier, the safety valve, the place to which adventuring or disillusioned easterners could escape. Throughout the intervening generations, this mythic view of the West has endured.

Today, however, the West appears to stand on the verge of a decade in which its actual importance to the nation, in economic and demographic terms, will surpass any symbolic significance.

The West is the richest resources area of the nation, and the fastest growing in population. So western decisions on such issues as oil shale development, nuclear power, alternative energy exploration and growth restriction are rapidly coming to have impact on the lives of all Americans.

Virtually every major political movement of the past decade—from environmentalism to Proposition 13—has had its origin in the West. Keyed to such industries as aerospace and electronics, western employment has expanded steadily even at a time when job opportunities remain static in many other regions.

Since 1950, even through recessions, real personal per capita income in the West has been between 10 to 20 percent higher than in the northeastern, Plains and Great Lakes states. Last year, nonagricultural employment in the Pacific and Rocky Mountain states grew by more than five times the rate of most southern states. The economy of California, the West's megastate, increased at more than twice the national average.

Many top western economists expect these trends to continue. They see the West becoming wealthier as the East declines.

"Economic growth has to come for some tangible reason," says Perris Taylor, western regional manager for Data Resources, a Massachusetts-based economic forecasting company. "It isn't regulated by the government, it's regulated by resources—labor, land, minerals. As you look at those, the West has them all."

Taylor predicts that the eight Rocky Mountain states—Montana, Wyoming, Colorado, Utah, Arizona, New Mexico, Nevada and Idaho—will continue to pace national growth.

Rich in natural beauty, which attracts new residents, and full of oil and coal, this region's growth in personal income exceeds the national average. While manufacturing jobs decreased nationally by more than 1 percent last year, they increased 4 percent in these mountain states.

Data Resources, founded by Harvard economist Otto Eckstein, predicts that personal income in the West will far outstrip other regions from 1978 to 1981 and that manufacturing will decrease in the industrial heartland of America while expanding in energy-rich mountain states, Texas and the Pacific Coast.

Bank of America chief economist Walter Hoadley subscribes to this "two-tier" theory, which holds that the western economy is largely recession-resistant. Hoadley maintained that recessions, such as the one suffered by the United States in 1973–74, basically effect regions making extensive durable goods, such as automobiles and steel. Those industries are concentrated in midwestern and eastern states, and parts of the Deep South.

The one western industry badly hurt in earlier recessions—aerospace—seems largely immune to recession today. Aerospace companies have assured themselves of markets by contracting with foreign nations such as Japan. Many firms have at least two years of back orders.

Boeing, the Seattle-based aerospace giant whose slump once keyed a Northwest recession, is now doing so well that 12,000 workers were hired last year. California companies in the same field expanded their workforces by more than 25,000. Electronics firms—in Texas, Oregon and California's "Silicon Valley" south of San Francisco—also posted huge increases in employment.

"The country is lagging so far behind us," says Hoadley. "We're backing into a tremendous period of growth in the 1980s out here. The West has a lot of potential resources and a dynamism which simply doesn't exist back East."

Westerners are inclined to see this growth as a force that makes the region the national center of political change. As the West grows wealthier and more powerful, its disdain for the East and its seemingly decaying cities and stagnating industries sometimes borders on contempt.

"There is a cultural war going on in this country now between our past and our future," contends Gray Davis, chief of staff for California Gov. Edmund G. (Jerry) Brown Jr. "It's one coast against another. The West has learned from the mistakes of the East and that makes us stronger. People resent power, and power is now flowing to the West."

Davis' sense of the West's manifest destiny is of course, tied to the political ambitions of his boss. But similar expressions of anti-Eastern, or anti-federal, jingoism are commonplace these days among western politicians of all persuasions.

Celebrating an individualism that would make Horatio Alger blush, many westerners fail properly to acknowledge their debt to the rest of the nation or their frequent dependence on the central government. Western states continue to receive enormous federal subsidies for water development.

And the six western states (of 30 in the nation) that have passed resolutions calling for a balanced federal budget received more than $19 billion in federal funds last year.

While the reality of the West does not precisely square with its self-image of pioneering independence, the optimism that pervades much of the region is justified. More than anything else, it reflects a persistent pattern of western growth and the promise of more growth to come.

"The growth dynamism is what creates the dynamic for change," says Bank of America's Hoadley. "Growth is necessary to change. When you grow you have to make choices about pollution and other problems which force you to change."

Some of these changes have included so-far inconclusive attempts to limit growth through restrictions on building permits, as has occurred in Petaluma, Calif., and Woodburn, Ore. In a far-reaching experiment, California has tried to regulate development and improve public assess along its coastline.

The hostility encountered by the California Coastal Commission when it tried to carry out this voter approved mandate of regulation demonstrated that the developmental urge is alive and well in the West.

Californians, said one bewildered former commissioner, seemed to want preservation and development of their coast simultaneously. These contradictory impulses are common throughout the West.

In such western states as Utah and Wyoming, the dominant idea appears to be a belief that the energy crisis has provided a golden opportunity.

"There's a mentality in Utah that the future is in energy," says Paul Parker, a state planner. "There's going to be an energy crisis and we are going to capitalize on it."

At the same time, westerners have taken the lead in conservation and experimental use of resources.

"Literally, the West is where the frontier ended and frontier mentality began to end," says Bill Press, director of California's department of planning and research. "This is where the environmental movement started because we became the first to realize that resources were limited."

This concept of limits was vividly demonstrated in Los Angeles during the drought that ended last year. Although the city's water supplies were ample, an appeal for water conservation to help hard-hit northern California succeeded beyond everyone's wildest expectations.

Phil Hawley, a Los Angeles corporate executive who headed a conservation task force requested that the city try a 10 percent water reduction enforced by surcharges on those who would not comply.

But few surcharges were necessary. Los Angeles cut its water use by 17 percent, and Hawley now proposed that the "Los Angeles Plan" become the model for national energy conservation.

Such responses to the "era of limits" proclaimed by Gov. Brown have not been limited to California. In the Pacific Northwest, a new generation that is skeptical of nuclear power and determined to maintain the area's environment has embraced the values of conservation.

Three years ago, for instance, Seattle City Light ditched plans for nuclear power plants and launched an energy conservation effort that kept growth in energy use two percentage points below projections.

"People that live here are in love with this city and want to keep it a great place to live," says Peter Henault, environmental affairs director at City Light. "We thought conservation was a lot cheaper, a lot less environmentally harmful and just made more sense. It's turned out, everyone now agrees, to be a pretty damned good decision."

Similar innovative approaches have occurred in Oregon, which as long ago as 1975 began granting 25 percent tax credits for wind, solar and geothermal development. Portland General Electric has agreed to buy back, at its own rates, electricity produced by home solar and other generation. Some Oregonians are building small hydroelectric generating facilities, while more than a tenth of the state's residents now use wood as their chief source of fuel.

Whether such incremental approaches to environmental protection will withstand the coming push of development in the West is open to question.

Oregonians are already complaining about the steady population pressure and increasing pollution in such areas as the Willamette Valley. In Colorado, six oil shale plants are on the drawing boards, any one of them a bigger strip-mining operation than all of the mining done in the state during two decades of a mining boom that ended in 1890.

In Montana, huge coal-burning electric plants pollute once-pristine air, and environmentalists are on the defensive in legal efforts to prevent further development.

Can the West control its development and preserve the best of its resources as it rushes headlong to become the economically dominant region of the nation?

That question remains unanswered in the West, as the region embarks on a simultaneous era of limits and development. If historian Turner were still around, he might find it a challenge equal to settlement of the frontier.●

COMPETITION REVIEW ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

● Mr. UDALL. Mr. Speaker, today I am introducing along with 23 cosponsors the Competition Review Act of 1979. A similar bill is also being introduced today in the Senate by Senator HART. The purpose of this bill is to establish the real state of competition by analyzing such aspects as profitability, innovation, barriers to entry, economies of scale, and pricing as well as conventional concentration ratios.

Our country is in the early stages of a wrenching transition. Economic difficulties coupled with the problems created by the energy shortage continue downward at a seemingly irreversible trend. Emerging from this picture I see an important element within our free market system that threatens this country's economic stability—lack of competition.

The sad fact is that too many basic sectors of our Nation's economy are characterized, not by competition, but by the concentration of control in the hands of a few corporate giants. Twenty years ago, 400 corporations held two-thirds of the manufacturing assets in the United States. Today that degree of control is held by 200 companies. And, if the present trend continues, it is only a matter of time until 100 or fewer industrial behemoths control our economic destiny.

The chief instrument of Federal policy to foster competition is the conventional antitrust suit. While this is an important tool, it may be inadequate or insufficiently flexible to do the job by itself. Litigation is a lengthy, cumbersome process that cannot command the full range of Federal policy options to achieve its end.

The bill would establish a Competition Review Commission, comprised of representatives from labor, business, consumer interests, the academic community, and the legislative and executive branches of Government.

The Competition Review Commission would begin a comprehensive study of the laws, regulatory policies, enforcement procedures, and any other governmental practices which have a significant effect on competition and concentration. Over a 5-year period this Commission will attempt to determine the extent and nature of competition within 14 basic industries, and within any other sectors of the economy as the Commission deems necessary for a complete analysis of competition in America.

Today, three companies sell 80 percent of all cold breakfast food. In this day of frenzied activity by the administration and the utilities to encourage proper insulation of our homes and industries to ward off the cold of winter, we find that three producers of insulation materials control 80 percent of the market. Four corporations sell 70 percent of our dairy products. Three companies produce and sell 90 percent of American-made automobiles.

We find that concentration has entered the realm of communication with 71 percent of all daily newspaper circulation-owned chains—with 10 groups controlling 37 percent of all daily newspaper circulation. We find conglomerates acquiring book publishing houses, not enticed by the prospect of contributing to ideas or art, but because the profits are potentially high.

Let me cite a few statistics. Between the years 1951 and 1975, there were approximately 40,000 mergers of all types. The Department of Justice challenged 258, the Federal Trade Commission challenged but 153. So, about 1 percent of all mergers are ever challenged—and most of those are the really big ones that tie up staff and courts to such an extent that overall enforcement of antitrust laws is just about impossible.

It is this lack of enforcement that is costing Americans billions in tax revenues and in purchasing power.

It has been estimated by economists that monopolists overcharge by 6 percent of our gross national product, about $120 billion a year—or, $1,700 a year per household.

How about taxes? Before the Congress moved to shore up the tax code, a recent study showed that of 352 "large" corporate mergers that took place in 1967 and 1968, nearly 90 percent were accorded tax free status under section 368 of the Internal Revenue Service Code. As a result of this loophole, it was estimated that these 352 companies avoided approximately $750 million in Federal taxes that they otherwise would have had to pay.

Mr. Speaker, I am not here to condemn the efforts of the Justice Department or the FTC in pursuing the intent of antitrust law—that is to preserve and promote a market structure conducive to competition. It is just that given present realities, the odds are against the Government in such massive cases as those involving the corporate giants.

One conclusion I reach is that the Justice Department and the FTC do have the capability of guarding against the blatant price fixers, but the job of protecting the economy against the structural abuses of the giant multinationals may have to fall to another specially charged unit.

One measure to gage the effectiveness of present antitrust laws is simply to count the mergers. Since enactment of the first major antitrust law, the Sherman Act, there have been three major "waves" or large numbers of mergers.

The Sherman Act of 1890 was followed by the wave of "monopoly mergers" that lasted until 1904. The Clayton Act of 1914 was followed by the merger wave which began in 1916 and lasted until 1933. The Celler-Kefauver Act of 1950 was followed by the tremendous surge of mergers between 1950 and 1974—the conglomerate wave which may be in a revival stage today.

This would indicate that the Congress may influence the kind of mergers by law, but not the rate of mergers and the ultimate concentration within an industry.

Thus, in the face of evidence that the old rules may not be effective and that the enforcement agencies may well be overextended to the point where they are virtually ineffective to stem the new sophisticated kind of concentration existent now and in the near future, I propose the machinery to approach the problem, industry-by-industry, determining what ails each of our critical sectors and prescribing the precise remedy that it requires.

This is not a difficult undertaking if the commitment is there. The number of really critical industries may number only 20—those that really dominate our economic health. First we must look at how each economically crucial industry is performing, considering criteria of efficiency, innovation, price, and profit. If it is performing well, then it is no consequence whether there are 2 or 200 competitors.

In contrast to the past, U.S. corporations during the past 10 years have shied away from investing in the new plant and equipment necessary to maintain the productive edge of the American economy. Despite all the talk about "capital crisis," business enterprises have been saving mountains of cash. Instead of creating new jobs, sponsoring new ideas, and building new products, the action has moved to shuffling financial assets from one pocket to another.

Recent corporate takeovers are involving larger firms in bigger deals . . . General Electric paying over $2 billion for Utah International, Mobil acquiring Montgomery Ward, Gannett buying Combined Communications, and now Exxon purchasing Reliance Electric.

The Competition Review Commission would be chartered by Congress to conduct a 5-year study. But it may result in something more than just a study. It is my belief that this may prove to be something more—a long hard look at our economic structure—something even Arthur Burns, former chairman of the Federal Reserve Board, has indicated may be necessary before we can return to full employment.

I have only been able to take you on a broad and general tour of this problem, but I hope that I have made my case and that we can work to begin to replace concentration with competition to keep prices down, efficiency up, and economic power responsible.●

MONTGOMERY COUNTY, N.Y., POMONA GRANGE ENDORSES REINSTATEMENT OF THE DRAFT REGISTRATION SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Stratton) is recognized for 5 minutes.

● Mr. STRATTON. Mr. Speaker, in a recent meeting of the Montgomery County, N.Y., Pomona Grange a resolution was passed supporting the reinstatement of the registration mechanism for young men. Members of this grange realize the importance of reinstating the registration system to our overall defense capability.

I am honored to represent many of these members in Congress and have included the context of this resolution in my remarks today so that all members will be aware of it, especially as we move next week to our consideration of the defense authorization bill for fiscal year 1980.

The text of the resolution is as follows:

> Whereas the defense of the United States of America should not be surpassed by any other country in the world—and whereas the armed forces of the United States of America are at present one half million undermanned—therefore be it resolved—
>
> The Selective Service Act (Draft) should be reinstated at once for all branches of the armed services, thus bringing our defense personnel up to its full capacity for protection of the United States in the event of an emergency.●

SUBCOMMITTEE ON INTERNATIONAL TRADE TO HOLD HEARINGS ON U.S. TRADE POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

● Mr. AuCOIN. Mr. Speaker, earlier this year, I introduced H.R. 1908, a companion bill to legislation introduced in the other body by Senator Stevenson which would modernize our trade policy toward such countries as China.

This bill would amend section 402 of the Trade Act of 1974—the Jackson-Vanik amendment—by eliminating the need for a nonmarket country to submit "physical assurances" to the United States that it adheres to a liberal emigration policy as a prerequisite for qualifying for most favored nation status. H.R. 1908 would empower the President to grant a waiver entitling a country to MFN status if he believed such action would promote liberalized emigration, leaving intact the basic framework of the Jackson-Vanik amendment.

Today, I want to call the attention of my colleagues to the hearings that have been scheduled on this legislation next Monday and Tuesday (July 23-24) in the Banking Subcommittee on International Trade.

I think everyone will agree that these hearings come at a critical time when we are seeking to improve our posture as an international trading nation, are working to ease tensions between the Soviet Union and the United States, and have concluded an important trade agreement with the People's Republic of China. It is my hope that the hearings will allow a thorough discussion of the legislation as it relates to these developments and the problems it seeks to resolve.

This legislation is an effort to work within the framework of Jackson-Vanik to make it a more positive—and more effective—policy instrument.

Indeed, this amendment to Jackson-Vanik is drawn from existing wording already in the law. It represents a fine-tuning of the law that will maximize American trade opportunities without jeopardizing our human rights stand and enhance the ability of the United States to influence more liberalized emigration policies in other nations.

I stated in my testimony last week in Senate hearings on the bill that we will gain far greater leverage and more certainly achieve the objectives of the Jackson-Vanik provision by making the changes proposed in the bill.

Not everyone fully recognizes the need for this legislation. Indeed, those who seek to promote trade with the People's Republic of China would say that this bill has been rendered unnecessary by the recently signed trade agreement between the United States and the PRC.

This is a mistaken idea.

I caution my colleagues that the United States-China trade agreement may be in serious trouble should it be brought to the Hill without having the proper assurances in hand.

In the case of China, the assurances we receive might not meet the literal test of Jackson-Vanik, or assurances might not even be made. It is a large order to demand that another sovereign country formally document that its internal policies square with ours—even if its policy is basically meeting our wishes.

If pressed, this issue could disrupt our trading relations with China just at a time when it appears we are getting our foot in the door for what someday will be an important export market in the Pacific rim.

Until recently, the administration has had a stated policy of evenhandedness in its dealings between the People's Republic of China and the Soviet Union. I believe this policy and, as a result, the trade agreement with China may be in serious trouble should the agreement be brought to Congress without the proper assurances.

Therefore I ask if it is a reasoned step to sacrifice our policy of evenhandedness only because present law is inflexible? I think not.

I am an ardent supporter of closer commercial ties with the PRC. For 3 years I have been calling for steps to achieve those ties. Frankly, I will work for passage of the Chinese trade agreement with or without my bill, notwithstanding the very serious trouble I see ahead.

But even if the United States-China trade pact comes to fruition, I firmly believe that there will be no stability to our trading relations until this legislation is passed.

Under current law, people upset at a Communist country because of its emigration policies have only one action—to halt all trading relations. Under my bill, there are more options to register approval or disapproval.

My bill stays within the Jackson-Vanik format, but the difference is the difference between a club and carrot.

Frankly, Mr. Speaker, I think this bill is a sounder, more effective approach—an approach that will improve human rights throughout the world and will enable us to expand our commercial relations. I anticipate that the hearings next week will demonstrate this.●

THE ART BANK ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LaFalce) is recognized for 15 minutes.

● Mr. LaFALCE. Mr. Speaker, today I have introduced the Art Bank Act of 1979, a bill intended to establish an art bank within the National Endowment on the Arts.

We in Congress, and the American public in general, are quite rightly concerned about the state of the Nation's and the world's economy, the question of energy supplies and costs, and many other extremely important issues. Essential as it is that we address and try to solve those problems, however, I believe it is equally essential that we insure that our cultural heritage and traditions are maintained and strengthened at the same time.

The bill I introduced today will help to do that by setting up an art bank which will supplement and expand the already highly successful programs of the National Endowment on the Arts. That agency's impact on life in the United States has increased considerably under the able leadership of its present Chairman, Livingston Biddle, and I believe that my bill would enable the endowment to do even more both for artists of all kinds and for the American public.

Briefly, the bill sets up an art bank within the endowment, provides for a Director for the bank, and authorizes the Director, working with expert juries, to purchase or lease works of arts and, in turn, make them available for exhibit to the public. The bill emphasizes that the Director should concentrate on lesser known artists and calls for selection of works of art from all sections of the country. Artists participating in the program are protected by a guarantee that they can buy back their works for the original price plus half of any appreciation in value, thus introducing the concept of a royalty for works of art.

Other features of the bill include:

Juries. Panels to choose works of art for purchase by the bank would consist of art experts and artists working in the particular genre.

Exhibition. The bank may loan the works it purchases to Federal facilities and to museums; State and local governments, nonprofit organization and private corporations may lease works from the bank and display them (subject of course to adequate security arrangements for the works of art). The Art Bank itself may sponsor exhibitions as well and may, subject to the repurchase rights of the artist, sponsor sales through auction or otherwise.

Other art banks. The bill authorizes the provision of technical assistance to State and local governments and nonprofit organizations for establishing their own forms of art banks.

Work of art. The bill specifies that among the works of art that may be considered for inclusion in the program are: paintings, sculpture, photographs, recordings, films, videotapes "and such other expressions of human creativity" as the Director shall deem appropriate for the Art Bank's programs.

The bill is modest in scope, authorizing a total of $9 million over the next 3 fiscal years and limiting administrative expenses to no more than $250,000 per year. This is a small investment but one which can make a real and lasting difference in the quality of life in the United States. Such efforts are as important, in the long run, as many of the multimillion dollar proposals we deal with daily. I hope, Mr. Speaker, that my colleagues will join me in supporting this idea.●

PRESIDENT'S TRADE REORGANIZATION PLAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, President Carter today proposed a long awaited reorganization of the Federal Government's international trade functions. In announcing the plan, Special Trade Representative Ambassador Robert S. Strauss and OMB Director James T. McIntyre stressed that the reorganization is designed to expand exports, improve enforcement of U.S. trade laws and otherwise upgrade government trade activities in response to the Multilateral Trade Negotiations Agreements.

The proposal is a welcome response to the requirement passed by this House last week in the Trade Agreements Act of 1979 that the President submit to the Congress a proposal to restructure the executive branch foreign trade policymaking and regulatory functions.

As chairman of the Ways and Means Committee's Trade Subcommittee, I am particularly pleased that the plan highlights a consolidation of both trade policy coordination and trade negotiations in the Office of the Special Trade Representative and would thus end the fragmentation of trade responsibilities that now exists. This measure fulfills the congressional intent in the Trade Expansion Act of 1962 and the Trade Act of 1974 by bringing all trade negotiating and policy formulating responsibility into one office, under the President.

I am particularly pleased that the Trade Representative's Office will be responsible for U.S. representation to the GATT, the international side of its domestic responsibility for U.S. trade policy. This strengthening of the trade functions is particularly necessary for the United States to take full advantage of the MTN agreements and to insure that U.S. leadership in GATT enforcement of the MTN agreements and the post-MTN GATT work program is maintained.

It is now necessary for the President to move quickly to select Ambassador Strauss' successor to carry out the MTN implementation, as I asked in my letter to the President of July 12. In this regard, I called the President's attention to language in our committee report on the Trade Agrements Act stating that:

> It is absolutely essential that the Office of the Special Representative for Trade Negotiations be effectively led and provided with adequate resources to begin the highly important implementing process. To permit a hiatus in that office could well compromise much of the potential gains of the negotiations.

As my colleagues are much aware, I have expressed my criticism repeatedly in the past regarding the poor administration by the Treasury Department of our unfair trade practice laws, particularly the antidumping and countervailing duty statutes. The glaring example of the lack of effective administration, of course, was the massive television antidumping case brought by Zenith. I am therefore very pleased with the transfer of these functions from Treasury, and it is my sincere hope that the reorganization will bring the needed strong enforcement and administration of these laws, as a necessary balancing factor in our new trade rights and obligations resulting from the MTN agreements.

I am also pleased with the plan's emphasis on industry sector analysis which I hope will result in greater commodity expertise in the executive branch. Movement in this direction is responsive to congressional intent expressed in the Trade Act of 1974. I urge that this new capability be directed toward improvement of overall industrial productivity and advancement in technology in our country.

Finally, I strongly urge that the restructuring of export functions in the Department of Commerce (renamed Department of Trade and Commerce) emphasize exports as directed by the Committee in the Trade Agreements Act of 1979. It is critical that top priority be given to establish a strong export promotion policy so that the United States can take full advantage of the MTN agreements and improve and indeed regain our competitive superiority in foreign markets.

Mr. Speaker, it is my hope that the President's trade reorganization proposals can be acted upon expeditiously as we intended in the Trade Agreements Act of 1979, which this body approved so overwhelmingly last week.●

POPGUNS AGAINST MIKVA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Rostenkowski) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, it is said that you can tell a man by his friends. You can tell a man by his enemies too, and when he has had an abundant number of both, you can tell he has been working hard and getting things done. My distinguished colleague, Ab Mikva, has been working hard and getting a great deal done for some time. So he has made many friends and several enemies in the process. At the Senate hearings on the nomination of our colleague to the Federal Appeals Court, some of those enemies testified against him because of his diligent efforts to curtail handgun traffic in this country.

I have always strongly backed gun control measures and find contemptible the National Rifle Association's attempts to discredit Ab Mikva. In its editorial of July 19, the Chicago Tribune discusses the Senate hearings and the shallowness of the NRA's arguments against Ab. The editorial also points out that the few witnesses who illogically and fanatically argued against Ab Mikva's appointment were more than eclipsed by the "long lineup of spokesmen" of both parties who praised his outstanding abilities and character. I request that this editorial be inserted in the Record.

[From the Chicago Tribune, July 19, 1979]

Popguns Against Mikva

Senate hearings on the nomination of U.S. Rep. Abner Mikva (D., Evanston) to the federal Appeals court in Washington have been enlightening, not so much about Mr. Mikva as about his opponents. Against a long lineup of spokesmen from both parties praising Mr. Mikva's abilities and character, five witnesses appeared before a Senate Judiciary subcommittee Thursday to testify against him—and all on the same strange grounds: Mr. Mikva has been in favor of restraining the traffic in handguns, so he must lack proper judicial temperament.

By no coincidence, all five opposing witnesses were connected with the National Rifle Association, the astonishingly powerful lobbying group that fights any and all efforts to make firearms harder to obtain. As one of Congress' leading advocates of gun control, Mr. Mikva is its target in all but the literal sense.

Neal Knox, NRA executive director, argued that Mr. Mikva could never rule "fairly" on matters involving guns or the NRA—an argument that, taken literally, would disqualify any nominee to the bench who had taken a consistent stand on anything. He also undertook to argue that President Carter's appointment of Mr. Mikva was unconstitutional.

Under the Constitution, no senator or representative may be appointed to a federal office that was created, or the pay for which was increased, during "the time for which he was elected" to Congress. Mr. Knox said this applied to Mr. Mikva because [1] his proposed seat on the appellate bench was created by Congress last year, along with scores of other new federal judgeships, and [2] Congress also approved cost-of-living increases for federal officers including judges.

It is fatuous to apply this to Mr. Mikva's appointment. It is doubtful that Congress' action last year "created" the office for which he has been nominated; it only increased the membership of that office, along with many others. In any event that was done in the previous term of Congress and is thus not covered by the constitutional constraint.

Nor did Congress raise the pay for the office in the sense obviously intended by the Constitution. Judicial pay is pegged to other government salaries; increases are contingent on presidential and congressional action. [Mr. Knox's arguments were used 10 years ago to oppose the nomination of then Rep. Melvin Laird of Wisconsin as secretary of defense; they failed then, too.]

What stands out from these attempts is the fanatic singlemindedness of the gun lovers, who will try any tactic and use any argument simply to damage an opponent. Logically, they should be supporting Mr. Mikva's appointment because it will get him out of Congress, where he could keep pushing for gun control. But when you're discussing the pro-gun lobby and then mention logic, you've changed the subject.●

LEGISLATION TO AMEND GRAIN STANDARDS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Smith) is recognized for 5 minutes.

● Mr. SMITH of Iowa. Mr. Speaker, I have introduced a bill to amend the Grain Standards Act which I want to call to the attention of Members of the House and others.

Four years ago, I introduced the first bill in Congress to make major amendments in the U.S. Grain Standards Act for the purpose of prohibiting activities which were leading to losses of overseas markets and resulting in dishonest handling at export points to the detriment of the farmer, local elevator operators, and our ability to expand export trade. The Department of Agriculture did not have a bill drafted but did send representatives to my office to become thoroughly acquainted with the activities I covered in my bill. At the time, they objected to two of the provisions; namely, first, including a responsibility for weighing at export points; and second, a prohibition against adulteration of the grain at any time after its purchase from the original producer.

A few weeks later Senator Clark introduced a bill very similar to the one I had introduced earlier and he also included in that bill both the weighing and adulteration provisions.

During the course of the hearings in the House and Senate, both of these provisions were objected to by the administration and the big grain companies; however, the weighing provision survived but the adulteration provision was not included in the House and Senate bills as reported from the committees.

I felt then and still feel that it was an important provision which should not have been dropped. My conviction of the importance of this provision goes back to 1970 when I visited some ships being loaded in New Orleans and Houston. I noticed that at one of the export elevators fine dirt and dust was being removed at one point but that when the grain came off of the belt into the hold of the ship, there was more dirt and dust than had been removed and that it also even included rice hulls and other foreign material which had not originally been in the grain. I also noticed that this dust was not to any appreciable extent finely ground cracked grain of the kind of grain being loaded. A small amount of small particles of corn will, during the loading process, naturally remain in corn and it contains approximately the same nutrient value as the grain. However, that small amount would be negligible and it is the foreign material that causes 95 percent of the problem. It was obvious that they were adding whatever amount of material they could and still stay within the foreign material requirements. Subsequent studies revealed that this was a common occurrence.

At about the same time in 1970 and 1971 that I observed trash being reintroduced while loading ships, I received complaints from local elevator operators in Iowa and Illinois that they were being short-weighed at export points. They at first had complained to the railroads thinking the railroad had permitted holes in the box cars to cause the loss of grains. The railroad detailed detectives to watch some of the box cars and found they were in fact arriving intact even though the weights at export elevators did not match the weights at shipping points in the Midwest. This was becoming a rather common occurrence and could only result from short weighing.

With this information and the help of other members of the Agriculture Appropriations Subcommittee in the House, we convinced the Department that they should detail some special investigators to the export points and we gave them the resources to investigate for violations of the Grain Standards Act. It was following these investigations that some indictments pursued and when they were brought to the attention of the public by the Des Moines Register, the Wall Street Journal and some other papers, the pressure built on the administration to support changes in the Grain Standards Act. That is when I drafted and introduced the bill above referred to in 1975 and the Congress did act on most of the bill but excluded that part which I have just reintroduced relating to dust and foreign material.

While I feel that it is simply wrong to add dirt and dust to a product like grain for economic reasons, it has now developed that it is also a very dangerous practice and it is largely for the latter reasons that a recent study by the Department of Agriculture indicates that they may now favor a provision such as that eliminated from the 1975 bill. I still think the provision is needed for reasons other than safety but I am glad to see support for any reason.

Following is a copy of the bill to amend the Grain Standards Act.

H.R. 4871

A Bill to amend the United States Grain Standards Act for the purpose of prohibiting the adulteration of grain after its purchase from the original producer or after acceptance for such grain for storage or handling by a licensee

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 87 b(a) of the United States Grain Standards Act, as amended (7 U.S.C. 71–87h), is amended by adding at the end thereof the following new paragraph—

"(14) knowingly adding to any grain shipment, after its purchase from the original producer, or after acceptance of such grain for storage or handling, any foreign material or dust which would change the character or test weight of that grain from the test weight or character prevailing at time of first purchase: *Provided,* That grain may be fumigated to preserve its quality and separate lots of grain of the same kind may be blended.".●

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1979

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ICHORD. Mr. Speaker, the House will consider in the next few days H.R. 4034, the Export Administration Act Amendments of 1979. As a supporter of the recent legislation implementing the multinational trade negotiations, I share the concern of the Committee on Foreign Relations that unreasonable restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment. However, as chairman of the Research and Development Subcommittee of the Armed Services Committee, I am likewise concerned over our perishable technological lead. There is no justification for transferring to the Soviet Union technology which has a military application.

H.R. 4034 states that—

> It is the policy of the U.S. to use export controls to the extent necessary to restrict the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the national security of the United States.

We all support that as a basic objective of export control.

H.R. 3216, the Export Administration Reform Act, jointly referred to the Committees on Foreign Affairs and Armed Services, provided the Armed Services Subcommittee on Research and Development an opportunity to review in detail the national security implications of the administration of current control procedures, as well as those proposed under H.R. 4034. I believe that the expertise of the Research and Development Subcommittee provided a unique basis for review that did not exist in Foreign Relations.

Against this background of knowledge of our technological position vis-a-vis that of the Soviet Union, we held extensive hearings and received testimony from Commerce, State, Defense, the CIA, the DIA, and outside witnesses relative to the effectiveness of export controls in protecting our defense related technology. While I would be the first to concede that we cannot keep a potential adversary from acquiring technology, I do believe that we can impede his efforts through effective controls, thus preserving our security.

As a result of those hearings, the committee has concluded that current controls are not effective. One Commerce Department witness described the administration of export controls as "a shambles." There was a clear concensus that reliance on end-use statements and onsite visitation rights were an ineffective means of protecting against diversion of goods from civil to military use. There was also agreement that the Soviets were engaged in a well-organized active effort to acquire Western technology both by purchase as well as by covert means.

Mr. Speaker, the general thrust of H.R. 4034, mainly, a presumption in favor of exports and against restrictions has significant implication relative to our national security. My concern over this implication and the present state of export administration was reinforced during the course of our hearings when we encountered instances of witness statements being censored, when a witness was intimidated by his superior, and when information was withheld and suppressed.

It is not my intent to place restrictions on exports to disadvantage the American businessmen in the world market. It is my intent to see that the legislation we pass is effective and predictable in controlling the export of goods and technology vital to our national security. With that objective in mind, I intend to offer at least three amendments to H.R. 4034, when it is considered.

The first amendment would modify the provision in the bill for the establishment of a military critical technologies list. This is a critical first step in improving export control in that it will provide the public with a better understanding of what will be controlled and the basis for the decision. However, an amendment to H.R. 4034 is needed to clarify the Secretary of Defense's responsibility for identifying critical technology and to mandate the establishment of a list by October 1, 1980.

My second amendment deletes the authority for the establishment of a procedure to identify technology thresholds below which goods and technologies would be exempted from special licensing requirements. This procedure has been titled "Indexing." The concern here is that witnesses were unable to describe how to administer such a system. Any attempt to relax controls on goods and technologies based upon when thresholds are not met would be an exercise in dangerous speculation.

My final amendment, Mr. Speaker, deletes the provision eliminating requirements for reexport permits. These are presently required before specified exported U.S. goods and technology can be further exported to other countries. The concern here is that if controls over exports are enforced for national security purposes, many transfers would have to be denied if further exporting could not be controlled. State and Commerce Department officials have advised me that the administration opposes the elimination of reexport controls.

Mr. Speaker, H.R. 4034 is important legislation. Important to U.S. trade and to our national security. I direct the attention of the Members to my amendments and ask their support in the interest of maintaining the technological superiority we now possess.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows:)

To Mr. WOLFF (at the request of Mr. WRIGHT), for July 19 through 22 on account of serving as congressional adviser at the International Conference on Refugees in Geneva.

To Ms. HOLTZMAN (at the request of Mr. WRIGHT), after 5:30 p.m., today through July 23, on account of serving as congressional adviser at the International Conference on Refugees in Geneva.

To Mr. NOLAN (at the request of Mr. WRIGHT), after 5:30 p.m., today and Friday, July 20, on account of serving as congressional adviser at the International Conference on Refugees at Geneva.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DANNEMEYER) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN, for 60 minutes, today.
Mr. BETHUNE, for 10 minutes, today.
Mr. COLLINS of Texas, for 15 minutes, today.
Mr. QUAYLE, for 5 minutes, today.
Mr. MILLER of Ohio, for 10 minutes, today.

(The following Members (at the request of Mr. SYNAR) to revise and extend their remarks and include extraneous material:)

Mr. COELHO, for 5 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. UDALL, for 10 minutes, today.
Mr. STRATTON, for 5 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Mr. WYATT, for 10 minutes, today.
Mr. LAFALCE, for 15 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, today.
Mr. SMITH of Iowa, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DANNEMEYER) and to include extraneous material:)

Mr. LEE.
Mr. BOB WILSON in two instances.
Mr. LIVINGSTON.
Mr. CONABLE.
Mr. KEMP.
Mr. ROTH.
Mr. MOORE.
Mr. GRADISON.
Mr. MICHEL in two instances.
Mr. SHUMWAY.
Mr. DERWINSKI in two instances.
Mr. WILLIAMS of Ohio.
Mr. ROBINSON.
Mr. QUAYLE.
Mr. LENT.
Mr. HOLLENBACK.
Mr. GRASSLEY in two instances.
Mr. FINDLEY.

(The following Members (at the request of Mr. SYNAR) and to include extraneous matter:)

Mr. KILDEE.
Mr. MOAKLEY.
Mr. MOORHEAD of Pennsylvania.
Mrs. SCHROEDER in three instances.
Mr. ADDABBO.
Mr. WHITE.
Mr. RICHMOND.
Mr. MARKEY.
Mr. MURPHY of New York.
Mr. YATRON.
Mr. CORMAN.
Mr. HAWKINS.
Mr. DINGELL in three instances.
Mr. DRINAN.
Mr. ROBERTS.
Mr. APPLEGATE.
Mr. WOLFF in three instances.
Mr. WAXMAN in two instancse.
Mr. NEAL.
Mr. MURPHY of Illinois.
Mr. DASCHLE in three instances.
Mr. GINN.
Mr. SHANNON.
Mr. GEPHARDT.
Mr. OTTINGER.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following title:

On July 18, 1979:

H.R. 2154. To revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transaction Fund, and for other purposes.

On July 19, 1979:

H.R. 3661. To increase the authorization of appropriations under the Act of December 22, 1974 (88 Stat. 1712).

ADJOURNMENT

Mr. ICHORD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly, at 8 o'clock and 15 minutes p.m., the House adjourned until tomorrow, Friday, July 20, 1979, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2054. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, and certain other titles, of the United States Code to establish a new Retirement Benefits System for the Uniformed Services, and for other purposes; to the Committee on Armed Services.

2055. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during May 1979 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

2056. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and improve the Higher Education Act of 1965, and for other purposes; to the Committee on Education and Labor.

2057. A letter from the Secretary of State, transmitting the 26th report on the extent and disposition of U.S. contributions to international organizations, covering fiscal year 1977, pursuant to section 2 of Public Law 806, 81st Congress; to the Committee on Foreign Affairs.

2058. A letter from the Director, International Communication Agency, transmitting a report on the assignment of Foreign Service Information Officers to public or private nonprofit organizations, pursuant to section 576(e) of the Foreign Service Act of 1946, as amended (89 Stat. 763); to the Committee on Foreign Affairs.

2059. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2060. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the establishment of the City of Rocks National Monument in the State of Idaho, and for other purposes; to the Committee on Interior and Insular Affairs.

2061. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Helium Act (50 U.S.C. 167 et seq.) to delete requirements to repay notes, equity debt, and interest accrued and unpaid thereon; to authorize and direct the Secretary of the Treasury to cancel all notes and debets related to the helium fund together with interest accrued and unpaid thereon; to eliminate the Secretary's borrowing authority; and, to eliminate the helium fund; to the Committee on Interior and Insular Affairs.

2062. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

2063. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a final environmental impact statement and supplemental information on the local protection project at Milan, Ill., pursuant to section 404(r) of the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

2064. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed use of certain construction of facilities funds appropriated to NASA for fiscal year 1976, for the correction of a structural failure during the construction of the water immersion facility at the Lyndon B. Johnson Space Center, Houston, Tex., pursuant to section 3 of Public Law 94-39; to the Committee on Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations. H.R. 4195. A bill to amend section 103(f) of the Agricultural Act of 1949, and for other purposes (Rept. No. 96-303, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee on Appropriations. H.R. 4476. A bill to extend certain programs under the Higher Education Act of 1965 for 1 year, and for other purposes (Rept. No. 96-318, Pt. 11). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Standards of Official Conduct. House Resolution 378. Resolution in the matter of Representative Charles C. Diggs, Jr. (Rept. No. 96-351). Referred to the House Calendar.

Mr. BRADEMAS: Committee on House Administration. House Resolution 359. Resolution relating to intern programs and the clerk hire allowance; with amendment (Rept. No. 96-352). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 379. Resolution providing for the consideration of the bill H.R. 3000, a bill to authorize appropriations to the Department of Energy for civilian programs for fiscal year 1980 and fiscal year 1981, and for other purposes (Rept. No. 96-367). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 380. Resolution providing for the consideration of the bill H.R. 3180, a bill to authorize certain supplemental appropriations for the Department of Energy for fiscal year 1979 and to make certain amendments relating to the administration of such Department (Rept. No. 96-368). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 381. Resolution providing for the consideration of the bill H.R. 51, a bill to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas and liquefied petroleum gas, to provide standards with respect to the siting, construction, and operation of liquefied natural gas facilities, and for other purposes (Report No. 96-369). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 925. A bill for the relief of Leah Mi Cohen (Rept. No. 96-353). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 929. A bill for the relief of Eun Kyung Cho and Hei Kyung Cho; with amendment (Rept. No. 96-354). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 946. A bill for the relief of Maria Estela Sims (Rept. No. 96-355). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 948. A bill for the relief of Maria Corazon Samtoy (Rept. No. 96-356). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 1153. A bill for the relief of Nyoman Rahmawati; with amendment (Rept. No. 96-357). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 1163. A bill for the relief of Gladys Venicia Cruz-Sanchez; with amendment (Rept. No. 96-358). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 1486. A bill for the relief of Lamom Petersen and Dang Petersen; with amendment (Rept. No. 96-359). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 1628. A bill for the relief of Susan Katherine Adamski (Rept. No. 96-360). Referred to the Committee of the Whole House.

Mr. HALL of Texas: Committee on the Judiciary. H.R. 1753. A bill for the relief of Sergio and Javier Arredondo; with amendment (Rept. No. 96-361). Referred to the Committee of the Whole House.

Mr. LUNGREN: Committee on the Judiciary. H.R. 2433. A bill for the relief of Zora Singh Sunga. (Rept. No. 96-362). Referred to the Committee of the Whole House.

Mr. HALL of Texas: Committee on the Judiciary. H.R. 3142. A bill for the relief of Michael Carl Brown (Rept. No. 96-363). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 3146. A bill for the relief of Patrick A. and Wayne L. Thomas (Rept. No. 96-364). Referred to the Committee of the Whole House.

Ms. HOLTZMAN: Committee on the Judiciary. H.R. 3218. A bill for the relief of Rebecca Sevilla DeJesus; with amendment (Rept. No. 96-365). Referred to the Committee of the Whole House.

Mr. HALL of Texas: Committee on the Judiciary. H.R. 3319. A bill for the relief of Jose Quintana Dominguez Sendejas; with amendment (Rept. No. 96-366). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARR (for himself and Mr. Udall):

H.R. 4859. A bill to establish a coordinated, prompt, and simplified process for Federal decisionmaking in regard to significant nonnuclear energy facilities, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. CLINGER:

H.R. 4860. A bill to amend the Internal Revenue Code of 1954 to allow the residential energy credit for certain wood, peat, or coal burning stoves, furnaces, or stokers; to the Committee on Ways and Means.

By Mr. CONABLE:

H.R. 4861. A bill to amend the Internal Revenue Code of 1954 to provide for the treatment of property as energy property for investment credit purposes after December 31, 1982, where the taxpayer is affirmatively committed on that date to its construction, reconstruction, erection, or acquisition; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 4862. A bill to set forth a national program for the full development of energy supply, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. EVANS of the Virgin Islands:

H.R. 4863. A bill to amend the Farm Credit Act of 1971 to include the Virgin Islands within the farm credit districts of the United States; to the Committee on Agriculture.

By Mr. HANCE:

H.R. 4864. A bill to amend the Internal Revenue Code of 1954 to encourage the production of energy by allowing the amortization based on a 60-month period of facilities producing unleaded gasoline, heating oil, diesel fuel, solar or wind energy equipment, or synthetic fuels; to the Committee on Ways and Means.

By Mr. NEAL:

H.R. 4865. A bill to limit the acquisition and use of motor vehicles; to the Committee on Government Operations.

By Mr. QUAYLE:

H.R. 4866. A bill to establish a comprehensive employment ceiling for the Federal Government which applies with respect to both the costs of the Federal work force and costs of experts and consultants and other contract services obtained by the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. RANGEL:

H.R. 4867. A bill to amend the Internal Revenue Code of 1954 to provide that the option to deduct as expenses intangible drilling and development costs shall not apply to oil wells drilled on proven properties; to the Committee on Ways and Means.

H.R. 4868. A bill to amend the Internal Revenue Code of 1954 to provide that percentage depletion shall not apply with respect to uranium; to the Committee on Ways and Means.

H.R. 4869. A bill to amend the Internal Revenue Code of 1954 to allow individuals a refundable tax credit for a portion of the rent which they pay on their principal residences and which is attributable to real property taxes; to the Committee on Ways and Means.

By Mr. SHUMWAY:

H.R. 4870. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. SMITH of Iowa:

H.R. 4871. A bill to amend the U.S. Grain Standards Act for the purpose of prohibiting the adulteration of grain after its purchase from the original producer or after acceptances for such grain for storage or handling by a licensee; to the Committee on Agriculture.

By Mr. UDALL (for himself, Mr. Kastenmeier, Mr. Seiberling, Mr. McCloskey, Mr. Markey, Mr. Mineta, Mr. Drinan, Mr. Weaver, Mr. Conyers, Mr. Beilenson, Mr. Wirth, Mr. Ertel, Mr. Sabo, Mr. Reuss, Mr. Stark, Mr. Blanchard, Mr. Neal, Mr. Pease, Mr. Mitchell of Maryland, Mr. Obey, Mr. Simon, and Mr. Downey):

H.R. 4872. A bill to establish a Commission to study laws and policies of the United States and major industries for their effect on competition, and for other purposes; to the Committee on the Judiciary.

By Mr. BENJAMIN:

H.R. 4873. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore and to increase the number of members on the advisory commission for the lakeshore; to the Committee on Interior and Insular Affairs.

By Mr. GEPHARDT (for himself, Mr. Downey, Mr. Wirth, Mr. Dodd, Mr. Mattox, Mr. Glickman, Mr. Obey, Mr. Jenkins, Mr. Mineta, Mr. Holland, and Mr. Heftel):

H.R. 4874. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for Federal Insurance Contributions Act taxes paid in 1980 and 1981; to the Committee on Ways and Means.

By Mr. LaFALCE:

H.R. 4875. A bill to amend the National Foundation on the Arts and Humanities Act of 1965 to authorize the purchase and display of works of art, and for other purposes; to the Committee on Education and Labor.

By Mr. RITTER:

H. Res. 382. Resolution calling upon the President to urge the Soviet Government to waive, with respect to certain U.S. citizens and citizens of Eastern European countries, the new Soviet law relating to dual citizenship; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

267. By the SPEAKER: Memorial of the Senate of the State of North Carolina, relative to voluntary prayer in public schools; to the Committee on Education and Labor.

268. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the rationing of gasoline; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. GOLDWATER introduced a bill (H.R. 4876) for the relief of Aurora Isidra Rullan Diaz, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. Volkmer, and Mr. Williams of Ohio.

H.R. 96: Mr. Neal, and Mr. Solomon.

H.R. 109: Mr. Peyser.

H.R. 654: Mr. Grassley.

H.R. 990: Mr. Kramer.

H.R. 1677: Mr. Pritchard.

H.R. 1785: Mr. Florio, Mr. Fountain, Mr. Pepper, Mr. Railsback, Mr. Fascell, Mr. Rousselot, Mr. Lungren, Mr. Nichols, and Mr. Lowry.

H.R. 2077: Mr. Blanchard, and Mr. Brown of Ohio.

H.R. 2191: Mr. Fowler.

H.R. 2443: Mr. Downey, Mr. Flood, Mr. Lee, Mr. Collins of Texas, Mr. Patten, Mr. Ford of Michigan, Mr. Stack, Mr. Stokes, Mr. Richmond, Mr. Russo, Mr. Pepper, Mr. Traxler, Mr. Young of Florida, Mr. Giaimo, Mr. Brodhead, Mr. Beard of Rhode Island, and Mr. Zablocki.

H.R. 2542: Mr. Patterson, Mr. Clausen, Mr. Corcoran, Mr. Fazio, and Mr. Lagomarsino.

H.R. 3670: Mr. Bonker, Mr. Kogovsek, Mr. Ottinger, Mr. Richmond, Mrs. Spellman, Mr. Rahall, Mr. Dellums, Mr. Lederer, Mr. Charles H. Wilson of California, Mr. Carr, Mr. Corman, Mr. John L. Burton, Mr. Ashley, Mr. Stark, Mr. Stokes, Mr. Nolan, Mr. Anderson of California, Mr. Vento, and Mr. Waxman.

H.R. 3864: Mr. Matsui, Mr. Dixon, Mr. Long of Maryland, Mr. Ambro, Mr. Fazio, Mr. Evans of the Virgin Islands, Mr. Akaka, Mr. Brown of Ohio, Mr. Roybal, and Mr. Gaydos.

H.R. 4142: Mr. Coughlin.

H.R. 4380: Mr. Corcoran.

H.R. 4381: Mr. Corcoran.

H.R. 4460: Mr. Lagomarsino, Mr. Gingrich, and Mr. Shumway.

H.R. 4533: Mr. Jenrette, Mr. Schulze, Mr. Dougherty, Mr. Pepper, Mr. Tauke, and Mr. Dannemeyer.

H.J. Res. 234: Mr. Brooks.

H.J. Res. 303: Mr. Addabbo, Mr. Albosta, Mr. Alexander, Mr. Anderson of California, Mr. Bailey, Mr. Beard of Rhode Island, Mr. Bethune, Mr. Breaux, Mr. Brooks, Mr. Buchanan, Mr. Campbell, Mr. Coelho, Mr. Corrada, Mr. D'Amours, Mr. Robert W. Daniel, Jr., Mr. Davis of South Carolina, Mr. de la Garza, Mr. Dellums, Mr. Derrick, Mr. Dicks, Mr. Dougherty, Mr. Downey, Mr. Edwards of Alabama, Mr. Emery, Mr. Evans of Delaware, Mr. Evans of the Virgin Islands, Mr. Fazio, Ms. Ferraro, Mr. Flood, Mr. Foley, Mr. Fuqua, Mr. Gephardt, Mr. Gilman, Mr. Ginn, Mr. Goldwater, Mr. Gray, Mr. Guarini, Mr. Hance, Mr. Harris, Mr. Hawkins, Mr. Heftel, Mr. Hinson, Mrs. Holt, Mr. Howard, Mr. Huckaby, Mr. Hutto, Mr. Hyde, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Louisiana, Mr. Lederer, Mr. Livingston, Mr. Long of Louisiana, Mr. Lott, Mr. Lungren, Mr. Marks, Mr. Matsui, Mr. Mavroules, Mr. McCormack, Mr. McDade, Mr. Mica, Ms. Mikulski, Mr. Moakley, Mr. Moore, Mr. Moorhead of Pennsylvania, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Myers of Pennsylvania, Mr. Nowak, Mr. Oberstar, Mr. Panetta, Mr. Patten, Mr. Pepper, Mr. Rahall, Mr. Roberts, Mr. Rodino, Mr. Roe, Mr. Rostenkowski, Mr. Scheuer, Mr. Shumway, Mrs. Snowe, Mr. Snyder, Mr. Solarz, Mrs. Spellman, Mr. Stack, Mr. Stark, Mr. Stokes, Mr. Thompson, Mr. Treen, Mr. Van Deerlin, Mr. Vander Jagt, Mr. Walgren, Mr. Waxman, Mr. Weaver, Mr. Whitley, Mr. Bob Wilson, Mr. Winn, Mr. Wolff, Mr. Won Pat, Mr. Young of Alaska, Mr. Young of Missouri, Mr. Zablocki, and Mr. Zeferetti.

H. Con. Res. 129: Mr. Fish, Mr. Carter, Mr. Lujan, Mr. Lagomarsino, Mr. Bevill, and Mr. Watkins.

H. Con. Res. 131: Mr. Bedell, Mr. Heftel, Mr. Mitchell of Maryland, Mr. Hawkins, Mr. Downey, Mr. Murphy of Pennsylvania, Mr. Conte, and Mr. Kogovsek.

H. Con. Res. 158: Mr. Akaka, Mr. Applegate, Mr. Atkinson, Mr. Bailey, Mr. Barnard, Mrs. Bouquard, Mr. Breaux, Mr. Cotter, Mr. D'Amours, Mr. Dixon, Mr. Gaydos, Mr. Garcia, Mr. Hawkins, Mr. Jenrette, Mr. Johnson of California, Mr. Kazen, Mr. Lederer, Mr. Lehman, Mr. Lujan, Mr. McEwen, Mr. Mitchell of Maryland, Mr. Mollohan, Mr. Mottl, Mr. Murphy of Illinois, Mr. Moorhead of Pennsylvania, Mr. Murtha, Mr. Myers of Pennsylvania, Mr. Price, Mr. Rahall, Mr. Reuss, Mr. Rostenkowski, Mr. Roybal, Mr. Slack, Mrs. Schroeder, Mr. Stokes, Mr. Vanik, Mr. Zablocki, Mr. Rangel, and Mr. Staggers.

H. Res. 244: Mr. Roth.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7

By Mrs. HECKLER:

—On page 26, line 14, of H.R. 7, at the end thereof, delete the period, and insert ", or" in lieu thereof and add the following:

(D) provided, however, every depository institution which is located in a State where withdrawals are permitted by negotiable or transferable instruments and which is not exempted pursuant to paragraph (4), shall maintain reserves against deposits subject to said withdrawals as the Board may direct

(1) in the ratio of 4 percentum, or

(2) in such ratio not greater than 7 per centum and not less than 4 per centum as the Board may prescribe, or

(3) in such ratio as the Board may prescribe pursuant to paragraph (8).

H.R. 4034

By Mr. ICHORD:

—Page 10, beginning on line 21, strike out "removed insofar as possible from goods the export of which would not transfer" and insert in lieu thereof "implemented for goods the export of which would transfer".

Page 11, line 12, strike out "major advance in a weapons system" and insert in lieu thereof "significant advance in a military system".

Page 11, strike out lines 18 through 22 and insert in lieu thereof the following:

"(B) be completed and published in the Federal Register not later than October 1, 1980.

Page 12, beginning on line 1, strike out "subject to the provisions of subsection (c) of this section".

—Page 16, strike out lines 8 through 23.

Redesignate the following subsections accordingly.

—Page 20, strike out line 21 and all that follows down through line 2 on page 21.

By Mr. MILLER of Ohio:

—Page 55, line 19, strike out "1983" and insert in lieu thereof "1981".

EXTENSIONS OF REMARKS

STOP THE BOMBING IN VIETNAM

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. RITTER. Mr. Speaker, it is time we ceased condoning, directly or indirectly, the murderous policies of the Vietnamese Government with respect to the forced expulsion of people from Vietnam. By focusing solely on the plight of the refugees and not the source of their plight, we are encouraging further expulsions.

I have directed a telegram to the Vietnamese Prime Minister Pham Van Dong, demanding the immediate cessation of actions by his government under pain of a complete cessation of any U.S. aid particularly indirect, and flowing through international banks or agencies.

I am inserting the text of my telegram to Mr. Dong in today's Record for the Members' better understanding of this important Southeast Asia refugee

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

dilemma, which confronts the conscience of the world.

Communist Vietnam must be brought to the docket of world opinion on this genocide issue without further delay.

I am also inserting the text of William Safire's New York Times article of July 16, 1979, in today's RECORD to illustrate for Members the need for immediate forceful action to prevent loss of further thousands of lives at sea and in the refugee hell-holes on the shores of the South China sea:

His Excellency PHAM VAN DONG,
Prime Minister,
Socialist Republic of Vietnam, Hanoi.

YOUR EXCELLENCY: The callous disregard of your government for the basic survival and well-being of the Vietnamese people is the cause of the plight of hundreds of thousands of citizens into homeless, stateless status as refugees in Southeast Asian resettlement camps. Vast numbers of human beings perish in their flight.

The barbarous internal conditions confronting Vietnamese peoples escaping from your country require that you at once take steps to behave humanely while ceasing to terrorize and intimidate your people into flight. Racist oppression against ethnic Chinese must cease at once.

All American aid and assistance to Vietnam, direct or indirect, will be actively deterred and cut off by the great majority in the Congress in which I serve unless your government acts to cease forcing the citizens of Vietnam to flee from their own homeland.

All civilized men and women throughout the world can only feel the deepest sense of outrage and despair at your disregard for fundamental human rights and dignity. The entire American Nation awaits your positive response.

STOP THE BOMBING

(By William Safire)

WASHINGTON.—Passive humanitarianism is not an adequate response to genocide.

Communist Vietnam is warring on all its neighbors. Its bombs are boatloads of human beings, tens of thousands every month, forced to buy floating coffins and pushed out to sea to drown or to be taken in by other nations.

That military metaphor was used by Foreign Minister Sinnathamby Rajaratnam of Singapore, who stirred the Association of Southeast Asian Nation in Bali two weeks ago: "Each junkload of men, women and children sent to our shores is a bomb," he insisted, "to destabilize, disrupt and cause turmoil and dissension. . . ."

Many here dismiss such talk as the alibi of nations who do not want to accept the refugees. But assume that the Vietnamese leaders are interested in more than the $6-billion-a-year profit made by stripping "undesirables" of their belongings and dumping them into the sea; consider that possibly the world's fiercest Communist power also wants to accomplish these goals:

(1) Weaken its neighbors. The overpopulated nations of Southeast Asia can hardly afford great numbers of new mouths to feed. Singapore's spokesman called Vietnam's people-dumping an invasion that follows a familiar pattern: "This was precisely the weapon used by North Vietnam where thousands of refugees fled to South Vietnam, strained security, initiated riots and brought about the collapse of the economy."

(2) Brutalize its opposition. "The Vietnamese are ready, unless stopped, to drive out millions" said Mr. Rajaratnam. ". . . we have no choice but to turn away hundreds of thousands into the open sea to face certain death. Let's not humbug ourselves. We are sending them to death . . . the Vietnamese are compelling us to be as barbarous as they are. . . . If they can convert people who are essentially humane into savages, that is a victory for the savages."

Such guilt is debilitating; nations reisting the spread of Communism become disgusted with themselves. Distinction between attacker and defender, between the imperfectly free and the perfectly totalitarian, becomes blurred in blood.

(3) Fan racial hatred of the Chinese. The ethnic Chinese are traditionally industrious, do not usually assimilate, and tend to work their way out of poverty into the target area of prejudice and envy. In Malaysia, Indonesia and the Philippines, feelings run strong against local Chinese; since the Vietnamese are now expelling mainly ethnic Chinese, these refugees will probably aggregate such bigotry. It suits the pro-Soviet, anti-Chinese Vietnamese Communists to foster racial hatred of China throughout Southeast Asia.

"The massive unloading of Chinese refugees onto these countries," says the man from Singapore, a city-state predominantly Chinese, could "lead to racial warfare which could tear these societies apart quicker and more effectively than any invading Vietnamese Army."

If these three points are at least partially valid, why doesn't the People's Republic of China simply absorb the million and a half rejectees from Vietnam? Because, the Chinese say, such acquiescence would give Vietnam an incentive to profit from the export of millions more of its own people—including the Vietcong, who thought the men from the North were their allies.

That is why, say the nations threatened by Vietnam, Hanoi's leaders are willing to go to U.N.-sponsored conferences to discuss "humanitarian" measures. By arranging for a more orderly deportation of the millions who do not embrace Communist rule, Vietnam could, in effect, extort "reparations" in the form of refugee aid from other nations.

Certainly the civilized world must immediately finance the settlement of "boat people" already in camps and on the seas. But that will not stop the genocide: Vietnam has an unlimited supply of refugees. The answer to the Communist death trade is neither to encourage the coffin-builders to build more coffins, nor to pay increasing blackmail through the U.N. refugee fund. The only adequate response is to force Hanoi to change its murderous policy.

How? Start with economic sanctions by the free world; follow this with diplomatic sanctions and condemnation by the third world; above all, the U.S. must apply superpower pressure on Russia to rein in its client state.

Tight-lipped humanitarianism is what Hanoi demands from the rest of the world. Such accommodation will never be enough to end the death march to the sea. The way to save hundreds of thousands of lives in immediate danger is to attack the policy at its source—in Hanoi.

Now is the time to brand Vietnam a pariah among nations, to excommunicate Hanoi from civilization until it is willing to end its barbarism. Put a bumper sticker on the world: Stop the Bombing. Unless we act forcefully now, we will all be—in the words of the man from Singapore—"unwilling collaborators in their polcy of genocide."●

A FRESH BREATH OF COMMONSENSE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. MICHEL. Mr. Speaker, occasionally we come across an editorial that so clearly captures the commonsense spirit of the American people that it makes an immediate impression and is not soon forgotten.

I read such an editorial recently and I want to share it with you. As the editorial suggests, real patriotism consists not of blindly following but of demanding the best from our Nation's leadership, not in needlessly rallying around a failed leader, but in making him live up to the standards he himself set, not in agreeing for the sake of agreement but in promoting, to the best of one's ability, a vision of what each of us thinks is truly best for this country.

At this time I wish to insert in the RECORD "Leadership Is Needed" from the Register-Mail, Galesburg, Ill., July 16, 1979:

LEADERSHIP IS NEEDED

President Jimmy Carter told us in a televised speech Sunday that we have lost confidence in ourselves and in the future of this nation.

If that is what he picked up in his 10 days on the mountain, it may be that he was listening to the wrong people.

The president said that we are weakened from our former position of being proud of hard work and secure in the strength of the family and that there is growing disrespect for previously respected institutions.

If that is true, the question must be, why is that so?

Could it be that we are worried about our economy because business and individuals are so heavily taxed that we can no longer invest with the belief that the nation's business climate, although always subject to temporary stalls and lulls, has a basic underlying strength?

Can it be that the strength of the family has been eroded by government and an educational system that has set itself up as the ultimate authority on what is right and proper for children, even to the point of saying what they can and cannot, eat before school lunch periods?

Can it be that our work ethic has been weakened by government programs that in many instances provide a better salary for staying home than working? When leaders of government job programs admit that they must occasionally conusel the unemployed to stay on unemployment or aid because their tax-free stipend will give them more than a taxable salary, what does that do to the work ethic?

If our strong undergirding of religious belief is laid at the altar of a court system that will even, in some instances, bar the singing of Christmas carols in school programs, who is to blame?

If our system of law has come to the place that the people too often believe the criminal has more protection than the victim, what caused it? If we have courts and justices that take it upon themselves to write law rather than interpret it, does that make for confidence and respect?

If, as the president said, Washington, D.C., is an island, what made it so? Could it be that came about because Washington IS government, and government is not always reality? Could it be that very isolation from the average citizen, his wants and needs, is at the root of our crisis of confidence?

What sort of confidence can people have when their leader schedules a major speech and then backs away, supposedly to get a consensus from varying segments of the population? How could a leader allow himself to be so isolated from the feelings and opinions of those he was elected to lead?

Many of the things the president told us were factual, although they may not be what we wanted to hear.

There is a need to conserve energy and to develop our own sources. The president told us that when he made his first speech after taking office and declared that solving the energy problem was "the moral equivalent of war." If the nation has failed to respond in that length of time, the fault is not all theirs.

If there is a need for sacrifice to get this country back on an even keel, there is no doubt the productive men and women who work their eight hours, pay their taxes and rear and educate their children, will come through. They always have, and they do not lack the confidence to do again.

What the average citizen wants from those he has elected to lead is leadership.

Enough rhetoric. Enough promises. Enough fingerpointing.

Give us leadership. Give us programs that are needed. Have the courage to cut those that are not. Give us laws that are fair and sensible. Stop bending over backwards to reward those who deserve punishment. Instead of talking about cutting red tape, cut the bureaucracy that created it.

Give us honesty. Give us leadership. Show the way, and you can count on the American people to have all the confidence they need.—Norma Cunningham, Associate Editor.●

TRIBUTE TO SISTER CHRYSOSTOM STOCKMAN, S.S.J.

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. KILDEE. Mr. Speaker, I would like to take this opportunity to ask the other Members of the U.S. House of Representatives to join with me in paying tribute to Sister Chrysostom on the occasion of the acknowledgement of her 60th year in the service of God.

Christena L. Stockman, born on a farm in Davison, Mich., and one of 10 children born to Rosana and Alfonso Stockman, learned early in life to share and work with others.

After graduating from Davison High School, she left her family to attend Nazareth College, choosing to dedicate her life to God through the education of children, and in 1919, she professed her vows in the order of the Sisters of St. Joseph, taking the name, Sister Chrysostom. She has continued throughout her life to subscribe to her high school class moto: "Success awaits at labor's gates."

Born 28 years after the Civil War and being able to observe the effects of internal strife and conflict and the impact it had on our Nation and its people, then having lived during the Spanish-American War, World War I, the Great Depression, World War II, the Korean war, and Vietnam, she has been witness to strife and turmoil. This has only reinforced her commitment to service to God and reaching out to touch the lives of others in a positive way. She has been untiring in her efforts to enhance one of our most valuable resources—our children—and to instill in them the importance of education, concern for others, love of family, and above all, faith in God. She continues to be in a quiet, firm, and understanding way, an example to others and to give them strength and hope. It is only through such dedicated indiviuals as Sister Chrysostom, S.S.J., that we will be able to make this world a better place in which all of us can live, and I would like to join with those giving tribute to her 60 years of unselfish and devoted service.●

CAPTIVE NATIONS WEEK

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. ADDABBO. Mr. Speaker, in the shadow of strategic arms limitations talks with the Soviet Union and bilateral trade agreements with the People's Republic of China, we observe today the 20th anniversary of Captive Nations Week. Keeping in mind the turn of events since the initiation of this commemorative week back in July of 1959, we are again faced with the sad situations which continue to exist despite the tireless efforts of people striving for freedom in the more than 2 dozen captive nations of the world today.

Our tradition of liberty for all men makes the idea of nations in captivity, denied the right of self-determination, hard to swallow. The term "captivity" brings to mind shackles and crushed dreams which it has been our tradition to counter—an ideal which was the very basis for our coming into being and the fighting of the American Revolution.

As a result, we, the United States, have been looked to for leadership in the struggle for the freedom of all nations. We maintain in this tradition a responsibility to those countries whose peoples have fled to our shores. They have not forgotten the people they have left behind in Eastern Europe and our conscience, sensitive to the violation of human rights, will not let us forget either.

I would like to recall one particular situation whose existence is an embarassment to the free world.

To this day, the Soviet Union, among the most noted violators of human rights, maintains its hold over Eastern Europe, in an insensitive tyranny, as "satellite states." A flimsy claim to the area of the Baltic States and Poland is based on the long nullified Molotov-Ribbentrop Pact, an agreement made with the Nazi Reich whose nonexistence since its defeat in World War II makes the continuation of this claim a disgrace to the free world. It stands as still another act of defiance on the part of the Soviet Union. The Congress, in an attempt to discredit such a ludicrous claim for legitimate occupation of this land by the Soviets, has addressed the issue through House Concurrent Resolution 147, a measure presently under consideration by the House Foreign Affairs Committee.●

U.S. MORAL STAND ON ZIMBABWE RHODESIA IS HOLEY

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Los Angeles Times, July 16, 1979]

U.S. MORAL STAND ON ZIMBABWE RHODESIA IS HOLEY

(By Stefan A. Halper and Roger W. Fontaine)

Bishop Abel T. Muzorewa, Zimbabwe Rhodesia's first elected black prime minister, was in Washington last week attempting to convince the Carter Administration that his government deserves American recognition. He apparently made little progress among the unconverted.

The unconverted include Jimmy Carter, who reluctantly met the bishop at Camp David in a last-minute decision designed to avoid a domestic backlash were he completely to ignore the prime minister. The reception, however cool, also was designed to mollify radical African states.

What has been overlooked in the course of this quirky diplomatic minuet is the fundamental question: Why should Zimbabwe Rhodesia remain an international pariah?

The Carter Administration's decision to withhold recognition of the new government and maintain trade sanctions is based on moral and ethical reservations about Zimbabwe Rhodesia's new constitution. It is odd, but hardly surprising, that this particular constitution is the only one in the world that Carter and his associates have weighted carefully in the balance and found wanting. The standard by which the White House makes its judgment is clear—namely, the Muzorewa government is defective because it is not a pure democracy in which everyone, black and white, has equal representation. Indeed, the constitution guarantees this both in its content and in its mode of approval: first, because it preserves rights for the white minority—specifically, a bloc of 28 out of the 100 seats in the parliament, although whites constitute only 4 percent of the population—and, second, because it was never approved by the black population.

According to pure democratic theory, therefore, the new constitution is flawed. But the matter is not closed, as the Carter Administration would suggest. Preserving some form of political inequality is hardly unique.

The U.S. Constitution, for example, was made possible because of the "Great Compromise," which permitted each state, large or small, two representatives in the powerful upper house, the Senate, and proportionate representation in the House. Without that agreement, which preserved for the less populated states a co-equal voice in matters before Congress, the proposed federal union would not have been ratified. But, in terms of the "one-man, one-vote" litmus test being applied by the Carter Administration, that compromise is a violation of the principle of equal representation.

In Africa, the anomaly is even greater. The original constitutions of Tanzania and Zambia provided for guaranteed white representation, and, in the case of Tanzania, Asian representation as well. And they did so without condemnation from anyone. On the other hand, Liberia's constitution expressly excludes whites from citizenship or property ownership.

Judging one country by a strict standard not applied to others leaves one open to the charge of inconsistency. But mere inconsistency is not a crime—though it is scarcely a virtue.

A more serious problem is Washington's claim that the new constitution is illegitimate because all Rhodesians were not asked to give their approval. Again, it is not enough to point out that few constitutions have been approved through universal suffrage. In America's case, our supreme law of the land was accepted two centuries ago by a minority of white male property owners.

The important point, however, is that good constitutions are always the end result of a series of delicate compromises rooted in the reality of the here and now. Zimbabwe Rhodesia's black leaders were consulted on each provision of the constitution. They gave their approval after hard bargaining. They agreed to the 28-seat provision because they knew that most whites would not stay without such a guarantee. They further knew that, without European managerial and technical expertise, Zimbabwe Rhodesia's economic future would be bleak—which is precisely the case with its neighbors, Angola, Mozambique and Zaire, which offered no such assurances to their white minorities.

Pure theory is often compromised in order to preserve more important goals—for example, the survival of a nation and, in this case, any future hope in Zimbabwe Rhodesia for a majoritarian democracy. The denial of recognition for Muzorewa's government means that a near-democratic regime may not survive long enough to improve its form of government. We in the United States had more than a century to make a more perfect union; the Zimbabwe Rhodesians are asking for a decade.

Zimbabwe Rhodesia may not survive, because it is challenged by men who are not enthusiastic about democracy in any known form. Robert Mugabe, the Mozambique-based guerrilla leader, openly proclaims his devotion to Marxism. Josuha Nkomo, operating from Zambia, publicly scorns electoral democracy.

Moral principle is vital to American foreign policy. But it must be applied consistently, and with great care for the consequences. It must meet the test of choosing the good when the best is not possible. Zimbabwe Rhodesia provides a classic example of such a choice.●

PERSONAL EXPLANATION

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. LIVINGSTON. Mr. Speaker, through an unavoidable scheduling conflict on Friday, July 13, 1979, I was unable to vote on the amendment to H.R. 4394, the Treasury-Postal appropriations bill which was offered by the gentleman from Ohio (Mr. ASHBROOK). Mr. ASHBROOK'S amendment provided that no funds shall be used to cause the loss of tax-exempt status to private, religious, or church-operated schools.

Because this issue affects so many of my constituents, I would like to state for the record that had I been present, I would have voted with the majority in favor of the amendment.●

CAUTION IS RECOMMENDED FOR PEACETIME MILITARY REGISTRATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mrs. SCHROEDER. Mr. Speaker, I wanted to bring my colleagues' attention to an editorial and op-ed printed in the Washington Post this morning. I think the articles summarize well the reasons why this body should not vote in favor of the proposed defense authorization bill provision to register 18-year-olds. Whatever the problems with the All-Volunteer Force might be, registration, as it is now being proposed, is not the way to solve them.

PEACETIME REGISTRATION: PROCEED WITH CAUTION

(By Martin Binkin)

The military registration debate is reaching the floors of Congress. On the House side, a proposal tacked onto the defense authorization bill would require the president to begin registration of 18-year-old males in January 1981. In the Senate, the Armed Services Committee proposes the registration of males 18 through 26 to begin no later than January 1980.

Thus far, the issue has been inappropriately linked to the question of whether or not the volunteer army is working. This has happened largely because the strongest advocates for peacetime registration and the sharpest critics of volunteer forces are one and the same. As a result, many oppose registration for fear that it is but a first step in a conspiracy to return to the draft. It is important that Congress move out of the line of this emotional cross fire and consider the issue on its merits.

Registration was terminated by President Ford in 1975, a decision taken largely in the interest of economy but no doubt influenced by the view that a conventional war would not last long enough for mobilization to matter and, even if it did, reservists could fill the breach until the Selective Service System could be reconstituted and begin to deliver fresh recruits.

But a recent reassessment of the demands of an intense conventional conflict coupled with problems in manning the reserve forces have raised fears that the U.S. Army would run short of combat troops should the forces of NATO and the Warsaw Pact square off in a replay of World War II. As matters stand, the nation's Selective Service machinery, which is now "deep standby," could not deliver the first inductees to Army boot camps until some 110 days after a decision to mobilize. Allowing for training and travel, this would mean that the first replacements would not reach the battlefield until at least 200 days after mobilization, which many now consider to be too late to make a difference.

The Carter administration wants to speed up the process; as a first step, it has proposed increased funding for fiscal year 1979 and 1980 to improve the computer capabilities of Selective Service and to increase the size of its full-time staff from about 100 to 150. The administration contends that its modernized system would ultimately be able to deliver the first recruits within 30 days, in which case combat replacements would be available as early as 115 days after mobilization—considered by the Pentagon to be soon enough to fill out new units and replace combat casualties. Moreover—and this is important—the administration claims that this schedule would be met *without* preregistration.

But not everybody agrees. Critics question the feasibility of meeting such a tight schedule, even by a streamlined system. They discount the prospects for registering up to 6 million youths, storing the data on computers at regional sites, notifying inductees to report, giving physical examinations and beginning actual inductions—all within 30 days. Instead, they argue, peacetime registration would give Selective Service a leg up, virtually ensuring that the 30-day timetable could be met, with some proponents claiming that inductions could start within 12 days.

To resolve the issue, Congress should address two questions: To what extent is an enhanced mobilization capability necessary to the nation's security? Is peacetime registration necessary to achieve it?

To answer the first, Congress will have to sort out conflicting testimony of expert witnesses who have expressed widely divergent views of the number of troops that would have to be mustered in an emergency, how soon they would be needed and how best to raise them. Much depends on the validity of assumptions regarding the amount of warning time before hostilities commence, the duration and intensity of conflict, casualty rates and other factors over which there is wide disagreement. Whether the military could train, equip and deploy large numbers of recruits even if they were available is also open to question.

Should analysis lead to the conclusion that an accelerated induction schedule is a good idea, it is still far from clear that peacetime registration is necessary to accomplish it. Claims that the administration's proposed improvements will be enough to revive the Selective Service System should invite a healthy measure of skepticism, but so too should the claims that a failure to endorse peacetime registration would pose an undue risk to U.S. national security.

This is all to say that too many questions are unanswered and, until they are fully resolved, reinstituting peacetime registration—an act that would be sure to reopen old wounds—would be premature. Indeed, the debate should not proceed to a legislative conclusion on the basis of the incomplete, conflicting and often emotional arguments presented so far.

Rather, it would seem prudent for Congress to go along with proposals to beef up Selective Service, which needs to be done in any event, and give the administration some time to iron out the technical problems that are bothering the skeptics. In the meantime, Congress should press the White House for a comprehensive coordinated and coherent standby draft policy and legislative proposals to underpin it. This will also give all parties time to do their homework on other critical questions that have been left hanging: Should women register? What form should registration take? Face-to-face at draft boards? By postcard mail-in? Or passively by tapping existing government files? How is compliance to be enforced and what penalties will be imposed for failure to comply?

Once answers are in hand, Congress will be in a better position to make the rational and careful analysis that an issue with such important social and national-security implications deserves.

THE DRAFT ISSUE

The House is about to vote on a measure requiring 18-year-old men to start registering, after the 1980 elections, for the draft. The vote is being taken under conditions that make success unlikely, and that is just as well. For the issues involved are momentous and complex, and neither the country nor the Congress has yet been attentive enough to them to ensure that a good overall decision will be made. As educational vehicles, the House measure and a similar Senate bill, due to be debated later, are useful. But it would be unfortunate to make a national commitment strictly on the basis of these debates.

Peacetime registration, after all, is a step back toward a draft, and a draft is a good deal more than a procedure for furnishing military manpower. It involves technical judgments on what sorts of forces the nation requires, and this in turn requires political judgments on the sorts of defense and foreign policies those forces are meant to serve. Moreover, the draft—involuntary military service—involves social judgments on the kind of society Americans wish to build. No bill on registering 18-year-olds can avoid reaching these larger questions, and the current House and Senate measures have served to raise them. But they have not yet been adequately weighed.

This is not to say that the all-volunteer force instituted after draft calls were suspended in 1973 (the registration requirement was suspended in 1975) is the signal success its more ardent defenders claim. Nor is it to ignore the substantial problems of the active reserve and, especially, the individual ready reserve, which provides replacements for caualties in a European war—the contingency most on the minds of manpower planners. Ending the draft unquestionably contributed to reserve problems by removing the draft's spur to reserve service. Responsible discussion has been obstructed, moreover, by the Pentagon's refusal to declassify the results of its mobilization exercises, which apparently revealed certain reserve deficiencies. The numbers cannot be unfamiliar to the Russians. They should be made available for American public examination.

The Carter administration came to office politically disposed to associate the draft with the unpopularity of Vietnam, and therefore little inclined to think about reinstituting it. Its officials now argue that, notwithstanding the travails of the all-volunteer force and the diminishing pool of 18-year-olds, manpower needs can be met into the 1980s by means other than the draft: better recruitment, incentives for retention of experienced servicemen, etc. Many citizens opposed to registration, however, prefer to pick up on themes popularized during the Vietnam war. They see registration as the camel's nose under the tent of (beyond the draft) an adventurist foreign policy and a militarization of American society. Still others feel the draft should be treated as a social project and linked to some concept of universal national service for youth. The administration, striving to make the all-volunteer force work better, has hoped to preempt the wider, hotter debate.

If the all-volunteer force were problem-free, however, the draft issue would not have been revived in the first place. Fortunately, the problems are of a scale that permit, indeed demand, orderly scrutiny. That scrutiny should not be crowded by a hasty proregistration decision in the House.●

THE BOAT PEOPLE

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. MARKEY. Mr. Speaker, about 150 years ago, Edward Everett Hale wrote a novel about Philip Nolan, who denounced his country and was sentenced to live his life as "a man without a country." Today, there are hundreds of thousands of people, fleeing Vietnam, who share the same fate. To Nolan, his predicament was torture. To those who are leaving Vietnam, the so-called "boat people," their predicament is pure hell.

Like Nolan, the boat people voluntarily denounced their homeland. They are for the most part ethnic Chinese, and have recognized the longstanding animosity between the Chinese and Vietnamese. They fear for their economic and physical well-being, and flee.

Vietnam is in dire economic straits right now. Their country was nearly devastated during a long and arduous war, and we in the United States can take some of the blame for that devastation. The country is overpopulated, and prospects for meaningful employment for most of the population, even the skilled element, are slim. With such a grim outlook, many look elsewhere.

Where else can they turn? To compound their woes, no one else will take them. All their neighbors—Laos, Thailand, China, Japan, and especially Malaysia—turned them away from their borders.

With all these nations refusing them refuge, the boat people suffer. Many boats are rickety and small, with dozens of people huddled together. They drift at sea, braving the elements, sometimes succumbing. They drift and their food supply runs out, as ship after ship passes them by. Thousands—no, tens of thousands of people—are dying. They are dying, and the world sits.

We must take them into our shores. We owe it to them, as leaders of the free world who profess respect for human rights. What more fundamental rights can these people require than food, clothing, and shelter? If we really believe in human rights, we have an obligation to provide at least those basic necessities of life to these people.

As a nation, we have a long history of accepting people from foreign lands. Since 1840, when thousands of Irish refugees arrived escaping the potato famine, America has opened its doors to the desperate from other countries.

The United States is more than the home of the Statue of Liberty—the symbol of freedom for the oppressed all over the world. As its inscription reads: "Send me your tired, your poor, your huddled masses yearning to breathe free. Send these, the homeless, tempest-tossed to me." If we really believe that, we cannot do less than accept the Vietnamese refugees.

We must not, of course, act alone in this measure. Realistically, we cannot accept every boat person who wants to come here. Other countries must be willing to accept large numbers of boat people as well. If enough countries will take equal amounts, the strain on any one country will not be severe at all. Seventy-nine nations will meet this weekend in Geneva, where they will discuss the problem of the Indochinese refugees. I hope they will all agree to accept more into their countries. I have cosigned a letter, drafted by my distinguished colleague from Illinois, PAUL SIMON, to that effect addressed to Secretary Vance and Secretary General Waldheim.

There is a tragedy occurring right before our eyes. We cannot let it escalate into a holocaust. People are suffering, and the longer we wait, the more they suffer. We must act, and we must convince the world to act.

Above all, we must remember that this is a human tragedy. As the world becomes more complex, we tend to think of the world as a set of numbers. As that happens, we become numb when we should be more sensitive. Let us remain sensitive to the plight of those tens of thousands of boat people who are in such distress. If we think of them, we cannot choose otherwise than to help them.●

ANNIVERSARY OF SENECA FALLS, N.Y., WOMEN'S RIGHTS CONVENTION

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. LEE. Mr. Speaker, today marks the 131st anniversary of the Seneca Falls Women's Rights Convention, the birth of the women's rights movement and a landmark in the social history of our Nation. I have the privilege of representing Seneca Falls and should like to recount the circumstances from which the convention arose that we might have a better understanding of the progress of women in the past one and a half centuries.

On July 14, 1848, in the little upstate New York village of Seneca Falls, an announcement appeared in the local newspaper, inviting the public to attend a convention to be held on the 19th and 20th for the purpose of discussing the social, civil, and religious condition and rights of woman. The two-inch advertisement was the precursor of the first woman's rights conference held anywhere in the world.

The attendees demanded the recognition of woman's right to education, property, employments, equal pay, guardianship of children, and suffrage. It was the start of the organized woman's movement. The originators of the conference did not expect a large crowd or a great deal of public notice, and were surprised when they were caught up in a storm of vindictive attacks from the pulpit and the nationwide press, and were just as vigorously defended by some of the leaders of the other reform movements of the day. More woman's rights conventions soon occurred all over the country, bringing the movement into public view as it had never been before, and making it the topic of a national debate that continues to this day.

The opposition that faced woman's rights advocates at this time was immense. Woman in the mid-Nineteenth century was practically a political and civil nonentity. Her sphere was clearly defined as being the home and family. Society vilified the woman who stepped immodestly out of this sphere; speaking to mixed audiences was taboo, as was trying to earn a living in any of the male controlled professions or trades. A woman working at any job could consider herself lucky to earn as much as one-third of her male coworkers' wages. Upon her marriage, all property and wages became her husband's to dispose of as he chose. Her children were in the complete custody of their father, and he could apprentice them or send them away without her consent. Institutions of higher learning were closed to her; she was considered sufficiently educated when she could read and write well enough to write letters to relatives and keep the household accounts. She had no political power and no vote.

Born into this situation was Elizabeth Cady Stanton, the prime mover of the Seneca Falls Convention and, along with Susan B. Anthony, the leading philosopher and organizer of the women's rights movement until her death in 1902. She was the daughter of a wealthy Albany lawyer, and it was in her father's offices that she saw first hand the many social and legal injustices women suffered in that day. Deeply affected by these early experiences, she became involved in the temperance and abolition movements: activities which served as training grounds for many of the early woman's rights activists. In 1840, she married Henry Brewster Stanton, one of the leading abolitionists of the time. It was on their honeymoon trip to the World Anti-Slavery Convention in London, when the women delegates were denied the right to speak, that she first made the decision to start actively working for women's rights. She and Lucretia Mott, a Quaker minister involved in the temperance and abolition movements, planned a convention "to educate the gentlemen on these points." Eight years later, in Seneca Falls, N.Y., their plans came to fruition. Stanton, Mott, and three other women from the neighboring village of Waterloo wrote the Declaration of Sentiments—the first charter of woman's rights and presented it to the world on July 19, 1848, 131 years ago today.●

COL. RICHARD GRIDLEY LOCKS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. MOAKLEY. Mr. Speaker, recently the dedication of the Col. Richard Gridley Locks at Charles River Dam occurred. I should like to take a few minutes to tell you and my colleagues about its significance.

Upon the 203d birthday of our Nation, it is appropriate to recognize the achievements of Colonel Gridley; the first Chief Engineer of the U.S. Army. He was a Boston native with a natural talent in a time when engineers were almost nonexistent in America. His competence enabled him to accomplish many tasks with only primitive resources; yet, he never lost his unwavering faith in the cause of freedom. Colonel Gridley's system of defense fortifications was a key factor in convincing the British that America's determination to be free would not be turned aside. Of Gridley's skills, General Washington remarked, "I know no man better fitted to be Chief Engineer."

The completion of the locks commands further significance. It will provide safe navigation, opportunities for further development of the Charles River Basin, and most importantly, protection against flood damage. The project has prevented nearly $16 million in damages in less than 2 years: more than one-third of the $50 million cost.

I want my colleagues, the metropolitan district commissioners, and the Army Corps of Engineers, to know my gratitude for this undertaking: one that will efficiently insure the safety and future of the Charles River area.●

YOUNG FAMILIES HOMEOWNERSHIP ACT

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. ROTH. Mr. Speaker, I want to call the attention of my colleagues to H.R. 2410—the Young Families Homeownership Act of 1979.

This act would amend the IRS code in order to provide a tax credit for amounts contributed to an individual housing account (IHA). A central feature of the bill is the provision for establishing an IHA into which contributions can be made by anyone saving toward the purchase of a first home.

This bill is designed to meet one of mankind's most basic needs—shelter. In the United States, however, the opportunity to buy a house in order to satisfy such a fundamental need has become increasingly difficult in the last several years. In fact, buying a home has been beyond the means of a growing number of Americans in recent years. The increasing difficulty in purchasing a home has hit the low and moderate income groups particularly and has been a real point of discouragement for young American families. This bill will help correct this problem. It will help many realize the American dream of owning their own home.

INCOME TAX CREDITS

This bill offers an attractive and realistic means of assisting prospective home owners. It offers income tax credits rather than deductions. Persons who are saving toward the purchase of a first home may take a tax credit of 20 percent on contributions to an IHA for a maximum credit of $500 per year. The IHA may total $10,000 over a 10-year period, and interest on the account is tax free.

Use of tax credits has a two-fold benefit. First, tax credits can be claimed by those in the lower and middle income levels. This is an important factor because renters—one of the groups most affected by this bill—generally do not itemize their tax returns and thus could not take advantage of a tax deduction. However, a credit would be useful. Moreover, deductions would tend to favor persons in the upper income bracket. Second, the Treasury has indicated that using a tax deduction would result in a much greater loss of revenue than a tax credit.

There are some other benefits, too. For example, this bill will encourage increased individual savings. It will also promote increased funds for savings institutions and thus tend to stabilize interest rates.

In summary, this bill will benefit first-time home buyers, savings institutions and the housing industry. Accordingly, I urge my colleagues to support this bill.●

SOCIAL SECURITY BENEFITS

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. SHUMWAY. Mr. Speaker, today I am introducing legislation to repeal the outside earnings limitation which is currently imposed on social security recipients.

Under present law, eligible recipients between the ages of 65 and 72 are threatened with a reduction in social security benefits if their outside income exceeds a certain level—now $4,500 per year. For every $2 earned in excess of this limit, social security benefits are reduced by $1.

It certainly makes very little sense, at a time when many of our senior citizens are struggling to make ends meet, to penalize social security recipients in this fashion. Social security is a retirement program, not a welfare program. To deny full benefits to those who have paid into the system throughout their working careers, with the expectation that they would begin to reap the benefits at age 65, is literally a breach of the contract between the Federal Government and the individual worker.

In fact, it is often those who find it most difficult to survive on fixed incomes during periods of high inflation, such as we are now experiencing, who must rely on outside income. It is not wealthy individuals, who often have income-producing investments, who suffer under the earnings limitation—it is those who can least afford it.

Further, the earnings limitation acts as a disincentive to work in a productive capacity. The attitude toward retirement in recent years has made clear that the 65-year limit is somewhat arbitrary; many are choosing and, in fact, are encouraged to continue working beyond this age. Not only is this good for the economy, it is good for the individuals involved. Yet, because of this outdated provision, we are formally penalizing such activity.

Mr. Speaker, legislation similar to mine has been introduced in the past. Many Members share my concerns. Senior citizens throughout the country support this measure. I would threfore hope the full House would join in support of repealing the outdated earnings limitation and quickly pass this legislation.●

SELECTIVE SERVICE REGISTRATION AND CLASSIFICATION

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. WHITE. Mr. Speaker, the House will be voting in the next few days on the issue of Selective Service registration in H.R. 4040.

To assist the Members in acquainting themselves with testimony which has been offered on this subject, I am including in the RECORD hereafter a section from the Senate Report No. 96–226 which summarizes the testimony that has been received on the issue of registration from senior Department of Defense officials.

The summary contained in the Senate report provides a capsulized look at the testimony which the House has received also. The section from the Senate report includes testimony from a number of other individuals on the issue of registration. I would encourage all Members of the House to read the following material and the summary of testimony in the Senate report in its entirety.

SUMMARIES OF TESTIMONY ON SELECTIVE SERVICE REGISTRATION AND CLASSIFICATION

Harold Brown, Secretary of Defense

Secretary Brown, appearing before the Armed Services Committee on January 25, 1979, summarized his position on the need to upgrade Selective Service capabilities as follows:

"I have a recommendation from the Chairman of the Joint Chiefs of Staff about registration and a less clearcut conclusion about classification. I think that Selective Service is not in a situation now where it could meet our requirements should there be a major conflict. It would take too long to register, classify, process, conscript, and so on. For that reason, I believe that we ought to bring Selective Service up to a higher degree of readiness.

"Now, a lot of that can be done just by appropriating more money for it, and the administration is asking for more funding for this purpose without changing anything else. Beyond that, I think we should examine and I think we may well want to proceed with either an updating of records, use of existing records—I think that probably would take legislation, because of the privacy laws—or registration.

"I am not prepared to say yet which of those makes more sense and how much it would get us. I think during the course of this year we can come to a conclusion on that. I would not favor instituting conscription at this time."

General David C. Jones, Chairman of the Joint Chiefs of Staff

General Jones, appearing before the Armed Services Committee on January 25, 1979, acknowledging the heavy reliance that would be placed on Reserve components in the event of a mobilization and the existing shortages in those components stated:

"This manpower shortage is further compounded by the lack of a responsive Selective Service System to meet the mobilization manpower needs of the Services. Since registration is one of the most crucial aspects of manpower mobilization, the establishment of a mechanism which provides for peacetime registration is needed now. Although some initial screening is envisaged, the extent of physical and mental testing requires further study. While registration and initial screening would not eliminate the pretrained-manpower shortfall during the early stages of mobilization, it would decrease significantly the total shortfall."

On the subject of the future of the All-Volunteer Force, General Jones testified:

"We are not ready to give up on the All-Volunteer Force as yet but have recommended registration and something beyond that in the way of screening. We believe the subject needs serious study and, if the trend lines continue, we won't foreclose some sort of national service, particularly for the Reserve components.

"The whole problem needs very serious attention by this country."

Charles W. Duncan, Jr., Deputy Secretary of Defense

Deputy Secretary Duncan, testifying before the Armed Services Committee on January 30, 1979, said the Department of Defense is—

"* * * not satisfied with the capability of the Selective Service System to support our wartime manpower needs. The President's budget includes funds to improve the readiness of this system. Depending on how much this improved readiness buys us in assured responsiveness to wartime manpower needs, registration or some form of improved recordkeeping about draft age youth may be appropriate."

At the same hearing, when asked if he favored a return to registration at this time, Deputy Secretary Duncan stated:

"I think some improved form of recordkeeping is necessary and that would probably mean registration. What you can do, if it weren't in the form of registration—I am not really that familiar with the Selective Service System to be able to respond to alternatives, but—there are other ways of getting the information. I would expect, however, you would have Privacy Act problems. I would say in my own judgment, and this is a personal judgment, the best way to get it probably would be to go to registration."

In answer to a question supplied for the record, Deputy Secretary Duncan said the Department of Defense would recommend registration be reinstated under any one of the following four conditions:

"The first of these is upon outbreak of hostilities or a clear threat of hostilities. During mobilization for war, the draft would be reactivated and used as needed to allocate the Nation's manpower to enhance the mobilization effort.

"The second condition for reinstitution of registration may occur during a period of rising tension that might develop into military confrontation.

"The third condition under which we may recommend registration would occur if the Selective Service System is still unable to meet Defense requirements for inductees after implementation of its fiscal year 1980 budget initiatives.

"The fourth condition under which the Department would recommend registration would be if manpower strengths dropped to a point where national security were jeopardized and there were not enough volunteers to meet our manpower requirements."

Clifford L. Alexander, Jr., Secretary of the Army

Secretary Alexander, on January 30, 1979 in response to questions on the need to revitalize the Selective Service System said:

"We have problems in the Reserve component but, on balance, I have reached the conclusion that a draft at this time is certainly not required and, indeed, would be quite counterproductive. On the other hand, to be reasonably prepared and to have an adequate assessment of the availability of people, if indeed an emergency situation were to arise, it seems to me that a limited registration would be in order so that the availability of people would be in front of us. Time could be saved and it would not be necessary to find out while the emergency was going on, what the availability of the people that you wanted would be.

"So it is my personal assessment that it would be sensible for us to consider and discuss a limited registration, not classification, but limited to registration only."

Asked to define what he meant by "limited registration", Secretary Alexander responded:

"It would specifically mean accumulating information without a mass of details and without any significant inconvenience to the individuals who would be providing the information."

In answer to a question for the record, Secretary Alexander explained why he felt registration is necessary:

"Peacetime registration will permit the Army to meet its wartime manpower requirements much sooner than is possible with the current capability of the Selective Service System. The inadequate enlisted strength of the Individual Ready Reserve (IRR) places increased importance on the responsiveness of Selective Service to meet Army wartime manpower needs. The Selective Service System was phased to its current "deep standby" mode in FY 1977 and has the ability of delivering the first registrants for induction at M+110 days and 100,000 by M+150. The DOD stated requirement for all Services is delivery of the first inductees at M+30, 100,000 by M+60 and 650,000 by M+180. Recent analyses of the Army training establishment indicates that under future emergency conditions the Army could be able to accept 184,000 new trainees by M+60 and 568,000 by M+180. Peacetime registration will assume the availability of the first inductees by M+15, more than 100,000 by M+60 and 650,000 before M+180 days. Although establishing peacetime Selective Service registration will not eliminate the Army's total mobilization manpower deficit or even influence the manpower shortfall in the first 90 days, it will shorten the time of availability to the deployed units of the first newly trained inductees from M+210 to M+110 days."

General Alexander M. Haig, Jr., Supreme Allied Commander, Europe, Commander-in-Chief, U.S. European Command

General Haig, in testimony before the Manpower and Personnel Subcommittee on February 22, 1979, expressed his concerns with the current All-Volunteer Force and possible remedies and stated—

"Today I think we need a system of registration, and I would support also, given what we know already, a classification system. Beyond that, we have to look immediately to what is necessary to remedy our shortfalls in the Reserve structure, especially in the Individual Ready Reserve.

"As we proceed along those lines, we will require additional empirical data, which should be shared with the American people and the American Congress. If that data shows, as I suspect it will, that early in the eighties we will have to go beyond reserve remedies and into actual structure itself, we will have already developed the consensus that can be supported enthusiastically by the American people or at least without active opposition."

Addressing the subject of national service, General Haig said, his personal feeling is,

"* * * that a young citizen of our Nation should be raised and nurtured in the context of some obligation of service to his Nation in either the military service or some form of Federal service for a brief period of time. It would be hard to judge what impact the all volunteer structure has had on our citizens' sense of obligation, but I think it could be ascertained there must be some."

Admiral Harry D. Train, Commander-in-Chief, Atlantic

Admiral Train, appearing before the Manpower and Personnel Subcommittee on February 22, 1979, was asked whether registration and classification would have an impact on the Navy's manpower problems. He responded:

"I agree with General Haig that it is important that, if we have to resort to this device to man our ships, to fill out our fighting structure, that we at least know where the people are that we would call into the service.

"In the past, the impact of the draft, as people were being drafted into the Army, had a beneficial impact on the Navy, people would enlist in the Navy rather than be drafted into the Army. Whether that would prevail today or not, I don't know."

General Bernard W. Rogers, Chief of Staff, U.S. Army; Admiral Thomas B. Hayward, Chief of Naval Operations; General Lew Allen, Jr., Chief of Staff, U.S. Air Force; and General Louis H. Wilson, Commandant, U.S. Marine Corps

The four chiefs of the military Services appeared together at a hearing of the Manpower and Personnel Subcommittee on March 13, 1979, and testified on the need for the reinstitution of registration procedures.

The witnesses all acknowledged that the Nifty Nugget mobilization exercise indicated that the Services are not now capable of meeting U.S. national emergency requirements.

Asked if it is now necessary to reinstitute registration the replies were as follows:

General Rogers. As a minimum, we should go to registration just as soon as we can.

General Allen. Yes sir . . . the act of registration, while not needed for us in the same way that it is for the Army, would doubtless benefit the ability to recruit. I support registration and limited classification.

Admiral Hayward. I am convinced that registration is a logical and sensible thing to do.

General Wilson. I believe that registration is absolutely necessary.

Generals Wilson and Allen and Admiral Hayward were also asked whether they favored classification. Their responses were as follows:

General Wilson. Yes, sir, I think classification is a follow-on to registration, and should also include examination. I think examination should probably come first—medical examination, and full classification in that order. Registration, examination, and classification in that order, depending again on the administrative difficulties involved. It is going to be difficult to start up again.

General Allen. There are certain steps of classification that can be done with very little cost or administrative difficulty associated with registration. The first big charge, as I understand it, comes up with respect to physical examination. I believe that limited classification should certainly be done as part of registration. And I am, frankly, unsure in the matter of weighing expense against benefit as we get into the physical examination question.

Admiral Hayward. I believe that if your legislation were to call for registration that the time required to get the mechanism moving and to be effective in registering would allow us more time in determining whether the next step ought to be medical and classification. There is a cost to that and one ought to do it, in my opinion, in conjunction with a decision to go to the draft for the IRR. If a decision is not to go in that direction, then I am not so sure that I can say now that we ought to make that investment in classification.

Asked if reinstitution of registration should include women, the witnesses stated:

General Rogers. Women should be required to register in order for us to have an inventory of what the available strength is within the military qualified pool in this country.

General Allen. My personal opinion is yes, sir. I think that the importance, with regard to the inventory, is not nearly the same for women as it is for men. Therefore, I would not believe that registration for women is essential. However, if there were feelings of equal treatment that would make the act of registration more acceptable, if it were done the same for men and women, then I would have no objection to the registration of women.

Admiral Hayward. I concur almost exactly with what General Allen has said. In my judgment, the requirement for large numbers of women for mobilization purposes, hence registration, is not there. If it were intended to accelerate our ability to mobilize, I would not support a requirement for registration of women nearly to the degree that I could male registration. It seems to me the issue really is a political decision more than a military requirement decision.

General Wilson. Yes. I believe they should be registered. I think from a pure equitable point of view, women in the Marine Corps are doing very well.

Asked whether the witnesses would be in favor of women being drafted for the purposes for which women are used today, they responded:

General Rogers. I am not prepared to agree that they should be drafted as of today, even for those skills for which they are today being utilized. But if they are to be drafted, they should only be drafted for those skills for which they are being utilized today.

General Allen. As far as the Air Force is concerned, the argument as to whether women should or should not be included in the draft is a deferral to the Army, which has a different kind of problem, or is a question of equity, on which I am really not prepared to voice an opinion. It would not have any unfavorable effect on the Air Force. We would have no objection to such a draft.

Admiral Hayward. From a military point of view, there is no need for drafting women into the U.S. Navy. From the standpoint of equity, it seems to me as though that really is a political decision rather than a military decision.

General Wilson. I believe that we can meet our goal satisfactorily. From an equitable point of view, or perhaps as a result of the inevitable court contest which will come up if, in fact, men and not women are drafted, we would be perfectly happy to have women drafted. That is, up to the 5 percent goal which I believe we can handle in the Marine Corps.

The witnesses were asked if they would be in favor of this session of Congress reinstituting the draft and they replied:

General Wilson. I believe the draft is necessary. I believe it will be necessary in the decade of the 1980's. At the moment I believe registration should come first.

Admiral Hayward. I am not in favor of this session of Congress reinstituing the draft.

General Rogers. If this session of Congress could reinstitute the draft, I would be in favor of it. I believe that we already are behind the timetable that I would like to have seen to reinstitute registration. I personally believe, that there is nothing that we have underway now or anything on the horizon which will solve the problem of the Individual Ready Reserve, except resort to the draft for the Individual Ready Reserve. We do not need to draft for the Active Component; we do not need to draft for the Reserve Component units because by drafting for the Individual Ready Reserve, this country will be able to fill the Reserve Component units and Active Component units on a volunteer basis.

General Allen and Admiral Hayward were subsequently asked if they felt, given the current trends, that a draft in some form was inevitable in the future. They responded:

General Allen. As a member of the Joint Chiefs and in consideration of the problem faced by the Army, I do believe that a draft into the IRR is very likely to be required and is a matter to which Congress should give very careful consideration as soon as it can be attended to in an orderly fashion.

Admiral Hayward. To say that it is inevitable is stronger than I would like to say at the present time. My personal judgment is that it is likely, but I would condition the degree to which I would say it is inevitable.

General Rogers visualized how the draft for the Individual Ready Reserve which he advocated would work:

"Registration would have to be instituted. Classification would then have to be instituted. Seventeen categories of classification are required, and 16 can be done just from registration, if you have the local boards operative, which they should be.

"The 17th category is the physical and mental examination. We should move to that examination. Then, to start drafting for the IRR, we would need somewhere between 75,000 and 100,000 per year, in my opinion, to be drafted, and in 6 years we would fill our requirements for the IRR.

"There would be a nationwide random numbered sequence lottery again, as we had in 1971 and 1972. Then there were very few exemptions. Indeed, 95 percent had no chance of exemption under those rules of engagement. They were put at risk for only 1 year. Depending upon requirements, they would be called up according to the random numbered sequence in which they fell.

"Frankly, by 1971, we had a draft system which was much more equitable than we had had prior to that time.

"I wish something like that again if we draft.

"Now, what would we have to do to get 75,000 to 100,000? Probably we would have to go for somewhere between 250,000 and 300,000 of those who registered. Of that group, about 200,000 would be eligible for examination. Fifty percent of them would not qualify, for mental or physical reasons for the draft. So, we would have to adjust the numbers according to our experience."

Addressing the Army's ability to absorb a large influx of personnel at the training facilities, General Rogers said:

"We have the capability to accept the numbers I am speaking of. Without opening any training bases we know for sure somewhere between 65,000 and 75,000 additional trainees can be absorbed if we draft for the IRR.

"If we go with 75,000 plus the payoff of the initiatives I mentioned, we will get 400,000 into the IRR by 1985. Then we would have a steady state intake of somewhere around 75,000 per year. That is going to cost some money; but we do have the capability to do that."

Asked if, in lieu of going to peacetime registration, the possibility of purchasing information on the number of 18-year olds had been considered, the witnesses said:

General Wilson. I know of no such lists that are available. I know there have been suggestions to go through Internal Revenue, but I believe that, too, is constrained by the Privacy Act.

Admiral Hayward. The present Selective Service System badly needs resurrection. So, to go to a system, if it were available, through some other means, would not in any way improve the Selective Service mechanism which needs modernizing.

General ALLEN. Among the various steps which we felt essential, one of the first and most straightforward was making the Selective Service mechanism more effective and reinstituting registration and some limited form of classification is part of that process.

General ROGERS. If registration is required, an individual should have to step up and register and not have someone be registering for him based upon whatever information could be made available. To me that is completely transparent and is not appropriate.

Later in the hearing all witnesses agreed that they favored an active, not passive, registration.

All of the witnesses are asked to supply for the record their general views on the concept of national youth service. The responses received are as follows:

General ROGERS. I do believe such a program should not be based solely on military manpower needs, but rather on the needs of our Nation and the cost of such a program relative to other national objectives. However, if a decision is made to implement a national service program, the manpower requirements of the Armed Forces will have to be considered in designing and implementing such a program.

Admiral HAYWARD. Philosophically, I would view compulsory national service in much the same manner. I am not in favor of a massive voluntary national service program. Frankly, I do not believe that large numbers of our youth could be productively employed in the public sector and I would much prefer that they learned early a healthy appreciation of the competitive discipline found in the private sector.

General ALLEN. In regard to national service, there are some segments in our society which believe that the young men and women of America owe to their country or to their fellowman or to themselves, some period of service in the public interest, such as the Peace Corps, Vista, the National Teachers Corps, and the branches of the Armed Forces.

An argument for national service is that all eligible citizens would be compelled to serve the country in some way. Those not needed by the military, would be directed to other service programs with no one escaping service, thus achieving true equity in the view of some.

While there are plausible arguments for National Service, no form will be as readily accepted by the American people as the All-Volunteer Force concept. There is no fair way to equate non-military service with military service.

One of the biggest arguments against compulsory service of some type for all our youth is the prohibitive cost. Current estimates show a cost of $24 billion to implement such a program. Another argument against mandatory service programs is that all types of National Service are not equally desirable. However, the biggest argument against a mandatory service for all is that it does not replace the draft, it merely extends it to a larger segment of the population.

General WILSON. I am opposed to the concept of national youth service. It is a tremendously expensive proposition, which would be enormously difficult to manage. It could not possibly utilize all the youth of this country equitably. In all probability it would only serve to engage a large proportion of our youth in nonproductive effort. Moreover, it could alienate our youth, and further weaken our governmental institutions.●

THE NEED FOR A NATIONAL GRAIN BOARD

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. DASCHLE. Mr. Speaker, I would like to submit for inclusion in the CONGRESSIONAL RECORD an article by Dan Morgan which appeared in the July 8, 1979, Washington Post.

This article, entitled "Using U.S. Wheat Against OPEC: Not as Farfetched as You Think" makes a very good case for the creation of a National Grain Board—an entity which would negotiate in the interest of the United States and not leave this crucial activity up to the five big private grain companies.

To receive a reasonable price for our wheat on the international market would not only benefit U.S. farmers, but contribute to easing our trade deficit and would provide more of the cash to pay for the oil we import.

We need to be willing to take the necessary step of creating a National Grain Board in order to use our powerful position in the agriculture export market. I know USDA does not agree, but it mystifies me how our Government can look at the trade deficit we have today, look at the hard ball way other nations are playing the trading game, look at the simple facts of what a large percentage of the grain trade we control, and then let wheat sit at $3 or even $4.50 a bushel in international trade.

A National Grain Board, properly operated, is not anything like the radical idea its detractors claim. It would do nothing more than reflect the reality that the price American farmers receive for their grain is a matter of critical national interest and should be bargained over by a body concerned about the interests of the United States—not about its private interest in profit.

It is a fact that simply by increasing international grain price a single dollar we could decrease our trade deficit by $3.3 billion. Hard bargaining by a National Grain Board should not and need not be viewed as a retaliation against OPEC. True, it would have the effect of helping us pay for the oil we clearly must have some years to come, but any action which would increase our national income would have that effect. A $5 or $6 price for wheat is not robbery or retaliation, it is simply a reflection of what wheat should be worth on the international market if the world's largest producer of that wheat would stop acting like a pansy and start charging its customers what it costs its farmers to produce that wheat.

I submit Dan Morgan's article to be included in the RECORD:

USING U.S. WHEAT AGAINST OPEC; NOT AS FARFETCHED AS YOU THINK

(By Dan Morgan)

American farmers are sticking a defiant message on the bumpers of their pickup trucks these days: "Cheaper Crude or No More Food."

The farmers believe the United States could force the Organization of Petroleum Exporting Countries to brake its price increases by denying U.S. grain to the oil cartel. Members of the militant American Agricultural Movement would settle for merely raising wheat prices in step with the oil price increases ordained by the cartel.

"A bushel for a barrel" sounds lighthearted, and government officials tend to dismiss the crusaders as misguided rural xenophobes. It wouldn't work, the administration argues. Besides, isn't it faintly immoral to tinker with the world's food supply in such a hard-hearted manner?

But the bumper stickers are not all that farfetched. If one examines the world grain market today, its future and its potential for America, there are extraordinary similarities with the world oil market. If U.S. policymakers have the will to play international "hard ball" with the grain-importing countries, particularly the oil nations of OPEC, the squeeze might produce dividends for us. At least the idea deserves more serious consideration than Washington has given it.

U.S. ECONOMIC LEVERAGE

This would require an important political decision—one Americans generally have abhorred except in emergencies. The government would have to create a national grain-trading board, one empowered to set a national price on our wheat and prepared to make other countries pay our price or do without. Is this time of soaring oil prices, of rampant inflation and threatened recession, a national emergency? Does it justify a counter-cartel? The militant farmers think so.

The potential for U.S. leverage on world grain prices is supported by the statistics in a recent study by the respected International Wheat Council in London. Its surprising growing faster than those of any other groups of nations. They reached almost 10 million tons in 1970. This is 14 percent of the entire world wheat trade.

Many nations, including several OPEC countries, grow and export wheat. But only a handful export on a scale of 10 million tons. The clear implication is that, with regard to OPEC's wheat needs, the two criteria for U.S. economic leverage exist:

Doing without grain imports, though possible, would be economically disruptive and possibly politically destablizing.

Only the United States and Canada can guarantee a continuing supply of wheat of that magnitude. The United States, moreover, is in the peculiar position this summer of being the only country that can fill new wheat orders. It already supplies OPEC with more than half of its 10 million tons a year.

The dependency of OPEC countries is dramatically evident in the case of Iran, the oil exporter whose temporary shutdown caused so many problems. During Iran's revolutionary spring, the oil stopped going out—but U.S. grain kept going in there.

Agriculture Department officials say Iran purchased more than a million tons of white (Pacific Northwest) wheat in the year ended June 30, and already has booked orders for 115,000 tons this year. (This is about in line with previous years.) Iran also bought more than 300,000 tons of U.S. rice last year. Its total grain imports have been runnings close to 3 million tons—an amount that gives Iran a margin of protection against food inflation.

This dependency on U.S. food was vigorously promoted by the grain trade and by the U.S. Agriculture Department's "market development" teams in the 1960s. They used the Food for Peace program and other incentives to convert Iran to the American diet of grain-fed meat and poultry. Iran became a U.S. agricultural client state, and even after the revolution its need for foreign grain is a reality that its new rulers must take into account.

Given the fact that U.S. food is feeding Iranians, the Ayatollah's rantings against the United States seem particularly ungracious. A counter-squeeze using U.S. food might show us what the Ayatollah is really made of.

Contrary to the popular image, OPEC is not a collection of desert nations with only a handful of people to feed. OPEC's 13 members include the world's fifth most populous country (Indonesia), the largest in Africa (Nigeria), and a populous tropical nation whose climate is not well suited to growing wheat (Venezuela).

Wheat, eaten as bread or couscous, is a staple in Algeria, Libya, Iran, Iraq and Saudi Arabia. But only three OPEC countries—Algeria, Iran and Iraq—grow wheat on a large scale, and none is self-sufficient except when their crops are unusually bountiful.

Indonesia and Nigeria are rice-eating nations, but both rely heavily on imports—not only of rice but also of wheat—to supplement the food available in the commercial marketing systems on which their huge urban populations depend.

Population in OPEC is rising at 2.8 percent a year, about the average for all developing countries, and the populations of several countries have been swollen by immigration of foreign workers who need to be fed. Kuwait's population, for example, is growing 6 percent a year.

Oil revenues have given OPEC countries the means to import more food. This in turn has led to a rapid rise in per capita wheat consumption, from 40 kilograms at the start of the decade to 55 kilograms now.

But perhaps the major factor behind OPEC's rising consumption is that imported grain has been a bargain—particularly since it is being purchased with dollars that have been sharply devalued by inflation.

Artificially cheap oil in the postwar era made "petroleum junkies" out of the industrial countries. They postponed adopting energy conservation policies and thereby created the conditions for their present reliance on OPEC.

Now the OPEC nations are following a similar pattern in terms of our grain trade. Foreign nations have gone on a food-buying binge; demand for imports is still increasing, and OPEC is no exception. There are a variety of reasons for this phenomenon—population growth, prosperity, the increasing popularity of bread and poultry in countries that once ate rice and potatoes.

It is an irreversible trend. Virtually all experts acknowledge that through food self-sufficiency was a realizable goal for many nations in the 1920s and 1930s, it no longer is today. Dependence on U.S. food is permanent. That is why nations such as Saudi Arabia have built new flour mills. Wheat for those mills, like oil for East Coast oil refineries, will have to come from abroad.

Since 1970, wheat prices have tripled, but oil prices have increased nearly ninefold. In 1970, a bushel of wheat was selling for $1.45 at the Gulf of Mexico, compared with about $1.70 for a barrel of Saudi Arabian crude oil. This spring—before the latest OPEC price increases—wheat was just over $4 a bushel, while oil was at $14.50 a barrel.

It is true, of course, that wheat, unlike oil, is a renewable resource, grown year after year. But it takes oil to produce food, so there is a direct connection.

More than most other businessmen, American farmers are sensitive to the intimate economic relationship between oil and grain. Farmers use a prodigious amount of energy in growing and marketing their crops. It takes natural gas to operate irrigation pumps, dry grain and produce the anhydrous ammonia for fertilizer. It also takes oil to produce diesel fuel for tractors and combines and to make the herbicides and pesticides sprayed onto crops. So it is not surprising that the slogan "a bushel of grain for a barrel of oil" emanates from rural America.

The same countries that have been raising oil prices have been getting a bargain—an American subsidy, some might call it—on the grain produced, processed and transported with that oil. In effect, the United States exports energy back to OPEC in the form of wheat, corn, rice and vegetable oil. So the "cheaper cruders" argue that it is equitable for OPEC to offer its food suppliers, including the United States, a lower price on oil, or a higher price for the grain.

Up to now, Carter administration officials have maintained that if we tied grain prices to oil prices, customers abroad would buy less, would produce more food of their own or would turn to other grain suppliers. But these aguments are debatable.

PATTERNS IN OIL AND GRAIN

The world is not running out of food. But the record of the past five years shows that increasing food production abroad is far more difficult to achieve than expected.

World grain and oil production are comparable in that the period of "easy" advances in grain output, brought about by hybrid seeds, irrigation and use of new farmland, is over. Just as in oil, future increases in food production will be harder to achieve and more costly—in part because the energy ingredient has become so costly. Opening new breadbaskets, like making new oil finds, is turning out to be tough.

The Soviet Union has poured vast sums of money into new wheat lands since the late 1950s, but this year it is still importing 15 million tons of grain from the United States alone.

Brazil has failed to emerge as the agricultural Garden of Eden some believed it would become. It imported 4 million tons of U.S. wheat last year. The soil of its tropical forests is not well suited to growing food grains. As its oil and food import bill rises, moreover, pressures remain strong to devote available farmlands to export crops such as coffee.

Agriculture has not had a good decade in the OPEC countries either. Food production hasn't kept pace with population growth, and a grandiose scheme of Arab rulers to create a breadbasket in the Sudan—a scheme that underscores the Arab's sense of vulnerability on the food issue—has yet to produce results.

For these countries, food conservation is no more palatable an alternative than oil conservation is in the West. It is one thing to slaughter poultry and livestock to conserve feed grains, as Iran has been doing. But it is another thing to reduce consumption of foodgrains for humans.

World wheat consumption, like that of OPEC, is on a steadily rising plane—350 million tons in 1975; 379 million tons in 1976; 395 million tons in 1977; 416 million tons in 1978, and an estimated 431 million tons this this year.

World wheat imports have stayed strikingly constant in this period, varying only a few million tons on either side of 70 million tons. And the last three years have seen excellent crops worldwide, a pattern that is not holding this year.

Dozens of countries grow wheat. But only five—the United States, Canada, Australia, France and Argentina—cover the bulk of the world's wheat trade. Two of them, Canada and the United States, provided two-thirds of it, and today these two countries are holding most of the surplus wheat stocks.

In the next few months, only the United States will be able to fill new orders for wheat. Crops in Australia and Argentina already are committed to customers. France's wheat crop has suffered from a severe winter, and Canadian shipments have been snarled by transportation problems and a West Coast dock strike. That is exactly why grain prices are now rising so rapidly here. It is a seller's market.

DO WE WANT TO TAKE THE WHEEL?

All of these facts put the United States in the driver's seat—if it wants to take the wheel. The transition period would involve the same kind of political trauma and dislocations that occurred among OPEC nations as they struggled in the early 1970s to take control of their own asset, petroleum. Those difficulties and the uncertainty of political anger around the world—not the question of feasibility—may be the real reasons why U.S. officials are so cool to the slogans.

The structure of the world grain trade today resembles the way world oil looked in the 1960s—before the cartel gained its maturity. That was a time when oil prices were low, when oil exporting countries were disunited, and when a handful of huge multination companies organized the marketing and allocation of the surpluses. This is a rough approximation of the situation prevailing today in the global grain markets.

One clear indication that wheat prices are too "low" is that Japan, the European Common Market, the Phillippines and other countries all levy stiff import taxes on U.S. wheat to protect their own farmers. Food authorities in Japan currently purchase wheat at this country's gateway ports for $4.50 a bushel and resell it to Japanese millers for twice that. The Japanese millers are not buying less wheat.

But the handful of countries that produce major wheat surpluses have shown little inclination to unite in a cartel to capture more wheat revenues for the producers. In fact, the United States and Canada have waged price-cuuting wars over the past 15 years whenever unsold surpluses have accumulated.

The two contries also have taken different approaches to grain production in the last two years—ones that mirror different approaches of several OPEC nations to oil production.

The United States, like Libya, has attempted to limit output in order to increase prices; farmers have received incentives to idle their wheat lands. Canada, on the other hand, has applied the Saudi policy of continuing to go all out; Canada's wheat planners have refused to order a cutback.

Officials of leading wheat exporting countries (except France) met in Winnipeg recently but took no steps toward forming a cartel or fixing a price floor. Fortunately for grain farmers, prices are now rising rapidly.

The idea of a cartel fixing grain prices for the world horrifies those who are concerned about poorer nations. Yet it could be argued that a stiff increase in grain prices is just what those countries need to force their rulers to devote adequate resources to agriculture, farmers and land reform. By controlling exports, the government would also be in a position to soften the impact of what is happening now—a sharp run-up in grain prices due to strong foreign demand.

THE ROLE OF THE MULTINATIONALS

There is, however, one large "but." Before OPEC could work its will on its industrial customers, the OPEC governments had to supplant the multinational companies that controlled the oil upstream in the Persian Gulf.

Canadian wheat is marketed through a quasi-governmental agency, the Wheat Board. But multinationals still control the system in the United States—the source of half of all grain and soybeans moving into world markets. The government is involved in agriculture through farm programs, but not in the marketing system.

Dominating the system in the United States are a handful of companies that resemble the oil giants in their control of communications systems, marketing channels, river barges, grain hopper cars, storage depots, processing plants and financial facilities.

It is a highly complex system. U.S. grain regions are a mosaic of thousands of farms producing many different crops, from wheat to birdseed, each with specialized markets at home and abroad. For the government to take charge of the pricing and marketing of the grain would disrupt the system and do damage, the multinationals say.

Just as oil multinationals fought the takeover of Persian Gulf oil fields, grain companies now are strongly resisting creation of a U.S. grain board—a proposal contained in legislation submitted this year by Democratic Rep. Jim Weaver of Oregon and supported by 53 co-sponsors.

Weaver's plan calls for a board, under the Commodity Credit Corporation, to sell, barter or approve the sale of grain abroad. The grain companies would continue to make deals with their customers and to drum up business—but only at a price approved in Washington. Inherent in this is the government's ability to fix the price of all grain to foreign buyers.

The idea is not unprecedented. The government controlled the grain trade in both world wars. It required licensing of grain sales to communist countries until 1971, and it embargoed soybean exports in 1973.

Nationalization of the grain trade would be a drastic step. But then, say the farmers who carry the banner for "cheaper crude," this is no time for the faint-hearted.●

NATIONAL PORT WEEK

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I have the distinct pleasure of adding 104 cosponsors to House Joint Resolution 303 which authorizes the President to proclaim the week of October 7–13 as, National Port Week. The purpose of this resolution is to give our ocean and inland ports the recognition they rightly deserve. Collectively, our port communities comprise the largest port system in the world.

Today, the growth of our ports is so inextricably intertwined with the history and destiny of the United States, that it is impossible to talk of any aspect of American life without noting the influence of our Nation's ports.

Our ocean and inland ports represent more than a $14 billion investment, providing the necessary onshore facilities for the stimulation of commerce, essential to the health and well-being of the United States.

The health of our Nation's economy depends on the maintenance and development of a strong and vital port system.

Our four seacosts and inland waterways have played that major role in linking our urban centers of trade, finance, and culture. It is in this important role that our ports have worked in the tradition of serving as a focal point for our Nation's defense and present prosperity. National Port Week will acknowledge the vast contribution of our ports to the welfare and vitality of our American way of life.

I urge my colleagues to add their recognition by cosponsoring National Port Week. By doing this they will help other Americans to acknowledge the vital importance of our ports today.●

ENERGY TAX ACT OF 1978

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. CONABLE. Mr. Speaker, today I am introducing legislation which would correct a deficiency in the provisions of the Energy Tax Act of 1978. The bill relates to the present provision of the Tax Code and the availability of tax credits for industries which take steps to modernize or make more energy efficient their productive capacity. The provision in question also relates to the construction of synthetic fuel facilities.

More specifically, the Energy Tax Act of 1978 provides an additional 10 percent investment tax credit for alternate energy property. This property includes boilers which use alternative substances as fuel, burners for combusters other than boilers if the primary fuel for such burner is an alternative substance, equipment for converting an alternative substance into a synthetic liquid gas or solid fuel, and equipment designed to modify existing equipment which uses oil or natural gas or fuel as a feed stock so that such equipment may use a substance other than oil or natural gas. In addition, the credit is available for a list of specially defined energy equipment including heat wheels, regenerators, heat exchangers, waste heat boilers, and the like. These provisions were included in the Energy Tax Act of 1978 with bipartisan congressional support.

There is a problem, however, with the present statute. That problem arises from the termination date in the act. The credit is only available for expenditures for qualifying property placed in service before January 1, 1983. The bill which I introduced today would provide a transition rule in connection with that termination date. The termination date would not be extended beyond January 1, 1983.

Because of the long lead time required in connection with a number of the items eligible for the credit, it is important, I think, to make this credit available for taxpayers who make an affirmative commitment to construct such items before January 1, 1983, even if they are placed in service after that date. Once such commitments have been made, work may progress in an orderly fashion and these items may be put in service at some date beyond January 1, 1983. It seems to me that taxpayers in this situation ought to be eligible for this credit. That is all that the bill would do.

Congress is now awash in proposals that deal with the energy issue. I feel that this bill provides for a more rational transition rule than present law and is worthy of support.●

LIMOUSINE LIMITATION ACT OF 1979

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. NEAL. Mr. Speaker, today I am introducing the Limousine Limitation Act of 1979, much like a bill proposed in the Senate by WILLIAM PROXMIRE and our senior Senator from North Carolina, JESSE HELMS. I became interested in this issue when I first came to Congress back in 1975, and I introduced similar legislation at that time. This is an updated version of the 1975 measure.

Incredible as it must seem to American taxpayers who have been struggling against inflation, especially when they finally reach the gas pump, some 175 Government officials are driven to and from their homes either on a regular or occasional basis. And that is an extremely conservative figure, since it does not include personnel attached to embassies abroad or to military installations. The cost, even by this conservative estimate, is approximately $4.865 million. Now that is a lot of money, which would be used for more important things than easing the way for some Government bureaucrat.

However, there is a more important reason even than saving Federal dollars for stopping this practice. The officials who work for the American people should not be so removed from us that they do not know what it is like to sit in a gas line or to face rush hour traffic in Washington. How can they understand our concerns and problems if they are shielded from them?

The legislation I am proposing today would limit the number of officials who can be driven to and from their homes or given the exclusive use of a chauffeured car to 22: The President; the Vice President; the Secretaries of State, Treasury, Defense, Interior, Agriculture, Commerce, Labor, Health, Education, and Welfare, Housing and Urban Development, Transportation, Energy; the Ambassador to the United Nations; the Chief Justice of the United States; the President pro tempore of the Senate; the Speaker of the House of Representatives; and the majority and minority leaders of the House and Senate.

A sleek limousine with a chauffeur at one's beck and call can easily lead to delusions of power and grandeur. I do not believe the people of North Carolina's Fifth Congressional District want their public servants to be given to such pretenses.

I urge swift action on this commonsense proposal.●

ETZ JACOB CONGREGATION GOLDEN JUBILEE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. WAXMAN. Mr. Speaker, on August 5, 1979, one of the most respected institutions in the Los Angeles area, Etz Jacob Congregation, will celebrate its 50th anniversary. Founded in 1929 as Shaare Torah, an Orthodox Synagogue, later becoming Etz Jacob, the congregation was the first Jewish house of worship in the Beverly-Fairfax region. True to the tradition of teaching respect for the laws of the Scripture through knowledge, Etz Jacob established the very first Talmud Torah in the Beverly-Fairfax community to educate the Jewish children of the area. It was here that the children of the neighborhood, native-born, foreign-born and those who migrated with their families from other parts of the country spent their after-school hours studying the religious beliefs, Hebrew language, ethics and history of their forefathers. In this manner Etz Jacob made it possible for them to perpetuate their heritage in their own lives and to pass on their legacy, in time, to their own children. Generations later, this still holds true. In addition, Etz Jacob established the first youth activities program in the neighborhood and has maintained a variety of cultural and social programs which have made it a leading community center. Its primary function as a house of worship offering daily, Sabbath and holiday religious services has continued without interruption for 50 years.

None of the activities of Etz Jacob could have progressed so successfully and for so long a time without the support of its dedicated members, its strong and vibrant sisterhood and men's clubs throughout the years and its learned rabbinate. President Bernard Abend has led the congregation for the last 13 years with distinction and honor. He has demonstrated a level of devotion to Congregation Etz Jacob which has won him the respect of the entire community.

Rabbi Dr. Rubin A. Huttler has been the spiritual leader of Etz Jacob since 1971. He has brought to the congregation not only scholarship in Torah, but also an impressive command of modern secular thought. Above all, Rabbi Huttler has blessed his congregants with sincerity, warmth, compassion, and deep personal interest in every family and every individual. His rabbinate has been inestimably enhanced by his wife Miriam and their four children. Their sons, Yakov Yitzchak, Shlomo Tzvi and Yossi Shmuel, and their daughter, Michele Debra exemplify the finest traditions of their family in Fear of Heaven and diligent study and observance of the Holy Torah.

In a time of rapidly changing values and the deterioration of respect for so many social traditions, in a city as complex and transient as Los Angeles, it is heartening to find an institution—such as Etz Jacob—steadfast, worthy, inspiring and happily expanding through devotion to the past as preparation for the future. I ask my colleagues in Congress to join me in saluting Etz Jacob Congregation on the occasion of their golden jubilee and to wish them continued success in their endeavors.●

VALENTYN MOROZ DISCUSSES RUSSIFICATION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. DERWINSKI. Mr. Speaker, yesterday, we observed the 20th anniversary of Captive Nations Week here in the Congress. During this week and throughout the year, we must continue to speak out against not only the denial of human rights, but also personal and civil rights, and as importantly, national rights of those held captive under Communist governments.

In an article, appearing in the May 5, Washington Post, soon after his release from a Soviet prison, Valentyn Moroz discusses the attempted "Russification" by Soviet authorities of the individual and nationalistic traditions and cultures of the captive peoples, especially those in his native land, Ukraine.

I wish to insert this article for the Members' attention:

DISSIDENTS IN A DIFFERENT LAND

(By Lee Lescaze)

JERSEY CITY.—Valentyn Moroz, just arrived from the Mordovian labor camp of the Gulag Archipelago, introduced himself to the United States with the words: "I beg you not to call me a Russian dissident . . . I am a Ukrainian dissident."

The caution was hardly necessary for the Ukrainian-American community which erupted with joy at the arrival of a man whose writings and whose unyielding dedication to Ukrainian nationalism have made him perhaps its most prominent symbol.

"Ukraine hungers for those who renounce nothing and make excuses before no one," Moroz wrote. He declines to call himself a leader of Ukrainian opposition to Russian control of the Ukraine, but Moroz, 43, has made no excuses, has backed off not an inch from his determination that the Ukraine must be free and independent—as it almost never has been in modern history.

Freedom, Moroz said in an interview at the Ukrainian National Association's 15-story office building in Jersey City, makes noticeable differences in people. "Even in my first few days I have noticed that a Ukrainian here is two stories taller than a Ukrainian in the Ukraine," Moroz said.

The Ukraine is, in the words of Ukrainian-Americans, a forgotten nation. Like Estonia, Latvia, Lithuanian, the Ukraine is not much talked of in the West where talk of an independent Ukrainian nation sounds like a pipe dream.

"The West should gain a better understanding," Moroz said levelly. "People in the United States have trouble understanding that the Ukraine is not Russian."

If the Ukraine were independent it would be the largest nation in Europe, with 232,000 square miles. It would be Europe's fifth most populous nation with about 50 million people. But the Ukraine has not been independent since the 18th century except for less than three years during the turbulent collapse of the Czarist Empire—a period that ended when the Soviet Red Army fought its way into the Ukraine and ousted the government in the summer of 1920.

"The No. 1 task is to abet the weakening of the empire," Moroz said. "The empire" is not from "Star Wars," but refers to the rule by the Soviets who have controlled the eastern Ukraine since 1920 and the western Ukraine—where Moroz was born—since it was given to them at the Yalta Conference in 1945.

The dream of independence is shared by many of the two million Ukrainian-Americans. It is official policy of the Ukrainian National Association and the Ukrainian Congress Committee of America and their faith in eventually having a free homeland apparently accounts for the excitement that has greeted Moroz in their community.

"I expected to be greeted warmly, but what has happened is beyond my wildest dreams. There was a volcano of emotion," Moroz said.

The Ukrainian-American community does not get into many headlines, but it is large, prospering and relatively cohesive.

The Ukrainian National Association's headquarters here is one of Jersey City's tallest buildings. It has 88,000 members, publishes a daily and a weekly newspaper and has assets of $40 million.

With Pride, Ukrainian-American organizations proclaim the death of the "melting pot." The suppression of Ukrainian identity in the Soviet Union only strengthens their desire to keep the Ukrainian language, culture and traditions alive in the West.

The community runs Saturday schools that teach six hours of courses on the history, geography and literature of the Ukraine in Ukrainian.

In 1974, the Ukrainian-American community became the first American minority group to fund chairs at a university. Ukrainian-Americans have raised more than $3 million which has been given to Harvard to establish a Ukrainian Research Institute and endow three chairs, in Ukrainian history, language and literature

Since 1974, Moroz has had an invitation to join the institute—although he was in no position to accept. The Soviet authorities didn't deliver the letters of invitation to his cell.

On Tuesday, Moroz will visit Harvard to discuss his future. He said he intends to accept Harvard's offer. During a three-hour interview, Moroz kept his letter from Harvard President Derek C. Bok in front of him, occasionally picking it up and gesturing with it.

It is a stiff letter, unremarkable except for one detail. "I hope you will give this invitation serious consideration and look forward to hearing from you," Bok concluded and then he took the letter to a notary public who testified that the letter was no cruel joke being played on Moroz.

Moroz intends to continue his political work. "I hope Harvard will understand that it is of the utmost importance to me to work for the human rights movement and for the Ukranian national movement," he said.

Moroz first was arrested in 1965 for possessing underground literature called *Samizdat* in Russian, but as in all things Moroz rejects the Russian for the Ukranian word—*Samvydav*. He was sentenced to four years at hard labor.

He returned to the Ukraine upon his release and wrote three essays on Russian attempts to suppress national identities inside the Soviet Union during nine months of freedom. Then, he was rearrested and tried in secret proceedings for his writings. His sentence was six years in special prison, three years in special labor camp and five years of exile. He didn't serve the exile before being freed with four other political prisoners last week in exchange for two Soviet spies convicted in New Jersey, and he joked that "I hope Mr. Brezhnev will serve that for me.")

In prison he was put in a cell with two criminals, one of whom stabbed Moroz with a sharpened spoon, cutting open his stomach. Moroz, like other former political prisoners, says that prison authorities incite criminals to attack political prisoners in Soviet jails.

In the labor camp, Moroz spent much of his time in solitary confinement for refusing to recant his writings on Ukrainian nationalism.

He didn't break, Moroz said, because of his belief in the correctness of his position coupled with his faith in God.

"Any ideal must be combined with belief in God," Moroz added.

What gives him pleasure are any indications that the dissident movement in the Ukraine is growing. Moroz said proudly that 50 percent of the political prisoners in the Soviet Union are Ukrainians.

Almost everyone Moroz mentions in conversation is in prison, part of a major crackdown in the Ukraine that began in 1972. All of the prisoners have, Moroz said, "stood up." He expects more and more to follow in their footsteps, but he can cite few incidents of mass protest of Soviet rule.

In 1956 during the Hungarian uprising and in 1968 when the Soviet Army crushed the Czechoslovakian liberalization, Moroz said, some Ukrainians thought—and hoped—that a general European war would break out. "People in the western Ukraine went into the woods. They were ready to organize guerrilla warfare," Moroz said.

Ukrainians hold clandestine services of the banned Ukrainian Catholic Church, Moroz said. Others show their dissent by setting their watches to London time in symbolic rejection of Moscow's time and rule.

Ukrainian dissidents in the 1960s stressed maintaining their language and culture, Moroz said, with no clear-cut program for political independence. In the 1970s, political activity has mushroomed and independence is now an openly proclaimed demand, he said. He looks to the Ukrainian communities in the free world to spur the dissidents on. "Moscow has created a spiritual desert in the Ukraine. Those in the free world must do the irrigation," he said.

Moroz plans to begin his writing in the United States with an article on his trip from the Mordovian labor camp to the United States, which he is thinking of titling: "Ten Hours of Empty Time" for the 10-hour flight during which, Moroz said, "It was noon all the time."

He is also hoping for news of his family and of his 122 notebooks containing the books and articles he wrote in prison—nine years of work—that were taken from him by the KGB before they put him on the airplane to the United States.

It has been impossible to get a telephone call through to his wife since he arrived here, although the U.S. government has said that families of the five freed political prisoners will be allowed to join them within a few weeks.

Moroz also wants his 17-year-old son whose photograph Moroz said "helped me tremendously to survive" and his 75-year-old father to join him. But he has no idea when they will come.

Moroz is even more angry about his notebooks. He refused to leave Moscow's Lefortovo Prison without them, but the KGB men picked him up and carried him to the car that took him to the airport.

"Those manuscripts contained more of me than what you see in front of you," Moroz said. Once before in his prison career, Moroz had his manuscripts taken away. When he refused to leave without them, that time, he was beaten and carried to a car. Eventually, however, his manuscripts were returned to him.

Moroz's writings have inspired many Ukrainians inside and outside the Soviet Union, but he makes it clear that the works of another writer—Taras Shevchenko, the 19th-century poet whose statue stands in Washington, erected by the Ukrainian-American community—inspire him.

When Moroz is asked whether he ever has any doubts that the Ukraine will someday be independent (its only vestige is a seat at the United Nations—controlled by Moscow), he smiles and says he likes the question because it is particularly meaningful to him.

"My belief and conviction that the Ukraine will be free is not a principle—it is a firm faith which is equivalent to a religious faith. The words of Shevchenko are the source of that profound faith." ●

THE DINGELL/BROYHILL AMENDMENT TO DOT BILL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. DINGELL. Mr. Speaker, the purpose of the Dingell/Broyhill amendment to the DOT appropriations bill is to protect motoring consumers from premature installation of an unproven and not fully tested automobile occupant passive restraint device—the airbag system.

The amendment, contrary to misinformation from airbag-only proponents, does not repeal the airbag portion, or any portion, of the safety regulation mandated by DOT and the National Highway Traffic Safety Administration. The amendment insures that more research and testing (a GAO recommendation) be carried out regarding airbags. The cosponsors and I of the Dingell/Broyhill amendment believe the fullest tests must be done before the DOT standard mandating airbags takes effect on model year 1982 large size passenger cars. Over 55 percent of the 1982 model year fleet of cars will require airbags. These are bench-type front seat cars upon which the technology of the automatic safety belt is not available to meet the performance standard by DOT. Airbags will have to be used by manufacturers.

GM and Volvo of Sweden have encountered problems with airbag tests with several animals being killed. The tests demonstrated that the out-of-position occupant, especially a child, could be killed by a deploying airbag in a frontal car collision which is the only crash mode in which the airbag would protect front seat occupants. It is common knowledge that safety belts, passive or active, protect in all crash modes.

NHTSA, the insurance industry, and some so-called consumer groups are confusing the issue by their adamant lobbying against the amendment. It was thought NHTSA wanted to provide motoring consumers with protection in accidents, meaning safe and effective protection.

More testing of the airbag is essential and that is the purpose of the Dingell/Broyhill amendment. The General Accounting Office has made this one of its major findings and recommendations in its May 1979 audit of the passive restraint program which was released in a special report July 17, 1979, and sent to all congressional offices.

That GAO report additionally recommended that more research is required to determine the safety and public health hazards of the airbag propellant and detonator, sodium azide, which is a suspected cancer causing agent.

The consponsors of the amendment and I would think that the agencies involved with airbags would want to be able to make the claim that the airbag is a safe and effective protection system rather than intensely lobbying against Dingell/Broyhill and the research and testing provision, as NHTSA is.

We urge our colleagues to support this consumer's protection amendment.

LIST OF COSPONSORS

James T. Broyhill, William D. Ford, James M. Collins, David Satterfield, Dave Stockman, Samuel L. Devine, Matthew J. Rinaldo, Thomas L. Ashley, William M. Brodhead, Carl D. Pursell.

John B. Anderson, James J. Blanchard, Clarence J. Brown, Lucien N. Nedzi, Bob Traxler, Bob Carr, Phil Gramm, Carlos J. Moorhead, Tim Lee Carter.●

APPEASING THE ARMS CROWD

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

○ Mr. DASCHLE. Mr. Speaker, in light of the current debate on the SALT II Treaty in the Senate, it is important for all Members of Congress to read the informative article that recently appeared in the Washington Post by William Greider. I ask unanimous consent that Mr. Greider's article be reprinted as it was published on July 8.

The article follows:

APPEASING THE ARMS CROWD

(By William Greider)

When Sen. Henry Jackson accused President Carter of "appeasement," the senator was invoking the central scare memory of his generation—Munich in 1938. When they were young and brave and the world failed to stop Hitler.

World War II followed, though the senator did not personally get to fight the Axis. Jackson was a very young congressman then who enlisted along with scores of other politicians. The president called them back to Washington, insisting that a higher obligation of patriotism required them to stay home and enact laws. Nevertheless, Jackson remains ever vigilant today, nearly 40 years later.

Who is appeasing whom? Since I was only two years old at the time of Munich, it made less of an impression. I am convinced the "appeasement" of our time is the timid surrender which rational political judgment consistently makes to the insatiable, sometimes hysterical demands of the war-making machine, as articulated by people like Sen. Jackson.

Unfortunately, like the hindsight which World War II provided on the meaning of Munich, it would take a nuclear war to demonstrate that I am right. If the superpowers, us and them, were to exchange valleys of megadeaths from our gargantuan arsenals, the survivors could look back and ponder why governments gave in so easily to the irrational demands of the arms race. Many citizens, however, would be unavailable for the post-mortem.

In such a dialogue of why and how, Jimmy Carter would look especially craven. He entered the presidency proclaiming this visionary goal: "We pledge perseverance and wisdom in our efforts to limit the world's armaments to those necessary for each nation's own domestic safety. And we will move this year a step toward our ultimate goal—the elimination of all nuclear weapons from this earth."

Instead, Carter is presiding over a period of massive mobilization. The U.S. nuclear stockpile will double, according to his "arms limitation" plans. The government will build a new generation of expensive heavy missiles, costing $30 or $40 or $50 billion. The defense budget, in this era of limits, will grow by about 50 percent. The war planners are maneuvering to bring back the military draft. If one steps back and looks at these developments, it resembles the major mobilization of the early 1960s when John F. Kennedy and Robert McNamara (assisted by a young technocrat named Harold Brown) were pumping up the defense budget, even as the hawks accused them of "appeasing" the Reds.

Just because the Carter-Brown defense buildup closely resembles the arms buildup under Kennedy-McNamara, it does not necessarily mean that another Vietnam will follow. That assumption would mimic the brittle logic which guides Cold War expectations, in which every tribal war or new guerrilla front is pumped up to the menace level of a modern Munich. Still, the new mobilization of arms is like stockpiling whiskey. Sooner or later, someone usually finds a way to drink it.

Did Jimmy Carter lie to us? Was he cynically manipulating our yearnings for peace? In a way, it would be more comforting if the answer were yes. Instead, I think President Carter is like all of the postwar presidents—with the notable exception of Gen. Eisenhower. Carter's intentions have been swept away by the war machine's momentum and that curious nuclear logic which holds that more is safer. As long as "doves" like Carter accept the old premises of the nuclear arms debate, it is nearly certain that they will come out of the argument with the "hawk" solutions. This result has been demonstrated, again and again, over the last 25 years, a regular rhythm of fear and mobilization which repeats itself like a biological cycle.

If one argues against the old premises, he is in danger of sounding like a mush-headed, knee-jerked, one-world, goo-goo, peace-now wimp. Nobody wants to be a wimp. In the political arena, it can be absolutely poisonous to one's future, for the militarists will not hesitate to allege treason, willful or ignorant.

But the world does confront alternative premises in the nuclear age which are real, whether or not statesmen and strategists are willing to acknowledge them. None of these thoughts is original with me or especially mysterious. Ordinary citizens of common sense can judge for themselves whether they sound right.

The Defense Department cannot defend us from nuclear attack. Anyone who doubts this should call up the National Security Council and ask them. In the age of intercontinental rockets, there is no system which can stop a nuclear attack the way we thought of armies and navies stopping an invasion in the good old days. If the enemy decides to shoot, the rockets will arrive on our soil and the warheads will detonate and obliterate patches of America. The same principle applies in reverse to the Soviets. This is why statesmen prefer to speak of "deterrence" rather than defense, though none has the nerve to rename the Pentagon. The Department of Deterrence would sound less reassuring.

This is a profound change in the human condition, utterly different from our past conception of nations and warfare. Especially in America, insulated from world war by two great oceans. No nation, large or small, weak or powerful, not the United States or the Soviet Union, can claim to have defensible borders. Yet, the maintenance of "defensible borders" was one of the sustaining ideas which created nation-states in the first place.

How does the world feel without them? It feels a bit chilly. Indeed, this is such a troubling idea that war-making theology continues as though this new reality does not exist.

When it is acknowledged, some thinkers propose that we learn to burrow into the ground—not a very persuasive solution, for my money—or we invent very tricky anti-rocket rockets, which to date are not convincing gadgets, even to their sponsors. The defenselessness will create deep cultural changes over time as more citizens realize that the nation-state can no longer fulfill one of its most fundamental obligations. If the authoritarians among us find the populace unruly and disrespectful today, they will be even more upset in the future.

The girth and mass of great nations are no longer the controlling element needed to fight global war. This premise may be scarier than the first, though it is yet to emerge fully. The change will be better understood as smaller nations create their own nuclear arsenals.

Wars between nations used to be won by superior mobilization of manpower and industrial capacity. Heroism and brilliant generalship were always important, but rarely decisive. In our own Civil War, the Confederacy had the brillant generals but the North had the mills and the men. The same reality governed the outcome of World War II.

Now any two-bit country can make world war, once it reaches a certain minimal level of technological skill, and, more important, once it feels the need to have nukes. Israel and South Africa feel the need; others will surely follow.

The American president makes hollow sermons on this subject, preaching "non-proliferation" to the rest of the world, while the United States and Russia "proliferate" their own arsenals, world without end. It is hard to imagine why smaller nations should willingly pass up the "insurance policy" of having a few nukes when the superpowers are building so many for themselves. If I were running a small, embattled country, getting pushed around by the big boys, I would want a bomb or two, just in case.

Obviously, proliferation of nuclear arms will upset the entire equation of geopolitical power in the world, notwithstanding the Cold War fixation with Soviet hegemony. Over time, it means the big boys—us and them—will not be able to indulge adventurous impulses or yearnings to dominate without risking grave consequences to our homelands. Nobody will be able to fight a colonial war with quite the same impunity. Small nations led by tin-pot Hitlers will have veto power over world stability and reason, not to mention humane values.

Global nuclear war introduces the scorpion's contract, in which the terms of victory begin to resemble our traditional idea of defeat. Once in Arizona, I watched the classic confrontation between two scorpions in a bottle. Nothing happened and our attention turned to other matters. In the morning, both scorpions were dead. The metaphor is crude but relevant to the present condition of great nations. There will not be two scorpions in the bottle, but many.

What does "victory" mean in the nuclear age? I would like to hear the strategic thinkers talk more about that question. Would we send an army to occupy radioactive Russia? Would the Soviets seal off a devastated North American continent and wait generations to occupy our fertile fields? And how will the victors hide from their own poisoned clouds? If we lose 60 million citizens and the Russians lose 20 million citizens, does that constitute a Red "victory" in the history books? If so, who yearns for victory?

The tough-minded nuclear theorists will dismiss these questions as "emotional" arguments unworthy of their rigorous intellects. This is why they invent such dense, bloodless jargon for their theories—to conceal from themselves the reality of what they contemplate.

The rest of us, since we are not experts, are entitled to contemplate the emotional content of nuclear strategy and ask where it will lead the world. To the fragmentation of nation-states? I could predict that safely enough, since it will take centuries and none of us will be around to see if I'm wrong.

To new global structures for mutual security which formalize the new limits of interdependence, which espouse a world parity that great nations must reluctantly accept? Yes, that is a benign alternative which America could take the lead in creating. Instead of blowing $50 billion on new rockets and bombs, spend half as much creating a global satellite cooperative, linking all nations, rich and poor, to the extraordinary potential of new space technology. There are other ideas, if politicians had the courage to explore them, for creating alternatives without going belly-up to the Reds.

American leaders, one assumes, must lead the world, because obviously the Russian leaders can't. But, first, they must recognize that our national self-interest is now more complicated than the choice at Munich in 1938. It takes a special courage to think in the future, instead of appeasing the past.●

MICHAEL GALLAGHER

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. HOLLENBECK. Mr. Speaker, I wish to bring to the attention of my colleagues the outstanding record of achievement of a young man who resides within the Ninth Congressional District of New Jersey. Michael Gallagher, a 17-year-old student at Bergenfield High School, was recently elected Governor of the New Jersey Boys State Convention by 900 of his peers.

I am sure my colleagues are familiar with the aims of this program and of the high caliber of young people who are selected by the American Legion for participation. Many of us received some of our first experience in the workings of government through these statewide conventions. I was a delegate to Boys' State in 1955. Only one participant rises to the high office of Governor each year. It is a great honor of which Michael is most deserving.

He has prepared himself well for the role at Boys' State and for the speaking engagements and civic obligations which follow his election. Michael is an A student and newly elected president of his student congress at Bergenfield High School. He is a firm advocate of youth involvement in the educational process and in government affairs at all levels.

I join Michael's parents, teachers, fellow students and friends in offering my congratulations on his achievement and best wishes for continued success.●

LETTER TO PRESIDENT ON COAL

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. APPLEGATE. Mr. Speaker, last Sunday, the President addressed the American people on the subject of energy. As Congressman of Ohio's 18th Congressional District, which is the State's largest coal producing area and one of the largest producing areas in the Nation, I am curious as to what role Ohio coal will play in the President's plans. I have sent the following letter to him in an attempt to get these answers which could well determine this Nation's first coal policy.

I wanted my colleagues to see this letter and will report back to the House when I receive answers to my questions.

The letter to the President follows:

JULY 18, 1979.

The Honorable JIMMY CARTER,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: I listened with keen interest to your message to the people of the United States and I applaud your strong presentation and goals. Working together, we Americans can and will succeed in achieving another victory as we have through crisis after crisis for the past 203 years.

Representing Southeastern Ohio, I have a parochial interest, yet an interest that is vital to the total success of meeting America's energy needs and economic stability. We have always felt that we have been blessed in Southeastern Ohio with having perhaps the richest and highest quality BTU coal in America. We are cursed, however, because of environmental standards prohibiting the burning of our coal because of high sulfur content. The result has been job losses and economic instability to coal producing and related businesses.

In your message, Mr. President, one of your points to achieving energy independence is to encourage utility companies to convert from oil to other sources, primarily coal. The question is whether Southeastern Ohio's rich coal reserves have a chance to compete with low sulfur coal or do we continue to deteriorate? Will the creation of an energy mobilization board help to cut the red tape of the E.P.A. to the extent of relaxing standards to allow S.E. Ohio coal to burn?—or is that not part of its authority? Further, was your message directed to help us or will environmental pressures and influences continue to cause strong economic hardships in the high sulfur coal regions of this nation?

Mr. President, these are the questions to which I would like to have answers from you. It is vital to me and my congressional district that we understand the role we are to play in your plans.

As I have stated before, I believe your plans for the next decade have been well stated, but frankly, Sir, I am deeply concerned about the immediate future and that a lack of attention was given to it in your speech. What should our citizens expect in the next year or two? What short term plan do you intend to present that will enable the people to cope with the energy problems that have been predicted? If all goes well, America will be energy healthy by 1990, but I ask you to examine our immediate future and to plan for that as well.

Your plan of attack to this "moral equivalent of war" would be complete if you addressed the concerns I have raised. I trust you will use wise and prudent judgment in this.

Mr. President, common sense must prevail if we are to see that all America benefits.

We will help you, Mr. President. Will you help us?

With best regards, I remain,
Sincerely yours,
DOUGLAS APPLEGATE,
Member of Congress.●

THE IMPORTANCE OF RURAL COOPERATIVES

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. DASCHLE. Mr. Speaker, I would like to state my support and cosponsorship of H.R. 3521, a bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of cooperative electric and telephone companies. This bill seeks to preserve the tax exempt status of these rural cooperatives from the encroachment of the IRS. Today in 46 States over 1,000 electrical co-ops are currently operating. Telephone co-ops are utilized in over 30 States. Obviously, co-ops are a key focus of life in rural America today. I would like to emphasize that the goal of cooperatives is reliable service at a reasonable price. Their goal is not to make profits. Consequently, they are able to provide efficient technological innovations and costsaving initiatives which serve to keep utility rates low.

Recently, however, the IRS has been undermining their efforts to provide these services by incrementally placing new and unnecessary regulatory burdens on them.

This bill would do two things to assist rural telephone and electric cooperatives.

One part of the bill would provide that certain income from nonmember electric utilities will not be taken into account in determining the electric cooperatives tax exempt status. This provision is necessary due to a recent filing of the IRS that an electric cooperative may no longer offset its nonmember power sales from its peaking purchases. Thus if a co-op sells power to a neighboring co-op in need the possibility exists for this co-op to lose ts tax exempt status. Consequently, co-ops will be put in the unenviable position of making capital outlays for facilities that might only be used during peak periods of use. The net result would be higher prices for consumers as well as construction of unnecessary power capacity that is only seldom utilized.

The second provision of this bill would reinstate the traditional IRS tax treatment of income from pole rentals and telephone directory advertisements. The bill would alter recent IRS rulings which would conclude that income from pole rentals and "yellow page" advertisements were not related to co-op business and therefore not exempt from taxation. This conclusion is extremely irrational in these times of energy shortages.

Presently, many electric and telephone co-ops share the cost of their poles. Years ago, electrical co-ops were often the first to build these poles. Subsequently many of them have been shared with the ensuing telephone system, a procedure that minimizes costs and assures their optimum use. The use of these poles necessitated a small charge to the secondary party. Previously the IRS treated this income as business related, hence nontaxable. Now the IRS appears determined to tax this. This I believe is a mistake and a further reason why I have cosponsored this legislation.

Also, the IRS now wishes to tax the income derived from directory or "yellow pages" advertisements. Again, I think this is a terrible mistake. First of all, there is no evidence that revenue derived from "yellow pages" constitutes a major or even a significant portion of a co-ops income. Hence, why bother with such an insignificant amount? Instead, co-ops could use this money to offset printing costs.

Finally, Mr. Speaker, I believe that co-ops have provided a valuable service to our rural areas, and that there is no need whatsoever for the removal of their tax-exempt status concerning pole rentals, "yellow page" advertisements, and the usage of nonmember electrical power during times of peak use. I also believe that it is extremely important for these clarifications to be made before further arbitrary regulations are imposed. Because of IRS improprieties in these areas, I have decided to support my colleague from Tennessee, Mr. GORE, and his legislation preserving this tax-exempt status. Thank you.●

FAIRNESS IN HEALTH PLANNING

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. GRADISON. Mr. Speaker, I strongly support the Satterfield amendment.

This amendment is essential to restore the fairness and effectiveness of our health planning system. It is essential to protect our community hospitals from harrassment from the planning bureaucracy.

The amendment would prevent health planning agencies from exceeding their authority. It would insure that planning agencies concentrate on the job which they have been chartered to perform—determining the need for new health services.

Planning agencies increasingly are services to require hospitals to terminate existing services, to close beds, and to take other actions which are totally unrelated to the determination of the need for a service. They are being pressured and encouraged to do so by HEW.

This conduct is not authorized by the Planning Act. Congress wrote the Planning Act to apply prospectively. It requires review and approval of new services. Congress specifically has declined to require planning agencies to decertify services or to close existing beds. Planning agencies are using their authority to review new health services as a tool to take actions that Congress decided not to authorize them to take.

Some planning agencies have even gone so far as to say that hospitals cannot introduce needed services unless they change the membership of their board of trustees so that it is satisfactory to the planners. In southern New Jersey the planners attempted to require a hospital, as a price of obtaining planning approval, to elect to the board of trustees whoever was designated by an outside organization.

I do not believe that planners should be telling our community hospitals who should sit on their boards. I do not believe planners should have a free hand to force hospitals to take any action the planners might desire.

Planning by imposing unrelated conditions is a perfect example of how a bureaucracy spawned by Federal law can create a life of its own. The planning agencies who impose conditions are exercising power that is authorized by no law, is guided by no standards, and is checked by no limits.

The American people are rightfully upset about unwarranted infringement into their daily lives by Government. The blackmail being exercised by planning agencies is a perfect example of how a bureaucracy expands Government power far more broadly than Congress intended and the people desire.

This is not a problem that involves only health planning. The actions of the planning agencies betray a frame of mind that can lead to unprecedented expansion of unauthorized governmental power. If we permit the health planning agencies to make hospitals accept unrelated conditions as the price of obtaining needed approvals, citizens can be subject to literally countless other kinds of arbitrary exercise of Government power.

A public utilities commission could make utility rate increases contingent upon changes in the board of directors of the utility. Government officials could decide that the receipt of food stamps by eligible citizens would be contingent upon the recipient agreeing not to smoke or agreeing not to have more children. Sewer permits could be conditioned upon a manufacturer's agreeing to hire more workers than he needs.

The list is endless, but the point is clear. Government officials cannot use authority conferred upon them for one purpose to force a person who is subject to that authority to take other actions that the official believes are appropriate but which are totally unrelated to the exercise of the authority he has been granted.

The practice of the planning agencies of imposing conditions upon approvals of certificates of need is also bad planning. When a planning agency imposes conditions on its approval of an application, the conditions apply only to the hospital which filed the application.

Even if conditions were authorized and even if the conditions were valid, the imposition of those conditions would be fortuitous and arbitrary. The conditions would be imposed upon the hospital which happens to be before the planning agency; proper planning might dictate that they be imposed upon some other hospital.

It is usually the growing, successful, and vibrant hospital that seeks planning approval; if services were to be terminated, the planning agency might well prefer to close the services in a less successful hospital. But if that hospital is not before the planning agency, it imposes the condition on the hospital which is seeking the approval. That is not good planning.

The imposition of conditions may deter a hospital from seeking approval for a needed service or from introducing a new service that has been approved. The hospital may not want to accept the conditions that are imposed. Needed services will not be provided. This is not good planning.

Concentration on unrelated matters also detracts the planning agencies from focusing on the job at hand. The planning process already is bogged down by the number of applications that planning agencies are considering and the detailed and often extraneous things that planning agencies bring into a review process. By preventing planning agencies from imposing unrelated conditions on approvals of needed services, we will be insuring that they concentrate their time and resources on the most important issues, the issues for which they were created—namely, determining the need for a new service.

The Satterfield amendment is an important effort to bring accountability back to Government; to restrict the planning bureaucracy to the functions intended by Congress; to improve the efficiency of a Government program; and to stop the unwarranted intrusion of Government in the internal management of hospitals.●

SAY SOMETHING GOOD ABOUT OUR COUNTRY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. MICHEL. Mr. Speaker, at the end of his nationally televised Sunday night speech on energy and morality, President Carter asked all of us to say something good about our country.

I would like to follow his suggestion. After listening to President Carter's humiliating confession of failure and his unworkable schemes to solve the energy policy I want to say something good about America in two words:

Gerry Ford.●

CAPTIVE NATIONS WEEK

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. QUAYLE. Mr. Speaker, the attention of most Americans today has turned to inflation and the energy shortage. With these serious problems facing this country, it is difficult for many to turn their thoughts and energies toward the desperate situation of the millions of people living under repressive governments. It is the purpose of Captive Nations Week to direct attention to their situation and to the alternatives for action the United States has at its discretion.

At this time of economic difficulties in the United States, it is far too easy to point to our aid to Vietnamese refugees or to U.S. contributions to the U.N. and consider our obligations well met. This is, unfortunately, not the case—our obligation requires more than financial aid or the opening of our doors to those fortunate enough to escape oppression. We must also direct our policies at improving the lot of those still living under oppression and helping them free themselves from oppressive rule.

The original captive nations included the Eastern European countries which have become involuntary Soviet satellites and Lithuania, Latvia, and Estonia which were annexed by the Soviet Union some 40 years ago. These were free and independent nations before the Soviet Union forced its will and form of government upon them. The peoples of these countries have been chastised, persecuted, imprisoned and forced to give up their way of life and their freedom. Efforts have been made to obliterate their national heritages and to force them to accept and espouse principles which are unacceptable to them. Now, decades later, they continue to demand and fight for the return of their freedom.

Almost 40 years after the war's end, those countries still have not been freed. And, what is worse, others have been added to their ranks in other parts of the world. For example, Vietnam, Laos, and Cambodia are all countries whose peoples have been persecuted and brutalized and deprived of any semblance of human rights—all with the backing of the Soviet Union or the People's Republic of China. The list is growing in spite of our efforts to encourage the observance of basic human rights throughout the world.

The human rights policy of the United States has been only moderately effective in securing better human rights conditions in other countries. That policy, to date, has not met with widescale success, because of its inconsistencies. This must be changed. It is a weak policy which is only enforced where it is politically expedient to do so.

We have cut off aid to certain violating countries which are not of great importance to our security, yet we continue to court the favor of the Soviet Union, under whose dominion millions of people suffer gross violations of their basic rights. It was, after all the Soviet policy toward its satellites and annexed states which became the basis for Captive Nations Week. We are also currently backing leftist guerrilla forces in Africa who, by their own admission, would take control only through violence and bloodshed and who openly seek a repressive, Marxist form of government. They would create a new captive nation. Yet we criticize efforts of more moderate nations, and we condemn our Latin American neighbors for bad human rights records. Where is the sense in such a policy?

Much will be written and said about the plight of the captive nations this week, but, in all likelihood, little will be done. This is unfortunate. The United States is one of the most powerful countries on Earth, yet we too often speak from a position of weakness, inconsistency, and indecision. A policy of strength and decisiveness is imperative. First, we must openly renew our commitment to improve human rights conditions and to assist the captive nations on their path to freedom. Then we must make known our resolve to stand behind that commitment with far more positive action than a yearly week of rhetoric and inaction.●

MONETARY CONTROL ACT, H.R. 7

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. PATTERSON. Mr. Speaker, the House will soon consider important legislation to strengthen the Federal Reserve by giving it the tools to more effectively fight inflation. As I wrote to my California colleagues on July 10, this bill is the product of more than a year's work by the Banking, Finance and Urban Affairs Committee. Our distinguished chairman, the gentleman from Wisconsin, has devoted utmost attention to the numerous economic issues related to the bill and to the impact of the bill on the financial community. Under his guidance, the committee produced legislation which equitably distributes among financial institutions the responsibility to share in a stable monetary reserve base.

In addition, by reducing the level of required reserves by $20 billion, financial institutions should be able to make housing, consumer and business loans at lower interest rates. Moreover, the 10-year phase-in period for this reduction will be least disruptive to our economy.

H.R. 7 is a reasonable solution and deserves serious consideration by the House of Representatives.●

ENERGY POLICY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. DERWINSKI. Mr. Speaker, much attention has been directed to the President's energy policy. However, it is unfortunate that the President has seen fit to offer us a rehashed program that has proved unworkable in the past. It would have been more appropriate had the President seen fit to take the advice of objective energy specialists.

In a very thoughtful commentary, Mr. Earl Potter, in his July 12 column appearing in the Messenger Press Publications, serving suburban Cook County, Ill., analyzes various solutions to our energy policy. This article follows:

PALOS HILLS TODAY * * *

(By Earl Potter)

Last week, I gave my opinion as to why oil was going up in price—namely because our domestic supply of easily-won liquid petroleum is rapidly approaching exhaustion, making us ever more dependent on foreign sources, and these foreign sources have been largely taken over by the governments of the lands where they are located. These Governments now, through OPEC (Organization of Petroleum Exporting Countries), arbitrarily set the price of crude oil at whatever level they want, and because of our staunch support of Israel's seizure of Palestine, are having no mercy on us in the pricing of their oil.

How can we get more petroleum? I believe there is only one way to insure that we get the oil that we need to keep our society going—turn the problem over to the free market. Take all controls off of the price of gasoline and in a matter of months, we will have all of the motor fuel we need. Oh yes, the price will surely go up, but as it does, people will start to conserve on its use. Gas guzzlers will wind up in the junk yard because nobody will want them and new cars will be judged first of all by the fuel mileage they give.

Frivolous use of fuel will decline, carpooling will increase as will public transportation and people will in general just buy less gas. At $2.00 a gallon, the oil companies will start to go after the hard-to-get petroleum; first by secondary and tertiary recovery of petroleum from worked-out fields that were long ago abandoned because of the increasing difficulty in extracting what remained, then by exploiting our incredibly abundant oil shale and tar sands.

Even methanol would become a possibility at this price level, and it is from a renewable source—garbage, wood scraps and vegetation of all kinds. Once the manufacture of substitute fuels would really get going, prices would soon start falling as the pressures of competition came into play, and eventually, the fuel for our private and public transport would start going down in price until a level was reached that represented its true worth to our economy.

But taking all controls off of fuel prices would not be enough. Simultaneously with that, the hobbling controls that our swollen bureaucracy has used to depress productivity should be junked. The Occupational Health and Safety Administration should be dissolved, as should be the Department of Energy, the Department of Transportation, and above all, the Environmental Protection Agency!

The Interstate Commerce Commission should be greatly reduced in size and scope and a new organization formed to combine the Department of Commerce, the Department of Labor and the Department of the Interior into a new Department of Prosperity. The DOP would be charged with creating a climate of greater incentive for everybody to work harder to enjoy and maintain a high standard of living. Problems of labor relations, public welfare, education, public housing, pollution, highway safety, would all become the responsibility of each individual State again, like it was before the "liberal" do-gooders took over the nation. The Federal Government would be responsible for the defense of the nation, a sound currency based on precious metals, true interstate commerce, and the country's external relations with other nations. The D.O.P., although a federal body, would be composed of representatives of each of the state legislatures and would be mainly advisory to the Congress and the individual states except in matters still properly held by the Federal Government in keeping with the U.S. Constitution as originally written.

Such a return to the philosophy upon which this great nation was founded would usher in a new prosperity and a new givor that would once again make us the envy of the entire world. Our productivity would soar, once the mainspring of individual initiative was unlocked, and the dynamo of human ingenuity released.

The glaring difference in living standards between Red China and Taiwan, North Korea and South Korea, East Germany and West Germany all show how much better the same people in a free economy perform when measured against their brethren in a controlled leftist economy!

Even with the huge burden imposed by all of the bureaucratic insanities heaped on us in the past 40 years, we are still more prosperous than any of the red dictatorships, even though we get more like them every day. We no longer lead the world though—thanks to the lib lunacy we have slid from undisputed first to no higher than 5th in individual real income and are still sliding.

A return to the free market would take its toll on bureaucrats, raising hob with their standard of living, but it would surely benefit all of the rest of us! American car-makers, once free of idiotic government intervention, would soon be concentrating on cars that get phenomenal fuel mileage. Right now, the VW diesel gets 45 miles to the gallon, and VW is road-testing a new turbo charged-diesel that will give 60 miles to the gallon.

If it were not for the lib nut-balls in the EPA trying to rule out diesels because of the alleged evil effects of diesel exhaust fumes, American automakers would be producing diesel super cars like the VW. If the EPA was right about the alleged dire dangers of diesel exhaust, then I would expect thousands of locomotive engineers, truck drivers and heavy equipment operators, all of whom breathe diesel fumes at a far greater rate than most libs, to show an abnormally high occurrence rate of lung cancer, but the truth is, from what I can determine, that there is no difference between people of such background and the general public when it comes to bouts with the "Big C".

It is time we awakened from our torpor and threw off the hobbles—a return to freedom can do naught but make life sweeter for the vast majority of us!●

ACCOUNTERS COMMUNITY CENTER

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. MURPHY of Illinois. Mr. Speaker, I recently had the pleasure of visiting the Accounters Community Center in my congressional district. The Accounters Center is a not-for-profit facility that provides a number of valuable services to residents of Chicago's South Side. The services include day care facilities, youth employment, family counseling and adolescent runaway programs. In addition, the center provides adult education and a children's reading lab.

During my visit to the center, the Accounters fine arts students performed several dance routines and sang a number of songs. These were excellent performances by very talented young people. I would also like to acknowledge the very attractive book of art work that was presented to me by the preschoolers at Accounters. I urge my colleagues in the House to stop by my office to see this book and the creativeness of the Accounters preschoolers.

The Accounters Community will be observing a 12-year anniversary on August 5. I would like to commend the students and the faculty at Accounters for their many accomplishments over the years. I would especially like to praise Mary Mays, executive director of Accounters, for her dedication in making Accounters one of the finest community centers in the country. I am very proud to have Accounters in my congressional district.●

RABBI RUBIN A. HUTTLER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. WAXMAN. Mr. Speaker, Rabbi Dr. Rubin A. Huttler, who has served with devotion and distinction as spiritual leader of Congregation Etz Jacob in Los Angeles since 1971, will be honored by that congregation on August 5, 1979. This date also commemorates the 50th anniversary of this landmark institution.

Rabbi Huttler, a staunch believer in the precept, "He who dares to teach must never cease to learn," has conducted his life in keeping with this standard. He is learned not only in religious doctrine, but has an expansive knowledge of secular concepts combined with a keen sensitivity and social awareness. This special combination of attributes enable him to be a true leader to his congregation as well as a compassionate friend.

In keeping with the traditional Jewish society priorities—education and community responsibility—Rabbi Huttler was instrumental in bringing the Fairfax Community Adult School Hebrew studies classes to Etz Jacob, as well as expanding youth and senior citizens programs. Under Rabbi Huttler's leadership, Etz Jacob Congregation has revitalized its other religious, cultural, and social programs to meet the needs of a growing community.

Rabbi Huttler graduated from the Yeshiva Torah Vedaath and Talmudical Academy of Brooklyn, N.Y. He received a B.A. from Yeshiva University of New York, and an M.A. from the University of California, Los Angeles. In June 1979, he was awarded a doctorate in higher education from the University of Southern California.

Rabbi Huttler's family—his wife, Miriam, and four children: Yakov Yitzchak, Shlomo Tzvi, Yossi Shmuel, and Michele Debra—have been a source of pride and support to him and an inspiration to the community. I ask the Members to join me in congratulating Rabbi Huttler for his work and to wish him many more years of fruitful accomplishment.●

ESTHER PETERSON CALL FOR CONSUMER STRIKE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. GRASSLEY. Mr. Speaker, now that the President has returned from Camp David, one of the first orders of business should be to summon Esther Peterson, his consumer adviser at the White House, to ask for an explanation of her recent endorsement of a 1-day consumer strike in the marketplace.

The facts are these:

At a conference held in Washington, D.C., Ralph Nader called for a 1-day consumer strike to protest what he termed the failure of the Carter administration to bring down inflation. As quoted by the Washington Post, these were Nader's words:

> Some time in the early fall, consumers should take one day off for a massive consumer strike.

This call for a boycott of the marketplace came at a time when the Nation's farmers were already being economically squeezed by the independent trucker's strike. However, considering the fact that Ralph Nader has never demonstrated any special knowledge of or care about the country's farm economy, his statement is not surprising.

What is surprising was the White House consumer adviser's endorsement of Nader's strike proposal. Speaking at the same Washington conference, Mrs. Peterson praised the idea of a consumer boycott to protest her own administration's anti-inflation program, saying:

> Anything that creates an awareness of the depth of the problem we face is helpful, and

Thus, at a time when the country's farm economy is suffering and farmers and consumers alike are looking to the White House to stabilize a potentially disastrous situation, we have the President's spokesperson in the consumer field adding her voice to an irresponsible call for further disruption in the marketplace.

Mrs. Peterson's statement adds to the growing public impression that the administration lacks directions in dealing with the major problems facing the American people today. I urge the President, now that he has returned from overseas, to take prompt action to withdraw the White House endorsement given by the consumer adviser to Nader's reckless call for further disruption of the marketplace.

Indeed, if Mrs. Peterson is so displeased with the administration's anti-inflation program as to go along with Ralph Nader's anti-Carter call for a massive strike, it would seem that she should take the next logical step and submit her resignation as White House consumer adviser.●

FREE ENTERPRISE WEEK 1979

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. MOORE. Mr. Speaker, I announced to the House on January 22, 1979, that the second annual Free Enterprise Week celebration in Louisiana's Sixth Congressional District would be held the week of January 22–27, 1979. At that time I also announced that I would make a complete report to the House on the results of those activities. I would like to make that report at this time.

The Free Enterprise Week program developed several years ago as a thought which kept reoccurring to me as a result of my experience here in the Congress and continuous reading of articles appearing in various periodicals indicating that the free enterprise system was in great jeopardy in the United States and that the primary reason for this was basic ignorance of the public of its benefits and how it works.

It occurred to me that the only way to reverse this trend was to initiate education programs for the public. I conceived the idea of a free enterprise week celebration as a public education program to supplement and complement any others which might exist.

In 1975, during my first year as a Member of Congress, I formed a business and industry advisory committee for the Sixth District of Louisiana made up of local businessmen and women from all parts of the district. I asked his advisory committee to consider the idea of sponsoring with me a free enterprise week celebration.

The first Free Enterprise Week program was held the week of January 8–14, 1978. It was made possible through the hard work and contributions of countless individuals and organizations throughout the Sixth District.

This year's free enterprise week program was also made possible with this type of grassroots community support. Without this type of public participation, the Free Enterprise Week program would not have been possible. Numerous individuals worked many long hours on various parts of the project; many organizations and business enterprises made significant contributions of personnel, material, and equipment; and approximately $12.500 was raised to cover the expenses of the week's activities.

Free Enterprise Week included a number of programs designed to reach the public to provide information about our free economic system and stimulate interest in that system. These programs included high school essay contests, a free enterpriser of the year award, newspaper advertisements, television ads, a free enterprise week awards banquet with a featured speaker, special programs at universities, a "Minority Business Conference," and free enterprise speakers at various civic clubs and on special television programs, a proclamation by the Governor recognizing Free Enterprise Week throughout the entire State, and media coverage of the week's activities.

The high school essay contest attracted participation from thousands of high school students throughout the Sixth District. A winning essay was selected from each participating school. The winners from all the schools in each parish in the district competed for the honor of representing their parish. From the parish winners, one essay was selected as the best essay in the district.

Each of the school winners received a $25 U.S. savings bond. The parish and district essay contest winners, however, were able to participate in a more unique program in honor of their winning essays. The parish and district winners were allowed to select common stocks or stocks of a domestic corporation of their choice. The parish winners were able to select up to $100 in stocks and the district winner received a total of up to $350 in stock.

The author of the winning district essay was Miss Angela Mayeux, a student at Redemptorist High School in Baton Rouge. She read her essay at the Free Enterprise Week awards banquet, and the essay was published in the April 9, 1979, issue of the CONGRESSIONAL RECORD, p. 7853.

Another successful program is the selection of the free enterpriser of the year. This person is honored with an award at the banquet.

Chamber of Commerce, business and professional organizations, and individual citizens are asked to nominate individuals in the district whose lives represent the highest principles of the free enterprise system.

This year's free enterpriser of the year was Mr. Horatio C. Thompson of Baton Rouge. Now the owner of several small businesses, he first went into business for himself in 1933 as the operator of a one-man taxi company. A more detailed account of his accomplishments can be found in the CONGRESSIONAL RECORD, May 9, 1979, p. 10539.

The third part of the Free Enterprise Week program was a series of newspaper ads distributed to newspapers in the Sixth District. The ads, explaining various aspects of our free economic system, were sponsored by various groups and organizations in the Sixth District. The ads, appeared in most of the 22 newspapers serving the district during Free Enterprise Week.

One program which reached almost every citizen in the Sixth District during Free Enterprise Week was the broadcasting of a series of seven 1-minute TV commercials designed especially for Free Enterprise Week. The local ABC affiliate in Baton Rouge, WBRZ-TV, graciously helped produce the ads and all three commercial stations broadcast the commercials during Free Enterprise Week as a public service.

The commercials involved brief discussions of people from various walks of life discussing what free enterprise means to them. The ads were interviews with real people, all local residents of the district, and included: A farmer; a blue collar worker; a college student and a black, small businessman. Also included were: A homemaker; a male and female white-collar worker.

At the end of Free Enterprise Week, a Free Enterprise Week awards banquet was held to culminate the activities of the week and honor the free enterpriser and essay contest award recipients.

The highlight of the evening was an address by Dr. Arthur Laffer, professor of economics at Southern California University and a leader of the tax-revolt movement. Dr. Laffer's address and the awards presentations were televised by the local cable television network in Baton Rouge. The speech by Dr. Laffer received a great deal of publicity by the media and his presence at the banquet highlighted the existence of Free Enterprise Week and the importance of free enterprise to our economic system.

Another important part of Free Enterprise Week included special forums at two universities in the Sixth District. Conducting the forums was Dr. Walter Williams. Dr. Williams is a prominent black economist from Temple University in Philadelphia. Dr. Williams spoke at Louisiana State University, the State's largest university; and at Southern University, the largest predominately black university in the Nation.

In all, Dr. Williams spoke to about 500 faculty and students at both institutions and his participation gave those students an opportunity to gain a better understanding of our economic system.

As a special part of Free Enterprise Week, a minority business conference was sponsored with the cooperation of Southern University. The conference was designed to help minority individuals interested in opening their own businesses by giving them information about Federal and State programs designed to help the minority businessperson.

For minority businesses that were already operating, another feature of the conference was designed to provide information on how they could compete for Federal and State contracts. The conference was privileged to have some of the most prominent and successful minority businesspersons in the Sixth District as panelists, as well as representatives from a number of Federal agencies.

Finally, all of these activities were covered by the local broadcast and print media. This coverage expanded the impact of Free Enterprise Week to the tens of thousands of individuals who live in and around the Sixth District.

This, then, concludes my report on the second annual Free Enterprise Week program. The results and impact of the week's activities cannot be measured objectively, but subjectively, comments from individuals who attended Free Enterprise Week programs or saw reports in the media were very favorable.

I believe an impact was made and that people were given an opportunity to learn more about our economic system.

As a result of Free Enterprise Week, many persons are now interested in expanding the planned third annual week's activities for 1980 beyond the Sixth Congressional District. It is my hope that someday all parts of this great Nation will do something similar in recognition of the greatest economic system in the history of man.

Through our free economic system, any individual can rise from the humblest beginnings to achieve whatever degree of material fulfillment he or she may desire, but most importantly, the greatest opportunity is provided to fulfill their God-given talents.

We are indeed in jeopardy of losing this system if we do not educate ourselves and the people of this country to its merits. I commend the Free Enterprise Week program to you as a method of educating our citizens about the free enterprise system.●

FAMOUS ADDRESS BY FDR IN 1940's STILL INSPIRING TODAY

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. GINN. Mr. Speaker, as President Carter flew to Kansas City to deliver his speech of July 16 regarding energy, he received a note from our colleague and my dear friend, IKE SKELTON of Missouri, who was aboard the Air Force One with the President.

IKE recalled in his note the time that he spent as a polio patient at Warm Springs, Ga. During that time, IKE first read the famous undelivered address prepared at Warm Springs by Franklin Roosevelt, and he was so moved by those words he copied and memorized them.

In his note to President Carter, IKE suggested that the President use those inspiring remarks from Mr. Roosevelt's address, and to his great credit, the President did just that.

I, too, was a polio patient at Warm Springs, and on many occasions read this famous address of FDR. I was as moved by his words as my friend IKE SKELTON, and I ask that IKE's note to the President containing those remarks be included in the RECORD at this point.

ABOARD AIR FORCE ONE ENROUTE,
Kansas City, Mo., July 16, 1979.

MR. PRESIDENT: You will recall that I was a polio patient at Warm Springs, Georgia in the late 1940's. While I was there I copied FDR's undelivered address, where the original is located. From that speech may I suggest that you use his words that ended the speech as follows:

"The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith."

I memorized the words as a teenager and they summarize what you said last night in your address to the nation.

Most respectfully,
Your Friend,
IKE SKELTON,
Democrat of Missouri.●

SPACE: WEALTH PLUS ENERGY

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. GRASSLEY. Mr. Speaker, "the Eagle has landed." Ten years ago Americans were following television to watch man step the first foot on the moon. In this week of the 10th anniversary of Apollo, of Armstrong, Aldrin, and Collins, of "one small step for man, one giant leap for mankind," let us pause and reflect in respectful awe of what we humble humans witnessed on July 20, 1969 as the dust settled, the hatch opened, and we all saw what for centuries man only dreamed about. I am proud to call to my colleagues' attention an article by John F. Judge, editor of Government Executive of July 1979. Perhaps this summary of his outstanding reflection and challenging tie of Apollo to Americans today can whet your appetite to read the total article, "Space: Wealth Plus Energy."

Ten years ago the U.S. landed a man on the moon after more than a decade of unique Government/industry effort. The Apollo program has been and will endure as a monument to many things—to the personal courage of some of the finest men our nation has produced—to the technical and managerial capability, which is the genius of our system—and to a successful cooperation among nations which has proved to us all what can be done when we work together with our eyes on a glorious goal. As Dr. Christopher Kraft, Jr. of NASA stated: "I rate Apollo as one of the real wonders of the world. And I am proud that my country, through the exercise of great ability and daring leadership, has given a legacy to mankind."

That same program carries lessons for the current energy mess—cooperative assumptions of risk and effective Government leadership. As Kraft continued, "We have made a heavy investment in space and it has paid off handsomely. It could pay off even more if we are willing to take those tools and use them to solve our problems. Our only objective is to make space as useful to this country as we can. Not only for science, but for all of the other problems here on earth."

Dr. Edward Welsh, former Executive Secretary of the Space Council is convinced that "conditions are somewhat similar now to 1959–60. 'The U.S. shows a weakness, not in relation to other countries but in respect to what the U.S. once was. This weakness lies in energy and it should be vigorously attacked. I'm suggesting an all-out effort, not in the sense of the Manhattan Project, but bigger and different. It should be an open effort, not a secret effort, to meet the challenge posed to our society by energy. We must quit this ostrich-like attitude and get at it. We need a joint industry/Government effort, but the leadership and responsibility must be with Government. Apollo showed us a way to do things and it should be applied now in space as well as in chasing energy alternatives.' "

On the 10th anniversary of Apollo, the recent successful completion of the Skylab mission, ending and landing just as accurately as NASA predicted, and in the face of one of America's most trying times, this breath of optimism and positive challenge issued by Mr. Judge is welcomed reading.●

THE IMMORALITY OF UNEMPLOYMENT

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. HAWKINS. Mr. Speaker, on July 18, the Subcommittee on Employment Opportunities held another hearing on H.R. 4465, the Youth Employment Act of 1979. At this hearing, the sixth in a continuing series we will be holding on H.R. 4465, we again heard testimony which convinced us beyond a doubt that this Congress must take comprehensive action which will result in more job and training opportunities for our Nation's young people. To this date, it seems, in my opinion, we have not effectively educated those of us who are lucky enough to be employed about the immediacy and staggering necessity of taking direct action to deal with unemployment in general, as well as youth unemployment, in particular. Employing people is cost effective; it will result in high productivity; it will enable us to meet urgent national priorities and needs; and it is socially desirable. In addition to these convincing arguments, those of us present at the hearing on July 18 heard the most important reason of all for pursuing policies which will provide a job to everyone willing and able to work—it is morally imperative. I would like to share with my colleagues the excellent statement of Bishop Thomas C. Kelly, General Secretary of the United States Catholic Conference, and urge my colleagues to heed his call to develop the will to insure a dignified life for all of our citizens.

The statement follows:

TESTIMONY OF MOST REV. THOMAS C. KELLY, O.P.

I am Bishop Thomas C. Kelly, General Secretary of the United States Catholic Conference. I welcome this opportunity to join with other representatives of the full Employment Action Council in addressing the subject of youth employment.

It is clear to all of us, I am sure, that the levels of unemployment for youth in our nation constitute a problem of very serious proportions. My brief remarks this morning are not intended as a detailed analysis of the causes and solutions to youth unemployment. I realize the immense complexity of these issues, and I am confident that others appearing before this Subcommittee will be discussing the technical aspects of the measures under consideration. Rather, I come before you to point out the urgent moral and human dimensions of youth unemployment.

The Catholic Bishops have consistently supported full employment as the necessary foundation of a just and responsible economic policy. We believe that all Americans who are able and willing to work have a right to useful and productive employment at fair wages. We supported the passage of the Full Employment Act; and, Mr. Hawkins, we applaud your courageous and persistent leadership in working to make that law a reality. For our part, we will continue to do what we can to insure that the Full Employment Act is implemented.

It is in this context that we express our support for the general thrust of your recent proposals in the area of youth employment. The Full Employment Act itself mandates that action be taken to reduce the differential between youth and adult unemployment. The enactment of your proposals would constitute a significant step toward fulfilling this directive.

The extremely high levels of youth unemployment, particularly among minorities in our nation, represent a scandalous waste of human resources and a serious threat to the future welfare of our society.

We are particularly disturbed by the currently high and persistent levels of youth unemployment. From our perspective, there is a special significance attached to the dignity of work. During his recent trip to Poland, Pope John Paul II made this point in very certain terms. In a speech to the industrial workers of that country, John Paul said:

"The problems being raised today . . . about human labor do not, in fact, come down in the last analysis—either to technology or even to economics but to a fundamental category: the category of the dignity of work, that is to say, of the dignity of humanity. Economics, technology and the many other specializations and disciplines have their justification for existing in that single, essential category. If they fail to draw from that category and are shaped without reference to the dignity of human labor, they are in error, they are harmful, they are against humanity."

Employment, therefore, involves more than mere economic productivity. It has to do with the very identity of the human person—how individuals see themselves. It has to do with their dreams and their visions for the future, with their ability to respect and love their fellow human beings. In short, employment involves more than dollars and cents, sweat and muscle. It involves the heart and the soul.

To the degree that we appreciate this special dignity that is attached to work, to that degree should we understand the tremendous social and human loss that results when hundreds of thousands of young Americans cannot find work. These young people are in effect told: society has no productive role for you, there is no contribution which you can make. As a result, alienation and loss of confidence intensifies, and leads to increased anxiety and disrespect for society and its institutions. As a religious leader and pastor I can tell you of the relationship between high levels of unemployment and alcoholism, drug abuse, family breakdown, and crime.

Failure to provide jobs for our young people is an assault on their dignity, a theft of their future; and in both economic and human terms a severe loss for the entire society.

We must resist the temptation to underestimate the dimensions of this problem. The figures for youth unemployment, as bad as they are, do not reveal the full magnitude of the human tragedy that is involved. In the case of minority youth, for example, we fear that a permanent underclass has developed, and that virtually an entire second generation of ghetto youth will never enter into the labor force. A complex web of social forces have produced this human tragedy, and the solution will clearly not be a simple one.

However, we must not be deterred. Apathy and cynicism in the face of this tragedy would be the worst kind of moral failure. There are those who will say our society cannot afford full employment, that government programs to guarantee a job for all would simply cost too much, that we cannot risk higher inflation by lowering the unemployment rate too much. I am sure, Mr. Hawkins, that many will argue that $3.5 billion for your proposals is too high a cost for reducing youth unemployment. In contrast to such arguments, I ask: What cost is too high for reducing the despair and alienation of hundreds of thousands of young people? What cost is too high for reducing the crime, drug abuse, alienation and self-destruction caused by the currently massive youth unemployment? What cost is too high for restoring the vision and hope of those who will build the future? What cost is too high for human dignity?

Finally, may I suggest that our response to the problem of youth unemployment may be seen as symbolic of a much larger question that faces our nation. We are at a critical turning point as a society. There is a growing sense that fundamental changes are occurring which will dramatically affect the way we live our lives. It is in this sense a time of crisis—a mixture of danger and opportunity for the nation as a whole.

How we respond to this crisis will be a serious test of our moral integrity. We must resist the tendency to manage the crisis in such a way that the weakest members of society—the poor, the minorities, the young, and the old—are forced to bear the greatest share of the burden that will result from the inevitable social and economic changes that await us.

Seen in this context, providing jobs for youth can be part of a theme and creative response to the complex problems that confront us. I have confidence in the basic values of our people, and I know that we have the human and material resources to insure a dignified life for all our citizens. We must now develop the will.●

MAHONING VALLEY—NEW JOBS

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. WILLIAMS of Ohio. Mr. Speaker, I am fortunate to have in my congressional district two of the country's largest mall developers. While in my district on Thursday, July 12, 1979, I addressed a group of prominent business and community leaders.

The occasion was a press conference and brunch for the expansion of the Eastwood Mall and Great East Plaza, 250,000 square feet, $10 million expansion, in Niles, Ohio.

I indicated to those present that the Cafaro Co. is to be commended for their economic faith in the Mahoning Valley. Their fantastic growth plans were accomplished without any Government loans or grants.

Since it has been proven that the majority of "new jobs" are created by small business enterprises, that a "large business," in this instance, the Cafaro Co., will provide the facilities for small business to flourish to the tune of 500–700 "new jobs" in the Mahoning Valley.

I laud the Cafaro Co. for their foresight and faith in the Mahoning Valley and its people by a true commitment of the private sector to put a project together without Government loans.

This action should inspire us to once again recommit ourselves to the endangered private sector in this country. I specifically thank, on behalf of the people of the Mahoning Valley, William M. Cafaro, chairman of the board; John A. Cafaro, vice chairman of the board; Anthony M. Cafaro, president; and John J. Cafaro, executive vice president of the Cafaro Co.: "True friends of the Mahoning Valley."●

SOLVING THE GREAT GASOLINE MYSTERY: IT WAS AN INSIDE JOB

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. KEMP. Mr. Speaker, up in New York, where I come from, people are wondering whether we really have a gasoline crisis. In Lake Placid they are wondering, because they do not have any problem finding gasoline, and in Buffalo and New York City they are wondering, because they have great difficulties while no one else does.

What puzzles everyone is very basic. Because of the Iranian revolution, world oil supplies dropped by a net of only about 4 percent. So why do we have shortages of 20 and 25 percent at the gas pump? Why in New York, Los Angeles, and Washington, D.C., but not in Detroit, Cleveland, or Lake Placid? And why do we have gas lines only in the United States, but nowhere else in the world?

If all the oil must go somewhere, people reason, then the gas crisis is only one part shortage, and about four or five parts misallocation. But who is doing the misallocating? The Washington Post calls it "The Great Gas Mystery." Why, asks the Post, within a stone's throw of blocks-long gas lines, are these gasoline storage tanks so full that new shipments are being sent to New Jersey?

The Carter administration is telling us to round up the usual suspects. In recent weeks, President Carter, Energy Secretary James Schlesinger and other administration officials have said they do not have proof—but they think we must blame the gas shortage on big oil companies who hold back crude oil; refiners who withhold gasoline or do not produce enough; gas station owners who do not keep long enough hours, sell too much gasoline per customer, or do not sell enough per customer; greedy American motorists who guzzle too much gasoline; and unseasonably warm weather, which seduces us all into driving more than we should.

Now, each of these explanations has its attractions. But one drawback with all of them is that there is no supporting evidence. Take the possibility that big oil companies and major refineries are holding back crude oil or gasoline from this seller's market, to await price decontrol, or for more obscure and sinister reasons. This is believable in light of the big oil companies' unsavory reputations and their demonstrated lack of judgment.

Yet, as Congressman DAVE STOCKMAN points out:

> There is no financial reason whatsover for U.S. oil companies to hold back supplies of gasoline in anticipation of decontrol. President Carter's decontrol program does not affect the price controls on refined petroleum products, which will remain in force until September 30, 1981, unless DOE asks that they be removed before then (which they have not done). Crude oil price increases attributable to the oil decontrol program can lawfully be used to justify higher prices for gasoline under the regulations anyway, but only for oil that was produced after June 1, 1979. Thus the only method by which an oil company could profit from awaiting decontrol would be to withhold domestic crude oil from the market, not refined products like gasoline. And DOE data shows that production of domestic oil in the first four months of 1979 was nearly 7 percent higher than in the corresponding period of 1978. This increase is primarily attributable to Alaskan oil. It is also apparent that no suppressing of other domestic production in anticipation of decontrol has taken place, however.

The explanation that Americans are running amok in consuming gasoline does not stand up, either. American consumption of gasoline increased only 3 percent last year, less than in the previous 3 years, and less than in almost every other major industrialized country in the world.

Least of all do we suspect our own Government, which spends every year on its Department of Energy the rough equivalent of the entire oil production of Saudi Arabia—presumably to solve our energy problems rather than to cause them.

Yet, incredibly, the more we look into the apparent mystery, the more we find that our own Department of Energy is holding a smoking pistol. We find that the Department of Energy ordered crude oil supplies to be diverted away from the United States on the world spot oil market. We find that the Department of Energy actively lobbied to reduce gasoline refining in the United States. And we find that the Department of Energy has fossilized the entire national gasoline distribution network into a pattern which bears almost no relation to the actual need for gasoline.

Here is what happened.

Oil production in Iran was interrupted last winter for 69 days, and resumed at somewhat lower levels than before. After market adjustments to the disruption, including increased production elsewhere in the world, America's share of crude oil supplies was reduced by 700,000 to 800,000 barrels a day, or about 4 percent. This much of the crisis is "real" but relatively minor and temporary.

Under something called the O'Leary rule, the Department of Energy directed American companies to refuse to bid for oil on the world spot market at more than $5 above the OPEC contract price of about $15 a barrel. This was supposed to hold down the price of oil. Because the

American companies largely complied with this rule, the American crude oil shortage roughly doubled, from 4 to 8 percent; yet the spot price for oil still hit $37 a barrel.

Deputy Energy Secretary John O'Leary, after whom the O'Leary rule was named, now asserts the rule "may have cut world prices by $2 a barrel" below what it would have been. In other words, by deliberately increasing the American shortage, we saved the rest of the world $2 a barrel on the oil it did buy.

Next, the Department of Energy directed American refiners to divert enough of available crude oil from gasoline refining to manufacture 240,000 barrels of "middle distillate," more than normal every day until October. The DOE explained this was necessary to build up heating oil inventories to a higher than normal level for next winter.

The supply of crude oil available during the Iranian crisis was also reduced by the Department of Energy's administration of the strategic petroleum reserve, which was authorized by Congress back in 1975 for use in just such an oil shortage.

Now, except for military reasons, this kind of a reserve does not make much sense. It amounts to pumping oil from below ground in the Middle East in order to pump it back into the ground in this country. At the same time, enormous oil supplies already below ground in this country cannot be pumped because the price at the wellhead is controlled far below the price we pay to ship the oil from the Middle East.

Be that as it may, the DOE's Strategic Petroleum Reserve Office was supposed to have 250 million barrels of oil on hand by now, stockpiled in abandoned Louisiana salt mines. That would make up for nearly a year of an Iranian-sized oil shortage. At the time it stopped pumping oil into the ground a few months ago, the Department of Energy had only stockpiled 73 billion barrels, which made it two-thirds behind schedule. Still, that would have been enough to cover the temporary crisis.

Unfortunately, the Department of Energy has provided no way to recover the oil once it was buried. There will not be even emergency pumps in place for at least several more months. The only tangible result of this stockpile has been to bid up the world price of oil.

Once gasoline is produced, every gallon must be allocated according to Department of Energy regulations. This is where an 8-percent nationwide shortage of gasoline—compared with 1978—ballooned into localized shortages of 20 to 25 percent while gasoline stood uselessly idle elsewhere. The Los Angeles Times explained in a May 20, 1979, article how the DOE allocations work:

> Oil companies, sometimes in consultation with the government, decide how much gasoline they can make in each coming month. Then they set aside fuel to meet 100% of the needs of emergency services, such as ambulances, police cars and fire trucks. Farmers have just been added to this list, guaranteeing them diesel fuel for spring planting, which has already been delayed by rainy weather.
>
> Looking at last year's figures, the oil companies reserve an amount equal to consumption a year ago—plus an estimate for growth—for these high-priority users. Another 3% is set aside for the call of state government, to be distributed in hardship cases. (President Carter last week offered to increase this discretionary pool for Gov. Brown to 5%, a move that could improve the state's flexibility in responding to particular needs of problem areas but will not provide any overall increase in gasoline supply.) The remaining gasoline is allocated equally among all dealers.
>
> For the purposes of illustration, assume that Acme Oil Co. sold 100 gallons in June, 1978, but will make only 90 gallons this June. A year ago, the high-priority emergency users consumed 14 gallons, and that left 86 gallons for the dealers to sell.
>
> This year, Acme sets aside 15 gallons for the high-priority group, assuming a 7% growth in their needs, and another 1.8 gallons as a state reserve. That leaves only 73.2 gallons for dealers to pump at their stations, instead of last year's total of 86 gallons.
>
> Available supplies total 73.2 gallons, or 85% of the supplies that were available in June of last year. Thus, Acme's allocation figure to its dealers will be 85% of what they received in June, 1978. Whether a station sold a little or a lot is irrelevant, each dealer gets 85% of what he pumped a year ago.
>
> "There is only so much gasoline to go around," David J. Bardin, head of the Energy Department's Economic Regulatory Administration, told a recent meeting of dealer representatives, oil companies and state energy officials.
>
> "Every time we allocate gasoline, we take it from one place and move it to another outlet."
>
> As companies squeeze their allocations to dealers, from an unlimited amount in normal times, to 100% of the previous year, then down to 90% and 80%, the cries of outrage from station owners and their customers became louder and louder. People began to fight for slices of a shrinking pie.
>
> The State will receive this month a volume of gasoline equal to 93 percent of the fuel consumed during May of last year, according to the Energy Department. The national figure is lower, at 92 percent. Allocation rates differ state to state because each state is served by a different mix of oil companies.
>
> Those percentages seem unbelievable to service station dealers who are getting only 85 percent of their May, 1978, shipments.
>
> It is a fight over numbers, with each side scoring points but no additional gasoline being produced. In computing its percentage, the federal government counts the gasoline reserved for state use, the 100 percent of current needs assigned for high-priority users such as farmers and police, and then adds what is available for dealers. The total comes to 93 percent of the fuel consumed in California a year ago.
>
> But dealers and drivers who fill their cars at retail stations, naturally emphasize what is available for them. They are not interested in the full tanks of the fire trucks, telephone repair vans and tractors. They care about the fuel at retail service stations—and this is only about 85 percent of what it was a year ago.
>
> Hence, both sides can be right about the numbers, but the gasoline shortage persists.

New York's official allocation is 93 percent of last year's supplies, but that dwindles to 80 percent at the corner filling station.

In Washington, D.C., the disparity is even greater. The DOE claims that the area is receiving 90 percent of its 1978 allocation, but at the retail gas pump, the percentage is 75 to 78 percent.

The priority allocations and the State set-aside have grown more than twice as quickly as total consumption of gasoline; yet there is no enforcement of who receives gasoline from these allocations.

According to the Los Angeles Times:

> In some cases, Shell was ordered by the federal Energy Department to sell large quantities of gasoline on a priority basis to commercial accounts. Under federal energy rules, an oil producer like Shell has little recourse but to obey since—at least on paper—the fuel is supposed to be earmarked for users facing emergency problems in getting fuel.
>
> For example, a 1-million gallon batch was ordered sent to a Los Angeles jobber who sells to many customers, including independent refineries who, in turn, feed independent gas stations around the Southland.
>
> To get the gasoline in the first place, the jobber had to persuade the Energy Department that it had priority customers.
>
> Similarly, Shell was told to sell 4 million gallons to a smaller San Francisco refiner. But did the jobber or refiner in fact deliver to their priority customers or unload the gasoline at sky-high prices in the private market?
>
> Shell does not know.
>
> Neither does the Energy Department.
>
> "We don't have any data on commerce, industry, farm or government purchases," said Brian Mannix, a staff assistant in the Energy Department's policy arm. "It would be an extremely expensive and burdensome reporting system."

Another problem with the Department of Energy's regulations is that they are always out of step with the size and location of motorists' demand for gasoline. Until January 1979 gasoline distributors were required to allocate their gasoline to retailers according to where and how much was sold in 1972. By 1978, this formula was so out of date that it could be applied to only 60 percent of the market. The remaining 40 percent, however, was used by the distributors to form a free spot market which sent gasoline where it was needed.

In January, the DOE changed the base allocation period for any month to the corresponding month in 1978. This effectively froze gasoline distribution in a 1-year-old pattern, and at the same time virtually eliminated the free spot market. The resulting supply shortages and imbalances soon proved that population shifts, driving patterns and road construction can make a tremendous difference within a single year. The DOE then decided to turn the clock back to 1977, but changed its mind once again. Now the DOE has a 1978 base period, with an alternate option—allocating gasoline to retail dealers according to their monthly sales average from October 1978 to February 1979. But this method turns out to penalize areas which suffered severe winter weather during that time.

The point is, no matter what "base period" the Department of Energy chooses to allocate gasoline sales, freezing the network at one point in time will always create dislocations. Such a rationing scheme inherently ignores relative changes in demand. The only fair or efficient base period is today. And that requires a free market.

DOE regulation has neither held down the price of gasoline nor increased its availability; it has done the opposite. Still more DOE regulations freeze retailers' and refiners' profit margins at 1973 levels. However, if retailers forego marking up their prices as much as permitted at any time, they may "bank" the difference and charge it in the future. For the past few years, the market would not bear the full markups permitted under DOE regulations, a fact which squeezed retail profit margins. But in the absence of competition—a condition enforced by the DOE—retailers are now catching up by raising their prices.

Likewise, with refiners' profit margins frozen—as opposed to the prices they may charge—there is no incentive to invest in expanding refinery capacity. In California today we see a simultaneous glut of Alaskan crude oil and an excess of refining capacity, because refineries have not been equipped to handle the high-sulfur Alaskan crude oil.

Mr. Speaker, if the Department of Energy's incredibly complex regulation of gasoline cannot succeed in holding down the price or increasing the supply of gasoline, and if the entire distribution network can be upset by normal changes in driving patterns or a seasonal change in the weather—what is there to recommend it?

A free gasoline market would eliminate the incredible disparities of price and supply we are witnessing today, in the time it would take a tanker truck to drive from an area of gasoline surplus to an area of gasoline shortage. The solution to the current gasoline crisis is clear: Get the Department of Energy out of the business of directing the production and distribution of gasoline. The only reason we have gas lines in parts of the country is that it is illegal today to match up willing suppliers with willing consumers of gasoline.●

MRS. JENNY FLANNERY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. YATRON. Mr. Speaker, on July 27, the Amity Democratic Club will be honoring Mrs. Jenny Flannery for her 57 years of outstanding service to her community.

Throughout her life, Jenny Flannery has endeared herself to the people of Berks County, Pa., by her unwavering dedication to helping her neighbors and improving the community around her. She served as a Democratic committeewoman for 40 years and has been active in many civic organizations and activities since that time.

No one who has ever asked Jenny Flannery for help was ever turned away. She has served her community with distinction and honor and has greatly contributed to the quality of life in Berks County. She is certainly an outstanding public servant.

I know my colleagues will join me in paying tribute to a woman who has devoted her life to helping others; a woman who is respected by all segments of the community; and a woman who rightly deserves this honor—Jenny Flannery. It is a privilege to know her.●

SPECIAL GAO REPORT CONFIRMS POTENTIAL DANGER OF AIRBAGS, MORE RESEARCH RECOMMENDED

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. DINGELL. Mr. Speaker, we previously notified our House colleagues of the findings, recommendations, and conclusions of the General Accounting Office regarding concerns raised by GAO on passive restraint devices, such as airbags, mandated for installation in automobiles beginning in model year 1982. The GAO audit is critical of the performance on testing of airbags by the Department of Transportation (NHTSA) on this regulation and focuses serious questions regarding the efficacy of airbags.

A special report by the Comptroller General of the United States, the Honorable Elmer E. Staats, General Accounting Office, revealed Tuesday, July 17, 1979, that there are potential serious dangers in the use of airbags in automobiles and the safety of these restraint systems is "not fully supported by test data" at the DOT (NHTSA).

The special report, sent to each Member's office, states that there is "potential danger" when an airbag deploys into occupants of front seats who are out-of-position. It states that "* * * DOT needs to perform additional testing" and recommends consideration be given to possible changes in the safety standard that mandates such devices.

The GAO special report also reaffirms that the Environmental Protection Agency and the Department of Labor (OSHA) must give "high priority" to research and testing of the chemical propellant, sodium azide, used to deploy airbags in car crashes. The question is the health and safety of persons associated with the chemical in its use with airbags and its disposal. There are concerns that sodium azide may be a cancer-causing agent.

This special report from GAO confirms the information and findings, recommendations and conclusions of the GAO audit, "Passive Restraints for Automobile Occupants—A Closer Look."

The details of this information revealed by GAO will be fully discussed when the amendment we are offering to the Department of Transportation appropriations bill, H.R. 4440, is presented along with the other cosponsors. The amendment calls for more research and testing of passive occupant restraint systems, such as airbags.

LIST OF COSPONSORS

Thomas L. Ashley, William M. Brodhead, Carl D. Pursell, John B. Anderson, James J. Blanchard, Clarence J. Brown, John D. Dingell.

Lucien N. Nedzi, Bob Traxler, Bob Carr, Phil Gramm, Carlos J. Moorhead, Tim Lee Carter, James T. Broyhill.

William D. Ford, James M. Collins, David Satterfield, Dave Stockman, Samuel L. Devine, and Matthew J. Rinaldo.

The GAO letter follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., July 17, 1979.

Hon. JOHN D. DINGELL,
House of Representatives.

DEAR MR. DINGELL: Pursuant to your letter of July 16, 1979, we are providing the following information concerning our review of the Department of Transportation's passive restraints standard.

As of this date, we have not completed our evaluation of the agencies' views and comments on our draft report; consequently, we are unable to provide you a final report on our audit. Therefore, as you requested, we are providing a summary of our findings and recommendations and our preliminary assessment of the agencies' comments.

Passive restraints for front-seat occupants will be required in all cars after September 1, 1983. Either an air bag or an automatic seat belt, the two prominent systems being considered, will serve this function. A solid chemical, sodium azide, will be used to generate the gas to inflate the air bag.

The basic findings and recommendations contained in our draft report are:

1. Passive restrain systems offer life-saving and injury-prevention potential; however, the Department of Transportation's specific quantification of the benefits lends a degree of certainty not fully supported by the test data. Thus, the extent of the systems' effectiveness needs to be evaluated in real world situations.

2. Industry's testing indicates a potential danger from a deploying air bag for out-of-position occupants. We believe the Department of Transportation needs to perform additional testing to see if modifications are required in the Federal performance requirements to address this specific problem.

3. We believe the Environmental Protection Agency and the Department of Labor need to assign high priority to sodium azide research to assure that additional work is performed to measure the health and safety risks associated with the production and disposal of this chemical.

We also found that the Department was optimistic in estimating air bag cost at $112. The estimate was based on full production and excluded certain industry design and manufacturing costs. The manufacturers' current estimate for air bag systems are substantially higher ($581 for General Motors and $825 for Ford) based on lower volume projections for the number of cars to be equipped with air bags. The Department is currently evaluating industries' estimates.

Our preliminary assessment of the agencies' comments indicates that these findings, conclusions and recommendations will not be materially altered in our final report.

In its comments, the Department of Transportation indicates it has serious concerns with the manner in which we presented the issues in the report and believes our discussion of the issues was not done within the context of the larger issue of motor vehicle safety.

We believe we have presented the issues objectively considering the unresolved concerns and unanswered questions surrounding the passive restraint mandate. We are still of the opinion that the Department needs to fully address and act upon these concerns and questions.

The Department agrees with us on the need for a program to evaluate passive restraint performance in the real world and, in fact, has already taken some initial steps to implement such a program. The Department states it presently is developing a plan for the evaluation of the effectiveness of automatic crash protection systems which it intends to publish this fall. In addition, the Department intends to use its Advisory Committee for the National Accident Sampling System to assess its evaluation plan.

The Department disagrees, however, with us on the need for the National Highway Traffic Safety Administration to perform additional testing on the out-of-position occupant problem. It believes the appropriate way to handle this problem is to monitor the industry's development and testing programs and to test the production systems when they become available.

In establishing performance requirements for Federal standards, the Department points out that it has the responsibility to develop accurate, reproducible and relevant test methods. It is within the context of this responsibility that we believe the Department should perform additional testing specifically on the out-of-position occupant problem which has surfaced since the passive restraint standard was promulgated. The Department has established performance criteria for the driver and front seat occupant seated in normal positions. Recent industry tests indicate the substantial problem for the out-of-position occupant may warrant a modification to the existing performance criteria.

In its comments, the Environmental Protection Agency did not address the need for high priority on sodium azide research but indicated it will follow all developments concerning the use of sodium azide in air bags. The Agency stated that industry has the responsibility for developing safe disposal methods and believed that adequate time exists for them to do so. The Department of Labor stated it does not have its own research capabilities but would convey our recommendations to the National Institute for Occupational Safety and Health, Department of Health, Education, and Welfare.

We believe these agencies need to assign high priority to research on this chemical and maintain close surveillance over the various research activities to assure that the appropriate research is done in a timely manner to prevent undue risks in the production and disposal of sodium azide.

The full text of the agencies' responses along with our comments will be included as appendices in our final report.

You also requested that we provide you with information concerning our request for and receipt of comments from the cognizant agencies. On May 7, 1979, we sent our draft report to the three cognizant agencies for their review and comment and requested their response within 30 days. On June 4, 1979, the Department of Transportation formally told us they were unable to meet the 30-day deadline but would furnish their comments by June 22, 1979. We received these comments on June 25, 1979. Likewise, the other two agencies orally told us they were also unable to meet the 30-day deadline. We received comments from the Environmental Protection Agency on June 29, 1979, and from the Department of Labor on June 13, 1979.

We are available to meet with you or your staff to discuss any questions regarding these matters.

Sincerely yours,

Elmer B. Staats,
Comptroller General
of the United States.●

THE FATE OF NICARAGUA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. DORNAN. Mr. Speaker, the July 10 issue of the prestigious Washington Weekly contains a letter, signed by a number of leading and concerned conservatives, and addressed as "An Open Letter to the People of Nicaragua." With the failure of the Carter administration and the American State Department to heed the mounting danger of a Marxist takeover of this friendly nation and the prospect of a Marxist-dominated Caribbean basin in years or even months to come. Perhaps the only communications route remaining is the heart-to-heart, people-to-people dialog represented by this sort of letter. Nicaragua is only the latest free world nation badly flawed as its government was to taste the fruits of U.S. abandonment under the guise of "human rights." Once more we are setting a good friend adrift, not heeding the lessons of history which promise certain enslavement to a small land and its people. Do we never learn? Must we once again consign a sovereign nation and its constitutionally elected government into the hands of Soviet-Cuban imperialism? Many of us in the Congress share the sentiments of these conservative signatories who are concerned, not with the issue of whether or not an imperfect leader may stay in office, but with the far more vital issue of whether the Soviet Union, working through its vassal states, Cuba, and Panama, will forge another bridgehead in this hemisphere and snuff out the hope for freedom of another longstanding American ally. I commend this letter to my colleagues; I know its contents reflects the views of more than a few of them:

An Open Letter to the People of Nicaragua

Your country is now on the front line of the worldwide struggle between the forces of freedom and those of communist tyranny. We who have not yet been on that front cannot know directly what you have experienced in recent months or what trials may yet lie in store for you. But we can at least tell us that we are with you in spirit. For your case is our cause, and if you are weakened, then we are weakened. We urge you to stand firm in the defense of freedom and the values of Western civilization against the onslaught of communist terrorism and dictatorship.

Although the principal cause of your travail is communist aggression, we realize that the official policies of the United States government have contributed heavily to your international isolation and your internal difficulties. We hereby express in the strongest terms our sense of shame for the wretched recompense which the United States has made you for your faithful support in the past, and we totally repudiate the present policies of the United States toward Nicaragua.

The list of allies whom the United States has abandoned and betrayed since Richard M. Nixon's declaration of "detente" with the communist world is a long and tragic one: Cambodia, South Vietnam, Angola, Rhodesia, Ethiopia, Iran, Afghanistan, the Republic of China, and others. The sufferings of the peoples of these countries are the hideous fruit of detente. In our anxiety to appease our enemies, we have even consented to yield up our own territory in the Canal Zone. And now your turn has come. At this tragic moment we offer you our moral support, and express our remorse for the part our nation has played in your travail.

But we also pledge to you that we shall do all within our power within our constitutional processes to ensure that those responsible for the criminal misconduct of American foreign policy over the past decade in particular—including Henry Kissinger and especially Cyrus Vance—shall never again control the destinies of the United States among the family of nations, and that American foreign policy shall be totally reoriented toward the firm support of our friends and allies of the Free World as well as those who seek freedom in the communist world, and the weakening and undermining of our communist enemies.

Belden Bell.

Robert J. Billings.

John T. Dolan, National Conservative Political Action Committee.

Albion W. Knight.

Charles A. Moser, Committee for the Survival of a Free Congress, Inc.

Howard Phillips, The Conservative Caucus.

William A. Powell.

Paul M. Weyrich, Committee for the Survival of a Free Congress, Inc.

(Names of organizations for identification purposes only).●

CAPTIVE NATIONS WEEK

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

○ Mr. LAGOMARSINO. Mr. Speaker, the observance of Captive Nations Week is no less important today than it was 20 years ago. When President Eisenhower signed into law in 1959 the joint resolution of Congress to call attention to the plight of millions of people under the domination of Communist governments, some 20 nations were controlled directly or indirectly by the Soviet Union. Since that time, the number has increased with the addition of Cuba, North and South Vietnam, Laos, Cambodia, and Angola. The fate of other countries is less clear. Afghanistan, Mozambique, and Ethiopia are dominated by Marxist governments, and the future of Iran and Nicaragua are less than certain. Whatever the outcome, the trends are not encouraging for those people seeking freedom and independence.

What is even more difficult to accept is the hypocrisy of these governments who declare their support for human rights and human progress in countless international forums while subjecting their own citizens to the most repressive control of their comments and actions. Fortunately, the Soviet Union cannot control its citizens' thoughts. Through media channels, like the Voice of America, Radio Free Europe, and Radio Liberty, the essence of America's commitment to free speech, free press, freedom of action, and national independence is conveyed to the freedom loving people of the captive nations.

When you consider the outpouring of affection and enthusiasm for Pope John Paul II during his recent trip to Poland, it is obvious that the spirit of liberty has not diminished. We in the free world must be steadfast in our support for those who seek national independence, liberty, and human rights.●

VA'S 50TH YEAR

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. ROBERTS. Mr. Speaker, July 21. 1980, will mark the 50th anniversary of the Veterans' Administration, established by President Hoover in 1930 as the sole Federal agency responsible for veterans programs. As we enter this anniversary year, I believe it is important to recognize the great achievements of the VA in successfully answering Abraham Lincoln's call:

> . . . to care for him who shall have borne the battle and for his widow and his orphan.

Over the years, the VA has grown to meet the needs of a veteran population that has increased sevenfold since 1930. There are now over 30 million veterans in our country. Adding dependents and survivors of veterans, the VA serves a potential clientele of almost half the present population of the United States, or more than the combined population of our seven largest States: California, New York, Pennsylvania. Texas, Illinois, Ohio, and Michigan.

As our country has grown in strength and prestige over the past century, so we have been called upon, far too often, to defend our way of life and our position in the world. The cost we have paid in arms and materiel, but more important, in blood and human suffering has been staggering. But the price of our commitment to those who fought and returned home did not drop when the guns went silent. Since the Continental Congress authorized the first compensation to veterans for service-incurred disabilities resulting from the Revolutionary War, our Government has spent well over $300 billion caring for the needs of veterans and their families. Almost 90 percent of that expenditure has been channeled through the Veterans' Administration and preceding agencies since the end of World War I. Under the current leadership of the Honorable Max Cleland and his dedicated staff in Washington, at regional offices, hospitals, and centers all over the country, the Veterans' Administration speeds compassionate and quality care to the veterans of this Nation.

The VA helps nearly 5 million disabled veterans and survivors of veterans through a comprehensive system of compensation and pension benefits which will total approximately $12 billion in fiscal year 1980. It runs one of the largest life insurance programs in the world. The agency provides adaptive equipment, prosthetic devices, clothing, and automobile assistance allowances for eligible disabled veterans. Additional services are provided for veterans' survivors to help defray burial expenses including headstone markers and the availability to burial plots in 108 cemeteries within a national system supervised by the VA.

This year marks the 35th anniversary of the GI bill. First established for World War II veterans, the program has been updated once, for those returning from the Korean conflict, and again for veterans of the Vietnam era. Vienam era veterans have the largest participation rate within the program of any preceding group. A total of 17.6 million veterans have received GI bill education, on-the-job training and vocational rehabilitation assistance from the VA at a total cost of $48.3 billion. The GI bill has raised the standard of living and improved job opportunities for millions who have long since paid back this investment by our Government in the form of increased earnings and additional taxes.

In the area of housing, VA estimates conclude that 70 percent of all veterans who have recently received home loans guaranteed by the Veterans' Administration would not have been eligible for conventional financing. The VA has guaranteed more than 10 million home loans with a total face value of $155 billion since the loan guaranty program began following World War II. Apart from being a boon to the American housing industry, the loan program has been a great success in giving three generations of veterans and their families a helping hand to own property and establish roots.

The Veterans' Administration operates the Nation's largest hospital and medical care system: 172 hospital centers, 220 outpatient clinics, 91 nursing homes, 16 domiciliaries, 18 spinal cord injury centers, and numerous other related medical research and development centers. This year VA health care facilities will provide inpatient hospital, nursing home, and domiciliary care for a record 1.4 million veterans, or nearly two-thirds again as many veterans as were cared for less than a decade ago. It will also handle an all-time high of 17.9 million outpatient visits, or more than 10 million over the 1970 total. In conjunction with this, its primary mission, the VA is a leader in medical research and education throughout the United States. The VA is a pioneer in the fields of gerontology, cardiovascular, renal, and pulmonary disease. Recently, two VA staff researchers were awarded the Nobel Prize, and the entire research team has been highly productive in prosthetic research, development of the pacemaker, advanced radiology, cancer treatment, and mental health care.

Through its long association with major medical schools around the country, the VA will train over 100,000 medical personnel in fiscal year 1980. Estimates show that more than one-third of the physicians graduating from U.S. medical schools each year receive some part of their education in VA medical centers. We need to maintain this creative medical system, not only to continue to provide exceptional health care services for veterans, but to enhance quality medical care to the entire population.

I want to commend the Veterans' Administration for the excellent work they have done in the past, and for the job they continue to do in behalf of the veterans of this country. Throughout this golden anniversary year, beginning July 21, 1979, special observances will be held involving VA facilities and their neighboring communities to celebrate 50 years of service. I join with the members of the House Committee on Veterans' Affairs in saluting the VA as it reaches this significant milestone in public service.●

LETTERS ON H.R. 3930

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, more often than not, we as Members of the Congress, hear directly from the American people when we err. It is therefore all the more gratifying to receive letters applauding a decision when we are judged as being correct in our actions. Such would appear to be the case with our recent passage of H.R. 3930, the synfuels bill now before the Senate awaiting their action. I am sure that many of my colleagues have heard from the people back home and have been given encouraging comments regarding our passage of this bill by a 368-to-25 vote on June 26, So that I may share some of these reactions I have received with my fellow Members, I ask that a number of selective letters sent to me on this issue be made a part of the RECORD.

The letters follow:

DEAR MR. MOORHEAD: Congratulations on your push for early action on the production of synthetic fuels. This should have been started in 1974 when we had our first taste of oil shortage. Consolidation Coal built a pilot plant to make gas and gasoline from coal way back in 1944 and it worked. Why must we start all over again and waste more time? Also Columbia Gas has a pilot plant making gas from coal. Shouldn't these be checked into?

I'm concerned about the matter of so much coal and coke being imported. Are we going to stand idly by and see our own mines and ovens closed and further increase our trade deficit? What about our miners and those who man the ovens? I think we should look after our own people much better than we do. We need to trim the wings of the E.P.A. before they put our free enterprise system out of business. It looks to me, and many of our friends, like that is just what E.P.A. and O.S.H.A. are trying to do. Business is being regulated "Out of Business."

Respectfully,

RAY A. NEWBOLD,
Pittsburgh, Pa.

SIR: Was very pleased to learn of your plan to encourage and promote synthetic fuel—more power to you!!! For so long I've wondered—where is this country's energy "Manhattan Project". Maybe now it will begin. Something must be done to utilize this country's coal. I am very opposed to nuclear power—what is to be done with radioactive waste? No answer yet to that question. Solar has to be the way of the future and I think everyone is beginning to realize it but in the meantime so much can be done with coal, it won't be cheap but it will be ours. I'll be following your progress with interest.

Sincerely,

FRANCES BERGER,
Easton, Pa.

DEAR REPRESENTATIVE WILLIAM S. MOORHEAD: Bravo! At last our leaders are beginning to do something about the oil situation.

The oil companies and oil producing countries are now ruling the country and the world to the tune of billions in profits at our expense.

There is enough knowhow about synthetic fuels and other energy substitutes but these same oil companies squelch everyone's creative ideas with threats and devious means to stay in control of all energy. They should not be given subsidies and loans for the synthetic fuels. Others should be allowed to enter the field to break these Cartels and allow a more democratic distribution of the energy field.

It will not take five years to implement if done this way. If the Cartel Oil Co. get these loans they will drag their feet as usual and charge us for every bit they do.

Sincerely,

LILY L. TRUBE,
Carmel-by-the-Sea, Calif.

JULY 2, 1979.

Hon. WILLIAM S. MOORHEAD,
2467 Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN: Your efforts to have legislation passed to establish synthetic fuel are greatly appreciated by all.

It is a disgrace that a great country such as ours should be brought to its knees by foreign countries, namely OPEC, with the constant threat of reducing their oil supply and, as of late, to cut it off completely.

My respectful suggestion to you is to immediately create an "emergency crash program" to refine "gasohol" and distribute this fuel throughout the country in the next several months and not wait until 1980 or 1981. A delay surely would only subject us to the possibility of driving our country into a deep recession, or even a depression, because of the outrageous prices of gasoline and fuel oil.

An established fact is that South American countries, for quite some time have been using not only 10 percent gasohol, but 50 percent gasohol, very effectively. According to engineers, it is cleaner burning, less polluting and more efficient performing engines. By using 50 percent alcohol, we could immediately discontinue all foreign imports of oil, rather than be cut off. As a great world leader, this country could assist our loyal allies to manufacture for their own use, 50 percent gasohol. Once the need for crude oil would diminish, as repayment for OPEC's "great compassion for the rest of the world", they then could be told to "drink their oil", due to the fact their water is scarce. Maybe even offer to sell them water at the rate of $23.00 per barrel.

My apologies for sounding bitter, but due to the hardships of the limited refinement of gasoline caused, not only to myself, whose livelihood involves driving my own automobile, but all middle class working people who are constantly plagued by inflation and high taxes, now are slowly but surely, having their earnings erroded by the outrageous prices of gasoline and fuel oil.

Thank you for your great courage, loyalty and consideration for America and the American people.

Gratefully yours,

FRANK CARFIOLI.

JULY 2, 1979.

Hon. WILLIAM S. MOORHEAD,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. MOORHEAD: I am not one of your constituents, but after having heard you discuss on Mr. Barry Farbors Radio Program your Bill on Synthetic Fuels, which passed so handily in the House of Representatives, may I congratulate you for introducing this Bill. It is long overdue, and a Bill of this nature should have been enacted five years ago. However better late than never.

Let us hope that your Bill will also be enacted by the Senate and signed into law.

Thank you so much.

Very truly yours,

EVELYN P. HART.

JULY 2, 1979.

Hon. WILLIAM S. MOORHEAD,
U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN MOORHEAD: I wish to take this opportunity to commend you for your initiative in offering your colleagues and the country the legislation to promote the development of a synthetic fuel industry. This is significant action to resolve the Nation's continuing problems with liquid fuel supplies. I would sincerely hope the Senate would support the House in its wisdom to enact this legislation at an early date.

For a different set of incentives South Africa developed a synthetic fuel industry in the last some ten years, which is providing that country a significant part of its liquid and gaseous fuel needs, as I am sure you are aware. It is ludicrous that this country, with its estimated thirty or more percent of the Free World's known coal reserves, has not adopted the same technology. Instead we have expended large sums, initially through ERDA and more recently through DOE, in search of tomorrow's technology on several fronts, little of which has been reduced to practice to date and none of which has had more than a token impact upon the availability of energy. Hopefully, some of this research and development effort will have some long-term benefits, but the Nation's economy and security demands a short-term solution derived from today's technology.

Over the past year, the Nation's coal industry has urged that action be taken to encourage the electric utilities, which use oil as their primary energy source, to convert to coal. The industry has estimated this action would yield a savings of upward to 500,000 barrels of oil per day. I have supported this effort, but I am confident the benefit could be far greater, since by DOE's data the electric utilities consume in excess of one million barrels per day. This represents some 5 percent of our total daily consumption or 10 percent of our imports, a far greater savings of oil than can be realized by the most optimistic estimates of that to be realized through economies in transportation. This, too, constitutes a short, or near term solution to our liquid fuel supply problem.

The environmental impact of such a conversion by the electric utilities would be of concern to some. However, those of us who lived in metropolitan centers prior to the end of WW II, when most household heating was provided by hand or stoker-fired coal furnaces, are living evidence that man can thrive in far higher SO_2 and particulate levels in the atmosphere than are presently permitted by regulations. None of us, who recall those winter days when pollution levels were so high that street lights burned throughout the day, would suggest that the country should return to such conditions. However, when the future of the Nation is threatened by what will obviously be many more years of declining supplies of liquid fuel, the goals of a few for the return to a pristine environment may have to be delayed. For the short-term, an acceptance of SO_2 and particulate levels somewhat above those which the EPA would like to impose, without any substantive evidence of merit, may be preferable to freezing to death in the dark.

In 1974, the goal was set for doubling coal production by 1985. The coal industry accepted that challenge, and this year the industry has, through a significant capital investment over the past five years, the capacity to produce upward to 850 million tons. The best estimate at this time is that consumption will slightly exceed 700 million. The unused potential annual capacity equals roughly the equivalent of 50 million barrels of oil, but more importantly it will discourage further expansion of the coal industry, unless this legislation is enacted.

I wish you success in your efforts to provide a mechanism and an environment to promote the development of a synthetic fuel industry to move the Nation forward in attaining its goal for self-sufficiency in energy supplies.

Sincerely yours,

T. J. PLANJE,
Dean, School of Mines and Metallurgy.

JUNE 26, 1979.

Hon. WILLIAM S. MOORHEAD,
U.S. Congress.

DEAR MR. MOORHEAD: Just a note of confidence here, and a shout of joy that your energy bill finally passed in Congress. We are years behind in developing synthetic fuels. Now, thanks to you and your colleagues, we can begin to stop the process of turning ownership of the world over to the OPEC countries.

Keep up the good work.

Yours truly,

BERNARD DANENBERG.

DEAR CONGRESSMAN MOORHEAD:

Your bill to introduce alternate fuels to the American economy is way past due. Thanks for doing something.

FMC Company in Princeton, N.J., has already developed at Government expense a method for turning coal into crude oil. Why not contact them? They want government guaranteed prices before they invest capital—a fair enough deal.

Keep pushing!

Sincerely,

WARLIN L. BUNN,
Cookstown, N.J.

DEAR SIR: Read your article in the Sunday edition of the Philadelphia Evening Bulletin.

Thank goodness! At last something is about to be done for the creation of synthetic fuels. I have been a proponent of Methanol (as a fuel) in my little circle for at least 5 years, when I first read the article by Reed and Lerner in Science, Dec. 1973.

Prior to that I had the unusual experience of being ferried down the Burma Road in vehicles powered by rice alcohol while soldering in China during World War II. The alcohol did the job and I am glad to be here today to testify to that fact.

Methanol (wood alcohol) abounds in nature. It can be extracted from coal and oil but is also producable, I am told, from waste products, human and otherwise; garbage, trees, scrap wood and other products of vegetation—so called "Bio-mass". It can be converted to gasoline of high octane content and emits less toxic residuals. I think it is also useful in the Petrochemical industry. (Polyester).

Extracting it from trees is extremely fascinating to me. According to Reed and Lerner felling 1% of the Forests of this country per year, and extracting the methanol therefrom, would take care of all our fuel needs per annum. One per cent gives us 100 years to reforestate. This means a renewable source indefinitely. Besides there must be some rapidly growing trees that could be cultivated just for this purpose. Until such is available coal could easily provide a source.

Somehow it seems to be that Yankee genius could provide methods for doing this and probably in the good old capitalist way. An industrial concern with such a purpose and sound management would be a tempting investment to me.

I should like to see some corporation formed to research and begin this process. Already much has been done and it should be systematically reviewed by some knowledgeable chemical engineer and an astute economist. I believe it points the way to an all time solution.

I applaud your efforts. Best wishes.

Respectfully yours,

BERNERD CAPLAN, M.D.,
Elkins Park, Pa.●

AN OPEN LETTER ON THE AIRBAG CONTROVERSY

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. DINGELL. Mr. Speaker, I recently received an open letter addressed from our former colleague and my very dear, old friend, John E. Moss. In kind, I respond with an open letter to John regarding his concerns about airbags in automobiles.

Hon. JOHN E. MOSS,
Honorary Chairman, Committee for Automobile Crash Protection, Washington, D.C.

DEAR JOHN: I am delighted to have received your letter of June 25, 1979, in which you enumerated four major points in favor of current implementation of the air bag program. We have been close friends and colleagues for many years. You know I have the utmost respect for your beliefs and abilities; however, on this question, several of your points are unsubstantiated and quite frankly puzzle me.

(1) You cast a jaundiced eye on the quality and objectivity of the General Accounting Office report by stating that the GAO report ". . . undoubtedly relied heavily upon the auto industry's assessments of testing sufficiency;".

John, I cannot believe that suddenly after years of ardent support and acclaim you are now questioning the integrity of the GAO. You have consistently used GAO on a range of issues and have never questioned their intentions before. Why now? As I read the GAO report, it clearly is supported by test results of highly respected experts in the field. No where does the GAO claim to have interpreted these tests on their own. They have simply reported what the Department of Transportation has kept from the public view. We owe a debt of gratitude to the GAO for this. We need to hear all sides, not just the favorable side. Further, the GAO calls for additional testing, not abandonment of air bags. Surely, in light of the serious questions raised by the experts, you cannot support a go-ahead without answers.

Furthermore, if there was any skullduggery involved in the development and issuance of the draft GAO report, it stemmed from the Administrator of the National Highway Traffic Safety Administration (NHTSA) who was consistently dilatory in responding to the report and thereby has delayed the report's formal release although I obtained a special report July 17, 1979, by GAO which substantiates its findings, conclusions, and recommendations in the audit. We have been consistently thwarted and ignored by both the Department of Transportation (DOT) and NHTSA in attempts to deal with these agencies in an open and forthright manner. I would be surprised to know that these events did not disturb you as well.

(2) I cannot agree with you that my concern about the chronic and acute health hazards of sodium azide has been dismissed. We were both supporters of the Toxic Substances Control Act (TSCA), and for my part, believe that this is precisely the type of hazard that the law is meant to address. Under Section 5 of TSCA, we defined a "significant new use" of a chemical as a qualitative change in the use of a chemical and/or a quantitative increase in the volume of use. All of this was done with an eye toward potential human exposure.

John, this is precisely the situation that will occur with sodium azide. With air bags, there will be a profligate increase in the use, distribution, and exposure to this chemical. We will be placing mass quantities of this chemical onto the market without adequate testing and no disposal plan in place. What greater irony could there be? The EPA has stated, "Sodium azide is a very toxic chemical." Acute effects are principally by virtue of its potential hypotensive effect. "Data are also available which give rise to some concern for its effects on neurological systems and on certain metabolic processes, and as a mutagenic, and perhaps carcinogenic substance," the Agency says. In addition to its explosive potential, the Agency stated that, "very little information is available to evaluate sodium azide as a potential environmental contaminant." Despite these difficulties, the EPA believes that adequate time exists for concerned industry parties to develop methods to ensure the safe disposal of these systems. I disagree. Given the level of concern that other less prevalent and less pernicious environmental carcinogens have stimulated, I believe that the sodium azide question is a bona fide one.

(3) While it is true that many salutary statements about the air bag appear in the Office of Technology Assessment (OTA) Report, I suggest that you check the references used to substantiate those assertions. Specifically, the claims of cost effectiveness were referenced by a study done by no other than the Allstate Insurance Company.[1] This is the same company, which together with the Kemper Insurance Company and other insurance industry groups, financed your organization's press conference and wine, cheese, and sandwich luncheon July 13, 1979, as well as financing the appearances of several witnesses who were flown to Washington, D.C. Frankly, I would like to know the extent of financial involvement of the insurance industry and its representatives in air bag lobbying efforts. And, I believe you would be shocked to find the Administrator of NHTSA, herself, so openly and aggressively lobbying against the amendment the other cosponsors and I will offer which simply calls for more research on air bags.

I would also like to reemphasize the fact that the OTA report is not unabashed in its support of the air bag. The points that you make relative to the OTA report are well taken and are worthy of note; however, technical reliability and misfiring are not the major points at issue here. Rather, what is at issue are the following:

(a) To what extent are air bags efficacious in other than front-end collisions?

(b) To what extent are unrestrained and/or out-of-position passengers truly protected by this system?

You cannot deny that these are substantive problems, problems which the OTA study did not address. However, with reference to the issue of improved occupant safety with the present technology, the report did state that, "Advanced restraint systems and interior design considerations for safety are an integral part of the occupant protection concept. Considerable progress has been made in these areas and more improvements are expected."[2] The report went on to state that, "Of the future restraint systems being considered, the most effective is expected to be the air cushion *with* the use of a lap belt."[3]

These latter two citations aptly represent the substance of the Dingell amendment, namely that more work is needed in two particular areas:

(a) A comprehensive comparison on air bag versus passive seat belt effectiveness. This has not been done because NHTSA has spent its funds on developing air bag technology rather than on a comparative analysis. NHTSA also should implement a totally objective series of air bag-only tests.

(b) The unrestrained and/or out-of-position passenger is at present the jugular of the air bag issue. At the insurance industry's briefing, itself, the air bag manufacturer admitted that the crash related death of an unpositioned child was not prevented by the air bag. Moreover, when pressed as to current state of resolution of this problem, the response was given in terms of experimentation rather than implementation. In short, it is still an open question.

(4) This last point in your open letter to me is truly without merit, for as you know, my amendment fosters air bag research and safety belt research and is not intended to "attack the standard." The air bag is simply an idea whose time has not yet come, particularly in light of the costs involved and the questionable testing procedures at DOT/NHTSA. By the way, have you seen the GM and Volvo tests of air bags? There is potential for serious danger to out-of-position occupants.

As a final note, John, you stated that the amendment the cosponsors and I will offer would "force the American public to use only passive belt systems." Your committee is in error in making that statement. While NHTSA did fail by not requiring the passive safety belts on all cars which could accommodate such a system right now, and thus NHTSA has lost three years of such protective belt use for consumers, 1979, 1980 and 1981, our amendment states that more research and testing of passive restraint devices, mainly the air bag, must be carried out. GAO calls for this.

Consumers will have a choice in the type of car they buy, but in over 55 percent of the cars expected in the 1982 model year fleet, air bags will be the device mandated. These are the popular bench-type front seat cars and there will be no choice to consumers but air bags. (Ironically, an "active" lap belt also will be required in air bag cars as the bag alone is not sufficient protection and NHTSA has so stated.)

John, we first must know what the mandated technology will and will not do. We must have the fullest testing to be sure. We owe that to the consumers.

I hope that I have been able to shed some light on this subject. If you have any further questions, please do not hesitate to call.

Sincerely yours,

JOHN D. DINGELL,
Member of Congress.

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[1] Office of Technology Assessment, "Changes in the Future Use and Characteristics of the Automobile Transportation System, Technical Report, p. 211.

[2] Ibid., OTA, p. 342.

[3] Summary and Findings addendum to the Technical Report, p. 22.●

THE PLIGHT OF THE INDOCHINESE REFUGEES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. DRINAN. Mr. Speaker, the world is now witnessing a human tragedy in Southeast Asia of major proportions. Thousands of Indochinese people are being forced to leave their wartorn homelands, fleeing the ravages of war, famine, and persecution. Each day hundreds of people are being put to sea or forced to march on foot in search of a new home. Half of these people will perish before finally reaching asylum. Many of those who leave by sea will find that, even should they safely reach other lands, local authorities overwhelmed by the flood of refugees may tow them back out to sea. Many of those who leave by land will be forced to turn back across the borders they have crossed to face an uncertain future. We cannot stand idly by while the tragedy continues: We have a humanitarian commitment to take a leading role in assisting these refugees in every possible way.

The Vietnamese policy of wholesale eviction of its ethnic Chinese population has significantly led to the current widespread exodus. Two-thirds of the boat people, by mid-1978, were ethnic Chinese. Their departure was precipitated and encouraged by the Vietnamese Government through a series of spurious government actions. Decrees issued by the government in March 1978 nationalized bank deposits and private retail trade. Since many Chinese residents were engaged in trade and commerce, they suddenly found themselves unemployed, a lifetime of work shattered. Having lost their jobs, these unfortunate victims were considered by the government to be unproductive members of society and were therefore subject to assignment in concentration camplike areas in the remote and barren farming areas called new economic zones. The government provides few economic incentives for agricultural expansion in these areas to compensate for this population shift. The Vietnamese influenced Laotian regime has taken equally brutal steps.

Thus, even a year ago, the choice facing many of the ethnic Chinese in Vietnam was either to remain and face a most uncertain future, or take the chance of fleeing the country in search of a better life. The government, realizing that most of the Chinese would elect to leave, devised a greedy scheme to profit from this forced exodus. Hanoi stands to earn nearly $3 billion by charging each of its citizens of Chinese descent from $350 to $7,000 for the "privilege" of leaving the country.

Following the war between Vietnam and the Peoples Republic of China the situation further deteriorated. While officials marched ethnic-Chinese peoples from northern Vietnam into Yunnan Province and other parts of southern China, officials in southern Vietnam actively encouraged, abetted, and profited from the exodus of native Chinese to other Southeast Asian countries.

This situation represents a sobering parallel to the Nazi persecution of Jews. Under the Nazi regime, Jews were systematically stripped of their livelihoods and their wealth. The Jews who attempted to flee were faced with a hostile, indifferent world that stood by while literally millions of people were put to death. The world must act now to prevent the troubles in Indochina from reaching the proportions of the Nazi holocaust.

In Cambodia, a decade of intense bloodshed and political upheaval has left the country in ruins, the economy dismantled, and the population in disarray. The countryside remains a battleground for opposing forces of the Khmer Rouge and the Vietnamese armies. Nearly a quarter of a million Indochinese have escaped the violence by making their way to the Thai border, straining local facilities to the breaking point. Many more wish to cross from Cambodia into Thailand. Unable to cope with the additional burden, the Thai Government recently forced 40,000 refugees back across the Cambodian border.

Sadly, the Thai action coincided with increasingly harsh reactions elsewhere in Southeast Asia. Malaysia, inundated with 76,000 refugees has threatened to send them all back out to sea and to shoot on sight any refugees that attempt to land on its shores. Indonesia, as well, has been faced with nearly 50,000 refugees.

For most, the camps, lacking sufficient food, housing, and medical facilities, have become the refugees' new temporary home. Lack of adequate supplies has fostered a black market in everything from medicine to shelter to clothing. Official corruption is rampant in some areas, with bribes being paid by refugees for mail, medicine, and even for admission to the camps. Hong Kong has been forced to house people in warehouses. Reports indicate that camp guards abuse refugees and that attacks are made at night by bands of thieves.

In addition to physical discomfort, the refugees face a bleak future. Many of the refugees have lost entire families through drowning, starvation, or murder. The refugees face the enormous task of learning new languages and adapting to foreign cultures. These problems are severe for some—like Lan, a refugee in a camp in Malaysia. She lost her husband, her six children, her mother, sister, niece, and nephew. Only she and a 15-year-old nephew survive. Lan is now a housewife with no marketable skills. She will somehow have to learn a new trade in addition to rebuilding her life in a new country—should one accept her. Lan, who speaks no English, has no relatives in any other country. She will, no doubt, be put at the bottom of any country's entrance list.

Many nations have contributed to resettling the 1.1 million refugees who have fled since 1975. The United States, which has accepted 200,000 to date, is now operating under a ceiling of 7,000 per month, and will begin accepting 14,000 per month beginning in October. France, Australia, and Canada have also accepted large numbers of refugees. Over the long run, these nations are committed to offering settlement to about 10,000 a month from the camps. Unfortunately, refugees are arriving at three times that rate. Some countries, such as Japan, have not done their part; Japan has accepted three refugees as permanent residents to date. U.S. refugee coordinator Dick Clark estimates that a refugee population of 500,000 will be scattered throughout Southeast Asia by the end of this year. The demand for additional relief efforts is evident.

Mr. Speaker, nations cannot turn their backs on these unfortunate victims of repression. History will judge harshly those countries that turn their backs while these refugees languish in filthy refugee camps, or perish on leaky boats. We cannot shut our eyes again.

This week, leaders of the United States and other nations will meet in Geneva to attend a U.N. Conference on Indochina Refugees. Many Members of Congress have expressed their grave concerns on this issue, and proposed various methods of attacking this problem. These include raising the number of refugees allowed into the United States, appropriating additional funds for refugee relief, utilizing U.S. transport ships for picking up refugees from leaking boats, and engaging in a greater multilateral program for distributing the burden of resettling the refugees. All of these must be quickly explored, pursued, and ultimately enacted into law. The Geneva U.N. Conference can be an excellent forum for achieving the international coordination that his problem demands. When the U.S. delegation returns to this country with its report, I hope that this body can quickly take the necessary steps to meet the challenge of the Indochinese refugee program.●

BLESSINGS OF INDEPENDENCE

HON. J. KENNETH ROBINSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. ROBINSON. Mr. Speaker, I note with great pleasure that the Alexandria Gazette, in its Independence Day issue, elected to publish a moving letter by an old friend to many of us in the House, Ed Feulner, who now serves as president of the prestigious Heritage Foundation. Ed Feulner's letter is addressed to his son, E. J., a bright (like his Dad) third-grader. This beautiful letter from father to son discusses the real meaning of Independence Day. The third grade is not too early to be learning that vital kind of knowledge.

Ed Feulner, of course, enjoyed a brilliant career as a senior staffer here on the Hill, a career which culminated in his serving as executive director of the Republican Study Committee, an official legislative support organization. I am proud of my past association with Ed, proud that he is a fellow Virginian, and proud of the message which the Gazette chose to make available to its readers. I commend it to my colleagues:

Father Writes to Son on Independence Day

Dear E. J.:

Happy Independence Day!

Independence is a big word, especially for someone who is in the third grade. I know in school you are already learning about the history of the United States and why we celebrate our independence.

Independence does not just mean being free from foreigners telling us what to do. That is one of the things it means. But it means a lot more than that. One of the key things that independence means is being able to choose.

Choices are never easy to make. It was not easy for you to choose between an electronic baseball game and a new fishing pole.

But it isn't just choices like these that make the United States a very special place. It's being able to make choices in bigger things.

In our country, we can choose which school you and your little sister are going to go to, instead of someone else telling us which one you will attend. Choices make the United States special. And these choices are available not just in politics but in the everyday part of our lives.

It is exciting that we can choose from a hundred different kinds of colors and makes of cars to buy. When I was in Russia a few years ago, just after you were born, anyone who wanted a car had to pay for it first, and then wait for a long time to get it. Even then, there was only one kind he could get and they all looked the same.

Remember last week when we had the special dessert and we had both strawberries and blueberries on our shortcake because Mommy could not choose which one we would like better? I remember when I was growing up we had a student from Austria living with us. I have told you about Hans before. One of the things I remember was on the first day he was in our house. All of a sudden he stopped talking because he had just seen a bowl of fresh fruit for the first time in his life. And I remember him taking pictures of that bowl of fruit to send back to his family. You see, his younger sisters who were born during the Second World War, had never even seen oranges or bananas or other fruit.

You are already making some choices. I was so proud of you just a couple of weeks ago when you scored your first goal in the Alexandria soccer league. That was your choice to play soccer this season instead of Little League baseball. I remember some children when I was in a refugee camp in Vietnam a few years ago who didn't have choices like that because their parents had been killed by the communists. The only toys these Vietnamese had were the simple things they could make themselves out of tins cans and other things we throw away everyday here in Virginia.

Being able to make choices means we can make big choices too. Daddy and Mommy decided where we are going to work. There are a lot of places, E.J., where you don't decide where you are going to work. Someone in the government decides that for you. In some countries you don't decide where you are going to live; someone else decides that for you. In these places the children are not brought up at home with their parents but are taken away from them to go to government schools. These are some of the big choices we can make.

You know we just had an election here in Virginia and I worked pretty hard for some of the people who were running. You also know that I was unhappy because only 7 percent of the people bothered to vote. Voting is important because it is one more way that we can make a choice.

We can choose whether we want people in government who will let us make more choices or who will take them away. That is never the way they say it. But that's what it comes down to. Because, you see, the more money they take away from us in taxes, the more choices they are making for us instead of letting us make them for ourselves. And believe me, I think Mommy and I know what is good for our family better than someone in the government does.

When you get older and start studying history, you'll know more about some of the big choices that people have had to make. I was in Germany in 1961 when they put up the Berlin wall. The reason they did that was to stop people from making the choice that they wanted to live in freedom instead of under oppression.

Just four years ago, Mommy and I spent Independence Day talking to our Vietnamese friends who had just left their home and were in a Hong Kong refugee camp. We were telling them about life in the United States and how we might help them start a new life here in Virginia. They had to leave their parents, their cats and dogs and all their property behind, but they knew it was worth it when they made that big choice.

There are a lot of people who think making choices is easy—they think it's just a case of buying a baseball game or fishing pole. But it isn't that easy.

So on Independence Day, we should pray and thank the Lord for all the people who died to help to make the United States the great place that it is to live in.

And let us also remember that independence means that we have to make choices. Sometimes they are hard choices. But then again we all learn that anything that is worthwhile isn't easy.

All my love,

Your Dad.●

JIMMY CARTER'S REPORT CARD

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. LENT. Mr. Speaker, I was astounded to find in this morning's Washington Post a job performance form which the Post informs me is being used as a "White House Report Card" by the President's new Chief of Staff, Hamilton Jordan. Mr. Jordan apparently is attempting to evaluate the work of the staff Jimmy Carter has been supervising for 2½ years.

According to the Post, this form will be used to judge the job performance of "hundreds of people" in key positions both in the White House and in the executive departments.

As I looked over the form I was appalled that President Carter would permit such a ludicrous survey of the persons he himself had approved for the top positions of responsibility in operating our Federal Government. These are all his people. If, after 2½ years, he does not know whether or not they are handling their responsibilities well, Mr. Carter's own performance as Chief Executive is subject to serious question.

With that in mind, Mr. Speaker, I took the liberty of filling out Hamilton Jordan's questionnaire, as it might be done by any taxpayer in the Nation, to rate the job performance of Mr. Carter as President. I would suggest to Mr. Jordan that he circulate his job performance rating chart to every taxpayer in the Nation. I think he and the President would learn far more from such a survey than they did from all those meetings at Camp David this month.

I insert Jimmy Carter's "Report Card" in the Record at this point.

Staff Evaluation

Office: Taxpayer.

Name of Rater: John Q. Public.

Please answer each of the following questions about this person.

Name: Jimmy Carter.

Salary: $200,000 plus expense money pocketed.

Position: President.

Duties: Too many for him to handle properly.

WORK HABITS

(1) On the average when does this person: Arrive at work—too early; leave work—too late.

(2) Pace of Work: on scale of six—slow.

(3) Level of Effort: on scale of six—below capacity.

(4) Quality of Work: on scale of six—1: poor.

(5) What is he/she best at? (rank 1–5) —1, Conceptualizing; —2, Planning; —5, Implementing; —5, Attending to detail; and —10, Controlling quality.

(6) Does this person have the skills to do the job he/she was hired to do? No.

(7) Would the slot filled by this person be better filled by someone else? Yes.

PERSONAL CHARACTERISTICS

(8) How confident is this person? (circle one) self doubting.

(9) How confident are you of this person's judgment? On scale of six—1, not confident.

(10) How mature is this person? On scale of six—3, immature.

(11) How flexible is this person? On scale of six—6, too flexible (flip-flops).

(12) How stable is this person? On scale of six—1, erratic.

(13) How frequently does this person come up with new ideas? On scale of six—6, too often.

(14) How open is this person to new ideas? On scale of six—1, closed to GOP ideas and 6, open to Dem. ideas.

(15) How bright is this person? On scale of six—1, average.

(16) What are this person's special talents? 1, preaches good sermons; 2, very loyal to a few old friends; 3, carries own flight bag.

(17) What is this person's range of information? On scale of six—1, narrow, refuses to listen to reason most of the time.

INTERPERSONAL RELATIONS

(18) How would you characterize this person's impact on other people? (for example, hostile, smooth, aggressive, charming, etc.). 1, unimpressive; 2, pleasant smile; 3, good listener.

(19) How well does this person get along with **superiors four, six; ***peers; subordinates one; outsiders one; not well; very well.

Note.—On scale of six ranging from not well to very well. **4, gets along with Amy well; 6, gets along with Rosalyn very well. ***with peers, more.

(20) In a public setting, how comfortable would you be having this person represent: You or your office; The President; uncomfortable.

(21) Rate this person's political skills. On scale of six—minus 10, naive.

NOTE.—Savvy is misspelled as it is spelled savy in questionnaire.

SUPERVISION AND DIRECTION

(22) To what extent is this person focused on accomplishing the Administration's goals, 0%; personal goals, 100%.

(23) How capable is this person at working toward implementing a decision with which he/she may not agree? On scale of six—six, too eager.

(24) How well does this person take direction? One scale of six—six, too readily.

(25) How much supervision does this person need? On scale of six—a lot.

(26) How readily does this person offer to help out by doing that which is not a part of his/her "job"? On scale of six—six, too often.

SUMMARY:

(27) Can this person assume more responsibility? No.

(28) List this person's 3 major strengths and 3 major weaknesses. Strengths: 1) Smiles a lot; 2) Likes grits; 3) Good peanut farmer.

Weaknesses: 1) Can't make decisions; 2) Too generous (gave away Panama Canal); 3) Deserts friends (Taiwan, Iran, etc.).

(29) List this person's 3 major accomplishments. 1) Nearly tripled rate of inflation in 2½ years; 2) Seriously weakened national defenses; 3) Alienated good allies.

(30) List 3 things about this person that have disappointed you. 1) His domestic policies; 2) His foreign policies; 3) His close friends (especially Bert Lance and Hamilton Jordan.

NOTE—Scale of six means one for inferior to six for superior rating.●

TRIBUTE TO JOSEPH CALIFANO

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. WOLFF. Mr. Speaker, it is with great regret that I note the resignation of Joseph A. Califano as Secretary of Health, Education, and Welfare. This exceptional man has been an outstanding leader of our largest executive department. His skill and ability and the dedication which he has brought to the work of this administration has won the respect and admiration of my colleagues. I am proud to call him my friend.

It was my privilege to have been a Member of this body in the 1960's when Mr. Califano was already tackling tough assignments for President Lyndon B. Johnson. I have followed his career from the time of his work in the Department of Defense; as a special assistant to President Johnson, where he helped to develop the landmark legislation of those years which attacked the great social problems of our Nation; and his other distinguished service from that time, both from within and outside of Government. To all of these tasks, Mr. Califano brought an unparalleled energy and commitment. His is a record of public service and achievement to which many might aspire and which surely will be an inspiration to those who will follow him.

As one of the most experienced and able members of this administration, Mr. Califano injected the vigor and imagination which has helped lift the Department out of the neglect and isolation to which the two previous administrations had consigned it. In his leadership role he has brought to the Government the openness and independence which President Carter said would be a hallmark of his administration.

I recognize, Mr. Speaker, that Secretary Califano's tenure was not without controversy and criticism. But this will happen when a true leader vigorously pursues his mission. And a vigorous pursuit it has been, for Mr. Califano has never hesitated to courageously tackle the tough issues.

He spoke out in behalf of our national health, and has pointed out the dangers of smoking, and the need for adequate support for basic scientific research.

He spoke out against waste and abuse in the programs, which are administered by the Department and will leave the Department a more vibrant and effective institution because he did something to eliminate waste rather than just talking about it.

He spoke out strongly in support of civil rights and has enforced the Nation's laws against discrimination with strength and conviction.

He spoke out for needed legislative initiatives and has brought his ability to bear in support of a national health plan, for hospital cost containment, for a greater Federal commitment to quality education, for child health and welfare reform—all critical items on our Nation's agenda.

I cannot help but to feel a great sadness for the departure of this able man from the councils of Government and, while I am not privy to the President's reasons for accepting his resignation, I must question the wisdom of letting him go. For in these times we need the boundless energy of a Joseph Califano to help move the Government, to restablish confidence and enthusiasm, and we need the concern and compassion of a Joseph Califano to reach out to those in need to whom the Department of Health, Education, and Welfare has a special mission. Under his leadership, the Department truly was the "Department of the People" that it should be, showing the compassion and dedication in helping to meet the needs of our citizens. As a friend and admirer of this great man, I will be sorry to see him leave and can only hope that he will continue to benefit by his continued interest and involvement in the public affairs of our Nation. I know that I share these feelings with many of my colleagues and join with them in wishing the best for him in all of his future endeavors. ●

PERSONAL EXPLANATION

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. OTTINGER. Mr. Speaker, because of a 2-hour delay on the Eastern Airlines shuttle, I was unable to be present on Monday, July 16, during rollcalls Nos. 334 and 335. If I had been present, I would have voted "aye" on passage of H.R. 2282, the veterans' disability compensation and survivors' benefits, and "aye" on passage of H.R. 3641, extension of health information and promotion programs.●

SOCIAL SECURITY PROGRAM TAX CREDIT

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. GEPHARDT. Mr. Speaker, today Congressmen DOWNEY, DODD, WIRTH, OBEY, GLICKMAN, JENKINS, HEFTEL, HOLLAND, MATTOX, and MINETA joined me in introducing legislation to offer an income tax credit equal to 20 percent of a taxpayer's annual social security payroll tax.

The administration's current economic forecast that a recession is at hand has already brought on the hue and cry for a tax cut to stimulate the economy once again. I am not sure whether a stimulative tax cut is appropriate or necessary in this period of high inflation and given our commitment to balance the Federal budget if possible. However, if we do anything in this regard, it should be a payroll tax cut and the only possible approach is as follows:

Our proposal would provide employees, self-employed persons, and employers with a refundable credit against income taxes equal to 20 percent of payroll taxes paid for tax years beginning in 1980 and 1981. The existing employer's ordinary and necessary business expense deduction for payroll taxes would be reduced by the amount of the credit taken.

This is probably the only opportunity we will have in the near future to provide some form of relief from the social security tax increases mandated in 1977. It is not a true rollback of the payroll tax, as some of my colleagues have proposed, nor does it provide direct general revenue financing for social security. Our amendment, however, appears to be the only social security amendment that could reduce the full brunt of the payroll taxes scheduled for 1980 and to be increased in 1981.

The amendment provides for a refundable tax credit. This means if a taxpayer owes no income taxes, he or she will still receive the credit in the form of a refund.

The credit also would be available and refundable for employers who, under the principle called parity now embedded in our social security system, are subject to the payroll tax increases as well and have an equal right to relief. However, because employers already receive an income tax deduction for payroll taxes paid, my amendment would require that their deduction be reduced by the amount of the credit taken so that, in essence, a double deduction would not result. Only Federal, State, and local employees, or those employees of not-for-profit organizations not participating in the social security system, would be denied this credit and that seems only fair.

It is estimated by the Joint Committee on Taxation that a 20-percent social security income tax credit would decrease Federal revenues by roughly $15 billion in 1980. The Congressional Budget Office is analyzing this proposal at the present time to determine what impact it will have on inflation and to stimulate the economy. Whatever these figures show, a 20-percent social security credit may be the only tax cut wage earners below $20,000 will receive in the next 2 years. All eligible taxpayers, however, would receive the credit to be fair and equitable.

This may not be the best means to rework the way we finance the social security system. Thus, the credit would only be available for the 2-year period in which my colleagues and I on the Social Security Subcommittee have promised to do just that. Between now and then, however, the 20-percent social security income tax credit will provide small, but needed relief to our taxpayers and our economy. And it will accomplish that without aggravating our serious inflation problems. In fact, such a tax cut would reduce inflation because it would reduce the cost of employment and the cost of goods sold.

The Joint Tax Committee has analyzed this proposal and what follows is how the legislation would affect two hypothetical taxpayers in different income categories and the Federal revenue impact of the legislation:

GEPHARDT SOCIAL SECURITY CREDIT [1] IN 1980—1-EARNER FAMILY OF 4

Income [2]	Income tax [3]	Social security tax [4]	Gross tax	Credit	Net tax
$5,000	[5] −500	307	−193	61	−254
$10,000	374	613	987	123	864
$15,000	1, 233	920	2, 153	184	1, 969
$20,000	2, 013	1, 226	3, 239	245	2, 994
$25,000	2, 901	1, 533	4, 434	307	4, 127
$30,000	3, 917	1, 588	5, 505	318	5, 187
$50,000	9, 323	1, 588	10, 911	318	10, 593
$100,000	27, 878	1, 588	29, 466	318	29, 148

[1] 20 percent of social security taxes paid.

[2] Assumed to be wages subject to social security tax.

[3] Assuming personal deductible expenses of 23 percent of income. This is only an average. So many taxpayers will have different tax liability.

[4] 6.13 percent on wages up to $25,900 per earner.

[5] Negative because of the refundable earned income credit.

Joint Committee on Taxation, July 18, 1979.

GEPHARDT SOCIAL SECURITY CREDIT [1] IN 1980—2-EARNER FAMILY OF 4

Income [2]	Income tax [3]	Social security tax [4]	Gross tax	Credit	Net tax
$5,000	[5] −500	307	−193	61	−254
$10,000	374	613	987	123	864
$15,000	1, 233	920	2, 153	184	1, 969
$20,000	2, 013	1, 226	3, 239	245	2, 994
$25,000	2, 901	1, 533	4, 434	307	4, 127
$30,000	3, 917	1, 839	5, 756	368	5, 388
$50,000	9, 323	3, 065	12, 388	613	11, 775
$100,000	27, 878	3, 175	13, 053	635	30, 418

[1] 20 percent of social security taxes paid.

[2] Assumed to be wages subject to social security tax.

[3] Assuming personal deductible expenses of 23 percent of income. This is only an average. So many taxpayers will have different tax liability.

[4] 6.13 percent on wages up to $25,900 per earner.

[5] Negative because of the refundable earned income credit.

Joint Committee on Taxation, July 18, 1979.

Gephardt social security credit [1]

[In billions]

	1980	1981
Calendar	$22. 7	$27. 4
Fiscal	15. 8	26. 1

[1] A refundable credit equal to 20 percent of Social Security taxes paid beginning January 1, 1980.

Joint Committee on Taxation, July 18, 1979.●

PIONEER WOMEN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mrs. SCHROEDER. Mr. Speaker, as the Nation was moving westward in the 1800's, women were right up there with the men blazing the trail. Not only did the women continue to do household chores, but they were also working side-by-side with the men on the ranches, on the farm, and in the fields. Whatever men did in the West, there were always women who did the same. There were women bronco busters, women sheriffs, women gamblers, women ranchers, women homesteaders, and women outlaws. In 1890, a quarter of a million women were running their own farms and ranches.

The Girl Scouts in Denver, the Girl Scouts Mile-Hi Council, researched outstanding women of the Colorado West and published its findings in a booklet "Colorado Hidden Heroines." All women selected from nominations submitted by troops who did the research. I would like to include in this Minutewomen series excerpts from this booklet featuring some of the pioneer women from my State:

WOMEN AS PIONEERS

CLARA BROWN

One of Colorado's earliest settlers, Clara Brown (1800–1885) was originally a Virginia slave. At 18, she married Richard, another slave and had 4 children. When their owner died in 1835, the family was separated and sold—for the next 47 years Clara searched for and finally found her youngest daughter, Eliza Jane.

Clara's next owner, George Brown, granted her freedom in 1857; she adopted his last name. In 1858, she joined as cook the wagon train of Colonel Wadsworth and headed for the twin cities: Denver City-Auraria. Here she set up a laundry service. When Reverend Adriance, Denver's first preacher, needed help for the destitute, Clara often provided it.

With her laundry a success, Clara was able to buy some mining claims in Clear Creek and Idaho Springs. In 1882, Clara found Eliza Jane in Iowa. For Clara's contributions, the Society of Colorado Pioneers (a former all-white-male group) certified her as a member in 1881. Brownie Troop 151.

CHIPETA

Chipeta ("the laughing maiden of the Utes"), described as having a ruddy and shining countenance, a firm tread and erect bearing, is a heroine because of her courage and valor shown in a crisis and her efforts to mediate between Indians and Whites.

In 1879, while her husband, Ouray of the Uncompaghres, Chief of the Utes, was away from their U.S. Government-provided adobe house and lands, on a hunting trip, some subchiefs of the Ute tribe killed Nathan Meeker, Indian Agent, and all the white men at the White River Agency. Upon learning of the massacre, Chipeta rode without stopping day and night to the hunting site of Ouray so that her husband might order cessation of hostilities and release of the prisoners. She later traveled to Washington, D.C. with Ouray and participated in the Meeker Massacre investigation. Brownie Troop 1140, Junior Troop 836.

MARCELLA DECAMP

Born April 30, 1888 on her parents' ranch near Villa Grove, Colorado (San Luis Valley), Marcella DeCamp remained there until high school age, when, in order to continue her education, Marcella and her older sister lived with a family friend in Saguache. At ages 17 and 19 respectively, Marcella and her sister lived on on a ranch bought by their father near Saguache. Upon marrying Edward Broome (by whom she had three children), Marcella was given half the property. After living for a time in Coaldale, Edward left his wife with two young children (John and Eva—the third had died); so Marcella moved back to her 160-acre ranch. Among her many chores to survive were weaving rugs for sale, making lye soap, repairing shoes, chopping wood and tending a vegetable garden.

Marcella represents a type of Western woman whose self-reliance and pioneer spirit is inspiring to today's youth. Junior Troop 213.

ANNA E. DICKINSON

Anna Dickinson (a Philadelphia Quaker born October 28, 1842, gave numerous lectures in Denver, other Colorado cities and at mining camps after the Civil War espousing Women's Rights. Her not-always-popular view of Women's Equality was occasionally met in camps by jeers and thrown eggs.

Anna loved the natural beauty of Colorado and climbed five of its mountains over 14,000 feet (including Long's Peak, Pike's Peak, Gray's Peak, Lincoln Peak, and Mt. Elbert)—and unusual achievement for a 19th-century woman. Her advice to would-be climbers was: "When you hike you should always take a lemon and a measuring tape . . . If you suck a section of a lemon, it will refresh you." She was the first woman to climb Mt. Washington 27 times! She and a group of friends are responsible for naming Mt. Meeker and Mt. Lady Washington; later Mt. Dickinson (an 11,000-foot peak in the Mummy Range) was named after our heroine herself. Junior Troop 155.●

FREEDOMS

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. RUSSO. Mr. Speaker, this week we proclaim our opposition to the absence of freedom and security for 30 nations in East Europe and Asia—the very freedom which we demonstrate as we assemble here. As we observe the 20th annual Captive Nations Week here in the House of Representatives, the peoples of the captive nations live under oppression in the Baltic States of the Soviet Union, in Vietnam, Cambodia, and elsewhere. They have none of the rights which are so basic to our lives here in America.

Captive Nations Week was created 20 years ago by a joint resolution of Congress. At that time, Congress asked President Eisenhower to designate the third week in July every year as "Captive Nations Week" until the peoples of all the captive nations had acquired the rights of freedom and self-determination which belong to all.

Unfortunately, the number of captive nations has actually increased in the 20 years since President Eisenhower first proclaimed "Captive Nations Week" in 1959. Three nations—Cambodia, Vietnam, and Thailand—have been added to the list in the past 5 years alone.

It is important, then, that we mark these occasions each year on the floor of the House to say to all those who live under tyranny that we have not forgotten them. We must say with one voice that we live for a day when all people are awarded the dignity and the freedom in their country that are the birthright of every human being.

We in Congress often become embroiled in conflicts among a variety of interest groups as we try to shape comprehensive solutions to complex problems—problems such as energy shortages, inflation, and unemployment. When we are deeply involved in debates over such issues, we tend to forget that it is our debates and disagreements which represent the true beauty of the democratic system. For it is only in such a system as we have here that all voices can have a say in the emergence of the final policy. Through free elections and open Government, the people of America and other democratic nations have the opportunity to determine the sort of government that will govern them. We are fortunate.

The people of the Baltic States have no such rights to self-determination and open government. Since 1940, the Soviet Union has not been content merely to exercise military and political control over these nations. Successive Soviet Governments have waged a ruthless campaign to deprive the people not only of their sovereignty, but also of their national, cultural, and religious identity. Today, even after the Helsinki and Belgrade Conferences, show trials and harsh sentences are used to intimidate and silence the widespread nationalistic and religious movements in these Baltic nations.

The case of Balys Gajauskas, a member of the Lithuanian Helsinki monitoring group, is an example of the cruel oppression of individual human rights which the Soviet Union continues to practice. He was sentenced last year to 10 years in a labor concentration camp and 5 years internal exile simply for possessing a book which contained several ideas contrary to the Communist ideology. His crime, he says,

> Consists of having thought independently and having valued democracy more highly than the Communist dogmas.

Gajauskas was released only 6 years ago after having served a 25-year term for opposing the Soviet regime. He is in poor health, and it is unlikely that he can survive his current sentence.

Over 2 months ago, I signed a letter along with almost 100 other Congressmen asking Soviet Communist Party Secretary Leonid Brezhnev to free Gajauskas. Despite our efforts, he is still imprisoned.

It is the obligation of those of us who are fortunate enough to live in a free society to share in the struggle for freedom of people like Balys Gajauskas. We must continue to observe occasions such as Captive Nations Week to remind the Communist governments that we are aware of their tyranny, and their violation of human rights. But even more important, today's observance and other efforts by those of us who live in free nations give hope to the people of the captured nations. By observing Captive Nations Week every year, we say to the people of the captured nations: "We are with you." ●

IN RECOGNITION OF THE SACRIFICES OF OUR MISSING IN ACTION AND OUR PRISONERS OF WAR

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. GILMAN. Mr. Speaker, the President has designated today, July 18, 1979, as "National POW-MIA Recognition Day," a day on which all Americans can pay tribute to those individuals still listed as "missing in action" or as "prisoner of war." The Congress having passed this legislation last year; Public Law 95-349, is another step in keeping alive the memory of all of our missing and prisoners of war.

Nearly 4 years after the conflict in Vietnam has ceased, 2,500 Americans are still unaccounted for. Their fates are unknown and their whereabouts are a matter of speculation. Their guardians in America—all of us have become their guardians, concerned with their well-being and their memory—wait for signs of hope and news of their return. And still, no news is forthcoming, all hope seems to be a personal pilgrimage rather than a collective wish.

Our MIA's and POW's have already paid the price of freedom, and continue to pay for our assured liberty. They have made a sacrifice that many of us will never have the opportunity to make in an entire lifetime. And their memories must not be allowed to die.

While memorial days and commemorative speeches do serve a purpose, they are not enough to insure that our men will ever return, and they do little to salve the pain which has become a fact of life for all of the families of the missing. It is well to remember our missing men and our prisoners of war, but another, more effective course of action must be instituted at this point to realize the goals of full accounting specified by members of the prior administrations and to fulfill our obligations to those men and their families.

Mr. Speaker, much has happened in the last year which affect the fate of our missing men, but we still have a long way to go before our efforts are exhausted. The return of Pfc. Robert Garwood after 14 years in Vietnam has proven beyond the shadow of a doubt that an American can survive, unknown to the State Deparmtent and the Defense Department. While Garwood's general whereabouts were surmised, and while his circumstances are not directly parallel to those of many of our MIA's, there is something significant to learn from the return of Robert Garwood: That is, that hope should not be abandoned in any circumstance.

The interest in MIA affairs has been rekindled after many Members of Congress, and after many families had begun to believe that their Representatives, and their Government, had ceased to be interested in the welfare of their loved ones. After the close of the work of the House Select Committee on Missing in Action in December of 1976, the Asian and Pacific Affairs Subcommittee in the House Foreign Affairs Committee was charged with the responsibility of missing-in-action affairs. The able chairman of that subcommittee, the gentleman from New York (Mr. WOLFF) then appointed a task force on this missing in action to assist the subcommittee in their efforts. I have the honor and pleasure of serving on that MIA task force, and am gratified that my colleagues have recognized the importance of keeping this issue alive.

The task force has, to date, heard testimony on several significant issues pertaining to the MIA issue, and has interviewed individuals from the Defense Intelligence Community, from the State Department, and from other branches of the Armed Forces who have been questioned about the possibilities of live

Americans in Southeast Asia. We are attempting to come to terms with the refugees reports which indicate that some Americans have been sighted in Southeast Asia, and have solicited more information from refugees who have previously not been forthcoming, by intensifying our efforts in refugee camps and by assisting our personnel in Southeast Asia charged with the responsibility for interviewing refugees. This may seem like slow going, but the outcome, I am certain, will be worthwhile.

The uncorrelated material which the Defense Department has published and distributed to the families of the missing in action contains information which has, to date, been uncompiled. Some of this material indicates that, at varying times during the Vietnam war, Caucasians were sighted in locations and circumstances to indicate that they were being held prisoner of war. These reports have never been substantiated, nor have they been dismissed as inaccurate. Hopefully, some day we will know the reality of these claims.

The House recently passed legislation calling upon the United Nations to assist the United States in its accounting process. The Senate is expected to take up this legislation momentarily.

While I willingly join in the memorial spirit of this day, I want to see our Nation undertake some concrete actions to insure that our missing in action will receive the attention due them.

Some of the constructive steps that we can undertake in the interim include:

Pressing for a meeting with U.N. General Assembly Secretary Kurt Waldheim to discuss how the U.N. can best assist the United States in our accounting efforts.

A congressional delegation will be traveling to Hanoi in August and at that time we should discuss the recovery of remains with the Vietnamese. To date, we have received only 75 sets of remains. I do not feel that the Vietnamese are living up to their responsibilities to a commitment of full accounting.

Join with some of us who are in the process of circulating a letter to the President requesting that he meet with the families of our missing in action to discuss with them the proper role of the United States in an accounting process.

The recent analyses of the refugee reports on sightings are not adequate. Contact the Department of Defense expressing our disappointment with their superficial analyses.

This afternoon, I had the pleasure of attending the ceremony at the National Cathedral here in Washington commemorating the sacrifices of our POW's and MIA's. This moving ceremony was well attended. Families of our missing in action, representatives from the National League of Families, military personnel, and Department of State and Defense personnel, as well as Veterans' Administration officials contributed to the memories of our missing in action.

Max Cleland, Administrator of the Veterans Affairs, gave the main address and we heard remarks by Rear Admiral Lawrence, Superintendent of the U.S. Naval Academy and Lt. Col. Jerry A. Singleton, a former POW, now chaplain for the U.S. Air Force. In attendance were the children of MIA Lt. Col. Richard S. Schott, Heather and Christopher Schott, who read the "No Greater Love Creed" to remind us of the extreme sacrifices made by our missing.

Mr. Speaker, at this point in the Record, I would like to insert the moving remarks made by Max Cleland, the Administrator of Veterans Affairs:

Distinguished Guests, Ladies, and Gentlemen: I'm sure you're as moved as I by the tribute that is being paid today to people that many people in our country thought we had forgotten. On behalf of the President, I would like to read from his Proclamation. "In each of America's past wars our prisoners of war have represented a special sacrifice. On them has fallen an added burden of loneliness, trauma, and hardship. Their burden becomes double when there is inhumane treatment by the enemy in violation of common human compassion, ethical standards, and international obligations. As we now enjoy the blessings of peace, it is appropriate that all Americans recognize the special debt owed those Americans held prisoner during wartime. It also is appropriate that we remember the unresolved casualties of war, our soldiers who are missing. The pain and bitterness of war endures for the families, relatives and friends of those whose fate is unknown. Our nation will continue to seek answers to the questions that remain about their fate."

As Administrator of Veterans' Affairs, I deal with many problems. I deal daily with the cost that war has inflicted on this country. But I tell you this, no cost is as great and no suffering is as deep as that of a man who is unable to shake the nightmare and the horror of imprisonment as a captive during one of this country's wars. And no suffering I see and no pain that I see exceeds that of a family for whom the war is not yet over.

As Administrator, I deal in large numbers, but the numbers of these who have had to bear this cost are astounding. Just in the last 65 years, this country has had more than 140,000 men become prisoners of war in battle. And just in that short time, we have lost more than 90,000 of our own who are missing in action. And as I travel around in my official duties, nothing drives home the price that is exacted upon young men in this country, nothing drives home that price more to me, than to see in the Punch Bowl Cemetery in Hawaii, for instance, listed on stone tablets, yard by yard by yard, the names of those who were unable to return.

I recently visited a cemetery outside of London, where members of the Eighth Air Force, who were not lucky enough to come home, are buried. But also there is a huge tablet that covers the entire frontispiece of the cemetery, with more than 5,000 names of men who were not even recovered to be buried in the cemetery.

I think it's proper that we have this ceremony in a sanctuary, because I think although we strive with our human will to provide answers to these kinds of puzzling and almost unanswerable questions as to why, I think maybe our hope lies here. It's not a surprise to me, as one who spent a year and a half in hospitals after Vietnam, to see a man who spent 7 years as a POW come back and serve his country in uniform as a chaplain.

These kinds of experiences drive home to us our mortality and our humanity. They also drive home to us the beauty of what life we have left. That beauty was so appropriately expressed for me just about 6 years ago when POW's from the Vietnam War came home. One came to my home area and read a very simple prayer. His name was Lieutenant Colonel Quincey Collins and he had been a POW for 7 years. And he read something that made sense to me at that time and I have gained inspiration from them ever since. And I think it can say a lot about what we're about today, and I would just like to close with it. It's a Prayer Of An Unknown Confederate Soldier:

I asked God for strength, that I might achieve,
I was made weak, that I might learn humbly to obey.
I asked for health, that I might do greater things,
I was given infirmity that I might do better things.
I asked for riches, that I might be happy.
I was given poverty, that I might be wise.
I asked for power, that I might have the praise of men,
I was given weakness, that I might feel the need of God.
I asked for all things that I might enjoy life,
I was given life, that I might enjoy all things.
I got nothing that I asked for—but everything I had hoped for.
Almost despite myself, my unspoken prayers were answered.
I am among all men, mostly richly blessed.

I believe that the wording of the Presidential proclamation designating July 18 as National POW-MIA Day, appropriately sets the tone for this day and for the spirit of our continuing commemoration. I am, therefore, inserting at this point in the Record the entire text of the Presidential proclamation:

NATIONAL POW-MIA RECOGNITION DAY, 1979

(By the President of the United States of America)

A PROCLAMATION

In each of America's past wars our prisoners of war have represented a special sacrifice. On them has fallen an added burden of loneliness, trauma, and hardship. Their burden becomes double when there is inhumane treatment by the enemy in violation of common human compassion, ethical standards, and international obligations.

The Congress has by Joint Resolution (Public Law 95-349) designated July 18, 1979, as "National P.O.W.-M.I.A. Recognition Day."

As we now enjoy the blessings of peace, it is appropriate that all Americans recognize the special debt owed those Americans held prisoner during wartime. It also is appropriate that we remember the unresolved casualties of war, our soldiers who are missing. The pain and bitterness of war endures for the families, relatives and friends of those whose fate is unknown. Our Nation will continue to seek answers to the questions that remain about their fate.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate Wednesday, July 18, 1979, as National P.O.W.-M.I.A. Recognition Day, a day dedicated both to all former American prisoners of war as well as those still missing and to their families. I call on all Americans to join on this occasion in honoring those who made the special sacrifice of being captive in war, and their loved ones.

And I call on State and local officials and private organizations to observe this day with appropriate ceremonies and activities.

In witness whereof, I have hereunto set my hand this fourth day of June, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.

Mr. Speaker, it is crucial that the memories of our missing in action not be allowed to die. Let us commemorate these valorous men and women, not only today, but every day, and not only in speeches, but in the acts that we perform on their behalf.●

CITIZEN BRUNDAGE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. FINDLEY. Mr. Speaker, the death Monday of Percival F. Brundage brought to an end a long and distinguished career. He first gained prominence as President Eisenhower's Director of the Budget, where he did an effective job.

But his most important and enduring work was in behalf of Trans-Atlantic Federation. He was a charter member of the board of directors of Federal Union, Inc., the membership organization formed in 1939 to bring public understanding and support for the "union-now" proposal. Under it, the experienced democracies of Western Europe and the British Commonwealth would join with the United States in forming a Federal union government. The proposal was first formulated by Clarence K. Streit and immediately caught wide public attention and support.

Brundage served continuously on the board of directors and in various official capacities, boosting the idea enthusiastically until the time of his death.

Few men have equaled his dedication to this, or any other worthy goal, and his passing brings to a close a distinguished career of exceptional citizenship. Like Streit he was a citizen of a community stretching far beyond national borders. He was verily a citizen of the Atlantic Community.

The Wednesday New York Times carried this account of his life:

PERCIVAL F. BRUNDAGE DIES AT 87; BUDGET CHIEF UNDER EISENHOWER

(By Thomas W. Ennis)

Percival F. Brundage, President Eisenhower's director of the budget from 1956 to 1958, died Monday at Valley Hospital in Ridgewood, N.J. Mr. Brundage had been visiting his daughter, who lives in Ridgewood. He lived in Washington and Pompano Beach, Fla. He was 87 years old.

Before going to Washington in May 1954 to accept the job of deputy budget director under Rowland Hughes, Mr. Brundage had spent his entire career with Price Waterhouse & Company, the accountants, which he joined in 1916. He was a senior partner of the firm when he retired in 1954.

Mr. Brundage was brought to Washington by Mr. Hughes, and when Mr. Hughes retired in 1956 he was succeeded by his deputy. The Bureau of the Budget was replaced by President Nixon in 1970 with the Office of Management and Budget, a White House department.

The budget director's position was a powerful one and was especially so under President Eisenhower. The director had as much to say as any other individual about how much Government agencies could spend, and perhaps more.

TWO SOVIET ACHIEVEMENTS

In 1957 Mr. Brundage found his already difficult job greatly complicated by the Soviet announcement of the successful testing of an intercontinental ballistic missile and the subsequent space flights. Spurred by the resulting public furor, the Eisenhower Administration moved to apply the nation's resources to respond to the Soviet achievements. Mr. Brundage, who was said in many respects to have typified the "Eisenhower Republican," had a key role in the effort.

The result was a record peacetime budget of $73.5 billion for the fiscal year 1959 that reflected General Eisenhower's concern with making adequate provision for missile development.

Mr. Brundage retired from Government service in 1958, saying that he planned to take things easy before deciding to retire permanently. Except for becoming a consultant to the Government on financial affairs, he did not take up another line of work, but he continued his extensive involvement in charitable, humanitarian and religious organizations.

In 1973, Mr. Brundage and another former Government official were said by sources in the charter airline industry to have acted for the Central Intelligence Agency in the C.I.A.'s 1960 purchase of Southern Air Transport of Miami. The agency apparently used the airline in paramilitary missions in the Congo, the Caribbean and Indochina.

"SMALL TOWN BOY"

Percival Flack Brundage, born in Amsterdam, N.Y., considered himself a "small town boy." He was graduated cum laude from Harvard University in 1914. He was an amateur painter, among other hobbies, and had exhibitions of his work at the Century Club in New York.

Mr. Brundage received an honorary doctorate in commercial science from New York University and had been a Dickinson Lecturer at Harvard University's Graduate School of Business. He was the author of "The Bureau of the Budget," published by Praeger in 1970.

He is survived by his daughter, Lois Baker, and five grandchildren. His wife, the former Amittai Ostrander died in 1977.

A memorial service will be at noon Friday in the Bethlehem Chapel of Washington Cathedral in Washington.●

FOREIGN ASSISTANCE APPROPRIATIONS, 1980

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Mr. PATTERSON. Mr. Chairman, yesterday a number of restrictive amendments were offered, some of which were accepted, to title I of the foreign assistance appropriations bill, H.R. 4473. This title provides funding for a number of multilateral development institutions which fall under the jurisdiction of the Banking, Finance and Urban Affairs Committee.

As we resume consideration of H.R. 4473, I would urge my colleagues to consider seriously the benefits to the U.S. economy through our participation in the activities of the multilateral development banks and the implications of additional restrictive language.

A letter I received from Treasury Secretary Blumenthal dated July 12, states:

". . . U.S. participation in the banks is a very good deal for the United States—we pay in only two cents for every dollar loaned out by the World Bank, and gain eighteen cents in procurement benefits for ourselves."

Further, as a Treasury Department report outlined—

Under their charters, the banks cannot legally accept contributions which are subject to such unilaterally-imposed conditions. This has been confirmed by legal opinions from the institutions, the Executive and Legislative Branches of the U.S. Government, and by an expert group of the District of Columbia Bar.

It should also be recognized that the Multilateral Development Bank Authorizations Act requires the United States to oppose loans to countries engaging in a pattern of gross human rights violations. A recent amendment to that act, moreover, would insure detailed documentation on those votes by U.S. directors of the international development banks.

The U.S. participation in these banks is important to foreign policy, economic and national security objectives. The Appropriations Committee has already reduced funding by 25 percent and proposed language to place unwarranted restrictions on the use of authorized funding would hamper economic growth.

Through the activities of the World Bank, for instance, the United States has been able to assist in international development programs in agriculture, industrial progress, and to support energy resource diversification in non-OPEC developing countries. Many of these international projects involve U.S. know-how. As an example, California's economy has benefited by almost $25 million in 1978 by assisting the World's Bank's projects in areas from agricultural machinery to automotive machinery and equipment to school equipment and supplies, among others.●

PERSONAL EXPLANATION

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 1979

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following votes on Monday, July 16, 1979. Had I been present, I would have voted the following:

Rollcall No. 334, "yes."
Rollcall No. 335, "yes."●

HOUSE OF REPRESENTATIVES—*Friday, July 20, 1979*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C., *July 19, 1979*.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Friday, July 20, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, in whom we live and move and have our being, we thank You for Your providence and care in our lives. We express our praise that Your spirit has lifted us when we were discouraged, that You have healed us when we felt broken, that You have encouraged us when we felt anxious and alone.

Continue, O Lord, to watch over us, and may Your mercy and pardon and grace be ever with us. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4387. An act making appropriations for agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes; and

H.R. 4388. An act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes.

The message also announced that the Senate insist on its amendments to a bill of the House (H.R. 4387) entitled "An act making appropriations for agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EAGLETON, Mr. STENNIS, Mr. PROXMIRE, Mr. ROBERT C. BYRD, Mr. BAYH, Mr. CHILES, Mr. BURDICK, Mr. SASSER, Mr. MAGNUSON, Mr. BELLMON, Mr. YOUNG, Mr. McCLURE, Mr. GARN, and Mr. SCHMITT to be the conferees on the part of the Senate.

The message also announced that the Senate insists on its amendments to a bill of the House (H.R. 4388) entitled "An act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON, Mr. STENNIS, Mr. MAGNUSON, Mr. ROBERT C. BYRD, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. BURDICK, Mr. SASSER, Mr. DECONCINI, Mr. HATFIELD, Mr. YOUNG, Mr. SCHWEIKER, Mr. BELLMON, Mr. McCLURE, Mr. GARN, and Mr. SCHMITT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 221. An act to establish a congressional award program for the purpose of recognizing excellence and leadership among young people.

MOTION WILL BE MADE TO DISCHARGE COMMITTEE ON THE JUDICIARY FROM CONSIDERATION OF NEIGHBORHOOD SCHOOLS CONSTITUTIONAL AMENDMENT

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, next Tuesday I will move that the House discharge the Judiciary Committee from the consideration of our neighborhood schools constitutional amendment.

In the weeks since I received the last signature needed to force this amendment to the floor, I have received constructive comments and suggestions from many of you on the amendment's wording.

I am therefore receptive to minor changes in the amendment that will be offered by the gentlelady from Maryland (Mrs. HOLT).

The slightly modified amendment would read as follows:

SECTION 1. No student shall be compelled, on account of race, color or national origin, to attend a public school other than the public school nearest to the residence of such student which is located within the school district in which such student resides and which provides the course of study pursued by such student.

SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation.

RESCUE THE BOAT PEOPLE

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, last night, Washington witnessed a heart-warming display of public concern for a group of people that is in dire need of immediate and concentrated assistance—Southeast Asia's "boat people."

Fifteen thousand persons gathered at the Lincoln Memorial and later marched to the White House to plead for the cause of these homeless and abandoned millions. What is most significant about their demonstration is that their voice has been heard. As their group was dispersing, the President crossed the White House lawn and promised to those that were still on hand that the United States would not forsake these refugees and that the Navy will begin to rescue Asian "boat people." Urgent steps must now be taken to bring an end to the suffering and loss of life.

Aside from what this will mean to the refugees, this action has special importance for two reasons. First, it will be a signal to the International Conference on Refugees opening today in Geneva that the United States is prepared to assume a leadership role by harboring those who are in imminent danger. For the sake of all the Indochinese refugees, it is critically important that the leaders in Geneva suspend any differences or self-interests and establish an international rescue policy. The President's decision is one that other nations must follow.

Second, the President's statement comes at a time when the House is considering the foreign assistance bill. This bill sets assistance for Indochinese refugees at a level which is only half of the necessary amount. The $97 million in the bill will only be enough for 7,000 refugees per month to be resettled in this country. There is no money in the bill for the additional 7,000 refugees that the President has promised to allow into the United States each month. I hope my colleagues will recognize the genuine humanitarian need in this area and support an amendment that is to be offered by Congresswoman HOLTZMAN to set an assistance level to meet the needs of 14,000 refugees per month.

LEADERSHIP URGED TO POSTPONE OR CANCEL AUGUST DISTRICT WORK PERIOD

(Mr. LEVITAS asked and was given permission to address the House for 1

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

minute and to revise and extend his remarks and to include extraneous matter.)

Mr. LEVITAS. Mr. Speaker, recently I addressed the House and urged that the House and the leadership either cancel or postpone the proposed August district work period because, as I pointed out, soldiers do not leave the field of battle during a war—and we are fighting a war on the energy problem.

I have received a letter from a constituent of mine who I think has expressed this needed response even more precisely and concisely than I did, and I quote:

> The President has made a giant step forward in trying to get the public to accept the fact that the energy problem is real. Of necessity, this announced program will demand some Congressional action. If the Congress quits for a month within two weeks following the President's call for action (including sacrifices on the part of the public), the public will again begin to doubt whether a crisis does, in fact, exist.

Mr. Speaker, I call upon the leadership either to postpone or to cancel the August district work period and that the Members of the House defeat the concurrent resolution for recess when it is put to a vote.

The entire text of the letter referred to is as follows:

Decatur Federal,
July 17, 1979.

Congressman Elliott H. Levitas,
Cannon House Office Building,
Washington, D.C.

Dear Mr. Levitas: It seems to me I recall reading that you have publicly taken a position against Congress adjourning in August. This is a sound position in my judgment. The President has made a giant step forward in trying to get the public to accept the fact that the energy problem is real. Of necessity, his announced program will demand some Congressional action. If the Congress quits for a month within two weeks following the President's call for action (including sacrifices on the part of the public), the public will again begin to doubt whether a crisis does, in fact, exist.

Sincerely,

J. Robin Harris,
President.

LEACH ENDORSES WALLICH FOR FEDERAL RESERVE BOARD CHAIRMANSHIP

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. LEACH of Iowa. Mr. Speaker, all of us have concerns, partisan and otherwise, about the manner in which President Carter is proceeding with his reorganization efforts, but nothing is more immediately consequential than to proceed with the naming of a new Federal Reserve Board Chairman. We may be seeing within the next month the greatest short-term challenge to the stability of the dollar in our lifetime. We need a strong choice, an individual who does not need to prove his worth but has immediate respect in international financial circles.

In this regard I would recommend in the strongest possible terms that Henry Wallich be designated the new Chairman of the Federal Reserve Board. Wallich is the Board's leading international economist and is widely known and respected in European financial circles. There certainly are other qualified people but no one is more uniquely suited to instill a steadying influence on potential dollar problems in the immediate days ahead and over the long term with the breadth of knowledge and experience he possesses.●

CRISIS OF CONFIDENCE CAUSED BY PRESIDENT'S LACK OF COMPETENT LEADERSHIP

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, President Carter's massacre of his own Cabinet after 2½ years in office is absolutely mindboggling. He is completely undoing any small good that his recent speech might have achieved. The crisis of confidence he referred to is caused by his own lack of competent leadership. If his Cabinet is really so bad that they deserve firing—he stands condemned for selecting and tolerating them for over 2½ years. If they are not that bad—he stands condemned for unjustly firing them for misguided political reasons—and putting Hamilton Jordan, his Georgia political crony, in charge of the Government, a young man who was neither elected by the people nor confirmed by the Senate—a 32-year-old scofflow whose car has been booted by the police, who has spit liquor at a woman in a Washington bar. If the police were smart enough to give him the boot, why is not the President? It is a sad day for the American Republic. Both Democrats and Republicans in Congress are shaking their heads in utter dismay.

☐ 1010

GOVERNMENT SHOULD STOP DESTROYING VALUE OF DOLLAR

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, in 1964, you could buy a suit of clothes for $35: 1 ounce of gold. Today, you can buy a very nice suit for 1 ounce of gold: $300.

Prices have not gone up in terms of real values. And the hours of labor it takes to earn enough Federal Reserve notes to buy a good suit are not significantly different from 15 years ago.

Dollar prices have zoomed, however, because the Government has increased the supply of money and credit. This is inflation.

Just last week, M_2 went up $4.5 billion. In the past 3 months, it has risen at an annual rate of 11.7 percent.

Is this Chairman Miller's parting gift to the American people as head of the Federal Reserve System?

Now he is going to the Treasury Department, to manage all of our financial affairs.

We will never have stable prices, until the Government—Congress, President, Treasury, and Federal Reserve—cease the policies of increasing money and credit that are destroying the value of every dollar that belongs to the American people.

TWO FINE PUBLIC SERVANTS—JOSEPH CALIFANO AND W. MICHAEL BLUMENTHAL

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I rise to express my heartfelt regret over the reported departure from the Cabinet of Secretary of Health, Education, and Welfare Joseph A. Califano and Secretary of the Treasury W. Michael Blumenthal, two fine public servants.

I am well aware that Cabinet members are appointed by, and serve at the pleasure of, the President, and I hesitate to criticize any President for choosing men and women of his choice for these positions, but I believe that this President, Jimmy Carter, has made a very serious mistake in arranging the ouster of Mr. Califano and Mr. Blumenthal—a mistake that will be costly to him personally, to his administration and to the entire Nation.

I have served on the Appropriations Committee for 21 years and I have seen a variety of very talented people try to run effectively the Department of Health, Education, and Welfare. That Department, as we all know, is unwieldy and unmanageable. Nobody has been able to manage it, but Joe Califano has, in my considered opinion, been one of the best Secretaries of HEW that we have ever had.

I, like many of my colleagues, have not always agreed with Secretary Califano's policies and actions. But I, like most of my colleagues, have to admit that he worked long, hard, and honestly, in trying to administer perhaps the greatest bureaucratic hodge-podge ever created or even envisioned by a civilized government.

Why does this man have to go? Does the true answer lie in his forthright campaign against smoking and alcohol consumption? He had the temerity to place the health of our citizens above the financial interests of the people, the States, and the political power brokers who stand to gain from the continued production and consumption of tobacco and alcohol.

It is no secret that I personally have a great deal of affection and respect for Mike Blumenthal. But that is far from the only reason I deplore his departure. Our dollar has been shaky enough in the past few years and it is even shakier in the wake of the President's new energy proposals.

Right now, we desperately need a man like Blumenthal who is so highly regarded in the international financial community. Why does this man have to go? Is it because he was too honest with the public and the Congress? Did he take too seriously the President's call for tax reform? Was he wrong in trying to save the dollar—or in admitting it needed saving? Could it be that he was too competent and vigorous in investigating the affairs of a former OMB Director—Bert Lance?

Both of these men have been accused of being "disloyal" to the President. I suggest, Mr. Speaker, that they were most loyal to the President, because they took seriously their oath of office. They wanted their departments to serve the Nation, rather than the whim of the self-styled experts and image makers at the White House.

Last Sunday night, in his address to the Nation, the President said that, more than anything else, we face a "crisis of confidence." I submit, that the President has only heightened that crisis by his recent action. How can the public have confidence in an administration that has room at the top for Hamilton Jordan, but no room for men like Joe Califano and Mike Blumenthal?

The President asked us to say something good about America. I say Joe Califano and Mike Blumenthal.

NEIL ARMSTRONG FOR SECRETARY OF ENERGY

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, today marks the 10th anniversary of the landing of an American on the moon. It is ironic that we celebrate this triumph of American will and technology just at a time when our Nation seems paralyzed by a "can't do" philosophy.

We apparently can't control inflation, we apparently can't solve our energy problems.

Well, I happen to think we can—I if we get the proper kind of leadership we need to rekindle that spirit of 10 years ago in America. Therefore, since President Carter has a "help wanted" sign on the White House door, I would suggest that maybe Neil Armstrong be considered as our new Secretary of Energy.

It would be one small step for President Carter, but one giant leap back to the good old days.

CHIEF EXECUTIVE'S ONLY CONCERN IS 1980 ELECTION

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, in Kansas City the President said, "I will act courageously without regard for political consequences."

Within 72 hours, he fires the Secretary of HEW telling him he must reshuffle his Cabinet to begin his 1980 Presidential campaign. This is a man who told the American people, and I quote, "I will never lie to you."

Here is a man who repeatedly received failing grades as President, and his only concern is for the 1980 election. The American people have other concerns. They are concerned about inflation raging on at 13 percent a year, wiping out the savings of our senior citizens, our retired people and the people on a fixed income. And the Chief Executive's only concern is to reshuffle his Cabinet for the 1980 election.

Energy—our people are concerned about heating their homes this winter and about the long gas lines, but our Chief Executive says his concern is for the 1980 election. People are concerned about loss of confidence in America and in our leadership.

The best way to restore that confidence is to put a person who is competent in 1600 Pennsylvania Avenue. Some people on the other side of the aisle say, "Well, the President has a 29-percent approval rate." The only thing I can say, that proves he can fool 29 percent of the American people.

THE CYPRUS TRAGEDY—5 YEARS OLD

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, while most attention is focused on today being the 10th anniversary of our landing on the moon, July 20 is the date of another anniversary of a completely different nature. On July 20, 1974, Turkey unleashed an unwarranted and illegal invasion of the island of Cyprus. An occupation ensued and that continues to this day with fully 40 percent of the island under Turkish control.

For 5 long years, the Greek Cypriot population, the majority population on the island, has endured great suffering and little in the way of hope for a return to freedom and territorial integrity. For 5 long years, Greek Cypriots have had their lands ravaged, their families separated, their freedoms repressed. Perhaps the greatest tragedy is that 2,000 Greek Cypriots remain missing and unaccounted for with no apparent effort by Turkey to determine their status.

The administration has approached the Cyprus issue from the wrong direction. The effort should be directed at restoring peace—not rearming Turkey. The latest rounds of intercommunal talks have collapsed as so many previously did. We are unabashedly prepared to aid Turkey despite the fact that she occupies Cyprus which prompted Congress to slap an arms ambargo on Turkey. The President should exercise his considerable personal diplomacy skills to the goal of peace for Cyprus. Five years is long enough.

On another matter, Mr. Speaker, reference is made that the President is embarking on the 1980 election campaign. It would seem to me, we would all wish him well because his success in that effort will depend a great deal upon the success that he meets in his new commitment and his new drive to deal with the problems of the day, inflation and energy.

I wish him well on both of those accounts.

WHAT ARE LEGAL RAMIFICATIONS OF CABINET RESIGNATIONS?

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUMWAY. Mr. Speaker, our President has now descended from the lofty confines of Camp David and has allegedly brought his people not only a new national direction but, apparently, a new Presidency as well. The resignations of Cabinet and White House staff have been called for, the old government has passed and we await the brand new Carter administration. I must confess to some fear and trepidation over these mystical happenings. As a conservative and possessing an inquisitive mind I am really not sure just what all of this means. What are the legalities of the situation? What new raid on the taxpayers' purse stands in the offing? Mr. Carter was our 39th President. Will he now become our 40th President? Or is he now entering his second term a year and a half in advance? Does this mean he is now about to enter the Presidential term which will prevent him, under the Constitution from still seeking yet a third term in 1980? Will there be a request for funds to cover another transition team? What fanfare and embellishment must herald the start of the new Presidency? Will there be an inaugural address from the portico of the Capitol? Will there be parades down Pennsylvania Avenue, this time in the heat of a Washington summer as opposed to the standard inaugural blizzard of January? How about inaugural balls and the striking of appropriate commemorative medals? Are we currently in the interregnum? Is our colleague TIP O'NEILL actually the legal acting President? The mind boggles at the ramifications of it all.

Mr. Speaker (or is it Mr. President), would you ask the White House for an early clarification and, if the response follows the lines I have suggested, please take good care of yourself.

NEW CARTER CABINET—REPLACING COMPETENCE WITH MEDIOCRITY?

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, during the Vietnam era, there was an unfortunate expression some used to characterize certain actions in Vietnam: "We have to destroy it, in order to save it."

Well, I find these words can properly be applied to another war: The battle of the White House.

The President has decided that the only way he can save his floundering Government, is to destroy it first.

Will he be able to rebuild his administration, and come out for the better?

The answer—judging from his first Cabinet shifts—seems to be a disappointing "no."

He has traded HEW Secretary Califano for HUD's Patricia Roberts Harris.

Many people in this Congress—and I am one of them—did not particularly like many of the things Secretary Califano did at HEW. But at least he was a strong and competent Cabinet Secretary.

Mrs. Harris, on the other hand, has been a rather lackluster leader at HUD. With the result that it has become unmanageable.

Can this be the shape of things to come in the new Carter Cabinet: Replacing competence with mediocrity?

□ 1020

PROVIDING FOR CONSIDERATION OF H.R. 7, MONETARY CONTROL ACT OF 1979

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 337 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 337

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7) to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 337 is the rule providing for the consideration of the bill H.R. 7, Monetary Control Act of 1979. But first, Mr. Speaker, before proceeding any further, I have a unanimous consent request which is necessary because of a minor problem in the way this rule was reported.

The Rules Committee voted to grant a rule providing for 2 hours of general debate, but House Resolution 337 was reported incorrectly. It specifies only 1 hour for general debate. As a result, I ask unanimous consent that the resolution be amended by striking the word "one hour" on page 2, line 4 and inserting in lieu thereof the word "two hours".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MURPHY of Illinois. Mr. Speaker, in addition to setting the time for general debate, this rule provides that it will be in order to consider the committee amendment in the nature of a substitute as an original bill for the purpose of amendment. Beyond that, Mr. Speaker, this is strictly a standard rule. There are no waivers of points of order provided. No waivers of points of order were necessary, for which I commend the committee.

Mr. Speaker, this bill would increase the ability of the Federal Reserve System to monitor and control the supply of money in the economy by mandating that banks over a certain size hold reserves against some categories of deposits. This bill overhauls the Federal Reserve Act by imposing for the first time mandatory reserve requirements on all depository institutions.

I am aware that there is some controversy over some of the provisions of this bill, however, there is no controversy over the adoption of the rule. Thus, I urge the adoption of this rule in order that the House might consider this important legislation.

Mr. LOTT. Mr. Speaker, I yield myself, such time as I may consume.

Mr. Speaker, this resolution provides for the consideration of H.R. 7, the Monetary Control Act of 1979. It is an open rule, providing 2 hours of general debate which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs. The rule makes in order the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs, now printed in the bill as an original bill for the purpose of amendment. It provides one motion to recommit with or without instructions.

The primary purpose of H.R. 7 is supposed to increase the ability of the Federal Reserve System to monitor and manage our Nation's supply of money. The tools which are provided the Federal Reserve under this legislation are mandatory reserve requirements. The bill subjects financial institutions to a reserve requirement of 11 percent on transaction accounts above a level of $35 million. In addition, it provides for a 3-percent reserve requirement with a $10 million exemption on negotiable, short-term time deposits.

Under H.R. 7, the Federal Reserve would be required to publish a proposed schedule of fees for serivces which are now provided at no cost to members but which, under the new plan, will be provided to all depository institutions for a fee, regardless of membership. Federal Reserve membership remains voluntary.

The total after-tax cost to the Treasury of H.R. 7 if it were fully implemented and indexed on the basis of December 1977 deposits was estimated by the Treasury and the Federal Reserve to be $155.6 million.

In recent years, more and more member banks have withdrawn from the System as high interest rates have made it prohibitively costly for banks to maintain non-interest-bearing reserves. In fact, last year alone, almost 100 banks withdrew from the System. If some action is not taken, the exodus of banks is certain to continue, thus threatening the precision with which our monetary policy can be predicted and controlled. However, I should think there would be great reluctance on our part to give approval to legislation which, instead of stemming the flow of banks from the Fed, actually gives them little incentive to remain a part of the System or to join it initially.

H.R. 7 would, according to the Committee on Banking, Finance and Urban Affairs, "promote competitive equality among depository institutions." But the new mandatory reserve requirement structure would, in contrast to the stated purpose of assuring a truly universal system, create an unfair distinction and consequently disparate treatment of large and small institutions. At the present time, approximately 38 percent of commercial banks are Federal Reserve members and required to hold reserves. However, under the committe bill, less than 6 percent of the Nation's commercial banks would be so required, and these would obviously be the larger institutions. Another blatant inequity is the diverse treatment which would be afforded institutions falling either marginally above or below the specified exemption levels. Additionally, it is hard to see that the committee's goal of equitable treatment for all banking institutions will be met by exempting the large majority of them from posting any reserves whatsoever.

It is important to note that, because of H.R. 7's exemptions, not only are the number of banks holding reserves reduced but the amount of control which the Fed will have over our monetary system will be greatly reduced. In fact, as a result of the proposed exemption levels, the Federal Reserve's deposit coverage would be reduced from 72 to 66 percent. Since the Fed contends that the percentage of deposits covered relates directly to its ability to control monetary policy, I am somewhat perplexed by the plan to reduce the percentage of deposits subject to reserve requirements, lessening the Federal Reserve's ability to monitor the Nation's money supply and control inflation.

Another potential effect of this legislation is a detrimental impact on the dual banking system. With the imposition of mandatory reserve requirements, there will be a great temptation for State-chartered institutions to convert to national charters to avoid being regulated by and holding reserves with two banking agencies. In addition, several States now have reserve requirements higher than those proposed by this bill, and they are prime candidates for this conversion. Further, banks below the exemption level could leave their State systems, change to a national charter, and be exempted from Reserve requirements. If many of these banks leave their State banking systems, not only will the status of the dual banking system be endangered, but the role of the FDIC will also be greatly diminished, leaving the Federal Reserve as a powerful agency supervising the activities of the larger banks.

The Mandatory Control Act fails to speak to the question at hand—that is, the steady erosion of banks from the Federal Reserve System—and weakens the very system it purports to reform. Its mandatory reserve requirement feature is an example of the kind of onerous regulation and Federal encroachment which could, in the long run, be more harmful than beneficial to our banking system. I cannot support the proposed legislation, since I feel it is a weaker plan than the voluntary system now in existence and consequently I will oppose the rule providing for the consideration of H.R. 7.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2462, MARITIME AUTHORIZATIONS, 1980

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 283 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 283

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2462) to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on Merchant Marine and Fisheries now printed on page 4, lines 3 through 5 of the bill, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. MURTHA). The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, for purposes of debate only I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN), pending which I yield myself such time as I may consume.

□ 1030

Mr. Speaker, House Resolution 283 provides for the consideration of H.R. 2462, to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes.

The Rules Committee granted an open rule, providing 1 hour of general debate to be equally divided and controlled between the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries. Additionally, the committee granted a waiver of clause 7, rule 16, the germaneness provision, in regard to section 4 of this measure. Section 4 limits new loan guarantees up to a ceiling of $1,500 million under title XI of the Merchant Marine Act of 1936. This program comes under the jurisdiction of the Merchant Marine Committee even though the title XI guarantee program is not part of the authorization bill.

Mr. Speaker, H.R. 2462 will authorize appropriations of $182.3 million for fiscal year 1980 for certain maritime programs of the Department of Commerce as well as $256.2 million for liquidation of contract authority for operating differential subsidies. This authorization is in line with Public Law 90–81 and Public Law 95–173 which are now incorporated in the Merchant Marine Act of 1936. The Subcommittee on Merchant Marine held several days of hearings and reported the measure to the full committee on April 4, 1979. Subsequently the full committee met on April 25, 1979, and ordered reported H.R. 2462 as amended.

Appropriations authorized by this measure will go toward programs involving acquisition, construction, or reconstruction of vessels; construction-differential subsidies and operating-differential subsidies; research and development activities; reserve fleet expenses; maritime training at the Merchant Marine Academy; vessel operations revolving fund; and other operations and training expenses related to the development of waterborne transportation systems. The total cost of this legislation represents a decrease of $58,252,000 from the 1979 authorization.

Mr. Speaker, I believe it is important to insure against any decline of our present shipyard capacity. This bill will continue to promote efficient and competitive U.S. facilities for shipbuilding and ship repair. The U.S. maritime industry and U.S. merchant marine fleet are extremely important to the economy of our country. I urge my colleagues to vote for the adoption of this resolution so we may proceed to the consideration of H.R. 2462.

Mr. BAUMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my able colleague has done an excellent job of describing this rule. I am pleased to note that this rule contains only one waiver. This waiver is necessary to allow for consideration of a nongermane committee amendment limiting new loan guarantees.

The bill would authorize $438,540,000 for the maritime programs of the Department of Commerce for fiscal year 1980. Although this is a rather large sum I feel it will be money well spent. The maritime industry is vital not only to the coastal States, but affects every business and industry in the Nation. I think a short breakdown of how this money is to be spent would be of help to the Members at this point.

H.R. 2462 will first authorize $101 million to assist in funding the construction of new vessels. Approximately one-half of these funds will be used for one LASH vessel required to be built under the vessel replacement obligation. None of these funds may be paid to subsidize the construction of any vessel that will not be offered for enrollment in a sealift readiness program making merchant vessels available for use by the Department of Defense.

The bill will also authorize $256.2 million to pay the difference between United States and foreign vessel costs for wages, insurance, and repairs. It will support 147.4 ship years of vessel operations. Again, these funds will only be used to subsidize the operation of vessels which are offered for enrollment in an approved sealift readiness program.

Furthermore, H.R. 2462 will authorize $29,374,000 to support the U.S. Merchant Marine Academy, provide assistance to six State marine schools, and provide supplemental training courses for merchant seamen. All are essential for a safe, well operated American merchant fleet.

Finally, the bill will authorize $35,598,000 for various operating expenses. Of this amount, $6,377,000 will be used to support the 285 ships in the National Defense Reserve fleet.

Mr. Speaker, I feel the funds which will be authorized by this bill will be a wise use of taxpayer funds. A healthy and vital merchant fleet should be a concern of every Member of this body. I urge my colleagues to vote for the rule and the bill.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MONETARY CONTROL ACT OF 1979

Mr. REUSS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7) to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions.

The SPEAKER pro tempore (Mr. HALL of Texas). The question is on the motion offered by the gentleman from Wisconsin (Mr. REUSS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 7, with Mr. MURTHA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill will be dispensed with.

Under the rule, the gentleman from Wisconsin (Mr. REUSS) will be recognized for 1 hour, and the gentleman from Ohio (Mr. STANTON) will be recognized for 1 hour.

The Chair recognizes the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, today's double digit inflation, and the plight of the international dollar, have driven home to all of us the singlar importance of our ability to control the money supply—to control it effectively in the interest of stable growth without inflation. That is the job lodged with our central bank, the Federal Reserve.

Yet the Federal Reserve's ability to manage the money supply has been eroding at an ever-increasing rate as banks pull out of the Federal Reserve System, creating instability in the reserve base, the fulcrum for monetary control.

The monetary control bill of 1979, H.R. 7, is designed to strengthen the Federal Reserve in its anti-inflation efforts by giving it the monetary tools needed to do the job. At the same time, the bill ends an unfair, outdated system under which only banks that are members of the Federal Reserve are required to hold reserves at the Fed, while others escape this responsibility simply by staying out of the Fed or withdrawing from it—as they have been doing in increasing numbers.

Why are banks withdrawing from the System? Because the cost of maintaining the sterile reserves at the Fed that serve as a fulcrum for monetary policy is a cost to those banks that choose to remain part of the Federal Reserve System. Today, when those sterile funds could be loaned out at high interest rates, the temptation to "opt out" of the System and let others carry the reserve burden is very great.

In fact, banks are pulling out. In 1978 alone, the Federal Reserve lost 99 banks—43 percent more than the year before. The amount of deposits in the Nation's banking system system over which the Fed has control has shrunk from 86 percent after World War II to 70.4 percent today.

The Federal Reserve has no assurance of what its reserve base will be from one year to the next. Many more banks—we hear from them every day—are just postponing decisions to withdraw until they see what the Congress does with this legislation. Some estimates indicate that at least 300 member banks, including large correspondent banks, may shortly quit the Federal Reserve if the Congress fails to act.

At a time when we need all weapons in the war against inflation, there should be no delay in adopting a more effective reserve structure. All other major industrialized nations already have mandatory systems of reserve requirements. It is time for the United States to do the same. Action on this bill will send a signal to other nations that the United States is firm in its resolve to do everything possible to bring inflation under control and strengthen and stabilize the dollar.

WHAT H.R. 7 DOES

H.R. 7 is the most important revision of the Federal Reserve since its establishment in 1913. Yet it represents evolutionary, not revolutionary, change. Here are the essential elements of the bill:

(1) REDUCED RESERVE RATES

Instead of requiring reserves only of Federal Reserve member banks, H.R. 7 imposes requirements on all financial institutions that offer transactions accounts—that is, checking accounts that form the basic money supply. The range is 4 percent to 12 percent, with an initial 11 percent. It provides an exemption for the first $35 million of deposits.

This will reduce reserve requirements substantially for all banks that are now members of the Federal Reserve. Small and medium-sized member banks will be freed of reserve requirements.

At the same time, the bill subjects to reserve requirements some 162 large nonmembers that are currently "easy-riders"—They take advantage of the U.S. banking system, but refuse to bear the burden. Of these, 105 are domestic-owned banks that have chosen to stay out of the Fed, or drop out of the Fed, and thus avoid reserve requirements, including a number of banks with more than $1 billion in deposits. Another 53 are owned by foreign interests. These foreign-owned banks account for 45 percent of the reserves that will be posted by the 162 nonmember banks. They include such large banks as Bank of Tokyo Trust, with $1.5 billion in deposits, and Lloyds Bank California, with $1.4 billion in deposits.

The reserve requirements for these large nonmember banks will be phased-in over 10 years, to minimize the financial impact.

In sum, H.R. 7 will provide more equal treatment for financial institutions. H.R. 7 treats all banks of comparable size alike, whether members of the Fed or not. That is far more equitable than the present system.

While H.R. 7 imposes reserve requirements on large banks whether members of the Federal Reserve or not, it does not require any bank to be a member of the Fed. All banks completely retain their right to choose a national or State charter. The dual banking system is preserved.

There is one point which I would like to make clear with respect to section 3(a) of the bill. This provision amends section 19(a) of the Federal Reserve Act to cover all depository institutions instead of just member banks. This new authority is necessary to enable the Federal Reserve to carry out the mandate of this act and to exercise improved control of reserves for the purposes of conducting monetary policy.

It is our intention that the Federal Reserve's definitional authority will apply to nonmember institutions only for the purpose of reserve requirements. While section 19 covers regulation Q-type deposit interest rate ceilings as well as reserve requirements, there is no intent to broaden the Federal Reserve's jurisdiction over nonmember institutions with respect to regulation Q matters. This is evident from the fact that the references to "member banks" in the regulation Q portions of section 19 were not changed to refer to "depository institutions" and also from the language in the committee report stating:

> (t)he definitional authority in section 19 does not, of course, give the Board authority to define the terms therein for the purposes of other Acts, nor to invade the regulatory jurisdiction of other agencies.

Accordingly, it is clear that the changes in section 19(a) which are effected by section 3(a) of H.R. 7 apply only to the reserve area and in no way increase existing Federal Reserve authority in the Regulation Q area.

(2) UNIFORM RESERVE RATES

H.R. 7 sets a uniform reserve rate of 11 percent on transactions deposits over $35 million, replacing the current 7 to 22 percent range, and a uniform 3 percent on short-term commercial deposits, with an exemption for the first $10 million. All other time and savings deposits are freed of existing reserve requirements.

(3) ACCESS TO DISCOUNT WINDOW

All depository institutions with transactions accounts—not just Federal Reserve member banks—will be given access to the Fed's discount, or loan, window to tide them through periods of reserve shortages. This will enhance the safety and soundness of our banking system and enable the Fed to take necessary tough monetary policy actions without fear of hurting depository institutions with unexpected reserve shortages.

As Federal Reserve Board Chairman G. William Miller testified at our hearings on January 24, 1979, this could be a significant improvement over the present system.

Mr. Miller said:

> The discount window, as the 'lender of last resort,' provides the payments system with a basic liquidity backup by assuring member banks the funds to meet their obligations. But, if the proportion of institutions having access to this facility continues to decline, individual institutions could be forced to make abrupt adjustments in their lending or portfolio policies, because they could not turn to the window to cushion temporarily the impacts of restrictive monetary policies. Risks that liquidity squeezes would result in bank failures could also increase. Thus the Federal Reserve may find that its ability to limit growth in money and credit in order to curb inflation was being unduly impeded because the safety valve provided by the discount window was gradually losing its effective coverage.

Also, all financial institutions will gain access to Fed services such as check clearing once the Fed begins charging for such services.

(4) REGULAR INFORMATION

All financial institutions will be required to give the Fed regular reports on their assets and liabilities, providing the Fed with much more of the information on the state of the Nation's money supply needed as a basis for deciding how much the money supply should be tightened or relaxed.

HOW MONETARY POLICY WOULD BENEFIT

H.R. 7 will improve the Federal Reserve's ability to conduct monetary policy.

First, it will assure a permanent, stable base of reserves, giving the Federal Reserve control over the two-thirds of transactions deposits—66 percent—it believes is needed for effective monetary control. It will assure that all large banks playing an important role in the monetary system remain subject to reserves.

Second, H.R. 7 clarifies the Federal Reserve's authority to place reserve requirements on Eurodollars—those funds that go abroad partly to escape reserve requirements.

Third, the uniform reserve rates which it provides replace the present hodgepodge of different rates for different-size banks that are members of the Fed. More uniform rates will enable the Fed to predict more accurately the effect on the Nation's money supply of changes in bank reserves which the Federal Reserve makes through open market operations and discount window loans.

Fourth, it will greatly improve the Fed's information on the state of the money supply by requiring all depository institutions to report their assets and liabilities on a regular basis. The paperwork involved will be negligible, the rewards in terms of needed information great.

EXEMPTING SMALL BANKS

There is no need, for monetary purposes, to make every small bank in the country come up with reserves, since the large banks covered by H.R. 7 account for the two-thirds of the Nation's deposits the Federal Reserve says is needed for good monetary control.

There is good reason to treat small banks more leniently on reserve requirements. Large banks are able to reduce their effective reserve requirements by cash management techniques, reducing reserveable deposits by switching into overnight repurchase agreements, or creating loans from their offshore branches which are deducted from reserveable liabilities. Small banks cannot readily avail themselves of such techniques.

In fact, H.R. 7 provides a new element of equity between large and small banks. Chairman Miller pointed out to the committee that the burden of Federal Reserve membership today is not distributed equally across all sizes of banks. The relative burden is greatest for small banks—exceeding 20 percent of profits for banks with less than $10 million in deposits. This bill will enable a small bank to remain or become a member of the Fed without an undue and disparate cost burden.

As with other industries, it has long been national policy to offer small companies benefits that enable them to remain viable in competition with large companies. The existing system of reserve requirements, in fact, favors small banks with lower reserve rates than large banks, though in a haphazard manner.

EFFECT ON THE DUAL BANKING SYSTEM

The argument is made in some quarters that a mandatory reserve system will jeopardize the dual banking system—the free choice of banks to hold a State or Federal charter. In the view of those who support H.R. 7, including the Independent Bankers Association of America, fear for the dual banking system is not warranted. Many factors other than reserve requirements are pertinent to a bank's choice of a national or State charter. Indeed, the dual banking system should be strengthened because much of the present financial incentive for banks to join or leave the Federal Reserve is removed.

Some argue that banks would be induced to leave the Fed because they would have access to the loan window and Federal Reserve services such as check clearing without being members. Conversely, some argue that banks will be induced to join the Fed because some States might have higher reserve requirements than the Fed's. This argument ignores the probability that States will adjust their reserve requirements to coordinate with those of the Fed, just as they have done in the past each time the Fed has changed its reserve requirements. The bill specifically gives the State legislatures time to act if they wish, by delaying the effective date of the legislation to July 1 of the first year after enactment.

COST ESTIMATES

Finally, H.R. 7 resolves the problem of required reserves at minimal cost. The cost, in terms of revenues lost to the Fed and hence to the Treasury, is estimated at only $9 million for fiscal 1980, increasing to $155 million annually when the plan is fully in effect. This is well within the $200 million cost limit which Treasury says is the maximum it can accept.

Also note that this estimate does not take into account the revenue losses that would occur anyway, through continued attrition of Federal Reserve membership, if no bill is enacted.

Our Nation is besieged with double-digit inflation. This inflation is a long-term problem that must be attacked with every weapon available. The Federal Reserve must be given the tools to carry out its part of the effort. Its approval by the House will be a sign that we are intent upon focusing our monetary guns on the anti-inflation target.

The House now has within its grasp a sound and fair solution to a worsening problem. We must not let the opportunity slip away. H.R. 7 is strongly endorsed by the Federal Reserve, the administration, and major segments of the banking industry. It deserves prompt enactment.

□ 1040

Mr. STANTON. Mr. Chairman, several thoughts come to my mind. I wish at this particular moment one could put them into the prospective of what we should refer to first.

I think first and foremost would be to complement the chairman of our committee for most of the remarks he has just made, but far further from that, his being a leader in the recognition of the problem that brings us to the House floor today, which is the erosion of the Federal Reserve System. The chairman has been consistent in working with this problem, not just starting last year at the suggestion of the Chairman of the present Federal Reserve System but it has been true over the years. It was only last year that there was any particular movement on the part of the Fed itself to solve their membership problem. Then, once again, as the chairman has so well put it, the problem has increased rapidly in recent years. As the chairman pointed out, some 90 banks left the Federal Reserve last year and we come here with that problem. It is not, however, a crisis.

I think it would be appropriate to make a couple remarks as this time about the Federal Reserve System itself. Setting aside the general membership for a moment I might say something about the present leadership of the Federal Reserve System. When I say this I speak of but one thing. I know the Members of the House would join me in hoping the President when he picks a successor to Mr. Miller, will look for a man with experience in the international field. Certainly through no fault of President Carter, but by attrition and untimely deaths of members of the Board we find ourselves in the unique position in this country that a board established by Congress for the purpose of freeing it from political pressure finds itself in a position where the oldest member of the Board has served but 5 years. That is a startling statistic, Mr. Chairman. It is probably the first time since 1935 that this has occurred. One member will have this fall accumulated 5 years' longevity. One has 2½ years. One has 2 months. Mr. Schultz from Florida has yet to be confirmed. With Mr. Miller there for but 19 months it would be my hope that the President would look for someone with great experience in the Fed system and with experience in international matters.

A while ago a name was mentioned; that is the president of the Federal Reserve Bank of New York, Mr. Paul Volcker. You could go on and on naming outstanding people.

Mr. Chairman, when we are talking about the Fed it does remind me of this: In looking for a new chairman I would hope the President would not have to be turned down by someone because the salary of the Chairman of the Federal Reserve System is spiked at $57,500. We want the best talent we can buy in this country. If it is necessary for the President to select someone who could not afford to accept that salary, I, for one, would suggest that the position of Chairman of the Federal Reserve Board is a position more prestigious than that of the Secretary of the Treasury.

□ 1050

There are more international responsibilities, control of the monetary supply and so forth; but I would hope that if something has to be done in that regard, that we take a look at that subject.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I would be happy to yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, first of all, I want to express my absolutely unrestrained admiration for the leadership of the gentleman from Ohio (Mr. STANTON). We have not always agreed on H.R. 7. I think, as the events of the morning unfold, that it will be disclosed that a marriage, indeed, may have taken place; but putting that to one side, the suggestion that the gentleman makes that whatever needs to be done to insure that the most qualified man or woman in this country succeeds Bill Miller at the Fed, that suggestion I wholeheartedly agree with. If it should turn out that person is one whose family demands, let us say, need a greater material satisfaction than $57,500 a year, I would stand ready, and I know the gentleman from Ohio would agree and work on it, to see that the basic law was amended.

It is true, for example, that many of the regional 12 Federal Reserve bank presidents receive more than the chairman of the Board of Governors does. The excellent Paul Volcker of New York, I think, for instance, receives almost twice as much.

Mr. STANTON. Double, yes.

Mr. REUSS. And earns it. So I think that we should not be ribbon clerks about this thing, and I commend the gentleman for his suggestion.

Mr. STANTON. Mr. Chairman, I thank the gentleman.

Mr. Chairman, turning from the leadership of the Fed to the membership issue itself and, of course, that is a subject to which H.R. 7 addresses itself. Something should be said about the voluntary participation in the Federal Reserve System since its inception in 1935. In fact, I do not think on this House floor we have done enough to speak about the general commercial banking field and the financial industries of our country. It seems we have had a great recent example of that in my own neighboring city of Cleveland. We are always clamping down and putting more restraints and more regulations upon these banks. When you travel internationally and you see what is around the world, then you come home to see the basic independence and the diversification of our commercial system. You then realize that abroad they look upon the U.S. commercial banking field and financial segments of a society in general with great awe and with great respect. When you stop to think of the commercial banks, 14,696 according to the Congressional Quarterly that we have today, State banks, nonmember banks, members of the Federal Reserve, of which approximately 5,500 to 5,600 are members of the Federal Reserve; when you stop to think of the some 457 mutual savings banks in our country, the proud participants in the 432 savings and loans of our country, over 22,000 individual credit unions of our country with some $53 billion in assets, this is, indeed impressive. They have provided this country with the capital to make America the envy of the world, so that we should recognize the present voluntary system of Fed membership when examining the whole issue.

Next, referring to the Fed system with its 5,665 members, there has been a great erosion from the Federal Reserve for one specific reason. It has become economically unfeasible to continue to belong. The price of membership is no longer compatible with the services that are received. This is universally recognized as the problem which brings us to the House floor today.

Now, this was not always true. There was a time, I think, in our country when a national bank, especially after the depression days, had a strong particular connotation of strength that was associated with it. Later came the State bank. Later came the conglomeration of different supply, different reserve requirements, and today in New England with the new NOW accounts and other third party transaction accounts. This competition from nonmembers is only the beginning, I think, leading to a further erosion of membership. We hope this membership cost burden will be addressed here today.

Now, further than that, let us address ourselves to the specific legislation at hand. Is this the solution to our problem? Well, I am not sure if it is. In fact, I am inclined to think that probably it is not the best solution, perhaps, that we could have come up with.

On the other hand, I do not know of any legislation where the Committee on Banking perhaps or any other committee worked any harder in trying to come to some conclusion. The chairman and others will mention probably that we had over 60 excellent witnesses on this issue. We held hearings over months, in fact, over almost a year's time on this particular subject. Everyone had an opportunity to be heard on this subject. The recognition of private personal interests on behalf of one segment of the society against the other were taken into account.

I think first we started out with one basic premise: We wanted to save the Fed membership.

Second, we wanted to reserve within the Federal Reserve System an amount of money control that would assure the Fed the opportunity to control the money supply. This the Fed roughly said was about two-thirds of the money supply or 66⅔. There was basic agreement from them to the House Committee that roughly two-thirds of the money supply was necessary to accomplish this purpose.

The question then arose, if H.R. 7 or freedom of choice is not the answer, what is the answer? That is still a tough question and if the chairman and I knew the answer, we would be down here today offering it. What we have done is brought out of the committee and to the House floor today an alternative which everyone, I sincerely believe, can vote for and which in turn we can be proud of. Perhaps the other body could do a little bit better, but maybe we have gone a long way toward solving the problem of Federal Reserve membership erosion.

Perhaps, if we were to look for a better solution along the way, there would be those who espouse universality of coverage of reserve requirements. We would have no objection, certainly, to universal coverage by the Federal Reserve. The Fed could have authority over depository institutions throughout the country. It should be done with a very minimum amount, though, of exemptions. It should be done in a way that would allow an overwhelming majority of our banks to cover their reserve requirements with vault cash.

I disagree with the Fed Chairman at the present time. If an answer could be found to solve the money supply control problem, different types of instruments on control of reserves should be considered in my opinion. If it is an S. & L. or a home loan bank board, we should not interfere with the local depository requirements; they should be contributing a part of the present State requirements.

Those are options, just generally speaking, as I say, that could have been done a little bit better or a little bit different. But these are options that I am sure that this committee will work with the other body on in continuing to find a solution.

The important thing that this committee has done is to bring alternatives before the House with which to solve the erosion of Fed membership. This, as I say, I repeat myself here, we can be extremely proud of.

Before I conclude my remarks, I should add that I had a solution last year that I am still very proud of. That was the idea of paying interest on reserves. I have been a strong advocate of this. I hope my colleague, the gentleman from Ohio (Mr. Wylie), does not bring this subject up, because the gentleman can fire away at it, or my chairman can; but I still think it was basically a good idea.

I only bring that up with the thought in mind that when you study this reserve question around the world, let us look at that for just a half a second. You know, everybody loves Swedish money. There is no reserve requirement in Sweden. There is none in Brussels. There is a great financial empire like Japan that has from one-quarter to 2½ percent reserve requirements.

☐ 1100

Great Britain has 1½ percent on their larger banks. On their others they have 12½ percent. But, they allow maturity and interest-bearing debt certificates.

Germany and Italy have reserve requirements because they utilize that for money control purposes. Here in our country we have not done that in recent years. We have done it to save the dollar abroad, but we basically, as we all know, we operate monetary control through open market committee.

I have talked a little longer on this legislation than usual. I will at the proper time be offering what I think is a voluntary solution to this particular problem. Some say it is temporary; I hope it is lasting. Whatever people would say, I hope it lasts for a long time. At any rate, it brings us to the substance of this legislation.

So, Mr. Chairman, in closing may I simply say I thank the members of the staffs on both sides of the aisle for their great cooperation. Once again I reiterate, as I said in my opening statement, my compliments to our committee chairman for the leadership he has given us on this subject.

Mr. REUSS. Mr. Chairman, I yield such time as he may require to the gentleman from Georgia (Mr. Barnard).

In yielding to the gentleman, Mr. Chairman, I want to pay personal tribute to him as a model legislator. He is not very long perhaps on seniority, but he is extremely long on industry, on ingenuity, on application to his duties, and on integrity. That this bill comes to the floor this morning with the wide range of support that it commands is largely due to the efforts of the gentleman from Georgia, Doug Barnard, to whom I now proudly yield.

Mr. BARNARD. Mr. Chairman, let me say to the members of the committee that the legislation before us today, H.R. 7, the Monetary Control Act of 1979, as has already been indicated, is indeed the product of much effort and long consideration of all the alternatives. It has not just been hastily thrown together and brought to us today just to have a bill to present.

Mr. Chairman, certainly I want to pay credit this morning to the distinguished chairman of the committee, the gentleman from Wisconsin (Mr. Reuss), as well as the distinguished ranking minority member, for their leadership in this legislation. I wish to express also my appreciation for the contributions that have been made by my colleague, the subcommittee chairman, the gentleman from Pennsylvania (Mr. Moorhead).

Mr. Chairman, this bill was first considered during the last Congress, and the effort to perfect it continued unbroken through the beginning of this Congress and up to this very day. It has seen many forms, and has been seriously considered in every possible varient. It has indeed been tried in the crucible, and hammered into shape on the anvil of experience. As it is presented to the House today, it is in the best form possible.

This final product has taken into consideration all factors: the inflationary implications of the lack of control over the money supply by our central bank, the need for competitive equity among all financial institutions, and the desire to cause the least impact on the least possible number of financial institutions. This last point, the least impact on the least number of banks is important, because in its final form, only 1.07 percent of the Nation's 15,085 banks will be affected negatively, and over one-third of them are foreign-owned banks, many of which would not otherwise abide by this portion of the law.

H.R. 7 embodies recommendations made by Federal Reserve System, the American Banker's Association, and the many other associations of financial institutions, who may have varied in some of their specific recommendations, but all agreed that this Nation must have a strong central bank in order to cope with inflation and to structure our financial efforts toward a stronger economy.

Some people have erroneously called this legislation the "Fed membership bill." However, there is no requirement in this bill that would force a single bank to join the Federal Reserve System against their will. Instead, this bill not only guarantees the dual banking system, it protects it by covering not only national banks, but also the many State chartered banks that prefer to remain outside the Fed. Instead of forcing banks to join the Fed, it simply requires that all banks above a certain size hold reserves.

This is fair. This is no different from our income tax structure. Reserves are needed on some deposits for monetary control reasons, and the net effect of this bill is to require those banks that need to hold these reserves to do so. This is a requirement of a stable monetary system, and while we have reduced its impact as much as possible, we cannot pretend that it will be met voluntarily.

One of the best tests of any legislation is whether it can do what it intended at the least possible cost, while adversely affecting the least number of people. H.R. 7 meets that test. It will impact on 162 nonmember banks, but 57 of these are foreign-owned banks operating in this country, and many of them otherwise would not have to abide by U.S. Reserve policies. On the other hand, it will reduce or eliminate reserves for 5,664 national banks, and will either benefit or not affect 9,259 nonmember banks.

By far the most important effect of this bill will be its impact on inflation. Federal Reserve open market policies, which control the monetary supply of this country, require a steady reserve base to insure reasonable control. Private commercial banks are finding required reserves too costly to hold in the Fed's vaults, and are leaving the System in record numbers. Caused by today's high interest rates, these losses are causing the necessary reserve base to change at an uncertain rate. Combined with the threat of even greater losses of membership if this bill is not passed, there is a grave threat to the ability of the Federal Reserve to control our money supply.

H.R. 7 remedies this problem by establishing reserve requirements on 66 percent of the Nation's checkable accounts. There will be no threat of this coverage getting smaller. The Federal Reserve will, with appropriate open, market operations, be able to guide the money supply to the targets it has set. Passage of this bill is essential if we are to have enough control over the money supply to avoid an overly expansionary policy that would fuel inflation, or an overly strict one that would cause increased unemployment.

It is a tragic irony that in this critical hour in our country's fight to control inflation, our central bank is plagued with a critical weakening of its ability to control the Nation's money supply.

This bill will end the problem of monetary instability and insure the continued strength of our central bank in the years to come. By passing this bill today, we are supporting the concept of a strong central bank leading the fight against inflation with adequate controls to do the job.

Mr. STANTON. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from Ohio (Mr. Wylie), a very important member of our committee.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Ohio for yielding me this time.

Mr. Chairman, we are here today because of a rapid decline in the number of banks belonging to the Federal Reserve System. That decline has been 529 banks that have left the system since 1970 and through 1978.

I want to take this opportunity to compliment the distinguished chairman of the full Committee on Banking, Finance and Urban Affairs and the ranking minority member of the full committee for their persistence and their leadership in bringing this bill to the House floor today.

I think this is an historic moment in the deliberations of this House. For that reason I would like to take a few minutes for the record to express my views and talk about our great banking system so that those who come after us can review the record and see what we did here today. I am quite sure that this issue will not rise to the significance of a front page story like the food prices or the gasoline lines, but what we do here could have just as significant and important an impact on our economy.

☐ 1110

I think it is important that we discuss the history of the Federal Reserve System for just a moment. I would like to, if I may, take a little different approach to some of the historical information that I have heard here. I know the gentleman from Mississippi (Mr. LOTT) a little while ago expressed some reservations about why we are here today. I know the issue is very difficult to bring into perspective.

I would like to speak to you as one who admits to finding it difficult to understand all of the ramifications of the drop in membership and, more importantly, the drop in the percentage of bank deposits covered by Reserve requirements. I have made a conscientious effort to understand the problems by reading and studying voluminous amounts of materials with varying viewpoints. I am convinced beyond doubt in my mind that for Congress to stand by and allow membership in the Federal Reserve System to decline further would not be in the national interest. And, if we do not pass a bill today, that will continue to happen.

I came to that conclusion as I studied the background of the Federal Reserve System—how it came into being, and why we have it.

From the debates surrounding the original Federal Reserve System bill, I learned the Federal Reserve System rose from money supply shortages. The Federal Reserve System was established on December 23, 1913, when President Woodrow Wilson signed the Federal Reserve Act. It was established in response to nationwide pressure to protect borrowers and lenders alike from business and personal foreclosures and bank failures related to seasonal changes in the demand for money. In 1913, we were predominantly an agricultural society. Farmers borrowed money from the bank for the spring planting and summer growing season.

Competition for money led to margin calls by Wall Street bankers. Too frequently the banks ran out of money and failed. The Federal Reserve System was born as a lender of last resort for banks short on money.

Agriculture was the big factor in 1913 and it is still quite significant. In more recent times, the automotive industry has needed huge amounts of credit to finance model changeovers.

These annual patterns recur and are called seasonal demands for credit. The need to smooth out seasonal demands for credit and prevent financial panics by having a bank of last resort to which other banks could go for money led to the founding of the Federal Reserve System.

The first legislation introduced provided that the member banks would own the Federal Reserve banks since its functions were largely to help the many banks serve their respective communities.

There was apprehension about the banks owning the central bank—so a compromise was agreed upon to create 12 Federal Reserve banks with a 9-member board, 3 members from banks, 3 members engaged in pursuits other than banking, 3 appointed by the Board of Governors. In addition, a Federal Reserve Board was created which oversees the 12 Federal Reserve banks. The Federal Reserve Board was to be insulated from politics in that its members were to be selected for 14 years. There are seven members appointed by the President with the advice and consent of the Senate. The Chairman and Vice Chairman are selected by the President for 4 years from among Board members.

The Federal Reserve Board is answerable to Congress, so it has been characterized as "independent within the Government."

From 1913 to 1933, the Federal Reserve acted as a bank of last resort, taking into account seasonal needs for money. In addition to the discount window, the Federal Reserve System was to provide services to member banks such as:

Currency and coin services;

Check clearing and collection services;

Clearinghouse services; and

Security safekeeping services.

After the bank failures from 1929 to 1933, the Federal Reserve System through the Banking Act of 1933 was given additional powers through the creation of the Federal Open Market Committee. The Federal Open Market Committee was created to maintain more control over the flow of money and credit in the economy through the banking system and is the principal instrument now used by the Federal Reserve System to implement national monetary policy.

The Federal Open Market Committee is made up of the seven members of the Federal Reserve Board of Governors and five Reserve Bank presidents one of whom is the president of the Federal Bank of New York. The other bank presidents serve on a 1-year rotating basis.

The Federal Open Market Committee influences the availability of money or credit by instructing the Federal Reserve Bank of New York in buying and selling U.S. Government securities.

For example, when the Federal Reserve buys securities for its own account it pays for them by crediting the account of the buyer, usually a commercial bank. This expands the reserve base of the bank and makes possible an increase in total bank loans, which in turn increases bank deposits. Bank demand deposits, customer checking accounts make up the largest component of money supply in the country. The monetary aggregates known as M-1 (currency plus checking accounts) and M-2 (M-1 plus time plus savings deposits except large CD's) are watched avidly by professionals as guide posts as to the financial state of the economy.

Now we come to H.R. 7 and why I think it is needed. When a bank decides to join the Federal Reserve System for access to the discount window, for the services which the Federal Reserve can give or for the prestige afforded by being a national bank, the costs of membership are considerable—$650 million at this time for all member banks according to Federal Reserve Board Chairman William Miller. I must say that I have great admiration and respect for Bill Miller and I have tremendous confidence in him. I hope this his successor will be as good a man as Bill Miller.

When a bank decides to become a member of the Federal Reserve System it must buy stock based on the bank's capital and surplus.

In 1913 that stock provided a statutory 6 percent return on investment. At the time it was characterized as a giveaway to the big banks. But, it was used as an incentive to join the Federal Reserve and to provide capital for buildings and personnel to run the system.

In 1942 Congress ended the tax exempt status of the stock, so the 6 percent interest becomes 3 percent approximately. Six percent is not bad for the Federal Reserve System at today's money prices. But a 3-percent net return is a disincentive to membership for banks. We are talking about $1 billion tied up in stock purchases which the banks could better invest in the community. I offered an amendment in committee to remove ownership which everyone seems to agree is an anachronism. It was ruled nongermane, but I have been promised hearings on the issue.

The second thing that happens to a bank if it decides to join the Federal Reserve System is that a hodgepodge of reserve rates are imposed on that bank.

Witnesses in the hearings repeatedly emphasized the confusion in the monetary statistics associated with shifts in deposits among banks of different sizes and among different categories of deposits. H.R. 7 greatly simplifies and probably resolves this problem by mandating reserves for only two categories of deposits.

The banks hold some of these reserves as vault cash and the rest goes into the Federal Reserve System which it uses for investments—the return from which goes to the Treasury of the United States.

The Reserve funds are sterile for the banks but productive for the Government. State-chartered banks, thrift institutions, credit unions, and foreign banks are not subject to these Reserve requirements. So, they can use funds to make loans which member banks have to put aside for reserves. Consequently, fewer and fewer banks are willing to remain in the Federal Reserve to bear the costs of the American Central Bank. And frankly, you cannot blame them.

But, we need a strong Central Bank, as a lender of last resort and for monetary control. Today, almost every country has a Central Bank. In England it is the Bank of England. In France the Bank of France, in Germany the Deutsch Bundes Bank, in Canada the Bank of Canada.

In those countries membership by all financial institutions is mandatory. In our country we want things to be voluntary, and we were in love with the dual banking system. But the cost of the operations of the American Central Bank ought to be shared by all financial institutions or at least, membership should not be a disproportionate financial burden.

We have penchant for voluntarism. We do not like to be told we have to do something. The same is true of banks, I found out. Anyhow, I put together an amendment to provide access to the discount window for member banks at a wholesale rate. Services would be offered at less cost than to nonmembers. I offered a carrot approach. I could never sell the idea and maybe that is all for the best because it got a little complicated. And the argument went that a bank in trouble is a bank in trouble, and membership in the Federal Reserve System ought not to be a condition precedent to lender of last resort credit.

There was a move at one time to pay the banks' interest on their Reserve deposits. Can you imagine the public reaction when the Secretary of the Treasury sent a check to our big banks. It would be too hard to explain. So, I was against that.

H.R. 7 is a good bill. The bankers do not like it because it provides mandatory reserve requirements and it exempts banks with less than $35 million in demand deposits and it exempts the first $10 million in short-term deposits.

It does have uniform application which I think is desirable. And every present member would have its membership burden reduced. The cost of membership would be borne proportionately by all the moderate to large-size financial institutions. Small financial institutions would be exempt from costs. I would have preferred a lower exemption and voted that way in committee.

The Banking Committee has been struggling on this bill for a year now. I am inclined to favor the H.R. 7 approach as a solution to the problem. But I am not positive it is that much better than the Stanton approach which comes close to H.R. 7 on reserve requirements but maintains the voluntary system, unless bank deposits covered by Reserve requirements drop to 66 percent, at which time the reserve requirements become mandatory. I understand that a compromise has been worked out and is agreed on at 67.5 percent as far as reserve requirements.

The Stanton substitute will give more time to see if a voluntary system with the new incentives can work, and the exemption provision can be studied further.

In any event, I feel we must pass a bill today if we are to be responsible House Members.

☐ 1120

Mr. REUSS. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I want to first of all pay credit to the chairman of the committee and the gentleman from Wisconsin (Mr. REUSS), our esteemed collegue and the ranking minority member, the gentleman from Ohio (Mr. STANTON), and of course, I want to also recognize the tremendous patience, endurance, and work of all of the members on the Committee on Banking, Finance and Urban Affairs, who have for the last year tried to wrestle with this significant question of Federal Reserve Board membership. It has been a real problem with regard to the declining membership that has been of significant concern.

The Federal Open Market Committee today functions to implement monetary policy largely through the policy function, developed by the Open Market Committee. I do not believe that we have available as a tool the level of reserve requirements that is desirable to help implement monetary policy. Because of the membership being voluntary, it is really precluded from ultilization for monetary policy purposes.

I think, and it is fairly obvious, that commercial banking in this country is indeed a privileged franchise, as well as that of other financial institutions, with unusual powers and responsibilities.

Today, I think that we are addressing what the responsibilities of these financial institutions are in terms of H.R. 7. To facilitate the implementation of monetary policy certainly should be one of these responsibilities. Almost all Western nations require reserves. In fact, initially our law, as my colleague from Ohio has just pointed out, and as the chairman, Mr. Miller of the Federal Reserve, spoke the other morning in recapping the history that Federal Reserve law did indeed require reserves, or at least it was intended that reserves be required of commercial banks that were members of the Fed, but that was put off; and finally, it was deleted from the law, so that today we have come to the present situation in which reserves are not required.

The initial action of the FRB was to address this membership through an interest on the sterile deposits that they hold.

Last summer, when the interest question came up, the Committee on Banking, Finance and Urban Affairs, both on the minority and majority side of the aisle, pointed out that was a power that the FRB did not have and that consequently that drew Congress into the broader question of Fed membership and the nature of the sterile reserves as well as the charge for various types of "free" services.

The committee has, deliberated over this for almost a year, and it gave rise to a significant session of hearings and various solutions this past year.

The measure that we have before us, H.R. 7, is the product of these efforts. The measure reduces the sterile reserve requirements. It almost cuts them in half from $34 billion to $17 billion a year, imposes a charge for services, and float that the Fed offered before as "a free" membership benefit. It sets, I think, a tone of competition in this area which is really very much overdue, offsetting some of the loss of revenue by picking up costs for service that otherwise would be lost to the U.S. Treasury by virtue of the interest that is presently earned on the sterile reserves reduced by this measure. These changes provide a foundation upon which enhanced monetary policy actions may be predicated and attained to provide more predictability and stability in a world of economic uncertainty.

I yield back the balance of my time.

Mr. STANTON. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Chairman, today we confront a phenomenon, the shift of banks out of the Federal Reserve System. We have also been told by the Fed that this phenomenon is a problem, a problem that is affecting the Fed's ability to control the money supply, but the radical move of forcing banks to hold required reserves is not necessarily the best or the only solution to this problem.

The Fed does not have adequate information about the money supply, because it does not get sufficient timely data from enough non-Fed banks. That is a problem that can be dealt with by simple regulations that would generate more data from the non-Fed part of our banking system. Better information would amply allow for better control of the money supplied.

In addition, I think we have a situation here that you might call the fiscal tail wagging the banking dog.

The requirement that banks hold reserves with the Fed is essentially a tax on banks that generates revenues that the Fed turns over to the Treasury. It is regrettable that the arbitrary cost limits that the administration has imposed on this legislation forces us to legislate potentially radical changes in the banking system.

If revenues are needed for budgetary reasons, that is up to the Budget Committee to determine and the Ways and Means Committee to assess. They should recommend to us whether a tax should be imposed either on banks or elsewhere.

In banking legislation, we should promote the best banking system for the country that is possible and let the Ways and Means Committee make proposals on taxes.

Finally, there is perhaps another argument. The broad-scale membership in the Fed in some fashion enhances its prestige and thus its independence and that that in turn enhances its ability to continue what are often unpopular monetary moves.

But surely coerced membership creates no supportive constituency.

There is a better solution. That is the one that has been alluded to by the distinguished ranking minority member of the Committee on Banking, Finance and Urban Affairs. That is, we could pay interest on required reserves and thus end the penalty on Fed membership.

Unfortunately, as I have indicated, the administration has vetoed that solution on fiscal grounds.

Given those circumstances, the Stanton-Reuss compromise that will be offered us today appears to me to be the best solution that can be achieved. I therefore strongly commend it to my colleagues.

I yield back the balance of my time.

Mr. REUSS. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. Garcia).

Mr. GARCIA. Mr. Chairman, I first would like to thank the chairman of the committee, the gentleman from Wisconsin (Mr. Reuss), and the ranking minority member, the gentleman from Ohio (Mr. Stanton), because during the course of debate on H.R. 7 there was an amendment that they had placed into the bill, and I am deeply appreciative.

Mr. Chairman, I wish to make clear at this point that nothing in H.R. 7 alters the treatment of banks in the Commonwealth of Puerto Rico as far as reserves are concerned. Puerto Rico and territories outside the 50 States and the District of Columbia have been exempt from reserve requirements ever since the Fed was created in 1913. They are treated differently from the banking system within the continental United States. There is no reason to change that and H.R. 7 does not change it.

Section 19(b)(1)(H) of the Federal Reserve Act as proposed to be added by the bill was amended by the Banking Committee to express the intent of the legislation to preserve and retain the distinction under current law between domestic and foreign deposits for reserve purposes. It is the intent of the committee to exempt all funds on deposit with and payable only at depository institutions' offices located outside the States of the United States and the District of Columbia from the new reserve requirements imposed by paragraphs 5 and 6. This has particular application to funds on deposit in Puerto Rico and the U.S. territories.

That is a correct interpretation of the legislation as evidenced by my analysis of this legislation, the legislative history of this bill, and my conversations with a number of members of our committee on both sides of the aisle.

With that understanding, I urge my colleagues to support this legislation which is important to the institutional soundness of the Federal Reserve, to the principles of equity, to the soundness of the banking system, and to the ability of the Federal Reserve to use monetary policy as a powerful weapon in the battle against inflation.

□ 1130

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. GARCIA. Yes; I yield to the committee chairman.

Mr. REUSS. Mr. Chairman, I just wanted to briefly commend the gentleman for calling this matter to our attention. The legislation before us reflects that point and we are grateful to the gentleman.

Mr. GARCIA. I thank the gentleman.

Mr. REUSS. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska (Mr. Cavanaugh).

Mr. CAVANAUGH. I thank you, Mr. Chairman. I want to commend the chairman of the Banking Committee.

I simply wish to say I feel that this is one of the most important and well-fashioned pieces of legislation to come before this Congress. H.R. 7 is the end product of more than a year and a half of struggle and consideration by the Banking Committee. It is an exceptional and uncommon legislative product, one that is essential to the future stability of our "domestic and world monetary system."

I would strongly urge the Members of this Congress to support the bill that the committee has approved.

Mr. STANTON. Mr. Chairman, I yield 6 minutes to the gentleman from Texas (Mr. Paul).

Mr. HINSON. Mr. Chairman, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from Mississippi.

Mr. HINSON. Mr. Chairman, I rise in support of Mr. Stanton's proposal, the freedom of choice amendment. H.R. 7, as presently written is a direct assault on the dual banking system. It is so inimicable in principle to the economic traditions of our country that I have actually received letters opposing it from bankers whose banks would benefit from H.R. 7.

H.R. 7 unamended would produce an immediate drop in percentage of deposits covered by reserve requirements, a strange result for legislation intended to stem the decline in covered deposits.

Mr. Stanton's proposal addresses dwindling Federal Reserve membership by incentives rather than by coercion. It lowers reserve requirements in phases over a 3-year period, a step which by itself may answer the problem of dwindling membership, and possibly will reverse the trend.

Cost is not a significant factor. Both approaches involve costs, but the costs are nearly the same.

Finally, the Stanton freedom of choice substitute is as certain to work as is H.R. 7. If Fed membership continues to decline, when the point is reached at which only 67.5 percent of deposits are covered by reserves, membership in the Federal Reserve becomes mandatory.

Either way, the problem of dwindling Fed membership is solved. The Stanton proposal, however, offers the possibility of a solutiton without mandatory membership. Unless this Congress is ready to rush headlong into a centralized and statist banking system in this country, then it seems to me that the substitute offered by the gentleman from Ohio is the best solution to the problem of declining Fed membership.

Mr. PAUL. Mr. Chairman, I think it is very appropriate that we address the subject today of the dollar and the banking system because we know and the American people know the dollar is in serious trouble. It does not take a Ph. D. in economics to realize that the dollar is not functioning very well any more.

It is also appropriate today to bring the subject up because we see today that the discount rate now has gone to 10 percent, the highest in the history of this country. And we can also look and see that the money supply figures for the past 3 months indicate that both M1 and M2 are increasing at a rate greater than 11 percent per year.

This is inflation and this is the reason we have a problem with the dollar. The money is truly sick. The money needs treatment.

I was taught in medical school one basic fundamental at the very beginning, "Do no harm." If you cannot cure the patient, at least do not do any harm. Unfortunately, it is my conviction that what we are doing here today will make the problem worse, it will not stop the massive flood of the dollars. If anything, it will increase the flow of dollars, it will increase and expand credit and it will stimulate the printing press.

As a member of the Banking Committee, I have consistently opposed this bill in all the versions it has appeared, and I still oppose it. We are now in the midst of the most serious inflationary crisis in our Nation's history. The runaway increase in the money supply we have experienced in the past several years will not be curtailed by this legislation—it will be made worse. This legislation is an unnecessary accumulation of power by the central bank; it is an inflationary piece of legislation that contains one significant provision that was added to the bill as an afterthought and on which not one word of testimony was received by the committee. At the appropriate time I intend to offer an amendment to the bill to strike that provision.

I have said it was unnecessary. Let me explain why. In my dissenting views in the commitee report, I point out that the banks are leaving the Federal Reserve system because they wish to avoid tying up their assets in non-interest-bearing reserves. When interest was much lower than it is today, the banks accepted such reserve requirements for they felt that the benefits they received from being a member of the Fed outweighed the cost of the lost interest. But now that interest rates are sky high, many banks no longer feel that way. In short, interest rates are driving the banks out of the system.

Now who is responsible for causing the high interest rates? The Fed, of course. Through their inflationary policies they have driven up the cost of money, and they have compounded the problem by pegging the Federal funds and discount rates at still higher levels. In short, the Federal Reserve is responsible for its own membership problem. If it would keep its house in order, there would be no exodus from the system by the banks. The Fed has created its own problem and it can solve its own problem. This legislation simply gets the Fed off its own hook. It is unnecessary and deceptive.

I have said that this bill puts excessive power in the hands of the central bank. What do I mean by that? First, it virtually centralizes control over the Nation's financial institutions in the Fed. All covered institutions must report to the Fed. The distinction between members and nonmembers disappears because many nonmember institutions will be forced to keep reserves with the Fed. Second, this bill extends the power and jurisdiction of the Fed beyond its own membership to include institutions that do not and perhaps never have been a member of the System. Third, the Fed is given sweeping emergency powers to set reserve requirements wherever they want for limited periods of time. This power is, I believe, unprecedented, and is another reason for opposing the bill.

I have also said that the bill is inflationary. I have heard estimates that the reserves in the banking system will fall by one-half to two-thirds if this bill is enacted into law. That simply means that the banking system will be able to create more money by making more and larger bookkeeping entries on their books. This bill could cause a surge of inflation that would dwarf even what has happened in this country in the last 10 years. Even the Fed seems to realize this, for it has promised that it will take steps to counteract the surge of money creation that this bill will cause. But are the promises of the Fed good enough? I do not think so. It has shown itself to be inept in the handling of our monetary system, and there is precious little evidence that it would be any more competent to make the necessary corrections.

Unless we accept the simple notion when the Fed creates massive new money and credit the dollar loses its value, and causes prices to rise, inflation will never be curtailed and is destined to worsen with this type of legislation. I will vote against final passage of this bill, but I will certainly support Mr. STANTON'S substitute amendment.

● Mr. HILLIS. Mr. Chairman, as we consider House Resolution 359 today, I would like to share a few thoughts with my colleagues.

In 1973 former Congressman Pete Biester of Pennsylvania and I along with Senator WILLIAM ROTH of Delaware and my former colleague from Indiana, Roger Zion, brought nine senior citizens to Washington to give them a firsthand view of the Federal Government and how it operates—especially in the area of aging.

Since that time, nearly 500 active older Americans from all across the country have served in their Congressman's or Senator's office as a senior citizen intern. I cannot merely refer to this group as interns for their services to us as their sponsors have gone long beyond the actual 2 weeks spent in Washington. Their work continues for months, and even years, well past the actual internship. That continuing service is unpaid and never reimbursed.

Seven years ago the original sponsoring offices had no idea of the increasing interest which would develop in our program.

In the past several years, those of us who have remained, along with other followers, have sought legislation which would alleviate the burden on a few offices giving responsibility of the already proven, already successful program to the House and Senate Aging Committees. We also asked for a small additional allowance to reimburse the seniors. With a minimum of extra dollars appropriated, an ongoing program which ultimately benefits thousands of older Americans annually, would be able to function much easier.

The resolution before us today will help a few additional offices to participate in our program who previously were not able to do so. However, it does not solve our problems.

This does not discourage us, however. Those of us who have a commitment to the elderly of this Nation will continue the program next year. Whether we be black or white, rich or poor, veteran, handicapped, male, or female—each of us shares one common trait—that of growing old.

We already have decided to continue that original commitment began over 7 years ago—to provide active older Americans a forum in Washington—to give them an opportunity to come to their Nation's Capital to search for information and to return to their homes equipped with the knowledge to benefit the less fortunate in their communities.

Those of us who are genuinely concerned with the Nation's elderly will once again bring another special group to Washington in 1980. Our task will not be an easy one but with each office participating, giving their services, our goal can and will be accomplished.●

● Mr. BIAGGI. Mr. Chairman, at a time when the monetary policy of our Nation is being discussed, I feel it is essential that we direct our attention to a problem facing a large segment of our population. I am speaking of our discriminatory and unfair policy penalizing the small savers of our Nation, many of whom are senior citizens. I regret that an effective solution to this problem was not able to be included as part of this legislation.

Certainly, this situation is one of the great injustices in our country today. While money market interest rates currently stand around 9 to 10 percent, and the inflation rate is over 10 percent, a person who puts his or her money in a savings account can only earn about 5 or 5¼ percent interest.

Adding to this injustice is the fact that financial institutions are authorized to issue so-called money market certificates in denominations of $10,000 or more. While these certificates earn a market rate of interest, the small saver who cannot afford such a large investment, is restricted by law as to the amount of interest he or she can earn.

At this time I would like to review the causes of this unfortunate and unjust situation. Financial institutions—commercial banks, savings and loan associations, and savings banks—are required to operate under interest rate controls set by the Federal Reserve, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board. The interest rate control authority exercised by these regulatory agencies has become known as regulation Q. This term denotes, as a convention, the entire body of Federal regulations that limit the interest rates paid on the various classes of deposits at commercial banks and at thrift institutions. Also, under the regulation, thrift institutions are able to offer their depositors one-quarter of 1 percent more than commercial banks.

Deposit rate ceilings and deposit rate differentials were intended to support thrift institutions, which have a lesser range of powers and services than commercial banks, by encouraging depositors to maintain their savings flows into mutual savings banks and savings and loan associations, thus helping to support the housing industry.

Unfortunately, the current inflation has brought money market interest rates into the 9- to 10-percent range. However, except for the money market certificate which discriminates against the small saver because of its $10,000 minimum, regulation Q rates have remained static and substantially lower than market rates.

Recognizing the seriousness of this issue, the President directed an administration interagency task force on deposit interest rates to review the fairness, effectiveness, and efficiency of these interest rate controls. The task force recently completed their study, and based on their report, the President has asked the Congress to "permit an orderly transition to a system where the average depositor can receive market-level interest rates on his or her savings."

Based on these findings by the task force and the request by the President, I intend to introduce legislation next week that would provide for a gradual phaseout of regulation Q over the next 5 years. Under my bill, the interest rate ceilings under regulation Q will rise one-half percent every 6 months. It would appear that at the end of that 5-year period, the regulation Q ceilings would exceed the market rate, thus eliminating the restrictions on the amount of interest paid on savings deposits.

While I firmly believe that this issue must be dealt with promptly, my legislation takes into account the serious and adverse effect the complete or sudden removal of ceilings might have on our economy. This is due to the imbalance of short-term liabilities and long-term assets in the portfolios of most thrifts, which are vulnerable when interest rates are rising rapidly. My bill will give institutions sufficient time to adjust their portfolios and operating policies in an orderly manner.

Mr. Chairman, next week the Select Committee on Aging, of which I am New York's ranking member, will conduct hearings on the effects of regulation Q interest rate ceilings on the senior citizen, whose savings are concentrated in passbook accounts. I am hopeful that such action will help to clarify the severity of the problem, and will result in prompt and corrective efforts on our part.●

● Mr. HANLEY. Mr. Chairman, here we are at last about to consummate the legislative process with the enactment of H.R. 7. This has been a long and tiresome trek from those first days back last year when the Federal Reserve Board signalled its growing concern that the economic impact of its actions could be losing significance because of an increasing trend for the voluntary members of the Fed to remain with it. As the perceived benefits of membership began to pale before the realities of the money-markets and the insistent tug of the bottom line of profitability for those institutions which had the option as State-chartered banks to leave the Fed, the incidental defection became a judiciously brisk two-step to convert to State control.

Of course, there was always the hopeful note that the largest banks would conclude their own best interest to be served by remaining in the Fed. That fact, plus the apparent minimal impact of small bank abstentions, left the mid-range banks the one object of concern in the Fed's desire to initiate and manage monetary policy through the levers of its management tools—interest rates, fund availability, and the open market committee.

A long process of hearings and several "birthings" of revised bills dealing with this controlled crisis of confidence in the Fed later, we had boiled down the argument to one of mandatory reserves and consequent membership for the critical mass of institutions versus a voluntary membership. Then we had voluntary membership, except that compulsory membership would be required should the Fed's voluntary membership and the reserves held by those members fall below a "trigger factor."

Frankly, today I feel somewhat ambiguous about what it has been circulated will be allowed to happen to this bill. The big contention has been defused by compromise.

The temporary voluntary reserve requirement with a new "trigger" threshold seems now to enjoy the endorsement of both sides of the aisle. The principle of compulsory reserves for the institutions most likely to adversely affect the Fed's control mandate has been abandoned in the rush to enact a bill of some sort or, more correctly, any sort.

This may indeed be the result of pragmatic analysis and political imperatives—and I acknowledge that factor as one of great persuasion. But, I cannot help but recall the adamant call to firm action by the Federal Reserve Board Chairman, William Miller, when he asked for remedial legislation. He did not hold any hope that voluntarism would work. In fact, it was not long ago that he hinted broadly enough to take him seriously that a veto would be the only reception a voluntary bill would expect from the White House. Even realizing that the musical chairs down at the Executive Office buildings encompassed the sanctity of the Fed, I cannot help but feel that there will be no diminished enthusiasm for that previous view. It may even be that it will be enhanced by a strong support from the Secretary of the Treasury-designate, one in the same, William Miller.

In all candor, Mr. Chairman, the lengths to which our committee was stretched in loyalty to our great leader—the father of this very legislation—has polarized colleagues and many diverse groups who have been supportive and active in behalf of this effort. Having made the keystone of that effort the principle of mandatory reserves, it is with some reluctance that this compromise is now embraced with any confidence that it will satisfy the need which impelled us to act in the first place.

Never mind that a veto is threatened. Never mind that the Senate has expressed no enthusiasm for such a legislative construction. Never mind that a switch of gears puts off stride so many loyalists. Think of the basic factor—the effective management of the monetary policy of this Nation at a time of deepening recession and economic contraction. Think of what we started out to do and of how little advanced we may be with this bill. Think if it has been worth it and if we will be back in this well next year to take even more drastic action than the "triggered" remedy of this bill allows.

I came to this Chamber today ready to support the courage of our chairman and to resist the blandishments of muted promise and faint threat, because I agree that we are putting off the inevitable and courting further distress not to enforce what our instincts and better judgment and convincing logic have determined for the better part of two sessions of Congress was required action. I will leave unconvinced that the response has been adequate.

Perhaps some salutory aspect remains, however, in that a proposed amendment of our colleague, Mr. St Germain, will enjoy the committee's support. As some know, it was my intent to offer this amendment myself in an effort to keep faith in this committee with those who have gone the extra mile in co-operative effort to this bill and its managers. Retrieval of some good faith and a relaxation of unnecessary reserve requirements for short-term, negotiable time deposit assets referred to as "category B" is a desired end and will be brought about by the redemptive aspect of that amendment.

I would hope, too, that the insistence of my good friend and colleague from Nebraska would be accommodated by the latest revision of the major portions of the bill and that the need for and desire for an amendment bringing into the reservable category the telephonic transfer accounts of many institutions would be diminished. Such an amendment hurts the ability of institutions offering such customer services to compete in their banking markets. More importantly, it will have the consequence of making such services too expensive to provide and will result in their elimination—much to the embarrassment of the institutions, the consternation of customers, and I assume to the chagrin of those who inadvertently support that crippling amendment. I do not know about other Members, but my constituents like telephone bill paying. It is easy. It is safe. It is the wave of the future in banking. To saddle its development and usefulness with this new "tax" for its use kills the service and hampers the consumer seeking simplified banking procedures. I hope that this amendment is not accepted, since it does away with a service to bank customers. The complicated four or six transaction formula for allowable phone transfers indicates to me that the gentleman knows in his heart that this is a good service.

He should also know that this artifice is the kiss of kindness that will kill the service and deprive so many customers of a current service with a cumbersome alternative the only option.

Last, Mr. Chairman, I note that our desire to expedite this legislation may not be perceived in the public mind, in the administrative consciousness, or in the financial world as having been daring enough to stand the test of time. Indeed, it may not even stand the acid test of our sister body upon which we now thrust the imperative to act with discretion and dispatch. We may have to wait for a while for that result.●

Mr. REUSS. Mr. Chairman, we have no further requests for time on this side.

Mr. STANTON. Mr. Chairman, we yield back the balance of our time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs, now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 7

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Monetary Control Act of 1979".

REPORTING REQUIREMENTS

SEC. 2. Section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)) is amended (1) by inserting "(1)" immediately after "(a)", and (2) by adding at the end thereof the following new paragraph:

"(2) To require any depository institution specified in this paragraph to make, at such intervals as the Board may prescribe, such reports of its liabilities and assets as the Board may determine to be necessary to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates. Such reports shall be made

(A) directly to the Board in the case of member banks and in the case of other depository institutions for all liabilities specified in sections 19(b)(1)(A) and 19(b)(1)(B) of this Act, and (B) to the Board through the (i) Federal Deposit Insurance Corporation in the case of insured State nonmember banks, (ii) National Credit Union Administration in the case of insured credit unions, (iii) Federal Home Loan Bank Board in the case of any institution insured by the Federal Savings and Loan Insurance Corporation or which is a member as defined in section 2 of the Federal Home Loan Bank Act, and (iv) such State officer or agency as the Board may designate in the case of any other type of bank, savings and loan association, or credit union. The Board shall endeavor to avoid unnecessary burdens on reporting institutions and the duplication of other reporting requirements, and any data from such reporting requirements shall be made readily available to the Board. The Board may classify depository institutions for the purposes of this paragraph, and may impose different requirements on each such class.".

Mr. REUSS (during the reading). Mr. Chairman, I ask unanimous consent that section 2 be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Are there amendments to section 2?

If not, the Clerk will read.

The Clerk read as follows:

RESERVE REQUIREMENTS

SEC. 3. (a) Section 19(a) of the Federal Reserve Act (12 U.S.C. 461) is amended (1) by changing "member bank" to read "depository institution" each place it appears therein, and (2) by adding at the end thereof the following: "The Board shall exercise its authority to define the term 'deposit' when applicable to reserve requirements of nonmember depository institutions after consultation with the Board of Directors of the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the National Credit Union Administration.".

(b) Section 19(b) of the Federal Reserve Act is amended to read as follows:

"(b) RESERVE REQUIREMENTS.—

"(1) DEFINITIONS AND RULES.—The following definitions and rules are applicable for the purposes of this subsection:

"(A) The term 'category A deposits' means, with respect to any depository institution, the total amount of demand deposits, savings deposits subject to automatic transfers, and deposits subject to negotiable or other payment orders of withdrawal (except orders telephonically communicated to the institution by the depositor or the depositor's representative), or to any similar instrument used to make payments or transfers, in that institution.

"(B) The term 'category B deposits' means, with respect to any depository institution, the total amount of time deposits with initial maturities of less than 180 days, exclusive of the total amount of short-term personal time deposits, in that institution. For the purposes of this subparagraph, the term 'short-term personal time deposit' means a nonnegotiable, nontransferable time deposit with an initial maturity of less than 180 days which is held by a depositor who is a natural person, and in which the entire beneficial interest is held by such depositor.

"(C) A reference to net deposits of any given category in any given institution refers to the amount by which the institution's total deposits of that category exceed its exemption for that category.

"(D) Except as provided in paragraphs (7) and (8), no reserve ratio outside the limits specified for any given category may be imposed with respect to any deposits in that category.

"(E) The term 'bank' means any institution which is neither a nonmember savings bank nor a nonmember mutual savings bank as defined in sections 3(f) and 3(g) of the Federal Deposit Insurance Act, and is either an insured bank as defined in section 3(h) of the Federal Deposit Insurance Act or a bank which is eligible under section 5 of that Act to make application to become an insured bank.

"(F) The term 'savings institution' means—

"(i) a nonmember savings bank or a nonmember mutual savings bank which either is an insured bank as defined in section 3(h) of the Federal Deposit Insurance Act or is eligible under section 5 of that Act to make application to become an insured bank;

"(ii) an institution which either is an insured institution as defined in section 401(a) of the National Housing Act or is eligible under section 403 of that Act to make application to become an insured institution; or

"(iii) a credit union whose member accounts are insured pursuant to section 201(a) of the Federal Credit Union Act, or which is eligible to make application for such insurance pursuant to section 201(b) of that Act.

"(G) The term 'depository institution' means a bank as defined in subparagraph (E) or a savings institution as defined in subparagraph (F).

"(H) The requirements imposed by paragraphs (5) and (6) of this subsection do not apply to deposits payable only outside the States of the United States and the District of Columbia, but nothing in this subsection limits the authority of the Board to impose conditions and requirements on member banks under section 25 of this Act (12 U.S.C. 601–604(a)), or the authority of the Board under section 7 of the International Banking Act of 1978 (12 U.S.C. 3105).

"(I) This subsection confers authority on the Board to impose or change reserve requirements for the sole purpose of enabling the Board to implement monetary policy.

"(J) Any reference in this Act to member banks with respect to any requirement or authority relating to reserves required by this subsection shall be deemed to refer to all depository institutions which are actually required to maintain reserves under this subsection.

"(2) CATEGORY A EXEMPTION.—The category A exemption for any depository institution during any calendar year shall be determined by the Board to the nearest $100,000 as follows:

"(A) The category A exemption for 1979 shall be the sum of $35,000,000 plus the product of $35,000,000 times 0.8 times the quotient of the difference between the total of all category A deposits in all depository institutions on June 30, 1978, and the total of all category A deposits in all depository institutions on December 31, 1977, divided by the total of all category A deposits in all depository institutions on December 31, 1977.

"(B) For any given year after 1979, the category A exemption shall be the sum of the category A exemption for the first year preceding the given year plus the product of the category A exemption for the first year preceding the given year times 0.8 times the quotient of the difference between the sum of all category A deposits in all depository institutions on June 30 of the first year preceding the given year and the sum of all category A deposits in all depository institutions on June 30 of the second year preceding the given year, divided by the total of all category A deposits in all depository institutions on June 30 of the second year preceding the given year.

"(3) CATEGORY B EXEMPTION.—The category B exemption for any depository institution during any calendar year shall be determined by the Board to the nearest $100,000 as follows:

"(A) The category B exemption for 1979 shall be the sum of $10,000,000 plus the product of $10,000,000 times 0.8 times the quotient of the difference between all category B deposits in all depository institutions on June 30, 1978, and the sum of all category B deposits in all depository institutions on December 31, 1977, divided by the total of all category B deposits in all depository institutions on December 31, 1977.

"(B) For any given year after 1979, the category B exemption shall be the sum of the category B exemption for the first year preceding the given year plus the product of the category B exemption for the first year preceding the given year times 0.8 times the quotient of the difference between the sum of all category B deposits in all depository institutions on June 30 of the first year preceding the given year and the sum of all category B deposits in all depository institutions on June 30 of the second year preceding the given year, divided by the total of all category B deposits in all depository institutions on June 30 of the second year preceding the given year.

"(4) INSTITUTIONAL EXEMPTIONS.—

"(A) ADMINISTRATIVE EXEMPTION.—The administrative agency designated in subparagraph (B) shall, on or before the effective date of this paragraph and before the first day of each calendar year thereafter, exempt from the requirements otherwise imposed by paragraphs (5) and (6) any depository institution which such agency determines would, even if not exempted pursuant to this paragraph, probably not have net category A deposits or net category B deposits greater than zero between the last date on which such exemption is authorized to be made and the commencement of the succeeding calendar year. During any period for which it has been so exempted, no depository institution shall be required to maintain any reserves under paragraph (5) or (6).

"(B) AGENCY AUTHORITY.—Exemptions pursuant to subparagraph (A) shall be made by the Federal Deposit Insurance Corporation in the case of insured nonmember banks, by the Federal Savings and Loan Insurance Corporation in the case of any institution insured by that corporation, by the National Credit Union Administration in the case of any credit union whose member accounts are insured pursuant to section 210(a) of the Federal Credit Union Act, and by the Board in the case of all other depository institutions.

"(5) CATEGORY A RESERVE REQUIREMENTS.—Every depository institution not exempted pursuant to paragraph (4) shall maintain reserves against each class of its net category A deposits as the Board may direct—

"(A) in the ratio of 11 per centum, or

"(B) in such ratio not greater than 12 per centum and not less than 4 per centum as the Board may prescribe, or

"(C) in such ratio as the Board may prescribe pursuant to paragraph (8).

"(6) CATEGORY B RESERVE REQUIREMENTS—. Every depository institution not exempted pursuant to paragraph (4) shall maintain reserves against each class of its net category B deposits as the Board may direct—

"(A) in the ratio of 3 per centum, or

"(B) in such ratio not greater than 8 per centum and not less than 0 per centum as the Board may prescribe, or

"(C) in such ratio as the Board may prescribe pursuant to paragraph (8).

"(7) Reserves Related to Foreign Obligations or Assets.—Foreign branches, subsidiaries, and international banking facilities of nonmember depository institutions shall maintain reserves to the same extent required by the Board of foreign branches, subsidiaries, and international banking facilities of member banks. In addition to any reserves otherwise required to be maintained pursuant to this subsection, any depository institution shall maintain reserves in such ratios as the Board may prescribe against—

"(A) net balances owed by domestic offices of such depository institution in the United States to its directly related foreign offices and to nonrelated foreign depository institutions,

"(B) loans to United States residents made by overseas offices of such depository institution if such depository institution has one or more offices in the United States, and

"(C) assets (including participations) held by foreign offices of a depository institution in the United States which were acquired from its domestic offices (other than assets representing credit extended to persons not residents of the United States).

"(8) Authority in Extraordinary Circumstances.—Upon a finding by at least five members of the Board, after consultation with appropriate committees of Congress, that extraordinary circumstances require such action, the Board may impose, with respect to any liabilities of depository institutions, reserve requirements outside the limits as to ratios and as to types of liabilities otherwise prescribed by this subsection for a period not exceeding thirty days but which may be extended for further periods not exceeding thirty days each by such affirmative action by the Board in each instance. The authority contained in this paragraph may not be exercised to reduce the amount of the exemptions provided by paragraphs (2) and (3). The Board shall promptly transmit to the Congress a report of any exercise of its authority under this paragraph and the reasons for such exercise.

"(9) Membership Privileges.—During any period in which the required reserves of any depository institution under this subsection are greater than zero, and such institution is maintaining such reserves in accordance with subsection (c), it shall be entitled to all the privileges of membership in the Federal Reserve System except that, if it is not otherwise a member, it may not hold stock in, or vote for any director of, a Federal Reserve bank.

"(10) Discount Privileges.—Any depository institution in which category A or category B deposits are held shall be entitled to the same discount and borrowing privileges as member banks. In the administration of discount and borrowing privileges, the Board and the Federal Reserve banks shall take into consideration the special needs of savings and other depository institutions for access to discount and borrowing facilities on terms and conditions consistent with their long-term asset portfolio and sensitivity to national money markets.

"(11) Transitional Adjustments.—

"(A) Any depository institution (other than a depository institution to which subparagraph (D) applies) which was engaged in business on August 1, 1978, but was not a member of the Federal Reserve System on that date, shall maintain reserves against its deposits during the first twelve-month period following the effective date of this paragraph in amounts equal to one-tenth of those otherwise required by paragraphs (5) and (6) of this subsection, during the second such twelve-month period in amounts equal to two-tenths of those otherwise required, and so on in each succeeding twelve-month period until the full requirements of paragraphs (5) and (6) have been reached.

"(B) With respect to any bank that was a member of the Federal Reserve System on August 1, 1978, the amount of required reserves imposed pursuant to paragraphs (5) and (6) on the effective date of such paragraphs that exceeds the amount of required reserves maintained by the member institution during the reserve computation period immediately preceding the effective date of such paragraphs may, at the discretion of the Board and in accordance with such rules and regulations as it may adopt, be reduced by 75 per centum during the first year that begins after such effective date, 50 per centum during the second year, and 25 per centum during the third year.

"(C) In order to provide for an orderly transition period, the Board shall implement the reduction in reserve requirements resulting from the amendment of this subsection by the Monetary Control Act of 1979 with respect to member banks over a period not greater than 48 months after the effective date of such paragraph.

"(D) This subparagraph applies to any depository institution which was engaged in business on August 1, 1978, as a depository institution organized under the laws of a State and was not a member of the Federal Reserve System on that date, and whose principal office was outside the continental limits of the United States on that date and has remained outside the continental limits of the United States ever since. Such a depository institution shall not be required to maintain reserves against its deposits pursuant to this section until the first day of the sixth calendar year which begins after the enactment of this subparagraph. Such a depository institution shall maintain reserves against its deposits during the sixth calendar year which begins after enactment of this paragraph in amounts equal to one-tenth of those otherwise required by paragraphs (5) and (6) of this subsection, during the seventh such year in amounts equal to two-tenths of those otherwise required, and so on in each succeeding calendar year until the full requirements of paragraphs (5) and (6) have been reached.".

(c) Section 19(c) of the Federal Reserve Act (12 U.S.C. 461(c)) is amended to read as follows:

"(c) Reserves held by any depository institution to meet the requirements imposed pursuant to subsection (b) of this section shall be in the form of—

"(1) balances maintained for such purposes by such institution in the Federal Reserve bank of which it is a member or at which it maintains an account, and vault cash. The Board may, by regulation or order, limit the proportion of required reserves which may be maintained in the form of vault cash, but such proportion shall be identical for all institutions; and

"(2) balances maintained by a nonmember institution in a member or nonmember institution that maintains reserve balances at a Federal Reserve bank or balances in a Federal home loan bank, but only if such depository institution or Federal home loan bank maintains such funds in the form of balances in a Federal Reserve bank of which it is a member or at which it maintains an account. Balances received by a depository institution from another depository institution that are used to satisfy the reserve requirements imposed on such depository institutions by this section shall not be subject to the reserve requirements of this section imposed on such depository institution and shall not be subject to assessment imposed on such depository institution pursuant to section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817) or section 404 of the National Housing Act (12 U.S.C. 1727).".

(d) The second paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended to read as follows:

"Each Federal Reserve bank shall maintain with the local Federal Reserve agent collateral in the form of financial assets in an amount not less than the amount of Federal Reserve notes issued by such bank and outstanding. Collateral shall not be required for Federal Reserve notes that are held in the vaults of Federal Reserve banks. The Federal Reserve agent shall each day notify the Board of Governors of the Federal Reserve System of all isues and withdrawals of Federal Reserve notes to and by the Federal Reserve bank to which he is accredited. The Board of Governors may at any time call upon a Federal Reserve bank for additional security to protect the Federal Reserve notes issued to it.".

Mr. REUSS (during the reading). Mr. Chairman, I ask unanimous consent that section 3 be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. ANNUNZIO

Mr. ANNUNZIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Annunzio: Page 23, after line 3, insert the following:

"(K) This section shall not apply with respect to any financial institution which—

"(i) is organized solely to do business with other financial institutions;

"(ii) is owned primarily by the financial instiutions with which it does business; and

"(iii) does not do business with the general public.

Mr. ANNUNZIO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

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Mr. ANNUNZIO. Mr. Chairman, this amendment would exempt from coverage under this legislation any financial institution which functions solely as a lending or services institution for other financial institutions.

These institutions provide services such as discounting loans, arranging for financing, investment advice, and other similar banking services, but only to specific groups of financial institutions. They do not deal with the general public and, in most cases, these banks are owned by the member institutions which they service.

Since these institutions do not deal with the general public, either at the consumer or corporate level, it will not assist monetary policy to require such financial institutions to hold reserves with the Federal Reserve System.

These businesses are highly specialized financial institutions providing, in many cases, services that are not available elsewhere. We would be working a great hardship on these banks, and I might add an unfair one, to require them to keep reserves with the Federal Reserve System. Since they do not bear directly on monetary policy the institutions would have to keep reserves with the Federal Reserve System even though their activities would not influence monetary policy. In short, we would be punishing these service facilities unfairly.

I have discussed this amendment with Chairman Reuss and the gentleman from Ohio (Mr. Stanton), they support this amendment and agree that coverage of these financial institutions was not one of the goals of H.R. 7.

Mr. Chairman, I know of no opposition to this amendment and I strongly urge its adoption.

Mr. STANTON. Mr. Chairman, will the gentleman from Illinois yield?

Mr. ANNUNZIO. Yes, I yield to my distinguished friend, the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, I would simply like to confirm what the gentleman from Illinois just said. He has thoroughly covered it with our side of the aisle. We certainly have no objection to the amendment.

Mr. ANNUNZIO. I thank the gentleman.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ANNUNZIO. I yield to the distinguished committee chairman.

Mr. REUSS. Mr. Chairman, I, too, congratulate the gentleman from Illinois for a constructive amendment. We accept it on this side.

Mr. ANNUNZIO. Mr. Chairman, I appreciate the cooperation of the chairman of the full committee and the gentleman from Ohio (Mr. Stanton).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Annunzio).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CAVANAUGH

Mr. CAVANAUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Cavanaugh: On page 20, lines 8–10 to read as follows: "(except deposits subject to six or less withdrawals or transfers per month telephonically communicated to the institution by the depositor or the depositor's representatives)".

Mr. CAVANAUGH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CAVANAUGH. Mr. Chairman, H.R. 7 currently provides for the imposition of reserve requirements on transaction and short-term nonpersonal time deposits—above the exemption levels—of all depository institutions. An exception from reserve requirements is provided for deposits subject to withdrawals "telephonically" communicated to the institution by the depositor or by the depositor's representative. The House Report on H.R. 7 (H. Rept. 96–263) indicates that the exception is designed to accommodate the needs of depositors who use conventional telephones to communicate with depository institutions concerning their personal financial transactions. The report states that the exemption should be regarded as a narrow one, applying only to existing systems and should not be expanded by technological advances.

Despite the report's language, the telephonic communication exemption of H.R. 7 provides a massive incentive for depository institutions of all types to invest in telephonic bill-paying services in order to escape from reserve requirements. Existing telephonic bill-paying systems are sophisticated enough to enable institutions to make virtually all their consumer transaction deposits subject to telephonic withdrawals for the purpose of paying third parties. Systems available today enable a depositor orally to instruct the institution to pay the depositor's bills. Although oral systems tie up more personnel and are more prone to human error than conventional bill-payment services—that is, checking accounts—H.R. 7's reserve exemption provides an incentive to depository institutions to utilize this system. Another system currently available enables the depositor to use his pushbutton telephone to pay bills. By pushing buttons on the phone, the depositor instructs the institution's computers to make payments to certain specified parties. Since few, if any, personnel are involved in the payments system, this procedure is operationally efficient and provides a large incentive to depository institutions seeking to lower their costs of reserve requirements.

The telephonic communication exemption continues to make available a significant means of escape from reserve requirements. Permitting an unlimited number of telephonic transfers provides an inducement to depository institutions to shift transaction balances to this form of withdrawal. The provision defeats the purposes of H.R. 7 since a significant proportion of transaction balances will not be subject to reserve requirements, thereby making the implementation of monetary policy more difficult. The provision also upsets competitive equality since the hardware and software systems needed to implement telephone communications is expensive. The largest institutions have sufficient resources to invest in the sophisticated systems and the exemption from reserve requirements provides an economic incentive to invest in these systems. The competitive balance between large and small depository institutions will therefore be upset by the existence of the exemption.

It is proposed that only accounts subject to six telephone transfers per month be exempted from the reserve requirements of H.R. 7. A restriction on the number of telephone transfers a depositor can make per month would have the effect of treating accounts used for payment purposes as transaction deposits. The limitation would enable a depositor to call the depository institution once a week to have funds mailed to the depositor or to have funds transferred to the depositor's checking account to cover checks under the proposal. Depositors would continue to be permitted to make an unlimited number of withdrawals in person or through the use of automated teller machines.

The proposal also is consistent with data concerning telephone transfers by depositors. These data indicate that on average depositors use the telephone transfer services approximately five times per year. Permitting four telephonic transfers per month will be more than adequate to permit existing practices to continue without interference.

The Federal Home Loan Bank Board currently places a 6 percent liquidity requirement on the withdrawable deposits of all savings and loan institutions. Clearly, not all of the liquidity requirement can be reviewed as a burden to the institution because much of the requirement would be maintained as liquidity by the institution for the purpose of carrying out normal daily business and additional portions of the liquidity requirement can be held in interest bearing instruments. It is the intention of this amendment to insure that all the essentially transaction account balances of all institutions will be reserved at the 11-percent level. In order to preserve the competitive equity which is sought by H.R. 7, the Federal Home Loan Bank Board and the Federal Reserve Board should work to insure that the total required reserve burden of thrift institutions will not exceed the 11 percent reserve requirements placed upon transaction deposits at commercial banks. I hope that the two agencies will report to the committee on their efforts to insure that competitive equity of reserve requirements are established and maintained.

It should be clear at the outset that the telephonic communications exemption would encourage depository institutions of all types to shift balances into these accounts which would escape reserve requirements. Based on data which I have received from the U.S. League of Savings Associations at the end of 1978 64 savings and loans, 49 banks, 56 mutual savings banks and 1 credit union for a total of 170 institutions are currently offering telephone bill payer services. I am further informed by the U.S. League that the median number of transactions in these accounts is five per month.

My amendment, which would allow six telephonic withdrawals or transfers per month, would effectively grandfather most existing situations. Even where telephone transfer accounts exist, in 2,000 savings and loans, individual account holders are utilizing the service only 2 to 5 times per year and business accounts are utilizing the service only 9 times per year.

In a letter to me dated July 13, 1979, the Administrator of the United Credit

Union Administration, Chairman Lawrence, writes:

> This is in response to your letter of June 18, 1979 requesting my views on your amendment to include telephone transfers under the reserve requirements of H.R. 7.
>
> I agree with your assessment of this matter. It is very likely that these accounts will eventually comprise a large percentage of all transaction accounts. There growth continues to be rapid and more and more consumer acceptance is evident. Furthermore the account is, by any definition, a transaction account and justly within the perview of H.R. 7.
>
> I hope my comments are of assistance to you and thank you for the opportunity to comment.

July 16 the American Bankers Association ended a letter to me regarding the amendment by saying to me "the principle of requiring reserves on all saving accounts which are used as transaction accounts is sound. Because your amendment is based upon the recognition of this principle, we have suggested that our members express support for the amendment."

In a letter to me dated July 12, 1979, the Chairman of the Federal Reserve Board, soon to be Secretary of the Treasury, said:

> Since we believe that the exemption for unlimited telephonic transfers is to broad, and could underline the purposes of H.R. 7, we support your efforts to modify this provision: the definition of category A deposits in H.R. 7 is intended to include virtually every method that can be used by depositors to make payments to third parties. Comprehensive coverage is necessary in order to facilitate the implementation of monetary policy. Existence of an open-ended exemption for telephone transfers will encourage depository institutions to invest resources in systems designed to receive telephonic payment instruction from depositors. As more depositors use the convenience of telephone transfers to pay bills, a smaller amount of transaction deposits would be subject to the reserve requirements of H.R. 7, a result which is contrary to goal of facilitating the control of monetary policy.

The Chairman's letter ends by saying:

> Enactment of your proposal would serve to further the objectives of H.R. 7 by facilitating the implementation of monetary policy and promoting greater competitive equality. We support your efforts to clarify and improve this legislation.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, the gentleman has been very gracious in bringing this amendment to our attention. I would have to be truthful and say that I cannot approve of the amendment, but on the other hand I am not going to object to it.

I do not know for sure how this is going to work on the number of times, six; this could cause a lot of trouble for depository institutions, I am sure the gentleman would agree, on how they are going to keep track.

In essence, I tell the gentleman that I will not oppose his amendment.

Mr. CAVANAUGH. I appreciate the gentleman's support.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the chairman.

Mr. REUSS. Mr. Chairman, I can be somewhat warmer than my good friend from Ohio. I affirmatively approve the amendment. It seems to me a workmanlike attempt to delineate in a responsible way the two categories. I think the gentleman has done it. I think it is a feasible amendment and I hope it will be agreed to.

Mr. CAVANAUGH. I thank the chairman. I can assure the chairman and the ranking minority member that I feel the institutions will be able to effectively implement this amendment, and that the amendment will serve the purposes of assuring that the monetary goals of the legislation will be protected.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I disagree with the gentleman's amendment, but I want to ask some questions.

I think the gentleman from Ohio (Mr. STANTON) raised the question as to how to keep track of the number of telephone calls that are under or over six. I think that is the limitation the gentleman placed on this particular amendment.

Mr. CAVANAUGH. The amendment does not direct itself at establishing a calls. The intent of the amendment is to place a limitation on the number of telephonically communicated transactions. That is not at all a difficult matter to account for within any institution. Institutions monitor transactions within any given account, especially the newer bill payer accounts, monthly for administrative and marketing purposes.

The purpose of the amendment, of course, is to assure that there is not an exemption built into the legislation, H.R. 7, which would provide a massive escape from the reserve requirements we are attempting to establish for transaction accounts throughout the entire financial industry.

Mr. VENTO. I can appreciate the gentleman's goal in terms of trying to prevent that. Obviously, no one wants a wholesale loophole in this legislation in terms of transactions. Does the gentleman differentiate in terms of putting money into the account and taking money out?

Mr. CAVANAUGH. The language of the amendment says:

> Except deposits subject to six or less withdrawals or transfers per month telephonically communicated to the institution by depositor or the depositor's representative.

Mr. VENTO. If the gentleman will yield further, he does use the word "telephonic." So, how does he monitor a telephonic communication to differentiate between types of communication?

Mr. CAVANAUGH. The operative restriction is on the transaction itself. A transaction originated by a telephonic communication——

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

(At the request of Mr. VENTO and by unanimous consent, Mr. CAVANAUGH was allowed to proceed for 2 additional minutes.)

Mr. VENTO. The point is, how does the gentleman differentiate? In other words, is he going to have recordkeeping as to whether someone called in or had a transaction in person? Is he aware that they keep a record of that particular system? I am not. I am not aware of that.

Mr. CAVANAUGH. What is envisioned by this amendment is that institutions might offer this service as a specific account, and they would advise their depositors of the limitations of the account. If they stay within the limitations of that account, the balance of that account would not be held reservable. If they go beyond that, they would, under the terms of H.R. 7 be reservable demand deposits.

Mr. VENTO. If the gentleman will yield further, I appreciate his efforts to solve what he considers to be a problem that has not yet come into existence in terms of trying to avoid mandatory demand deposit types. That is not a problem that exists today. I do not know that it will in the future, but I think his mechanism is somewhat cumbersome, although I can appreciate the gentleman's concern.

Mr. CAVANAUGH. As the gentleman well knows, if the mechanism were left to me, I would have defined all transaction accounts equally under the bill, but this is an effort to accommodate the existing circumstances, and provide some liberality for practices that have originally grown up, but also to preclude a gaping hole which technology would eventually drive into this legislation and create massive exemptions from reserve requirements.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, as the author of the amendment during committee consideration which exempted telephone transfer services from the definition of transaction accounts, I must rise in opposition to the amendment offered by the gentleman from Nebraska. In doing so, I am not disagreeing in principle with the argument that telephone bill-paying accounts are a type of third-payment accounts—they can and do serve as a substitute for checking accounts in some cases. The problem is, however, that in most cases telephone bill paying is an ancillary service to a customer's regular savings account. Thus, for example, a telephone bill-paying account could very well have a continuing balance of $10,000 but only involve a limited number of transfers per month in amounts considerably less than $1,000.

Since this legislation exempts savings accounts at financial institutions, the logic of exempting telephone transfers is that, while such accounts may have some similarities to a checking account, they are still essentially and primarily savings accounts. Moreover, telephone transfer accounts are still offered by only a relative handful of financial institutions and represent a nominal sum in terms of overall bank deposits. If the day should come when such accounts become more widespread, and more in the nature of full substitutes for checking accounts, then I might very well agree with the gentleman from Nebraska that these accounts should be covered just as we are now including NOW accounts, share drafts, and automatic transfers, within the definiton of the transaction accounts.

An additional problem with the amendment now before the House, at least in my view, is that it is administratively unworkable. It calls for reserves to be held against telephone transfers accounts if there are more than six transactions per month. The difficulty is that reserves are computed and posted on a weekly basis and thus a monthly criteria would simply not work. Even if the problem could be overcome, requiring banks to examine each and every account to ascertain whether the triggering level has been met would entail immense time and computer expense and would require an overwhelming amount of paperwork to be filed with the Federal Reserve Board.

For all these reasons, I urge the defeat of this amendment.

Mr. GREEN. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, Bert Lance may have contributed very little either to American Government or American banking, but he did leave us one memorable quotation: "If it ain't broke, don't fix it."

I suggest that these customer bill payer thrift accounts have not been a problem, and we ought not to create a cumbersome system that is going to cost the users of those accounts money. I would have to oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. VENTO: Page 32, strike out line 16 and all that follows through page 33, line 4.

Mr. VENTO. Mr. Chairman, this amendment strikes out the collateral provisions in the bill.

□ 1150

This legislation has been before the Committee on Banking, Finance and Urban Affairs for some time and provisions seem to flow in and out of it based on remedial types of legislation that concerned the Fed. I think this particular provision on easing collateral requirements or modification of collateral requirements deserves closer oversight on the part of the committee.

The Fed is now required to have collateral for its note issue in the form of Government securities—the dollar bills we carry around in our wallets and purses. If at any time the Federal Reserve is squeezed by the need to issue notes in excess of the limit imposed by the collateral holding, it should come forth to the Congress and we will consider granting that authority.

The Federal Reserve is not now short of collateral and, therefore, this is not the time for such consideration. This section of the bill was inserted at the FRB request; it is a separate issue and should be treated separately.

I have talked this over with both the chairman of the committee and with the ranking minority member. I do not believe this is a controversial amendment. My colleague on the other side, the gentleman from Texas (Mr. PAUL), has a long dissenting view concerning this specific issue in the committee report. Hopefully we can act on this with little or no controversy.

Mr. PAUL. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I will be happy to yield to the gentleman from Texas.

Mr. PAUL. I thank the gentleman for yielding. I would like to point out this is the amendment I intended to introduce. I would like to endorse this amendment. I will certainly support it. I think it is very important that we do address the subject of collateral, for if we do not, this bill will be much more inflationary than it already is. I compliment the gentleman.

Mr. Chairman, tinkering with the statutory collateral requirements for Federal Reserve notes apparently is an item of very low priority with the Fed. Over the past year in the many appearances of the Fed before the committee on the pending legislation there was not one word of testimony relating to changing collateral requirements for Federal Reserve notes as provided for in section 3(d) of the bill. Indeed it was not until the May 22, 1979, committee print of the bill—third version of H.R. 7—that such a provision surfaced for the first time. Then on June 11 the committee ordered the bill reported with the note collateral change but still without one word of testimony from the Fed on the provision. The conclusion is inescapable that no matter how the provision got in the bill, it was not essential and at best an afterthought.

Ever since passage of the Federal Reserve Act in 1913 the law has required that Federal Reserve notes be secured 100 percent by collateral specified in the law. Presently, eligible collateral consists of the Fed's gold certificate account, special drawing rights certificate account, eligible paper, U.S. Government securities, and U.S. agency securities. Section 3(d) of the bill scraps those specific collateral requirements and instead authorizes any "financial asset" owned by the Fed banks as eligible for collateral to secure Federal Reserve notes. The term "financial asset" is too broad. The fact is not all financial assets of the Fed should be considered as appropriate to collateralize Federal Reserve notes because of the nature or maturity of the assets or the particular circumstances of ownership as I pointed out my dissenting views in the committee report.

Responsibility for authorizing the issuance of Federal Reserve notes is vested solely in the Federal Reserve Board. The Board has guarded this responsibility by requiring that a Federal Reserve Bank needing currency make application to and tender collateral to the local Federal Reserve agent—responsible directly to the Board—in an amount equal to the sum of the Federal Reserve notes applied for and issued pursuant to such application. Once the notes are printed the Board is thus assured the notes are in compliance with the collateral provisions of the law. Section 3(d) changes that requirement by providing that "collateral shall not be required for Federal Reserve notes that are held in the vaults of Federal Reserve banks." In other words there then would be two classes of printed Federal Reserve notes, those fully collateralized and those without any collateral. Control by the Federal Reserve Board in exercising its responsibility for the issuance of Federal Reserve notes is weakened by this change.

The argument is made in the majority report that the change is necessary since "the substantial decrease in reserve requirements which the bill provides for will require substantial sales or runoffs from the securities portfolio of the Federal Reserve banks in order to avoid an inflationary expansion of the money supply." The numbers make clear, such reduction in the Fed's security portfolio can be accommodated without making any change in Federal Reserve note collateral requirements. At the end of April 1979 the amount of Federal Reserve notes issued was $115.6 billion and the amount outstanding was $101.7 billion. That is a cushion of $13.9 billion in Government security holdings which could be reduced if necessary and still meet currency requirements. In addition, the Fed held $7.6 billion of free Federal agency and Government securities. The Congressional Budget Office estimates that when the bill is implemented by July 1, 1984, the net reserve reduction will amount to $10.6 billion. The change in collateral requirements for Federal Reserve notes is an unneeded legislative gratuity that has no place in this bill.

Mr. VENTO. Mr. Chairman, I appreciate the support of the gentleman. I think the gentleman has done his homework on this in terms of dissenting views in the committee report.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the ranking minority member, the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. I appreciate the gentleman yielding.

I take this opportunity to compliment the gentleman on his amendment. The amendment is an excellent amendment. The gentleman from Texas (Mr. PAUL) has been interested in this. Certainly the dollar, suffering as it is now under renewed attacks abroad, the amendment even makes sense.

Mr. Chairman, the dollar again is suffering from renewed speculative attacks abroad. It is trading at a 6-month low and has given up most of its gains following the massive stabilization operations of last November. At home, our economy faces an incipient recession. This is not the time to needlessly tinker with our currency and risk further speculative attacks on the dollar.

Section 3(d) of H.R. 7 would change the statutory requirements for collateral securing Federal Reserve notes. In place of specified types of such collateral, the section would broaden eligible collateral to include any "financial asset" owned by Federal Reserve Banks irrespective of whether or not such assets were appropriate for collateral purposes.

The grant of authority is too broad and is not needed. The section was added to the bill at the last moment without any testimony from the Fed or any other witness. Supposedly the section was added to give the Fed flexibility in offsetting the inflationary impact of substantial reductions in reserve requirements as provided for in the bill, through sales or runoffs of its securities portfolio. However, this still can be done without any change in the collateral requirements. The Congressional Budget Office estimates that when the reduction in reserve requirements is fully phased in by July 1, 1984, the net reduction in reserve requirements will amount to $10.6 billion. To accommodate this change the Fed as of the end of May had $30.3 billion of excess collateral over the $103.7 billion of Federal Reserve notes outstanding.

The amendment striking section 3(d) from the bill should be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. VENTO).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 3?

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ST GERMAIN: Page 26, line 19, strike "3" and insert "0".

Mr. ST GERMAIN. Mr. Chairman, my amendment is a simple one. It strikes, on page 26, line 19, the number "3," and inserts the number "0."

During none of the hearings or discussions on the bill before us which have been going on for more than 1 year has the case been made, in my opinion, that there was a need to place any reserve requirements on time or savings accounts. Initially, I was prepared to offer an amendment which would have struck this entire section. If this amendment were offered and adopted, all authority for the imposition of reserve requirements on any time or savings accounts would have been repealed.

As a result, however, of the vigorous renewed arguments of Federal Reserve Board Chairman Bill Miller, soon to be Secretary of the Treasury, to the effect that it may be necessary at some time, assuming negotiations are successful and the economic situation at the time warrants it, that our central bank and the central banks of other industrialized countries, should have the authority to impose reserve requirements on all Eurodollar currency borrowings, I have modified my amendment.

The amendment that I am offering would leave in place, essentially standby authority for a range of reserves from 0 to 8 percent, eliminating the present 3 percent initial reserve level for so-called short-time, large nonpersonal certificates of deposit with the understanding there would not be an imposition of any reserve requirement until the essential conditions I have stated are met: first, the completion of Eurodollar borrowings negotiations with all countries involved; and second, a finding that economic conditions warrant the imposition of reserves with full consultation with the appropriate committees of Congress before imposing any such reserve requirements.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Wisconsin, the distinguished chairman of the full committee.

Mr. REUSS. Mr. Chairman, I believe the amendment offered by the gentleman from Rhode Island is a good amendment. I am prepared to accept it for our side. I know full well the amount of time the gentleman from Rhode Island has spent on this amendment; and more importantly, his desire to make sure that the legislation we are passing on here today, will in no way affect adversely our country's desire to have proper and appropriate monetary controls, both domestically and internationally.

Is it not correct, Mr. ST GERMAIN, that initially you were considering an amendment which would, if adopted, eliminate the ability of the Federal Reserve to impose any reserve requirements on time or savings deposits; whereas, the amendment you are offering at this point would only change the 3 percent initial reserve level for nonpersonnel time deposits to zero, but maintain the band—range—of zero to 8 percent?

Mr. ST GERMAIN. That is precisely correct.

Mr. REUSS. It is my understanding, please correct me if I am wrong, that your intent in doing this is based on the clear and precise understanding of the following:

First, the Federal Reserve Board as currently constituted, or as may be constituted in the future, would only consider using this authority, if there is agreement with the various European and other involved countries that the need to control Eurodollar borrowings via the imposition of reserve requirements is necessary, and all countries involved, not just the United States, agree to and will impose such reserve requirements equally.

Second, if and when such international negotiations are concluded, and if and when the Federal Reserve Board as now constituted, or is to be constituted in the future, concludes that it is necessary and proper to impose reserve requirements on so-called nonpersonal, large certificates because of the need to control Eurodollar borrowing, they would first consult with the appropriate committees of Congress before imposing any such reserve requirements.

Mr. ST GERMAIN. The gentleman from Wisconsin, the chairman of the Committee on Banking, Finance and Urban Affairs, states the case precisely. What the gentleman from Wisconsin states is my understanding from the several conversations I have had with the Chairman of the Federal Reserve Board, the Honorable G. William Miller. It is also my understanding that what is stated by the gentleman from Wisconsin is precisely that which the gentleman from Ohio, WILLIAM STANTON understood from a conversation with Chairman Miller on this question.

Mr. WYLIE. I congratulate the gentleman for offering the amendment and wish to support him. I think this is a very important amendment and I think it will encourage financial institutions and their customers to keep their money in savings accounts where there will be no reserve requirements and where it can become a store of value and not so much a medium of exchange. There will not be so much moving back and forth between accounts.

I think the amendment of the gentleman is quite within the spirit of this bill we are considering today and I compliment the gentleman for it.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Ohio.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VENTO: Page 30, line 15, insert after "paragraph." the following: "During such transition period, any depository institution which was not a member of the Federal Reserve System on August 1, 1978, which became a member of the Federal Reserve System after such date, and which would not otherwise be required to maintain reserves under this section, shall maintain reserves equal to the reserves imposed on member banks under the previous sentence.".

This is a perfecting amendment to the (11) transitional adjustments paragraph.

When this paragraph becomes effective, Federal Reserve System member banks with excessive reserves can adjust to those new reserve requirements but over a period of 48 months and under Fed regulations. In many instances it is expected that reserves will be phased down to zero.

However, as the transitional adjustment provisions now stand, a State bank which may qualify for the reserve requirement exemption under H.R. 7 could shortly thereafter become a Federal Reserve System bank member, and in doing so it would escape State reserve requirements and also it would not be covered by the transitional phase-down requirements in subparagraph (C). This would place those similarly situated Federal Reserve System member banks presently in the system at a competitive disadvantage during the 48-month phase-down and could affect State banking systems which would lose banks and seriously disrupt other established banking relationships.

My amendment prevents such inequity and chaos by imposing the same reserve requirement on new depository institutions as those member banks which were in the system on August 1, 1978.

I think this is a fair and just amendment.

Those of my colleagues who are so concerned with the preservation of the dual banking system ought to support this amendment because it gives the States 4 years to modify their banking laws to meet the challenge that this act presents to the State banking systems.

I have every confidence that the States will respond to such a challenge. It has always been true that with their inherent ingenuity and versatility the States have always come up with new ideas and new institutions in response to new needs.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Ohio.

Mr. STANTON. I appreciate the gentleman yielding.

Once again, the gentleman was very courteous in presenting this side with the amendment in time for us to take a good look at it. We would have no objection to the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. VENTO).

The amendment was agreed to.

Mrs. HECKLER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to address the chairman of the committee and the ranking minority member. I have to say at the outset I have the greatest respect for the work product they have produced. I know how laborious this has been for the committee and I commend both the gentleman from Wisconsin and the gentleman from Ohio, as well as the rest of the committee for their sustained effort.

I am most concerned about the ramifications on the NOW accounts which are a banking innovation of enormous value to the consumer. The NOW accounts, as both of these gentlemen and many Members of the House know, were passed by the House in 1973. At that time, after much debate, the Committee on Banking, Finance and Urban Affairs and our leaders here as well as other members of the committee worked very hard for the passage of what was an option for the small saver. A NOW account is a unique instrument which allows the saver to draw interest in his balance while writing checks from his account. This is particularly convenient for older people who can draw on their savings to pay their bills.

It was an innovation begun in Massachusetts just before the 1973 amendments and it has carried throughout New England and is in New York. While NOW accounts are still in the experimental stage, they have been an enormous public success.

Although I am very concerned that the impact of this legislation on the stability of the Federal Reserve, a cause that I strongly support, I am also concerned that there not be a casualty for the NOW account earner or holder, the small investor, who has the benefit now of something that could be lost in the bill.

□ 1200

The questions that I would like to raise at this point with the distinguished chairman of the committee relate to the level of reserve requirements for a NOW account. Under my interpretation of the bill, there would be a zero level of reserve requirements for savings accounts. They are not covered by the bill.

On the other side of the spectrum there would be an initial 11-percent level of reserve requirements for checking accounts, going up to 12 percent.

Now, the NOW account, which is a hybrid, part savings and part checking, should in my judgment fall somewhere in the middle of the spectrum between these two extremes because it serves both functions.

What I would like to ask the distinguished chairman of the committee is whether or not the gentleman would see that the Federal Reserve System would interpret their authority under this H.R. 7 to allow them to grant a differential for the NOW accounts which reflect the true nature of that instrument of banking.

Mr. REUSS. Mr. Chairman, would the gentlewoman yield?

Mrs. HECKLER. Yes; I would be happy to yield.

Mr. REUSS. Mr. Chairman, first of all, I want to say how deeply we respect all the observations of the gentlewoman from Massachusetts and how much we regret the fact that the gentlewoman, who was a sparkling light on our committee a few years ago, had to leave us.

Now as to the question the gentlewoman raises, let me assure the gentlewoman that under H.R. 7 the Federal Reserve is fully authorized and empowered to impose differential reserve requirements on different types of transaction accounts. It would be entirely agreeable to me as chairman of the Committee on Banking if the Federal Reserve in its wisdom and focusing on the nature of this peculiar instrument which has burgeoned so beautifully in the New England States should decide that it deserves a lower reserve requirement than other pure banking accounts.

I do not think we should legislate on the matter, because the Federal Reserve is fully endowed with those powers. I give it to the gentlewoman that the exercise of those powers by the Federal Reserve to impose differential reserve, a lesser reserve on NOW accounts, would not only be inoffensive to me, but I think would be affirmatively desirable.

Mrs. HECKLER. Mr. Chairman, would the gentleman agree that the NOW account is a hybrid function which incorporates both the aspects of a passbook savings account, as well as a demand deposit. Would the gentleman agree to that first description of the NOW account?

Mr. REUSS. Yes. The gentleman would add that the NOW account is one of the cleverest inventions since the compass and the wheel and that it is a piece of paper which possesses essentially the same attributes as a checking account.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

(At the request of Mr. REUSS and by unanimous consent, the gentlewoman from Massachusetts (Mrs. HECKLER) was allowed to proceed for 3 additional minutes.)

Mr. REUSS. The NOW account is essentially possessed of the same attributes as a checking account, but it is a different thing, and, thus, I think should be the subject of differential treatment; but I think that should be left to the sound discretion of the central bank.

Mrs. HECKLER. Would the gentleman say it is the gentleman's recommendation to the central bank that the NOW accounts be treated differently?

Mr. REUSS. It would be my recommendation that they look at this question with absolutely no preconceived inhibitions whatever and recognize that NOW accounts are a different thing and if they think monetary requirements command a differential and less reserve requirement, that they do just that. The law clearly enables them to do that.

Mrs. HECKLER. Would the gentleman agree that if the NOW account is subjected to the same level of reserve requirements as the checking account, which would change from the current law which is at 3 percent to 12 percent, that the impact would be passed on to the consumer as the bank will always pass on its costs?

Mr. REUSS. I would think that the burden would be shared in some indeterminate fashion between savers, borrowers, and bank stockholders, who can tell; but the gentlewoman is certainly on sound ground in saying that this impact will be felt.

Mr. STANTON. Mr. Chairman, will the gentlewoman yield?

Mrs. HECKLER. Yes, I would be happy to yield.

Mr. STANTON. Mr. Chairman, I appreciate the colloquy that has taken place and I would hope it would be a substitute for the amendment that the gentlewoman had in mind. I can appreciate the interest and especially from the gentlewoman's part of the country that the gentlewoman as a Member has and the gentlewoman's other fellow Members have in this particular subject.

One thing I would like to do, as the gentleman from Wisconsin has already done, and that is tell the gentlewoman that we miss the gentlewoman on our committee for the part she has played.

After that, I would once again like to reiterate what the chairman has just said, that in my opinion the Fed would have the authority fundamentally on the gentlewoman's No. 1 question to probably accomplish within the ranges of what the gentlewomen wants it to.

The answer to the gentlewoman's second question is, we know the gentleman from Rhode Island is taking up this general subject of NOW accounts, nationwide NOW accounts, definitions and the meaning of third party transaction accounts. Maybe the gentleman could add to this; but this colloquy, maybe this general bill is a little premature because of the subject the gentlewoman brings up, but I would hope that after this colloquy that the gentlewoman would at our request maybe withdraw the amendment, leave it to the committee of the gentleman from Rhode Island and to the Fed.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words.

I will yield to the gentlewoman from Massachusetts in just a moment, for whom I have great admiration and respect; but I did not feel that I could possibly sit here and by my silence agree that I think this might be a good amendment. Now that is not to say that I would object to any colloquy which the chairman of the Committee on Banking and the gentlewoman from Massachusetts might have for the Federal Reserve Board. Nevertheless, I think testimony before the subcommittee quite affirmatively established that these NOW accounts are transaction accounts and that they are third party payment accounts. A checking account is a checking account. NOW accounts are a medium of exchange account.

Whereas in the past we have had 10 different categories of reserve requirement, we have now cut it down to two and I think that if we would add another third category that we would be making an exception to the bill which we have before us.

I cannot imagine having any different reserve requirement for a so-called NOW account than we have a regular checking account. To me they are checking accounts. They are both medium of exchange accounts, and they are the same.

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I would be glad to yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Chairman, I thank the gentleman for yielding and take this opportunity to thank both the chairman and the ranking minority member for their clarifying comments on the unique nature of the NOW accounts.

I will not at this point offer the amendment that I had prepared. Reasonable people can differ on any issue and the NOW accounts are not the subject of an exception. I am gratified that the chairman of the committee agreed to my classification of the NOW accounts as a hybrid instrument and that the ranking minority member has made the same expression of opinion. The NOW accounts have widespread public support in the areas where they are available. It is important to keep them alive so that the data can be gathered to determine their nature and impact conclusively.

In my experience, the NOW accounts in New England have been a saver's gain and of special service to senior citizens who draw money on their savings accounts and pay their bills. It is a great convenience for them and many others.

I believe it is very important to have a significant difference in reserve requirements between checking accounts and NOW accounts both to protect the consumer's interest and to gather the data necessary for the analysis by the distinguished committee.

Mr. WYLIE. Well, I think it is important that these NOW accounts be counted as a part of the basic money supply, M-1. That is the reason I do not think they should be separated.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, I would ask the gentlewoman when the gentlewoman is revising her remarks to remove a word the gentlewoman has been using about "differential." There is no differential used in the NOW accounts in New England and New York.

I think what the gentlewoman means, the gentlewoman is seeking a differentiation between the transaction account and the checking account.

Mrs. HECKLER. Since the word "differential" is a term of art in the banking world perhaps the substitution of the word "differentiation" would make my point more clearly. I would like to focus on the essential difference between financial instruments.

Mr. ST GERMAIN. Between a NOW account and a transaction account.

Mrs. HECKLER. Yes. These accounts are, in fact, different and deserve to be treated differently by the Federal Reserve in order to insure that the consumer benefit will not be removed by a precipitous increase in the reserve requirements for NOW accounts.

Mr. ST GERMAIN. Mr. Chairman, excuse me, since the gentleman yielded to me, I think we want to make sure that it is a differentiation that the gentlewoman is seeking as to treatment with respect to reserve requirements; is that correct?

□ 1210

Mrs. HECKLER. The word differentiation is acceptable to me. It is the concept of the difference between the NOW accounts and transaction accounts which I wish to clarify.

Mr. ST GERMAIN. Is there an accurate statement?

Mrs. HECKLER. The legislative history I think is important because any precipitous increases in the reserve requirements for NOW accounts will ultimately be passed on to the consumers, as all costs are and will mean higher service costs or the requirement of a larger minimum balance.

If the Federal Reserve does not take into account the unique characteristics of NOW accounts, the consumer advantage will be lost.

Mr. ST GERMAIN. So it could be it would be less than the profits the banks receive and the bank structures receive. I would not assume it would automatically mean any harm to consumers since, as has been stated by the gentleman from Ohio (Mr. STANTON), we have had very substantial lengthy hearings on NOW accounts and transaction accounts before the Subcommittee on Financial Institutions, and we have yet to have a consumer organization come in and complain about reserve requirements on these. The only complaints I have heard of are from the bankers.

Mr. WYLIE. Mr. Chairman, I yield back the balance of my time.

AMENDMENTS OFFERED BY MR. STANTON

Mr. STANTON. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. STANTON: Page 31, line 11, strike out the quotation marks and the period at the end thereof.

Page 31, after line 11, insert the following new paragraphs:

"(12) BOARD DETERMINATION.—

"(A) With respect to each calendar quarter beginning during the period beginning on the date of the enactment of the Monetary Control Act of 1979 and ending on the date on which the Board makes the determination specified in subparagraph (B), the Board shall determine the ratio, expressed as a percentage, which the amount of total deposits held by all member banks bears to the amount of total deposits held by all banks. Such quarterly determination shall be based upon information received by the Board under section 11(a)(2). Not less than once during each calendar quarter involved, the Board shall publish in the Federal Register and notify the Congress and each member bank of the most recent determination made by the Board under this subparagraph.

"(B) The reserve requirements established under paragraphs (5) and (6) shall apply only with respect to member banks unless the Board makes a determination under subparagraph (A) that the ratio, expressed as a percentage, described in such subparagraph is less than 66 per centum. If the Board makes such determination, the reserve requirements of paragraphs (5) and (6) shall apply to all depository institutions 180 days after such determination is made. During such 180-day period, notice of such determination shall be published in the Federal Register and transmitted to the Congress by the Board. Such determination shall also be transmitted during such 180-day period—

"(i) to all member banks by the Board;

"(ii) to all insured State nonmember banks by the Board of Directors of the Federal Deposit Insurance Corporation;

"(iii) to all insured credit unions by the Board of the National Credit Union Administration;

"(iv) to all Federal savings and loan associations by the Federal Home Loan Bank Board;

"(v) to all savings and loan associations insured under section 403 of the National

Housing Act, other than Federal savings and loan associations, by the Federal Savings and Loan Insurance Corporation; and

"(vi) to all other types of banks, savings and loan associations, and credit unions by such State officer or agency as the Board may designate.

"(13) TRANSITIONAL CATEGORY A RESERVE REQUIREMENT.—During the period beginning on the date of the enactment of the Monetary Control Act of 1979 and ending 180 days after the determination specified in paragraph (12)(B) is made by the Board, every member bank shall maintain reserves against each class of its category A deposits as the Board may direct—

"(A)(i) with respect to category A deposits determined under paragraph (14), in the ratio of 3 per centum, and

"(ii) with respect to category A deposits which exceed the amount determined under paragraph (14), in the ratio of 11 per centum, or

"(B) in such ratio not greater than 12 per centum and not less than 4 per centum as the Board may prescribe, or

"(C) in such ratio as the Board may prescribe pursuant to paragraph (8).

"(14) DEPOSITS SUBJECT TO TRANSITIONAL CATEGORY A RESERVE REQUIREMENTS.—During the period beginning on the date of the enactment of the Monetary Control Act of 1979 and ending 180 days after the determination specified in paragraph (12)(B) is made by the Board, the portion of the category A deposits subject to paragraph (13)(A)(i) for any member bank during any calendar year shall be determined by the Board as follows:

"(A) The portion of the category A deposits subject to paragraph (13)(A)(i) for 1979 shall be the sum of $35,000,000 plus the product of $35,000,000 times 1.0 times the quotient of the difference between the total of all category A deposits in all depository institutions on June 30, 1978, and the total of all category A deposits in all depository institutions on December 31, 1977, divided by the total of all category A deposits in all depository institutions on December 31, 1977.

"(B) For any given year after 1979, the portion of the category A deposits subject to paragraph (13)(A)(i) shall be the sum of the portion of the category A deposits subject to paragraph (13)(A)(i) for the first year preceding the given year plus the product of the portion of the category A deposits subject to paragraph (13)(A)(i) for the first year preceding the given year times 1.0 times the quotient of the difference betwen the sum of all category A deposits in all depository institutions on June 30 of the first year preceding the given year and the sum of all category A deposits in all depository institutions on June 30 of the second year preceding the given year, divided by the total of all category A deposits in all depository institutions on June 30 of the second year preceding the given year.

"(15) TRANSITIONAL LIMITATION ON EXEMPTIONS.—The provisions of paragraphs (2), (3), (4)(A), and (4)(B) shall not apply with respect to any depository institution during the period beginning on the date of the enactment of the Monetary Control Act of 1979 and ending 180 days after the determination specified in paragraph (12)(B) is made by the Board.

"(16) TRANSITIONAL REDUCTION OF EXCESS RESERVES.—

"(A) Notwithstanding any other provision of this section except subparagraph (B), during the period beginning on the date of the enactment of the Monetary Control Act of 1979 and ending 180 days after the determination specified in paragraph (12)(B) is made by the Board, the amount of required reserves maintained by a member bank during the reserve computation period immediately preceding the effective date of paragraphs (6) and (13) which exceeds the amount of required reserves imposed pursuant to such paragraphs shall be reduced by the Board by 50 per centum during the first year that begins after such effective date, 75 per centum during the second year after such effective date, and 100 per centum during the third year after such effective date.

"(B) No reduction authorized under subparagraph (A) with respect to excess amounts of required reserves shall be made after the 180th day following the date on which the determination specified in paragraph (12)(B) is made by the Board.

"(17) REFUND OF RESERVES.—

"(A) Notwithstanding any other provision of this Act except subparagraph (B), any bank which ceases to be a member of the Federal Reserve System after the date of the enactment of the Monetary Control Act of 1979 shall receive all required reserves maintained by such bank during the reserve computation period immediately preceding the date on which such bank ceases to be a member of the Federal Reserve System in three equal annual payments.

"(B) No annual payment authorized under subparagraph (A) shall be made after the 180th day following the date on which the determination specified in paragraph (12)(B) is made by the Board.

"(18) LIMITATION ON TRANSITIONAL ADJUSTMENTS.—The provisions of paragraph (11) shall not apply with respect to any bank which was a member of the Federal Reserve System on May 24, 1979, which ceases to be a member of the Federal Reserve System after such date, and which subsequently is required to maintain reserves under paragraph (5) or (6).

"(19) TRANSITIONAL EXEMPTION OF RESERVES RELATED TO FOREIGN OBLIGATIONS OR ASSETS.—During the period beginning on the date of the enactment of the Monetary Control Act of 1979 and ending 180 days after the determination specified in paragraph (12)(B) is made by the Board, the provisions of paragraph (7) shall not apply with respect to any depository institution or any foreign branch, subsidiary, or international banking facility of any nonmember depository institution, except for those nonmember depository institutions which are branches or subsidiaries of foreign banks.

"(20) TRANSITIONAL AUTHORITY IN EXTRAORDINARY CIRCUMSTANCES.—During the period beginning on the date of the enactment of the Monetary Control Act of 1979 and ending 180 days after the determination specified in paragraph (12)(B) is made by the Board, the provisions of paragraph (8) shall apply only with respect to member banks.

"(21) APPLICATION FOR WITHDRAWAL FROM THE FEDERAL RESERVE SYSTEM.—Notwithstanding any other provision of this Act, the Board shall not approve any application by any member bank to withdraw from membership in the Federal Reserve System if such application is filed with the Board during the period beginning on May 24, 1979, and ending on the date of the enactment of the Monetary Control Act of 1979. This paragraph does not prohibit the Board from approving any such application which is filed with the Board by any member bank after the date of the enactment of such Act.".

Page 23, line 4, strike out "The" and insert in lieu thereof "Except as provided in paragraph (15), the".

Page 24, line 5, strike out "The" and insert in lieu thereof "Except as provided in paragraph (15), the".

Page 25, line 7, strike out "The" and insert in lieu thereof "Except as provided in paragraph (15), the".

Page 26, line 6, strike out "Every" and insert in lieu thereof "Except as provided in paragraphs (12)(B) and (13), every".

Page 26, line 16, strike out "Every" and insert in lieu thereof "Except as provided in paragraph (12)(B), every".

Page 27, line 2, strike out "Foreign" and insert in lieu thereof "Except as provided in paragraph (19), foreign".

Page 27, line 24, strike out "Upon" and insert in lieu thereof "Except as provided in paragraph (20), upon".

Page 28, line 22, strike out "Any" and insert in lieu thereof "Except as provided in paragraphs (16) and (18), any".

Page 29, line 21, strike out "With" and insert in lieu thereof "Except as provided in paragraphs (16) and (18), with".

Page 30, line 9, strike out "In" and insert in lieu thereof "Except as provided in paragraphs (16) and (18), in".

Page 30, line 16, strike out "This" and insert in lieu thereof "Except as provided in paragraphs (16) and (18), this".

Page 35, strike out lines 14 through 19 and insert in lieu thereof the following:

SEC. 7. The amendments made by this Act shall take effect on the date of the enactment of this Act.

Mr. STANTON (during the reading). Mr. Chairman, since I plan to thoroughly explain my amendments, I ask unanimous consent that they be considered as read, printed in the RECORD, and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. STANTON. Mr. Chairman, this amendment is known—and I have to smile a little bit when I say this—as the "Freedom of Choice Amendment." I do not expect to take much time in explaining this because really, if the Members have not heard of this amendment, either pro or con—and it is probably mostly pro—my only suggestion would be that they probably ought to check their mail. I assume the Members are familiar with my amendment.

In a more serious vein, though, Mr. Chairman, what this amendment does fundamentally is to recognize that the present members of the Federal Reserve System are the ones who are mostly concerned today with the cost of membership. They are the ones who, over the years and for many years, have been proud members of the Federal Reserve System. They are voluntary members of the Fed System, and, of course, this voluntarism is what has caused, to a degree, the problem that we have today, because member banks have been leaving the System.

But the overwhelming majority of them, Mr. Chairman, want to stay, and the reason they want to stay and are willing to stay and hopefully can stay may depend on whether we can reduce the cost of membership.

Fundamentally, what the freedom-of-choice amendment does, Mr. Chairman, is to give these members an opportunity, before the mandatory approach of H.R. 7, to solve their membership problem themselves. As the committee chairman said earlier, and as I repeat, what is involved with both the freedom-of-choice amendment and H.R. 7 is the recognition that each contains a very important element: That is, a drastic reduction in the amount of reserves that member banks have to hold with the Federal Reserve System.

To give the Members some idea of how much of a reduction this is, fundamentally, today in the freedom-of-choice amendment, banks of $100 million or less would be given almost a total exemption. They can meet these reserve requirements with vault cash. Banks between $100 million and $500 million would get about a 75-percent reduction in bank reserves, and member banks between $500 million and $1 billion and over would get about a 50-percent reduction in reserves.

Given this reduction in reserves, it is my firm opinion that the present members will stay, membership will stop eroding, and we will address the No. 1 problem in the Federal Reserve System: having coverage over a sufficient amount of member banks' deposits to control the growth of money in this country and the supply of money.

Mr. Chairman, we could go into more detail, but fundamentally the thing to remember is that we maintain the same basic reserve requirements as H.R. 7. That is, we have a set limit of 11 percent on transaction accounts. We free up all the short-term and long-term reserve requirements on small consumer time deposits, and that is very similar to what H.R. 7 does. We do place a 3-percent reserve requirement on transaction accounts below $35 million.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I will be happy to yield to my friend, the gentleman from Delaware.

Mr. EVANS of Delaware. Mr. Chairman, I would like to congratulate the gentleman from Ohio (Mr. STANTON) and the distinguished gentleman from Wisconsin (Mr. REUSS), the chairman of the Committee on Banking, Finance, and Urban Affairs, as well as the gentleman from Georgia (Mr. BARNARD) and the gentleman from Pennsylvania (Mr. MOORHEAD), for their very fair approach to what I think is a very difficult and complex problem.

The gentleman from Ohio (Mr. STANTON) recognizes the importance of the Federal Reserve System. He understands full well that there has been a decline in the membership, and that if that decline continues, it would seriously jeopardize the ability of the Fed to conduct the monetary affairs of this Nation. That is extremely important if we are going to do something about the inflation rate of this country and restore stability to the dollar and gain some respect for our economy throughout the world.

Mr. Chairman, I rise in support of the "freedom of choice compromise."

We are today faced with a serious problem of banks leaving the Federal Reserve System. Furthermore, as these withdrawals accelerate, the Fed's ability to administer monetary policy is weakened to a certain extent.

Mr. Chairman, I must point out that I firmly support the role of the Federal Reserve in our dual banking system. I believe that any proposal we consider today to halt the decline in the number of banks belonging to the Federal Reserve should be consistent with the maintenance of the effectiveness and independence of the Federal Reserve in managing our monetary policy. But we should not lose sight of the undeniable fact that the option banks now have of joining or not joining the Federal Reserve has created a dynamic and responsive correspondent banking structure that has well served our country's economic needs. H.R. 7, in its present form, would effectively cripple the dual banking system by forcing many of the largest State-chartered banks to become against their own, free judgment members of the Federal Reserve System.

For this reason, I support the "freedom of choice" amendment to H.R. 7 because I believe it offers the best solution to these problems. Banks are leaving the Fed because of the excessive costs of membership. The Stanton amendment addresses this cost burden directly by reducing the level of reserve requirements for all member banks. Additionally, the Stanton amendment solves the membership and monetary control problem without dismantling the current structure of the dual banking system.

Today's voluntary Federal Reserve System has generally functioned well during the past seven decades. It has served the Nation as a regulator of banks and as the Nation's central bank. As such, I am very reluctant to endorse all the changes in the System which are incorporated in H.R. 7.

Mr. Chairman, the proponents of H.R. 7 have not yet demonstrated any conclusive reason to deny banks the right to voluntarily exercise the option of affiliation with the Federal Reserve System. H.R. 7 would cause severe and possibly fatal strains on the State segment of the dual banking system. The universal reserve requirements in H.R. 7 would generate a significant number of defections from State-chartered systems to national charters. This would occur because the new reserve requirements will force the banks to simplify the web of their regulatory controls which govern their operations. Under H.R. 7, a State-chartered bank might be regulated in at least some of its activities by the Federal Reserve, the Federal Deposit Insurance Corporation, and a State banking regulatory agency. Faced with the burden of excessive, overlapping regulation that will be generated by H.R. 7, there can be no doubt that many banks will drop their State charters and become nationally chartered members of the Federal Reserve. The imposition of Federal Reserve reserve requirements on other than a voluntary membership basis would be tantamount to compulsory membership or would make membership an irrelevant concept. This would be a bad omen for the continued existence of the dual banking system for several reasons.

Mr. Chairman, the most important characteristic of our State/Federal system is that it embodies the constitutional principle of checks and balances on the exercise of regulatory power. The fact that bank can choose entry through either the State or Federal chartering process and that it can change its primary supervisor, creates a powerful check on the regulator's authority and potential for abusive or simply unwise actions. Mandatory membership in the Federal Reserve or mandatory Federal Reserve requirements on all commercial banks portend further concentration of power at the Federal level in the control and regulation of banking. The mandatory extension of reserve requirements to nonmember banks would shift the balance of regulatory power toward the Federal level and away from the States, and thereby threaten the viability of the dual banking system. The bottom line of this argument is twofold: the continuation of our States' rights to regulate certain banking activities within their borders; and the maintenance of the appropriate checks and balances against the excessive concentration of power at the Federal level of government.

A second attribute of our State/Federal system is that with authority remaining at the local level, bank regulation is brought closer to the people and their communities. Laws and regulations—indeed, the structure of banking—can be tailored to the particular needs and requirements of our various communities. Finally, a decentralized regulatory structure can provide more opportunity and incentive for experimentation and innovation by banking firms and regulators alike. The dual banking system has sponsored many new ideas in banking services and contributed to the development of a competitive banking industry.

For these reasons, I fully support the Stanton amendment, as it does not destroy the dual banking system.

The "freedom of choice compromise" offers an alternative which is much less disruptive to our financial structure than is H.R. 7. The amendment retains the present voluntary system of membership. It lowers reserve requirements significantly to make membership reasonably priced. It does not impose Federal Reserve requirements on State-chartered nonmember banks and thus continues the life and strength of the dual banking system. It is almost identical in cost with H.R. 7. Finally, and most importantly, it results in more monetary control than H.R. 7 and is an important step in reducing the rate of inflation in America today.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STANTON) has expired.

(On request of Mr. EVANS of Delaware, and by unanimous consent, Mr. STANTON was allowed to proceed for 2 additional minutes.)

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield further?

Mr. STANTON. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. But, Mr. Chairman, to continue, there was one serious flaw in H.R. 7 that the gentleman from Ohio (Mr. STANTON) is correcting, and that is that the coercive, mandatory approach to reserve requirements would set a very dangerous precedent. It would have a unique impact in a negative way on small States like my State of Delaware. The gentleman corrects that flaw. I think it is an important step.

Mr. Chairman, I certainly support the amendment and will support the bill in the form in which it comes out with that amendment. I congratulate the gentleman from Ohio (Mr. STANTON) and the others who have worked long and hard in bringing about this compromise.

Mr. STANTON. Mr. Chairman, I appreciate the gentleman's remarks.

Let me say simply in conclusion, Mr. Chairman, No. 1, this is a reserve reduction bill as far as both the freedom of choice amendment and H.R. 7 are concerned, and, No. 2, the freedom of choice amendment is an opportunity for the members banks to control their own destiny and the future of the Federal Reserve System on a voluntary basis.

If time and conditions dictate that the member banks cannot do that for one reason or another, then the freedom of choice amendment states that our prime responsibility is to give the Federal Reserve Board enough control over member banks' deposit to control the money supply.

If at any time the amount of member banks' deposits controlled by the Federal Reserve falls below 66 percent, then it is my full understanding that the mandatory provisions of H.R. 7 will come into effect.

Hopefully, Mr. Chairman, we will never see the day when the deposits under the Federal Reserve's control fall below 66 percent of all commercial bank deposits.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STANTON) has again expired.

(On request of Mr. WYLIE, and by unanimous consent, Mr. STANTON was allowed to proceed for 30 additional seconds.)

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I just want to associate myself with the remarks of the gentleman from Ohio (Mr. STANTON) and compliment him for the blood and sweat he has put into this bill and this amendment. I think the gentleman deserve the accolades of the Members of this body, and I want to say that I think he is certainly a valuable member of the Committee on Banking, Finance and Urban Affairs. I am glad that he is our minority leader on this committee.

AMENDMENT OFFERED BY MR. REUSS TO THE AMENDMENTS OFFERED BY MR. STANTON

Mr. REUSS. Mr. Chairman, I offer an amendment to the amendments.

The Clerk read as follows:

> Amendment offered by Mr. REUSS to the amendments offered by Mr. STANTON: In the fourth line of subparagraph (A) of paragraph (12) on the first page of such amendment, strike "66" and insert "67.5".

Mr. REUSS. Mr. Chairman, the improved amendment which Congressman STANTON is offering today offers the basis for a workable and politically realistic compromise.

The Stanton amendment presented today is an improvement over the earlier version in a couple of major respects. For one thing, the range of reserve requirements in the original Stanton proposal of 0–12 on transactions balances has been changed to 4–12 percent. For another, the original loophole which would have permitted some foreign-owned banks to escape reserve requirements has been closed.

With these improvements, the amendment Congressman MOORHEAD, Congressman BARNARD and I are offering—namely, to raise from 66 percent to 67.5 percent the trigger level at which mandatory reserve requirements would become effective—would provide a very acceptable compromise. While I would have preferred a mandatory system of reserves. I also believe there is much to be gained by achieving a broader consensus behind the legislation we approve and send to the Senate.

By accepting this compromise we substantially reduce the uncertainty as to reserve requirements. The minimum level of reserve coverage is established—67.5 percent. The Federal Reserve agrees that this is sufficient for the effective conduct of monetary policy. This is the basic question with which we have all been concerned. It is settled. Whether the Stanton trigger comes into effect or not—some think it will, some think it will not—the Federal Reserve is assured sufficient reserve coverage to carry out its monetary responsibility.

Congressman STANTON has been just as concerned as Congressman MOORHEAD, BARNARD, and I have been about the continuing withdrawal of banks from the Federal Reserve System and the impact this is having on the Federal Reserve's ability to conduct monetary policy effectively. We need congressional action now on this issue to give the Federal Reserve the tools it needs to fight inflation and to shore-up confidence in the dollar abroad. Considering the disparate views in the House on how best to meet the problem we all want to resolve, I think this compromise is much needed, very workable, and very timely.

□ 1220

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, I think that it would be appropriate for me to point out at this time to the Members of the House that I have always considered it a pleasure to work with the chairman of our Committee on Banking, Finance and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS), and at this moment I consider this to be one of his truly finest hours. The art of legislation is the art of compromise. The gentleman has been such a big help in pointing out several important changes that he wanted in this freedom-of-choice amendment, and he has eloquently spoken to them, especially on the oversight and the coverage of foreign banks.

The gentleman's amendment now addresses the trigger amendment, and he is willing and so graciously has accepted our amendment, one which would change the trigger amendment from 66 percent to 67½ percent.

I want the chairman to know that I do accept his amendment to the freedom-of-choice amendment with pleasure because of the spirit in which he has shown it, and I would have, in conclusion, only one minor thought in mind, which is that our bill calls for a reduction in reserves over a 3-year period, 50 percent, hopefully, the first year. I would hope that, except for very unusual circumstances, we would sort of consider somehow—and I know we could not put this in the law because we do not know what is going to happen—getting these reserves out for 3 years, and then we would consider the 67½ percent. We cannot consider that concretely, as the chairman pointed out earlier, because of the simple reason we do not know what is going to happen.

Does the chairman see my thought in that regard?

Mr. REUSS. Yes. I think the gentleman is on target. As the gentleman from Ohio says, we cannot legislate this, but I have consulted with our staff experts, and I am assured that it is most unlikely, barring catastrophic attrition, that the time of trigger would be under 3 years.

Mr. STANTON. I appreciate that and, Mr. Chairman, I am very happy to accept the amendment.

Mr. REUSS. Mr. Chairman, may I say that I am most grateful to the gentleman from Ohio. I want to pay tribute to the role in working out this true compromise played by my colleagues on this side, the gentleman from Pennsylvania (Mr. MOORHEAD) and the gentleman from Georgia (Mr. BARNARD), who have put in long hours on it, and this truly bears their imprimatur too.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the membership is experiencing a very historic moment. This bill has been before the committee for a long, long time, and differing opinions have gotten narrower, narrower, and narrower; and now we have reached the time when two great leaders, our chairman and our ranking minority Member, have reached an accord, the result of which I believe should mean there really should be almost no votes against this legislation. I commend both gentlemen, and I think I can speak for the gentleman from Georgia in saying that he and I have enjoyed working with both of the gentlemen.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. REUSS) to the amendments offered by the gentleman from Ohio (Mr. STANTON).

The amendment to the amendments was agreed to.

The CHAIRMAN. Does the gentleman from Nebraska (Mr. CAVANAUGH) wish to offer an amendment?

Mr. CAVANAUGH. Yes, Mr. Chairman, I do.

PARLIAMENTARY INQUIRY

Mr. REUSS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. REUSS. Mr. Chairman, have the Stanton amendments, as amended, been disposed of?

The CHAIRMAN. No. The gentleman from Nebraska (Mr. CAVANAUGH) has an amendment to the Stanton amendments, as amended.

AMENDMENT OFFERED BY MR. CAVANAUGH TO THE AMENDMENTS OFFERED BY MR. STANTON, AS AMENDED

Mr. CAVANAUGH. Mr. Chairman, I offer an amendment to the amendments, as amended.

The Clerk read as follows:

Amendment offered by Mr. CAVANAUGH to the amendments offered by Mr. STANTON, as amended: Page 2, line 19, strike "3" and insert "0".

Page 3, at the end of line 11, add the following new sentence: "In no event shall the first $1,050,000 of vault cash be used to satisfy reserve requirements.".

Mr. CAVANAUGH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendments, as amended, be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CAVANAUGH. Mr. Chairman, this amendment would amend the Stanton amendments to reassert what I think is one of the practical and well-founded judgments of the full committee in providing an absolute exemption for deposits below $35 million maintained in institutions.

The Stanton amendments alter that exemption by placing the requirement for a 3-percent reserve requirement on deposits below $35 million and maintain an 11-percent requirement on deposits above the $35 million level.

Mr. Chairman, the reason for the $35 million exemption was well founded and well considered by the committee. The committee did, in the course of debate, vote specifically on removing the $35 million exemption, and the committee determined by a 28-to-13 vote that the exemption should be maintained. It should be maintained for several fundamental reasons.

First of all, the basic reason for establishing the reserve requirements at all is to afford the monetary system of the Federal Reserve System the opportunity to exercise monetary control. It is generally and universally agreed that institutions and deposits below $35 million have almost no effect, or no effect at all, on monetary considerations and, therefore, are an unnecessary and needless burden. They do impinge on the ability of smaller institutions to fully utilize their capital and, therefore, to compete more equitably with larger institutions. It does, while not enhancing the monetary control ability of our Federal Reserve or of our monetary system, impose a burdensome and needless recordkeeping requirement on the part of smaller financial institutions. It has resulted in what is known in the system as the 2-week-lag-reserve accounting system maintained by the Federal Reserve because small institutions cannot anticipate their level of deposits. Smaller banks will have to maintain this inefficient and, basically, antimonetary control accounting mechanism all because we maintain a needless and burdensome requirement on the smaller financial institutions of the country.

For all of those reasons, for the reasons that the Banking Committee has previously determined by an overwhelming majority that small financial institutions should not be burdened with this requirement, that a requirement for reserves on deposits below $35 million contribute in no constructive way to monetary control of the country, that, at a needless expense, they impair the ability of the small banks to compete effectively, my amendment should be adopted. In addition, with the adoption of the Stanton amendments, we are destroying the basic principle of competitive equality that was built into the original H.R. 7 and, further, placing small institutions at the competitive disadvantage with S. & L.'s, credit unions and other financial institutions. This would not have been the case had H.R. 7, in the form brought to this House, been adopted. But since that is not going to be the case, we should not now further subjugate the small banks of this country to a further disadvantage and a needless and a senseless one at an added cost and burden to them, without improving the monetary controls, which is the basic reason for this legislation.

Mr. Chairman, for all of those reasons I urge the adoption of this amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I yield to the gentleman from Minnesota.

□ 1230

Mr. VENTO. Well, the gentleman's (Mr. CAVANAUGH) amendment to the Stanton amendment deals with the percentage of required deposits. Once we hit the trigger threshold, which is 67½ percent of demand deposits or category A, once we hit below that, in terms of the amount of dollars that have sterile reserves against them with the FRB, this is when transitional category A mandatory reserve requirements takes effect.

The language raises a question, is it 4 percent or 3 percent?

Mr. STANTON. Three percent.

Mr. VENTO. It is 3 percent. That 3 percent would be the reserve requirements under 35 million until the 67½ percent trigger is engaged then these banks would be exempt from reserves.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mr. VENTO was allowed to proceed for 1 additional minute.)

Mr. VENTO. That particular category would be free of required reserves under the original H.R. 7. Is that what the gentleman is trying to tell us?

Mr. CAVANAUGH. That is correct.

Mr. VENTO. The gentleman's amendment would wipe that out insofar as that is concerned?

Mr. STANTON. It would reestablish the principle of the $35 million exemption that was established in H.R. 7, and which was vigorously asserted by the Committee on Banking, Finance and Urban Affairs in a 28-to-13 vote during consideration of H.R. 7.

Mr. VENTO. If the gentleman will yield further, the money that is the sterile reserves here would not offset the sterile reserves for larger banks? Could the gentleman address that? In other words, would we not in fact have less total reserves by virtue of eliminating 3 percent?

Mr. CAVANAUGH. Well, I would have to say to the gentleman that it would be my expectation that we would have less aggregate reserves by exempting the 3-percent requirement on deposits of less than $35 million, but the point is that those reserves do not facilitate monetary control and are really an extraneous burden placed upon financial institutions.

Mr. STANTON. Mr. Chairman, I rise in very strong opposition to the amendment.

What I should tell the gentleman, first of all, is that what the gentleman plans on doing is striking out our 3-percent reserve requirement for the first $35 million in transaction accounts.

Fundamentally, what he would be talking about there would be reducing the number of member banks who put up reserves to 1,300 from the present 5,664. I am fundamentally and totally opposed to this on principle. This is what all of us who have given so much thought to this legislation tried to go against; that is that bigness is badness and that there should be a differential between the big banks and the little banks thereby leaving the Federal Reserve with control over only the largest banks in the country.

Earlier in my colloquy, I said that a universal reserve requirement for all institutions with no exemptions, or very little, exemptions would be my idea of the answer.

Not only am I opposed to the removal of the reserves on the first $35 million in transaction accounts, but in addition, the gentleman from Nebraska takes the unheard of step of going into the next $35 million. As I understand it, his amendment permits the first $1,050,000 of vault cash to be used to satisfy reserve requirements for the second $35 million in transaction accounts. How many additional banks this would drop from Fed membership is difficult to assess.

So I would have to say to the gentleman not only would I be opposed to his amendment, but all of the banks that spoke before our committee would be also. There was one witness from Indiana, Robert Renert, representing the American Bankers Association's banks of $100 million and less. This gentleman so eloquently said before our committee, "You know, if the Federal Reserve have any problems, we want to be a part of that. We don't want to be exempt, no matter what. We are proud voluntary members."

In respect to that viewpoint, I would urge my colleagues to join me in strongly urging the defeat of this amendment.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I am surprised to hear the gentleman oppose my amendment on the basis of a principle of philosophical consistencies that everyone should be treated the same, because the gentleman's amendment, as he well knows does directly the opposite and reverts and reestablishes that this country will be the only country in the Western World not to treat all of its financial institutions the same in terms of reserve requirement and terms of monetary control.

The gentleman's amendment, first of all, creates a great competitive inequality between our financial institutions.

Mr. STANTON. I think I understand the gentleman's question. Let me say, the gentleman picked the wrong subject to question somebody on in that regard in this particular legislation.

Let me point out to the gentleman, first of all, that in committee, and I am sure the gentleman will agree with me, the gentleman from Ohio (Mr. ASHLEY) offered an amendment to delete the $35 million in exemption of H.R. 7. I strongly agreed with the gentleman from Ohio (Mr. ASHLEY) at that particular time. I voted for him, under principle.

So in principle, I am very consistent. Let me say, for the record, for the gentleman, that in England, the large banks have 1½ percent reserve requirements. The other banks have a 12½ percent reserve requirement, so there is a differential.

Mr. CAVANAUGH. If the gentleman would yield further, that is not the principle that we are attempting to attain.

Mr. STANTON. I thought the gentleman said nowhere else in the world did they have a differential.

Mr. CAVANAUGH. No. Nowhere else in the world is the monetary system left to the whim and caprice of individual institutions whether or not they want to participate or whether or not they want out.

The principle established in the original H.R. 7, which the Stanton amendment disposes of, is to establish that principle.

Mr. STANTON. I appreciate the gentleman's comment. He makes a great argument. All I can say, in conclusion, is I would ask for a "no" vote.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Minnesota.

Mr. VENTO. The gentleman's amendment, did I understand his response to the gentleman from Nebraska that this amendment, this 3 percent only is effective insofar as it provides a transition period?

Mr. STANTON. No.

Mr. VENTO. Is the effect of the Stanton amendment now, with regard to once we hit that threshold, 67½ percent, then would be to impose 3 percent, and all reservable requirements for all demand deposits or category A deposits——

Mr. STANTON. No. I am very glad the gentleman asked that.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. STANTON) has expired.

(At the request of Mr. VENTO and by unanimous consent, Mr. STANTON was allowed to proceed for 2 additional minutes.)

Mr. STANTON. What the freedom of choice does is set a 3-percent reserve requirement on those institutions with $35 million and less transaction accounts. And once you hit the 67½ percent, then the provisions of the freedom of choice, would be out, and H.R. 7 would be in effect.

Mr. VENTO. The point is, all these members would be paying 3 percent and would be doing so on a voluntary basis. They are voluntary members of the Fed right now, and they could continue voluntary membership under the provisions that we have at 67½ percent in H.R. 7, but they would be subject to no reserve requirements at that point or at least in the phasedown requirement that we have.

Is that accurate?

Mr. STANTON. I would answer the gentleman that really and truly, when we talk about 3 percent, we are talking about banks of $100 million or less. That 3 percent is equivalent to the regular vault cash, that banks would hold for safety purposes.

There is no argument here in dollars and cents.

Mr. VENTO. When the mandatory deposits would engage themselves or the mandatory requirements would engage themselves, if they engaged themselves, those under 35 would be exempt from reserve requirements, sterile reserve requirements?

Mr. STANTON. I am glad the gentleman said it, because it would never trigger that.

Mr. VENTO. I guess I disagree with the gentleman.

Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Cavanaugh amendment to the Stanton amendment. This seems to me to be an equitable solution to the problem of small banks trying to compete with larger banks. In Texas we have a number of these banks that mainly service small businesses, agriculture, and consumer housing interests. They are the backbone of many communities.

Currently we make distinctions in reserve requirements based on deposit size. However, when we make this change and make all banks equal by elimination the exemption we would no longer be giving recognition to the size or location of the bank. Small banks do have to meet higher capital requirement imposed by regulators—8 to 10 percent—through the retention of earnings. They cannot compete with large banks, which have lower capital requirements—4 to 5 percent—and can seek funds from capital markets generally not open to small banks. Therefore it is logical to grant banks offering transaction accounts with a $35 million exemption.

Further, little additional monetary control is provided by making small institutions maintain reserves, and for the purposes of Federal Reserve policy coverage of two-thirds of total deposits is adequate. Under this bill I understand that 66 percent of the Nation's total deposits are covered by reserve requirements. This will assure more competitive equality between the large and small banks.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank the gentleman for yielding.

I thank the gentleman for his support of my amendment.

I want to clarify a previous concern of the gentleman from Minnesota, and put this in, I think, some perspective. The 3-percent requirement on deposits of less than $35 million included in the Stanton amendment will remain up until the time that membership in the Federal Reserve is deteriorated to the point that we require in this legislation before we activate the triggers and rescue our monetary system.

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Up until that point the 3-percent requirement exists. Once the monetary system has deteriorated to the level of 67.5 percent of deposits we activate the safeguards included for the regeneration of our monetary system provided for in this legislation. At that point institutions with deposits of less than $35 million would be exempt and would go back down to zero. So this is a transitory burden that is really unreasonable in terms of the time frame and in terms of a coherent policy to deal with reserves.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I will yield to the gentleman.

Mr. VENTO. Under the Stanton amendment, of course, the membership of those under $35 million in demand deposits would, of course, be voluntary and, therefore, they are permitted to withdraw from Fed membership under the gentleman's amendment.

Mr. CAVANAUGH. If the gentleman will yield further, why do we want to create a policy that drives these small banks out of the Federal Reserve in the meantime and then reactivate after the whole system has deteriorated to a level of below 67.5 percent, then exempt them altogether? It just does not make sense.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. PICKLE. I will yield to the gentleman from Ohio.

Mr. STANTON. I appreciate the gentleman yielding. Let me say to clarify first of all I met the other day with the gentleman's bankers from Texas and the overwhelming, unanimous opinion of the bankers was opposed to this amendment.

Let me tell the gentleman why. First of all the Stanton amendment applies only to present Federal members of the Federal Reserve System. What is the reserve requirement at this time for these banks Mr. CAVANAUGH wants to affect? They are around 7 percent. They are 7 percent and what our amendment does is reduce it to 3 percent. In reality and by the time we take off the reserve coverage under the bill and the savings deposits and the rest of what we are giving, then effective cost burden of the "Freedom of Choice compromise" to the small bankers of Texas is practically a 100-percent exemption. They want to stay with the 3 percent because they can meet their reserve requirements totally with vault cash. I wanted to make that clear to the gentleman from Texas.

Mr. PICKLE. I appreciate the gentleman's description of the interests in my State. The representatives of the Independent Bankers Association have been insisting that this $35 million exemption is maintained. Previously what they want is to retain the $35 million exemption. If either one does that I would be for that approach, but apparently the Cavanaugh amendment specifically allows it. I am not against the Stanton amendment, I simply feel the Cavanaugh amendment strengthens it.

Mr. CAVANAUGH. Would the gentleman yield?

Mr. PICKLE. I will yield.

Mr. CAVANAUGH. I would reiterate to reinforce the gentleman's conclusion that the small banks would unquestionably support this amendment. There is absolutely no reason for them not to, because it relieves them of a burden of paperwork and sterilization-of-their-deposits burden and an equitable ability-to-compete burden. There is absolutely no reason for any small banker not to be fully supportive of this amendment.

Mr. CAMPBELL. Mr. Chairman, I rise in support of the "freedom of choice" amendment as offered by Mr. STANTON. It has been pointed out in hearings before the banking Committee many times that the ability of the Federal Reserve Board to accurately control monetary policy has not been proven, even given the present-day 72 percent deposit control level. The need, says the Fed, to mandate membership is because this level is not high enough, but what the mandated authority results in is an undue concentration of power in the Federal Reserve, contrary to the history of American banking. The passage of H.R. 7, without the Stanton amendment, would have adverse implications to our dual banking system, which has served this country well.

The "freedom of choice" amendment would preserve the present-day voluntary system of Fed membership, reduce the costs of belonging to the Federal Reserve System, and it would alleviate the immediate problem of banks leaving the Fed. I urge my colleagues to join me in supporting the Stanton amendment, and striking a blow for limited Government and individual choice.

Mr. SHUMWAY. Mr. Chairman, today, the House is considering one of the most important banking proposals of this decade. H.R. 7, the Monetary Control Act of 1979, represents a major structural change in our banking system. Specifically, H.R. 7 would modify our present system of Federal Reserve requirements by mandating reserve requirements not only on member banks, but also on nonmember commercial banks, savings and loan institutions, credit unions, and mutual savings banks. Such a structure would place unprecedented power in the hands of the Federal Reserve Board.

The need for some type of legislation is clear. During the past 10 years, member banks have been withdrawing from the Federal Reserve System at an accelerating pace. In the last decade, over 400 banks have left the Fed due to the high costs of maintaining sterile reserves and, as a result, the Fed's ability to control monetary policy has declined. Throughout this period, however, the Federal Reserve Board has not taken any action to attempt to solve the membesrhip problem, despite the fact that there are several steps well within their regulatory and statutory powers which could have been taken. Thus, the responsibility for a solution to this problem has been left to the Congress.

I am not convinced, however, that the best approach is mandating reserve requirements, as provided in H.R. 7. I believe that the best solution to the membership problem is provided by the Stanton freedom of choice compromise amendment to H.R. 7.

This amendment provides for the continuation of the present voluntary system of reserve requirements and for a significant reduction in the cost of maintaining reserves. It does not place nonmember banks, savings and loan institutions, credit unions, and mutual savings banks under the control of the Fed, as does H.R. 7. If, however, at any future time the Fed's control over deposits were to fall from the present level of 72 percent to 67½ percent, then the mandatory provisions of H.R. 7 would take effect. The compromise is supported by the State banking authorities and almost every banking organization.

There are many advantages to the "freedom of choice compromise" over H.R. 7. It maintains the proud tradition of the voluntary reserve structure that has been in effect since the Federal Reserve was established in 1913, consistent with the original goal and desires of banks throughout the country. It lowers reserve requirements significantly to make membership reasonably priced. It continues the life and strength of the Federal-State dual banking system since it does not impose Federal Reserve requirements on state chartered nonmember banks, as does H.R. 7. It results in greater monetary control by providing that reserve coverage under this voluntary approach will be 72 percent versus 66 percent under the mandatory approach of H.R. 7. It phases in lower reserves over a 3-year period, as compared to 4 years in the mandatory approach of H.R. 7. It offers an incentive for members to remain in the System or to rejoin if they have left. Finally, and most significantly, it leaves the future of the dual banking system and membership in the Federal Reserve System to be decided by the bankers themselves.

In other words, the proposal gives voluntarism a chance, yet includes a safety net for the Federal Reserve.

In conclusion, I urge you to give this legislation serious consideration and to vote in favor of the freedom of choice compromise amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska (Mr. CAVANAUGH) to the amendments offered by the gentleman from Ohio (Mr. STANTON), as amended.

The question was taken; and on a division (demanded by Mr. CAVANAUGH) there were—ayes 4, noes 24.

So the amendment to the amendments, as amended, was rejected.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio (Mr. STANTON), as amended.

The amendments, as amended, were agreed to.

Mr. HANSEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as a member of the committee I do wish to commend the chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS) and the ranking minority member, the gentleman from Ohio (Mr. STANTON), for their continued hard work and dedicated service in developing proper legislation for the smooth and efficient operation of this Nation's financial institutions.

Nevertheless, I am astonished that we find ourselves debating this bill today. For years and years, we in the Banking Committee have been treated to practically daily diets of sniping at the Fed, mostly directed from the other side of the aisle. We have heard in great detail of the supposed abuses that the Fed has wantonly indulged in, exceeding its mandates and powers, wreaking havoc with inflationary policies and failing to protect the interests of bank customers. Yet here we are today faced with a bill reported by that same Banking Committee, which would deliver into the hands of the Fed the largest bloc of bureaucratic power it has yet dared to demand.

Yes; it is true that in the past we have delegated to the Fed large responsibilities of enforcement. But my definite impression is that there was always some reluctance to accept those duties. By contrast, the Fed has lusted after this bill as after nothing else in the memory of anyone in this Chamber. Through long winter nights and then pining away in the summer moon, the Fed has yearned after this object of its desire. And surprise of surprises, the pinstriped Banking Committee has agreed to procure what the Fed wants, which is nothing other than a forced union, the nationalization of the commanding heights of the banking industry.

We could perhaps go along with this pandering to illicit desires for bureaucratic empire if it were remotely true that it was needed to defeat inflation.

But it is not. Monetary control must be reestablished in this country, but the barrier is one of will, not of available means. If the Fed would take the monetary aggregates seriously, and limit the availability of bank reserves instead of artificially supporting and then depressing interest rates, the greatest part of our continuing inflation would be ended.

Make no mistake about it, the Fed has now the full ability to control the monetary aggregates well within the accuracy needed year in and year out to restrain inflationary impulses. It has this ability without any reference whatever to how many banks are inside or outside the Federal Reserve System.

Except for those experts who are employed by the Federal Reserve, economists are in very general agreement that the holding of sterile reserves by the Fed contributes nothing to the accuracy or stability of monetary control by the Federal Reserve, and the empirical evidence has shown clearly that the existence of banks outside the Fed has not made the monetary aggregates less stable or in any other way interfered with the ability of the Fed to restrain monetary growth.

But you may ask how one can predict the creation of money by banks if they are not restrained by reserves. The answer to that is very simple, and only becomes obscured by those who seek political advantage from complicating the issue. The fact is that banks carry stable amounts of reserves in any case, just in order to carry on day-to-day business. The rational stability of banks' behavior in this regard permits easy prediction of how much will be created in the way of deposits, given a certain availability of reserves.

If you doubt this, I suggest you ask any of our colleagues from Illinois whether their State-chartered non-Fed-member banks are sound and solvent, whether they seem to conduct their business well and successfully, whether they have ever been accused of contributing to instability in the monetary aggregates or inaccuracy in monetary control. For the fact of the matter is that Illinois has zero reserve requirements. The existence of this evidence alone is sufficient to dispose of the argument that legal, sterile reserves posted at the Fed are necessary for sound banking and sound money.

In truth, the Fed is not interested in monetary control and only wants more power. The proof of this is that the Fed has statutory authority to reduce requirements, thus making membership in the Fed much less burdensome. But in recent years the Fed has not so much as lifted a finger to reduce requirements where they could. No clearer indication could be given of the Fed's true objective, of strengthening and extending an empire that is already awesome.

The greatest danger of this bill, however, is that it sets up incentives for banks, especially the largest, most innovative, and competitive banks, to think up new ways of evading not only regulation but measurement. By imposing uneconomic burdens on the banking industry, we are only encouraging payments transactions to move outside the monetary framework altogether, where we not only cannot control them, but cannot even see them properly and so cannot even compensate for them in monetary policymaking.

In an inflationary age, this is a danger we can ill afford to risk. To restrain a runaway bureaucratic empire and insure monetary control in the future, this bill must be defeated. I urge my colleagues to reject the trumped-up arguments of the Fed that it must have bureaucratic power in order to stop its inflationary policies. I urge them likewise to turn their backs on those narrow banking interests who would seek in this bill a temporary competitive advantage by hobbling the most effiicient part of the industry. I ask them to keep banking transactions visible, straightforward, and controllable by defeating the incentives for covert, complicated, and evasive banking proposed in H.R. 7. Every Member of this House should vote against this unnecessary and counterproductive legislation.

I am very appreciative of the efforts of the chairman in working to reduce reserve requirements and institute pricing for Fed services, including charging for float, both of which I proposed to the committee. I also appreciate the work of the ranking minority member of the Banking Committee, who has gained some breathing room for a voluntary approach to Fed membership. But the bill remains disastrously flawed. No one in this House can doubt that the trigger provided in the bill is going to be pulled, and that what we must face is a mandatory, forced Fed membership, if not this year, then very soon all the same. I trust no one will think that this is not a mandatory bill. Its dangers for free, competitive banking and for the dual banking system are still there, still very real. If this legislation should pass, which I hope will not be the case, we will have to look to the other body to take the initiative offered by the freedom of choice feature, and send back to us a bill which rejects mandatory Fed membership. How much better it would be if we take the opportunity we have now, here in the House of Representatives, to preserve dual banking in the United States by defeating this bill.

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The CHAIRMAN. Are there any additional amendments to section 3?

If not, the Clerk will read.

The Clerk read as follows:

AUTHORITY OF STATE BANK SUPERVISORS

SEC. 4. Nothing in this Act or in the amendments made by this Act shall be construed in derogation of the authority of any officer or agency of such State over any institution organized or existing under the laws of such State.

ABOLITION OF PENALTY RATE

SEC. 5. Section 10(b) of the Federal Reserve Act (12 U.S.C. 347b) is amended by striking all after the first sentence thereof.

PRICING OF SERVICES

SEC. 6. The Federal Reserve Act is amended by inserting after section 11 the following new section:

"PRICING OF SERVICES

"SEC. 11A. (a) Not later than the first day of the sixth calendar month after the date of enactment of the Monetary Control Act of 1979, the Board shall have prepared and shall publish for public comment a set of pricing principles in accordance with this section and a proposed schedule of fees for Federal Reserve bank services to depository institutions.

"(b) The services which shall be covered by the schedule of fees under subsection (a) are—

"(1) currency and coin services;

"(2) check clearing and collection services;

"(3) wire transfer services;

"(4) automated clearinghouse services;

"(5) settlement services;

"(6) securities safekeeping services;

"(7) any new payment services which the Federal Reserve System provides, including but not limited to payment services to effectuate the electronic transfer of funds; and

"(8) any other services which the Board so decides to offer.

"(c) The schedule of fees prescribed pursuant to this section shall be based on the following principles:

"(1) All Federal Reserve bank services covered by the fee schedule shall be priced explicitly and competitively.

"(2) All Federal Reserve bank services covered by the fee schedule shall be available to nonmember depository institutions and such services shall be priced at the same fee schedule applicable to member banks, except that nonmembers shall be subject to any other terms, including a requirement of balances sufficient for clearing purposes, that the Board may determine are applicable to member banks.

"(3) Over the long run prices shall be established on the basis of all direct and indirect costs actually incurred in providing the services priced, including interest on items, credited prior to actual collection, overhead, and an allocation of imputed costs that take into account the taxes that would have been paid and the return on capital that would have been provided had the services been furnished by a private business firm, except where the Board determines that the public interest requires a departure from this principle, after giving due regard to competitive factors and the provision of an adequate level of services nationwide.".

EFFECTIVE DATES

SEC. 7. (a) The amendments made by section 2 of this Act shall take effect on the first day of the sixth calendar month which begins after the date of enactment.

(b) The amendments made by section 3 of this Act shall take effect on July 1 of the first calendar year which begins after the date of enactment.

Mr. REUSS (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill, H.R. 7, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. DANNEMEYER. Mr. Chairman, I move to strike the last word. I have a question I would like to ask of the distinguished chairman of the committee, the gentleman from Wisconsin (Mr. REUSS).

I am not privileged to serve on this Banking Committee, and I have learned something here this morning. It was my privilege to be on the desk on this side, and I have been listening to this debate. I have heard statements by the Members here about a desire to control inflation in the Congress, and of course I bring to this body certain beliefs as to what the principal cause of inflation is. One of those beliefs is that when the money supply in our country grows at a rate greater than the increase in the cost of goods and services, discounted for inflation, if there is such an increase beyond that cost, to that extent we have inflation.

Now, maybe that belief is not correct, but I come by it sincerely. My question to the gentleman is, since obviously he has great knowledge in the field of banking and inflation and so forth, is there anything in this bill before us that would say to those controlling the money supply in our country, "You may not permit the money supply to grow at a rate greater than the increase in the cost of goods and services, discounted for inflation, year by year"?

Mr. REUSS. Mr. Chairman, if the gentleman will yield, the answer to your question is "No", there is not. But, what this bill does do is to give the monetary authorities a power they desperately need if they are going to pursue the end suggested by the gentleman from California—to wit, unless they have a fulcrum, unless they have a reserve base upon which they can conduct their open market policy, they are incapable of regulating the money supply. So, for good or for ill, they are whistling in the dark unless they have this power. So, I would say that the gentleman's anti-inflationary aims are well served by H.R. 7 and its provisions.

Mr. DANNEMEYER. I thank the gentleman for his comments. I only hope that it is true, but I am fearful that there is a provision in this bill, H.R. 7, even as amended, that will have a very adverse inflationary impact on our economy. I am a layman in the field of banking; I am not a banker by background, but it strikes me that if there is a reduction in the requirement of a reserve requirement, that this money is going to go someplace. I suspect the probable place it is going to go is in the investment channel. If the bank has its reserve requirement reduced, the bank is going to put that money to work by loans to customers. I am told by my banking friends that that will result in a factor of six, and one can only imagine what will happen to the money supply if this additional capital is circulated in our money system, because it will even add more fuel to the fires of inflation that are tearing apart the American economic system today.

Mr. REUSS. If the gentleman will yield further, of course as H.R. 7 with the Stanton amendment becomes operational, bank reserve requirements will be reduced, but the Federal Reserve, in the exercise of monetary prudence, will accompany that reduction in bank reserve requirements with an open market policy so as to offset completely any possible accelerating effect in the money supply.

I find it somewhat ironic that bankers have told the gentleman from California that they oppose lowering reserve requirements on banks. Every banker I have ever heard from is in favor of lowering reserve requirements, so if the gentleman will exhibit to me the public-spirited banker who does not want that lowered reserve requirement, I am sure we can fix up a special exception for him whereby he can bear the anti-inflationary burden that he sees being dissipated.

Mr. DANNEMEYER. Well, Mr. Chairman, I think that the American people are demanding that we stop the inflation that is destroying our economy, and I think probably we have come to the point where we are going to have to consider enacting a law that would require that the money supply grow at a rate not greater than the increase in the value of goods and services, discounted for inflation, subject to certain minimal needed variations.

Putting the blame where it belongs; namely, on a heavily Democratic Congress is most important. The Democrats controlling the Congress have spent more than $240 billion more than they have had the courage to raise in taxes in the last 6 years. To finance this deficit, the Federal Reserve Board has been required to expand the money supply in the percentage of 31 percent over the past 6 years. Had it not done so, the liquidity in the money supply would have been so severely restricted that commerce in this Nation would have come to a halt. The growth in goods and services in this same 6-year span, discounted for inflation, was 14 percent. The Congress under a heavy Democratic majority, cannot or will not discipline itself to match the outgo to the income, a balanced budget, accordingly that restraint, if it is to come, must come from without. Specifically, a constitutional requirement that we adopt a balanced budget, with an appropriate exception clause for emergencies with a two-thirds vote in each House.

AMENDMENT OFFERED BY MR. MATTOX

Mr. MATTOX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATTOX: Add a new section:

SEC. 8. Section 5136 of the Revised Statutes (12 U.S.C. 24(7)) is amended by inserting before the period at the end thereof the following: ": *Provided further*, That, notwithstanding any other provision of this paragraph, the association may purchase for its own account shares of stock of a bank insured by the Federal Deposit Insurance Corporation if the stock of such bank is owned exclusively by other banks and if such bank is engaged exclusively in providing banking services for other banks and their officers, directors, or employees, but in no event shall the total amount of such stock held by the association exceed at any time 10 per centum of its capital stock and paid in and unimpaired surplus, and in no event shall the purchase of such stock result in the association's acquiring more than 5 per centum of any class of voting securities of such bank".

Mr. MATTOX (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. WYLIE. Mr. Chairman, I do not have any objection to the unanimous-consent request, but I want to reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Ohio reserves a point of order against the amendment.

Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MATTOX. Mr. Chairman, the amendment at the desk complements the amendment offered this morning by the gentleman from Illinois (Mr. ANNUNZIO). Last year, I offered and the Banking Committee passed just such an amendment with the support of the bank regulatory agencies: The Fed and the Comptroller of the Currency. Only because of the late hour of consideration of the Financial Institutions Reform Act last October was this amendment not included at that time and passed on into law.

Basically, my amendment would allow the continued growth of small bankers' banks which are mutually owned by correspondent banks. Such banks are essential for the survival of a strong dual banking system. They provide needed independence from the large and powerful urban center banks for correspondent business.

To date, bankers' banks have been formed successfully in the States of Minnesota, Colorado, and Nebraska. The authority to form such banks has also recently been granted in Texas, Ohio, Virginia, and Wisconsin. Many other States have such authority under consideration.

Unfortunately, to date national banks have not been able to support banker's banks; my amendment would correct the problem.

Mr. Chairman, this amendment, in effect, allows, where State law permits, national banks to buy into these banker banks. In effect, it allows these banker banks to service the smaller community banks. Right now as I am sure my colleagues from unit banking States are especially aware, some of the smaller banks are having a tremendous problem competing with the large bank holding companies for services. This amendment would allow them, in effect, to form their own correspondent-type bank and continue the process independently. I think it is an excellent competitive idea for the smaller community-oriented banks. I know most of these banking institutions in my State are in favor of it. The necessary legislation was just passed by the State legislature of Texas, and we are now in the process of formulating one of these banks. I would like to see the ownership in these banks—banker's banks—be made up not only of State banks, but also Federal banks, and this amendment would allow that.

Any one bank is going to be limited to a maximum ownership of 5 percent in this correspondent bank. It is a sound, healthy mechanism for assuring that our Nation's smaller banks will remain independent and strong and able to meet the credit needs of our communities on a local basis.

I urge the passage of this amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Ohio (Mr. WYLIE) insist on his point of order?

Mr. WYLIE. Mr. Chairman, I do insist on my point of order.

The amendment is clearly not germane to this bill. I might say I have some sympathy with the gentleman's amendment, but it is a rather complicated amendment which ought to be debated more fully than we have time here today to do, in my judgment. This bill we have before us today is a bill to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions.

The gentleman's amendment would establish a new bank. It would establish a whole new concept and it is obviously not within the purview of the bill before us today.

The CHAIRMAN. Does the gentleman wish to be heard against the point of order?

Mr. MATTOX. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order.

The point of order is sustained.

Mr. STANTON. Mr. Chairman, so far as I know, we are coming to the end of this debate. A little while ago the gentleman from Pennsylvania (Mr. MOORHEAD) said he hoped we could get a very large, positive vote on this legislation.

Mr. Chairman, I would like to reiterate that request for one reason. The Fed membership has a problem. By a large vote I think we can send the other body a message that, indeed, this is legislation that we here in the House would like to see come to a conclusion this year. I am sure the chairman of the full committee agrees with me on that particular point.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. MURTHA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7) to facilitate the implementation of monetary policy and to promote competitive equality among depository institutions, pursuant to House Resolution 337, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. PAUL

Mr. PAUL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. PAUL. Yes, I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. PAUL moves to recommit the bill, H.R. 7, to the Committee on Banking, Finance and Urban Affairs.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. REUSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 340, nays 20, answered "present" 5, not voting 69, as follows:

[Roll No. 366]

YEAS—340

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Campbell
Carney
Carr
Carter
Chisholm
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Dellums
Derrick
Derwinski
Devine
Dickinson
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harris
Harsha
Hawkins
Heckler
Hefner
Hightower
Hinson
Hollenbeck
Hopkins
Horton
Howard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McCloskey
McCormack
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Pease
Pepper
Petri
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Roth
Roybal
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stenholm
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Young, Fla.
Young, Mo.
Zablocki

NAYS—20

Ashley
Bauman
Brinkley
Cavanaugh
Crane, Daniel
Hance
Hansen
Holt
Hubbard
Jenkins
Kelly
Kramer
Lujan
McDonald
Paul
Rose
Runnels
Stump
Symms
Weiss

ANSWERED "PRESENT"—5

Brooks
Hillis
Mitchell, Md.
Myers, Ind.
Quillen

NOT VOTING—69

Addabbo
Anderson, Ill.
Anthony
Biaggi
Bolling
Bowen
Byron
Chappell
Cheney
Cleveland
Conyers
Cotter
Crane, Philip
Davis, S.C.
Deckard
Dicks
Diggs
Dingell
Early
Edgar
Edwards, Okla.
Emery
Fish
Flood
Forsythe
Gibbons
Goldwater
Hall, Ohio
Harkin
Heftel
Holland
Holtzman
Huckaby
Kemp
Leach, La.
Long, La.
McClory
McDade
McEwen
McKay
Marriott
Mathis
Miller, Calif.
Mitchell, N.Y.
Moakley
Nolan
O'Brien
Patterson
Perkins
Pritchard
Quayle
Richmond
Rodino
Rosenthal
Rostenkowski
Rousselot
Royer
Solarz
Stark
Steed
Stratton
Walker
Williams, Mont.
Williams, Ohio
Winn
Wolff
Yatron
Young, Alaska
Zeferetti

□ 1320

The Clerk announced the following pairs:

Mr. Richmond with Mr. Anderson of Illinois.

Mr. Rodino with Mr. Forsythe.

Mr. Addabbo with Mr. O'Brien.

Mr. Chappell with Mr. Pritchard.

Mr. Gibbons with Mr. Goldwater.

Ms. Holtzman with Mr. Cheney.

Mr. Leach of Louisiana with Mr. Cleveland.

Mr. Long of Louisiana with Mr. Kemp.

Mr. Moakley with Mr. Quayle.

Mr. Patterson with Mr. Young of Alaska.

Mr. Rostenkowski with Mr. Mitchell of New York.

Mr. Rosenthal with Mr. Fish.

Mr. Stark with Mr. Royer.

Mr. Steed with Mr. Marriott.

Mr. Wolff with Mr. Emery.

Mr. Zeferetti with Mr. Philip M. Crane.

Mr. Yatron with Mr. Hall of Ohio.

Mr. Biaggi with Mr. Rousselot.

Mrs. Byron with Mr. Williams of Ohio.

Mr. Cotter with Mr. McEwen.

Mr. Mathis with Mr. Deckard.

Mr. McKay with Mr. McDade.

Mr. Miller of California with Mr. Wydler.

Mr. Stratton with Mr. Walker.

Mr. Davis of South Carolina with Mr. McClory.

Mr. Conyers with Mr. Dicks.

Mr. Diggs with Mr. Dingell.

Mr. Early with Mr. Edwards of Oklahoma.

Mr. Bowen with Mr. Edgar.

Mr. Harkin with Mr. Flood.

Mr. Heftel with Mr. Holland.

Mr. Huckaby with Mr. Nolan.

Mr. Perkins with Mr. Williams of Montana.

Mr. Solarz with Mr. Anthony.

Mr. HANCE and Mr. BRINKLEY changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. REUSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the bill, H.R. 7, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISCHARGE OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS FROM FURTHER CONSIDERATION OF H.R. 1885, RETIREMENT PREFERENCE FOR CERTAIN EMPLOYEES OF THE BUREAU OF INDIAN AFFAIRS

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the bill (H.R. 1885) to amend civil service retirement provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference, and to modify the application of the Indian employment preference laws as it applies to those agencies.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

CONFERENCE REPORT ON H.R. 1786, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1980

Mr. FUQUA submitted the following conference report and statement on the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 96–371)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1979:

(a) For "Research and development," for the following programs:

(1) Space Shuttle, $1,586,000,000;

(2) Space flight operations, $463,300,000;

(3) Expendable launch vehicles, $70,700,000;

(4) Physics and astronomy, $337,500,000;

(5) Planetary exploration, $220,200,000;

(6) Life sciences, $43,900,000;

(7) Space applications, $338,300,000;

(8) Technology utilization, $12,100,000;

(9) Aeronautical research and technology, $309,300,000;

(10) Space research and technology, $119,400,000;

(11) Energy technology, $5,000,000; and

(12) Tracking and data acquisition, $332,800,000.

(b) For "Construction of facilities," including land acquisition, as follows:

(1) Modification of static test facility, Ames Research Center, $2,900,000;

(2) Construction of large aircraft maintenance dock, Hugh L. Dryden Flight Research Center, $1,500,000;

(3) Rehabilitation and modification of flight operations facilities, Ellington Air Force Base, $1,760,000;

(4) Modifications to central instrumentation facility, John F. Kennedy Space Center, $1,260,000;

(5) Modifications to operations and checkout building, John F. Kennedy Space Center, $950,000;

(6) Rehabilitation of roof, launch control center, John F. Kennedy Space Center, $600,000;

(7) Modifications of model support system 8-foot high temperature structures tunnel, Langley Research Center, $1,410,000;

(8) Modifications to 8-foot transonic pressure tunnel, Langley Research Center, $2,000,000;

(9) Modification of transonic dynamics tunnel, Langley Research Center, $970,000;

(10) Rehabilitation and modification of gas dynamics laboratory, Langley Research Center, $3,600,000;

(11) Modifications to central air system, various buildings, Lewis Research Center, $5,720,000;

(12) Modifications to various buildings, Marshall Space Flight Center, $2,640,000;

(13) Rehabilitation of roofs, various buildings, Marshall Space Flight Center, $900,000;

(14) Rehabilitation of roof, Phase I, building 103, Michoud Assembly Facility, $3,100,000;

(15) Construction of facilities operations shop building, Wallops Flight Center, $1,100,000;

(16) Large aeronautical facility: construction of national transonic facility, Langley Research Center, $12,000,000;

(17) Large aeronautical facility: modification of 40- by 80-foot subsonic wind tunnel, Ames Research Center, $33,900,000;

(18) Space Shuttle facilities at various locations as follows:

(A) Modifications to launch complex 39, John F. Kennedy Space Center, $17,100,000;

(B) Modifications to crawler transporter maintenance facility, John F. Kennedy Space Center, $1,250,000;

(C) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $6,900,000;

(D) Minor Shuttle-unique projects, various locations, $2,500,000;

(19) Space Shuttle payload facilities at various locations as follows:

(A) Rehabilitation and modification for payload ground support operations, John F. Kennedy Space Center, $2,610,000;

(B) Modification and addition to materials sciences laboratory, Ames Research Center, $1,640,000;

(20) Repair of facilities at various locations, not in excess of $500,000 per project, $12,000,000;

(21) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $19,790,000;

(22) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $3,500,000; and

(23) Facility planning and design not otherwise provided for, $14,000,000.

(c) For "Research and program management," $964,900,000, and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection 1(g), appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceed $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the

Senate of the nature, location, and estimated cost of such facility.

(e) When so specified and to the extent provided in an appropriation act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of 12 months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $25,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $75,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repair, rehabilitation, or modification of facilites: *Provded*, That, of the funds appropriated pursuant to subsection 1(a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

Sec. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (22), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 percent, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, may be varied upward 25 percent,

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

Sec. 3. Not to exceed one-half of 1 percent of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (23) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of 30 days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsection 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Sec. 5. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

Sec. 6. (a) Paragraph 13 of subsection (c) of section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473(c)(13)), is amended by striking out "$5,000" where it appears and inserting in lieu thereof "$25,000".

(b) The National Aeronautics and Space Act of 1958, as amended, is amended (1) by redesignating section 308 as section 309 thereof; and (2) by inserting the following new section:

"Insurance and Indemnification

"Sec. 308. (a) The Administration is authorized on such terms and to the extent it may deem appropriate to provide liability insurance for any user of a space vehicle to compensate all or a portion of claims by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle. Appropriations available to the Administration may be used to acquire such insurance, but such appropriations shall be reimbursed to the maximum extent practicable by the users under reimbursement policies established pursuant to section 203 (c) of this Act.

"(b) Under such regulations in conformity with this section as the Administrator shall prescribe taking into account the availability, cost and terms of liability insurance, any agreement between the Administration and a user of a space vehicle may provide that the United States will indemnify the user against claims (including reasonable expenses of litigation or settlement) by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle, but only to the extent that such claims are not compensated by liability insurance of the user: *Provided*, That such indemnification may be limited to claims resulting from other than the actual negligence or willful misconduct of the user.

"(c) An agreement made under subsection (b) that provides indemnification must also provide for—

"(1) notice to the United States of any claim or suit against the user for the death, bodily injury, or loss of or damage to the property; and

"(2) control of or assistance in the defense by the United States, at its election, of that suit or claim.

"(d) No payment may be made under subsection (b) unless the Administrator or his designee certifies that the amount is just and reasonable.

"(e) Upon the approval by the Administrator, payments under subsection (b) may be made, at the Administrator's election, either from funds available for research and development not otherwise obligated or from funds appropriated for such payments.

"(f) As used in this section—

"(1) the term 'space vehicle' means an object intended for launch, launched or assembled in outer space, including the Space Shuttle and other components of a space transportation system, together with related equipment, devices, components and parts;

"(2) the term 'user' includes anyone who enters into an agreement with the Administration for use of all or a portion of a space vehicle, who owns or provides property to be flown on a space vehicle, or who employs a person to be flown on a space vehicle; and

"(3) the term 'third party' means any person who may institute a claim against a user for death, bodily injury or loss of or damage to property.".

(c) This section shall be effective October 1, 1979.

Sec. 7. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1980".

And the Senate agree to the same.

Don Fuqua,
Thomas R. Harkin,
Marilyn Lloyd Bouquard.
Ronnie G. Flippo,
Wesley W. Watkins,
Bill Nelson,
John W. Wydler,
Larry Winn, Jr.,
Barry M. Goldwater, Jr.,
Managers on the Part of the House.

Howard W. Cannon,
Adlai E. Stevenson,
Wendell H. Ford,
Barry M. Goldwater,
Harrison H. Schmitt,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for fiscal year 1980 for research and development, construction of facilities, and research and program management, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The NASA request for fiscal year 1980 totaled $4,945 million. The House authorized $4,762 million and the Senate amendment authorized $4,961 million. The committee of conference agrees to a total authorization for fiscal year 1980 of $4,961 million as follows:

Summary—Fiscal Year 1980

[Amount in dollars]

	Budget request	House action	Senate action	Committee of conference
Research and development:				
Space Shuttle	1, 386, 000, 000	1, 393, 000, 000	1, 586, 000, 000	1, 586, 000, 000
Space flight operations	467, 300, 000	467, 300, 000	467, 300, 000	463, 300, 000
Expendable launch vehicles	70, 700, 000	70, 700, 000	70, 700, 000	70, 700, 000
Physics and astronomy	337, 500, 000	337, 500, 000	337, 500, 000	337, 500, 000
Planetary exploration	220, 200, 000	220, 200, 000	220, 200, 000	220, 200, 000
Life sciences	43, 900, 000	43, 900, 000	43, 900, 000	43, 900, 000
Space applications	332, 300, 000	338, 300, 000	334, 300, 000	338, 300, 000
Technology utilization	12, 100, 000	12, 100, 000	12, 100, 000	12, 100, 000
Aeronautical research and technology	300, 300, 000	308, 300, 000	309, 300, 000	309, 300, 000
Space research and technology	116, 400, 000	116, 400, 000	119, 400, 000	119, 400, 000
Energy technology	3, 000, 000	3, 000, 000	5, 000, 000	5, 000, 000
Tracking and data acquisition	332, 800, 000	332, 800, 000	332, 800, 000	332, 800, 000
Total	3, 822, 500, 000	3, 639, 500, 000	3, 838, 500, 000	3, 838, 500, 000
Construction of facilities	157, 600, 000	157, 600, 000	157, 600, 000	157, 600, 000
Research and program management	964, 900, 000	964, 900, 000	964, 900, 000	964, 900, 000
Grand total	4, 945, 000, 000	4, 762, 000, 000	4, 961, 000, 000	4, 961, 000, 000

The points in disagreement and the conference resolution of them are as follows:

1. NASA requested $1,586 million for the space shuttle program (including a budget amendment for $220 million submitted to the Congress on May 14, 1979).

The House, acting prior to receipt of the budget amendment, authorized $1,393 million consisting of the original request of $1,366 million and the addition of $27 million for acquisition of the fifth orbiter for the operational shuttle fleet.

The Senate authorized the amended budget amount of $1,586 million for the program.

The conference substitute authorizes $1,586 million for the space shuttle program.

The conferees agree that while funding for continuing production activity on the fifth orbiter is not provided in this bill due to delays in the shuttle development program, a five orbiter operational fleet remains a firm requirement to support national needs for space transportation services in the most efficient and economical manner in the mid-1980's and beyond. Therefore, NASA is requested to provide for the resumption of production of the fifth orbiter in its budget for fiscal year 1981.

The conferees request that NASA keep the authorizing committees of the House and the Senate currently and fully informed on the technical and financial status of the space shuttle development program. Further, the conferees request that interim progress reports be submitted to the respective committees on the management and financial assessments of the space transportation system initiated by the Administrator, and that a final report on these assessments be submitted no later than October 1, 1979.

2. NASA requested $467,300,000 for the space flight operations program.

The House reduced the request by $5 million with the reduction to be assessed against program elements other than advanced programs. Advanced programs, in turn, were increased by $1 million for definition studies of a large deployable space antenna resulting in an authorization of $463,300,000 for the space flight operations program.

The Senate authorized the budget request, directing, however, that within that amount an additional $1 million was to be applied to advanced program activities for the same purpose as set forth by the House.

The Committee of conference authorizes $463,300,000 for the space flight operations program.

3. The House authorized $338,300,000 for the space applications program, an increase of $6 million in the NASA request. Of the increase, the House allocated $2 million to initiate development of an advanced remote sensing instrument, the multi-spectral resources sampler, and the remaining $4 million to initiate development of a national oceanic satellite system.

The Senate authorized $334,300,000, adding $2 million to the NASA request to initiate development of the multi-spectral resources sampler.

The conference substitute authorizes $338,300,000 for the space applications program.

The conferees agree that within the $338,300,000 authorized, an additional $4 million is to be used to complete system definition studies and to conduct initial work on instruments for a national oceanic satellite system. The conferees request that NASA refine its cost estimates for this system and formalize agreements with user agencies for participation in the project prior to submission of the fiscal year 1981 budget request to the Congress.

4. NASA requested $300,300,000 for the aeronautics research and technology program.

The House authorized $308,300,000, adding $8 million to the request for additional experimentation in variable cycle engine technology.

The Senate increased the budget request by $9 million, authorizing a total of $309,300,000 for the aeronautical research and technology program. Of the $9 million increase, $4 million was designed for additional effort on variable cycle engine technology and $5 million was to be used to initiate an advanced rotorcraft technology development program.

The conference substitute authorizes $309,300,000 for the aeronautical research and technology program.

The conferees agree that of the total amount authorized, $9 million is to be applied to variable cycle engine technology advancement, and $5 million is to be used to initiate an advanced rotorcraft technology development program.

5. The House authorized the NASA budget request of $116,400,000 for the space research and technology program.

The Senate authorized $119,400,000, increasing the NASA request by $3 million for additional effort on the development and testing of large space structures.

The committee of conference authorizes $119,400,000 for the space research and technology program.

6. NASA requested $3 million for the energy technology program.

The House authorized the NASA budget request.

The Senate authorized $5 million for the energy technology program, increasing the request by $2 million for additional effort in the identification and verification of potential energy initiatives.

The conference substitute authorizes $5 million for the energy technology program.

Don Fuqua,
Thomas R. Harkin,
Marilyn Lloyd Bouquard,
Ronnie G. Flippo,
Wesley W. Watkins,
Bill Nelson,
John W. Wydler,
Larry Winn, Jr.,
Barry M. Goldwater, Jr.,
Managers on the Part of the House.

Howard W. Cannon,
Adlai E. Stevenson,
Wendell H. Ford,
Barry M. Goldwater,
Harrison H. Schmitt,
Managers on the Part of the Senate.

REPORT ON RESOLUTION APPROVING PRINTING OF ADDITIONAL COPIES OF REPORT ACCOMPANYING SECOND CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1980

Mr. HAWKINS, from the Committee on House Administration, submitted a privileged report (Rept. No. 96–372) on the resolution (H. Res. 360) approving the printing of additional copies of the report accompanying the second concurrent resolution in the budget for fiscal year 1980, which was referred to the House Calendar and ordered to be printed.

RELATING TO INTERN PROGRAMS AND THE CLERK HIRE ALLOWANCE

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 359) relating to intern programs and the clerk hire allowance, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

Mr. CAMPBELL. Mr. Speaker, reserving the right to object, I wonder if I might ask the distinguished chairman of the subcommittee if he could give us a very short explanation of this resolution and exactly what we are getting into.

Mr. BRADEMAS. Mr. Speaker, if the gentleman will yield, I would be very glad to do that.

Mr. CAMPBELL. I yield to the chairman of the subcommittee.

Mr. BRADEMAS. Mr. Speaker, the first point I want to make to my friend, the gentleman from South Carolina (Mr. Campbell), who is a very able and constructive member of the Subcommittee on Accounts, is that this resolution does not provide any more money in the clerk hire allowance.

Mr. Speaker, on July 17, 1979, the Subcommittee on Accounts approved House Resolution 359, as amended, relating to intern programs and clerk hire allowance. The resolution was reported by the full Committee on House Administration on July 18. The measure as reported retains the limitation of 18 permanent clerks but provides for certain revisions in the clerk hire allowance regulations.

However, Mr. Speaker, the resolution does not increase the funds that are available for clerk hire.

Finally, the resolution establishes guidelines for interns although regulations with respect to the L. B. J. congressional intern program remain the same.

Mr. Speaker, the revisions in the clerk hire regulations provide that the following categories are exempted from the 18 permanent slot limitation on staff of the Member:

Part-time or those employees who earn not more than $750 per month, or who work no more than an average of 15 days per month.

Shared or those employees who are compensated from more than one employing authority of the House.

Interns or those individuals who work in the Washington office of the Member primarily for his or her educational experience. He or she may not work for a period exceeding 120 days and may not be compensated at an annual rate exceeding $7,800.

Employees who are on leave without pay.

Temporary or those individuals who are temporarily hired by a Member for a specific purpose or task for no more than 3 months in any one year, except by written permission of the Committee on House Administration.

Mr. Speaker, no more than four such exemptions are allowed, with the Member designating those employees to be exempted and the category to which they are assigned.

Under the resolution temporary employees and interns are prohibited from participating in the health and life insurance program of the House, and the Civil Service Retirement Act.

The resolution further amends the maximum one-twelfth expenditure limit per month of the annual clerk hire allowance. Under this resolution the Member would be able to spend up to one-tenth of his annual allowance in a 1 month period, but no more than 25 percent in any one calendar quarter. The resolution makes no provision to carry over unexpended funds from quarter to quarter, but the ability to transfer up to $15,000 from clerk hire to official expense allowance is not affected.

Mr. Speaker, the resolution provides for the Committee on House Administration to adopt such rules and regulations as are necessary to carry out the resolution, which, if adopted today, would be effective August 1, 1979.

☐ 1330

Mr. Speaker, I am very grateful to the gentleman from South Carolina for allowing me to explain the resolution.

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman for his explanation.

Further reserving the right to object, Mr. Speaker, it is my understanding that this legislation—and the gentleman may correct me and I will yield back to him if it is necessary—merely gives some guidelines to the Members for some flexibility in dealing with situations in their offices, such as a maternity leave, such as the need for a temporary employee to bring special expertise to a staff, without increasing any funds whatsoever, and it allows the Members to do their jobs in a more effective manner.

Mr. BRADEMAS. The gentleman is exactly right, and I would hope the gentleman would withdraw his reservation.

Mr. CAMPBELL. Mr. Speaker, I withdraw my reservation of objection.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I have read this resolution since the staff was kind enough to give me a copy yesterday. While I think it is correct to say that there is no increase in the clerk hire dollar amount required by this resolution—and it is obvious that it will make some problems with staffing a little bit easier to deal with—it smacks of an institution which might charitably and respectfully be called the Thompson two-step. I have no doubt that there will be probably within a year another resolution increasing the clerk hire slots to four, with the concomitant need to finance that. Now, I cannot guarantee the Members that; I can only guess or predict that that might happen. That means more cost to the taxpayer.

Having reserved the right to object, and having mentioned the name of the gentleman to whom this dance refers, I yield to the gentleman from New Jersey (Mr. THOMPSON), with a great deal of affection and respect.

Mr. THOMPSON. Mr. Speaker, I thank my friend, the gentleman from Maryland.

Historically, the gentleman from New Jersey has in the past undertaken that which euphemistically has become known as the Thompson two-step. In this case, however, I have given assurances to the leadership on both sides that there is no two-step involved here, none at all.

Mr. BAUMAN. Just one small step for congressional mankind, right?

Mr. THOMPSON. That is a very appropriate characterization. On this historic day we want to take this one small step to help all of the 435 Members of this great body.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I simply want to echo what the chairman of the committee, the gentleman from New Jersey (Mr. THOMPSON), has said. I myself would oppose any increase. As chairman of the Subcommittee on Accounts, I would oppose any increase in the clerk hire allowance.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON. Mr. Speaker, I want to assure my friend, the gentleman from Maryland, that this is not accompanied by an increase and will not be in this session. In the future, if—and only if—inflation continues would that remote possibility arise.

Mr. BAUMAN. Further reserving the right to object, do I notice a small "out" being constructed?

Mr. THOMPSON. I do not detect any.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Mr. Speaker, as the gentleman well knows, before our friend, the gentleman from New Jersey, was involved in the House Administration Committee we used to have another gentleman from Maryland who would come in. I would point out it is 1:30 in the afternoon, and that is very early, because Mr. Friedel used to come in so late that they referred to him as "Sundown Sam." And, second, any time you ask the gentleman from New Jersey a question, he gives you a very expansive answer. And all Mr. Friedel used to say was, "The Members know what is in this bill." And that was the only answer we ever got.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I do think the Members know what is in this bill.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I simply want to say, for whatever value it may have—and with no disrespect to my predecessor as chairman of the Subcommittee on Accounts—that I understand that this year is the first time in 20 years that the Subcommittee on Accounts has recommended reductions in the requests of full committee chairmen for their committee budgets. And we have reduced those committee budgets by, I recall, well over $4 million from the request. That has been done with the very strong cooperation from the minority side, as well as the majority side, of that subcommittee.

Mr. BAUMAN. That includes the Committee on House Administration, as well?

Mr. BRADEMAS. The Committee on House Administration supported the recommendation of the Subcommittee on Accounts.

Mr. BAUMAN. They reduced their own budget? That is almost unheard of.

Mr. THOMPSON. Mr. Speaker, before the gentleman withdraws his reservation of objection, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, it does include the Committee on House Administration.

Mr. NEDZI. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Michigan.

Mr. NEDZI. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to the resolution.

This is a staff expansion resolution.

However disguised, however sweetly argued, however cleverly sweetened by innocent-sounding definitions, it remains an unfortunate idea and a bad bill.

What this resolution would allow—and encourage—is a 22 percent increase in personal staff. The practical effect is to raise the allowable number from 18 to 22.

This will guarantee more staff proliferation and, in its train, a requirement for more space, more furniture, more parking, more telephones. And also more amendments, more legislation, more paper.

Passage of this resolution will tend to feed the legislative glut many are, with justification, complaining about. It will tend to further entangle us in a glut of minutiae.

If the Members desire to expand the allowance for personal staff, moreover, let it be done in a direct, straightforward manner, not by the device of job definition.

We will be told in this discussion, I expect, that the resolution will not cost more, that you can simply have more staff with no increase in appropriations.

Nonsalary costs cannot be avoided, however, and it is certain that there will be an increased strain on office space, parking, the cafeterias and restaurants, and other aspects of daily life on Capitol Hill.

Let us be frank.

Many of us are having the nagging feeling that staff proliferation, rollcall proliferation, subcommittee proliferation, and paperwork proliferation is doing damage to the House.

Something dear has been lost in the process.

Ironically, we seem to have less time. And perhaps less individual impact on legislation.

The larger the staffs, both personal and committee, the less close-knit, the more impersonal they tend to become.

The Hill has thus lost some of its former intimacy, as well as some of the intangibles of graciousness and neighborhood feeling.

I am talking about tendencies, which grow in small increments, and which might be stopped or reversed by small actions, such as voting against this staff expansion resolution.

I should not have to remind this well-informed, experienced body that the larger the staff, the greater the workload, real or manufactured. As C. Northcote Parkinson said:

> Work expands so as to fill the time available for its completion.

We all rely on staff. They are a source of strength to us. But who can deny that if the numbers get out of hand we will be inevitably drawn into more activities, more projects, more paper, more expenditures of precious time?

The numbers argue against the resolution.

If the 435 Members and 4 nonvoting Members used their full allowance of 18, that would add up to 7,902. An increase in allowable numbers of 4 each for the 439 equals 1,770, or 22 percent.

The actual numbers of House committee staffs tell us a dramatic story: 1947, 181; 1960, 444; 1970, 758; June 1979, 2,266.

The numbers on Members' personal staff are equally dramatic: 1960, 2,582; 1970, 4,996; June 1979, 7,325.

I suspect we could get rid of a few subcommittees, and nobody would miss them. I suggest that if we forgo the addition of four more people on our staff allowance, few would genuinely miss them.

When Roll Call, the newspaper of Capitol Hill, ran an excellent series of feature articles in 1978 and 1979 on "What's Happening to the Hill?", one of the most frequent criticisms was that "something" has been lost, that Members are bogged down, that staffs, because of staff proliferation, don't know their neighbors anymore.

Staffs, and to some extent the Members, seem to miss the opportunity for the informal cooperation and achievement which was said to be the hallmark of former years.

There was an era when Congress took fewer issues and devoted more time to thinking them out. Now we are taking more issues and still spending a lot of time thinking them out. But we are stretched for time. Moreover, at some point you approach the moment when you risk substituting quantity for quality.

The same goes for staff size.

I personally believe that it is possible to have better quality with fewer numbers.

Let us not contribute any further to the trend which has already diffused power to such an extent that we have difficulty getting things done. Let us not entangle ourselves in a bureaucracy of our own making.

Virtually all of us love this House as an institution.

Let us, in effect, serve it by putting more of ourselves, and less of our staffs, into it.

I urge the defeat of this staff expansion resolution.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, the gentleman from Michigan (Mr. Nedzi) made the observation that I had intended to close with, and I second his observation. It will cost plenty.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

Mr. Speaker, I think it should be pointed out that the Subcommittee on Accounts and the committee itself debated what would happen in any staff increase and overwhelmingly earlier defeated a motion to increase any permanent positions; and the argument was made strongly that we did not need to be providing the benefits nor the parking, and if the Members would look carefully at this resolution, with the interns and with the temporary employees, and all, there are exclusions from these benefits. This was debated.

There were those, however small the minority was, who wished to increase the overall staff. This was resisted not only by myself but by the gentleman from Indiana, and others, and it was beaten down. This was the result of giving flexibility without increasing the size of the staff.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I have one question about the part-time employees and the mechanism of payments within certain quarters.

Would this resolution permit a Member of the House to furlough or place on leave an employee for the duration of a reelection campaign and then put him back on the payroll afterwards?

Mr. BRADEMAS. If the gentleman will yield, this resolution would have no impact on the circumstances described.

Mr. BAUMAN. It seems to me that it would permit that.

Mr. BRADEMAS. That certainly is not the intention of the resolution. I may say to the gentleman, if he will yield further, the whole point of this resolution is to respond to the requests that have come to our subcommittee from Members on both sides of the aisle for a greater degree of flexibility within their present clerk-hire allowance.

I may say to the gentleman from Maryland that, in the case of my own office staff, it happens that three members of the staff were on maternity leave during a period of 9 months, all of whom counted against the 18-slot limitation; and, thereby, there was a really onerous burden on our staff to be able to do the work of those three persons while they were away. It is that kind of a situation, among others, to which we hope to respond.

Mr. BAUMAN. Mr. Speaker, if I object to this, it will do no more than put it over until Monday. I understand the gentleman from New Jersey cannot be here then.

□ 1340

Mr. BRADEMAS. If the gentleman from Maryland will yield, the gentleman from New Jersey (Mr. Thompson), is for serious and important reasons, necessarily going to have to be absent after today until after Labor Day. The absence of the gentleman from New Jersey (Mr. Thompson) is one of the reasons, I may say to the gentleman from Maryland and to my colleagues, that I hope that we could consider this matter and dispose of it one way or the other.

Of course, I hope it is agreed to today, in courtesy to the chairman of the committee, the gentleman from New Jersey (Mr. Thompson) who has an interest in the resolution also.

Mr. BAUMAN. I am aware of that. I would not object today but I do not support the resolution.

Mr. Speaker, I withdraw my reservation of objection.

Mr. DICKINSON. Mr. Speaker, reserving the right to object, I assume that under the normal course of events that when the reservation is withdrawn, it will go into the 1-hour debate and that the gentleman will yield whatever time is necessary.

Mr. BRADEMAS. If the gentleman will yield, the answer to his question is yes, but as it happens, under the reservation, we have indeed been debating the substance of the bill. So I would hope we would not need to take much time.

Mr. DICKINSON. I have several on this side who would like to speak to it. I want to make sure we understood that they would have whatever time is required for debate.

Mr. BRADEMAS. Of course.

Mr. DICKINSON. Mr. Speaker, I withdraw my reservation of objection.

Mr. HILLIS. Mr. Speaker, reserving the right to object, I would like to ask my colleague, if not to help clarify the air at this time in the Chamber on this resolution, the matter of the senior citizen intern program that has faced the House in the past and how it is staffed. Was it not one of the primary considerations for the actions on this resolution today, and as the gentleman well knows, legislation has been introduced earlier to set a special internship aside, much like the LBJ intership for the senior citizen program, which almost a third of the officers in the House participate in, to bring the senior citizens to the Nation's Capitol for 2 weeks in May, and that this is the device that was worked out through negotiation and compromise to make that possible for many of them to participate.

Mr. BRADEMAS. I am well aware of the leadership my colleague, the gentleman from Indiana (Mr. HILLIS), has given in establishing in an informal way, or semiformal way, a senior citizen internship program, which I understand has been a very successful one.

This resolution under consideration today would make it possible for the gentleman from Indiana or others who have a senor citizen internship program, to continue to have them, even as it would be possible under this resolution for a Member to create for his own district a Vietnam veterans' intern program or a vocational educational intern program, or a disabled persons intern program, whatever he feels would be most appropriate for his district.

I hope it will be perceived by the gentleman from Indiana as being helpful that in the language of the resolution we tried to set forth some guidelines for describing the nature of the interns.

Mr. HILLIS. Further reserving the right to object.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. HILLIS. I yield to the gentleman from New York.

Mr. GREEN. Mr. Speaker, I, too, would like to commend my colleague from Indiana (Mr. HILLIS) for his work on the senior citizen intern program and endorse the legislation he has filed.

I have found that having a senior citizen intern has been helpful, not only to me, but also to senior citizen groups in my district, as those interns returned to the district, and they consulted with others from other senior citizen groups and were able to advise them on the legislative process in Washington and on pending legislation.

So, I would very much endorse the legislation that my colleague from Indiana has filed.

Mr. HILLIS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

Mr. BRADEMAS. Mr. Speaker, I renew my unanimous-consent request for the immediate consideration of House Resolution 359.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 359

Resolved, That, notwithstanding any provision of law, rule, or other authority, each Member shall be entitled to employ not more than eighteen permanent clerks, except that not more than four employees designated by the Member to the Clerk of the House as falling into one of the following categories need not be counted as permanent clerks:

(1) Part-time employees.

(2) Employees drawing compensation from more than one employing authority of the House.

(3) Interns.

(4) Employees on leave (including leave-without pay).

Temporary employees.

All clerks authorized by this section shall be paid from the clerk hire allowance of the Member involved.

SEC. 2. The total of the salary payments by a Member from the clerk hire allowance for a monthly pay period shall not exceed one-tenth of the single per annum gross rate of the clerk hire allowance of such Member.

SEC. 3. The per annum gross rate of clerk hire allowance for each Member is increased by $7,800 for the purpose of employing interns.

SEC. 4. Each Member may be entitled to reimburse any intern, as defined in this resolution or in H. Res. 420 of the Ninety-third Congress, from the allowance for official expenses for transportation expenses not to exceed the actual cost of one round trip between the District of Columbia and the farthest point in the district of the Member.

SEC. 5. For purposes of this resolution—

(1) part-time employees may not be compensated at a rate in excess of $1,000 per month;

(2) interns shall be employed primarily for their educational experience in Washington, District of Columbia, for a period not to exceed one hundred and twenty days in any one year; and

(3) temporary employees may not be employed by a Member for more than one year, except by written permission of the Committee on House Administration.

SEC. 6. As used in this resolution, the term "Member" means a Representative in, or Delegate or Resident Commissioner to the Congress.

SEC. 7. The Committee on House Administration shall adopt such rules and regulations as are necessary to carry out this resolution. Except as otherwise provided by law, any funds necessary to carry out this resolution shall be paid from the contingent fund of the House.

SEC. 8. This resolution shall take effect on the first day of the first month beginning after the month in which this resolution is agreed to.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That, notwithstanding any provision of law, rule, or other authority, each Member shall be entitled to employ not more than eighteen permanent clerks, except that not more than four employees designated by the Member to the Clerk of the House as falling into one of the following categories need not be counted as permanent clerks:

(1) Part-time employees.

(2) Employees drawing compensation from more than one employing authority of the House.

(3) Interns.

(4) Employees on leave without pay.

(5) Temporary employees.

All clerks authorized by this section shall be paid from the clerk hire allowance of the Member involved. Employees so designated by the Member as temporary employees or interns shall not be eligible to participate in the health and life insurance program, or to participate in the Civil Service Retirement Act.

SEC. 2. The total of the salary payments by a Member from the clerk hire allowance for a monthly pay period shall not exceed one-tenth of the single per annum gross rate of the clerk hire allowance of such Member: *Provided, however,* That not more than one-fourth of a Member's total annual clerk hire allowance may be used in each quarterly period.

SEC. 3. For purposes of this resolution—

(1) part-time employees may not be compensated at a rate in excess of $750 per month, or may not have a normally assigned work period that exceeds an average of fifteen full working days per month;

(2) interns shall be employed primarily for their educational experience in Washington, District of Columbia, for a period not to exceed one hundred and twenty days in any one year and may not be compensated at a single per annum gross rate of more than $7,800; and

(3) temporary employees must be employed for a specific purpose or task and may not be employed by a Member for more than three months in any one year, except by written permission of the Committee on House Administration.

SEC. 4. As used in this resolution, the term "Member" means a Representative in, or Delegate or Resident Commissioner to the Congress.

SEC. 5. The Committee on House Administration shall adopt such rules and regulations as are necessary to carry out this resolution. Except as otherwise provided by law, any funds necessary to carry out this resolution shall be paid from the contingent fund of the House.

SEC. 6. This resolution shall take effect on the first day of the first month beginning after the month in which this resolution is agreed to.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I do not really think, in view of my having stated, in response to the reservation of objection of the gentleman from South Carolina (Mr. CAMPBELL), the purpose of the resolution, it is necessary for me to speak further about it.

If any Member has any further questions, I shall be glad to yield for purposes of debate only.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, I thank the gentleman for yielding.

Let me say that it was at my insistence that—my motion—that within the full committee I felt that rather than go through the various categories, if there were a need for increase in slots on the Hill, I thought that was a proper way to do it.

When this was first offered in the

committee, it was so vague that one really could not tell how many people might be put on board and what the classifications or the parameters were under which a person would be employed.

Since that time, the definitions have been tightened, and the bill has been greatly improved.

But let me ask the gentleman one question. It appears to me that this is a device for employing more people than was intended by the House Administration or the Members of the full House in the past.

Under the provisions of this bill, as we now are discussing, could the gentleman tell us whether or not it would be possible to put four more people on your payroll by simply sharing them with another office?

Mr. BRADEMAS. The gentleman is correct. He would have to designate those four persons, but the gentleman is correct.

Mr. DICKINSON. So this, as I said before, in committee, is going to call for perhaps more space, perhaps more parking, certainly for more money. Even though that money is not added, we will be spending more money than had been anticipated or allowed before. We are just going to make more room for more people on the Hill, and a colleague and I could get together and put four people more on the payroll by sharing the salaries.

Mr. BRADEMAS. I would say to the gentleman from Alabama that in effect he has answered his own expression of apprehension by virtue of his having acknowledged that the resolution provides not 1 penny more money in clerk hire allowance.

Of course, each Member is going to have to make his own judgment in respect to what he would do under this resolution. If he feels that his office is already too crowded in that he has more people in his Washington, D.C. office than could be accomodated, he need not take on any more.

Mr. DICKINSON. Under the temporary, would it be possible to take two employees and just simply rotate them for periods of time? They would both be qualified as temporary, so long as they do not exceed the time that is set out for a temporary employee, but we could have two and then simply rotate them.

Mr. BRADEMAS. Frankly, Mr. Speaker, I could not completely hear, but the gentleman used the phrase "temporary employees." I would draw to his attention that under this resolution a person can be hired as a temporary employee only if that person is designated and only if that person is hired for a specific purpose or task and only if for no more than 3 months in any 1 year.

Mr. DICKINSON. My question was, under the definitions as we have set out here, would it be possible just to take two employees and simply rotate them every 3 months, 4 months, or any number for that matter, and rotate them?

Mr. BRADEMAS. No. The answer is "No."

Mr. DICKINSON. Tell me what prohibits that then?

Mr. BRADEMAS. Because the single person is permitted to be hired for no more than 3 months in any 1 year and, therefore, could not be rotated for another quarter.

□ 1350

Mr. DICKINSON. I did not understand it.

Mr. BRADEMAS. I am grateful for the opportunity to make that point clear.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding. I think the point is well made. That was tightened up to the extent we eliminate that problem. I think it should also be pointed out that as a matter of debate if a person chose to have a permanent employee on for 3 months and off and rotate with someone, they have that flexibility now and it really does not open anything in that regard.

Further, I think it should be pointed out that the shared employee, that under separate resolution in reporting that the shared employee was the employee that was assigned or shared in the situation for the Democratic Study Group, the Republican Study Committee, Republican Research Committee and the organizations we have and share, that there were reporting requirements changed in the committee for these. A shared employee has to be designated as such by the Members in the regard to which they are being shared. I think we have it as tight as we can have it.

If we are going to debate the integrity of the Members in dealing with their staff and what they are going to do, that is a different subject. But as far as getting the rules as tight and as balanced as we can, I think the committee has done so.

Mr. BRADEMAS. I thank the gentleman for his very constructive contribution.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I will yield to the gentleman from California.

Mr. THOMAS. Although the common practice is to share with various organizations Members paying a small portion of a full-time Member's salary, the way this is written you can hire four new people full time on your staff, I can hire four new people on my staff, you pay 50 percent of yours, I pay 50 percent of yours, you pay 50 percent of mine and I pay 50 percent of mine; is that correct?

Mr. BRADEMAS. I think that would be possible, yes. Indeed, that is possible now if the gentleman wants to do so.

Mr. THOMAS. Up to 18?

Mr. BRADEMAS. That is correct.

Mr. THOMAS. Now we go up to 22, is that correct?

Mr. BRADEMAS. If the gentleman wants to count it that way.

Mr. THOMAS. All right.

Mr. BRADEMAS. The gentleman has to understand, however, that he has to do it within the present clerk-hire allowance. No additional money is being provided, so if the gentleman does that he must take into account two factors. First, as it were, he will have to reduce the amount that he is using for others. Second, he will have to make very clear in any candid discussions of this matter that he is not using more tax dollars for his clerk hire.

Mr. THOMAS. I might point out to the subcommittee chairman that there are some of us who would not have to reduce the salaries of those we hire because we do not pay them at some of the levels that are paid here. There is some money available in some of our accounts. Not everyone hires everyone they are allowed and pays them the maximum salary.

Mr. BRADEMAS. I am sure that is true.

Mr. THOMAS. The other question I would ask is in this percentage change, allowing one to spend one-tenth, but 25 percent within the single quarter, if we act on this today it will go into effect prior to the beginning of this next month. How are we going to handle the July payment? Is that going to be a one-tenth or a one-twelfth?

Mr. BRADEMAS. If the gentleman will allow me to respond, this particular provision would be implemented as of the first of August. It would not apply to July.

Mr. THOMAS. But July is still in the quarter, so what would we do with July?

Mr. BRADEMAS. But the resolution will apply to the prospective quarter.

Mr. THOMAS. Beginning August 1?

Mr. BRADEMAS. That is correct.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I will be glad to yield to the gentleman from California.

Mr. LUNGREN. Mr. Chairman, I specifically have a question directed to the category dealing with employees on leave without pay. We have heard some discussion about how this affects maternity questions, and I wonder does this not affect a situation where a Member of Congress wanting to put people from his staff on the campaign staff could take them off the congressional payroll, put them on their campaign staff as we come close to the election, and yet have their benefits, health benefits and such still paid for by the Government, and then allow those slots to be taken up during that period of time by other employees?

Mr. BRADEMAS. I could be mistaken, but if I heard the gentleman correctly, I understand that perhaps some Members of this body follow that custom even now, prior to the passage of this resolution.

Mr. LUNGREN. If the gentleman will continue to yield, the point is they cannot fill those slots under present rules, is that not correct?

Mr. BRADEMAS. I am not sure I understand the gentleman.

Mr. LUNGREN. The point is they cannot fill those slots above 18 at the present time?

Mr. THOMPSON. Mr. Speaker, would the gentleman yield?

Mr. BRADEMAS. I yield to Mr. THOMPSON.

Mr. THOMPSON. Under current practice a Member, consonant with political good judgment first, and propriety second, may take those of his staff who are going to work on his campaign off the payroll, placing them in a leave without pay status. They are put on leave without pay at no cost to the Government and then brought back on the payroll when they resume their duties.

Mr. LUNGREN. If the gentleman will yield, where is the prohibition in this?

Mr. THOMPSON. In existing regulations of the committee rather than in this resolution. We did not try to rewrite the whole body of rules in the regulations book which the gentleman has in his office.

Mr. LUNGREN. I just want to make it clear for my own purposes, what the gentleman is saying is if this rule goes into effect those people who would like to take people off their congressional staff to work on their campaigns would be prohibited from allowing those people to take leave without pay, but would have to actually terminate them from full employment and any Government benefits whatsoever, is that correct?

Mr. THOMPSON. Not under the current law or this resolution.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. I am very impressed with this, I think this is a step forward, and I want to be sure I understand it.

Mr. BRADEMAS. I thank the gentleman.

Mr. COLLINS of Texas. We have wanted to have some part-time students work in our office on Saturday, and as I understand this first section, part 1, it makes it possible for them to come in, work on Saturday, 4 days a month, and we do not have to eliminate a permanent member of our staff for them to do that?

Mr. BRADEMAS. If the gentleman will allow me to respond, the answer to his question is "Yes."

Mr. COLLINS of Texas. That is fine. I thank the gentleman.

Mr. RATCHFORD. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Connecticut (Mr. RATCHFORD), who is a very diligent member of the Subcommittee on Accounts.

Mr. RATCHFORD. Mr. Speaker, I think it needs to be pointed out also that when this bill came before the committee it did contain appropriations items in it, and many members of the committee, myself included, the gentleman from South Carolina, the gentleman from California, the gentleman from New York said we would not support the resolution with the appropriation contained within it.

Second, there are other situations above and beyond those described which need coverage. For example, under the current law if someone wishes to hire a social security recipient who cannot earn more than $4,800 a year, by hiring that social security recipient, by encouraging a senior citizen to work, the office is penalized, because the office is charged for one full-time position.

In addition to that, if someone wishes to bring on board business talent on a part-time basis, that talent then fills a full position. If someone, as the gentleman from Texas indicates, wishes to bring in someone on a weekend, that fills a full-time slot.

It seems to me what we do here is to give flexibility to the office, encourage the senior citizen, encourage the college student, encourage the legitimate utilization of business talent, and in so doing still not impose an additional tax burden on the constituents of our various congressional districts.

I applaud the subcommittee chairman. I think the intent has been met and it has been met without adding additional burden to our constituents.

Mr. BRADEMAS. I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. BRADEMAS. Of course I yield.

Mr. BAUMAN. On the point made by the gentleman from Connecticut, in reading section 5 it says "except as otherwise provided by law, any funds necessary to carry out this resolution shall be paid from the contingency fund of the House." That seems to me to be an unlimited appropriation.

Mr. BRADEMAS. No, I do not read it that way.

Mr. BAUMAN. Well, I do not know how else one could read it.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the committee amendment and the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

Mr. DICKINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 214, nays 120, not voting 100, as follows:

[Roll No. 367]

YEAS—214

Akaka
Albosta
Alexander
Ambro
Andrews, N.C.
Annunzio
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bevill
Bingham
Blanchard
Boggs
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brodhead
Brooks
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Campbell
Cavanaugh
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Collins, Tex.
Conte
Corman
D'Amours
Danielson
de la Garza
Dellums
Derrick
Dixon
Dodd
Donnelly
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Calif.
Ertel
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Goldwater
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Tex.
Hamilton
Hance
Harris
Heckler
Hightower
Hollenbeck
Howard
Hutto
Ireland
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kindness
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McCormack
McHugh
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mica
Mikulski
Mikva
Mineta
Mitchell, Md.
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Peyser
Pickle
Preyer
Price
Pursell
Quillen
Rahall
Rangel
Ratchford
Reuss
Rinaldo
Roberts
Roe
Rose
Roybal
Runnels
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Skelton
Slack
Smith, Iowa
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stewart
Stockman
Studds
Swift
Synar
Tauke
Thompson
Udall
Ullman
Van Deerlin
Vanik
Volkmer
Waxman
Weaver
Weiss
White
Whitley
Wilson, Bob
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki

NAYS—120

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Bennett
Bethune
Brinkley
Broomfield
Brown, Ohio
Butler
Carney
Carter
Clausen
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Derwinski
Devine
Dickinson
Dornan
Edwards, Ala.
English
Erlenborn
Evans, Del.
Findley
Fowler
Frenzel
Glickman
Gradison
Grassley
Grisham
Guyer
Hammerschmidt
Harsha
Hinson
Holt
Hopkins
Hubbard
Hughes
Hyde
Ichord
Jacobs
Jenkins
Kazen
Kelly
Kildee
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lent
Loeffler
Lujan
Lungren
McCloskey
McDonald
Madigan
Marlenee
Martin
Mazzoli
Michel
Miller, Ohio
Minish
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Nedzi
Panetta
Pashayan
Paul
Pease
Petri
Regula
Rhodes
Ritter
Robinson
Roth
Rudd
Satterfield
Sawyer
Schulze
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Stenholm
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Vento
Walgren
Watkins
Whitehurst
Whittaker
Wydler
Wylie
Young, Fla.

NOT VOTING—100

Addabbo
Anderson, Ill.
Anthony
Ashley
Biaggi
Boland
Bolling
Bowen
Brown, Calif.
Burton, John
Byron
Carr
Chappell
Cheney
Cleveland
Coleman
Conyers
Cotter
Crane, Philip
Daniel, Dan
Davis, S.C.
Deckard
Dicks
Diggs
Dingell
Drinan
Early
Edgar
Edwards, Okla.
Emery
Erdahl
Evans, Ga.
Fish

Fithian
Flood
Forsythe
Goodling
Hall, Ohio
Hanley
Hansen
Harkin
Hawkins
Hefner
Heftel
Hillis
Holland
Holtzman
Horton
Huckaby
Jeffries
Johnson, Colo.
Kemp
Leach, La.
Lee
McClory
McDade
McEwen
McKay
McKinney
Marriott
Mathis
Miller, Calif.
Mitchell, N.Y.
Moakley
Murphy, Ill.
Nolan
O'Brien
Patterson
Pepper
Perkins
Pritchard
Quayle
Railsback
Richmond
Rodino
Rosenthal
Rostenkowski
Rousselot
Royer
Russo
Santini
Sebelius
Solarz
Stark
Steed
Stokes
Stratton
Traxler
Treen
Walker
Wampler
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wolff
Yatron
Young, Alaska
Zeferetti

☐ 1410

Mr. RANGEL changed his vote from "nay" to "yea."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the motion of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I would like to yield at this time to the majority leader to give us the balance of the program for this week and next week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman from Texas.

Mr. WRIGHT. Immediately upon conclusion of this colloquy it would be the purpose of the leadership that we should dissolve ourselves into the Committee of the Whole House and complete at least part of the general debate on the maritime authorization bill.

We hope, however, plan and fully intend we shall rise at or about 3 o'clock this afternoon and Members can keep commitments based upon that pledge.

On Monday, we will meet at 12 noon. There will be five bills scheduled for consideration under suspension of the rules. There will be debate Monday but votes will be postponed until Tuesday.

We would then have debate on the following bills:

The Transportation appropriations.

Export Administration Act amendments.

Nurses training amendments.

Defense Department authorizations.

We would take part of the general debate on the DOD authorization bill on Monday and leave part of it for a later date.

For Tuesday and the balance of the week we will meet at 10 o'clock a.m.

We will take up first the constitutional amendment to prohibit school busing.

We will have recorded votes on the suspension bills debated on Monday.

We will take up the Amtrak Reorganization Act of 1979.

We then will go to the Gas Rationing Standby Authority and Conservation Act, S. 1030, subject to the granting of a rule.

We will next consider the two Department of Energy authorization bills, hoping to obtain a rule which would permit their consideration jointly.

We next will consider the unemployment compensation amendment.

We will then complete consideration of the maritime authorization bill.

We would hope to take up the disability insurance amendments.

We would then hope to take up the foreign assistance appropriations, following it through to completion if possible.

We will then vote on amendments and bills on which general debate has been held on Monday.

There are three other things on the schedule for the week: The Consolidated Farm and Rural Development Act with an open rule, 1 hour general debate; H. Res. 317, disapprove President's recommendation to extend certain waiver authority under the Trade Act of 1974 with respect to Romania; and H.R. 79, Postal Service Act of 1979.

We would hope to adjourn by 5 o'clock on Thursday and by 3 o'clock on Friday. We may be in considerably later on other days.

☐ 1420

Mr. MICHEL. Mr. Speaker, if I might inquire of the majority leader, on my schedule here it shows—oh, I see, it is at least until 7 p.m. on those other evenings.

Mr. WRIGHT. The gentleman is correct.

Mr. MICHEL. With that kind of blue plate special, it will obviously be later than that on Tuesday and Wednesday nights, would it not?

Mr. WRIGHT. I would just have to say to the distinguished acting minority leader that that is a realistic expectation.

Mr. MICHEL. Mr. Speaker, might I make certain that the first order of business on Tuesday will be the consideration of the constitutional amendment, rather than any rollcalls preceding that.

Mr. WRIGHT. That is the plan of the leadership.

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

Mr. GLICKMAN. Mr. Speaker, will the majority leader yield for a brief question?

Mr. WRIGHT. Mr. Speaker, if the gentleman from Illinois will permit, I will yield to my friend, the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I just wanted to make sure, the gentleman said that there would be no votes on Monday except procedural votes which the majority leader might not otherwise anticipate; is that correct?

Mr. WRIGHT. The gentleman is correct. The plan is that there will be no votes on Monday; but the gentleman is aware of the extent to which that can be guaranteed or assured; however, there are no votes planned and no votes will be held on those bills that are scheduled for consideration under the suspension of the rules.

Mr. GLICKMAN. Mr. Speaker, I thank the distinguished majority leader.

ADJOURNMENT TO MONDAY, JULY 23, 1979

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON TUESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the House shall convene at 10 a.m. on Tuesday next, July 24, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MARITIME AUTHORIZATIONS, 1980

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2462) to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Murphy).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Illinois (Mr. Yates) as Chairman of the Committee of the Whole and requests the gentleman from Indiana (Mr. Sharp) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2462, with Mr. Sharp (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York (Mr. MURPHY) will be recognized for 30 minutes, and the gentleman from California (Mr. McCLOSKEY) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2462, as amended, by the Merchant Marine and Fisheries Committee.

The purpose of H.R. 2462, as amended, is to authorize fiscal year 1980 appropriations in the total amount of $438,540,000 for certain maritime programs of the Department of Commerce; including construction-differential subsidy and operating-differential subsidy. In addition, the bill would place a ceiling of $1.5 billion on the aggregate amount of new loan guarantees authorized pursuant to the title XI guarantee program provided by title XI of the Merchant Marine Act, 1936, for fiscal year 1980.

Section 2 of H.R. 2462 sets forth the five elements of the annual authorization request of the Maritime Administration. In this regard, the total amount requested by the administration for fiscal year 1980 was $435,040,000; a decrease of $61,752,000 from the total amount authorized for fiscal year 1979.

The two main elements of this annual authorization of appropriations for maritime programs are the construction and operating differential subsidy amounts. With respect to construction-differential subsidy, the Merchant Marine and Fisheries Committee favorably reported the administration's fiscal year 1980 request of $101 million, a decrease of $56 million from the amount authorized last year. These funds, together with the $23 million carried forward will provide a total construction program level of $124 million, to fund the construction of four vessels; three dry bulk vessels, and one Lash for the Waterman Steamship Corp., called for under an existing operating-differential-subsidy contract.

This is indeed a modest vessel construtionprogram, Mr. Chairman, and modest funding, especially when one considers the present marginal status of the U.S.-flag merchant fleet. In this connection, it is interesting to note that at the recently concluded UNCTAD V Conference, in Manila, on the Code of Conduct for Liner Conferences, the developing nations introduced a resolution voted on at the Plenary on ship financing and technical assistance. The purpose of this resolution is to urge and lay the groundwork for ship financing assistance by the developed nations to the developing nations. The focal point of this resolution was to the effect that credit for the acquisition of ships should be extended to the developing nations by the developed countries on the following terms and conditions:

First, a maximum loan duration of not less than 14 years for new ships and 10 years for second hand vessels including a period of grace for at least 3 years after the delivery of the vessels;

Second, down payments not exceeding 10 percent of the contract price; and

Third, the rate of interest for such deferred payments should not exceed 5 percent per annum.

The developed nations, including the U.S. delegation, abstained from voting on this resolution in the Plenary because of an impasse with the developing nations on the question of cargo allocation for bulk commodities.

Those are truly generous financial terms outlined in the resolution. Is it not ludicrous that the United States should be called upon to provide the developing nations with such generous ship financing terms when our own vessel construction program for the current year is a paltry four vessels; when we have practically no projection for building new vessels in the next several years; and when we expect to lose some 45,000 U.S. shipyard jobs in the next several years? It is plain to see the movement on the international scene, and our merchant marine operates for the most part internationally, so we had better begin to consider shoring up our sagging maritime capability.

Our committee favorably reported the administration's fiscal year 1980 request of $256,208,000 for operating-differential subsidy. This represents a decrease of $6,592,000 from the amount authorized last year. The requested $256,208,000, together with $50,506,000 brought forward from 1979, will provide a program level of $306,714,000, to provide for the subsidized operation of U.S.-flag merchant vessels as follows:

First, $243,071,000 for the operation of 158 U.S.-flag liner vessels, including 4 combination passenger/cargo vessels, operated by the 7 subsidized liner operators. This represents an increase of $15,840,000 from last year for this purpose. About 147 ship years of operation will be funded by this amount.

Second, $28,383,000, an increase of $2,791,000 over last year, will be used to fund about 19 ship years of subsidized operation of 21 U.S.-flag bulk vessels engaged in the worldwide trades.

Finally, $35,260,000 will be used for the payment of prior year obligations; a decrease of $4,443,000 from last year.

With respect to research and development, a very important item, our committee favorably reported the administration's fiscal year 1980 request of $16,360,000, a decrease of $1,140,000 for last year. The committee favorably reported the administration's fiscal year 1980 request of $17,132,000 for the continued operation of the Federal Merchant Marine Academy at Kings Point, N.Y. This was an increase of $1,609,000 over the amount authorized for fiscal year 1979. With respect to the six State marine schools, the administration requested $6,785,000, a decrease of $435,000 from the amount authorized last year. The Merchant Marine and Fisheries Committee increased the administration's request by $4.5 million to $10,285,000, in order to provide for a suitable replacement for the training ship of the Massachusetts Maritime Academy that has been declared unusable.

Our committee reported the administration's fiscal year 1980 request of $1,957,000 for supplementary training courses authorized by section 216(c) of the Merchant Marine Act, 1936. With respect to the National Defense Reserve Fleet, our committee favorably reported the administration's fiscal year 1980 request of $6,377,000, an increase of $861,000 over the amount we authorized last year, so that the Maritime Administration can continue to maintain the National Defense Reserve Fleet. The committee also reported the administration's fiscal year 1980 request of $29,221,000 to cover operating expenses of the Maritime Administration relating to the development and use of waterborne transportation systems and for general administration expenses.

Section 4 of the bill is a committee amendment. It would place a ceiling of $1.5 billion on the aggregate amount of new loan guarantees authorized pursuant to the title XI guarantee program provided by title XI of the Merchant Marine Act, 1936. The title XI guarantee program is not part of H.R. 2462; the authorization bill of the Maritime Administration for fiscal year 1980. However, a $1 billion limitation on title XI guarantees was proposed in the fiscal year 1980 budget. The imposition of this limitation was to be one of the initial administration efforts to control Federal credit programs.

This program comes within the jurisdiction of the Merchant Marine and Fisheries Committee, and the committee generally concurred in this administration effort. However, as the $1 billion level had been exceeded in 2 of the last 5 years, the committe adopted a limitation of $1.5 billion on such title XI guarantees for fiscal year 1980.

The above funding, Mr. Chairman, is the bare minimum essential to the continued operation of the U.S.-flag merchant fleet. Our maritime capability, as you know, it is an absolute minimum for our economic well-being and our national security. The building obligation set out in this program is certainly modest by any standards, and not at all commensurate with our maritime needs. Of the four vessels to be constructed, three are bulk carriers. U.S.-flag fleet bulk fleet capability consists of about 15 vessels now, and we carry only about 1 percent of our dry bulk commodities. I submit that this is a shockingly low figure, especially when considered in the context of our almost total dependence on the importation of most essential bulk commodities. If we are to maintain our maritime capability at even the current minimum levels, we must authorize and appropriate the funding set out in H.R. 2462.

I hope all Members realize that this annual authorization program is not designed to cure or even address the many problems afflicting the U.S. merchant marine such as an archaic regulatory conference system, a cumbersome subsidy system, runaway flags, and splinter Jones Act problems. They will all be addressed by the committee in the coming year, but we must have this reasonable funding program outlined in H.R. 2462 to keep our existing marginal merchant fleet capability until we can address the root cause of the problems afflicting the U.S.-flag merchant fleet.

For the above reasons, Mr. Chairman, I urge the Members to vote in favor of H.R. 2462, the annual authorization of maritime programs for the Department of Commerce.

□ 1430

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, I thank the gentleman for yielding, and I thank him especially for addressing himself to the problems of the construction of our ships and our construction subsidy program.

I understand that there may be an amendment offered that would substantially cut the construction subsidy program, and I would like to ask the gentleman if he, along with the gentleman from California (Mr. McCloskey) and the gentleman from Kentucky (Mr. Snyder), has not recently introduced omnibus legislation to amend and revise the Merchant Marine Act.

And are we not now awaiting the administration's recommendations that have resulted from its interagency review of the maritime policy?

Also, let me say that I understand, as does the gentleman, that Senator Inouye has introduced several proposals to substantively revise current maritime policy, and, as the gentleman knows, I am working with the gentleman from Virginia to develop our own proposals to stimulate American shipbuilding and American flag shipping.

Would the gentleman from New York (Mr. Murphy) not agree with me that any action to substantively change the CDS program is premature?

Mr. MURPHY of New York. Mr. Chairman, in response to my colleague, the gentlewoman from Louisiana (Mrs. Boggs), I would reiterate what I just stated, and that is that the CDS program and the ODS program, as recommended by the committee, are essential to bridge any period of time between the present circumstances and, let us say, what we hope will be a solid future for the American merchant marine.

And now I will respond to the other questions the gentlewoman from Louisiana asked.

It is true that the gentleman from Kentucky (Mr. Snyder) and the gentleman from California (Mr. McCloskey) and myself have been working for many years to devise a program to bring the American-flag merchant marine and, in fact, our whole maritime program into the decades of the 1980's and the 1990's and into the year 2000. We have introduced legislation this past week which we call the Omnibus Maritime Regulatory Reform, Revitalization, and Reorganization Act of 1979, designed to revitalize the American-flag merchant marine.

That legislation as introduced represents a compromise among the views of those Members who have introduced it. It is not the answer, we recognize that, but it may well be the working document or the anvil upon which this Congress can hammer out a program to meet the future commercial and national security maritime needs of the United States.

Mr. Chairman, I applaud my colleagues, the gentleman from Kentucky (Mr. Snyder) and the gentleman from California (Mr. McCloskey), for joining in this absolutely essential initiative.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield for one question?

Mr. MURPHY of New York. If I may, I will just finish my response to the gentlewoman from Louisiana (Mrs. Boggs), and then I would be happy to yield.

The administration's Interagency Task Force has been expected for many months. In fact, the administration's Interagency Task Force began work a year and a half ago on a new maritime policy and program to meet the critical maritime needs of our country. We have been waiting for months for this Interagency Task Force report, but it never seems to surface.

I understand that the Interagency Task Force has completed its work. Its recommendations have gone to the President, and the President may forward to the Congress shortly his recommendations in a policy statement. In fact, as I understand it, it was about 2 o'clock when that statement was going to be made, so obviously we did not have the opportunity to have it here for this debate today. But I certainly appreciate the administration's problems in developing a program. Collectively, we have not been able to develop a program essentially since 1916. There were some revisions in 1936 and again in 1970, but they really have not solved the problems, because, among other things, we are only carrying 5 percent of our commerce in American-flag ships.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I am glad to yield to my colleague, the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, the committee chairman has answered what I was going to offer as a supplement to the answers to the gentlewoman from Louisiana (Mrs. Boggs).

I was about to say that if we wait for the administration's recommendations, we might wait forever. However, if it is true that their recommendations are going to reach us today, that is a significant advance.

I would have to say, however, that in evaluating the recent Cabinet changes, I would be highly suspicious that whatever may have been decided may not be acquiesced in by whoever may be members of the new Cabinet. Members of the agencies or the Cabinet have hitherto been unable to reach agreement, particularly Justice, Commerce, and the State Department. The whole reason that the chairman of the committee, the gentleman from New York (Mr. Murphy), the gentleman from Kentucky (Mr. Snyder), and myself felt finally that we had to develop this comprehensive program in the House of Representatives was as a result of the failure for 2½ years of the Carter administration to deliver that which had been promised in the President's campaign statements.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield further to me?

Mr. MURPHY of New York. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, I would like to say to the gentleman in the well and to the gentleman from California (Mr. McCloskey) that I appreciate very much their introduction of this legislation. I appreciate very much the interests of all the persons involved, the legislators and the persons in the executive branch, who are trying to come forth with a solid maritime policy for this country.

But my question to the committee chairman, the gentleman from New York (Mr. Murphy) is this: In view of the fact that we have a consolidated sort of policy to present to the Congress, is it not premature to offer any kind of accommodation in the CDS program in this legislation?

Mr. MURPHY of New York. Mr. Chairman, in this legislation under consideration, H.R. 2462, we are not impacting our ongoing CDS contracts that are linked to ODS. We continue the existence of the program. Any major changes in maritime policy or a new maritime program will be addressed in the maritime omnibus bill and that probably will not come to the floor until next February or March.

Mrs. BOGGS. Mr. Chairman, I appreciate the statement of the committee chairman.

I was really addressing myself to the fact that any amendment might be offered to the gentleman's bill by which there could be modification of the CDS program that is recommended in the bill.

□ 1440

Mr. MURPHY of New York. I have a suspicion we may have an amendment that would alter the existing CDS program. I doubt if it will be offered today, but I think we can probably look forward to that exercise next week.

Mrs. BOGGS. If the gentleman will yield further, I thing that on the merits we have to say that the CDS program has worked fairly well, because since 1952 approximately 40 percent of all of the merchant ships constructed in U.S. shipyards have involved CDS payments. Since the passage of the 1970 amendments, CDS contracts for 80 plus new ships have been placed with American yards. In addition to that, 92 unsubsidized vessels were ordered, 62 of which were covered by title XI of the Federal ship mortgage guarantees. So, collectively, these 203 ships equate to $7.2 billion in shipbuilding contracts and more than 350,000 man-years of employment in U.S. shipbuilding and supporting industries.

So I feel safe to say that the CDS program has been somewhat of a success, and I do commend the chairman and the full committee and the staff on this fine piece of legislation. I would urge its adoption by the House without any substantive changes.

Mr. MURPHY of New York. I thank my colleague, and I would say that the CDS program, the 1970 act, with the mandate to build 30 ships a year for 10 years, was only half a program. It is one thing to build ships, but if there is nothing to put in those ships, if there is no cargo available for those ships, what we end up with is empty ships. I think a complete program is what is necessary, and that is what the committee is working on. I think it is absolutely vital to support this authorization legislation to bridge the gap into that new era when our new maritime policy and program will result in a revitalized American-flag fleet.

On numerous occasions it has been stated that I have called the Merchant Marine Act of 1970 a failure. That is not exactly accurate. I only have characterized it as a partial failure. The reason for this characterization was because the 1970 act did not guarantee any cargo and, as I mentioned above, cargo is the name of the game. Furthermore, the building program aspects of the 1970 act were geared to liner vessels. The two maritime administrators during those years constructed primarily bulk vessels in order to have ship construction under the 1970 act. However, these bulk vessels were not specifically the type of vessel contemplated in the 30 ships for 10-year period. Also, the liner vessels that were constructed were high productivity vessels which took the place of three or four of the old level bulk-type vessels. I just wanted to explain the memo ascribed to me regarding this matter.

Mr. McCLOSKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. TRIBLE. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Virginia.

Mr. TRIBLE. Mr. Chairman, I rise in support of H.R. 2462, the Maritime Appropriations Authorization Act of 1980.

This maritime legislation now before the House will authorize $438 million for maritime programs operated by the Department of Commerce. This money will be used for the construction and operation of U.S.-flag ships, for maritime research and development, for maritime education and training, and for the national defense reserve fleet.

America's merchant fleet is in a deporable state. All of these programs are vital if we are to keep our present fleet afloat and revitalize our merchant shipping. A strong merchant marine is all important to our nation's economy and security.

I urge my colleagues to approve H.R. 2462.

Mr. WHITEHURST. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from Virginia.

Mr. WHITEHURST. Mr. Chairman, I wish to add my support to the Members who have spoken on behalf of H.R. 2462, the 1980 Maritime Appropriation Authorization Act. The passage of this legislation is vital to the maintenance of a healthy U.S. merchant marine—one that can contribute to the Nation's economy and serve as a backup to the Nation's military forces in an emergency.

I believe H.R. 2462 provides a base of support for the merchant marine that cannot be diminished or weakened without impairing the future of the U.S. fleet. Contained in the bill are construction and operating funds that will keep the merchant marine on the rebuilding path it has followed in recent years.

The subsidy funds of $101 million for construction will allow a number of new U.S. ships to be built in U.S. yards at parity with foreign costs.

Thousands of shipyard workers in plants from coast to coast will benefit from these construction subsidy funds. Many of the components for these ships come from the workshops of companies in nearly every U.S. State, making U.S. shipbuilding a coastal industry with national impact.

These construction subsidy funds are all the more important as U.S. yards face a loss of Navy work due to the drastic cut in Navy construction. Several U.S. yards are in the midst of layoffs caused by the lack of new work. If we fail to approve these funds or if we encumber them with needless restrictive amendments, we will endanger the future of such yards as Bethlehem Steel in Baltimore, Todd in California, and others.

Our shipyards have always proven to be a basic tool of our national defense. The construction of new U.S. merchant vessels is one of the best ways to keep this industry in a state of readiness.

The bill also includes funds to operate many U.S. vessels in U.S. foreign trades. These funds help keep them competitive with foreign fleets such as the Soviets, and to cope with the increasing intervention by foreign governments into shipping.

Operating subsidy puts U.S. vessels on a cost parity with foreign vessels. While less than one-half of the U.S. fleet receives this aid, it has helped to significantly expand our penetration of U.S. liner trades. Where a few years ago we were carrying 20 percent of U.S. liner goods, with the help of operating subsidy we now carry nearly 30 percent.

These and other accomplishments of the U.S. fleet demonstrate the strong self-help program the U.S. maritime industry has begun. The industry has not had a major work stoppage in this decade and it has steadily reduced crew sizes while putting into service more productive vessels.

The U.S. merchant marine has worked hard to demonstrate it is capable of regaining its position as one of the world's premier merchant fleets. We in the Congress must do our part by encouraging the continuation of this effort.

We can do so by passing H.R. 2462, the Marad authorization bill as passed by the House Merchant Marine Committee. I also urge my colleagues to oppose amendments to this bill which would hamper the maritime industry's programs at a time when they are nearing fruition.

In an industry where Government regulation is already more pervasive than almost any other, I urge my colleagues to give this industry a vote of support for its efforts without encumbering it with further regulations that will hold it back.

I urge the enactment of H.R. 2462 as reported.

Mr. McCLOSKEY. Mr. Chairman, I want to say, if I may, in my opening comments, that I would like to try to respond to the question of the gentlewoman from Louisiana as to why I will be offering an amendment to reduce the construction subsidy by some $69 million, which was the action that the Committee on Appropriations took last week on the floor by a vote of 272 to 135.

Chairman MURPHY properly pointed out on February 21, 1978, that the ship construction program has been a failure. I want to try to describe why it has been a failure.

Over the last 10 years, the shipyards of the free world have been maintaining a competition almost equivalent to the arms race. This has led to a condition in liner shipping around the world called overtonnaging. With the United States having the only open conferences amongst the free world, the overtonnage of ships have been dumped in the U.S. trade routes, with the result that of the 10 subsidized carriers, 2 went bankrupt within the last 18 months on the west coast. Of the remaining eight, three have been operating at a loss. Of the remaining five, none are really operating at what we could call a substantial profit to invite further investment in the U.S. merchant marine.

Chairman MURPHY, to his credit, has set a goal within the next 6 months of writing a completely comprehensive new maritime policy to replace the provisions of the 1916 act, the 1936 act, and the 1970 act which have essentially proven a failure to the maritime policy of this Nation. We have adopted as a goal in this bill that we will have a U.S. flag merchant marine capable of carrying 40 percent or more of our liner cargo, our oil cargo, and our dry bulk cargo.

The question comes in this bill, however, whether or not we should continue to subsidize shipbuilding at a time of a surplusage of ships around the world, at a time when, through competing subsidy programs, it is estimated that the shipyards of the free world are operating at only about 25 percent capacity, and at a time when, with 26 major yards in the United States, the president of the Shipbuilders Council, Mr. Ed Hood, indicated that if present policies were not changed we could drop down to 8 yards by 1985.

It seems clear that, with the surplusage of shipyards around the country and around the world, there is a need for the free nations that are in competition with the Communist bloc, to reduce the amount of our national assets that we are pouring into our shipbuilding program which makes all of us poor—the Belgians, the Germans, the Koreans, the Japanese, our allies around the free world and in Europe. It is almost insane to continue to build subsidized ships at great cost to our respective nations when our commercial prosperity, vis-a-vis the Communist world, may be our greatest source of national security.

For that reason, I will be offering an amendment to confirm what the Appropriations Committee did last week. And essentially it will be to say that this year, instead of providing a construction subsidy of 50 percent of the cost of four ships, that we do so for only one. The amendment will reduce the subsidy by $69 million, which would provide $23 million of subsidy for each of three bulk cargo carriers.

It is the purpose of the omnibus bill that the chairman and the gentleman from Kentucky and I are sponsoring to revitalize both our ship operating program and our shipbuilding program so that we can have bulk carriers carrying 40 percent under U.S. flag.

The question is, at this time in history, should we build those in U.S. shipyards, at a 50-percent Government subsidy, or should we buy those same ships abroad from the surplus available at less than one-half the cost, perhaps at $15 million instead of $46 million?

Let me state the reasons to the gentlewoman, because I do not believe—although it is possible—that if my amendment is adopted it will deprive a shipyard in Louisiana of the contract for those three ships. Quite clearly, if we grant this contract for three bulk carriers at $46 million each—even though we could buy them elsewhere for $15 million—that contract should go to one shipyard because it is our purpose and our understanding that we must build ships in series if we are to reduce the cost of construction of those ships.

That contract will probably be granted to a shipyard in either Virginia or Louisiana or Texas, because those are the shipyards which have been most successful in competing for these low-cost contracts. This contract is not going to go to Bath, Maine, or to Staten Island or to Quincy, Mass. It will go to the low bidder who can build three ships at the lowest possible cost.

Why at this time in history, with ships available to us at $15 million, should we spend $23 million of Government funds and $46 million overall to provide a ship for a U.S. owner, which in either event will be operated under the American flag and employ U.S. crews. It is my hope, and I hope the chairman shares this hope, that by readjustment in our tax laws and readjustment in our regulatory laws, we can attract back under U.S. flag these cheaper ships that are presently owned by U.S. operators, but are being flown under foreign flag, previously for reasons of cost of crews, but now primarily because of tax advantages.

I want to pledge to the gentlewoman from Louisiana that, in trying to cut the shipyard subsidy, we are not trying to cut the U.S.-flag merchant marine. We are trying to increase it and we are trying to make it prosperous.

□ 1450

I want to quote a recent study that was made by MMS Associates of Stamford, Conn., in which they made an analysis of U.S.-flag operators trying to compete with foreign operators. They used the study of a 73,000-deadweight-ton bulk carrier, not unlike these three ships that are proposed in the construction subsidy program. They pointed out that even with a 50-percent construction subsidy and a 50-percent operating differential subsidy, a U.S. owner that had his ships built in the United States would be at a competitive disadvantage.

So what we are forced to, in effect, is a choice between preserving shipyard jobs and shipyard work and preserving a U.S.-flag merchant marine that can be competitive. As that choice goes on, as we consider the compromises we will have to make in the next few months, it is my belief after 4 years of study of this problem, that our primary obligation is to preserve the competitiveness of the U.S.-flag merchant marine, the ship operators themselves. For too long we have tried to keep too many shipyards busy at the cost of the national security.

There was ample reason before World War II and before World War I to have 26 major shipyards in the event that we were required to have an army of 3 million to 5 million men fighting either in Asia or in Europe.

But today if there were a war in a NATO environment, any new shipyards or any new ships constructed would take 3 years.

I believe it is now the consensus of military and strategic thinking in this Nation that no war in NATO would last much longer than 90 days before developing into a nuclear exchange, that we are not ever again going to have an American expeditionary force of the type that would require shipyards of this capability. The time that it takes between the institution of a ship's building and its final launching down the way is too great.

So we are faced with a choice of how to make the American merchant marine competitive.

I submit at this time in history, we should buy these ships and attract them back under U.S. flag rather than build them at this immense cost.

I would like to cite another statistic to the gentlewoman, because I think it materially bears on the unemployment situation, which is commonly raised as the reason why we should support by subsidy a shipyard program.

At present, with some 18 ships under construction from past years' subsidies, we support a labor force of about 8,700 people. So if we were not to build these three ships, we are presumably going to lose about 1,600 jobs.

But where do we lose those jobs, and will there be a ripple effect on the steel industry which furnishes them?

I would like to make this point clear to those of my colleagues who are concerned, and properly so, about jobs.

In the synfuels program, which this House overwhelmingly approved just before the July 4 recess, if we build one 100,000-barrel-per-day coal gasification plant, we will be spending $3 billion, as compared to $46 million for one ship. One ship, $46 million; one coal gasification plant, $3 billion. The steel for that one ship is roughly 8,700 long tons of steel. The steel for that single synfuels plant is 191,000 tons of steel.

When we look to manpower in the construction of that one deadweight bulk carrier, we find 750 man-years of shiplabor and 187 man-years of welder construction. With that single synfuels plant, instead of 750 man-years of labor, there are 13,000 man-years of labor; instead of 187 years of welder labor, there are 1,000 man-years of labor.

What I am trying to point out is that if the steel yards of America and the steel companies of America and the shipyards of America can turn their talent into the synfuels program, any jobs lost by the termination of this subsidy will be made up a dozen times or more by the synfuels program which we propose.

In a sense, we are turning to energy with our subsidy rather than shipbuilding.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I would be glad to yield to the gentlewoman from Louisiana.

Mrs. BOGGS. Mr. Chairman, I thank the gentleman for yielding.

I would like to say to the gentleman that I am very pleased his comprehensive overview of maritime policy has taken into account the competitive disadvantages which the American shipbuilding and shipping interests find themselves, vis-a-vis, the countries of the free world.

The gentleman mentioned Belgium for one, where they have tax writeoffs, very quick tax writeoffs in their construction.

Mr. McCLOSKEY. The Belgians, as I understand it, adopted a 1-percent interest rate over 30 years. It is just insane to continue that kind of competition among the nations of the free world.

Mrs. BOGGS. What I would like to say to the gentleman, if he will continue to yield, that my point about the continuing without modification the authorization bill that the gentleman brought before us, is that all of the synfuels, the new tax policies, the new policies of the State Department with our allies and so on, all are going to take a great time to put into effect.

In the meantime, as the gentleman pointed out in his speech, two major shipyards have now closed in this country.

I do feel that until the gentleman's policies are put into effect that we have to continue the policies that are pointed out in this bill.

Mr. McCLOSKEY. If the gentlewoman will continue to yield, I said two major shipping lines had gone bankrupt. Of the shipyards, the 26 major shipyards, the estimates are dropping anywhere from 15 to 13 to even 8 by 1985. I am not sure, whatever we do in our bill, we can make it possible for more than 13 or 16 major shipyards to continue to operate. The less competitive shipyards clearly are going to go out of business anyway. The shipyards that will be getting assistance under this bill, in my judgment, will be one of those shipyards in the gentlewoman's portion of the country that is so competitive that it is not in danger of going out of business anyway.

So I do not think by this bill or by my amendment we will affect the number of shipyards which go out of business or the speed with which they go out of business.

Hopefully, our omnibus bill will address that, but I do not think this construction subsidy of $69 million will make one iota of difference to preserving one shipyard for any length of time at all, because I think the contract will go to one of those shipyards that will stay in business anyway, very possibly in the gentlewoman's State. That was the point I was trying to make.

Mrs. BOGGS. If the gentleman will continue to yield, I would like to say to the gentleman that of course this Member would very much like to have the contracts in her district. However, the shipbuilding in her area is alive and well because of their innovativeness and because there are very splendid workmen who are within the area.

But I would also like to say that the Port of New Orleans is the second largest port in the country, the third largest in the world.

We have a very, very keen interest in the maritime policy of this Nation and of all of the shipyards and of all of the shipbuilding companies and shipping companies that exist in the country; and of course we have, as the head of the naval district, a very keen interest in the naval shipping as well. It is an entire maritime policy in which this Member is interested. I agree with the gentleman. I compliment him on any kind of overall policy that he would like to submit.

In the meantime, I hope he will leave the bill that is before us intact without any serious modifications.

□ 1500

Mr. McCLOSKEY. If I may respond on just one point to the gentlewoman's concern, I wish I could be satisfied that in this administration's request for money to build these three bulk cargo carriers they really intended to carry it out. As of last week they had not even submitted to Congress the bill to make it possible to build the three ships. Let me quote to the gentlewoman what the Maritime Administration did in past years.

In 1976 they requested $195 million to build ships, but they deferred $247 million. They did not build the ships they asked us for the authority to build. They had asked for LNG tankers, but then they never went ahead with an LNG program. This Carter administration could not untrack the question of whether it wanted to go ahead with the LNG program that the Maritime Administration wanted but could not get clearance from the Energy Department. If past experience is any judge, when a new Cabinet officer is appointed, many months may elapse before major policy decisions can be made.

In 1977 the administration did not request any money, but they deferred $201 million. In 1978 they asked for $130 million authorization but deferred $122 million.

Last year they asked for $157 million and deferred $23 million of that.

Without the necessary legislation to build these three ships there is even less guarantee that by keeping this $69 million in the authorization the ships would be built anyway. The way this administration is going, we will never get a decision from them. I would like to ask the chairman to address this question. Has the chairman received any assurance from the administration that it is going to ask for the bulk initiative program that these three ships would be built under? I know that Senator INOUYE may have introduced a bill, but has the administration asked our side to really authorize these three ships?

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the Chairman of the committee.

Mr. MURPHY of New York. They have every intention of submitting the bulk program.

The Senate last week came in with its funding for the bulk program, and the committee is in the process of getting a timetable from OMB as to just when that legislative package is going to arrive.

I might say at this time, without questioning who commissioned the MMS study on this comparison costs of U.S. versus foreign-built and procurement of foreign vessels, I might say to my colleague that that study was based upon 13- to 15-year-old vessels, foreign-built vessels and compared it with a new U.S.-built vessel with a 30-year life expectancy. It did not take into account any of the tax advantages that the U.S. vessel would enjoy, or the many areas of incentive and very useful and helpful avenues, and I would submit for the record at this point some of the very fallacious, let us call it, intent of that study. I hope the gentleman would tell us who commissioned the study and what the purpose of the study was supposed to be when it is comparing a vessel with a 13-year-old future compared to a new U.S. vessel with a 30-year future. And of course, the study did not include the automated engine rooms. Just last week I went to an American shipyard where a 1,000-foot tanker of about 110,000 deadweight tons had just been launched with a totally automated engine room, one engineer necessary to operate a diesel engine room. This study did not compare that type of automation that would be built into a new vessel.

There are so many problems with the study that I would like to have the opportunity to point some of those out so that when we make comparisons we make valid comparisons.

Mr. McCLOSKEY. I share the chairman's reservation about some of the conclusions of this study. I just want to point out that our most successful shipping line, for example, Sea-Land, just chose to build a series of D-9 class vessels in foreign yards for $30 million each. They chose to build in foreign yards because their ship construction department had estimated that U.S. construction costs would be $80 million per vessel. Furthermore, Sea-Land said rather than spend 4 years building them in U.S. yard with the capital tied up during that period, the foreign yards could deliver them in 2 years.

So the gentleman sees the problem of a competitive U.S. shipping company, our most competitive, our most profitable, the one that carries the U.S.-flag most proudly, building its ships abroad at almost a third of the cost it would have to construct them in a U.S. yard.

Let me cite one other point in a different study that the Chairman is aware of because it is the program development for the U.S. merchant marine prepared for the Joint Maritime Congress by Harbridge House, Inc., which is an acknowledged maritime consulting firm of great stature. The Joint Maritime Congress also has renewed stature as a result of the ascendency to its presidency of our former colleague, Bob Leggett. At page 417 of that study the statement is made:

> Yet in many instances a 50 percent subsidy does not equalize the cost of a U.S. vessel with foreign-building alternatives.

What we did in 1970, as the gentlewoman will remember, we adopted a program over 10 years to spend $3 billion to revitalize the U.S. merchant marine through construction subsidies. Unfortunately, that program has not been successful, and Chairman MURPHY on many occasions in my presence has characterized the program as a failure. Robert Blackwell, former head of the Maritime Administration, has characterized this program as a failure.

That program was predicated upon reducing the 50-percent subsidy progressively every 2 years down to a 35-percent construction subsidy. Yet in order to build any ships at all in U.S. yards, we had to agree to go back to the 50-percent subsidy. The testimony before the committee this year was that very possibly we would have to go to 60 percent or above to equalize that cost to the U.S. ship operators who thereafter have to compete on world markets.

I would submit in conclusion that it is a difficult choice for us. Are we to have a competitive U.S. merchant marine, or are we to continue to subsidize U.S. shipyards, which some shipowners have characterized as literally an albatross around the necks of U.S. operators. I come down on the side of trying to preserve a competitive U.S.-flag merchant marine because, as the chairman has pointed out, in the next 20 years we must expand our foreign trade. We must make it as cheap as possible for American exporters to export their goods so that they can be competitive in foreign markets. We cannot afford to have U.S. shipowners own less than 40 percent of the ships for our oil, for our bulk, and for our liner cargo, because if we get below that level we are subject to being gouged by the free enterprise system which we have tried to create around the world. I am hopeful that within 6 months, as we carve out this new comprehensive maritime policy, we can get it enacted by the Senate, and we can get it signed by the President, and we can resuscitate the Nation's shipyards.

But it seems to me almost insane at this time, when we are also trying to balance the budget, to add $69 million to fund half of the cost of ships which can be purchased for far less than that and operated competitively by U.S.-flag operators. I hope we will set a goal to have our law go into effect so that new U.S.-flag operators will be operating long before these ships could ever be constructed. I think we can bring them under U.S. flag by a change in the law within 6 months, far earlier than the 3-year time it would take to construct the ships.

Does that answer the gentlewoman's question?

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentlewoman.

Mrs. BOGGS. I thank the gentleman for yielding to me and for answering my question so graciously and so fullsomely. I would hope with his great interest in the maritime policy of the United States that he will not defer or delete any of the funds that are requested in this bill.

Mr. McCLOSKEY. I cannot honor the gentlewoman's request, but I understand its reason and its merits in previous years. I think just in this particular area it is time to call a halt to something which has made our shipyards and ship operators noncompetitive, and I want to say that.

Over a year ago, as I recall, I asked Robert Blackwell, our maritime administrator, "Mr. Blackwell, don't you think subsidy causes any business to become noncompetitive?" If I can paraphrase his reply, it was to the effect that it appeared to him, in looking at U.S. shipping management around the country, that is shipping operators as well as shipyards, that there had been some tendency to become less competent and less competitive if that business received a subsidy.

☐ 1510

I look forward to the day when U.S. shipyards do not require subsidies, when U.S. ship operators do not require subsidies. I hope that in our act we can create incentives so that we will have a proud, competitive merchant marine with something other than subsidies. I think the Soviets, with their bureaucracy and inability to adjust to problems, find that they are having to grant ever greater incentives to get successful ship operations. They are moving in our direction.

Unfortunately, over the last several decades it appears that there has been an erosion of the free enterprise system, which I think even the Democratic side concedes has been the source of strength of this country, rather than the Government.

Mr. MURPHY of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. Frost).

Mr. FROST. Mr. Chairman, I support this legislation as reported by the Committee on Merchant Marine and Fisheries.

I believe that this authorization should be viewed as but one step in the development of an urgently needed comprehensive maritime policy for the United States. The urgency of this need results from rapid changes in the world economic order which have left many of the key assumptions of U.S. economic and maritime policy without relevance. Perhaps the most crucial aspect of these changes, at least in the area of world shipping, has been the gradual destruction of the "free market" as a force in driving the allocation of world shipping resources. The net result of these changes is that we are left today with a world shipping market which in a real sense scarcely deserves to be called a "market."

Nationalism is on the rise in third world countries frustrated by inflation and social unrest. These countries are heavily promoting their national fleets, because it is a convenient and strategic means of gaining control over the economy and national defense efforts. Bilateral shipping agreements are not unusual; they are a common practice and the common ambition of many countries.

It is in this context that U.S. maritime policy must be forged. If we candidly recognize the minimal role that free trade plays in world shipping, there are many opportunities which the United States might take advantage of to regain the maritime capability required in the national interest.

The strategic significance of opportunities such as that of a bilateral shipping agreement between the United States and the Peoples Republic of China should be viewed in the context of the extraordinary maritime ambitions of both China and the Soviet Union. They are two world powers that are acutely conscious of the critical role that must be assigned to their merchant fleets. It would be perilous for the United States to ignore the urgent need for a new maritime policy in light of these dramatic changes in the world order.

In conclusion, I believe that authorization proposed in this bill is essential to the continuation of U.S. maritime policy, and I firmly hope that it will mark only one step in a new program to restore the American merchant fleet to the status required in the national interest.

Mr. MURPHY of New York. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. McCLOSKEY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. MURPHY of New York. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mrs. Boggs) having assumed the chair, Mr. Murphy of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2462) to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes, had come to no resolution thereon.

APPOINTMENT OF CONFEREES ON H.R. 4388, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, 1980

Mr. BEVILL. Madam Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4388) making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama? The Chair hears none and without objection, appoints the following conferees: Messrs. Bevill, Boland, Slack, Mrs. Boggs, Messrs. Chappell, Jenrette, Dixon, Whitten, Myers of Indiana, Burgener, Mrs. Smith of Nebraska, and Mr. Conte.

There was no objection.

NATIONAL LUPUS WEEK

Mr. GARCIA. Madam Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 19) to provide for the designation of a week as "National Lupus Week."

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 19

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the week of September 16 through 22, 1979, as "National Lupus Week" and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States and the world to observe such same week with appropriate ceremonies and activities. The President is further requested and authorized to issue such proclamation in the official languages of the United Nations and provide each Ambassador of these nations a ceremonial copy so that the lupus erythematosus patients in their countries may know of the United States' concern for the control of this deadly disease.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DIABETES WEEK

Mr. GARCIA. Madam Speaker, I ask unanimous consent for the immediate consideration of the joint resolution

(H.J. Res. 209) designating the week of May 14 through May 20, 1979, as "National Diabetes Week."

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 209

Whereas diabetes kills more Americans than all other diseases except cancer and cardiovascular diseases; and

Whereas ten million Americans suffer from diabetes and $5,300,000,000 annually are used for health care costs, disability payments, and lost wage costs due to diabetes; and

Whereas a national awareness of the diabetes problem may stimulate interest and concern leading to increased research and eventually a cure for diabetes: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 14 through May 20, 1979, is designated as "National Diabetes Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

With the following committee amendment:

Page 3, line 3, strike "May 14 through May 20," and insert "October 8 through October 14,".

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution designating the week of October 8 through October 14, 1979, as 'National Diabetes Week'."

A motion to reconsider was laid on the table.

HARRIS POLL SHOWS OVERWHELMING SUPPORT FOR SYNTHETICS BILL

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, when the House on June 26 passed the Moorhead bill, H.R. 3930, by a vote of 368 to 25, it was evident that this country is ready now to build a synthetic fuel industry to help meet its critical energy needs. We fully expect a similar response by the Senate when it has an opportunity to vote on the question.

That the American people want decisive action by their Government in the energy area has been apparent for some time. But today I have received a copy of a recent ABC News-Harris survey which shows specifically how they feel about development of synthetic fuels.

What this poll shows is that 75 percent of the American people favor risking Federal funds to aid in the building of a synthetic fuel industry. On the question of Federal support for converting coal to oil and natural gas the vote was 75 percent in favor, 19 percent opposed.

Strong support is also shown for Government investment in the conversion of oil shale and tar sands to synthetic crude, for the production of alcohol from farm crops, and for solar power in generating home electricity.

The text of the ABC News-Harris survey report follows:

AMERICANS FAVOR SYNTHETIC FUELS BILL

(By Louis Harris)

In their quest to relieve the uncertainties of the energy crunch, sizable majorities of Americans strongly favor a government-stimulated synthetic fuels development program to produce oil and natural gas. Such a bill has already passed the House of Representatives and is now before the Senate.

Under the terms of the synthetic fuel bill, the federal government would guarantee to spend billions of dollars for the purchase of fuels developed from the conversion of oil shale, tar sands, coal, grain and other renewable and nonrenewable resources. The production goal under this bill is 500,000 barrels a day by 1984 and 2 million a day by 1990. By guaranteeing a market for the synthetic fuels, the government hopes to encourage private companies to make the necessary investment to produce these fuels which could have a potential yield equal to half the amount of oil the country is expected to import over the next decade. Such a yield will cut down U.S. dependence on foreign oil.

Specifically, here is the public's reaction to a synthetic fuels program as indicated by the results of the latest ABC News-Harris Survey of 1,496 adults nationwide:

By 75–19 percent, a sizable majority of Americans favors risking federal funds to guarantee the backing of plants that can convert coal to oil and natural gas. This process is used in South Africa and other parts of the world today, and is in an advanced state of development.

By 61–30 percent, a majority also favors the potential spending of up to $10 billion by the federal government to buy the synthetic crude oil produced by the conversion of oil shale and tar sands. Again, the technological capability is known, but the investment in such processes is highly expensive and, up to now, there has been doubt about what the cost of such oil would be.

By 71–19 percent, a big majority of the public also supports government backing of plants that can combine alcohol from farm crops with gasoline. In the Midwest, gasohol, as the product is called, is being used in increasing quantities. The advantage of putting alcohol to such use is that it has a virtually unlimited supply potential, since it is made from grain which is abundant in this country. However, the price of alcohol is likely to be higher than current prices paid for gasoline.

By 78–17 percent, the largest majority of all favors the same approach in the development of solar power for home use. Solar energy has long been viewed with favor by the American people, since it exists in unlimited supply and is non-polluting. However, most Americans are convinced, as are most experts, that solar energy in any great quantity is not likely to be realized much before the 1990s.

These results lead to two very significant conclusions. First, with the price of both gasoline and home heating oil sharply on the rise, Americans are willing to risk large sums of tax dollars now to relieve even worse shortages in the future. Even though the people feel that government spending is not giving them real value for their tax dollars, they consider a synthetic fuels program to be an investment that is well worth the expense. Basically, if it can result in a substantial alleviation of the energy situation, such problems as federal spending and deficit budgets will be given a lower priority in the future.

Equally significant, Americans are also indicating that they believe ultimate relief from the pressing energy problem will come from the nation generating more new sources of fuel rather than from conservation measures. This does not mean that people are not prepared for a rationing plan. A substantial 2 to 1 majority now favors imposition of odd-even rationing, which is already operating in 12 states.

However a 57–21 percent majority of Americans favors placing an emphasis on the development of new sources of energy rather than on conservation as such. This may be partly due to an unwillingness to radically change lifestyles. In other words, before they will give up the automobile and its mobility, Americans want to explore programs for alternate sources of energy, and, they are willing to see the federal government spend more of their tax dollars, if necessary, in order to make such an energy program work.

TABLES

Between June 13th and 17th, the ABC News-Harris Survey asked a cross section of 1,496 adults nationwide by telephone:

"If the new windfall profits tax is passed by Congress, the government will then have money available for developing more sources of energy. The major energy companies are also spending billions of dollars to develop new energy sources here at home. Do you favor or oppose the federal government aiding the energy companies' efforts by spending up to $10 billion here of federal government funds for (read each item) which could produce alternate energy here at home equal to half the oil we now import from abroad?"

FEDERAL GOVERNMENT INVESTMENT IN DEVELOPMENT OF ALTERNATE ENERGY SOURCES

[In percent]

	Favor	Oppose	Not sure
Conversion of oil shale and tar sands to synthetic crude oil	61	30	9
Plants that can convert coal to oil and natural gas	75	19	6
Plants that can combine alcohol from farm crops with gasoline	71	19	10
Solar power for use in home electricity	78	17	5

●

CYPRUS—5 YEARS LATER

(Mr. KILDEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILDEE. Mr. Speaker, I would like to bring the attention of my colleagues to a tragic anniversary. As of this weekend, it will be 5 years since Turkish troops occupied a substantial portion of the independent nation of Cyprus. In the past, I have indicated that the use of American weapons in the occupation was in direct violation of American law and contrary to the principles of the Western democracies who are members of NATO.

These violations pale in comparison, though, when we look at the human suffering which has resulted. The occupation of 40 percent of Cyprus has meant that over 200,000 Greek and Turkish Cypriot refugees have been separated from their homes and livelihoods. That represents almost one-third of the Cypriot population. The numbers are of a great magnitude, and it is sometimes difficult to realize that these numbers represent individual tragedies multiplied thousands of times.

In this International Year of the Child, I would ask my colleagues to think of the number of children whose lives are being stunted by being forced to live in an unstable home environment. In each of the last 2 years, I have alluded to the difficulties which will result if the problem continues to fester. In terms of the children, I ask my colleagues to consider how many children are being told that their living conditions are the result of the Turkish invasion. The seeds of discord for future generations are being sown every day. These conditions could very well exacerbate the tensions between the two Cypriot communities for years to come.

I was recently heartened by the resumption of talks between the two communities. I was then disappointed when those talks were recessed without real progress. I would hope that the talks will be resumed shortly.

As a step toward reducing the tensions between the two communities, I would like to again call on the Turkish Government to remove their troops from the sovereign nation of Cyprus. In the past, I have made reference to the illegal nature of the occupation, but today I would like to emphasize two other reasons for the withdrawal of troops. First, the termination of the occupation would be an indication of humanitarian concern. Although it might be a difficult decision politically within Turkey, it would be recognized as an act of statesmanship.

Second, the continuing occupation has created a drain on the Turkish economy and helped create the financial difficulties which Turkey is experiencing. In asking for U.S. assistance to overcome these difficulties, the Turkish Government is, in reality, asking us to subsidize an occupation which we officially oppose. I know that I speak for many of my colleagues when I say that we would be much more willing to assist Turkey to overcome its problems if the Turkish troops were withdrawn from Cyprus.

The situation on Cyprus has now stagnated for 5 years. In human terms, the misery that it has created demands that people on all sides actively seek a solution.

SUSAN B. ANTHONY DOLLAR COIN

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, it is remarkable to me that the 2-week-old Susan B. Anthony dollar coin has been the subject of so much attention and unwarranted criticism. I cannot help but project what frustration and impatience Susan B. Anthony herself must have experienced trying to get "on the ballot." It seems she is experiencing opposition of the same color trying to stay "on the money."

The new dollar coin was issued for public distribution on July 2, 1979. As the major sponsor of the Susan B. Anthony dollar coin in the House of Representatives, I am well able to attest to the more than 1 year's labor which evaluated through numerous surveys, not only the acceptability of the coin by the general public, the vending industry and the retailers throughout the Nation, but also secured a firm guarantee from the banking industry that the coin would be made readily available so as to insure widespread circulation.

Since the issuance of the new dollar coin, however, I have read numerous articles by certain members of the fourth estate opposing the new dollar coin, as well as recently having been made aware of proposed legislation by a fellow colleague to halt the production of the new coin. I have not, however, seen these very same critics making any effort whatsoever, to balance their criticism with such favorable verbal and written correspondence which my office, as an example, has received. Nor have I seen anyone bother to question the Washington Metropolitan Area Transit Authority's sign stating, "These machines are not equipped to handle the new $1 coin." No one has commented on the fact, that although the Federal Reserve bank has unqualifiedly stated that the demand for the new "dollar coin" is unprecedented and that retail outlets have been flooded with requests to return as change the new dollar coin, the coins have not been made easily accessible for public consumption. We have received numerous complaints to this effect, yet no justification from those who can control circulation.

I suspect that the root of the problem is the concept of "change" itself. There are some who would prematurely bury the new dollar coin, before anyone has an equal opportunity to learn to accept it. Rather than being in such a rush to oppose the Susan B. Anthony coin, its critics might do well to look at the European experience.

In Germany, the 5-mark coin is widely used. It is worth $2.50 in American currency. The Germany 2-mark which is also widely used, is smaller than the Anthony coin and worth $1. Hardly can it be said that the West Germans have suffered psychological or economic damage due the size of their coins. Amazingly enough, the latter has been a consistent criticism of the Susan B. Anthony coin.

In France, the 10-franc coin, equal to $2.50, is the same size as the Anthony coin. It, in fact, is smaller in size than the 5-franc coin, although it is of a higher denomination.

In Great Britain, the 50-pence piece, worth $1.10 in American currency, is about the same size as the Anthony coin and circulates well.

The size of the new dollar coin was and is purposeful. We might recall that the Eisenhower dollar failed to circulate because of its cumbersome size. The Anthony dollar is unmistakably more convenient. Moreover, due to the smaller size, the taxpayers are being saved $4.5 million, as it is less expensive to mint, as well as $100 million, because the building of an addition to the mint will be unnecessary.

We might reflect on the fact that although it is automatic, we must look at the $1 bill, the $2 bill, the $5 bill, and so on in order to differentiate among the bills. They are not only the very same size and color, but also the same texture. Although the outside of the Anthony coin is round, the inside groove is 11-sided. This celebrates for the first time in the history of American currency a consideration for and sensitivity toward the blind. I have not heard a clarion call applauding this unique effort.

Mr. Speaker, it becomes increasingly more clear that as the lines of resistance queue up against the success of the Susan B. Anthony dollar coin, their arguments lose ammunition. Instead of continuing to wage war on the Susan B. Anthony coin and reduce the promise of its success, I would hope that those who control the distribution of the coin cooperate in its circulation. Moreover, I would hope that all Americans learn to know the true value the coin has in our currency system. It is a new experience; let us give it a chance.

OPEC SHOULD BE GIVEN A DOSE OF ITS OWN MEDICINE

(Mr. HARSHA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARSHA. Mr. Speaker, the steady escalation of oil prices by the Organization of Petroleum Exporting Countries demands tough retaliatory action and an end to our meek acquiescence to their unreasonable demands.

The time has come to fight fire with fire. We have allowed a group of relatively backward and impotent group of desert and jungle countries to make us look like a helpless giant. They have used a single resource—oil—to exert influence far out of proportion to their importance.

It is inexcusable that the United States continues to bolster the economies of a collection of greedy nations who deal in oil like pirates looting a treasure ship. They have used their oil as a weapon with great skill and with a total lack of concern for the damage done to the economies of the industrialized nations of the world.

Regardless of the image projected by the Carter White House, our Nation is not helpless. We have at our disposal a weapon that has the potential to end our exploitation by the OPEC cartel.

That weapon is grain. It is our greatest trade resource, but we have failed to use it effectively to benefit either American farmers or consumers. OPEC nations need grain, and their appetite grows each year. In 1970, they imported 14 percent of the entire world wheat trade. Only last year, we supplied more than half of OPEC's wheat imports, and nearly 20 percent of their total agricultural imports.

The United States can and should make the price of wheat soar like the price of oil, and see if OPEC prefers more excessive oil profits, or food to eat. Bread is a far more palatable staple than oil.

President Carter must show some leadership, for a change, and some ability to play hardball with OPEC. They should be told, in no uncertain terms, that the United States expects either a lower price on the oil they sell to us or a higher price on the grain we sell to them.

It is the barrel for a bushel concept—a barrel of oil for a bushel of wheat—and it will work, if the Carter administration will get off its knees and show some tough-minded leadership.

Some American farmers are sporting bumper stickers on their trucks that express the idea in even more blunt terms: "Cheaper crude or no more food."

It is not an overstatement to say that the United States feeds the world. The nations of OPEC may have great wealth in oil, but we are rich in grain. The difference is that OPEC has used its oil to command both wealth and power, while the United States has done nothing with its grain exports. Relatively speaking, we give it away.

It should not be that way. After all, more than half of the grain in international markets comes from the United States, and OPEC, like much of the rest of the world, has become dependent on American grain.

Something is terribly wrong when the United States pays high prices for OPEC oil, which is promptly used to produce, process and transport grain, which, in turn, is sold to OPEC nations at unreasonably low prices. It is a windfall for OPEC, and a disaster for us.

Consider that in 1970, oil and grain both sold for the same price in the international market, or $2 for a bushel of wheat and $2 for a barrel of oil. Today we get between $3.50 and $4 for our wheat, while we are paying between $16 and $18 for imported oil—and the end is not in sight.

The Carter administration continues to deal with other nations with painful timidity, ever fearful of offending someone. That has to change. We have not flexed our economic muscle, and it is time that we did.

We have squandered millions in foreign aid on many of those nations who now try to destroy our economy. They have shown us no consideration, and they deserve none.

We owe our farmers a much better price for their grain, and American consumers deserve affordable prices for gasoline and home heating oil. Furthermore, our Nation simply must reduce its staggering balance-of-payments deficit.

As a step toward achieving these goals, I have joined in sponsoring legislation to establish a National Grain Board with power to barter and sell American grain in world markets and set the highest responsible prices on all U.S. grain, rice, and soybeans sold overseas.

I urge my colleagues to support the establishment of this board. It will give us a vehicle by which we can cooperate with the grain boards of Canada and Australia to raise the international market price for grain. Nearly all of the wheat in world trade is marketed by these three nations.

No appropriation would be required, and no new bureaucracy would be created, since the board would be the existing Commodity Credit Corporation, with the addition of a farmer advisory committee.

The time is right to seize the initiative. Population growth in the OPEC countries has outpaced food production. In addition to feeding their own populations, some, like Kuwait, use thousands of foreign workers, who must also be fed.

For a variety of reasons—population increases, prosperous times, or the growing popularity of bread and poultry, foreign nations, including OPEC, now depend on the United States for food.

The United States is in a particularly good bargaining position at this time. Along with Canada, we provide two-thirds of the world wheat trade and hold most of the surplus wheat stocks. Currently, only the United States can fill new orders for wheat.

We should not delay a day longer in giving fair warning to OPEC that two can play their game and that they will get no more cheap American grain. It is absurd that we should help OPEC nations stabilize their economies, while they are doing everything possible to cripple ours.

They are literally biting the hand that feeds them, and they will keep doing so until we stop them. What will they do when we stop feeding them?

Our Government has the ability, and I hope it has the will, to give the oil profiteers of OPEC a strong dose of their own medicine.

TRIBUTE TO GILBERT CHAVENELLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, relatively few Americans have the opportunity to hold public office. Fewer ever become true public servants. Today I call the attention of the Congress and the country to the work of a great public servant.

His name is Gilbert Chavenelle. Outside of my home city of Dubuque, Iowa, his is not a household name. But in Dubuque we know him as our city manager, our community leader, our public conscience, our good friend, and our public servant.

He is retiring as our city manager. But he will continue to serve us in all the other aforementioned capacities. From them he cannot retire, nor would he.

Radio station KDTH recently aired an excellent editorial discussing the contributions of Gilbert Chavenelle to the Dubuque community. For the review of my colleagues, I include the text of that editorial to appear in the RECORD immediately following my remarks:

MARCH 20, 1979.

Gilbert Chavenelle has announced his retirement!

At age 67, going on 35, he has squeezed three decades of work into the 19 years he has managed the municipal government of Dubuque, Iowa. What an asset this extraordinary man has been to Dubuque. And what a bargain! His pay, by his own design, is well below the going rate for managers of cities Dubuque's size; as we will soon learn in recruiting a successor, a successor because it will not be possible to recruit a replacement.

Like good budgeters everywhere, Gilbert anticipated revenues conservatively and expenditures safely. That's how he can always find that little extra when the emergencies arise. And that's why Dubuque has the best credit rating in the country among cities its size.

Gilbert Chavenelle has other rare assets as a city manager. He is an accomplished politician in the finest sense of the word. He has that special knack of finding an appropriate balance among conflicting viewpoints; devising a new alternative; and permitting each participant to think it was his own idea. He avoids the limelight, leaving the elected officials to take the credits, yet ever ready to step forward to accept the blame when things go awry.

And the willingness to find compromise is never permitted to diminish high ethical standards he demands from his staff. Those willing to try shortcuts feel the sting of his wrath behind closed doors, yet the comfort of his protection in the public arena.

The devotion of Gilbert Chavenelle to doing a job well is unmatched. Never was the day he came to a meeting ill prepared. And those who tested him found he had read and absorbed every detail of every consultant report prepared for the city. You can disagree with Gil. But, if you hope to prevail, you had damn well have better done your homework carefully and completely. Because you can be sure he had. Rare are the evenings and weekends when the lights are not burning in the city manager's office.

Gilbert Chavenelle has another quality all too rare in city managers, a concern for people needs that has a higher priority than the development of brick and mortar projects. Many city managers are inevitably drawn to a priority management that focuses nearly full attention on cement and pipes and buildings. Gilbert has always had primary regard for creating a more livable existence for people, especially those who needed a voice to express their concerns.

The mark of Gil Chavenelle will remain on Dubuque as long as there is a Dubuque. Before Gil this city simply periodically gave itself up to the river whenever old Miss so demanded. Gil Chavenelle provided the leadership catalyst for a floodwall, which again this year will save millions, particularly for those who would have to go without a paycheck, some of whom are now among his critics. But that's the way it goes for city managers . . . kinda, "What have you done for me lately" job.

In addition to the floodwall, Gil's imprint on the city can be seen in a new airport terminal, Town Clock Plaza, Five Flags Civic Center, improved water and sewage treatment facilities, new fire stations, a law enforcement facility, parking ramps . . . and on and on. Yet we retain among the lowest bonded indebtedness in the country among cities in our size classification. Magnificent management!

Oh, he didn't do it all by himself. He'd be the first to claim he didn't have anything to do with it. But he did. He was the catalyst and the glue. We will miss that leadership.

We urge the city council to find a way to make continued use of his extraordinary talent, to give continuity to Dubuque's progress and livability. Hire him as a consultant to your new manager. The cost of transition will be much, much more if we do not.

And we urge the citizens of the Tri-states, all of whom have benefitted by Gil Chavenelle's leadership, to join us in a recommendation that the new Dubuque/Wisconsin bridge, when dedicated, be named the Gilbert D. Chavenelle bridge.

If you concur, let us know so we can help get a campaign going. But don't tell Gilbert, he'd get embarrassed.

How ironic that an American with a French surname, should have such an influence on the city founded by Julien Dubuque . . . and how appropriate to have the Gilbert Chavenelle bridge alongside the Julien Dubuque bridge.●

REPORT OF SELECT COMMITTEE ON ASSASSINATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Madam Speaker, the House Select Committee on Assassinations has just delivered its final report. Of course, the Members received it after a private printing had already been sent to the galleys, and a paid-for introduction made to the former chief counsel of this committee. As the initial sponsoring author of the resolution that gave rise to the birth of this committee, introduced in 1975, I cannot begin to describe to the House what a sorry disappointment it has been, even to the last minute. The committee again acts as if it is unaware of legislative responsibility.

□ 1520

The resolution itself that was ultimately adopted to set up the committee again failed that standard.

The committee in its deliberations acted more like a grand jury should than a legislative committee.

I will report to the House extensively on future occasions my evaluation of all of this now that the committee has rendered its final report. I will analyze further the recommendations that I believe should be forthcoming on the legislative basis, which is really the only reason we should ever establish a committee. At this point, I want to emphasize that the committee's recommendation, its principal recommendation, is that the Department of Justice pursue the investigation. The committee has, unfortunately, ended on a note that compounds the problem agitating the Nation that gave rise to the birth of the committee to begin with. The problem which precipitated the need for an assassinations committee was the need to dispel anxiety and doubt about our country after the series of political assassinations that impacted upon our Government, and our democratic processes—the results of which still demand and cry out for evaluation on the national policymaking body level—namely, the Congress.

Mr. BAUMAN. Will the gentleman yield?

Mr. GONZALEZ. I will be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. I want to concur with what the gentleman from Texas has said. As I am sure the gentleman knows, I was most opposed to the continuation of this committee and its creation and have spoken many times against it and at one time delayed its authorization for several months.

The gentleman is quite correct and I think it was a prediction the gentleman and I both have made in the past that the committee would defeat its own purpose, which was an attempt to answer all the questions and give a definitive answer to the many doubts lingering in the minds of the American people about the deaths of Mr. Kennedy and Mr. King.

The net of this report and its entire import is to raise many, many questions and answer none of them. It is $5 million totally wasted and a complete indictment that the Congress is not the proper forum in which to settle questions dealing with matters such as this. I commend the gentleman on his statement.

Mr. GONZALEZ. I thank the distinguished gentleman from Maryland.

I do emphasize the fact that the gentleman's role is as the gentleman explains it. From the beginning the gentleman was constructive, even though, in the beginning, the gentleman opposed the resolution while I favored it. I believe the gentleman's opposition was constructively based and he did concur eventually, when we did finally get that first resolution, but after that I have been in agreement with the gentleman and we voted identically.

Briefly, the main point of my discussion of this is to point out that once again, even in its ultimate recommendation, the committee is blissfully ignoring the American system. If the committee is now asking the Department of Justice to investigate a matter because a majority of the committee members have concluded that there is probable cause to believe that there was a conspiracy, both in the case of the assassination of President Kennedy, as well as in the assassination of Martin Luther King, I hope that, if the Justice Department acknowledges this request, it will have the good sense to refer it where it should have been to begin with and that is a proper grand jury, a special grand jury.

After all, the grand jury of 24 ordinary citizens right here in the District did a beautiful job of investigating the so-called Watergate series of misdeeds and in the process gave credit to the American system and restored confidence in the system.

Why we have wanted to shortchange it I do not know. I urge the Justice Department refer this to a grand jury.

The SPEAKER pro tempore. The time of the gentleman has expired.

NATIONAL POW/MIA RECOGNITION DAY

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Pennsylvania (Mr. LEDERER) is recognized for 5 minutes.

● Mr. LEDERER. Madam Speaker, today I rise to join with other Americans across our Nation to honor the prisoners of war and the men missing in action of the Vietnam war. The loyalty and courage displayed by our prisoners of war in this conflict distinguishes them as men of valor, to be praised by each of us. It is difficult for those of us who did not experience the horrors of the prison camps to fully comprehend the anguish which they suffered.

Inhumane treatment of these courageous people, in disregard for accepted principles of international law, are matters of record. Hunger and exhaustion became the norm for many and torture was not uncommon. Letters from home, often the only source of encouragement and support, were censored or not delivered.

We pay special tribute to those who died in these prison camps. Their sacrifice is too great for words to express. As a nation, we mourn their loss. As a people we can never forget what they gave. To their families we extend our deepest sympathy and assure them that we all share their loss.

The men missing in action from the Vietnam war raise particularly disturbing questions. Our anxiety for their lives, in the face of such little hope, is difficult for all of us.

These men too experienced the horrors of war, perhaps greater than we know, but we can give them no public recognition in life or in death. Yet, our honor for them is no less sincere.

Their lives too are marked by courage and dedication to our country. Their selfless consecration to service will place their names among the other heroes on the long list of those who have served our country.

Finally, I would like to express our appreciation to the families of the Vietnam POW's and MIA's. These people too suffered the agonies of this war. Many experienced sleepless nights of worry for their loved ones in Vietnam. The letter stating that a son or husband had been taken prisoner or had been reported missing could only increase the anguish that the family was already experiencing.

So, today let us officially thank these brave men, and publicly proclaim that their deeds were not done in vain. Their sacrifice has not gone unnoticed. May they always have our sincere thanks for selfless consecration to the protection of those ideals which have made our Nation great.●

MEMORIAL TO LOUISE B. GERRARD, CHAMPION OF THE AGED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Madam Speaker, it was with great sadness that we learned of the death, on July 16, of Louise Gerrard, executive director of the West Virginia Commission on Aging and a national leader in the field.

Dr. Gerrard, who served in this post for 10 years, was widely known and most deeply respected by her colleagues in the field of aging in the States and territories and the Nation's Capital. She was of enormous assistance to our Select Committee on Aging, and her loss is an especially acute one for me and for the staff of our committee with whom Dr. Gerrard worked closely in the development of programs and policies to benefit the elderly people of this country.

Once again, the vicious killer cancer has worked its evil, halting in the most untimely fashion the life of one whose contributions to the betterment of life for her fellow citizens are impossible to enumerate.

Dr. Gerrard came to her tasks with the West Virginia Commission on Aging exceptionally prepared, educationally and professionally, for the tasks she undertook. Having received an undergraduate degree from the University of Chicago in sociology, a master's in political science and public administration from the University of Chicago, and a Ph. D. in public law and government from Columbia University, she came to the West Virginia Commission on Aging with a finely tuned intellect.

Her professional experience was vast. During World War II, she worked for the War Department, the Civil Service Commission, and the Office of Price Administration here in Washington. She taught political science and public administration at Columbia University and Barnard College for 5 years, introducing, at Barnard, field experiences for students in political and public service organizations.

In 1963 and 1964, she served as research coordinator for the West Virginia State Legislature, directing a study of health care in the State. From 1964 until 1969, when she assumed the title of executive director of the West Virginia Commission on Aging, Dr. Gerrard served as director of research for the West Virginia Department of Mental Health. In this capacity, she served as part of a five-person team which developed the first comprehensive mental health plan for the State and, for the first time, held open public hearings in the field, soliciting the opinions of public officials, local individuals, and patients and the families of patients.

It was at this time that she developed a special understanding for the needs of older residents of the mental hospitals in the State where there were few community services available. When she assumed the office which she held so very capably for 10 years, Dr. Gerrard was firmly grounded in the wide range of health and social issues which are of such special significance to the elderly.

Dr. Gerrard's service as Executive Director of the Commission saw the development of programs for the aging in each of the State's 55 counties and the organization of area agencies on aging covering almost the entire State.

Under Dr. Gerrard's leadership, the Commission developed innovative programs with public and private agencies and with citizens of all ages. The Commission served as an advocate for the elderly, involving older citizens in many aspects of community involvement. She exhibited a very deep and abiding concern for the frail, the handicapped, the isolated and minority elderly, with a special interest in the needs of the rural elderly, particularly with regard to issues involving their health care.

Among her many achievements, it is this for which she may be best remembered: her deep sensitivity and commitment to the special needs of the rural elderly. Employing her vast experience and know-how, Dr. Gerrard worked closely with a number of organizations to develop a national focus on the problems of the rural elderly.

She was particularly active with the National Association of State Units on Aging, the organization of all directors of the State and territorial units on aging, serving as its president from 1975 to 1977. Her tenure saw the establishment of a NASUA office in Washington to help with the development of public policies and to coordinate the work of the aging network—the State and area offices on aging—to strengthen the organizational response to the problems of older persons in the Nation.

In her capacity as president of NASUA, she often testified before congressional committees regarding programs for the elderly, met with the staffs of pertinent committees, assisting them in the development and implementation of legislation, represented the State agencies on aging in meetings with administrators and officials of various Federal agencies, particularly the Administration on Aging, the Departments of Transportation and Housing and Urban Development, the Community Services Administration, ACTION, and others.

Moreover, she represented her colleagues in the State units on aging in meetings with organizations representing mayors, Governors, and county officials of the Nation, and served on a number of advisory and technical review committees.

In addition to her work within NASUA, Dr. Gerrard was involved with the work of the National Council on the Aging, a leading private, voluntary, national organization which is involved in the development of policies and programs to serve the elderly. She served in several offices of NCOA, including secretary and vice president. Moreover, she served as chairman of NCOA's Committee on the Rural Elderly.

At her death, Gov. Jay Rockefeller lauded Dr. Gerrard for her years of service as Commissioner on Aging, noting that she transformed the Commission into a vibrant, vital organization serving over 300,000 senior citizens in West Virginia.

For her work, Dr. Gerrard was awarded an honorary degree of human letters from Southwestern University in the fall of 1978; she was named Citizen of the Year by the Capital City Civitan Club of Charleston, W. Va., in June of this year; and, for her leadership in aging, she was recently awarded the distinguished service award of the National Governors' Association.

Dr. Gerrard's accomplishments cannot easily be summarized. She was vitally involved in every aspect of the creation of the aging network—the State units on aging and the area agencies on aging throughout the country. She was devoted to the ideals represented by the aging network and to the idea that it could work, to the benefit of the elderly person it is intended to serve, indeed, to all Americans, most of whom will some day benefit from the programs and policies that we have been developing over the last few years. Dr. Gerrard was keenly aware that we are, in fact, an aging Nation. She understood clearly the desire of older Americans to be totally involved in the life of our country, and the responsibility of governments at all levels to respond to the needs and dreams and hopes of those who have given so much in service to our country.

Until she was stricken by this insidious disease, Dr. Gerrard enjoyed excellent health; she is a person who always looked forward to new experiences, describing herself as one with "a rage to live." By her own admission, her nature was that of an optimist. She always looked forward to what each day would bring, and she gave unstintingly of her own energy and enthusiasm and talent. She gave in the most honorable fashion. She gave so that all our citizens, regardless of their station in life, could enjoy the full benefits of our American way of life. She was taken at the peak of her career, and it is a tragedy for those with whom she worked directly in the field of aging as well as those in whose behalf she gave so completely of her time and formidable expertise.

Dr. Gerrard leaves her husband, Dr. Nathan Lewis Gerrard, and two sons, Michael and Steven. The staff of the House Select Committee on Aging joins me in offering our most sincere condolences to Dr. Gerrard's family and to her colleagues in the West Virigina Commission on Aging, as well as all those who have benefited from her devoted efforts over these many years.●

COMMEMORATING THE 10TH ANNIVERSARY OF THE FIRST WALK ON THE MOON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. NELSON) is recognized for 5 minutes.

● Mr. NELSON. Madam Speaker, I rise today to recall a truly great moment in American history. Indeed, 10 years ago today an event took place which capped the greatest peacetime endeavor of our Nation. No other goal had so aroused the American spirit. Beginning with the stirring words of President Kennedy in 1961 and climaxing with the prophetic statement of Neil Armstrong a mere 8 years and 2 months later, America mobilized itself.

Man had set foot on the Moon.

The event had a particularly patriotic meaning for me, I watched the coverage of our greatest triumph from a hotel room in London on my way back to the United States from the Soviet Union. To witness America's finest hour so shortly after leaving the rigid society behind the Iron Curtain had very special significance. In order to be a part of the launch days before, two friends and I had climbed to the top of a hill overlooking Budapest, Hungary, in order to receive a radio broadcast from the BBC of the launch from Cape Canaveral in my congressional district. It was with very special national pride that I watched as Neil Armstrong and Buzz Aldrin bounched around on the barren surface of the Sea of Tranquility.

Looking back, we can all be proud of this phenomenal accomplishment. Indeed, as the Representative of Florida's Ninth Congressional District which includes the Kennedy Space Center and the Cape Canaveral Air Force Station, my constituents played a very direct role in the success of that mission.

The people of the National Aeronautics and Space Administration met the challenge. All Americans met the challenge.

Now we are faced with a new test, one which will be no less important for our Nation and one which will be no less demanding on the American determination to get the job done. We must begin now with a program of research and development and the subsequent completion of the projects which will reestablish our energy independence. We must overlook no potential solution. We must shy away from no challenge. We must let no obstacle slow our progress. For no other challenge poses such a great opportunity to regain the national pride which characterized the decade of Apollo, and no other undertaking will bear so directly in our future as the strongest and most prosperous nation in the world.

But before we can charge the American people to meet the challenge, we in the Congress must meet it head on. We must act swiftly to pass legislation giving our people the weapons with which to fight the energy war. We must give our Commander in Chief the power to raise the armies necessary to enter the energy fray.

If we miss this opportunity to once again tap the collective ingenuity of our people, history will not be kind.

We simply must act now. There could be no more fitting date for the beginning of this new challenge than the anniversary of the victory which proves we are capable to meet it.●

INTRODUCTION OF THE CLINICAL LABORATORY IMPROVEMENT ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. WAXMAN) is recognized for 20 minutes.

● Mr. WAXMAN. Madam Speaker, today I am joining a number of my colleagues from the Subcommittee on Health and the Environment in sponsoring the Clinical Laboratory Improvement Act of 1979. I am introducing this bill because I feel that there is a need to improve the quality of laboratory services. I believe that it is imperative for physicians and their patients to be able to rely on the accuracy of laboratory tests. The accuracy of our health care delivery system depends, in part, on the accuracy of our clinical laboratories.

Over a decade ago, Congress enacted legislation which established national standards for laboratories engaged in interstate commerce. Although interstate laboratories have improved in quality since passage of that act, there are still substantial error rates reported by the Center for Disease Control (CDC). The proficiency testing summary analysis released by CDC this past fall demonstrated unsatisfactory performance by 20–40 percent of laboratories in bacteriological testing and by 5–25 percent of laboratories in various simple clinical chemistry tests. Further, I am mindful of the fact that the proficiency testing program results generally represent a laboratory's finest effort, adding to my concern.

This bill would apply uniform standards for both interstate and intrastate laboratories. Although there is insufficient data regarding performance of intrastate laboratories, a National Bureau of Standards study published in 1973 determined error rates for intrastate laboratories to be significantly higher than error rates for interstate laboratories.

In addition to issues related to quality, I am concerned about the rising costs of laboratory services and their inflationary impact upon the health care delivery system. The total costs for laboratory services represent approximately 10 percent of all health care costs. This bill provides three mechanisms to control costs. The first mechanism limits physician charges for laboratory services if such services are performed by an independent laboratory. The second mechanism authorizes States for a 3-year period, to use competitive bidding to purchase laboratory services under medicaid. The last mechanism requires the Secretary of the Department of Health, Education, and Welfare to conduct a study of the financial arrangements entered into by hospitals for the provision of laboratory services and requires legislative recommendations to the Congress.

The bill introduced today is essentially the same bill reported by the Committee on Interstate and Foreign Commerce last year. We have made some minor changes in that bill, eliminating the requirement for supervisory personnel to evaluate the technicians employed by them, and requiring the establishment of a uniform regulatory program for all laboratories under the authority of the Department of HEW. In addition, we have included some technical changes contained in the bill reported by the Ways and Means Committee last year.

I believe that this bill will help the subcommittee focus on this important issue and will facilitate reasoned debate on this topic.

SUMMARY OF LEGISLATION

Briefly, the bill would do the following:

1. It would require the Secretary of Health, Education, and Welfare to establish national standards for clinical laboratories designed to assure accurate procedures and services. These standards would—

(a) Require laboratories to maintain quality control standards;

(b) Require laboratories to maintain records, equipment, and facilities as necessary for effective operation;

(c) Include requirements for periodic proficiency testing of laboratories;

(d) Prescribe qualifications for directors and supervisors of, and technologists employed in laboratories;

(e) Include such other requirements as are necessary to assure accurate and reliable laboratory services.

Such standards are to be proposed within 210 days after the date of enactment and promulgated within 1 year after the date of enactment.

2. It would require all clinical laboratories to comply with the national standards upon their promulgation with the following exceptions:

(a) Standards would not take effect for intrastate laboratories until 2 years after their promulgation.

(b) The application of requirements for qualifications of supervisory personnel and technologists would be delayed for up to 4 years from the promulgation of standards with respect to any clinical laboratory which the Secretary determines is located within a rural area in which supervisory personnel and technologists with the prescribed qualifications are not available, which performs services only for hospitals and health professionals located within the rural area, and which provides assurances that it will take action to train or employ individuals who will meet the qualifications. Thus, rural interstate laboratories may not be required to meet personnel requirements until 3 years after the date of enactment; rural intrastate laboratories could have 5 years in which to comply.

(c) National standards would not apply to clinical laboratories located in the offices of, and operated by, physicians, dentists, or podiatrists in which the only tests or procedures which are performed are tests or procedures performed by such practitioners in connection with the treatment of their patients.

(d) Any clinical laboratory located in the office of a group of not more than five physicians, dentists, or podiatrists in which the only tests or procedures performed are in connection with the treatment of patients of the practitioner or in connection with services provided for such patients by a physician assistant or nurse practitioner under the supervision of such a practitioner or group of such practitioners would be exempt from the national standards unless the laboratory refused to participate in a study of practitioners' office laboratories.

(e) The Secretary would be required to exempt from national standards those laboratoratories in which the only tests or procedures which are performed are tests or procedures for biomedical or behavioral research.

(f) Highly specialized laboratories engaged exclusively in the assessment of cardiac or pulmonary function would be exempt from national standards for 2 years from the date of enactment. During the 2-year period, the Secretary is to conduct a study of the personnel qualifications, quality control programs, proficiency of laboratory personnel, and other factors bearing on the medical reliability of testing of the laboratories being studied. Within 2 years of date of enactment, regulations making national standard applicable to such laboratories are to be promulgated.

(g) Federal clinical laboratories would be subject to national standards unless (i) they are under the jurisdiction of the Armed Forces or the Veterans Administration or (ii) the agency with jurisdiction over the laboratory has in effect standards no less stringent than national standards.

In order to assure uniformity of standards, the proposed legislation provides that, unless a State has primary enforcement responsibility, it could not adopt or continue in effect requirements applicable to clinical laboratories which are different from or in addition to national standards.

3. It would require the Secretary to establish a system of licensure of clinical laboratories and sets forth the circumstances under which such a license could be suspended or revoked.

4. It would permit a State to assume primary enforcement responsibility for the regulation of laboratories located within or doing at least 10 percent of their business within its jurisdiction in instances in which the State has adopted standards that are no less stringent than the national standards and has adopted and is implementing an adequate enforcement mechanism.

5. It would provide that any individual who solicits or accepts a specimen for a laboratory which does not have a license shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both. Further it would provide that no clinical laboratory required to have a license and which does not have one in effect, may receive funds under the Public Health Service Act or the Social Security Act.

6. It would authorize the Secretary, when he has reason to believe that continuation of an activity by a laboratory would constitute a significant hazard to the public health, to bring suit in U.S. District Court to enjoin continuation of the activity●

7. It would authorize the Secretary, or his designee, upon written notice, to inspect during normal business hours any clinical laboratory subject to national standards. Prior to leaving the premises, an inspector would be required to give a preliminary report of any violations to the person in charge.

8. It would prohibit an employer from discharging or otherwise discriminating against an employee because the employee commenced or testified in a Federal or State proceeding relating to violations of the legislation, and it would require the Secretary of Labor to investigate charges of discrimination and authorize him to order reinstatement and damages in appropriate instances.

9. It would authorize the Secretary and States with primary enforcement responsibility to enter into agreements and provide financial assistance in three instances: First, it would authorize the Secretary and any State with primary enforcement responsibility to enter into agreements with qualified public or nonprofit private entities to inspect and administer proficiency tests and periodic examinations required by the legislation. Second, it would authorize assistance to States that do not have primary enforcement responsibility, and which have entered into agreements with the Secretary under section 1864(2) of the Social Security Act for the enforcement of requirements under section 1861 of that act with respect to clinical laboratories, for enforcement of national standards with respect to laboratories not subject to section 1861. Third, it would authorize the Secretary to make grants to States with primary enforcement responsibility to assist such States in meeting the costs of administering and enforcing their programs; $3 milion would be authorized for each of fiscal years 1979, 1980, and 1981 for these three purposes. Such sums would be in addition to funds made available to States under the Social Security Act to inspect medicare and medicaid laboratories.

10. It would require the Secretary to report to the Congress annually with respect to the accuracy and costs of laboratory tests and procedures during the previous fiscal year.

11. It would require the Secretary to conduct a study of certification standards and State licensure laws for supervisors, technologists and technicians; qualifications of certifying bodies; mechanisms to determine continued competency of laboratory personnel; proficiency testing methods used to evaluate the performance of clinical laboratories; and the relationship of personnel requirements and of clinical laboratory testing requirements with clinical laboratory performance. Results of the study and recommendations for legislation are to be submitted to the Congress within 2 years from the date of enactment.

12. It would require the Secretary to conduct or arrange for a study of the quality of services being provided by clinical laboratories located in practitioners' offices and which are exempt from the proposed legislation, including an evaluation of proficiency testing programs, quality control programs, personnel qualifications, and proficiency testing of personnel, and their effect on the medical reliability of tests. Any clinical laboratory that refuses to participate in the study would be immediately subject to national standards.

Within 1 year from the date of enactment, the Secretary would be required to report to the Congress the results of the evaluation of programs of proficiency testing of laboratories. If, on the basis of the evaluation, the Secretary found that the results of tests performed by laboratories participating in proficiency testing programs are significantly more medically reliable than the results of tests performed by laboratories which do not participate in such programs, the Secretary would be authorized to require, by regulation, that, as a condition to continued exemption, such laboratories participate in proficiency testing programs.

Within 2 years from the date of enactment, the Secretary would be required to report to the Congress the results of the evaluation of quality control programs, personnel qualifications, and proficiency testing of laboratory personnel with respect to practitioners' office laboratories. In the report, the Secretary is to recommend whether such laboratories should be required, as a condition to exemption from national standards, to have laboratory procedure manuals or other items bearing on the medical reliability of tests and procedures performed in such laboratories.

13. It would require the Secretary to undertake a study to determine the quality of the tests, procedures, and other services provided by clinical laboratories during the period beginning on the date of enactment and ending on the date national standards first take effect under the law and during the 2-year period beginning on the date standards first take effect. Data collected under the study is to be assembled on the basis of the size and type of clinical laboratories studied, the categories of persons for whom services were provided, the volume of services provided, the qualifications and experience of personnel, the protocols followed in providing services, and the States or geographic regions in which such services were provided. The Secretary would be required to make a preliminary report to the Congress on the results of the study not later than 90 days after the expiration of the first period studied and to make a final report on the study, including any recommendations for legislation, not later than 180 days after the expiration of the second period studied.

14. It would amend the Social Security Act as follows:

(*a*) It would provide that reimbursement for laboratory services (other than such services provided in a hospital) could not include any element of a cost or charge which is a commission, finders fee, or an amount payable for rental or lease of a facility where the amount is unrelated or disproportionate to the fair market value of the facility or where the amount is set as a percent or fraction of the cost of laboratory services.

(*b*) It would limit markups of bills for laboratory services by limiting payments to physicians who include in their bills charges for laboratory services performed by an independent laboratory to the lesser of—

(i) the reasonable charge of the laboratory for the servce; or

(ii) the amount the physician was billed by the laboratory, plus a nominal handling fee.

If a physician fails to provide the necessary information to make this determination, the payment would be at the estimated lowest charge at which services could have been secured by a physician from a laboratory in the area. Laboratories are required to allow access by the Secretary of HEW to their records to determine physician compliance with this provision.

(*c*) It would authorize States, for a 3-year period, to use competitive bidding arrangements for the purpose of purchasing laboratory services under the medicaid program, provided certain conditions are met.

(*d*) It would require that a laboratory must meet the applicable standards established by the legislation in order to be eligible for medicaid payments, and must bill medicaid at rates no higher than its lowest rates for the same services.

15. It would require the Secretary to conduct a study of the financial arrangements entered into by hospitals for the provision of laboratory services under medicare or medicaid, including percentage arrangements, leasing arrangements, and arrangements for salaries to determine if such arrangements are in the public interest. The Secretary is to complete the study and report legislative recommendations to the Congress within 6 months of enactment of the proposed legislation.

16. It would require the Secretary, within 24 months of the effective date of the amendments described in item 14(b) above, to report to the Congress the proportion of bills submitted under title XVIII for laboratory services which did not identify who performed such services, the proportion of such bills with respect to which the amount paid was less than the charges, the average cost per patient resulting from the lesser payment, and the average cost per physician resulting from the lesser payment.

17. It would require the Secretary to establish a uniform regulatory program for the administration of laboratories under the authority of the Department of Health, Education, and Welfare.●

● Mr. CARTER. Madam Speaker, today I am cosponsoring, by request, the Clinical Laboratory Improvement Act of

1979, which is being introduced by the distinguished chairman of our Health and Environment Subcommittee, the Honorable HENRY A. WAXMAN. I am pleased to join with my colleagues, Congressman PREYER, Congressman MAGUIRE, and Congressman WALGREN in cosponsoring this legislation which reflects the work of our subcommittee and full Commerce Committee over the past two Congresses.

As a physician, I am especially aware of the need for quality performance by our Nation's clinical laboratories. Health professionals must have accurate and reliable lab test results in order to diagnose and treat patients properly. Even small errors in lab test results can lead to serious and perhaps fatal outcomes for patient care. I believe we should do all we can to insure quality performance by the clinical labs in this country.

The legislation we are introducing today provides for the establishment of national standards for clinical laboratories in the areas of quality control, equipment, records, and facilities, proficiency testing, and certain personnel qualifications. In recognition of the variation in types of lab tests performed, and the different types of laboratories nationwide, this legislation does provide some flexibility in the application of national standards. For example, the bill does provide certain exceptions for research labs, labs in rural areas, Federal clinical labs, and physician office labs which meet certain conditions. In addition, States which have adopted standards no less stringent than the national standards would be allowed to assume primary enforcement responsibility for regulating the quality of clinical laboratories in their jurisdiction. The bill also includes amendments to medicare and medicaid to help reduce fraudulent and abusive practices which have occurred in this field, and to promote competition as well.

Madam Speaker, I believe this proposal, which is essentially the same version reported from our Commerce Committee last year, offers a good starting point for subcommittee action in this Congress. In my view it would be helpful to begin by conducting some oversight hearings on HEW's implementation of our existing clinical laboratory legislation which pertains only to interstate labs. Then, after identifying the problems as well as the successes of our current program, we should be able to develop effective solutions to the problems which exist in this field and which have such an important relationship to the provision of quality health care.●

● Mr. MAGUIRE. Madam Speaker, I am glad to join my distinguished colleagues, Mr. WAXMAN, Dr. CARTER, Mr. PREYER, and Mr. WALGREN, in sponsoring the Clinical Laboratory Improvement Act of 1979 (CLIA 1979).

CLIA 1979 is similar to H.R. 10909 as reported by the Committee on Interstate and Foreign Commerce with amendments on March 24, 1978. The House briefly debated the bill on October 2, 1978, but in the end of the session crunch Congress adjourned without a House vote.

CLIA offers three advantages to the American people:

First. It will bring vast improvements in the quality of clinical laboratory services in the United States;

Second. It will bring reductions in the costs of such services under medicare and medicaid programs. The Congressional Budget Office on March 24, 1978, estimated enactment of H.R. 10909 would provide a $126 million reduction in the cost of laboratory work over the next 5 years; and

Third. The bill would help cut down on kickbacks and other illegal activities associated with clinical laboratories.

THE NEED FOR REGULATION

Consumers of health care have the right to expect high quality clinical laboratory services, regardless of the location or affiliation of the clinical laboratory—in physician's offices, small or large hospitals, in urban or rural settings, intrastate or interstate, or independent.

The accuracy of tests performed by clinical laboratories is essential to proper patient treatment and preventive health care. These tests may set a course of diagnosis and treatment at the beginning of an illness. The American health care system increasingly relies upon the services of clinical laboratories. In 1976, for example, more than 65,000 clinical laboratories in this country conducted nearly 6 billion tests—an average of more than 20 tests per person at a total cost of approximately $12 billion. Laboratory tests account for more than 10 percent of every health dollar spent on health care services. By 1986 projections estimate that clinical laboratories costs will rise to $25 billion.

The irregularity of existing procedures for regulating the quality of clinical laboratories renders the accuracy and reliability of laboratory testing grossly inadequate.

In my State of New Jersey, for example, our department of health rechecked 35,000 laboratory tests performed by 225 intrastate laboratories over a 10-year period from 1964 to 1973. Only 20 of these laboratories showed acceptable results more than 90 percent of the time, and only half of the laboratories showed acceptable results 75 percent of the time.

What are the consequences of misdiagnosis resulting from faulty laboratory tests? Three malpractice cases demonstrate the urgent need for CLIA 1979. A baby suffered irreparable brain damage and now is severely mentally retarded as a result of an incorrect bilirubin reading and consequent failure to have a crucial blood transfusion. A patient suffered invasive cancer because an erroneous reading of an inadequate Pap smear led to delay in diagnosing cancer. In a third case, a diabetic patient died after suffering irreversible brain damage and lapsing into a coma following a physician's prescription of the medication based upon a faulty blood sugar test. These cases illustrate the significant consequences to the health of all Americans of relying upon inaccurate and unreliable diagnostic laboratory tests. Clinical laboratory tests can be accurate. We can prevent future human tragedies by establishing and enforcing uniform, national clinical laboratory standards. I urge your careful consideration of the key provisions of CLIA 1979.

KEY PROVISIONS OF THE BILL

First. Establish national standards for clinical laboratories designed to assure accurate procedures and services, including quality control standards, equipment and record maintenance, proficiency testing, and personnel qualifications.

Second. Require all clinical laboratories to comply with national standards upon their promulgation with the following exceptions:

Standards would not take effect for intrastate laboratories until 2 years after their promulgation;

Laboratories located in rural areas may delay application of personnel standards;

Physician office laboratories in which physicians perform all procedures themselves for their own patients are exempted;

Laboratories located in the office of groups of not more than five physicians in which physicians or their employees perform procedures solely for their own patients are exempted—pending the completion of a study to determine whether such laboratories should be required to participate in an approved proficiency testing program;

Laboratories in which the only tests performed are for biomedical or behavorial research are exempted;

Highly specialized laboratories engaged exclusively in the assessment of cardiac or pulmonary functions will be exempted for 2 years while regulations applying especially to them are promulgated; and

Federal clinical laboratries under the jurisdiction of the Armed Forces or Veterans' Administration or other agencies are exempted if that agency has standards no less stringent than national standards.

Third. Require the Secretary of Health, Education, and Welfare to establish a system of licensure of clinical laboratories and to set forth the circumstances under which such a license could be suspended or revoked.

Fourth. Permit a State to assume primary enforcement responsibility for the regulation of laboratories located within or doing at least 10 percent of their business within its jurisdiction in instances in which the State has adopted standards no less stringent than the national standards and is implementing an adequate enforcement mechanism.

Fifth. Authorize the Secretary to enter into agreements with States with primary enforcement responsibility and to provide them financial assistance.

Sixth. Provide for criminal penalties for individuals who operate unlicensed laboratories or who engage in fraud, kickbacks, or bribes in connection with laboratory services.

Seventh. Require the Secretary to report annually to the Congress with respect to accuracy and cost of laboratory tests and procedures during the fiscal year.

Eighth. Require the Secretary to conduct a study of certification standards and State licensure laws related to personnel requirements; proficiency testing methods used to evaluate performance of clinical laboratories; and the relationship of personnel and clinical laboratory proficiency testing requirements to clinical laboratory performance; and to submit the results of the study and recommendations for legislation to Congress within 2 years.

Ninth. Require Secretary to:

Conduct a study of the quality of services being provided by practitioners' office laboratories which are exempt from proposed legislation;

Report within 1 year to Congress the results of evaluation programs of proficiency testing of laboratories, and on the basis of the evaluation, authorize the Secretary to require by regulation such laboratories to participate in proficiency testing; and

Report within 2 years to Congress results of the evaluation of quality control programs, personnel qualification, and proficiency testing of laboratory personnel and to recommend conditions for continued exemption from national standards.

Tenth. Require the Secretary to conduct a study of clinical laboratory quality assurance programs provided by highly specialized clinical laboratories, to report to the Congress with respect to results and recommendations within 2 years, and to promulgate regulations within 2 years.

Eleventh. Require the Secretary to undertake a study to determine the quality of tests, procedures, and other services provided by clinical laboratories; analyze these data by clinical laboratory size, type, volume and so forth; and to provide Congress with a preliminary report and final report with recommendations.

Twelfth. Amend the Social Security Act by:

Specifying nonallowable reimbursement for laboratory services;

Limiting markups of bills for laboratory services; and

Authorizing State medicaid programs to use competitive bidding or similar arrangements for purchasing laboratory services for a 3-year period—provided certain requirements are met to assure adequate services are available and the laboratories contracted will serve a reasonable number of persons who are not covered by medicare and medicaid. The Secretary will evaluate these billing arrangements and report to Congress within 2 years concerning extension of the provision.

Thirteenth. Require the Secretary to conduct a study of the financial arrangements entered into by hospitals for provision of laboratory services under medicare or medicaid and report legislative recommendations to Congress within 6 months.

Fourteenth. Consolidate existing regulatory programs into a single regulatory system thus eliminating much of the overlapping and duplicative regulatory activity which presently exists.

These are all changes in the current requirements for monitoring and controlling clinical laboratory work which should greatly improve the reliability of test results, and thereby facilitate more effective and less costly diagnosis and treatment.●

VETERANS' ADMINISTRATION'S GOLDEN ANNIVERSARY YEAR CELEBRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. SATTERFIELD) is recognized for 5 minutes.

● Mr. SATTERFIELD. Madam Speaker, I want to take this time to inform my colleagues that tomorrow July 21, 1979, marks the beginning of the Veterans' Administration's golden anniversary year celebration in commemoration of the 50th anniversary of its establishment as a single Federal agency responsible for veterans' programs. Executive Order 5398, signed by President Hoover on July 21, 1930, consolidated activities of the Veterans Bureau, Bureau of Pensions, and the National Home for Disabled Volunteer Soldiers into the new agency.

Throughout this year, observances will be conducted at each VA medical center which will involve the neighboring communities. The theme "50 Years of Service" will be incorporated in many of their national activities.

Since the day President Hoover signed his order which established a central agency to administer the benefits and entitlements for the Nation's veterans, the VA's medical system has grown from its meager existence to the largest and most modern medical complex in the Western World, consisting of 172 hospitals, 220 outpatient clinics, and 107 domiciliaries or nursing homes. Last year, 1,228,755 veterans were treated as inpatients in these outstanding health care facilities. Over 17 million outpatient treatment visits were recorded during this time. This impressive record fully reflects the fundamental commitment of the grateful citizens of this Nation to provide special prestige and assistance for "those who served in the armed services in defense of their liberty" with special prestige and assistance.

I urge my colleagues to join with their constituents in celebrating this most auspicious occasion.●

BAY OF CAMPECHE OIL SPILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WYATT) is recognized for 10 minutes.

● Mr. WYATT. Madam Speaker, on July 14, Congressman DE LA GARZA and myself accompanied by staff members of the Merchant Marine and Fisheries Committee departed Corpus Christi, Tex., on a Coast Guard AOSS (aerial oil surveillance system)—equipped C-130 to inspect the ongoing mapping and monitoring operation for the Bay of Campeche oil spill.

This well, which is situated approximately 42 miles north of Ciudad del Carmen in the Bay of Campeche, has been discharging from 10,000 to 30,000 barrels of oil per day into the marine environment. This spill is, or soon will be, the largest oil spill in history.

There is no doubt that this spill is serious and that it is a potential threat to the Texas coast. The threat, however, is neither as immediate or as certain as early accounts would have led us to believe.

I can say with a great degree of certainty that the national response team and the regional response team are doing all that can be done at this point. I am extremely pleased with the operations and plans of the regional response through the on-scene coordinator, Comdr. Joel Sipes. The flights planned by Coast Guard Oceanographer Richard Hayes have given the OSC the proper data to begin accurate mapping and monitoring operations. Naturally, I would welcome the opportunity to explain the situation to any member who would like a personal assessment.

However, to better inform my fellow members of the Federal efforts to date, I would like to read the following documents from the national response team and a memo from the staff director of the Subcommittee on Oceanography summarizing the trip:

USCG HC-130B 1347 AOSS FLIGHTS, JULY 12, 13, 14

IXTOC I OIL WELL BLOWOUT, BAY OF CAMPECHE

1. Leading edge: 21-20N, 94-45W to 96-00W.

2. Closest oil of any kind sighted: long thin ribbon of oil, no major concentration from Tampico, MX—105nm, 145°T (SE) from Brownsville, TX—320nm, 175°T (SSE).

3. Range & bearing to leading edge of the main body of the slide: from Tampico, MX—150nm, 115°T (SE) from Brownsville, TX—300nm, 160°T (SSE) from Corpus Christi, TX—420nm, 165°T (SSE).

4. Range & bearing of slick from well site: 230nm, 310°T (NW).

5. Position of well site: 19° 24′29″, 92° 19′37″.

AN OVERVIEW OF NATIONAL AND REGIONAL RESPONSE TEAM EFFORTS

Scientific support plan for the Campeche spill:

Coastal mapping: Vulnerability of lower Gulf Coast to spill.

Sensitive habitat: Areas of critical vulnerability.

Endangered species: Impact on Riddley Turtles.

Biological data: Impact on shrimp and other life forms.

Chemistry and dispersants: Interactions of oil and dispersants with ocean chemistry.

Remote-sensing: Satellite data and airborne instruments monitor slick.

Weather: Expanded national weather service net in lower Gulf Coastal area.

Trajectory modeling: Computer simulations and predictions of spill movement.

Oceanography: Current systems controlling the drift of the slick.

Data management: Order and easy access for mass of gathered data.

Administrative: A "City Hall" for the regional response.

Logistics: Focusing available resources on the pollution emergency.

What has been done thus far?:

On-Scene Coordinator named.

A series of aerial surveys of spill area begun, using NOAA, NASA, Coast Guard and Texas Aircraft.

A command center established at Corpus Christi.

NOAA and Coast Guard modeling teams on-site in Corpus Christi.

Oceanographers in route to sail with "Valiant".

Gulf Strike Team in place in Corpus Christi.

NOAA scientific support coordinator on scene.

Equipment staging initiated.

Regional news center established at Coast Guard facility in Corpus Christi.

What is planned?:

Cutter Valiant and crew of NOAA and Coast Guard scientists will sail early next week for spill area, to improve definition of currents driving the spill.

AOOSS-equipped C–130 returns to Corpus Christi for continuing survey operations.

Meteorological coverage of lower Gulf Coast will be expanded.

A survey will map the Coast from Brownsville to Port Aransas and identify critical habitats, assess ecosystem vulnerabilty to contamination, and identify hazard to endangered species.

Computer forecasts will be made using upgraded data available from Valiant and C-130 flights.

SUMMARY OF FEDERAL RESPONSE EFFORTS TO THE BAY OF CAMPECHE OIL SPILL

The NRT and RRT have been monitoring the Mexican spill since it began in early June. NRT sent a scientific team to the site on 23 June for a week's observance of the oil spill. The team included representatives from NOAA's Environmental Research Laboratory and the National Marine Fisheries Service, EPA's Environmental Response Team, and the Department of Interior's Fish and Wildlife Service. Team members conferred with Mexican officials and upon arrival back in the U.S. advised that we continue to monitor the spill but not seek authority to send additional teams into Mexico at that time.

Through NRT/RRT coordination, modelers from several agencies have been studying the oil's movement in the Gulf. Aerial surveys have been conducted by NOAA, NASA, State of Texas and Coast Guard aircraft. Based on these efforts it was decided to designate an on-scene coordinator and to develop detailed contingency plans on how to deal with the oil should it move closer to the U.S. coast. CDR Joel Sipes of the CG Marine Safety Office, Corpus Christi, TX is acting as the Federal on-scene coordinator. NOAA and Coast Guard modeling teams are in Corpus Christi formulating data to determine where and when if at all, oil might impact on U.S. territory. The latest position of the oil slick is shown on the attached sheets. Several NOAA oceanographers will be departing this week on the Coast Guard Cutter VALIANT to take a first-hand look at the situation, and collect data on the prevailing currents and temperatures as well as collect oil samples. Coastal Region Six Regional Response Team and National Strike Force are assisting the OSC in making preparations for any necessary clean-up.

Regional and National News Offices have been activated. The Regional Office in Corpus Christi is handling inquiries of an operational nature and the National Office in Washington is handling inquiries of a policy nature. A meeting was held between NRT agency representatives and Mexican officials to discuss possible ways of cooperating with the Mexican government to mitigate possible effects on the U.S.

Memorandum

Date: July 16, 1979.

To: Hon. Gerry E. Studds, Chairman, Subcommittee on Oceanography.

From: Richard D. Norling, Staff Director.

Subject: Oversight Inspection of Bay of Campeche Oil Spill.

On June 3, 1979, the Petroleos Mexicanos (PEMEX) exploratory well IXTOC 1 suffered a blow-out while pulling pipe to change the drill bit. At the time the depth of the hole was just short of 12,000 feet. The semi-submersible drilling platform SEDCO 135, which was severely damaged in the ensuing explosion and fire, was pulled off the site later the same day. All 63 crew members were evacuated safely. While estimates vary, it appears that a formation pressure around 6,000 lbs. per square inch is forcing gas and oil from the well at a rate of approximately 10,000 to 30,000 barrels per day. Containment and clean-up efforts began within a few days, but have not been very effective.

On June 24, 1979, Red Adair Company of Houston succeeded in closing the blow-out preventer, extinguishing the fire, and stopping the oil spillage. However, the resulting pressure within the well ruptured the well casing below the blow-out preventer within a few hours. It appears that any further efforts to cap the well must wait until two wells have been drilled into the formation to relieve the pressure causing the discharge of oil and gas.

The inspection party consisting of Congressman Wyatt, Congressman de la Garza, Ric Ratti of the Coast Guard Subcommittee staff, Sid Wallace of the full Committee staff, myself, and several other people departed Washington on the evening of Friday, July 13. After a briefing at the Coast Guard Air Station in Corpus Christi, we departed on the Coast Guard's HC130 which is specially equipped for observance of oil pollution. The airplane's equipment included side-looking airborne radar, infrared line scanner, ultraviolet line scanner, aerial photography, and passive microwave imager. This is the only Coast Guard aircraft so equipped, and is the same plane which was used for surveillance of the Argo Merchant spill off Nantucket. The flight was the third day of the Regional Response Team's regularly scheduled flights to measure the location of oil slicks resulting from the blow-out.

The first oil slick, a long narrow strip, was observed approximately 230 miles northwest of the well site, 105 nautical miles southeast from Tampico, Mexico, and 320 nautical miles south-southeast from Brownsville, Texas. As the plane went closer to the well site, the oil observed changed from wind streaked sheen and pancakes to heavier ribbons and thicker sheen. The estimate from the plane sensors was that the oil at the well site itself was approximately 20 or 25 feet deep. The oil is rushing to the surface through over 100 feet of water and is apparently in a 60 percent oil, 40 percent water emulsion by the time it reaches the surface. The flame on the fire is clear, and no black smoke was observed. This indicates that the fire is either exclusively or very heavily natural gas, rather than oil.

Considerable vessel, helicopter, and other activity was apparent in the area of the well. The two drilling platforms from which directional relief wells are being drilled were observed, and a large work vessel was standing very close to the well site using a water shield to keep it from overheating. It was not possible to determine from the air the exact nature of the work being performed by this vessel. A barge apparently equipped with skimmers was observed slightly downstream from the spill site. None of the helicopters or drilling platforms responded to hailing requests from the Coast Guard aircraft.

For the time being, the oil being spilled from the well site appears to be trapped in a circular current or gyre, which is keeping the oil in the Bay of Campeche. The gyre apparently is large in the summertime and decreases in size during the winter. The Regional Response Team has dispatched the Coast Guard cutter *Valiant* to the northern edge of the oil slick to place automated buoys provided by NOAA, which will provide twice daily automatic measurements of current and wind conditions in addition to locating the northern edge of the oil slick. Later this week, the Coast Guard will commence additional flights of the specially equipped HC130 to obtain complete coverage of the spill area. After those flights are completed, the air patrols will most likely consistent of periodic flights over the area just north of the northern edge of the oil to determine whether it has begun a northward movement.

At the moment, it does not appear that significant amounts of the oil will reach the Texas coast. However, all of the simulation models being used to project the trajectory of the spill were in a research phase prior to recent events, and have therefore not been fully validated with actual data. The lack of extensive prior validation of these models reduces the amount of confidence which can be placed in their predictions. Certainly, any large tropical storm or drastic change in wind conditions could alter the situation significantly.

The revolving fund available to the Coast Guard for clean-up of oil spills contains less than $3,000,000 at the present time, and would therefore not be able to fund any significant amount of clean-up activities by the United States Government. A ceiling of $500,000 has been allocated to the Regional Response Team for observation of the spill and for staging of equipment should the spill begin to move further towards the Texas coast. The ceiling would be raised if the spill should become a greater threat.

Several questions have been raised concerning an endangered species which is currently in the threatened area. I have requested information on the Kemp's ridley sea turtle and any contingency plan to deal with the possibility of the Bay of Campeche Oil Spill affecting their chances of survival. The U.S. Fish and Wildlife Service furnished the following summary which I would like to read.

Summary of the U.S. Fish and Wildlife Service's Efforts to Protect Ridley Turtles and Respond To Any Threat From Bay of Campeche Oil Spill

Item 1: IXTOC I Oil Well Blow-out and Kemp's ridley Sea Turtle:

Blow-out occurred June 3 in Campeche region. Spill moving northward up Mexican Coast. As of July 16, spill's northern limit was approximately 150 nautical miles south of Tampico.

Kemp's ridley nests along an isolated 15-mile stretch of beach approximately 125 miles north of Tampico, 30 miles northeast of town of Aldama. Nesting area known as "Rancho Nuevo".

Just under 100,000 ridley eggs laid this season. Hatching started in June and will continue into mid-August. Approximately one-half the eggs have now hatched and young released (70% hatching success).

Contingency plan has been agreed to by telephone between FWS and Department de Pesca people (Woody, FWS and Marquez, Pesca) should the spill come north of Tampico before hatching completed. Mexico's Department de Pesca has written FWS requesting coooperative assistance to institute contingency plan. Letter of request airmailed on July 13 from Mexico City, but not yet received (7/18).

Plan is to hold hatchlings in "corral" in salt water lagoon adjacent to field camp and to airlift hatchlings out beyond oil into floating seaweed masses in the Gulf. Probably go 100 miles or so out into Gulf. Mexico held hatchlings in this lagoon previously for up to 15 days with a 90% survival rate.

U.S. Coast Guard has tentatively agreed to supply chopper once we receive request from Mexico and they can start working on obtaining appropriate Mexican clearance through State Department. Since there is no immediate threat, no hatchlings are being held or will be until slick reaches Tampico region and subsequent direction of spill can be ascertained to constitute a hazard.

Contingency plan has been discussed and agreed to with sea turtle authorities (Dr. Archie Carr, Dr. Peter Pritchard, Dr. Rene Marquez) as well as NMFS scientist at Galveston Lab.

There is no threat to the 2,000 ridley eggs which were moved to Padre Island National Seashore, Texas, since these will be transferred to the NMFS Galveston Lab as they hatch. This is normal procedure as a part of the ten-year cooperative Kemp's ridley project with Mexico and has no relationship to the current spill.

Key informational contacts for ridley oil spill contingency and cooperative ridley project are:

U.S. Fish and Wildlife Service, Jack Woody, Albuquerque Regional Office.

Department de Pesca, Dr. Rene Marquez, Mexico City, Mexico.

Item 2: Kemp's Ridley Sea Turtle Project, U.S.-Mexico:

The only known nesting beach of the Kemp's ridley sea turtle is Rancho Nuevo, Tamaulipas, Mexico. Despite Mexican protection of this nesting beach since 1966, and subsequent designations as a National Sanctuary, the number of nesting females has continued to decline from an estimated 40,000+ observed in one arribada in 1947 to an estimated 600 nesting females in 1979. There are a number of known factors contributing to this decline:

1. Human poaching of eggs on the nesting beach for food/sale and loss of eggs to natural predators (i.e., coyote, ghost crabs, ants, etc.);

2. adults taken for food/shell/leather; and

3. the incidental take of various age classes by increasing numbers of shrimp trawlers in U.S. and Mexican waters.

Mexico has assigned marines and biologists to patrol this 15 miles of nesting beach every year since 1966; however, limited funds, equipment, and other factors have prevented implementation of full scale protection. Various private individuals and organizations have assisted Mexico over the years, but never to the extent necessary. Mexico has performed a commendable task in protecting the species as well as they have, considering they are a source of protein and commercial value in a region of low economic resources.

In the late fall of 1977, initial meetings began between Mexico's Instituto Nacional de Pesca, National Marine Fisheries Service, U.S. Fish and Wildlife Service, National Park Service, and Texas Parks and Wildlife Department to discuss cooperative efforts for the restoration and enhancement of the Kemp's ridley. An Action Plan was written and it was agreed that the program must continue at least ten years for the results to be conclusive. There are three basic objectives of the Action Plan:

1. Provide U.S. assistance (personnel, expertise, and equipment) to ongoing Mexican protection and study of Kemp's ridley. FWS (Albuquerque Region) responsibility.

Coordinate and carry out all U.S. operations with Mexico for restoration of Kemp's ridley. Carry out Section 7 Consultation for all involved federal agencies. Acquire all necessary U.S. and Mexican permits.

Maintain a field crew on the beach to work directly with the Mexicans. FWS biologists (employees and contractees) arrive and remain at field camp with Mexican biologists and Marines and live under same primitive conditions as Mexican counterparts for a four-month period.

Isolated camp, no running water, no electricity, live in tents. Road to camp is impassable in wet weather. One FWS man down with tick fever and hepatitis in July 1979. Supplied 3 Honda ATVs for beach patrol for tagging nesting turtles, saving nests, locating poachers, and gathering management and scientific data. Also provided road vehicles and communication equipment (portable radios). Mexico provides gasoline.

Assist Mexican biologists in gathering biological data and carrying out protection and management efforts. Provide scientific and field equipment. Provide Padre Island eggs and Rancho Nuevo hatchings for captive-rearing in U.S.

No signed agreement between FWS and Pesca on this project since overall agreement between the two agencies has not been initiated.

2. Attempt to establish a nesting population at Padre Island National Seashore, Texas, through imprinting of eggs and hatchlings. National Park Service responsibility.

There are historical but limited nesting records for Kemp's ridley in the area. Two thousand eggs per year from Rancho Nuevo, Mexico, are incubated in Padre Island sand. Upon hatching, they are allowed to enter the surf at Padre Island, are immediately recaptured, and then transported to National Marine Fisheries Service, Galveston Lab for captive-rearing up to one year.

3. Captive-rear hatchlings from 2,000 Padre Island imprinted eggs and up to 2,000 Rancho Nuevo imprinted eggs. National Marine Fisheries Service responsibility.

Captive rear the hatchlings for six months to one year and release into waters where the appropriate age classes are normally found.

RESULTS OF 1978 PROGRAM

The cooperative efforts at Rancho Nuevo resulted in the best protection and most complete recording of the nesting Kemp's ridley to date. Approximately 75,000 eggs were gathered from 711 nests and moved to either the egg corral or the egg house for protection until hatching. Hatching success was approximately 59%. Two hundred and twenty-one female turtles were tagged, and 92 females were recaptured which had been tagged this year or in previous years. Seventy-nine nests were lost—sixty-nine by human poaching and ten by coyote. Forty-five of the nests poached by man occurred before the marines arrived. Reports are being prepared on various aspects of the program and will be distibuted upon completion.

This international interagency program accomplished all the objectives of the first year with relatively few problems considering planning for the project began in late November 1977. No problems are anticipated in the forthcoming years with this recovery program. All involved agencies, both U.S and Mexican, cooperated extremely well.

We believe it is of the utmost importance for FWS to sign a cooperative agreement with Instituto Nacional de Pesca similar to the one with Fauna de Silvestre, insofar as FWS Endangered Species responsibilities correspond with those of Instituto Nacional de Pesca. Conservation of sea turtles and their nesting beaches in Mexico is necessary for the species' survival and should have the assistance of FWS, which can best be implemented through a Cooperative Agreement.

PRELIMINARY RESULTS OF 1979 PROGRAM

Nesting began April 26 and should go through early July. Hatching began in mid-June and is expected to continue to mid-August. Approximately 500 individuals nested; 950 nests were collected; (97,892 eggs—average 103/nest). As of July 2, hatching success was approximately 70%. Of the 540 nesting females, 361 were tagged and 53 had been tagged in previous years. Six females were radio-tagged to gain offshore movement and respiratory data. Climatological data and nest environmental information gathered. Two thousand eggs were transferred to Padre Island (NPS) in early July.

Madam Speaker, thank you for the time and I hope this presentation was informative in nature.●

BELVA LOCKWOOD, THE FIRST WOMAN TO PRACTICE LAW

(Mrs. SCHROEDER asked and was given permission to revise and extend her remarks.)

Mrs. SCHROEDER. Madam Speaker, one of the first American women to practice law, Belva Lockwood attempted to try a case before a Federal court and was denied, because she was a woman. She persuaded Congress to pass a special bill guaranteeing the right of woman lawyers to plead a case before any Federal court. In 1879, Belva Lockwood became the first woman to practice law before the Supreme Court. She said:

> I have been told that there is no precedent for admitting a woman to practice in the Supreme Court of the United States. The glory of each generation is to make its own precedents. As there was none for Eve in the Garden of Eden, so there need be none for her daughters on entering the colleges, the church, or the courts.

Belva Lockwood secured equal property and guardianship rights for women in the District of Columbia. She wrote the women's suffrage amendment in several statehood bills. Nominee of the National Equal Rights Party in 1884, she was the first woman to actually win votes in a Presidential election.

As a little girl, Belva Lockwood tried to move a mountain near her home. She later reflected:

> Since that time I have learned to remove mountains and have removed several.

REQUEST OF HON. AL ULLMAN, CHAIRMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 2492

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ULLMAN. Madam Speaker, on Thursday, July 19, 1979, the Committee on Ways and Means ordered favorably reported H.R. 2492, a bill to correct an anomaly in the rate of duty applicable to articles of apparel in which feathers or downs are used as filling and to extend until June 30, 1984, the duty provisions applicable to crude feathers and downs.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 2492 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a modified closed rule which would provide for committee amendments only, and for one amendment, if offered, by the Honorable Ed Jenkins; 1 hour of general debate, to be equally divided; waiving all necessary points of order; and with one motion to recommit, with or without instructions.

We intend to file the committee report on this bill Monday, July 23, 1979, and will request to be heard before the Committee on Rules as expeditiously as possible.

GENERAL LEAVE

Mr. FROST. Madam Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include therein extraneous matter on the subject of the special order today of the gentleman from California (Mr. Waxman).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Anthony (at the request of Mr. Wright), for today, on account of official business.

Mr. Rodino (at the request of Mr. Wright), for today, on account of illness in the family.

Mr. Fish (at the request of Mr. Rhodes), for July 19 and 20, on acount of official business.

Mr. Marriott (at the request of Mr. Rhodes), for July 19 and 20, on account of official business.

Mr. McClory (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Young of Alaska (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Thompson, for July 24 to August 3, on account of personal illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Dannemeyer) to revise and extend their remarks and include extraneous material:)

Mr. Tauke, for 5 minutes, today.

(The following Members (at the request of Mr. Frost) to revise and extend their remarks and include extraneous material:)

Mr. Stokes, for 60 minutes, today.
Mr. Weaver, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Lederer, for 5 minutes, today.
Mr. Pepper, for 5 minutes, today.
Mr. Nelson, for 5 minutes, today.
Mr. Waxman, for 20 minutes, today.
Mr. Satterfield, for 5 minutes, today.
Mr. Wyatt, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Campbell, to revise and extend his remarks immediately prior to the adoption of the Stanton freedom of choice amendment.

Mr. Shumway, to revise and extend his remarks just prior to the vote on the Stanton amendment.

(The following Members (at the request of Mr. Dannemeyer) and to include extraneous material:)

Mr. Roth.
Mr. Wydler in two instances.
Mr. Devine.
Mr. Hyde.
Mr. Gilman.
Mrs. Smith of Nebraska.
Mr. Horton.
Mr. Rousselot.
Mr. Hansen in five instances.

(The following Members (at the request of Mr. Frost) and to include extraneous matter:)

Mr. Richmond in two instances.
Mr. Vento in two instances.
Mr. Dodd.
Mr. Murphy of New York in four instances.
Mr. Rosenthal.
Mr. Santini.
Mr. Fuqua in five instances.
Mr. Bennett.
Mr. Mottl.
Mr. Flippo.
Mr. Rodino.
Mr. Stokes.
Mr. Jones of Oklahoma.
Mr. Ambro.
Mr. Yatron in two instances.
Mr. Jones of Tennessee.
Mr. Montgomery.
Mr. Simon.
Mr. Anderson of California.

ADJOURNMENT

Mr. FROST. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 26 minutes p.m.) under its previous order the House adjourned until Monday, July 23, 1979, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the second quarter of calendar year 1979 in connection with foreign travel pursuant to Public Law 95–384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPEAKER'S DELEGATION TO ENGLAND, BELGIUM, HUNGARY, AND IRELAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 11 AND APR. 23, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Thomas P. O'Neill, Jr	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip).							3,751.08				
Dan Rostenkowski	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,230.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation							3,561.08				
Thomas S. Foley	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/23	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18		Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation							3,751.08				
Silvio B. Conte	4/11	4/12	United Kingdom	42.82	91.00	20.85	44.31	6.96	14.79	70.83	150.10
	4/12	4/15	Italy	105.88	225.00					105.88	225.00
	4/15	4/16	Belgium	3,210.00	107.00	2,625.60	87.52	107.70	3.59	5,943.30	198.11
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip).							5,728.18				

See footnotes at end of table.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, SPEAKER'S DELEGATION TO ENGLAND, BELGIUM, HUNGARY, AND IRELAND, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 11 AND APR. 23, 1979—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S currency [2]
Thomas Ludlow Ashley	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip).							3,561.08				
Samuel L. Devine	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	4.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (roundtrip)							3,561.08				
Delbert L. Latta	4/11	4/14	United Kingdom	218.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip)							3,561.08				
Morris Udall	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	19,775.40	651.80	221.10	7.37	26.416.50	873.17
Military air transportation (round trip)							1,734.89				
Joseph G. Minnish	4/11	4/12	United Kingdon	42.82	91.00	20.85	44.31	6.96	14.79	70.83	150.10
	4/12	4/15	Italy	105.88	225.00					105.88	225.00
	4/15	4/16	Belgium	3,210.00	107.00	2,625.60	87.52	107.70	3.59	5,943.30	198.11
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip)							5,538.18				
Edward J. Patten	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip)							3,561.08				
Joseph M. McDade	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip)							3,751.08				
James M. Hanley	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip)							3,561.08				
Tom Bevill	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip)							3,561.08				
C. W. "Bill" Young	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip)							3,561.08				
J. Joseph Moakley	4/11	4/14	United Kingdom	128.47	274.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	263.26	95.21	191.10	223 39	874.36
Military air transportation (round trip)							3,751.08				
Kirk O'Donnell	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip).							3,751.08				
Linda Melconian	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip).							3,561.08				
James Healey, Jr	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip).							3,561.08				
John Williams	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip).							3,561.08				
Dr. Freeman Carey	4/11	4/14	United Kingdom	128.47	273.00	67.18	142.75	22.43	47.67	218.08	463.42
	4/14	4/16	Belgium	6,420.00	214.00	5,397.00	179.90	221.10	7.37	12,038.10	401.27
	4/16	4/18	Hungary	3,087.12	152.00	2,320.68	114.26	297.64	14.65	5,705.44	280.91
	4/18	4/23	Ireland	212.35	430.00	128.18	253.26	95.21	191.10	223.39	874.36
Military air transportation (round trip).							3,561.08				

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

June 15, 1979.

THOMAS P. O'NEILL, Jr., Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO U.S.S.R., U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 12 AND APR. 26, 1979

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
John Brademas	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	403.37	608.40			109.34	164.93	512.71	773.33
Military air transportation (round trip)							2,703.80				2,703.80
Ronald V. Dellums	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	447.57	675.07			109.34	164.93	556.91	840.00
Military air transportation (round trip)							2,703.80				2,703.80
Thomas J. Downey	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	439.57	663.00			109.34	164.93	548.91	827.93
Military air transportation (round trip)							2,703.80				2,703.80
Jack Edwards	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	447.57	675.07			109.34	164.93	556.91	840.00
Military air transportation (round trip)							2,703.80				2,703.80
Richard A. Gephardt	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	407.57	614.74			109.34	164.93	516.91	779.67
Military air transportation (round trip)							2,703.80				2,703.80
Willis D. Gradison, Jr	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	477.57	675.07			109.34	164.93	556.91	840.00
Military air transportation (round trip)							2,703.80				2,703.80
Lee H. Hamilton	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	348.34	525.40			109.34	164.93	457.68	690.33
Military air transportation (round trip)							2,703.80				2,703.80
James P. (Jim) Johnson	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	447.57	675.07			142.49	214.34	590.06	889.41
Military air transportation (round trip)							2,703.80				2,703.80
Matthew F. McHugh	4/13	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	341.07	514.44			109.34	164.93	450.41	679.37
Military air transportation (round trip)							2,703.80				2,703.80
Robert H. Michel	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	447.57	675.07			109.34	164.93	556.91	840.00
Military air transportation (round trip)							2,703.80				2,703.80
Lucien N. Nedzi	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	447.57	675.07			109.34	164.93	556.91	840.00
Military air transportation (round trip)							2,703.80				2,703.80
Richardson Preyer	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	447.57	675.07			109.34	164.93	556.91	840.00
Military air transportation (round trip)							2,703.80				2,703.80
Richard C. Shelby	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	447.57	675.07			109.34	164.93	556.91	840.00
Military air transportation (round trip)							2,703.80				2,703.80
Gladys Noon Spellman	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	447.57	675.07			109.34	164.93	556.91	840.00
Military air transportation (round trip)							2,703.80				2,703.80
Charles A. Vanik	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	447.57	675.07			109.34	164.93	556.91	840.00
Military air transportation (round trip)							2,703.80				2,703.80
G. William Whitehurst	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	350.44	528.57			109.34	164.93	459.78	693.50
Military air transportation (round trip)							2,703.80				2,703.80
Timothy E. Wirth	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	397.57	599.65			109.34	164.93	506.91	764.58
Military air transportation (round trip)							2,703.80				2,703.80
Rita Hankins	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	360.57	543.85			109.34	164.93	469.91	708.78
	4/22	4/23	Britain	43.33	75.00					43.33	75.00
Military air transportation							580.65				580.65
Commercial air transportation							701.00				701.00
Burton Hoffman	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	437.57	659.99			109.34	164.93	546.91	824.92
	4/22	4/23	Britain	43.33	75.00					43.33	75.00
Military air transportation							580.65				580.65
Commercial air transportation							701.00				701.00
James P. Mooney	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	445.15	671.42			109.34	164.93	554.49	836.35
	4/22	4/23	Britain	43.33	75.00					43.33	75.00
Military air transportation							580.65				580.65
Commercial air transportation							701.00				701.00
Lois Richerson	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	353.57	533.29			109.34	164.93	462.91	698.22
	4/22	4/23	Britain	43.33	75.00					43.33	75.00
Military air transportation							580.65				580.65
Commercial air transportation							701.00				701.00
James T. Schollaert	4/12	4/13	France	366.80	86.00					369.80	86.00
	4/13	4/25	U.S.S.R	411.76	620.97			109.34	164.93	521.10	785.90
	4/25	4/26	Britain	43.33	75.00					43.33	75.00
Military air transportation							580.65				580.65
Commercial air transportation							701.00				701.00
Ralph Vinovich	4/12	4/13	France	369.80	86.00					369.80	86.00
	4/13	4/22	U.S.S.R	413.71	624.00			109.34	164.93	523.05	788.93
	4/22	4/23	Britain	43.33	75.00					43.33	75.00
Military air transportation							580.65				580.65
Commercial air transportation							701.00				701.00
Total					16,886.42		53,654.50		3,842.80		74,383.72

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

May 23, 1979.

JOHN BRADEMAS, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE ADMINISTRATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Mr. Noah St. Clair	6/24	6/26	Canada	240.79	206.25	0	203.36	0	0	240.79	409.61
Committee total					206.25		203.36		0		409.61

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

June 29, 1979

FRANK THOMPSON, Jr., Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2065. A letter from the Secretary of Agriculture, transmitting a report on policies and criteria adopted by the Department of Agriculture for making decisions on agricultural research facilities, pursuant to section 1462 of Public Law 95–113; to the Committee on Agriculture.

2066. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a list of contract award dates for the period July 15–October 15, 1979, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2067. A letter from the Director, National Institute of Corrections, transmitting the third annual report of the Institute, covering fiscal year 1978, pursuant to 18 U.S.C. 4352 (b); to the Committee on Education and Labor.

2068. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on economic relations between the United States and Taiwan during the period January 1–June 30, 1979, pursuant to section 12(d) of Public Law 96–8; to the Committee on Foreign Affairs.

2069. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the Agency's fiscal year 1979 program in Somalia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2070. A leteer from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2071. A letter from the Comptroller General of the United States, transmitting a report recommending procedures for Federal agencies to follow in examining the work of independent public accountants in auditing grantees' financial and other operations (FGMSD–79–38, July 19, 1979); to the Committee on Government Operations.

2072. A letter from the Secretary of Agriculture, transmitting a report on timber harvest scheduling alternatives for the Six Rivers National Forest, pursuant to section 102(c) of Public Law 95–250; to the Committee on Interior and Insular Affairs.

2073. A letter from the Secretary of Health, Education, and Welfare, transmitting the sixth annual report of the Director of the National Heart, Lung, and Blood Institute, pursuant to section 413(b)(2) of the Public Health Service Act, as amended to the Committee on Interstate and Foreign Commerce.

2074. A letter from the Administrator of General Services, transmitting an amendment to the prospectus proposing the construction of a border station in Laredo, Tex., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2075. A letter from the Comptroller General of the United States, transmitting a report recommending procedures for improving the effectiveness of audits of Federal grants and contracts to institutions of higher education (FGMSD–79–44, July 19, 1979); jointly, to the Committees on Government Operations and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FUQUA: Committee of Conference. Conference report on H.R. 1786 (Rept. No. 96–371). And ordered to be printed.

Mr. HAWKINS: Committee on House Administration. House Resolution 360. Resolution approving the printing of additional copies of the report accompanyng the Second Concurrent Resolution on the Budget for Fiscal Year 1980 (Rept. No. 96–372). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mrs. SPELLMAN: Committee on Post Office and Civil Service. H.R. 1885. A bill to amend Civil Service retirement provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies; with amendment, and referred to the Committee on Appropriations for a period not to exceed 15 legislative days with instructions to report back to the House as provided in section 401(b) of Public Law 93–344 (Rept. No. 96–370, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Michigan:

H.R. 4877. A bill to require the Secretary of Commerce to propose a program to compensate persons and States and political subdivisions thereof for damages caused by shoreline erosion arising from the actions of the International Joint Commission with respect to the level of water on the Great Lakes; to the Committee on Public Works and Transportation.

By Mr. GLICKMAN (for himself and Mr. SKELTON):

H.R. 4878. A bill to limit the acquisition and use of motor vehicles; to the Committee on Government Operations.

By Mr. GONZALEZ:

H.R. 4879. A bill to amend title 28, United States Code, to make clear that State or Federal prisoners who are otherwise eligible for Federal habeas corpus relief may not be denied such relief on the ground that such State or Federal Government provided an opportunity for a full and fair litigation of a constitutional claim, and for other purposes; to the Committee on the Judiciary.

By Mr. HANSEN:

H.R. 4880. A bill to establish a Commission and Task Force to review all Federal Government programs, determine what economies and efficiencies can be achieved through program consolidation, review the functions carried out by each level of government, and make recommendations for more clearly defining the respective responsibilities of such levels, and for other purposes; to the Committee on Government Operations.

H.R. 4881. A bill to promote safety and health in skiing and other outdoor winter recreational activities; to the Committee on the Judiciary.

H.R. 4882. A bill to improve and systematize the procedures for the promulgation of rules by the Federal agencies, to establish a uniform procedure for congressional review of agency rules, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. HYDE:

H.R. 4883. A bill to amend the Freedom of Information Act to improve the handling of classified information and investigatory records, to revise the deadlines for agency action, and for other purposes; to the Committee on Government Operations.

H.R. 4884. A bill to amend the Internal Revenue Code of 1954 to apply to married individuals filing separate returns the income tax rates applicable to unmarried individuals, and for other purposes; to the Committee on Ways and Means.

By Mr. LOTT:

H.R. 4885. A bill to amend the Contract Work Hour Standards Act and the Walsh-Healey Act to permit employees to whom such acts apply to work 10 hours a day, 4 days a week, and for other purposes; jointly, to the Committees on Education and Labor and the Judiciary.

By Mr. MURPHY of New York:

H.R. 4886. A bill to amend the Merchant Marine Act, 1936, to provide that certain inactive American flag passenger vessels may operate in both the domestic and/or foreign commerce of the United States and between foreign ports; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. BREAUX, Mr. MCCLOSKEY, Mr. FORSYTHE, and Mr. TRIBLE):

H.R. 4887. A bill to authorize appropriations for the San Francisco Bay National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

H.R. 4888. A bill to amend the Federal Aid Wildlife Restoration Act; to the Committee on Merchant Marine and Fisheries.

H.R. 4889. A bill to extend the authorization period for the Great Dismal Swamp National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

H.R. 4890. A bill to extend the appropriation authorization for the Commercial Fisheries Research and Development Act of 1964, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. QUILLEN:

H.R. 4891. A bill to create a commission to grant exclusive franchises for the exploration for and the commercial development of geothermal energy and for the right to market any such energy in its natural state, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. SLACK:

H.R. 4892. A bill to repeal section 506 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMPSON (for himself and Mr. Gray):

H.R. 4893. A bill to amend the Comprehensive Employment and Training Act to provide a youth employment incentive program; to the Committee on Education and Labor.

By Mr. WAXMAN (for himself, Mr. Carter, Mr. Preyer, Mr. Maguire, and Mr. Walgren):

H.R. 4894. A bill to amend the Public Health Service Act to revise and strengthen the program under that act for national standards for and licensing of clinical laboratories, to amend the Social Security Act to require laboratories providing services financed under titles XVIII and XIX of such act to meet the requirements of such program, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. DELLUMS (for himself, Mr. Glickman, Mr. Bedell, Mr. Carr, Mr. Brown of California, Mr. Conyers, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Fauntroy, Mr. Kastenmeier, Mr. Mitchell of Maryland, Mr. Gray, Mr. Nolan, Mr. Rosenthal, Mr. Weiss, Mr. Walgren, Mr. Richmond, Mr. Leland, Mr. Murphy of Pennsylvania, Mr. Seiberling, Mr. Hawkins, Mr. Weaver, Mr. Diggs, Mr. John L. Burton, and Mr. McCloskey):

H.R. 4897. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for nonmilitary purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HEFNER:

H.R. 4895. A bill for the relief of Erasmo Ramirez Cruz, Jr.; to the Committee on the Judiciary.

H.R. 4896. A bill for the relief of Emelita Riego de Bios Castor Cruz; to the Committee on the Judiciary.

By Mr. MATSUI:

H.R. 4898. A bill for the relief of Angelita Carrasca; to the Committee on the Judiciary.

H.R. 4899 A bill for the relief of Mohan Singh and Ajit Singh; to the Committee on the Judiciary.

By Mr. QUILLEN:

H.R. 4900. A bill to renew and extend plant patent number 2,148 for a term of 6 years; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Howard.

H.R. 3057: Mrs. Boggs.

H.R. 3085: Mr. Harris.

H.R. 3532: Mr. Fazio, Mr. Downey, Mr. Yatron, Mr. Nolan, Mr. Ertel, Mr. Pritchard, Mr. Beilenson, Mr. Weaver, and Mr. Weiss.

H.R. 3558: Mr. Stokes, Mr. Mottl, Mr. Nowak, Mr. Cotter, Mr. Miller of California, Mr. Hawkins, Mr. Panetta, Mr. Waxman, Mr. Williams of Montana, Mrs. Heckler, Mr. Fazio, Mr. Santini, and Mr. Ertel.

H.R. 3677: Mr. Frenzel and Mr. Frost.

H.R. 4343: Mr. Myers of Pennsylvania, Mr. Rinaldo, Mr. Yatron, Mr. Coughlin, Mr. Roe, Mr. Edgar, Mr. Clinger, and Mr. Dougherty.

H.R. 4395: Mr. Donnelly and Mr. Nelson.

H.R. 4504: Mr. Campbell, Mr. Bedell, Mr. Yatron, and Mr. Loeffler.

H.R. 4825: Mr. Robert W. Daniel, Jr. and Mr. Wampler.

H.J. Res. 139: Mr. Philip M. Crane.

H.J. Res. 244: Mr. Walker, Mr. Wampler, Mr. Whitehurst, Mr. Whittaker, Mr. Williams of Ohio, Mr. Winn, Mr. Wydler, Mr. Wylie, Mr. Young of Alaska, Mr. Young of Florida, Mr. Jacobs, Mr. Glickman, Mr. Huckaby, Ms. Mikulski, Mr. Traxler, Mr. Cavanaugh, Mr. Florio, Mr. Maguire, Mr. Addabbo, Mr. Biaggi, Mr. Rose, Mr. Watkins, Mr. Beard of Rhode Island, Mr. Davis of South Carolina, Mr. Ford of Tennessee, Mr. Gore, Mr. Harris, Mr. Slack, Mr. Roybal, Ms. Oakar, Mr. Gudger, Mr. Ratchford, Mr. Synar, Mr. Howard, Mr. Weiss, Mr. Won Pat, Mr. Yates, Mr. Young of Missouri, Mr. Cotter, Mr. Lederer, Mr. Bevill, Mr. McClory, Mr. McCloskey, Mr. Taylor, Mr. McEwen, Mr. McKinney, Mr. Madigan, Mr. Marks, Mr. Marlenee, Mr. Marriott, Mr. Martin, Mr. Michel, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Moore, Mr. Moorhead of California, Mr. Myers of Indiana, Mr. Pashayan, Mr. Paul, Mr. Pritchard, Mr. Pursell, Mr. Quayle, Mr. Quillen, Mr. Railsback, Mr. Regula, Mr. Rhodes, Mr. Rinaldo, Mr. Ritter, Mr. Robinson, Mr. Roth, Mr. Trible, Mr. Rudd, Mr. Barnard, Mr. Schulze, Mr. Sebelius, Mr. Shumway, Mr. Jenkins, Mrs. Smith of Nebraska, Mrs. Snowe, Mr. Snyder, Mr. Erdahl, Mr. Erlenborn, Mr. Evans of Delaware, Mrs. Fenwick, Mr. Fish, Mr. Flippo, Mr. Stump, Mr. Goldwater, Mr. Symms, Mr. Gradison, Mr. Grassley, Mr. Green, Mr. Dodd, Mr. Guyer, Mr. Hagedorn, Mr. Hammerschmidt, Mr. Hansen, Mrs. Heckler, Mr. Hillis, Mr. Hollenbeck, Mrs. Holt, Mr. Stack, Mr. Hyde, Mr. Jeffords, Mr. Jeffries, Mr. Johnson of Colorado, Mr. Kelly, Mr. Stanton, Mr. Kindness, Mr. Kramer, Mr. Tauke, Mr. Latta, Mr. Leach of Iowa, Mr. Lee, Mr. Lent, Mr. Lewis, Mr. Livingston, Mr. Loeffler, Mr. Lott, Mr. Lujan, Mr. Anderson of Illinois, Mr. Andrews of North Dakota, Mr. Archer, Mr. Ashbrook, Mr. Badham, Mr. Bafalis, Mr. Bauman, Mr. Beard of Tennessee, Mr. Bereuter, Mr. Bethune, Mr. Broomfield, Mr. Brown of Ohio, Mr. Broyhill, Mr. Buchanan, Mr. Burgener, Mr. Butler, Mr. Mazzoli, Mr. Carter, Mr. Mica, Mr. Clinger, Mr. Collins of Texas, Mr. Conable, Mr. Conte, Mr. Corcoran, Mr. Coughlin, Mr. Courter, Mr. Daniel B. Crane, Mr. Philip M. Crane, Mr. Dannemeyer, Mr. Davis of Michigan, Mr. Deckard, Mr. Derwinski, Mr. Devine, Mr. Dickinson, Mr. Mathis, Mr. Duncan of Tennessee, Mr. Edwards of Alabama, Mr. Edwards of Oklahoma, Mr. Emery, Mr. Minish, Mr. Moakley, Mr. Aspin, Mr. Annunzio, Mr. Bingham, Mr. Bowen, Mr. Brown of California, Mr. Diggs, Mr. Duncan of Oregon, Mr. Hightower, Mr. Markey, Mr. Montgomery, Mr. Vento, Mr. Yatron, Mr. Garcia, Mr. Albosta, Mr. Giaimo, Mr. Lehman, Mr. Heftel, and Mr. Ertel.

H. Con. Res. 103: Mr. Stack, Mr. Charles Wilson of Texas, Mr. Fazio, and Mr. Glickman.

H. Con. Res. 158: Mr. Alexander, Mr. Baldus, Mr. Brademas, Mr. Brooks, Mr. John L. Burton, Mr. Chappell, Mrs. Chisholm, Mr. Clay, Mrs. Collins of Illinois, Mr. Edwards of Alabama, Mr. Edwards of California, Mr. Flippo, Mr. Ford of Tennessee, Mr. Fuqua, Mr. Ginn. Mr. Gonzalez, Mr. Gore, Mr. Harris, Mr. Jones of North Carolina, Mr. Jones of Tennessee, Mr. Leland, Mr. Lowry, Mr. McClory, Mr. McKay, Ms. Mikulski, Mr. Montgomery, Mr. Mavroules, Mr. Natcher, Mr. Peyser, Mr. Pickle, Mr. Rose, Mr. Runnels, Mrs. Spellman, Mr. St Germain, Mr. Stack, Mr. Volkmer, Mr. Waxman, Mr. Wydler, Mr. Wylie, and Mr. Yates.

PETITIONS, ETC.

Under clause 1 of rule XXII,

176. The SPEAKER presented a petition of the 35th Annual Eastern Seaboard Apprenticeship Conference, Newport, R.I., relative to apprenticeship; which was referred to the Committee on Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4040

By Mr. JOHNSON of Colorado:

—Strike sections 812 through 815, from line 3 on page 28 through line 15 on page 31, redesignating the following sections accordingly, and insert in lieu thereof the following:

REPORT ON MILITARY MANPOWER NEEDS OF THE ARMED SERVICES

Sec. 812. (a) The President shall conduct a comprehensive study of the military manpower needs of the Armed Forces of the United States. Such study shall specifically include (1) an assessment of the current ability of the Selective Service System to provide the military personnel needed for mobilization of the Armed Forces in the event of a war or other national emergency, and (2) an evaluation of the current capability of the Armed Forces of the United States to meet the equipment, clothing, living quarters, and training personnel that would be required in the event of a total or partial mobilization of the Armed Forces.

(b) The President shall submit the results of such study, together with such recommendations for legislation as he deems necessary or appropriate to provide the United States with an adequate and effective mobilization capability, to the Committees on Armed Services of the Senate and the House of Representatives not later than one hundred and twenty days after the date of enactment of this Act.

SENATE—*Friday, July 20, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the 27th Psalm:

The Lord is my light and my salvation; whom shall I fear? The Lord is the strength of my life; of whom shall I be afraid?—Psalms 27: 1.

O God, our Father, before we go to the duties of this day, we beseech Thee to direct, to control, and to guide us all through its hours. Amid all the bewilderment, anxieties, and surprises of our times Thou standest sure, the same yesterday, today, and forever.

Be in our minds, to free us from evil thoughts and to give clarity of insight and judgment. Be in our hearts, that they may be warm with love for Thee, and for our fellow men.

Help us to begin, continue, and end this day in Thee.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 20, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPORT ON TRIP TO SOVIET UNION AND WESTERN EUROPE

Mr. ROBERT C. BYRD. Mr. President, during the recent nonlegislative period, from June 28 to July 7, I traveled to Italy, the Soviet Union, and France. The primary purpose of my trip was to discuss the SALT II Treaty and related matters with Soviet and Western European leaders.

Today, I want to summarize the results of that trip, which I hope will prove to have been a constructive contribution to the Senate's consideration of the SALT II Treaty. I have had the opportunity to meet with a number of my colleagues and report to them personally on my trip and the discussions that took place.

A major topic of my discussions with the Soviets was the role of the Senate in the approval of treaties. I felt it important that the Soviet leaders fully understand the Senate's constitutional role in the treaty process. It is my conviction that my visit did result in a greater appreciation by the Soviets of the Senate's independent responsibility in this regard.

My meetings with Italian and French officials were for the purpose of learning more, on a firsthand basis, about European attitudes toward SALT II and the possible consequences of its ultimate approval or rejection. I also wanted to explore any particular concerns the European leaders might have about the provisions of the treaty.

It is not my intention nor do I believe it would be appropriate to make public every detail of my discussions, because the conversations touched on some highly sensitive issues. However, I believe I can fully convey the essence of those conversations without revealing any such confidences.

ITALY

My first stop was in Italy, a fellow member country of the North Atlantic Treaty Organization. During the past year I have traveled to a number of NATO countries—Belgium, Germany, the United Kingdom, Turkey, and NATO headquarters in Belgium—in order to assess NATO's status and prospects. The visit to Rome was part of that process, particularly within the context of the SALT II Treaty.

In Italy, I met with Minister of Defense Attilio Ruffini and with Adolpho Battaglia, Under Secretary of the Foreign Ministry. Other Italian Government and military officials also took part in the discussions.

The Italian position on the SALT II Treaty is strongly supportive. Battaglia said Italy wants to see the treaty approved by the Senate and the Minister of Defense said it would be "folly" for the Senate to fail to approve the treaty.

Battaglia said he would not contend that it was a perfect treaty, but that it was a great improvement over not having a treaty. He noted two issues that had been of particular concern to Italy: The noncircumvention clause, and the cruise missile provisions in the protocol. However, both of these issues had been satisfactorily resolved, Battaglia said. The Italians had been pleased by the U.S. statement on noncircumvention. Reaffirmation by the Senate that the noncircumvention clause would not inhibit cooperation between NATO allies would be helpful, Battaglia said. On that point, Defense Minister Ruffini echoed the comments of his Foreign Ministry colleague. Ruffini stated that it would be helpful for the Senate to stress the assurances already given by the United States that SALT II will not place obstacles in the path of military cooperation among the allies.

As for the protocol, Battaglia said it presents no difficulties if it is not extended beyond 1981. In that regard, Senate action to make that point clear would seem reasonable.

It was Battaglia's view that verification is not a serious problem. He did not believe that the Soviets would jeopardize the treaty by violating it.

In response to a question about what Italian views would be if the treaty were rejected—or approved, but only with eviscerating amendments—Battaglia said that would be a "disaster."

Battaglia said:

> You would not find a politician in Italy or in Europe who would view such an outcome positively.

In such an event, he believes East-West relations would be stymied and it would pose particular problems for the Germans.

Minister of Defense Ruffini said that rejection would be a mistake because SALT was important to the maintenance of détente and served the real military interests of the West. He felt that this view was shared throughout Western Europe.

Turning to SALT III, Battaglia said that if Italy saw any problems with the SALT II Treaty, they were in connection with the successor negotiations on Salt III. In those talks, he said, it would be important for Europe to play a greater role than it had in SALT II—a role which would enable it to more directly influence the negotiations. He suggested that, given European concern with SALT II, an ad hoc group of European allies should be established and be available for regular consultation with U.S. negotiators.

We also discussed the problem of theater nuclear force modernization in NATO.

Battaglia noted that, while, in his view, SALT II achieves a balance in strategic systems, the imbalance in theater systems remains. Any movement toward decoupling the two issues should be avoided, he said.

In our discussions of SALT II, I made clear to the Italian officials that Senate approval of the treaty is by no means a foregone conclusion, but I indicated that the Senate would be strongly interested in the viewpoint of our allies.

One further subject of our discussions was the difficult situation faced by another NATO ally, Turkey. I was told by the Italian officials that Italy is seriously concerned with Turkey's difficulties. Turkey's economic, political, and military frailties pose serious threats to Mediterranean and alliance security. Assistance to Turkey is considered to be of paramount importance.

SOVIET UNION

The most important meetings during my stay in the Soviet Union were with President Leonid Brezhnev on July 4 at Sosnovka, near Yalta in the Crimea, and on July 5 with Foreign Minister Andrei Gromyko in Moscow. There were, however, a number of other meaningful meetings and events during my visit.

My first stop in the Soviet Union was in Leningrad. In Leningrad I was hosted by a group which included Yuriy Zhukov, representing the Parliamentary Group of the Supreme Soviet. In addition to being a member of the Supreme Soviet, Zhukov is a prominent journalist and political commentator affiliated with Pravda.

Also part of the host group in Leningrad were Aleksandr N. Shibalov, chairman of the Leningrad Region Soviet Executive Committee, member of the Communist Party Central Committee, and a deputy to the Supreme Soviet; and Boris G. Samsonov, General Secretary of the City Executive Committee.

Only July 2, I met with the Leningrad City Soviet for a discussion of various issues of mutual interest, including SALT II. Later, in my remarks at a dinner given by the City Soviet, I stressed as I did throughout my stay, that I had come to the Soviet Union neither to praise nor condemn the treaty, but in an attempt to create a better understanding of the treaty and related issues in the Senate and a better understanding on the part of the Soviets of the role and concerns of the Senate.

An important part of my stay in Leningrad were my visits to the Monument to the Heroic Defenders of Leningrad and to the Piskarevskoye Cemetery, where I laid a wreath. During World War II, Leningrad was subjected to a 900-day siege by the Nazis and this wartime experience remains a vivid and dominant subject for Leningraders and visitors to the city.

From Leningrad I traveled to Moscow, where the Soviet Parliamentary Group arranged several meetings. Among those in the host group were Alexei Shitikov, chairman of the Council of the Union in the Supreme Soviet and head of the Supreme Soviet Parliamentary Group; and Lev N. Tolkunov, deputy chairman of the Parliamentary Group, chairman of Novosti Press Agency, and a member of the Communist Party Central Committee.

At a luncheon given by the host group, I told those who were present, including a number of Soviet officials:

> When President Carter signed the SALT II Treaty in Vienna and transmitted it to the U.S. Senate, the role of the Executive Branch of our government ended and the role of the U.S. Senate to provide its advice and consent formally began . . . The Senate and the President are equal but independent partners in the process of concluding international agreements, a fact which you must take account of in the weeks to come.
>
> I have not come to Moscow to renegotiate the Treaty. But any suggestion from a U.S. president or from Soviet officials that the role of the Senate should be that of a rubber stamp would not contribute to a constructive discussion of the Treaty.

MEETING WITH BREZHNEV

On July 4, I flew from Moscow to Simferopol in the Crimean region. After meeting briefly with local officials, I was driven to the Yalta area, near the Black Sea. The meeting with President Brezhnev, occurred at Sosnovka, the Presidents' retreat.

The meeting lasted for 1 hour and 45 minutes, and the discussions were frank and candid. On a number of occasions President Brezhnev interrupted my statement or responded to points I had made.

The formal discussion began with a lengthy statement by Brezhnev in which he referred to SALT II as the biggest step thus far toward putting an end to the arms race, and stated that it had opened up prospects for better relations between the two countries. He said the treaty testifies to the fact that, even with all that divides the Soviet Union and United States, agreement can be found on some of the most complicated and vital issues.

The Soviet leader emphasized that SALT II was the result of many years of arduous and thorough negotiations, with both sides carefully weighing all aspects of the treaty. The final result was a just balance of the interests of the two great powers.

President Brezhnev said that there are some in the United States who assert that the American side allegedly made unilateral concessions in the negotiations or that the agreement is somehow unfair to the United States. Brezhnev said:

> I look you in the eye and emphasize that this is a complete falsity.

Brezhnev said that not everything in the treaty is to the Soviets' liking. For instance, the Soviet Union will have to make reductions, which at this stage the United States will not have to do. The Soviets accepted this as a necessary part of the balancing of interests in the treaty. SALT II is built on the principle of equality and does not afford either side a unilateral advantage, he said.

Noting that three U.S. administrations had participated in the SALT II negotiations, Brezhnev said he did not believe that these three administrations had lacked a desire to safeguard the interests of the United States. The Soviet negotiators, likewise, had sought to safeguard the interests of the U.S.S.R. Brezhnev believed both sides had succeeded in safeguarding their interests.

Turning to verification, Brezhnev said this is no less a matter of concern to the Soviet side, commenting that some in the United States feel compelled to raise this in a biased manner, as if verification were of interest only to the United States. He said he could state unequivocally that strict compliance with all provisions of the treaty is reliably verifiable by the national technical means of verification of each side. Verification by national technical means is fully sufficient for the Soviet Union and should be fully sufficient for the United States as well.

According to Brezhnev, the danger today is not that current methods of verification are inadequate, but that this issue might be used to fuel a propaganda campaign that would only trigger distrust between our countries and poison the political atmosphere.

The balance of American and Soviet interests, said Brezhnev, had been carefully weighed on an apothecary's scale. Any attempt by either side to place even a tiny cup more on that scale would violate that balance. The Soviet Union has no intention of doing that, but, he said, there seem to be some in the United States who want, so to speak, to "correct" the treaty in their own favor during the process of ratification. For the Soviets, the only treaty that is acceptable is the one signed in Vienna, and in that form. Those who harbor hopes of introducing amendments or reservations should carefully reflect on the grave responsibility that will be theirs if the treaty does not enter into force.

Brezhnev said he made these comments not for the purpose of bringing pressure to bear on anyone. That would be absurd in relations between nations such as the United States and the Soviet Union. He made these remarks, he said, so that those in the United States who will decide the fate of the treaty will be aware of the true state of affairs—clearly, realistically, and without any illusions.

Brezhnev asked that we try to understand the Soviet position. The Soviet leadership has spent years engaged in negotiations with the United States—negotiations that were long, thorough, and intensive. At long last, the two sides had reached a mutually acceptable agreement. The Soviet Union has negotiated on the assumption that it was dealing with a solid partner. The whole world saluted the results of our joint efforts. And yet, now talk begins about amendments and demands which, he said, could mean almost a replay from the beginning. How could the Soviet side be confident it could deal seriously with the United States? Such a turn of events, he said, would imply an end to the treaty.

It stands to reason, Brezhnev said, that the Soviets have no desire to interfere in the internal debate in the United States. But, if someone in the United States believed that torpedoing the treaty would place the Soviet Union in a more difficult position than the United States, he was deeply mistaken. The Soviet people had withstood more difficult trials and could do so again.

Brezhnev said our two countries must not lose the opportunity opening before us. Otherwise, we shall witness a continuation of an endless arms race—a race which will not increase by one iota the security of either country, but which would increase the menace for the world.

In my opening statement, I told President Brezhnev that I would be candid, as he had been, and that I would look him in the eye, as he had done with me. I explained that I was in the Soviet Union in my capacity as Senate majority leader, in which role I am deeply committed to seeing the Senate reach a sound decision on the SALT II agreement.

Brezhnev commented that this was "a very responsible role, indeed."

I told the Soviet President that I had not yet made up my own mind about whether to support or oppose the treaty.

I noted that the role of the Senate is equal to that of the President in the making of treaties. The President negotiates, but that is only the first half of the treaty process. The other half is up to the Senate. The Senate's role is completely independent of the President. It can approve or reject treaties, as it did with the Versailles treaty, or it can amend. The Senate zealously guards this independent prerogative.

I offered a candid appraisal of the prospects for SALT II, stating that, as of that date, the Senate would probably not approve the treaty. But I reviewed the schedule of committee hearings and Senate debate, and said that much could occur before the final vote and that, by then, there might be a two-thirds majority in favor of the treaty, but this was by no means certain. Events that transpire in the interim could affect the outcome.

Next, I turned to some of the major concerns and areas of possible Senate action on the treaty. Among the points I stressed were:

VERIFICATION

I emphasized the importance the Senate attaches to the provision prohibiting any telemetry encryption which impedes verification. Brezhnev said there is a clearcut clause in the treaty on the subject, and if any problems arise, they will be a matter for discussion.

I also stated that if there could be Soviet notification, on a voluntary basis, in advance of all ICBM test launches, it would have a favorable impact on the Senate debate.

PROTOCOL EXPIRATION

I said it was likely that the Senate would specify that the provisions of the protocol—which expires December 31, 1981—do not constitute a precedent, and that the Senate may also specify that there can be no extension of the protocol except by explicit consent of the Senate.

NON-CIRCUMVENTION

I said that the Senate may want to state its understanding that the noncircumvention provision of the treaty will not affect existing patterns of collaboration with our allies.

BACKFIRE (TU-22M) BOMBER

In his statement at Vienna, President Brezhnev made certain important assurances and commitments in regard to the production level (no more than 30 per year) and radius of action (not to be increased so as to give its intercontinental capability) of the Backfire. President Brezhnev acknowledged this in his meeting with me.

I stated that the Senate may want to formalize its understanding that the United States would enter into SALT II on the basis of the commitments in the Soviet statement and that we would consider the carrying out of these commitments to be essential to the obligations assumed under the treaty.

Next I turned to ways the Soviet Government could contribute to a more favorable atmosphere for treaty consideration. During my Soviet visit, I repeatedly emphasized the vital importance of avoiding inflammatory statements. I told President Brezhnev that "the Senate will not be intimidated; it will not act out of fear; it will not act in haste."

Brezhnev commented that "no one is trying to scare the Senate."

I urged that the Soviet Government exercise restraint in responding to any extreme comments which might be made during the course of the SALT II debate. Responding in kind would only be counterproductive. Brezhnev said that the Soviet Union intends to avoid that kind of response. However, he said some of the comments coming from the Senate and some of my own comments made it sound as if the treaty had not yet been negotiated.

I responded that I was not there to renegotiate the treaty, but to speak realistically.

We also discussed the Soviet position on a continuing United Nations presence in the Sinai as Israel withdraws. This subject was discussed in greater detail with Mr. Gromyko the following day.

In his concluding remarks, Brezhnev said he was pleased to have a first-hand accounting from the Senate. He believed that the U.S. Congress wanted good relations with the Soviet Union. This would be determined by the Senate's position on SALT II. The Soviet Union accepted the treaty as it was, and hoped that the United States would do likewise. He ended his comments by congratulating me on the occasion of my country's Independence Day, July 4.

I concluded by noting that I had urged my Senate colleagues to make up their minds on the treaty only after thorough study and not to take premature hardened positions. I hoped the Soviet Union would also avoid hardened positions and be patient. President Brezhnev assured me that the Soviets would be patient.

Following the meeting, I spoke to the Soviet President about some individual cases which are of special importance to the American people and asked that these cases be given compassionate consideration.

SUPREME SOVIET

After returning to Moscow, I met on July 5 with a group of top Soviet officials at the Presidium of the Supreme Soviet building in the Kremlin. Among Soviet officials attending the meeting were Mr. Tolkunov; Mr. Zhukov; Aleksey Maksimovich Kalashnikov, Deputy Chairman, Council of Ministers, RSFSR; Leonid Yakovlevich Florent-yev, Minister of Agriculture, RSFSR; Viktor Vladimirovich Dementsev, First Deputy Minister, Ministry of Finance, U.S.S.R.; Victor Pavlovich Karpov, Chairman, Soviet delegation to SALT, Geneva; Nikolay Nikolayevich Inozemtsev, director, Institute of World Economics and International Relations (IMEMO); and Vitaliy Vladimirovich Zhurkin, deputy director, Institute of the USA and Canada.

This was a more wide-ranging discussion, with the central topics during the 2-hour meeting being the Soviet attitude toward SALT III, and Soviet and U.S. defense spending.

In my opening comments, I noted that those of us in the U.S. Congress have a particular interest in the budget process, and I asked the Soviet officials if they might discuss the Soviet budget process, the Soviet gross national product, and defense spending.

Mr. Dementsev, Deputy Finance Minister, explained that the unitary Soviet state budget is composed of some 51,000 constituent budgets, representing those of the republics, regions, cities, and so forth. Revenues of the state budget are derived from the socialist economy (91 percent) and taxation (9 percent). Expenditures are distributed among economic (54 percent) and cultural-social programs (34 percent), including science, as well as defense (6.4 percent). The defense budget for 1979 is 17.2 billion rubles.

I asked whether local or regional budgets include any funds for military purposes, such as local military units. Dementsev said all military funds are covered in the unitary budget.

Tolkunov asked about pay scales for the U.S. military. I replied that more than half of our defense budget goes to personnel and personnel-related costs, including retirement. The base pay for a private is $416 a month. Tolkunov said 10 to 12 rubles a month ($15.29 to $18.35, at the official exchange rate) is the base pay for Soviet soldiers. Tolkunov noted that the Soviets have universal service, while the United States has voluntary service. The Soviets cited this as one reason U.S. defense expenditures are higher, in their view. Another reason they cited was "corporate profits."

I stated that I found it rather difficult to believe that the Soviet Union could maintain its extensive armed forces, nuclear arsenal, and military research program for only 17.2 billion rubles, or roughly $23 billion—about one-fifth of the U.S. defense budget. I asked again if some defense expenditures might not be allocated to other categories. Tolkunov stated nothing is concealed in the Soviet budget, and that no military funds are included in other budget items. Zhukov said the difference was due to efficiency of the Soviet system. He said that although the Soviet system has a smaller national income, its arms production is on a par.

Mr. Inozemtsev of the Institute of World Economics and International Relations (IMEMO) said his institute has conducted comparative studies of economic systems. It is difficult to make such comparisons, but in addition to the differences in pay scales both in the armed forces and industries of the two countries, there are differences in price formation. For example, he said, the output of the machine-building and equipment industries in the U.S.S.R. is less costly.

I asked whether the military equipment supplied to other nations, such as Vietnam or Cuba, or the training for foreign troops was included in the Soviet defense budget. Dementsev said that some training expenses are borne by the recipient countries. Food and clothing provided in the case of emergencies or natural disasters is covered by a special budget item, but military equipment is included in the defense figure. To my question of whether Cuba pays for military deliveries, Tolkunov said that it did, and repaid credits which were extended. To my questions about costs of military aid the Vietnam, the Soviet officials responded that the U.S.S.R. had provided some grant aid to Vietnam, and that on certain occasions the Soviet people had worked 1 day without pay for Vietnam; on the latest such occasion 200 million rubles was raised, I was told.

In regard to SALT III, I asked, if SALT II is approved, what reductions in strategic arms the Soviets might envision. Ambassador Karpov said that the United States and the U.S.S.R. share a common view on the need for further measures to reduce strategic arms, both quantitatively and qualitatively, and this was reflected in the joint statement on basic guidelines for SALT III signed at Vienna.

Karpov said the scope and nature of further limitations would be the subject of negotiation. He emphasized the need to consider all factors determining the two countries' strategic position, on a basis of equality. In this context, the U.S.S.R. is prepared to discuss any subjects relating to reductions.

Karpov said that the U.S.S.R. cannot overlook the existence of forward-based systems and the nuclear potential of other states. A situation where the United States and the Soviet Union reduced their nuclear strength, while other countries continued to build such strength, would not be tolerable.

I asked Ambassador Karpov how he felt about the type of significant future cuts such as those suggested by President Carter at Vienna. Karpov repeated that any reductions beyond those in SALT II had to be viewed in the context of "other factors" affecting the strategic situation of each country. He cited geographic realities, and said the Soviets cannot fail to overlook China. Karpov concluded by stating that the Soviets will, of course, be ready to discuss proposals for further reductions after SALT II is approved. Inozemtsev added that the essence of Soviet policy is to go forward in a resolute manner toward significant reductions, based on the principle of equality.

MEETING WITH GROMYKO

My final meeting in the Soviet Union was with Foreign Minister Gromyko, lasting nearly 2 hours and 30 minutes. Also taking part in the discussion was General Akhromeyev, first deputy chief of staff of the Soviet Armed Forces.

Mr. Gromyko referred to my earlier conversation with President Brezhnev and indicated an awareness of the subjects that had been discussed. I said that I believed that the conversation with President Brezhnev had been constructive and that we had agreed on the need for both sides to exercise restraint and demonstrate patience during the ratification process.

I stated that I would like to continue the discussion of several of the points that I had raised with President Brezhnev, and referred to certain factors which I thought could contribute to a favorable atmosphere for treaty consideration. Among these I cited the need for a cooperative attitude on verification issues and the need for a continued U.N. presence in the Sinai to supervise Israeli withdrawal. I said that if the Soviets would not object to the U.N. presence, this would be favorably perceived by the Senate.

On the question of the U.N. presence, Gromyko made clear that the Soviets would object to an extension of the United Nations Emergency Force (UNEF) in the Sinai. Gromyko suggested that other options might exist, however, if they were properly raised. He said that the Soviet Union was by no means divorcing itself from its position in opposition to the Egyptian-Israeli Treaty, but that he thought a solution might be found. Subsequently, I relayed the details of this discussion to President Carter and the Department of State.

General Akhromeyev and Mr. Gromyko both commented at some length on the verification issue. Among the points raised by General Akhromeyev was his contention that it was clear to the Soviet side that the United States has very capable and numerous national technical means of verification. He pointed to a number of specific questions that had been raised by the U.S. delegation in the Geneva negotiations which, he said, left no doubt about the sufficiency of U.S. verification capabilities. I noted, however, that conditions had changed following the loss of the U.S. installations in Iran.

Much of the discussion with Mr. Gromyko was devoted to the role of the Senate and the need to avoid inflammatory statements.

Gromyko said the Soviet leadership understood the role of the Senate. He commented that both our countries, being great powers, are constantly in the center of the boiling cauldron of international life. Therefore, each is duty-bound to be well informed about the other and the role played by its various governmental bodies. When he heard some political figures in the United States say that the Kremlin underrates the role of the Senate, he felt such statements were misdirected. He said he hoped that I would not have even a shadow of a doubt when I left Moscow about the falsity of the allegation that the Soviets underestimate the role of the Senate. He asked that this be judged on the basis of authoritative statements from Soviet leaders and not on newspaper headlines or statements by some people who had never visited the Soviet Union.

He said that allegations that the Soviet leadership was trying to pressure or threaten the Senate were simply not so. The Soviets do not have the slightest intention of doing so. If at times Soviet leaders make statements by way of clarifying positions which sometimes do not coincide with the views of some U.S. political figures, this is not a threat.

The Soviet side believed that the treaty had been completed and could not conceive of the discussions going on endlessly. In stating this, the Soviet leaders were simply speaking their minds, he said. Would it be better for the United States, if the Soviet leadership did not point out that the treaty would be in danger if attempts were made to change it? In that event it could be said later that the Soviet leadership should have spoken up. It was better to state the position truthfully and avoid any possible misunderstanding. He emphasized that when something was said in the Soviet Union to clarify the Soviet position, it was not done pursuant to any wish to bring pressure to bear. If the Soviet Union were to follow that kind of logic, he said, its leaders would have every reason to say that the United States was putting pressure on or threatening the Soviet Union. But he did not want to engage in such polemics.

He wanted to see matters proceed in a calm, carefully weighed manner, as I had suggested. But he would state clearly and officially that the Soviet Union regarded the treaty as being of great significance to both countries and the world, while being of equal advantage to each side.

Gromyko said he agreed with President Brezhnev in welcoming my urging the avoidance of inflammatory statements. It would be good if both sides did this, he said. I returned to the minister's earlier reference to discussions of the treaty "continuing endlessly after the negotiations had been concluded." I said I did not view it that way. The negotiation process had taken 7 years. The second half of our constitutional process—of equal importance—would probably take 4 to 6 months.

I expressed my gratitude that Minister Gromyko and other Soviet leaders, as evidenced by President Brezhnev's comments to me, shared my desire for a calm and rational debate, as free as possible of extreme or emotional statements.

The points I had raised were matters of concern in the Senate, and issues that would have an impact on the Senate debate. I said I had respectfully cautioned my colleagues against making inflammatory statements, but that I could not presume to tell my colleagues what they could do, any more than I would presume to tell Gromyko what he could do. I said that the Senate debate would be heated, just as the minister might have heated debates with his colleagues in the very room in which we were meeting.

I urged that the Soviet leaders view the Senate debate in the context in which I had presented it; that if and when a critical statement is made by a Senator, it does not necessarily mean that in the final analysis the Senator would vote against the treaty. I could understand that the Soviets might want to respond, but such responses could only be counterproductive.

Gromyko said he appreciated what I had said regarding coolness, moderation, and reason on both sides. He said that if he was tempted, in the course of Senate debate, to respond to some "hotheaded" statement in the United States and his right hand reached out for pencil and paper, his left hand would restrain it. If he was tempted to dictate a sharp response into the tape recorder, he would tell someone to break the tape recorder in advance. If he should ever feel the urge to call in a stenographer to dictate a sharp response, he would arrange to have the lady not feel too well that day. These comments were made in jest, he said, but it was the Soviet intention to display restraint, moderation, and coolness.

In his concluding remarks, Gromyko commented, as had Brezhnev, that in the United States voices are heard to the effect that the treaty is of greater advantage to the Soviet Union. But, he asked, where are the scales on which they weighed the issues and came to that conclusion? If they did have such a scale, it must be broken and should be discarded. He said he would mention only one fact in this connection, which for some reason was constantly ignored by those who make such statements. Under SALT II, in order to reach agreed ceilings, the Soviet Union would have to liquidate 254 of its missiles. Yet, each of those 254 missiles represents something far more formidable than the weapons used against Hiroshima or Nagaski. For some reason, many people simply close their eyes to this fact, although objectivity requires that it be noted. He could provide other examples, but the point was that he could categorically deny that the treaty was more advantageous to the Soviet Union. Its final effect was that it gives neither side an advantage, and that is as it should be. He said the treaty was a great and positive contribution for both countries, for the world and for peace therein. He hoped that I would understand and agree that the Soviet people do not want war. The Soviet Union went to war only when forced to, as it did when it was allied with the United States in a battle against a common foe.

I concluded by saying that it would be my purpose to encourage my colleagues to carefully weigh the issues on a precise scale and to reach a decision only after thorough observation and analysis.

FRANCE

The French officials with whom I met, like those in Italy, were supportive of SALT II and looked upon it as a balanced treaty. They expressed concern, however, about what they see as an imbalance in conventional strength and theater nuclear capability within Europe.

On July 6, I met for nearly an hour and a half with President Valery Giscard d'Estaing. Although the discussion centered primarily on SALT II and East-West relations, it also touched on other important issues, including energy and the recently concluded Tokyo summit.

I provided the French President with my candid assessment of the prospects for SALT II, the probable Senate schedule, and some of the areas of particular concern to Senators.

The President told me that SALT II is not judged by France on the basis of her relationship with the United States, but, rather, on the merits of the treaty. On that basis, the French experts have deemed it a balanced treaty. Defense Minister Yvon Bourges, with whom I met later, concurred with this judgment.

President Giscard noted that although SALT II represents a balance, the Soviet position has improved substantially in recent years. The situation differs from the past, when there was American superiority.

The French want to see balance on the strategic level, and SALT II provides that. But in a way it decouples or disconnects the United States from Europe, and in Europe there is not a balanced situation.

Giscard said European feelings about security will be more affected by decisions on new or existing intermediate-range strategic weapons. But, nonetheless, SALT II is seen as an important issue in Europe.

It was Giscard's view that the Soviets are not trying to build a permanent military advantage. To do so, would severely strain the Soviet economy, and the Soviets do not want to get into a full-scale arms race with the United States and the West. But they do not want military inferiority either and will resist that.

He saw SALT II as a good treaty for the Soviets, but not as giving them in any way an advantage. They have much invested in the SALT process and ratification is important to them. Rejection of the treaty would be a major failure for the Soviet leadership and would lead to a new arms race, which goes against everything Brezhnev has sought and against Soviet economic interests.

In response to my questions about the consequences for Western Europe of possible treaty rejection, Giscard said it would be damaging and create political uncertainty about the United States. Efforts would be made to cast the United States as extreme, and the Soviets would undoubtedly undertake to move closer to Europe and to disassociate Europe from the United States. The American ability to lead as a stable power would be questioned, and there would be fear in Europe not only of a new arms race but also of a new cold war.

Thus, Giscard made clear that he favored ratification of SALT II, but he felt that it should be done in a realistic manner, with an awareness of the need to alter the current theater imbalance in Europe.

Responding to my questions about French attitudes toward possible SALT III negotiations, the President said that a new arms race might put the West in a position of superiority, but would be extremely costly, create tensions, and really be useless. Thus, further agreements should be pursued. There could be follow-on agreements dealing with the central systems of the United States and U.S.S.R., or there could be broader agreements.

But from the European standpoint, matters become immensely more complicated, Giscard said. It is also important to understand that Western Europe is not in an advantageous position right now, particularly in view of Soviet deployment of the SS-20.

Giscard said that France's nuclear power does not seriously alter the strategic balance, and would only do so if there were significant United States and Soviet reductions. France thought it important to retain its nuclear force and to improve it technologically.

In summing up, the President said he sees SALT II as necessary, but complicated.

On the subject of energy, President Giscard said that the United States had developed a bad reputation worldwide, because while other industrialized nations were stabilizing or decreasing oil imports, the United States and Japan were increasing theirs.

The energy problem had created major economic problems for the West and the world, and it was important to take concerted action to improve the situation.

He felt that the agreements reached at Tokyo had been fair and would lead to a more stable situation if implemented.

The President said he was pleased to hear my statements that I believed Congress would move ahead on important energy legislation. He also agreed with my comments about the importance of developing alternative energy sources.

The discussion with President Giscard d'Estaing also touched on other important international issues, including the Middle East and Turkey.

In my meeting with Defense Minister Bourges, he offered the assessment that SALT II is balanced overall, and allows each of the signatories to safeguard what was important to them and did not jeopardize the security interests of third-party states.

The Defense Minister referred to an official French Government statement endorsing SALT II, and said it was the Government's view that the treaty did represent an important, if limited, step.

Our discussion focused on SALT II issues of particular importance to Europe—the protocol and the noncircumvention clause—and possible Senate action on these points. In regard to the protocol, the Defense Minister felt it important that it should not be construed as a permanent limitation. The protocol was not just an American-Soviet affair, but is of direct concern to Europe. As for noncircumvention, he said he hoped that it would be understood as not limiting the current patterns of cooperation. A declaration by the Senate affirming that principle would be welcomed.

In response to my questions about the French position on SALT III, Bourges said France would have to take a very cautious approach. The Defense Minister said France wanted to continue to contribute to balance and deterrence. And he said, any assessment of the military balance must take into account conventional strength as well as nuclear forces.

A STRATEGIC ASSESSMENT OF THE SOVIET'S 308 HEAVY ICBM'S

Mr. CRANSTON. Mr. President, last Friday I spoke about how the Soviet Union acquired the right to keep 308 heavy missiles under SALT II. I would only add to that statement the fact that Gen. Lew Allen, the Air Force representative on the Joint Chiefs of Staff, reaffirmed last week that the United States has "not proposed a missile the size of the SS–18 in any serious way." (Senate Foreign Relations Committee Hearing, July 11, 1979, Tr. p. 27.) Thus, the United States neither wants nor needs the right to build heavy ICBM's under SALT.

Today I want to examine the issue of the Soviet 308 heavies from an even more important basis: The effect of these heavy missiles on the United States-Soviet strategic balance. A close look at the "308–0" equation even in these terms shows that the United States made a sound decision for three reasons: First, the Soviet's 308 heavy missile allowance has no significant effect on the strategic balance. These missiles are not the direct cause of the theoretical increased vulnerability of our ICBM force.

Second, without SALT, the Soviets could build far beyond the 308 heavy missiles they now have. SALT II freezes the number of heavy missiles at 308 and expressly provides that the one new type of ICBM which can be built cannot be a "heavy."

Third, the SALT II treaty's freeze to 10 on the number of warheads the Soviets can deploy on the SS–18—their newest heavy missile—prevents the Soviets from maximizing or exploiting the only strategic advantage a heavy missile offers—the "growth margin" for deploying up to thirty warheads per missile in the case of the SS–18.

Mr. President, the Secretary of Defense testified that the Soviets will have the theoretical capability by the early 1980's to destroy a majority of our ICBM's with a relatively small fraction of their own ICBM force. This capability results from the increasing number of highly accurate warheads the Soviets have added to their ICBM force through MIRV'ing and through improved guidance systems. It is important to know whether the Soviet's right to keep 308 heavy missiles has caused this problem. And it is appropriate to ask: Would our SALT negotiators have eliminated this threat to our ICBM's by negotiating a ban on Soviet heavies?

"No" was Defense Secretary Brown's unambiguous answer to these questions during his testimony last week before the Senate Foreign Relations Committee. For even if the Soviets dismantle all 308 heavy missile launchers, they could still deploy 4,920 warheads on the 820 MIRVed ICBM's they are allowed under SALT. Thus, the Soviet Union would still have that theoretical capability to cripple our ICBM force by targeting at least two warheads against each of the 1,054 U.S. ICBM silos while retaining thousands of warheads in reserve.

In fact, the difference between the number of ICBM warheads the Soviets can deploy with and without the 308 heavies is no more than 1,232. This difference of 1,232 does represent incredible destructive power. But it does not change the problem of ICBM vulnerability.

The calculations which result in this difference of 1,232 are best explained in an excellent and productive exchange between Senator BIDEN and Secretary of Defense Brown at the Foreign Relations Committee hearing of July 11. Mr. President, I ask unanimous consent that this exchange be printed in the RECORD at this point.

There being no objection, the exchange was ordered to be printed in the RECORD, as follows:

SENATE FOREIGN RELATIONS COMMITTEE

Senator BIDEN: I'd like to address the so-called heavy missile problem. Under the treaty, the Soviets are allowed to deploy 308 heavy missiles, or SS–18s. The critics, led by Senator BAKER, claim that it is these 308 SS–18s that make our land based ICBMs so vulnerable. The critics claim that an amendment reducing the allowable number from 308 to, say, 150, for the SS-18s would somehow rectify this vulnerability or diminish it or would improve our situation.

I would like to talk about this question in two ways.

First, I would like to talk about the Soviet first strike scenario that we heard about from some very distinguished men on this Committee, such as Senator BAKER. Then I would like to talk about how this scenario, about which we have heard so much during the last several days, is affected by the contemplated reduction in the number of SS-18s and the Soviets would be allowed via the amendment that Senator BAKER and others have indicated they would put forward.

If I may, I would like to recite the scenario It goes something like this.

The Soviets launch a large attack with their land based system, hitting our 1054 land based systems, which is 1,000 Minutemen and 54 Titans, and also simultaneously hitting U.S. subs that are in port and U.S. bombers on the ground. In the process they kill probably 5 million to 10 million Americans.

According to this scenario, the President does nothing on warning. He knows that all these missiles are coming, there is no question about that. But under this scenario, the President does nothing. He leaves all of the silos filled and refuses to launch on warning The bombers stay in place on the ground, and so forth.

Next, under this scenario, the President is faced with the difficult decision of having either to do nothing or to retaliate against Soviet cities with our remaining subs and bombers—which would be with about 5,000 to 7,000 nuclear warheads—knowing that there will be a counter retaliation against American cities, killing even greater numbers of Americans.

Thus, so the scenario goes, the President is caught in a dillemma between national impotence and national suicide.

Mr. Secretary, I know from your previous testimony that you do not find this a very reasonable scenario, nor do I. But I do not wish to attack the scenario. For purposes of my questions, I would like to assume that the scenario is plausible and talk about how 308 Soviet SS–18 heavy missiles fit into this scenario. It is these 308 SS–18s which have generated the alarm that we have heard expressed before this Committee and in other quarters of the Congress and the nation.

Mr. Secretary, I have a series of very specific questions and I would appreciate, if possible, a yes or a no answer. I realize that is a very unfair thing for a Senator to ask.

First, am I correct that under the SALT II treaty, the Soviets would be allowed 820 MIRVed land based missiles?

Secretary BROWN. Yes.

Senator BIDEN. Second, am I correct that these land based MIRVed missiles would represent a predominance of the Soviet land based force?

Secretary BROWN. Certainly it would be, by far, most of their warheads. Yes.

Senator BIDEN. Thirdly, am I correct that during the lifetime of this treaty, this MIRVed ICBM force would consist of SS–17s, SS–18s, and SS–19s?

Secretary BROWN. It is conceivable that they could begin to introduce a new missile by the end of that time; but I think that the answer to your question is yes.

Senator BIDEN. Fourthly, am I correct that under the treaty, the number of re-entry vehicles, that is, MIRVed warheads, on the SS–17, will be limited to four?

Secretary BROWN. Yes.

Senator BIDEN. On the SS–18, it will be limited to ten?

Secretary BROWN. Yes.

Senator BIDEN. On the SS–19 it would be limited to six?

Secretary BROWN. Yes.

Senator BIDEN. Am I correct that this means there would be 3,080 warheads on the so-called heavy missile, the SS–18 launcher, assuming the development of the maximum allowable number of 308 SS–18s?

Secretary BROWN. Yes. That is 308 times 10.

Senator BIDEN. Thank you.

So far I like the beat of this, Mr. Chairman.

(General laughter.)

Secretary BROWN. So far as it is only arithmetic, I think we can all agree.

(General laughter.)

Senator BIDEN. Mr. Secretary, am I correct that this would leave the Soviets an allowance of 512 MIRVed ICBMs which would be allocated between SS–17s and SS–19s?

Secretary BROWN. Yes.

Senator BIDEN. Seventh, now we cannot predict, I know, how the Soviets would choose to make the allocation within their allowable limits. But let us assume, nonetheless, they chose, with their 512, to use the SS–19.

Now, with 512 SS–19s, each with 6 warheads, the Soviets would then have 3,072 warheads deployed on SS–19s, as well as almost exactly the same number, 3,080 deployed on SS–18s. This would mean a total of 6,152 ICBM MIRVed warheads, which could, under this first strike scenario about which we have heard much, either be launched against the United States or else held in reserve to deter a United States response.

Am I correct?

Secretary BROWN. Yes.

Senator BIDEN. Now, let us ask what the Soviets would be allowed under the heavy missile reduction amendment that we and they have already indicated would not be accepted by them. By my calculations, if the Soviets deployed 150, as opposed to 308, SS–18s, and instead deployed 670 SS–19s, which they would then be allowed within the overall limit of 820, the total number of MIRVed ICBM warheads would be only marginally reduced, from 6,152 to 5,520.

I recognize that on the SS–18s, it is possible to place larger warheads than on the SS–19. But am I not correct that MIRVed warheads on the SS–19s are fully capable of destroying Minuteman silos with a high probability, particularly if two warheads are targeted on each of the 1,054 land based silos.

Secretary BROWN. In the time period about which we are speaking, they would be equally accurate.

Senator BIDEN. Mr. Chairman, may I beg your indulgence to finish this line of questioning.

The CHAIRMAN. Yes, sir. As long as the Secretary's answers are so short, you may continue.

(General laughter.)

Senator BIDEN. This appears to mean that under the treaty, with or without the amendment reducing the number of Soviet heavy missiles, the Soviets would have the ability to launch two MIRVed ICBM warheads at each of our silos and still hold several thousand warheads in reserve.

Is that correct?

Secretary Brown. Yes, that is correct, Senator Biden.

Senator Biden. Mr. Secretary, I have one final question and then I think we may have a conclusion.

Isn't it true that without SALT, the Soviets would be able to build more than the 820 MIRVed ICBMs and place more MIRVed warheads on those ICBMs than they will be able to under the treaty?

Secretary Brown. Yes.

Senator Biden. So, without SALT, they would almost surely have a far larger number of MIRVed ICBM warheads.

Secretary Brown. I believe so.

Senator Biden. If we just took the SS–18, which testimony heretofore has indicated potentially could hold up to 30 warheads, that would mean that, without SALT, just on the 308 SS–18s, they would be able to go from 3,080 to 9,240 or thereabouts. My conclusion from this reasoning, Mr. Secretary—and please tell me whether or not you agree—is this. A reduction from 308 to 150 in the number of SS–18, even if it were accepted, would have a very negligible, if any, effect on the problem of Minuteman vulnerability. This vulnerability must be addressed in ways other than reduction of the heavy missile. Some of those ways were discussed already by Dr. Perry.

On the other hand, if the amendment of Senator Baker and others passes and SALT II is killed, which I believe it would be, we face the uncontrollable proliferation of Soviet ICBMs.

My conclusion is this, and I wonder if you agree or do not agree—I hope you do.

(General laughter.)

Senator Biden. My conclusion is that Senator Baker's "killer" amendment reducing SS–18s, even if implemented, could not even improve the security of our land based system.

Secretary Brown. I agree with that. If there were no SS–18s, and instead they were *all* SS–19s, that would reduce the number of warheads by about 1,200, which would still leave the Minuteman force just about as vulnerable as it is going to be. If, instead, such an attempt—as I think is very likely, indeed is certain, in fact—prevented the adoption of the ratification on both sides of the SALT II treaty, then the threat to our land based ICBMs would increase a great deal above what it would be, under SALT II.

Mr. CRANSTON. Following this exchange, the chairman of the committee, Senator Church, succinctly summarized it by pointing out that Senator Biden had "effectively torpedoed the big missile argument against the treaty."

As Senator Biden and Secretary Brown point out so well, without SALT the heavy ICBM threat would be far worse. The Soviets could build far more than SALT's maximum of 308 heavy missiles. And, most threatening, without SALT the Soviets could exploit the potential advantage of their heavy ICBM's and deploy thousands more warheads.

The SALT II treaty virtually eliminates this potential advantage. Under SALT, the Soviets can deploy only a missile with a maximum of 10 warheads on their 308 heavy missile launchers. This cap of 10 warheads per heavy ICBM missile is achieved through SALT II's freeze on the number of warheads per existing types of ICBM's.

Last week, in testimony before the Foreign Relations Committee, both Gen. David C. Jones, the Chairman of the Joint Chief of Staff, and Gen. Lew Allen, Air Force Chief of Staff, stressed that this 10-warhead cap—called the "fractionation limit"—is one of the most significant contributions of SALT II to U.S. military security. (Senate Foreign Relations Committee Hearing, July 11, 1979, Tr. pp. 106–107.)

I believe the assessment of these generals was in part based on a little appreciated fact regarding SALT's limits on ICBM warheads. Without these SALT-imposed limits, none of the alternatives under consideration for solving our ICBM vulnerability are feasible. For example, the solution favored by the Department of Defense—200 MX missiles deployed in "multiple protective structures" is critically dependent on a restricted and predictable number of Soviet warheads for its survivability. Without SALT II, Secretary Brown has said that he would have to reassess the current design of the MX as a cure for ICBM vulnerability.

Thus, those who fear the prospect and possible implications of our ICBM vulnerability should weigh with care our ability to address that problem with and without SALT. It is clear that we would be in a worse or impossible position without SALT's limits on ICBM warheads.

Finally, the question remains whether "308–0" violates the intent of the advisory amendment to the joint resolution by which the House and Senate approved of the SALT I interim agreement on offensive strategic weapons. That amendment—the Jackson amendment—stated that:

> The Congress recognizes the principle of United States-Soviet Union equality reflected in the anti-ballistic missile treaty and *urges and requests the President to seek a future treaty that, inter alia, would not limit the United States to levels of intercontinental strategic forces inferior to the limit provided for the Soviet Union.* (Emphasis added.)

I believe that President Ford's breakthrough at Vladivostok was a reasonable and accurate application of the Jackson amendment. There, the United States and the Soviet Union agreed to abandon the freeze at unequal levels of forces achieved as a first step in SALT I. In its place, both sides agreed to equal aggregate limits of 2,400 with a sublimit of 1,320 MIRVed ICBM's, SLBM's, and heavy bombers. Building on that basis of general equality, post-Vladivostok negotiations added more restrictive, equal limits on increasingly more specific "levels," that is, a general limit of 2,250, with a sublimit of 1,200 MIRVed SLBM's and ICBM's combined and a sublimit within that of 820 MIRVed ICBM's.

According to a May 17, 1979, analysis by Robert Bell of the Library of Congress entitled "SALT II and the Jackson Amendment":

> There was no discussion whatsoever of whether the "Jackson Amendment" called for equal limits on various sub-categories of ICBMs, e.g. "heavy" ICBMs. However, since Senator Jackson insisted that there was no intent to require equal limits on ICBMs, it follows that there was no intent to create a guideline for equal limits on ICBM subcategories.

Based on this analysis, I conclude that President Ford's action at Vladivostok to allow the Soviets to keep their heavy ICBM's was fully consonant with the Senate instructions as expressed through the Jackson amendment.

In sum, Mr. President, the "308 heavies" or big missile issue is simply not a matter of strategic significance—for SALT II effectively "shrinks" the potential threat of an unrestricted big missile program by holding down the number the Soviets can deploy to 308. And, most important, SALT strips these "heavies" of their unique potential—their ability to carry three times as many nuclear warheads as will be permitted under SALT.

In this perspective, and given the understanding of the historical anomaly of how the heavy imbalance arose, we realize that the Soviet heavies are simply a reflection of the asymmetry—the freedom to mix forces—allowed under the equal aggregate umbrella of SALT II.

The Soviets have 70 to 75 percent of their strategic force in ICBM's, the backbone of which are the heavies. The United States has a triad with 25 to 30 percent of our strategic force in ICBM's. This is the bargain made in SALT I and controlled in SALT II.

And I believe it is a bargain in the best interests of the United States, and one this Senate should give its advice and consent to ratify.

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time for the moment.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

Mr. STEVENS. Mr. President, I wish to yield at least 4 minutes to the Senator from New Mexico, so will the Chair warn me when the time comes?

A WORD OF WARNING

Mr. STEVENS. Mr. President, Washington is abuzz with rumors over the restructuring of the Carter administration. It appears that the President, in a series of meetings held behind closed doors, has decided to consider the resignations of all the members of his Cabinet, as well as those of his senior aides.

Exactly what is going on within the Carter administration is not known because press reports have not been emanating from the White House. Instead, the media have attempted to contact some of the officials involved in the meetings in an effort to piece the story together. It has been stated that the President is reevaluating his top-level staff and Cabinet for the purpose of making the changes he deems necessary to successfully carry out his programs for the remainder of his term.

In reading the editorials from yesterday's Washington Post, New York Times and Wall Street Journal, the consensus is that this latest turn of events at the White House has led to an even greater uncertainty over Mr. Carter's ability to lead this country out of its many domestic problems. This proposed realinement is evoking a deeper questioning by the American people of President Carter's ability to manage the very people whom he selected to serve with him as his most trusted advisers. The implication seems to be that the President now feels he made the wrong choices and needs to make some necessary changes. This is hardly the reassuring sign that the people of this Nation need so desperately from our Chief Executive.

Until the facts are made known, we can only speculate as to what the President has in mind. In the meantime, what is known is that this latest incident has resulted in more problems for this Nation, economically speaking. It should be no secret that the No. 1 problem facing our Nation is inflation, not energy as the Carter administration seems to think.

Yesterday's Wall Street Journal states:

> Gold's price soared to over $300 an ounce in London for the first time in history, on trader doubts about the dollar, the U.S. economy, and Carter's plans.

Yesterday's New York Times stated:

> . . . the dollar fell sharply as world financial markets reacted to uncertainties over President Carter's energy program and potential changes in his Cabinet . . .

The Carter administration must realize, as it attempts to deal with its in-house organizational problems, that the advice and consent of the U.S. Senate is required to confirm these new nominations. As the President carries out his decision to make these changes, he should remember that the Senate is approaching an August recess set by law, and the Senate will need time to consider any possible new nominations for Cabinet-level positions.

The Senate must take an especially close look at any new nominations. The timing of this proposed reorganization cannot help, and will inevitably add, to the chaos in the executive branch today.

Above all, we should let the President know, on a bipartisan basis I hope, that these new nominations must be submitted to the Senate while we are in session. We should not have any recess appointments for vacancies created by resignations.

I realize that the Constitution does not provide authority for recess appointments at this time. I make reference to nominations sent to the Senate while we are not in session during the August recess. That should not happen.

Mr. President, I ask unanimous consent that several editorials from recent newspapers be printed in the Record at this point.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

The Cabinet Shuffle

First there was the gasoline allocation shuffle; now there is the Cabinet shuffle. When it's over, the Carter administration is more likely to be weaker than stronger. The one redeeming thing is that we may have a clearer idea of who is calling the shots—although the world's money, gold and securities markets are not necessarily reading that as a redeeming thing.

Which of those 34 resignation offers the President will accept is to remain a mystery for awhile, part of the tantalizing and insubstantial showmanship that began two weeks ago at Camp David. But there are glimmerings. During the protracted Camp David introspection, Mr. Carter leaned most heavily on his old campaign team—Mondale, Jordan, Eizenstat and Powell. Mr. Mondale's resignation is not on the table. Mr. Jordan yesterday was elevated to White House Chief of Staff. Mr. Eizenstat and Mr. Powell seem quite safe.

The people who are leaving or likely to leave are, by and large, Cabinet officers of genuinely independent stature, who owe their reputations—such as they have left—to achievements before joining the Carter administration. Some were already prominent nationally when Mr. Carter was an obscure politician and his closest aides were unknowns. James Schlesinger and Griffin Bell have already announced their departures. Treasury's Blumenthal. HEW's Califano and DOT's Adams are also rated as prime candidates for severance.

We have had our differences with all these Cabinet officers, rather frequently in the case of Mr. Califano. But we have always recognized that they are men of ability who have acquired their leadership roles through performance. Some of the policies we have objected to most are more attributable to the White House staff or to the Congress than to the Cabinet secretaries. We would put Mr. Blumenthal and Mr. Schlesinger, in particular, in that category.

Neither the DOE Secretary nor any other mortal is competent to successfully administer the tangle of interventionist energy laws Congress has passed in this decade. Mr. Schlesinger, a highly self-confident man who does not give up easily, gave it his best shot before deciding to walk away. He leaves just in time, however, considering the expansion of the tangle Mr. Carter and his White House coterie have in mind.

Mr. Blumenthal's role has in some ways been even tougher. He has frequently been bypassed or ignored by the White House, all the while remaining a good soldier. When he tried to follow the easy money dictates of the White House, he was greeted, last October, with a major dollar crisis. After he adopted a more responsible position, he found himself at odds with Mr. Carter's liberal aides and appointees. We have had the remarkable and probably unprecedented experience of a Treasury Secretary asking a Federal Reserve Chairman to tighten monetary management this past spring.

We, of course, don't know yet whether Mr. Blumenthal is going or staying. If he goes, both he and Mr. Schlesinger, with what they have learned from recent experience in two of the most important jobs in government, will be important losses to the administration and the country. They would be difficult to replace, particularly now that Mr. Carter has so obviously turned to the callow and shallow advice of his campaign teammates.

If our guess is right, that team from here on will be calling the shots. Indeed it becomes increasingly clear that the campaign team has been doing that all along to a greater extent than anyone realized. The nation's economic troubles have piled up. The team proposes to address them with razzle-dazzle and showmanship. Genuinely able people are leaving or about to leave. If the world is reacting to this by selling dollars and buying gold, we are not surprised.

The Carter Enigma

(By Norman C. Miller)

Washington.—The newly forceful Jimmy Carter is as much of an enigma as the oddly diffident President of the first two and a half years of his term.

Changes in his generally unimpressive Cabinet and White House senior staff probably are overdue. But it is bizarre to abruptly summon everyone one afternoon and have them offer their resignations en masse.

Like his mysterious retreat to Camp David, it is an action guaranteed to get the country's attention. But such a Nixon-like thunderbolt leaves people wondering whether Mr. Carter is just thrashing around for a solution—any solution—to his desperate political problems.

If Mr. Carter winds up keeping most of his Cabinet and aides, what purpose will have been served by unsettling his entire administration? Are people supposed to be somehow reassured that the officials will have survived this strange test?

What comes next? Will Mr. Carter take note of the fact that his anti-inflation program is in a shambles and loose a new policy thunderbolt in that direction? He has told us that he won't, but he once offered similar assurances about sticking with his "superb" Cabinet team through thick and thin.

The only thing that seems clear is that Jimmy Carter, in his determination to prove that he really is a leader, has embraced the do-something strategy of politics with a vengeance. As he told the nation Sunday night, "above all, I will act."

The promise of action above all come in the context of dealing with the energy problem. But apparently action for the sake of action now will be Mr. Carter's guiding principle across the board. Thus, he cryptically told a union audience on Monday that "in the months ahead, I will come to you throughout America with fresh proposals. Some will involve the traditional government, some will not."

It's doubtful that anyone in his administration has the slightest idea what he has in mind. Of course, his top officials didn't know until Tuesday that they would all be submitting their resignations, and thus might not be around to help think up fresh proposals.

Nor did the officials Mr. Carter hired to run his administration have any idea what the President was up to two weeks ago when he abruptly called off an energy speech and holed up at Camp David. Most of them learned, about the same time as everyone else, that the retreat to Camp David was evolving into a "domestic summit," which eventually led to Mr. Carter's remarkable speech Sunday night.

Mr. Carter delivered the televised speech effectively, for a change. He deserves much credit for his extraordinary acknowledgment of the criticism of his governance, and for his focus on the "crisis of confidence" that so clearly does afflict the country. Still, his sermon-like appeal for renewal of America's sagging spirit obscured important contradictions between his rhetoric and his energy policy proposals.

While dramatically summoning the nation to the energy battlefront, the President told us that "all the legislation in the world can't fix what's wrong with America." Then he proposed a staggering array of hastily concocted legislation to fix what he says is the number one problem of energy.

Returning to his 1976 campaign theme, the President charged that the federal government itself is the problem, declaring that it is "isolated from the mainstream of our nation's life." Yet he proposed creating a superboard of federal energy czars with the power (of dubious constitutionality) to override any local, state or federal laws threatening to impede his ambitious scheme to develop synthetic fuels.

And Mr. Carter told us, correctly, that "the erosion of our confidence in the future is threatening to destroy the social and political fabric of America." Yet he maintained that solely "on the battlefield of energy, we can win for our nation a new confidence."

His single-minded focus on energy, important as it is, is a simplistic approach to restoring national confidence. Surely, the terrible social effects of double-digit inflation are as great—probably greater—a cause of the crisis of confidence.

Yet in attempting to begin restoring the nation's confidence, the President said nothing about inflation. It was a stunning omission. One can only guess that he said nothing about inflation because, lacking an effective policy, he thought it impolitic to acknowledge the destructive effects of over-escalating prices.

With his new determination to act "above all," Mr. Carter doubtless will turn his attention to inflation and other major problems soon enough. If he does act again, you can expect that it will be something dramatic—but not necessarily wise.

For this whole string of unusual events has a disturbing aura of improvisation about it. The President's retreat to Camp David two weeks ago rather clearly was triggered not by some sudden concern with the national psyche, but by fear that his plunging poll ratings signaled the destruction of his reelection hopes.

He emerged from Camp David with a refurbished political strategy—returning to the preacher-man, anti-Washington politics that carried him into office in the first place—with a new energy policy grafted onto it.

Add to that a determination to act "above all" and you have a President who now appears more concerned with dramatic impact than with the substance of his decision. It is, to be sure, a new style of leadership for President Carter, but so far it is as perplexing as the old style.

Reinventing the Administration

What is going on around here? God knows, there have been, in the parlance, presidential "massacres" before. But Tuesday's mass resignations had, by Wednesday, got the sardonic observers and wise guys around town talking about a political Jonestown. There *was* (and continues to be) something distinctive about President Carter's crackdown—and the distinctions between it and your ordinary, ritual midterm massacre are worth considering.

Feeling obliged to show that he was in charge of things and also a stated yearning to be surrounded by "my guys," President Ford, of a Hallowe'en weekend—there was plenty of anxious rumor-trading then, too—fired and rearranged a whole slew of high officials, affecting both his Cabinet and White House staff. President Kennedy did a slightly less seismic, but somewhat comparable number about a year after his election. So let's start with the fact that, as the fellow said, everybody does it—or something vaguely like it, anyway. And let us quickly add that presidents can and should be free to arrange and rearrange their top-level appointees in the way they think works best for them. What then is to be made of what actually is going on.

A first conclusion is this: Some of Mr. Carter's moves are probably not only right, but also overdue. He should have a chief of staff and Hamilton Jordan as his senior trusted aide should be it. A more normally structured and less collegial White House staff (and atmosphere) is likely to improve the efficiency of the Carter presidency. So is the demise, if that's what it is, of that one-man, one-vote concept of management that the president appeared to favor and defend up until this week—his letting a hundred flowers bloom in his administration so that policy was dissipated, where you could locate it at all, and discipline was nil. People have been saying for a long time that this president seemed—in his amiable, almost indifferent, tolerance of public self-expression on the part of his appointees—to be squandering his authority. No one, it was noted, seemed afraid of him—even a little bit. If that has changed too, so much the better.

And there ends the good news. Now for the part that doesn't look so good. At the simple human level, this thing, with its wild and crazy "evaluation" form and its sudden icy change of mood and evident insensitivity to the feelings of those in government who had been overindulged before, is likely to have the demoralizing effect that sudden unkindnesses always do. More basically, the president doesn't much sound as though he remembers a couple of important things. One is that the reason presidents are generally conceded a very free hand in choosing and arranging their top-level assistants and Cabinet officials is that ultimately these people are agents of the president and he is responsible for what they do. So a 2½-years-into-the-term revelation that things are going very badly implies first, that the president has been far from attentive to his business and, second, that he—not just a bunch of others—has been derelict. Blaming disloyal appointees for the administration's troubles and himself only in the inference that he shouldn't have let them mess up his undertaking is an unpersuasive case, and one that is unlikely to do any better beyond the Potomac than it does right here in treacherous old Washington.

The other fact the president doesn't seem to have remembered is that all the shortcomings and flaws and malpractices he finds so disturbing among individuals in his administration represent forms of conduct he not only acquiesced in, but in some respects positively encouraged. And some of the reports of his sudden reaction against these ways don't sound like an assertion of authority so much as an explosion of pent-up frustration and rage.

Mr. Carter in his current and perhaps eternal anti-Washington mood may not believe it, but people in this much despised town are hoping that he *will* make a go of his administration. They want to believe the president has decided to summon the order and strength required to do the job and the rare courage to concede his own mistakes. And, being an unsentimental lot, they won't even mind all that much if a few large egos and ambitions get bruised along the way. That is why the unclear signals coming out from behind those closed doors are so disturbing. Listening to the hullabalo you still can't tell whether the president is being big and tough or small and mean.

Mr. STEVENS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6½ minutes.

Mr. STEVENS. Mr. President, I have promised to yield 4 minutes to the Senator from New Mexico (Mr. SCHMITT), but just to clarify one thing, I said to the press just prior to convening this morning that some of us are worried about the pressures on the President and are worried that he may be approaching some sort of mental problem—seriously—because of the pressures he has taken on in the Middle East, in Tokyo, and generally with the world's problems and those of our own.

My suggestion is that not only should the Congress take a recess in August, but also that the President should take a vacation as well.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield at that point?

Mr. STEVENS. I do yield.

Mr. ROBERT C. BYRD. Mr. President, what the Senator from Alaska, my friend, had said up to that last remark I find no fault with. I think he was expressing the viewpoint of other Members on both sides of the aisle. But I am sorry he made the last comment.

I do not think the President should take a vacation. I think he should work. He has a lot of work to do. He has a heavy job.

I do not stand in his shoes. I have a good bit of constructive criticism that I could offer, if it would amount to anything; that is, if it would be listened to; but I do not want to leave the impression that the heavy burdens of the office have gotten to the President and that he ought to take a vacation.

Sometimes I feel as if the problems of my office have gotten to me; and there are probably a lot of people who would say I should take a vacation and not come back; but I just feel a certain umbrage at this rather caustic comment.

My friend from Alaska, I know, is not going to feel that this impinges on our friendship. I do not have to repeat my great regard for Senator STEVENS. He may very well be absolutely sincere; but I do not feel that the comment should go unanswered, at least in the way I have attempted to say it, in the same spirit I am sure he attempted to offer it.

Mr. STEVENS. Mr. President, let me say the Senator from West Virginia is probably much more restrained than I would be under similar circumstances.

I hope my friend noticed that I said I am worried about the President. I am worried about the pressures on this man, and the way he is reacting to those pressures at this time; and I think a vacation for the President would do him and the country some good.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield further?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. Mr. President, this reminds me of a candidate who is running for office and his opponent is 75 years old, and the young candidate says, "I am not going to bring up his age."

Mr. STEVENS. I heard of a campaign like that once in Alaska.

Mr. ROBERT C. BYRD. Res ipsa loquitur; the thing speaks for itself.

The Senator has said he does not want to imply this. Well, I am glad we have had this little discussion. I do not think the President needs a vacation on the basis of the implications that are made.

Mr. CRANSTON. Mr. President, will the Senator yield? This reminds me a little bit of Kipling's line——

Mr. ROBERT C. BYRD. May I say to my friend, I just think this is out of character for my friend from Alaska.

Mr. STEVENS. I hope my friend understands that I know, from recent personal experience, what pressures are; and I really am serious in saying I am worried about the President.

Mr. CRANSTON. Mr. President, I am reminded of Kipling's lines:

> If you can keep your head when all about
> you are losing theirs and blaming it on you;

I think the reactions to the actions taken by the President are rather startling as well as amusing, and indicate the excess concern on the part of many observers and participants in the affairs of the world and our country would indicate that their equanimity is more upset than is the equanimity of the President.

I saw the President at Camp David, and I saw him this week at the White House. He is very cool, calm, and collected, and I think quite confident that the actions he is taking are in the best interests of our country. I think we would be wise to reserve judgment on the changes being made in various high offices in our country, in the cabinet and in the White House, until we see the consequences of those changes. I think it is very likely that we will see an administration acting more as a team, with more forcefulness and with more effectiveness in dealing with the great problems that confront our Nation. There has been demand after demand that the President lead, that the President take charge. He is now seeking to lead, he is now seeking to take charge; and I suggest that we give him that full opportunity.

Mr. STEVENS. Mr. President, I yield the remainder of my time to the Senator from New Mexico (Mr. SCHMITT).

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from New Mexico is recognized.

THE ANNIVERSARY

Mr. SCHMITT. Mr. President, I cannot help but be intrigued by the coincidence of the remarks that have just been made and those that I will make, in that 10 years ago the country was also suffering through a period of uncertainty, as we are to some degree today, although I believe if we really are objective and think back to 10 years ago, that period of uncertainty, with Vietnam and other domestic problems, was much greater than what we face today.

Americans always enjoy celebrating past achievements. We always take the time to stop and think of what an anniversary means to us.

Today is no exception.

To many, it is hard to believe that 10 years have gone by since Neil Armstrong and Buzz Aldrin stepped out on the lunar surface. Yet, on this the 10th anniversary of Apollo 11, with questions of American "confidence" being raised, it seems the appropriate time to evaluate the space program, past and future, and think about what a tremendous achievement Apollo 11 really was.

Even though Apollo's story is not fully known to most, it still is a good, in fact great, story. The Apollo program was an American experience in the classic sense. An American experience of challenge and achievement, of danger and heroes, of greatness and frivolity, of fear and hope.

Today we can point to how many material benefits have come from the technologies of space, how exciting it all was, and what we were doing and where we were doing it when Neil stepped out of the Eagle into our children's history books.

What will children be told by the historian on the 100th anniversary? Can we anticipate these stories? Yes, I think we can.

History's greatest increase in knowledge about the Earth, its Sun, and its sister planets, was gained by scientists as a direct and indirect consequence of the race to the Moon.

History's greatest increase in man's insights about his home planet's place and vulnerability in the universe came with Apollo 8's Christmas Eve view of the Earth as the "blue marble." Thanks to new communications technology, this view and, later, the first steps on the Moon, was shared simultaneously by much of the world, a sharing which was in itself an historic demonstration of mankind's new interdependence. I think that everyone who saw those pictures from Apollo 8 and Apollo 11 realized that the Moon would never be the same for them again.

History's greatest examples of the potential of free men and women to do great and peaceful things was culminated with the planting of freedom's flag in the dusty surface of the Moon.

The United States learned a valuable lesson in 1969. We learned what the true coming together of will, opportunity and leadership can do to create great things. How many times have we said, "If we can go to the Moon, we can do anything"? Well, given the right motivation and leadership, we can.

There are no bounds to what we can do as a free Nation. We can create inexhaustible and clean energy sources. We can provide economical and useful mass transportation. We can live in peace and prosperity with one another here and abroad once we put our will to it.

It is also clear that there is no limit to what representatives of our species could do in the vast expanse of the universe. With Apollo 8, and Apollo 11, mankind took its first evolutionary steps out into the universe.

What will Americans do with the new biological and philosophical status gained from the race to the Moon? We today cannot really predict. Do we all not wish we could read the stories yet to be printed about Apollo 11's 100th?

For right now, though, let us think about that rallying promise heard 18 years ago—a man on the Moon by the end of the decade—and think about what is yet out there for us to do, and what doing it will mean to life here.

Mr. President, I reserve the remainder of my time and yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. May I ask the Chair how much time remains?

The PRESIDING OFFICER. The majority leader has 3 minutes and 4 seconds remaining and the minority leader has 7 seconds remaining.

Mr. SCHMITT. Does the Senator from Alaska need the remainder of his time?

Mr. STEVENS. I do not know yet.

Mr. SCHMITT. Mr. President, I reserve the remainder of my time.

Mr. STEVENS. I do not believe I have any time remaining.

The PRESIDING OFFICER. The minority leaders has 7 seconds remaining.

Mr. ROBERT C. BYRD. Mr. President, I have a little time left.

ORDER VITIATING ORDER FOR RECOGNITION OF SENATOR DURKIN

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. DURKIN following Mr. BRADLEY be transferred to the control of Mr. MORGAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the remainder of my time to Mr. BRADLEY, if he needs it, or to Mr. MORGAN.

RECOGNITION OF SENATOR BRADLEY

The PRESIDING OFFICER. Under the previous order, the Senator from New Jersey (Mr. BRADLEY) is recognized for not to exceed 15 minutes.

Mr. BRADLEY. I thank the majority leader for the additional time if I need it.

HOME ENERGY EFFICIENCY PROGRAM

Mr. BRADLEY. Mr. President, in the last few days, President Carter has made a commendable effort to get the country on the track of energy independence. He has outlined a massive and ambitious program for developing new sources of energy over the next decade to free us from the dependence we now have on foreign sources of energy.

The goal of his program is to reduce imported oil by 4.5 million barrels per day as soon as possible. To meet this goal without severe hardship, the Nation must dramatically increase domestic energy production.

There is only one kind of program which promises both short-term, immediate benefits, and which can involve each and every citizen. That is a program of energy efficiency.

Efficiency is the key to producing an immediate energy supply which is every bit as real as the gas and oil reserves in Saudi Arabia or on the North Slope of Alaska. Efficiency in the production of goods and services created our present standard of living. Efficiency in the use of energy could permit us to maintain that standard.

According to a recent study at Princeton University's Center for Energy and Environmental Study, we can reduce our dependence on the Mideast oil by two-thirds, and produce 1.6 million barrels of oil a day during the next 5 to 10 years. This new source of proven oil reserves lies literally under our very noses—in our homes. And we should start "drilling" for it today.

That is why today I am calling for the creation of a home energy efficiency program to produce a new energy supply.

It is by no means easy to persuade the homeowner that he should make greater investments of his money because the Nation puts a higher value on the energy he can save. So the challenge that we face as legislators and policymakers in Congress and the administration is converting the pioneering work done at Princeton into an effective and practical program that takes full advantage of the true savings of conservation.

Why, with such a vast potential for reducing foreign oil has so little progress been made in tapping the reservoir of energy savings in homes? After all, energy prices have been rising steadily since 1973, and that should have been a strong incentive for homeowners to make every effort to save energy. But, this has not happened.

We ought to understand why the national record on residential conservation has been so mediocre. First, we have done little to make home conservation easy. The average homeowner has no place to turn for a competent assessment of his energy problem. Even with such an assessment, in many communities it would be difficult, if not impossible, to find a reliable means of getting the conservation work done. Of course, there are many companies which could do part of the work, but few with the capability of providing a credible and comprehensive conservation package. In short, we have not developed effective ways of delivering conservation to the American homeowner.

Second, there is the obvious problem of cost. Many people simply cannot afford the $1,000 to $2,000 investment that may be required to retrofit a home with conservation measures. It is all very well to talk about the future savings in fuel costs and power bills but if the money is not there for the front-end costs the investment will not be made.

These problems of deliverability and cost must be resolved if we hope to realize the potential of saved energy in our homes. In my opinion the problems of deliverability and cost can only be resolved if:

First. The energy efficiency measures are provided free to homeowners;

Second. The initiative for the installation of the measures is taken by someone other than the homeowner;

Third. The delivery system is managed to assure timely availability of energy conservation measures, competent installation, and meaningful quality control.

Any system which relies on consumer initiative and random installation will not produce the amount of savings needed and any savings produced will cost more than necessary.

The home energy efficiency program solves more problems. Briefly, it works as follows:

Homeowners in a community are advised that an "auditor" or energy "doctor" will be coming to their neighborhood to inspect every house free of charge and "prescribe" ways of cutting energy consumption through greater efficiency at no cost to the homeowners. If granted permission to enter a house, the auditor will make a survey, propose various improvements, and give an estimate of the energy that will be saved as a result.

After homeowners agree to go ahead, the recommendations will be carried out by private companies without cost to the homeowner.

In each case, the owners will get a more energy efficient home and save money as their utility and heating bills decline because of the lower energy consumption.

Suppose a homeowner consuming 100 units of energy each month is paying $100 a month in utility bills. Suppose further that the level of consumption is cut in half after various improvements are made. In this case, that means the homeowner would have to pay only $50 a month in utility bills and 50 units of energy would be produced to meet demand by a different customer.

Energy conservation companies would undertake these saved energy production efforts after receiving a contract from a governmental entity. The Government would purchase the "saved energy" and then "resell" that energy to the utilities serving the homeowners. Utilities would build that cost into their rate base, but at a lower cost than they would have had to pay for building new power plants or finding equivalent amounts of new supplies. Utilities and their customers, therefore, benefit. And the Government would not incur substantial costs because purchase costs would be largely offset by resale revenues.

The conservation companies are the key to the program. They are the ones that manage the entire effort. They arrange for the independent audits, designating the community and area where they will do the work and planning the most efficient progression of work throughout the community. They secure large quantities of materials since they are doing volume work and they get all the advantages of economies of scale.

After the work is done, the independent energy auditor or some other verification entity will do spot checks to see that the work was done, that it was done properly, and that the anticipated energy savings have indeed been realized.

The financing of this program has several important points: The work done by the conservation company is performed by contract with the Government. The contract specifies that the Government will pay the company at a certain rate—based on the estimated value of the energy saved and the potential resale value. The Government funds can be provided initially through appropriations, or can be off budget, using Government guaranteed bonds.

The Government funding is, however, only temporary. It is recaptured because the Government is buying the saved energy from the conservation companies that "produced" it. The Government's purchase can now be resold to the utilities. This charge on the utility is no different in kind than the expenses the utility would have to bear if it were building new generating capacity. It will no doubt be less, since the great quantities of energy that can be saved by simple and inexpensive conservation methods can be achieved at very low costs.

The benefits of the program are many: First, the program overcomes the shortcomings of other programs that depend upon consumer initiative. Second, it provides a way to achieve substantial energy savings at the lowest possible cost because it creates an efficient delivery system. Third, it provides a way to eliminate more than one-fourth of our imports. Fourth, it involves the ordinary citizen in a program facilitated by the Government, executed by the private sector and financed by utilities.

There are some necessary steps to take before this production plan can be fully implemented. First, extensive research to determine what measures would be most effective for particular housing types would have to be completed. Second, energy doctors would have to be trained to apply the research and identify for energy conservation companies where the saved energy is located in a particular house and how it could be tapped. These energy doctors would also be trained to conduct a "post-drilling" check to ascertain if the energy efficiency measures had been properly installed. Third, energy conservation companies who would manage the exploration and development of this vast new saved energy resource would have to be developed. The genius of the corporate and financial world would have to be marshaled to assure that the exploration and development task was properly executed.

Mr. President, I have just given an outline of the proposed home energy efficiency program. It is an idea which has intrigued and excited many people with whom I have discussed it.

In order to give my colleagues and the American people a chance to explore this proposal in greater depth, I have asked the Senator from Washington, chairman of the Energy Committee, to schedule a short hearing before the August recess. At that hearing, we shall examine that Princeton research in greater depth and discuss the marketing and business mechanism for putting the program into effect.

After those hearings, I shall introduce concrete legislative proposals that the administration and the Senate can consider in more detail during the weeks to come. Such legislation at a minimum will provide for:

First, a means of creating a competent and independent group of energy doctors;

Second, the Government purchase of saved energy from a qualified energy conservation company;

Third, Government resale of the saved energy to utilities at prices fair and reasonable to consumers; and

Fourth, rate-basing of appropriate costs incurred by utilities in purchasing the saved energy.

In the meantime, I am asking the Federal Government, in cooperation with State, local, and private institutions, to begin exploratory drilling in the home energy reserve as soon as possible. The Department of Energy should enter into a contract immediately with a fledgling energy conservation company and agree to purchase saved energy produced by retrofitting homes in a given geographical area.

The President has summoned this Nation to do better. Our forces must be directed toward definable targets. The target we have been given is the domestic production of energy sufficient to sustain our American way of life while we cut in half our dependence on imported oil. To reach that target, we must tap the saved energy reserves in this country. A place to begin is in the home where reserves are plentiful and readily available. For $10 worth of supplies and 2 hours of a trained person's time, 20 percent of the energy use in a home can be saved during the first walk through. Success in this exploration and development arena will serve to foster saved energy production in other sectors and will provide the American people the faith and confidence in themselves and their institutions—a faith which the President has correctly perceived is so necessary.

Mr. ROBERT C. BYRD. Mr. President, is there any time remaining?

The PRESIDING OFFICER. The Senator has 3½ minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be transferred to Senator MORGAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR MORGAN

The PRESIDING OFFICER. Under the previous order, the Senator from North Carolina is recognized for not to exceed 10 minutes.

Mr. MORGAN. Mr. President, I thank the distinguished majority leader for his courtesy.

CHANGES IN THE CARTER CABINET

Mr. MORGAN. Mr. President, as we all know, yesterday the President announced a number of Cabinet changes, a number of resignations and new appointments. Early yesterday morning he announced the resignation of the Secretary of HEW, Joseph Califano, and he also announced at the same time that Patricia Harris, now Secretary of HUD, would replace Secretary Califano.

Immediately, his announcement drew criticism here on the floor of the Senate.

My remarks today were prepared to be delivered yesterday, but I was unable to do so.

One of the criticisms yesterday was that perhaps the Secretary had dared to take controversial positions, especially with regard to warning the American people of the dangers of smoking.

Let me say first, as one from a tobacco-producing State, that I never criticized the Secretary for warning the American people with regard to health hazards growing out of smoking.

My only criticism was that he seemed to do it in something other than an even-handed fashion; that he failed to warn the American people with regard to dangers growing out of the use and abuse of alcoholic beverages.

But, nevertheless, I never criticized him. I always defended his right to do it. I think he was proper in doing so.

But I do think there is something to be said for the President's right to choose his own Cabinet.

I say also that there is no doubt that Secretary Califano took the position as HEW Secretary in this administration at some personal sacrifice.

He was one of the Nation's highest paid attorneys and the demands of his office certainly have encroached upon his private life. Certainly, he has served his country and I thank him for the service he has given.

I note that Mrs. Harris and I have not always seen eye to eye since she became Secretary of HUD, and I feel certain that I will not agree with all she does at HEW. But there is general agreement that she has been an effective administrator and that she has taken the Department and brought some order out of chaos. She is aggressive, innovative and even hardnosed, and these characteristics should serve her well as Secretary of HEW.

I have known her well during these past 2½ years because I have served on the Senate Committee on Banking and Housing where she has constantly reported to the Senate on the affairs of her office.

I am no prophet and I cannot predict what sort of job Mrs. Harris will do there. But obviously she has the President's confidence and understands the direction in which he wants his administration to go, and that is important right now.

And it is important for all of us to recognize that the President of the United States has the right to choose his own Cabinet and demand of them the highest degree of loyalty. He has the right to require that they be wholeheartedly behind his efforts and acknowledge and follow his leadership, for, after all, he is the one elected by the American people.

I note that in this regard the President has been far more patient than I would have been on many occasions.

It is a fact that Mr. Califano followed his own lead, and not the President's, on such major administration proposals as national health insurance and the establishment of a Department of Education.

Even though I agreed with him on the establishment of a Department of Education and disagreed with the President, I, nevertheless, feel the President is entitled to the support of a member of his own Cabinet.

And there have been times when persons concerned about the President have felt that Mr. Califano has needlessly damaged the President politically.

It is a matter of common understanding, I think, that those who work for the President, as certainly the members of the Cabinet do, must be sensitive in every way to his needs and understand that he, the President, was elected by the voters of this Nation and has the right to propose his own programs and demand their support for them. Otherwise, they have no place in his employ and should not expect to be there.

I hasten to add that I did not come to the floor to personally criticize Mr. Califano, but rather to state my view as to the President's prerogatives. Time will prove, as it always does, whether he has made the right decision, and I will let history judge him.

But I will say for myself that I am pleased that the President has taken time to make a serious and detailed assessment of his administration's effectiveness and his own effectiveness in providing leadership for our Nation. As far as I am concerned, he should have free rein within constitutional limits, to do what he feels will enhance his Presidency.

I think I can say in all candor that there is still great personal affection for President Carter in my State. He is a man of great conviction, a moral man, and a person of great intelligence. I and his many friends in North Carolina, I am sure, wish him well during this very trying time.

It is not an easy thing to take a close and objective look at your own household, to analyze the performance of friends and professional associates, and to say to some, regretfully, that they must depart. None of us envy him this task and I think it behooves all of us to be patient as he performs it, giving him the time and the moral support he needs to reshape his administration in a way he thinks it can serve the people of this Nation best. Then the people themselves can decide whether, in their opinion, his actions have been wise, constructive, and in the best interest of the Nation.

I would urge my colleagues here in the Senate to hold our criticism and offer to our President our help and understanding. Frankly, I think this is what the majority of the voters in our respective States desire at this time. And I am sure President Carter would be most appreciative, that such would be helpful to the President.

Mr. President, I yield to the distinguished Senator from Michigan the remaining portion of my time.

Mr. RIEGLE. I thank the Senator for yielding.

Mr. President, I, too, have some thoughts I want to share with my colleagues and the public today on the events of the last few hours and days.

I, too, was not present here yesterday because I was conducting a field budget hearing in Michigan, getting ready for the Second Budget Resolution. I was not able to be on the floor yesterday to deliver these remarks, so I will speak today.

THE CARTER ADMINISTRATION CABINET CHANGES

Mr. RIEGLE. Mr. President, it is my understanding that the Carter administration has seriously damaged itself by the rash and unwise firings of Treasury Secretary Blumenthal and HEW Secretary Califano, and by the further consolidation of White House power in the hands of a few of the President's old friends from Georgia. These were Cabinet officers of stature, competence, independent judgment, and quality—items in critically short supply at the top levels of the Carter administration.

The mounting confusion and turmoil in the executive branch of Government is hurting the country—and causing us to lose ground in the struggles against inflation, high energy costs and recession.

The sudden vacancy created in the chairmanship of the Federal Reserve

Board is particularly unfortunate at this time. These sudden job changes in vital financial policy positions greatly damage confidence at home and abroad.

Secretary Blumenthal is to be commended for doing an exceptionally good job under very difficult circumstances. His skill and leadership will be badly missed; it is an unnecessary loss to the country. From all appearances his removal is a raw exercise of power by President Carter's Georgia advisers on the White House staff. I strongly suspect that his necessary and important role in the Bert Lance investigation was partly responsible for his removal.

Secretary Califano also deserves special and high praise for his excellent stewardship at HEW. The removal of Califano is a serious loss to the country, and will break the momentum on hospital cost containment legislation and other crucial legislative matters now before the Congress. Senseless firings of this sort can only make it more difficult to attract new top administrative talent to what is left of the Carter administration.

Mr. President, I will have other things to say later, if we have the time, which we do not have this morning, to engage in some further debate about the structure and meaning and reach of the Presidency, some of the issues raised by my friend from North Carolina (Mr. MORGAN).

It would be good to do so, but the time is not here. So perhaps we can do that in days ahead.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 10:30 a.m., with statements therein limited to 2 minutes each.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATIONS, 1980

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, H.R. 4389, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4389) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes.

AMENDMENT NO. 360

The PRESIDING OFFICER. The pending question is on the amendment by the Senator from Massachusetts (Mr. TSONGAS), on which there is a 1-hour limit for debate.

Mr. TSONGAS. Mr. President, the amendment I offered last night is under consideration today, and it is perhaps a sign of the times. This is obviously a different world from that of the last few years. It is somewhat suggestive of those changes that it is my fate, if you will, to be the one to submit this kind of amendment. But we obviously are trying to do the best we can, and we go from there.

Mr. President, the amendment I offer would strike section 208 and insert the following:

> None of the funds contained in this act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by the student, in order to comply with title VI of the Civil Rights Act of 1964.

Mr. President, in section 208 of the bill before us today, the Department of HEW—whoever the head of that Department may be—is precluded from enforcing the mandate of title VI of the Civil Rights Act of 1964. Title VI prohibits discrimination by recipients of Federal funds, and requires each Federal agency which extends Federal assistance to effectuate the prohibitions of the act. This duty is mandatory, not discretionary. Section 208, which is the subject of my amendment today, effectively precludes the Department of HEW from carrying out its duties with regard to school districts.

By law, an agency can enforce title VI by: First, terminating or refusing to fund a recipient which has been found, after a hearing, to fail to comply with title VI; or second, by any other legal means.

In the event that HEW determines that a school district's current plan is not in compliance with title VI, the Department must first seek to resolve the problem informally, in accordance with Department regulations. This informal resolution allows for voluntary compliance by the school district with a remedial plan which the district submits to HEW. If the dispute is not settled informally, the Department may: First, seek to terminate funds through an administrative hearing; or second, refer the case to the Department of Justice for suit to enforce the law.

HEW's decisions on what constitutes compliance with title VI are guided by court decisions on discrimination. Courts require remedial plans in school desegregation cases to achieve the "greatest degree of actual desegregation." Therefore, in the opinion of the Attorney General, in accepting or rejecting various plans submitted by a school district to bring it in compliance with the law, HEW must accept only a plan which will achieve the greatest degree of desegregation, and must reject plans which do not meet this standard.

Traditional mechanisms to achieve racial integration in public schools have included busing, grade restructuring, and clustering and pairing of schools. In the absence of busing, only grade restructuring and school clustering and pairing are left. It is for this reason that I find section 208 objectionable. Section 208 eliminates all ready mechanisms to achieve racial integration in the schools in this country.

Mr. President, my amendment to section 208 strikes the prohibition against traditional measures such as grade restructuring and clustering and pairing of schools, and maintains the prohibition against busing.

I personally support busing as a constitutionally acceptable remedy of last resort to achieve desegregation. But that is not at issue on this amendment. This amendment is a realistic way in which we can transcend the divisiveness of the busing issue. It can bring us together in good will to allow other means to school desegregation.

Mr. President, the cause of racial desegregation in schools and in the country as a whole has been an honorable one over the years. We are still struggling to achieve this mission. As a result of the landmark Brown against Board of Education decision, we are compelled to achieve racial integration in our public schools.

I offer this amendment today to take a practical, reasonable step toward school integration. My amendment returns to the language offered by Senator BYRD for the HEW appropriations bill for fiscal year 1976. The language offered then by Senator BYRD was designed to stop HEW from requiring busing, but it did not restrict other mechanisms designed to achieve integration.

Mr. President, this Nation's unique mix of cultures and races is a natural resource. It allows our children to learn about and understand people different from themselves. America's sad legacy of segregation lessens the quality of education for all children who are touched by it. It does not make sense for a young child to learn about the American dream—the American melting pot—in a classroom filled with children who look very much alike. Our children will learn the lessons of human understanding and harmony not from some textbook, but only if they are immersed in the American experience. And that means schools must offer diversity, which means we must achieve desegregation.

In summary, although I personally support busing and would prefer to strike the offending language, my amendment maintains the restrictions on busing. But it also allows other constitutionally acceptable mechanisms to gain racial balance in public schools. I urge my colleagues to accept this moderate language as a step toward equal educational opportunity and racial harmony in this country.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. Mr. President, who is in control of the opposition time?

The PRESIDING OFFICER. The manager of the bill.

Does the Senator from Washington yield time to the Senator from Delaware?

Mr. EAGLETON. I yield time to the Senator from Delaware.

Mr. BIDEN. Mr. President, I have just been yielded time, I believe, by the manager of the bill.

Mr. EAGLETON. I yield such time to the Senator from Delaware as he may consume.

The PRESIDING OFFICER. The Senator from Washington controls time in opposition to the amendment.

Mr. EAGLETON. The Senator has yielded the time to me, I believe.

Mr. MAGNUSON. I yield to the Senator from Missouri such time as he may need.

Mr. EAGLETON. I, in turn, yield to the Senator from Delaware.

Mr. BIDEN. I, in turn, will speak.

Mr. President, I oppose the amendment offered by the Senator from Massachusetts and the Senator from New York. The amendment would remove the Eagleton-Biden language from the bill and would insert in lieu thereof the language of the so-called Byrd amendment. Incidentally, I was the one who authored and started the debate on the Byrd amendment issue back in 1975.

The language of the so-called Byrd amendment reads as follows:

> None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, and which offers the courses of study pursued by the student, in order to comply with title VI of the Civil Rights Act of 1964.

Mr. President, the Senate passed that language in September of 1975 on the fiscal year 1976 Labor-HEW appropriations bill.

At that time, it was clearly my intent, the intent of the original authors of this legislation, and the intent of the Senate that HEW should not administratively order busing. Senator BYRD, at the time, stated that his amendment was clearly designed to stop administrative busing.

So what happens, HEW decides that they do not want to be bound by the Byrd language. In a letter to Senator EAGLETON, Secretary Califano stated it was his intention to take the most literal translation of the Byrd amendment—

> I have concluded that I shall give the language of the Byrd amendment its most literal application . . . it seems to me proper to construe narrowly any appropriation language inserted to prevent the Secretary from carrying out fully his responsibilities for the fiscal year.

In other words, Secretary Califano decided to ignore the intent of the Senate and would continue to allow HEW to take administrative action to order busing.

In a separate opinion, Assistant Attorney General Drew Days agreed with Secretary Califano.

Again I quote:

> The question presented by the Byrd amendment and by Secretary Califano's letter terms, in my view, is the need to reconcile the Byrd amendment with title VI and on the apparent constitutional issue which could arise from applying the transportation limitation in such a way to preclude all HEW action to desegregate schools. For that reason, the Secretary's position is supportable.
>
> We should so indicate to him, and suggest that if that interpretation leads to the necessity for a judicial resolution of the statute's meaning, we would support his interpretation in subsequent court proceedings.

In other words, the Assistant Attorney General believes that the Byrd amendment would not stop administratively ordered busing.

That is why Senator EAGLETON and I had to go to the floor with our amendment in 1977. Since HEW would try and get around congressional intent, we had to find a way to absolutely make sure that HEW could not order busing.

So, the Senate passed this amendment. And HEW had to stop busing. The Eagleton-Biden language was tested in the courts and Judge Sirica upheld the constitutionality of the Eagleton-Biden language. And what Judge Sirica was saying was that you have to get a court order before you start busing.

Judge Sirica wrote in his opinion that opponents of the amendment:

> Overlooked (are) alternative means available to Federal authorities other than HEW to effect transportation remedies when they are needed to achieve desegregation in federally-funded school districts.

I ask unanimous consent that the text of Judge Sirica's opinion be printed in the RECORD.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

BROWN V. CALIFANO

(Cite as 455 F.Supp. 837 (1978))

Darryl W. Brown et al., Plaintiffs, v. Joseph A. Califano et al., Defendants, Civ. A. No. 75–1068.

(U.S. District Court, District of Columbia, July 18, 1978.)

Group of public school students who attend schools that receive federal support brought civil rights action challenging the constitutionality of two statutory provisions that operate to prevent the Department of Health, Education, and Welfare from enforcing Title VI by requiring the transportation of students to schools other than those closest to them. The District Court, Sirica, J., held that statutory provisions do not violate equal protection guarantees as impermissibly inhibiting desegregation of schools because of the availability of litigation in federal courts as an alternative device to effectuate federal grantees.

Relief denied.

Constitutional Law, 🔑220(4).

Schools and School Districts, 🔑159½.

Statutory provisions which operate to prevent the Department of Health, Education, and Welfare from enforcing Title VI of the Civil Rights Act by requiring the transportation of students to schools other than those closest to them do not violate equal protection guarantees as impermissibly inhibiting the desegregation of schools because of the availability of litigation in federal courts as an alternative device to effectuate federal guarantees. Civil Rights Act of 1964, § 601 et seq., 42 U.S.C.A. § 2000d et seq.; Equal Educational Opportunities Act of 1974, §§ 202–223, 203(b), 215(a), 20 U.S.C.A. §§ 1701–1721, 1702(b), 1714(a); Act Dec. 9, 1977, 91 Stat. 1460; U.S.C.A. Const. Amend. 14.

Joseph L. Rauh, Jr., Rauh, Silard & Lichtman, Washington, D.C., for plaintiffs.

Barbara Allen Babcock, Asst. Atty. Gen., Robert J. Franzinger, Atty., Dept. of Justice, Washington, D.C., for defendants.

MEMORANDUM OPINION

Sirica, District Judge.

This civil rights action challenges, as violating the Constitution's equal protection guarantee, two recently-enacted statutory provisions that limit the means available to the federal government under Title VI of the Civil Rights Act of 1964, Pub. L. No. 88–352, 78 Stat. 252, 42 U.S.C. § 200d to d–6 (1970), to check racial discrimination in federally-supported schools. These provisions, known as the Esch[1] and the Eagleton-Biden Amendments,[2] basically prevent the Department of Health, Education, and Welfare (HEW), the agency primarily charged with enforcing Title VI in the education area, from relying on Title VI to order the implementation of plans that require the busing of students to schools other than those closest to their residences. Prior to the enactment of the Esch and Eagleton-Biden Amendments, HEW had the authority under Title VI to require transportation remedies under the threat of cutting off federal funds to offending aid recipients. Plaintiffs, a group of public school students who attend schools that receive federal support, maintain that the Esch and Eagleton-Biden Amendments are unconstitutional because, on their face, they are desegregation-inhibiting measures that will inevitably bring the federal government into a position of having to support segregated educational systems. As will appear more fully below, plaintiff's argument exaggerates the necessary effects these Amendments will have on the federal government's ability to carry out its constitutional obligations, and overlooks alternative means available to federal authorities other than HEW to effect transportation remedies when they are needed to achieve desegregation in federally-funded school districts.

Title VI of the 1964 Civil Rights Act broadly prohibits recipients of federal aid from engaging in discrimination based on race, color and national origin. In particular, section 601 of the Act declares "No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial asistance." 42 U.S.C. § 2000d (1970). This policy of nondiscrimination is carried into effect by allowing "Each federal department and agency which is empowered to extend Federal financial assistance" to issue appropriate "rules, regulations or orders." 42 U.S.C. § 2000d–1 (1979). *See* 45 C.F.R. §§ 80.1–.13 (1977). In addition, "Compliance with any requirement adopted pursuant to this section may be effected by (1) termination of" the government funding "or (2) by any other means authorized by law." 42 U.S.C. § 2000d–1 (1970).

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[1] The Esch Amendment was enacted as section 215(a) of the Equal Educational Opportunities Act of 1974, Pub. L. No. 93–380, 88 Stat. 517, 20 U.S.C. §§ 1701–1721 (Supp. V 1975). Codified at 20 U.S.C. § 1714(a) (Supp. V 1975), it provides:

> No court, department, or agency of the United States shall . . . order the implementation of a plan that would require the transportation of any student to a school other than the school closest or next closest to his place of residence which provides the appropriate grade level and type of education for such student.

Esch's broad language was narrowed, however, by another provision of the 1974 Act, 20 U.S.C. § 1702(b) (Supp. V 1975), which reads:

> . . . the provisions of this chapter are not intended to modify or diminish the authority of the courts of the United States to enforce fairly the fifth and fourteenth amendments to the Constitution of the United States.

[2] The Eagleton-Biden Amendment was enacted as part of Pub. L. No. 95–205, 91 Stat. 1460 (December 9, 1977). It provides:

> None of the funds contained in this Act [HEW's appropriation] shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, in order to comply with Title VI of the Civil Rights Act of 1964. For the purposes of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

Enforcement of Title VI begins with the filing of asurances of compliance by subject recipients attesting to their willingness to comply with all statutory and regulatory requirements. 45 C.F.R. § 80.4 (1977). In the case of recipient elementary and secondary school systems, this obligation is discharged when recipients give adequate assurance that they will either comply with desegregation plans determined by responsible department officials to be adequate under statutory and regulatory guidelines, or abide by the terms of any court order if the school district is under court order to desegregate. *Id.*, § 80.4(c).

In the event that recipient school districts fail to make the necessary assurances, HEW is permitted to proceed against them but must first notify the offending recipient of the violation and undertake to work out a solution through voluntary means. 42 U.S.C. § 2000d–1 (1970); 45 C.F.R. §§ 80.8 (a) and (b) (1977). If efforts to achieve compliance through conciliation prove to be unavailing, HEW has two enforcement options. The first of these is a multi-step administrative process that culminates in a decision on fund termination after notice to terminate is given, a hearing is held before an examiner, review is conducted by an agency appeals authority and final review by the Secretary of HEW. 45 C.F.R. §§ 80.8–80.10 (1977). The final agency decision is then reviewable in the courts. *Id.*, § 80.11; 42 U.S.C. § 2000d–2 (1970).

It is this administrative enforcement process that is affected by the Esch and Eagleton-Biden Amendments. As stated, these provisions operate to prevent HEW from enforcing Title VI so as to require the transportation of students to schools other than those closest to them. And since transportation solutions are often thought to be the necessary corrective action for violations of Title VI, the effect of the Amendments is to prevent HEW from ordering fund termination even though, in the agency's view, compliance with Title VI's mandate depends on busing.

There is, however, a second enforcement option. This alternative authorizes HEW to refer to the Department of Justice cases that evidence a violation of Title VI. In particular:

> If there appears to be a failure or threatened failure to comply with this regulation, and if the noncompliance or threatened noncompliance cannot be corrected by informal means, compliance with this part may be effected by [fund termination] *or by* any other measure authorized by law. Such other means may include, but are not limited to (1) a reference to the Department of Justice wtih a recommendation that appropriate proceedings be brought to enforce any rights of the United States under any law of the United States (including other titles of the Act), or any assurance or other contractual undertaking. 45 C.F.R. § 80.8(a) (1977) (emphasis supplied).

Upon referral, a number of enforcement methods are available. As enumerated in relevant Department of Justice regulations:

> Possibilities of judicial enforcement include (1) a suit to obtain specific enforcement of assurances, covenants running with federally provided property, statements [of] compliance or desegregation plans filed pursuant to agency regulations, (2) a suit to enforce compliance with other titles of the 1964 Act, other Civil Rights Acts or constitutional or statutory provisions requiring nondiscrimination, and (3) initiation of, or intervention or other participation in, a suit for other relief designed to secure compliance. 28 C.F.R. § 50.3, Alt. I–B–1 (1977).

Significantly, nothing in the Esch and Eagleton-Biden Amendments prevents HEW from pursuing the referral alternative in cases where, in the agency's judgment, transportation remedies are warranted. As one of the sponsors of the Eagleton-Biden provision made clear, HEW is authorized under Title VI to refer matters to the Department of Justice for litigation; this is the course that should be pursued if there is a decision to go forward in a case to which [this] amendment applies.

* * * * *

> . . . we are not talking about a case in Federal court where the judge finds a violation of the Equal Protection Clause of the Constitution and enters a busing order to remedy such violation. [This] amendment would not apply in such a situation and I would not support a law which attempted to restrict the authority of federal courts to pass appropriate and targeted remedies to redress such constitutional violations. The [Eagleton-Biden] amendment does apply and I support its application to matters such as Kansas City where the HEW acting solely on its own administrative authority and acting without any judicial determination of unconstitutionality, administratively seeks to impose its own formula as the racial mix or racial balance of a given school district. 123 Cong. Rec. S. 10898, 10917 (daily ed., June 28, 1977) (remarks of Sen. Eagleton). *See also id.*, S. 10915–16 (daily ed., June 28, 1977) (remarks of Sen. Biden).

From the foregoing, it is clear that, if HEW administrators are of the view that the fund termination procedure is foreclosed in a given case because busing remedies are indicated, the option is available to have the matter referred to the Department of Justice for possible litigation. Despite the continued availability of this enforcement option, plaintiffs in this case challenge the Esch and Eagleton-Biden Amendments as impermissibly inhibiting desegregation and as operating to bring the federal government into a position of support for segregated education. In essence, plaintiff's contention is that HEW's unimpaired ability to insure equality in education through fund termination is a constitutional necessity and that statutory adjustment in the federal government's overall enforcement scheme of the sort brought about by the two amendments in question is constitutionally impermissible. Defendants take just the opposite position. Defendants concede that, if the constitutionality of these amendments was properly tested on the basis of their wisdom as a matter of policy, there would be serious doubt concerning their lawfulness. However, defendants hasten to point out that the continued availability of the referral option as an enforcement technique represents a constitutionally adequate commitment on the federal government's part to Title VI's goal of achieving equality in federally-supported schools. In the Court's opinion, defendant's point is well taken.

At the outset, the Court must note plaintiff's constitutional challenge is directed at the Esch and Eagleton-Biden Amendments on their face. Plaintiffs do not contend that the litigation option left untouched by these provisions is so unworkable and inadequate as a matter of demonstrated fact that it should be dismissed out of hand in assessing the constitutionality of Title VI's modified enforcement scheme. Nor could they given the fact that these amendments are of recent vintage and their impact on the government's overall ability to effect desegregated education has of necessity yet to be fully explored. Instead, plaintiffs read their worst fears into the two provisions and, on that basis, ask the Court to declare them unlawful regardless of what may actually come to pass.

Plaintiff's principal line of attack focuses on the rule established by the Supreme Court in North Carolina State Board of Education v. Swann, 402 U.S. 43, 91 S.Ct. 1284, 28 L.Ed.2d 586 (1971), to the effect that government-imposed prohibitions against the transportation of students violate the equal protection guarantee when they operate "to inhibit or obstruct the operation of a unitary school system or impede the disestablishing of a dual school system." Id. at 45, 91 S.Ct. at 1286. At issue in Swann was a state statute that provided:

> No student shall be assigned or compelled to attend any school on account of race, creed, color or national origin, or for the purpose of creating a balance or ratio of race, religion or national origins. Involuntary busing of students in contravention of this article is prohibited, and public funds shall not be used for any such busing.

Observing that "state policy must give way when it operates to hinder vindication of federal constitutional guarantees," *id.* at 45, 91 C.Ct. at 1286, the *Swann* Court concluded:

> ". . . the flat prohibition against assignment of students for the purpose of creating a racial balance must inevitably conflict with the duty of school authorities to disestablish dual school systems. As we have held . . . the Constitution does not compel any particular degree of racial balance or mixing, but when past and continuing constitutional violations are found, some ratios are likely to be useful starting points in shaping a remedy. An absolute prohibition against use of such a device—even as a starting point—contravenes the implicit command of *Green* v. *County School Board*, 391 U.S. 430, 88 S.Ct. 1689, 20 L.Ed.2d 716 (1968) that all reasonable methods be available to formulate an effective remedy. *Id.* at 46, 91 S.Ct. at 1286.

Swann is not this case, however. Unlike in *Swann*, the statutory provisions being questioned in the instant case do not bar local school officials, whose primary duty it is to maintain unitary educational systems, from exercising their discretion to employ transportation solutions when found to be necessary to insure equality of treatment. Far from mandating the exercise of discretion by state officers against transportation remedies, the Esch and Eagleton-Biden Amendments preserve the idea that local authorities are the parties best suited in the first instance to determine whether busing is needed to comply with equal protection.

Nor do these amendments bar federal authorities from exercising discretion to require student transportation when found to be a necessary device to effectuate federal guarantees. Nothing in either the Esch or the Eagleton-Biden Amendment prevents students aggrieved by discrimination from seeking redress in the federal courts. Neither are the federal courts themselves stripped of their authority or, as was the practical effect of the statute involved in Swann, their ability, to require transportation remedies when indicated. Nor do the two provisions at issue completely check the authority of federal executive officers from proceeding to effect busing solutions in cases where federal rights are violated. It is true that Esch and Eagleton-Biden preclude one alternative method, the fund termination procedure, by which one federal agency, HEW, may pursue the goal of equality in federally-supported education. And it may also be true that enforcement of the law by the fund termination procedure is the more effective, since certainly it is the more coercive way to bring offending school districts into compliance with the equality mandate. But the fact remains that the Esch and Eagleton-Biden Amendments leave untouched the litigation enforcement option that permits the Civil Rights Division of the Department of Justice, upon referral of a case from HEW, to pursue legal action and obtain the full measure of appropriate relief, including student transportation if warranted, against the offending recipients. In short, contrary to the situation presented in Swann, the statutes involved in the case at bar, do not qualify as "flat" or "absolute prohibitions" against the use of needed transportation remedies. While they remove one setting out of which busing orders may originate, they quite clearly preserve student transportation as an available method of insuring equality in education.

The availability of the litigation option also undercuts plaintiff's alternative constitutional challenge. As a second line of attack, plaintiffs contend that the necessary effect of the Esch and Eagleton-Biden provisions is to bring the federal government into the posture of having to furnish financial aid to school districts that operate impermissible dual school systems. Plaintiffs' principal focus is on a line of cases beginning with *Cooper* v. *Aaron*, 358 U.S. 1, 19, 78 S.Ct. 1401, 3 L.Ed.2d 5 (1958) and including this Circuit's decision in *Kelsey* v. *Weinberger*, 162 U.S.App.D.C. 159, 167–168, 498 F.2d 701, 709–10 (1974) that establish the rule that no government funds should be dispensed to support illegal discrimination. Relying on this rule, plaintiffs reason that, since busing remedies are sometimes indispensable to the achievement of equal educational opportunities, and since the two disputed amendments prevent HEW from terminating financial support in cases where busing is thought to be the only feasible means of insuring equal treatment, the inevitable result of Esch and Eagleton-Biden will be to place "the Federal Government in an involvement with racially segregated education which the Fourteenth [Amendment] prohibits to the states." *Kelsey, supra*, 162 U.S.App.D.C. at 168, 498 F.2d at 710.

This reading of the two amendments is exaggerated and unpersuasive. Plaintiffs' argument would have force if fund termination were the exclusive means by which the federal government could make sure that only lawfully administered school systems receive federal financial aid. But, as stated, fund termination is only one course of action available to the federal government to insure equality in federally-sponsored education. Notwithstanding Esch and Eagleton-Biden, the referral and litigation option remains an available enforcement technique that carries as much promise from the standpoint of assuring aid only to proper recipients as the fund cut-off procedure.

Obviously, the litigation alternative operates in the opposite direction from the termination technique. Litigation is aimed at bringing offending recipients into compliance with federal law, while the administrative procedure directly results in severing financial ties with school systems that are willing to accept the loss of federal support as the price for operating their schools, over HEW's objections, as they see fit. But there is nothing in the *Cooper* and *Kelsey* line of decisions that requires the government to end its support of unequal education by proceeding in one way rather than the other. The concern of these cases is that federal support be furnished only to institutions that comply with the mandates of federal law. If this objective can be carried out effectively though indirectly through litigation, instead of directly through fund termination, the government's obligation under *Cooper* and *Kelsey* is nevertheless discharged.

Nor can the lawsuit option be faulted on the grounds that fund termination is likely to sever improper financial ties more promptly than litigation. As applicable regulations make clear, *see* 45 C.F.R. §§ 80.8–.11 (1977), and as prior proceedings in this case confirm, *see Brown* v. *Weinberger*, 417 F.Supp. 1215 (D.D.C. 1975), the fund termination procedure involves a tedious series of notice, hearing and review steps at the various levels within HEW's hierarchy followed by separate review in the courts. By contrast, the litigation technique bypasses the most cumbersome of the administrative steps and allows the Justice Department to initiate appropriate legal action promptly upon the referral of cases from HEW. This streamlined enforcement approach promises as great if not greater promptness in limiting aid to deserving recipients than does the alternate fund termination process. *See* 28 C.F.R. § 50.3, Alt. 1–B–1 (1977) ("Compliance with the nondiscrimination mandate of Title VI may often be obtained more promptly by appropriate court action than by hearings and termination of assistance").

From the foregoing, it is evident that enactment of the Esch and Eagleton-Biden Amendments is unlikely to bring about the results plaintiffs read into them. Admittedly, they work a significant adjustment in the ways the executive branch of the federal government may go about insuring equal educational opportunities in federally-sponsored institutions. But neither provision operates by its express terms to foreclose the availability of remedies that may be necessary to guarantee federal rights in given instances. Consequently, mindful of the presumption of constitutionality to be given to federal statutes, the Court is of the opinion that the enactments at issue in this case must survive plaintiffs' constitutional attack.

This conclusion, however, embodies only a view concerning the *facial* constitutionality of the two disputed provisions. Whether the Esch and Eagleton-Biden Amendments, as interpreted and administered by responsible officers at HEW and the Department of Justice, will have the practical effect of taking the core out of the government's overall Title VI enforcement program is not an issue now before the Court. Should further proceedings in this case reveal that the litigation option left undisturbed by these provisions cannot, *or will not*, be made into a workable instrument for effecting equal educational opportunities, the Court will entertain a renewed challenge by plaintiffs on an *as applied* basis. For the present, however, plaintiffs' motion for declaratory and injunctive relief must be denied.

An appropriate order will be issued of even date herewith.

Mr. BIDEN. Mr. President, let us make no mistake about it; any attempt to weaken and modify the Eagleton-Biden language is opening the door to HEW ordered busing. It is clear, absolutely clear that HEW will take advantage of any loophole to order busing.

Mr. President, forced busing of schoolchildren is a bankrupt social policy and most people are beginning to recognize this. Recently, respected columnist, William Raspberry wrote an article for the Washington Post entitled "What Black Parents Won't Say." Mr. Raspberry offers us no easy answers, but he does offer a compelling and important insight into the perspective of black parents on busing.

I ask unanimous consent that Mr. Raspberry's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT BLACK PARENTS WON'T SAY

(By William Raspberry)

The problem in Montgomery County, where most black students are in predominately white schools, is that integration is saddling those black students with ignorant and insensitive white teachers and racist schoolmates.

The problem in neighboring Prince George's County, where most black students are being resegregated into predominately black schools, is that these students are being denied the benefits of white teachers and classmates.

Montgomery blacks are bitter over the fact that teacher-training courses in black history and culture are no longer mandatory. Racist white teachers will continue to be ignorant of—and contemptuous of—their black students. The result, we are told, is that blacks in Montgomery County cannot receive a proper education.

In Prince George's County, the bitterness stems from white and black population shifts that are leaving more and more black students in predominately black schools. The result, we are told, is that blacks in Prince George's County cannot receive a proper education.

Are race relations in the two adjacent counties so fundamentally different? Or is there some common explanation for these two divergent views of what is best for black students?

I suspect there is, and I believe it has to do with a premise that no self-respecting black parent will dare state openly.

If they could, it might go something like this: We have no idea of how to run effective schools, but white people, for all their racism, do. Our solution, therefore, is to get our kids into schools with the white kids and then fight the racism as best we can.

You won't hear anyone say that, of course. What you will hear instead are arguments to the effect that white people, who are in charge of the distribution of resources, won't distribute them fairly. The solution, therefore, is to integrate the children so that racist administrators cannot isolate and discriminate against black children.

Don't believe it. If a court ordered the perfectly equitable distribution of personnel equipment, money and other resources, and ordered further that these outlays be audited every 30 days to see that equity was maintained, a good many black parents would say: No thanks; we'd rather have integration.

Even if the black parents were given full authority over the way the resources are used, the response would remain the same: Give us integration.

Equal access to resources and control over how those resources get used are good things only if you are fairly sure you know, or can learn, how to use the resources to the best advantage of your children.

But many blacks believe (though they won't say it) that white people have some educational secret that blacks cannot learn. And if that is what they believe, then it is no wonder that they see integration as the only real solution.

Unfortunately, the solution is at least as difficult as the problem. It's easy enough to get a court order mandating racial integration. But as Prince George's parents are learning, you can't get a court order to keep white families from moving, or to keep black families from taking their place.

The result is the ultimate busing absurdity: the massive transportation of black children miles away from their homes—to schools that are black and getting blacker.

And even in the face of this absurdity,

black parents can't bring themselves to admit that it doesn't work. After weeks of bitter debate, Prince George's blacks, under the leadership of the county NAACP chapter, have refused to curtail busing—even when the bus ride ends at an essentially segregated school.

The long-range outcome of this madness is plain for all to see. De jure segregation, racial isolation caused by official policies and actions, will be replaced by de facto segregation, racial isolation caused by shifts in housing patterns and immune from court action.

The political, emotional and economic capital that might have been spent on improving the schools attended by black children will have been wasted on nonsense fights over busing.

Saddest of all, the black children will remain just as isolated—and just as poorly educated—as they were when all the fighting started.

Mr. BIDEN. Mr. President, forced school busing is the most controversial social policy in this country. The issue at stake today is not whether we have busing or not have busing. The issue is whether bureaucrats at HEW can order busing. I firmly believe they cannot and should not have this power. During the past 2 years the Senate has overwhelmingly agreed.

I urge my colleagues to again go on record as opposing HEW administrative busing and to oppose the motion offered by Senators JAVITS and TSONGAS.

Mr. EAGLETON. Mr. President, Senator BIDEN has covered the ground very well with respect to the origin of the original Byrd amendment and what is now called the Eagleton-Biden amendment.

Mr. President, the Tsongas amendment now before us seeks to replace the so-called Eagleton-Biden language in the HEW appropriations bill with the language of the old Byrd amendment.

I would like to take a few moments to outline the history of the Eagleton-Biden and Byrd amendments and the reasons for them. I am confident that this review will convince my colleagues to oppose Senator TSONGAS in all of his efforts to dilute or otherwise alter the Eagleton-Biden language.

The Byrd amendment, the text of which is now being offered by Senator TSONGAS, first was incorporated into the Labor-HEW appropriations bill in 1975. The amendment's obvious purpose was to put HEW on notice that it was not to consider extensive busing of school children as an available tool for administrative enforcement of title VI of the Civil Rights Act of 1964.

However, from the very outset, the Ford administration equivocated on the effect of the Byrd amendment. The question of how HEW would treat the Byrd amendment in actual practice finally was resolved in the Carter administration, when Secretary of HEW Joseph Califano finally ruled on the Byrd language. Califano noted that:

> [I] have concluded that I should give the language of the Byrd Amendment its most literal application. The amendment refers to "transportation of any student to a school other than the school which is nearest the students home, and *which offers* the courses of study pursued by such student" (emphasis added). If the grade structure has been changed for the school year in which the transportation occurs, then the school nearest the student's home (and which he previously attended) may no longer be one "which offers the courses of study pursued by such student." The more restrictive reading of the Byrd Amendment not only accords with its literal language but also minimizes erosion of the Secretary's authority to enforce title VI of the Civil Rights Act.

In essence, Mr. Califano put the Congress on notice that he was interpreting the Byrd amendment right out of existence, and that HEW would not feel constrained in its use of busing as an administrative tool to bring about school desegregation. This action by the Secretary is what motivated Senator BIDEN and me to offer our own amendment to the fiscal year 1978 Labor-HEW bill. Our amendment, which was approved by a 51 to 42 margin, restated the intent of the Byrd amendment and closed the loophole through which HEW hoped to drive its big yellow bus. That same language is in this year's Labor-HEW bill. It is this language Senator TSONGAS would like to replace with the Byrd language which the Department considers meaningless.

I want to discuss one Supreme Court opinion relating to busing because that one opinion impacts mightily on the origin of the Eagleton-Biden language—and its predecessor language referred to as the Byrd amendment.

From 1954 to 1974, I think it is fair to say that the Supreme Court charted a course of consistent approval of Federal district court decrees dismantling the heretofore "separate but equal" or "dual" school systems, primarily in the South.

But in 1974, the Supreme Court handed down the Detroit case, Milliken against Bradley, which altered mightily the whole concept of school busing for desegregation purposes.

At the time of the suit, the racial makeup of the Detroit school district was 72 percent black and 28 percent white. The trial court found that the only way there could be meaningful integration in the Detroit schools would be, in essence, to merge the Detroit city school district with 53 surrounding suburban school districts. Therefore, the trial court ordered an enormous metropolitan busing plan, and the order was upheld by the court of appeals.

However, the Supreme Court said no. In reversing the district court and the Sixth Circuit Court of Appeals, the Supreme Court held that a Federal court was not empowered to impose an interdistrict remedy unless it could be proven that either the State or the suburbs had committed discernible, evidentiary segregative acts against the city. In its ruling on the Detroit case, the Court shifted a greater burden of proof to the plaintiffs, and put busing proponents on notice that in future cases they would have to prove not only segregative results, but also segregative intent on the part of those responsible for drawing school district lines.

In the majority opinion, Chief Justice Burger rejected the lower courts' efforts to produce "the racial balance which they perceived as desirable," stating that the Constitution "does not require any particular racial balance."

Thus, Mr. President, the Detroit case, in net effect, prohibits interdistrict busing between inner-city school districts and suburban school districts. The case, in net effect, restricts busing to intradistrict busing within the inner-city school system.

The blunt truth is that it is a practical impossibility to integrate in any meaningful sense most of our big city school systems.

I commend to any of my colleagues who doubt that statement a careful study of a chart which I ask unanimous consent to introduce in the RECORD at this point showing the racial composition of selected urban school districts. It is the chart as I face it to my far right, and we have updated it with the most current statistics we now have available for 1978. It lists about 20 large urban school districts and their percentage of minority enrollment.

If you look down the far righthand column you see that New York City's school districts have 72 percent minority; Los Angeles 70, Chicago, 78, Philadelphia 69, Detroit now is up to 86 percent, and so on down the line—Washington, D.C. 96 percent, Atlanta 90 percent, and so on and so forth.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

SELECTED LARGE URBAN SCHOOL SYSTEMS—PERCENTAGE MINORITY ENROLLMENT

[In descending order by size of total enrollment]

	1968	1974	1976	1978[1]
New York City	56	66	70	72.0
Los Angeles	46	58	64	70.0
Chicago	62	73	75	78.0
Philadelphia	61	67	68	69.0
Detroit	61	74	81	86.0
Houston	47	61	66	71.0
Balitmore	65	70	76	78.0
Dallas	39	56	62	65.0
District of Columbia	94	97	97	96.2
Memphis	54	70	71	73.2
San Diego	24	30	34	37.2
Cleveland	57	61	62	67.0
Milwaukee	27	38	44	50.0
Columbus	26	31	33	37.0
New Orleans	69	81	84	86.0
St. Louis	64	70	72	75.0
Atlanta	62	85	89	90.2
Indianapolis	34	43	45	48.0
Denver	34	46	52	55.3
Boston	31	48	56	61.4
San Francisco	59	69	72	80.0
Kansas City	47	62	66	71.0

[1] Most recent figures available.

Mr. EAGLETON. The inescapable conclusion I draw from this chart is that the inner-city schools are getting blacker and blacker. As they do and are, the efficacy of busing within these increasingly racially isolated inner-city schools becomes impossible. Is there any way to integrate the schools of our Nation's Capital, Washington, D.C., 96 percent black? There is just no way to integrate the schools, for instance, of Washington, D.C., that are now 96 percent minority.

What about Detroit, 96 percent black?

And New Orleans, 86 percent black?

And St. Louis, 75 percent black?

And on, and on, and on.

I am not alone, by the way, Mr. President, in that conclusion.

Eleanor Holmes Norton, who enjoys a deserved reputation as a leading civil rights advocate, gave this opinion of such situations:

> To simply distribute a diminishing number of whites thinner and thinner is obviously to get embarked on a process that will not result in integration. A school with twenty percent white students and eighty percent minority children is not integrated . . . That's why the metropolitan approach has to be looked at very closely.

Mrs. Norton was chairperson of New York City's Human Rights Commission when she made that statement and is now chairman of the Nation's Equal Employment Opportunity Commission.

Prof. Gary Orfield of the University of Illinois, a staunch proponent of interdistrict busing, last year published an excellent book on the subject of busing. He believes that intradistrict busing confined just to the inner city will not work. In his book, "Must We Bus?" published by the Brookings Institution, he writes:

> If lasting large-scale desegregation is to be possible for children in New York, Chicago, Los Angeles, Philadelphia, Detroit, and other large cities, the suburban boundary line must be crossed.
>
> The longer one looks at the demographic and economic trends of the largest cities, the more dangerous the barrier against metropolitan desegregation erected by the Supreme Court in the "Milliken" case appears. With the possible exception of Los Angeles, only local and often transitory integration seems possible in the largest cities.
>
> The largest cities can be desegregated, although accomplishing the change through court orders would require a degree of judicial intervention and assertiveness that seems unlikely without a significant change in the Supreme Court.
>
> Once a school system has become overwhelmingly minority, desegregation policies premised on a white majority or a relatively even population split are nonsensical. To take an extreme example, a racial balance plan could "integrate" all the schools in Washington, D.C., by making each 96 percent black. If the primary legal goals are to overcome the effects of prolonged illegal separation of white and black children and to end the racial identifiability of minority schools, neither is accomplished by such plans.

Let me state it in my own words. The Supreme Court has said that the buses will not roll between the central city school district and the suburban school districts. Thus, to spread a dwindling number of white students throughout a predominantly black city school system is fruitless, indeed a self-defeating exercise.

Further, I contend that the busing of a dwindling number of whites in increasingly black inner city schools will accelerate resegregation of city districts. Proof on this point does not come easily. But it is, in my view as certain as the fact that the sun will come up tomorrow. Prof. James Coleman, once the patron saint of busing when, in the 1960's, his studies of student performance in desegregated versus segregated schools were so heavily relied upon by busing proponents, concluded as much recently. "Ironically," Coleman said, "'desegregation' may be increasing segregation." If the consequence of inner city busing is to drive more whites to the suburbs, then what are we doing?

Something is wrong, Professor Orfield concluded. In his book he noted that:

> Most scholars believed, however, that there was a significant one-year acceleration of white flight in big cities where a plan limited to the city only was implemented. Perhaps the enrollment decline in a single year would be that normally expected in two years.

Toward the end of his book, Professor Orfield states with far less restraint:

> Limiting remedies to schools with few white students in cities where long-established demographic trends guaranteed resegregation meant, in effect, that there was no remedy, only an intensification of conflict and possibly a speeding up of the normal process of ghetto and barrio expansion.

Justice Thurgood Marshall voiced a similar view in his eloquent dissent in the Detroit case.

> One cannot ignore the white-flight problem, for where legally imposed segregation has been established, the District Court has the responsibility to see to it not only that the dual system is terminated at once but also that future events do not serve to perpetuate or reestablished segregation," Marshall said. "Under a Detroit-only decree," he continued, "Detroit's schools will clearly remain racially identifiable . . . Schools with 65 percent and more Negro students will stand in sharp and obvious contrast to schools in neighboring districts with less than 2 percent Negro enrollment. Negro students will continue to perceive their schools as segregated educational facilities and this perception will only be increased when whites react to a Detroit-only decree by fleeing to the suburbs to avoid integration.

Almost 10 years ago, the late Prof. Alexander Bickel wrote:

> In most of the larger urban areas, demographic conditions are such that no policy that a court can order, and a school board, a city or even a state has the capability to put into effect, will in fact result in the foreseeable future in racially balanced public schools. Only a reordering of the environment involving economic and social policy in the broadest conceivable front might have an appreciable impact.

A desegregation order in a heavily black inner-city school district is clearly not the sole reason for "white flight," but it most certainly intensifies and exacerbates the trend.

This point again was borne out in the study by David J. Armor, a senior social scientist at the Rand Corp. In 1977, the Los Angeles School Board asked Dr. Armor to participate in a study focusing on white flight. Dr. Armor focused on the white student loss rates experienced by other cities which underwent extensive desegregation. In order to measure the white flight effect, Dr. Armor projected what the white enrollments would have been had the mandatory desegregation not occurred. He used white birth data from 1950 to 1972 and net migration data from the U.S. Census from 1950 to 1970.

I have on the second chart behind me a graphic representation of Dr. Armor's results. I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ACTUAL WHITE LOSSES IN NINE NORTHERN BUSING CITIES

	Year before suit	Year before order	Year before start	Year of start	Year of busing						
					1st	2d	3d	4th	5th	6th	7th
Boston, Mass	−3.3(−3.6)	−6.6(−3.8)	(.....)	1974	−14.9(−4.0)	−21.6(−3.7)	−10.6(−4.6)	(.....)			
Denver, Colo	−1.4(−2.3)	−2.3(−2.3)	−6.5(−3.8)	1974	−13.2(−3.4)	−10.5(−3.5)	−7.8(−4.1)	(.....)			
Pasadena, Calif	−5.2(−2.5)	−6.0(−3.0)	(.....)	1970	−12.4(−3.7)	−11.5(−4.2)	−11.4(−4.3)	−9.7(−4.3)	−1.9	−2.8	−8.4
Pontiac, Mich	+.8(−2.0)	(.....)	−6.0(−2.0)	1971	−17.9(−2.5)	−2.9(−3.1)	−5.5(−3.2)	−4.5(−3.6)	+.6	−2.3	
Springfield, Mass	−4.2(−4.5)	−4.2(−5.1)	−6.8(−5.2)	1974	−6.6(−5.6)	−3.6(−4.9)	(.....)	(.....)			
Indianapolis, Ind	−2.0(.....)	−3.5(.....)	−6.7(.....)	1973	−9.8(.....)	−6.1(.....)	−5.3(.....)	(.....)			
Prince Georges County, Md	0 (+5.0)	−3.3(+4.2)	−3.7(+4.2)	1973	−9.5(+3.2)	−5.6(+2.6)	−6.1(+1.1)	−7.9(+ .2)			
San Francisco, Calif	[1] −3.1(−4.7)	−7.6(−5.2)	(.....)	1971	−16.9(−5.5)	−9.1(−5.5)	−12.8(−6.2)	−8.8(−6.6)	−4.3	−7.8	
Detroit, Mich	[2] −5.4(−5.2)	−6.8(−5.8)	−9.2(−8.0)	1971	−21.7(−7.8)	−15.1(−7.8)	(.....)	(.....)			
Average loss	−2.6(−2.5)	−5.0(−3.0)	−6.4(−3.0)		−13.7(−3.7)	−9.6(−3.8)	−8.5(−3.6)	−7.7(−3.6)			

[1] Year before board order of mandatory busing.

[2] Average of 1968 and 1969 losses.

( ) All numbers in parenthesis are projected rate of loss based on birth data and migration data, U.S. census.

Mr. EAGLETON. The actual white student enrollment decline is shown in black lettering. The projected loss, absent a desegregation order, is shown in blue.

As this chart shows, the actual rate of white student enrollment decline in the nine cities was far greater than the projected rates after the start of extensive court-ordered desegregation plans. In the first year of busing, the actual rate of white loss was 3½ times the projected rate.

That is very graphically depicted and set forth on these charts that studied nine large urban school districts that were going through the process of desegregation.

Mr. President, let me add this final word or two. Let me point out that the Eagleton-Biden language relates only to HEW administratively ordered busing. That was pointed out by Senator BIDEN. It does not, it cannot, and it should not, apply, in my opinion, to court-ordered busing plans seeking to remedy constitutional violations of the equal protection clause.

Senator BIDEN and I disagree on the future scope of busing limitations. He, as he said in his remarks, would go even further and restrict courts in their busing decrees. I would not. I limit my objections solely to HEW administratively ordered busing, and that is all that is dealt with under the Eagleton-Biden language.

Let me give an example of why I think this amendment or the Eagleton-Biden language is important, and it comes out of my home State, a school district in Kansas City.

It does not, cannot, and should not apply to court ordered busing plans seeking to remedy constitutional violations of the equal protection clause.

The Eagleton-Biden language does apply, for example, to the situation which existed in Kansas City, Mo.

In 1973, the Department of HEW attempted to order the Kansas City school district to adopt a crosstown busing plan, or face the loss of millions of dollars in Federal aid. The HEW action was purely and simply a case of an administrative agency forcing a local jurisdiction to conform to some bureaucrat's arbitrary notion of what constituted a proper racial balance in each school. There was no trial. There was no court order. The closest HEW ever came to a courtroom in the Kansas City case was when they presented their arguments to one of their own hearing examiners, a Social Security Administration officer, at that. Not surprisingly, the hearing examiner ruled in favor of his own agency, and on the strength of this finding HEW presumed to order a major upheaval within the Kansas City school system. This is the kind of situation the Eagleton-Biden amendment is designed to prevent.

Finally, Mr. President, in 1977, a law suit was filed contesting the constitutionality of Eagleton-Biden. The Justice Department, defending the constitutionality of Eagleton-Biden, stated as follows in its brief:

> On the contrary, [it] merely effect[s] an adjustment of the means by which that prohibition is to be enforced and thus constitute[s] a valid exercise of Congress' discretionary authority to prescribe the appropriate remedy to enforce Fifth and Fourteenth Amendment guarantees.

The Justice Department brief went on to say,

> To argue that a prohibition against HEW's requiring busing as a condition of receiving federal funds is unconstitutional is to argue that the Constitution requires the imposition of a remedy for segregation before the existence of segregation has been proven . . . Certainly nothing in the Constitution requires that HEW be the final arbiter of whether schools or school districts have complied with constitutional requirements.

On July 18, 1978, Judge Sirica denied plaintiff's motion. As stated in the court's memorandum opinion,

> The Eagleton-Biden Amendment . . . preserve[s] the idea that local authorities are the parties best suited in the first instance to determine whether busing is needed to comply with equal protection.
>
> Nor do[es] th[is] amendment . . . bar federal authorities from exercising discretion to require student transportation when found to be a necessary device to effectuate federal guarantees.

The case is now on appeal before the U.S. Court of Appeals for the District of Columbia where the matter has been briefed and argued and where a decision is expected to be handed down perhaps later this year.

For the foregoing reasons, Mr. President, I oppose the Tsongas amendment.

If the Senator from Massachusetts prevails in inserting noneffectual language into the bill, stripping out the operating language, and that becomes law, it is the intent of HEW to go in and order intercity busing, because you cannot now cross the lines into the suburbs—to go in and effectuate cross-district busing in most of the larger cities in this country. The first city they will go into is Chicago. Chicago is now 78 percent black. I have talked with some people in Chicago, and they say it is 80 percent, but these are 1978 figures.

They want every school in the school district of the city of Chicago to have an 80-percent minority, 20-percent white racial balance.

Baltimore is now 70 percent minority. They want every school in the Baltimore school district to reflect that racial balance, and so on down the entire list of cities.

There could not be a more self-defeating exercise. If Senator TSONGAS gets his way, I think the end result will be that within a few years almost every major school district in this country will have a racial composition fairly close to that of the District of Columbia, that is, 96 percent minority and 4 percent white. I think the inevitability under the circumstances is that white flight will continue to occur as expressed on the other chart, which speaks for itself.

I cannot see how that is in any sense progress, or any other noble, positive word, to have HEW embark on an exercise which will make every large school district in this country virtually a solid minority district.

If that is progress, or if that is an effectuation of the civil rights cause, I find it very, very difficult to believe.

Mr. President, I reserve the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I yield myself 1 minute from Senator MAGNUSON's time.

The PRESIDING OFFICER. Without objection, the majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I am authorized by the chairman to make the following proposal with respect to time limitations on two amendments to be called up. This has been cleared with the distinguished ranking minority member on the bill (Mr. SCHWEIKER), and with the minority leadership.

I ask unanimous consent that on an amendment by Mr. MORGAN, there be a time limitation of 1 hour, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that on an amendment by Mr. RIEGLE there be a time limitation of 40 minutes, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent to proceed for an additional 30 seconds, without the time being charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that on an amendment by Mr. ROTH to the pending bill, there be a time limitation of 30 minutes, to be equally divided in accordance with the usual form. This also has been cleared.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. Mr. President, will the Chair indicate how much time we have left?

The PRESIDING OFFICER. The Senator from Massachusetts has 23 minutes remaining.

Mr. TSONGAS. And the other side?

The PRESIDING OFFICER. The other side has 3 minutes remaining.

Mr. TSONGAS. I ask unanimous consent that Peter Parham of Senator Kennedy's staff be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. Does the Senator from New York wish to speak?

Mr. JAVITS. Yes; will the Senator yield me 5 minutes?

Mr. TSONGAS. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, the Senator from Delaware (Mr. ROTH) is under a time constraint. I forgo my time for the moment, to let the other side yield to him.

Mr. ROTH. Mr. President, if I may have 30 seconds, I ask that I have permission to put my total statement in as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, the purpose of the Eagleton-Biden language in this bill is to keep the bureaucrats out of busing. We all want the same thing, and that is a colorblind society. But it makes no sense to continue along a path that neither provides quality education for our children, black or white, nor achieves desegregated schools. It is time we quit the experimenting with the lives of tens of thousands of children that is achieving no meaningful good.

I am always deeply disturbed by an accusation that my home State of Delaware has been involved in a case of school desegregation, because that is contrary to fact. After the Brown case in 1954, our State proceeded with dispatch and good faith in developing a unitary system. It did so well that, in the 1960's HEW applauded Delaware for doing the best job that had been done in any State. In fact, as columnist Bill Frank of the Wilmington, Del., News-Journal papers has pointed out, the dismantling of Delaware's dual school system was accomplished so quickly and so without fanfare that reference to it was all but buried in the News-Journal papers.

In short, Mr. President, the results are now coming in on forced busing, and a consensus is developing among local leaders, legal scholars, educators, sociologists and, above all, the American people.

No scholar in this country has done more to influence the goal of equal educational opportunity for all and a society free from racial prejudice than Dr. James S. Coleman, professor of sociology at the University of Chicago. Dr. Coleman's massive research study in the mid-1960's has been widely used to justify school desegregation as a means of achieving equal educational opportunity for schoolchildren of all races, creeds, and colors in America. But in the last 3 years, Dr. Coleman has subjected his previous research to rigorous self-criticism and evaluation in the light of new data available on educational achievement and the actual methods by which school desegregation has been carried out.

Dr. Coleman now concludes his initial research, the pillar of scholarship upon which so many of our massive metropolitan school desegregation schemes rest, was wrong, dead wrong. Where in the midsixties he once argued that "integration would bring about achievement benefits" for minority children, Dr. Coleman now says:

> It has not worked out this way in many of the school desegregation cases since that research . . . Thus, what once appeared to be fact is now known to be fiction.

Mr. President, like Dr. Coleman and other national scholars such as Dr. Glazer, Dr. Armor, and Dr. Thomas Sowell, I shall continue to fight for clarify and scholarship in the debate on this important issue of how best to achieve school desegregation. All of us are committed to the same goal: The best possible education for our children of all races, creeds, and colors, in the neighborhood school of their choice.

I urge my colleagues to reject the amendment of the junior Senator from Massachusetts.

Mr. President, I congratulate Senator EAGLETON and my colleague from Delaware (Mr. BIDEN) for their leadership in providing for trying to keep the bureaucrats out of busing. I would also say I am working with Senator BIDEN. I think this is not enough; I think we do have to restrict the authority of the courts, in the future, from ordering busing for racial balance purposes.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. TSONGAS. I yield the Senator from New York 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I have joined in this amendment with the Senator from Massachusetts for two reasons.

The first reason is a personal one. I deeply valued the leadership of Senator Brooke, especially on this bill, in respect of the fight on abortion, which in my opinion was lost yesterday, not won, though I deeply appreciate the exigencies with which Members were faced who voted yea, though they deeply believed it was the wrong course; and also, and very importantly, on the matter of school desegregation, in which Senator Brooke was an outstanding leader, and in which now, I think quite fittingly, his successor has taken on this critically important role.

Second, Mr. President, I believe the Senate should understand clearly that it is—and I emphasize that—it is interfering directly and substantively with the process of desegregation or equal opportunity in education if it again enacts section 208, which is here sought to be essentially stricken in a very important part of it, and that it does interfere with the judicial process of determining this issue, and the remedy which the Federal courts can embrace in respect of these matters.

They should not kid themselves into thinking that all they are doing is restraining the bureaucrats in the HEW. The basic reason for that is that there is nothing the bureaucrats can do that is not court-reviewable, except that it does not take 3 to 5 years to get it done. That is the only difference. If I am challenged, I would like to hear it. The only difference is that instead of waiting 3 to 5 years for the courts to act, we will allow HEW to act under definite rules and regulations, which we have a right to make in this bill or in any other bill which is suitable, and that can be challenged and is not put into effect until a judge passes on whether or not there shall be a temporary injunction. Only if he denies it, which he has every right to grant, if he thinks it is any kind of a colorable case, that is what is critical in this matter. What is being restrained are the very remedies that we wish the courts to employ, not drastic remedies of big busing and so on. I agree that this has become distasteful to the American scene. But there are fundamental remedies which educators believe in. That is, reforming the grade structure of schools, the pairing of schools or the clustering of schools, or any combination of them.

Let us remember, and I have said this for all the years since 1957 when we first talked about civil rights, that about half of the American children are bused to school today. And, as a matter of fact, those bused because of court order are down from 4 to 3 percent right now. It is diminishing. So the big deal is that less than 10 percent—about 5 percent, really—of children who are bused at all are bused pursuant to court order in order to effectuate a monumental reform in which, interestingly enough, Mr. President, it is no longer the South, as the South has done very well, but it is now Delaware and Missouri and the North and the West and my own State of New York. And there are many others.

What are we talking about? We are talking about Chicago, about Dayton, about Columbus, about Detroit. We ought to be ashamed of ourselves. There is no such social order here and there should not be.

Third, sure, that chart is right. It shows, unhappily for us, that the minority children are now concentrated in public education in the great cities. That is a tragedy.

So there may be very limited remedies. I agree. HEW or anybody else may be able to effectuate some very limited remedies to raise the level of education in these areas. Why should we inhibit them? If it is 96 percent in Washington and only 4 percent white and something can be done which will meet the test of the courts, which have to review it, whether HEW does it or not, why should we not allow it to be done? That is really the way I feel.

Lastly, I listened to the Senator——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. May I have an additional 2 minutes?

Mr. TSONGAS. I yield.

Mr. JAVITS. I listened to Senator ROTH very closely and he said it was not enough. "What else do you want?" It is not enough.

The answer is, unless this tension continues, unless there is somebody who has the guts to stand up here and fight it every time it happens and contest the matter again and again and again, it will be not enough until we become really a completely reactionary society.

So there is a great place for young Senators like Senator TSONGAS to carry on this struggle, beyond BROOKE, beyond me, beyond anybody else who is here now. That is why I am on my feet, Mr. President.

Finally, Mr. President, just to lock this thing in, and nobody has a greater affection and respect for TOM EAGLETON than I, this is what he, himself, said on September 27, 1978. I read from p. 31883, CONGRESSIONAL RECORD.

"These are all court order situations," referring to an analysis and a very good one, by the way. He is very learned in this subject.

"By the way, the amendment does not affect court ordered situations"—the same amendments as this one—"nor will I seek to effect court order situations, nor do I think constitutionally can we in this forum or any other forum constrain a Federal district court in its exercise of the equal protection clause."

I agree. Why should we have to wait 5 years for the court to decide when a remedy may be fashioned now which is subject to court review with the possibility of an injunction pendente lite if the court does not like what it sees? That is what is at the heart of this amendment and that is why I hope this amendment passes.

Mr. TSONGAS. Will the Chair indicate how much time remains?

The PRESIDING OFFICER. The Senator has 15 minutes and 30 seconds remaining.

Mr. TSONGAS. I thank the Senator.

Mr. President, it has been said this is really an attempt to bring back busing and that what we are interested in is no pairing, restructuring, or clustering, but busing. Let me read the language:

> None of the funds contained in this act shall be used to require the transportation of any student.

Where I grew up that means none of the funds contained in this act shall be used to require the transportation of any student. I do not know what could be clearer. Yet the argument in opposition to my amendment has been that I am looking for busing. I would challenge anyone to look at that language and tell me how busing, given the coloquy that has taken place on this floor, is possible.

What we are interested in is pairing, restructuring, clustering, not busing. All the arguments against the amendment have been on busing. It seems to me that there are moderate positions to achieve desegregation. Pairing is one and restructuring is another and clustering is the third. Yet no one has spoken to those alternatives, because busing is the emotional appeal:

> None of the funds contained in this act shall be used to require the transportation of any student.

It is clear and I would suggest that that issue for the most part is by the board.

The distinguished Senator from Missouri, who I know has given a great deal of thought to this issue, has shown us figures on the issue of white flight. That, I must admit, is the most troubling issue I have had to consider, that, indeed, the road to hell is paved with good intentions and those of us who are trying to achieve desegregation are doing just the opposite.

In fact, if one looks at the future and not the past, just the opposite is going to happen. The word "gentrification," which I never heard of until a year ago, is becoming a reality. There is white flight, but it is all coming back into the communities. The energy crisis and inflation, the impact of that all on homes, are going to bring whites back into the city to provide an opportunity for the kind of integration that perhaps was not possible 3 or 4 years ago. On those two issues I would hope that my colleagues would look at this not as a cloaked attempt to reinstitute busing, but, rather, as a moderate, realistic attempt at interim solutions, like pairing, restructuring, and clustering, which may indeed be used administratively and to avoid the long drawn out battle in the courts.

At this point, Mr. President, I understand the Senator from Pennsylvania wished to be yielded time.

Mr. SCHWEIKER. I ask unanimous consent that both sides be granted an additional 5 minutes.

Mr. TSONGAS. I believe I can yield the 5 minutes to the Senator. I yield 5 minutes of my time, Mr. President, to the opponents.

Mr. SCHWEIKER. I need 1 minute and I ask the Senator to yield 4 minutes to the Senator from North Carolina.

Mr. President, I appreciate very much the Senator's doing that.

Mr. President, I rise in support of the Eagleton-Biden position and against the pending amendment. I think Professor Coleman's report has dramatically pointed out that the initial purpose and intent, to cure segregation in terms of busing, has now reversed itself. He believes it is counterproductive, encourages white flight, a decline in tax base, which means increased taxes, and more white flight. I maintain it is a vicious catch-22 situation.

I respect the Senator's purpose in offering the amendment. I know he is sincere, but I think it is counterproductive. We did try in this bill to increase magnet schools, doubled the amount over last year; increased the program to target segregation—we increased it 50 percent. I think in these terms, the amendment is counterproductive, so I oppose it.

We did add significant money for concentration grants for urban schools, which I strongly support. This goes the other way.

I thank the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 4 minutes.

Mr. HELMS. I thank the Chair.

Mr. President, each session we confront the issue of forced busing. It is very simple: should the Federal Government be running the schools in this country or should the local administrators be running them? I submit that there is conclusive evidence that the Federal Government is incapable of doing otherwise than destroying public education in America.

As I listened to my friend from New York and my friend from Massachusetts earlier today, I did not question their sincerity and I do not now; but I fell to thinking about a distinguished citizen of my State named Charles Carroll, who served for many years as superintendent of public instruction in the State of North Carolina. Charles Carroll was interested in only one thing, and that was the best possible education for children in North Carolina. I remember the repeated trips he made to Washington when so many of these controls were being established. He pleaded:

> Leave us alone; let us have freedom of choice.

That was the North Carolina policy, but, of course, it was overturned by the Supreme Court and by the Department of Health, Education, and Welfare. Since that time, Mr. President, the forecast of Charles Carroll has proved 100 percent accurate. He forecast that if the Federal Government began to take over the process of public education in North Carolina and elsewhere, there would be hostility, there would be a deterioration of the quality of education, there would be even criminality. He said:

> You cannot push people around; you cannot destroy people's pride.

And he has been proved absolutely correct.

We have seen in North Carolina any number of splendid schools, which once were predominantly black but which had the highest measure of pride in education, music, and athletics, where now, with forced busing, the quality of education has deteriorated to the point that it is nothing short of frightening. That is why, Mr. President, I feel concern when Senators attempt to meddle further into this process. We ought to leave it alone and we ought to make it a policy of the Senate and the Federal Government that, as quickly as may be possible, we are going to make sure that the operation of the public schools of this country are returned to the people.

That is why I am pleased to join with the distinguished Senators from Missouri and Delaware (Mr. EAGLETON and Mr. BIDEN) to continue to restrict the power of the Department of HEW to order the busing of schoolchildren. And I shall continue to work to end the actions of the Federal Government to impose busing on the schools of this Nation whenever legislation which is being considered by the Senate presents such an opportunity.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator's 4 minutes have expired.

Mr. HELMS. Mr. President, I ask unanimous consent that I may be allowed to proceed for 2 more minutes.

Mr. TSONGAS. Mr. President, reserving the right to object, from whose time would that come?

Mr. HELMS. On nobody's time.

Mr. TSONGAS. I withdraw the reservation.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, one of the first pieces of legislation I introduced in the Senate addressed itself to this problem, because, like Charlie Carroll, I saw it coming, and it has come.

Last month, the Senate considered the extravagant waste of energy in this country resulting from needless schoolbusing. The average schoolbus, getting only 5 miles to the gallon, is the greatest gas guzzler on the road today. But, the unwarranted consumption of gasoline is not the only cost involved in busing. The U.S. Department of Transportation reports that last year there were 1,292 schoolbus accidents in which 1,020 schoolchildren and busdrivers were injured in North Carolina alone. Nationally, there were more than 23,000 crashes resulting in approximately 8,500 injuries and 185 deaths.

While expensive, schoolbusing continues to be a failure. Even proponents of schoolbusing such as Dr. James Coleman have concluded that busing does not work and that alternatives should be used to provide equal educational opportunities.

Busing continues to lack the support of the majority of Americans—including black Americans. A Lou Harris poll taken not long ago indicated that only 38 percent of black Americans favor forced busing and when asked whether forced busing will improve the quality of education for all students, 74 percent of black leaders said "no."

Mr. President, I believe it is an abuse of authority for any official of the U.S. Government to force students to attend a school or denied the opportunity to attend a school on the basis of race. The Department of HEW should not impose forced busing on the American people, nor should any Federal court.

This month the House of Representatives will consider a constitutional amendment to end the busing of schoolchildren for purposes of racial balance. This amendment would affect the power of Federal courts and Federal agencies.

Mr. President, it is time that the Senate considered the fact that the domestic issues of greatest controversy which the Senate has considered this year—and I mean the issues of abortion, school prayer, and busing have been imposed on the American people, not through the democratic process, but by the activism of the Federal judiciary.

Mr. President, is it not time that this body begin to consider whether the Supreme Court and lower Federal courts have not abused their powers under the Constitution? I do not wish to prolong a discussion on the role of the Supreme Court in regard to busing during consideration of the Labor/HEW appropriations bill, but the Court's imposition of forced busing upon the American people will continue to be an issue during this Congress. However, Mr. President, I take this opportunity to recommend to my colleagues a thoughtful and scholarly examination of the work of the Supreme Court in regard to forced busing by Prof. Lino A. Graglia. Professor Graglia is a professor of constitutional law at the University of Texas Law School at Austin and I ask unanimous consent that this article entitled "The Supreme Court's Abuse of Power," from the July 21, 1978, issue of the National Review, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SUPREME COURT'S ABUSE OF POWER

(By Lino A. Graglia)

Do you have an imperial judiciary? To put the question in more manageable form: What at this time, in our system of government, are the actual, effective limits on what our judges can do? Specifically, what are the limits on what the Supreme Court can do, acting in the name of constitutional law? We know that judges can order the reapportionment of our legislatures, state and federal; remove most restrictions on the availability of abortion and on the distribution of materials historically considered obscene; prohibit prayers and devotional Bible reading in public schools; and require the transportation of public school children in order to increase racial mixing in the schools. And we now know that a judge can even require that a neutered male be permitted to compete in the women's division of the United States Open Tennis Tournament. The British Parliament, it used to be said, can do anything but make a man a woman; this limitation, it appears, does not apply to our judges. The list could easily be extended, but this is surely enough to show that the question is a serious and important one.

The basic theoretical limit on the power of courts—the basic argument used to reconcile judicial power with elected, representative government—is, of course that judges can do no more than apply and, if need be, interpret the law: pre-existing, authoritatively established statements of rules and requirements. As Justice Roberts put it in his famous statement in the Butler case (1936), judges in constitutional cases merely place the challenged statute alongside the relevant constitutional provision and see whether the two square. (A carpenter could do it.) Justice Roberts wrote:

"When an act of Congress is appropriately challenged in the courts as not conforming to the constitutional mandate, the judicial branch of the government has only one duty; to lay the article of the Constitution which is invoked beside the statute which is challenged and to decide whether the latter squares with the former. All the court does, or can do, is to announce its considered judgment upon the question. The only power it has, if such it may be called, is the power of judgment."

Now, that statement was made in a case that illustrates almost as well as any that this is not what judges do. Nearly all present-day students of the matter will agree that Justice Roberts somewhat understated judges' power of choice. But (a modern defender of judicial power will argue), although the frequently litigated provisions of the Constitution are very general and indefinite, they do provide the basic principles that, properly understood, indicate the "correct" decision on specific constitutional questions.

The fact is, however, that a serious constitutional question is such not because it involves a basic principle of value but because it involves several such principles or values in conflict. In virtually all cases that actually come to the Supreme Court for decision, there is nothing in the Constitution to indicate how the conflict of principles or values should be resolved. As a practical matter, the Constitution is simply irrelevant to constitutional law except that it provides the peculiar phrases—typically "due process," "equal protection"—used to state the ultimate conclusions reached. If this is a surprising statement, it is only because belief that the Constitution contains answers to all questions of social policy is an article of our secular religion—it is not for nothing that judges wear black robes and the Supreme Court sits in a temple—or, for the more sophisticated, because the statement violates a widely accepted, though grossly misleading, convention concerning our references to the work of judges.

The irrelevance of the Constitution to constitutional law can be easily demonstrated. For example, there was a time when "the Constitution" permitted the assignment of children to schools according to race in order to separate the races. There was then a time when "the Constitution" prohibited such assignment. There was then a time (the present) when "the Constitution" was adduced as requiring the assignment of children to schools according to race—but, now, in order to mix the races. In all of this time, of course, the Constitution was not changed in any relevant respect.

To take another example from the same area of law, school segregation was held unconstitutional in the Brown case because it was found to violate the Equal Protection clause of the Fourteenth Amendment. Another case decided at the same time involved school segregation in the District of Columbia, under the jurisdiction of the Federal Government, to which the Fourteenth Amendment does not apply. The unavailability of the Equal Protection clause—the supposed basis of Brown—of course made no difference in the result reached. The Supreme Court simply found that school segregation in the District of Columbia violated the Due Process clause of the Fifth Amendment—an amendment adopted in 1791 as part of a Constitution that recognized black slavery. If the Fifth Amendment had also been considered unavailable for some reason, school segregation in the District of Columbia would undoubtedly have been found to violate some other constitutional provision—although the Constitution is very short, it is extremely general and vague, as befits a Constitution but does not befit a provision of law enforceable by judges.

Taking an example from another area, the Constitution specifically, in four places, recognizes capital punishment, but some justices have nonetheless taken the position that capital punishment is constitutionally prohibited, and a majority of the justices have found it constitutionally permissible only in very limited circumstances—have found that it is unconstitutional, for example as a punishment for rape.

As a final example—looking at the situation from the other side, so to speak—one of the most specific and definite provisions of the Constitution is the provision prohibiting states from impairing the obligation of contracts. It is clear that this provision was intended to prevent the states from adopting debtor relief laws, and this was considered so important that it is one of the very few limitations on state power written into the original Constitution. Yet when a debtor relief law came before the Court in the Blaisdell case in 1934—in my opinion the most clearly unconstitutional statute ever to come before the Court—the Court held it constitutional. I do not want to seem to be objecting to that decision, in which the political process was allowed to prevail; I cite it only to illustrate that the provisions of the Constitution, even the clearest, do not bear on constitutional decisions, except as they provide the explanations offered by the Court. It is indeed possible to imagine a legislative or other official act that could be realistically said to violate a constitutional provision, but such legislation is almost never enacted—and, as the Blaisdell case illustrates, in the extremely rare case where it is enacted, it is not necessarily held unconstitutional.

If, as should be clear, the Constitution does not in fact significantly determine or limit the Supreme Court's power, what, if anything, does? Another basic justification often offered for the Court's apparently unlimited power in our supposedly democratic system of government is, surprisingly, that the Court has no "real" power at all. Even if it is not significantly limited by the Constitution, this argument goes, the Court controls neither the sword nor the purse, and the effectiveness of its decisions therefore depends "ultimately" on its "moral authority."

The Court is thus often likened to a very respected and influential teacher or spiritual leader. However, as Clinton McCleskey has pointed out in Judicial Review in a Democracy: A Dissenting Opinion, the views of teachers and preachers are not ordinarily enforced by the power of the state. Little Rock can attest that the enforceability of Supreme Court decisions does not depend upon the Court's ability to persuade its opponents, and the Court has an effective call, if need be, upon the bayonet. It seems easy for many to forget that a Supreme Court decision is not less enforceable or effective because the Court's opinion is demonstrably incoherent, its reasoning illogical, and its factual statements inaccurate. Few people read Supreme Court opinions, and fewer still study them critically and compare the facts as stated by the Court with the facts shown in the record of the case. In any event, what it means to be supreme is that your views prevail even when you are clearly wrong. As Justice Jackson said, in a concurring opinion in *Brown* v. *Allen*, the Supreme Court is not final because it is infallible, but it is infallible for all practical purposes because it is final.

The claim that the Supreme Court's power derives from and is limited by moral principles, or by a supposed need on the justices' part to maintain unusually high standards of integrity, is no less fictional than the claim that it derives from or is limited by the provisions of the Constitution. The Court's freedom from authoritative determinations that it has erred has the effect on Supreme Court justices that is predicted by Lord Acton's dictum concerning the tendency of power to corrupt.

As Thomas Jefferson never tired of reminding us, judges are not, more than other rulers, immune from the effects of the possession of power.

Our judges [he wrote to William C. Jarvis in 1820] are as honest as other men, and not more so. They have, with others, the same passions for party, for power, and the privilege of their crops. Their maxim is "boni judicis est ampliare jurisdictionem," and their power the more dangerous as they are in office for life, and not responsible, as the other functionaries are, to the elective control. Indeed, because in our legal theory judges are not authorized simply to announce their policy views, but are required to claim a constitutional basis for their decisions invalidating the acts of other officials—a basis that typically does not in fact exist—the practice of judicial review is inherently inconsistent with candor. In effect, judges finding unconstitutionality must demonstrate what cannot be demonstrated, and wide departures from usual standards of accuracy and rationality are the inevitable result. How wide these departures are at any given time depends on how much the judges are willing to attempt, and for more than two decades now our judges, as already noted, have been willing to attempt a very great deal. As a result, they have been forced to explain and justify their actions with opinions that can make no claim to intellectual coherence or respectability, and they have engaged in practices—perversions of legislation, misstatements of fact, and patently fallacious reasoning—that would, if they were engaged in by any other government officials, be considered scandalous and lead to demands for impeachment.

The Supreme Court's almost total freedom from the restraints of honesty and rationality can be demonstrated, and the nature and source of constitutional law can be understood, only by detailed study of the Court's actual performance in specific areas of constitutional law. No area serves better for this purpose than the area of race and the schools, where the Court's decisions have led to a constitutional requirement that public school children be transported out of their neighborhoods and away from their neighborhood schools in order to increase racial mixing or "balance" in the schools. In 1954, in the Brown case, the Court held that segregation is unconstitutional. As important as that case was and is for its holding, it is far more important for the fact that it basically changed the views of the country, and specifically of judges, as to the proper role of judges in our system of government. Brown was less a traditional lawsuit than an attempt to bring about a social revolution through the courts. The success of that revolution, some ten years later, inevitably led to the belief that there is nothing that courts cannot or should not do. This new view of its power and position led the Supreme Court in 1968, in the Green case, to move from Brown's prohibition of segregation to the vastly more ambitious and questionable requirement of integration.

Brown's prohibition of segregation had, by 1968, proven very disappointing to some. The assignment of children to schools in order to keep the races apart—and, indeed, all legally required racial separation—had come to an end by 1968, but in the schools of the South, as in the schools of the North, much racial separation continued to exist. The idea therefore arose to require by law that the races be mixed—that is, to compel a greater degree of integration than results from the prohibition of segregation and the use of non-racial methods of assignment. Legally compelled integration, however, faced a major and perhaps insurmountable obstacle, the need to overcome the very principle that had been the justification of Brown's prohibition of segregation. Brown could be and was explained and justified as simply a prohibition of all racial discrimination by government. Compulsory integration, however, requires that racial discrimination by government be made not only permissible but mandatory.

Compulsory busing for racial balance takes place in this country, despite great popular opposition, not because of the Supreme Court's moral authority, but, on the contrary, because of the Court's relative freedom from moral restraints. There is no logical difficulty in distinguishing between racial discrimination to separate the races and racial discrimination to mix them, or in holding that the Constitution prohibits the former but requires the latter. As a practical matter, however, such a holding was impossible—even the power of the Supreme Court is, of course, not absolute. After many years of emphatic insistence that racial discrimination by government is constitutionally prohibited, the Court could hardly announce all of a sudden that racial discrimination is sometimes constitutionally required.

The Court, however, did not permit this difficulty to stand in its way. In law all things are possible (for example, the changing of a man to a woman), for all that is necessary is to change the meaning of words. The Court simply determined to impose a requirement of integration in fact, by what it ordered to be done—but, simultaneously, to deny that it was doing so, to insist that the requirement was only "desegregation," the ending and undoing of the segregation prohibited in Brown. To this day the Court has never admitted—in fact, has consistently denied—that there is a constitutional requirement of integration as such; in theory there is no constitutional objection to the existence of all or nearly all black and all or nearly all white schools within a school district or in close geographical proximity.

This strategy—insisting that the requirement was not integration but only desegregation—had enormous advantages for the Court. First, it appeared to confine the requirement to the South and, therefore, served to minimize the attention and concern of the North. A constitutional requirement of desegregation would obviously be applicable only where there was or had been unconstitutional segregation. Second, denying that there was a constitutional requirement of integration obviated all need to attempt to justify such a requirement on its own merits—either in terms of any constitutional principle, or in terms of the benefits that might be thought to result. Finally and most importantly, instead of having to attempt the unappealing and unpromising task of justifying a constitutional requirement of racial discrimination, the Court was able to claim that it was merely continuing to enforce Brown's prohibition of racial discrimination.

The only difficulty with the Court's "desegregation" (or "remedy") rationale for compulsory racial mixing was that it did not comport with what the Court was doing in fact. Each succeeding case made clearer that the Court was not requiring merely the ending or undoing of the segregation prohibited in Brown, but was requiring integration or racial balance for its own sake, the ending of racial separation in the schools regardless of how that separation was caused. A true requirement of desegregation would result today in no or almost no transportation of pupils in order to undo racial separation, because existing racial separation in the schools is not the result of racial discrimination by school authorities but is simply and clearly the result of residential racial concentration. In short, the Court has perpetrated a fraud, has done by deception what it felt it could not do honestly. This hardly disputable fact did not, however, cause the Court's decisions to be less binding, effective, or enforceable. Busing for racial balance pure and simple continues to take place throughout the country.

That gross misrepresentations of fact and patently fallacious reasoning in the Supreme Court's opinions do not detract from the efficacy of its decisions may be illustrated by consideration of two of the Court's major decisions on race and the schools, Swann v. Charlotte-Mecklenburg Board of Education, the Court's first busing case, and Keys v. School District Number One, Denver, Colorado, which brought compulsory integration and busing to the North. In Swann (1971) the Court, as always, insisted that the requirement was not integration but only desegregation. The "objective," the Court said, was to see that "school authorities exclude no pupil of a minority race from any school system, directly or indirectly, on account of race." What the Court required in fact—the assignment of children to schools other than their neighborhood school according to race in order to increase racial mixing—was, of course, the exact opposite of this. The exclusion of pupils, minority as well as majority, from schools because of their race was in fact not prohibited but required. Thus, a requirement of racial exclusion was justified by the Court in no other way than by insisting that racial exclusion was prohibited—a justification that can suffice only when offered by a decision-maker subject to no review and no contradiction.

Similarly, the Court stated in Swann that the busing it required was needed to "accomplish the transfer of Negro students out of formerly segregated Negro schools and the transfer of white students to previously all-Negro schools." In fact, however, most of this busing could not be so explained. Most of the schools out of which blacks were being bused were never segregated black schools; they either had been segregated white schools that became heavily black because of the growth of the black population after segregation ended, or had been built in the first place after segregation ended and therefore had never been segregated at all. The justification offered by the Court for what it was doing was simply inapplicable to the facts of the case before it.

The Court also stated that the busing ordered by the District Court was justified because of, first, the District Court's express finding, approved by the Court of Appeals and not challenged here, that a dual school system had been maintained by the school authorities at least until 1969; [and] second, its finding, also approved by the Court of Appeals, that the school board had totally defaulted in its acknowledged duty to come forward with an acceptable plan of its own, notwithstanding the patient efforts of the District Judge who, on at least three occasions, urged the board to submit plans.

This important statement is incorrect in every respect. First, the board had not maintained a dual system until 1969, but had abolished the dual system by 1965 at the latest. The District Court had so held in 1965, and that holding was affirmed by the Court of Appeals sitting *en banc* in 1966. Second, the board had not "totally defaulted" in submitting a desegregation plan. It had submitted a plan that would have achieved a higher degree of racial balance than can be found in almost any school system in the country—that would for example, have made every high school majority white. The Board's plan, at least with regard to the high schools and junior high schools, more than complied with every standard stated by the Court in *Swann* itself. Finally, the District Court had *not* found that the Board had "totally defaulted," and the Court of Appeals, of course had not approved any such finding. In fact, the Court of Appeals majority was so complimentary of the Board that the dissenting Court of Appeals judges criticized the majority for "implying that the actions of this Board had been exemplary."

Most important, the Supreme Court in *Swann* affirmed a District Court busing order on the basis of supposed findings by the District Court that the District Court did not in fact make. The District Judge did not purport to require busing to eliminate the dual system (which, as the Court of Appeals held in 1966, had been eliminated by 1965). The District Judge, much more ingenuous than the Supreme Court, openly stated that in his view busing was required simply because "the rules of the game had changed," and under the new rules, as he understood them, racially balanced schools were constitutionally required to improve black academic performance. He believed, on the basis of testimony by education "experts," that a "dramatic improvement" in black academic performance could be "produced" by "transferring underprivileged black children from black schools into schools with 70 percent or more white students." The Supreme Court never mentioning black academic performance, simply ignored the District Court's actual basis of decision and pretended that the District Court had ordered busing to undo racial separation resulting from prior unconstitutional segregation.

Finally, the Supreme Court faced here a very serious problem in dealing with the 1964 Civil Rights Act. With that Act, Congress adopted *Brown's* prohibition of racial discrimination by government as a matter of national legislative policy. A very important feature of the Act was that it authorized the Attorney General of the United States to bring desegregation litigation. The Act explicitly provided, however, that "desegregation" meant the assignment of students to schools "without regard to race," and did not mean assignment "to overcome racial imbalance." The Act also provided, redundantly, that it did not authorize the transportation of students from one school to another to achieve racial balance, and, finally, that it did not prohibit the assignment of students to schools on any basis other than race. The assignment and transportation of students to schools on the basis of race in order to achieve racial balance was, of course, exactly what the Supreme Court in fact required in *Swann*. While it purported to do so pursuant to the Constitution and not pursuant to the Act, the Act was clearly an embarrassment; the Court did not want to seem to be acting contrary to the congressional policy expressed in the Civil Rights Act. The Court therefore simply stated that the Act's definition of desegregation and its strictures on seeking racial balance were applicable only to the so-called de facto segregation of the North and were inapplicable to the South, where racial separation in the schools had been explicitly required by law.

This "interpretation" of the Act is, to put it as charitably as possible, totally without basis in the Act or in its legislative history. The Act's repeated explicit provisions that it could not be used to seek racial balance were written in at the insistence of Representatives from the South in order to protect the South. Far from being concerned with making the Act inapplicable to "de facto segregation" (racial separation or imbalance not required by law), Congress believed that a racial balance requirement would be unconstitutional because it would require racial discrimination by government in school assignment, and that, everyone thought, had been prohibited by *Brown*.

Senator Humphrey, the Senate floor manager of the bill that became the Civil Rights Act, stated:

"While the Constitution prohibits segregation, it does not require integration. The busing of children to achieve racial balance would be an act to effect the integration of schools. In fact, if the bill were to compel it, it would be a violation, because it would be handling the matter on the basis of race and we would be transporting children because of race."

A clearer example of judicial perversion of an act of Congress would be impossible to find. Not only were the Act's limitations made meaningless, but the Act became, in the hands of the administrative agencies (HEW's Office of Education and the Civil Rights Commission) and the courts, the essential tool for the imposition of the very racial balance requirement that Congress had sought to ensure could not be imposed.

The Court's opinion in *Keyes* is at least the equal of its opinion in *Swann* for defiance of logic and misrepresentation of matters of fact. If, as the Court continued to insist, the constitutional requirement was not integration but only desegregation—the ending or undoing of unconstitutional segregation—how, one might wonder, could the requirement be applied to Denver, which had never required segregation? Indeed, the Colorado Constitution had from the beginning explicitly prohibited school segregation; Colorado, and Denver in particular, with very small black populations until the 1950s, had always been leaders and models in civil rights matters. The almost unbelievable fact is that Denver was found to violate the Constitution and was required to bus schoolchildren for racial balance not because it had ever practiced segregation but because it had been exceptionally committed to increasing integration.

Despite *Brown's* and the Colorado Constitution's prohibition of all racial discrimination, in the early 1950s the Denver school board voluntarily undertook the practice of racial discrimination to increase racial mixing in the schools. The board required that race be taken into account in school decisions, that schools be located and attendance boundary lines drawn so as to increase integration. No more schools were thereafter built in northeast Denver, an area of black residential concentration. In a final display of its commitment to integration, the board then decided to require busing, and not only the busing of blacks into white neighborhoods, which might have been accepted in Denver, but also the busing of whites into black neighborhoods. Predictably, this was too much for even the citizens of Denver, and they promptly elected a new school board, which rescinded the busing requirement before it could be put into effect. However, in the American system of government as it currently operates, a victory at the polls remains a victory only so long as it is not disapproved by the courts—a function performed in some other systems by the military. A suit was brought challenging the rescission, and a federal District Judge held it unconstitutional on the paradoxical ground that a measure to increase integration, although not constitutionally required, may not, once it has been voluntarily adopted constitutionally be repealed. He ordered that the schools of northeast Denver be racially balanced as if the busing requirement had not been rescinded.

The Supreme Court in *Keyes* did not adopt the District Judge's theory that voluntary measures to increase integration may not be halted—indeed, in a later case it explicitly rejected that theory. As in *Swann*, the Court, instead, simply ignored the actual basis of the District Judge's decision and pretended that he had found that the Denver school board had racially discriminated to separate the races, despite the District Judge's explicit statement that he had *not* found racial discrimination apart from the rescission. The Court thereupon in effect instructed the District Judge that he had not gone far enough in ordering busing, that he should have ordered the elimination of majority black schools not only in northeast Denver but also in central Denver, the other area of black residential concentration. The District Judge could do this, the Court said, by finding that the majority black schools in central Denver were the result of the racial discrimination by the board that the District Judge had supposedly found in northeast Denver.

The logical and factual defects in the Supreme Court's opinion include that 1) the District Judge had not found racial discrimination by the school board in northeast Denver except on the basis of his rescission theory; 2) such discrimination, even if it had been found, could not possibly have been why the schools in central Denver were majority black; those schools had been majority black *prior* to the time that the schools in northeast Denver became majority black; 3) far from having racially discriminated to separate the races, the Denver school board had voluntarily undertaken to *increase* racial mixing, and found itself in consitutional difficulty only because of those efforts; and 4) the existence of majority black schools in central Denver was in any event obviously the result, not of racial discrimination by the board, but of residential patterns.

A more impressive display of misrepresentation, irrationality, and abuse of power would be difficult to find in the work of any other institution of government. If it should be found in any other institution, it would undoubtedly lead to widespread censure and demands for corrective action. The best evidence, perhaps, of the invulnerable position and enormous power the Supreme Court has now achieved in our system of government—of the existence, that is, of an imperial judiciary—is the fact that the Court apparently remains free from such censure and such demands.

Mr. HELMS. All things considered, Mr. President, this is certainly a matter that the Senate ought to leave alone if it is not going to act to further restore the authority of the local administrators of our schools to take over the operation of public schools.

Again, I thank the distinguished Senator from Massachusetts for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. TSONGAS. Mr. President, what is the time situation at this point?

The PRESIDING OFFICER. The Senator from Massachusetts has 6 minutes remaining; the Senator from Missouri has 3 minutes.

Mr. EAGLETON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. JAVITS. Mr. President, if I may have just 2 minutes.

Mr. TSONGAS. Mr. President, I yield such time as he may consume to the Senator from New York.

Mr. JAVITS. Mr. President, I just want to call the attention of the Senate to the fact that this is the 25th anniversary, this year, of the Brown decision upon which we act. I call attention to that in connection with the following: In the Education Amendments of 1974, we purported to give the education authorities and the courts certain instructions as to what remedies we thought would be the best for desegregation or for eliminating discrimination in the public school system. Those we chose were pairing, clustering, and restructuring of grades.

It is an amazing anomaly to me that these are the very same remedies now proscribed in what is called the Eagleton-Biden or Biden-Eagleton amendment. I thought that that should be called to the attention of the Senate. The very same remedies are now proscribed by this amendment in an appropriation bill, which has to be renewed every year, that we in 1974, ourselves, said in the education amendments of that year were the right way in which to bring about nondiscriminatory situations in public education.

Mr. EAGLETON. Mr. President, I yield to the Senator from Delaware 1 minute.

Mr. BIDEN. Mr. President, I shall take only 30 seconds.

I think there should be no mistake made, by me or anyone else on this floor that this amendment purports a very simple proposition: If this amendment passes, HEW is back in the business of being able to unilaterally order busing without having to go to court. This amendment is an HEW busing amendment, it allows HEW to bus regardless of any comment made by the courts.

It is that simple.

Mr. JAVITS. Mr. President, if the Senator will yield me another minute, I have yet to hear it denied that anybody, not just the school districts, but anybody, can go into the courts and get an injunction pendente lite against any busing ordered by HEW.

Now, under those circumstances, I cannot but most respectfully say that the statement by Senator BIDEN does not stand up.

A court can stop it.

The only thing the Senator wants is that a court should not be able to do it for all the years it takes to delay a judicial decision, and that is what this amendment is all about.

The PRESIDING OFFICER. Who yields time?

Mr. TSONGAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, in response to the latter statements by the distinguished Senator from Delaware, again, let me indulge the Senate in reading the language we have to be voting upon:

> None of the funds contained in this act shall be used to require, directly or indirectly, the transportation of any student.

I submit that language is quite clear.

It is interesting as we close the debate, there has not been any discussion as to the worthwhileness of pairing, restructuring, and clustering, which is the heart of this amendment, and that the discussion has been on busing, which is an interesting issue, I agree. It does not happen to be the language of my amendment.

Mr. President, I yield back the remainder of my time.

Mr. EAGLETON. Mr. President, I yield 1 minute to the Senator from Delaware.

Mr. BIDEN. Mr. President, if I may indulge the Senate for a moment, I would like to steal a phrase from the amendment offered by my colleague from Massachusetts. The language of the Byrd amendment, was interpreted by the Secretary of HEW, Secretary Califano in the following manner:

> I have concluded I shall give the language of the Byrd amendment its most literal application. It seems to me proper to construe narrowly any appropriation language inserted to prevent the Secretary from carrying out this full responsibility for the fiscal year.

Assistant Attorney General Drew Days interpreted the Byrd amendment in a similar fashion:

> The question presented by the Byrd amendment and by Secretary Califano's letter turns, in my view, is the need to reconcile the Byrd amendment with Title VI and on the apparent constitutional issue which could arise from applying the transportation limitation in such a way to preclude all HEW action to desegregate schools. For that reason, the Secretary's position is supportable.

In other words, the Assistant Attorney General believes that the Byrd amendment will not stop administrative busing.

So it is totally consistent that the Senator from Massachusetts should offer the Byrd language. He supports busing, and his amendment is totally consistent with his position, and for that I compliment him. But make no mistake. This in no way keeps intact the intention of the Senate expressed on at least four occasions that the Department of Health, Education, and Welfare should not, absent a court order, have the authority to decide if a school district should bus.

That is clearly the intent of the Tsongas amendment. When this amendment was law it was clearly construed by Secretary Califano and Assistant Attorney General Drew Days to say that HEW has and should have the power to order busing without a court order.

Just as the Senator from Massachusetts suggests that his amendment offered today does not go as far as he would like, I must acknowledge in all candor the Eagleton-Biden amendment does not go as far as Biden would like.

I quite frankly think we should be taking action that deals with the courts' ability to use busing as a remedy, but that is not the issue here. The issue here is whether or not bureaucrats in the Department of Health, Education, and Welfare should be able to determine that if there is an imbalance in the system and that they need not go to the court to redress that imbalance because they have the authority to administratively rectify the imbalance and if in order to rectify this perceived imbalance busing is the best way to do it, then they can decide to let them roll, to let us bus. This busing does not have to go through the courts. It is merely ordered by the administrative agency.

Now, we have been up and down this hill a number of times. Quite frankly, I am a little surprised that the effort is being made again, to eliminate a modest provision in the law which is fully constitutional. There is no question about it—the Senate and the House of Representatives have spoken time and again on this issue. This amendment comes at the very time when a constitutional amendment, has been voted out of the House Judiciary Committee, not by the Judiciary Committee itself, but by Members of the House signing a discharge petition to get it out of the Judicary Committee.

Here we are at a time when the Nation is saying overwhelmingly, and the Congress is saying overwhelmingly, that we do not like busing and we should even go a lot further than Biden-Eagleton went. What we are going to do here is to cut back the modest constraint on an administrative tool available to a bureaucratic agency in order to prevent them from being the final arbiters of what I referred to in the past as the atom bomb of the civil rights movement.

If the amendment offered by the distinguished, and I would say courageous Senator from Massachusetts becomes the law, HEW will immediately be back in the busing business again on their own, without having to go to a court, and they will be off and running.

My distinguished colleague from Missouri, I am sure, will tell you where they plan on running, but make no mistake about it. This says the buses will roll and HEW will say when.

I thank my distinguished colleague from Missouri for yielding the time and I yield whatever time remaining back.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. Mr. President, if the manager will yield to me, I ask unanimous consent for Paul Laudicina, of my staff, be accorded the privilege of the floor during the course of the debate on this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment offered by Senators TSONGAS and JAVITS to the Labor-HEW appropriations bill. The effect of this amendment is to strike language in the bill and substitute language which would allow HEW to administratively order busing of schoolchildren in order to achieve arbitrarily established racial quotas.

My position in opposition to this kind of unnecessary, insensitive policy is well known. I have opposed forced busing of schoolchildren, particularly administratively ordered busing, in the past, and I oppose it now with the same conviction. I urge that this amendment be defeated and that the language presently in the bill be retained.

● Mr. PERCY. Mr. President, I am supporting the amendment offered by Senators TSONGAS and JAVITS. I believe that it represents a workable compromise, and is very close to my own personal position on this issue.

I have always believed that busing is the least desirable method of achieving the goal of equal educational opportunity, and that other methods should be employed first. These alternative methods include clustering and pairing schools and magnet schools. However, with the exception of magnet schools, these other alternatives are prohibited under the provision presently contained in the Labor-HEW appropriations bill. It is for this reason that I support this amendment. The amendment would still prohibit the use of funds for busing, but would permit the funding of these alternative methods of achieving equal educational opportunity.

I still believe that busing should remain available as a last resort, for there are some situations where busing is the only viable alternative. Furthermore, we cannot retreat from our resolve to remedy the effects of decades of segregated schooling in this country. For too many years, minority students throughout this country have been the victims of inferior educations due to segregated school systems. However, I will vote for this amendment, and I urge my colleagues to also support this amendment, because I do believe that it is a sound and workable compromise on this very emotional and complex issue.●

Mr. KENNEDY. Mr. President, I rise to support the amendment by Senators TSONGAS and JAVITS to delete Eagleton-Biden provision and to insert the language of Senator BYRD to H.R. 4389, the 1980 fiscal year HEW-Labor appropriations bill. I think it is unconscionable that 25 years after the Brown against Board of Education decision that this body would permit such a devisive and limiting provision to retard the implementation of full enforcement of title VI, the Civil Rights Act of 1964. The amendment basically provides that no Federal funds may be used to require, directly or indirectly, the transportation of any student beyond the school which is nearest his home, and that school districts are prevented from pairing, clustering, or reorganizing grades, if that would require such transportation.

The Eagleton-Biden amendment raises serious constitutional questions and conflict with the letter and spirit of the antisegregation and discriminations statutes.

Under title VI of the Civil Rights Act of 1964. HEW is required to seek voluntary compliance from a school district which is unlawfully segregated. If voluntary compliance cannot be assured, HEW is authorized to use its enforcement power to terminate funding to noncomplying school districts.

Such sanctions are required by the equal protection clause of the 14th amendment.

The Supreme Court has held that a school district has a constitutional duty to eliminate segregation "root and branch." The Eagleon-Biden provisions allow both the root of segregation and all of its ancillary impact to remain in our communities. The constitutional duty to eliminate segregation goes even further. The burden on a school board today is to come forward with a desegregation plan that promises realistically to work, and promises realistically to work now. *Green* v. *School Board of New Kent*, (1968), 391 U.S. 430, 439.

In complying with its mandate to eliminate desegregation a school board may formulate a realistic plan which may include pairing or clustering, mechanisms which have been the least disruptive and restrictive.

Yet, the Eagleton-Biden provision prevents the Federal Government from requiring local communities to take even these traditional remedial steps to end segregation which still exists in many of our Nation's school systems.

The Eagleton-Biden language not only encourages the advocates of racist separation, it is yet another example of congressional action in violation of the historic Brown decision.

The effect of Eagleton-Biden amendment has been to force HEW to alter radically its approach to title VI enforcement of unlawful segregatory practices.

Mr. President, the Constitution requires equal treatment and protection of the laws for all citizens. These guarantees must endure. Yet the Eagleton-Biden amendment leads us to this question:

Of what value are constitutional rights without an effective remedy?

Rights without effective remedies are like a bell without a clapper.

The issue today is whether we will continue to deny school districts the opportunity to desegregate their schools by changing their existing grade structures or by relocating particular grades within the school district. Even though such remedies may require transportation past the school nearest to the student's home, they must not be precluded simply because a mere inconvenience or discomfort must be borne.

Busing itself is recognized as a remedy of last resort to desegregate schools. Over 60 percent of all public schoolchildren are bussed in this country every day. Of that 60 percent only 3 to 5 percent are bussed by order of the court for desegregation purposes. The Eagleton-Biden provision prevents school districts from employing more moderate and traditional means, including reorganization and clustering instead of bussing, to create equality in our public schools. It is clear that the Eagleton-Biden provision reduces the alternatives to extensive bussing.

As long as we allow the Eagleton-Biden language to persist as part of the HEW-Labor appropriations bill we are abdicating our responsibilities to promote equal protection for all. Once we begin on this path of denying effective remedies in the area of education, why can we not erode other basic rights and protections?

The implications are dangerous and regressive.

I hope that all of my colleagues will give serious consideration to these implications. The Eagleton-Biden language impedes the effort to assure equal education in this country. It is inconsistent with our democratic ideals and principles and it reduces the ability for the Government and local communities to employ methods which may minimize the need for bussing in the effort to eliminate the root of segregation.

In view of these serious concerns I would urge my colleagues to strike the Eagleton-Biden language and support the amendment offered by the junior Senator from Massachusetts.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

Mr. President, I move to table the Tsongas amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion. The clerk will call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the rollcall be suspended so I can clear up one question.

The PRESIDING OFFICER. The rollcall has not yet begun.

Mr. MAGNUSON. Mr. President, a vote "no" would be against the—this is an up or down vote——

Mr. EAGLETON. It is a motion to table.

Mr. MAGNUSON. This is a motion to table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. MAGNUSON. So an "aye" vote will be sustaining the committee's position and a "no" vote will be against it.

The PRESIDING OFFICER. The Chair does not interpret the vote.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from Massachusetts. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. EXON), the Senator from Alabama (Mr. HEFLIN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Georgia (Mr. TALMADGE), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that the Senator from Wisconsin (Mr. NELSON) is absent on official business.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) is necessarily absent.

The PRESIDING OFFICER (Mr. BURDICK). Have all Senators voted?

The result was announced—yeas 58, nays 35, as follows:

[Rollcall Vote No. 196 Leg.]

YEAS—58

Armstrong
Baucus
Bentsen
Biden
Boren
Bumpers
Burdick
Byrd. Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cochran
Danforth
DeConcini
Dole
Domenici
Eagleton
Ford
Garn
Goldwater
Gravel
Hatch
Hayakawa
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Levin
Long
Lugar
Magnuson
McClure
Nunn
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—35

Bayh
Bellmon
Boschwitz
Bradley
Chafee
Church
Cohen
Cranston
Culver
Durenberger
Durkin
Glenn
Hart
Hatfield
Inouye
Javits
Kennedy
Leahy
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Packwood
Pell
Percy
Pressler
Stafford
Stevenson
Tsongas
Weicker
Williams

NOT VOTING—7

Baker
Exon
Heflin
Nelson
Ribicoff
Sasser
Talmadge

So the motion to table Mr. TSONGAS' amendment (No. 360) was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the motion to lay on the table the amendment of the Senator from Massachusetts was agreed to.

Mr. BIDEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. MAGNUSON. Mr. President, I yield to the Senator from North Carolina who wishes to call up an amendment.

UP AMENDMENT NO. 402

(Purpose: To delete funds for implementation of Parts A and B of the New Basic Skills Improvement Act)

Mr. MORGAN. Mr. President, I call up my amendment to H.R. 4389 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from North Carolina (Mr. MORGAN) proposes an unprinted amendment numbered 402.

Mr. MORGAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 28, line 6, immediately following "title II" insert "part C," and on page 28, line 11, strike "$3,784,418,000" and insert in lieu thereof "$3,754,168,000".

Mr. MORGAN. Mr. President, the amendment that I have called up would delete from the appropriations bill $30,250,000 which creates a new program in education. It is a program called basic skills. The Senate, my colleagues, may remember that last year when the authorization legislation was considered I offered an amendment at that time deleting it on the grounds that it was entirely a new program in the field of education, one that I felt was not needed and also one that would entail over a period of 5 years or so appropriation of about a billion dollars. It was not funded last year, but this year it has been funded in the amount of $30.25 million.

I think it is a bad time to embark on an entirely new program at a time when we face budget deficits and when we are trying to bring the budget into balance.

To be specific, Mr. President, this amendment would delete that amount of money which is intended to implement parts A and B of title II of the Elementary and Secondary Education Act, otherwise known as the Basic Skills Improvement Act.

Mr. President, let me start by saying that I am all for increasing emphasis on the teaching of basic skills in the public schools. As a parent and as a resident of Harnett County in my State I have supported efforts by the county school system and the State Department of Instruction to improve our children's command of what is traditionally known as the three R's, reading, writing, and arithmetic.

If a child does not learn to master these very basic skills, he will have handicapped himself immeasurably as he tries to live an active, productive, and satisfying life. My opposition to this $30 million appropriation has nothing to do with my views on the merits of basic skills, and I hope that the Senate would not decide on this basis either.

In my view, this $30 million appropriation is a complete waste of money. In order to understand this, one need only explore the history of this program.

Part A of this basic skills program is a successor to chapter 1 National Reading Improvement Act. Last year, the GAO did a study of six of the projects funded under this authority and concluded that "the evaluation reports and our analysis of test results showed that while improvements were noted, there were no significant differences in the test results of students participating in—reading improvement projects versus students not participating."

As far as I can tell, from reading part A, the only significant difference between this new program and its predecessor is that this one has been expanded to include mathematics and writing. Thus, under the pending appropriation bill, it is proposed that a bigger and expanded version of a program previously judged to be a failure receive $20 million.

Part B, for which I am also proposing to delete funding, is entitled the "State Basic Skills Improvement Program." This program would provide money to State educational agencies to develop comprehensive, statewide plans to improve achievements in the basic skills. Every State agency which applied for funds under this program would receive a grant based upon the number of children between ages 4 and 18 in the State, but each State with an approved application would get at least $50,000.

This program bears the same relationship to a now repealed program under the National Reading Improvement Act as part A did to the reading improvement projects. However, in the 4 years of the old program's existence the Congress never gave it 1 penny. If any one of my colleagues were to take a look at all the qualifications and conditions that a State must meet to get its grant, he would quickly realize that very little of the proposed $10 million will be spent on anything except bureaucracy.

But my opposition to this proposed $30 million appropriation is much more deeply rooted than the fact that it will be a waste of money.

Part B would grant funds to State educational agencies to help them undertake the very job which they have been created. It makes about as much sense to subsidize State educational agencies for trying to improve student performance in the basic skills as it would to subsidize State legislature so they might legislate. And it calls into question very fuandamental issues concerning the proper relationship of the national and State governments and their appropriate roles in education.

To argue that our State and local governments are not capable of teaching basic skills to their students, as this appropriation implies, logically leads to the conclusion that education in the United States should be run from Washington. In fact, this belief surrounds the very debate concerning the enactment of the entire Basic Skills Improvement Act I addressed this issue during consideration of the authorization last August. Let me read some of the statements that have been made in support of title II:

Title II was justified by the Human Resources Committee as follows:

> The Committee has adopted this new title because of its concern over the widespread belief that American students are no longer proficient in Educational Basics.

Supporting this contention, the committee report quoted Secretary Califano:

> Given the public concern about basic skills achievement, it is essential that the Federal Government have a broadly based authority to help States and localities develop improved ways of raising achievement not only in reading, but also in mathematics, and written and oral communication.

In other words, it is important, he says, that the Federal Government have this authority.

The objective of the Human Resources Committee and the Secretary of Health, Education, and Welfare in all of this is quite clear. Let me quote Mr. Califano again. As he told the Subcommittee on Elementary, Secondary, and Vocational Education of the House Education and Labor Committee on February 28, 1978:

> We seek to forge a new Federal-State partnership that encourages States and localities to help carry out Federal priorities.

Not State and local priorities, not even the people's priorities, but the priorities of the Federal Government. If we approve this title II, we would be establishing a very dangerous precedent, one which I feel is totally intolerable and alien to the system of government we have.

As for part A, it would propose to spend millions upon millions of dollars to develop new methods of teaching basic skills when there is not one shred of evidence supporting the belief that poor teaching methods is the root of the problem.

Support in favor of this program can be characterized as follows: From the mid 1960's until about 3 years ago, standardized test scores, especially the SAT scores, declined. Furthermore, parents are concerned about this. Therefore, and let me repeat what Secretary Califano said:

> Given the public concern about basic skills achievement, it is essential that the Federal Government have a broadly based authority to develop improved ways of raising achievement.

Significantly, there is no attempt by the committee to prove that scholastic aptitude test scores have been declining because student achievement is lower, nor do they attempt to demonstrate that the presumed lower student achievement is a result of the failure of local school districts to use adequate teaching methods.

So, based on an unproven assertion and some public concern, this bill would provide the Federal Government with $20 million to implement a new, broadly based authority to interfere in all aspects of what are primarily locally controlled public school systems. I might add that nobody has asserted that the public is concerned with the failure of the Federal Government to act, as opposed to the failure of State and local school districts to take the necessary steps.

In recent years, there has been a large amount of work attempting to explain the problems of declining test scores. One excellent report was commissioned by the College Entrance Examination Board in order to explain the decline in SAT scores. But there have been many others, and it is interesting that virtually none of them would support the conclusion that we need this $20 million appropriation. I have a bibliography here of books, articles, and so forth, on this subject, a bibliography compiled by the CEEB's Advisory Panel, and I ask unanimous consent that it be entered in the Record at this point.

There being no objection, the bibliography was ordered to be printed in the Record, as follows:

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Mr. BRADLEY assumed the chair.

Mr. MORGAN. The declining average scores on standardized tests can be explained, I believe for three basic reasons. First, more students are staying in school longer and applying to colleges.

In the past only the more academically oriented students completed a significant amount of schooling. As it becomes easier for larger numbers of students to attend high school, college, and graduate schools, some decline in standardized test scores is inevitable.

Second, there has been a serious drop, in the public schools especially, in emphasis on the basic skills. Grading has become easier. There has been the development of automatic promotions policies. Absenteeism is much more tolerated. There are fewer required courses in the schools, and more electives are available. And, less homework is assigned. In short, children are not being forced to practice these basic skills, and are not being penalized when they do not learn them. Of course, they are not performing as well. In this regard, I would note that the declines found when one considers the averages are not found in those schools which have continued to emphasize basic skills and which have demanded certain levels of achievement from their children.

Finally, and this is more common sense than it is academically verifiable, there have been major changes in our society that have affected basic skills achievement. Increasing divorce rates and larger numbers of single-parent families certainly must have hurt. Related to this, there has been less direct parental involvement in their children's education. Television watching, a totally passive activity requiring no thought, must be having a major impact. While a child's capacity to waste time is limitless, they used to do so in a manner that kept both their minds and bodies active.

These problems, and there may well be others, are serious, and they will not be solved by the Congress spending millions of dollars developing new teaching methods.

Finally, I would point out that this program has no constituency demanding its creation. I have not received a single letter from back home asking me to support this appropriation, and I received no criticism for opposing the authorization last year. If we do not fund this program now, nobody outside of Washington will care. And should a decision not to fund be a mistake, we can undo it next year.

Mr. President, I ask the Chair, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 18 minutes remaining.

Mr. MORGAN. Finally, Mr. President, I want to make this point: We have embarked on so many Federal programs involving the public schools that we have just about inundated the public school systems with reports, applications, and bureaucracy.

This is one area that has historically been left to the local and State authorities. The constitution of my State, and that of almost every other State in the Union, requires that the State provide free public education.

This is an area where they have performed, and I think performed well. If this were a matter of striking a program already in existence I would have second thoughts. The thing that frightens me is to hear the same arguments that our distinguished colleague from Maine made just the other day when we were talking about a new housing program—which I favor—that once we embark on it, there is no backing up.

This interferes, I believe, with almost the last remaining vestige of local control of the schools. So I hope my colleagues will approve this amendment, and let us not embark on another big spending program at a time when we are trying to bring our spending within reason.

I reserve the remainder of my time.

Mr. EAGLETON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield the Senator from Missouri such time as he may require.

Mr. EAGLETON. First let me remark on certain points made by the Senator from North Carolina which I believe were at least partially in error.

First, there was heretofore a program called "right to read." Its appropriation was $27 million. The new basic skills section in the current authorization bill merely supplants what used to be the "right to read" program. The appropriation in this year's bill is $37 million.

So this is not, in a sense, a brand spanking new program that has never been heard of before, where there has been zero funding for an item and now suddenly it is $37 million. This is a replacement program, replacing the old "right to read" program.

The GAO summary and survey to which the Senator from North Carolina addressed himself was targeted at the old program; and there were problems with the old program. There were inadequacies with the old program. That was the very reason for changing the old program, which had not always functioned well; where the moneys had not, in the opinion of some of us on the authorizing committees, been as wisely spent as they could be; and where the program seemed to become in a sense, floundering.

We shared many of the criticisms as expressed in the GAO report. We addressed ourselves to it, and tried to make certain changes in bringing about this new program to respond to some of the legitimate criticisms of the General Accounting Office.

So the survey or report to which the Senator refers had to do with the old, outmoded program, the one supplanted by the new basic skills section.

Mr. President, there are many serious and grievous problems in this country that receive great focus and attention in the press. One of the most serious that I perceive, as one reasonably active in the field of educational legislation, is the very sharp decline in basic skills scores in our elementary and secondary schools around the country.

Senator MORGAN addressed himself to some of those. Some of the reasons that he spelled out in the concluding part of his speech, I think, are very well taken. The sad truth is that in the past 10 to 15 years there has been a decline in reading scores, most notably from the fifth grade and beyond; and although it is not as easily quantifiable in terms of statistics, computer printouts, and what have you, an even more marked decline in the quality of writing skills.

I see this at least once or twice a month when bright college graduates, some of them with advanced master's degrees and even Ph. D. degrees, come into my office seeking employment. When they are asked to submit an article, paper, or theme they have written, and turn that in, I find a very tragic inadequacy insofar as the written language is concerned. Such basic rudiments that all of us were taught in the very early grades as punctuation, paragraphing, and so on, all those rules are apparently either not being taught, or, if taught, are taught in such a way as to make only a marginal impact upon the student. So the decline in basic skills in both reading and writing is, I think, very well identified.

The Education, Arts and Humanities Subcommittee of the Committee on Human Resources has been holding hearings nationwide this year on basic skills. I have been chairing those hearings. We have had eight or nine such hearings in four or five cities thus far. I think the facts we will reveal in our report, when it is completed at the end of the year, will be very shocking to the American people insofar as they show how far we have slipped in this area of basic skills. Let me highlight a few examples from studies and surveys that have been done that illustrate the nature and depth of the problem.

A 1971 Harris survey identified as illiterate approximately 4 percent of the population that had completed a high school education. That is, 4 percent of our high school graduates are functionally illiterate, even where they have high school diplomas. There have been a couple of lawsuits around the country, where parents of high school graduates have sued the local school district when a son or daughter has received a high school diploma and they find, after graduation, that the son or daughter is functionally illiterate. There was one example out in California where a high school graduate went into a clothing store to try to get a job, and had to have the wherewithal to fill out a credit slip when someone asked for credit. That individual, a high school graduate, could not read the credit slip form he would have to fill out as a clothing salesman.

The adult performance level project found that 11 percent of those with a high school education are illiterate. The so-called Harris study found that 55 percent of those classified as the professional/managerial level to be functionally illiterate. Forty to 50 percent of the children in urban schools are reading below their grade level, at least one grade and in some cases as many as three, four, and five grades below their grade level. One-half of all unemployed youths aged 16 to 21 are functionally illiterate. And finally the SAT scores have been declining for the majority of this decade of the 1970's.

That is the nature of the problem and the scope of it.

What do we seek to do about it in this new basic skills section? First of all, Mr. President, the Federal Government is spending approximately $4 billion on elementary and secondary education programs. The National Institute of Education has identified some 44 Federal programs with basic skills components.

This basic skills section can best be described as "seed money" to encourage the States and the local school districts to expand vigorously and to improve their basic skills instruction.

The new basic skills authority provides the linkage between the numerous programs that have basic skills components. For the first time, under this new authority, the Federal Government encourages, indeed requires, districts to combine their total Federal, State, and local resources devoted to basic skills to develop a comprehensive approach to basic academic achievement. The basic skills programs sets up a model of cooperation between the Federal, State, and local educators to achieve higher academic excellence.

This is not a program, and I wish to underscore this because the principal thrust of the remarks of the Senator from North Carolina was Federal dictation, dictated from the top down.

Under part A of the program States or individual school districts within a State develop their own basic skills program. Broad general guidelines are given—they are broad and they are general—but each State or each district is encouraged to develop its own model for success.

Under part B of the authorization legislation, each State develops its own State plan for enhancing basic skills. The major impact of this program will not come through the few districts that can be funded with the $37 million in this appropriation bill. Rather, it will facilitate the sharing of State and school district knowledge and successful concepts and experiences with other more broadly funded Federal programs and educational programs generally.

This $37 million, Mr. President, a very limited target amount of money, is the seed money or the catalyst that will attempt to bring together a wide range and sweep of Federal programs in the elementary and secondary education level. It will in no way expand to the grandiose funding level that has been mentioned by the Senator from North Carolina. I know not where he derived that figure of some $750 million, because it is nowhere in any hearing record or any authorizing legislation that I know of. The authorizing legislation speaks of "such sums."

No one has in mind, least of all me, seeing this program grow to any kind of astronomical level as mentioned by the Senator from North Carolina. It is a restructuring of an old $27 million program with some increase, up to $37 million in funding in this year's bill, to try to leverage, as it were, the massive Federal investment that this country has been making since the mid 1960's in elementary and secondary education.

I can think of no better way to try to spend a limited amount of Federal dollars than to try to somehow enhance the basic skills of today's youngsters in elementary and secondary education. Although the program may not be later determined to be a raving success. I think it does show some considerable promise and, in my opinion, it would be very unwise indeed, as this program would be getting off in its initial stages, to cut it off at the knees by taking $27 million out of the $37 million appropriation.

Therefore, Mr. President, I very much urge my colleagues to reject the amendment as offered by the distinguished Senator from North Carolina. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Mr. President, I know of the very fine work that my colleague from Missouri has done in this field. I appreciate the fact that he is concerned about the problem. I do know that even though I misquoted this in my dear colleague letter, he did have 5 days of hearings, but I do not believe the record itself was published.

I think he makes some very good points. First of all, we are concerned about it, but the States are concerned about it because the parents are now at long last showing an interest in it. The parents are demanding that the States do something.

When my colleague mentioned the case in California where the parents were suing because their child had not been given an adequate high school education, I could not help but wonder, where were the parents during all of these 12 years while the child was supposed to be getting the education? The fact is that the Federal Government cannot do everything for everybody.

Even with the help of this money or any money, or the help of the States, we cannot force the basic skills on students without the help of the home, of the parents. But I think whatever can be done can be done better at the local level where the programs can be tailored for the individual problems in that area. That is exactly what we are doing in North Carolina. We have a very fine, dynamic Governor who has a Statewide reading program. He takes every Monday morning himself and goes out into a public school and tutors some child in the basic skills. It is a far-reaching program.

My argument is that this can be done better by the States, unhampered by Federal regulations and Federal guidelines. Let the States develop their own programs.

I know the argument can be made that, "Well, they do not have to take this money." That is what the distinguished Senator from Rhode Island said to me last year when we were debating this issue. They do not have to meet the guidelines prescribed by HEW, the broad general guidelines. They just do not get the money.

Unfortunately, we have seen what happens to almost every agency when the carrot of money is dangled before it. These broad general guidelines which were intended by this Congress when they passed the authorizing legislation last year were meant to be just exactly that—broad general guidelines, leaving room for the States to innovate, to develop imaginative programs. But, unfortunately, we have already seen that by the time HEW gets through prescribing the guidelines and the forms and regulations that have to be submitted, the procedures which have to be developed for the purpose of evaluating the effectiveness of the program activity, and all of the other things, then it becomes an unmanageable program and the vast majority of the resources are dissipated in bureaucracy and administration.

The $750 million cost figure that my colleague asked about was a Congressional Budget Office estimate that was made last year during the authorizing legislation, estimating what this program would cost over a 5-year period My prediction is that now it would be not $750 million but it would be more like a $1 billion program over the first 5 years and would be expanded. Once the program is started we would never be able to bring it under control.

I believe, Mr. President, that this program is a new program—and it is a new program for the other one was repealed last year.

I know there was this discussion in the committee on the floor that the national reading improvement program had been graded by GAO as to be ineffective.

This was, as the Senator says, a replacement program. But it was designed to scrap the old one and start again with the new one, thinking, maybe we can make this one more effective. I am afraid we cannot make this one more effective.

Finally, my colleague makes a more compelling argument. That is that we are spending $4 billion a year on the Elementary and Secondary Education Act. Forty-four of these programs, my colleague says, have basic skills components. In other words, we already have 44 programs, already operating and being funded by the Federal Government, involving basic skills. Why not let that be enough, just leave it to the States to develop their own programs? They are the ones who have the responsibility. Let us not dangle this carrot of Federal funds which inevitably results in Federal controls, before the States.

As I say, if we were in the middle of a program, I might take a second look, but I hate to see us just starting up. I urge my colleagues to vote for this amendment and let us not embark on this 45th program involving basic skills.

Mr. President, I reserve the remainder of my time.

Mr. EAGLETON. Mr. President, I shall take a couple more minutes, then I shall yield back my time.

First, I must underscore that this is a replacement for the old right-to-read program. This is not a brand spanking new program that sprang out of nowhere. What this program seeks to do, for a modest appropriation, is to pull together the various elementary and secondary education programs and try to put a concerted emphasis on the basic skills.

I know of no educational movement that has generated more steam in recent years than the so-called back to the basics. The Senator from North Carolina addressed that issue very early in his remarks.

This does not attempt to supplant any State program. It would in no way restrict the Governor of North Carolina from continuing to give his direct attention to basic skills or to do his tutoring every Monday morning. He would not have to conform to any great Federal edict or any great dictation.

The Senator from North Carolina has said that he has heard of no one back in his State who is interested in the program. That may well be. Each State is free to do its own thing. But the Office of Education has already received inquiries from 40 States in the United States. I do not have the exact list, but they have received inquiries from 40 States about this program, States which have stated their intention, if it does become funded, to be a part of it. So, I say, there is enough interest and potential awareness out there as to the ultimate benefits of this program.

In no way can this program ever emerge into the kind of billion-dollar program to which the Senator refers. He has had the program grow, in just the short span of the few minutes between his opening remarks and his rebuttal remarks, from $750 million in his opening remarks to a billion dollars in his rebuttal remarks. I presume that if he speaks after me before we go to the vote, by that time, it will be up to $1.250 billion.

We have no such figure in mind, Mr.

President. I can assure the Senator from North Carolina that Chairman Magnuson and I, who serve on the HEW Appropriations Committee, will in no way permit this program to grow by that grandiose amount. It is a modest investment on the Federal Government level with respect to a truly national problem of alarming scope. I shall not repeat all I have said about the decline in basic skills throughout the country, but it has been alarming and it concerns all of us. This is an endeavor to put $37 million in seed money to assist the Office of Education, working with the State Commissioners on Education and the school districts of this country, to make meaningful inroads into this considerable national problem.

To me, it is almost foolhardy to want to cut back on the one program that tries to address itself specifically to the greatest national educational need of our time—to wit, enhancement of basic skills education around this country.

Mr. President, I am prepared to yield back the remainder of my time.

● Mr. WILLIAMS. Mr. President, the Nation has a shared and intense concern that our schools educate our young people effectively. We have heard in recent years far too many condemnations of inadequate educational results, such as high school graduates who cannot read, conduct simple computations or compose a simple business letter.

In reponse, we have initiated a new program of help to States and localities to improve basic education. This help is authorized under title II, a new provision, of the Elementary and Secondary Education Act. It was enacted by Congress less than a year ago. Its enactment has created in the Committee on Labor and Human Resources a renewed search for improving educational quality and that search is being carried out in part by wide-ranging hearings under the able leadership of Senator Eagleton and Senator Pell and other members of our committee.

With this search for educational improvement in mind, Mr. President, we cannot adopt Senator Morgan's amendment to reduce Federal funding of title II, the basic skills title of the Elementary and Secondary Education Act. Unless these essential funds are in place, our ability to encourage local initiative to assure that every young person can read and write and compute effectively will be diluted enormously.●

Mr. MORGAN. Mr. President, I have just a couple more comments before I yield back my time.

I say to my colleague that programs around Washington certainly have a way of growing fast. I remember when I came here 5 years ago, the new Senate office building was going to cost $30 million. Now it has already gone to about $150 million. I suspect that this program will grow as fast.

What I really want to say is that the Senator indicates that there are about 40 applications, I believe he said, already. That proves my point that if the money is available, the local school districts and the State and local school agencies are going to get it. In other words, their thinking is, is there money appropriated? If there is, we want our share. That involves more and more Federal guidelines.

I think everything has been said that can be said except that I think the Federal Government should give money to the States only for problems that the States are not able to address themselves.

Mr. President, last year, we had about a $40 billion deficit in the Federal Government. To use the illustration of my friend, the Senator from Virginia (Mr. Harry F. Byrd, Jr.), if we had started on the day that Christ was born and had spent about $50,000 a day, we still would not have spent as much money as we went in the hole last year.

What about the States? In my own State of North Carolina, we had a $100 million surplus. They gave tax rebates. I think that is true of the vast majority of the States. So here are the State governments that have the responsibility for teaching the basic skills, with surpluses in their treasury, and here we are, in the Federal Government, with a tremendous deficit, about to appropriate more money to hand out to the States while they give rebates.

Mr. President, I again urge my colleagues to vote for the amendment and I yield back my time.

Mr. EAGLETON. I yield back my time, Mr. President.

Mr. MORGAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. Exon), the Senator from Alabama (Mr. Heflin), the Senator from Connecticut (Mr. Ribicoff), the Senator from Tennessee (Mr. Sasser), and the Senator from Georgia (Mr. Talmadge) are necessarily absent.

I further announce that the Senator from Wisconsin (Mr. Nelson) is absent on official business.

I further announce that, if present and voting the Senator from Connecticut (Mr. Ribicoff) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker) is necessarily absent.

The PRESIDING OFFICER. Have all Senators in the Chamber desiring to vote done so?

The result was announced—yeas 30, nays 63, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—30

Armstrong
Bellmon
Bentsen
Boren
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cranston
Garn
Glenn
Goldwater
Helms
Humphrey
Johnston
Kassebaum
Laxalt
Long
Lugar
McClure
Morgan
Percy
Proxmire
Roth
Simpson
Stennis
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—63

Baucus
Bayh
Biden
Boschwitz
Bradley
Bumpers
Burdick
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Ford
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Jepsen
Kennedy
Leahy
Levin
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nunn
Packwood
Pell
Pressler
Pryor
Randolph
Riegle
Sarbanes
Schmitt
Schweiker
Stafford
Stevens
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams

NOT VOTING—7

Baker
Exon
Heflin
Nelson
Ribicoff
Sasser
Talmadge

So Mr. Morgan's amendment (UP No. 402) was rejected.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table. The motion to lay on the table was agreed to.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared on both sides.

I ask unanimous consent that time for debate on the bill be limited now to 1 hour, to be equally divided between Mr. Schweiker and Mr. Magnuson; that there be 30 minutes on any amendment, with the exception of an amendment by Mr. Bellmon on which there shall be 1 hour; that there be a limitation of 1 hour on an amendment by Mr. Chiles; that on each of those two amendments—by Mr. Bellmon and Mr. Chiles—Mr. Javits be assured of 5 minutes which would come out of the manager's time; that there be 1 hour for debate on the measure under the control of Mr. Harry F. Byrd, Jr.; that there be a limit of 20 minutes on any debatable motion, appeal, or point of order, if such is entertained by the Chair; and that the agreement with respect to the control and division of time be in accordance with the usual form.

The PRESIDING OFFICER (Mr. Glenn). Without objection, it is so ordered.

Mr. MATHIAS and Mr. EAGLETON addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

UP AMENDMENT NO. 403

Mr. EAGLETON. I have an amendment, Mr. President.

Mr. MATHIAS. Is this a controversial amendment?

Mr. EAGLETON. No. I will dispose of it in 1 minute.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 403:

On page 54, line 10, strike out "$780,000,000" and insert "$780,400,000" in lieu thereof.

Mr. EAGLETON. Mr. President, the Inspector General Act of 1978 reflected the recognition by Congress that waste, fraud, mismanagement, and program abuse in 12 Federal agencies and departments were of such magnitude that they required an intensive proactive as well as reactive force to deal with it.

The Community Services Administration is one of these 12 agencies. Just this week, the Committee on Labor and Human Resources held a confirmation hearing on Mrs. Frankie Freeman, nominee for the Inspector General of CSA. At that time, it was brought to my attention that her staff consists of only 23 auditors and 14 investigators.

Mr. President, when I was circuit attorney for the city of St. Louis some 19 years ago, I had a larger investigative staff than that.

Congress has charged these various agencies with a heavy responsibility to eliminate waste, fraud, and abuse. If we only mandate the office, but then do not provide the necessary investigators and auditors, we have not lived up to our responsibility.

The amendment I am offering will provide an additional $400,000 for the Inspector General's office to be used to hire necessary investigators or auditors or to contract for such work.

Mr. MAGNUSON. Mr. President, we have embarked upon a program of having an inspector general in almost all departments. Some of them have enough help and some do not.

The Senator from Missouri has been very active in creating the position of inspector general in his bill and other bills, and they have done a good job. They have more than paid for themselves. It has done a lot to eliminate waste and fraud and mismanagement.

In my opinion, if there ever were an agency that needed an inspector general, it is clearly the Community Services Administration. They are always in trouble. They are always doing something wrong at the regional level or at the local level. As a matter of fact, I would even up this amount.

So I am glad to accept it. The additional amount of $400,000 is going to be well worthwhile particularly in auditing.

The community services operations in the Nation are replete with someone doing something wrong, finding out who is doing the wrong thing, misappropriating money, or not necessarily fraud but waste.

So, therefore, I strongly endorse the amendment.

Mr. SCHWEIKER. Mr. President, if the Senator will yield, I certainly commend the amendment. I think it is a good one. It is a very cost-effective one. I strongly support it.

Mr. EAGLETON. Mr. President, I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I strongly support the amendment that is pending. I think that the Senator from Missouri has an amendment that often could be given on many bills that we have here in reference to appropriations. I particularly believe in this instance that it is not actually an expenditure of money that he is asking. He is giving us the opportunity to invest in a better operation and actually save money.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. EAGLETON. I yield to the Senator from Florida.

Mr. CHILES. Mr. President, I also commend the Senator from Missouri for offering this amendment. One of the things we said in Congress I think when we created the inspectors general was that we expected them to do the job of policing against fraud and waste and inefficiency, and we asked specifically the inspectors general if they would tell us if the budget did not provide sufficient funds for them, and request has been made. I think that we certainly need to honor that request.

I am delighted to see the Senator offering this amendment.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. MAGNUSON. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Missouri.

The amendment was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 404

Mr. MATHIAS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposed an unprinted amendment numbered 404.

At an appropriate place in the Bill add the following: "$2,000,000 for Population Education".

Mr. MATHIAS. Mr. President, Congress established a Commission on Population Growth, recognizing that population changes have very dramatic impact on the lives of all Americans.

One of the recommendations of the Population Commission was the enactment of a program for population education.

In response to this congressional recommendation, the administration has established such a program of population education and has requested funding for it.

This amendment does not provide the full funding that was requested by HEW but will, I believe, satisfy the necessities that this program will demand.

I think it is a very useful program, and I urge the Senate to provide this limited amount of funding for it.

Mr. MAGNUSON. There is no amount in the House bill for this fiscal year. I think we can take the $2 million to the House of Representatives and see what we can do with it.

I accept the amendment.

Mr. MATHIAS. I appreciate the chairman's support.

I yield back the remainder of my time.

Mr. MAGNUSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Maryland.

The amendment was agreed to.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 405

(Purpose: To increase local initiative funding by $12,000,000)

Mr. KENNEDY. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and Mr. JOHNSTON, Mr. WILLIAMS, Mr. JAVITS, and Mr. NELSON, proposes an unprinted amendment numbered 405.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 54, line 10, strike "$780,400,000" and insert in lieu thereof "$792,400,000".

The PRESIDING OFFICER. If the Senator will suspend a moment, it will take unanimous consent to consider the amendment in that it amends a part of the bill already amended.

Mr. KENNEDY. I see. I so ask unanimous consent, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I offer this amendment on behalf of myself, Senator JOHNSTON, Senator WILLIAMS, Senator JAVITS, and Senator NELSON. This is an amendment to increase the funding for CSA by $12 million. This increase is intended for the local initiative program.

The community action agencies not only administer most of the CSA programs, but a variety of other Federal programs as well. Head Start, crisis intervention, weatherization, CETA training programs, meals on wheels for the elderly, women, infant and children (WIC) programs are all run through the communication action agencies.

They run these programs with 400,000 volunteers as well as the staff that they pay, so they provide a relatively less expensive delivery vehicle.

The committee recommends an appropriation of $381 million, compared to the fiscal year 1979 figure of $369 million. This is a 3.25 percent increase. While this may help alleviate some of the pressures of inflation, there are two other areas which I believe need strengthening, and which can be strengthened through this amendment:

First. Many of our poorest rural areas are still without community action agencies, and are thus either deprived of the services that the CAP's offer, or adjoining CAP's must spend large amounts of money in trying to get services to them. A total 871 of the 3,141 counties in the United States currently do not have community action agencies. This includes 326 counties where over 20 percent of the population fall below the poverty line. The amendment would allow expansion into these poorest unserved counties.

Second. Some of the community action agencies have not been as effective as they could be because of administrative difficulties. It is especially important that community action programs be run as effectively as possible when Federal social services programs are not growing and when the CAP's must stretch Federal funds and must find local ways of substituting for them.

The $12 million increase we are suggesting in this amendment will allow for the expansion into the poorest areas and will allow for strengthening administrative capability.

I have had an opportunity to talk with the manager of the bill on this issue and the ranking minority member and I believe they are willing to accept it.

Mr. MAGNUSON. Mr. President, I am willing to accept this amendment because it will go a long way toward bringing the community action programs to underserved poverty areas.

The local community action agencies were established to provide the poor an effective voice for achieving economic opportunity. It is estimated that these local poverty agencies act as a catalyst to mobilize and coordinate Federal, State, and local public and private resources totaling about $1.6 billion annually. It is, therefore, important that they be given sufficient funds for designing, operating, and evaluating programs to meet the unique problems of poverty in their own jurisdictions. This modest amendment will help them to better accomplish that responsibility.

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. MAGNUSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 406

Mr. ROTH. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Delaware (Mr. ROTH) for himself, Mr. PRYOR, Mr. HARRY F. BYRD, JR., Mr. STONE, and Mr. NUNN proposes an unprinted amendment numbered 406.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 53, after line 23, insert the following new section:
>
> SEC. 213. Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education and Welfare is hereby reduced in the amount of $500,000,000. *Provided*, That this reduction shall be achieved by the reduction of fraud, abuse and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education and Welfare: *Provided further*, That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

Mr. ROTH. Mr. President, I am offering this amendment on behalf of Senator HARRY F. BYRD, JR.; Senator STONE; Senator NUNN; and Senator PRYOR.

Our amendment would reduce the appropriation for HEW by $500 million. This reduction would be achieved by the reduction of fraud, waste and abuse in HEW. This amendment passed the House of Representatives on June 27, 1979, by a vote of 263 to 152.

Last year the Inspector General of the Department of Health, Education, and Welfare reported that between $6.3 and $7.4 billion in HEW funds are lost each year due to waste, fraud, and abuse. The waste, fraud, and abuse cited by the Inspector General includes a wide variety of mismanagement such as payments to ineligibles and overpayments to rightful recipients in aid to families with dependent children, social security, and medicaid.

Last year we limited the HEW appropriations to reduce losses due to mismanagement and misrepresentation by $1 billion. HEW has done all it can to avoid compliance with our amendment last year. They have only made a modest reduction of $169 million.

The amendment specifies that the reduction must come solely from waste, fraud, and abuse and not from regular program funds appropriated in this bill. Social security and medicare trust funds are not covered under this amendment. The amendment limits the reduction to the specific programs deemed most fraudulent by the Inspector General.

Mr. President, I believe the House sponsor of this measure, ROBERT MICHEL, explained this amendment very clearly. He said:

> I am proposing a figure of $500 million because HEW has made reductions of $169 million under the Michel amendment to date, and because the line item appropriations in 1980 for medicaid and SSI do include additional reductions of $259 million and $30 million, respectively, in waste, fraud, and abuse. Those amounts add up to $458 million, which is $542 million short of complying with our amendment of last year.
>
> The Inspector General, unfortunately, did not put together a list of estimated losses in HEW programs this year, as he did last year, so I cannot tell you precisely what the total current losses are. However, we do know from our hearings that Federal dollar losses under the AFDC program exceed $500 million a year, and the Federal losses in medicaid range between $1 and $2 billion. So in just these two programs alone, the Federal losses are at least three times the reductions required by my amendment.

Last year we committed ourselves to reducing HEW's wasteful and fraudulent expenditures—we must not take the pressure off HEW simply because the end of the fiscal year approaches. We also have a commitment to the taxpayers of this country—we must not fail to effectively oversee the expenditure of America's tax dollars.

I yield back the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I yield 6 minutes to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia has 6 minutes.

Mr. HARRY F. BYRD, JR. The amendment which Senator ROTH and I have submitted is simply a restoration to the bill of language passed by the House and eliminated by the Senate Appropriations Committee.

What the Roth-Byrd amendment does is to reduce the total budget authority for HEW in the legislation by $500,000,000, with the stipulation that the reduction be achieved by reduction of waste, fraud, and abuse as defined by the Inspector General of the Department of Health, Education, and Welfare.

Last year a similar provision was included in the final version of the Labor-HEW appropriations bill, with the total reduction amounting to $1 billion. For some time HEW was of the view that that language of the fiscal year 1979 bill was not mandatory in nature, but opinions by the General Accounting Office and the Justice Department contradicted this position.

At the conclusion of my remarks I shall ask unanimous consent to have printed in the RECORD the legal opinions of GAO and Justice.

When it learned that it could not dodge the fiscal year 1979 amendment, HEW had actually achieved only $169 million in reduction of waste, fraud, and abuse. It was then compelled to propose stringent reductions to achieve that target.

This matter was then taken up in connection with debate on the 1979 supplemental appropriations bill. The Senate and House took differing actions with regard to the waste, fraud, and abuse reduction, so the matter came before the conferees.

The conference report language, approved by the House but not yet considered by the Senate, cuts the amount of the required reduction for the current year from $1 billion to $301.5 million and allows HEW, if necessary, to borrow from fiscal year 1980 appropriations if necessary to pay entitlements. No legitimate recipients are to be denied payments to which they are entitled.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. MAGNUSON. We intend, I intend, to bring up the conference report as soon as possible today on the supplemental so that that would then incorporate the new language that the House approved and we will approve.

Mr. HARRY F. BYRD, JR. I thank the Senator from Washington.

Mr. MAGNUSON. On reducing it to $500 million.

Mr. HARRY F. BYRD, JR. Yes.

Further language in the conference report requires the Secretary of HEW to issue regulations requiring that by September 30, 1982, all States reduce to 4 percent their erroneous excess payment rates for the AFDC and medicaid programs.

Meanwhile, the Inspector General of HEW, who last year estimated waste, fraud, and abuse losses at between $5.5 and $6.5 billion, has reported that attainable savings for the forthcoming fiscal year—fiscal year 1980, the year we are dealing with in the pending bill—amount to almost $3 billion—to be exact, $2,972,000,000.

Based on the Inspector General's estimate, it would appear that the reduction called for by the House in approving the amendment of Congressman Michel of Illinois—$500 million—is only 17 percent of what could be achieved.

Surely this is a moderate proposal.

If we do not adopt a required reduction for fiscal year 1980, I think there is a real danger that nothing will be done. HEW already has been let off the hook—if the conference report on the supplemental bill is approved—for fiscal year 1979, with a reduction of only 30.15 percent of what was originally required.

Should the Congress fail to hold the Department's feet to the fire, history strongly suggests that there will be little or no movement toward getting rid of the staggering waste in the HEW budget.

Approval of the amendment which Senator Roth and I have proposed will eliminate the question of waste, fraud, and abuse reductions from the conference, since our proposal is identical to the language approved by the House. I believe it is time to settle this matter, and to let HEW know in no uncertain terms that it must begin to show reasonable progress toward eliminating waste, fraud, and abuse.

I support the pending amendment, Mr. President.

I ask unanimous consent that the legal opinions of the General Accounting Office and the Department of Justice, with regard to the Michel amendment of 1978, be printed at this point in the Record.

There being no objection, the opinions were ordered to be printed in the Record, as follows:

Comptroller General
of the United States,
Washington, D.C., May 7, 1979.

Hon. Robert H. Michel,
Ranking Minority Member, Subcommittee on Labor-HEW Appropriations, Committee on Appropriations, House of Representatives.

Dear Mr. Michel: This is in response to your request, signed also by Chairman Natcher of the Subcommittee on Labor-HEW Appropriations, for a legal opinion from our Office on the total amount of appropriated funds available to the Department of Health, Education, and Welfare (HEW) for obligation in the fiscal year 1979, under Public Law No. 95–480. Your specific question is whether the Secretary of HEW has available the total of the line items in the FY–1979 HEW Appropriation Act—approximately $54.1 billion—or that amount less $1 billion, representating a mandatory reduction in available appropriations. It is our opinion that the lesser sum is available to HEW for obligation during the 1979 fiscal year.

Section 201 of the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1979, Pub. L. No. 95–480, 92 Stat. 1567, 1584, reads as follows:

"Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare is hereby reduced in the amount of $1,000,000,000: *Provided,* That this reduction shall be achieved by the reduction of fraud, abuse, and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education, and Welfare: *Provided further,* That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act."

As indicated in your letter, the total of all line item amounts appropriated to HEW by Pub. L. 95–480 is $54,085,830,000. It is your position that, since section 201 reduces the total amount of budget authority provided HEW by $1 billion, HEW has available for exepnditure from funds provided by this Act no more than $53,085,830,000.

The Secretary of HEW has taken the position that section 201 does not require a $1 billion "reduction" in total budget authority. Various arguments have been set forth by HEW at different times and in different contexts to support this proposition. For example, in a letter to your Subcommittee dated October 11, 1978, (prior to enactment of the legislation) the Secretary of HEW said the following:

"In short, we intend to meet the objective of the Michel Amendment not by reducing program appropriations but rather by the vigorous application of the measures I have identified which should result in savings of $1 billion. Indeed, we are legally prohibited from reducing the appropriations for the programs to which the Amendment applies (the programs cited in the Inspector General's Report)—Medical, Medicare, AFDC, Social Security, SSI, Social Services, Student Assistance and ESEA, Title I—since grantees or individual beneficiaries are entitled by statute to Federal funds under these programs. Failure to make such payments would give rise to enforceable claims against the Government." See 124 Cong. Rec. H. 19469, 12470 (daily ed. October 12, 1978).

Subsequently, in two plans submitted to your subcommittee, on November 20, 1978, and March 5, 1979, to show how HEW was going to comply with section 201, the Secretary of HEW suggested first that the $1 billion was only a target" or "goal" and, second, that the bulk of the $1 billion had already been "saved" when HEW prepared its budget request for the 1979 fiscal year.

Finally, we have now been furnished with a copy of a memorandum from HEW's General Counsel to the Secretary which sets forth in greater detail the legal basis for HEW's position:

"The Michel amendment's first proviso explicitly limits the amendment's effect to sums appropriated by the Department's fiscal year 1979 Appropriation Act that the Department would otherwise expend because of fraud, abuse, and waste. The amendment's second proviso requires the Department to construe the amendment so as not to reduce the financial assistance to which grantees would be entitled under the Act had the amendment not been enacted. Taken together, the two provisos exempt from the amendment's first clause—which is cast as a $1 billion appropriations reduction—all of the amounts appropriated by the Act to carry out the provisions of the statutes that the Department administers.

"Inasmuch as the Secretary may knowingly expend appropriated funds only to carry out these provisions—in other words, the laws that the Department administers do not, generally speaking, permit expenditures or appropriate amounts for "fraud, abuse and waste"—the Michel amendment does not have the effect of curtailing the Act's appropriations. Rather, it is an instruction to the Secretary to eliminate one billion dollars from moneys that, because of fraud, abuse, and waste, would otherwise be expended contrary to law from funds appropriated for the cited programs.

"However, the Secretary was legally bound, prior to the Michel amendment, to prevent Department expenditures for unlawful purposes. Therefore, the Michel amendment merely restates a part of the Secretary's preexisting legal obligation."

Relying primarily on the views expressed by the General Counsel, HEW's position, in essence, appears to be that section 201 of the Act, considered in its entirety, is of no legal effect since the first and second provisos nullify whatever meaning the initial clause might otherwise have had. In other words, HEW interprets section 201 as directing it to do no more than achieve $1 billion in "savings" by eliminating that amount of fraud, abuse, and waste (some of which it maintains has already been achieved), without actually reducing the amount of money available to it for obligation and expenditure.

We disagree with this interpretation. First, HEW's view is contradicted by the statutory language which is that the total amount of budget authority provided to HEW under the Act "is hereby reduced" by $1 billion. Moreover, HEW's interpretation would violate the general rule of statutory construction that a "statute should be construed so that effect is given to all its provisions, so that no part will be inoperative or superfluous, void, or insignificant * * *." See Sutherland, Statutory Construction § 46.06; and B–167694, May 22, 1978. Following this rule, we would not conclude that Congress added section 201, after considerable debate and discussion, with the intent that the two provisos would cancel the meaning of the clause so that the entire section would have no impact and would merely require the Secretary of HEW to do that which he was already obligated to do.

Our reading of section 201 suggests the following interpretation. The initial clause in the section by its terms reduces the total amount of budget authority provided HEW in the Act by $1 billion. The provisos contained in section 201, rather than nullifying the entire provision, limit the discretion of the Secretary of HEW as to the manner in which the $1 billion reduction is to be achieved.

The first proviso requires HEW to realize the $1 billion reduction by eliminating that amount of waste, fraud, and abuse as defined in the Inspector General's Report. (The specific programs identified in the Report are discussed below.) In a similar vein, the second proviso insures that none of the $1 billion reduction would be achieved by revising any statutory "entitlement" programs for which funds were appropriated in the Act. Contrary to HEW's interpretation, however, neither of the provisos is inconsistent with the intial clause reducing the amount of HEW's appropriation by $1 billion. In our view, section 201, considered in its entirety reflects the apparent view of Congress that, of the total appropriation to HEW of $54 billion, at least $1 billion would be misspent through waste, fraud, or abuse, and therefore that reducing waste, fraud, and abuse by that amount would not adversely affect any statutory entitled programs or cause any recipient legally entitled to receive assistance from HEW to be denied such assistance. Moreover, consideration of the legislative history of this provision lends strong support to our interpretation.

You first introduced the language that was ultimately adopted in section 201 as an amendment to the HEW Appropriations Bill:

"Mr. Chairman, as most of you know, the Inspector General in the Department of Health, Education, and Welfare recently issued a report estimating that from $6.3 to $7.4 billion in HEW funds is being lost per year due to waste, fraud, and abuse.

"The amendment I am offering would reduce the HEW portion of the bill by $1 billion, solely for the purpose of eliminating some of this waste, fraud, and abuse.

"I emphasize the word 'solely', because the amendment specifically states that the reduction is to come only from reduced waste, fraud, and abuse, and that it is not to come out of regular program funds appropriated in this bill or any other bill.

"Furthermore, the amendment limits the reduction to those areas of waste, fraud, and abuse cited in the Inspector General's report. Let me enumerate those areas for you, along with the amount of losses found by the Inspector General:

[In billions]	
Medicaid	$2.3–2.6
Medicare	2.2
[In millions]	
AFDC	$669
Social security	160–867
SSI	334
Social services	88
Student assistance	356
ESEA title I	97
Indirect costs	102

"While the amendment limits the application of the reduction to these items as a group, it does not specify how the reduction is to be applied among the items. It allows the Secretary to determine how it is to be allocated, except, of course, that it must be limited to savings resulting from reduced waste, fraud, and abuse. In some areas, greater savings may be possible than in others, and it would thus be impractical to assign arbitrary dollar reductions to each area.

"I should also point out that the amendment only covers those losses coming from appropriated funds. It does not apply to social security and that portion of medicare funded out of trust funds. We are thus talking about $5.6 to $6.0 billion of applicable losses, and the $1 billion in the amendment therefore represents a reduction of less than 20 percent." 124 Cong. Rec. H 5172 (daily ed. June 8, 1978).

The remarks of the sponsor of an amendment, are entitled to special significance in determining its intent. The above comments are illuminating in several respects. First, the basic intent to reduce the amount of approporiated funds made available to HEW by the sum of $1 billion, by achieving savings in the areas of waste, fraud and abuse, is clearly stated. Moreover, those programs, mentioned in the Inspector General's Report, in which the $1 billion in savings is to be realized are specifically identified. The intended purpose of the first proviso is indicated—to limit the Secretary's discretion in achieving the $1 billion reduction, by requiring him to effect those savings solely by reducing fraud, waste, and abuse in certain specified programs. At the same time, the Secretary is left some discretion in determining how to "allocate" the required reductions within the identified program areas. The intended meaning of the second proviso is also suggested—to protect "regular program funds" or entitlement programs from being subject to any reductions.

After the amendment was introduced, a lengthy debate followed. Statements were made during the course of this debate (as well as during subsequent debates on the proposed amendment), generally by opponents of the legislation, which suggest an interpretation contrary to our own. See, for example, comments by Representative Obey at 124 Cong. Rec. H5175 (daily ed. June 8, 1979). However, considered as a whole, the congressional debates overwhelmingly support our conclusion. For example, when you were asked whether the $1 billion reduction was just a "paper cut", you responded as follows:

"* * * It is a real reduction and represents a directive to HEW that such savings do in fact take place. We cannot just talk about them. We ought to insist on them. If this body does not have that leverage to really bear down on their bureaucracy, then we have lost all control, and I submit that this is the time for us to show that we mean business." 124 Cong. Rec. H5175 (daily ed. June 8, 1978).

Also, comments by Representative Flood, an opponent of the amendment, indicated awareness of HEW's contention that the bulk of the $1 billion reduction had already been taken into consideration in HEW's budget request. Nevertheless, it was recognized that the effect of this amendment would be to impose an additional $1 billion reduction, 124 Cong. Rec. H5173, 74 (daily ed. June 8, 1978).

Subsequently, during its consideration of the Appropriations Bill, the Senate increased the amount of the required reduction from $1 billion to $2 billion. See 124 Cong. Rec. S15983, 15984 (daily ed. September 25, 1979). The Conference Committee accepted the lesser amount and added the following explanation:

"Reduces the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare by $1,000,000,000 as proposed by the House, instead of $2,000,000,000 as proposed by the Senate.

"The conferees intend that reductions totaling $1 billion be made in the individual accounts covering the programs cited by the Inspector General in his report of March 31, 1978, as containing waste, fraud, and abuse. In other words, the Secretary of Health, Education, and Welfare shall not spend [sic] more than the total allocated individually for these programs in this Act minus $1,000,000,000. The Secretary shall submit to the Congress 30 days following enactment of this Act a plan showing the breakdown of this reduction among the individual programs, based on projected waste, fraud, and abuse savings in each program, and shall report to the Congress periodically on progress in achieving the goals identified in the plan." (Emphasis added.) H. Rep. No. 95–1746, 95th Cong., 2d Sess. 24 (1978).

In our view, it would be difficult to formulate a clearer expression of Congressional intent than that set forth in the Conference Report. This was apparently recognized by the Secretary of HEW, as he indicated in his letter, dated October 6, 1978, to your Subcommittee, concerning what was then the proposed language of the Conference Report. In that letter, after first quoting the language that was ultimately adopted by the Conference Committee, the Secretary said the following:

"This report language appears to be based on a misunderstanding of the Department's fraud, abuse and waste reduction plan. The draft report assumes that appropriations agreed to by the conferees would be cut by $1 billion by our waste reduction plan. This is not the case.

"To a large extent, HEW's 1979 budget request and the line items in the Act which the conferees have approved, already reflect the savings in our plan to reduce fraud, abuse, and waste by $1 billion in 1979. In addition, our waste reduction plan includes significant savings in Medicare, a program for which no appropriation action is required. Finally, our waste reduction plan includes actions that reduce funds for grantees who are misusing the money and shift it to grantees who will use it properly, actions which will not regret [sic] but ensure that whatever is appropriated is properly spent.

"The report language, as now drafted, would place an improper burden on the Department. In effect, it would require us to achieve savings already included in our budget request. Further, since the language specifies 'programs in this Act,' Section 201 would require us to achieve all the savings in appropriated line items, while the Inspector General's report and our waste reduction plan focus on both appropriated and trust fund financed programs."

The Secretary then went on to suggest that the second sentence of the proposed Conference explanation be deleted. This suggestion was not implemented and the language was adopted. Even if the Secretary's suggestion had been followed, the legal effect of section 201 would not have been changed. However, from HEW's standpoint, its present position does not seem to be consistent with the statements made in the quoted letter as to the "burden" the proposed language would have on the Department.

In addition to the explanation contained in the Conference Report, the comments you made when the Conference Report was introduced in the House are of further value:

"Mr. Speaker, I find myself in the rather unusual position of having signed a Labor-HEW conference report, and I did so because we are bringing a bill back well under the Carter budget and because we included in the report some strong language clarifying the intent of the $1 billion amendment relating to waste, fraud, and abuse.

"The conference went along with the $1 billion figure approved by the House for my amendment, rather than the Senate figure of $2 billion, because of a feeling that it is probably unrealistic to expect savings of as much as $2 billion in a single year's time.

"Most importantly, however, we included language in the conference report making clear that the $1 billion reduction is in fact a real cut which the Secretary of HEW must adhere to. Secretary Califano had been claiming that my amendment represented merely an 'exhortation' to reduce waste, fraud, and abuse, and that it did not legally require reductions in the programs cited by the Inspector General.

'The conference report seeks to correct that 'misunderstanding' on the Secretary's part by stating in unequivocal terms that he 'shall not spend more than the total allocated individually for these programs in this act minus $1,000,000,000.'" 124 CONGRESSIONAL RECORD Oct. 12, 1978, p. 36368.

Finally, further support for our position is provided by the table of the conference agreement on the Appropriations Bill, as published in its entirety in the CONGRESSIONAL RECORD. The summary of HEW appropriations shows that the total amount of "Federal Funds" agreed to by the Conference Committee was $53,085,830,000. A footnote says that this reflects the $1 billion reduction as a result of section 201. 124 CONGRESSIONAL RECORD, Oct. 12, 1978, p. 36368. Also see the Conference Report which sets the total amount of new budget authority recommended by the Conference Committee at $56,054,029,000 (which includes $2,968,199,000 appropriated for the Labor Department and other agencies included in the Bill). H.R. Rep. No. 95–1746, 95th Cong., 2d Sess. 26 (1978).

In accordance with the foregoing, we believe that section 201 does reduce the amount of appropriated funds available to HEW for the 1979 fiscal year by $1 billion. The Secretary of HEW must realize this reduction by reducing the amount of fraud, abuse, and waste in those programs specified in the Inspector General's Report (and identified herein) for which funds were appropriated by the 1979 Appropriations Act. Although the Secretary does have discretion in allocating the $1 billion reduction among the specified programs, he must, in fact reduce expenditures in those programs by $1 billion below the aggregate of all of the line item sums appropriated therefor.

HEW has suggested that it will not be able to achieve the required reduction solely through elimination of fraud, abuse, and waste. (See the Secretary's letters of October 6 and 11, 1978, quoted above.) We recognize that HEW may have some genuine difficulties in this regard. For example, the Inspector General's Report, identifying some $6–7 billion in fraud, abuse, and waste, includes both appropriated and trust fund-financed programs whereas section 201 requires all of the $1 billion reduction to be realized from budget authority provided in the 1979 Appropriations Act. Also, we understand that some of the estimates of fraud, abuse, and waste contained in the Inspector General's Report have since been revised downward.

In any event, since it is clear that the required reduction must be achieved by reducing fraud, abuse and waste in the specified programs, we would agree that if it is impossible, as a practical matter, to identify and eliminate $1 billion attributable to fraud, abuse, or waste, HEW would be unable to comply with the legislative mandate of the section. In that case, HEW would presumably be in violation of either the initial clause of section 201 or the provisos therein. Entering into or satisfying obligations in excess of the $53.1 billion total of budget authority provided in the Act would be a violation of the initial clause, while reducing obligations below the line item amounts appropriated for the specified programs for any reason other than the elimination of fraud, abuse, or waste would be a violation of the provisos.

In this connection, the Conference Report directs the Secretary to report his progress in achieving the $1 billion reduction to the Congress. Similarly, any lack of progress or inability in achieving the required reduction as specified should also be reported to Congress, so that any further congressional action deemed necessary can be taken.

Sincerely yours,

ELMER B. STAATS,
Comptroller General
of the United States.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., June 15, 1979.

MEMORANDUM FOR JOSEPH A. CALIFANO, JR.

Re the Michel Amendment to the Department of Health, Education and Welfare Appropriation Act of 1979.

This responds to your letter of May 1, 1979 to the Attorney General concerning the Michel Amendment, section 201 of the Departments of Labor and Health, Education and Welfare Appropriations Act of 1979, Pub. L. No. 95–480, 92 Stat. 1567, 1584 (1978). That section provides:

> Notwithstanding any other provision in this Act, the total amount of budget authority provided in this Act for the Department of Health, Education and Welfare is hereby reduced in the amount of $1,000,000,000: *Provided,* That this reduction shall be achieved by the reduction of fraud, abuse, and waste, as defined and cited in the annual report, dated March 31, 1978, of the Inspector General of the Department of Health, Education and Welfare: *Provided further,* That this section shall not be construed to change any law authorizing appropriations or other budget authority in this Act.

The central question is whether the Michel Amendment constitutes a flat reduction in the total appropriation for HEW for FY 1979 or whether the Amendment instead states a goal for the elimination of waste, fraud and abuse in programs administered by the Department without reducing appropriations made available for such programs elsewhere in the Act. Your General Counsel, in a memorandum submitted with your opinion request, has recommended the latter position, stating that the Michel Amendment "merely restates a part of the Secretary's preexisting legal obligation" to prevent HEW expenditure for unlawful purposes and that it "does not reduce appropriations for authorized program purposes." We also have before us the May 7, 1979 opinion of the Comptroller General, written at the request of Congressmen William H. Natcher and Robert H. Michel. The Comptroller General opined that the Michel Amendment works a $1 billion reduction in the amount of appropriated funds available to HEW for FY 1979. The Comptroller General recognized, however, that the Department might not be able to achieve the $1 billion reduction in expenditures through elimination of waste, fraud and abuse, thus placing the Secretary in a position of either spending more funds than were appropriated or cutting in programs for reason other than waste reduction. In such a situation, the Comptroller General suggests that you report to Congress "so that any further congressional action deemed necessary can be taken."

After a careful review of the language of the statute and its legislative history, we conclude that the Michel Amendment reduced 1979 appropriations for the Department of Health, Education, and Welfare by $1 billion. The Amendment, however, does not disturb existing entitlements and obligations.

THE BACKGROUND OF THE MICHEL AMENDMENT

As you are aware, the Michel Amendment was a response to a March 31, 1978 report of the Inspector General of HEW which concluded that the incidence of fraud, abuse and waste in selected HEW programs was, at a minimum, between $6.3 and $7.4 billion.[1] The Inspector General inventoried estimates of waste, fraud and abuse in six key HEW program areas: health care (Medicaid and Medicare), Aid to Families with Dependent Children (AFDC), income security and supplemental security income (SSI), social services provided under Title XX of the Social Security Act, student financial aid, and Title I of the Elementary and Secondary Education Act (ESEA)[2] The waste, fraud and abuse identified included a wide variety of mismanagement and misconduct, such as payments to ineligible persons and overpayments to *bona fide* recipients in AFDC, SSI and Medicaid; Medicaid mill fraud; and defaulted student loans. We understand that the HEW budget submitted to Congress took into account substantial anticipated savings in waste, fraud and abuse in these programs.

THE LANGUAGE OF THE AMENDMENT

The statutory language does not parse easily. The first clause purports to reduce total budgetary authority for HEW as provided in the Appropriations Act by $1 billion. That is, the amount available to HEW for obligation in fiscal year 1979 equals the sum of the line items in the Act minus $1 billion. This flat reduction, however, is modified by the first proviso which states that "this reduction shall be achieved by the reduction of fraud, abuse and waste as defined and cited in the annual report, dated March 31, 1978, of the Inspector General." This proviso appears to identify the source from which reductions in expenditures are to come (the areas noted above). It does not, however, prescribe what is to occur in the event that the Secretary cannot identify and eliminate $1 billion in waste, fraud and abuse; instead, the amendment appears simply to assume that sufficient reductions can be achieved. Nor does the provision indicate what is to happen if the elimination of $1 billion or more of waste, fraud and abuse does not occasion a comparable reduction in expenditures.[3]

The second proviso ("this section shall not be construed to change any law authorizing appropriations or other budget authority in this act") is ambiguous. It appears to state that the reduction effected by the section shall not disturb any entitlements established or guaranteed by existing legislation. While it is not clear what the phrase "other budget authority" refers to, the most logical reading is that it should be coupled with the language "any law authorizing appropriations." This reading recognizes that in establishing programs, Congress may either authorize appropriations for an activity, or grant the relevant agency authority to commit funds (e.g., by way of contract). Thus, the proviso would mean that the Amendment's reduction would not affect other laws (for which appropriations have been made in the Act) which authorize HEW to make expenditures or obligate funds.[4]

The ambiguities evident in the Michel Amendment give rise to several possible interpretations. As noted above, your General Counsel has suggested that the Amendment merely sets a goal for reduction of expenditures through elimination of waste, fraud and abuse. This interpretation relies most heavily on the second proviso's command that the Amendment not be read to change legislation authorizing appropriations or other budget authority. It is reasoned that since HEW was never authorized to obligate funds for waste, fraud and abuse, no real cut can occur in appropriations without taking away funds from legitimate programs in violation of the second proviso.

There are three defects in the interpretation. First, it effectively renders the Michel Amendment a nullity. As the General Counsel's opinion itself concedes, under its construction "the Michel Amendment merely restates a part of the Secretary's preexisting legal obligation." One source of that preexisting obligation is the Anti-Deficiency Act, 31 U.S.C. § 665. When the modern version of that Act was passed in 1951, the House

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Footnotes at end of article.

Committee on Appropriations stated that "it is [the] responsibility [of every federal official] to so control and administer the activities under his jurisdiction to expend as little as possible out of funds appropriated." The Committee identified the purpose of the revision of the Act to be "to require careful apportionment of all types of funds expended by Federal agencies and efficient administration of the Government's business." H. Rep. 1796, 81st Cong., 2d Sess. 9 (1950). We are not inclined to adopt a construction of a statute which renders it redundant with existing law. Such a construction runs counter to the well-established "presumption against interpreting a statute in a way which renders it ineffective." [5]

Second, the interpretation misinterprets the second proviso, making a false leap from the existence of entitlements to the necessity for appropriations. The opinion appears to assert that the second proviso requires HEW to fund all entitlements up to the line item amounts in the appropriation act. As we read the second proviso, it provides that any reduction in appropriations shall not affect any entitlement or obligation established under other statutes. This is not necessarily a contradiction of the first clause which purports to reduce appropriations; legally enforceable entitlements and obligations may exist absent appropriations. *See United States* v. *Langston*, 118 U.S. 389 (1886); *New York Airways, Inc.* v. *United States*, 369 F.2d 743 (Ct. Cl 1966); *Lovett* v. *United States*, 66 F. Supp. 142, 143 (Ct. Cl.), *aff'd on other* grounds, 328 U.S. 303 (1946) ("In a long line of cases it has been held that lapse of appropriation, failure of appropriation, exhaustion of appropriation, do not of themselves preclude recovery for compensation otherwise due."); 41 Op. A.G. 424 (1959). Finally, the interpretation adopted by the General Counsel was presented to Congress and expressly rejected by the Conference Committee. H. Rep. No. 1746, 95th Cong., 2d Sess. 24 (1978). *See* 124 CONGRESSIONAL RECORD, Oct. 12, 1978, p. 36370 (remarks of Rep. Michel noting Conference's rejection of HEW interpretation of his Amendment).

The Comptroller General's opinion reads the Amendment as having greater significance. It concludes that the language of the first clause works a flat reduction in HEW appropriations and that such a reduction must be achieved by eliminating waste, fraud and abuse. That is, HEW's authority to expand funds stops when the Department reaches the total of all the line items minus $1 billion. Furthermore, the opinion takes the position that the first and second provisos prohibit the Secretary from reducing funding of any *bona fide* programs. The difficulty with this construction is that it provides no answer in the event that the Secretary cannot reduce expenditures by $1 billion solely through elimination of waste, fraud and abuse. As the Comptroller General's opinion itself recognizes:

"In that case, HEW would presumably be in violation of either the initial clause of section 201 or the provisos therein. Entering into or satisfying obligations in excess of the $53.1 billion total of budget authority provided in the Act would be a violation of the initial clause, while reducing obligations below the line item amounts appropriated for the specified programs for any reason other than the elimination of fraud, abuse, or waste would be in violation of the provisos."

The Comptroller General offers no legal solution to the problem; he simply suggests that the Secretary go back to Congress to solve the dilemma.

We understand that you believe that it is highly unlikely—if not impossible—to absorb a $1 billion reduction in appropriations solely through the elimination of waste, fraud and abuse in the areas identified by the Inspector General. According to information supplied by your Department, this is so for several reasons: (1) some of the waste, fraud and abuse identified in FY 1979 relate to program dollars spent or obligated in the earlier fiscal years; thus recovery of these funds do not necessarily reduce FY 1979 expenditures; (2) some savings in FY 1979 programs do not generate a comparable reduction in expenditures, see note 3 *supra;* (3) an unanticipated increase in the number of entitlees will increase expenditures in the designated programs; and (4) HEW's 1979 budget request already reflected at least half a billion dollars in savings through projected elimination of waste, fraud and abuse in FY 1979. If these facts are correct, to accept the Comptroller General's opinion would be to conclude that Congress intended to give instructions that could not possibly be achieved. This result is contrary to the basic tenet of statutory construction that the acts of Congress should not be construed to lead to absurd consequences. *See e.g., United States* v. *American Trucking Ass'n*, 310 U.S. 534, 543 (1940); *United States* v. Ryan, 284 U.S. 167, 175 (1931) ("[A] literal application of a statute which would lead to absurd consequences is to be avoided whenever a reasonable application can be given which is consistent with the legislative purpose.") Accordingly, based on HEW's assurances that compliance with the Comptroller General's interpretation of the Michel Amendment is practically impossible, we are reluctant to endorse that interpretation.

In order to choose between these unsatisfactory constructions of the Michel Amendment—or to develop a reasonable alternative—it is necessary to examine the legislative intent as manifested in the legislative history. Our examination of the legislative history convinces us that Congress did indeed intend to reduce appropriations by $1 billion.

LEGISLATIVE HISTORY

Congressman Michel introduced the Amendment on the floor of the House on June 8, 1978. He explained that the Amendment's purpose was "solely" to eliminate waste, fraud and abuse and that the reduction in appropriation "is not to come out of regular program funds appropriated in this bill or any other bill," 124 CONGRESSIONAL RECORD, June 8, 1978, p. 16784. He noted that the Amendment preserved the Secretary's freedom to apply the reduction as he chose among the areas identified in the Inspector General's report but stressed that the reduction "must be limited to savings resulting from reduced waste, fraud, and abuse." *Id.*

Representative Obey opposed the Amendment on the ground that it was a "phony cut," stating that "[t]he Comptroller says this amendment has no effect." He asserted that:

[n]o dollars are going to come out [of the bill] because I have looked all through this bill, but for the life of me, I do not find a line item labeled "fraud and abuse."

". . . [The Amendment] will not . . . cut a dime out of this bill. You will have simply cut an estimate. But program entitlements remain the same and so will Government expenditures.

"The estimate we have in this bill for these programs are estimates we get out of the Congressional Budget Office. . . . Cutting the estimate does not cut the entitlement. The money is still going to go out."

Id. at p. 16785. Congressman Flood also opposed the Amendment. He stated that it was "purely an arbitrary judgment" which ignored the Committee's careful consideration of necessary appropriations as well as the substantial savings already provided for in the appropriation bill. He noted that "[t]he bill includes funds that are based on current estimates of requirements. HEW is required to meet these costs. You can cut this bill now, but there will be a supplemental appropriation to restore the cuts." *Id.* at p. 16786.

Prior to Senate consideration of the Amendment, as you will recall, you wrote a letter dated September 11, 1978, to Senator Muskie, Chairman of the Budget Committee, asserting that the Michel Amendment "is without legal effect because, both literally and in intent, it does not apply to amounts required by statute to be expended for proper program purposes. . . . In essence, we understand the amendment to be an exhortation to the Department to improve the effectiveness of its administration of the referenced programs. . . ."

In the Senate, Senator Byrd sponsored an amendment which raised the Michel Amendment reduction to $2 billion, 124 CONGRESSIONAL RECORD, Sept. 25, 1978, p. 31373. Senator Magnuson, Chairman of the Appropriations Committee, asserted that "the amendment takes nothing, no money from the bill, but is a figure which establishes a goal which I think is well within reason," *id.* p. 31374; he stated his willingness to accept it. The Amendment passed without further discussion.

In the Conference Committee the Senate conferees receded on the Byrd Amendment and accepted the $1 billion reduction of the Michel Amendment. The Conference Report explained the result and added strong language purporting to clarify Congress' intent as follows:

"Amendments No. 102: Reduces the total amount of budget authority provided in this Act for the Department of Health, Education, and Welfare by $1,000,000,000 as proposed by the House, instead of $2,000,000,000 as proposed by the Senate.

"The conferees intend that reductions totaling $1 billion be made in the individual accounts covering the programs cited by the Inspector General in his report of March 31, 1978, as containing waste, fraud, and abuse. In other words, the Secretary of Health, Education, and Welfare shall not spend more than the total allocated individually for these programs in this Act minus $1,000,000,000. The Secretary shall submit to Congress 30 days following enactment of this Act a plan showing the breakdown of this reduction among the individual programs, based on projected waste, fraud, and abuse savings in each program, and shall report to the Congress periodically on progress in achieving the goals identified in the plan."

H. Rep. 1746, 95th Cong., 2d Sess. 24 (1978).

You received a draft of the Conference Report and wrote a letter to Chairman Flood dated October 6, 1978, commenting on the proposed language quoted above. You recommended that the Conference Report not include the sentence: "In other words, the Secretary . . . shall not spend more than the total allocated individually for [the programs identified by the Inspector General] minus $1,000,000,000." You asserted that the report's assumption that HEW's waste reduction program would cut appropriations by $1 billion was not correct for the following reasons:

Footnotes at end of article.

"To a large extent, HEW's 1979 budget request and the line items in the Act which the conferees have approved, already reflect the savings in our plan to reduce fraud, abuse, and waste by $1 billion in 1979. In addition, our waste reduction plan includes significant savings in Medicare, a program for which no appropriation action is required. Finally, our waste reduction plan includes actions that reduce funds for grantees who are misusing the money and shift it to grantees who will use it properly, actions which will not reget but ensure that whatever is appropriated is properly spent."

The Conference, however, retained the draft language in its final report.

Representative Michel, during the House debate on the Conference Report, indicated that the language in the report was added in response to your characterization of the Amendment as mere "exhortation."

[W]e included language in the conference report making clear that the $1 billion reduction is in fact a real cut which the Secretary of HEW must adhere to . . .

The conference report seeks to correct [the] "misunderstanding" on the Secretary's part by stating in unequivocal terms that he "shall not spend more than the total allocated individually for these programs in this Act minus $1,000,000,000." 124 Congressional Record, Oct. 12, 1978; p. 36369.

Representative Early noted that he had refused to sign the Conference Report because of the Michel Amendment; he repeated Representative Obey's argument that the Amendment "amounts to an admission that the Labor/HEW Appropriations Committee has indeed appropriated $1 billion for waste, fraud, and abuse and now is attempting to rescind that appropriation." *Id.* at p. 36370.

In the Senate, Senator Bellmon noted "two potential budgetary problems in [the] conference report," one of which was the Michel amendment:

". . . This bill, and the budget, assume an additional $1.0 billion in savings, to result from elimination of fraud and abuse in programs administered by the Departments of Labor and HEW.

"I, for one, Mr. President, hope we can achieve these savings. We certainly must keep pressure on the administration to make every effort to achieve these savings. Bear in mind though, we have assumed the lion's share of these savings in entitlement programs. If we fall short of our expectations, Mr. President, we may find ourselves facing possible later requirements for additional appropriations, which would have to be provided, in amounts sufficient to satisfy these entitlements." 125 Congressional Record, Oct. 12, 1978, p. 36111.

Senator Magnuson, in a coloquy with Senator Eagleton, reiterated his view that, despite the language in the Conference Report, the Michel Amendment did not affect appropriations to be paid to *bona fide* entitlees:

Mr. Eagleton. Mr. President, I would like to address a question, if I could, to the distinguished chairman.

I wish to inquire as to the intent of the conferees with respect to section 201 of the bill. Section 201 explicitly states that the reduction is to be achieved solely by the reduction of fraud, abuse, and waste, and that the amendment may not be construed to change any authorizing statute. The joint explanatory statement of the committee of conference states that "the conferees intend that reductions totaling $1 billion be made in the individual accounts covering the programs cited by the Inspector General . . . as containing waste, fraud, and abuse."

As I understand it, Mr. President, the conferees expect to see expenditures from the individual accounts reduced by $1 billion, but this is to be accomplished only by a reduction in the fraud, abuse, and waste, and in no way authorizes the Secretary of HEW to reduce amounts that he is legally obligated to pay to grantees and beneficiaries by statute. I would appreciate the chairman's clarification on this point.

Mr. Magnuson. The Senator from Missouri's interpretation is correct. The conferees have set a goal for HEW in this regard. The bill does not authorize the Secretary of HEW to reduce expenditures from those accounts below the amount of the appropriation. All amounts legally owing under the covered statutes must be paid to the limit of the full appropriation. This in no way should affect the legitimate payments, entitlements, and scores of things we have in HEW. 124 Congressional Record, Oct. 12, 1978, p. 36119.

Our review of this legislative history satisfies us that Congress did indeed intend the Michel Amendment to constitute a real cut in appropriations. The statements of its sponsor and the language of the Conference Report—written to counteract HEW's interpretation (which is the same interpretation again adopted in the General Counsel's opinion)—are clear in this regard. This view is further supported by the opponents of the Amendment, such as Congressman Flood and Senator Bellmon, who recognized that enactment of the Amendment might require supplemental appropriations if statutory entitlements could not be met with the reduced funding. We recognize the statements of Senator Magnuson agreed with the HEW position that the Michel Amendment would not affect payments to entitlees and grantees, but we do not find them persuasive.[6] They are contradicted by the wording of the Amendment as well as the Conference Report. Cases establish that the Conference Report should prevail as a measure of Congressional intent. *Zuber* v. *Allen*, 396 U.S. 168, 186–87 (1969); *United States* v. *International United Automobile, Aircraft & Agricultural Implement Workers*, 352 U.S. 567, 585 (1957).

Equally important, the legislative history makes clear that the mandated reduction in appropriations is not intended to eliminate *bona fide* entitlements and obligations established under other statutes. This follows from the congressional belief that the reduction in appropriations would not necessitate cuts in legitimate program funds because of the huge amount of waste that existed in the Department's programs. The critical question this interpretation raises is what happens in the event the Department is unable to apportion the $1 billion reduction among the areas identified in the Inspector General's report without cutting into the legitimate program expenditures. According to the information supplied to us by your staff, this situation is not hypothetical; indeed, we have been told that it is virtually impossible for HEW to absorb a $1 billion reduction in appropriations without reducing expenditures in *bona fide* programs. The opinions of your General Counsel and the Comptroller General contend that to meet the $1 billion reduction by cutting expenditures in legitimate programs would violate both provisos because the mandated reduction would not be accomplished solely through the elimination of waste, fraud and abuse. We recognize that there are statements in the legislative history which support this position. Representatives Michel himself stated in the course of the floor debates that "[o]ur amendment specifically prohibits reductions in regular programmed funds. If the Secretary did so or decided to make reductions in some of those programs, he would be violating the law." 124 Congressional Record, June 8, 1978, p. 16785. Similar statements were made by Senator Magnuson. *See id.* Congressional Record, Oct. 12, 1978. p. 36119. However, to accept these arguments is to read the Michel Amendment either as a contradiction (as in the case of the Comptroller General's opinion) or as a nullity (HEW's position).

We disagree with both these interpretations. We believe that it is necessary to read the first proviso as a statement of Congress goal and an indication of its motivation, not as a direction. To construe the Amendment in this fashion is to give the proper recognition to its genesis: Congress added the Michel Amendment based on the Inspector General's report that $6 to $7 billion in waste, fraud and abuse existed in HEW programs; it apparently believed that a $1 billion reduction in appropriations could be made without reducing funding for bona fide programs. By reducing and limiting appropriations, Congress sought to put the Secretary's "feet to the fire" to compel a reduction in waste, fraud and abuse. The Amendment embodies Congress deliberate choice of method to achieve its goal of eliminating unnecessary expenditures. And the statements of several legislators indicate that they were aware that the mandated reduction might necessitate supplemental appropriations to meet entitlements that would not be funded because of the Amendment's impact.

Nor do we believe that our construction sacrifices the important Congressional goal of ensuring that eligible persons receive the funds to which they are entitled under other statutes. Even if the reduction in appropriations should force cuts in legitimate programs, the beneficiaries are guaranteed their entitlements by the second proviso. Their legitimate claims may be satisfied through supplemental appropriations; or, HEW may avail itself of the provisions in the appropriations act which permit "borrowing" from the first quarter of the next fiscal year to meet entitlements in the final quarter of the present fiscal year. Finally, as the cases above demonstrate, the entitlees and guarantees may pursue their statutory rights in court. In short, the Amendment cuts appropriations; it does not cut entitlements. As stated by Representative Obey: "The money is still going to go out."

In conclusion, we believe that the Michel Amendment constituted a $1 billion reduction in appropriations which must be taken from areas identified in the Inspector General's report.

John M. Harmon,
Assistant Attorney General,
Office of Legal Counsel.

FOOTNOTES

[1] A subsequent report by the Inspector General has reduced this estimate to $5.5 to $6.5 billion. The report further notes that "[t]he amounts on which significant action can be taken under present authorities and resources are less than half of the total [approximately $2.7 billion]." Office of Inspector General, Department of Health, Education, and Welfare, Annual Report, January 1, 1978—December 31, 1978 (issued March 31, 1979), App. A, p. 2.

[2] The Inspector General's report also identified two nonprogrammatic areas of waste: unduly high indirect cost rates (*i.e.*, negotiated rates of reimbursement to grantees for overhead costs incurred by grantees) and uncompleted audits.

[3] For example, under ESEA federally funded projects must supplement, not supplant, local educational activities. If it is determined that a locality has sought funds for a project that runs afoul of this requirement, the funds are not automatically returned to the federal government; they may simply be reallocated to a proper project.

[4] An alternative reading is possible, but less satisfactory. The phrase "other budget authority" could be coupled with the language "in this Act." The proviso would then mean that the section's reduction shall not affect authorized programs nor shall it affect budget authority identified in the Act. The word "other" would therefore have to refer to budget authority in areas not iden-

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I rise——

Mr. SCHWEIKER. On behalf of Senator Magnuson I yield 10 minutes to the Senator from New York.

Mr. JAVITS. How much time do we have in opposition?

The PRESIDING OFFICER. Thirteen minutes.

Mr. SCHWEIKER. I yield 5 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator from New York will yield, if he needs additional time I have time on the bill, and I will yield time to him.

Mr. MOYNIHAN. The Senator is very generous, characteristically so.

Mr. HARRY F. BYRD, JR. I yield 10 minutes in addition.

Mr. MOYNIHAN. How generous and how typical of my colleague on the Committee on Finance to yield to his friend who will oppose him in this matter, in order that the case might be made in greater detail.

I do not know that I will need all that time. But, Mr. President, I rise in the capacity of chairman of the Subcommittee on Public Assistance of the Committee on Finance, under whose jurisdiction this legislation is.

I would like to point out that we are doing something here which is, at very least, at variance with the spirit of the laws of this country which have created entitlements to certain forms of public assistance for persons who meet certain criteria of eligibility. That is what we mean by entitlements; if you are in this type of situation, you are entitled to this kind of assistance.

From the beginning of the Social Security Act, we have assumed that whatever entitlements and legitimate claims were made would have the necessary appropriations provided. Now, suddenly, we are withdrawing from the solemn commitment of the Social Security Act, and beginning, in effect, to say "We will appropriate as much as we choose, regardless of our responsibility to provide entitled benefits."

This is a massive and portentous change in our policy. It is an attack upon the first principle of social security. Mr. President, I do not want to suggest that there are not good grounds for concern about waste, fraud, and abuse. If anybody from the Department of Health, Education, and Welfare is listening, I would like to say I hope that they enjoyed the headlines they got from the Inspector General's report, which depicted the bureaucracy and the political leaders of the Department in vigilant and inexorable opposition to things like waste, fraud, and abuse. They embellished their personal reputations, perhaps, but they endangered the entitlement to public assistance of some 33 million Americans, and I hope they are proud of themselves.

"Waste, Fraud, and Abuse" sounds like "Heart, Cancer, and Stroke," a great new program that will embellish the Department's standards and no doubt raise its executives' ratings at the White House. People will get picked for opposition to waste, fraud, and abuse.

Mr. President, there is no waste, fraud, and abuse appropriation before us. There is no line in this appropriation bill which says "The following amounts of money are appropriated for waste, the following amounts of money are appropriated for fraud, and further, there is an appropriation for abuse."

What we are dealing with here is the inevitable problems that arise in the management of a very large social program dealing with indigent persons across a continent, speaking heaven knows how many languages, and stretching from Maine to California.

One of the aspects of the great increase in these programs in recent years has been a corresponding increase in the efforts to manage them well under situations of increased complexity. The HEW regulations for medicaid and AFDC are now hundreds of pages long. Mr. President, out in the States the application forms have become ever more complex, for the precise purpose of avoiding fraud and waste, but with the inevitable concommitant that mistakes are made.

Mr. President, here is a medicaid form from the State of New York, an application for medical assistance for people who, in one case in four, will have an imperfect understanding of the English language, in one case in four will have a severe disability, in one case in four will have a scanty education, and in the other case will be in great distress or else they would not be medically indigent.

They are asked to fill out a form that would challenge the Members of this body, which, if any Member of this body were presented with it and told there was a penalty for fraud, he would give it to an attorney on his staff.

I wish Senators would go through that list of questions and mandatory documentation. I cannot put the form in the Record, Mr. President, but I ask unanimous consent to have printed in the Record the guide to the preparation of the form.

There being no objection, the guide was ordered to be printed in the Record, as follows:

Guide to Documentation for the Medicaid Application

In order to establish that you are eligible for Medicaid, we must determine that you meet Federal and State financial and situational criteria. To do this, we require documentation for each statement you make on your Application, Reapplication, or Recertification form. This guide suggests possible items you may use. Because each person's situation is different, you may need to bring additional documents with you, or you may be asked to provide additional documents.

(A) Family and relative data. You must verify who you are and where you live. In addition, for you, and each member of your household you must prove age, citizenship or alien status and family relationship (wife, husband, children under 21).

1. Identification. To verify identity usually one of the documents listed below is sufficient. You may bring:

Birth certificate; Hospital certificate of birth; Certificate of birth from NYC Bureau of Vital Statistics; Marriage certificate with date of birth; Immigration or naturalization papers; Passport; Current driver's license; Prior public assistance and medicaid card; and Medicare card.

If you have none of the above, bring two of the documents listed below to establish your identity.

Baptismal certificate; Marriage certificate without birthdate; Naturalization letter; Voter registration card; Military discharge papers; Professional license; High school/college diploma; School records; Permanent residence card; Letters of guardianship; Methadone program I.D.; Final judgment of divorce or separation; Current social security award letters; Auto registration; Life insurance policy; Deeds, Mortgages or other records of home ownership; Social Security card/railroad retirement card; and Hospital clinic card.

2. Residence. To verify your residence, usually one of the documents listed below is sufficient. You may bring:

NYCHA rent book; rent receipt from landlord on his stationery; recent utility bill in your name at the listed address; Hotel rent receipt; NYC real estate tax bill; and copy of current lease.

3. Citizenship and legal alien status. To verify citizenship for each person born in the United States, bring one of the following:

Birth certificate; Hospital certificate of birth; Certificate of birth from NYC Bureau of Vital Statistics; Citizenship papers; Baptismal certificate; U.S. passport; and Military discharge paper (form DD–214).

To verify naturalized and legal alien status for each person not born in the United States, bring one of the following:

Certificate of citizenship; Certificate of naturalization., U.S passport; Military discharge papers; INS form 1-179/1-179 (resident I.D.); and Selective service registration certificate.

Evidence of Lawful admission for permanent residence INS Form 1–151 (Alien Registration Receipt Card) or a re-entry permit.

Evidence of permanent residence: INS Form 1–94 (arrival/departure record) which is endorsed as "refugee conditional entry" or is endorsed to show you have been given permission to remain in the U.S. for an indefinite period.

4. Social Security. A social security number is needed for all household members, including minor children, listed on the application. Please bring a social security card for each person.

5. If any of the following situations—disability, blindness, pregnancy, absent parent—apply to your family you must verify as follows:

(a) If you are disabled and are receiving social security disability benefits, bring your social security disability award letter or a signed letter from your doctor stating type of

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tified by the Inspector General. This interpretation seems strained because it would mean that the proviso includes both an authorization and an appropriation element.

[5] *FTC* v. *Manager Retail Credit Co.,* 515 F.2d 988, 994 (D.C. Cir. 1975). *See Bird* v. *United States,* 187 U.S. 118, 124 (1902); *Jackson* v. *Kelly,* 557 F.2d 735, 740 (10th Cir. 1977) ("We should not and do not suppose that Congress intended to enact unnecessary statutes."); *Consumers Union of United States, Inc.* v. *Sawhill,* 512 F.2d 1112, 1118 (2d Cir. 1975) ("Congress will not be presumed to have done a useless, ineffective or absurd thing.")

[6] We are also aware that in the course of the floor debate, Representative Michel stated: "A dollar goal established by Congress will hold [the Secretary's] feet to the fire. . . ." 124 Congressional Record, June 8, 1978, p. 16785 (emphasis supplied). However, viewing all of Michel's statements, we are convinced that he intended his Amendment to be a real cut in HEW appropriations. *See, e.g., id.* at p. 36368.

illness or disability and expected date of return to employment.

(b) If you are blind, bring your certificate of blindness from New York State Commission for the Visually Handicapped.

(c) To verify pregnancy bring signed doctor's statement or letter from clinic confirming pregnancy and expected delivery date.

(d) Absent parent(s): If a parent or parents of children under 21 are absent from the household due to desertion, death, or other reasons, you must document as follows:

If deceased: Death certificate;

If in the military: allotment papers or copies of checks;

If institutionalized: date of entry into institution, type of institution, etc.;

If desertion: last known or current address of absent parent;

If supporting family: Weekly contribution or court order for support/docket no.

(B) Living arrangements. To verify your current housing information bring to your appointment the documents related to your situation.

1. If you pay rent bring one of the following: Current rent receipt, cancelled rent check, or letter from your landlord or realty agent verifying name and address of landlord or realty agency and amount of rent. Copy of current lease.

2. If someone helps you pay your rent bring: Current statement from the person who helps you stating how much of the rent he/she pays, and to whom (to you, or directly to the landlord or realty agency).

3. If you live in someone else's home, bring a written statement from that person. The statement should show: Total rent; total number of persons in the household; amount paid by you; if you receive free room and board; and evidence of primary tenant's residence: e.g., a bill addressed to primary tenant.

4. If you own your own home, bring: All your yearly bills pertaining to the home (tax bills or receipts, insurance, heating and utility bills, mortgages, bank statements, deeds, etc.).

If there are tenants in your home, bring any one of the following:

Current tenant's lease or statement from each tenant stating how much rent he/she pays, or recent copy of each tenant's rent receipt.

5. It will also be necessary for you to estimate your average monthly expenses for other living costs, such as food, clothing, telephone, medical expenses, etc.

(C) Employment. Full or part-time employment must be verified for each member of the household who is applying for assistance. In addition, if any applicants in the household are unemployed children under 21, or spouses, employment must be verified for the responsible parent(s) or spouse, even if they are not applying for assistance.

1. If you are employed, bring with you one of the following for each job you hold:

If you are paid every week, bring your last eight (8) pay stubs;

If you are paid every two weeks or twice a month, bring your last four (4) pay stubs;

If you cannot obtain the number of current pay stubs required, bring a statement from your employer, on business stationery, dated and signed with title and address, showing: the date you started to work, and your gross pay, and Federal, State and City taxes, FICA, and health insurance deducted, for the last eight (8) weeks or from the date of your employment if less than eight (8) weeks; and

If employed part-time, number of hours worked per week.

2. Self-Employment. If you are self-employed: Bring your last Federal Income Tax return with Schedule C.

3. Irregular Employment. If your employment is irregular: Bring your last Federal Income Tax and all W–2's.

4. Work-Related Expenses. If any of the following expenses apply to your current employment, bring signed statements, documents, bills, receipts, etc.: Union dues; cost of tools, materials and other special clothing required; mandatory fees for licenses or permits fixed by law; group insurance premiums; and child care expenses (signed statement should show the fee charged and hours of care).

(D) Other Current Income.

1. If you receive any of the following, bring a copy of check or current statement from benefits program or award letter; workmen's compensation; veterans' benefits; social security benefits; railroad retirement benefits; pension from employment; New York State disability; G.I. allotment; union benefits; and supplemental security income.

2. If you receive any of the following, bring the appropriate document or statement, as indicated: interest from bank accounts—current bank books or bank statement; dividends from stocks, bonds and life insurance—statement of dividends or copies of checks or statement from broker, life insurance policy; income from annuities—statement of annuity income or copies of checks; income from trust fund—copy of trust fund document; unemployment insurance benefits—unemployment insurance book or statement; scholarships—statement from school of all financial aid with a breakdown of funds; income from training program—statement from program; court-ordered support payments—current check or copy of check, and court order; support from relatives or friends—statement from relative(s) or friend(s) including full name(s), address(es), amounts and length of time; income from roomers, boarders, mortgages—statement from roomers, boarders, including amount paid, copy of mortgage agreement; food stamps—food stamps ID card; and other—list on application and bring in documentation of any other source of income you may have.

(E) Past Management.

1. If the information you have provided about income and expenses does not fully explain how you have managed to support yourself prior to this application, you may be asked to supply additional information or documents. Individual situations differ, but the following are suggestions for documents which might apply: tax statements for the past two (2) years; letter from previous employer(s) giving dates of employment, annual salary, and reason for termination; letters from persons who have contributed to your financial support, giving their name, address, telephone number, amounts, and dates; documentation of expired benefits or rejected claims for benefits—unemployment insurance benefits, disability, social security, workmen's compensation, etc.; and cancelled bank books or statement of bank loans.

2. If between the ages of 21–64 and not employed, bring proof of registration with New York State Employment Service.

3. If you are unable to work, bring a medical statement to verify this; the doctor's statement should indicate how long this is expected to last.

(F) Resources. If you have resources and/or property you must bring proof to show what you have. If you have any of the following, bring the appropriate documents as indicated: Savings and checking accounts—savings books indicating activity for last 12 months, checking account statement for the last three months; stocks and bonds—certificates; credit union—copy of record of deposits; real property—deeds, mortgages, tax statements; trust fund—copy of the trust fund documents; life insurance and annuities—life insurance and annuity policies; pending law suit—any legal papers, name and address of lawyer; union benefits (including life and/or health insurance—policies; health insurance and medicare—medicare ID card, health insurance policies, premium payment receipts; and other—list on application and bring in documentation of any other resources you may have.

(Note: If you previously had resources or property, you may be asked to verify their termination. Bring cancelled bank books, etc., or letters of termination from banks, insurance companies, etc.

(If you have transferred or sold any resources or property in the past 12 months, you must bring in documentation of transactions.)

Mr. MOYNIHAN. I see the chairman of the committee (Mr. Long) would like to look at it. He will probably convince himself that he would not like to have a similar form from the Federal Elections Commission, as it would send every one of us to obtain the counsel of an attorney.

In consequence, Mr. President, there are mistakes, and there are certainly a great many mistakes. There are too many mistakes, I will concede. But many of them are made precisely because in our determination not to waste money, we have rendered the process so complex.

Mr. President, I think in a true sense that our responsibility is to see that HEW administers these programs carefully and well, and that we be realistic enough to assess that the more that we require, that every increase we make in the detailed information required, involves a corresponding increase in the probability of error in the information submitted. If you ask 400 questions, the probability of mistakes is much greater than if you ask four.

To be sure, HEW engages in that endless quest for adulation that public officials covet, and has an almost endless supply of public relations officials paid for by the taxpayers—if you want to see fraud, waste, and abuse, look at the publicity handouts of the Department of HEW. But must we take out our dissatisfaction with these well-paid bureaucrats on the blind, the indigent, the lame, the halt, and the helpless? What kind of people have we become?

We enacted the social security laws in the midst of the Great Depression of the 1930's, when the gross national product, as I recall, was $70 billion a year. It is now $2.5 trillion, and suddenly we are pulling back on the commitment we made to people who are weaker than we. There are no weak persons in this Chamber. But there are weak people in this country. And any one of us could become one such.

But we measure the quality of a large and powerful country by its capacity to be compassionate to its poor and its weak; and if there are problems, I will promise to hold hearings, as many hearings as desired, before the Subcommittee on Public Assistance of the Finance Committee, on what we should do about HEW's administration of these programs.

This is a complex administration, because we made, at the time of the New Deal, the decision to have national programs administered by State governments. So we have not 1 system here, but 50 at a minimum.

Still, I will hold these hearings and I will want to know what the Senator from Delaware thinks, because he knows how much I respect him, and I will want to know what the Senator from Virginia thinks, who has the further advantage of being, as it were, on our side of the aisle.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. MOYNIHAN. I believe I have 5 minutes on the bill itself.

Mr. MAGNUSON. I yield the Senator——

The PRESIDING OFFICER. A total of 10 minutes?

Mr. MAGNUSON. I yield the Senator 5 minutes on the bill.

Mr. MOYNIHAN. I believe the Senator from Virginia yielded me 10 minutes on his own, out of his generosity, and then I had 5 minutes. I will be brief.

I want to assure the Senator from Virginia, and he knows my respect and deep feeling for him, that this will be considered where it properly belongs, which is in the Finance Committee, in the committee which has the responsibility for the basic law, where the necessary amendments will be considered as amendments to the basic law.

One of the great features of that Social Security Act under Franklin D. Roosevelt was that it said something quite extraordinary, which is that even the poorest people in this country have rights to certain kinds of public assistance, not charity, not something given them because their Congressman has decided it is election year, nor yet something taken away because it is an election year.

As a matter of right, if you are a citizen and indigent, have dependent children, you will receive assistance for them. That is the promise we made.

Later we added medicaid. "If you are medically in need," we said, "and you are indigent, you will receive care, not because someone wants to do you a favor, but because you are an American citizen and living in the United States."

That is a noble thing. I think we are risking that nobility.

I promise to take this matter up to whatever length is thought useful in the public assistance subcommittee of the Finance Committee. But I plead with my colleagues not to encumber the appropriations process with this inappropriate matter. On this I believe I am strongly supported by my revered senior colleague, whom I see on the floor, and also by our incomparable chairman. If there were no other reason for not doing this, I would say it is sufficient reason to know that a man who goes back to the origins of these programs, the senior Senator from Washington, the President pro tempore of our Senate, knows this to be an abomination and asks us to oppose it. Thank you, Mr. President.

Mr. JAVITS. Will Senator SCHWEIKER yield me 5 minutes?

Mr. MAGNUSON. I will yield 5 minutes.

Mr. JAVITS. I thank the Senator.

The reason I asked the Senator to yield was because I think the junior Senator from New York has made a fantastic, eloquent, moral, and legal argument. All I want to do is supplement it with a bit of experience. Our experience, I might say to my colleagues, came only a few weeks ago when we debated it on the supplementary appropriations. With all due respect to the two distinguished Members who offered it, two fine friends, I shall call this the pate de foie gras amendment because it seeks to stuff the goose forcefully.

Here is the situation: There is fraud and abuse, and nobody knows it better than PAT MOYNIHAN and my other colleagues. We all know that. The percentage of fraud and abuse is far higher than it ought to be. But even to correct such a problem as this fraud and abuse, where we are dealing with vast masses of people who, as Senator MOYNIHAN said, depend on this thing for the most elementary necessities, we cannot take it out of their backs while we try to find who is cheating and who is not cheating. Let us remember that even if the rate of cheating is 6 or 7 percent, and it is, there are still 93 percent out there who have to have this check every month or they will not eat.

So what we ran into was that the Department, faced with exactly this dilemma said, "Well, that is easy. Mr. MICHEL said we should lop off $800 million. We will just lop it off from the people who are entitled to these funds, because we cannot do it any other way. We cannot find the miscreants fast enough."

I understand that a 4-percent error rate will be practically impossible to attain. A reduced error rate is already cranked into this situation. We are likely to have the same problem we had on the supplemental, where, thanks to Senator MAGNUSON, they were able to borrow against the first payments of the new fiscal year to take care of the entitlement.

Mr. MOYNIHAN. If my colleague will yield, I would say he is entirely correct, in my view. The 4 percent rate is something that no serious insurance company would expect to achieve. We are defrauding the American public if we think this will not happen.

Mr. JAVITS. So what we are trying to do is to force-feed this. We are going to force-feed it and that will make something happen? It will not. We have to find the miscreants and that takes a little time.

Finally, $1.428 billion has been lopped off this appropriation already to take care of fraud and abuse. This $1.4 billion is very considerably more, about twice as much, as was done last year. This amendment is an add-on $500 million, that will cause exactly the same mischief of going up the hill and down again that we just went through only a few weeks ago. I appeal to my colleagues, with Senator MOYNIHAN, who is carrying the burden of this argument magnificently, that this is simply foolhardy and certainly not fulfilling our responsibility to people who need these entitlements so badly.

Mr. MAGNUSON. Will the Senator yield on my time?

Mr. JAVITS. I yield.

Mr. MAGNUSON. Of course, we had to adjust ourselves to not only borrowing the money, but you cannot borrow money for 1980 in the 1980 appropriation bill. You are already dipping into it to borrow money to comply with the amendment. You cannot borrow any more from the 1980 bill because that, as the Senator from New York has already pointed out, has already been cut and they are down to rockbottom.

The committee bill includes $2.034 billion in savings in the welfare and medicaid programs that the Michel amendment would reduce, and more than $2 billion in management savings have already been included in the bill, which took in specific amounts against specific programs, which is a responsible way to put together an appropriation bill.

This type of meat ax cut will not in any way accomplish a savings.

If the Michel amendment is restored on the Senate floor it will not even be a conference item.

Mr. MOYNIHAN. Will the Senator yield?

Mr. MAGNUSON. Mr. MICHEL sat down in a conference on the supplemental and he agreed that his amendment was too strict and, therefore, we agreed to the modification.

Mr. MOYNIHAN. Will the chairman yield for a question?

Mr. MAGNUSON. I yield.

Mr. MOYNIHAN. Did I understand the chairman to say that if we accept the amendment now before us we will be forced to accept the Michel amendment because it will not be in conference and we will do something that Mr. MICHEL himself said was too severe?

Mr. MAGNUSON. Well, he did not say it was too severe but he agreed to the modification.

Mr. MOYNIHAN. He agreed to the modification, but we would preclude the opportunity to obtain that modification?

Mr. MAGNUSON. Yes. I cannot speak for him, but it is if we put the strict Michel amendment in the regular appropriation bill, because he realizes that there should be some modification. The result was we cut it down $500 million.

Mr. MOYNIHAN. I thank the chairman. I would like to say once again, if I may take a moment of his time, that this is a matter for the Finance Committee. I see the chairman of that committee, the most honorable and most ancient of committees, here in the Chamber. I cannot conceive that a man who has zealously protected the jurisdiction and ancient and honorable prerogatives of the Committee on Finance would see them trivialized, frittered away in pursuit of a passing appearance of rigor with respect to this.

Mr. MAGNUSON. To say another thing, Senator JEPSEN's amendment was overwhelmingly adopted by the Senate. This is just the opposite, putting it back, where the Senate said in the Jepsen amendment we did not want to do that.

Mr. MOYNIHAN. Will the chairman yield for a question?

Mr. MAGNUSON. Yes.

Mr. MOYNIHAN. Would the chairman agree that if we were to do today what is proposed, and so exactly reverse what we did 2 weeks ago, there will be people who will begin to think that perhaps some of the things the President says about the Congress may be true?

Mr. MAGNUSON. I would think so, yes.

Mr. MOYNIHAN. That is an alarming thought, Mr. President.

Mr. President, may I ask for the yeas and nays?

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 5 minutes of my time.

The Senator from Virginia, not having the eloquence of the two Senators from New York and the Senator from Washington, will content himself with reading the language of the amendment.

The amendment says that, "The total amount of budget authority provided in this act for the Department of Health, Education, and Welfare is hereby reduced in the amount of $500 million. Provided, that this reduction shall be achieved by the reduction of fraud, abuse, and waste as defined and cited in the annual report" of the Inspector General of the Department of Health, Education, and Welfare.

Mr. President, I do not think any citizen has an inherent right to funds which are adjudged to be obtained through fraud. Certainly, no citizen has a right to expect funds achieved through waste or abuse. This does not affect those who are entitled to funds. This amendment says that the reduction shall be made in those programs and areas where it has been demonstrated that there is fraud, waste, and abuse. The authority for the figures is the Inspector General of the Department of Health, Education, and Welfare.

Mr. MOYNIHAN. May I have 2 minutes?

Mr. MAGNUSON. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. MOYNIHAN. I want to make a concluding point, Mr. President.

First of all, I agree completely with the Senator from Virginia, no one is entitled to fraud and no one is entitled to abuse, but I say that the proper course of remedy lies in the basic Social Security Act, because we cannot change what is an entitlement—this is just a meaningless gesture.

I should like to offer one last thought that the Senate might wish to consider. That is that we are to have a new Secretary of HEW. Secretary Harris is moving to the Department of HEW, and it seems to me that it would be a gesture of courtesy and respect, which I know we hold for her, to let her come before a hearing of the Committee on Finance—the full committee or a subcommittee—and ask what is she going to do about this problem?

Because it is a problem, and people are just as angry about it in the State of New York, where my senior colleague and I come from, as they are anywhere else. If you suppose New Yorkers like this, Mr. President, they do not. But there is a reality we have to deal with.

I think that reality is how the program is administered in HEW. I think we should hear the Secretary and if we find further changes should be made to changes and improvements already made, we should do so.

Mr. ROTH. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. I point out that the Deputy Attorney General recently testified before the Budget Committee that fraud and waste consume something between $5 billion and $50 billion of the Federal budget. I point out to the Senators on the floor that in a report to Congress by our watchdog, the Comptroller General, in a recent report, it is stated that:

> Federal agencies have not acted aggressively to detect fraud in their programs, and their practices are generally inadequate to identify potential fraud.

As the Senator from Virginia has rightly pointed out, in no way does this prevent those entitled to various welfare payments from receiving them. What we are trying to do is make sure that this money is well spent so that we can do a better job for those that are in need. The American people expect action now, not sometime in the future.

I agree with the distinguished Senator from New York that we should have oversight hearings, that we should keep legislative pressure upon them to do the job that is necessary. But make no mistake, the only way that real savings from prevention of fraud is going to be brought about is in the agency itself. This Congress, this Senate, must give the message to the agencies that they have to become more effective, more efficient, and we are not going to achieve that by withdrawing from the vital step that was taken last year.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Who yields time?

Mr. JAVITS. Mr. President, may I have just 1 minute?

Mr. MAGNUSON. I yield 1 minute.

Mr. JAVITS. The fact is, Mr. President, that we have just gone through this same thing and it is going to come out of the backs of the entitlees. Even Mr. MICHEL had to join in stopping that; otherwise, that is what would have happened.

That is why I call it the "pate de foie gras amendment," because we are trying to force something we simply cannot force. We have already taken over $1.4 billion out of HEW to be sure they behave themselves, stop the fraud and abuse. Now we are trying to get them to do what we would like to do, not what can be done, and that is going to come right out of the backs of the very people we do not want to hurt. That is what is going to be the result of this amendment.

The PRESIDING OFFICER. Who yields time?

Is all time yielded back?

Mr. MOYNIHAN. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. MOYNIHAN. Mr. President, I apologize to the Chair. I thought the Senators had yielded back.

Mr. ROTH. I yield back my time, with this closing comment:

One of the reasons an accommodation had to be made is the fact that HEW did not try to abide by the spirit and intent of the Michel-Byrd amendment that was adopted last year. Now, that is the reason an accommodation was made. If we withdraw this amendment or do not pass it, then we are sending a message to the people in the agency that they do not have to pay any attention to our directives to reduce fraud and waste. That is the opposite of what we want to do.

I agree with the distinguished chairman of the Committee on Appropriations when he said recently:

> These bureaucrats can live with the Michel amendment without reducing by one nickel the benefits of any legally eligible Medicaid, Medicare, or welfare recipient.

That was true yesterday and it is true today. We should make sure this agency attempts to be more efficient.

The PRESIDING OFFICER. Is all time yielded back?

Mr. ROTH. I yield back my time.

Mr. MOYNIHAN. Mr. President, I move to lay the amendment on the table.

Mr. JAVITS. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment of the Senator from Delaware on the table. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. EXON), the Senator from Alabama (Mr. HEFLIN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Georgia (Mr. TALMADGE), are necessarily absent.

I further announce that the Senator from Wisconsin (Mr. NELSON), is absent on official business.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF), would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), is necessarily absent.

The PRESIDING OFFICER (Mr. SARBANES). Are there any Members in the Chamber who have not voted and wish to vote?

The result was announced—yeas 53, nays 41, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—53

Baucus
Bayh
Bellmon
Biden
Bradley
Bumpers
Burdick
Cannon
Chafee
Church
Cranston
Culver
Danforth
DeConcini
Durkin
Eagleton
Glenn
Gravel
Hart
Hatfield
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Pell
Percy
Randolph
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Tsongas
Weicker
Williams

NAYS—41

Armstrong
Bentsen
Boren
Boschwitz
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Cochran
Cohen
Dole
Domenici
Durenberger
Ford
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
McClure
Morgan
Nunn
Packwood
Pressler
Proxmire
Pryor
Roth
Simpson
Stewart
Stone
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—6

Baker
Exon
Heflin
Nelson
Ribicoff
Talmadge

So the motion to lay on the table the amendment (UP No. 406) was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on an amendment by Mr. Church—I have cleared this with both sides—there be a 1-hour time limitation, to be equally divided, in accordance with the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Washington.

Mr. MAGNUSON. Mr. President, I yield such time as he may desire to the Senator from New York.

Mr. MOYNIHAN. I thank the distinguished chairman.

Mr. President, I rise to say, while there are Members still in the Chamber, that by a much too close vote, the U.S. Senate just avoided jeopardizing the pensions provided under the Social Security Act for American people who are retired or disabled, and their dependents.

Social security is also an entitlement program. If you are covered by it, as almost every American is, you are entitled to benefits from it. If we are going to fool around with the entitlements of the poor and the sick, how far are we from the day when we fool around with the entitlements of the retired? Do you put it out of your mind that if we can violate the rights in law of people who just happen to be weak or sick, the same thing will not happen to people who simply are old or retired?

I hope all the senior citizens of this country today—and their organizations—note how close we just came to embarking on a legislative course that, if pursued, would in time legitimate the stripping away of their right to a decent retirement.

The Members who opposed the motion to table did not mean that. I cannot imagine that any one of them did. But that is because the subject has not been raised until now.

I hope we will not go on this way, because to vote for this kind of measure the next time is to vote to jeopardize entitlements, embodied in the Social Security Act, including the social security entitlements of every American worker and retired person.

I hope we will stop frittering away the basic entitlement principle of social security.

I thank the chairman and I thank the ranking minority member for their stalwart support of that principle.

How would you like to work 40 years in a coal mine or a tanning factory, looking forward to your retirement, and find, the day you retire, that somebody in the U.S. Senate introduces a law to cut your pension in half? How would you like that?

Well, we have had enough of this, and I hope the matter will be considered more carefully in the future.

I thank the chairman.

Mr. ROTH and Mr. MAGNUSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington, the chairman of the committee.

Mr. ROTH. Mr. President, will the majority side yield me 2 minutes to answer this charge?

Mr. SCHWEIKER. I yield 2 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 2 minutes.

Mr. ROTH. Mr. President, there is absolutely no truth to the claim that this amendment jeopardizes the entitlement of anyone, whether that entitlement is social security or any other program. I repeat, this amendment would not have reduced social security benefits as provided by law by 1 cent.

We have such a ruling from the Attorney General regarding the Michel amendment, and this is exactly the same language as that amendment. This amendment does not disturb any existing entitlements or obligations.

The Comptroller General in his May 7, 1979, opinion said that by reducing waste, fraud, and abuse by that amount would not adversely affect any statutory entitlement programs or cause any recipient legally entitled to receive assistance from HEW to be denied such assistance.

In no way are we jeopardizing the rights of the pensioners. To the contrary, what we are trying to do is to reduce fraud and abuse in HEW in order to protect the elderly and to make certain that those who are legally entitled secure their funds. It is about time that this Congress and this Senate had the courage to get rid of abuse and fraud and not to raise false red herrings.

I agree that every pensioner should receive his or her just amount. The language in our amendment, according to the rulings of the Attorney General and the Comptroller General, does not jeopardize any entitlements. A statement of Senator Magnuson earlier this year also supports the fact that entitlements would not be hurt by this amendment.

Senator Magnuson said:

> And those bureaucrats can live with the Michel Amendment without reducing by one nickel the benefits of any legally eligible medicaid, medicare or welfare recipient.

Mr. MAGNUSON. Mr. President, I yield myself such time as I may require.

I am a little bit disturbed about all this argument about fraud and abuse. There is a connotation here and an implication that those of us who did not agree mainly with the approach, not the substance of the Michel amendment, but the approach to attacking fraud and abuse, were agreeing to fraud. None of us want fraud. We are all trying to do this, and I respect the views of everyone who tries to get at it.

This argument here today is just a question of approach—that is all—and it was a close vote on a question of approach.

I hope we will work something out in conference to do what the Senator from Delaware and the Senator from New York suggest.

Mr. President, I yield to the Senator from New Mexico.

UP AMENDMENT NO. 407

(Purpose: To add $12,000,000 for title VI of the Older Americans Act of 1965)

Mr. SCHMITT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from New Mexico (Mr. Schmitt) for himself and Mr. Domenici proposes an unprinted amendment numbered 407.

Mr. SCHMITT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 45, line 8, strike out "$2,594,073,000" and insert in lieu thereof "$2,606,073,000 of which $12,000,000 shall be available for title VI of the Older Americans Act of 1965 as amended,".

Mr. SCHMITT. Mr. President, I am offering an amendment with my distinguished colleague, the senior Senator from New Mexico, Mr. Domenici, to correct an inequity in certain older American programs. I am talking about the provision of social and nutritional programs for elderly Indians, the same programs which have long been available to other elderly Americans. Our amendment would provide $12 million for direct funding to Indian tribes to develop and run their own social and nutritional programs for their elderly under the authority of title VI of the Older Americans Act as amended in 1978.

Title VI was created in 1978 when the act was reauthorized. Under the current, and then present systems, Indian tribes are to be provided with services for their elderly by State and area agencies on aging funded under title III of the Older Americans Act. In 1978, however, Congress recognized that many of the States with Indian populations are failing to adequately provide these services to Indian tribes. Thus the tribes were given the option of managing their own programs.

It is often true, Mr. President, that Indian tribes prove to be the most difficult group for which a State provides services. Geographic location, far from urban centers, and deep cultural differences are two major reasons for this situation. At the same time, however, the fact remains that the majority of elderly Indians are among the poorest senior citizens in our Nation.

We are all aware of the extreme vulnerability of our elderly to falling into poverty in this age of inflation even after a life of hard and profitable work. This is the very purpose of the Older Americans Act, to help older Americans who are having problems surviving in today's economy. And yet, we are essentially and unfairly excluding some of our most impoverished and isolated senior citizens by not assuring the provision of services on Indian lands.

Title VI held new promise for elderly Indians who had been long excluded from aging programs available to other Americans. Unfortunately, Congress has not fulfilled its promise. The title VI program was authorized for fiscal years 1979 through 1981, but to date, not one dollar has been appropriated.

As I pointed out, providing services on Indian pueblos and reservations is particularly difficult for State agencies. Thus, the option of transferring control to tribal organizations will not only allow the removal of a burden from the State agencies but also will allow the tribes to develop services culturally responsive to their elderly.

It should be emphasized, however, that those tribes who desire to continue receiving services from State agencies may do so. Title VI will simply allow tribes who have demonstrated to the Commissioners on Aging that they have the ability to deliver social and nutritional services effectively, to receive direct funding from the Federal Government. This would relieve the State agencies of this responsibility.

The National Indian Council on Aging has reported that approximately 100 tribes will opt for direct funding. Funded at a "bare bones" level, the council estimates that $30 million is necessary for fiscal year 1980. Mr. President, I am not asking for the full $30 million. I am not even asking for half of that figure. The $12 million I am requesting today will not fund the development of all of these programs, but it will at least allow some tribes to lead off in the development of their programs as role models for others.

I cannot emphasize enough, Mr. President, that title VI is, in reality, not a new program, but that it will only serve to include Indians in an ongoing program that has long been available to other Americans. This is the least we can do for our elderly Indian population.

Mr. BELLMON. Mr. President, will the Senator yield for a question?

Mr. SCHMITT. I add only the additional comment that title VI would simply allow the tribes who have demonstrated to the Commissioner on Aging that they have the ability to deliver social and nutritional services effectively to receive direct funding from the Federal Government.

This would relieve the State agencies of this responsibility and greatly simplify for all concerned delivery of the necessary health services to the elderly Indian Americans who happen to be in pueblos or on Indian reservations.

Mr. BELLMON. Mr. President, will the Senator yield for a question?

Mr. SCHMITT. I am happy to yield for a question, and then I will yield to my distinguished colleague.

Mr. BELLMON. Does the amendment limit the accessibility to these funds to tribes living on reservations? The reason I ask the question is Oklahoma has many Indian tribes but they are not on reservations. We wish to be covered by the amendment, and I shall propose a change if they are going to be excluded.

Mr. SCHMITT. I say to my colleague that the amendment goes to those tribes that are federally recognized. I think that covers the Senator's concern.

Mr. BELLMON. That covers the problem.

Mr. SCHMITT. I yield to the senior Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am delighted to join with my colleague from New Mexico in urging the Senate to approve a $12 million appropriation to fund title VI of the Older Americans Act—"Grants for Indian Tribes." The idea of establishing a separate title to provide direct grants to Indian tribes was first contained in S. 2609, which I introduced on February 28, 1978. Senator Schmitt was one of the original cosponsors of that bill. The purpose of the direct funding mechanism contained in title VI is to allow Indian tribes to apply to the Administration on Aging for grants to provide social and nutritional services to their elderly tribal members. There are approximately 300 federally recognized tribes who have a special sovereign relationship with the Federal Government. As the author of this provision I worked to develop a direct funding mechanism that would give the tribal governments the wherewithal to deliver the same social and nutritional services mandated under title III of the Older Americans Act.

Mr. President, the various Indian tribes in this country have learned to deal with our Government and our society in a wary manner. The history of U.S.-Indian relations has been rocky and filled with mistrust. From time to time, we have entered into agreements with the Indians and then, on some occasions, failed to fully live up to the commitments we have made. Many Indian tribes prefer to deal only with the Federal Government and they reject the idea that they must or should deal with our State and local governments. The entire thrust of the Older Americans Act is to develop a State and local network of agencies capable of providing a wide range of social and nutritional services to the elderly. The organizational intent of the Older Americans Act runs counter to the desires and wishes of most of our Indian tribes. They have long sought the right to deal directly with the Federal Government.

During the consideration of the 1975 amendments an effort was made on the House side to create a direct funding mechanism. That effort failed, but my effort last year succeeded. My concern now, Mr. President, is that many Native Americans will feel that Congress, by authorizing title VI but not funding it, has once again reneged upon a commitment to them.

Although the Indian tribes have urged the Congress to appropriate $25 million for this title, Senator Schmitt and I have reluctantly agreed to ask for only $12 million, in the belief that—during a tight budget year—such a figure would be more acceptable to the Senate. If the Senate were to approve this amendment and the $12 million were to survive in Conference, I believe we would see an expansion of services for older Indians above the current level. Twelve million would not enable us to meet all of the needs that exist on the reservations across our Nation but it would be an important first step. The direct funding mechanism would have been implemented and the tribal authorities could begin to mobilize their organizations and resources to meet this need.

As Senator Schmitt has said, this should not be viewed as a new program but as an expansion of an ongoing program to include older Indians in a program that has long been available to other Americans. I would urge the Senate to approve this amendment and thus fulfill our promise to Native Americans which was made when we enacted the 1978 amendments to the Older Americans Act.

I understand that the majority and the minority floor managers on this bill have agreed to accept a lesser amount. I believe it is $8 million. Is that correct?

Mr. SCHMITT. I believe that is the agreement.

Mr. DOMENICI. Is that correct?

Mr. MAGNUSON. Yes. The correct amount is $8 million. This is a new program. It is our information that a minimum of $5 million is required to get it started. So we can have a little leeway. But I think $8 million is enough.

I have had a lot of talks with the Senator from New Mexico on Indians. I do not like to see them separated out again for a program from the mainstream. I hope that they could take advantage of the benefits of the Older Americans Act like everyone else. We should work to make sure that Indians are provided with fair and adequate services under the regular program.

But in this case I am willing to put some money in the program because it is going to deal with elderly Indians.

Is that correct?

Mr. SCHMITT. That is correct.

Mr. MAGNUSON. I want to say something to the Senate: In all the appropriations bills, there is over $2 billion—last year it was $2.128 billion for Indians everywhere.

Indians have the right to participate in other benefits, medicare, medicaid, but I know there are special cases, and we should provide assistance when these special cases require it.

I had hoped that the older Indians could be well taken care of by the regular program without separating them out. But in view of the fact that this deals with the Older Americans Act, and it is only the elderly, I am willing to try it for $8 million. I know that elderly Indians are faced with many difficult problems.

Mr. SCHMITT. Mr. President, the Senators from New Mexico thank the Chair for that.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. SCHMITT. I will yield in one moment.

Mr. President, I ask unanimous consent—I guess I do not even need it—to modify the amendment to read $8 million instead of $12 million and to add the distinguished Senator from Arizona as a cosponsor.

Mr. GOLDWATER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The amendment will be so modified, and the Senator from Arizona will be added as cosponsor.

Without objection, it is so ordered.

The modified amendment is as follows:

> On page 45, line 8, strike out "$2,594,073,000" an insert in lieu thereof "$2,602,073,000 of which $8,000,000 shall be available for title VI of the Older Americans Act of 1965 as amended,".

Mr. SCHMITT. Mr. President, with the agreement of the Senator from Washington who has the floor, I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I wanted to answer a question that the Senator from Washington seems to put.

The problem with trying to handle Indians under this act to which you referred may hinge upon the fact that in the continental limits of the United States we have 400 tribes, and in Alaska we have 300, and I think there are a total of about 400,000 Indians in the United States.

We run into the problem with the Indian Service. For example, the largest tribe, the Navaho, who live in New Mexico, mostly in Arizona, and to some extent, in Colorado, are operating completely outside the Bureau of Indian Affairs. So what applies to the BIA does not apply to them, and other tribes are beginning to fall into that rather select class.

So I do think it requires separate legislation, and I think we should give the Indians the chance to do it on their own, because God knows the Bureau of Indian Affairs has never done anything for them in 150 years.

I thank the Senator for his generosity.

Mr. MAGNUSON. That is why I accept the amendment, because I know it is a peculiar situation in your area of the country relating to the tribes.

The BIA, the Bureau of Indian Affairs, I think the real problem with them is that with all of this money I find it never gets down to the Indian. It disappears someplace. I do not know where. It never gets down to the Indian.

Mr. SCHMITT. The Senator will find a great deal of agreement, I think, from the four Senators from Arizona and New Mexico.

Mr. MAGNUSON. In this case I hope the money will go directly to the Indians who need it.

Mr. SCHMITT. That certainly is our intent and hope and prayer that that happens.

I should also add that those Indian tribes who wish to continue a working relationship with the States would certainly be allowed to do so under the provisions of this amendment.

Mr. SCHWEIKER. Mr. President, will the Senator yield?

Mr. SCHMITT. I would be happy to yield.

Mr. SCHWEIKER. I just want to support the amendment. I supported the Senator in committee on this matter. He has made a very valid point, and I think it is a worthwhile amendment, and I strongly support it.

I thank the Chair.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. SCHMITT. I yield to the Senator from New Mexico.

Mr. DOMENICI. I want to say not only did the Senator from Pennsylvania support Senator SCHMITT in the Appropriations Committee but it was through his help, as a member of the authorizing committee, that I was able to get this amendment in the Older Americans Act last year and I thank him for that assistance.

Mr. SCHMITT. I join with Senator DOMENICI in that thanks.

I yield back the remainder of my time on this amendment.

Mr. MAGNUSON. I yield back my time.

Mr. DOMENICI. I ask unanimous consent that Senator DECONCINI be added as an original cosponsor of the Schmitt-Domenici amendment, which has just passed providing funds for grants to Indian tribes under the Older Americans Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment, as modified, was agreed to.

Mr. SCHMITT. I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. The Senator from Tennessee wants to submit an unprinted amendment. He will just take 1 minute.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

AMENDMENT NO. 361

Mr. SASSER. Mr. President, I have a printed amendment at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The second assistant legislative clerk read as follows:

> The Senator from Tennessee (Mr. SASSER) proposes a printed amendment numbered 361.

Mr. SASSER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 22, line 8, following the words "title VII", insert the words ": *Provided further*, That the Secretary shall give special attention under section 788(d) of the Public Health Service Act to programs which address health manpower shortages in medically underserved areas.".

Mr. SASSER. Mr. President, I would like to offer some bill language which essentially restates the report language which appears on page 82 of the committee report. The report language reads:

> The Committee is concerned about the maldistribution of physicians and allied health personnel, particularly in rural areas. The Committee therefore intends that a portion of funds authorized under section 788 be aimed at health manpower development in rural and underserved areas.

My amendment will simply add language to the bill restating the intent of the report language which I just read.

I hope, and am optimistic, that the distinguished chairman will accept this bill language, because it will strengthen the Senate's position in conference. As you know, the House did not provide similar language in their report or in their bill. I hope we can go into conference with the Senate in a stronger position, a position which is in this bill.

Mr. MAGNUSON. I have no objection to the amendment.

Mr. SCHWEIKER. Mr. President, will the Senator yield? I, too, support it. We do have language similar to it in the report itself. I am a strong advocate of the Senator's proposal, and I certainly agree it is a good amendment.

Mr. SASSER. I thank the Senator.

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. SASSER. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. The Senator from Florida has an amendment.

The PRESIDING OFFICER. Is the Senator from Florida seeking recognition?

Mr. CHILES. Yes.

The PRESIDING OFFICER. The Senator is recognized.

UP AMENDMENT NO. 408

(Purpose: To reduce CETA title VI public service jobs to 100,000 through attrition by end of fiscal year 1980)

Mr. CHILES. Mr. President, I send to the desk an amendment on behalf of myself, Mr. BELLMON, Mr. JOHNSTON, Mr. STONE, Mr. DOMENICI, Mr. ROTH, Mr. PROXMIRE, Mr. HARRY F. BYRD, JR., Mr. HELMS, and Mr. JEPSEN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

> The Senator from Florida (Mr. CHILES) for himself and others, proposes an unprinted amendment numbered 408.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 3, line 18, strike "$1,627,000,000" and insert "$1,122,000,000"

The PRESIDING OFFICER. The Chair inquires of the Senator from Florida whether this is an amendment on which there is a time agreement of 1 hour.

Mr. CHILES. The Chair is correct. This is an amendment in which there was a time limitation of 1 hour equally divided.

The PRESIDING OFFICER. The Chair thanks the Senator.

Mr. CHILES. Mr. President, I yield myself such time as I may need.

This amendment is part of a continuing effort to redirect CETA away from the temporary title VI program to the new title II program which provides training as well as jobs for the hard core unemployed. Title VI is the program where there has been tremendous fraud and abuse. A lot of the cause of that fraud and abuse was that there was a push to hire at any cost without regard to the needs of the participant, or to whether the jobs were actually needed by the community or whether these jobs could ripen into some kind of a permanent work experience and training for the employee.

The Department of Labor is continuing to play a numbers game, pushing local governments to hire more people than they want, more than they need. This is evidenced by recent problems in the Southeast region where local CETA directors have written to us that Labor has told them to shift people out of title II B and C training, to make the public jobs program numbers look better.

I quote, Mr. President, from a transcript of a speech by a Labor Department regional administrator in which he called in all of the people in the Southeast region who were 200 jobs or more below the goal that he had set—and I stress that, the goals that he had set—for hiring, not the goals that had been set by the local governments, the local county or city commissions, who have some idea of what the need is in the area, plus what the ability to train or to hire people and to put them into meaningful jobs is. Anybody who was 200 or so below his goals, he called them into a meeting and told them to meet those hiring goals, to use up the 1979 money and keep Congress from cutting the 1980 appropriations.

He said, and I quote:

> We have got a program that Congress is saying we do not need, and you are dragging your—

And there was a three-letter word there that refers sometimes to a donkey, and then he said:

> The fiscal 80 appropriation is going to be dependent on what you spend in FY 79, in the next few months, and you are dragging your "Donkey."

The pressure from Labor to hire has been so great that it has created a backlash. State officials are suspending normal procedures, they are telling counties to hire first and then submit contract modifications. I have a telegram from my State that went out telling them:

> We are under pressure. You are not meeting your goals. Hire the people and then tell us what kind of waivers you need, but go and hire the people first.

I find a number of my county officials are up in arms about this. Mr. President, I want to submit for the Record certain correspondence I have received from county commissioners and other people who are saying that regardless of those goals they are not going to hire more than they can put on, and they consider it a direct affront to them that they are being forced to do that by the program.

I ask unanimous consent, Mr. President, that this correspondence be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

July 10, 1979.

Hon. Lawton M. Chiles,
U.S. Senator,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Chiles: The Citrus County Board of Commissioners voted unanimously July 3, 1979, to object to a special survey, for the hiring of 20 people, disregarding all Federal guidelines of CETA.

We're extremely proud of our current CETA program. We believe it is a model program, following Federal guidelines for placement and training. However, should the current dictate be allowed, it will tear down all aspects of a workable, constructive program.

The mandate being forwarded to our CETA Director gives the County no options except to spend or throw away money.

The survey concocted to provide these jobs has already been taken, according to a 30 page document from Mr. Ernest Urassa, Program Administrator in Tallahassee. So again, it proves a waste of taxpayers' dollars.

Our CETA Director was notified by telephone the latter part of May of these plans, with other telephone calls, with Mail-O-Grams and correspondence in June. It was not brought to this Board's attention until July 3, at which time we started our objections.

Several Counties are in agreement with Citrus County. Following is a list with whom I spoke: Sumter County Commissioner, Eunice Neville; Lake County Commissioner, Evan Porter; Collier County Commissioner Russ Wimer, and Orange County Commissioner, Lamar Thomas and Jim Harris, County Administrator. I have also talked to Senator Stone's Office Miss Gloria Van Treese; Governor Graham's Office, Mr. Ron Villella; plus speaking in person to Congressman Richard Kelly; State Senator Alan Trask and State Representative Gene Hodges.

Congressman Kelly stated this excess spending has been caused by local politicians using CETA as a vote getting process. I objected to this at the time, and certainly believe that if this is true, then let's discontinue this bureaucratic monster before it consumes all of us.

Our CETA Director, Mrs. Helene Worthington, has already forwarded copies of her objections to this program, with documents to support her concern, to your office.

We in Citrus County pray that you will investigate and discontinue not only this program, but any other that is throwing our beautiful country into more and more debt. The people in Citrus County are behind this investigation 100%; therefore, we are depending on you.

Sincerely,

Mrs. Jean Grant,
Chairman,
Citrus County Board of Commissioners.

July 10, 1979.

Mr. Ernest S. Urassa,
Program Administrator, Balance of State Department of Community Affairs, Office of Manpower Planning, Tallahassee, Fla.

Dear Mr. Urassa: The Citrus County Board of Commissioners voted July 3, 1979, not to participate in the build-up of Public Service Employment positions. We feel this is a deliberate throw-away of public funds, with absolutely no benefit to anyone.

Mrs. Helene Worthington, CETA Director for the County, advised us of the disregard for following proper guidelines in advertising, screening and hiring on the above date; therefore our County does not wish to be a part of this program.

Very truly yours,

Mrs. Jean Grant,
Chairman, Citrus County
Board of Commissioners.

June 1, 1979.

Mr. Allen Arthur, Jr.,
Chairman, Board of County Commissioners, Orange County/Orlando Training and Employment Office, Orlando, Fla.

Dear Mr. Arthur: A review of the performance of Orange/Orlando Title II–D and VI Comprehensive Employment and Training Act (CETA) program reveals that the program has not been able to achieve the enrollment levels called for by the approved plan. As a result, excess funds are being generated.

It is imperative that you take actions which may be necessary to increase the actual enrollment to the level called for by the approved plan. My office stands ready to provide you with any assistance possible to help you achieve this level, or to resolve this matter in any way which is mutually agreeable. If progress is such that the actual enrollment level is not at least at 90 percent of plan by June 30, 1979, it will be necessary to take appropriate reallocation actions in accordance with Section 676.47 of the CETA regulations. We estimate the amount subject to possible reallocation to be no less than $141,990 for Title II–D and no less than $176,933 for Title VI for a minimum total of $318,923.

I would appreciate any comments you may have concerning this proposed reallocation. Your comments should be addressed to my attention and should be received by June 15, 1979. If I can provide you with any additional information regarding this proposed action, please let me know.

Sincerely,

David T. Duncan,
Regional Administrator.

Mr. David T. Duncan,
Regional Administrator, Employment and Training Administration, Atlanta, Ga.

Dear Mr. Duncan: I received your letter dated June 11, 1979, on June 14, 1979. In your letter you request any comments we might have concerning a deobligation of approximately $318,923 from the Orange County-Orlando Consortium Title II–D and Title VI Grants. You asked that we respond to the letter in sufficient time so as to reach you by June 15, 1979. Unfortunately, we have not been able to meet that schedule.

As early as August of 1978, we had determined that Orange County and Orlando Government utilization of public service employment would be reduced by 40 percent. This step was necessary in order to insure that we did not become dependent on PSE participants to provide services and then lose them due to a program reduction, to say nothing of having to terminate large numbers of people.

This position took on more significance when the Federal Government imposed a $6,635 average wage limit within our County. When one considers that Orange County has been enjoying the most successful business year that we have ever had, it becomes difficult to find a large number of economically disadvantaged people who have any semblance of a work ethic or a visible skill who will work for wages below all but a few jobs in the public sector. In order to place these individuals in even a simple job, we must provide them some basic training. This is what we are doing. We are concentrating on bringing people up to an employable level then moving them into whatever segment of CETA that will produce an early placement of the individuals in unsubsidized employment.

Mr. Duncan, we recognize the desirability of putting people to work and we are certainly doing everything within our power to do so. We believe that it is imperative to develop a jobs program which is consistent, one wherein we can count on having the positions for more than just a few months. We planned such a program; it was submitted and approved by the Department of Labor. Due to the low unemployment rate which we have enjoyed over the past year, and due to the low average wage authorized for PSE, we fell below our plan as did many other regions within our county. It was while we were in this posture that we were, for all intents and purposes, allocated a higher objective for Title II-D and Title VI.

In fact, we had planned to support 550 participants in Title II-D; this level was boosted to 630. In Title VI, our level was moved from 955 to 1,014. Our CETA Manager initiated an all-out media blitz. He developed additional jobs. As a result, we are processing about 200 or more people a week. (Of course, the fact that school is out and our economy is beginning to cool down to some degree has made an impact on this operation.)

Now we have received our planning budget for FY 1980. We are to plan on receiving $4,130,233 for Title II-D, just a small reduction over the $4,406,270 for FY 1979. So, Title II-D does not present a problem as far as continuity is concerned particularly if we have a 10 percent carryover. But, in Title VI, we must plan on only $3,371,851 for FY 1980. This is roughly half the $6,630,964 we had in FY 1979. Even with a 10 percent carryin, we will be faced with an extremely large reduction in force if we attain the 1,014 level in Title VI participation we are expected to reach by June 30, 1979.

We feel that we could probably use about $200,000 of the Title II-D or Title VI monies in our Summer Youth Employment Program. This program is shaping up in good fashion. There are better work sites than we have had in past years; there is a much tighter, professional staff managing the program and I am told that we can do more in this all important sector.

We recognize our responsibility to those less fortunate than ourselves and will provide services which will lead to unsubsidized permanent employment. To achieve this goal, it is imperative that we have a consistent, stable program which leads each individual from whatever his entry level might be through our World of Work and other programs, whether it is PSE, Vocational Education, OJT, etc. to the goal established for him.

Such an approach cannot be founded on constantly changing ground rules and grants. *As a consequence, we have no objection to the reallocation of the $319,000 plus or minus that you have indicated in your letter referenced above.* We do believe, however, that we can effectively utilize about $200,000 of this money in our Summer Youth Employment Plan.

We will await a reply from you as to what action is now necessary. Your early attention to this matter will be appreciated.

Sincerely,

ALLEN ARTHUR,
Chairman,
Board of County Commissioners.

APRIL 20, 1979.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We on the Orange County, County Commission have noted with interest that the CETA prime sponsors will have underspent CETA Public Service Employment monies to the level of from $400–$600 million by the end of fiscal year 1979. As a consequence of this underspending the Department of Labor is requiring each prime sponsor to modify it's Title II and VI plans to hire more people into PSE positions just to insure that there is not an excessive carry-in of PSE monies into FY 1980.

This need to spend money (nothing has been said about serving people) was highlighted early in March 1979 when Ernest Green, Assistant Labor Secretary for Employment and Training stated, "The entire CETA system is on a very thin thread." In large part, this is due to the many unfilled slots in the Public Service Employment Program. Fewer than 520,000 slots are filled now, yet the program was expected to average 625,000 slots this year. The failure to fill those slots may be, "Jeopardizing the entire CETA program and especially PSE," Green said. Now we are to fill the existing surplus of slots, if only to spend the money.

It is incomprehensible to us that such a travesty of good fiscal management can be foisted on the people of the county.

Mr. President why not reduce the program by the $400 million and return it to the Treasury or apply the money in an area where it can be effectively utilized, not just spent so that the Department of Labor can meet an estimated level of employment.

Sincerely yours,

LEE CHIRA,
County Commissioner.

JUNE 13, 1979.

DEAR MR. CHIRA: This is in further response to your letter to the President regarding the CETA program.

It is true that some excess funds have accumulated in programs funded under Titles II-D and VI of the Comprehensive Employment and Training Act (CETA) because of a greater than planned decrease in the level of public service employment (PSE) participants.

In response to this situation, the Department of Labor did develop a plan for increasing Titles II-D and VI enrollments to the levels called for by the final budget authorization. This plan did not require the prime sponsors to modify their Titles II-D and VI plans in order just to hire more people into PSE positions. The prime sponsors were in the process of modifying their grants at the time this plan was issued to bring their programs into compliance with those portions of the amended Act which became effective April 1, 1979 (concerning maximum and average wages which can be paid to PSE participants). The plan did call for assuring that the planned enrollment levels in the modifications were consistent with the levels which could be supported with the funds available.

More importantly, the plan specifically stated that special attention should be paid to creating appropriate jobs that will enable the individuals filling the positions to, at the completion of the PSE period, make a transition into appropriate non-CETA funded employment. In addition, the plan required that special care be taken to assure that the individuals selected to participate are those most in need of CETA services, as identified by the Act. Finally, the plan stated that the PSE efforts undertaken must be aimed at providing real and necessary locally needed public services.

With respect to your comments regarding alternative methods for using the excess funds generated by the underenrollment, consideration was given to both of your suggestions. However, since there are so many people in need of and eligible for CETA-type services, it was decided to utilize the existing reallocation procedures rather than return the excess funds to the Treasury. Under the reallocation procedures, excess funds in one area can be and are being moved to areas which can effectively utilize such funds. In fact, the Department has encouraged prime sponsors which cannot utilize available funds within a reasonable time period to agree to a voluntary reallocation of such funds.

Thank you for taking the time and trouble to write on the issue.

Warm regards.

Sincerely,

JACK H. WATSON, JR.

Mr. CHILES. Mr. President, at the same time, I find that this pressure really is working, though, because many of the areas do not want to see all of their funds cut off, and they have been told:

> Unless you retain that high a goal, we are going to take away all the funds from you, and we will just send that money somewhere else and you will not get any money.

That fear, that goes out to people who are legitimately trying help people in their communities and provide jobs, has worked. We see them actually taking people off of the title II program where they are getting job training, and switching them over to the title VI program, which I think is the worst thing they could be doing, but doing that so that the enrollment numbers will show up well on the title VI program.

One of the best statements of the need to redirect CETA by cutting back title VI was written to the Department of Labor's regional administrator by Mr. Allen Arthur, chairman of the Orange County, Fla., Board of Commissioners, on June 18. After detailing how the Department pressured them to increase their job slots, then criticized them for underhiring, Mr. Arthur wrote:

> We recognize our responsibility to those less fortunate than ourselves and will provide services which will lead to unsubsidized permanent employment. To achieve this goal, it is imperative that we have a consistent, stable program which leads each individual from whatever his entry level might be, through our world of work and other programs, whether it is public service employment, vocational education, on-job-training, etc., to the goal established for him.

The point is, Mr. President, that a good CETA program is a lot more than just public jobs. It means training in basic skills, literacy, mathematics, and specific job skills. It means counseling and retraining. The continued emphasis on public service jobs is not doing a service to the people holding those jobs, or a service to the community. What we need is job training, so that those people can compete in the private sector. We need to get people out of dead-end job opportunities, and into the growing parts of the economy.

The President intended a reduction of 158,000 jobs over the course of 1980, but since the Department of Labor overestimated the number of jobs filled in 1979, the level of 200,000 by the end of 1980 would cut no more than 70,000 new jobs. That is less than half of what the President's plan was.

The amendment I have introduced reduces the jobs to 100,000 by the end of 1980. That would be a reduction of 170,000, and that is closer to the President's plan.

This can be achieved, Mr. President, without any layoffs. In fact, the CBO calculated that if the attrition continues at the same rate that it has followed through the first part of 1979, the job slots will be down to 236,000 rather than 270,000 as estimated by the subcommittee, and that would save an additional $200 million.

However, we have kept to the cautious side, and used the subcommittee's estimate of 270,000 jobs by the end of 1979. This would not affect the continuing buildup to 267,000 public service jobs for the hard core unemployed under the new title II-D, which will spend $2.5 billion in 1980.

I ask unanimous consent that a table showing public service slot levels under various proposals for title VI be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

PUBLIC SERVICE JOBS, TITLE VI

[In thousands]

	President's budget	House bill	Appropriations Committee	Chiles amendment
October 1979	458	445	445	445
Actual May 1979	358	311	311	311
October 1979 (est.)	358	300	270	270
End, fiscal year 1980	200	200	200	100
Job reduction	−158	−100	−70	−170

Mr. CHILES. I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I am on the amendment as a cosponsor, but I would like to put it in the context of the budget situation at this point, taking the pending bill into account.

The funds provided for the pending bill as reported, plus other actions completed or underway, put the subcommittee $1.9 billion under its 302(B) budget authority allocation and $300 million under its outlay allocation. So at this point the subcommittee would be this amount under the budget allocation. But I call attention to the fact that possible later requirements known at this time could boost the subcommittee $1.2 billion above its budget authority allocation and $1.7 billion above its outlay allocation. This outcome would seriously threaten the targets in the first budget resolution.

Mr. President, I ask unanimous consent that a table showing the relationship of this bill and possible later requirements to the subcommittee allocation be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

H.R. 4389: LABOR/HEW FISCAL YEAR 1980 APPROPRIATIONS BILL RELATIONSHIP TO SUBCOMMITTEE ALLOCATION

[In billions of dollars]

	Budget authority	Outlays
Subcommittee sec. 302(b) allocation	74.6	79.0
Action completed or underway	.2	23.6
H.R. 4389	72.5	55.1
Amount over (+) or under (−) subcommittee allocation	−1.9	−.3
Possible later requirements:		
Function 500:		
Guaranteed student loans	(1)	(1)
ACTION	.1	(1)
Grants to States for social and child welfare services	.6	.5
Function 550:		
Medicare and medicaid	.6	.6
Other health	.6	.1
Function 600:		
AFDC	.3	.3
Energy impact assistance	.3	.3
Refugee assistance	.1	.1
Railroad retirement	.1	.1
Effects of Michel amendment	.3	
October 1979 pay raises	.1	.1
Total, possible later requirements	3.1	2.0
Possible amount over (+) or under (−) subcommittee allocation	+1.2	+1.7

[1] Less than $50,000,000.

Mr. MUSKIE. The Appropriations Committee has demonstrated fiscal restraint in reporting this bill at levels below both the President's request and the House-passed bill. Further, the funding levels in this bill are not largely inconsistent with assumptions in the first concurrent resolution. The main reason that the bill exceeds the subcommittee's allocation is that the full Appropriations Committee chose to allocate funds among subcommittees in a different manner than assumed in the budget resolution.

However, this reality makes even more pressing the point I made in regard to the energy and agriculture appropriations bills. We now have two subcommittees which are likely to exceed their 302(b) allocations. Several other subcommittees are likely to exceed theirs. It does not appear that other subcommitees will have sufficient surpluses within their 302 (b) allocations to compensate for these excesses.

It now appears that the Appropriations Committee may actually exceed the amount allocated to it in the budget resolution by up to $5.4 billion in budget authority and $4.7 billion in outlays when all the regular appropriations bills and all the 1980 supplemental requirements are taken into account.

We now face the prospect that these appropriations may increase the 1980 deficit by as much as $4 to $5 billion. In fact, the combination of these additional appropriations and the apparent economic slowdown threaten to drive the deficit higher than 1979.

Mr. President, this problem has four causes. First, some other committees have failed to make about $1 billion in legislative savings contemplated by the budget resolution in appropriated programs. This is a serious problem caused by the entitlement nature of many Federal programs. I am writing to the committees in question, calling this situation to their attention.

Second, costs for some programs sanctioned by the resolution have risen unforeseeably. Third, the President's new energy initiatives exceed those contemplated in the budget resolution by up to $2.9 billion in budget authority and $1.2 billion in outlays.

And, fourth, Mr. President, for reasons apart from these first three causes, the Appropriations Committee itself may spend as much as $1.3 billion in budget authority and $1.2 billion in outlays in excess of the budget resolution allocation to it.

I ask unanimous consent to have printed in the Record a table outlining this potential Appropriations Committee overage.

There being no objection, the table was ordered to be printed in the Record, as follows:

EXPLANATION OF APPROPRIATIONS OVERAGE

[In billions of dollars]

	Budget authority	Outlays
1. Failure of other committees to make legislative savings which puts pressure on appropriations:		
Cost of living adjustment for military retirees (Armed Services and Governmental Affairs)	+0.1	+0.1
Away-from-reactor storage (Energy and Natural Resources)	−.3	
SBA programs (Small Business)	+.1	+.1
Public assistance (Finance)	+.3	+.2
Child nutrition and WIC programs (Agriculture, Nutrition, and Forestry)	+.1	+.1
Veterans programs (Veterans Affairs)	+.2	+.2
Revenue sharing (Finance)	+.4	+.4
Total, category 1	+.9	+1.1
2. Items which might have been included in the FCR if they had been known at the time:		
International programs (Middle East peace package and refugees)	+.3	+.3
Space Shuttle	+.2	+.2
Water resources flood control		+.1
Obligation in fiscal year 1979 of fiscal year 1980 student assistance funds	−.7	
Veterans programs	+.2	+.2
Effect of Michel amendment	+.3	
Outlay adjustment		+.4
Total, category 2	+.3	+1.2

EXPLANATION OF APPROPRIATIONS OVERAGE—Continued

	Budget authority	Outlays
3. Items on which the Appropriations Committee may provide a different level than the FCR:		
Strategic petroleum reserve (no rescission) [1]	+1.0	
EPA construction grants	−.4	
Transportation programs	+.2	+.2
All other items, net [2]	+.5	+1.0
Total, category 3	+1.3	+1.2
Total, above 3 categories	+2.5	+3.5

	Budget authority	Outlays
4. Additional energy initiatives in the President's program above what has been reported	+2.9	+1.2
Total overage	+5.4	+4.7

[1] The President's energy program does not assume that strategic petroleum reserve funds will be rescinded.

[2] Includes $200,000,000 in budget authority and outlays for additional Presidential energy initiatives that have already been reported.

APPROPRIATIONS SUMMARY

[In billions of dollars]

Subcommittee	Subcommittee allocation		Projected total requirement		Projected total compared to allocation	
	Budget authority	Outlay	Budget authority	Outlay	Budget authority	Outlay
Agriculture [1]	20.5	16.7	20.3	16.7	−0.2	+(2)
Defense	130.1	118.5	130.1	118.5		
District of Columbia	.5	.5	.4	.4	−.1	−0.7
Energy and Water Development [1]	11.1	9.7	11.5	10.4	+.4	+.1
Foreign Operations	8.2	6.4	8.3	6.7	+.1	+.3
HUD—Independent Agencies	71.4	48.5	71.8	49.1	+.4	+.6
Interior	8.0	9.4	11.1	10.2	+3.1	+.8
Labor—HEW [1]	74.6	79.0	75.8	80.7	+1.2	+1.7
Legislative Branch	1.2	1.1	1.2	1.1		
Military Construction	3.9	3.5	3.8	3.5	−.1	−(2)
State—Justice	9.8	10.5	10.1	10.6	+.3	+.1
Transportation	9.3	16.8	9.6	17.4	+.3	+.6
Treasury—Postal Service	9.3	9.2	9.3	9.2		
Total	357.9	329.8	363.3	334.5	+5.4	+4.7
Less new Presidential energy initiatives not yet reported					−2.9	−1.2
Amount by which appropriations may exceed allocation, other than for new Presidential energy initiatives					−2.5	+3.5
Less legislative savings not made by other committees that affect appropriations					−.9	−1.1
Less items which might have been included in the FCR if they had been known at the time					−.3	−1.2
Remainder by which appropriations is projected to be over its allocation					[3] +1.3	+1.2

[1] Regular appropriation bill has been reported.

[2] Less than $50,000,000.

[3] Includes $1,000,000,000 for failure to rescind strategic petroleum reserve funds.

Mr. MUSKIE. Mr. President, the chairman of the Appropriations Committee, Senator MAGNUSON, who is also a valued member of the Budget Committee, has demonstrated repeatedly his determination to hold Federal spending in check and to balance the Federal budget. I know he deplores the situation in which the Appropriations Committee and the Congress find themselves as much as any other Senator.

I am sure that he will do what he can to make sure that the total cost of all appropriations bills remain within the congressional budget targets.

Indeed, he has so assured me privately.

With respect to the pending amendment, I think Senator CHILES' proposed cuts exceed the cuts that are necessary to fall within the assumptions of the budget resolution with respect to this particular program which he has described. But nevertheless I think as a signal to the Appropriations Committee and to the Senate as a whole of the need to exercise the kind of restraint that we must in order to meet the budget resolution targets and not create the danger of a larger deficit which I have described, it may be appropriate to support even the number offered by the distinguished Senator from Florida, who, is himself, a most valued member of the Budget Committee. I rely heavily upon him and his efforts to keep the budget in line.

I compliment him on his effort. I think he was sensitized largely by the considerations affecting the total appropriations to which I have referred in this statement. With that I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Will the Senator from Florida yield 2 minutes?

Mr. CHILES. Mr. President, how much time has the Senator from Florida remaining?

The PRESIDING OFFICER. The Senator has just under 14 minutes.

Mr. CHILES. I yield 2 minutes.

Mr. DOMENICI. I thank the Senator for yielding 2 minutes.

Mr. President, I want to indicate my strong support for the Chiles amendment. I am an original cosponsor. As the Senate knows, Senator CHILES has played a leading role in molding and making the CETA act responsive to the needs of our hardcore unemployed individuals who need training in order to get jobs. He has been trying to make that law innovative and one that will work. At the same time, he has taken the lead in trying to rid the act of those sections that do not work, are wasteful, or have been abused. I am certain that his amendment should not be construed as an effort to do violence to the CETA act. In fact, he has chosen the sections very carefully, because he, as much as anyone else involved with this program, wants a strong CETA program which helps those who are in need. But he recognizes we cannot break the budget in the process. I hope the Senate will support him and set limits which are well within the budget, which are doable, and thus meet the challenge that a targeted employment program gives to America.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Will the Senator from Florida yield me 5 minutes?

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Will the Senator from Florida yield me 5 minutes?

Mr. CHILES. I yield.

Mr. BELLMON. Mr. President, I support the Chiles amendment, and I am proud to be a coauthor of the amendment. In its work on the first budget resolution, the Senate decided that inflation is a major threat to the progress and stability of the country. Therefore, the Senate voted to reduce the Federal deficit in fiscal 1980—and adopted a 3-year plan which leads to balancing the budget in fiscal year 1981. The question now is whether—in spite of the energy crisis, and in spite of the more pessimistic economic forecasts—the Senate is prepared to stick to those objectives.

Mr. President, the Chiles amendment would reduce to 100,000 the number of countercyclical jobs under title VI of

CETA, by the end of fiscal 1980. This was a specific assumption, endorsed by the Senate, when we adopted the budget resolution in May. If we now approve this bill—and fund 200,000 title VI jobs as of the end of fiscal 1980—we will have added $1 billion to the fiscal year 1981 budget. Mr. President, that would add $1 billion to the deficit and increase inflationary pressures.

There are those who will argue that we should not be reducing countercyclical jobs when we are forecasting an economic downturn. But let us look more closely at those forecasts: Mr. President, CBO predicts—and many private economists agree—that the economy will start rebounding by the first quarter of calendar 1980. The Chiles amendment does not propose to reduce the number of title VI jobs at the beginning of fiscal 1980. By the time the main impact of the Chiles amendment is felt—reducing the number of subsidized jobs at the end of the fiscal year—the economy will be in its third quarter of recovery, according to CBO and many other economic forecasters.

There are other considerations, Mr. President, which argue for further reductions in the title VI CETA program. This program is not an effective countercyclical tool. It distributes funds to every prime sponsor in the country, no matter how low their unemployment rates. In Oklahoma, our unemployment rate is 3.9 percent; yet we have over 2,000 CETA title VI jobs in Oklahoma. Montgomery County, Md., right here in the Washington metropolitan area, has an unemployment rate of just over 3 percent—full employment by anyone's definition. And yet, that county has money for about 265 title VI jobs. Mr. President, that does not make sense. We do not have a cyclical unemployment problem in most parts of Oklahoma or in Montgomery County, Md. and yet that is where a lot of the money is going, to situations like those.

Only 8 percent of the title VI jobs are in distressed cities. To deal effectively with temporary, cyclical unemployment countercyclical programs must be targeted to areas suffering economic distress. This program presently is not well-targeted, and I see no persuasive agreement, therefore, to continue the present program at the level the bill proposes.

Last year, Mr. President, we made an important decision to change the emphasis in our employment and training programs to focus on the structurally unemployed. These people include recipients of welfare payments—people who cannot compete in the job market even when there are jobs available—people who are the very last hired, and the first fired. These are the people most in need of help; and they are not well-served by the title VI program. As a result of last year's CETA amendments, we now have a large, new public jobs program—with a strong training component—for the structurally unemployed under title II–D of CETA. That program, and the training programs under the other parts of title II, and the CETA youth programs, and the employment tax credits and other incentives for the private sector are where we should be putting our emphasis.

The Chiles amendment, Mr. President, protects these needed programs but it does get at the kind of waste I talked about earlier, where the present CETA program puts jobs into areas where there is simply no need.

Mr. President, we cannot do everything for everyone and still ever hope to hold down the budget and bring inflation under control. I believe Senator CHILES is offering a reasonable reduction, a reduction in line with the decision the Senate made only 2 short months ago when we adopted the first budget resolution. The Senate must not now prematurely abandon the well-thought-out plan we adopted in May. Unless we stand fast by our original decision, we will continue on the easy but deadly path of huge budget deficits and runaway double-digit inflation which injures the retired people, low-income people, and others less able to defend themselves.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. EAGLETON. Mr. President, on behalf of Senator MAGNUSON, as it were, I yield myself such time as I may consume.

Mr. President, if a stranger walked into the gallery 45 minutes or so ago to listen to the discussion that has been had thus far on this matter, I think that individual might believe that he was in some kind of a fictional dream world. As I have heard the debate thus far, it seems to be that everybody thinks that the country is economically in sound and solid shape; that unemployment is obviously going to get much, much lower; that the CETA programs that are designed to assist individuals in gaining jobs, gaining skills, and feeding their families, are no longer necessary because our economy is so solid and so vibrant, and that everything is optimistic and upbeat from here on out. This defies what is the unanimous projection of every economist that I have read about in the past months as to what is going to be the nature of the American economy from here and as we get into the year 1980.

Mr. JAVITS. Will the Senator yield to me at that point?

Mr. EAGLETON. Yes.

Mr. JAVITS. I thank the Senator. Mr. President, I expect to speak, and I shall simply deduct this from my time.

One thing has come out today here. That is that our gross national product is down over 3 percent and it is confidently expected and counted on by our administration that we will have a million more unemployed in the very period that this amendment is intended to affect. I simply could not agree with the Senator more.

How much on our heads can we stand? We shall only pay this out in welfare and unemployment compensation. Would we rather do that? That is the issue.

Mr. EAGLETON. The Senator from New York, as he does so often, has hit the nail precisely on the head.

Every economist, Mr. President, says we are in a recession. Some say in a hopeful way that maybe it will not be terribly deep or terribly prolonged. Others, like Walter Heller, think it is sufficiently alarming, the economic posture that we are in, that we ought to be thinking of an instant tax cut even now.

Milton Friedman, the most conservative of economists, says we are in a recession. So there is unanimity on one point: we are in one, and the unemployment figure, which is today 5.6 percent, is going to rise, probably as high as 6.9 percent, in the opinion of some.

I think that is the estimate of the Congressional Budget Office, Ms. Alice Rivlin. No, that is the administration's estimate, 6.9 percent.

Administrations that are contemplating being reelected in 1980 do not usually give estimates on the high side so far as unemployment is concerned. So I think one can say that 6.9 percent is a conservative estimate as to how far unemployment is going to go.

I always enjoy listening to the Senator from Maine. He is a good, dear friend of mine. He takes his responsibilities with respect to the budget resolution most seriously, and he should. The Senator from Florida (Mr. CHILES) does likewise. I do not challenge their motives or the role that they play. But what they are doing here in giving us all kinds of estimates about budget resolutions and outlays and all of the sophisticated analysis that goes into figures and numbers is exercising a degree of pencil pushing at the expense of the unemployed.

Mr. MUSKIE. Will the Senator yield to me briefly?

Mr. EAGLETON. Yes.

Mr. MUSKIE. No. 1, that is not the exercise in which this Senator is involved. I do not disagree whatsoever with the Senator's description of the range of economic opinion that we are asked to take into account as we plan for calendar 1980.

Frankly, if one sat through all of the economic testimony we have heard—and it is all consistent with what we have said—one would know they end up admitting that we are between a rock and a hard place. Not one of them projects a deep recession. Not one of them expects a prolonged recession. Most of them project the beginning of recovery early in Calendar 1980. So the decision with which the Budget Committee was confronted—and we shared that with the entire Senate in the spring—was whether or not we begin putting into place stimulus programs which may be irrelevant by the time the money begins to be spent and whether what we would have done is exacerbate the inflation problem.

Now, we are not sure of that, and neither is any economist sure of it. The interesting thing about economists is that they can tell you without any qualification that their current economic forecasts are correct; then they will explain why their last month's economic forecast was incorrect. That is true of politicians, too.

I concede the Senator's point that you can project almost any variation in the picture that you wish. I do not take issue with the Senator's choice of economic policy. That is his prerogative. It is not an easy choice.

I do want to make clear that we are not just arbitrarily insisting on some numbers that we put in the May 15 budget resolution for the sake of insisting on numbers. We are making a deliberate choice.

Second, I make the point that the Budget Committee is entering its markup on the second budget resolution next week and some of these issues will be redebated then. I do not really presume to prejudge what the committee will decide. But we are not really in disagreement, I say to the Senator, except as to what we ought to do right now with respect to economic policy.

Mr. EAGLETON. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. I thank the Senator for yielding.

Mr. President, I have a particular point I want to make to Senator Muskie, because I, like Senator Eagleton, have the highest regard for him, and I think my record shows that, in the very tough ones between Budget and Finance, I generally have supported the Budget Committee. But there is one factor which the Senator's analysis overlooks. That, is the following:

We have deliberately, and now, with Bill Miller in the Treasury, I think it is fair to say I can underline that, we have undertaken the policy of bringing down inflation at the price of unemployment. That is what is omitted, because Ms. Rivlin herself says, in this latest document—which, by the way, is the most recent statement on the subject, July 1979, on page 38:

> Reflecting the weakness in real activity, the unemployment rate will rise slowly through the year, reaching the 6.4 to 7.4 range by the fourth quarter—

Which negates exactly what Senator Bellmon was just saying: that this will only grab hold toward the end. That is when we are going to be hit. That is what she says. And I think she is right.

The point which we make is of all the sensitive matters in which to get a little insurance, this is the most sensitive, because that is where the shoe is going to pinch the hardest.

I say to my colleague, too, that he knows, running the Budget Committee, if we do not do this, we are simply going to spend the same money in unemployment compensation. I sponsored all those bills. We have never hesitated to pay that when we have an unemployment situation.

For those reasons, Mr. President, with all respect to Senator Muskie, whom, as I say, I admire enormously, I think this is hitting at the most sensitive part of our defense against this recession and its manifestation, which will be unemployment.

Mr. MUSKIE. If the Senator will yield, I have not overlooked the point that the Senator makes, and neither does Dr. Rivlin. If the Senator will read the entire statement of Dr. Rivlin, he will find that she concludes that we ought not to embark on additional stimulus now.

Mr. President, I ask unanimous consent that pages 8, 9, and 10 of her statement before the Committee on the Budget be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Excerpts of Statement

UNCERTAINTY

It is always difficult to forecast turning points of the business cycle with accuracy, and there are more uncertainties now than usual. Thus, while most forecasters are not optimistic about the near-term outlook for real growth, a quick resurgence of final demands cannot be ruled out. If this happens, real output would be higher this year than CBO expects and unemployment would be lower. At present, however, there appears to be a greater chance that the outcome could be worse than forecast by CBO. Possible events that could weaken the outlook over the next year include:

Further supply shocks such as a severe fuel shortage or poor harvests that raise prices further than expected and curtail output;

A prolonged strike in a critical area such as the automobile industry; or

A sharp drop in the exchange value of the dollar.

Moreover, the assumption that monetary policy will be eased toward the end of this year may prove unrealistic. The Federal Reserve may give greater priority to anti-inflationary policies, especially if it fears that an easier policy would threaten the exchange value of the dollar.

IMPLICATIONS FOR POLICY

If the economy weakens, the increased slack in product and labor markets will help mitigate inflationary pressures. The rise in unemployment, however, would present the Congress with a very difficult policy dilemma. One response to a rise in the jobless rate would be greater fiscal stimulus. But such a response could aggravate the already high inflation. In this situation, the Congress may want to examine closely the policy option of continuing current policy and making no immediate change. An argument for no immediate change in fiscal policy is the great uncertainty in the economic outlook. As mentioned earlier, it is difficult to forecast unemployment and inflation with accuracy. The jobless rate has not yet risen, and the consensus outlook for an increase in unemployment could be wrong. Toward the end of the year, the course of the economy should become more clear. At that point, if the unemployment rate appears headed toward an unacceptably high level, the Congress may then want to consider a more stimulative fiscal policy.

One thing that can be done now is to begin work on a contingency plan for fiscal stimulus that could be used should the unemployment rate rise to an unacceptable level. In developing such a plan, the Congress will want to keep in mind that inflation likely will remain high for some time and that it may be worthwhile to link any fiscal stimulus to measures that also reduce inflation. This might be accomplished by a cut in payroll taxes or by tax incentives to hold down wage demands. In addition, business income tax cuts might improve productivity in the long run, thereby contributing both to a reduction in inflation and to higher economic growth. Supplemental unemployment insurance benefits or other measures to mitigate the hardship of unemployment might also be considered.

Mr. Chairman, that concludes my statement this morning. I will be happy to answer any questions you or Members of the Committee have.

Mr. MUSKIE. She says, "One thing that can be done now is to begin work on a contingency plan for fiscal stimulus that could be used should the unemployment rate rise to an unacceptable level."

The fact is that the unemployment rate has not yet begun to rise. Now, her concern, and it was our concern, too, was that if we shift to a stimulating policy before the bad news begins to come, before the unemployment rates begin to rise, that will signal to the country that we have abandoned the program of restraint and that we are going to be shifting the policy from inflation to an unemployment problem that has not yet materialized, and that we have ample time between now and the first of the year to do that if it becomes necessary.

Mr. JAVITS. Now, will the Senator yield?

Mr. MUSKIE. And the Budget Act provides for budget resolutions to give us the flexibility to do that.

Mr. JAVITS. Will the Senator yield to allow me to answer that?

Mr. MUSKIE. Of course.

Mr. JAVITS. All right.

Mr. MUSKIE. It is not my time.

The PRESIDING OFFICER (Mr. Tsongas). The Senator from Missouri has the time.

Mr. JAVITS. Well, this is elucidating the subject.

The point is that this is an amendment to cut, not an amendment to add. If the Senator were arguing it is an amendment to add, that would be different.

But the committee has come out with 200,000 jobs, which is, by the way, less than half what it was 2 years ago, when it was 460,000. It has come down to 200,000 jobs and this amendment is to cut it further.

What we are arguing is that to cut it further in the teeth of the gathering storm respecting unemployment, the very thing this is directed toward, is a great mistake.

So it is not stimulative at all. It just cuts what the committee has agreed is the way to deal with the existing situation.

Mr. MUSKIE addressed the Chair.

Mr. MAGNUSON. Will the Senator yield on my time?

Mr. MUSKIE. May I have 2 minutes?

Mr. CHILES. Yes.

Mr. MUSKIE. I do not want to use the Senator's time.

Mr. MAGNUSON. Will the Senator yield? I want to correct the figures.

Mr. MUSKIE. First of all, I want to respond to Senator Javits.

Mr. MAGNUSON. I want to correct the figures.

Mr. MUSKIE. Could I just respond to Senator Javits for 2 minutes.

Mr. MAGNUSON. I want to correct it.

The program is cut from 600,000 2 years ago down to 200,000, not 400,000 as the Senator from New York said.

That is what I wanted to point out and then the Senator may go ahead.

Six hundred thousand jobs 2 years ago and we cut it down to 200,000.

Mr. MUSKIE. But the budget resolution was based on the assumption——

Mr. MAGNUSON. I do not care what the Budget Committee staff assumes. I am talking about what we did on appropriations.

Mr. MUSKIE. I understand. I am not

challenging that. But we specifically assumed in the budget resolution we would cut to 100,000. I do not think we need cut as much as Senator CHILES proposes.

Mr. MAGNUSON. That is a line item. We do not line item in the Budget Committee.

Mr. MUSKIE. I fully understand that. The Senator and I have had that argument over and over again. But, nevertheless—nevertheless—the economic policy for which the Budget Committee has responsibility has to be based upon some assumptions about what needs to be done.

I fully understand that the Appropriations Committee is the line item committee. But when the Budget Committee knows by adding the figures that the appropriations numbers are going to exceed the budget resolution, somebody, unfortunately, has the responsibility of pointing that out, and, equally unfortunately, I happen to be that person.

What I rose to say this afternoon was not to specifically support the Chiles amendment, but to point out that, as it looks now, unless we are able to get surpluses from some other appropriations subcommittees, that we are going to exceed the budget levels by $5.4 billion in budget authority and $2.9 billion in outlays.

Now, that is the strongest signal. That is the signal I am worried about. That is the signal I am worried about.

Incidentally, the Chiles amendment undertakes to cut back to the 100,000 the Budget Committee assumed, and I concede Senator MAGNUSON's point, that is the Appropriations Committee function, a line item. I do not challenge it.

But I also recognize the responsibility of the Budget Committee to follow the numbers and alert the Senate as to where the numbers appear to be going.

Senator MAGNUSON has assured me privately, and I said that when he was not on the floor, that the final numbers produced by the Appropriations Committee will be under the budget resolution totals.

But, in all frankness, and we have got some pretty good numbers people, of course, on our staff, that is not the way it looks from our perspective.

I am just saying that if that result is achieved, fine. But if it is not, if the projections, the potential projections I have outlined this afternoon materialize, somebody is going to say to me, if I have not said a word about it, "MUSKIE, why didn't you warn us?"

That is my job. It is not always pleasant. Certainly, it is not pleasant to be at odds with my good friend from Washington, who has been, I think, an outstanding chairman of the Appropriations Committee, and he has been committed to budget prudence and budget restraint.

I am not really at odds with him. We just happen, apparently, at this point, not to agree as to the projections of what we have already done.

I am giving the Senate my views, and they are the views of our numbers people, and my principal purpose was not the Chiles amendment so much as it was to present this total picture.

I apologize to my good friend from Missouri for diverting him from his argument.

Mr. MAGNUSON. If the Senator will yield, the Appropriations Committee has to deal with things as they are now, with the normal running of the Government, and we have dealt with that and we have cut. I think we will cut close to $3 billion.

Mr. MUSKIE. I certainly hope they will.

Mr. MAGNUSON. The economic assumptions are another story. The Appropriations Committee can't be blamed for changing economic assumptions because we look at things as they are now and the assumptions will have to be taken care of by the second budget resolution.

Mr. MUSKIE. The Senator is correct.

Mr. MAGNUSON. Does the Senator agree with me?

Mr. MUSKIE. The Senator is correct.

Mr. MAGNUSON. And the fault has been with the authorizing committees.

Mr. MUSKIE. As I said in my amendment——

Mr. MAGNUSON. I am sorry I was not here just at that moment.

Mr. MUSKIE. Yes.

Mr. MAGNUSON. The fault has been with the authorizing committees and they have delayed and delayed. We just take things as we see them because, after all, the bottom line of all budgets is how much we appropriate; is it not?

Mr. MUSKIE. And that is the line that is the Senator's responsibility.

Mr. MAGNUSON. How much comes out of the Federal till at a given time.

Mr. MUSKIE. I agree.

Mr. MAGNUSON. And on October 1, at a given time, we go down to the till and look, and we are going to be $3 billion under.

Mr. MUSKIE. That is the trip I want to take with the Senator.

Mr. MAGNUSON. The Senator has a staff that assumes everything.

Mr. MUSKIE. That is our responsibility.

Mr. MAGNUSON. I know. But sometimes it is the Senator's responsibility to tell us this, but to publicize it like some of them do, I think is wrong.

Mr. MUSKIE. We produce a weekly scorekeeping report, and we are required to, in order to give Senators some notion of what is coming. So that we are not caught by surprise, we have to make assumptions.

I will say for the record, we have been doing this for 5 years and these have been pretty good, they have been pretty good on the mark, these weekly tables of assumptions.

Mr. MAGNUSON. Yes. But the staff of the Budget Committee is assuming a lot of authorizing legislation that may not happen.

Mr. MUSKIE. It also assumes some appropriations——

Mr. MAGNUSON. Just take the Finance Committee. They assume we will make some cuts, and this, and that. I do not know whether we will or not.

I have to deal with the till, as we look into it on October 1, and what we appropriate, that is the bottom line.

We can talk about balancing the budget, assumptions, and everything else. It is what we dip into the till and take out in taxpayers' money.

Mr. MUSKIE. I understand.

Mr. MAGNUSON. That is what counts on October 1.

Now, after October 1, the Senator can assume all he wants.

Mr. MUSKIE. I will not yield that point completely.

For example, in order to put the pressure on authorizing committees to achieve some legislative savings in laws that would have to be changed in order to achieve them, we assume legislative savings of a billion dollars. That has not been done. Because it has not been done is one of the reasons——

Mr. MAGNUSON. So we have to pick up the tab.

Mr. MUSKIE. That is right. That is exactly right. I sympathize with the Senator from Washington when he is faced with that dilemma.

Mr. MAGNUSON. I know that.

Mr. MUSKIE. But I have to present that to the Senate so that the Senate can decide whether or not it will make cuts elsewhere because we failed to achieve those savings, or whether we are going to breach the budget. If the Senate chooses the second course, that is the Senate's prerogative; but it is my responsibility at least to lay the facts on the table.

Mr. SARBANES. Mr. President, will the Senator from Missouri yield?

Mr. EAGLETON. Mr. President, I will speak for an additional minute or two, and then I will be delighted to yield to the Senator from Maryland. I want to get back to my train of thought of several minutes ago.

This program already has been slashed. There is no other word for it. Last year, for fiscal year 1979, on title VI, we spent 3.4 billion. The President, in his budget, cut that to $2.2 billion, a cut of one-third. The House cut it to $1.8 billion. The Senate HEW committee cut it to $1.6 billion.

So as the bill stands now, even before the Chiles amendment, it is less than half of what was appropriated last year.

As the Senator from New York (Mr. JAVITS) points out, this is not adding additional stimulus. He points out, quite properly, that if the Chiles amendment were to add a half billion dollars or a billion dollars or $2 billion, then a persuasive argument could be made that this was ill-timed additional stimulus.

This is an additional sock in the face to the jobless; that is what it is. It does not stimulate anything except putting people out of work and putting them on welfare thereby upping that account, increasing the food stamp account, and increasing the unemployment compensation account. That is what this amendment will stimulate.

It will stimulate more expenditure in the jobless account rather than in the gainfully employed account. That is what it boils down to.

There may be no economic problem in Oklahoma. Senator BELLMON says everything is lovely there and he does not want any of this money and he should not have it.

I live in Montgomery County, and I agree that it should not get one dime of this nor one dime of impact aid. But if you try to exclude Montgomery County and Oklahoma, then what do you have? "I've got to get a piece of this action. I can't vote for something that is going to help all these other States."

Sure, Montgomery County should not get one penny of this money. In order to cure that ill, you want to take the money out of New York City, Chicago, Detroit, St. Louis, Los Angeles, Cleveland, Newark, Buffalo, Kansas City—on and on—places where there is horrendous unemployment that is going to get worse. Every person in this room knows it is going to get worse.

So this is the time we sharpen the pencils, get out our weekly budget scorekeeping card, fiddle around with a few figures, and tell people we are going to induce more joblessness by cutting the CETA program.

I cannot think of a more inopportune time to be trying to take people out of gainful employment and knowingly transfer them into the category of unemployed. That is the net result of the Chiles amendment.

I yield the floor.

Mr. MAGNUSON. I yield to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, how much time remains to the Senator from Washington?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. MAGNUSON. How much time do I have remaining?

The PRESIDING OFFICER. Three minutes.

Mr. JAVITS. Mr. President, I have 5 minutes, which I will gladly yield to the Senator.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that 15 minutes be added to each side on this amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. I yield to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I appreciate the graciousness of the chairman of the Appropriations Committee.

I rise in opposition to the amendment of the Senator from Florida (Mr. CHILES).

This is precisely the wrong time to be talking about cutting a program that directly provides jobs to unemployed Americans.

The Nation is heading into a recession. There is virtually unanimous agreement among the authorities on that. Even the President has used the word "recession" to describe the immediate economic prospects—and for good reason.

In terms of unemployment, prospects for the next 6 months are bleak. The President's midsession budget review forecasts that the national unemployment rate will rise a full percentage point by the end of this year. If that occurs, more than a million additional workers will be counted as unemployed just as the winter season moves in over us.

Against this background, it simply does not make good sense for the Senate to be saying that public service jobs programs should be cut by 100,000 positions.

Aside from the dictates of commonsense, there are other good reasons for not cutting more deeply into the reservoir of public service jobs.

First, the amendment would destroy the countercyclical nature of the title VI program under CETA. The Congress, just last year, deliberately designed the title VI program to provide additional jobs when unemployment rises and then fewer as joblessness declines. The amendment would completely thwart this purpose, requiring the layoff of tens of thousands of CETA workers during a time when virtually everybody agrees unemployment will be on the rise.

Second, the amendment would cut into the bone of a program that is providing jobs mainly for the economically disadvantaged. Secretary of Labor Marshall has testified before the Joint Economic Committee that 80 percent of title VI participants are from low-income families. I should also like to note that a recent study by the Bureau of Census has documented what we knew from experience to be the case, that in a recession, the burden of unemployment falls most harshly upon the poor, particularly members of minority groups.

Third, I should like to point out that the CETA amendments, enacted last October, authorize the appropriation of sufficient funds to provide one public service job under title VI for every five persons unemployed in excess of a national unemployment rate of 4 percent. This is more than a statutory authorization—it is a congressional commitment stated as a specific purpose of the title VI program.

Under the terms of section 602 of CETA, the President is required to provide periodic reports on unemployment prospects for the impending fiscal year, and on the basis of those reports, the goal of the program and the authorization level are established.

On July 12, 1979, the President once again fulfilled his responsibilities under section 602. In his midsession budget review document, he reported as follows:

That the unemployment rate for 1980 is now estimated to be 6.8 percent;

That the number of unemployed in excess of 4 percent of the labor force is estimated to be 2.94 million;

That the average cost per year of a public service employment opportunity is estimated to be $9,500; and

That the amount needed to be appropriated to provide public service jobs under title VI is $5.3 billion.

Mr. President, the Senator from Florida contends that his goal is to reduce the title VI program to 100,000 jobs by the end of fiscal year 1980. In point of fact, his amendment would reduce the program well below that level.

The Appropriations Committee has ready reduced funding for title VI by $188 million, on the assumption that enrollment in the program would be 270,000 on October 1—rather than 300,000 as assumed by the House.

However, reports from the field—received after the committee acted on its report—now show that the decline in title VI enrollments has stopped, and in fact, has risen slightly to nearly 325,000. With this new information, it seems apparent that we will enter the new fiscal year with 300,000 participants on board in title VI.

The Senator from Florida now proposes a further cut of roughly $500 million in available funds. If adopted, the combination of this reduction and the committee's reduction—totaling $690 million—can be expected to require extra layoffs, and to drive enrollment down to about 70,000 by the end of fiscal year 1980.

My major concern is that, with a national program that small, many prime sponsors will receive so little funds that they will simply close out the program altogether, rather than endure the rigorous administrative difficulties involved in conducting it.

Closing out the title VI program in any area—in the face of a recession—is tantamount to abandoning our first-line weapon against rising joblessness.

I remind my colleagues that the title VI program is the only significant, standby countercyclical program that has authorization for fiscal year 1980.

We should no more shut it down—even in those areas that have relatively low unemployment at this time—than we would close down the production line for a first-line military weapons system when we are on the verge of war.

Mr. President, despite my apprehensions that there are insufficient funds in the bill for public service employment, I do not intend to offer an amendment to increase the level of funding, for the following reasons:

First, the bill as passed by the House contains an additional $188 million for public service employment under title VI of CETA. And I am hopeful that the conferees on the part of the Senate will be influenced by the recent forecasts of the impending high unemployment to accept the higher House levels for this program.

Second, I believe the Committee on Appropriations has provided a very positive directive to the Secretary of Labor with respect to the reallocation of unutilized funds in the current fiscal year. The committee has directed the Secretary of Labor to consider reallocating some portion of the unutilized funds for both the title II–D and the title VI public service employment programs to prime sponsor areas experiencing severe unemployment. I joined with Senator JAVITS and others in recommending this course of action, the purpose of which is to transfer funds that are unutilized mainly because the employment situation in some areas improved significantly over recent months, to prime sponsor areas where unemployment continues to be severe despite the improvement of the overall national unemployment rate.

Third, the President has indicated that, in connection with plans he is making to ameliorate the effect of the impending recession, he will consider recommending an increase in the title VI public service jobs program with a supplemental request for funds. I know that the distinguished Senator from Washington and his committee, will give every consideration to such request.

Finally, Mr. President, I should like to remind my colleagues that the title VI program is the only significant, standby authority for providing jobs quickly and in proportion to a rising need. It is a truly countercyclical program, standing ready to move into action.

On the basis of the President's July 12 report, it now has an authorization of $5.3 billion.

With the new eligibility requirements, assuring that the jobs go only to the economically disadvantaged, it is focused on those who will be hardest hit by rising unemployment.

The Senator from Florida says his proposed jobs cut can be accomplished "without any layoffs," and he bases his assertion on the assumption that attrition will continue on the course it took during the first two quarters of this fiscal year.

But, participation has stopped its decline, and in fact, enrollments in title VI rose slightly in June after holding steady in May.

So attrition cannot be depended upon to provide the phase-down. Layoffs of tens of thousands would be required under the amendment of the Senator from Florida.

Mr. President, I wish to associate myself with the points made with great force, in my judgment, and with complete effectiveness by the Senator from Missouri and the Senator from New York.

It is manifest that in a period when we are all directed toward budgetary restraint, fiscal restraint, appropriations moderation, we certainly have a measure from our Appropriations Committee that goes far, far down the road to moderation and restraint.

In fiscal 1979, we enacted $3.4 billion for title VI public service jobs and then came into this year's legislative activity with the President's budget suggestion of $2.2 billion. Then we saw the House act to reduce it to $1.8 billion, and then the Senate committee coming down to $1.6 billion. Now this amendment would reduce it to $1.1 billion.

As has been said forcefully, at a time when it is understood that we are moving into difficult times, there is within this title VI that element of response to rising unemployment, a countercyclical program to make some opportunities available, as the economic cycle turns down.

I think the Senator from Oklahoma stated it precisely, last year at this time, in speaking about an amendment to cut title VI program funds, when he said:

> I hope that the Members will realize this (amendment to cut the title VI program) is what the countercyclical was about: When unemployment was high, we put up money to provide these jobs, and now that the employment picture is brighter, we should expect to reduce them.

That was a year ago. Now the situation has turned about on us, and all reliable economic forecasters tell us we are heading into increased unemployment. So the countercyclical feature should be operative, and we should be providing more jobs, not less.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. SARBANES. Will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, I suggest that the Budget Committee should not come in with its weight in support of the amendment. I can appreciate the Budget Committee pointing out where they think the appropriations are going. But if they are not to line item every aspect of the budget, it seems to me that they simply would raise that warning and not endorse particular amendments.

I can see the Senator from Maine opposing any amendment that would increase, if that was taking us beyond the budget, but we could come in with an alternative amendment cutting somewhere else. What would the Budget Committee do then? It could raise a warning signal. But to then specifically endorse this particular amendment, it seems to me, is to go one step beyond. Especially, it gets us into the very substance of these amendments.

Mr. MUSKIE. Exactly how will I then implement my concern about the overall numbers? I have to vote. What am I going to do—tell the Senate that we are threatened with overages of billions of dollars and then vote for appropriations bills so I will not be throwing my weight behind the Senator's particular cut? What kind of action would that be, and where would my credibility be?

I am against across-the-board meat-ax cuts, because I think they should be selective, because we do not know what is going to be hurt with across-the-board cuts. Now the Senator tells me I should not vote for specific cuts.

Just how do I express a concern in a meaningful way? The Senator from Maryland is free to vote as his conscience tells him, but he is telling me that I should not vote for a cut because I am throwing the weight of the Budget Committee behind it.

Mr. SARBANES. No. The Senator from Maine will have to vote one way or the other on the amendment.

Mr. MUSKIE. I have to explain it.

Mr. SARBANES. But to invoke the budget process to underscore the opposition to this particular amendment is to carry the Budget Committee into the line item aspects of making a budget, as the chairman of the Appropriations Committee pointed out.

Mr. MUSKIE. If the Senator will yield, I did not do that. I did not make a speech for this amendment. I made a speech—the Senator from Maryland can read the written copy; there is not a reference to the Chiles amendment in it—simply pointing out the overall picture with respect to the appropriations bills as I saw them, and then I was asked questions.

Mr. SARBANES. Then, perhaps I misheard the Senator.

My understanding was that the Senator said that the Chiles amendment actually went further than he thought, in any event, it should have gone, but that he was going to support the Chiles amendment as a way of getting at his objective.

Is that correct?

Mr. MUSKIE. That is right.

Whatever remarks I make in response to a question are not remarks that I came to the Chamber to make. So when a question is put to me that requires me to go on record with respect to the amendment, obviously I have to be frank about how I am going to vote.

But my speech was to apprise the Senate of the total picture with respect to appropriations. Then, in order to be credible, I have to vote for some cuts somewhere. I voted against the Morgan amendment. I voted against the Roth across-the-board amendment. And then I get up and make a speech saying we are threatened with serious overages in the order of billions of dollars on appropriations as a whole. What anyone reading the RECORD at that point could well say is: "To me, Senator, if you are so concerned about the fact that the budget is threatened, why did you vote against this cut? Why did you vote against that cut? Why are you voting against the Chiles cut?"

Where do I establish my credibility?

Mr. SARBANES. Is the Senator's position that he will vote for all cuts and no increases?

Mr. MUSKIE. I voted against all the cuts proposed up to this point.

Mr. SARBANES. No. Is the Senator's position that he will vote for all cuts?

Mr. MUSKIE. No. I just said I voted against them.

Mr. SARBANES. How did he pick which ones he is going to vote for and come to the Chamber and say, "I voted against that cut and I voted against this cut?"

But now I am telling the Senator he should vote for this cut, when we come to an amendment that involves jobs, when we are moving into a recessionary period and we are failing to meet this program. That is going to lead us into a deficit anyhow.

Mr. MUSKIE. Now, I say to the Senator——

Mr. SARBANES. How does the Senator pick and choose?

Mr. MUSKIE. I will be glad to take someone's time to reexplain what I think I have already explained.

No. 1, the budget resolution established the target of 100,000 CETA title VI jobs by the end of fiscal year 1980. That is No. 1. And this bill cuts only to 200,000.

So there is a budget resolution objective—if I may finish. The Senator has tried to put me on the grill and he wants to monitor my votes so let me explain them.

Mr. SARBANES. I am not anxious to monitor the Senator's votes.

Mr. MUSKIE. But he is. So I have a right to explain.

Mr. SARBANES. I want to monitor the budget process.

Mr. MUSKIE. May I finish?

That is a specific budget resolution target—specific—not that we have the right of the Appropriations Committee to implement it. But it was specific when we adopted the budget: 100,000 jobs. So an amendment to implement that would be perfectly proper.

Any Senator is free to oppose it, but it is perfectly proper as implementation of a budget resolution that this Senate adopted. That is the first point.

Now the Chiles cut, in my judgment, and there is argument about the figures, goes further than that. It goes further than restoring the 100,000.

Mr. SARBANES. Mr. President, will the Senator yield for this question?

Mr. MUSKIE. May I finish answering the first question?

Mr. SARBANES. When we adopt a budget resolution is it the Senator's view that we have adopted the assumptions of the Budget Committee in reaching the figure of the budget resolution?

Mr. MUSKIE. No.

Mr. SARBANES. Because if it is then he is line iteming the appropriations bill, as the chairman of the committee has pointed out.

Mr. MUSKIE. No.

I mean in order to come up with a total there have to be parts that add to the total. I mean we are not really suggesting that we commune with the Almighty and come up with an aggregate of $532 billion in outlays without any consideration of the parts that make it up. The Senator does not really suggest that.

Mr. SARBANES. No. What I am suggesting, though——

Mr. MUSKIE. Why does he not answer my question for a change?

Mr. SARBANES. I am going to answer. The Senator asked me if I were suggesting. I am going to answer. What I am suggesting is what this shows clearly and that is that the Budget Committee is taking its assumptions on which its resolutions are based and transforming those assumptions into a standard to be used to do line-item budgeting on the Appropriations Committee, and that is not the part of the budget process.

Mr. MUSKIE. I agree it is not part of the budget process. I have said that more often than the Senator has. I have said it in the Budget Committee over and over again. I have said it in the Chamber over and over again. And I am more impressed with its validity than the Senator is. I am not doing it now. But I think that if the Senator wants to know whether or not by October 1, 1979, we are going to be above the aggregates for outlays in 1980 or below he should take into account the assumptions upon which those aggregates were based.

The Senator seems to be afraid of the information. He says, "You do not even tell us what those assumptions were. We would rather guess. We would rather vote for those attractive options without being made uncomfortable by the assumptions which the Senate accepted."

They are not binding. I have no right or power to make them binding. But I have a voice to tell Senators what they were. If the Senator wants to ignore them, all right, but to tell me that simply because I tell him what the assumptions were I am trying to line item is twisting the language beyond what I have come to expect from the Senator from Maryland. He knows the language pretty well. He knows very well, I think, what I am saying. I do not have to put it in any simpler terms than that.

What I am saying is that the Senate adopted this year in the Debt Ceiling Act a mandate to the Budget Committee to come up with a balanced budget in 1981 and an alternative in 1982 and to tell the Senate on what assumptions we arrive at those totals. We did that.

Now the Senator is telling me I should not even tell him what the assumptions are because they make him uncomfortable. In any case, he says that the economic game has changed and we should change our assumption.

The Senate can change them because the second budget resolution is going to be marked up in 2 weeks. The Senate can take another look at these assumptions and if there are implications when we come back after the recess that is what the process is.

I do not quarrel with the process. I try to present it.

If the Senator is really concerned about whether or not at the end of the line we are going to be within the targets that we set, we have some dangers; there are some red flags flying; I want him to know what they are.

Mr. SARBANES. I understand that and that, I think, is an important function of the Budget Committee.

How many appropriations bills have we done? I ask the chairman of the committee.

Mr. MAGNUSON. We have done three.

Mr. SARBANES. How many have we done? Is this the third one?

Mr. MAGNUSON. This is the third one.

Mr. SARBANES. This is the third one. At this point and the chairman of the Appropriations Committee, as I understand it, in the colloquy that was just carried on assured the chairman of the Budget Committee that he expected the Appropriations Committee to be below the overall figure. Is that not correct?

Mr. MUSKIE. I understand.

Mr. SARBANES. If that is correct, I mean there——

Mr. MUSKIE. That is correct. He said that.

Mr. SARBANES. That is right.

Mr. MUSKIE. Whether or not that happens depends on forces outside his control, as he himself will concede. One point is the legislative savings that are not being implemented by the appropriate legislative committees, thus putting more of the burden on the Appropriations Committee. There are four cases that I outline here for the reasons why the budget aggregates are challenged.

Mr. SARBANES. If this were the last or the next to the last appropriations bill I could understand in the Chamber the Senator saying: "We are getting at the end of the line. The Appropriations Committee is not going to reach its goal of coming in under our own overall target. I am now really laying it all out for the Senator."

Mr. MUSKIE. By that time it would be too late. If we are $5 billion in the hole with the last appropriations bill before us, where are our options?

Mr. SARBANES. We have 10 to go. We just started out down the path.

Mr. MUSKIE. Is that not the time to begin to look at how far you have come and whether or not you are going in the wrong direction?

Mr. SARBANES. We pointed out how far this particular program has been cut at the very time when we are moving into a situation that cries out for this program.

Mr. MUSKIE. We have had advice from economists across the board, and some of them do advocate immediate action, but the Congressional Budget Office does not. They say, "Wait until the unemployment rate begins to really deteriorate." People have been predicting the unemployment rate would deteriorate the entire year, and it has not yet.

We expect it will, but we have time to put whatever we decide are the right kinds of programs in place to deal with that. We have not ignored that. I mean the discussion here goes on the assumption that the Budget Committee somehow thinks there is no recession in the future, that everything is rosy. That is the way the Senator from Missouri described our attitude. That is not our attitude.

We have got a tough choice between inflation and unemployment and, unfortunately, an increase in employment will not reduce inflation much, and I have said that.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MUSKIE. I said that over and over again. Of course, I yield.

Mr. MAGNUSON. Do you not think the Budget Committee ought to change its assumptions sometimes?

Mr. MUSKIE. That is what we are going to consider in 2 weeks, Senator. But I will bet you this: If we change them then, within a month somebody will ask, "Won't you change it again?"

Mr. MAGNUSON. That is your duty.

Mr. MUSKIE. It is our duty if we see it that way. But you do not do it in connection with every spending bill that comes along, change your economic assumptions, in order to justify the spending.

Mr. MAGNUSON. I still say we have to look at the till on September 30.

Mr. MUSKIE. I hope you do.

Mr. MAGNUSON. It is already $3 billion under the budget, and we are going to be way under. Let the Budget Committee, of which I happen to be a member, change their assumptions or clarify them.

Mr. MUSKIE. Senator, if I have to change our assumptions every time I come to the floor on a spending bill just to make it more comfortable for the Senate to adopt a spending bill that falls outside the budget, I might just as well resign. What good does that do? I come here and somebody gives me a heartrending story about the farmers' plight or some disasters——

Mr. MAGNUSON. I am not suggesting that you change it every time, every day.

Mr. MUSKIE. I am not going to change

my assumptions every time a bill comes to the floor.

Mr. MAGNUSON. I suggest that you look at the assumptions the Budget Committee staff gives to you and gives to me, I guess. I never see them. They never show up in my office.

Mr. MUSKIE. My staff discusses these figures with your staff, Senator.

Mr. MAGNUSON. I know, I know.

Mr. MUSKIE. And I checked with them after our conversation of the other day and there is no disagreement.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MAGNUSON. You are subject to change and you have to adjust yourself to make changes.

Mr. MUSKIE. We make changes all the time. If you look at the first and second budget resolutions of the last 5 years you will see that.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. I will not take but 5 minutes. I think one thing that has to be emphasized is that this was a splendid debate elucidating a subject which needs to be elucidated, and that is the function of the Budget and the function of the Appropriations Committee, and we are fortunate to have both chairmen on the floor.

But, Mr. President, the case is made on the basis of the assumptions of the Budget Committee. The assumptions of the Budget Committee were based upon the assumptions of the Congressional Budget Office and, I assume, also upon the assumptions of the Office of Management and Budget.

Both assumptions are now radically changed in the area of unemployment, which is the key area about which we are talking here.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. JAVITS. May I just give the facts and then I will yield?

Mr. MUSKIE. All right. I disagree with what the Senator said.

Mr. MAGNUSON. I yield such time as the Senator wants.

Mr. JAVITS. I will yield to you, Senator Muskie. Go ahead.

Mr. MUSKIE. In the first budget resolution we projected a slowdown. We projected a technical recession for two quarters. That was the CBO's projection. We projected an increase in unemployment. The picture is darker, but it is not radically different. It is darker and the timing of the recession has been advanced. I think we are now in a technical recession, no question about it. But that general picture we projected at the time, and our argument for it was that budget restraint, as an expression of our concern about inflation, was important.

Now, the Senator, who disagreed with us then voted against us, and that is fine. But there is no radical turnaround. There just has been a deepening of the bad signs.

I just wanted to make that point. May I make clear again to the Senator, as I tried to do to my good friend from Missouri, one can agree on the nature of the economic picture that we face and then arrive at a different conclusion about what ought to be done. I am not impugning the motivations or the sincerity or the concern of yourself or the Senator from Missouri or, indeed, my good friend, the chairman of the committee.

The PRESIDING OFFICER. All time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Now, Mr. President, everything the Senator has said proves my thesis.

If the Senator will forgive me, whether the word is "deepening" or "darkening," the fact is this amendment has a very narrow focus. It is not a big amendment. It is an amendment narrowly focused on these particular jobs, and what we are arguing for—and I think we are right, with all respect—is that accepting that narrow focus the picture is darker precisely where this wants to cut, and not cut us, the Human Resources Committee, but to cut the Appropriations Committee, and to cut what the House has done. That is what we object to, and that is why we say we are not pleading for something stimulative. We are pleading against something nonstimulative and depressing in the very close, narrow area where the biggest trouble in this recession is coming, to wit, unemployment.

For the President has now endorsed that policy by appointing a man to be Secretary of the Treasury who said, "Let us consciously accept unemployment," in order to bring down inflation.

What are we arguing? We say, "OK, let us assume we go along with that. At least let us make some provision against the expected unemployment," which is going to be a million more, and instead of making some provision against it, this amendment seeks to make the provision even less.

I think, therefore—and I think my colleagues should feel, therefore—it deserves to be rejected, especially in view of the fact that the chairman of the Appropriations Committee is now satisfied, I believe—the Senator may not be, the chairman of the Budget Committee—about the fact that they know what he is saying, they know his caution, this is the third of 13 bills, and see that it is cared for, and there are plenty of bills in which to make the same specific cut.

I thank the Chair and I hope the Senate rejects this amendment.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. I yield to the Senator from Oklahoma.

Mr. BELLMON. The Senator from New Jersey made some remarks regarding the Senator from Oklahoma and my State which I feel need to be responded to. I realize the Senator from New Jersey was not in the Chamber when I made my earlier statement, so I would like to say again what I said then.

The Chiles amendment—and. perhaps, the Senator from New York will be interested in this also—does not propose to reduce the number of title VI jobs at the beginning of 1980. I think we are all agreed we are into a recession, and it is likely to go on for two or three quarters, but probably early in 1980 the economy will begin to improve.

So by the time the impact of the Chiles amendment is really felt in this country, which will be toward the end of fiscal year 1980, the economy should be back in a healthy situation, and these jobs rather than doing the thing the Senator from New York is concerned about, which is to lessen the impact of a recession, these jobs will actually be cut back at the time the recession is over and the economy is becoming healthy again.

So I think in accordance with all that has been said about the present trends in the economy, the Chiles amendment is absolutely consistent with what we all think is likely to happen.

I would like to say one other thing to my friend from New Jersey. The comments I made about how a State like Oklahoma, where unemployment is not presently a problem, and where we have 2,000 CETA jobs available in my State, to me this says CETA ought to be targeted more tightly. I am for it if there is a problem in New York or Cleveland or St. Louis. Why dump 2,000 CETA jobs into a State where we certainly have no problem? The same thing is true for other sections. Can we not take a look at CETA and put it into States where the problems are more severe? That is what I want to say to the Senator.

Mr. WILLIAMS. Mr. President, if I could just take a moment to reply——

The PRESIDING OFFICER. The Senator from Florida has the time.

Mr. CHILES. I yield 1 minute to the distinguished Senator from New Jersey.

Mr. WILLIAMS. I appreciate it. The Congressional Budget Office estimates that, in the fourth quarter of 1980, unemployment will be between 6.7 and 7.7 percent. This is the unemployment picture that I was describing, that the Senator from Oklahoma understands, in terms of the need for countercyclical attention.

I am glad the Senator suggested that it is his personal feeling that we will be coming into brighter times in 1980. We have to rely on objective advice and I think the reliance on CBO is sufficient to suggest that it is not going to be that much brighter, and that countercyclical attention in this area, on a narrow focus, as the Senator from New York has suggested, is justified.

Mr. BELLMON. Can the Senator comment on the targeting problem? Can we expect CETA to be specifically targeted to areas where there is a countercyclical problem?

Mr. WILLIAMS. Title VI funds are targeted more heavily on those areas where the unemployment rates are exceptionally high. It seems to me that last year the CETA authorization legislation provided for more targeting towards those who need this kind of support. I thought we had done a pretty good job last year. I see Senator Javits is rising to indicate his views.

Mr. JAVITS. Mr. President, just one point I would like to make——

Mr. CHILES. Mr. President, if this is

on my time, I yielded 1 minute to the Senator from New Jersey.

Mr. JAVITS. Mr. President, will the Senator yield me 1 minute?

Mr. CHILES. I yield 1 minute to the Senator from New York.

Mr. JAVITS. The committee itself provides for reallocation to relieve unemployment where it is severe, and so on. So the committee itself has done what the Senator wishes.

The PRESIDING OFFICER. The Senator from Florida has the chair.

Mr. CHILES. I yield to the Senator from Michigan.

Mr. LEVIN. Mr. President, I rise to speak in opposition to the amendment to reduce spending to public service employment under title VI of CETA.

The Congressional Budget Office estimate for unemployment as contained in their mid-year forecast released July 11, shows the unemployment is likely to rise above 7 percent in calendar year 1980, assuming that present budgetary policies remain unchanged. More specifically, CBO estimates a rise in unemployment in the 6.4- to 7.4-percent range by the last quarter of this year and to a 6.7- to 7.7-percent range by the end of 1980. Private forecasters are predicting unemployment rates for 1980 as high as 7.5 percent. Further cuts in the CETA counter-cyclical public service employment program, under these circumstances will severely hamper our ability to respond to rapidly worsening economic conditions. The CBO reports that their figures show that substantial layoffs could occur in two critical industries, automobiles and construction:

> [t]he impact of such cutbacks would be widely felt. It is estimated that one job in either industry is associated with $1\frac{1}{2}$ to $1\frac{3}{4}$ jobs in directly related industries." (CBO; The Economic Outlook for 1979–80 An Update).

In my State of Michigan, the unemployment rate for June was 7.2 percent. Given these figures, it seems to me that this would be the worse possible time to further decrease funding for title VI.

The 1978 CETA amendments targeted title VI to economically disadvantaged persons who had been unemployed for more than 10 weeks and the allocation formula targets funds to high unemployment areas. This revision along with other reforms made by the 1978 legislation corrects some of the problems in this program.

If title VI funds are cut further, the result will be higher spending on other areas of the Federal budget, notably welfare and unemployment compensation. This is to say nothing of the lost tax revenues to the Federal Government as well as our State and local governments. I would much rather have people employed than on the welfare or unemployment roles. I want to see CETA personnel continue to perform tasks like weatherizing the homes of senior citizens and low-income individuals. In view of our energy crunch, this insulation program is important. I want the crime preventions programs using title VI CETA workers to continue to provide needed services to the senior citizens in the high crime areas of our country who otherwise might be victims of serious crimes. I want the program that serves senior citizens meals that in turn enables them to stay in their homes as opposed to being placed in institutions continued. That will only happen if the employees of these programs can continue receiving CETA funds. Title VI CETA workers are generally providing needed services and are better off working than drawing unemployment or welfare benefits. If the Members of the Senate take a close look at the CBO forecast, I think you will join me in agreeing, that is what will happen if title VI is cut any further.

In conclusion, I would like to commend, just briefly, our friend the Senator from Maine. The comments of Senator Muskie, I think, are most appropriate and most helpful, when he raises the cautionary flag. I think the debate which has taken place here this afternoon is testimony to his powers, and to the tremendous respect in which he is held by this body.

Mr. MUSKIE. Mr. President, if the Senator will yield, I am afraid I am going to lose this vote.

Mr. LEVIN. If the Senator is going to lose this vote, I am going to sit down right now. But I think it is testimony to the tremendous respect this body has for the Senator's words and the timing of his words. I am delighted to hear the Senator say the cautionary flags are not raised with reference to a particular time and place.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. LEVIN. So I oppose this amendment. I think the comments we have heard are very helpful, and I appreciate them.

Mr. CHILES. Mr. President, now that I have yielded time to everybody, and the opponents have yielded all their time and the additional 15 minutes the chairman chose to yield to them, I feel obligated to make a long speech.

Suffice it to say I think this has been an interesting debate. I think we know something, perhaps, about the plight of the Appropriations Committee, and perhaps that will help our committees understand the restraints under which the Appropriations Committee is going to have to work.

Mr. President, we are talking about figures here that were actually assumptions assigned in the budget resolution. I think it is interesting that everyone wants to talk about the budget resolution, and as though this was something done by the Budget Committee and forced upon us.

I hope we will all remember that that budget resolution comes to this floor and is debated and accepted by the majority of the Senators on this floor, and those assumptions are there and available for floor debate, they are debated and voted upon, and the issue goes to conference with the House, which has a similar procedure. That conference report comes out here, and if Senators will recall, this last time we had some additional debate on the conference report, because we had to change it. Part of these changes were because the House said they wanted higher figures in the CETA program than the Senate had, so we changed those figures, and now we are up to those higher figures, which were debated and accepted by a vote of both bodies. And now people are complaining, "My goodness, this is the Budget Committee trying to ram something down our throats."

Mr. President, we are talking about action taken by the Senate, by votes of the Senate. We decided then that we were working on the basis of what this program could do. That is exactly where I think we ought to stay.

I ask for a vote on the amendment; I yield back the remainder of my time, and I ask for a rollcall vote.

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

• Mr. STONE. Mr. President, I rise today supporting the amendment of my colleague, Senator Chiles. I am fully in accord with the effort to reduce funding for temporary public service employment programs under title VI of CETA. By putting more emphasis on title II programs for training and upgrading the skills of the hard-core unemployed, we reduce the potential for waste, we promote public confidence in Government efficiency, and we come much closer to the original intent of CETA programs.

Mr. President, we know that the CETA program has helped thousands of economically disadvantaged persons who need training, upgrading of skills, education, and other services that are necessary to find better jobs. But I believe that CETA administrators ought to be urged to reexamine their managerial incentives to stress well-planned, comprehensive training programs, and not engage in the shortsighted practice of payroll padding under public service employment programs, with no other objective than spending the taxpayers' hard-earned money. In recent months, especially in the southeastern part of this country, this haste has resulted in an awful waste of our tax dollars. This callous behavior is very much resented. Floridians are highly critical of the year-end pressure tactics that are put on local CETA managers to hire additional, unneeded temporary workers for public service jobs, so that surplus CETA funds will not be returned to Washington when the current budget year ends on October 1. It is this kind of practice that erodes the public trust, and needs to be stopped.

A number of fellow Floridians have sent letters and articles that are critical of CETA programs. These criticisms are largely directed to the public service jobs program. My people are telling me that local CETA managers are being harassed into hiring anybody for any job so that surplus funds will not be returned to Washington. Managers are being told to hire people even if they must be fired after October 1. I am inserting, in the Record, a particularly biting criticism which appeared in a May 1979 article in the American Spectator entitled "I Was a CETA Goldbrick" by James Howard Kunstler.

The public is very much aware of the ineptness of certain CETA operations. Regrettably all CETA programs are receiving votes of no confidence because of the very questionable management of public service temporary employment.

I believe that, if we reduce the funding of public service employment programs to a level that is commensurate with what is realistically achievable, we reduce an incentive for waste and abuse.

For these reasons, I am urging you to vote to restore some measure of public confidence in Government programs. I urge you to vote for the Chiles amendment to the Labor, Health, Education, and Welfare appropriations bill.

The article follows:

[From the American Spectator, May 1979]

I WAS A CETA GOLDBRICK

(By James Howard Kunstler)

Among the vicissitudes in the life of a young novelist is the need to resort to unwholesome ways of getting by. For some, there is the temptation of outright crime, like dealing drugs, but this has its drawbacks—e.g., a life sentence under the penal codes of the state where I live. For the less adventurous there is often only the moiling drudgery of brute labor. I have dug ditches, humped around quarter-ton sections of iron fencing, scraped paint from porches. I didn't enjoy it very much, but it was necessary at the time. Then, for a brief and shining season, CETA came into my life—or rather, I came into its life, since it seems to have a life of its own.

With one novel sold and in production, the penurious advance long since spent, and no ABC mini-series in the offing, I began to do what's known as a "hurt dance" and was constrained to look for work. I found it quickly in the nearby apple orchards, but after the first arduous and demoralizing day of picking, I quit. The next day I chanced to be in the YMCA locker room and was telling someone about my flame out in the orchard when another guy overheard it and said, "Hey, you need a job? I got a job for you!"

Call him Bungler. A rising young administrator on the state payroll, Bungler ran a department called Recreation Services at the regional office of the state Parks Commission. He had an opening there, a CETA position. "Terrific!" I told him. "I'm your boy!"

For two days I ran Chinese fire drills between the Department of Labor office and the county CETA office, where they checked my qualifications. Had I been out of work for six months? Well, yes, *technically*, since I had collected the advance from my publisher the previous spring. I was having a hard time while waiting for my six-figure paperback sale, I explained. We understand, they said. After a final cursory "interview" with a Bungler at his office, I was hired as a Recreation Assistant. The job paid $120 a week, net.

I knew things were going to be weird within my first hour on the job. There were five of us in the office, a scabrous room furnished with cast-off desks and odd-lot crates of fossil paperwork from the previous, Republican, administration. Nobody seemed to be doing anything. Dodo, a chubby girl, was reading *The Amityville Horror* at her desk. Screamer, a woman in her 30s, was cutting "autumn leaves" out of construction paper and taping them to the wall behind her desk. Sprout, an earth-mother type who moonlighted as a clerk in an organic food store, was perusing a wholesale catalog. Dumdum, the only other male in the office, was reading *People* magazine.

Later that morning, Bungler came into our room from his suite down the hall. He had some papers in his hand. It was a "final report," he explained, compiled by my predecessor, and since I was "a writer," would I please look it over and edit it? Sure. No problem. Bungler took off.

Now this was a very curious document. The first five pages were a simple budgetary report. The rest, about 25 pages, were an angry indictment of Bungler's performance, calling him by turns "an oaf," "a shirker," "a liar," "a foot-dragger," "a crook," and a "delinquent." Had Bungler troubled himself to read this, I wondered? Who knows? Anyway, new at the job and eager to please, I edited the report by detaching the last 25 pages and chucking them into the trash basket. The next time I saw Bungler, which was not that day or even that week, he said, "Swell job." And he meant it too.

What were we supposed to be doing in that office, Dodo, Screamer, Sprout, Dumdum, and I? According to the proposal Bungler had submitted for funding from CETA, our mandate was "to come up with new ideas to make the parks more accessible to the disadvantaged, the handicapped, the elderly and the general public." In short, everyone. And what was the fruit of this mandate after more than a half year's time? Well, according to the report I "edited," one achievement was the "senior citizen's kazoo concert" held outdoors that spring. Another was an opera performed at a remote historical site (the home of a Revolutionary War hero) which drew an audience of under 30 people on four consecutive evenings. One more was a "film festival" held at a "wilderness campground." The attendance, it was noted, was "sparse." The big event of the summer, apparently, was a leisure-time package imported from California called a "New Games Festival." This was a day-long program of activities in the gestalt therapy vein, contrived under the maxim "play hard, play fair, nobody hurt"—the idea evidently being that ordinary competitive sports were inhumane because they resulted in winners and losers. There were 8x10 glossies of people hugging and rubbing each other. Thinking about what it must have been like made me feel violent and hostile.

The cost of these programs was approximately $1,500 plus the combined salaries of the staff (approximately $30,000) plus Bungler's salary (say, $15,000). Now, the sentient observer may ask: Were these programs a good buy at the price, roughly 46.5 grand?

Whatever went on before I arrived, from the day Bungler handed me the report until more than a month later, nobody asked me to do anything. Being quick to size up a situation and seize an opportunity, I brought in my portable typewriter, set up shop, and commenced the first draft of a novel I'd been thinking about.

The others had their own projects, or at least diversions. Screamer was out in the fine fall weather "learning photography" with a state camera and developing her pictures in the state darkroom with state photo supplies. Dumdum used the state car (and gasoline credit card) for daily mini-tours of the countryside. Dodo read paperback thrillers and, a devoted Mormon, organized church bake-offs and other fruitful recreations, using the state phone. Spout pored over organic food journals.

One day in October it was suggested by Sprout, perhaps in a fit of guilt or ennui, that we "really ought to do something." After some discussion, the idea of a Halloween party for the retarded came up. But to Screamer, always a strict constructionist, this was a slap in the face to the other handicapped, the disadvantaged, the elderly, and the general public—i.e., our mandated constituency—so it was decided to invite everybody. My contribution was a press release which I sent out to a long list of institutions, mostly training schools for the defective of mind, body, morals, and purse, and to all nearby media. The party was set for the Saturday before Halloween.

Unfortunately, little thought was given to the proposition that in order to attract people to an event, you have to offer them something. What were we offering? An outdoor picnic pavilion already open and free to the public and a fire so our partygoers could cook their own food.

The turnout for our extravaganza was disappointing. By three in the afternoon only two people had shown up: a little girl, wanly costumed in one of those discount-store Star Trek outfits, and her mom. They brought their own food and ate it cheerlessly under the great plexiglass dome of our empty pavilion. After half an hour, they left.

For the entire month of November there was no more agitation to come up with "new ideas." Bungler himself was glimpsed only fleetingly, slipping in and out of his office down the hall like one of the solitary beasts of the north woods. Nobody knew what he was up to, and nobody cared, except they were happy to be left alone. Especially me. Working seven hours a day with only a ten-minute yogurt break, I finished the first draft of my novel and began the second draft without missing a stride.

At the end of November we got new offices. The Republicans had been throttled in the recent election and a whole wing full of them in our building—civil service lifers—were vindictively moved into our moth-eaten room. We got their carpeted wing. From this point in time (as they say in public service) it became hard to track the activities of my fellow CETA workers, because we were all in individual rooms with our own phones. For a few days rumors circulated about a possible Christmas party for the blind (also the elderly, the disadvantaged, the general public, etc.) but this "new idea" died for lack of nourishing enthusiasm. The week before Christmas my novel was finished. I made out a terminal time sheet and a letter of resignation and gave them to Bungler's secretary, and that was it. In more than three months on the job, I had hardly done any work except for personal gain.

The Comprehensive Employment and Training Act (CETA) was devised by the United States Congress as a way to reduce unemployment and route targeted unemployables into permanent jobs. But in practice it does little to uplift life's losers. The staff I was a part of came into being because Bungler, a political appointee, preferred the prestige of a staff to the ignominy of working in isolation. To get a staff, he wrote a "proposal," a document citing this supposed need. His superior okayed it, since any enlargement of Bungler's staff would necessarily enhance the boss's power and status. And the County CETA officials, anxious to find avenues for spending their budget and happy to cooperate with anyone deft enough to write a proper proposal, obliged Bungler in his request for five staff salaries.

What was not thought out, either by CETA or Bungler or his bosses, was whether Bungler's new staff would have anything useful to do. As it turned out, it didn't, chiefly because Bungler himself served no useful function.

What was Bungler's job? His title was Director of Recreation Services for the regional office of the state park system. But the title is a little deceptive. He was not responsible, for example, for the operation or maintenance of swimming pools, bike paths, boating concessions, playing fields, campgrounds, nature trails, picnic areas, or any of the other things commonly understood to comprise recreational facilities. His job was "to come up with new ideas. . . ."

Even at the philosophical level, Bungler's task was hard to understand. Were his parks not crowded enough? People generally go to parks to escape crowds, not to join them, at least in my naive view of things. Did overnight campers truly desire film festivals, and if so, was the state obliged to furnish them? Was the private sector providing inadequate Halloween cheer for the multitudes? Evidently, no. In fact, Bungler served no useful purpose whatsoever.

You may be wondering why I was a party to this fraud. The answer is simple: Self-interest can compromise principle, and self-interest based on survival can obliterate it. I lucked out. I found a job with virtually no duties that paid $120 a week and I took advantage of the time, space, and income to pursue my own ends. If necessary or possible, I would do it again. But I hope the program is abolished before my six-figure paperback sale comes to pass, because in that tax bracket I would have to pay for the useless thing.●

● Mr. ROTH. Mr. President, I applaud the efforts of my colleagues Senator Bellmon and Senator Chiles in their attempt to bring the Labor-HEW appropriations bill back on target with their amendment to reduce title VI public jobs levels to 100,000 by the end of 1980 and am pleased to join them in this effort by cosponsoring their amendment.

The amendment to reduce title VI public jobs levels to 100,000 by the end of 1980 is in fact close to the President's intended reduction of 158,000 jobs over the course of 1980. Because of the tremendous shortfall in this year's CETA title VI program, current year end estimates for CETA title VI participants are approximately 270,000 enrollees. Therefore this amendment affects a reduction of 170,000 persons over the course of 1980, a figure much closer to the President's original intent than the current appropriations committee bill which would reduce the title VI levels by only 70,000 participants over the course of 1980. The phase down to the level of 100,000 jobs by the end of 1980 can be reached by attrition, thereby causing no hardship to current enrollees by layoffs.

When there is ample justification for reductions in this program—or any program—in a time which demands that we exercise budget restraint—there can be no excuse for not seizing an opportunity which could save the taxpayers $505 million in the 1980 budget. In fact if we do not act positively on this amendment—we will be exceeding the assumptions of the first budget resolution which passed the Senate; this resolution called for a reduction to a level of 100,000 jobs in the title VI program.

When four out of five jobs are in the private sector and the National Commission for Manpower Policy wrote in the publications, "CETA: An Analysis of the Issues," "Currently, there is not much evidence that PSE is a good employability development tool," (May 1978, page 21) a deeper reduction than that which is contained in the committee bill is warranted, and in fact, is long overdue. Additionally program efficacy has not been established through documentation by way of a systemized procedure of evluation—even though billions of dollars have been poured into the CETA program and are still annually appropriated to meet the insatiable demand of CETA for our tax dollars, making it the largest Government program of its type. We cannot come to grips with the CETA program any too soon. I heartily endorse and support the amendment of Senators Chiles and Bellmon.●

Mr. WILLIAMS. Mr. President, I should like to take a moment to discuss the funding for fiscal year 1980 of the private sector initiative program authorized by title VII of CETA.

This is one of the more important initiatives added to the array of CETA programs last year.

It was conceived by the White House and highly recommended by the President as an aggressive new effort to engage private businessmen in employment and training programs at the local level.

The President had concluded that special emphasis—a special initiative—is needed to greatly strengthen private sector participation in the activities of local CETA prime sponsors. Leading businessmen meeting with us at the White House confirmed the President's belief.

The mechanism for doing so is a Private Industry Council, controlled by local businessmen, to be established in each prime sponsor area. As of the first of July, over 375 of these councils had been established across the Nation.

The councils—or PIC's as they are called—are more than advisory bodies. They are authorized to conduct special programs, with their own administrative staffs, providing work and training opportunities in the private sector.

This administrative independence is important to the success of the program. But it also requires a minimum amount of financial support if a PIC is to be viable in any prime sponsor area.

The Department of Labor reports that a grant of at least $200,000 is necessary for a PIC to mount a viable program. Since CETA limits administrative expenses to 20 percent of a formula grant, it follows that at least $40,000 is needed to fund a minimal administrative mechanism for a PIC.

Here is the difficulty. The amount contained in the committee bill for this program is $125 million. When this amount is distributed by formula, it would provide less than the required $200,000 minimum amount necessary for 323 prime sponsors—or 70 percent of the Private Industry Councils to be created.

As many as one-fifth of the PIC's would receive less than $60,000—total—for program activities, which translates into only $12,000 for administrative purposes.

This is sufficient to provide no more than part-time staff support, which is not likely to impress business and industry as a commitment worthy of a major Presidential initiative.

In addition, Mr. President, I believe it is important to provide sufficient obligational authority—up front—to permit the PIC's to plan and contract for on-the-job training opportunities for a full 12-month basis. Some measure of advance funding is necessary for this purpose.

I am concerned that the amount recommended by the committee is not sufficient to provide any sense of advance funding and would, therefore, inhibit the PIC's in making reasonably long-term commitments to local businessmen.

I understand the committee's concern about providing a surplus of funds that cannot be spent in fiscal year 1980.

But when viewed as a necessary investment in longer term contracts, rather than as a surplus, it seems to me that there is justification for making the necessary obligational authority available at the beginning.

The Secretary of Labor has indicated to me that a total of $400 million, as originally recommended by the President, is the minimum that is needed to spur establishment and growth of this program.

Amount of $75 million have already been made available by way of a reprograming of existing funds, leaving $325 million as an immediate appropriation requirement.

That amount has been adopted by the House of Representatives in its version of the pending bill.

I should like to ask the distinguished chairman of the Appropriations Committee whether he would review the funding of the PIC's once again before he meets in conference with the Members of the House?

Mr. MAGNUSON. We will certainly take another look at this in conference. I will be glad to give careful consideration to your judgment that the House allowance should prevail in conference.

Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I move to table the Chiles amendment.

Mr. CHILES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion to lay on the table the amendment of Mr. Chiles. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. Exon), the Senator from Alabama (Mr. Heflin), the Senator from Connecticut (Mr. Ribicoff), the Senator from Georgia (Mr. Talmadge), and the Senator from Kentucky (Mr. Ford) are necessarily absent.

I further announce that the Senator from Wisconsin (Mr. Nelson) is absent on official business.

I further announce that, if present and voting, the Senator from Connecticut (Mr. Ribicoff) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker) is necessarily absent.

The PRESIDING OFFICER (Mr. Levin). Are there any Senators in the Chamber wishing to vote?

Mr. MAGNUSON. Mr. President, may we have order so we may hear?

The PRESIDING OFFICER. Let there be order in the Senate.

Are there any Senators in the Chamber wishing to vote?

The result was announced—yeas 50, nays 43, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—50

Baucus
Bayh
Biden
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Cranston
Culver
DeConcini
Durenberger
Durkin
Eagleton
Glenn
Gravel
Hart
Hatfield
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Pell
Percy
Pressler
Randolph
Riegle
Sarbanes
Stafford
Stevens
Stevenson
Stewart
Tsongas
Weicker
Williams

NAYS—43

Armstrong
Bellmon
Bentsen
Boren
Boschwitz
Byrd, Harry F., Jr.
Chiles
Church
Cochran
Cohen
Danforth
Dole
Domenici
Garn
Goldwater
Hatch
Hayakawa
Helms
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
McClure
Muskie
Nunn
Packwood
Proxmire
Pryor
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stone
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—7

Baker
Exon
Ford
Heflin
Nelson
Ribicoff
Talmadge

So the motion to lay on the table UP Amendment No. 408 was agreed to.

(Later the following occurred:)

Mr. MORGAN. Mr. President, earlier in the day, on the amendment offered by the Senator from Florida (Mr. CHILES) to the HEW appropriations bill, there was a motion to table. I inadvertently voted "nay." I realize now that I should have voted "yea." My vote would not change the outcome of the vote. I ask unanimous consent that my vote be corrected.

The PRESIDING OFFICER. There being no objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. JAVITS. I move to lay that on the table.

The motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I send to the desk an amendment——

Mr. MAGNUSON. Will the Senator from Idaho, before he presents his amendment, yield? We have a couple that have not been finished.

Mr. CHURCH. To accommodate the Senator from Washington, I shall be glad to withhold.

Mr. MAGNUSON. The Senator from South Carolina has an amendment.

Mr. CHURCH. Mr. President, I ask unanimous consent that the amendment I sent to the desk be temporarily laid aside in order to accommodate the request of the Senator from Washington.

The PRESIDING OFFICER. The amendment has not yet been called off.

Mr. CHURCH. Mr. President, I call up the amendment.

Several Senators addressed the Chair.

UP AMENDMENT NO. 409

(Purpose: To add non-hazardous small businesses to the family farm exemption from OSHA in present law)

Mr. CHURCH. Mr. President, I call up the amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho wishes to call up his amendment.

Mr. CHURCH. Mr. President, I ask unanimous consent it be temporarily laid aside to accommodate the manager of the bill.

The PRESIDING OFFICER. First, let the clerk state the amendment and then it can be temporarily laid aside.

The second assistant legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH) proposes an unprinted amendment numbered 409.

The amendment is as follows:

On page 10, line 4, insert the following after the word "employees": "or any business included within a category having an occupational injury/illness rate which does not exceed 7 per 100 full-time employees as set forth in the 1976 and succeeding Bureau of Labor Statistics surveys of three-digit Standard Industrial Classification Code industries and employs 10 or fewer employees".

The PRESIDING OFFICER. Is there objection to temporarily laying aside the amendment of the Senator from Idaho? Without objection, it is so ordered.

The Senator from Idaho yielded to the Senator from South Carolina.

Mr. THURMOND. I yield to the distinguished Senator from California.

Mr. HAYAKAWA. I thank the Senator from South Carolina.

UP AMENDMENT NO. 410

(Purpose: To restore language prohibiting OSHA from conducting certain duplicative inspections)

Mr. HAYAKAWA. Mr. President, I send an unprinted amendment to the desk on behalf of Senator THURMOND and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from California (Mr. HAYAKAWA), for himself and Mr. THURMOND, proposes an unprinted amendment numbered 410.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 11, line 4, after "consultants" strike the period, insert in lieu thereof a colon and add the following: *"Provided further*, That none of the funds appropriated under this paragraph may be obligated or expended for any State plan monitoring visit by the Secretary of Labor under section 18 of the Occupational Safety and Health Act of 1970, of any factory, plant, establishment, construction site, or other area, workplace or environment where such a workplace or environment has been inspected by an employee of a State acting pursuant to section 18 of such Act within 6 months preceding such inspection: *Provided further*, That this limitation does not prohibit the Secretary of Labor from conducting such monitoring visit at the time and place of an inspection by an employee of a State acting pursuant to section 18 of such Act, or in order to investigate a complaint about State program administration including a failure to respond to a worker complaint regarding a violation of such Act, or in order to investigate a discrimination complaint under section 11(c) of such Act, or as part of a special study monitoring program, or to investigate a fatality or catastrophe.

Mr. HAYAKAWA. Mr. President, in the last few years, Congress has been making promises about eliminating wasteful spending, and cutting away some of the layers of bureaucracy we must all contend with. I would like to offer an amendment now with Senator THURMOND that I think would help us achieve our goals. I also want to point out that this amendment was passed by the House of Representatives.

In the 21 States plus 2 territories that administer OSHA on a State level, my amendment would prohibit a Federal OSHA inspector from reinspecting a business within 6 months after a State inspection except when:

The Federal inspector accompanies a State inspector on a joint inspection;

There has been a complaint about the State program administration;

There has been a complaint that the rights of a worker have been violated;

There is a special monitoring study of the State program; and

There has been a serious accident.

This amendment would not harm efforts to improve the safety of American workers. The 21 States administering OSHA on a State level have been more successful in reducing work-related injuries than the States with Federal OSHA jurisdiction. And you can see by looking at this amendment that there are several exceptions to the 6-month moratorium on Federal inspections, so the safety of our workers would not in any way be jeopardized.

At the present time, 21 States and two territories are administering the OSHA Act of 1970 under the terms of State plans that have been approved by the U.S. Department of Labor, under the provisions of section 18 of the Occupational Safety and Health Act. When Congress passed this act in 1970 we did not want to preempt the efforts States are making on their own in this area and the Federal Government shares the costs of State OSHA enforcement on a 50–50 basis with the States.

It has recently come to my attention that problems exist with the way the Federal Government monitors the actions of the State OSHA agencies to insure that they are enforcing the OSHA regulations properly. The Federal Government has three methods for monitoring the States. One is accompanying State OSHA inspectors on their inspections of worksites. The second is to review the case files and other data of the State OSHA agencies. The third is to conduct followup inspections of places after the State inspectors have finished.

It is this third method of spot-check monitoring inspections that has caused problems, and my amendment would prevent OSHA from conducting these inspections of places already inspected by the States. My amendment would not limit OSHA from continuing with the first two methods of reviewing State compliance with OSHA enforcement.

The practice of Federal OSHA inspectors reinspecting places already inspected by the State is not only wasteful of Federal and State tax money, but it is a burden to many businesses. It also appears that there is sometimes a considerable amount of rivalry between the Federal and State inspectors so that when Federal inspectors are double checking the work of the State inspectors they will go out of their way to try and find some condition that might be able to be interpreted as a violation that the State inspectors might have missed. Many small businesses are caught in the middle of this interagency rivalry between the Federal and State OSHA inspectors.

Let me point out, also, that according to statistics, at the present rate of inspections, it will take OSHA 50 years before all worksites are inspected once. Does it not make more sense to have OSHA concentrate its inspections on high-hazard industries that have not yet been inspected once, rather than on reinspecting businesses that have already been inspected by the State?

The States with State-administered OSHA programs have reduced occupational fatalities by 23 percent and have reduced the occupational injury/illness rate by 19.5 percent. In contrast, the federally administered OSHA States have cut the fatality rate by only 5.8 percent and the injury rate by 11.4 percent.

Mr. President, my amendment would not hinder the important national effort to improve the safety of American workers. It will make OSHA more effective by directing its efforts toward workplaces that have yet to be inspected, rather than subjecting businesses to the burden of double and triple inspections.

The only inspections eliminated by our amendment will be inspections of places that have already been inspected. Please note, too, that there are the necessary exceptions to this 6-month rule that will provide amply for our workers' safety on the job.

Mr. President, I urge my colleagues' support of this amendment as passed by the House.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield myself such time as may be required.

The PRESIDING OFFICER. The Senator does not have time.

Does the Senator from California yield time to the Senator from South Carolina?

Mr. HAYAKAWA. I am happy to.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I am pleased to join with the distinguished Senator from California, Mr. HAYAKAWA, in proposing this amendment to the Labor-HEW appropriations bill dealing with the restrictions on the use of OSHA funds.

Mr. President, our amendment would restore language in the Labor-HEW appropriations bill, as adopted by the House of Representatives on June 27, 1979, to prohibit the use of funds to conduct followup, monitoring inspections of private businesses that have previously been checked by a State OSHA inspector within the last 6 months.. I emphasize, Mr. President, that, if this amendment is adopted, OSHA will continue to be able to monitor State program compliance in any or all of the following ways:

First, OSHA can send Federal office representatives to accompany State program OSHA inspectors when they visit workplaces to check for compliance with health and safety standards;

Second, OSHA can still follow up and investigate complaints about State program administration, including complaints of employer violations of health and safety standards that have been missed by State inspectors. I might add, Mr. President, that this provision in the amendment is intended to make it clear that OSHA will not be restricted in any way from conducting a full investigation of any specific health or safety violations that come to the attention of the Federal agency.

Third, under this amendment, OSHA can continue to look into complaints of employer discrimination pursuant to section 11 of the Occupational Safety and Health Act;

Fourth, OSHA can still review State compliance as part of a specific study monitoring program;

Fifth, this amendment will allow OSHA to freely and fully investigate a fatality or catastrophe at any workplace within the scope of the act.

Thus, Mr. President, I want to make it clear that our amendment is very tightly drawn to deal with one specific problem—the unnecessary, duplicative, and often harassing followup inspections of Federal OSHA inspectors in workplaces that have already been visited by a program official from a State OSHA office.

This amendment is further limited in its scope in that it would apply only in the States which, under section 18 of the Occupational Safety and Health Act, have entered into an agreement with the Federal OSHA Agency to share the cost of the OSHA program on a 50–50 basis, with the State agency conducting workplace inspections and enforcing OSHA health and safety standards. At the present time, 21 States and 2 territories have such a cooperative arrangement with the Federal agency. For the most part, these State OSHA programs have done an excellent job measured by almost any objective standard, including OSHA's own statistics. They have, in fact, done a much better job than OSHA has in the federally administered States. OSHA's statistics show an 11.4 percent decline between 1972 and 1977 in the incidence of occupational injuries and illnesses for federally administered States and a 19 percent decline for State administered States. That means that State programs have been almost twice as effective as the federally run program.

Mr. President, my own State of South Carolina is 1 of the 21 States and 2 territories that conduct State OSHA programs in conjunction with the U.S. Department of Labor. South Carolina's able Commissioner of Labor, Mr. Edward L. McGowan, currently serves as chairman of the Organization of State Designees, which is an organization composed of representatives from the States and territories who cooperate with the U.S. Department of Labor under section 18 of the OSHA law. Commissioner McGowan is well respected in his field of expertise and testified last September before the Subcommittee on Manpower and Housing of the House Government Operations Committee regarding the role played by the States under this section of the OSHA statutes. His testimony is very illuminative of the issues raised by this amendment, and I will shortly ask unanimous consent that his statement be printed in the RECORD following my remarks.

Mr. President, Commissioner McCowan pointed out that the 21 States and 2 territories which run their own OSHA programs cover 39 percent of our Nation's population; yet, these States, during the April 1977 and March 1978 period, conducted 69 percent of all OSHA inspections, including 71 percent of the safety checks and 53 percent of the health inspections. These State inspections covered 875,000 more employees than the Federal enforcement in the 29 other States. During this same period, the States which operate their own OSHA programs issued 71 percent of all safety violations and 56 percent of all health violations.

The point is, Mr. President, the States who operate their own OSHA programs are far more efficient in their mission than is the Federal OSHA Agency. They cover a minority of the U.S. population, but they are inspecting far more businesses at a far more rapid rate, and are uncovering the majority of health and safety violations. With this kind of track record, surely it is not necessary, it is not efficient, and it is not reasonable to take Federal inspectors who could be concentrating in federally-administered States and have them follow on the heels of the State inspectors. Especially when monitoring of State programs can be more efficiently conducted by the methods that our amendment allows, it does not make sense to continue this duplicative practice.

Some consideration also needs to be given to the owners of the workplaces who are hit with duplicative inspections. In too many instances, State inspectors have visited plants or businesses and given a clean bill of health, while the Federal OSHA inspector comes by the next day or next week and, because of some feeling that he must be tougher than the State agent, searches until he can find some violation. In other instances, the Federal agent may order the employer to do something directly contradictory to directions from the State OSHA office. To make matters worse, if the Federal inspector finds anything wrong, then the State office must conduct another inspection, and then may have to follow up with still another visit to the same workplace to insure that the problem has been remedied. Mr. President, when this scenario occurs, many employers ask the very logical question:

> Why are three or four inspections necessary, when one could suffice if the Federal inspector accompanied the State agency representative on the initial visit so that they could agree, then and there, on what corrections, if any, need to be made?"

With this kind of duplicative effort, it is no wonder that employers complain of undue harassment by OSHA representatives, it is no wonder that many are uncooperative; it is no surprise that they may not want to do more on their own to improve the safety and environmental health of their workplaces.

In summary, this is a good amendment that will make the total OSHA program more efficient to administer and more acceptable to employers, without in any way diminishing OSHA's ability to safeguard the health and safety of American workers. The language has been carefully drafted in consultation with the Department of Labor. Congresswoman BYRON, who successfully sponsored the identical amendment in the House, was assured by OSHA spokesmen that they felt the language permitted adequate monitoring of State OSHA programs. It is my belief, Mr. President, that experience will show that this amendment will actually enhance the effectiveness of OSHA and substantially improve OSHA's acceptability in the business community. For these reasons, I urge that the amendment be adopted.

Mr. President, I ask unanimous consent that a table showing the operation and effectiveness of the State-run OSHA program in South Carolina be printed in the RECORD following the statement of Commissioner McGowan.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF EDWARD L. MCGOWAN, COMMISSIONER, DEPARTMENT OF LABOR, STATE OF SOUTH CAROLINA

Mr. MCGOWAN. It is a pleasure to be with you today.

This is the first opportunity the States have had to voice before any committee of Congress their feelings regarding State programs.

I appreciate this opportunity to present my statement to the subcommittee in an effort to advise you of the role played by the States in carrying out the intent of Congress when it enacted the Occupational Safety and Health Act of 1970.

In passing the act, Congress included section 18 which provides the States with the option of conducting State programs in conjunction with the U.S. Department of Labor.

South Carolina is proud of the fact that not only was she the first State to exercise this congressional proviso but also that she became the first State to begin enforcement and was the first State to be certified as having completed all developmental steps.

Today 21 States and 2 territories are operating State programs for the protection of workers within their borders and are seeking to carry out the intent of Congress in providing safe and healthy work-sites for their citizens.

You alluded to 22 States, but 1 of those States has dropped out; namely, Colorado. It went out in July. So we have 21 States and 2 territories now enforcing it.

These States and territories have an organization known as the Organization of State Designees which has elected me their chairman.

We meet periodically with the assistant secretary, usually on a semiannual basis but occasionally we will do it quarterly, and we discuss our problems.

It is as their chairman that I am here today.

Within the borders of the 21 States and 2 territories is 39 percent of the total population of this Nation. You can, therefore, assume that there is roughly 39 percent of the working people of this great Nation who are covered by State plans.

These States, in carrying out their programs, are providing one-half of the funds for such programs. We put up 50–50 money—50 cents on the dollar.

Therefore, we are, in effect, supplementing the Federal program with State money and with State efforts.

We in South Carolina and our sister States, engaged in the operation of State programs, view our efforts as a partnership with the U.S. Department of Labor—a partnership formed to protect the greatest natural resource our country has—our working men and women.

During the period April 1, 1977, through March 31, 1978, which are the latest statistics available to me, the States conducted 69 percent of all OSHA inspections. They conducted 71 percent of the safety inspections and 53 percent of the health inspections.

In this compliance activity, the 21 States and two territories covered 875,000 more employees than the Federal enforcement in the other 29 States and all the other territories.

In these inspections, the States issued citations on 70 percent of all violations cited in the Nation, or 198,000 more than the Federal programs cited, keeping in mind that there are fewer States covered by the State programs.

The States issued 71 percent of all safety violations and 56 percent of all health violations which were cited during this period. In addition, the States issued 61 percent of all repeat violations which were issued.

At the same time, we were only covering 39 percent of the people.

These statistics are not quoted to reflect on the performance of the Federal program but merely to emphasize that a State program can be much more efficiently administered due to its size.

The Federal program is so immense that it is impossible for the Assistant Secretary of Labor to really direct the operation of the Occupational Safety and Health Administration no matter how dedicated the Assistant Secretary may be.

I can assure you now that Dr. Bingham is a very dedicated person, but the size of her agency makes it almost impossible to get on top of it.

Whereas at the State level the administrator knows every compliance officer—I know everybody who works for me—each employee personally, and there is a lot more personal direction.

I do not contend that every State program is as effective as Congress intended.

During the past 7 years, the States with approved plans have entered the arena at various times, and some still have areas in which they need to improve. However, I know each designee personally, and each of them is fully dedicated to seeing that our citizens have a safe and healthy worksite.

Many of our problems are mutually shared with the Federal program. But in time, I feel sure that both will resolve what deficiencies there are and carry out the intent of the act.

In addition to the State programs protecting the private sector employees, they also protect the public sector employees. Federal OSHA has no jurisdiction over public sector employees—State, county, or municipal.

A few of the State which do not have State programs conduct public sector programs. However, the public sector employees in many States where the Federal program is administered have no protection at all.

From the incident rates that I have read, the public sector is more hazardous than the private sector.

I do not have available the incident rates for the various States which are operating their programs. However, South Carolina incident rates as compared to the national incident rates are as follows:

In 1972, the South Carolina rate was 9.4 and the national rate was 10.9; in 1973, 9.2 to 11.0; in 1974, 7.8 to 10.4; in 1975, 6.7 to 9.1; and in 1976, 6.8 to 8.9.

So from 1972 to 1976, our State rate dropped from 9.4 to 6.8. On the national average it dropped from 10.9 to 8.9. For the year 1975 in the private sector, South Carolina enjoyed the lowest incident rate of any State in the Nation and was preceded only by the District of Columbia, which has little private sector industry.

I am not saying this was all due to the OSHA program in South Carolina. I think a lot of it was due to the awareness of OSHA, because we have done a good job of advertising OSHA and telling our people of the hazards on the worksite and so forth. I feel a lot of it is just due to being aware of the passage of the act and the educational programs we have put on.

Although the States have from the beginning considered their relationship with the Occupational Safety and Health Administration as being one of a partnership, there have been times when it appeared that our counterparts in Washington failed to recognize the contribution which the States were making to carry out the intent of Congress in providing a safe and healthy worksite.

During the past 7½ years, there have been many problems between the partners—some created by the States, and some created by the Federal Administration—and some of these problems have yet to be resolved.

However, when any program is initiated—and keep in mind this program has only been going on for 7½ years—it takes a certain amount of time and effort before it becomes effective.

The States feel that they have made a major contribution to making this program an effective program.

If both partners will recognize the contribution being made by the other partner and work together to carry out the purpose of the act, all of the problems will ultimately be resolved.

The intent of Congress in its enactment of the Occupational Safety and Health Act is being met. OSHA is working.

You have heard much wailing and gnashing of teeth from both labor and management regarding OSHA. From labor you have heard that OSHA is too lenient on the businessman and from management you have heard that OSHA is too strict.

Well, I recall that about 1 year after I was appointed commissioner of labor in South Carolina, my Governor Gov. John West called me and said that he had just that day had the AFL–CIO in his office raising heck about Ed McGowan and that the previous day the State chamber of commerce had been in his office complaining about Ed McGowan.

He said that I must be treating both sides fairly and not showing any partiality because neither side was satisfied.

OSHA is working. We have reduced the injuries and illnesses suffered by our working men and women due to occupational hazards. The States as Congress intended have made major contributions which cannot be ignored.

CONSULTATION: 7(C)(1) FUNDING, SOUTH CAROLINA DEPARTMENT OF LABOR, COLUMBIA, S.C.—STATE ENFORCEMENT

[Fiscal years]

	1976	1977	1978	Percent change 1976–78
All 18(b) inspections:				
Total inspections	3, 798	2, 974	2, 478	−34
Accident	39	43	50	+28
Complaint	80	88	167	+108
General Schedule	2, 891	2, 198	1, 543	−46
Followup	788	645	718	−8
Health	523	357	230	−56
Safety	3, 275	2, 617	2, 248	−31

SUMMARY INFORMATION

There were 19 safety compliance officers and 7 industrial hygienists in South Carolina on board as of December 5, 1978.

Injury and illness incidence rates have decreased 24.5 percent in South Carolina from 1972 to 1977 (from 9.4 per 100 workers to 7.1).

(National average 1977 is 9.6)

Sixteen percent of South Carolina's workforce is in establishments with 10 or fewer employees (129,984 employees).

The BLS annual survey estimated 71 fatalities in South Carolina for 1977 (down from an estimated 82 fatalities in 1972).

Mr. THURMOND. Mr. President, we have accepted the amendment of the distinguished Senator from Michigan to the effect, if there is a complaint, that a Federal inspector would have the right to come in on that complaint.

I do not think there is any objection. We hope the managers of the bill see fit to accept the amendment.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, the original amendment did not include a sentence, which says:

> Including a failure to respond to a worker's complaint regarding a violation of such act in order to investigate.

Is that included in the amendment?

Mr. THURMOND. Yes, it is.

That was the amendment of the distinguished Senator from Michigan. He desired that language be included, and we have included it.

Mr. MAGNUSON. I also understand it is clear the amendment would not restrict OSHA's ability——

Mr. HELMS. Mr. President, we cannot hear the Senator.

The PRESIDING OFFICER. The Senator is correct.

The Senator will suspend.

Mr. HELMS. It is not the fault of the Senator from Washington.

Mr. MAGNUSON. The amendment would not restrict OSHA's ability to conduct health inspections or investigate disasters.

Mr. HAYAKAWA. That is correct.

Mr. THURMOND. That is correct.

Mr. MAGNUSON. And the Senator from New Jersey has examined this amendment.

It is highly technical, but the intent is merely to prohibit OSHA spot checking, monitoring visits within 6 months of a State inspection.

That is the real intent of it?

Mr. THURMOND. That is right.

Mr. MAGNUSON. I yield to the Senator from New Jersey.

Mr. WILLIAMS. I thank the Senator from Washington.

Mr. President, when I saw this amendment, I had certain questions. I put the questions to the distinguished Senator from California. We took down the questions. We took down the answers. It is here in a document that I ask unanimous consent be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Mr. WILLIAMS. Is it correct that this amendment would only affect the authority of Federal OSHA to do State plan monitoring visits or "spot check" visits pursuant to section 18, the State plan provisions of the OSHA Act?

Mr. HAYAKAWA. Yes. This amendment does not affect the authority of the Secretary of Labor with regard to section 8, the regular inspection provisions of the act. Such inspections are not considered monitoring visits for the purposes of the act.

Mr. WILLIAMS. A number of States, for example, do not have sufficient personnel to conduct health inspections, and Federal OSHA personnel conduct such inspections. Is this authority to conduct such an inspection restricted?

Mr. HAYAKAWA. No. The Secretary of Labor would still retain his inspection authority.

Mr. WILLIAMS. Suppose there were major accidents in a State plan State—such as grain elevator explosions, or a construction disaster—could Federal OSHA still have the authority to conduct inspections as necessary to augment the State's effort or to assist where State personnel were not adequate?

Mr. HAYAKAWA. Yes, the Secretary's authority under section 8 is not restricted. What I am concerned about is the Federal monitor turning up in a workplace that has just received a State inspection and auditing the State. Reinspections or spot-check monitoring visits during this time period are to be prohibited by my amendment. This amendment should not diminish worker protection or coverage.

Mr. WILLIAMS. Mr. President, I applaud the Senator from California for the creative work he has done in this matter.

Mr. MAGNUSON. Inasmuch as it has been cleared up, I have no objection to accepting the amendment, if the Senator from Pennsylvania accepts it.

Mr. SCHWEIKER. Mr. President, I commend the Senators for their efforts. I think this is a positive step, and I support it, too.

Mr. THURMOND. I thank the managers of the bill—the majority and the minority—for their cooperation in this important matter.

Mr. HAYAKAWA. I thank the Senator from Washington and the Senator from New Jersey.

Mr. DOMENICI. Mr. President, the beauty of this amendment is its simplicity. Twenty-two States, including my State of New Mexico have State enforcement of OSHA. By prohibiting a Federal reinspection of a State inspection, we eliminate unnecessary bureaucratic duplication and waste.

What we are saying is that, absent evidence to the contrary, the State is competent to manage OSHA enforcement. The State does not need Federal inspectors to check up on them in each instance.

These State agencies have conducted over 70 percent of the OSHA inspections in a 5-year period and issued 70 percent of the violations.

I commend my colleagues, Senators HAYAKAWA and THURMOND for bringing this amendment forward and as a cosponsor, I am pleased at the direct and substantial effect of this amendment in reducing the overregulation and bureaucratic duplication in this country.

The PRESIDING OFFICER. Do all Senators yield back their time?

Mr. HAYAKAWA. I yield back my time.

Mr. MAGNUSON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho has the floor.

Mr. MAGNUSON. Mr. President, I yield to the Senator from Nevada.

Mr. CANNON. Ten seconds.

Mr. CHURCH. For what purpose does the Senator from Nevada wish me to yield?

Mr. CANNON. Fifteen seconds, to make a statement.

Mr. CHURCH. I yield.

RESIGNATION OF SECRETARY OF TRANSPORTATION BROCK ADAMS

Mr. CANNON. Mr. President, I have just been informed that the White House has accepted the resignation of Brock Adams as Secretary of Transportation. I must say this decision saddens me, as I have worked closely and satisfactorily with Secretary Adams on a number of important issues. He has been one of our most outstanding Transportation Secretaries.

We have worked together to deregulate the airlines and have begun efforts to determine whether that tonic should be applied to the rail and trucking industries. Secretary Adams was correct, I feel, in his actions to streamline the Amtrak passenger rail system, and he made an effective case for that course of action. I sincerely hope that his departure does not signal any slackening of administration resolve to prune out Amtrak's most unpopular and unsuccessful routes.

I have heard Secretary Adams testify at numerous hearings before the Senate Commerce Committee, and he was always a forceful and well-informed witness. He represented his Department well and, I must say, represented the Carter administration well also. He was a total team player, and that fact makes his departure somewhat more difficult to understand.

I wish him well in whatever he undertakes in the future, and I know he will continue to be a credit to his country.

Mr. MAGNUSON. Mr. President, Brock and I have been friends a long time. We have worked together in both Washingtons, and he has always proven effective in serving the public interest. That is why I personally recommended him to be Secretary of Transportation when the President was elected. Consequently I am very disappointed by what has happened.

As a former Member of Congress, Brock brought to the Cabinet a personal understanding of the importance of cooperation between the Congress and the White House that too few in this administration have.

As Secretary of Transportation, Brock Adams has thought the unthinkable. He challenged the U.S. auto industry to come into the 20th century and bring their products in with them. As a firm supporter of mass transportation, Brock knew that we had to forge new directions; directions away from the automobile and petroleum. We will miss his energies in these endeavors and his personal involvement at both ends of Pennsylvania Avenue.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1979

Mr. PROXMIRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 3875.

The PRESIDING OFFICER (Mr. Levin) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 3875) to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. PROXMIRE. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Proxmire, Mr. Williams, Mr. Cranston, Mr. Garn and Mr. Tower conferees on the part of the Senate.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES' APPROPRIATIONS, 1980

The Senate continued with the consideration of H.R. 4389.

UP AMENDMENT NO. 409—EXEMPTING NONHAZARDOUS SMALL BUSINESSES FROM OSHA

Mr. CHURCH. Mr. President, the amendment I offer today would add nonhazardous small businesses to the family farm exemption from the Occupational Safety and Health Act, which is a part of the Labor-HEW appropriations bill as reported by the Senate Appropriations Committee.

My amendment is very similar to one I joined in offering with the late Senator Dewey Bartlett last year. It was passed by the Senate by a substantial majority to a bill amending small business programs, but it was not thereafter enacted into law.

I have long felt, Mr. President, that the most serious defect in the Occupational Safety and Health Act was the attempt to regulate conditions of safety and health in every American business, regardless of the type of business, its size or the absence of hazards in the nature of the business.

When Congress originally passed the OSHA Act, insufficient consideration was given to the inability of any Federal agency to undertake a task of such magnitude, and do it fairly. The result is to be found in the maze of regulations and chaotic enforcement history of the act. Farmers and small businessmen have rightly been outraged over this pot-shot assault, and the cases of arbitrary enforcement are legion.

Mr. President, I know of no law intended for so salutary a purpose which has caused so much distemper, disgruntlement, and dismay as OSHA. Actual inspections have been spotty; enforcement action has frequently been harsh. There will never begin to be enough inspectors to change this condition, since the price for comprehensive enforcement would skyrocket out of sight.

Congress has sought for years to rectify its original mistake. If we could get the OSHA Act back on the floor of the Senate, we might be able to repair it by confining its application to work of a hazardous nature, which was clearly what Congress had in mind at the time of its enactment. But so far, we cannot recapture the act from its sanctuary, the Labor and Human Resources Committee.

Years have passed. The only opportunity we have had to limit the application of the law, such as excluding family farms, which never should have been under it in the first place, or attempting to exclude mom-and-pop stores, which also should never have been included, is the annual effort to restrict appropriations.

This is an admittedly awkward way to proceed, but we succeeded on one occasion, at least, to eliminate, through an appropriations restriction, the money to enforce the act, as it related to farmers who hire 10 or fewer employees.

This family farm exemption was first enacted into law in 1976, and has become a standard part of each succeeding Labor-HEW appropriations bill. My amendment simply adds non-hazardous small businesses to the family farm exemption.

The Church amendment is very similar to the Bartlett-Church amendment passed by the Senate last year. It again takes 10 or fewer employees as its benchmark. Small businesmen overwhelmingly support my amendment, as demonstrated by a recent poll by the National Federation of Independent Business which endorsed it 9 to 1. The NFIB strongly supports my proposal, and joined with the Council of small and independent business associations, an umbrella group for small business organizations, in unanimously endorsing it. COSIBA's members are:

National Federation of Independent Business; National Small Business Association; National Business League; National Association of Small Business Investment Companies; Small Business Association of New England; Independent Business Association of Wisconsin; Smaller Manufacturers Council of Pittsburgh; Syracuse Business Council of New York; and Council of Smaller Enterprises of Cleveland.

My amendment also retains the same standard for defining non-hazardous businesses as last year's Bartlett-Church amendment. The latest Bureau of Labor Statistics rate report for the classification scheme in this proposal is drawn from the year 1976. In that year, scores of businesses exceeded the 7 per 100 standard set for "nonhazardous." Just as common sense would dictate, hazardous businesses, which would remain covered under OSHA even after enactment of my amendment, are mainly in construction and manufacturing.

Under present law, Mr. President, whole industries, known to be physically safe, such as finance, real estate, insurance, and the wholesale and retail trade, are subject to inspections and recordkeeping, just as though they were as hazardous as construction and manufacturing. In my judgment, that is the inherent flaw in the OSHA Act. It calls out for correction. At the moment, however, the best we can hope to do is to exempt family farms and nonhazardous small businesses from the scope of the act.

I have chosen to utilize the 10-or-fewer employee criterion and the 1976 BLS survey for other important reasons, as well. Since this survey has been in the public domain for years, and the 1976 survey for more than a year itself, there is no requirement for delay, for any interpretations or further regulations. Upon enactment of the Church amendment, every business will know whether or not it has been excluded from OSHA.

In addition, by specific reference to the 1976 survey, and the provision for surveys in subsequent years, my amendment offers an incentive for businesses whose injury/illness rate presently classifies them as hazardous to improve their health and safety record. Any business category that improves its injury/illness record in future BLS surveys will be exempted. Almost all authorities agree that providing incentives to do what should come naturally—operating safe and healthful workplaces—is superior to the present system of crime and punishment.

American small businessmen and farmers have resoundingly sent their message to Congress, and the Senate should hear it. We must finally take OSHA off their backs. Our sights must be set on enacting relief into law, for false starts and empty promises are simply no longer enough.

I might say, Mr. President, that neither is administrative policy enough. It may be said in the course of this debate that it is presently the policy of OSHA under Ray Marshall, Secretary of Labor, to concentrate 95 percent of OSHA inspections on hazardous businesses and to no longer require records from businesses of 10 or fewer employees. So, in a sense, the adoption of this amendment would simply codify into law present administrative practice.

But the fact is, Mr. President, that such a codification is a very important thing to do. As of 4:30 this afternoon Ray Marshall is still Secretary of Labor. As of 5 o'clock he might be replaced, and the new Secretary may change the policy, as it has been changed before.

Then, we will again be faced with horrendous examples of arbitrary enforcement in mom-and-pop shops, little groceries, and corner drugstores, that never should have been subjected to this law in the first place.

So, Mr. President, I hope that the Senate will take this opportunity to give relief to small businesses of a nonhazardous character where the statistics show, based both on health and accidents, that they do not require surveillance by the OSHA agency.

Mr. President, joining me in this amendment are the following Senators: Mr. BOREN, of Oklahoma, who now occupies the seat of Dewey Bartlett, who was the principal sponsor of the amendment last year; Mr. HAYAKAWA, of California; Mr. ROTH; Mr. DOMENICI; Mr. ZORINSKY; Mr. WALLOP; Mr. BUMPERS; Mr. JEPSEN; Mr. THURMOND; Mr. PRYOR; and Mr. CHILES.

Mr. President, I hope very much that this amendment is adopted. It is a small step, but it will release from the scope of this law many thousands of small businesses that are not hazardous in character and should not be burdened by the requirements of the OSHA Act.

It never was the original intention of Congress, in my judgment, to put the Federal Government to the impossible task of establishing health and safety standards for every business enterprise in America.

Congress undertook to correct that initial mistake when it exempted family farms, even though farming is by its nature, hazardous. We did that because we recognized family farms were the extension of the family itself, and, as we would not want Federal inspectors to come into our homes and fine us for failing to comply with Federal regulations relative to the standards of safety we should maintain for our children, so Congress determined that it did not want this law to cover family farms. By the same reasoning, Mr. President, OSHA should not cover little businesses that are largely in character. If we will just exempt them from this law, we could then get about the proper administration of OSHA for larger businesses, and do it more efficiently and more fairly than it has been done in the past.

It is simply not possible for any Federal agency to equitably enforce a law that reaches out so far into every little business in this land.

On the basis of this reasoning, Mr. President, and in line with what Congress has already done in exempting the family farm, I hope that the Senate will approve a similar exemption for small, nonhazardous, family-type businesses.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS. Mr. President, I yield myself such time as I use.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I have two very distinct thoughts about the amendment offered by the distinguished Senator from Idaho, and I wish to address them both.

My first concern is about the substance of the amendment itself. I oppose this amendment because I think it is unsound and unfair, both to small employers as well as the employees of small employers.

My second concern relates to the manner in which this issue is being presented to the Senate for its consideration. I object to the circumvention of the Senate's procedures for considering legislation.

First, I will address my objections to the substance of this amendment.

Mr. President, I find serious flaws with this method of trying to direct OSHA's limited resources toward only unsafe small employers. Basically, it will not work. We just cannot assume that, if all employers within a standard industrial classification, in combination, have an injury incidence rate of 7.0 per 100, that every single small employer within that SIC also has a low incidence rate.

For example, under this amendment, small businesses within the three-digit standard industrial classification "glass and glassware, pressed and blown," SIC 322, would be exempt from OSHA's requirements because that SIC enjoys the enviable injury incidence rate of 0.3 per 1,000.

Yet, lurking within that classification is the more discrete four-digit SIC, and the number is 3221, "glass containers," which has an injury incidence rate of 154.1. That means that in a workplace of 10 employees, on the average, every one of them is likely to be injured at least once in a year and more than half of them are likely to be injured twice in a year. Yet, an employer of 10 or fewer in that classification would be exempted from all OSHA requirements under this amendment.

I would make a personal observation. In October 1970, while I was on a campaign for reelection, at midnight I stopped at one of these glass container plants in south Jersey, and when I came out of there I admonished myself and made a command to myself to come back here and do everything I could to see that we succeeded in getting the Occupational Safety and Health Act passed into law.

I made a promise to myself that I would not stop until it succeeded, and it did.

That was one of those workplaces within these four digit SIC's that would be exempted under the less discrete, the broader classification that the Senator from Idaho reaches with his amendment.

So, clearly, this amendment does not exclude from OSHA only the safe, small employer.

It is clear that much work remains to be done if we are to be able to fine tune the exclusion criteria so that it eliminates only safe workplaces and covers all the unsafe workplaces.

But this amendment as it now stands will result in thousands of truly hazardous workplaces and potentially millions of employees in those workplaces going uncovered by the Occupational Safety and Health Act, and we must face up to this fact when we vote on this amendment.

This amendment will—there is no question about it—result in denying the protection of the Occupational Safety and Health Act to millions of workers who, by any reasonable standard, should have such protection.

The second basic flaw of this approach is that any exclusion which a small employer may have would last only for a single year. The next year his SIC may have an injury incidence rate of more than 7.0, and the small employers within that SIC would find themselves back under OSHA. The result would be chaos for small businesses.

When will they be covered? When will they not be covered? How can they plan? Need they comply with relevant OSHA standards? If they are not covered this year must they still comply with OSHA standards for fear they could be covered next year? If they do not comply this year and they are covered next year will they be cited for a violation of a standard which they do not have to comply with this year?

This kind of uncertainty would drive General Motors crazy. Think of what it would do to a small businessman or small businesswoman.

Under this amendment small employers would no longer be able to secure consultation on safety and health matters. Under this amendment they would no longer be able to participate in OSHA's education and training program. Under this amendment they would no longer be eligible for the low-interest loans provided through the Small Business Administration to enable them to secure capital equipment needed to improve workplace safety and health conditions.

All of this and the other assistance to small businesses provided through the occupational safety and health program would be denied under the provisions of this amendment.

But as important, Mr. President, this amendment would have a devastating effect on the 11.4 million Americans who are employed by these small businesses. These Americans are workers, taxpayers, and citizens. They are entitled to the protection of our laws just as surely as those who are employed by larger employers. There is something more than slightly unsavory about saying that our national commitment to insuring workplace safety and health does not extend to 11.4 million American citizens and taxpayers whose only crime is that they are employed by small employers.

The exclusion scheme established by this amendment will result in a crushing paperwork burden for thousands of small businesses. OSHA has over the period of years drastically reduced the paperwork and reporting requirements which it has imposed on small businesses. Currently no small businesses are required to participate in the Bureau of Labor Statistics' annual survey.

This amendment would wipe that laudable progress with one stroke and would revert us to the past periods when hundreds of thousands of small businessmen and women were complaining about the paperwork required of them by OSHA because, quite simply, Mr. President, to make this scheme work thousands upon thousands of small entrepreneurs will have to start filing forms and making reports to the Bureau of Labor Statistics.

The Bureau of Labor Statistics has estimated that the sample of small employers required to participate in the survey would have to jump from zero to more than 250,000 if the survey is to have any statistical validity.

So by voting for this amendment, Senators will be voting for an increase in the very same paperwork burden about which their constituents have so bitterly complained over the years. Those complaints have reached us and there has been response. There has been a success in dealing with paperwork, and reducing paperwork requirements, but this would reverse that progress.

In fiscal year 1978, OSHA inspected only 15,713 worksites with 10 or fewer employees. And the trend is downward.

And so finally, Mr. President, we must ask ourselves, why are we doing this? To save fewer than 15,000 small employers from OSHA inspections, we will have to ask more than one-quarter of 1 million of these same small employers to participate in an elaborate and costly Government survey. The cure is indeed worse than what my friend the Senator from Idaho would describe as the disease, and our constituents are likely to see it as such.

Mr. President, the question of excluding small employers from OSHA is finally before the Committee on Human Resources. The Senator from Idaho (Mr. CHURCH) finally introduced his bill, S. 1486. He introduced his proposal in bill form on July 12. His bill would exempt these same small employers from OSHA, and that bill has been referred to the substantive committee. The Committee on Labor and Human Resources has acted in good faith, and on July 16, 1979, I announced hearings on that bill. The dates of these hearings are September 18 and 19.

We intend to thoroughly explore this issue at those hearings. There are, as I have mentioned, many apparent problems with this approach which must be resolved.

The intent is to free small, truly safe employers from OSHA's requirements. But we must be sure that in doing so we eliminate only the truly safe employers and that we are adequately protecting the well-being of millions of American workers.

We must be sure that in creating an exemption for small businessmen and women we are not at the same time saddling them with a blizzard of paperwork and an administrative burden which will make them say, "Thanks, but no thanks."

Finally, Mr. President, I think this amendment is subject to a point of order. But I will say that, with respect to the hearings that we have scheduled for September, I know, already, that there are other ideas on how to address the problems which OSHA may be presenting to small business. They are constructive ideas, which probably will be introduced in bill form so that they will be part of our hearings.

I suggest most respectfully to my colleagues that this is the way we go under our rules when we consider legislation. It has been time honored and time tested, and it is the way we should go on this issue, too.

I think this amendment is subject to a point of order as very clearly being legislation on an appropriation bill. The substantially similar Bartlett amendment of last year was ruled out of order, and at the appropriate time I will raise my point of order.

Mr. EAGLETON. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I certainly will.

Mr. EAGLETON. Is the Senator aware that the three-digit SIC code is so broadly designed or defined that some of the following types of businesses are not covered: Grain elevators, alkali and chlorine manufacturers, and chemical explosives? Is the Senator aware that is the case?

Mr. WILLIAMS. I am, and I mentioned that problem.

Mr. EAGLETON. Does the Senator recall about a year or a year and a half ago there was a rash of grain elevator explosions? There was one almost every week around the country, including one in Missouri, a couple in Texas, one in New Orleans, and in other parts of the country. Grain elevators exploded and lives were lost and serious injuries were inflicted.

Mr. WILLIAMS. I know that that is the case, and I know there is another recent such explosion that I do not believe the Senator mentioned. It involves a small grain elevator in South Dakota with eight employees, which suffered an explosion as corn was being transferred from one bin to another. There was tremendous damage and fortunately, no loss of life. That elevator had been inspected by OSHA and citations had been issued. Then, there was a follow-up inspection, at which time the company was cited for failure to abate the previous violations. The company elected to test that citation and did not abate the violations. A hearing has been scheduled for next month. But in the meantime, there was an explosion at the elevator.

Mr. EAGLETON. One final question.

Mr. WILLIAMS. Eight employees. I think I mentioned that.

Mr. EAGLETON. Eight employees.

It seems implicit in Senator CHURCH's amendment that small businesses cannot inflict great harm. I call the attention of the distinguished Senator from New Jersey to a very tiny Virginia company. I think it was called Life Sciences, Inc., a minuscule corporation, that so polluted the James River as to almost make it unredeemable, and inflicted great bodily harm on the few employees who were connected with that corporation.

So just because a company is small is not to say that there are not considerable hazards and considerable risks.

You know, if a friend is killed on the job working for company X, and you go to the funeral you can say to the widow, "Too bad your husband died, but, of course, he was working for a small company of 10 or fewer employees." He will be just as dead if he was killed on the job site working for a small company of 10 or less employees as if he had been working for General Motors.

I do not think that just because the company is small, we can at all times be justified in concluding that such companies are always safe.

Mr. WILLIAMS. Absolutely right, in every respect. I have been in places with fewer than 10 employees, and it was manifest that the operation had so many elements of danger and hazard it was not a fit place to work, even though they might fit within that broad segment on which exclusion under the amendment of the Senator from Idaho would hinge.

Mr. CHURCH. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 14 minutes and 50 seconds.

Mr. CHURCH. How much time does the other side have?

The PRESIDING OFFICER. Fourteen minutes and 40 seconds.

Mr. CHURCH. Mr. President, I would like to address myself to the arguments made against this amendment.

First, it is said, "Just because a business is small, that does not mean it is not hazardous." Of course not. My amendment is confined to nonhazardous small businesses. We used the best statistics available in Government to define a nonhazardous small business. It is based upon a ratio of accidents and sickness per hundred employees, which is the best measurement available in the Department of Labor. We take the categories to three digits, because there are no complete four digit figures.

This is not an amendment exempting from OSHA all small businesses. It is, rather, an amendment exempting from OSHA those small businesses that are nonhazardous in character, according to the best statistics available to the Labor Department.

The Senator from Missouri, whom I respect deeply, says that if a man dies in an accident in a small business, it is little solace to his widow that the business was small. I want the Senator to know that I agree wholeheartedly with that sentiment. But we are differentiating between the hazardous and the nonhazardous; we are saying, with this amendment, that small businesses which are essentially nonhazardous in nature should be exempt.

The Senator from New Jersey says, "But there are in these categories some cases that can be found where, even though the category is safe, there may be one business within the category that is not; therefore we should include all the business in the entire category."

Mr. President, I do not find that a persuasive argument. Not at all.

Furthermore, he says there are only about 15,500 small businesses inspected each year by OSHA. Well, Mr. President, that is the heart of my case. If we are going to rely upon OSHA to make every small business safe, if we must rely upon OSHA inspectors to make it certain, if those inspectors can only get around to 15,000 small businesses a year, we will have to wait from now until the next ice age for OSHA to cover the field.

I think the whole rebuttal against this amendment, and I say it quite respectfully, is irrelevant. We do not really have to talk about categories and ratios. We do not have to address ourselves to the probability that somebody might die in a small business. That is not the point. The point is that fairly enforcing a law that requires Government to establish health and safety standards and make inspections of every business, no matter how small or how safe, in this vast country is impossible. It has not been done; it will not be done; it cannot be done.

The Senator from New Jersey bleeds over small business employers who, he says, will be denied the benefits of OSHA. He says they might not get a small business loan to buy the expensive equipment needed to meet Government's safety standards.

Let me tell you, Mr. President, small businesses do not want in; they want out. They have been pleading to be freed. They have come to us with their grievances and cried, "Please give us relief; let us out." They support this amendment 9 to 1.

So I suggest, Mr. President, that we do with small businesses of a nonhazardous character what we did with family farms. You know, a farmer can get killed on a tractor, Senator, but we did not think that was a justification for sending a Federal inspector out and fining him because of a hazard in his barn.

We felt there were at least some businesses that ought to be exempt from this law. We said family farms ought to be exempt, and we were right. If the Senate has the gumption to say that small businesses of a nonhazardous character also should be exempt, we will again be right.

The vested interests, the unions, the Department of Labor, the legislative committees of Congress, will not let this bill be changed unless we force it through the appropriation process. That has been the experience. Years of frustration attest to it. That is why I seek to do it this way.

Mr. President, I yield to the Senator from Oklahoma (Mr. Boren).

Mr. BOREN. Mr. President, I am proud to join with the Senator from Idaho in cosponsoring this amendment. I commend him for his courage in speaking out for the small businesses of this country who are locked in a struggle for their very survival.

It has been said that some small businesses of this country are not safe. I would submit that as long as we continue the heavy hand of Government regulation, of costly regulation, on the small businesses of this country, then indeed no small business is safe in terms of its continuing existence and survival.

The more people we have in the United States who have the experience of being responsible for the ultimate decisions in their own businesses, the stronger our Nation will become. The preservation of small business is essential to keeping alive a spirit of individual initiative and responsibility.

The trend is alarmingly against small businesses. Since 1935, the concentration of business has grown by more than 200 percent. Today, 2 percent of all U.S. corporations control 89 percent of net profits. The heavy hand of Government has helped to stifle and kill small businesses.

Excessive Government regulations hits small businesses and family farms especially hard. They cannot afford to hire extra people to fill out forms and to provide compliance with costly regulations. This year it is estimated that the cost of Government regulations will increase 30 percent over last year and will exceed $140 billion.

I am pleased to join with Senator Church in cosponsoring this amendment to exempt nonhazardous small businesses from the Occupational Safety and Health Act.

At a time when the American people are demanding less Federal regulation and control of their lives, this amendment is a step in the right direction. It is a step which the vast majority of small employers across the country have requested. This amendment is of special significance to the people of Oklahoma. As many in this distinguished body know, it was the late Senator Dewey F. Bartlett of Oklahoma who first introduced legislation to exempt family farms and small businesses from OSHA regulations. Senator Bartlett was keenly aware of the frustrations and burdens experienced by our Nation's smallest businesses as a result of rules and regulations issued by OSHA and the potential contained in these rules unnecessary harassment of small businesses. His efforts to free small business from the grip of overregulation shall long be remembered by those of us who knew him, and I can think of no finer tribute to the memory of Senator Bartlett today than to see his work on this proposal completed.

We have heard we only have enough of these inspectors to look at 15,000 small businesses a year. What we are really saying is we do not have enough to make any kind of impact on the purported problem we are trying to solve; we will simply enforce this regulation to the point that we can arrest and kill a given number of small businesses in this country each year.

I commend the Senator from Idaho for speaking out for those who often have little or no voice in this Government, and yet those small business people across this country have been the very backbone of our economic system.

I urge my colleagues to join with me in voting for this amendment. In so doing, we will lift a costly, unnecessary Federal burden from the backs of our Nation's small businesses.

Mr. CHURCH. I thank the Senator very much. I yield to the Senator from Arkansas.

Mr. PRYOR. I thank the Senator for yielding.

Mr. President, I am not going to use all my time, but I would like to say I am proud to join the Senator from Idaho in this amendment. I think this amendment is needed and has been needed for some time. It is an amendment that I think is long awaited by the small business people of this great country of ours who have literally held this country together for these 200 years.

Mr. President, as I stated, I rise in support of the Senator from Idaho's amendment which would exempt nonhazardous businesses with 10 or fewer employees from the Occupational Safety and Health Act of 1970 under the terms of the Labor/HEW appropriations bill. I am proud to be a cosponsor of this amendment.

Mr. President, what we are talking about are not hazardous industries such as the manufacture of glass containers, where a person is practically guaranteed of receiving a bodily injury at least once a year, or the manufacture of tires and inner tubes, where a worker has a one out of three chance of suffering an injurious accident every year, or blast furnaces producing steel pipes and tubes, where one out of every three workers is burned or otherwise injured every single year. No, we are not talking about these hazardous industries.

Rather, Mr. President, we are talking about such nonhazardous industries as wholesale and retail trade, where a worker employed for 50 years has only a 50–50 chance of ever receiving an injury. We are talking about financing, insurance, and real estate, where only 1 percent of the workers receives any type of injury however minor in a given year. We are talking about services such as motion picture theaters, where 1.6 percent of the workers ever receive so much as a bad cut in any single year.

All the figures I have quoted are for businesses with 10 or fewer workers. Our country is made up of small businesses. Seventy-eight percent of all businesses in this country employ 10 or fewer workers. The aim of this amendment is to concentrate OSHA's limited inspection resources where they should be concentrated—on the mammoth corporation and on the extremely hazardous manufacturing and construction operations.

I feel that this amendment is long needed and long awaited. The inflationary pressures upon our economy are reaching such heights that some form of release is now needed so that the small businessman who helps keep this country strong can survive these economic times.

We all know that compliance with OSHA's many regulations is extremely expensive for a small businessman who needs to invest in new equipment merely to meet OSHA's precise regulations.

Mr. President, I strongly support this amendment and urge my colleagues to give it their full consideration.

Mr. CHURCH. I yield next to the Senator from Iowa.

Mr. MAGNUSON. Mr. President—all right, the Senator can take up all his time and then we will take up all our time.

Mr. CHURCH. I am finished.

Mr. JEPSEN. Mr. President, I rise to support the amendment offered by the Senator from Idaho. The amendment before us is simple, but its significance cannot and should not be underplayed.

The amendment provides in effect that small businesses which employ 10 or less people shall be exempt from coverage under the Occupational Safety and Health Act. At the same time though, it recognizes that certain small businesses, primarily in the mining, manufacturing, construction, and petrochemical industries engage in activities which have a history of high occupational injury/illness incidence rates and are considered hazardous by many.

Therefore the amendment specifies that those in the category of 10 or fewer employees which have an occupational injury/illness rate of 7 or more per 100 full-time workers based upon the annual Bureau of Labor statistics survey for 3-digit standard industrial classification (CIS) code industries shall remain subject to the provisions of the act.

I think it should be pointed out to my colleagues that nine rather than seven is considered by OSHA as the breakover point for high risk business categories. So the amendment of the Senator from Idaho is written in a very conservative way. I congratulate him for that. His amendment does recognize that there are a number of business classifications which are hazardous, and that the provisions of OSHA and the responsibility that OSHA has to monitor these businesses will remain intact.

Over the past several years Congress, the administration, and OSHA itself have made changes in OSHA policy in response to the public outcry against its enforcement practices. The major criticisms were that citations were frequently issued for inconsequential violations of OSHA standards that have little relevance to safety or health, and that inspections were too heavily focused on small businesses.

Also, there was the concern about the provisions of OSHA that require penalties if there are violations. No discretion is given to those who are responsible for the inspection.

The change in policy manifested itself in amendments to the fiscal years 1978 and 1979 Department of Labor, Health Education, and Welfare appropriations bills eliminating OSHA penalties for nonserious first instance violations of OSHA standards, if the total number of violations cited numbered nine or fewer. Small farms that employ 10 or fewer workers have been exempted from the act. And small businesses with 10 or fewer employees are now exempt from the recordkeeping requirements of OSHA.

When Dr. Eula Bingham assumed control over the Occupational Safety and Health Administration she announced her intention to redirect enforcement priorities. She said that 95 percent of OSHA's inspection resources would be devoted to those industries with the most severe safety and health problems, such as construction, manufacturing, transportation, and petrochemicals. No more than 5 percent would be devoted to such areas as wholesale and retail trade, finance, or the service industries.

This policy has lessened the likelihood of a small business inspection by OSHA. It has also diffused the criticism by small businessmen that they were being unfairly singled out for inspection. But in practice small businessmen have not been so lucky. According to recent statistics provided me by the Congressional Research Service, in 1978 OSHA reduced its inspections of firms employing 10 or fewer employees by a paltry 0.5 percent.

The need for the amendment offered by the Senator from Idaho is all that much more apparent in light of the statistic I just mentioned. It is needed because it will insure the continuation of the constructive policy OSHA is attempting to put into practice. It allows Congress to take a position on this issue to the extent that it can say the policies of Dr. Eula Bingham should be carried on in the future after this administration is gone and OSHA's leadership has changed.

The current pace of inflation makes it increasingly difficult for small businesses to compete effectively in the marketplace. Excessive Government regulation only adds to their problems.

Since its inception, OSHA alone has issued nearly 200,000 paragraphs and subparagraphs of rules and regulations. Although some time ago Dr. Bingham proposed the elimination of 11,000 standards and instructed inspectors to refrain from issuing citations and penalties for violation of those standards, this amounts to little less than one-half of 1-percent reduction in the list of OSHA demands.

Small businesses simply cannot keep up with the burdens imposed upon them by Government regulation. Compliance with the multitude and complex set of Occupational and Safety regulation increases significantly at the cost incurred by them. Indeed more than two-thirds of those responding to a Small Business Administration survey concerning the impact of Government regulations on small businesses cited Occupational Safety and Health as the regulatory area most affecting their companies. Therefore it is appropriate that this amendment is primarily designed to help those small businesses in the lower end of the distribution ladder which are less able to pass on cost increases to their customers.

According to the Bureau of Labor statistics, the list of small businesses that would benefit from this amendment employ less than 15 percent of the total number of people working. The injury/illness rate for this group is less than 3 per 100 full time workers. When you subtract from this list those small businesses with injury/illness rates above 7 per 100 full time workers, the number of overall businesses effected by this amendment is reduced substantially.

I think it is important to point out here to my colleagues that the intention here is only to provide relief to those small businesses which are burdened most by the plethora of OSHA regulations, but which have compiled the best record so far as Occupational Health and Safety are concerned. The proviso to the amendment assures employees whose work has proven to be hazardous in the past that they will continue to receive the necessary support in their effort to make the work place reasonably safe.

The approach suggested by the Senator from Idaho is a positive one. It provides incentive for those small business establishments that border on the line of exemption to improve their record of safety. But it penalizes those employers who are careless with the health and safety of their workers.

The result can only be a better and safer working place for employees and less Government interference for those employers who are most deserving. I am hopeful and confident that the majority of our colleagues will support this most reasonable and necessary amendment.

Mr. RIEGLE. Will the Senator from New Jersey yield 2 or 3 minutes to me?

Mr. WILLIAMS. Yes, I will, and then to the Senator from Ohio——

Mr. MAGNUSON. Before the Senator yields to the Senator from Michigan, will the Senator yield me 1 minute?

Mr. WILLIAMS. I yield to the distinguished Senator from Washington.

Mr. MAGNUSON. I might say to the Senator from Idaho, I might agree with everything he said but why put legislation on an appropriations bill? If the Senator keeps this up, I am going to submit the SALT Treaty. [Laughter.] It is just as legitimate. Let us take all the treaties and put them on the appropriations bill of HEW. I will call for the SALT Treaty and I will submit it. We might as well decide that now.

Mr. CHURCH. SALT II is about all that is not contained in this bill. It is already filled with legislation. Part of the legislation is House language. I am just trying to amend the House language.

Mr. MAGNUSON. I am trying to stop it but I do not have much success. It is getting so that the HEW bill is a repository for everybody who cannot get anything done in the authorizing committees. Pretty soon, if this keeps up, all we will have to do is meet and pass the HEW bill and go home. We will have nothing more to do. The authorizing committees will not have anything to do. They had better get busy or there will be nothing left for them to do.

Mr. WILLIAMS. Will the Senator yield to me on that point? I would like to indicate that we are doing our level best here. The Senator from Idaho wrote a "Dear Colleague" letter on May 16 and told me that he would introduce this idea as a separate bill. That is May 16 of this year. I waited until May 18, 2 days later, to write back to him. I said, in essence, "Yes, introduce it. We will receive it and have hearings on it." Well, it was not until July 12, 8 days ago, that the Senator from Idaho finally introduced this idea in bill form and it has been referred to the Committee on Labor and Human Resources. And the committee acted in good faith, and 4 days after the bill was introduced, I announced hearings on the bill.

Mr. MAGNUSON. I do not blame the Senator from Idaho for taking advantage of this situation. I am deploring the situation that is occurring in the Senate. If it was not for the Budget Committee, we might just have Appropriations Committee meetings and go home. We can resolve the SALT Treaty tonight. We can have an hour of debate on it. There has been enough said. No more can be said than in a half-hour or an hour on each side.

And we shall put that on the bill, put everything on the HEW bill. So I am going to support the motion of the Senator from New Jersey that this is out of order.

Mr. WILLIAMS. We responded to the Senator from Idaho, and within days after the bill was finally introduced on July 12 hearings on that bill were set. So the committee is up to date in responding, in the regular order under our jurisdiction, to an idea that should be heard and in the proper forum, in the committee, on September 18 and 19.

Mr. MAGNUSON. Mr. President, I want to say I hope the point of order is sustained. That is not committing myself to the merits of the bill of the Senator from Idaho or anything else. I just hope we can put a stop to all of these authorizing items on the HEW bill.

Mr. RIEGLE. I thank the Senator from New Jersey and the chairman for yielding.

(Mr. STEWART assumed the chair.)

Mr. DOMENICI. Mr. President, since the passage of OSHA, Congress has sought to rectify or, after the fact, reconsider the scope of OSHA. Seldom has there been such a history of chaotic regulation and enforcement.

In the last Congress, the late Senator Dewey Bartlett recognized that certain segments of our society were never intended to be scrutinized by OSHA nor required to be burdened with form filing. The benchmark of 10 or less employees for family farms was established by a Bartlett amendment.

I am pleased to associate myself with Senator CHURCH's amendment, which reiterates and expands the exemptions to OSHA.

Nonhazardous small business enterprises which have established a pattern of safety should not be subjected to OSHA. Mankind has never existed in a risk-free environment. Certainly, we shall always have accidents. But in most circumstances, the normal risks can be approximated. This is the basis for the insurance industry. Therefore, those small businesses with low accident-risk potential should be exempted from OSHA because the costs and man-hours required to fill out forms become burdensome and a critical economic consideration to family farms and business operations.

It would be ideal to get the OSHA act back on the floor for revision. However, in the meantime, this piecemeal approach is the best we can hope for.

Mr. RIEGLE. Mr. President, let me say to the Senator from New Jersey that I think he has been so reasonable in terms of timeliness in committing our committee to hold formal hearings on the amendment that the Senator from Idaho has put forward, to try now to deal with that matter without the hearings and without any kind of reasonable due process, deal with it as a piece of legislation attached to the appropriations bill, I really think, is a very bad procedure to follow. I think it is an unreasonable request and I think the chairman of the Committee on Appropriations is quite correct in noting it.

As to the substance of it, as long as it is before us and until some ruling is made on germaneness, I think it is important to make a comment or two about what this amendment would do.

What we are talking about here are basic guarantees on the safety and the health of American workers. If these laws make any sense at all for us to have in terms of the broad number of workers in large companies across the country, it seems to me that they make sense for everyone. I do not see why somebody is important enough, if they are in a company with 11 employees, to be able to have guarantees about health and safety; yet, if they are in a firm of 10 or less, they are not important, and they do not have the guarantees.

This notion about the health of firms—what about the health of workers? There is nothing that is more important to a working person than to be physically able to work. People who are in unsafe work situations lose a hand or lose an eye or lose a leg; in many cases, lose their lives. These are profound questions. That is why we have OSHA regulations for so many of the workers in this country. But to draw an arbitrary distinction and to say that one worker is important enough to care about and to look after and to see that basic health and safety protections are provided and that others are not, is a totally unreasonable proposition.

We can have a situation on construction sites where there could be workers working for one company side by side with workers from another company. One worker has protections and the other does not.

The statistics show that workers for small business, on the average, are twice as likely to be killed on the job as is the case in large businesses. So we have some problems here to look at and think about.

I think another important point that ought to be part of the record here is that, relying on illness and injury rates to determine which small businesses are exempted would ignore, by its very nature, serious health problems and hazards, including cancer-causing substances. The point has been well made by the chairman and others that if we were to go through these calculations every year, we could very well find out that small businesses would end up with even more paperwork to contend with than what they will face if we were to see to it that these protections were available to all American workers.

I hope that we would have considerations of what we are talking about here in terms of the worker himself or herself. It is very easy to talk about the firms, it is very easy to talk about these other things. We are talking about health and safety hazards for individual workers.

I hope that one worker would be as important to us as another and we would not have two standards, but one standard. It ought to apply in the case of all workers in this country.

I thank the Senator for yielding.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS. I yield to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, how much time is remaining?

The PRESIDING OFFICER. Six minutes and twenty-one seconds.

Mr. METZENBAUM. Mr. President, I rise to express strong opposition to this amendment.

I believe that this amendment is unnecessary. I believe that it is a step backward in this Nation's commitment to safe and healthy working conditions for its people. And I believe that it would deny to employees in smaller firms the protection to which all American workers are entitled under the occupational safety and health laws.

I see no persuasive reason to deny full protection to these employees.

The Senator from Idaho has tried to exempt those small firms that do not fall within the high-risk category.

For the most part, those firms are not now in any case subject to frequent inspection. Today, almost 95 percent of OSHA's scheduled inspections are directed toward those industries that present the most serious health and safety hazards. But, Mr. President, to exempt such firms entirely from OSHA inspection is to give to individual companies that do or will not meet minimal health and safety requirements a license to perpetuate their negligent practices. Above all, such an exemption will deny recourse to OSHA to the employees of small firms who are faced with what they believe to be hazardous conditions.

In addition, this exemption will make it impossible for OSHA to conduct health, as opposed to safety, inspections. The Bureau of Labor Statistics has reported:

> Whereas an injury detected an occupational illness may be developed over a period of years. An employee may leave the establishment where the illness was contracted or may work for several establishments and be exposed to different conditions. Therefore, many illnesses of occupational origin may not be recognized and may not be reflected in the estimates.

Mr. President, I sympathize with the desire of the sponsors of this amendment to eliminate excessive Federal redtape. I support the steps that OSHA has taken to eliminate over 900 petty, irrelevant rules.

I support OSHA's initiative to reduce recordkeeping requirements for small companies and to explain requirements in comprehensible English.

But, Mr. President, to say that we should have rational administration of the law is not the same thing as to say that we should abandon the law altogether.

To say that we oppose excessive regulation is not the same thing as abrogating the fundamental right of working men and women in small companies to the protections enjoyed by all other employees.

Mr. President, I oppose this amendment and I firmly believe that it should be rejected.

Mr. President, I could not agree more with the concept that it is wrong to say that the worker for a small employer is not entitled to the same protection as the worker for a large employer. When that worker is blinded, when that worker is subjected to cancer-causing products, when that worker finds injurious elements in the workplace and then has to pay the price, it cannot be justified to permit an exemption for employees under those circumstances.

In my own State, in 1974, OSHA officials investigated a company in Lima, Ohio. These officials were investigating this company at the request of local public health officials. The health officials had found several cases of lead poisoning among the company's employees. It was a small company, about six employees. The president of the company refused entry to the OSHA officials. Immediately the OSHA officials obtained a warrant and conducted an investigation. As a result, they issued a citation; they found excessive employee exposure to inorganic lead.

The story does not end there. One month later OSHA conducted another investigation at another facility of the same company. This time, they found exposure levels of lead nine times greater than OSHA's permissible limit.

Three years later, OSHA officials attempted to investigate this company because an employee complained about the company not providing face and eye protection from splashing battery acid. The uncooperative president of the company refused entry to the officials. OSHA sought and won a contempt order. An inspection was conducted and serious violations again were found.

The president of this company was relentless in his opposition to OSHA. He even went to jail for his repeated attempts to sidestep the law.

Mr. President, under this provision, we would exempt that employer from complying with the law. That is wrong.

I yield to the Senator from New York.

Mr. MOYNIHAN. Mr. President, this is the second occasion that I have had today to rise in disbelief that the appropriation process is being used as a device to deprive American citizens of rights they have been given under law. At midday, we were depriving the indigent and the medically indigent of entitlement under the social security system. This afternoon—and I ask the Chamber to hear this—we are exempting from the health and safety protection of American laws the people who work for four-fifths of the business firms in this country. Do not let that "under 10" mislead you. Four-fifths—79 percent—of the establishments of this country will be exempted.

Mr. President, a superbly emphatic letter on this matter was written by Mr. Jacob Clayman of the Industrial Union Department of the AFL-CIO. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INDUSTRIAL UNION DEPARTMENT,
Washington, D.C., June 15, 1979.

DEAR SENATOR: It is the appropriation season and it would not come as a startling surprise if the appropriation process again calls forth fresh efforts to restrict, restrain and hamper the effectiveness of OSHA.

It is our earnest hope that the Senate will repulse any such efforts to appraise so cheaply the lives and health of American workers.

We express this wish for what are clear and abundant reasons . . . first, we proceed on the assumption that decent and reasonable public servants do not seek to endanger the lives and health of their fellow humans who spend their entire careers in the workplaces of the country. If this surmise is sound, then the U.S. Senate will not wrench asunder, by one device or another, the agency which has served so importantly to protect workers on the job.

The proof is clear . . . from 1972 to 1977 the accident rate in American workshops has dropped dramatically, 14 percent. This extraordinary result is reflected in virtually every state in the union. There is no explanation for this heartwarming happening except the existence of the Occupational Safety and Health Act and the work of OSHA.

It would be tragic, indeed folly, if Congress would now try to impede and, indeed, unravel a magnificent law, scuttle a successful agency which has created such a magnificent result and historic turnabout from our sad record prior to the Occupational Safety and Health Act.

I have noted the overall happy record of OSHA accomplishments in the safety field, but there is a nagging set of statistics which must give us pause. The on-the-job death rate in establishments employing less than 19 in 1977 doubled compared to 1976 (1,926 deaths in 1977 compared to 962 in 1976).

We believe that this, in part, is the aftermath of the constant and repetitive bludgeoning of OSHA in and out of Congress. This may indeed have given small employers the notion that in reality they are not subject to OSHA, that they need not fear inspections, that they need not help educate their workers in safety measures, that they need not ask for consultative services provided by both OSHA and some state agencies financed by OSHA. Indeed so loud and strident has the din been against OSHA that the agency has slowed down in its inspection of small businesses.

The situation now demands more money for OSHA, not less. A cut in OSHA funds would adversely effect OSHA services such as:

State occupational safety and health program grants;

On-site consultation services to small business employers; and

Education and training grants for workers and employers.

A vote for an OSHA funding cut would mean a vote for injury, sickness and death on the job.

We further urge that the Senate not play the numbers game so popular in the past such as exempting from OSHA protection establishments of 3 or less employees, 5 or less, 10 or less, 19 or less. In each case the exempted workers would number in the millions. And the argument that some categories of industry which are less lethal than others (such as those with an injury rate of less than 7.0 per 100 workers) should be removed from the protective arm of OSHA is gravely fallacious and dangerous. For example in trucking, local and long distance, the injury and illness rate in 1976 was 6.8 per 100 workers but there were 9,152 injuries and illnesses in this category. In machinery, equipment and supplies the rate was 4.1 per 100 workers but there were 9,041 injuries and illnesses. In gasoline service stations the injury was 2.8 but the actual injuries and illnesses mounted to 13,354. In eating and drinking places the rate in 1976 was 1.9 but the number of injuries and illnesses was 13,546. And so it goes in category after category.

With these frightening statistics in mind, can it be said that it is reasonable, humane and safe to exempt the above categories from OSHA's supervision because their total accident and illness rate is less than 7.0? Would it not be a barbaric logic to lead to such an unfeeling conclusion?

Further, these statistics demonstrate that in every segment of American industry and business there are safe and unsafe establishments. A gas station on one street may be a hell-hole of danger while a gas station on the next street is clean, safe and conforms to every standard safeguarding life and health. Because the total rate of injuries and illnesses for the entire gas station service industry was 2.8 in 1976, does it make sense to ignore every gas and service station which invites injury and illness? Any answer to this question in the affirmative fails to comprehend the real world in which Americans work.

We ask you as strongly and passionately as we can that you stand up against the political attacks on OSHA. If you value human life and health, please don't be misled by the cacophony of propaganda which has and will be aimed at OSHA and America's workers.

We obviously will be watching your votes on this issue with intense interest. This interest not only resides in the leadership of the labor movement, it is shared by the membership. They know that a mistake on your part damaging OSHA will inevitably mean the loss of some of their lives. It is as simple and direct as that!

Thank you for your careful consideration of this communication.

Sincerely,

JACOB CLAYMAN,
President-Secretary-Treasurer.

Mr. MOYNIHAN. Once again, Mr. President, the labor movement speaks for the American worker. Can it be that the Senate will not do so as well?

I thank the Chair.

Mr. WILLIAMS. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I have opposed every effort to deny the protections of the Occupational Safety and Health Act to American workers through arbitrary exemptions, and I oppose this amendment as well. These kinds of amendments have nothing to do with the purpose of the law which is to protect the life and limb of workers wherever they are employed. The law does not, and should not, make any distinction between small and large employers. We know that employment in many small establishments is just as hazardous, indeed in some cases even more hazardous, than employment in large firms.

In the name of small business this amendment would remove OSHA coverage of 3 million businesses in this country. That is 71.9 percent of the total. And it would deny protection to 9.7 million workers, 15.3 percent of the total covered workforce.

We already have, through the Labor-HEW appropriations bill, exempted employers of 10 or fewer employees from the record keeping requirements of OSHA. We have also exempted them from first instance penalties for nonserious violations. We have also exempted small farms from coverage, except for migrant labor standards. That should be enough.

Now this amendment would go one large step farther and exempt so-called small safe employers from the act. I say "so-called" because the amendment, in fact, exempts employers from the act just because they happen to fall within a broad industrial classification where the injury incidence rate is 7 or less per 100 workers. It has nothing to do with employers within the classification who may have far higher accident rates. And, this is frequently the case.

A classic case is grain elevators which we have found to be highly hazardous workplaces. These establishments are buried within the Standard Industrial Code classifications, even at the four-digit level, with other safer industries which do not meet the 7 per 100 threshold accident rate proposed in the amendment. The four-digit classification of alkalies and chlorine has a rate of 41.8 injuries per 100 workers, yet it falls within a three-digit classification that is below the 7 per 100 test. Even explosives would be exempt by this arbitrary approach. There are countless other examples which demonstrate that this amendment simply does not do what it purports to do—that is, to exempt only safe employers from OSHA. The classification system just cannot help us tell the difference between establishments as to whether they are relatively safe. Any aggregation by type of business is bound to include some negligent employer practices posing serious hazards to the health and safety of workers. Thus, thousands upon thousands of workers exposed to dangers on the job would be denied safety and health protection as a result of this amendment. They could not even get the Government to respond to their plea to investigate dangerous conditions.

What is worse, many employers would be exempted from the act which present highly hazardous exposure to carcinogens and other toxic materials simply because OSHA recordkeeping cannot maintan accurate records on health hazards. This is simply because so many health hazards do not show up in actual statistics until many years after the initial exposure. This is true even as to highly toxic concentrations far greater than permitted under OSHA standards. By the time a worker has symptoms of an occupational illness, many years may have elapsed and he or she has probably moved to work for another employer under different working conditions.

The proponents of this amendment seem to assume that small businesses are inherently safer than larger ones. Overall, that may be true, since so many small businesses are in services where injury rates are lower, than in manufacturing. But even that is in doubt since the latest available data from the Bureau of Labor Statistics show that from 1973 to 1977 the fatality rate rose 88 percent in businesses with 19 or fewer workers, and in manufacturing that rate has actually declined. And what difference can the size of an establishment make to the worker at risk? How can the Government say to these workers that their lives matter less than any other?

This amendment would not even be in the interest of business. The Labor Department has responded to congressional interest in providing expanded on-site consultative services, especially to small business firms. Now, under this amendment, they could not receive it. Moreover great confusion would result among many businesses where employment fluctuates above and below the 10 employee level. They would be covered one day and not the next. In the construction industry, which has testified that it opposes an exemption of this kind, the difficulty and confusion would be compounded by having some subcontractors at a construction site covered while others, working right along side of them, would not be covered by the act. This is an absurd result.

Finally, this amendment disregards the interest of the States. The act was written to permit States to operate their own safety and health programs, subject to OSHA standards. At this time, 22 States have approved State plans. Suppose any of these States wish to avoid adopting this small business exemption. They would not be prohibited from doing so under this amendment, but they could receive no Federal funds to carry it out. This would force such a State, and the Department of Labor, to attempt to segregate Federal funds as to the purpose for which they are used—and even more confusion would result.

Mr. President, this amendment does not do what its sponsor claims. It is highly discriminatory. It devalues the life and limb of a worker based on wholly arbitrary criteria. It will confuse business and government alike. It has no place on this appropriations bill.

I hope very much that the Senate will not be guilty of that injustice.

● Mr. BUMPERS. Mr. President, I am pleased to join Senator CHURCH as a cosponsor of his amendment to exempt those safe businesses having 10 or fewer employees. Much like the amendment regarding the Mine Safety and Health Administration that I offered yesterday, the Church amendment will introduce a new degree of rationality into our Federal regulatory policy toward small business.

I do not believe that there is one Member in the Senate who is not concerned about worker safety. Had I been in the Senate when the Occupational Safety and Health Act was debated, I would have voted for it. Nevertheless, I think that OSHA has clearly strayed from the mission which Congress originally intended for it to carry out. For the 13 million small and independent businesses in this country, OSHA has singlehandedly been responsible for much of the "crisis of confidence" that President Carter described earlier this week. This measure can help restore some of that lost confidence.

By exempting those small businesses that have an excellent safety record—an occupational injury/illness rate that does not exceed 7 per 100 full-time employees—the amendment will eliminate the onerous reporting requirements that are economically onerous on the safest businesses in this country. As the old saying goes, "why fix something that ain't broke." Unfortunately, Congress has not seen the wisdom in this concept and continues to subject innocent people to unnecessary costs and troubles.

Millions of men and women in this country are struggling to get their businesses off the ground and many more are fighting to keep their businesses running. These are industrious people whose entire lives revolve around their work. But by burdening them with regulations and paperwork and by depriving them of the assistance that they need, we have made their jobs almost impossible.

The Senator from New Jersey talks about "legislating on an appropriations bill," and that this is not the way to handle this problem. But the committees of competent jurisdiction have not acted. Ever since I arrived in Washington the problems with OSHA have been well known. Mr. President I have been here 5 years. Nothing has happened. The Labor and Human Resources Committee has failed to report out any legislation that will redress the problem. So we are forced to turn to the appropriations process as the only remaining alternative.

Our amendment is not overly broad. It includes only those industries that are safe. I urge my colleagues to stand up for small business and support the amendment.●

Mr. WILLIAMS. How much time remains, Mr. President?

The PRESIDING OFFICER. Fifty-three seconds.

Mr. WILLIAMS. Mr. President, I yield back the remainder of my time and make the point of order that this is legislation out of appropriations. I do make the point of order.

Mr. CHURCH. I raise the defense the amendment is germane with House language.

The PRESIDING OFFICER. Under rule XVI, the Chair submits the question to the Senate, Is the amendment germane?

Mr. CHURCH. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Is the Church amendment (UP No. 409) germane? The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. EXON), the Senator from Alabama (Mr. HEFLIN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Kentucky (Mr. FORD), the Senator from Georgia (Mr. TALMADGE), and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Texas (Mr. TOWER) are necessarily absent.

The PRESIDING OFFICER. Is there any Senator in the Chamber who wishes to vote and who has not voted?

The result was announced—yeas 54, nays 38, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—54

Armstrong
Baucus
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Garn
Goldwater
Hart
Hatch
Hatfield
Hayakawa
Helms
Hollings
Huddleston
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Lugar
Matsunaga
McClure
Nunn
Packwood
Percy
Pressler
Pryor
Roth
Sasser
Schmitt
Simpson
Stennis
Stewart
Stone
Thurmond
Wallop
Warner
Young
Zorinsky

NAYS—38

Bayh
Biden
Bradley
Burdick
Chafee
Culver
Durenberger
Durkin
Eagleton
Glenn
Heinz
Inouye
Jackson
Javits
Kennedy
Levin
Long
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Pell
Proxmire
Randolph
Riegle
Sarbanes
Schweiker
Stafford
Stevens
Stevenson
Tsongas
Weicker
Williams

NOT VOTING—8

Baker
Exon
Ford
Gravel
Heflin
Ribicoff
Talmadge
Tower

The PRESIDING OFFICER. The amendment is germane. The point of order falls.

The question is now on agreeing to the amendment.

The PRESIDING OFFICER. The question is now on agreeing to the amendment of the Senator from Idaho.

UP AMENDMENT NO. 411

(Purpose: To concentrate OSHA enforcement activities with respect to small businesses and reduce the regulatory burden on safer employees)

Mr. SCHWEIKER. Mr. President, I send a substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) for himself and Mr. HATCH, Mr. WARNER, and Mr. STEVENS, proposes an unprinted amendment numbered 411 to the Church amendment.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the page and line placement designation and insert in lieu thereof the following, to wit:

"*Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten (10) or fewer full-time employees who is included within a category having an occupational injury incidence rate less than seven per one hundred full-time employees as set forth in the 1977 Bureau of Labor Statistics survey of industries for the most exact Standard Industrial Classification Code level for which data are published and who certifies by signed and true affidavit, filed at any time during the fiscal year with the Secretary of Labor (with a copy posted in a prominent place in the workplace) that in the preceding twelve-month period such employer had an incidence rate of less than 6 lost workdays due to occupational injury per 10 full-time employees, except: (1) to provide requested consultation services; (2) to conduct an inspection or investigation in response to an employee complaint, and to assess a penalty or take other action authorized by such Act if as a result of such inspection or investigation, the Secretary finds violations of the Act which are willful in nature, or which pose an imminent danger to employees, and which are not corrected within a reasonable abatement period; (3) to enforce specific health and toxic substances standards promulgated pursuant to section 6 of such Act, including scheduled inspections; (4) to investigate an employment accident which is fatal to one or more employees or which results in hospitalization of five or more employees, and take appropriate action as authorized by such Act".

Mr. SCHWEIKER. Mr. President, I agree with the direction the distinguished Senator from Idaho is taking regarding this important matter, and I sincerely command him for his leadership. I have in the past and continue to support clear instructions from the Congress to OSHA to concentrate its efforts on those firms were there are substantial safety and health hazards to American workers. I am pleased to have this opportunity today to encourage the Senate to reaffirm this fundamental statement of congressional policy.

What the distinguished Senator from Idaho is proposing is to leave alone small businesses which are doing a good job on occupational safety and health. I could not agree with him more.

I offer this substitute simply because I fear the wording of Senator CHURCH's amendment may have the undesirable—and I am sure unintended—effect of sweeping away very much needed safety and health protections for some employees, and desired consultation services for some employers. My amendment would make five changes to avoid these undesirable effects.

First, I am concerned that the amendment before us would inadvertently exempt from OSHA protections many employers who do not have safe workplaces since the amendment is directed to general industry categories, rather than individual firms. Many workplaces with definite safety and health hazards are included within some general industry categories which overall are relatively safe. I believe any OSHA exemption should also be based on the record of the individual firm. Therefore, my amendment proposes to base the exemption not only on the safety record of the industry, but also on the individual employer maintaining a safety record of lost work days due to industrial injuries less than the national average. This would be determined by the employer simply signing an affidavit that he satisfies this safety test, and sending it in to the nearest OSHA office.

The employer may do this at any time, even following an inspection if he had not previously done so.

Second, I am concerned the amendment before us would also exclude many small businesses from the consultation programs supplied by OSHA. These programs are purely voluntary in nature and can be very helpful to employers who seek assistance in insuring that their workplaces are safe. I, therefore, propose in my amendment that the OSHA exemption still permit participation by these small employers in these useful voluntary programs.

Third, I have always been concerned that blanket exemptions may deny to workers vital legal protections against very hazardous conditions. I believe that although OSHA should generally leave small business alone, there should still be authority to deal effectively with imminent dangers and willful violations. My amendment, therefore, proposes that OSHA would retain authority to respond to specific employee complaints of safety hazards, but may only assess a penalty where an imminent danger or a willful violation of a safety standard exists—and even then, only when the employer fails to correct the problem within a reasonable amount of time. So I want to stress this is a very narrow exception to the hands off policy the Senator from Idaho proposes and it preserves only the essential protections guaranteed by law to these employees.

Fourth, I am concerned that the wording of the amendment before us would deny to workers important protections against serious health hazards covered by specific OSHA health standards. Unlike occupational injuries, occupational illnesses are brought on by long-term exposure to dangerous substances in the workplace. These illnesses are not discovered for many years. Therefore, it is impossible to determine whether a specific workplace does or does not present unreasonable hazards to workers based on current injury rate statistics. Thus, my amendment proposes to retain OSHA authority to enforce specific health standards promulgated under the act.

Fifth, and finally, although it will certainly be very infrequent, there may be instances where deaths or multiple, serious injuries requiring hospitalization occur in these small workplaces. Therefore, my amendment would permit OSHA to investigate accidents which result in the death of one or more employees or hospitalization of five or more employees.

Mr. President, the substance of this substitute amendment I propose is taken from a more comprehensive OSHA improvements bill I have been working on for a number of weeks.

I might say some of these very specific provisions were in the second Bartlett amendment last year.

Prior to the August recess I expect to introduce legislation to reduce OSHA's regulatory burdens on safe employers of all sizes, thus extending this principle further. But this amendment, of course, only covers employers of 10 or fewer employees. For larger employers, my bill will propose incentives for the establishment of safety committees, made up of employers and employees, to work together to improve safety and health in the workplace. It will also provide incentives for greater utilization of voluntary professional consultation services provided by many workers compensation insurance companies and expert private consulting firms. I look forward to the opportunity to discuss this more comprehensive OSHA improvements measure with my colleagues in the coming months.

In the meantime, I offer this amendment to start the ball rolling responsibly in that direction.

Again, to summarize, my amendment would revise the pending amendment in five respects: First, focus on the safety record of individual firms in addition to industry averages; second, continue eligibility for voluntary consultation programs; third, continue needed protections against flagrantly uncorrected imminent dangers and willful violations; fourth, preserve protections against health and toxic substance hazards, undetectable by reference to safety record statistics; and fifth, to investigate catastrophic accidents in the workplace.

Mr. President, I think probably as a rough estimate 98 percent of the people that Senator CHURCH wants to exempt would be exempt under my amendment.

It simply would not remove all the authority for health and for imminent danger and for employee complaints as does the Church amendment.

I hope he will give serious thought to supporting it since he has done a lot of work in this area and is very well motivated and also very well informed.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH addressed the Chair.

Mr. HATCH. Mr. President, will the Senator yield time? Will the Senator from Pennsylvania yield to the Senator from Utah?

Mr. CHURCH. Mr. President, may I speak?

Mr. SCHWEIKER. Yes.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. I yield myself time in opposition to the amendment.

The PRESIDING OFFICER. The Senator has not time on this amendment.

Mr. CHURCH. May I ask to be yielded time?

Mr. HATCH. Mr. President, will the Senator from Pennsylvania yield?

Mr. CHURCH. Mr. President, will the chairman of the committee yield me time in opposition to the amendment?

Mr. MAGNUSON. Mr. President, I yield such time as the Senator needs.

Mr. CHURCH. I thank the Senator.

Mr. President, the Senate, by the vote just taken, has given its endorsement to an amendment that is well understood an amendment offered by the late Senator Dewey Bartlett last year. I was privileged to join in cosponsorship of that amendment.

The virtue of the original Bartlett amendment is that it does not introduce a whole new matrix of complexity into a law that is already too full of reporting requirements, enforcement requirements, and probably the most complicated set of safety regulations ever promulgated by any government in history.

The purpose of this exemption for nonhazardous small businesses is to take them out from under the scope of the OSHA law. That is what they are pleading for. That is what all of the small business organizations ask. They have endorsed this amendment as I offered it, because it clearly establishes the criteria by which they can determine their exemption from the OSHA Act.

To accomplish this, the amendment uses the best statistics available to the Government, Bureau of Labor Statistics which define hazardous and nonhazardous businesses. My amendment specifies what constitutes a nonhazardous business. It is a business where the ratio of accidents and illnesses is 7 per 100 or less. That is a "safe" business according to the Bureau of Labor Statistics. In fact, the Bureau says that a nonhazardous business is one having no more than 9 such incidents per 100 employees per year.

So this is a very conservative definition of a nonhazardous small business.

The PRESIDING OFFICER. Will the Senator suspend? Let us have order in the Chamber. This is an important amendment.

Mr. CHURCH. If we were to adopt the proposal of the Senator from Pennsylvania, we would take a clearcut exemption that everyone can understand and inject instead a new element of confusion which would lead to a whole new flurry of paperwork for every small business in the country.

The Senator from Pennsylvania has confessed to it. He has said, "Well, since there might be within a safe category one business that is not so safe, the exemption should not relate to categories but to every individual small business in the country," and that every employer every year should submit an affidavit to the Government showing that, in his business, the accident-illness rate was less than the national average.

Can you imagine, Mr. President, a paper blizzard bigger than that?

Then, the Senator proposes a series of other exceptions which can only have the effect of keeping OSHA very much alive in the very categories of nonhazardous businesses that we seek to exempt.

Let us not march up the hill and down, and that is what we will be doing if, having voted to make the Church amendment germane, we now turn around and adopt this dilution in its place.

There is a poem I remember, a verse:

> The grand old Duke of York, he has 10,000 men.
> He marched them up to the top of the hill and he marched them down again.
> And when they were down they were down;
> But when they were only halfway up they were neither up nor down.

If the Senate adopts the amendment offered by the Senator from Pennsylvania we will be neither up nor down. We will have neither wholly exempted safe small businesses, nor will we have wholly included them. We will have left them in a confusing limbo.

Mr. President, a few years ago, because the Congress no longer wanted to apply the OSHA act to family farms, it said, "Family farms are exempted," and we defined them as farms with 10 or fewer employees.

I wanted to say nonhazardous small businesses are exempted, and I have laid out a clear definition of what constitutes nonhazardous small businesses.

I do not think Congress ever intended to regulate every business in this country no matter how small, no matter how safe. That was the great flaw, the inherent flaw, of the OSHA Act, and we will take a step toward correcting it by exempting small business of a nonhazardous character, just the way we exempted family farms.

I hope we will do it by taking the full step, not the half step represented by the amendment offered by the Senator from Pennsylvania.

Several Senators addressed the Chair.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. CHURCH. Yes, I yield, if the Senator is addressing me.

Mr. DOMENICI. I would like to ask the Senator, the sponsor of the original amendment, a question. About 45 minutes ago, the suggestion was made that the committee of jurisdiction, the authorizing committee, was caught quite by surprise by the Church amendment. It does not seem to me that, they ought to be surprised.

Is my recollection correct that Senator Dominick started 7 years ago to exclude, in an appropriation bill, the application of OSHA to small businessmen, and it has been going on every year since without substantive change in the law on that subject?

Mr. CHURCH. The Senator is correct. The reason we have had to resort to the appropriation bill is because we cannot get the generic law back on the floor of the Senate.

Mr. DOMENICI. I thank the Senator.

Mr. STEVENS. Mr. President, will the Senator yield to me? Is the Senator from Idaho finished?

Mr. SCHWEIKER. I yield 5 minutes to the Senator from Alaska.

The PRESIDING OFFICER. Who yields time?

Mr. SCHWEIKER. I yield 5 minutes.

Mr. STEVENS. Mr. President, I am pleased to join Senator SCHWEIKER in offering a substitute to Senator CHURCH's amendment to H.R. 4389.

The purpose of our amendment is to exempt small businesses from the Occupational Safety and Health Act except when such exemption either would provide no real benefit to small businesses or would seriously endanger the health or well-being of employees of small businesses.

The amendment we offer allows small business to continue to take advantage of the voluntary consultation services provided by OSHA. I emphasize that consultation services are provided only to employers who freely choose to receive consultation. OSHA's voluntary consultation services impose no burdens upon small businesses, but do help to decrease health and safety hazards in the workplace.

Further, the amendment we offer will exempt small businesses from OSHA except when such businesses reasonably appear to seriously endanger employee health or safety. So long as no deaths or hospitalizations of five or more employees are caused by workplace conditions, and no willful violations or imminent dangers are discovered in the workplace following an employee complaint, then the small business generally will be exempt from OSHA. However, our amendment allows OSHA to intercede to protect employee health and safety when, because of serious workplace accidents or illnesses, or because of willful violations or imminent dangers, the workplace appears to pose a substantial threat to employee health and safety.

Our amendment allows OSHA to continue to enforce the small number of health and toxic substance standards contained in section 6 of the act. This is essential to protect employees against cancers and other deadly diseases which are not reflected in current injury and illness data.

By exempting small businesses from OSHA except in these few limited instances, we will relieve the vast majority of small businesses from burdens imposed by OSHA. At the same time, we will insure that OSHA continues to respond to the unquestionably legitimate need of employees of every size business to be protected against serious occupationally related injuries, illnesses, or even death.

Perhaps most importantly, the amendment we offer addresses the problem of small businesses which, according to Department of Labor statistics, have an accident rate not exceeding 7 percent but are nevertheless generally recognized as unsafe.

Senator CHURCH's amendment exempts from OSHA small businesses which fall within the category of three-digit industries having accident rates not exceeding 7 percent.

It must be emphasized that small businesses within such categories may, in fact, have accident rates which far exceed 7 percent.

For example, the accident rate for botanical drug industries is, under the three-digit classification, 5.7 percent. However, under the four-digit classification the accident rate is 32.6 percent.

That just means if you take the broad general classification of drug industries they are pretty safe. But when you get down into some of the specifics of that same industry the accident rate increases, and what we say is those in the high incidence of accident rate should not be excluded because overall generically the industry in total coverage is considered to be one that has a lesser accident rate.

Similar examples of businesses which would be exempt from OSHA by Senator CHURCH's amendments are businesses utilizing chemicals and businesses utilizing grain elevators.

To insure the protection of employees of such businesses, our amendment would substitute precise injury incidence measurements for Senator CHURCH's arbitrary reliance on the three-digit classification. To trigger the exemption under our amendment, the employer would certify by affidavit that the rate of lost workdays per year in his business has been less than the national average for all businesses. This triggering mechanism rewards the small businessman who maintains a safe working environment, and provides an incentive to encourage other businessmen voluntarily to abate unsafe workplace conditions.

Again, I stress that the amendment we offer would exempt small businesses from OSHA except when such exemption would pose a substantial, serious danger to employee health and safety. It is a reasonable and workable compromise that deserves the support of both small business and labor.

Coming from a State that has the highest per capita injury and death rate among small business, I think we should accept no less.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON. Mr. President, will the Senator from Pennsylvania yield some time to me on behalf of his amendment?

Mr. SCHWEIKER. I had promised to yield to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have never been known as a sponsor of OSHA nor am I a proponent of OSHA, but I do support and, indeed, am privileged to sponsor, this Schweiker amendment, although I can support the Church amendment also.

The basic difference between the two approaches, which are supportive of remedial change of OSHA, which the committee has long denied, is that the Schweiker approach is more carefully structured to preserve OSHA's jurisdiction when it is necessary, and only when it can help workers in this country.

It is not arbitrary in any sense, but is based on a good, commonsense approach to the OSHA enforcement.

Frankly, I think Senator SCHWEIKER has done us a favor in bringing forth this amendment. I agree with both him and the distinguished Senator from Alaska that it is a reasonable approach. It is a good compromise. Although if it loses I intend fully to support the Senator from Idaho's amendment, I do think this is a worthwhile amendment, and I support it on that basis, and for the reasons mentioned in the remarks of the distinguished Senator from Pennsylvania with whom I am associated in this amendment.

Mr. SCHWEIKER. I yield to the Senator from Wisconsin. How much time?

Mr. NELSON. Can the Senator yield 5 minutes?

Mr. SCHWEIKER. Yes, I yield the Senator 5 minutes.

Mr. NELSON. Mr. President, first let me say that I share Senator CHURCH's concern. I do not think there should be any coverage of any small business with nonhazardous employment. I agree with that.

Furthermore, if we can identify, clearly identify and draft a provision that will exempt nonhazardous employment, I will vote for it and argue for it here on this floor.

As of a year ago, at least, when this amendment was added to a small business bill with which we went to conference, the statistics by OSHA were really not refined enough to make a good definition. Now, when the small business bill was on this floor about a month or so ago, maybe 2 months ago now, and it came to disaster relief, Senator CHURCH withdrew his amendment. At that time it was my understanding that the distinguished chairman of the Human Resources Committee committed himself to a hearing in the Human Resources Committee, which has jurisdiction on the OSHA legislation, and that a week or so ago Senator CHURCH introduced a bill, and it is my understanding that the chairman of the committee has now scheduled a hearing.

Mr. WILLIAMS. Correct.

Mr. NELSON. Now, I think that at hearing every single critic of the OSHA who protests its interference with business, and all claims that nonhazardous employers are being covered, ought to be laid on the record, and then, once the record is made, I think Eula Bingham should be called down to examine those cases as filed, and if out of that hearing record it is disclosed that there is a need for a change in the law, I am going to be here on the floor, joined with Senator CHURCH in supporting a change in the law.

My concern is that his amendment is based upon statistics that, at least as of last year, were not sufficiently refined to do the job that he wants to do, and that I would like to see done.

Now, at the time that bill was pending, the small business bill, and at the time Senator CHURCH pulled down his amendment and, as he advised me, did so because he did not wish to hold up the legislation that was dealing with disaster loan relief, at the time I took one section out of that bill and pulled it back into committee, with a commitment to Senator CHURCH that I would send that section out as a separate bill if he was not satisfied with the hearings that were conducted in the Committee on Human Resources, and if he still wanted to offer an amendment this year to a bill to vote on.

I now repeat on the floor of the Senate that commitment. If, when the hearings are over, the Human Resources Committee does not believe there is a problem to be dealt with, and does not send out a bill, and Senator CHURCH is unsatisfied with that, I will do what I committed myself to do. I will take that chapter and send it out to the floor as a bill, and it will be an appropriate vehicle, and everybody in this body will then have a chance to vote up or down.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SCHWEIKER. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. JOHNSTON). The Senator from Washington has 7 minutes remaining.

Mr. CHURCH. How much time do I have?

The PRESIDING OFFICER. On the amendment, none.

Mr. SCHWEIKER. I yield the Senator 1 additional minute.

Mr. NELSON. I just want to assure the Senator from Idaho that I share his concern. I agree with his objective, and I will support his position when I am satisfied that the amendment is designed in such a way as to exempt nonhazardous employment.

I think we ought to support Senator SCHWEIKER's proposal. As I say, if Senator CHURCH is not satisfied after the hearings, I will send out that bill for appropriate action.

Mr. CHURCH. Mr. President, may I have whatever time remains on the amendment?

Mr. SCHWEIKER. I am happy to yield it to the Senator from Idaho.

Mr. CHURCH. I thank the Senator very much.

First of all, I want to thank my friend from Wisconsin, who is a close friend. I am sure he would do what he could to get this bill out on to the floor.

The problem is this: If this bill is attached to the one provision that he withdrew from the bill that I agreed to release for humanitarian reasons, when I might have attached this amendment to that bill, it would not matter whether we adopt it here; it will die in the House, because it will be attached to a vehicle that will go nowhere in the House.

Let us not fool ourselves. If Senators want to take the Church amendment and make a cripple out of it, they can adopt the Schweiker amendment, and that is what it will do. I ask Senators to consider, just for a moment, the feasibility of requiring every small businessman in America to fill out an affidavit every year and send it to the Federal Government, affirming his accident-health ratio and demonstrating that it is below the national average, in order to preserve an exemption from the OSHA act.

Adopt the Schweiker amendment and you have emasculated the Church amendment which is the only effective method for exempting nonhazardous small businesses from OSHA.

The Schweiker amendment is clearly unworkable on its face.

Now, if you want to give the Church amendment a nice funeral, with violins and roses, send it to the Human Resources Committee. There will be hearings, but we all know how that committee has dealt with this question in the past.

So take your choice: Give it a funeral by sending it to the Human Resources Committee, or give it a swift kick by adopting the Schweiker amendment; but if you want to see safe, small businesses exempted from the OSHA law, then stand by this amendment. It does the job, and it does it in the only place it will ever get done—as an amendment to an appropriation measure.

That is how we exempted family farms, and that is how we will have to exempt small businesses, if that is what we want to do.

Mr. President, I want to see this accomplished. I want neither a swift kick nor a funeral, however decorous. That is why I now move to lay on the table the amendment offered tby the Senator from Pennsylvania (Mr. SCHWEIKER), and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Alabama (Mr. HEFLIN), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Texas (Mr. TOWER) are necessarily absent.

The PRESIDING OFFICER. Is there any other Senator who wishes to vote?

The result was announced—yeas 31, nays 61, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—31

Armstrong
Bellmon
Bentsen
Boren
Bumpers
Byrd, Robert C.
Cannon
Chiles
Church
Cochran
Danforth
DeConcini
Garn
Goldwater
Hayakawa
Helms
Hollings
Jepsen
Johnston
Kassebaum
Lugar
McClure
Morgan
Pryor
Roth
Sasser
Schmitt
Stennis
Stone
Thurmond
Zorinsky

NAYS—61

Baucus
Bayh
Biden
Boschwitz
Bradley
Burdick
Byrd,
Harry F., Jr.
Chafee
Cohen
Cranston
Culver
Dole
Domenici
Durenberger
Durkin
Eagleton
Glenn
Hart
Hatch
Hatfield
Heinz
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Laxalt
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Randolph
Riegle
Sarbanes
Schweiker
Simpson
Stafford
Stevens
Stevenson
Stewart
Tsongas
Wallop
Warner
Weicker
Williams
Young

NOT VOTING—8

Baker
Exon
Ford
Gravel
Heflin
Ribicoff
Talmadge
Tower

So the motion to lay on the table UP amendment No. 411 was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Pennsylvania.

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from Idaho, as amended.

Mr. BAYH. Mr. President, have the yeas and nays been requested on this?

The PRESIDING OFFICER. The yeas and nays have not been requested.

The amendment was agreed to.

Mr. SCHWEIKER. Mr. President I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

ORDER TO LIMIT ROLLCALLS TO 10 MINUTES TODAY

Mr. ROBERT C. BYRD. Mr. President, I have two requests. They have both been cleared. I ask unanimous consent that any rollcall vote for the rest of the day be limited to 10 minutes, with the warning bells to sound after 2½ minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on the amendment by Mr. BELLMON, the time be reduced from 1 hour to 30 minutes, with the time to be equally divided in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

UP AMENDMENT NO. 412

Mr. WALLOP. Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. WALLOP), for himself and Mr. BAUCUS proposes an unprinted amendment numbered 412.

The PRESIDING OFFICER. Let there be order in the Senate. The Senators cannot hear the amendment being read.

Mr. WALLOP. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 44, beginning at line 8, strike out the following: "and of which not to exceed $75,000,000 may be used for training authorized by section 2001.".

Mr. WALLOP. Mr. President, this amendment has been cleared with both the majority and the minority.

Mr. McCLURE. Mr. President, may we have order? The Senate is not in order.

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order.

Mr. WALLOP. Mr. President, this amendment would strike the $75,000,000 ceiling on title XX social service training funds inserted by the House Appropriations Committee in the section of H.R. 4389 denoted "Grants to States for Social and Child Welfare Services." I have serious concerns about the approach the House has taken to achieve reductions in Federal spending for social service training which I will now discuss.

Under current law, funding for the title XX social service training programs is open ended. By imposing a cap on funds available for training purposes, as the House language does, this appropriations measure actually effects a legislative change in the program. It does without making provision for all those States which will be adversely impacted by the reduction in funding that will necessarily ensue.

The following figures illustrate just how drastic an effect this language, if retained in the bill, will have.

In his budget request for fiscal year 1980, the President requested $100,825,000 for title XX social service training purposes. This figure represents the amounts the States have projected would be needed to carry out their programs in 1980. Mr. President, the House ceiling of $75 million is $25.8 million less than the sum the States say will be needed in 1980.

The impact may be even more severe than the $25.8 million shortfall from the administration's request. HEW has estimated that $10 million from fiscal year 1980 will be needed to complete 1979 training programs. Using $10 million to complete States' 1979 programs will reduce the $75 million ceiling for 1980 payments to $65 million. This $65 million figure represents a cut of $35.8 million from what will be needed to carry out social service training programs in the States in 1980. If this ceiling is approved, it will mean that there will be some $6.5 million less available to States in 1980 than was appropriated in fiscal year 1979, some $71,552,000.

Without doubt, such a drastic reduction will have a seriously disruptive effect on States' ongoing social service training programs.

The fact that the House language will effectively reduce funds available for social service training by some $35.8 million from the President's budget request is troubling in and of itself. The situation is exacerbated by the absence of any provision for an equitable allocation amongst the States of the diminished allotment. Without a payment allocation plan to make downward adjustments in total payments, this language offers absolutely no assurance to the States that these reductions will be accomplished in an equitable manner, based upon such important considerations as the payment levels for 1979, previous payment levels, special State needs for social service training (such as the energy impact that several of the Western States, including Wyoming, are now experiencing), geographical considerations which necessitate extensive travel, and, lastly, population. The quick-fix solution to title XX spending in the House language ignores these essential factors completely.

Mr. President, in adopting the $75 million ceiling, the House essentially is using this appropriations bill to legislate a change in the open-ended title XX training program. My major objection to the language in H.R. 4389 is not, however, procedural. I am far more concerned about the substantive impact the ceiling will have on the States and institutions which provide social service training and services, and in turn, on the quality of social services around this country.

I urge the deletion of the House language in this appropriations measure knowing that there are alternative and expedient means for reviewing the title XX training program with its open-ended appropriation. In fact, my amendment will allow the House and Senate to work their respective wills on bills now pending in both bodies which would impose limitations on title XX training funds. H.R. 3434 and S. 1184 would eliminate what has been characterized as excessive spending under the present program. They would do so in a more gradual and more equitable way than the cap imposed by H.R. 4389. By way of example, H.R. 3434 provides for a phased reduction to enable States to more easily adjust their training programs.

As a Senator from a State which will suffer a severe hardship if title XX funds are drastically curtailed, I anxiously await the opportunity to work with my colleagues on the Finance Committee in reviewing the program, and perhaps then fashioning a phased-reduction formula which will minimize the impact that an immediate, one-shot reduction as contained in H.R. 4389 would have.

It is expected that the House will soon act on H.R. 3434, now pending on the House Calendar. Shortly thereafter, the Senate Finance Committee will consider S. 1184, introduced by Senator MOYNIHAN, simultaneous with its consideration of H.R. 3434. There is a very high probability that Congress will enact a proposal to restrain spending under title XX in this Congress, if not in this session.

Mr. President, the committees with legislative jurisdiction over this program should not be inhibited in their deliberations on the title XX training program by the language in this appropriations bill which incorporates none of the equitable considerations contained in either H.R. 3434, S. 1184, or in other alternatives which will be proposed by this Senator and others.

Mr. President, for all of these reasons, I move the adoption of my amendment.

Mr. President, it is my understanding it is agreeable to both Senators, so I move the adoption of the amendment.

Mr. MAGNUSON. Mr. President, I have been talking about legislation on an appropriations bill, this removes a cap put on by the House. It would allow the States to be reimbursed for approximately 110 million State claims, since this is an open end entitlement program.

I think the Senator from Pennsylvania can accept it.

Mr. SCHWEIKER. I certainly accept it. I commend the Senator.

The PRESIDING OFFICER. Is all time yielded back?

Mr. WALLOP. I yield back my time.

Mr. MAGNUSON. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Wyoming.

The amendment (UP No. 412) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 413

(Purpose: To assure funds for middle-aged and older workers projects)

Mr. DOMENICI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 413.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 3, line 6, before the colon insert a comma and the following: "and of which $5,000,000 shall be for projects for middle aged and older workers under section 308 of the Comprehensive Employment and Training Act".

Mr. DOMENICI. Mr. President, the amendment I am offering today to H.R. 4389 will help to insure that middle-aged and older workers are no longer overlooked by prime sponsors charged with carrying out programs under the Comprehensive Employment and Training Act. The amendment is intended to reaffirm congressional intent that the Department of Labor make a special effort to include middle-aged and older workers projects when the Secretary allocates funds to national programs and activities under title III of CETA.

When the Congress acted to reauthorize the Comprehensive Employment and Training Act last year, we did so with substantial knowledge of the underrepresentation of older workers among CETA participants. We had the advantage of the Civil Rights Commission's report on the prevalence of age discrimination in federally supported programs. We knew, particularly with respect to CETA, that older workers are systematically denied an opportunity to participate in the training and employment programs offered under the act; this in spite of the fact that the Congress included older workers as one of the target groups to receive special attention in CETA programing.

The need to clarify the congressional mandate to serve older workers was all too evident. That is why I, and my distinguished colleague from Florida, Senator Chiles, authored the older workers employment and training provisions which are now title II, section 215 of the law. We specifically sought separate funding for these programs to insure that older workers did not continue to be the victims of local pressures which focused resources on youth and other more "employable" groups. Although separate funding for older workers was not provided specifically in this section, Congress did include the provision that prime sponsors had to show in their comprehensive plans that they were addressing the needs of the older worker. Senator Chiles reinforced this section during the committee markup of H.R. 4389 by requiring a report by January 1, 1980, from the Secretary on the progress of the prime sponsors in developing programs for older workers.

The Congress took one further step last year in responding to older worker needs by adding to CETA a new section 308 which mandates projects for middle-aged and older workers. Under this section, the Secretary of Labor is directed to:

Put in place programs and policies leading to a fairer share of resources for these workers;

Establish programs to aid middle-aged and older workers' transition from one job to another, or their reentry into the job market;

Conduct and disseminate research on the relationship between age and employment; and

Develop programs to increase labor force participation by older workers who are able and willing to work but are "discouraged" from seeking jobs.

These programs, if carried out, would provide prime sponsors with the tools needed to begin to address the older workers needs at the local level. They would provide a bridge between a concept—training and employment of older workers—and implementation of that concept.

I am dismayed, however, to learn that the Department of Labor does not intend to implement section 308 without an increase in funding under title III. As reported from the Appropriations Committee, there has been no increase in title III funding beyond fiscal 1979 levels, except for what has been transferred to this title from other parts of the act. This would lead us to conclude that the Department will not proceed with any meaningful activity under section 308.

Mr. President, I believe this is contrary to the desire and intent of the Congress. When we added section 308 last year, we specified that the Secretary "shall develop" the programs called for in section 308, and to do so, the Secretary "shall reserve from funds available for this title (Title III) not more than 5 percent" for the purpose of carrying out the projects outlined in this section. It is clear that unless the Congress sends a specific directive of our intent with respect to section 308, the Department will choose to ignore its responsibility in this area, prime sponsors will be denied the direction to be offered by the projects which will go unfunded, and older workers will be no better off for all our legislative efforts last year.

The amendment I am offering will guarantee that the Department does not overlook its responsibility to middle-aged and older workers under section 308. Given the appropriation level for title III in H.R. 4389, section 308 would be eligible for as much as $26.8 million. I have, however, reduced that figure to $5 million, a level I believe to be adequate for start up of projects called for under section 308.

In offering this amendment, I have the support of a large number of aging organizations, including the American Association of Homes for the Aging, Asociacion Nacional Pro Personas Mayores, Association for Gerontology in Higher Education, Gray Panthers, National Association of Area Agencies on Aging, National Association of State Units on Aging, National Caucus on Black Aged, National Council on the Aging, National Council of Senior Citizens, National Farmers Union, National Retired Teachers Association/American Association of Retired Persons, and the Urban Elderly Coalition.

I hope my Senate colleagues will join with me in supporting this amendment.

Mr President, I have agreed to modify my amendment so as to prescribe that $5 million shall be used for projects described in the authorizing legislation heretofore adopted as projects for middle-aged and older Americans under section 308.

Mr. President, I do not believe, unless we set aside a specific amount of money for this objective, which is part of the CETA law of the land, that we are going to get any activity on the part of the administration in this regard.

I believe this is a small amount of money, but it is a start.

It is my understanding that the majority floor manager and the minority manager will accept the amendment as modified. It is down now to $5 million from a straight percentage which is prescribed in the legislation.

Mr. MAGNUSON. We can accept this amendment.

Mr. President, it only earmarks $5 million for a special problem, the middle-aged and older workers under CETA. It does not add to the bill at all. I think it is a good idea.

Mr. SCHWEIKER. I support it.

Mr. DOMENICI. I yield back the remainder of my time

Mr. MAGNUSON. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (UP No. 413) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 414

(Purpose: To restore $3 million in appropriations for the Alcohol and Drug Abuse Education Act)

Mr. RIEGLE. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. Riegle), for himself, Mr. Williams and Mr. Hatch, proposes an unprinted amendment numbered 414.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 28, line 8, after "amended;", insert the following: "the Alcohol and Drug Abuse Education Act;"; on page 28, line 11, strike "$3,784,418,000," and insert in lieu thereof "$3,787,418,000,".

The PRESIDING OFFICER. Is this the amendment on which there is a 40-minute time agreement?

Mr. RIEGLE. Mr. President, yes. But we intend to take nowhere near that time. I will be very brief.

Mr. President, this amendment, which is cosponsored by Senators Williams, Hatch, Metzenbaum, Pell, and Javits, would restore $3 million for alcohol and drug abuse education, as requested by the administration and approved by the House of Representatives.

I believe that the alcohol and drug abuse education program operated by the Office of Education is a very important program because of its emphasis in developing local teams of school personnel to identify and counsel students who are encountering problems with alcohol and drugs. In view of the Nation's $43 billion annual economic loss from alcohol abuse alone, an investment of $3 million in identification and early intervention to help youth who are beginning to abuse alcohol or drugs seems a minimal investment.

At the same time, I understand many of the concerns of the chairman of the Appropriations Committee concerning certain aspects of this program over the years. As the new chairman of the Alcohol and Drug Abuse Subcommittee, I am eager to work with him to resolve these concerns.

Although the Appropriations Committee report seems to suggest that alcohol and drug abuse education can be handled through a new general health education program, this argument ignores the successes that have been achieved through the team training concept, which helps local school districts deal directly with students who are beginning to face alcohol and drug problems. rather than simply developing curriculum changes to provide academic instruction in these areas. Clearly, when a young person is dealing with drug or alcohol abuse, he or she needs personal concern and counseling, not simply classroom instruction. Health education is extremely important, and I support the Appropriations Committee's decision to provide startup funding for this new program, but I do not believe we can afford to abandon our ongoing efforts to help local communities and their schools to assist those students who are already facing alcohol and drug abuse problems.

In the past, travel costs have absorbed a large portion of the funds appropriated for this program. In part, the high percentage attributable to travel costs reflects the fact that most program activities—the actual identification and counseling in local school districts, for example—are provided for under State and local funds. Thus, the Federal role is largely a matter of providing training and technical assistance, so that the travel costs are far higher than in comparison with programs where the Federal Government picks up the tab for the school-based activities as well.

Nevertheless, I agree with the chairman of the Appropriations Committee that these travel expenditures must be reduced. It is my understanding that the Office of Education has begun to limit these costs by sending alcohol and drug instructors to the school districts, rather than requiring—and paying for—all local teams to travel to regional training centers. This reduction must be accelerated, and as chairman of the subcommittee with oversight jurisdiction, I intend to make sure that travel costs continue to decline.

Mr. President, I am sure my colleagues recognize that with a program of this size—$3 million—it is impractical to allocate funds directly to State education departments. At the same time, coordination with State departments as well as with local school districts is an essential part of the program. In line with the trend toward sending program personnel directly to the school districts in many cases rather than relying solely on bringing local teams to the training centers, I believe the Office of Education should increase its work with State education departments to improve their capacity to provide such training directly. If appropriations increase to the authorized levels in future years, I would anticipate that more of the training could be provided directly by State education departments.

The administration strongly supports the continuation of the alcohol and drug abuse education program, which has improved coordination between the Office of Education, the National Institutes of Drug Abuse and of Alcohol Abuse and Alcoholism, and local school districts. Indeed, my office has been contacted by Secretary Califano's office—both before and after his resignation—and by the National Institute on Alcohol Abuse and Alcoholism in support of this program. I'm sure my colleagues all realize how unusual it is for the head of one agency—in this case John DeLuca, Director of the National Institute on Alcohol Abuse and Alcoholism—to call in support of a program run by another office. To me, this unusual event simply underlines the degree of coordination that has been developed through the Alcohol and Drug Abuse Education Act, coordination that would be lost if we accept the Appropriation Committee's recommendation to abolish this program.

This program was reauthorized just last year. Although I was not a member of the Alcoholism and Drug Abuse Subcommittee at that time, I cosponsored the reauthorization bill, along with former Senator Hathaway, Senator Williams, Senator Javits, and Senator Hatch. The bill was approved unanimously by the Human Resources Committee last year, and encountered no floor opposition. We must not abandon this proven program of stimulating community involvement in combating alcoholism and drug problems at their early stages, relying instead on general health education.

Indeed, the school health education program established through the Elementary and Secondary Education Amendments of 1978 never even addressed alcohol and drug abuse education. Although Secretary Califano issued implementing regulations that would include alcohol and drugs within the program's scope, clearly a new $2 million health program will not be able to replace an effective ongoing program which has trained and provided technical assistance to project teams in over 3,000 school districts and communities across the country.

This program has received impressive support from a wide range of organizations, including industry as well as prevention and treatment groups. I have received letters of support from the National Council on Alcoholism, the National Coalition for Adequate Alcoholism Programs, the Alcohol and Drug Problems Association of North America, the Distilled Spirits Council, and the Brewers' Association.

I know that it is often difficult, especially on the floor of the Senate, to make reasoned decisions about what programs are effective and should receive continued funding. Briefly, therefore, I will quote from a statement by Senator Williams, chairman of the full Labor and Human Resources Committee and a cosponsor of my amendment, during hearings on renewing this program:

> There can be no better investment of Federal funds than in programs to help young people avoid the pitfalls of alcohol and drug abuse. The Office of Education has used the limited funds provided wisely and well. One of the most outstanding results of this effort can be seen in Bergenfield, N.J.
>
> With an investment of less than $10,000 of Federal dollars, Bergenfield has become a model for other communities which want to help youngsters to live productive and satisfying lives without resorting to alcohol and drugs. The two teams that have been trained, a community team involving the police and school-based team, have worked in a most innovative and productive way in the community and school.
>
> In Bergenfield, children consider policemen friends to whom they can turn for help. In Bergenfield, senior citizens work within the school system, helping to bridge the generation gap and helping children overcome problems of low self-esteem and poor school performance. . . . In Bergenfield, young people know what help is available to them in the community, whatever their problems. For example, those who live with alcoholic parents know about such self-help groups as Al-Ateen because they have been told about them in the schools.
>
> The legislation we are considering at this hearing is the only legislation primarily designed to reach those millions of young people who may be tempted to experiment with dangerous drugs. All too often we hear of communities whose drug abuse prevention efforts, however well-meaning, have been unsuccessful or even harmful. But communities, like Bergenfield, which have accepted the advice and guidance available to them from the Office of Education under the Alcohol and Drug Abuse Education Act have not wasted their effort and limited resources.

This case study indicates how effective the alcohol and drug abuse education program has been, even at extremely limited funding levels. The administration has recommended $3 million for this program, and this amendment would restore those funds to the bill. The Office of Education has repeatedly stated that this program is not duplicative of the general school health education program which the Appropriations Committee report cites as justification for abolishing this ongoing program, and I urge my colleagues to join me in maintaining our commitment to early identification and counseling, on the community level, of young people who face tremendous temptations and risks of abusing alcohol and other drugs.

Mr. President, I ask unanimous consent that several of the letters I have received in support of this program and a memorandum relating to the program be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

National Coalition for
Adequate Alcoholism Programs,
July 19, 1979.

Dear Senator: The National Coalition for Adequate Alcoholism Programs urges your support of an amendment to the Labor-HEW Appropriations bill, when it goes to the Senate floor, to fund the Alcohol and Drug Education Program at $3 million for FY 1980.

The Coalition supports a separate identity for alcoholism programs as being the most effective way to address this major public health problem. The Alcohol and Drug Education Program provides this identity through the unique effort of specialized training for those professionals responsible for the welfare of our youth.

The alternative to non-support of this funding level would be a general education thrust which would not respond to the need, i.e., primary prevention and early intervention demonstrated at the community level through trained teams of school personnel.

With kindest regards,

Sincerely,

Donna F. Cantor,
Director.

Alcohol and Drug Problems
Association of North America,
July 19, 1979.

Dear Senator: The Alcohol and Drug Problems Association of North America, a professional organization comprised of public and private treatment, research and education programs and individuals throughout the nation, strongly supports the amendment offered by Senator Riegle which will restore $3 million in the FY 1980 Labor, HEW Appropriations Act for the continuance of the Alcohol and Drug Abuse Education Program in the Office of Education. This program, now in its ninth year, is vital to the nationwide prevention effort in the area of alcohol and drug problems.

Your support for the Riegle Amendment will be greatly appreciated.

Respectfully,

Augustus H. Hewlett,
Senior Consultant.

Distilled Spirits Council
of the United States, Inc.,
Washington, D.C., July 19, 1979.
Hon. Donald W. Riegle, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Riegle: I note that the Appropriations Committee of the Senate has eliminated from the FY '80 administration budget request $3 million in funding under the Alcohol and Drug Abuse Education Act designed to prevent destructive use of alcohol and drugs.

Believing that programs of prevention of alcohol abuse deserve greater emphasis and that dollars spent in such programs can be more cost effective than dollars spent in programs of rehabilitation, I am writing to urge that this funding be restored when the Senate considers H.R. 4289 on the floor.

While there is an established, continuing need for alcohol and drug education programs in elementary, secondary, and post-secondary schools aimed at the majortiy of students who have not developed abusive or excessive patterns of consumption—the minority of students experiencing problems with alcohol and drugs can benefit from programs developed by each local community under the training and technical assistance provided by the U.S. Office of Education (OE) under the Alcohol and Drug Abuse Education Act.

The $3 million appropriation for FY '80 would continue at modest cost an effective program conducted by OE since 1971. The program does not conflict or compete with other existing federal health education programs.

We support a well-rounded prevention effort to keep the incidence of alcohol and drug abuse at low levels (aided by classroom education, teacher training, curriculum development). DISCUS has supported a variety of projects in these areas, and we intend to do more in the years ahead. But we also believe the OE program fills an important unmet need in helping broadly representative community teams to prevent destructive use of alcohol and drugs, as well as to identify and counsel drug- and alcohol-abusing students and to redirect them toward healthy, productive adult lives.

Sincerely,

Sam D. Chilcote, Jr.,
President.

U.S. Brewers Association, Inc.,
Washington, D.C., July 19, 1979.
Hon. Donald W. Riegle, Jr.,
Chairman, Senate Subcommittee on Alcoholism and Drug Abuse, A-609 Immigration Building, Washington, D.C.

Dear Senator Riegle: It is our understanding that a floor amendment to the Labor-HEW Appropriations Bill restoring $3 million for alcohol and drug education programs operated by the Office of Education may be offered in the next few days.

On behalf of the United States Brewers Association, we urge your support of such an amendment and you are, of course, free to so advise your colleagues of our support.

The United States Brewers Association has actively supported HEW in its work through NIAAA and we have recently initiated our own educational program directed at high school and college students under the theme, "Think Twice" about drinking.

This theme reflects our Association's firm commitment to the view that making an informed decision about drinking is an individual responsibility, and that a person's decision not to drink is as proper and deserving of respect as a decision to use alcohol beverages only in moderation and in appropriate circumstances.

I am pleased to assure you that the United States Brewers Association endorses the concept of adequate funding for alcohol and drug education programs, and we, therefore, heartily support the referenced funding amendment to the Labor-HEW Appropriations Bill.

Cordially,

Henry B. King.

National Council
on Alcoholism, Inc.,
Washington, D.C., July 18, 1979.

Dear Senator: The National Council on Alcoholism wishes to express its deep concern regarding the "zero" appropriation for the Alcohol and Drug Education Program at the Office of Education, Department of Health, Education, and Welfare. This office has been funded at an annual level of $2 million in past years, and has been approved by the House for FY 1980 at a level of $3 million. It is our hope that you will offer or support an amendment to the Labor-HEW Appropriations bill, when it goes to the Senate floor, which would fund the Alcohol and Drug Education Program at $3 million for FY 1980.

It is important to understand the essential difference between the Office of Education Program, and other health education programs, particularly those administered by the National Institute on Alcohol Abuse and Alcoholism, and those contemplated by the new Comprehensive School Health Education Program. While the Alcoholism Institute and the Comprehensive Program provide materials, information and grants to schools to improve their curricula, the Office of Education Program is designed specifically to train teams of school personnel to identify and counsel their students with alcohol and drug problems. Teams from schools or school districts receive 10 days of intensive training which not only provides an understanding of alcohol and drugs, but an understanding of young people, why they turn to alcohol and drugs and how to encourage youth to seek help and alternatives.

Just as important, the teams develop objectives for their schools and districts, in cooperation with the professional technical advisors from the Office of Education Program, tailored to the real needs of their specific school or district. The team identifies human and financial resources in the schools and communities which are designed to enhance positive growth and development of young people. As a result of community outreach and fundraising by the teams, communities have seen the development of programs for teacher training, alternatives to suspension, family and peer counseling, senior citizen utilization, and many others.

The Office of Education's Alcohol and Drug Education Program represents an outstanding primary prevention effort. By using school personnel as the first line of defense against youthful alcohol and drug abuse, countless efforts, dollars and even lives are saved because of a reduced need for treatment-oriented services.

I have enclosed, for your information, additional data on the Alcohol and Drug Education Programs, with comparisons to the objectives of the Alcoholism Institute and the Comprehensive Health Program. If I can be of any assistance to you or your staff in the promotion of a floor amendment to restore and increase funding for this program, please do not hesitate to contact me.

Sincerely,

Michael Ford,
Director.

U.S. Office of Education Alcohol and Drug Abuse Education Program

The purpose of the program is to develop an ongoing, local problem-solving capability in school districts to prevent alcohol and drug abuse. This capability is designed to be equally applicable to related behavior problems such as truancy, vandalism, and other disruptive behaviors, which, in addition to alcohol and drug abuse result in behavior that impede the educational process in schools.

The focus of the Program is on primary prevention, that is, on supporting programs and practices that enhance positive growth and development in young people before problems arise.

The primary target group is the schools. At the same time the Program is aware of the importance of building bridges between the school and the community to sensitize them to what the schools are doing and to enlist their participation in the work of the school.

The model the Program developed is a training on-site assistance model. Teams of five people from a school or from a cluster of four schools in a school district receive 10 days of intensive residential training. Teams are composed of principals, teachers, counselors, psychologists, or social workers, school nurses, and school board members, where possible. The training they get provides a basic understanding of alcohol and drugs and what they do, but more important, an understanding of young people, their needs, and how young people develop. The team formulates realistic objectives to meet the needs and expectations of young people, and they identify human and financial resources in their schools and communities they can enlist to develop programs and activities to enhance the positive growth and development of young people. The team members get skill training—training in listening skills, problem solving skills, program planning skills, negotiating skills, and resource mobilization skills. During ten days of training the members are molded together as a team and they leave with an action plan and strategies to carry out the plan. Except for technical assistance, once they leave the Training Center they are on their own to generate local support. Teams have been remarkably successful in generating local support. In any one year, teams across the country have raised more money locally than has been appropriated for the Program at the national level. The average cost for training a team and providing up to two years of technical assistance after training, plus travel costs to the Training Center, subsistence while there, pay for substitute teachers, and partial salary of a coordinator team member for a year after training, is $15,000. Since 1972 over 3,200 schools and school communities involving approximately 20,000 school and community personnel have received the benefits of the Program.

Teams develop a variety of activities at the local level: inservice training of teachers; alternative to suspension programs; parent education programs; peer counseling programs; family programs; community service programs; outdoor and recreational programs; programs to utilize senior citizens as teacher aides, to mention a few. Teams report improved school climate, happier students and teachers, decrease in drop-out rates, truancy, vandalism, disciplinary referrals, and alcohol and drug abuse. Many also note increases in academic achievement as a result of team activities.

The objective of the Program is to develop an independent local training capacity in the school districts involved that will enable trained and experienced teams to train other teams throughout the district with the eventual goal of reaching every school in the district.

Comparison of Alcohol and Drug Abuse Program and School Health Education Program

These two programs are separate and different, but they compliment each other. Both are needed. While they differ in purpose, strategies, and methods, each can enhance the other. Neither is a substitute for the other.

PURPOSES

School Health Education—to provide learning experiences that will promote the understanding, attitudes, and skills that prepare and motivate elementary and secondary school students to: (1) prevent illness, disease, and injury and (2) enhance the physical and mental health of themselves and their communities.

Alcohol and Drug Abuse Education—to promote healthy physical, mental, and social growth and development as a means of preventing personally and socially destructive behaviors, including destructive use of alcohol and drugs.

STRATEGIES

School Health Education—supports the development or improvement of programs or curricula that contribute to comprehensive school health and address major national health concerns including smoking, nutrition obesity, immunization, mental health, medical, dental, and health care, consumer health interests, environmental health, alcohol and drug abuse, safety and accident prevention, among others.

Alcohol and Drug Abuse Prevention—training of teams of school personnel to create positive environments for learning and growth that will increase positive attitudes of young people toward themselves, their parents, their peers, and their schools and communities; to develop the attitudes, inner resources, skills and experiences that will motivate them to take responsibility for making positive decisions about their own behavior.

METHODS

School Health Education will make grants to a small number of State and Local education agencies to support the development or improvement of school health education programs which may be supported for up to three years.

Alcohol and Drug Abuse Education will train and provide technical assistance to 80 new teams and continue to develop the local training capability of 95 school districts with previously trained teams (with the requested $3.0 million for FY 80).

DIFFERING ROLES OF THE U.S. OFFICE OF EDUCATION PROGRAM AND NIAAA

The USOE Program is concerned exclusively with school-age youth and the institution in which they spend such a large portion of the time, i.e., the school.

NIAAA has a broad education and prevention mandate that goes far beyond that of the USOE Program. It has priorities in the areas of minorities, of women, of the elderly, of physicians, of families.

NIAAA sees its role in education and prevention as increasing public awareness, knowledge production and utilization. It operates primarily through demonstration projects, development of courses and materials, and education through the media.

USOE maintains a national training system to train educational personnel, with the goal of helping them develop a local capability to bring existing resources, primarily human ones, together to develop effective prevention approaches to their local problems.

NIAAA maintains the National Alcohol Education Center whose primary purpose is to develop multi-media training materials such as:

An Ounce of Prevention—a course for blacks.

Reflections in a Glass—a course for women.

Mr. WILLIAMS. Mr. President, I am happy to cosponsor the amendment of the distinguished Senator from Michigan (Mr. RIEGLE) to provide $3 million for the alcohol and drug abuse education programs in the Office of Education.

Mr. President, this amendment would restore funds requested by the administration to continue programs authorized under the Alcohol and Drug Abuse Education Act of 1970. This act, which I cosponsored in 1970 and which was reauthorized last year, is the only one primarily designed to reach those millions of young people who may be tempted to experiment with dangerous drugs.

Continuation of this effort is important and urgent. The National Institute on Alcohol Abuse and Alcoholism estimates that there are 3.3 million problem drinkers among youth in the 14 to 17 age range—19 percent of the 17 million persons in this age group. And drug addiction remains a major problem in this age group.

Despite the major need for such programs, this program has been seriously underfunded, receiving only $2 million in fiscal year 1979. Yet the Office of Education has used these limited funds wisely and well.

Mr. President, it is often difficult to determine whether programs authorized by Congress are truly effective. Drug abuse prevention programs are perhaps the most difficult to evaluate. But in March of 1977 I had an unique experience. A team of witnesses from Bergenfield, N.J., led by Chief of Police Gavin Blane, testified before the Subcommittee on Alcoholism and Drug Abuse, describing the dramatic impact on their community resulting from help they received from the Office of Education under this program.

Two teams from Bergenfield had been trained at Adelphi University. The objective of their efforts over the past few years has been to attempt to pull together different facets of the community in a joint effort to impact young people and to provide a support system for these efforts. The two teams that had been trained, the community team involving the police and the school-based team, worked in a most productive way and extended their membership to over 300 people in the community and schools. The present philosophy in Bergenfield is to handle most problems in a way that not only prevents crime from occurring but also diverts minor transgressions from the courts and from police action to the schools and to the Mental Health Center.

The following is a list of some of the activities with which the police team has been involved over the past few years:

Together the community, schools, and police have developed a drug abuse prevention curriculum and accompanying programs for all schools, grades K–12.

They hired a full-time social worker, with CETA funds, to set up a crisis home system for court bound youth; 28 of 30 youths were successfully diverted.

They conducted an annual outdoors activity program for youth in difficulty with school or police.

They conducted workshops for teachers, counselors, administrators, and school board members to define problems in the school system and work jointly to solve them.

They established a crisis intervention team to handle serious adolescent suicide attempts.

They trained senior citizens to work with students in elementary, middle, and high school classes.

They served as consultants to innumerable other communities and police departments.

Mr. President, the police report an 80-percent reduction in vandalism in Bergenfield; merchants report a dramatic reduction in loitering; fewer criminal arrests are reported among young people; there are fewer disruptions in schools and greatly improved relationships among schools, police, community members, youth, and parents.

This program stops drug and alcohol abuse before it begins and redirects young people who are beginning to get into trouble.

We cannot afford to abandon a program which has had such dramatic results. The administration recognizes the value of this effort and had requested an increase from $2 million to $3 million for fiscal 1980. There has been excellent cooperation between the Office of Education and the prevention efforts of the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism. Each agency has been doing what it does best and these Institutes strongly support the continuation and expansion of this program in the Office of Education.

The effectiveness of these programs has been recognized by members of the Labor and Human Resources Committee, resulting in strong bipartisan support.

Mr. President, we cannot afford to abandon such a successful program and one with such serious implications for the next generation. I commend the Senator from Michigan for this effort and urge all my colleagues to join us in support of this amendment.

Mr. RIEGLE. Mr. President. I know Senator HATCH has some comments he wishes to make.

Mr. HATCH. Mr. President. I thank the Senator for yielding.

Mr. President. as the ranking Republican member of the Alcoholism and Drug Abuse Subcommittee. and a cosponsor of the Riegle amendment. I strongly urge the Senate to fund the alcohol and drug education program at $3 million for fiscal year 1980.

Mr. President. during my tenure on the subcommittee during the last Congress, I had the privilege in an oversight capacity of examining the effectiveness of federally funded alcohol and drug abuse education and prevention programs for youth. I can report to the Senate, without reservation. that these programs have worked and every effort must be made to provide their continuance. stability and adequate funding.

The evidence compiled by the subcommittee convinces me and I hope the entire Senate. that the programs residing in the Office of Education have achieved a great deal. High marks have to be awarded for a Federal program like this which has successfully developed a system and strategy for primary alcohol and drug abuse prevention that is responsive to the great variations in local needs, including rural areas. throughout this country. Who on this floor today will take the position that an effective nationwide program for alcohol and drug abuse education and prevention for our youth is unnecessary? And who on this floor will guarantee that a general educational thrust will be responsive to this great need among our children?

Let me say that the problems are immense and alcohol abuse and drug abuse among the young of our society has become a rampant plague. This problem is not going to go away without targeted remedial help. There must be a settled national commitment to these efforts at the highest policy levels of Government. This amendment supports and preserves this approach and fills a glaring gap in coverage for our children which I fear will be experienced by the lack of funding for these proven—and Mr. President, I emphasize the word "proven"—primary prevention and early intervention demonstrated at the community level through trained teams of school personnel which are helping to get our kids through perhaps the roughest period in our history.

Mr. President, time is limited here. Admittedly, I am not one of the biggest spenders in the Senate, but there can be no better investment of Federal funds than in proven programs to help young people avoid the pitfalls of alcohol and drug abuse. Let us not be "penny wise and pound foolish." There is too much at stake here. The Office of Education has used the limited funds provided them in prior years wisely and well. It deserves a vote of confidence and our kids deserve and need this continuing chance to live productive and satisfying lives without resorting to alcohol and drugs because there is no alternative.

I recommend the adoption of this modest investment in the future of many of our youth. It will pay dividends which far surpass the dollars involved.

Mr. MAGNUSON. Mr. President, on this amendment, I would have a tendency not to accept it because there are many health programs and they include alcohol and drug abuse, we have millions of dollars. But if the Senators think this ought to be something special and the House and the budget advocated $3 million, so this brings it up to the budget figure, we will accept it.

I will recommend the Senator from Pennsylvania accept it.

Mr. SCHWEIKER. Mr. President, I commend the two Senators and I agree with the chairman of the committee in accepting the amendment. I think it is a positive development.

Mr. RIEGLE. I thank the chairman and ranking minority member.

Mr. President, I yield back the remainder of my time.

Mr. HATCH. I move the adoption of the amendment.

Mr. MAGNUSON. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment (UP No. 414) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 415

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk, for myself and the distinguished Senator from New Mexico (Mr. DOMENICI), and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and Mr. DOMENICI, proposes an unprinted amendment numbered 415:

On page 45, line 21, insert the following: "*Provided*, That, a portion of those moneys appropriated for funding the long-term care demonstration activities under the Older Americans Act of 1965, as amended, be expended to conduct a comprehensive study of the methods used to insure the safety of older Americans residing in housing which is in part or in whole federally supported".

Mr. DOLE. Mr. President, this amendment has been cleared on both sides of the aisle.

Mr. President, the amendment which I am introducing to H.R. 4389, the Labor/HEW appropriations bill for fiscal year 1980, is designed to focus attention on the need for safe housing for older American citizens in our country. My amendment would provide that some of the money funding the long-term care demonstration activities under the Older Americans Act would be used to fund a comprehensive study on methods being used to insure the safety of older Americans who live in housing which is in part or in whole federally supported.

I think all of us here today are well aware of the tragic accidents which have already occurred during this year. Several fires have broken out in various residential homes across the country which serve older citizens—in fact, some in the District of Columbia—and I think it is a legitimate question to raise as to whether or not some of these tragedies could have been avoided through better safety practices. Sometimes in our haste for new ideas and innovative projects we tend to forget that basic longstanding concerns cannot be overlooked. While I make no accusations that this has happened within the administration on aging, I simply want to keep in mind that safety should remain a foremost concern in any housing situation. It is my hope that within the administration that there is a degree of specialization that will enable it to conduct this study with a special sensitivity and cognizance of the aging process and the impact it may have on one's ability to recognize and react to hazardous conditions.

Mr. President, I do not think there is any quarrel with the amendment.

Mr. SCHWEIKER. Mr. President, I commend the Senator and certainly support this amendment. I think it is a good one.

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. DOLE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 416

(Purpose: to insure continued special consideration of community based organizations of demonstrated effectiveness in carrying out employment programs authorized under CETA)

Mr. SCHWEIKER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SCHWEIKER) proposes an unprinted amendment numbered 416.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 10, insert the following: Strike the period and insert in lieu thereof: "*Provided further*, That the Secretary shall assure to the maximum extent possible that community based organizations which have demonstrated effectiveness in the delivery of employment and training services continue to receive special consideration from recipients of financial assistance in carrying out, with funds appropriated under this Title, programs authorized by Title II, IV, and VII (Private Sector Opportunities for the Economically Disadvantaged) of the Comprehensive Employment and Training Act of 1973, as amended".

Mr. SCHWEIKER. Mr. President, this amendment makes clear that the Congress clearly intends that the Secretary of Labor will assure during the fiscal year 1980 that community based organizations such as opportunities industrialization centers, the National Urban League, community action agencies, union-related programs, and other similar organizations, continue to receive special consideration from recipients of financial assistance for carrying out titles II, IV, and VII of CETA.

The amendment does not spend one additional dollar. The amendment does recognize the great importance which the Congress gives to continued effective involvement of community based organizations in carrying out the employment programs authorized under CETA and funded in this appropriations bill.

Community based organizations have provided cost effective and efficient delivery of job training and employment to the structurally unemployed in the ghettos, barrios, and distressed rural areas throughout the Nation. It is vitally important, Mr. President, that the Congress make clear its support of continued vigorous involvement of these community based organizations in our Federal efforts to reduce structural unemployment, youth unemployment, and particularly minority youth unemployment.

Likewise, as the Federal employment program shifts to work more closely with the private sector of our economy, especially with the implementation of the new private sector initiatives program authorized under title VII of CETA, it is vitally important that CBO's continue to receive special consideration by prime sponsors and private industry councils in the implementation of these programs.

Mr. President, this amendment clearly reinforces the express intention of Congress that community-based organizations continue as full partners in our Nation's efforts to combat the tragic unemployment rates among minority and youth in our Nation.

The amendment will help recognize the excellent service which community-based organizations, such as OIC, headed by the Reverend Leon Sullivan, have rendered in the past to our Nation's poor and unemployed, and will insure their continued participation in this important effort in the future.

I am pleased to be joined in this amendment by Senators Dole, Randolph, and Williams. I deeply appreciate their cooperation in this matter as well as the cooperation of our distinguished chairman, Senator Magnuson. It is my understanding that the amendment is acceptable to him and I thank him for his continued leadership in shaping better programs to serve our Nation's unemployed.

Mr. President, I ask unanimous consent that the names of the Senator from Kansas (Mr. Dole), the Senator from West Virginia (Mr. Randolph), and the Senator from New Jersey (Mr. Williams) be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, this amendment will serve to make very clear, to the Secretary of Labor, that during fiscal year 1980, community-based organizations such as SER-Jobs for Progress, opportunities industrialization centers, the National Urban League, community action agencies, and other similar organizations, continue to receive special consideration from recipients of financial assistance for carrying out titles II, IV, and VII of the CETA act.

CETA AND CBO'S

Mr. President, last year during the consideration of the CETA reauthorization bill, I offered an amendment that would mandate the important participation of community-based organizations on the private councils (PIC's) under title VII of the CETA Act. This amendment was adopted by the Congress and is now included in the act.

TITLE VII

Title VII is a new section that was added to the act as a plan to coordinate private industry and CETA planners in a joint effort to solve the problem of structural unemployment. I was pleased to see this new addition as I have long believed that, given appropriate training and employment opportunities, the vast majority of the hard-core structurally unemployed could be a viable and worthwhile part of the private sector work force.

CBO'S AND PIC'S: A NATURAL COMBINATION

Mr. President, community-based organizations such as SER-jobs for progress, OIC, the Urban League, and other similar groups, have been striving for years to deal with the problem of structural, hard-core unemployment. These groups, with their experience and expertise in unemployment problem solving in their own respective communities can provide critical input to private industry councils. One only has to review the long record of success of such groups to see that their presence on the PIC's would be a tremendous asset to business leaders who are attempting to solve structural unemployment problems.

ADEQUATE FUNDING IS THE KEY TO CBO EFFECTIVENESS

Mr. President, in order to insure the continued effectiveness of community based organizations in addressing structural, hard-core unemployment, Congress and the administration need to be sensitive to the need for adequate funding of CBO's.

Mr. President, the senator from Kansas is not suggesting we should provide a blank check for these groups, but it is imperative that we not leave these groups, who are fighting a brutal war against unemployment, with an inadequate supply of ammunition. Many of these groups, as has been documented, have demonstrated their effectiveness in fighting unemployment in the ghettos and barrios of our country. We need to insure, that as minority unemployment rates, general unemployment rates, and especially youth unemployment rates rise, we be ready to address this problem.

Mr. President, the least we can do in addressing the growing problem of unemployment is to insure the financial stability of community-based organizations. The senator from Kansas trusts that as the funds contained in this bill, Labor-HEW appropriations—are disbursed to the different functions within the Department of Labor and Health, Education, and Welfare, that we keep in mind the critical importance in funding community-based organizations at a level no less than their previous years funding.

Mr. President, I am pleased to note that the committee has agreed to this amendment.

Mr. McCLURE. Mr. President, I wonder if I could have the attention of the Senator from Pennsylvania and enough time on the bill to ask him a question.

Mr. SCHWEIKER. How much time?

Mr. McCLURE. Three or 4 minutes.

Mr. SCHWEIKER. I yield the Senator 4 minutes.

Mr. McCLURE. I thank the Senator from Pennsylvania for yielding this time.

I take this time only to try to clarify the legislative history with respect to one of the provisions of the measure before us. There is some confusion concerning two changes that are interrelated in this bill and that deal with the question of the change in funding for impact aid.

There is a provision in this bill that out-of-county B students will be excluded from any computation for reimbursement to the school district.

There is also a provision that multicounty school districts will be excluded from that exclusion. At the same time, there is now, by present practice, a recognition that if the Federal installation is in more than one county—itself is multicounty—the entire impact will be included for the school district, even though only a portion of the installation is within the county where the school district is located.

Those provisions seem to me to be acceptable. But then there is another provision in this bill that says that if the amount of money provided for impact aid for B students is less than 1 percent of the school district's budget, they will be excluded. My understanding is that the computation for the 1 percent test is made before the out of county students are excluded.

Am I correct in that understanding?

Mr. SCHWEIKER. That is my understanding.

Mr. MAGNUSON. That is my understanding.

Mr. McCLURE. I thank the Senators for responding. That is my understanding. I appreciate their answers to the question.

I thank the Senator from Pennsylvania for yielding this time.

Mr. MAGNUSON. No money is involved. It is only bill language. I will be glad to accept the amendment as a good one.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

Mr. MAGNUSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 417

Purpose: To provide that fund appropriated may not be used with respect to any quota, ratio, goal or other numerical requirement system

Mr. HAYAKAWA. Mr. President, I send an unprinted amendment to the desk, on behalf of Senator Helms and myself, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California (Mr. Hayakawa), for himself and Mr. Helms, proposes an unprinted amendment numbered 417.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment follows:

On page 62, after line 2, insert the following new section:

"Section 410. None of the funds appropriated under this title may be obligated or expended in connection with the issuance, implementation, or enforcement of any rule, regulation, standard, guideline, recommendation, or order which requires any individual or entity, for purposes of compliance with any timetable, goal, ratio, quota, or other numerical requirement related to race, creed, color, national origin, or sex to take any action with respect to (1) the hiring or promotion policies or practices of such individual or entity, or (2) the admissions policies or practices of such individual or entity."

Mr. HAYAKAWA. Mr. President, I point out that when I offered this amendment last year on behalf of Senator HELMS and myself, it was accepted by my colleagues. I hope that this year, with the increasing interest our taxpayers have shown in the legislative process, my colleagues will consider the implications of not supporting a measure to eliminate an arbitrary quota system within our largest Federal agencies, and join us in support of this amendment.

As I said, last year I asked the Senate to deny Federal funds for Health, Education, and Welfare, and Labor Department programs which give preferential treatment to minority groups. I did not intend to destroy opportunities available to people who have suffered unfairly from discrimination in the past, but to keep those opportunities from being color-coded handouts. What gives our Government the right to decide which group is the most deserving of special treatment? And how do they make these decisions? Obviously blacks have suffered in the past, I doubt that anyone would argue with this statement. But how does one decide that blacks need more special consideration than the Jews, who certainly have suffered outrageously, or the Italians, the Irish or the Chinese? The list could go on and on. I would venture to say that virtually all of us can genuinely claim to have been discriminated against for some reason or other.

I hear from so many small businessmen who have trouble adhering to our Federal employment guidelines. They must hire so many of one group, so many of another type—and on and on. As if small businesses do not have a hard enough time coping with Government interference, we have the nerve to tell them whom to hire and whom not to hire. One particularly interesting story came from a businessman who owns a small, say 30 employees, finance company here in Washington. He has told me that under Equal Employment Opportunity Commission regulations, he must hire a certain number of minority employees. Now, out of any number of people you hire, some will not work out. But he says as soon as he tries to fire a minority employee who is incompetent and simply is not doing the job, the EEOC starts an investigation. First you are forced to hire people who may or may not be qualified, he says; then you are prohibited from firing them for fear you will be charged with discrimination. Preposterous. If an employer is not made furious by the first mandate, certainly he is embittered by the second one.

I am not saying that our initial affirmative action plans were not needed. They were—if only to draw attention to a problem that existed and needed correction. But now I believe everyone is aware of the problem, and is doing their best to improve the situation. I say let people fend for themselves in this regard. Congress has done its duty, and done it well. But we have done enough, and to do any more would, I think, do harm to the intent of our original mandates.

When I was president of San Francisco State College, I resented the Federal Government's interference with our process of selection.

For example, we were an urban university dealing with students, many of them working their way through college without the kind of help that we now offer them. HEW people had the nerve to come and tell us what social justice and racial equality mean in educational terms. But we had been working on this for decades, since the very foundation of our State college in 1899.

We had always been weighing these problems in social justice and racial quality. Indeed, having gone through my younger years in Canada and later on here in the United States with a name like Hayakawa—I know a little about racial discrimination. Yet, I do not support this kind of preferential treatment. I use myself as an example because I truly believe that people have that right to strive without assistance if they so choose. I would not have had it any other way.

Professor Coleman said, as Senators know, in the Coleman report, many years ago, that there were advantages to blacks and whites studying together and so this gave great push to the mandated integration of schools. However, Professor Coleman more recently withdrew that statement and said that there does not seem to be the advantage that he originally thought there was in blacks and whites being in the same classroom.

Although Professor Coleman has changed his mind, HEW has not, and they continue to push a 20-year-old report which the author himself has repudiated.

The great error that our Government has committed for so long is enforcing, or trying to enforce, a social equality that can only develop naturally. Whether the Government calls it a quota system, and minority ratio plan, a goal, a timetable, or "numerical representation," what it boils down to is treating some people more favorably and others less so because of their skin color, the nationality of their parents, or the gender of their chromosomes.

The amendment which my colleague from North Carolina and I offer today specifies this: That none of the funds for Labor/HEW may be used to mandate or enforce quota systems. Secretary Califano himself has assured us that his Department does not support racial or sexual quotas in employment or education. I respectfully ask for my colleagues' support of this idea and of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HAYAKAWA. Mr. President, I am happy to yield to the distinguished Senator from North Carolina.

Mr. HELMS. I thank the Senator from California.

Mr. President, the purpose of the amendment sponsored by Senator HAYAKAWA and me is very simple: It is to prohibit the use of discriminatory racial quotas in employment and higher education. Of course, those who have followed congressional action on this issue understand that Congress never intended to promote discriminatory quotas when it enacted laws to promote equal opportunity.

The concept of affirmative action first surfaced in Executive Order No. 11246, issued by President Johnson in the wake of the recently enacted Civil Rights Act of 1964. It requires employers to—

> . . . take affirmative action to ensure that (people) are treated . . . without regard to their race, color, religion, sex, or national origin.

However, Federal agencies administering this Executive order have failed to offer a constitutionally proper definition of "affirmative action" which is consistent with the intent of Congress in its landmark civil rights legislation.

The legislative history of the Civil Rights Act of 1964 clearly shows the intent of Congress to outlaw preferential employment practices. For example, Senator Hubert Humphrey, then assistant majority leader, maintained that—

> The proponents of the bill have carefully stated on numerous occasions that Title VII does not require an employer to achieve any sort of racial balance in his work force by giving preferential treatment to any individual or group. (110 Cong. Rec. 14331)

Despite this intent of Congress to prohibit discriminatory practices through the use of numerical quotas and goals, Federal bureaucrats have interpreted "affirmative action" as requiring quotas and goals.

This interpretation of affirmative action is not compelled by any Executive order. Nor is it mandated by any act of Congress. Instead, discrimination through the use of quotas and goals is a bureaucratic invention—which has become a bureaucratic nightmare.

Proponents of discriminatory quotas and goals have been partially successful in blurring the distinction between nondiscrimination and affirmative action. In a classic example of Orwellian "newspeak" the Department of Labor characterized affirmative action as part of an employer's large obligation not to discriminate. This confusion between nondiscrimination and affirmative action has promoted a system in which discrimination is being institutionalized under the guise of a nondiscrimination program.

Under the present bureaucratic formulation, affirmative action is, in reality, affirmative discrimination. Within the academic community it has created a system of reverse discrimination. Affirmative action quotas and goals inescapably produce a situation where discrimination is commonplace. Edward Levi, former U.S. Attorney General and past president of the University of Chicago, rejected HEW's claims that the goals it repeatedly imposes are different than numerical quotas. He said:

> The country has been on a program where affirmative action, requiring the statement of goals, is said with great profoundness not to be the setting of quotas. But, it is the setting of quotas.

Mr. President, it should be remembered that the imposition of discriminatory quotas exact a price from Americans. Quotas do not really affect the rich. Rather, quota systems affect those hardworking Americans who because of increasing taxes and inflation, often are just keeping ahead of financial disaster. These are the Americans who too often are denied jobs and denied educational opportunities because of arbitrary quotas. Often these are Americans whose families came to this country precisely because the United States offered equal opportunity. Often these people were leaving countries where the ability to get a better job or get a better education for one's children depended upon one's background or religion. And this is the message they are being sent again by the Departments of Labor and Health, Education, and Welfare when quotas or other so-called numerical requirements are encouraged or imposed.

It is time that the bureaucrats at HEW and Labor realize that the way to provide greater opportunity for all Americans is to encourage private industry to create more jobs and not to take upon themselves the role of distributing to various groups their allotted number of apprenticeships, jobs, scholarships, or student admissions.

Mr. President, the Department of HEW has undertaken proceedings to terminate millions of dollars of Federal assistance to the University of North Carolina because the university refuses to agree to an HEW plan which North Carolina educators believe will mandate a quota system in university admissions. This marks the latest development in a 12-year pattern of increasing Federal control over the higher education system of North Carolina. The far-reaching effects of these so-called guidelines threaten to change the fundamental character of higher education in North Carolina. Clearly, it threatens to make them different from postsecondary systems in other parts of the country.

The University of North Carolina has sought to implement programs and planning decisions which make each institution of higher education, whether predominantly black or predominantly white, attractive to students on a basis other than race. University officials have sought to maximize each student's freedom of choice in attending college and in so doing to make that choice a meaningful one.

North Carolina's efforts during these years have dismantled a dual system of higher education with a minimum disruption of the existing institutions and a minimum adverse impact to their students. The amendment today would continue this progress without the imposition of a quota system.

Mr. President, in closing I would like to share part of an open letter to President Carter, sponsored recently by the Committee on Academic Nondiscrimination and Integrity. In it, over 30 prominent educators describe quotas and preferential treatment as illegal, unconstitutional, and shortsighted.

The signers of the letter include Dr. Sidney Hook, of the Hoover Institution, Prof. Nathan Glazer, of Harvard University, Prof. Valerie Earle of Georgetown, Prof. Eugene Rostow of the Yale Law School, Prof. Maurice Rosenberg of Columbia Law School, Prof. Paul Seabury of the University of California at Berkeley, and Prof. Allan Ornstein of the University of Chicago. The letter reads in part as follows:

> DEAR MR. PRESIDENT: According to the New York Times of March 18, 1977, Secretary Califano of H.E.W. has enthusiastically endorsed racial and sexual discrimination which we believe to be unjust and illegal. In offering his support to racial quotas and preferential policies in hiring and admissions, your Secretary has bid defiance to the Civil Rights Act of 1964, to Executive Order 11246, to the Equal Protection Clause of the Constitution of the United States as interpreted consistently by the Supreme Court, and to basic principles of civil rights . . .
>
> Many of us have long felt that the so-called "goals and timetables" programs were in reality discriminatory quota programs, asked to conceal their illegality. We owe Secretary Califano thanks for the candor with which he announces his suport for racial and sexual discrimination. But candor cannot atone for flagrant defiance of law. . . . In one stroke, Secretary Califano proposes to arrogate to himself the power to determine who shall and who shall not enjoy equality of opportunity in our country, and reduces the Constitutional rights of all citizens to privileges bestowed at the caprice of government . . .
>
> We note with dismay Secretary Califano's justification of discrimination, namely that it "works." Of course, discrimination "works." It benefits the favored groups and damages the others . . . But let us assure you as educators, Mr. President, that discrimination has never and will never work to produce the best possible education for all Americans, and let us assure you as ctizens that it has always worked to destroy justice and fairness and has always created cynicism, conflict and more discrimination . . .

Mr. President, although Mr. Califano, as of this week, will no longer be serving as Secretary of HEW, I believe the quota mentality described in this letter will continue to exist at HEW. I would hope that part of the reason why Mr. Califano's resignation was accepted was due to his treatment of the University of North Carolina and the Department's demands concerning quotas in American life.

This is an excellent time for the Senate to express its conviction that quotas have no place on the job or in the classroom. The amendment sponsored by Senator HAYAKAWA and me offer the Senate that opportunity today.

The PRESIDING OFFICER. The amendment of the Senator from California is pending. Who yields time?

Mr. HELMS. Mr. President, we are prepared to yield back our time.

Mr. SCHWEIKER. Mr. President, will the Senator yield for a question?

Mr. HAYAKAWA. I yield.

Mr. SCHWEIKER. I ask the Senator from North Carolina whether he would consider just limiting the amendment to quotas. I then would be pleased to accept it, and I hope the chairman would.

It is a question of limiting all affirmative action versus prohibiting quotas. I think there is a great deal of sentiment on the committee to accept the amendment which was adopted by the Senate last year regarding quotas. I wonder if the Senator would consider deleting the timetables and goals aspects of his language?

Mr. HELMS. I would have to defer to my colleague from California on that question, since he is the principal sponsor of the amendment. For my part, I think it is essential to have the quotas in there.

Mr. SCHWEIKER. We will accept language on quotas.

Mr. HELMS. What is the Senator's question?

Mr. SCHWEIKER. The proposal is that if the amendment is simply limited to prohibiting quotas, we will accept it. It is when restrictions on goals and timetables are included that we cannot accept it, because that would result in preventing affirmative action, as opposed to setting a prohibition on the quota system.

We had an amendment with quotas last year, and we would be pleased to accept it again this year.

Mr. HELMS. Would the Senator be willing to make legislative history that goals do not mean quotas?

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Will the Senator yield me 5 minutes or 3 minutes?

Mr. SCHWEIKER. I yield 3 minutes to the Senator.

Mr. JAVITS. Mr. President, this amendment is very different from what the Senate adopted last year, and this amendment would invalidate a case recently decided—on March 28, 1979—entitled United Steelworkers against Weber, which held that you could have an affirmative action program.

This amendment is very artfully drafted. I do not say anybody did it by design, but it is very well and intelligently drafted to invalidate affirmative action. So let us not just pass it off this easily.

I agree with Senator SCHWEIKER that in the event the sponsors are willing to take the same thing we did before, which deals only with the quota question, that is all right.

But, if they do not, we better have a little debate about it and find out whether the Senate at 10 minutes to 7 on Friday night really wants to do this and find out what this is all about.

We cannot just accept it because it catches a committee at a point where they are apparently not ready to deal with it. I want to give them a chance to think it over.

So, Mr. President, this is a very real and a very important issue. In addition, I might say now that I will introduce an amendment at the proper time to change this amendment to the one adopted by the Senate last year and sponsor it myself. Whether I like it or not, that is what we did. That is what we decided.

The Senate may be against quotas, but we certainly should not be against a policy of the United States, where there has been unlawful discrimination, to endeavor to the extent necessary to correct it to allow affirmative action programs. That would really be flying in the fact of the civil rights which we propose to guarantee by the Ciivl Rights Act of 1964.

So I hope very much that Senator SCHWEIKER's view, which he has just expressed, will prevail and that we will not go beyond that by legislative history or otherwise.

Now Senator HAYAKAWA, whom I love as a brother, said that this was, as I understood him—maybe I was wrong—but as I heard it was the same amendment we adopted last year. Well, it is not, and it has a very material difference.

In view of this decision to which I have just referred, to which there were only two dissents on the Supreme Court, and which involves millions of workers in the United States, this is no time to attempt to legislate on so important a civil rights issue.

I hope very much, therefore, that we will give it the deliberation to which it is entitled.

The PRESIDING OFFICER. Who yields time?

Mr. SCHWEIKER. I yield.

Mr. HELMS. Ask for the yeas and nays on it.

Mr. HAYAKAWA. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I oppose the Hayakawa-Helms amendment to H.R. 4389, the 1980 Labor-HEW appropriations bill.

The amendment's overbroad and ambiguous language would severely restrict two Federal agencies in their enforcement of antidiscrimination statutes and the equal protection guarantees of the 14th amendment. This represents a serious regression in our efforts to achieve equal opportunities for all Americans.

The Hayakawa-Helms provision would prohibit the nonjudicial enforcement of goals, quotas, timetables, ratios, or any other numerical objectives for persons on the basis of race, color, religion, national origin, or sex and for other purposes.

The amendment would prevent the Departments of Labor and Health, Education, and Welfare from carrying out their mandated antidiscrimination enforcement responsibilities. Title VI of the Civil Rights Act of 1954, title IX of the Education Amendments of 1972, and Executive Order No. 11246 as administered by the Departments would be lessened in their impact on past discriminatory practices in employment and education.

This amendment might even be construed to bar voluntarily adopted affirmative action programs yet the Supreme Court in United Steelworkers of America against Weber recognized that numerical requirements might be a necessary tool in a "traditionally segregated job category" where there has been "a societal history of purposeful exclusion of blacks."

Furthermore, Weber helped clarify the nature of an employer's obligation under the Departments' affirmative action programs. But this amendment will completely undo Weber's work by creating new confusion. A flood of litigation can be expected in resolving the intent of this provision.

Clearly, we are witnessing a retreat from this Nation's commitment to affirmative action—a commitment to insure that minorities will be represented in every phase of American life.

As noted by Justice Marshall in University of California Regents against Bakke, when the black child reaches working age, he finds that America offers him significantly less than it offers his white counterpart.

Justice Marshall pointed out further that:

> For negro adults the unemployment is twice that of whites, and the unemployment rate for negro teenagers is nearly three times that of white teenagers. Although negroes represent 11.5% of the population, they are only 1.2% of the lawyers and judges, 2% of the physicians, 2.3% of the dentists, 1.1% of the engineers and 2.6% of the college and university professors . . .
>
> It is because of a legacy of unequal treatment that we now must permit the institutions of this society to give consideration to race in making decisions about who will hold the positions of influence, affluence and prestige in America.

It is obvious that any approach other than affirmative action using numerical requirements will freeze the status quo, condemning minorities forever, to the lower rungs of this society.

The numerical requirements imposed by Federal agencies have been a crucial factor in the development of job opportunities for minorities and women. The goals or timetables, contrary to some opinion, are not implemented in an arbitrary manner, and remain flexible measures of compliance with civil rights requirements. An employer or school might satisfy the requirements by merely showing a "good faith" effort to overcome the effects of past discrimination in hiring.

It should be clear to my colleagues that, to the extent this legislation prevents agency enforcement of civil rights laws and thereby results in Federal spending in support of discriminatory practices, it is unconstitutional.

If we, as legislators, regress from our firm commitment to equal opportunity for all, we have committed a travesty of justice.

I must urge my colleagues to oppose the Hayakawa-Helms amendment. However, I recognize the strong sentiments on this issue. At a minimum, we should maintain the position which the Senate took last year in this area, although it did not prevail in conference. I support the substitute offered by the Senator from New York, which would maintain that position. It would permit the use of timetables goals or ratios, and it would only prevent the use of quotas in admissions to academic institutions. It would not impede efforts to overcome the particularly harmful effects of past discrimination in employment. At least with the adoption of this substitute, we will not go further down the road of retreat from our national commitments to all Americans.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. HAYAKAWA. I gladly yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Washington yield back the remainder of his time?

Mr. MAGNUSON. Mr. President, I agree with the Senator from New York. This is a pretty serious matter to deal with, unless we stay within the boundaries that we accepted last year. And if the Senator from California insists on adding language relating to quotas, which is a very serious matter, as the Senator from New York and the Senator from Pennsylvania point out, I will have to oppose the amendment.

Mr. JAVITS. Mr. President, has the time been yielded back?

Mr. MAGNUSON. I yield such time as the Senator requires.

Mr. JAVITS. It is not necessary. If it is yielded back that will put us in a position to act.

The PRESIDING OFFICER. The Senator from California has yielded back the remainder of his time. The Senator from Washington has not yielded.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. I intend to seek a quorum when the time has been yielded back, which I know is in order before the vote. But when that quorum is terminated, may I also move to table the amendment? Will that still be timely?

The PRESIDING OFFICER. A motion to table is in order at that time.

Mr. JAVITS. Mr. President, if Senator MAGNUSON has yielded back his time, I suggest the absence of a quorum.

Mr. MAGNUSON. I did not yield back my time.

Mr. JAVITS. I am sorry.

Mr. MAGNUSON. Go ahead. The Senator may make his motion.

Mr. JAVITS. I was going to suggest the absence of a quorum so we can get either an amendment or a tabling motion.

Mr. MAGNUSON. Go ahead and make the motion.

The PRESIDING OFFICER. Does the Senator from Washington yield back his time?

Mr. MAGNUSON. No. I yield such time to the Senator from New York.

Mr. HELMS. He cannot move to table until the Senator yields back his time.

Mr. JAVITS. If the Senator will be kind enough to yield back his time I will then suggest the absence of a quorum.

Mr. MAGNUSON. I yield back my time so he may make the motion.

The PRESIDING OFFICER. All time is yielded back.

The Senator from New York.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 418

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 418.

Mr. JAVITS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 62, after line 2, in lieu of the Hayakawa amendment insert the following:
>
> SEC. 410. None of the funds appropriated in this Act may be obligated or extended in connection with the issuance, implementation, or enforcement of any rule, regulation, standard, guideline, recommendation, or order which includes any quota related to race, creed, color, national origin, or sex, and which requires any individual or entity to take any action with respect to the admissions policies or practices of any institution of higher education.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. How much time do I have?

The PRESIDING OFFICER. The Senator has 17 minutes.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER (Mr. HOLLINGS). The Senator from New York.

Mr. JAVITS. Mr. President, I yield myself 2 minutes and in view of the nature of this amendment that is all I need really to present it to the Senate, unless it is going to be debated.

The amendment which I have proposed is exactly what we included in last year's bill, and what it does is to restrict enforcement of strict quotas, and reads as follows:

> None of the funds appropriated in this act may be obligated or expended in connection with the issuance, implementation or enforcement of any rule, regulation, standard, guideline, recommendation, or order which includes any quota related to race, creed, color, national origin, or sex, and which requires any individual or entity to take any action with respect to admissions, policies, or practices of any institution of higher education.

That was last year's particular provision in the Senate bill.

Now, Mr. President, the difference between that and the amendment which has been presented by the Senator from California and the Senator from North Carolina is that instead of referring only to a quota, their amendment refers to "any timetable, goal, ratio, quota, or other numerical requirement," and that very clearly refers to an affirmative action program.

Now, just to show how serious this is, Mr. President, I have before me a letter dated July 14, 1978, addressed to the chairman of the Senate Appropriations Committee relating to another amendment which was up at that time called the Walker-Levitas amendment, which came from the other body, and that had almost the same words contained in the Hayakawa-Helms amendment. That referred to any "racial quota, or other numerical requirement related to race, color, national origin, or sex."

This is what Benjamin R. Civiletti, now Attorney General-designate of the United States, had to say about that. He said:

> The amendment is not necessitated by or inconsistent with the Supreme Court decision in *Regents of the University of California v. Bakke* which approved the use of numerical standards in fashioning a remedy for constitutional or statutory violations.

Then he went on to say:

> The amendment, therefore, will simply cause unnecessary confusion in assessing the agency's responsibilities to enforce the law and their recipients' and contractors' obligation to obey it. For this reason, and those cited above, the Department of Justice opposes section 410.

And so on, which refers to the amendment last year.

Mr. President, I have already referred to the recently decided case of United Steelworkers against Weber in which the Court, by Justices Brennan, Stewart, White, Marshall, and Blackmun, who filed a concurring opinion, upheld the utilization of an affirmative action plan in respect of trainees in order to correct previously established patterns of discrimination.

Mr. President, it seems to me these are highly weighty decisions involving matters which one could even say involved the domestic tranquillity of the United States. I hope very much that we may simply go to what we have adopted before and not cancel out what the courts have held to be a perfectly proper way in which to deal with employment discrimination, and what the Attorney General of the United States vigorously opposes as being against policy, law, and principle.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. I do not know who is in control of the time.

The PRESIDING OFFICER. In opposition the Senator from Washington, unless he favors the amendment.

Mr. MAGNUSON. I yield such time as the Senator desires.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I have great respect for my friend from New York, but his amendment has one effect, and that is to render nugatory the amendment of the distinguished Senator from California, which I cosponsored. It is just as simple as that.

I want to repeat what I said in my earlier remarks about an open letter to President Carter sponsored recently by the Committee on Academic Nondiscrimination and Integrity. In it, over 30 prominent educators describe quotas and preferential treatment as illegal, unconstitutional, and shortsighted.

Mr. President, the question is how much longer are we going to subject our colleges and universities to this kind of harassment by the Federal Government using the taxpayers' money? That is the question, and that is the purpose of this amendment.

The signers of this letter include Dr. Sidney Hook, of the Hoover Institution, Prof. Nathan Glazer of Harvard University, Prof. Valerie Earle of Georgetown, Prof. Eugene Rostow of the Yale Law School, Prof. Maurice Rosenberg of Columbia Law School, Prof. Paul Seabury of the University of California at Berkeley, and Prof. Allan Ornstein of the University of Chicago. Let me repeat a portion of that letter for the benefit of Senators who have recently come to the floor. The letter reads in part as follows:

> DEAR MR. PRESIDENT: According to The New York Times of March 18, 1977, Secretary Califano of H.E.W. has enthusiastically endorsed racial and sexual discrimination which we believe to be unjust and illegal. In offering his support to racial quotas and preferential policies in hiring and admissions, your Secretary has bid defiance to the Civil Rights Act of 1964, to Executive Order 11246, to the Equal Protection Clause of the Constitution of the United States as interpreted consistently by the Supreme Court, and to basic principles of civil rights . . .
>
> Many of us have long felt that the so-called "goals and timetables" programs were in reality discriminatory quota programs, masked to conceal their illegality. We owe Secretary Califano thanks for the candor with which he announces his support for racial and sexual discrimination. But candor cannot atone for flagrant defiance of law, . . . In one stroke, Secretary Califano proposes to arrogate to himself the power to determine who shall and who shall not enjoy equality of opportunity in our country, and reduces the Constitutional rights of all citizens to privileges bestowed at the caprice of government . . .

Mr. President, I put this letter in the RECORD earlier today. I ask unanimous consent, at the risk of overburdening the RECORD, that the total text of the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> DEAR MR. PRESIDENT: According to The New York Times of March 18, 1977, Secretary Califano of H.E.W. has enthusiastically endorsed racial and sexual discrimination which we believe to be unjust and illegal. In offering his support to racial quotas and preferential policies in hiring and admissions, Your Secretary has bid defiance to the Civil Rights Act of 1964, to Executive Order 11246, to the Equal Protection Clause of the Constitution of the United States as interpreted consistently by the Supreme Court, and to basic principles of civil rights . . .
>
> Many of us have long felt that the so-called "goals and timetables" programs were in reality discriminatory quota programs, masked to conceal their illegality. We owe Secretary Califano thanks for the candor with which he announces his support for racial and sexual discrimination. But candor cannot atone for flagrant defiance of law, . . . In one stroke, Secretary Califano proposes to arrogate to himself the power to determine who shall and who shall not enjoy equality of opportunity in our country, and reduces the Constitutional rights of all citizens to privileges bestowed at the caprice of government . . .
>
> We note with dismay Secretary Califano's justification of discrimination, namely that it "works." Of course, discrimination "works."

It benefits the favored groups and damages the others . . . But let us assure you as educators, Mr. President, that discrimination has never and will never work to produce the best possible education for all Americans, and let us assure you as citizens that it has always worked to destroy justice and fairness and has always created cynicism, conflict and more discrimination . . .

Mr. HAYAKAWA addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I still have the floor.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. I thank the Chair. Mr. President, I want the Record to show an editorial from the Washington Star of Saturday, April 9, of last year, entitled "Mr. Califano's Conversion." It begins:

> Secretary of Health, Education and Welfare Joseph Califano has told the New York Times that he has seen the error of his ways in advocating racial and sexual quotas in employment and college admissions.
>
> What he meant to say in the first instance, he said, was that "either because of past or ongoing discrimination against minorities or women" there should be "affirmative action to rectify that situation."

Mr. President, I think the rest of the editorial is very enlightening. I ask unanimous consent that the entire editorial be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Star, Apr. 9, 1977]

Mr. Califano's Conversion

Secretary of Health, Education, and Welfare Joseph Califano has told the New York Times that he has seen the error of his ways in advocating racial and sexual quotas in employment and college admissions.

What he meant to say in the first instance, he said, was that "either because of past or ongoing discrimination against minorities or women" there should be "affirmative action to rectify that situation." Affirmative action, of course, does not have to include—and by the definition of most thoughtful people does not include—the imposition of quotas.

Mr. Califano's latest statement followed vigorous protests from several quarters to his advocacy of quotas. Forty-four prominent educators fired off a letter to President Carter asking him to repudiate his Cabinet member's statement. "In one stroke," they said, "Secretary Califano proposes to arrogate to himself the power to determine who shall and who shall not enjoy equality of opportunity in our country and reduces the constitutional rights of all citizens to privileges bestowed at the caprice of government."

The American Conservative Union denounced the Califano statement and said it planned to mount a campaign in Congress for legislation to end "reverse discrimination."

Coincidental with Mr. Califano's first Times interview in which he advocated quotas, his former law partner, Edward Bennett Williams, was taking the opposite position. In a speech to the Anti-Defamation League of B'nai B'rith, Mr. Williams who, like Mr. Califano, is a former officer of the Democratic National Committee, said:

"The total egalitarians . . . would divide the wealth equally, impose quotas and ratios in education, in employment, and in the political process, regardless of merit, overlooking the crucial fact that all human progress throughout history owes its origin to the talented and the enterprising. We must keep a system that allows us to develop and use the talents and excellence of all, no matter what their origin. But if we practice inverse discrimination in the name of a ratio or quota system, we shall deprive the country of some of the real genius and talent we desperately need."

We're not sure whether Mr. Califano has had a complete change of thinking or whether his public conversion was prompted in the main by the protest he stirred. Perhaps he was persuaded by his persuasive friend Mr. Williams. In any event, he now appears not to be on record in favor of quotas, and that is more appropriate for an HEW secretary.

Mr. HELMS. One more thing, Mr. President, and I shall be through.

The pretext is often made on this floor of looking after the black citizens of this country when discussing this issue. That is the basis of opposition to the full Hayakawa-Helms amendment. But black Americans are speaking up, and they realize that quotas are not so good.

Mr. President, I have here a very fine article entitled "Are Quotas Good For Blacks?" The article was written by Thomas Sowell, professor of economics at the University of California at Los Angeles, and the author of, among other works, "Classical Economics Reconsidered." "Race and Economics," and "Black Education: Myths and Tragedies."

Mr. President, Dr. Thomas Sowell happens to be black. I hope Senators will read this article in the Record tomorrow, and consider, after having voted wrong on this amendment, how right they would have been had they voted against the amendment of the Senator from New York and for the amendment of the Senator from California and the Senator from North Carolina.

I ask unanimous consent that Dr. Sowell's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Are Quotas Good for Blacks?

(By Thomas Sowell)

Race has never been an area noted for rationality of thought or action. Almost every conceivable form of nonsense has been believed about racial or ethnic groups at one time or another. Theologians used to debate whether black people had souls (today's terminology might suggest that only black people have souls). As late as the 1920's, a leading authority on mental tests claimed that test results disproved the popular belief that Jews are intelligent. Since then, Jewish IQ's have risen above the national average and more than one-fourth of all American Nobel Prize-winners have been Jewish.

Today's grand fallacy about race and ethnicity is that the statistical "representation" of a group—in jobs, schools, etc.—shows and measures discrimination. This notion is at the center of such controversial policies as affirmative-action hiring, preferential admissions to college, and public-school busing. But despite the fact that far-reaching judicial rulings, political crusades, and bureaucratic empires owe their existence to that belief, it remains an unexamined assumption. Tons of statistics have been collected, but only to be interpreted in the light of that assumption, never to test the assumption itself. Glaring facts to the contrary are routinely ignored. Questioning the "representation" theory is stigmatized as not only inexpedient but immoral. It is the noble lie of our time.

Affirmative-Action Hiring. "Representation" or "underrepresentation" is based on comparisons of a given group's percentage in the population with its percentage in some occupation, institution, or activity. This might make sense if the various ethnic groups were even approximately similar in age distribution, education, and other crucial variables. But they are not.

Some ethnic groups are a whole decade younger than others. Some are two decades younger. The average age of Mexican Americans and Puerto Ricans is under twenty, while the average age of Irish Americans or Italian Americans is over thirty—and the average age of Jewish Americans is over forty. This is because of large differences in the number of children per family from one group to another. Some ethnic groups have more than twice as many children per family as others. Over half of the Mexican Americans and Puerto Rico population consists of teenagers, children, and infants. These two groups are likely to be underrepresented in any adult activity, whether work or recreation, whether controlled by others or entirely by themselves, and whether there is discrimination or not.

Educational contrasts are also great. More than half of all Americans over thirty-five of German, Irish, Jewish, or Oriental ancestry have completed at least four years of high school. Less than 20 percent of all Mexican Americans in the same age bracket have done so. The disparities become even greater when you consider quality of school, field of specialization, postgraduate study, and other factors that are important in the kind of high-level jobs on which special attention is focused by those emphasizing representation. Those groups with the most education —Jews and Orientals—also have the highest quality education, as measured by the rankings of the institutions from which they receive their college degrees, and specialize in the more difficult and remunerative fields, such as science and medicine. Orientals in the United States are so heavily concentrated in the scientific area that there are more Oriental scientists than there are black scientists in absolute numbers, even though the black population of the United States is more than twenty times the size of the Oriental population.

Attention has been focused most on high-level positions—the kind of jobs people reach after years of experience or education, or both. There is no way to get the experience or education without also growing older in the process, so when we are talking about top-level jobs, we are talking about the kind of positions people reach in their forties and fifties rather than in their teens and twenties. Representation in such jobs cannot be compared to representation in a population that includes many five-year-olds—yet it is.

The general ethnic differences in age becomes extreme in some of the older age brackets. Half of the Jewish population of the United States is forty-five years old or older, but only 12 per cent of the Puerto Rican population is that old. Even if Jews and Puerto Ricans were identical in every other respect, and even if no employer even had a speck of prejudice, there would still be huge disparities between the two groups in top-level positions, just from age differences alone.

Virtually every underrepresented racial or ethnic group in the United States has a lower than average age and consists disproportionately of children and inexperienced young adults. Almost invariably these groups also have less education, both quantitatively and qualitatively. The point here is not that we should "blame the victim" or "blame society." The point is that we should, first of all, talk sense! "Representation" talk is cheap, easy, and misleading; discrimination and opportunity are too serious to be discussed in gobbledygook.

The idea that preferential treatment is going to "compensate" people for past wrongs flies in the face of two hard facts:

1. Public-opinion polls have repeatedly shown most blacks opposed to preferential treatment either in jobs or college admissions. A Gallup Poll in March 1977, for example, found only 27 per cent of non-whites favoring "preferential treatment" over "ability as determined by test scores," while 64 percent preferred the latter and 9 per cent were undecided. (The Gallup breakdown of the U.S. population by race, sex, income, education, etc. found that "not a single population group supports affirmative action.")[1]

How can you compensate people by giving them something they have explicitly rejected?

2. The income of blacks relative to whites reached its peak before affirmative-action hiring and has declined since. The median income of blacks reached a peak of 60.9 per cent of the median income of whites in 1970—the year before "goals" and "timetables" became part of the affirmative-action concept. "In only one year of the last six years," writes Andrew Brimmer, "has the proportion been as high as 60 percent."[2]

Before something can be a "compensation," it must first be a benefit.

The repudiation of the numerical or preferential approach by the very people it is supposed to benefit points out the large gap between illusion and reality that is characteristic of affirmative action. So does the cold fact that there are few, if any, benefits to offset all the bitterness generated by this heavy-handed program. The bitterness is largely a result of a deeply resented principle, galling bureaucratic processes, and individual horror stories. Overall, the program has changed little for minorities or women. Supporters of the program try to cover up its ineffectiveness by comparing the position of minorities today with their position many years ago. This ignores all the progress that took place under straight equal-treatment laws in the 1960's—progress that has not continued at anywhere near the same pace under affirmative action.

Among the reasons for such disappointing results is that hiring someone to fill a quota gets the government off the employer's back for the moment, but buys more trouble down the road whenever a disgruntled employee chooses to go to an administrative agency or a court with a complaint based on nothing but numbers. Regardless of the merits, or the end result, a very costly process for the employer must be endured, and the threat of this is an incentive *not* to hire from the groups designated as special by the government. The affirmative-action program has meant mutually canceling incentives to hire and not to hire—and great bitterness and cost from the process, either way.

If blacks are opposed to preferential treatment and whites are opposed to it, who then is in favor of it, and how does it go on? The implications of these questions are even more far-reaching and more disturbing than the policy itself. They show how vulnerable our democratic and constitutional safeguards are to a relative handful of determined people. Some of those people promoting preferential treatment and numerical goals are so convinced of the rightness of what they are doing that they are prepared to sacrifice whatever needs to be sacrificed—whether it be other people, the law, or simple honesty in discussing what they are doing (note "goals," "desegregation," and similar euphemisms). Other supporters of numerical policies have the powerful drive of self-interest as well as self-righteousness. Bureaucratic empires have grown up to administer these programs, reaching into virtually every business, school, hospital, or other organization. The rulers and agents of this empire can order employers around, make college presidents bow and scrape, assign schoolteachers by race, or otherwise gain power, publicity, and career advancement—regardless of whether minorities are benefited or not.

While self-righteousness and self-interest are powerful drives for those who have them, they can succeed only insofar as other people can be persuaded, swept along by feelings, or neutralized. Rhetoric has accomplished this with images of historic wrongs, visions of social atonement, and a horror of being classed with bigots. These tactics have worked best with those most affected by words and least required to pay a price personally: non-elected judges, the media, and the intellectual establishment.

The "color-blind" words of the Civil Rights Act of 1964, or even the protections of the Constitution, mean little when judges can creatively reinterpret them out of existence. It is hard to achieve the goal of an informed public when the mass media show only selective indignation about power grabs and a sense of pious virtue in covering up the failures of school integration. Even civil libertarians—who insist that the Fifth Amendment protection against self-incrimination is a sacred right that cannot be denied Nazis, Communists, or criminals—show no concern when the government routinely forces employers to confess "deficiencies" in their hiring processes, without a speck of evidence other than a numerical pattern different from the government's preconception.

Preferential Admissions. Preferential admissions to colleges and universities are "justified" by similar rhetoric and the similar assumption that statistical underrepresentation means institutional exclusion. Sometimes this assumption is buttressed by notions of "compensation" and a theory that (1) black communities need more black practitioners in various fields; and that (2) black students will ultimately supply that need. The idea that the black community's doctors, lawyers, etc., should be black is an idea held by white liberals, but no such demand has come from the black community, which has rejected preferential admissions in poll after poll. Moreover, the idea that an admissions committee can predict what a youth is going to do with his life years later is even more incredible—even if the youth is one's own son or daughter, much less someone from a wholly different background.

These moral or ideological reasons for special minority programs are by no means the whole story. The public image of a college or university is often its chief financial asset. Bending a few rules here and there to get the right body count of minority students seems a small price to pay for maintaining an image that will keep money coming in from the government and the foundations. When a few thousand dollars in financial aid to students can keep millions of tax dollars rolling in, it is clearly a profitable investment for the institution. For the young people brought in under false pretense, it can turn out to be a disastrous and permanently scarring experience.

The most urgent concern over image and over government subsidies, foundation grants, and other donations is at those institutions which have the most of all these things to maintain—that is, at prestigious colleges and universities at the top of the academic pecking order. The Ivy League schools and the leading state and private institutions have the scholarship money and the brandname visibility to draw in enough minority youngsters to look good statistically. The extremely high admissions standards of these institutions usually cannot be met by the minority students—just as most students in general cannot meet them. But in order to have a certain minority body count, the schools bend (or disregard) their usual standards. The net result is that thousands of minority students who would normally qualify for good, non-prestigious colleges where they could succeed, are instead enrolled in famous institutions where they fail. For example, at Cornell during the guns-on-campus crisis, fully half of the black students were on academic probation, despite easier grading standards for them in many courses. Yet these students were by no means unqualified. Their average test scores put them in the top quarter of all American college students—but the other Cornell students ranked in the top 1 percent. In other words, minority students with every prospect of success in a normal college environment were artificially turned into failures by being mismatched with an institution with standards too severe for them.

When the top institutions reach further down to get minority students, then academic institutions at the next level are forced to reach still further down, so that they too will end up with a minority body count high enough to escape criticism and avoid trouble with the government and other donors. Each academic level, therefore, ends up with minority students underqualified for that level, though usually perfectly qualified for some other level. The end result is a systematic mismatching of minority students and the institutions they attend, even though the wide range of American colleges and universities is easily capable of accommodating those same students under their normal standards.

Proponents of "special" (lower) admissions standards argue that without such standards no increase in minority enrollment would have been possible. But this blithely disregards the fact that when more money is available to finance college, more low-income people go to college. The GI Bill after World War II caused an even more dramatic increase in the number of people going to college who could never have gone otherwise—and without lowering admissions standards. The growth of special minority programs in recent times has meant both a greater availability of money and lower admissions standards for black and other designated students. It is as ridiculous to ignore the role of money in increasing the numbers of minority students in the system as a whole as it is to ignore the effect of double standards on their maldistribution among institutions. It is the double standards that are the problem, and they can be ended without driving minority students out of the system. Of course, many academic hustlers who administer special programs might lose their jobs, but that would hardly be a loss to anyone else.

As long as admission to colleges and universities is not unlimited, someone's opportunity to attend has to be sacrificed as the price of preferential admission for others. No amount of verbal sleight-of-hand can get around this fact. None of those sacrificed is old enough to have had anything to do with historic injustices that are supposedly being compensated. Moreover, it is not the offspring of the privileged who are likely to pay the price. It is not a Rockefeller or a Kennedy who will be dropped to make room for quotas; it is a De Funis or a Bakke. Even aside from personal influence on admissions decisions, the rich can give their children the kind of private schooling that will virtually assure them test scores far above the cut-off level at which sacrifices are made.

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[1] Gallup Opinion Index, June 1977, Report 143, p. 23.

[2] Black Enterprise, April 1978, p. 62. A newly released Rand study similarly concludes that very little credit should be given to government affirmative-action programs for any narrowing of the income gap between white and black workers. The Rand researchers write, "our results suggest that the effect of government on the aggregate black-white wage ratio is quite small and that the popular notion that . . . recent changes are being driven by government pressure has little empirical support" (New York Times, May 8, 1978).

Just as the students who are sacrificed are likely to come from the bottom of the white distribution, so the minority students chosen are likely to be from the top of the minority distribution. In short, it is a forced transfer of benefits from those least able to afford it to those least in need of it. In some cases, the loose term "minority" is used to include individuals who are personally from more fortunate backgrounds than the average American. Sometimes it includes whole groups, such as Chinese or Japanese Americans, who have higher incomes than whites. One-fourth of all employed Chinese in this country are in professional occupations—nearly double the national average. No amount of favoritism to the son or daughter of a Chinese doctor or mathematician today is going to compensate some Chinese of the past who was excluded from virtually every kind of work except washing clothes or washing dishes.

The past is a great unchangeable fact. Nothing is going to undo its sufferings and injustices, whatever their magnitude. Statistical categories and historic labels may seem real to those inspired by words, but only living flesh-and-blood people can feel joy or pain. Neither the sins nor the sufferings of those now dead are within our power to change. Being honest and honorable with the people living in our own time is more than enough moral challenge, without indulging in illusions about rewriting moral history with numbers and categories.

School Busing. It is chilling to hear parents say that the worst racists they know are their own children. Yet such statements have been made by black and white parents, liberals and conservatives, and without regard to geographical location. It is commonplace to hear of integrated schools where no child of either race would dare to enter a toilet alone. The fears and hatreds of these schoolchildren are going to be part of the American psyche long after the passing of an older generation of crusading social experimenters. It is quite a legacy to leave.

The ringing principles of equal rights announced in the 1954 Supreme Court decision in Brown v. Board of Education have been transformed by twenty years of political and judicial jockeying into a nightmare pursuit of elusive statistical "balance." The original idea that the government should not classify children by race was turned around completely to mean that the government must classify children by race. The fact that the racial integration of youngsters from similar backgrounds has worked under voluntary conditions was seized upon as a reason for forcing statistical integration of schoolchildren, without regard to past contrasts of income, way of life, or cultural values. Considerations of cost, time, feelings, or education all give way before the almighty numbers. As more and more evidence of negative consequences to the children has piled up, the original notion that this was going to benefit somebody has given way to the idea that "the law of the land" has to be carried out, even if the skies fall. Less grandly, it means that judges cannot back off from the can of worms they have opened, without admitting that they have made asses of themselves.

The civil-rights establishment has a similar investment of ego and self-interest to protect. The NAACP Legal Defense Fund now insists that the issue is not "educational" but "constitutional." This might be an understandable position for an academic association of legal theorists, but not for an organization claiming to speak in the name of flesh-and-blood black people—people who reject busing in nationwide polls and who reject it by large majorities in cities where it has been tried. The head of the NAACP Legal Defense Fund brushes this aside by saying that they cannot ask "each and every black person" his opinion before proceeding, but the real question is whether they can consistently go counter to the majority opinions of the very people in whose name they presume to speak.

The tragic Boston busing case shows all these institutional ego forces at work. Local black organizations urged Judge Garrity not to bus their children to South Boston, where educational standards were notoriously low and racial hostility notoriously high. Both the NAACP and the judge proceeded full-speed-ahead anyway. Black children were forced to run a guantlet of violence and insults for the greater glory of institutional grand designs. In Detroit, Atlanta, and San Francisco the NAACP also opposed local blacks on busing—including local chapters of its own organization in the last two cities. The supreme irony is that Linda Brown, of *Brown* v. *Board of Education*, has now gone into court to try to keep her children from being bused.

That "a small band of willful men" could inflict this on two races opposed to it is a sobering commentary on the fragility of democracy. Moreover, what is involved is not merely mistaken zealotry. What is involved is an organization fueled by money from affluent liberals whose own children are safely tucked away in private schools, and a crusade begun by men like Thurgood Marshall and Kenneth B. Clark whose own children were also in private schools away from the storms they created for others. The very real educational problems of black children, and the early hopes that desegregation would solve them, provided the impetus and the support for a crusade that has now degenerated into a numerical fetish and a judicial unwillingness to lose face. What actually happens to black children, or white children, has been openly relegated to a secondary consideration in principle, and less than that in practice.

The 1954 *Brown* decision did not limit itself to ruling that it is unconstitutional for a state to segregate by race. It brought in sociological speculation that separate schools are inherently inferior. Yet within walking distance of the Supreme Court was an all-black high shcool whose eighty-year history would have refuted that assumption—if anyone had been interested in facts. As far back as 1939, the average IQ at Dunbar High School was 11 per cent above the national average—fifteen years before the Court declared this impossible. The counsel for the NAACP in that very case came from a similar quality all-black school in Baltimore. There are, and have been, other schools around the country where black children learned quite well without white children (or teachers) around, as well as other schools where each race failed to learn, with or without the presence of the other. The most cursory look at the history of all-Jewish or all-Oriental schools would have reduced the separate-is-inferior doctrine to a laughingstock instead of the revered "law of the land."

The Court's excursion into sociology came back to haunt it. When the end of state-enforced segregation did not produce any dramatic change in the racial makeup of neighborhood schools, or any of the educational benefits anticipated, the civil-rights establishment pushed on for more desegregation—now stretched to mean statistical balance, opposition to ability grouping, and even the hiring and assignment of teachers by race. If the magic policy of integration had not worked, it could only be because there had not yet been enough of it! Meanwhile, the real problems of educating real children were lost in the shuffle.

However futile the various numerical approches have been in their avowed goal of advancing minorities, their impact has been strongly felt in other ways. The message that comes through loud and clear is that minorities are losers who will never have anything unless someone gives it to them. The destructiveness of this message—on society in general and minority youth in particular—outweighs any trivial gains that may occur here and there. The falseness of the message is shown by the great economic achievements of minorities during the period of equal-rights legislation before numerical goals and timetables muddied the waters. By and large, the numerical approach has achieved nothing, and has achieved it at great cost.

Underlying the attempt to move people around and treat them like chess pieces on a board is a profound contempt for other human beings. To ignore or resent people's resistance—on behalf of their children or their livelihoods—is to deny our common humanity. To persist dogmatically in pursuit of some abstract goal, without regard to how it is reached, is to despise freedom and reduce three-dimensional life to cardboard pictures of numerical results. The false practicality of results-oriented people ignores the fact that the ultimate results are in the minds and hearts of human beings. Once personal choice becomes a mere inconvenience to be brushed aside by bureaucrats or judges something precious will have been lost by all people from all backgrounds.

A multi-ethnic society like the United States can ill-afford continually to build up stores of intergroup resentments about such powerful concerns as one's livelihood and one's children. It is a special madness when tensions are escalated between groups who are basically in accord in their opposition to numbers games, but whose legal establishments and "spokesmen" keep the fires fueled. We must never think that the disintegration and disaster that has hit other multi-ethnic societies "can't happen here." The mass internment of Japanese Americans just a generation ago is a sobering reminder of the tragic idiocy that stress can bring on. We are not made of different clay from the Germans, who were historically more enlightened and humane toward Jews than many other Europeans—until the generation of Hitler and the Holocaust.

The situation in America today is, of course, not like that of the Pearl Harbor period, nor of the Weimar republic. History does not literally repeat, but it can warn us of what people are capable of, when the stage has been set for tragedy. We certainly do not need to let emotionally combustible materials accumulate from ill-conceived social experiments.

Mr. MAGNUSON. Mr. President, I yield the Senator from California such time as he may require.

Mr. HAYAKAWA. I thank the Senator from Washington.

Mr. President, I have no prepared remarks here. I want to talk from the bottom of my heart as former president of the San Francisco State College, where we had to deal with timetables, guidelines, goals, ratios, and even quotas. And I want to tell you something about my own experience; of how department heads, for example, under my presidency, hired incompetent people in sociology, in history, in black studies, in psychology, and in a number of other fields; of how our admissions office admitted incompetent students over and over again, and when we were asked, "Are you observing a quota system?" we would say, "No, no, we are just following the guidelines laid down by HEW."

I have seen these professors clowning around, because they did not know their subject matter, and wasting the students' time. I have seen these incompetent students, out of their leagues, students incompetent for university studies, with barely a ninth-grade education, getting more and more hostile as they found themselves surrounded by their intellectual superiors in all classes, and finally developing a kind of resentment against the whole system, as often happens with black young men and women—resentment against the whole system for putting them into a situation where they could carry their own weight on equal terms.

The maintenance of standards in hiring faculty and the maintenance of standards in the admission of students is for the protection of the student or the individual professor who is not qualified. We do not want to put them in a position where they are out of their depth. At the same time, we want to protect the intellectual integrity of the academic system.

We did not have that integrity; we destroyed it, in some departments, for 3 or 4 years, and in some departments it has not yet been recovered.

I maintain, Mr. President, that time tables, goals, ratios, and other requirements are all simply euphemisms for quotas. This is why Senator HELMS and I are joined in wanting to abolish the whole lot of them. We want to see people judged as individuals.

Mr. President, I myself am a member of a minority race. I have experienced my own share of racial discrimination, I am sure. But nevertheless, whatever I have achieved, I think I have achieved not because anyone gave me special consideration because I belonged to a minority or because they let me into graduate school because I was Japanese and not white.

I got into graduate school on my own damn terms. I think I joined this distinguished body on my own terms, too.

The worst thing you can do to minorities is to condescend to them, and say, "You are Japanese, therefore you are not very bright, but we have to give you extra grades so you can get into college," or "You are black, therefore you are not very bright, and we have to give you a special education program."

This whole system of special exemptions, quotas, guidelines, timetables, and so on, is an insult to minority races. That is why I reject it in its totality, and why I want to go all out with the distinguished Senator from North Carolina in objecting to all these things—timetables, goals, racial quotas, and other numerical requirements.

Let us maintain the standard requirements of admission for universities, graduate schools, medical schools, and other professional schools based on intellectual qualifications. Let us have the same kind of requirements in every profession, every trade, every job. Let us stick together, and we who are not white will prove we are just as damn good as you are, any time. Just give us a chance.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I yield the Senator from Indiana such time as he may require.

Mr. BAYH. Mr. President, I am fully aware of the controversial nature of the subject matter before us, and I am also willing to accept the good faith of the two distinguished colleagues who authored this amendment.

But I cannot imagine any thing that has had a more devastating impact on where our country is supposed to be headed than some of the practices that were followed in this country during the period of Reconstruction. We fought a bloody Civil War to try to let everybody have an equal opportunity in this country. We have come a long way during the last 100 years, but we are not going to legislate discrimination out of existence.

Frankly, I am concerned about the arbitrary impact of some quota systems. But unless we are willing to say unalterably that we are going to cover up our eyes and stick our heads in a sandpile someplace, when you have an institution or an employer that just flat out refuses to hire people or educate them, and not let our Government impose any sanctions or utilize any tool or, to quote the amendment here, "any timetable, any goal"—it does not just say quotas—what we are saying is that we are not going to do anything to try to stop discrimination.

I am fully aware of some of the problems that are created by quotas. I do not like arbitrarily dividing people up into little groups and saying, "You have to have 3.5 percent white, left-handed, blue-eyed Irish sign painters." But I have to say, when we talk about what we have been trying to do to see that minority citizens and the women of this country have an equal opportunity to get across to the system, this amendment says we cannot do anything.

You can absolutely refuse to hire a woman. You can absolutely refuse to admit a woman into a college or university. You can absolutely refuse to do the same thing to the other groups included herein, and HEW is going to be absolutely unable to use any of its prerogatives to stop this kind of thing.

Mr. President, I would hope we would not totally retreat from the efforts which have been made to try to open up our system. If we bar the doors and shutter the windows, then the only alternative to the groups which are excluded from entrance is to knock the door down and throw something through the window.

We made a lot of mistakes in our efforts to pursue equality. We are a long way from perfect. We always need to stand back and say, "Well, how can we do it better? Where have we been arbitrary to try to solve a problem and instead have made it worse?"

I suggest, with all due respect to our two colleagues, who I am sure with the finest motives offered this amendment, let us not lose the baby with the bath water. Let us not set back the course of history completely. That is exactly what we are doing.

The PRESIDING OFFICER. Who yields time? The Senator from New York.

Mr. JAVITS. I am prepared to yield back the remainder of my time.

Mr. MAGNUSON. I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Does the Senator from North Carolina seek recognition?

Mr. HELMS. Mr. President, I move to table the Javits amendment.

Mr. JAVITS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion to table. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Alabama (Mr. HEFLIN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Georgia (Mr. TALMADGE), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF), would vote "nay."

Mr. PACKWOOD. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Alaska (Mr. STEVENS), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "yea."

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 18, nays 70, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—18

Armstrong
Byrd,
  Harry F., Jr.
Cochran
Garn
Goldwater
Hatch
Hayakawa
Helms
Hollings
Humphrey
Laxalt
Lugar
McClure
Morgan
Wallop
Warner
Young
Zorinsky

NAYS—70

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Glenn
Hart
Hatfield
Heinz
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson

Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevenson
Stewart
Stone
Tsongas
Weicker
Williams

NOT VOTING—12

Baker
Bumpers
Exon
Ford
Gravel
Heflin
Ribicoff
Stennis
Stevens
Talmadge
Thurmond
Tower

So the motion to lay on the table UP amendment No. 418 was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from New York.

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, that request is not in order. We have just had a rollcall.

The PRESIDING OFFICER. The point is made that the request is not in order.

The Parliamentarian advises that the request is in order.

The clerk will call the roll.

The second assistant clerk proceeded to call the roll.

(During rollcall the following occurred:)

Mr. BELLMON. Yeas and nays, Mr President.

The PRESIDING OFFICER. Does the Senator want to ask unanimous consent to withdraw the call for the quorum?

Mr. HELMS. I so ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Alabama (Mr. HEFLIN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Mississippi (Mr. STENNIS), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote "nay."

The result was announced—yeas 72, nays 17, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—72

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Glenn
Hart
Hatfield
Heinz
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stevenson
Stewart
Stone
Tsongas
Wallop
Weicker
Williams

NAYS—17

Armstrong
Byrd,
Harry F., Jr.
Cochran
Garn
Goldwater
Hatch
Hayakawa
Helms
Hollings
Humphrey
Laxalt
Lugar
McClure
Morgan
Warner
Young
Zorinsky

NOT VOTING—11

Baker
Bumpers
Exon
Ford
Gravel
Heflin
Ribicoff
Stennis
Talmadge
Thurmond
Tower

So the amendment of the Senator from New York (UP No. 418) was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the yeas and nays on the Hayakawa-Helms amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California (Mr. HAYAKAWA) as amended by the amendment of the Senator from New York (Mr. JAVITS).

The amendment, as amended, was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 419

Mr. BELLMON. Mr. President, I call up an amendment at the desk.

The PRESIDING OFFICER. The Senate will be in order.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 419.

Mr. BELLMON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 19, after the period insert the following: Provided, that none of the funds appropriated herein shall be allocated to a prime sponsor, except a prime sponsor which is a State, whose area had an unemployment rate of less than 4.0 per centum for the most recent 12-month period for which satisfactory data are available; except that the Secretary shall allocate to prime sponsors whose area had unemployment of less than 4.0 per centum sufficient funds to assure an orderly phaseout of jobs supported with such funds. Funds not allocated, as a result of the foregoing proviso, shall be allocated by the Secretary among the remaining prime sponsors on the basis of the relative numbers of unemployed persons, residing within their respective jurisdictions, in excess of 4.0 per centum of the labor force.

Mr. BELLMON. Mr. President, earlier this afternoon, we were talking about the Chiles amendment on CETA. It was brought out that one of the problems with CETA is that it frequently puts countercyclical jobs in areas where unemployment is not a serious problem. This amendment would provide that CETA title VI jobs not be made available to areas where unemployment is less than 4 percent. That is the full thrust of the amendment. It makes more jobs available in areas where they are needed.

It stops this business of putting CETA title IV jobs into areas where there is not a serious unemployment problem.

I have talked it over with the managers of the bill, and I believe there is an agreement that this amendment is beneficial.

Mr. MAGNUSON. Mr. President, I think this is a good amendment. It allocates the funding.

We have heard today from the Senator from Florida about the abuse of funds, where they are pushing jobs that are not needed. I think this amendment will cure that situation. Therefore, I am willing to accept it.

Mr. SCHWEIKER. Mr. President, I support the amendment, also. I believe it is a good amendment.

Mr. BELLMON. I yield back the remainder of my time.

Mr. MAGNUSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New York has time.

Mr. JAVITS. Mr. President, I do not understand the situation that requires me to yield back my time.

Mr. MAGNUSON. The amendment of the Senator from Oklahoma is to allow allocation of CETA title VI funds in those places where they are not needed, where unemployment is under 4 percent. They do not need to allocate the funds. It does away with the abuse of pushing jobs in certain regions, which the Senator from Florida vividly presented to the Senate today.

Mr. JAVITS. Mr. President, the Chair may not be correct as to my having time. I have 5 minutes on Senator BELLMON's amendment to cut $1.2 billion from the bill.

Mr. SCHWEIKER. That is another amendment.

Mr. JAVITS. I know that.

The PRESIDING OFFICER. The Chair stands corrected.

The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATHIAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 420

(Purpose: To reduce appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies)

Mr. BELLMON. Mr. President, I call up an amendment at the desk and ask that it be reported.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON) proposes an unprinted amendment numbered 423.

Mr. BELLMON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 3, line 18, insert the following: strike $1,627,000,000 and insert $1,277,000,000; and these funds shall not be distributed to areas with unemployment rates below four percent (4%)—except that the Secretary may allocate to areas with below 4% unemployment sufficient of these funds to assure an orderly phase out of the countercyclical jobs program in such areas.

Page 28, line 5, strike $3,328,343,000 and insert $3,131,683,000.

Page 32, line 25, strike $874,880,000 and insert $774,880,000.

Page 36, line 18, strike $180,000,000 and insert $162,000,000.

Page 45, line 9, strike $826,316,000 and insert $806,816,000.

Page 46, line 23, strike $385,000,000 and insert $285,000,000.

Page 15, line 11, strike $1,330,642,000 and insert $1,310,642,000.

Page 19, line 21, strike $164,000,000 and insert $154,000,000.

Page 27, line 1, strike $134,695,000 and insert $117,695,000.

Page 23, line 23, strike $198,503,000 and insert $187,503,000.

Page 40, line 12, strike $6,323,436,000 and insert $6,273,436,000.

Page 5, line 17, strike $1,795,890,000 and insert $1,735,890,000.

Page 3, line 3, strike $6,423,055,000 and insert $6,248,055,000.

Page 17, line 10, strike $1,000,000,000 and insert $970,000,000.

Page 18, line 6, strike $242,000,000 and insert $232,000,000.

Page 18, line 16, strike $304,000,000 and insert $294,000,000.

Page 19, line 4, strike $70,000,000 and insert $65,000,000.

Page 19, line 21, strike $164,000,000 and insert $159,000,000.

Page 17, line 15, strike $527,544,000 and insert $522,544,000.

The PRESIDING OFFICER. The Senate will be in order.

This is the amendment on which the Senator from New York has 5 minutes.

Mr. BELLMON. Mr. President, the Senate decided earlier this year that inflation was one of the serious problems that faces our Nation, and we adopted a 3-year plan which leads us to a balanced budget in fiscal 1981 and beyond.

The Senate adopted this policy because we know that our citizens are demanding that we get control of the Federal budget and that control of inflation and budget restraint go hand in hand.

Mr. President, taking that into account, this bill, when we look at it and look at what is coming down the pike, exceeds the Labor-HEW Appropriations Subcommittee allocation by $1.2 billion. When we look at this bill and some other things that happened, the budget is now in danger of being exceeded by some $5 billion.

What we propose to do here is not to a meat-ax cut but, rather, selected cuts that will reduce the bill before us by $1.2 billion.

Mr. MAGNUSON. Did I hear the Senator correctly, that this bill increases the budget by $1 billion?

Mr. BELLMON. This bill is $1.2 billion over the allocation by the full Appropriations Committee to the subcommittee, when we take into account the later requirements.

Mr. MAGNUSON. This bill is more than $1.1 billion under the President's budget.

Mr. BELLMON. That is right.

Mr. MAGNUSON. What is the Senator talking about?

Mr. BELLMON. This bill is over a billion dollars under the President's budget.

Mr. MAGNUSON. Yes.

Mr. BELLMON. But it is $1.2 billion over the amount in our budget resolution that we adopted in May.

Mr. MAGNUSON. No, it is not.

If you are going to assume, assume, assume—we have to appropriate according to the contingencies of the time and what we have in front of us and what we take out of the till.

We are going to be way under the President's budget. With the three appropriations bills, we are now $3 billion under the budget requests.

The Senator can go up to the Budget Committee—and I belong up there, too—and he can have the staff assume this and assume that.

The Appropriations Committee is not to blame for this. We appropriate what we have in front of us and what we are going to take out of the till, and we are not going to take out any more money than we need to.

I do not understand what this is all about.

The PRESIDING OFFICER (Mr. BIDEN). If the Senator will suspend for a moment, the amendment of the Senator from Oklahoma changed figures in the bill which already have been amended; and in order to be in order, a unanimous-consent agreement would be required.

Mr. BELLMON. Mr. President, I make that request.

Mr. HELMS. Mr. President, I object.

Mr. MAGNUSON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MAGNUSON. But I will not object until the Senator has had his say.

Mr. BELLMON. I thank the chairman.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Reserving the right to object——

Mr. MAGNUSON. Reserving the right to object, I yield to the Senator from Oklahoma.

The PRESIDING OFFICER. Is there objection?

Mr. WEICKER. I object.

The PRESIDING OFFICER. Objection is heard.

The amendment is not in order.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I wonder if I may have 1 minute from some source.

The PRESIDING OFFICER. Does the Senator from Washington yield 1 minute to the Senator from Maine?

Mr. MAGNUSON. I yield.

Mr. MUSKIE. Mr. President, I understood that the amendment of the Senator from Oklahoma was to be the basis of a colloquy with my good friend from Washington and that the intention was to achieve an agreement that the targets of the first budget resolution were to be the targets agreed to by the Appropriations Committee and the Budget Committee.

In a communication to all Senators, we have given the Budget Committee's best estimate that, given the appropriation bills we already have considered, the projection we can reasonably estimate for the future, unless restraint is exercised with respect to future appropriations bills, we could break the first budget resolution targets by $5.4 billion in budget authority and something between $2 billion and $3 billion in outlays.

I know that it is the intention of the distinguished manager of this bill, Senator MAGNUSON, to achieve that goal. He has told me so.

Senator BELLMON undertook to spell out in his amendment some of the areas within which it might be possible to move toward this objective. The only purpose of the amendment, as I understood it, was to raise these issues, to discuss them briefly, and to try to get a common direction with respect to the future.

I simply wanted to express my understanding.

Mr. MAGNUSON. I intended to have a colloquy with the Senator from Oklahoma. I did not know the Chair was going to rule.

The PRESIDING OFFICER. The 1 minute of the Senator from Maine has expired.

Mr. MAGNUSON. I intended to have a colloquy with the Senator from Oklahoma, and I had my colloquy with him.

Mr. MUSKIE. It seemed to have been interrupted by the ruling of the Chair.

Mr. MAGNUSON. I was interrupted by the ruling of the Chair, which I did not anticipate.

Mr. MUSKIE. I understand that. I wanted to state what I think is an understanding between us all, and I want to make it clear in the RECORD and not be confused by the parliamentary ruling.

Mr. MAGNUSON. Let me make a statement.

The PRESIDING OFFICER. Who yields time?

Mr. SCHWEIKER. I yield to the Senator from Oklahoma 5 minutes from the bill's time.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, I believe Senator MAGNUSON and I can resolve this matter with a colloquy if the Senator will permit.

At the present time, the situation is this:

The Appropriations Committee reported four bills, and those four bills by themselves are under the President's budget.

However, after including anticipated later requirements these four bills appear to exceed the level of funding allocated by the Appropriations Committee to those four subcommittees by about $1.7 billion in budget authority and $2.5 billion in outlays.

Further, there is concern that there may be difficulty in offsetting these increases in the remaining 12 appropriations bills.

I am curious if this agrees with the opinion of the chairman of the Appropriations Committee.

Mr. MAGNUSON. We have been holding the line in the Appropriations Committee the best we know how. The Senator has been a member.

Mr. BELLMON. I certainly have.

Mr. MAGNUSON. We have had just three of the three appropriations bills thus far passed by the Senate. We are $3 billion under the budget request.

Mr. BELLMON. Under the President's budget.

Mr. MAGNUSON. Yes. And this is a real measurement of what we want to do when we complete action in the 1980 budget.

I am dedicated to reducing the amount.

But the point I make, and I made it to the Senator from Maine earlier today and to the Senator from Oklahoma, is we have to deal with conditions as they are, not as assumptions, and if you are going to assume a lot of things I do not know whether the savings are going to be on the hospital containment, and I think the Senator from Oklahoma will agree with me that the fault lies with the authorizing committees.

Mr. BELLMON. The chairman is correct.

Mr. MAGNUSON. Not the Appropriations Committee.

And the Senator was voting for all these amounts down there. He voted for them all. We have been very frugal and are $3 billion under the President's budget with the first three bills, which I think is a pretty good record.

Mr. BELLMON. I agree, but the fact still remains that unless the bill is tightened up in conference we are going to wind up here along about September with the necessity of cutting the last appropriations bill.

Mr. MAGNUSON. We are going to wind up way under the Presdent's budget in conference.

Mr. BELLMON. Mr. President, the chairman and I are on different wavelengths. He is talking about the President's budget.

Mr. MAGNUSON. The Senator is on the Budget Committee. The Senator can take care of the assumptions on the Budget Committee. We have to change those. The Senator has to vary those.

I do not know where the staff of the Budget Committee gets all of these assumptions.

I think another thing is that the staff talks too much. You can talk yourself into a recession and you can talk yourself out of it.

Mr. BELLMON. I hope we have a staff good enough to talk us out of it. That is the problem.

Mr. MAGNUSON. I want to make that statement public.

I think they are supposed to give facts to the Budget Committee. Instead of that they give interviews to everyone.

Mr. BELLMON. Mr. President, in defense of the Budget Committee, I am not aware of any of our staff who have given interviews. I think that has not been the case.

Mr. MUSKIE. Mr. President, if the Senator will yield, I am not aware that my staff has given interviews. Moreover, the staff works closely with the staff of the Appropriations Committee, and on the basis of those discussions, I am not aware of any difference of opinion as to these projections.

It is one thing to talk about the President's request, but we have established an independent budget process, our own, and it is our job as a Budget Committee to try to keep track of spending and to raise red flags when spending seems to be going in the wrong direction.

I thoroughly support my colleague from Oklahoma in raising these questions so that we will not be misleading the Senate and the Senate will be aware of the facts. That is our only interest.

As far as the Senator from Washington is concerned, I have been praising him all day long for his personal commitment to budget restraint. I do not challenge that. But there are other forces at work, and I described them earlier in the day, which make it very difficult for us to meet our budget targets.

I simply want the Senate to know what they are, and that is the only objective of the Senator from Oklahoma.

We are not criticizing the chairman, Senator MAGNUSON, or challenging him or criticizing him. These facts are facts, and we have a tough job ahead of us.

I am sure the Senator from Washington agrees with me on that because he has told me so.

Mr. MAGNUSON. But the fact is I may not agree with the assumptions, and they change all the time.

Mr. MUSKIE. I am sorry, I say to the Senator.

Mr. MAGNUSON. They change all the time.

Mr. MUSKIE. But when the Senator tells me he does not agree with the facts I tell my staff to go back to his staff, and they go over the figures and they come back and say they are in agreement. What am I supposed to do?

Mr. MAGNUSON. I think we should put a muzzle on both our staffs. The figures are too soft. They are always changing. The economy is always changing.

Mr. MUSKIE. I do not think so. It is a complicated business to project these expenditures.

Mr. BELLMON. Mr. President, the problem is: without some projections of what is going to happen we wind up here late in the year with the last bill, that will be way over the budget, and all the cuts will have to come in that bill, and for those interested——

The PRESIDING OFFICER. The 5 minutes of the Senator from Oklahoma have expired.

Mr. MAGNUSON. Whose budget?

Mr. SCHWEIKER. Mr. President, I yield 3 additional minutes to the Senator from Oklahoma.

Mr. MAGNUSON. Whose budget?

Mr. BELLMON. The Senate's budget. It is the budget we adopted the 15th of May.

Mr. MAGNUSON. But it looks as if economic conditions have changed since then.

Mr. BELLMON. We are going to wind up with the last bill, which will be the defense bill. And I want everyone to understand that.

Mr. MAGNUSON. Maybe we will have to go over the budget the Senate adopted because of changing economic conditions. Did the Senator ever stop and think of that?

Mr. BELLMON. I believe that this Senate should be consistent. If it did not like the budget in May it should not have voted for it. Having voted for it, it should stay with it.

I am suggesting that if we are not careful we are going to go over the budget in every one of these bills and the last bill will take all the reductions, and that will be the defense bill.

Mr. MAGNUSON. Times change and so does the economy.

What we are going to be faced with is the energy package that is going to come down here.

Mr. BELLMON. And it will probably produce more revenue than it cost.

Mr. MAGNUSON. The Senator from Oklahoma and I have urged that it be made a separate package.

Mr. BELLMON. That is right.

Mr. MAGNUSON. And that we go about our business on a normal business of appropriating money for the normal operations of government. In doing that, we are way under the President's budget. We are going to be way under. We are going to be under the regular budget. But if this has to come down as a separate package, it has to be an emergency matter and the public has to understand it because you are not going to balance the budget with all of these expenditures that are coming along with the energy.

Mr. BELLMON. Mr. President, I wish to conclude in the remaining time I have.

The point I wish to make is, this bill as it now stands is $1.2 billion over the Senate's budget, the budget we adopted in May; and the purpose of the amendment which I understand is not in order because the bill has been changed is to get it in line.

I intend to offer similar amendments on all the other bills as they come through so we will not be stuck trying to get within our budget limitations on the last bill that we deal with.

In May, Mr. President, the Senate decided that inflation was the most serious problem facing our Nation. We adopted a 3-year plan which would lead to budget balance in fiscal 1981 and beyond. We did so because we knew that most of our citizens believe control of the Federal budget and control of inflation go hand-in-hand.

This bill, Mr. President—taking into account later requirements—exceeds the Labor/HEW Appropriations Subcommittee allocation by $1.2 billion. Together with other appropriations actions, this may well contribute to our exceeding the targets in the first budget resolution by over $5 billion.

If we continue in this manner, the Senate will have abrogated the 3-year fiscal restraint plan we adopted just 2 short months ago. If we do that, the public will believe, with considerable justification, that we have thrown up our hands and given up on the fight against inflation.

My amendment, Mr. President, will cut this bill by $1.2 billion—the amount by which it appears Labor/HEW appropriations will exceed the subcommittee allocation. I want to make clear that my concern is not only with this bill. I intend to offer similar amendments in the future to all other appropriations bills which exceed the amounts allocated by the full Appropriations Committee to the various subcommittees. That is the only way I see to give the full Senate the opportunity to follow the fiscal restraint path we laid out a few weeks ago.

My amendment proposes to cut 14 different Department of Labor and HEW programs. Mr. President, the identification of these cuts was not easy. As Senator MUSKIE has frequently stressed, we cannot control the budget solely by cutting only "bad" programs. Moreover, the Labor/HEW Subcommittee and the full Appropriations Committee have made serious efforts to hold down the appropriations in this bill. By historical standards, they have done an excellent job. But I am afraid many of us have not yet recognized that the first budget resolution for fiscal year 1980 mandates the first really tight congressional budget we have had. Both Senator MUSKIE and I warned the Senate before the resoution was adopted that it was a tight budget and that it would require continued vigilance if it was to be implemented. Congress unfortunately has yet to show that it can live with the type of restraint it committed itself to in its own budget resolution.

Mr. President, I do not believe in across-the-board cuts, so I am proposing targeted reductions which seem to me most justified. I invite my colleagues to help improve the list of cuts I have incorporated in this amendment.

Mr. President, this amendment gives the Senate the opportunity to implement the restrained budget we were so proud of a few weeks ago. I am well aware that an amendment of this sort is not universally popular. I challenge any Senator who wants to strike an item on my list to propose another cut of similar size to take its place.

Mr. President, if I have any remaining time, I yield it to the Senator from Maryland.

The PRESIDING OFFICER. Who yields time?

Mr. SCHWEIKER. I yield a minute to the Senator from Maryland.

Mr. MATHIAS. Mr. President, the committee established a ceiling of $160 million for fiscal year 1980 for "consultant services" defined to include virtually all independent evaluations and surveys conducted by the Department. This figure represents a reduction in this critically important work of 17 percent below the fiscal year 1979 amount and 37 percent below the amount requested by the administration.

Much of this work is specifically mandated by Congress. Examples of this important congressionally mandated work includes—

Title II of the Older Americans Act requires the Secretary to measure and evaluate the impact of all programs authorized by the Act.

The Mental Retardation Facilities and Community Health Center Construction Act of 1963, as amended, contains several specific requirements that comprehensive evaluations be conducted.

The Community Services Act directs that independent evaluations be conducted on the impact of all programs directed at poverty population.

The Head Start Act requires a continuing evaluation of Head Start Programs.

Sec. 417 of the General Education Provisions Act requires that the Secretary transmit an annual report which evaluates the effectiveness of applicable programs in achieving their legislated purposes.

Sec. 1526 of P.L. 95–561 requires that the United States Commissioner of Education conduct a study of evaluation practices and procedures.

Sec. 309(a)(2) of the Adult Education Act requires that the Commission evaluate the effectiveness of programs conducted under Sec. 304 of the Act.

Sec. 1203(b) of P.L. 95–561 directs the Secretary of HEW to carry out studies and surveys relating to the financing of elementary and secondary education.

Sec. 813 of the Elementary and Secondary Act requires that the Assistant Secretary for Education carry out a program of research and evaluation with respect to Community Schools.

Sec. 742 of the Bilingual Education Act directs that studies be carried out related to the purposes of the Act.

Public Law 95–623 requires that the Secretary shall "conduct and support research, demonstrations (and) evaluations . . . for the purpose of improving the effectiveness, efficiency, and quality of health services in the United States."

42 U.S.C. 254g directs the Secretary to conduct studies of the methods of assignments of members of the National Health Service Corps to health manpower shortage areas.

Sec. 951 of P.L. 94–63, as amended by P.L. 95–623, requires that the Secretary shall determine on a continuing basis the supply distribution and current and future requirements for nurses. The same section requires a survey on the number, employment status, and other characteristics of nurses.

42 U.S.C. 300d requires a study of "the roles, resources, and responsibilities of all Federal programs and activities relating to emergency medical services."

42 U.S.C. 300e requires the Secretary to evaluate reported transactions of not less than five health maintenance organizations.

Congress in recent years has exercised its oversight responsibility vigorously. Congress increasingly has insisted that executive departments and agencies provide better data and information on programs to assist Congress in making legislative decisions on program authorizations and reauthorizations. Specific evaluations and studies have been required by Congress to aid in reviewing program effectiveness. It would be unfortunate if the amendment were to be interpreted to limit the ability of Congress to monitor and control significant program expenditures by HEW. I want the RECORD to show that such was not the intention of the committee or the Senate, and certainly was not mine.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time.

UP AMENDMENT NO. 421

Mr. MELCHER. Mr. President, I have an amendment at the desk that I can assure the membership with reasonable accuracy will be accepted by the managers of the bill.

The PRESIDING OFFICER. Is the Senator calling his amendment up?

Mr. MELCHER. Mr. President, I ask unanimous consent for the immediate consideration of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 421:

On page 54, line 10, strike $792,400,000 and insert in lieu thereof $796,100,000.

Mr. MAGNUSON. Mr. President, to save time I will say to the Senator from Montana that it is the same language we put in the supplemental.

Mr. MELCHER. It is exactly the same for the National Center for Appropriate Technology.

Mr. MAGNUSON. I accept it.

Mr. SCHWEIKER. I accept it.

The PRESIDING OFFICER. Will Senators yield back their time? The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, if there is no more legislation to be put on an appropriation bill, I want to make it perfectly clear that this bill is over $1 billion—the other two add up to $3 billion—below the President's request.

I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 2 minutes. I ask the Senator from Washington how much has the Senate added to the bill since it came from the committee?

Mr. MAGNUSON. We have not added it all up, and I have been nickeled and dimed to death, but it amounts to about $70 million over the President for those items to which we added money.

Mr. HARRY F. BYRD, JR. $70 million?

Mr. MAGNUSON. Yes, approximately.

Mr. HARRY F. BYRD, JR. The total amount of this appropriation bill is too high.

According to the ranking minority member of the Budget Committee, Mr. BELLMON, the pending Labor-HEW appropriation bill—together with expected later requirements—exceeds the allocation established by the Appropriations Committee for that HEW Subcommittee by hundreds of millions of dollars. This, Senator BELLMON points out, would lead to an increase in the already huge deficit provided in the budget resolution.

Of course, there are many fine and worthwhile programs in this bill and many should be funded at the level established by the pending legislation.

But many other programs have been increased to an unreasonable degree—many in the 20 percent to 50 percent range, and some more than doubled.

To give just a few examples:

For community health centers, an increase of $49 million, or 19 percent.

For hypertension program, an increase of $11 million, or 100 percent.

For family planning, an increase of $30 million, or 22 percent.

For venereal disease program, an increase of $8 million, or 25 percent.

For health education, an increase of $3.4 million, or 309 percent.

For occupational safety and health research, an increase of $13 million, or 32 percent.

For health maintenance organizations, an increase of $29 million, or 88 percent.

For the new smoking and health program, $13.5 million.

For expansion of the pilot program in adolescent pregnancy, $19 million, or 1,900 percent.

For the independent living program, $13 million increase, or 650 percent.

For ACTION, $21.3 million increase, or 34 percent—with $98 million in unauthorized programs still coming in a supplemental.

For health service education loans, $8 million increase, or 80 percent.

Bear in mind that the figures I have given are for the increases over 1979, not for the total appropriations.

These increases, and many more like them in the Labor-HEW bill, are nearly all in excess of the President's budget, and most of them are above those approved by the House of Representatives.

At a time of high inflation, we must get the cost of Government under control.

The total of this appropriation bill could and should be sharply reduced.

For example, the Senate by a close vote defeated the Roth-Byrd amendment to reduce the appropriation by $500 million, with such a saving to come from waste, fraud, and abuse. The Inspector General of HEW puts the waste, fraud and abuse figure at approximately $3 billion.

The Senate also refused to adopt the amendment offered by the Senator from Florida (Mr. CHILES) which would reduce the CETA program by $505 million. This is another program that should be sharply reduced.

Since the Senate has refused to reduce the bloated figures submitted by the Appropriations Committee, I shall vote against the Labor-HEW appropriations bill.

STATE GRANTS FOR VOCATIONAL REHABILITATION

Mr. RANDOLPH. Mr. President, if I may ask a question of the distinguished chairman of the Appropriations Committee relating to the appropriation for State grants for vocational rehabilitation. Those of us who are closely involved with this program feel that it may run as high as $880 million. If this happens, as I have reason to believe it will, and the States come up with the matching funds, is it correct that we can have a supplemental to fulfill the requirement?

Mr. MAGNUSON. If this proves to be the case, and the administration submits a budget request, the committee will give such request prompt consideration.

ON SECTION 314(D) LANGUAGE

Mr. PROXMIRE. I would like a brief colloquy with the chairman for the purpose of clarifying the committee's intent in report language governing the reimbursement of State employees under section 314(D) of the Public Health Service Act, Comprehensive Grants to States.

On page 30 of the Senate report, the committee states that it:

> . . . agrees with House bill language which does not allow State personnel to be paid with these federal funds. This exclusion, however, is not meant for those providing direct medical care or services, nor is it meant to apply to those public health advisers working in State tuberculosis control programs.

Mr. Chairman, as I interpret the committee language, we are making two points.

First, the committee is opposed to the indiscriminate practice of States using section 314(D) funds to underwrite administrative positions—central staffing positions—that have no connection to health service delivery. These positions can and should be funded by the States themselves.

Second, we are exempting State-level positions that involve direct medical care or the provision of services.

I believe it is essential that we clarify this second category of exemptions. It is necessary because Wisconsin, and I am sure this is true of many other States as well, has attempted to use its 314(D) funds innovatively in meeting the mandate of this section of the Public Health Service Act. For example, State epidemiological investigators have responded to the recent outbreak of Legionnaire's disease in Eau Claire, the State has maintained a milk quality control and certification program, recreational area sanitation efforts as well as training programs for local and county public health personnel.

Beginning in fiscal year 1981, Wisconsin will be funding the milk quality control and certification program exclusively with State funds but I feel very strongly that this program should qualify for reimbursement during this next year of transition. Certainly, the other types of health service programs I mentioned—and this is not an exhaustive list—deserve reimbursement.

Mr. Chairman, is that your interpretation as well?

Mr. MAGNUSON. Absolutely. The committee fully recognized that there are some public health services that are appropriately performed at the State level with section 314 funds.

Our concern was to eliminate the abuse of this program in which many State positions—with no connection to service delivery—were reimbursed with Federal tax dollars.

The States have major budget surpluses. They should pay for those positions.

Mr. PROXMIRE. Would it be fair to say that the committee expects the Department of Health, Education, and Welfare to interpret the phrase "services" in that sentence broadly to encompass a broad array of health services as well as medical services?

Mr. MAGNUSON. The Senator is correct.

Mr. PROXMIRE. Mr. Chairman, one final point. The committee report makes specific mention of public health personnel in State tuberculosis programs as being exempt from the reimbursement prohibition.

I believe our colloquy makes it clear that this reference in no way limits or constrains the definition of "service" programs for which State personnel can be reimbursed.

Mr. MAGNUSON. That is correct. The committee was not attempting to provide an exhaustive listing of genuine "service" programs. The reference to State tuberculosis programs is a separate and distinct matter.

Mr. PROXMIRE. I thank the chairman.

CHILD WELFARE TRAINING

Mr. EAGLETON. Mr. President, the bill includes $8.15 million for child welfare training, an increase of $1.15 million over the House allowance, and $3.15 million more than the budget request. While I support the dollar figure in the bill, I am concerned about the report language which prohibits funding for regional training centers.

In that a $3.15 million increase for this program was approved by the full committee, would the chairman agree that this directive to prohibit funding of regional centers should be modified to allow adequate funding of some centers?

Mr. MAGNUSON. Yes, I agree that the committee's intent should be clarified to allow funding for these centers at the budget level.

Mr. BOSCHWITZ. Mr. President, I would like 5 minutes to enter into a colloquy with the distinguished chairman of the Appropriations Committee, concerning educational funding for Indochinese children under the Indochinese Children Refugee Assistance Act which was reauthorized during consideration of the Education Amendments of 1978.

Mr. President, I had intended to offer an amendment to the fiscal year 1980 appropriations bill to provide funding for this program; however, I have decided instead to wait for either an additional 1979 supplemental or a 1980 supplemental. In the meantime, I think that we should request that the administration provide us with further information as to the amount of funds needed.

I would first like to take a moment to touch on the merits of this amendment and explain why I feel the funds are necessary.

The United States, in response to the current crisis on the seas of Indochina, has properly seen fit to admit a large number of Indochinese refugees to the United States in the coming months. As the administration announced in Tokyo, refugees will be coming to America at a rate of 14,000 per month—more than double the number which have previously been admitted.

Among this large number of refugees will be many children who are unable to speak the English language. If they are to become independent and productive members of our society, they must develop their English-speaking and writing skills.

At present there are no funds specifically addressing the educational needs of the Indochinese children. Consequently, those States that have opened their doors and welcomed the refugees to their communities are left with the total responsibility of educating and caring for them. Rather than placing this type of burden solely on the States, we should instead be encouraging those States to welcome even more refugees by sharing the responsibility. One of the most effective and productive means of assistance is through education.

However, although it is clear that there is a need for funds, I think it would be best to proceed by first asking the Department of HEW and the Office of Management and Budget to provide us with information as to how much money is actually needed to educate these children. Once given this information, we can propertly address the needs of the children and, I hope, appropriate the necessary funds.

Mr. MAGNUSON. Since the education funds in the bill are for the 1980–81 school year, we have time to take a careful look at this program. If there is a need, we want to do what is right. The Department and OMB should carefully look at this problem and report back to the committee so that we can consider what to do in this critical situation.

Mr. SCHWEIKER. I agree with the chairman's response. And I would add that this will give our Appropriations Committee time to review this problem and make an informed decision as to the educational needs of these children.

Mr. JAVITS. Mr. President, the Senate, with the gracious assistance of Chairman MAGNUSON and Senator SCHWEICKER, has agreed to my amendment for funding of Indochinese and other immigrants under the Adult Education Act. My amendment was based on the premise suggested by Senator BOSCHWITZ, to wit: that thousands of new refugees both children and adults will be entering the United States in the coming months. I concur that we must provide appropriate educational and social programs for these new Americans, and I hope that the Appropriations Committee will consider favorably a request for such assistance in an additional 1979 or 1980 supplemental appropriation.

COMPREHENSIVE HEALTH GRANT FUNDS

● Mr. BUMPERS. Mr. President, as recently as 1969, Congress appropriated $20 million in project grants to combat the spread of tuberculosis. When this source of funds was cut off in 1970, the States looked to the comprehensive public health formula grant program—otherwise known as the 314(d) program—as a means through which to finance their tuberculosis control programs. Ten years have passed and the States are still counting on 314(d) as a valuable source of funds.

Our battle against tuberculosis is far from over. Tuberculosis continues to run rife in many areas of the country—especially in the cities and in the rural areas of the South. The national tuberculosis case rate in 1977 was 13.9 per 100,000 population. My State had a rate of 18.3 that year, yet thanks to a fairly effective TB program in Arkansas, our case rate is not as high as some other States. For example, Hawaii's case rate is an astounding 65.3. Five States—Kentucky, Maryland, South Carolina, Tennessee, and Alaska—each have a case rate in excess of 20 per 100,000. Perhaps the most graphic fact is that in 1977 there were 1,500 new tuberculosis cases among children. Clearly, tuberculosis has not been brought under control.

During markup on the fiscal year 1980 Labor-HEW appropriations bill, the committee adopted report language regarding the comprehensive health grant program. The intent of that language was to clear up any misunderstanding about the use of public health advisers working in State tuberculosis control programs.

Apparently, this language is not clear enough. Although the President's fiscal year 1979 budget included a request for the 63 public health advisers, this year's budget did not include such a request. There is some question whether the addition of the report language meant that Congress intended for the 63 positions to be retained for fiscal year 1980.

It was my understanding that the addition of this report language indicated that we wanted to retain the 63 positions. Was this the understanding of the Senator from Washington?

Mr. MAGNUSON. Yes. We wanted the public health service to use the comprehensive health grant funds for this purpose. It will require no increase in expenditures. Funds for the 63 public health advisers will simply be taken out of the program's overall $68 million appropriation.

Mr. BUMPERS. Thank you very much. I think this will send a clear message to the administration about our intent.●

● Mr. DOLE. Mr. President, Members of this distinguished body, as you are all aware, the medicare/medicaid antifraud and abuse amendments (Public Law 95–142) require that hospitals report certain cost and statistical information in a uniform manner. In January 1979, the Health Care Financing Administration issued proposed guidelines for this system for hospital uniform reporting, commonly known as SHUR.

PROBLEM OF FRAUD AND ABUSE

As a supporter of that original legislation, and as the ranking Republican member on the Senate Finance Committee, which has jurisdiction for the medicare/medicaid programs, I strongly endorse the concept of methods to control fraud and abuse. Needless to say, any loss of funds due to fraud and abuse results in less dollars being made available for health care services for the poor, elderly, and disabled, who look to these programs for help.

However, in our zeal to protect the programs and their recipients, we must avoid creating a new regulatory system which further adds to the burden already borne by our hospitals.

EXCESSIVE REGULATION

The Senator from Kansas believes that the system of hospital uniform reporting, as presently designed, will prove to be an excessive and costly encumbrance.

Most of you are now aware that there has been considerable disagreement between the Department of Health, Education, and Welfare and hospital administrators over the projected costs of implementing the system, as well as the accuracy of the information on which some of the projections were made. HEW estimates that SHUR will cost $65.6 million to adopt—the American Hospital Association's figures are about three times that, or $180 million. This is a discrepancy of well over $100 million.

The hospital association believes the discrepancy is based on a number of factors including: First, many of the costs that hospitals would incur to implement the system have not been included in the HEW estimate; second, they included in the sample a disproportionately large number of hospitals located in States which already have mandatory reporting systems. The costs to these hospitals of implementing the Federal system would not be as great as those in States without present systems. Of course, this lower cost estimation is a particular concern for those hospitals located in rural States such as my own, whose implementation costs may be extraordinarily high.

A third area of concern is the scope of the proposed regulations. As you know, the system was to be a reporting system, not an accounting system; however, the sheer volume of more than 500 pages of proposed manual provisions and forms leads one to believe that congressional intent may not have been closely followed.

CALL FOR HEARINGS

In light of these concerns, on April 30, 1979, the Senator from Kansas wrote to the distinguished chairman of the Senate Finance Health Subcommittee requesting that the subject of implementation of SHUR be included in hearings to be held by that subcommittee on hospital regulation.

Such a hearing, specifically relating to the SHUR program, has been scheduled for July 26, 1979. A similar hearing has also been scheduled by the House Ways and Means Committee.

HOUSE ACTION

Further House action to prevent implementation of the SHUR program took place in the House last week. At that time, the distinguished Congressman from Nebraska, Mr. BEREUTER, offered an amendment to the Labor/HEW appropriations bill, to prohibit the use of funds provided by that act to implement the system. The amendment was overwhelmingly agreed to.

The Senate Appropriations Committee deleted this language, while supporting the inclusion of strong committee report language, which is, to the best of my knowledge, designed to accomplish the same purpose.

The Senator from Kansas agrees with the position taken by the House. Let us make it very clear that the program cannot be put into place until such time as HEW has had an opportunity to revise the manual, to explain the linkage between the proposed reporting system and the medicare/medicaid reimbursement system, to revaluate the cost of the requirements, and provide additional time for public comment on all of these issues.

The Senator from Kansas, therefore, intends to offer an amendment to replace the House language in the bill.

It is the purpose of my amendment to prohibit the use of funds appropriated in the act to implement the uniform reporting systems for health services facilities and organizations authorized by section 1121(a) of the Social Security Act.

CONCLUSION

The Senator from Kansas believes the Health Care Financing Administration recognizes our concerns and is willing to revaluate their work. This amendment is merely designed to make our intentions quite clear.●

● Mr. MAGNUSON. Mr. President, the Senator from Washington recognizes the concern of the distinguished Senator from Kansas with respect to the implications of the proposed reporting system.

The Appropriations Committee concurs with our concerns, and as the Senator from Kansas, Mr. DOLE, has noted, has included strong language in its committee report on the implementation of SHUR. In view of the committee language, I do not believe that the amendment my distinguished colleague offers us is necessary. Restrictive legislation, at this point, is not the appropriate mechanism to address the failure of the Department of Health, Education and Welfare to design a program meeting our original intent. It occurs to the Senator from Washington that the intent to hold a hearing, as outlined by the distinguished Senator from Kansas, is a more reasonable and responsible approach.

Our committee will certainly join with the members of the Finance Committee in urging the Department of Health, Education and Welfare to reconsider their position and prepare new materials, while providing for further public comment.

The Senator from Washington will certainly assist the Senator from Kansas in assuring that our objections are addressed. Therefore, the Senator from Washington respectively requests the distinguished Senator from Kansas to refrain from offering his amendment.

Mr. SCHWEIKER. I want to say that I am sympathetic with the concerns of the Senator from Kansas. I too believe there are many problems with the SHUR system as now proposed. In fact, I supported the strong report language the committee has written directing HEW not to implement the SHUR system during fiscal 1980. I want to assure the Senator that I will see to it that our committee holds HEW to the requirements of our report so that the Department does not exceed the limitations we have spelled out.

Mr. DOLE. The Senator from Kansas thanks the distinguished chairman and ranking minority member of the Labor-HEW Subcommittee for their remarks.

With the assurance that the Department of Health, Education and Welfare will be held accountable for those actions which are clearly defined in the committee's report on this issue, the Senator from Kansas is willing to refrain from offering his amendment.

The problem of overregulation is frequently the result of overlegislating. Perhaps, in this case, as the chairman and ranking member have pointed out, statutory language is unnecessary. However, the Senator from Kansas would like to put the Department of Health, Education and Welfare on notice of his clear intent to pursue legislation in the future, if necessary, to prevent the implementation of any system of uniform reporting which places our hospitals under the yoke of further irrational requirements.●

INDEPENDENT LIVING APPROPRIATIONS

● Mr. WEICKER. Mr. President, it is my understanding that the appropriations bill before us contains some $15 million to allow State vocational rehabilitation agencies to establish, or cause to be established, programs of independent living for severely handicapped individuals.

I understand further that to be eligible to receive these funds a State vocational rehabilitation agency would have to have an approved State plan for independent living, and that the State additionally would have to meet certain administrative requirements described in section 705 of the Rehabilitation Act of 1973, as amended.

I would merely attempt to clarify that a small portion of the proposed $15 million can indeed be properly used by the State vocational rehabilitation agencies in planning for comprehensive services for independent living, as well as for planning and overseeing the administration of the independent living centers established under part B of title VII of the Rehabilitation Act.

Mr. MAGNUSON. That is correct. It should be clear, however, the planning and administrative costs should be held to an absolute minimum necessary for sound program operations.●

● Mr. HAYAKAWA. Mr. President, last September the conferees on the Elementary and Secondary Education Act, (P.L. 95-561), reauthorized title II of the Indochina Refugee Children's Assistance Act.

The act was amended to provide a 3-year extension, with a maximum of $450 per child—flat rate—and 5 percent for State administration, instead of the 1 percent previously granted. The new provision only applies to children who were or will be admitted after January 1, 1977. Funds are specifically directed solely to meet the cost of providing Indochina refugee children with supplementary education services necessary to achieve a satisfactory level of performance.

Mr. President, the House and Senate Appropriation Committees must now determine the levels of funding for the program. When I introduced the original proposal to reauthorize the program, I anticipated $25 million a year. Unfortunately, the President has not included funds in his budget request for 1980, nor was there such a request in 1979. The Appropriations Committee also did not include any money for this program.

As you know, there is a substantial number of Indochinese students locating all across our Nation, with a majority in California. This year there will be a 50-percent increase in the number of Indochinese refugee children admitted. We must be realistic about funding levels for the act. California has taken the lead in providing for the special needs of refugee children in our elementary and secondary schools through a grant under title II. This grant enables school districts to expand services to these children, including instruction in both English and the home language, counseling, assisting parents in understanding their child's school program, and developing instructional materials.

Because California has the greatest concentration of refugee children of school age. I cannot overlook their continuing special needs. The admission of the refugees was a decision by the Federal Government for which we feel a monetary and a moral responsibility. It is unfair to expect local taxpayers to assume the financial burden of their special education needs.

So I am glad to join with my colleagues, Senator BOSCHWITZ, SCHWEIKER, JAVITS, and MAGNUSON in endorsing this study to be commissioned by the Department of Health, Education, and Welfare and the Office and Management and Budget. Thank you.●

THE FAMILY EDUCATION PROGRAM

● Mr. BAUCUS. Mr. President, today as the Senate considers the Labor-HEW appropriations bill for fiscal year 1980 I want to take this opportunity to thank the chariman of the Appropriations Committee, Senators BURDICK and YOUNG, and other members of the committee for their support of the family education program located in Glasgow, Mont.

Last week the full Appropriations Committee agreed to express their support for the program by writing report language urging the Secretary of Labor to encourage the States served by the family education program to utilize a greater portion of their CETA allocations to provide more nearly adequate funding.

For 6 years this unique residential program has been floundering due to a lack of a permanent funding source.

But this year, for the first time, the family education program is enjoying broad support. The future of the program for fiscal 1980 and beyond is not nearly so bleak. The committee report language represents a giant step in insuring the future stability of this unique comprehensive program.

Even the six States participating in the program are expressing their support by contributing a larger share of State funds to maintain the program. The six States of North Dakota, South Dakota, Wyoming, Nebraska, Idaho, and Montana have already committed nearly $700,000 in State contracts for fiscal 1980, nearly three times the amount committed for the current fiscal year.

The family education program is unique. Its success cannot be measured against any other program as there is none like it in the Nation. It is a residential program designed to improve the employability, standard of living, and family functioning of rural disadvantaged families within a six State region. The program accomplishes this task through a comprehensive residential program entailing vocational training, health care, consumer education, basic math, and comprehensive skills improvement, early-childhood development and, where appropriate, counseling. Occupation preparation is offered in the areas of building trades and services, mobility in transportation, tourism and marketing, and office education.

At full capacity, the family education program is capable of accepting 250 families. Currently, 130 families are participating. In fiscal year 1980 the family education program anticipates a total of 250 families completing the program with 200 enrolled at any one time. Insufficient funding has thus far prevented the program from operating at full capacity.

There is strong evidence that the family education program is cost beneficial, significantly increasing employability, and enhancing personal development. Approximately 75 percent of the student families complete the program. Last year, 1978, data showed that 3 weeks after completion of the program, 89 percent of the completing heads of households are found to be employed, versus 45 percent prior to entering the program. The income gained for completing students was $107 per month for the heads of households.

The cost effectiveness of the family education program can be demonstrated. In the aggregate, the family education program appears to be expensive because it treats an entire family with a full-range of social services based on family need rather than just a single-purpose program for an individual.

And it is in just this respect that the family education program is unique—no other Federal program deals exclusively with the family as a unit.

The individual welfare and social services each family receives in their State of residency would far exceed the cost of the six-State program. It does not take an individual long to consume $4,100 in welfare benefits such as: food stamps, AFDC, medicaid, WIC, and day care services. These benefits are provided at the FEP while the participant is receiving vocational and life skills training to end the cycle of welfare.

Reducing these rural families' dependence on welfare is a cornerstone of the program. Once they complete the program the heads of households turn to its State of residence with the desire to participate in the economy. The program increases productivity by creating incentives to enter the work force.

The family education program is effectively integrating a broad range of services into one approach to bring about real human development for the entire family unit. The family education program will serve as a model for other projects designed to improve the economic and social environment for disadvantaged families.

Future contracts must be secured to study the success of the program in achieving these goals. The concept behind the program is applicable to settings across the Nation. Studies demonstrating what works and what fails are critically important if the family education program is to be replicated.

In a time of fiscal austerity it is unrealistic to hope that similar programs can be developed everywhere. But we have in Glasgow, Mont., an innovative approach that can serve as a model when sufficient resources exist with which to create other similar projects.

The increased contribution by the States and the action taken by the Appropriations Committee demonstrate that this program shares broad support. I commend the family education program to my colleagues and I hope we will remember this innovative approach when the Senate begins its consideration of broad welfare reform proposals.●

● Mr. COHEN. Mr. President, I rise to commend the committee for, during debate, including in the bill $250 million for the Community Services Administration's crisis intervention program.

At the present time, the crisis intervention program is the only Federal program which seeks to provide direct assistance to the elderly, low-income, and disadvantaged Americans who are unable to meet basic energy expenses.

As we all realize, our country faces a potentially severe shortage of home heating oil supplies in the coming months. Even if those who depend on home heating oil to keep warm next winter are able to get supplies, the price is certain to be out of reach for many individuals. Many people in this country will be confronted with the cruel choice of either staying warm or getting enough to eat. It has been projected that a gallon of heating oil will be at least 90 cents during the upcoming winter months in comparison to the 51 cents a gallon last season. For the poor and elderly living on fixed incomes, such an increase will be insufferable. The appropriations bill we are voting on today will provide some relief for these people.

Some may argue that this program has been poorly administered by the Community Services Administration. Without question, the crisis intervention program has been plagued with severe problems since its inception. Most of these problems, however, have resulted from the untimely release of funds. Had the funds been available during the months of January and February rather than April or May, many of the errors of the past could have been avoided. Including the $250 million for the crisis intervention program in the fiscal year 1980 Labor-HEW appropriations bill, rather than awaiting the passage of a supplemental appropriations bill as in the past, will insure that the funds will be accessible for emergency use when they are needed the most.

This situation is not unique to the Midwest or to areas like New England with a heavy dependence on heating oil. Rather, we are faced with a continuing crisis for the elderly and poor all over the Nation. The President has proposed a permanent program of emergency fuel assistance to be financed by the windfalls profits tax. However, it will be several months before this tax is in place. Realizing that no permanent program can be implemented before this winter, we are faced with the choice of either turning our backs on the poor and elderly of this Nation or providing funding for the only program that will help to keep them warm this winter.

Rising energy costs and declining domestic production clearly underscore the urgency of the problem we are faced with. Never has the need been greater for an emergency fuel assistance program. This program is vitally important to the millions of individuals throughout this country who may very well face life and death crises this winter. We must reiterate our Nation's commitment to the poor and elderly, who, by every study, have been shown to suffer most from rising energy prices.●

EXPANDING OUR ELDERLY CONGREGATE AND HOME-DELIVERED MEALS PROGRAMS

● Mr. CULVER. Mr. President, I wish to commend the Senate Appropriations Committee and its distinguished chairman for the proposed funding levels for our elderly congregate and home-delivered meals programs, as contained in the Labor-HEW appropriations bill we are debating today.

Earlier this year, preliminary budget recommendations would have actually reduced the number of daily meals served under these nutrition programs, by failing to provide additional funds simply to offset the rising cost of food. In response, last April the Senate voted 68 to 21 for an amendment I cosponsored which called for at least maintaining the current level of congregate meals and increasing the number of home-delivered meals. And I am very pleased to note that the Senate Appropriations Committee took heed of the overwhelming Senate support for these elderly meals programs and has proposed much more adequate funding levels for them.

These elderly meals programs are filling an increasingly vital role for older Americans who are continually struggling to cope with the spiraling costs of food, utilities and medical care—necessities which are rising faster than the overall Consumer Price Index from which social security benefits are adjusted. The congregate meals program may be the most successful and popular Federal program for senior citizens since it began in 1972.

Elderly Iowans have long considered congregate meals among the most needed and utilized of all services, according to surveys conducted by area agencies on aging in Iowa. The importance of providing these retired persons with well-balanced meals once a day cannot be overstated. Also, the congregate meal site is often a place where senior citizens find access to other needed services, such as counseling, transportation, recreation, and legal asssitance. The opportunity to simply visit with friends and neighbors is an invaluable benefit from this program.

With respect to home-delivered meals, last year Congress signaled its clear intent to increase the number of such meals from the present level of 84,000 a day, and this appropriations bill properly reflects that priority. Home-delivered meals can play a pivotal role in enabling many homebound elderly recipients to stay in their homes and avoid otherwise unnecessary institutionalization. An estimated 3 or 4 million older Americans are confined to their homes, unable to join in the congregate meals.

As now written, this appropriations bill would increase the number of daily congregate meals from 479,000 currently to well over 600,000 next year. And it would boost the number of daily home-delivered meals from 84,000 to more than 100,000. Overall, the funding levels for both congregate and home-delivered meals approximate the levels contemplated by the Congress last year when it enacted the Older Americans Act Amendments of 1978. Our elderly population is rapidly expanding and will continue to over the next several decades. Each year, in fact, there are more than a half million additional senior citizens in the Nation than the previous year. This, combined with the fact that food prices are rising faster than benefits and pensions, creates the clear need for these additional congregate and home-delivered meals.

Mr. President, I am sure that the tens of thousands of senior citizens who can either continue or begin to participate in these meals programs join me in commending the Senate Appropriations Committee for proposing these new funding levels.●

● Mr. PRYOR. Mr. President, yesterday I spoke on the floor of the Senate to express my deep concern over the untold abuse and waste which exists in the Federal Government with regard to the use of outside consultants. Perhaps the most distressing aspect of this problem is that at the present time we do not even have reliable information regarding the number of consultants retained by the Government, or what they do.

I was very pleased to learn that the Senate Appropriations Committee included language in the Labor-HEW appropriations bill which would limit the funds which could be expended for consultant services by the Department of Health, Education, and Welfare and addressed the disproportionate expenditures which occur in the last quarter of the fiscal year. This represents a significant step forward in determining how, when, and where our Federal dollars are spent for these outside services.

In the Senate Appropriations Committee report, however, it was pointed out that the committee has been unsuccessful in addressing this issue with the Department of Labor. The noncompliance of the Department with the request of the committee last year to submit semiannual reports on consultant costs illustrates the difficulty and frustration in attempting to obtain information regarding these services. This is very disappointing and clearly indicates that there is much work to be done.

Mr. President, I commend the chairman, the Senator from Washington, and the members of the Appropriations Committee for addressing this most important problem.●

Mr. WILLIAMS. Mr. President, as you know I have had a long standing interest in the hemophilia treatment and research programs. I noted with interest that the Appropriations Committee increased funding for the National Heart, Lung, and Blood Institute of the National Institute of General Medical Sciences by $20 million. It is my hope that some of this increase will go to the hemophilia research.

I would like to ask my distinguished colleague, the chairman of the Appropriations Committee, if the increase for the Heart, Lung, and Blood Institute contemplates additional funding for hemophilia research?

Mr. MAGNUSON. Out of the funds provided I would certainly encourage the Institutes to move more rapidly in this tragic high priority area.

Mr. WILLIAMS. Thank you, Mr. Chairman. I am pleased that this important research into hemophilia has been funded. I am also hopeful that in the future the Congress will also see fit to increase the hemophilia treatment program.

● Mr. BIDEN. Mr. President, I wish to commend Chairman MAGNUSON and my colleagues on the Senate Appropriations Committee for having the foresight to include in this bill $250 million for the crisis intervention program during 1980. For the past 4 years, Congress has appropriated funds to help senior citizens and other low-income families pay for unusually high home heating bills—bills which has skyrocketed over the last few months.

In many areas of the country, severe winters and rapidly rising utility and fuel prices have made it virtually impossible for many low-income families to pay their fuel bills on time. Faced with the possibility of having their services cut off, many households are being forced to make the choice between paying their fuel bill and not eating.

Last fall, the House Select Committee on Aging heard testimony on the potential effects of large price increases in home heating oil upon the poor and low-income elderly. Projections of what will happen to the low-income elderly when these price increases occur are alarming. Mr. Anthony Maggiore of the Social Development Commission in Milwaukee, Wis., testified that:

> For elderly persons in poverty, a 20-percent increase in the cost of fuel oil will mean that during the winter months, 38 percent of their incomes will go for fuel; 99 percent of their incomes will go for complete shelter costs. If fuel oil prices increase by 50 percent than 48 percent of their incomes will go for fuel oil and 109 percent of their incomes for shelter. At $1 per gallon, 67 percent of low-income household income would be used for oil, and a low-income elderly family would need 28 percent more income than they currently have just to pay for shelter.

Mr. President, these figures foretell a grim and possibly tragic winter for many low-income elderly. The Department of Energy recently released figures which show the average price of residential home heating fuel rising from an average of $0.49 per gallon in September 1978 to $0.61 per gallon in April 1979, an increase of 27 percent in just 8 months. Prices for home heating oil could rise to an average of $0.80 per gallon by this winter, and may even reach $1 per gallon in some areas. Even if prices are held to below $1 per gallon, it would place an absolutely intolerable burden on low-income elderly who, already stretched beyond their financial limits, will be force to forego the basic necessities of life in order to pay heating bills.

At this point, Mr. President, I ask unanimous consent that a portion of "Colder—Darker: The Energy Crisis and Low-Income Americans—An Analysis of Impact and Options" by Eunice S. Grier, be reprinted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

COLDER—DARKER: THE ENERGY CRISIS AND LOW-INCOME AMERICANS—ANALYSIS OF IMPACT AND OPTIONS

(By Eunice S. Grier)

THE LOW-INCOME ELDERLY

Households with heads aged 65 or over and incomes at or below 125 percent of the poverty line were estimated to number 5.2 million at the time of the Center's 1975 survey. They comprised 37 percent of all low-income households in the nation and about the same percentage of all elderly households. Average incomes of elderly households in the U.S. are sharply lower than those of younger households; the median household income in 1974 dropped from $11,490 for those headed by persons in the 55–64 age bracket to $5,168 among those with heads who had passed their 65th birthday. Many more of the elderly would be classified in the low-income group if their household size were not predominately small. But however classified, most have very little money to spare.

For the low-income elderly, rising energy costs must pose especially severe problems. (See Table 64.) Altogether, 51 percent live in the colder-than-average North Central and Northeast regions—a slightly higher proportion than among low-income households of all ages. The 21 percent who reside in the Northeast are hit particularly hard by the high fuel costs of that region. In natural gas consumption, the elderly rank somewhat above the average for low-income households; their gas bills are somewhat higher also. But they use considerably less electricity than average. Obviously, more of their total energy consumption goes for home heating.

The statistical picture of the low-income elderly is that of a very diverse group. Some of them undoubtedly enjoyed considerably higher incomes in their earlier years, and the kind of housing that went with these incomes. Others apparently have never been comfortably off. A slightly larger-than-average proportion live in detached houses—57 percent vs. 54 percent for all low-income households regardless of age. Somewhat fewer live in apartments, but 28 percent are in this situation.

Elderly households tend to live in older dwellings, and the survey data reflect this fact. Somewhat fewer have central heating than the average for all low-income households; somewhat more use supplementary heaters. However, the differences are not great. Not surprisingly, a considerably smaller-than-average proportion of the low-income elderly report that their homes are kept at daytime temperatures below 70 degrees. Yet a higher-than-average proportion report nighttime temperatures below 70.

The homes of the low-income eldlerly are somewhat better equipped with storm doors and windows than the average low-income household; but many are considerably less well-equipped with insulation. This may be because storm windows and doors are much easier to install after construction than is insulation. Comparatively few elderly householders report having made energy-saving changes in their dwellings since 1973.

Elderly people, by reason of their age, will often find it harder to adapt to lower home temperatures. Many have infirmities, such as chronic respiratory ailments and arthritis, that can become worse under cold and drafty conditions. At the same time, their already-stretched budgets and the fact that most of their energy expenditures already go for home heating leave them with fewer options for change.

Many older people would undoubtedly prefer to remain where they are, in homes they have lived in much of their lives. Yet many others might welcome housing alternatives that meet their needs more effectively, cost less work and money to maintain, and were closer to shopping, religious and social activities. Many might also prefer housing that was designed with the needs of older people in mind. This housing could also be more energy-efficient, and the houses they sold or rented to others when they moved into it could often bolster their life savings, their retirement income or both. The new occupants might also be better able to weatherize and maintain the home.

TABLE 64.—*Selected aspects of dwellings occupied by elderly low-income households in the United States compared to all low-income households, 1975*

[Percent of households]

	Households with elderly heads	All low-income households
All households	100	100
Live in single detached homes	57	54
Live in north-central region	20	27
Live in south-central region	25	25
Live in northeast region	21	22
Have central heating	62	64
Use supplementary room heaters	23	20
Have no temperature controls	39	39
Day temperature below 70°	26	35
Night temperature below 70°	66	64
All or some outside exits have storm doors	52	43
All or some windows have storm sashes or insulating glass	44	40
Have insulation in both walls and ceiling	22	24
Have no insulation in either walls or ceiling	50	43
Reported making energy-saving changes in 1973	4	8
Average Btu's of natural gas annually (millions)	116	110
Average annual cost of natural gas	186.70	182.70

Source: Washington Center for Metropolitan Studies. National Survey of Household Energy Use, 1975.

Special Federally-assisted programs of housing for elderly people, active only a few years ago, have been virtually shut down. Many of the projects built under these programs—often sponsored by church and civic groups—have long waiting lists. These attest to the fact that by no means all people past 65 are unwilling to make basic changes in their life situations. More may wish to do so as energy prices continue to rise. In the long run, reinstatement of these special programs of housing for older people might contribute to energy conservation, as well as to housing improvement and to the welfare of many older citizens.

For those elderly households who wish to remain in their present homes, weatherization programs can be particularly valuable. However, many will lack the stamina to do the necessary work themselves. The labor required can provide opportunities for special job programs, which can teach youth new skills and provide useful work experiences at the same time that they help people at the other end of the age spectrum to cope with the burdens created by the energy shortage.

CSA might wish to explore the possibilities for joint action with other Federal agencies which have particular responsibility for programs concerned with elderly citizens, as well as with agencies such as the Departments of Housing and Urban Development, Labor and others which have programs that can aid older people in dealing with energy problems.

One of the principal purposes of this final "summing up" chapter has been to suggest some directions for Federal policy and programs which would aid low-income American households to cope with the growing shortage and rising cost of energy in the United States. One of the most important actions which the Community Services Administration could take, however, would not really be a "program" or "policy" in the usual sense at all. It would be to intensify its efforts to make policymakers throughout the Federal establishment and Congress aware of the critical impact that the energy crisis is having on the lowest-income citizens, not only by disseminating the findings of this report and other studies, but also its knowledge of and experience with these people's special needs.

As energy becomes a more and more critical issue in the United States, the fact that it is impacting on the lives of all Americans will become increasingly evident.

Mr. President, I was pleased also to hear this week that President Carter is proposing an annual $2.4 billion program to help low-income families and senior citizens cope with the home heating fuel crisis. This program, financed from the receipts of the proposed windfall profits tax, could go a long way toward alleviating the hardship and suffering experienced by many Americans unable to pay the price of keeping their homes warm.

However, we have precious little time to enact this energy assistance program before the onset of winter.

At this juncture, I would like to emphasize the importance of creating a fuel assistance program which is effective in delivering assistance to those who need it.

Unfortunately, the existing programs created to assist these households have not achieved their goals. On April 26, 1979, the General Accounting Office released a report critical of the way the Community Services Administration administered the special crisis intervention program.

GAO found that State plans for identifying priorities and methods of payment to recipients could not be effectively reviewed and approved by the Community Services Administration. Although it was the intent of Congress that funds allocated under the fuel assistance program be targeted to the elderlv and families of greatest need, many States did not develop effective plans for targeting assistance to these groups.

Eight States had no priority plans for distributing assistance to recipients. Some States distributed assistance to elderly only; and other States distributed assistance on a first-come, first-serve basis, regardless of age. Some States only paid households who had outstanding unpaid fuel bills, while denying aid to persons who at great personal sacrifice and expense paid their fuel bills. An ongoing audit of CSA fuel assistance programs is being conducted by the GAO for the remainder of this year.

Although the administrative difficulties found in the existing programs are great, I believe that the Senate Appropriations

Committee has taken some steps to eliminate the worst inequities in the fuel assistance program.

Language in the committee report directs CSA to develop immediately an allocation formula based on past severity of weather, relative increases in the cost of fuel, and the numbers of low-income individuals residing within the State. Highest priority would go to low-income elderly in each State. Furthermore, States may receive their fiscal year 1980 allotments before the onset of cold weather. These features will expedite the delivery of emergency assistance in an efficient and timely fashion.

Finally, eliminating the requirement of proof of unpaid fuel bills or notices of termination of utility services as an eligibility criterion will end one of the current program's worst features. Households which pay their fuel bills on time should not be made ineligible for program benefits because they do not have current unpaid fuel bills. No family should be put in the position of starving to stay warm.

However, I do not believe that the Appropriations Committee should be forced into the role of designing a fuel assistance program every year, as we have done the last 4 years. The creation of an effective fuel assistance program is a task which the authorizing committees should undertake.

On June 13 I introduced the Emergency Fuel Assistance Act of 1979 (S. 1331). My bill provides a more permanent authorization for emergency fuel assistance in a way which I believe addresses some of the concerns mentioned in the General Accounting Office report. Although it is still July and winter is still 6 months away, Congress must act swiftly if we are to create an effective fuel assistance program to help our senior citizens and low-income families. I urge my colleagues on the Labor and Human Resources Committee to press for committee consideration of the several bills presently pending in the Senate. Without speedy passage of fuel assistance legislation, this winter could impose a very severe hardship on many families.

The actions of the Senate Appropriations Committee are an important first step toward developing an energy assistance program directed to the needs of our low-income and elderly. For that reason, this program has my strong support, and I urge my colleagues to support this portion of the bill.●

IMPACT ACT

Mr. WARNER. Mr. President, I rise today in support of the Senate Appropriations Committee's recommendation for funding levels for "B" students and "A" students.

The impact aid program provides assistance to local educational agencies for the operating costs of educating children in areas where local school costs and revenues are affected by Federal activity. The purpose of the program is to minimize the fiscal inequities caused by both the presence of Federal tax-exempt property and the burden of providing education to large numbers of children whose parents reside on Federal property and/or work on Federal installations or in the Armed Forces.

As you know, impact aid goes to over 4,300 school districts across the country and has been an integral part of their budgets for 20 years. Impact aid funds go into school systems' basic operating accounts and are used to finance basic elements of our school program, unlike other "categorical" Federal programs which target special needs. Local budgets are in a crunch. Over 70 percent of their budgets are for personnel. Impact Aid cuts are cuts in teachers' salaries, heating and utility services, instructional materials, and gasoline which will have to be made up in higher local property taxes.

This year the Senate Appropriations Committee has recommended that $399 million be the funding level for "A" students, and $205 million for "B" students for fiscal year 1980. I believe that this is a responsible position that the committee has taken.

School districts across the country are cognizant that impact aid funding is gradually being phased out. But to propose as President Carter did that all funding be stricken for "B" students for fiscal year 1980 is not only irresponsible, it is ludicrous. It is ironic that at the same time the costs for educating students is increasing, President Carter asks for a zero dollar appropriation for "B" students.

In fact, school districts have already, by necessity, drawn up their 1980 budgets. Virginia State law states that school boards are required to notify teachers by April 15 of each year if they are not to receive a contract for the following year. Obviously then, all Virginia school teachers have not yet been notified since April has long since passed. Though their contracts may be broken if insufficient funds exist in which to pay them, this possible breach of faith to teachers across my State is unconscionable.

This is not a statement which I give without a great deal of soul searching. I did, after all, campaign on a promise to bring wasteful Federal spending under control.

But I have become convinced that the principle of fiscal conservatism does not abnegate the responsibility of the Federal Government to pay for the services which it consumes.

This applies for local school systems. The Federal Government continues to expand, drawing employees and their families into regions in which it operates. Yet, although it places the same burdens on municipal services and school systems as if it were a private employer, it is not required to share with those employers the tax burden of paying for those services.

This is the rationale behind programs such as those making payments in lieu of taxes and the impact aid program. Between 1951 and 1976, the Federal budget has expanded from $44 billion to $366 billion—an eightfold increase. The number of category "A" children rose from 50,000 to over 360,000 and category "B" increased in size from 386,000 to 2,000,000. This is not the fault of the school districts which are forced to bear the brunt of this burgeoning Government involvement. It is the fault of our own lack of fiscal restraint.

I believe that the Federal Government should assume its rightful responsibility for footing the bill for all of the ramifications of this lack of restraint. It is unfair that the Federal Government should be allowed to leave other entities—be they small businesses or local government—to pay a major portion of the cost for Federal Governmental activism.

Impact aid funding for school districts should be determined strictly on the basis of the burden which Government involvement places on the districts. Because impact aid was not designed as a welfare program, but rather a program to compensate local districts for services rendered to Federal Government employees, I believe the program is justified.

In summation, I support the restoration of funding for impact aid at the level recommended by the Senate Appropriations Committee because I believe the Federal Government, rather than the school districts, should pay the full cost of Federal Government activities. If this cost is too great, then it is up to us to set funding priorities and to reduce program expenditures. It is not right for us to deal with Federal Government costs by transferring them to other Government budgets.

The PRESIDING OFFICER. Are there any further amendments? If not, third reading.

Mr. MAGNUSON. Amen.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time, and was read the third time.

The PRESIDING OFFICER. Is all time yielded back by the managers of the bill? The yeas and nays have been ordered. The question is, Shall the bill pass?

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. Exon), the Senator from Kentucky (Mr. Ford), the Senator from Alaska (Mr. Gravel), the Senator from Alabama (Mr. Heflin), the Senator from Connecticut (Mr. Ribicoff), the Senator from Georgia (Mr. Talmadge), the Senator from Indiana (Mr. Bayh), the Senator from North Dakota (Mr. Burdick), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

I further announce that, if present and voting, the Senator from North Dakota (Mr. Burdick), the Senator from Alaska (Mr. Gravel), and the Senator from Connecticut (Mr. Ribicoff) would each vote "yea".

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Arizona (Mr. Goldwater), the Senator from South Carolina (Mr. Thurmond), and the Senator from Texas (Mr. Tower) are necessarily absent.

I further announce that if present and voting, the Senator from South Carolina (Mr. Thurmond), and the Senator from Arizona (Mr. Goldwater) would each vote "nay."

The PRESIDING OFFICER (Mr. Morgan). Are there any Senators in the Chamber still wishing to vote?

The result was announced—yeas **67**, nays 20, as follows:

[Rollcall Vote No. 204 Leg.]

YEAS—67

Baucus
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cohen
Cranston
Culver
Dole
Domenici
Durenberger
Durkin
Eagleton
Glenn
Hart
Hatfield
Hayakawa
Heinz
Hollings
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stewart
Stone
Tsongas
Warner
Weicker
Williams
Young

NAYS—20

Armstrong
Bellmon
Byrd,
  Harry F., Jr.
Cochran
Danforth
DeConcini
Garn
Hatch
Helms
Humphrey
Laxalt
Lugar
McClure
Muskie
Nunn
Proxmire
Roth
Simpson
Wallop
Zorinsky

NOT VOTING—13

Baker
Bayh
Burdick
Exon
Ford
Goldwater
Gravel
Heflin
Ribicoff
Stevenson
Talmadge
Thurmond
Tower

So the bill (H.R. 4389), as amended, was passed.

Mr. MAGNUSON. Mr. President, I move that the Senate insist on its amendments, and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. Magnuson, Mr. Robert C. Byrd, Mr. Proxmire, Mr. Hollings, Mr. Eagleton, Mr. Bayh, Mr. Chiles, Mr. Burdick, Mr. Inouye, Mr. Schweiker, Mr. Mathias, Mr. Hatfield, Mr. Weicker, Mr. Schmitt, and Mr. Young conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, the bill making appropriations for the Departments of Labor, HEW and related agencies for fiscal year 1980, H.R. 4389, is one of our most important and largest appropriations bills. It is massive and complex. It affects the operations of hundreds of programs—ranging from mine safety in the Department of Labor to health care financing in HEW to the functions of 11, independent agencies.

I take this opportunity to thank Senator Magnuson, who serves as chairman of the full Appropriations Committee and as chairman of the Subcommittee on Labor, Health, Education and Welfare, for his interest and skill in guiding this difficult bill through long subcommittee and committee hearings with the able assistance of Senator Schweiker, the ranking member on the subcommittee; also, I want to extend my sincere compliments to the other members of the committee, whose expertise and knowledge of the requirements and needs of the programs which are funded in the Labor-HEW appropriations bill are visible in the committee's recommendations.

The bill and its report reflect the Appropriations Committee's careful study and evaluation of the many programs which affect the lives of so many Americans.

EDUCATION

The recommended funding levels for education programs administered by the Department of Health, Education, and Welfare reflect the committee's concern with the continued effectiveness of these programs. The committee recommends $3.3 billion for Education of the Disadvantaged, or title I of the Elementary and Secondary Education Act. This is the largest program in elementary and secondary education and will provide assistance to about 6.5 million students in school year 1980–81.

The committee recommends an increase in assistance for the education of handicapped children. This, Mr. President, reflects an increasing awareness of the particular problems and special needs of children who are handicapped.

Occupational, vocational, and adult education programs also receive funding in the committee bill. Programs such as these are becoming increasingly important in today's complicated and technology-oriented society. The goal of the Federal effort in these education programs is to bridge the gap between education and work so that participants will have the skills and training required to seek and secure gainful employment.

Overall, the committee's recommendations for the education division reflect the serious consideration given to the Nation's educational needs. Selective cuts and increases reflect the experienced and thoughtful understanding of the bill's many and varied education programs by the subcommittee chairman, Mr. Magnuson, and the ranking minority member, Mr. Schweiker, and by the subcommittee and committee members.

The committee's recommendations are informed by a sense of fiscal responsibility and restraint. The total amount recommended by the committee is below the House allowance and below the President's request.

DEPARTMENT OF LABOR

The funding levels recommended by the Department of Labor reflect the committee to insuring that the jobless, particularly the hard-to-employ, and unskilled workers get the assistance they need to secure jobs.

However, the committee has not written a blank check to the Department of Labor. It has included bill language directing the Department to submit to the committee status reports concerning CETA operations. Specifically, and at my urging, the committee has directed the Departments of Labor and HEW to submit a joint report that specifically shows the degree of progress that has been achieved through their cooperative efforts at improving coordination and communication between vocational education programs and Comprehensive Employment and Training Act programs. They are instructed to give actual examples of current and planned activities.

Mr. President, the committee is fully cognizant of the importance of these programs and understands that they are necessary to help economically disadvantaged, unemployed and under-employed persons get jobs. However, the effectiveness of a program is measured by its weakest link, and it has been shown that the coordination and communication efforts between the Office of Education and the Department of Labor with respect to vocational education programs and CETA programs have been weak. If we are to succeed in our efforts to carry out the purposes of these programs, we must see to it that they are conducted efficiently and effectively. It is my hope that the language which I requested that the committee included in the report will encourage the Office of Education and the Department of Labor to work toward that end.

HEALTH

These appropriations fund many diverse health care projects. The health care programs include numerous research projects carried out by the National Institutes of Health—which is actually composed of 11 separate institutes devoted to specific fields of study such as cancer, heart disease, lung, and blood disease, mental illness and drug abuse.

Appropriations for the National Cancer Institute reflect this country's growing commitment to fight that disease. The incidence of cancer is increasing in this country as it is elsewhere. Statistics now indicate that one out of every four Americans will develop some form of cancer. While the economic toll of cancer in this country is estimated to be a staggering $30 billion annually, its human toll is immeasurable.

The bill provides 70 new positions for the National Institute on Aging. Programs on aging are and must continue to be of growing importance to this country. One out of nine Americans is now over the age of 65. Every day, the number of Americans over the age of 65 is increasing by an unprecedented number of 1,500 people. Understanding the aging process is essential to providing the best and most cost-efficient health care for this growing segment of our population.

This country has a basic commitment to provide health education and adequate health care for all Americans. More than 49 million Americans live in areas officially designated as medically underserved. Programs conducted by the Public Health Services Administration are working to extend delivery of basic health care services to those who are underserved, disadvantaged, or in special need—such as those who suffer from chronic illness or mental retardation.

The bill emphasizes funding of ongoing preventive health programs which operate at the State and local level. Caring for medical problems before they become serious will more than repay Federal investment in these programs.

The bill and its report demonstrate the Appropriations Committee's thorough study and evaluation of the problems and promise of these diverse health care programs. The report reflects the committee's recognition of the interrelationships among many health problems and emphasizes the importance of well-coordinated information exchange between the health programs. The report also, in many instances, directs that specific increased appropriations should be used to expand necessary services to States which do not currently participate in some programs.

OTHER DOMESTIC PROGRAMS

The bill also contains funding recommendations for "support services" which do not fall neatly into the health, labor, or education categories; these are provided by various entities, primarily by the Office of Human Development which, through State grants, provides Federal financial assistance for social services to children, the poor, and the elderly.

In addition, the bill provides funding for 11 independent, related agencies as diverse as the Community Services Administration and the Corporation for Public Broadcasting.

It is important to note that a large portion of the Federal spending for domestic assistance is accounted for by "uncontrollable" or entitlement items. The expenditures, or annual costs of an entitlement program, are automatically appropriated each year without consideration by the Congress during the annual appropriations process; they are funds which, by law, must be made available. Principal items in this category are the unemployment compensation, social security, and railroad retirement trust funds. For fiscal year 1980, it is estimated that the new budget authority for the trust funds is estimated to total more than $173 billion.

Mr. President, as my colleagues can see from the preceding points, the Labor-HEW appropriations bill is truly massive and complex. I want again to extend my most sincere compliments and thanks to Senator Magnuson and the members of the subcommittee and the committee for the hard efforts and fine work they put into this bill.

The result reflects a commitment to control Government spending and Government waste while maintaining adequate levels of Federal support for the many programs which affect the lives of so many Americans.

EXPORT ADMINISTRATION ACT OF 1979

The PRESIDING OFFICER. The Senate will now resume the consideration of S. 737, which the clerk will report.

The assistant legislative clerk read as follows:

Calendar No. 181, a bill (S. 737) to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

AMENDMENT NO. 340

Purpose: To give the Secretary of Defense primary responsibility for list of goods and technologies subject to national security controls.

Mr. ROBERT C. BYRD. Mr. President, I have been asked by Mr. Jackson to lay down for him amendment No. 340, with the understanding, and I ask unanimous consent, that the time not run on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. Robert C. Byrd), for Mr. Jackson, and Mr. Nunn, Mr. Hollings, Mr. Cohen, Mr. Hatch, Mr. Harry F. Byrd, Jr., Mr. Tower, Mr. Moynihan, and Mr. Thurmond proposes an amendment numbered 340.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning with page 60, line 25, through page 61, line 1, strike out "The Secretary of Commerce, in consultation with the Secretary of Defense" and insert in lieu thereof "The Secretary of Defense, in consultation with the Secretary of Commerce, and as appropriate, other departments and agencies and technical advisory committees".

On page 63, line 15, strike out "The Secretary of Commerce" and insert in lieu thereof "Subject to the authority of the Secretary of Defense under subsection (a)(2)(B) of this section, the Secretary of Commerce".

On page 64, line 3, after the period, insert the following: "The provisions of this paragraph relating to revisions and changes in such list and assessment of foreign availability apply also to the functions of the Secretary of Defense under subsection (a)(2)(B) of this section.".

At the bottom of page 99, add the following:

"(d) The Secretary of Defense shall have the same authorities and responsibilities as the Secretary of Commerce under paragraphs (1) through (5) of subsection (c) in order to carry out his responsibilities under this Act.".

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Jackson, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 345

(Purpose: To provide for the elimination of foreign availability through negotiations and trade of commercial sanctions to secure cooperation)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that an amendment by Mr. Jackson, for himself, and Mr. Nunn, Mr. Hollings, Mr. Cohen, Mr. Hatch, Mr. Harry F. Byrd, Jr., Mr. Tower, and Mr. Moynihan, numbered 345 be eligible, notwithstanding the nongermaneness portion of the agreement.

Mr. Jackson had indicated earlier that he wanted this amendment in. We did not clear it during the agreement. We did clear the agreement with Mr. Jackson, and I hope there will be no objection to letting this amendment come in.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. I do not see any objection to that. Senator Jackson had discussed with us the fact that he was going to offer several amendments. He could have mentioned them specifically and gotten them out of the germaneness rule. I do not see any reason to object to this.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 345

On page 63, line 11, after the period insert the following: "A technology or good which is proposed for, or subject to, export control for national security purposes and which is not possessed in comparable quality or quantity by a nation or combination of nations threatening the national security of the United States shall not be deemed to be available to such nation or nations from foreign sources until the Secretary of State certifies in writing that negotiations with the appropriate foreign governments for the purpose of eliminating foreign availability have not been successful. In order to secure cooperation of foreign governments in eliminating availability of critical goods and technologies, the President is authorized, except as otherwise prohibited by law, to impose trade or other commercial sanctions, including but not limited to prohibiting exports of all or certain technology or goods to such a nation, or prohibiting imports of all or certain technology or goods from such a nation. Within one year after the date of enactment of this Act, the President shall submit a report to Congress on the specific limitations other provisions of law impose on the exercise of his authority under this subparagraph, together with his recommendations.".

SUPPLEMENTAL APPROPRIATIONS, 1979—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on H.R. 4289 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4289) making supplemental appropriations for the fiscal year ending September 30, 1979, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the Record of July 11, 1979.)

Mr. MAGNUSON. Mr. President, the conference agreement for H.R. 4289—supplemental appropriations for fiscal year 1979—is $13,783,822,100. This is an increase of $2.2 billion above the House passed bill and a reduction of $243 million below the Senate passed bill. The agreement is a reduction of $3.1 billion below the budget estimates submitted by the President.

The agreement includes $11.4 billion for increased program costs under title I and $2.4 billion for increased pay costs for Federal employees—both military and civilian. The increased pay rates were effective in October 1978 pursuant to Executive Order 12087.

Other large programs accommodated in the conference agreement include $900 million for food stamps, $1.3 billion for procurement of four DD-993 guided missile destroyers for the U.S. Navy, $1 billion for the disaster loan fund, $1.4 billion to support the Middle East peace treaty, $1.1 billion for additional Veterans' Administration compensation and pension requirements, and $800 million for black lung and unemployment benefits.

I believe the funding allowed by the agreement will be adequate to support the various Departments for the remainder of fiscal year 1979.

Mr. President, I urge adoption of the conference report on H.R. 4289—supplemental appropriations for fiscal year 1979.

Mr. YOUNG. Mr. President, this supplemental appropriations bill as agreed to by the conferees and now by the House amounts to $13,783,822,100. This is $3.1 billion below the budget request and $243.9 million below the Senate recommendation. I urge the Senate to approve the conference report.

I am concerned about the new position of the House to appropriations that have to do with funds purely dealing with Senate housekeeping expenditures.

This can only lead to a breakdown of comity between the two Houses of Congress and unnecessary ill-will and problems in the future.

Mr. BELLMON. Mr. President, amendment No. 1 contains two supplemental appropriations items for construction needs at research facilities operated by the U.S. Department of Agriculture. One of these items is a $1.7 million supplemental appropriation for a feed mill at the research station near El Reno, Okla. I believe this item requires some explanation to the Senate. While not a new issue, it is a slightly complicated matter and one that the Senate should fully understand because it will come before us again in conjunction with the fiscal year 1980 appropriations bill.

The Southwestern Livestock and Forage Research Station located at El Reno, Okla. does some of the most important livestock and forage research in the country. Many of their findings have had wide application in the livestock industry and have served to improve the availability and lower the cost of food to American consumers. The station utilizes land and buildings which were formerly occupied by a remount station of the U.S. Cavalry. Most of these facilities were built some 50 years ago. In the case of the feed mill, which is essential to the work of the research station, replacement is absolutely imperative.

The existing ancient mill is inefficient so far as its use in research is concerned. But more importantly, the facility is extremely dangerous to those who work there; $1.5 million was provided in prior appropriation bills to build a new mill. When the project was let to bidders, the low bid was $1.7 milllion over the amount available.

The Senate version of the supplemental appropriations bill provided $1.7 million to proceed with construction of the needed mill. The absolute minimum needed to accept the lowest bid on the "bare-bones" construction package was $1.3 million. The bids that were submitted were very closely grouped and represents open competition between experienced construction firms across the Nation. I regret that the bids were not closer to the estimated cost of this one-of-a-kind facility but the fact is that this mill cannot be built with available funds.

Despite the clear documented evidence of the need for additional funding, the House refused to even consider an amount close to what is needed to proceed with this project. Instead, the House has flatly insisted that no more than $300,000 be made available. This amount will not allow acceptance of the current low bid and the project will sit dead in the water until we decide later to appropriate a more realistic amount.

Waiting will be costly. The $1.7 million provided by the Senate in the supplemental will likely be inadequate, we can expect further cost escalation during this delay. Even if we provide the needed appropriations in the fiscal year 1980 bill, an additional $300,000 to $500,000 will be necessary to build the same facility.

This needless and expensive delay will simply add to the cost of this facility. I can understand why some Members of the Congress have reservations on approving this cost overrun, indeed, I share many of their reservations. The engineering contractor did a dismal job of estimating what the replacement mill would cost, and action should be taken to assure this does not occur in the future.

But the facts are plain—we have good solid construction bids on the project and unless we take advantage of these bids, we will have to provide much more in a later bill.

Another construction item is involved in amendment No. 1. It involves a similar problem with the rapidly escalating cost of construction, in this case, a soil erosion lab in Indiana. I am informed, however, that the House was agreeable to the minimum amount necessary to proceed with that project.

It is not my intent to hold up the entire $18.3 billion supplemental because of the El Reno item, nor to stand in the way of the soil erosion lab item. I only wish to advise the Senate on the nature of this issue and to express my hope that this problem can be corrected by adding needed funds in the 1980 appropriation bill.

Mr. MAGNUSON. The Senator from Oklahoma recalls that we put these items back into the bill, and I am hoping that we can get the House to do that.

Mr. SCHWEIKER. Mr. President, the Labor-HEW chapter of the fiscal year 1979 supplemental appropriations bill contains $150 million to initiate a new program to strengthen education for disadvantaged children in our inner cities.

This new program of so-called concentration grants was authorized last year as part of the 1978 amendments to the Elementary and Secondary Education Act. The new program targets assistance on school districts with high concentrations of disadvantaged children in need of compensatory education services.

Mr. President, it has been found that these districts, whether in financially hard-pressed inner cities or in rural poverty areas, have particular problems in meeting the costs of educating their students. This is because of the large proportion of students in those districts who require the costly additional education services necessary to overcome the effects of poverty.

I believe the new concentration grants program can help to alleviate the financial problems these school districts face in providing special educational services to their students. I am most pleased Congress has agreed to provide this funding.

On the question of payments to the States for the Federal share of welfare cash assistance and medicaid, the conferees were able to agree to bill language expressing the basic intent of the Jepsen amendment. Under the language agreed to, HEW can borrow against next year's appropriation to prevent cutbacks to the States in fiscal 1979 fourth quarter entitlement payments.

This means that legitimate recipients will not be denied assistance even as Congress moves to stamp out fraud and abuse in these programs.

Mr. MAGNUSON. Mr. President, I move adoption of the conference report.

The PRESIDING OFFICER. The question is on the motion of the Senator from Washington.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum named in said amendment, insert "$1,020,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment, insert ": *Provided*, That only claims for reimbursement for meals served during fiscal year 1979 submitted to State agencies prior to January 1, 1980, shall be eligible for reimbursement".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment, insert "$900,000,000, of which $520,300,000 shall be available only upon the enactment of authorizing legislation".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 50 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum named by said amendment, insert "$7,753,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 56 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum named in said amendment, insert "$8,600,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 58 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum named in said amendment, insert "$1,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 94 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment, insert:

FEDERAL BUREAU OF INVESTIGATION SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $2,636,000: *Provided*, That $3,500,000 appropriated in the Department of Justice Appropriation Act, 1979 for the purpose of constructing a forensic science training and research facility at Quantico, Virginia shall remain available until September 30, 1980.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 103 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment, insert: ": *Provided*, That (a) The first undesignated paragraph of section 7(b) of the Small Business Act is amended by inserting after "under subsection (b)" the following ", except as provided in subsection (c),";

(b) Section 7(c) of the Small Business Act is amended by adding the following new paragraphs:

"(3) With respect to a disaster occurring on or after October 1, 1978, and prior to October 1, 1982, on the Administration's share of loans made pursuant to paragraph (1) of subsection (b)—

"(A) if the loan proceeds are to repair or replace a primary residence and/or repair or replace damaged or destroyed personal property, the interest rate shall be 3 percent on the first $55,000 of such loan;

"(B) if the loan proceeds are to repair or replace property damaged or destroyed and if the applicant is a business concern which is unable to obtain sufficient credit elsewhere, the interest rate shall be as determined by the Administration, but not in excess of 5 percent per annum."

(c) Section 18 of the Small Business Act is amended by—

(1) inserting after "Sec. 18." "(a)";

(2) inserting a new subsection as follows:

"(b) As used in this Act, 'credit elsewhere' means the availability of sufficient credit from non-Federal sources at reasonable rates and terms, taking into consideration prevailing private rates and terms in the community in or near where the concern transacts business for similar purposes and periods of time.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 129 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of $15,223,400 proposed by said amendment, insert "$16,408,100".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 180 to the aforesaid bill, and concur therein with an amendment as follows: Strike out the matter stricken by said amendment, and insert "Pursuant to the requirements of 31 U.S.C. 638a(b), (e), the Smithsonian institution is authorized to acquire two aircraft from Federal excess property;".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 182 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment, insert:

SEC. 304. Section 201 of Public Law 95-480 is amended by inserting before the period at the end thereof the following: "*Provided further*, That if by the beginning of the fourth quarter, 75 percent of the reduction required by this section has not been achieved, the aggregate amount of budget authority under this act shall not be reduced by an amount in excess of $301,500,000: *Provided further*, That if the reduction required by this section results in total budget authority insufficient to pay legal entitlements in the fourther quarter, the Department may borrow from succeeding year funds to pay such entitlements".

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 82 to the aforesaid bill.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 9, 50, 56, 58, 94, 103, 129, 180, and 182, en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 1.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

Mr. MAGNUSON. Mr. President, I move that the Senate recede from its amendment numbered 82. That is the comity amendment.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, that Senators may be permitted to speak for not to exceed 5 minutes each therein, and that the period not exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SALT II—STATEMENTS OF WITNESSES IN FIRST WEEK OF HEARINGS BEFORE COMMITTEE ON FOREIGN RELATIONS

Mr. CHURCH. Mr. President, of the many and varied tasks that comprise the work of the U.S. Senate and, in particular in the Committee on Foreign Relations, none is more important than the obligation we have recently begun with the SALT II Treaty. The Constitution and tradition charge the Senate with the specific responsibiity to receive treaties that have been negotiated by the executive branch, to examine them carefully and diligently, to reflect upon them, to make such modifications as we deem necessary, and then to recommend the treaty for ratification or rejection.

The Committee on Foreign Relations has begun its hearings on the SALT II Treaty. During the course of the next few weeks the committee will seek to examine all viewpoints on the SALT II Treaty. Periodically, I will make a brief report to the Senate so that Members can keep abreast of developments on the Committee on Foreign Relations' hearings.

All of the witnesses have agreed that the destructive arsenal of nuclear weapons obtained by the United States and the Soviet Union are awesome. The United States alone produces three nuclear warheads every 24 hours. The nuclear arsenal amassed by the two superpowers have the combined explosive power of over 600,000 Hiroshima bombs.

The recognition of the insanity of nuclear war provides no easy answer of how to manage relations between the Soviet Union and the United States. All of us agree that American military strength must be maintained. But for more than two decades, there has also been a recognition that we should match our military power with the resolve to reduce our nuclear power risk and uncertainty through negotiation and agreement.

The President, in his address to the Nation on July 15, focused on the great divisions and uncertainties facing America today. In our free society, debate and open discussion are essential.

The Committee on Foreign Relations has conducted nearly 30 hours of public hearings since July 9. In order to facilitate an informed and deliberate process for the Senate, the committee has decided to print in the CONGRESSIONAL RECORD each week, the prepared statements of witnesses appearing before the committee.

I am putting in the RECORD the prepared statements of the witnesses who appeared before our committee during the first week of hearings, in the hope that the information and perspectives might provide a basis for an emergent consensus. For without this consensus, debate and discussion may give way to paralysis. It is my hope that as the Senate deliberates on the SALT II Treaty, we can help ourselves to better understand America's place in an age in which the unfettered accumulation and proliferation of nuclear weapons can lead only to oblivion.

Mr. President, I ask unanimous consent that the statements of witnesses appearing before the Committee on Foreign Relations during its first week of hearings on the SALT II Treaty be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD as follows:

STATEMENT OF SECRETARY OF STATE CYRUS R. VANCE BEFORE SENATE FOREIGN RELATIONS COMMITTEE, JULY 9, 1979

Mr. Chairman, members of the Senate Foreign Relations Committee:

We proceed today with the second step in a fateful joint responsibility.

The President has completed a negotiation in the process launched by President Nixon with the first strategic arms limitation treaty—SALT I—and continued by President Ford at Vladivostok. The Senate is now called to perform its equally important function of advice and consent on the second strategic arms limitation treaty—SALT II.

President Carter has taken a further step along the path marked out by his predecessors. I am sure that the Senate will perform its high duties in a totally nonpartisan manner. For the course our country takes, through this ratification process, will have a profound effect on our nation's security, now and for years to come.

I know we all understand what is at stake. And thus we share a common purpose in this undertaking: to do what we believe is best for the security of our country. As it has been throughout the negotiations, this remains a cooperative undertaking of the Executive Branch and the Senate. In the weeks ahead, we will do all that we can to assist the Senate in addressing the treaty's relationship to the central issues of security and peace.

When the United States and the Soviet Union each have the capacity to destroy the other regardless of who strikes first, national security takes on new dimensions.

First and foremost, we must preserve a stable military balance with the Soviet Union. That is the surest guarantee of peace.

Second, we must have the best possible knowledge of the military capabilities and programs of the Soviet Union. We must know the potential threats we face so that we can deal with them effectively. And we cannot rely upon trust to verify that strategic arms control obligations are being fulfilled. We must be able to determine that for ourselves, through our own monitoring capabilities.

Third, we must sustain the process of placing increasingly more effective restraints on the growth of nuclear arsenals.

Fourth and finally, we must take those actions that will strengthen our alliances and enhance our leadership in the world.

As I will describe today, the treaty that is before you serves each of these imperatives of our national security. Tomorrow, I will focus more particularly on the treaty's bearing on our broader international interests.

Secretary Brown and the Joint Chiefs of Staff will discuss in greater detail the strategic balance and the treaty's relationship to it.

Secretary Brown and CIA Director Turner will focus on the relationship among SALT verification, monitoring, and our intelligence on Soviet strategic forces.

ACDA Director Seignious and Ambassador Earle will concentrate on the impact of the treaty in restraining the nuclear arms competition.

Let me now turn to the treaty and how it serves the four national security imperatives that must guide us in a nuclear armed world.

First, the SALT II treaty will greatly assist us in maintaining a stable balance of nuclear forces. It fully protects a strong American defense.

Our national defense requires nuclear arms that are sufficiently numerous, powerful, and flexible to deter the full range of potential threats. As an essential part of this, our strategic forces must be—and must be seen as—equivalent to those of the Soviet Union.

The SALT II treaty helps us maintain this balance in two fundamental ways:

It will permit, and in fact aid, the necessary modernization of our strategic forces.

And it will slow the momentum of Soviet strategic programs, thus reducing the threats we would otherwise face.

As members of the Committee know, our strategic nuclear forces are securely diversified among three separate delivery systems—land-based missiles, submarine-based missiles, and long-range bombers. Each of the three serves a unique and vital role in our defense. This diversity is in contrast to the Soviet's heavy reliance or increasingly vulnerable land-based missiles.

SALT II will permit the necessary modernization of each of these three forces.

This fall we will begin fitting our Poseidon submarines with the longer range Trident I missile. By the middle of 1981, the first of our new Trident submarines, the USS Ohio, will be deployed. Together, these new systems will assure that our submarine-based missiles will continue to be invulnerable.

We are enhancing the effectiveness of our B-52 bombers with air launched cruise missiles. This will enable our B-52s to overcome Soviet air defenses for the foreseeable future. We expect the first squadron of B-52s equipped with ALCMs to be in operation by the end of 1982. Because of our technological lead, this is an area which only the United States will be able to exploit fully during the term of the treaty.

The President has decided to proceed with a new landbased missile, the M-X which will deliver more warheads with greater accuracy than our existing Minutemen missiles. The M-X will be mobile, so that it can survive a surpise attack. Each of the mobile systems that the President is considering would be verifiable by the Soviet Union's own monitoring capabilities. With that standard met, the M-X is clearly permitted under SALT II as our one new land-based lintercontinental missile.

Indeed, SALT II allows us to move ahead with each of these necessary modernization programs.

The treaty will also assist us in planning our future forces. The M-X missile is a case in point. It is designed to deal with the growing vulnerability to a surprise attack of land-based missiles in fixed silos. Without some limit on the number of warheads that could be sent to attack it, an effective mobile system would be far more difficult to deploy, for it would require many more launch sites—and much greater cost. SALT II makes the mobile M-X more survivable by limiting the number of warheads on Soviet land-based strategic missiles through 1985, and by providing the basis for negotiating such limits beyond that period under SALT III.

In this and other ways, the treaty contributes to more certain defense planning and thus provides a major benefit to us.

As Secretary Brown will develop in more detail, the treaty will permit the modernization of our strategic forces and aid our defense planning, and will also assist in maintaining the strategic balance through the mid-1980s by restraining Soviet growth.

For more than fifteen years, Soviet investments in nuclear arms have risen steadily. Today the overall strength of the two sides is roughly equal. What concerns us is not the present balance but the trend. SALT II limits the number of missile launchers and long-range bombers, and therefore constrains the future threats we will face.

Since the Soviets are well above the 2,250 limit on strategic missiles and bombers permitted each side under the treaty, they will have to destroy or dismantle over 250 of these systems—about 10 percent of their total. Undoubtedly, some of their older systems will be discarded, but with nuclear weapons "old" should never be mistaken for "frail."

Most of the systems that would be given up have been built since 1965. Many have the same destructive power as our existing Minuteman II and Polaris missiles. Each could destroy an American city.

Beyond these reductions, the fact is that in the absence of the SALT II treaty, the Soviets would not only keep these weapons, they could add far more new and modern systems. Based on their past practices, they could be expected to acquire several entirely new types of strategic land-based missiles by 1985; the treaty holds them to one. Our best estimates are that they could have 3,000 launchers by 1985—750 more than they will be permitted with the treaty. And they could have several thousand more individual weapons than the treaty would allow.

We, of course, would do whatever is necessary to counter an increased threat. But it would be at far greater risk and far greater cost than by limiting that threat under the treaty.

The treaty limits Soviet potential in another important way—by denying them the ability to exploit fully the greater lifting power of their bigger missiles, their throw-weight advantage.

The main practical value of this greater throw-weight is that it allows each missile to carry more warheads which can be independently directed at separate targets. In the absence of restraints, the Soviets could load up their bigger missiles to gain a lead in the number of nuclear warheads. However, under the provisions of the treaty which limit missile improvements, no land-based strategic missile can be fitted with more warheads than have already been tested on that type of missile.

Both the Soviet SS-17 land-based missile and the larger SS-19 are big enough to carry a considerably greater number of warheads than they now have. Under the treaty they will be limited to their present number—four for the SS-17 and six for the SS-19. The biggest Soviet missile, the SS-18, has the potential to carry at least 30 warheads. The treaty holds it to ten. Ten warheads is the same number that will be permitted on our new ICBM, the M-X.

The net effect is that SALT II goes a long way to blunt the Soviet throw-weight advantage. Both Soviets and U.S. warheads will be accurate enough and powerful enough to destroy the most hardened military targets. Beyond that, neither greater size nor greater accuracy is of much additional value. SALT II thus helps us retain a balance not only in the bombers and missiles that carry nuclear weapons, but also in the weapons themselves.

This, then, is the first contribution of the SALT II treaty to the security requirements of the United States. It will serve as a brake on Soviet military expansion and on the Soviet improvements we could otherwise expect. And it will permit us to move ahead with the improvement of our own strategic forces. On this basis, it is clear that ratification of SALT II will materially enhance our ability to maintain the strategic balance through the 1980s and beyond.

A second way that SALT II serves our national security is by improving our ability to monitor and evaluate Soviet strategic forces and programs.

Verification has been a central concern in every aspect of these negotiations. At every stage we put the treaty to this test: can we have confidence in its verification—that is, can we determine for ourselves that the Soviets are complying.

The verification terms of SALT II build upon the proven principles of earlier agreements—prohibitions on concealing strategic forces and prohibitions on interfering with the monitoring systems of the other side. And the treaty continues the Joint Commission (Standing Consultative Commission) for resolving doubts or disputes. As with SALT I, verification will be based upon our own observation and our own technical systems, not on faith.

But SALT II goes much further in facilitating our ability to watch Soviet strategic forces and our ability to determine for ourselves whether they are complying with their treaty obligations. Let me cite some of these significant new steps:

For the first time, there is explicit agreement not to encrypt telemetric information—that is to disguise the electronic signals which are sent from missile tests—when doing so would impede verification of compliance with the provisions of the treaty. We would quickly know if the Soviets were encrypting relevant information. This would be a violation of the treaty.

We have agreed that we will regularly exchange information on the size and composition of our strategic forces. This is by no means a substitute for our ability to count for ourselves. But the exchanged data will help us confirm that both parties are interpreting their obligations in a like manner.

We have agreed to rules which simplify the job of counting weapon systems limited under the treaty. For example, every missile or missile launcher of the type that has ever been tested with more than one independently-aimed warhead will automatically count against the multiple warhead ceiling—even though some may, in fact, have only a single warhead.

The Soviet SS-16 long-range mobile missile would have presented us with particular verification problems, because its first two stages cannot be distinguished from the intermediate range SS-20. To avoid that potential difficulty, the SS-16 has been banned entirely.

In the days ahead, Secretary Brown and others will provide, in closed session, the detailed classified information that is required for senators to make an informed judgment on verification. I know this issue will be central to your consideration. It has been central to ours. Let me state very clearly that I am convinced we will be able adequately to verify this treaty—that we will be able to detect any Soviet violations before they could affect the strategic balance.

Let me emphasize that with or without SALT, we must have the best possible information about Soviet strategic programs. Our security depends on it. Without SALT, there would be nothing to prevent the Soviets from concealing their strategic programs. Thus the treaty's verification provisions have an independent value for our national security, quite apart from their role in enforcement of the treaty.

Thus far I have discussed the impact of the treaty on the strategic balance and the treaty's contribution to our intelligence capabilities. Both elements illustrate a critical point. Arms control is not an alternative to defense; it is complementary to sound defense planning.

Let me now turn to the third reason for supporting this treaty. It not only imposes effective limits on important categories of current strategic arms; it also opens the way to negotiating further limits in SALT III.

Arms control must be seen as a continuing process. Each agreement builds on the last and paves the way for the next.

There have been significant achievements over the ten-year period in which we have been engaged in this evolving process.

The Anti-Ballistic Missile Treaty of 1972 closed off an entire area of potential competition—one which could have damaged the very foundations of deterrence. It increased stability, and it enabled us to proceed with limits on offensive weapons.

The first agreement on offensive arms—the SALT I Interim Agreement of 1972—froze the race to build more missile launchers on each side at a time when the Soviets were building up in this area and we were not.

The SALT II negotiations began immediately thereafter. In 1974, in Vladivostok, President Ford and President Brezhnev moved to another vital stage in the process. They agreed that restraints should cover all strategic delivery systems. They agreed to the central principle of equal limits.

SALT II now secures that Vladivostok formula. The treaty had to be carefully structured to balance the differences between our forces and theirs. But for both sides, the numerical ceilings and subceilings are the same.

Beyond this achievement, the SALT II treaty begins to tighten the limits. There will be actual reductions in nuclear forces. There will be significant limits on qualitative improvements—on the race to build new weapons and make existing weapons more deadly.

The promotion of an essential balance may prove to be this treaty's single greatest contribution to long-term arms stability and to further arms control progress. With the principle of equivalence established in SALT II, we have laid a solid foundation—and set a clear direction—for further reductions and tighter restraints in SALT III.

We would of course have preferred deeper cuts in SALT II. But it is nevertheless clear that this treaty takes us further down the road toward greater restraint. Surely the way to achieve more is to secure the gains we have made and move on. For this treaty represents a step on the road of arms control, not the end of the journey.

The issue we face is not whether this treaty does everything we would like it to do—either from an arms control or security perspective. The issue is whether we are better served with this treaty or without it. I think the answer to that is clear.

We should build on the progress we have made. The alternative is to return to an unrestrained arms competition—with the suspicions and fears of an earlier time—but with the ever more devastating arms of today and tomorrow.

The fourth broad reason for supporting the SALT II treaty is its importance to our allies and its effect on our position of leadership in the world.

I will discuss these issues in greater detail tomorrow. Let me simply stress one major point this morning. Our allies and friends have made clear to us, publicly as well as privately, that they have a vital interest in the ratification of this treaty.

Our NATO allies want to prevent the Soviet Union from achieving superiority; they would be the first to feel the pressure. They know this treaty helps preserve a stable and equal strategic balance.

Our allies want to maintain a stable strategic situation so that together we can continue our cooperative efforts to improve the conventional balance in Europe. They know this treaty makes a major contribution in this respect.

And they want to avoid the political tensions and pressures that would accompany rejection of the treaty.

We consulted with our NATO partners continuously during the negotiations of SALT II.

We have made clear to them, and to the Soviets, that the treaty will not interfere with existing patterns of defense cooperation with NATO. SALT II leaves us free to take needed measures to modernize and strengthen European-based nuclear forces. At the same time, we are consulting now with our allies on the possibilities for future negotiations which could include limits on Soviet as well as U.S. intermediate range systems in Europe.

These are among the reasons why our allies have welcomed SALT II and have urged its ratification. Defeat of the treaty would be a profound blow to our closest friends. Its approval will benefit our most valued alliances. It will signal continued American leadership for peace.

In Europe and beyond, all of our friends and allies have a stake in international stability. They expect us to manage our relationship with the Soviet Union in ways that will reduce its risks while protecting our interests. They look to the United States for both decisive leadership and sound judgment. They understand that if SALT were rejected, the entire fabric of East-West relations would be strained, and that the world could easily become a more hazardous place for us all.

In the days ahead, we will work closely and cooperatively with you in your consideration of this treaty. The Senate has had, and will continue to have, a major role in shaping our policy on strategic arms. Indeed, SALT II as presented significantly reflects the influence of the Senate.

Throughout these negotiations, we have consulted closely with this Committee and with individual members of the Senate at every stage. Twenty-seven senators traveled to Geneva to observe the negotiations firsthand. We have strongly encouraged that process. Secretary Brown, General Seignious, his predecessor Ambassador Warnke, and I have discussed SALT issues in nearly 50 separate Congressional hearings since January of 1977. Most of those have been in the Senate. In the same period there have been over 140 individual SALT briefings of senators by responsible officials of the Administration, and another 100 briefings of members of senators' staffs. The consultation and cooperation between the executive and the Congress on this treaty have been extensive.

Those sessions have been held to receive your advice as well as to report on our progress. Time and again, issues raised by members of the Senate have been taken up directly in the negotiations. Our negotiators were conscious of the need to meet a number of specific objectives of the Senate.

The principle of equality was initiated in the Senate and mandated by the Congress in 1972, when the SALT I agreement was approved. The basic elements of equality were agreed by President Ford and President Brezhnev at Vladivostok. Those elements are embodied in this treaty.

The Senate was clearly intent on closing loopholes and ambiguities. The definitions and understandings contained in this treaty are exhaustive and precise.

Many specific provisions on verification—including those on the data base and on telemetry encryption—were shaped by concerns and views expressed to us by members of the Senate.

We now seek your consent to ratification of a treaty we negotiated with these concerns in mind. We have worked together throughout the negotiations. I believe that we must continue to do so through the ratification process.

The SALT II treaty is the product of almost seven years of hard bargaining, on both sides. As members of the Committee know, these have been extraordinarily complex negotiations—discussions to limit arms, not by imposition of a victor over the vanquished but by voluntary agreement between two powerful nations. To achieve such an agreement, compromises were required by both sides.

In far-reaching negotiations such as these, agreement on one provision inevitably becomes intertwined with agreement on others. Terms that seem entirely unrelated often depend on each other. Thus to be evaulated fairly, the treaty is best judged as a whole. Taken as a whole, it is a balanced agreement. Taken as a whole, it clearly serves our national interests.

That is the basis for my belief that we cannot realistically expect to shift the bargain more in our favor now through a process of amendment and reservation.

Even if it were possible to reopen the negotiations, certainly they would be reopened to both sides. This could lead to the reopening of points that are now resolved in a manner favorable to our interests.

As we move ahead, I urge you not to make premature judgments. Let us first carefully consider the treaty as it now stands. Let us see if your questions do not, in fact, have satisfactory answers. And let us all avoid emotional rhetoric—which can only obscure the real issues.

This treaty is complex. It bears on a difficult and complex relationship. Before reaching a final decision, we—the Senate and the Administration together—have an opportunity for a discussion and debate that will illuminate our common national goals as well as clarify the terms of the treaty itself.

Finally, as we proceed with a debate which will often be technical, let me express the hope that the nature of our subject will be kept clearly in sight—the terrible power of nuclear weapons.

Together, the arsenals of the United States and the Soviet Union already hold more than 14,000 strategic nuclear warheads and bombs. The smallest of these are several times as powerful as the bomb that destroyed Hiroshima.

If a fraction of those weapons were ever fired, tens of millions of our people and tens of millions of the Soviet people would perish. Nuclear war would be a catastrophe beyond our imagination—for the aggressor as much as the victim.

This, in the end, is what this debate is about—not pieces on a chessboard or chips on a table, but instruments of mass destruction—even as they are instruments of deterrence.

This will be an historic debate. It can be a healthy one for our country—a unique opportunity to focus our collective attention on the requirements for peace in today's world and to reassert a broad consensus on these obligations.

I believe that most Americans, and most members of the Senate, agree that the security of the United States requires us to maintain an effective deterrent and forces that are equivalent to those of the Soviet Union—

to prevent them from gaining a military or political advantage.

And I believe that most Americans and most members of the Senate also agree that the safety of our people requires that the major nuclear powers continue the process of step-by-step agreement to limit, and reduce, the size and destructiveness of each side's strategic forces.

Undoubtedly, some believe more strongly in one of these propositions than the other. It will be very difficult to forge a national consensus around either by itself. But a strong national consensus can be built for both of these propositions together.

Mr. Chairman, I have spent most of the past twenty years of my professional career dealing with the requirements of our national security. I have faced these issues from a military perspective during six years in the Department of Defense and from the perspective of Secretary of State. I know from this experience that neither arms control nor military preparedeness alone can assure our security. We must pursue both simultaneously. For that is the only rational path to secure our nation's safety in a nuclear world.

In seeking your approval of the SALT II treaty, we are recommending that we strengthen America's security—and build a broad national consensus—through a sensible combination of a strengthened defense and arms limitation.

STATEMENT OF THE HONORABLE HAROLD BROWN, SECRETARY OF DEFENSE, BEFORE THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE, JULY 9, 1979

Mr. Chairman and Members of the Committee:

Today you prepare to exercise one of your most weighty responsibilities as members of the United States Senate: the decision whether to approve the treaty on control of strategic armaments which we call SALT II, recently signed by the President in Vienna.

In appearing before you this morning I feel acutely my own responsibilities. As Secretary of Defense I am the senior appointed official charged by law, and by the President, with full-time responsibility for the military capability of the United States. Within that charge my preeminent concern must be to assure the physical safety of our nation from military attack. I speak also from the context of my own experience in strategic military matters. Most of my life has been devoted to the security of the United States in an era of nuclear weapons and intercontinental missiles. It is in light of those responsibilities, and that experience, that I offer to you this morning my evaluation of this treaty.

Let me say at the beginning that I reject the notion that unilateral restraint in weapons programs is the way to enhance our security. My experience with the Soviets has shown that this is not so. We have found that when we build weapons, they build; when we stop, they nevertheless continue to build—unless they have agreed otherwise with respect to the particular weapons system concerned. I would not recommend this treaty to you today if it did not impose on the Soviet Union significant restraints that balance those it imposes on us—or if it did not favorably affect our national security.

I would not recommend this treaty if it required us to trust the Soviets. Too much is at stake for us to have to rely on their good will or scruples. The SALT II treaty is designed to assure that we do not need to rely on trust. It is verifiable. While I will not be addressing the issue of verification in detail today, verification will be the subject of separate hearings later before this Committee and before the Select Committee on Intelligence where I will speak in detail. For the present, I will limit myself to stating my conclusion on the subject: The Soviets cannot gain a military advantage by concealed actions that violate the agreement. U.S. intelligence capabilities to detect violations—and U.S. capacity to respond to detection of violations by increasing and adjusting our own programs—are such that before any Soviet secret buildup or other violation could approach a scale that would affect the strategic balance, we would detect the effort and be able to respond appropriately to prevent any advantage from accruing from the violation.

I also state to you my strongly held view that the United States must not permit the Soviet Union to attain nuclear superiority. Were that to happen, I am convinced they would very probably exploit that advantage through political intimidation or military actions, or both.

No agreement should be approved that would make more likely such an outcome.

This agreement makes such an outcome less likely; it limits the size of Soviet forces and thereby limits what we must do to maintain the balance.

Finally, I take the treaty as it is, not as it might have been. The issue in national security terms is the effect of this treaty, not some ideal or hypothetical one.

There are broader issues of international relations: the effects of the SALT II Treaty on Soviet-American relations, on our alliances and our allies, third-world diplomacy, nuclear non-proliferation, and so forth. These matters also affect our national security, and I have views on them. But the principal responsibility for those matters lies with Secretary Vance, who has touched on them already this morning and will expand on them tomorrow. I have concentrated, as I reviewed this treaty and participated in its negotiations, on the national defense considerations I have mentioned. In those terms, I ask you now to look at this treaty from one specific point of view and to ask yourselves a single question: does this treaty serve the security interests of the United States?

I have examined this treaty with care in the light of what I know about the nuclear armaments that exist in the world today and are likely to exist in the future. My judgment is that this treaty will make the people of the United States more secure militarily than we would be without it. For that reason I recommend that the Senate give its approval.

In the balance of this statement I will summarize for you the reasons that lead me to that conclusion. I have arranged the analysis in four parts:

First, and briefly, my view of the role of arms control in defense.

Second, an outline of our strategic defense today, and how that defense relates to the threat from the Soviet Union.

Third, the main provisions of the treaty as they relate to our defense program and that of the Soviets.

Finally, I will say what I think will happen to our defense posture if the Senate approves the treaty; and also what the consequences would be if the treaty were not approved.

I

Turning first to arms control itself, I start with the proposition that we cannot be militarily secure unless our strategic military forces are at least in approximate balance with those of the Soviet Union. The forces of the two countries are in a position of essential equivalence today.

There are two ways to maintain that equivalence. One is for both sides to add to their nuclear arsenals in equivalent or offsetting ways. The other is for both sides to limit their arsenals or to reduce them on a comparable basis. We have the option to follow either course. Either can maintain our security.

The course of limiting arms is preferable, however, for a number of reasons. First, it tends to make the future balance more predictable and stable, and less likely to become one-sided. Second, it provides more certainty to each side about the current program of the other. Third, it is obviously less costly for both sides. Overall, it is less risky for both sides.

Neither the present balance, nor ongoing Soviet porgrams, nor the state of arms control agreements, are such that we can avoid substantial defense programs for our military security. In fact, we need to increase our present level of such programs overall, regardless of this Treaty. But SALT II is a clear and valuable, though limited, step toward curtailing the numbers and types of weapons that can be added by either side, and even towards reducing—by some measures—the number of weapons systems that one side (the Soviet Union) already has on hand.

In short, our military security can be enhanced either by increasing our own defense programs, or by limiting the forces of the Soviet Union. Arms control, carried out with balance and care, can add to our military security just as can added defense programs. SALT II takes that approach toward making this country safer.

Let me now describe our strategic forces as they have been planned and as they exist today, and the threat they face.

Two objectives underlie our strategic force planning: deterrence and essential equivalence.

Deterrence of nuclear war is our most fundamental defense objective. For us to achieve this, our potential adversaries must be convinced we possess sufficient military force that, whatever the circumstances, if they were to start a course of action that could lead to war, they would either:

(1) suffer unacceptable damage, or

(2) be frustrated in their effort to achieve their objective.

Our strategy requires us to be able to inflict such damage on a potential adversary—and for him to be convinced in advance of our ability—that, regardless of the circumstances, the prospect of that damage will preclude his attack on the United States or our vital interests. To achieve this we need, first of all, a survivable capability to devastate the industry and cities of the Soviet Union, even if the Soviets were to attack first, without warning. That capacity, called assured destruction capability, is the bedrock of nuclear deterrence. It is not, in my judgment, sufficient in itself as a strategic doctrine. Massive retaliation may not be appropriate—nor will its prospect always be sufficiently credible—to deter the full range of actions we seek to prevent.

For fully effective deterrence, we need to be able to respond at the level appropriate to the type and scale of a Soviet attack. This requires forces of sufficient size and flexibility to attack selectively a range of military and other targets and to enable us to hold back a significant reserve. We must be able to deter Soviet attacks of lesser scale by making it clear to them that, after such an attack, we would not have only the choice of either making no effective military response, or totally destroying the Soviet Union.

This kind of counter-military capability, which we consider necessary in addition to a survivable capability to penetrate and attack urban-industrial complexes, is not a first-strike force. Just as we have programmed—no matter what the Soviets can do through the 1980—survivable SLBM and air-breathing forces, so the Soviets will retain a survivable deterrent. But the ability to attack a variety of military targets has always been a central feature of our strategic force.

This ability to provide measured retaliation in response to less-than-total attacks is a part of credible deterrence. It prevents the Soviets from imagining that they can gain meaningful advantage at any level of nuclear conflict. Moreover, whatever doubts one may have about whether a nuclear war could be kept limited—and I have serious ones—

it would be the height of folly to put the United States in a position in which uncontrolled escalation would be the only course we could follow.

By any reasonable standard, the United States has a credible deterrent today and will have one for the foreseeable future. We have—and will continue to have—survivable forces capable of massive destruction of Soviet cities and industrial potential, even after an all-out surprise attack on the U.S. We also have—and will have increasingly in the coming years—both the forces and the targeting and employment policies that permit us selective use of nuclear force to respond to more limited actions. In particular, we will have forces whose capabilities will make clear that the Soviets could not improve their relative military position by attack.

That, in barest outline, is our plan of deterrence. In addition to their purely military capabilities, however, strategic nuclear forces—like other military forces—have a broader role in the world. Countries—we ourselves, the Soviet Union, and others—make judgments about our strength and that of the Soviets. The behavior of all those countries will be influenced by their judgments. It is in that respect that our second objective—essential equivalence—particularly applies. It requires that our forces overall be, and be recognized as, at least on a par with those of the Soviet Union. Otherwise the Soviets could gain in the world (and we lose), without war, from changes in perceptions about the balance of nuclear power.

We have essential equivalence today, and we must keep it. While no one can predict with confidence the outcome of a nuclear exchange, the Soviets would not gain, in any rational sense, from such a conflict—nor would we. Our most important objective is to insure—by our own programs and by arms control—that the Soviets remain in no doubt they would not gain from such a conflict at any time in the future, either.

For many years our nuclear deterrent capability has rested on the Triad concept—that is, maintaining three separate and independent sets of nuclear delivery systems to inflict unacceptable damage on the Soviet Union. This triple approach reflects our unwillingness to take chances where the survival of this country is concerned. We would never want to be in a position where the unexpected failure of one kind of system or the Soviets suddenly developing an effective defense against another, could leave us defenseless, or appearing in danger of being unable to retaliate. If one leg of the Triad develops a problem, the other two can amply defend us while it is being fixed. I would have it no other way, and the President recently has reaffirmed that commitment to the Triad.

Our Triad of defense consists, first, of land-based intercontinental ballistic missiles; second, of ballistic missiles launched from our submarines; and, third, of bombers armed with bombs, short-range attack missiles, and soon with air-launched cruise missiles. We have continued to increase the capabilities of each of the three legs of the Triad, both in quantity and in quality.

With the Triad as our strategic nuclear deterrent, the present balance is adequate in terms of our objectives of deterrence and equivalence, but we face challenges for the future that we can ignore only at great peril.

Some trends are of real concern: the Soviets are rapidly eroding important advantages we once held in a number of key areas. This is especially so with respect to accuracy and warhead numbers. The improvement in Soviet long-range theater nuclear forces increases in significance as the central balance becomes less favorable to us. And, the growing vulnerability of our land-based missile force in the early 1980s could, if not corrected, produce a possible U.S. disadvantage, and contribute to a perception of U.S. strategic inferiority. The consequences would be severely adverse politically, and could be potentially destailizing militarily.

The Triad approach improves the assurance of deterrence, by forcing a prospective attacker to deal with three different components, each of which would have to be attacked in a different way, and against which active defenses would also have to vary.

Because we have a Triad, a temporary diminution of survivability of one component can be restored without our overall deterrent going through a period of extreme danger. If the temporarily diminished component were not eventually restored, however, the Soviets would be enabled to concentrate their resources on the remaining legs of the Triad (working on anti-submarine warfare and air defense, neither limited by SALT II, and barrage attacks) thus perhaps putting our overall deterrent in doubt in the 1990s.

Although the Soviets are posing increasing challenges in the strategic area, the United States has not been idle. In the past 10 years, we have deployed more than a thousand MIRVed missiles, thereby increasing our missile warhead total nearly fourfold; we have, with short-range attack missiles (SRAM), increased the capability of the B–52 force. Moreover, we have underway programs to improve each of the three legs of the U.S. triad of strategic forces.

This year we will begin to put the new Trident C4 missile in our submarine fleet. In addition, the first new Trident submarine will be on patrol in late 1981, will be quieter—and thus less detectable acoustically—and will be capable of longer on-station times. We are also considering still more advanced submarine-launched missiles.

Our cruise missile programs will greatly enhance the effectiveness of the bomber leg of the Triad. B–52 aircraft capable of penetrating Soviet air defenses will continue to contribute to the viability of the manned bomber leg of the Triad into the late 1980s. We are working on bomber and cruise missile technology for the longer term.

The most difficult issue to resolve has been the survivability of the land-based leg of the Triad. We have been seeking a solution that will satisfy our military needs, have a cost not out of line with past investments in strategic systems, and be consistent with—in fact enhance—our efforts in the principle of verifiability of strategic arms limitations.

To restore the survivability of our land-based force we will deploy a new ICBM in a mobile basing mode that is both survivable and verifiable. As you know, to do this, the President has chosen to authorize the full-scale development of the largest new missile permitted under SALT II—the MX. This missile will be as capable as any the Soviets can deploy under SALT II. It will have the same number of reentry vehicles as allowed on the Soviet SS–18—ten; it will have roughly equivalent military capability against both hard and soft targets to that of the SS–18—and better capability than the SS–19. It is as large as any missile we would want to build, even if SALT II imposed no limit on size. Thus it deprives the Soviets of any significant advantage from their right to 308 "modern large ballistic missiles"—SS–18s.

The President's decision on MX is consistent with both SALT II and our broader arms control policies. It will be verifiable; that is, an observer, using national technical means, would know the number of launchers deployed, though without knowing their exact location. The MX program thus will enable us to: improve the stability of the strategic balance, a stability without which serious negotiations in SALT III are not possible; deny the Soviets any advantage should they pursue an arms race, and thus increase their motivation to negotiate for reductions; and more safely pursue significant bilateral force reductions, because we would be able to reduce the size of our force size without jeopardizing its survivability. The basing system, whose detailed design features are under consideration, allows reduction in the number of launchers and missiles because, independent of the number of launchers in the system, the Soviets would have to hit the same number of targets in order to attack the system. That allows us to adjust the scale of MX deployment according to the progress made in SALT III.

The MX program began its development in 1976; full-scale development will begin within one month or so. We plan the first flight in 1983, the initial deployment in 1986, and full deployment in 1989. There will, therefore, be a period—including most of that for which SALT II will be in effect—during which our ICBMs will be more vulnerable. We can afford such a degradation for a temporary period because our overall capability will remain very good.

Today our strategic nuclear forces are sufficient to deter the Soviet Union from all-out or lesser nuclear attacks. They are also clearly perceived in the world as essentially equivalent to Soviet forces, so that the Soviets cannot use any apparent nuclear superiority to their advantage in the world. The Soviets do have more ballistic missiles, with larger payloads, and more megatonnage. But to offset this, we have a larger number of warheads, greater accuracy, and advantages in our submarines and bomber forces.

SALT II can and does limit, to a degree, the scale of the military competition with the Soviet Union, and the extent of the necessary response. Even with SALT II, however, in order to maintain essential equivalence we will need to continue to maintain and modernize—at an annual cost higher than in recent years—our strategic nuclear and other military forces. That is true quite irrespective of SALT II, though needs and costs would both rise without SALT II. The nuclear balances does not take care of itself. Unless restrained by arms limitation treaties or matched by us, the Soviets' present momentum could tip it in their favor. Neither equivalence nor even deterrence will be maintained automatically. To do so requires will and resolve—and action on strategic programs—from the people of this country.

This situation is not likely to change in the foreseeable future. We face a continued military challenge for the future that we can ignore only at great peril. But we have an opportunity to limit the scale of that challenge an opportunity that it would be unwise for us to let pass.

III

That, in brief, is how I see the strategic military challenge we face from the Soviet Union, and how I think we must respond to it. With that as background, let me now discuss the SALT II treaty itself, and why I support it.

I support SALT II, quite simply, because I believe it enhances our military security and it is in the defense interests of the United States.

The basic elements of the SALT II agreement are familiar to you. They include three documents: a treaty, a protocol, and a statement of principles.

The treaty is to last through 1985. It does these things:

It limits each side by the end of 1981 to a total of 2250 intercontinental ballistic missile (ICBM) launchers, submarine-launched ballistic missile (SLBM) launchers, and heavy bombers.

This will require the Soviets to reduce by approximately 250 these strategic nuclear delivery vehicles (called SNDVs). Without SALT II, if the present trend continued, as I believe it would, the Soviet Union would instead have about 3000 such weapons by 1985, instead of 2250. No operational U.S. system will have to be reduced.

Within the 2250 overall limit, the treaty sets a lower limit of 1200 for launchers of ballistic missiles that carry multiple warheads aimed at more than one target (these systems are called MIRVed). Also, the number of such launchers plus the number of heavy bombers carrying air-launched cruise missiles (ALCM) cannot exceed 1320.

Again, these limits hold the Soviets down to a level well below what I believe they otherwise could be expected to reach. For example, without SALT II I would expect them by 1985 to have 1800 multiple-warhead missiles instead of 1200.

The limits placed on heavy bombers with cruise missiles will permit us to build the heavy bomber forces we have planned by 1985. To the extent that we may be required to reduce multiple-warhead systems, they will be older ones (chiefly Minuteman III missiles of increasing vulnerability) whose place will be taken by heavy bombers with cruise missiles or Trident submarines, leaving us stronger.

The treaty also sets a sublimit of 820 on launchers for land-based missiles which have multiple warheads that can be aimed at more than one target (MIRVed ICBMs). Those are the most threatening part of the Soviet nuclear arsenal as far as we are concerned.

The 820 figure is at least 100 fewer than we expected a few years ago that the Soviets would reach even under the SALT II limits, and much lower than the number they could reach by 1985 without SALT given their current trend. The 820 figure, however, is well above the number we plan to deploy.

The treaty also contains qualitative limits. It limits each side to only one new type of land-based intercontinental ballistic missile, and it requires that any such new missile not carry more than ten independently targeted warheads or reentry vehicles (RVs).

This limit permits us to build the only new land-based missile we have planned to develop through 1985, the MX. It permits us to place on it the maximum number of warheads we intended, ten.

The Soviets, on the other hand, have been developing several new land-based missiles, their fifth generation of them. The treaty limit means that now all but one of those new missiles will have to be restricted to quite limited modifications of their predecessors. It will also mean that instead of developing a separate specialized new missile for each of several missions, the Soviets will have to make some tough choices. For example, they will have to choose either a replacement for their existing single-warhead land-based missile (the SS–11), or another new missile with up to 10 warheads to replace their SS–17s (4 warheads) and SS–19s (6 warheads). They cannot, under SALT II, develop both of these, nor can they develop a new type missile to replace the SS–18.

The treaty also places a limit on what we call "fractionation." This means that the number of reentry vehicles on existing or modified ICBMs cannot be increased from what it is now, and that the permitted new ICBM could not, if MIRVed, have more than 10 reentry vehicles.

We have no plans to increase the number of warheads on our principal land-based missile, the Minuteman III; doing so would not increase its military effectiveness. The Soviets, however, have much larger missiles that could be adapted to carry many more warheads. The treaty takes away the ability of the Soviets to exploit this. For example, except for this limit, the Soviet SS–18 missile could be equipped to carry 20 or even 30 independently targeted warheads in the 1980's. With SALT II, that will not happen.

The treaty also provides measures to permit unimpeded verification by national technical means.

This is a matter I shall cover in more detail when I return to testify on verification. For the present, I will note only the simple point that all the uncertainties we face about Soviet forces with SALT II would be greater without a SALT II agreement, because any deception, concealment and countermeasures which the treaty bans would be permitted.

So much for the treaty itself. The protocol covers a shorter period; it expires on December 31, 1981. It bars operational deployment of ground-launched and ship-launched cruise missiles (GLCMs and SLCMs) with ranges greater than 600 kilometers through 1981, but it permits unimpeded testing and development of such vehicles of any range. This limit will have no impact whatsoever on our present cruise missile testing and development schedule.

I might add that the protocol provision was adjusted to our schedules and not vice versa. The protocol also bars deployment of mobile land-based or air-to-surface ballistic missiles through 1981; again, this will not affect our MX development, which will not enter its flight-test phase until 1983.

Finally, the agreement includes a statement of principles to guide SALT III, plus Soviet commitments not to produce more than thirty Backfire bombers per year and to limit increases in its capability. The Backfire production restriction means that the Soviets now will not be able to divert Backfires to a strategic role (where they would add only marginally anyway) without greatly reducing Soviet capability for the naval and regional missions to which Backfires are normally assigned.

IV

I consider SALT II a significant and most useful step, though not so far-reaching an agreement as we would have liked—or as we hope for in the future.

Our predecessors sought more far-reaching agreements at earlier stages of the talks, but finally accepted the more modest limits of the Vladivostok agreement. In 1977, at the beginning of this Administration, we attempted to achieve a comprehensive arms control agreement that would have been substantially more restrictive than the Vladivostok agreement—or the SALT II Treaty itself. But a number of technological and political factors prevented success. Not least was the Soviet insistence that the Vladivostok agreement had set the major parameters for SALT II, and that deeper cuts had to await the negotiation of SALT III.

We therefore took the dual track of trying to negotiate the largest possible reductions to the Vladivostok overall ceilings, and the lowest possible sublimits, while limiting qualitative improvements in new systems. We have achieved real successes in both areas.

We have been able to negotiate the reductions in the Vladivostok limits from 2400 to 2250 for the overall total. We have introduced new sublimits. Instead of 1320 ballistic missiles with multiple warheads, there can be only 1200, while the 1320 limit applies to the sum of those and heavy bombers equipped with long-range cruise missiles. There is also a new sublimit of 820 on land-based MIRVed ICBMs, the most destabilizing strategic force element.

In addition, we have broken significant new ground in the qualitative area by limits on numbers of reentry vehicles on each type of ICBM (and maximum limits for SL BMS and by allowing each side only one new type of ICBM.

Taken together, these two tracks have resulted in a significant step forward in the arms control process, and it is a step that supports our strategic objectives.

A simple way to measure the utility of SALT II to our strategic objectives of deterrence and essential equivalence is to return to a fact I mentioned before in passing: Without the SALT II agreement, the Soviet Union could have nearly one-third more strategic systems than with the agreement—instead of the 2,250 delivery vehicles of the treaty, they could have 3,000. And there would be corresponding effects on other measures—including overall throw-weight, megatonnage, weapons numbers and the like. Naturally, we do not know what the Soviets would do in the absence of a treaty, but these higher strategic system levels are well within their capability.

A Soviet buildup of this kind would pose greater challenge and make protecting our security more difficult in quite specific ways:

First, the simple addition of numbers would force us to increase our own programs still further to preserve essential equivalence, to maintain areas of U.S. advantage to offset Soviet leads in other areas.

Without SALT we would lose the greater predictability that is one of the agreement's most important contributions to stability. In my view, it is probable that without SALT II we would enter into an era of greater uncertainty—in both military and political terms—that would result in increased strategic forces on both sides, as hedges against that uncertainty. This would mean less rather than more security for the United States—and for the Soviet Union, too.

For, faced with such a Soviet buildup, the United States could—and I am confident would—respond. Given our determination to maintain essential equivalence, and the demonstrated Soviet willingness to avoid strategic inferiority even at great cost, the net result of such a numbers race would be greater strategic force levels at greater expense and at substantial risk to stability.

Second, while SALT II won't solve the Minuteman vulnerability problem, it will make the solution of the problem easier than without an agreement. SALT II will limit, to well below previously projected levels, the number of Soviet MIRVed ICBMs. It will freeze the number of warheads on existing ballistic missile launchers, and will limit the number of reentry vehicles allowed for new ICBMs. These restrictions sharply reduce the significance of the Soviet throw-weight advantage, which, without limitation, would, for example, enable them to deploy many more than the 10 warhead limit on their largest ICBMs.

The combination of limitations on missile launchers and numbers of warheads per missile limits the total number of ICBM warheads well below what it could otherwise be. This will ease somewhat the task of maintaining the survivability of our land-based ICBMs. The deployment of a new mobile ICBM system, regardless of basing mode, will be more feasible because an upper bound will be placed on the number of warheads that can be aimed at the targets represented by that deployment. Even if the fractionation and MIRVed ICBM limits were not continued after 1985, the inability to test much larger numbers of warheads (or add more MIRVed ICBMs) before the Treaty expires would delay the Soviet capability to increase the threat to our mobile systems. It will thus improve what I judge to be already a favorable cost-exchange ratio for the MX versus the Soviet systems that threaten it. (That is, it will be easier and cheaper for us to add hard aim points to the MX system to preserve its survivability than for the Soviets to add missiles or reentry vehicles to attack it.) SALT II becomes, then, an important element in ensuring ICBM survivability.

Third, to the extent that, as seems to me extremely likely, the lack of SALT limits would result in greater Soviet programs, and larger U.S. responses, we would be diverting scarce defense resources. In the final analysis, the United States does not have unlimited resources to spend on strategic weapons programs without significantly affecting other defense priorities—such as improvements in conventional forces—or risking negative effects on our domestic situation, in terms, for example, of social needs and inflationary pressures.

SALT will not by itself be the solution to our strategic nuclear force problems. Even with SALT we will need to, and we will be permitted to, expand our strategic military force program efforts above their present levels. Those levels, significantly, are about half, in constant dollar terms, of what they were during the mid-1960's. But SALT will mean greater stability and predictability in the strategic challenges we face, and so the balance will be maintainable at a substantially lower level of destructive power than would otherwise be the case. Moreover, with SALT, it would be significantly less expensive (perhaps as much as $30 billion less expensive over the next decade) for the United States to maintain that balance than without a SALT II agreement. Those additional costs represent a rough estimate of the kinds of *additional* increases we would need to expand our present programs *further* (or add new ones) to meet increased Soviet efforts. The $30 billion is by no means a maximum possible additional cost; it does not, for example, take into account the effects on U.S. programs if Soviet buildups were to continue beyond 1985—or if the collapse of the effort to limit offensive arms also meant an end to the ABM Treaty.

SALT II, while forestalling this unproductive numbers race, will leave us the flexibility to carry out the important qualitative programs to deal with the challenges the treaty will not eliminate. We can develop, test, and deploy each of our planned programs—cruise missiles, Trident, MX—in the fashion, and on schedule, that we have planned.

Apart from putting some distinguishing features on our ALCMs and cruise missile carriers (to aid counting under SALT), we will not be forced by SALT II to alter our strategic programs; which we need to balance Soviet programs that are allowed in SALT II and that are, in large measure, already in place. SALT II will also leave us free to pursue with our allies the important issues of modernization of NATO's intermediate-range or theater nuclear forces (TNF), and to consider arms control initiatives in this area.

Some have argued that we should link the SALT II agreement to Soviet behavior in other areas. For example, the Soviets and we are certainly completely at odds about Soviet and Soviet-sponsored destabilizing actions in developing areas of the world—and about U.S. concerns for protection of fundamental human rights. These are expressions of the fundamental differences in world view that makes us adversaries. That adversarial relationship in turn motivates the strategic arms competition and—carried to its extreme—could produce a nuclear conflict. But the SALT II Treaty is in the interest of both nations. For the U.S. to frustrate its own interests by insisting on such linkage makes no more sense than for the Soviets to use the threat of SALT II rejection to try to inhibit the development of close and friendly relations between the United States and the People's Republic of China.

Concern has also been expressed that SALT II ratification will encourage complacency and cause the U.S. to fail to do what is necessary to retain adequate deterrence and essential equivalence in strategic forces. In fact the SALT II debate is likely to have the opposite effect. An understanding of the strategic situation will promote awareness of what we need to assure our security in strategic nuclear terms—insofar as security is feasible in the era of thermonuclear weapons, ballistic and cruise missiles and strategic bombers.

If SALT is rejected or otherwise fails to come into effect, it is not certain that U.S. actions on strategic forces (as compared to Soviet actions) would produce a more favorable balance than will result under SALT II. The United States could—and I think would—respond to a heightened competition in strategic arms if we had to. The result, however, would be more weapons, higher costs, and probably less security—for both sides. In any event, to quote a recent Chicago Tribune editorial, "We have no need to terrify ourselves into doing what is necessary for our security." We intend to do what is necessary. Less will be necessary under SALT II than without it, and we will be at least as likely to do what is necessary. From this as from other points of view, SALT II is a contribution to our national security.

In conclusion, it is my considered judgment that the SALT II treaty will serve the defense interests of the United States. It enhances stability. It allows us the flexibility to modernize our strategic forces to maintain deterrence and equivalence without unnecessarily expensive and potentially destabilizing strategic nuclear arms competition. I do not doubt our economic or technical ability to compete successfully with the Soviets in strategic weapons. I do question whether such an effort is desirable if we can avoid a part of it through strategic arms limitation. And I do not believe that we would find our security increased after such a further round of competition.

Under the treaty, we can maintain flexibility and credible deterrence, and assure essential equivalence. Without the treaty, we could also do these things, but it would be more costly and less certain. I see the treaty as a valuable method of meeting our strategic goals—as a major component in our efforts to do so, along with our weapons programs. In my judgment, it is a very important component, although I emphasize that it will have to be accompanied by substantial U.S. defense programs, and particularly by expanded ones in the strategic field.

That is my analysis of this treaty. I believe that though the limitations it imposes are modest ones, they are important, and the treaty an important step toward increasing our military security. It clearly limits the Soviet threat with which we will have to contend, while not substantially constraining what we would otherwise plan to develop and deploy.

My professional career of more than thirty years has been devoted principally to maintaining the security of the United States, in a period during which international developments and technological advances have made that goal attainable only to a rather limited degree. I have personally seen tens of nuclear explosions, some of them of many megatons, but I do not pretend to know what a full-scale nuclear war would be like. I am utterly convinced that it would be dreadful beyond imagination.

To make it less likely, we have to do two things. We have to remain strong militarily—second to none. SALT II allows us to do that—but we must retain the will and make the sacrifices to do it. And we must limit, and then reduce, nuclear arsenals, and prevent their further proliferation to non-nuclear nations. SALT II, which protects and enhances the military security of the United States, is a modest but vital step along that road. We must not fail to take that step.

Thank you.

Statement of Secretary of State Cyrus R. Vance, Senate Foreign Relations Committee, July 10, 1979

Today I want to discuss how the decision of the Senate will affect our broader international interests.

Let me begin by repeating one thought from yesterday's testimony: first and foremost, SALT II must be judged by its impact upon our national security. That is its transcendent purpose.

We believe the treaty meets that test. It makes an important contribution to maintaining a stable strategic balance, now and in the future.

SALT II is not a substitute for a strong defense. It complements and reinforces our defense efforts. Together, SALT II and our defense modernization programs will give us the security we need as we meet other critical challenges to America's future.

Beyond its direct contribution to our security, the SALT II treaty must also be seen in the context of the larger fabric of international relations.

Approval of the treaty will help us meet several essential objectives of our foreign policy.

It will help us to defend our interests and promote our values in the world from a position of strength. For a strategic imbalance could lead some of our friends and allies to question our ability to protect our interests and theirs.

It will help us to fashion a balanced relationship with the Soviet Union in which we build on areas of mutual interest, but do not let the benefits of cooperative measures blind us to the reality of our continuing competition.

It will reinforce the confidence of our allies and help strengthen the alliances through which our own security is enhanced.

And it will enable us to broaden the work of arms control, so we can encourage the further transfer of attention and resources to steps which will lift the human condition.

SALT will also meet the expectations of the American people. Our people look to both the Administration and the Congress to shape a sound and sensible national security policy. They know that America's leadership in the world depends upon wisdom as well as strength. They want us to search for peace and cooperation even as we maintain a strong defense. They wisely reject a euphoric view of detente, but they do not want a return to the undiluted hostility of the Cold War.

We do not suggest that SALT II will by itself carry us to a new world of prosperity and peace. Even with this treaty there will be continued tests of our political will. Substantial new investments will be required to keep our defenses strong and ready.

Nor do we suggest that if SALT is not approved, we could not survive. We could.

The issue is whether we would be in a better or worse position, whether our national security and foreign policy would be enhanced and strengthened or hurt and weakened, as some suggest, by the approval of this treaty.

SALT AND U.S.-SOVIET RELATIONS

The decision on SALT II will have a direct and important impact on our relationship with the Soviet Union.

The growth of nuclear arms has altered that relationship in fundamental ways. We continue to have sharply different values and different views on many issues. Yet, in a nuclear age, each nation understands the importance of seeking agreement where our interests coincide.

For the foreseeable future, our relationship with the Soviet Union will continue to have two strands. One is the steady pursuit of measures of cooperation and restraint. There is no reason why we cannot benefit from carefully negotiated arms control, economic or cultural agreements just because the Soviet Union also benefits.

At the same time, the process of seeking restraint and broadening areas of cooperation cannot be allowed for a moment to divert our attention and determination from the fact of continuing competition with the Soviets in many areas.

It is imperative, in an era of continuing competition, that we not allow a military imbalance which could offer the Soviets either political or military advantages.

During the 1940's and 50's, and into the 60's, the United States enjoyed an extraordinary advantage in nuclear weapons. Given the Soviets' industrial power and the destructive nature of nuclear weapons, our monopoly could not last. It was inevitable that the Soviets would develop a nuclear arsenal of their own. Since then we have come to a condition of strategic parity which must be preserved. So long as it is preserved, neither side can expect to use its weapons for unilateral advantage.

We cannot hope to turn back the clock and recapture our earlier wide advantage. All we could expect from the attempt would be a spiraling arms race that would be costly, dangerous, and futile. Secretary Brown summed up the situation last April in Chicago when he said ". . . equivalence and deterrence are at one and the same time our maximum feasible—and our minimum tolerable—objectives."

The challenge of the 80's and 90's is to maintain both deterrence and equivalence, for both military and political reasons. The Soviet Union must never be able to use any edge in military weapons to shape the course of world events.

Perceptions of our strength and resolve are crucial. If there were doubts about the credibility of our deterrent, third countries could feel more vulnerable to Soviet pressure. The result could be a lessening of American influence and a more dangerous world.

We have no way to measure precisely how large a military discrepancy would have to be to cause political harm. We also have no interest in experimentation. The surest way to prevent political harm is to preserve an essential equivalence between our forces and those of the Soviet Union. As Secretary Brown and I discussed in detail yesterday, that is precisely what SALT II will help us to do. Indeed, equivalence is the premise of this treaty. With the future strategic balance more secure, we can most effectively compete wherever necessary.

What would happen to the U.S.-Soviet relationship if Salt II were rejected? We cannot know entirely. But it is clear that we would be entering a period of greater uncertainty.

I see no reasonable basis for believing that if SALT II is not ratified, the Soviet Union will be induced to moderate its defense spending or become more cooperative in the Third World. In the absence of SALT, however, we face unlimited nuclear competition and a serious increase in U.S.-Soviet tensions. In such an atmosphere, each crisis and each confrontation could become far more dangerous.

We do not negotiate arms control on the basis of friendship. We do not see it as a reward for Soviet behavior. As President Carter has stated, it is precisely because of our fundamental differences that we must bring the most dangerous dimension of our military competition under control.

We must be clear about the message we want to convey, both to current Soviet leaders and to the next generation.

That we are committed to the building of a stable and peaceful world in which fundamental human rights are universally respected;

That we will firmly oppose any effort that threatens the peace and security of this nation and its friends;

But that we are also prepared to move ahead in those areas where cooperation can bring gains for both sides, particularly in lightening the burdens and lessening the dangers of nuclear arms.

Both the competitive and the cooperative strands of our policy must be pursued. SALT II contributes to both. Its rejection, by diminishing the possibilities for future cooperation, could make the competition more dangerous and difficult.

U.S. ALLIANCES AND SALT

Let me turn to the relationship of this treaty to NATO and our other alliances.

America's allies fully support the SALT II treaty. Just as our partners look to us for leadership in strengthening the military position of our alliances—which we are doing—they also expect and want us to lead in the quest for greater security and stability through arms control.

In particular, our NATO allies see their security enhanced by the agreement in three ways:

A destabilizing and unregulated competition in strategic forces between the United States and the Soviet Union could create new tensions, and thus military dangers, in Europe;

Increasing the U.S. resources devoted to such a strategic competition could divert from our efforts, together with our NATO partners, to strengthen NATO's conventional and theater nuclear forces;

And the possibility of improving western security through other arms control efforts—especially MBFR and possible future negotiations involving theater nuclear forces—depends heavily on securing a SALT II treaty.

Our allies also see their political well-being served by the agreement. To them, improved relations with the USSR means families reunited, contacts with their fellow Europeans in the East expanded, and hopes for a more tranquil continent advanced. They know that failure to agree on SALT II could cast a chilling shadow over the whole range of East-West relations.

Our allies had specific interests and concerns in connection with SALT II. The questions they raised were related to specific points, not to the enterprise as a whole. And in each case we have developed mutually acceptable solutions. Because we have no more important international priority than political and military solidarity with our allies, I want to describe these solutions in some detail.

In the North Atlantic Council on June 29th, we addressed two issues of central importance to our allies' concerns, on which we consulted closely.

First, to make clear that SALT II does not foreclose future options with regard to either arms control or modernization of theater nuclear weapons, we stated that any future limitations on U.S. systems principally designed for theater missions should be accompanied by appropriate limitations on Soviet theater systems.

Second, to make clear that nothing in the treaty would prevent continued cooperation in weapons technology and systems, we stated in detail our views on the effect of the treaty on alliance cooperation and modernization. We stressed that in the treaty we have undertaken no obligation on non-circumvention beyond the basic tenets of international law, and that the treaty will not affect existing patterns of collaboration and cooperation with our allies. Nor will it preclude cooperation on modernization. We also recalled that in the SALT II negotiations, we rejected a provision on non-transfer of weapons and technology. And we defined in detail our policy on such transfers. The text of our statement is a part of my prepared testimony so that it can be examined in full.

At this same meeting on June 29th, our NATO Allies issued a formal joint statement which read in part:

"The Allies have concluded that the new agreement is in harmony with the determination of the Alliance to pursue meaningful arms control measures in the search for a more stable relationship between the East and West. The Allies therefore hope that the agreement will soon enter into force. This treaty responds to the hope of the Allies for a reduction in nucelar arsenals and thus offers a broader prospect fcr detente. The Allies note that the treaty fully maintains the U.S. strategic deterrent, an essential element for the security of Europe and of North America."

Thus, the NATO Allies have endorsed the SALT II treaty on two levels: they are convinced that it preserves all essential defense options, to sustain deterrence in Europe; and they believe the treaty serves a necessary role in the overall East-West political and strategic relationship

Beyond Europe, this treaty is supported by our other friends and allies around the world.

I have just returned from a two-week trip throughout the Pacific region. In Tokyo, in Korea, at the meeting of the ASEAN Foreign Ministers, and at the ANZUS meeting in Australia, our friends and allies emphasized to me that they view this treaty as contributing to stability and peace in the world and to the ability of the United States to continue to meet its regional commitments.

SALT AND OTHER ARMS CONTROL

Beyond its effects on East-West relations and the interests of our Allies, SALT II is important to all of our other efforts toward arms restraint.

The accumulation and spread of modern arms—including conventional arms—is a burden on the world and a central challenge to our leadership. The global arms build-up conflicts with every one of our international aims—peace; human development; and greater attention to such issues as energy, the environment, population, and all other common needs of the human family.

This challenge calls for an unrelenting commitment to restrain the growth of arms, so that scarce resources in all nations can be used in better ways. Yet our prospects for success in other key arms control efforts could turn on the fate of SALT II.

We have other serious arms control talks underway with the Soviet Union. We are negotiating, for example, to limit anti-satellite weapons, in order to protect the observation and communications vehicles which are vital in times of calm and indispensable in times of crisis. We are negotiating with the Soviet Union and Britain toward a potential ban on nuclear testing, which could be a significant restraint on the arms race. Failure of the SALT treaty could jeopardize these endeavors.

The outlook for arms control elsewhere would also be dimmed. For our arguments in favor of restraint by others will be judged in large part by our commitment to SALT.

More than a dozen nations have the capacity to develop a nuclear weapon within two years of making such a decision. In a world of intense regional disputes, the risk this poses to peace—and to our own safety—is evident. These nations will be less likely to exercise restraint if they see the two nuclear superpowers unable to agree about nuclear restraint.

The non-proliferation treaty itself specifically provides that the nuclear weapons states will pursue effective arms control measures. Our progress in fulfilling that obligation will undoubtedly be a major focus of next year's review conference on the non-proliferation treaty. Without the SALT II treaty, the authority of our efforts to halt the world-wide spread of nuclear weapons would be undermined.

Failure of SALT II could also damage our efforts to limit transfers of conventional weapons—both with major suppliers like the Soviet Union and with Third World arms consumers. Even under the best of circumstances this is a difficult task. Yet we must be committed to the effort, for the flow of arms depletes precious resources and heightens the potential danger and destructiveness of volatile regional tensions.

Let us therefore demonstrate that our commitment to the control of arms is genuine. By acting in our own self-interest, we can also help create a world environment which promotes the interests of people elsewhere.

Finally, beyond using SALT to advance our foreign policy goals, we should assure that our actions on this issue fairly reflect the values and the hopes of the American people.

I believe the American people have a sound understanding of our security needs. They have supported the increased defense effort this Administration has proposed.

Certainly this country possesses the technology and the funds to achieve effective deterrence and essential equivalence at any level that unlimited competition brings about. But the higher the level, the greater the sacrifice from our own citizens—and with less assurance of achieving these objectives.

If we engage in a needless arms race, I believe we would part company with the American people. They support a strong defense. But they have other priorities as well, including urgent needs in the areas of energy and inflation. And they understand that such an arms race would not enhance our security.

In sum, the SALT II treaty and the commitments we have made to strengthen our strategic forces will have a profound influence on the character of American leadership in the world. Obviously, with or without this treaty, we will face an imposing array of challenges and problems. But if we are to meet them, SALT II is an important and necessary first step.

The treaty will promote our security by helping us maintain a strong position of strategic equivalence and manage our most dangerous relationship.

It will help keep our alliances secure and united.

It will serve our interests throughout the world.

In all of these ways, approval of SALT II will reflect what I believe to be the basic posture of the American people—not a pointless belligerence, but a sensible determination to defend our nation and our interests, to advance our ideals, and to preserve the peace and safety of the entire human race.

TEXT OF JUNE 29, 1979 STATEMENT TO NORTH ATLANTIC COUNCIL

In the view of the United States, the non-circumvention provision in the SALT agreement simply makes explicit the inherent obligation any state assumes when party to an international agreement not to circumvent the provisions of that agreement. It is a basic tenet of international law that agreements once entered into are to be carried out and not circumvented, and the United States would be so obligated with or without a non-circumvention provision. It is the position of the United States that the non-circumvention provision does not impose any additional obligation whatever on it beyond the specific obligations of the provisions of the Treaty and, for the period of its effectiveness, the Protocol, nor does it broaden the interpretation of those obligations.

The United States has consulted intensively with the Alliance throughout the SALT TWO negotiations, recognizing the important Alliance interests in the SALT TWO agreement which deals with the strategic relationship between the United States and the Soviet Union. In view of the possible implications of the non-circumvention clause for Alliance cooperation, the United States reiterates what it has specifically stated in Alliance consultations during the negotiations, that is, the non-circumvention provision will not affect existing patterns of collaboration and cooperation with its Allies, nor will it preclude cooperation in modernization. The United States believes that, in practice, the non-circumvention provision, which it will apply as stated below, will not interfere with continued nuclear and conventional cooperation with its Allies.

As to the issue of transfers, the United States has consistently rejected the inclusion of a provision on non-transfer in the SALT agreement. We have made clear in the negotiating record that transfers of weapons or technology to our Allies will continue and cannot, ipso facto, constitute circumvention. The United States will deal with future request for transfers of weapons systems and technology on a case-by-case basis under the SALT TWO agreement, as it has done in the past.

The transfer of weapons systems or technology for systems which were not numerically limited or prohibited by the agreement would be unaffected by the agreement. With respect to systems numerically limited in the agreement, as under the Interim Agreement, transfers would not be necessarily precluded by the agreement. Of course, requests for such transfers would, in many cases, involve policy issues, and would have to be dealt with in light of the circumstances of the situation and the particular request. This would also be the case if there were no agreement.

The United States will not be able to transfer to its Allies or other states those weapons systems or technology uniquely related to such systems, which are prohibited to the United States itself by the agreement. The United States fully accepts its responsibility not to circumvent the agreement. For the United States to supply to other states systems of a type that is prohibited to the United States itself by a provision of the agreement would be a circumvention of the agreement, even if there were no non-circumvention provision.

In accordance with recognized international practice, no third party can be bound or legally affected by the obligations the United States assumes under the SALT Agreement. The United States would reject and would view as inconsistent with the political and strategic purposes of the agreement any attempt by the Soviet Union to raise, on the basis of the non-circumvention provision, questions concerning the activities of states not party to the agreement. In both a legal and practical sense, only the United States is subject to challenge in connection with questions raised by the Soviet Union with respect to the SALT agreement.

STATEMENT OF THE HONORABLE RALPH EARLE II, CHAIRMAN, UNITED STATES STRATEGIC ARMS LIMITATION TALKS DELEGATION, BEFORE THE COMMITTEE ON FOREIGN RELATIONS, UNITED STATES SENATE, JULY 10, 1979

Mr. Chairman, Members of the Committee, it is an honor to appear before you. I stand ready to assist the Committee as you prepare to assess the result of more than six years of negotiations.

As the Chairman of the US SALT Delegation for the past eight months, it was my privilege to conclude negotiations that have spanned three administrations. I have been associated with the SALT II negotiations since 1972, first as a Department of Defense consultant on matters relating to SALT, then as the representative of the U.S. Arms Control and Disarmament Agency, and later as Alternate Chairman of the US Delegation to SALT. Since October 1978, I have been the Chairman of the US Delegation. Based upon my working experience at the negotiations, I would like to share with you several observations concerning the Treaty and Protocol provisions, the process by which US positions were implemented, and a few examples of how differences between US and Soviet positions were resolved.

First, I would like to discuss how the SALT II agreement evolved into the Treaty and Protocol now before you. Like the ABM Treaty before it, which placed systematic and comprehensive constraints on certain strategic defenses, the scope of the SALT II limitations on offensive systems merits the status of a treaty, and the review process it is now receiving. This Treaty will extend through December 31, 1985.

The nineteen Articles of the SALT II Treaty place qualitative as well as quantitative constraints on launchers of land-based intercontinental ballistic missiles (ICBMs), launchers of sea-launched ballistic missiles (SLBMs), and heavy bombers. For the first time in the atomic age, we have placed equal ceilings for both sides on the total number of ICBM and SLBM launchers and heavy bombers. The Treaty also places constraints on the number of launchers of ICBMs and SLBMs equipped with multiple independently targetable reentry vehicles (MIRVs), the number of reentry vehicles per missile, and the throw-weight of ICBMs and SLBMs. The Treaty also contains a number of other constraints, such as a limit on the introduction of new types of ICBMs.

As you know, the SALT II agreement also contains a Protocol which is an integral part of the Treaty, but which is of shorter duration. The Protocol will expire on December 31, 1981. Certain weapon systems that are not currently deployed have been covered in the Protocol—mobile ICBM launchers, air-to-surface ballistic missiles, and long-range ground- and sea-launched cruise missiles. The United States can go forward with development of these systems during the Protocol period and subsequently with deployment if we feel the need to do so after the Protocol expires. Alternatively, we can negotiate limitations on any of them in conjunction with appropriate limitations on Soviet systems during SALT III.

The existence of the Protocol is itself a product of lengthy negotiations with the Soviet Union, demonstrating how conflicting interests have been reconciled in order to reach a negotiated settlement. The Soviets took the position that a SALT agreement should deal with these weapon systems. The U.S. took the position that its development programs for such systems be permitted to continue unimpeded. The result is a Protocol of short duration which will not affect our plans to develop and test mobile ICBM launchers and long-range ground- and sea-launched cruise missiles. By its own terms it will expire on December 31, 1981, and both sides have made clear in the negotiating record their understanding that the Protocol limits expire with the Protocol.

The SALT II agreement also contains a Joint Statement of Principles to guide subsequent negotiations. Article XIV of the Treaty itself establishes a commitment to begin follow-on negotiations once the SALT II obligations enter into force. The Joint Statement of Principles is not legally binding, but rather states a mutual intent. Either side can raise any issue related to the further limitation of strategic arms, including defensive systems, during the course of the SALT III negotiations. Both parties have committed themselves to more significant and substantial reductions in offensive systems and to further qualitative constraints, while also stressing the importance of verification, including cooperative measures to assist in verification. The Joint Statement of Principles reflects our view that SALT II is not an end in itself; it is a second step in a long-term effort to control and reduce the strategic arsenals of both sides.

Another component of SALT II is a Soviet statement concerning the Soviet TU-22M (Backfire) bomber. The Soviet Union has agreed to specific obligations concerning the Backfire, including a commitment not to produce more than 30 aircraft per year. The United States considers these commitments to be essential to the obligations assumed under the Treaty.

Still another component of SALT II is an exchange of data, required by Article XVII of the Treaty. Each side has provided to the other the numbers of its strategic offensive forces in the categories limited by the agreement, and in Vienna last month the sides confirmed agreed figures by category as of November 1, 1978, in the form of a Memorandum of Understanding. This data base will be updated periodically in the Standing Consultative Commission, the forum established by SALT I to consider compliance questions, discuss ambiguous situations, and develop procedures for implementing the SALT agreements. The United States does not require Soviet data for verification purposes; we rely on our own independent capabilities in this regard. Nevertheless, the data provided by the Soviet Union will assist us in confirming that both parties are interpreting the provisions and obligations of the Treaty in a similar manner.

Finally, there are numerous agreed statements and common understandings associated with the specific terms of the SALT II Treaty. The purpose of these agreed statements and common understandings—of which there are 98—is to minimize the likelihood of misinterpretations or ambiguities once the Treaty is in force. These agreed statements and common understanding record, and in some cases elaborate, the common interpretation of Treaty provisions by both sides. We have made every effort to minimize the potential for differing interpretations of the Treaty provisions. The detail of the SALT II Treaty attests to this effort.

Let me now turn to the provisions of the Treaty and the Protocol, which I shall describe briefly. Article I of the Treaty states the general undertakings by the Parties to limit strategic offensive arms.

One of the criticism of the SALT I agreements was that they contained inadequate definitions or, in some cases, none at all. Article II of the SALT II Treaty contains a lengthy set of definitions covering all the strategic offensive arms limited by the Treaty—ICBM launchers, SLBM launchers, heavy bombers, ASBMS, MIRVed systems, heavy and light ICBMs, and air-launched cruise missiles (ALCMs). (Definitions of sea-launched cruise missiles and ground-launched cruise missiles appear in Article II of the Protocol.) These detailed and precise definitions will help to preclude possible misunderstandings about what systems are to be covered by the agreement.

One of the more complex definitions, one that took several years to negotiate, is that for heavy bombers. An airplane will be considered to be a heavy bomber if it is: (1) a bomber of a current heavy bomber type, that, is, of the B–52, B–1, Bison, or Bear heavy bomber type; (2) a bomber of a future type which can carry out the mission of a heavy bomber in a manner similar or superior to that of the above current heavy bombers; (3) a bomber of a type equipped for cruise missiles capable of a range in excess of 600 kilometers; or (4) a bomber of a type equipped for ASBMs.

The rule associated with this definition provides that functionally related observable differences (FRODs) will be required to distinguish between heavy bombers and airplanes with the same basic airframe which do not have heavy bomber capability. For example, FRODs would be required to distinguish between long-range cruise missile carriers constructed with wide-body airframes and commercially, non-military airplanes with the same basic airframe. Only externally observed differences, not FRODs. would be required for current types of heavy bombers. This will facilitate United States use of some of our B–52s as long-range cruise missile carriers without requiring that all B–52s be included within the 1320 subceiling.

Associated with the definitions are type rules and counting rules which make practicable the verification of provisions which otherwise would be extremely difficult to verify. Some examples are the ICBM launcher type rule, the type rules for MIRVed missiles and MIRVed launchers, the type rule regarding functionally related observable differences for heavy bombers, and the armament and range type rules for cruise missiles.

A specific example is the set of type rules for MIRVed missiles and for launchers of MIRVed missiles, which solve the verification problem of how to count Soviet MIRVed systems that look alike, but may be different. For example, the Soviet SS–17, SS–18 and SS–19 ICBM systems have all been flight-tested both with MIRVs and with single RVs. The MIRVed missile type rule provides that if a missile has been flight-tested with MIRVs, all missiles of that type will be considered to be MIRVed, regardless of their actual payload. Thus, all SS–17, SS–18, and SS–19 ICBMs will be considered to be MIRVed. The MIRVed launcher type rule provides that if a launcher is a launcher of MIRVed ICBMs or SLBMs, all launchers of that type will be considered to be launchers of MIRVed ICBMs or SLBMs. Thus, all SS–17, SS–18 and SS–19 launchers will be considered to be launchers of MIRVed ICBMs, regardless of the missiles they actually contain.

One of the achievements of President Ford at Vladivostok was to obtain Soviet agreement to an equal overall aggregate ceiling for the two sides, specifically, a 2400 ceiling. This initial ceiling of 2400 is codified in Article III of the Treaty. Also contained in that Article is a provision for a subsequent reduced common ceiling of 2250, to take effect in 1981, negotiated under the present administration.

Article IV of the Treaty places restrictions on ICBM launcher construction and places qualitative limitations on ICBMs and SLBMs. The freeze on the numbers of fixed ICBM launchers and of fixed heavy ICBM launchers is carried over from the Interim Agreement. However, new in SALT II are the bans on ICBM rapid reload capability, on excess missiles at ICBM launcher deployment areas, and on excess missile storage facilities at ICBM launch sites. This Article also puts a cap on the launch-weight and throw-weight of heavy ICBMs, based on the launch-weight and throw-weight of the Soviet SS–18 ICBM.

SALT II places limitations on new types of ICBMs for the first time. Under Article IV, each side is limited to one new type of ICBM during the period of the Treaty. The one permitted new type must be a light ICBM, and can be either MIRVed or non-MIRVed. This Article provides limitations on the parameters of the one permitted new type of ICBM and on the degree of modernization permitted to existing types of ICBMs. This article also places important limitations on fractionation—the number of reentry vehicles (RVs) per missile. The maximum number of reentry vehicles on existing types of ICBMs will be frozen at current levels. The maximum number of RVs on the one permitted new type of ICBM is 10. SLBMs will be limited to a maximum of 14 RVs, and ASBMs to a maximum of 10 RVs. These limitations place important constraints on the destructive potential of the missile forces of the two sides. In addition, neither side can have an average of more than 28 long-range ALCMs on heavy bombers so equipped, while no heavy bomber of current types (B–52, B–1, Bear, or Bison) can have more than 20 long-range ALCMs.

Article V contains the 1320 subceiling agreed at Vladivostok as well as two other subceilings agreed subsequently. These limitations are: (1) the 1320 subceiling on launchers of MIRVed ICBMs and MIRVed SLBMs, on MIRved ASBMs, and on heavy bombers equipped for long-range cruise missiles; (2) the 1200 subceiling on launchers of MIRVed ICBMs and MIRVed SLBMs and on MIRVed ASBMs; and (3) the 820 subceiling on lanchers of MIRVed ICBMs. These limitations, especially the 820 subceiling, will place significant constraints on the deployment of the new Soviet MIRVed systems.

Rules for inclusion of weapon systems in the aggregates are provided in Article VI. Article VII exempts ICBM and SLBM test and training launchers and space vehicle launchers from the aggregates, but does subject them to separate limitations. Article VIII contains additional limitations on aircraft other than heavy bombers.

Prohibitions on certain weapon systems are provided in Article IX. This Article bans long-range ballistic missiles on surface ships, ballistic and cruise missiles and their launchers on the ocean floor and the beds of inland waters, and systems for orbiting nuclear weapons, including fractional orbital missiles. In addition, there are bans on mobile launchers of heavy ICBMs, on heavy SLBMs and their launchers, and on heavy ASBMs. These limits provide a significant constraint on the size of strategic ballistic missiles.

Article X provides explicitly for the modernization and replacement of strategic offensive arms, subject to the other provisions of the Treaty. The dismantling or destruction of excess and prohibited weapon systems under agreed procedures is provided for in Article XI. Article XII contains an undertaking by the Parties that they will not circumvent the provisions of the Treaty, through a third state or states, or in any other manner. This provision simply makes explicit the inherent obligation any state assumes when party to an international agreement not to circumvent the provisions of that agreement. The provision does not impose any additional obligation, nor does it broaden the interpretation of the other obligations in the Treaty. It will not affect existing patterns of collaboration and cooperation with our Allies, nor will it preclude cooperation in modernization. In Article XIII the Parties agree not to assume during the term of the Treaty any international obligations which would conflict with the Treaty.

In Article XIV the sides obligate themselves to begin, promptly after entry into force of the Treaty, follow-on negotiations for further limitations and reductions in strategic arms. This obligation shows the intent of the sides to pursue the SALT III negotiations.

One of the most important aspects of the SALT II negotiations has been the subject of verification. Article XV contains explicit provisions to aid and facilitate verification. The prohibitions on interference with national technical means of verification and on deliberate concealment measures which impede verification have been carried over from SALT I. However, there are additional provisions which explicitly apply the deliberate concealment ban to measures associated with testing, including measures aimed at concealing the association between ICBMs and their launchers.

In addition, there is a prohibition on deliberate denial of telemetric information, including telemetry encryption, whenever such denial impedes verification. In the absence of a SALT II Treaty and these provisions, the Soviets could take numerous measures to conceal their strategic arms programs from our intelligence. Such measures would reduce significantly the effectiveness of U.S. intelligence collectors and the confidence with which we monitor the strategic balance.

In Article XVI, the sides agree to notify each other in advance of each ICBM launch which is planned either to extend beyond the national territory of the launching Party or to be a multiple launch (more than one ICBM in flight at the same time). This provision is a confidence building measure.

Article XVII establishes the role of the Standing Consultative Commission (SCC) for the SALT II agreement. The mandate of the SCC has been expanded beyond SALT I to include new responsibilities. The SCC will agree upon procedures to implement the provisions of the new agreement. The SCC can also consider questions related to compliance and ambiguous situations. The SCC has established a strong record under SALT I, and can be expected to serve similarly under SALT II.

In addition, under Article XVII, the SCC will maintain and update at least twice annually the agreed data base established in the Memorandum of Understanding, in which the sides agree by category on the numbers of systems for each side limited by the Treaty. This is a significant accomplishment considering the traditional Soviet desire for secrecy in such sensitive military matters. The data base provides a specific mechanism for facilitating verification of the SALT II aggregates and subceilings, and will serve as an important confidence building measure.

Article XVIII provides for amendments to the Treaty, while Article XIX provides for ratification, entry into force, and withdrawal under the usual "supreme interests" clause.

The Protocol contains short-term limitations on certain systems, and will expire at the end of 1981. Article I of the Protocol prohibits the deployment of mobile ICBM launchers and the flight-testing of ICBMs from such launchers.

Article II of the Protocol prohibits deployment of SLCMs and GLCMs with ranges over 600 km. The United States has made it clear that the associated definitions of SLCMs and GLCMs do not establish a precedent for limitations, if any, that might be placed on these systems after the Protocol has expired.

Article III of the Protocol prohibits the flight-testing and deployment of ASBMs. Article IV of the Protocol states that the Protocol shall be considered an integral part of the Treaty, and provides for entry into force of the Protocol.

Given the importance of SALT to national security, the process by which the US positions were developed was, and had to be, a careful and exhaustive one. Both in Washington and in Geneva, it has been in every respect an interagency process which assured the full participation of all concerned agencies of the United States Government.

In Washington, the President received advice on negotiating positions and tactics from the Special Coordinating Committee (SCC). The SCC is a subcommittee of the National Security Council chaired by the President's Assistant for National Security Affairs, and includes the Secretary of State, the Secretary of Defense, the Director of the Arms Control and Disarmament Agency, the Director of Central Intelligence, and the Chairman of the Joint Chiefs of Staff. The final decisions on our negotiating positions are made by the President, based on the recommendations of the SCC.

Next, these decisions were translated into specific instructions to the US SALT Delegation in Geneva. The Delegation also consisted of representatives from all concerned agencies. The United States SALT Delegation included a Chairman, members from the Department of State, the Office of the Secretary of Defense, the Joint Chiefs of Staff, and a public, at-large member. In addition, the United States SALT Delegation relied on intelligence and legal advisors, a staff of advisors and experts from all agencies, and a small but able supporting staff of interpreters, secretaries, administrators, and security personnel. We benefited from occasional visits from nearly 30 Senators, including Members of this Committee. Senatorial advice contributed to the success of the negotiating process, particularly in connection with the issues of data base and verification.

The United States SALT Delegation operated at all times under instructions from Washington. Meetings between the United States and Soviet Delegations were held at several levels. At Plenary meetings, usually held once a week, the two Chairmen read prepared, formal statements, after which the Chairmen held a private meeting while the rest of the two Delegations split up into small bilateral groups for less formal discussions. The two Chairmen also held separate private meetings outside the Plenary format as the need arose.

Additional groups within the Delegations were formed to carry out specific responsibilities. A Drafting Group, chaired on the U.S. side by the senior State Department official and including representatives from ACDA, the Office of the Secretary of Defense, and the JCS, usually met twice a week and was responsible for preparing the draft text of the agreement. A Conforming Subgroup, chaired on the U.S. side by the legal advisor to the Delegation, operated under the aegis of the Drafting Group. It had the responsibility to ensure that the draft texts of the agreement were up to date and conformed in both languages. All substantive matters addressed by the U.S. side at these meetings were reviewed ahead of time within the U.S. Delegation.

Our Allies were kept abreast of the negotiating situation, and were consulted closely on issues of common interest. The SALT Delegation periodically consulted with our NATO allies at meetings of the North Atlantic Council called for this purpose.

We in Geneva received instructions from Washington on all significant negotiating issues. On day-to-day matters, we received guidance from the SALT Backstopping Committee in Washington, a subordinate body of the Special Coordinating Committee. As in all other SALT support activities, the Backstopping Committee consisted of participants from all concerned agencies—the NSC staff, State, OSD, ACDA, JCS, and CIA. The Delegation in Geneva normally decided questions of negotiating tactics. The Delegation also made recommendations to Washington on substantive matters, based on our first-hand assessments in the field. Naturally, our recommendations on important matters of substance had to be approved in Washington before being carried out.

As can be seen, the SALT negotiating process has placed a premium on coordinated, interagency positions—both in Washington and in Geneva. And at all times the SALT Delegation in Geneva operated within the guidelines set under the authority of the President of the United States.

Finally, I would like to go through a few examples to illustrate how differences between the US and Soviet positions were resolved. The negotiations were carried out essentially on two levels—by the Delegation in Geneva and by the Secretary of State directly with the Soviet leadership.

The first example concerns Article II, which provides a good case study of how the negotiations worked in actual practice. Article II sets forth the equal aggregate ceilings permitted each side. From the outset of the SALT II negotiations, one of the main goals of the US was to provide for equal aggregate ceilings, consistent with Congressional guidelines. It was also believed that the establishment of equal aggregates would make it easier to pursue reductions in subsequent negotiations. Thus, every US negotiating instruction and proposal concerning levels of intercontinental strategic forces incorporated this principle. Our first specific proposal, tabled in May 1973, suggested an aggregate ceiling of 2350 for either side.

During the initial phases of the SALT II negotiations, the Soviet Union insisted on preserving unequal ceilings. In October 1973, the Soviets proposed the retention of the unequal ICBM and SLBM launcher limits of the Interim Agreement, supplemented with a new limit on heavy bombers.

There was little movement on this issue until the Vladivostok Summit meeting between President Ford and General Secretary Brezhnev in November 1974, when the Soviet Union finally agreed in principle to an equal aggregate limit of 2400 for each side.

In 1977, the United States proposed that the 2400 ceiling be reduced. In March 1977, Secretary Vance proposed deep reductions, from 2400 down to 1800–2000. The Soviet Union rejected this proposal as being too radical a departure from the Vladivostok Accord. In July 1977, the United States proposed a 10 percent reduction to a new aggregate of 2160 launchers for each side; at the same time the US proposed a sub-limit of 1200 on launchers of ICBMs and SLBMs equipped with MIRVs. The Soviet Union countered with an overall ceiling of 2250 and a MIRV sublimit of 1250. In April 1978, this issue was resolved on the basis of United States agreement to 2250 for the reduced aggregate, while the Soviet Union agreed to accept the United States proposal for a 1200 subceiling on MIRVed launchers. The United States was successful in achieving reductions below the Vladivostok levels.

The exchange of data on each country's strategic programs, as required by SALT II, provides another case history of how the two Delegations resolved outstanding issues. The United States proposed an exchange of information on each category of strategic offensive arms limited by the SALT II accords in July 1975. The data base idea was put forward to reduce the possibility of misunderstandings, and to ensure that both sides apply the provisions of the Treaty in the same way. The United States proposal provided for an initial exchange of information, to occur after entry into force of the agreement, and updated information twice annually thereafter.

The Soviets rejected the United States proposal for several years, arguing that the agreed principle of verification by national technical means made a data base redundant. The Soviet Delegation wanted only voluntary exchanges of information. In September 1975, the Soviets tabled a proposal to this effect.

The sides continued to discuss the issue of data base throughout 1976 with little movement toward agreement. In March 1976, the US revised its proposal to call for an agreement on data at the time of signature of the agreement, as opposed to an exchange of information at the time of entry into force. The Soviet Union continued to oppose this concept as a new departure from the Vladivostok Accord, and as contrary to the principles of verification by natonal technical means.

The United States continued to press for an agreed data base after the resumption of negotiations in May 1977. Interventions by several Senatorial advisors in support of this United States position were of value during this period. By the end of 1977, the Soviets accepted the United States proposal to provide data on the number of strategic offensive arms possessed by each side in the categories limited by the agreement. The sides then began to discuss the categories to be included in the data base.

Both sides subsequently provided data on the current numbers of their systems, but the Soviets continued to question the need for additional procedures to maintain an updated base. In mid-1978, the Soviets finally agreed to maintain and update the data base throughout the period that the SALT II Treaty would be in force.

A third example involves the rules we have worked out to facilitate MIRV verification. The United States Government decided early in SALT II to pursue qualitative limitations on strategic offensive arms, including limitations on MIRVed ballistic missiles and their launchers. At that time, a number of meetings of the Verification Panel were dedicated to detailed studies of various counting rules and collateral constraints designed to ensure adequate verification of MIRV limitations. It was decided that limits on the number of launchers of ICBMs and SLBMs equipped with MIRVs would be adequately verifiable provided they were accompanied by certain "counting rules". The United States then entered into negotiations with the Soviets on MIRV launcher limits and associated verification rules.

When the Delegations began to draft Treaty language in 1975 to implement the MIRVed launcher limit, the US pressed for type rules for MIRVed missiles and for launchers of MIRVed missiles to make adequate verification of this limit feasible. The Soviets resisted, but after several years they agreed to the type rules which will do this job. The verification problem was how to count Soviet MIRVed systems that look alike, but may be different.

For example, the Soviet SS–17, SS–18 and SS–19 ICBM systems have all been flight-tested both with MIRVs and with single RVs. The MIRVed missile type rule provides that if a missile has been flight-tested with MIRVs, all missiles of that type will be considered to be MIRVed, regardless of their actual payload. Thus, all SS–17, SS–18 and SS–19 ICBMs will be considered to be MIRVed. The MIRVed launcher type rule provides that if a launcher is a launcher of MIRVed ICBMs or SLBMs, all launchers of that type will be considered to be launchers of MIRVed ICBMs or SLBMs. Thus, all SS–17, SS–18, and SS–19 launchers will be considered to be launchers of MIRVed ICBMs, regardless of the missiles they actually contain. In this connection, the Soviets agreed that all 180 ICBM launchers at Derazhnya and Pervomaysk be included in the MIRV launcher total, even though in fact some of them do not contain and never have contained MIRVed missiles.

Another case study of possible interest is the heavy ICBM launcher provision, which was resolved in direct negotiations with the Soviets at Vladivostok, and not by the Delegations.

The SALT I Interim Agreement, signed in 1972 by President Nixon and General Secretary Brezhnev, froze the number of modern heavy ICBMs at 308 for the Soviet Union and none for the U.S. At the Vladivostok summit meeting in 1974, President Ford and General Secretary Brezhnev agreed that the SALT I freeze on the number of launchers of modern heavy ICBMs would continue, as would the ban on new construction of additional fixed ICBM launchers. Both sides further agreed at the same time that U.S. forward-based systems in Europe would be excluded from the SALT II limits, and that French and British nuclear forces would be excluded from the negotiations. In effect, the U.S. got something we wanted in exchange for giving up the option to build something we had no intention to deploy.

The modern heavy ICBM is an option in which the U.S. has no interest. Under the terms of SALT II, the U.S. can and is planning a "light" ICBM of equivalent effectiveness as Soviet "heavy" ICBMs. This is because light ICBMs—like the M–X now entering full scale engineering development—can destroy military targets as well as heavy missiles, given their expected accuracy and yield. It is true that heavy missiles can provide some offensive advantage though their greater payload which, absent other constraints, can be converted into a greater number of warheads. But the SALT II agreement limits each side to at most 10 warheads per ICBM, whether they be on a Soviet heavy missile or an M–X. At one time, the U.S. had a heavy ICBM program (TITAN I and II), but for the reasons stated, we deliberately decided to scale down the size of our ICBMs in the early 1960s. No administration since that time has felt a military need to reverse this decision.

More recently, the US had to decide whether to ban mobile heavy ICBMs, or to permit each side such missiles within the aggregate ceilings. After a detailed review, the US decided to propose to ban mobile heavy ICBMs, and the Soviets agreed to this provision. One rationale for this decision was that if heavy mobile ICBMs were permitted, the Soviets would likely deploy such a missile, but the US would not, as our military had no interest in such a system. Therefore a ban seemed in our interest, despite the fact that allowing such systems would have given the US the formal right to heavy ICBMs, a right we have no intention of exercising. This decision was taken as part of our effort to constrain further the Soviet ICBM force. For this reason we also negotiated a ceiling of 820 on numbers of MIRVed ICBMs, a constraint which is additional to those agreed at Vladivostok.

These case histories reflect the process of negotiated settlement that took place throughout SALT II. Neither side presented the other with non-negotiable demands. Both delegations showed enough flexibility to arrive at equitable agreements. The agreements arrived at were not exclusively what we wanted; nor were they exclusively what the Soviet Union wanted. SALT is not a contest, with designated "winners" and "losers". SALT is a true bargaining process in which each side must gain in order for the agreement to endure.

A careful evaluation of the SALT agreements as a whole confirms this judgment. The agreements have been meticulously crafted to be balanced and in the interest of both Parties. At the same time, principal US objectives in these negotiations have been served:

We have established equal levels of intercontinental strategic forces;

We have begun the process of reducing these forces;

We have imposed important and useful qualitative constraints on offensive systems;

We have produced a Treaty that is adequately verifiable.

SALT II serves our national security by imposing verifiable constraints on Soviet strategic systems, while leaving open our options to provide for the common defense, and to modernize our strategic forces. It has taken nearly seven years to negotiate this treaty. In my judgment, the time and effort were well worth it.

Mr. Chairman, Members of the Committee, I would be pleased to respond to your questions.

STATEMENT OF THE HONORABLE GEORGE M. SEIGNIOUS II, DIRECTOR, U.S. ARMS CONTROL AND DISARMAMENT AGENCY BEFORE THE SENATE COMMITTEE ON FOREIGN RELATIONS, JULY 10, 1979

Mr. Chairman, I am pleased and privileged to appear before the Committee today to testify in support of the SALT II Treaty. As Director of the Arms Control and Disarmament Agency, I will concentrate on how SALT II—a strong arms control achievement which reduces the risk of nuclear war—enhances the national security of the United States.

Almost 25 years ago, after the American monopoly had been transformed into a deadly sharing of this enormous destructive capability, the implications of the nuclear age for national security and national survival were foreseen by General of the Army Douglas MacArthur:

"War has become a Frankenstein to destroy both sides. No longer is it the weapon of adventure whereby a short cut to international power and wealth—a place in the sun—can be gained. If you lose, you are annihilated. If you win, you stand only to lose. No longer does it possess the chance of the winner of duel—it contains rather the germs of double suicide."

Every United States President in the nuclear age—Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter—has appreciated this reality and borne the awesome responsibility it imposes.

Thus, when I speak for SALT II, I do not speak for detente, or for good will, or for a political party, or for trust. I speak for arms control that will enhance the national security of the United States.

The essential criterion for both our defense policy and arms control is the security of the United States. Defense policy and arms control policy are not mutually exclusive. As President Kennedy once wrote, "Diplomacy and defense are no longer distinct alternatives, one to be used where the other fails—both must complement each other."

There is widespread agreement in this country on two fundamental goals:

One, that we should reduce the nuclear arsenals of the two superpowers, and

Two, that we must maintain essential equivalence in strategic forces with the Soviet Union.

SALT II provides the only way to pursue both goals simultaneously. The Treaty places upper limits on strategic competition and begins the process of reductions. It also helps to preserve a U.S. strategic posture which is equal to that of the Soviet Union.

It protects those defense program options we need to maintain a modern, and flexible, and survivable deterrent.

The United States will maintain essential equivalence with the Soviet Union—with or without SALT. But the SALT process—including this SALT II Treaty—enables us to do so at lower, less expensive, and less dangerous levels.

A strong defense coupled with sensible arms control can better enhance our security than either can alone. Each nation must provide for its own defense. But, in the nuclear age, adversaries must cooperate in order to prevent nuclear war.

The chances of war are reduced as the nuclear balance becomes more stable and more predictable. SALT can contribute to this stability and predictability in several ways:

By maintaining basic parity in overall strategic forces, and preventing one side or the other from gaining the kind of numerical advantage which could be exploited militarily or politically;

By preserving the ability of each side to maintain forces which are secure from surprise attack and which can retaliate with an effective second strike; and

By ensuring that both sides have sufficient knowledge about the strategic forces of the other, to enhance mutual confidence that parity and deterrence exist.

The provisions of SALT II help make the balance more stable by limiting both the numbers and the capabilities of strategic nuclear weapon systems. The agreement also enhances our ability to monitor Soviet strategic forces.

The SALT II agreement prohibits either side from achieving a numerical advantage in strategic launchers. This is important because a meaningful numerical advantage might be exploited either militarily, for more launchers can send more warheads against the other side's military and civilian targets, or politically, for even the appearance of greater numbers could be powerful diplomatic currency. Questions raised during the SALT I debate and the resolution approving the Interim Agreement reflected Senate concern over the potentially dangerous consequences of numerical disparities. SALT II alleviates this concern by providing for equal aggregate ceilings.

In SALT II, the overall ceiling for ICBM launchers, SLBM launchers, and heavy bombers is equal for both sides—initially 2400, to be reduced by the end of 1981 to 2250. Under SALT II, there will be no race for advantage in numbers of launchers.

SALT II also places subceilings on specific categories of launchers—especially MIRVed missile launchers.

There is a limit of 1,320 on the total of MIRVed ICBM and SLBM launchers plus heavy bombers equipped for long-range, air-launched cruise missiles. The total number of MIRVed launchers cannot exceed 1,200, and the number of MIRVed ICBM launchers—the most destabilizing weapon system—is limited to a maximum of 820.

Within these ceilings, the two sides maintain some latitude in selecting a mix of land-based missiles, submarine-launched missiles, and heavy bombers. These ceilings will hold deployment of the new Soviet MIRVed missiles, especially their new MIRVed ICBMs, to well below the numbers they could have without the agreement.

Now these ceilings—2,250, 1,200, 820—are higher than we wanted them to be. We tried to negotiate lower numbers. However, it proved impossible *at this stage* in SALT to bring the numbers down more. SALT II will help to eliminate the Soviet numerical advantage in launchers, forcing them to reduce by some 250 systems. With equal ceilings in SALT II and a mutual commitment to pursue—in the words of the Joint Statement of Principles—"significant and substantial reductions in the numbers of strategic offensive arms," I believe we have taken an important next step and opened the way for deeper reductions in the future.

Even with equal numerical ceilings, advancing technology offers the potential for continuing competition and substantial increases in strategic capabilities. At times, the rate of technological development seems to have outstripped our ability to bring technology under control. In the military field, advanced technology has enabled us—some would say driven us—to develop newer, more deadly types of weapons and to make existing weapons even more destructive.

In arms control, technological advances can offset numerical limits. In SALT I, for example, we froze the number of strategic missile launchers on both sides. This capped the quantitative arms race in ballistic missile launchers. But MIRV technology—which was deliberately not limited in any way in SALT I—enabled both countries to replace a missile which could send one warhead to one target with a missile which can send many warheads to many separate targets. The launcher race gave way to a warhead race. The number of weapon systems remained the same, but their capabilities became even greater and more deadly.

The technological arms race poses as many dangers to stability as does the numerical arms race. The MIRVed ICBM is the most obvious example.

In SALT II, we have limited not only the numbers of strategic nuclear delivery vehicles, but their capabilities as well. And we have succeeded—not in halting the technological arms race, but certainly in slowing it down. There are a number of qualitative restraints in SALT II, and they are quite specific.

SALT II freezes the number of warheads on existing types of IBCMs and establishes ceilings on the number of warheads that can be placed on SLBMs and on any new type of ICBM. This means that the Soviets will not be able to exploit fully the MIRV potential of their ICBM throw-weight advantage.

SALT II bans new ICBMs and new SLBMs which are larger in throw-weight than the largest current light ICBM, the Soviet SS–19.

SALT II bans new types of ICBMs, with an exception for only one new type of light ICBM for each side. Constraints written into this provision will limit improvements to existing types of ICBMs in such characteristics as throw-weight, launch-weight, number of warheads, length, diameter, and fuel type.

The numerical ceilings and the qualitative restraints are mutually reinforcing. Taken together, they limit the ability of both sides to increase the number of launchers, the number of warheads, and the throw-weight of their missile forces. We have, in effect, capped the major indices by which central strategic power is measured.

The equal aggregate ceilings cap the first index of strategic power—the number of launchers. The subceilings on the number of MIRVed missile launchers and the "fractionation" limits on the numbers of warheads that can be put on a given missile combine to place an upper limit on the second index—the total number of warheads. The ban on increasing the number of heavy ICBMs and the upper limits on the size of both heavy and light ICBMs combine to produce an upper limit on the third index—total throw-weight.

There are other qualitative constraints in the Treaty.

SALT II bans rapid reload systems which, if made workable, could greatly increase the military capabilities of ICBM launchers. To reinforce this, SALT II also bans storage of excess missiles near launch sites.

SALT II also bans development, testing, and deployment of several types of weapons not yet deployed by either side, but which could otherwise be on the drawing boards in either country. Under SALT II, there can be:

No long-range ballistic missiles on ships other than submarines;

No ballistic or cruise missile launchers on the ocean floor, seabed, or the beds of internal or inland waters;

No systems for placing nuclear or other mass destruction weapons in orbit;

No mobile launchers of heavy ICBMs;

No heavy submarine-launched ballistic missiles;

No heavy air-to-surface ballistic missiles, and

No air-launched cruise missiles with multiple independently targetable warheads.

For the duration of SALT II, there will be no arms race at all in any of these areas.

I know this Committee will be looking specifically at verification in its hearings, but I would like to say a few words here about SALT verification and about how the verification provisions of SALT II build mutual confidence in the SALT process.

The SALT II agreement is adequately verifiable. We are confident we can detect any violation by the Soviets which could pose a significant military risk or adversely affect the strategic balance.

In SALT we don't rely on trust. Trust is not a basis for national survival. We verify Soviet compliance with the provisions of the agreement by using our diverse, powerful, and sophisticated intelligence capabilities. These include photoreconnaissance satellites which survey the Soviet Union on a regular basis. Our various intelligence-collection techniques complement each other. We do not depend on just one source for the data we need. Taken together, these capabilities provide us with a substantial amount of detailed, accurate, up-to-date information on those Soviet forces and activities limited by SALT.

When one considers the verifiability of SALT II, it is important to remember several things about strategic systems:

Many are very large, complex systems. For example, it takes many months to construct an ICBM silo launcher and years to assemble and deploy a nuclear submarine. They can't be constructed overnight. This gives us time to monitor activities.

New systems have to be tested to have operational confidence. As a former military man, I can assure you that no commander is going to place five extra warheads on a missile and have confidence in that system without testing it extensively. We can observe these Soviet tests.

Systems need personnel to run them and extensive logistical and security support. Some charge that the Soviets could stockpile extra missiles and then one night change the strategic balance. However, it is one thing to produce a missile in a factory; it is quite another to have the trained personnel, the logistics, and the launchers themselves—without our being able to spot them. Activities such as these compound the task of keeping deployments hidden, and they increase the chance that we will spot them.

The SALT II agreement was negotiated and drafted with verification in mind. There are a number of aspects of SALT II which are worth highlighting for their contributions to verification and confidence-building.

The Treaty bans deliberate concealment measures which impede verification of compliance. The natural tendency of governments towards secrecy in matters of security has yielded in important ways to the demands of mutual confidence. A notable explicit example is that both countries have limited their freedom to encrypt telemetry associated with missile tests, whenever such denial of information would impede verification.

SALT II bans interference with national technical means of verification.

The counting rules for MIRVed launchers and MIRVed missiles will enhance confidence in verification. For verification reasons, the Soviets have agreed to count as MIRVed a number of systems which in reality are not MIRVed.

The data base exchange is a mutual recognition that confidence requires information—in many cases, information that traditionally has been a closely held secret in the Soviet Union. Provision of this data, now agreed, makes clear that both parties interpret the provisions of the Treaty and Protocol in the same way.

To enhance our ability to verify compliance with provisions of the agreement, the Soviets have agreed to ban production, testing, and deployment of the SS–16, as well as the production of components unique to it.

SALT II continues and broadens the mandate of the Standing Consultative Commission, which was established in 1972 and serves as the principal forum for resolution of questions of compliance. Over the past six years, the SCC has proven to be valuable and useful to both parties.

We have a long way to go in the SALT process. Nonetheless, we should be—and we are—proud of the accomplishments of SALT II:

We have established—for the first time—equal over-all ceilings on strategic nuclear forces;

We have negotiated equal sub-ceilings on MIRVed systems;

We have begun the long-sought process of reductions;

We have taken the first steps in controlling the technological arms race;

We have placed limits on increases in three major indices of central strategic power—launchers, warheads, and throw-weight;

We have strengthened verification;

And we have renewed our commitment to the long-term process of strategic arms limitation.

SALT II is an essential bridge to future progress in strategic arms limitations. Not only does it provide specific steps upon which we can build, not only does it provide new verification provisions that will enhance confidence and stability, but also through the Joint Statement of Principles it specifically commits the United States and the Soviet Union to pursue negotiations with the objectives of significant and substantial numerical reductions, further qualitative limitations, and resolution of the issues in the Protocol. We intend that these negotiations begin as soon as SALT II enters into force—as mandated by Article XIV of the Treaty.

The SALT II agreement must be judged on its own merits, and the number one criterion is whether it contributes to the over-all security of the United States. Our security, however, is a product of many factors, and today in a highly interdependent world, in a world where escalation from local crisis to superpower confrontation could pose a threat as potentially dangerous as direct surprise attack, the spectrum of arms control efforts is important to this security.

We are now engaged in a broad range of arms control endeavors and negotiations with the Soviet Union and with other nations.

If SALT II is successful, as you yourself have written, Mr. Chairman, "the way will be open for progress on other initiative." Although ratification of SALT II will not necessarily lead to instant success in other arms control efforts, failure of SALT II will most certainly damage them, perhaps beyond the point of repair.

The implications for our security and world stability are unmistakable and they are very serious indeed.

Beyond the collapse of the SALT process itself, the most important casualty of SALT failure would be our vitally important effort to prevent the spread of nuclear weapons. The world is poised on the threshold of a dangerous and rapid proliferation of nuclear weapons.

Such proliferation would create a security nightmare for all nations. A world with many nuclear powers would face much greater risks of nuclear blackmail, nuclear terrorism, nuclear insurrections, and regional conflicts which might involve nuclear weapons. These conflicts could escalate rapidly to threaten the security of every American. I can think of no more unstable a world than one with growing numbers of nuclear weapon states.

The central feature of the international effort to control the spread of nuclear weapons is the Treaty on the Non-Proliferation of Nuclear Weapons or NPT.

Under this Treaty, 106 non-nuclear weapon states have pledged not to acquire nuclear weapons or nuclear explosive devices, and to demonstrate their compliance with the Treaty by placing all their peaceful nuclear facilities under the safeguards system of the International Atomic Energy Agency.

U.S. non-proliferation efforts are, of course, widespread and diverse. We are working with other countries to turn the spread of peaceful nuclear power into the least dangerous, most productive directions. But we cannot stop the increase in technical nuclear capabilities worldwide. As a consequence, the number of states which could, in a relatively short period of time, construct one or more nuclear explosive devices, if they chose to do so, increases steadily. Thus, the continued recognition by these states of the importance of maintaining the NPT obligations becomes our primary hope over the long run for avoiding a catastrophic spread of nuclear weapons.

Article VI of the Non-Proliferation Treaty, which was signed in 1968, commits all Parties—including the United States and the Soviet Union—"to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date. . . ."

Throughout the past ten years, the international community has frequently stressed the relationship between non-proliferation by the non-nuclear weapon states *and* efforts by the nuclear weapon states to halt and reverse the arms race. Indeed, the SALT II agreement explicitly recognizes this relationship. The Preamble to the SALT II Treaty records that it is entered into by the two parties "Mindful of their obligations under Article VI" of the Non-Proliferation Treaty.

If SALT were rejected, some countries which are not parties to the Non-Proliferation Treaty or the Treaty of Tlatelolco (which creates a Nuclear Weapons Free Zone in Latin America) could use the failure of SALT II to justify their own continued refusal to undertake an obligation not to develop nuclear weapons. Other countries—in Europe, Africa, Latin America, South Asia, or Southeast Asia—which are not parties to the Non-Proliferation Treaty might use the failure of SALT as an excuse—or a reason—to reconsider their commitment to this Treaty when the conference convenes next June to review the operation of the Treaty.

The second major casualty of SALT failure would be our efforts to ban all nuclear tests. Nearly two years ago this month, trilateral negotiations among the United States, the Soviet Union, and the United Kingdom began with a view towards achieving the long-sought goal of a comprehensive ban on nuclear testing. Such a ban would build on the achievements of the Limited Test Ban Treaty of 1963 signed by President Kennedy and ratified by the Senate.

Taken together, SALT II and a Comprehensive Nuclear Test Ban Treaty would reinforce stability in the U.S./Soviet nuclear relationship. Taken together, SALT II and a Comprehensive Nuclear Test Ban would enhance our non-proliferation efforts at the Non-Proliferation Treaty review conference next year and in other ways. For example, prospects are good that India would join such a treaty if it were non-discriminatory. This would convert Prime Minister Desai's stand against nuclear weapons development into an Indian treaty commitment. Such a commitment, if joined by Pakistan, could defuse one of the most urgent threats to non-proliferation.

Nowhere is the imperative for stability more important than in Europe where two enormously capable military forces face each other in an arena of historic confrontation. With the potential for destruction so great, the ultimate security of every European is at stake. Europe, therefore, has a special interest in stability. Failure of SALT, rejection of the process, could lead to the most dangerous kind of instability.

For this reason, it is important to stress today a third major casualty of SALT failure—the Mutual and Balanced Force Reductions (MBFR) negotiations, which have been our principal effort to maintain and improve stability in Europe. Progress has been slow, but we have made headway. West German Chancellor Helmut Schmidt put the alternatives very clearly:

"The success of SALT II will encourage the West and the East to find solutions—including arms control measures—for other potentials threatening the military balance of power. I feel sure that the successful conclusion of SALT II will also create the conditions for progress at the MBFR talks."

Specifically, he has concluded, "I do not believe that MBFR can be successful if SALT II fails."

Mr. Chairman, a failure of SALT would lead to a poisoning of the well of U.S.-Soviet relations, and history has shown that U.S.-Soviet tensions are felt most acutely in Europe.

The final casualty of SALT failure that I want to mention today is the Anti-Satellite negotiatitons. In recent months we have made significant progress although several important issues remain to be resolved. Not only would success in these negotiations improve our security and strategic stability as well as protect our intelligence capabilities, but these negotiations also offer us an opportunity to stop a destabilizing technological arms race in space before it gets started. If these negotiations grind to a halt in the aftermath of SALT failure, new and exotic weapons may be developed to the point that they will forever escape our control and our ability to place rational limits.

I have not discussed every arms control initiative being pursued by the United States today, but I believe that near-term progress on any would be doubtful if SALT were rejected. The Soviets could argue that the United States, after six-and-one-half years of negotiations under three Presidential Administrations, had, through rejection of SALT II, proven itself to be an unreliable partner in arms control negotiations. In many of these talks—particularly MBFR and CTB—which are important to both of us and to other nations, the Soviets would be in a position to inflict considerable political damage on the United States by tying the lack of success or even breakdown of these negotiations squarely to our country's rejection of SALT.

A world with no quantitative or qualitative limits on strategic arms, with monitoring rendered more difficult, with many more nuclear powers, with no additional restraints on nuclear testing, with a conventional arms race in Central Europe and in other, tense regions around the world—that is not a secure world for us or for anyone.

Mr. Chairman, security is what arms control is all about. We can build up our own defenses, but so can the Soviets. Arms control agreements offer the only way I know that we can place limits on and even engineer reductions in the Soviet forces arrayed against us. That, as well as strong forces of our own, is national security.

The SALT II agreement that is before this Committee today is a solid, substantial package of such limits and reductions:

Without SALT II, the Soviets could have by 1985 one-third more strategic nuclear delivery vehicles than they will be permitted under the agreement;

Without SALT II, the Soviets could have by 1985 many hundreds more MIRVed ballistic missile launchers than they are allowed under its terms;

Without SALT II, the Soviets could deploy as many more heavy missiles as they wanted to and could build still larger missiles if they chose to;

Without SALT II, each Soviet SS–18 could carry three times as many warheads as are permitted under SALT II, and thus strike three times as many U.S. targets;

Without SALT II, the Soviets could build all the Backfire bombers they wanted to;

Without SALT II, the Soviets could develop and deploy as many new types of ICBMs as their engineers could dream of;

Without SALT II, the Soviets could engage in any and all methods of concealment, making our overall intelligence monitoring task far more difficult.

SALT II, I submit, is arms control that strengthens our security. No one who has worked on SALT II should be bashful about its accomplishments. SALT II caps the race in numbers of launchers; it controls several key aspects of the technological arms race. It builds on SALT I and paves the way to SALT III. Then, we can bring the numbers down significantly and tighten our grip on the technological arms race.

No single arms control agreement will eliminate the Soviet threat, or even reduce it to as low a level as we would wish, or enable us to meet all our security needs. SALT II does place real and specific limits on Soviet strategic forces. And SALT II will enable us to maintain strategic nuclear equality with the Soviet Union at a much more moderate cost to the American people.

No single arms control agreement will bring peace or eliminate all of the engines of war. But SALT II does increase stability and reduce the danger of nuclear war. SALT II provides a guide to our future, common survival.

Thank you, Mr. Chairman.

Statement by the Honorable Harold Brown, Secretary of Defense, Before the Committee on Foreign Relations of the United States Senate, July 11, 1979

Mr. Chairman and Members of the Committee:

I am pleased to testify before you today on the strategic balance and SALT. With me is Dr. William Perry, Under Secretary of Defense for Research and Engineering. With your approval, I would like to submit for the record our joint statement, and discuss more briefly in oral testimony the key issues you are considering today. Dr. Perry will then elaborate further our planned programs to modernize our strategic deterrent. Following that, we would be pleased to answer your questions.

My discussions today will be divided into four parts. First is a statement of our strategic policy goals and an assessment of our present forces relative to those goals. Second, I will review the challenge posed by the continuing Soviet strategic force buildup. Third, a description of the U.S. strategic force modernization plan developed in response to this challenge. And fourth, a discussion of proposed SALT II constraints and their impact on the future strategic military balance.

STRATEGIC POLICY GOALS

Strategic nuclear forces are only a part of our military capability. They account for a relatively small part—including their associated infrastructure and depending on how the estimate is made, 12–15%—of our defense expenditures. My estimates given to you two days ago, in answer to questions, were of the direct expenditures on strategic forces. Our non-nuclear general purpose forces consume more of the budget and are much more likely to be used. They have to be relied on for deterring and defending against many threats for which strategic nuclear forces alone, no matter how capable, would not be a credible deterrent, and are still less so in an era of parity in strategic forces. But it is only by a strategic nuclear war that the physical existence of the United States could be militarily threatened in the foreseeable future. Thus, our very highest military priority is to assure that our strategic forces are fully adequate to:

(1) Preserve the physical integrity of the U.S. by deterring strategic nuclear war, and contribute to deterring other actions that, though short of a nuclear attack on the U.S., nevertheless threaten our vital national interests.

(2) Maintain the perception—and the reality—that U.S. forces are as capable as those of the U.S.S.R., that there is no level of nuclear conflicts at which the U.S.S.R. could gain a military or political advantage. This will aid both in deterrence of nuclear war and, if it nevertheless occurs, in ending it at as low a level of intensity and on terms as favorable as possible to the U.S. (recognizing that we are dealing with degrees of catastrophe).

(3) Promote greater stability by limiting the pressures to build up strategic arms, and reducing the incentives for either side to resort to nuclear weapons.

Deterrence of nuclear war is our most fundamental defense objective. A credible deterrent is achieved when our enemies believe that if they start a course of action that could lead to war, they will either pay an unacceptable price or be frustrated in their attempt to achieve their objective. Adequate deterrence requires the capability to inflict, regardless of the circumstances, assured destruction on a potential attacker.

Assured destruction is necessary for nuclear deterrence, but it is not, in my judgment, sufficient as a strategic doctrine or as a sole basis for determining the characteristics of our strategic forces. While I have serious doubts about whether a nuclear war, once started, could be kept limited, it would be imprudent to place the United States in a position in which uncontrolled escalation would be the only course we could follow. Massive retaliation may not be appropriate, nor will its prospect be sufficiently credible in all circumstances to deter the full range of actions we seek to prevent. Effective deterrence requires forces of sufficient size and flexibility to attack selectively a range of military and other targets, yet enable us to hold back a significant and enduring reserve. The ability to provide measured retaliation is essential to credible deterrence.

Essential equivalence—our second broad objective—goes beyond deterrence. It reflects the reality that nuclear forces have a political impact influenced by static measures (numbers of warheads, throw weight, equivalent megatonnage, etc.), and by dynamic (war-gaming) evaluation of military capability. We need forces of size and character so that we, the Soviets, and third countries perceive that we cannot be coerced or intimidated by larger or more capable Soviet forces.

As long as our relationship with the Soviet Union is more competitive than cooperative—and this is clearly the case for the relevant future—maintaining essential equivalence of strategic nuclear forces is necessary to prevent the Soviets from gaining political advantage from a real or perceived strategic imbalance.

In terms of specific forces, the United States leads in some categories; the Soviets lead in others. The Soviets have more and larger land-based missiles, megatonnage, extensive air defenses, and a larger number of submarines and submarine-launched ballistic missiles. We have offsetting advantages, for example, in numbers of warheads (particularly SLBM and bomber warheads), accuracy, bomber forces, and submarine survivability. US gaps in some comparative measures are compatible with essential equivalence if the gaps are offset by compensatory US advantages in other measures; a judgment of overall imbalance, whether perceived or real, is not compatible with essential equivalence. Essential equivalence exists today.

Our present strategic forces also provide, by any standard, a credible deterrent. We have today—and will take whatever measures are required to sustain—survivable forces capable of massive destruction of Soviet cities and industry, even after an all-out surprise attack on our forces by the Soviets. We also have both the forces and the targeting and employment policies to allow selective use of nuclear force to respond to more limited provocations.

THE FUTURE CHALLENGE

While the present balance is adequate in terms of our objectives of deterrence and equivalence, we face challenges for the future that we cannot ignore. Indeed, while the strategic balance through 1985 will continue to be adequate, it will be less favorable to us in the early 1980s than it is now.

The first challenge is force obsolescence. Our strategic forces are characterized by a 30- to 40-year life cycle. It typically takes about ten years from the initiation of system development until achievement of complete deployment (what is usually called full operational capability). And the useful operational life of strategic forces is up to about thirty years.

The strategic forces operational today—B–52, Minuteman, and Polaris/Poseidon—were developed in the 1950s and 1960s. No significant new aircraft have been introduced in the heavy bomber force for nearly twenty years (though the medium FB–111 was brought on line in the late 1960s); the last Poseidon submarine was commissioned twelve years ago; and it has been almost ten years since the introduction of Minuteman III into the ICBM force.

We deployed the last Minuteman III in June 1975. That was the culmination of a large US MIRV program for both ICBMs and SLBMs that was some 5–8 years ahead of Soviet programs. But, since that date—as a result of decisions made years ago—we have deployed no additional ICBMs, while over the same period the Soviets, making up for their late start on MIRVing, have produced and deployed over 500 ICBMs of new or improved types. This exemplifies the greater current momentum of the new strategic systems deployments by the Soviets as compared with our own. This momentum is evident in qualitative as well as quantitative terms. Together, these factors affect assessments of essential equivalence and also pose threats to elements of our strategic forces.

The Soviets began to deploy MIRVs on their ICBMs a few years ago and will exceed 5000 warheads in their ICBM force by the early to mid 1980s. They have tested a new ICBM guidance system which we believe will provide improved guidance accuracies in their deployed forces. The combination of accurate guidance and the large number of warheads expected in the early 1980s will give their ICBM force the capability to destroy most of our ICBM silos with a relatively small fraction of their ICBM force. This is the most serious single problem we face, probably in terms of threats to our strategic forces and certainly in terms of perceptions of equivalence.

Fortunately, the future vulnerability of the Minuteman force is not the same as vulnerability of the United States. We can afford to have a degradation in the ICBM force for a temporary period because our overall strategic capability remains very good, thanks to our strategic concept of a Triad, whose other legs are not now threatened in the same way. But in recognition of this concern, we have decided to build up the leg of the Triad that is temporarily weak, so that should—at some later time—other parts of our strategic forces become more vulnerable, our overall strategic deterrent will not be eroded.

Soviet improvements in the SLBM force are also significant. The Soviets are developing a new SSBN and a new SLBM (TYPHOON). While Soviets strategic forces have had more delivery vehicles and larger aggregate nuclear yield than the U.S., we have had substantially more warheads because of the MIRVs in our SLBM force. This past year the Soviets began deploying the SS–N–18, a MIRVed SLBM. As they deploy the MIRVed version of the SS–N–18 on their DELTA submarines, they will sharply erode our earlier lead in the number of strategic warheads.

The projected increase in SLBM warheads is not only a matter of appearances, but also of reality. Under some circumstances SLBMs could pose a significant counterforce threat to our bombers, by barrage attack on our present Strategic Air Command bases. There is also the potential of our bombers being destroyed with an ICBM barrage attack, whose larger numbers could compensate for the longer bomber escape time, so that even though the bombers get off the ground, they may not escape the area that is barraged. Our airbreathing force will in the future also have to deal with the growing Soviet air defense threat posed by look down-shoot down interceptors and advanced surface to air missiles currently under development. Well into the 1980s our bombers will be able to penetrate Soviet defenses—and our ALCMs indefinitely.

Fortunately, we are also quite confident that, through the 1980's—which is about as far as we can confidently predict—our SLBMs cannot be located by Soviet anti-submarine warfare forces sufficiently well for an ICBM barrage attack to be effective against them. But we are not so sure what ASW capabilities the Soviets may develop and deploy in the 1990s, so we cannot simply assume that our SLBM force will remain invulnerable indefinitely.

STRATEGIC FORCE MODERNIZATION

Maintaining deterrence and essential equivalence through the next decade and beyond will require strategic force modernization in reaction to: (1) adolescence, (2) vulnerability to attack or to defense, and (3) the need to maintain essential equivalence.

The first challenge results from our lagging investment in strategic forces during the last decade.

The latter two results from the continuing Soviet strategic offensive and defensive forces buildup which, without reaction on our part, would ultimately increase the vulnerability of our forces, to destruction either before they are launched or before they reach their targets, thus tilting the wordwide perceptions of the strategic balance.

For these reasons, we have been working to find ways to restore the survivability of

ICBMs, to maintain our SLBM survivability into future decades, and to strengthen the survivability of the air-breathing forces. We have programs in the works to do all of these things. The longer range of the Trident (C–4) missile will maintain the vulnerability of our SLBM force by expanding the ocean area which would have to be searched to find our submarines. Our cruise missile development will offset improvements in Soviet air defenses as we achieve an initial operational capability in 1982. And our work on a hardened cruise missile carrier will, at a later time, both reduce our vulnerability to a barrage attack on our bomber bases and also allow us to expand substantially the size of the cruise missile force.

The most difficult issue to resolve has been the survivability of the land-based leg of the Triad. We have sought a solution that will satisfy our military need, at a cost in line with past investments in strategic systems and consistent with our efforts to have verifiable strategic arms limitations.

Finding a system that is compatible with all of these things has been a taxing effort. To carry this out we will deploy a new ICBM in a mobile basing mode that is both survivable and verifiable. The President has chosen the full-scale (190,000 pound) MX for this purpose. This is the largest new missile permitted under SALT II.

This missile will in military terms be as capable—in the light of the limit on fractionation of payloads—as any the Soviets can deploy. A comparison of relative ICBM capabilities is provided in Figure 1. Each of the warheads in all of these systems have sufficient yield to provide essentially 100% probability of destroying nearly any soft target (e.g., industrial complexes) in our (or the Soviet) targeting base. The capability which is more often compared is so-called hard target capability. This is proportional to the number of hard targets that each of these missiles can destroy. Figure 1 compares this capability according to the date by which it would be achieved. It is not appropriate to compare the MX with the present SS–18, because the SS–18 exists today and the MX will not be operational until 1986. By the time the MX is operational, the SS–18 may very well have improved its guidance accuracy, which would improve its hard target capability. Figure 1 shows the capability of the SS–18 today and in 1986 allowing for possible improvements in guidance accuracy by that date.

There remain design details to be worked out for the mobile land-based system. These will take some weeks. We expect a decision later this summer that will take into account costs, the needs for invulnerability, environmental concerns and the requirement that the system be adequately verifiable. (The basing system will set a verification standard to which we will hold the Soviets in their own deployments).

Our SLBM modernization program is already well underway. This year we will begin deployment of the new Trident 1 (C–4) missile in our submarine fleet. The first new Trident submarine, launched earlier this spring, will be on patrol in late 1981.

The C–4 will significantly enhance our strategic force effectiveness by improving weapon yield, accuracy and range relative to the present C–3. The Trident submarine will also increase the effective size of the force as a result of improved on-station times.

In combination, the Trident submarine and the C–4 missile will provide a significant hedge against future force vulnerability. While we do not expect a serious threat to our SSBNs to develop during the next decade, we must hedge against potential ASW breakthroughs. The C–4 will allow a much greater patrol area as a result of its increased range, and the Trident submarine will be quieter than our present SSBNs, making acoustic detection more difficult.

The Trident submarine allows for future force enhancement as well, by providing room for later increases in SLBM size. We are examining alternative designs of SLBMs which could exploit this potential.

Our bomber modernization program will provide a near term response to counter Soviet initiatives in air defense. The two competing designs for the air launched cruise missile will begin "fly-off" flight testing this summer, and we will begin serial production next year to achieve an IOC in 1982. The cruise missile will provide a radar signature which is less than one one-thousandth that of the B–52, making it very difficult to detect. In addition, the cruise missile will fly at very low altitudes, where ground clutter further complicates detection. Finally, a force of three thousand cruise missiles provides great offensive flexibility—flexibility which can be used to overwhelm defenses selectively, making the task of Soviet air defense planning against cruise missiles very difficult. The programmed cruise missile deployment and our associated cruise missile technology programs will provide the capability to continue to penetrate Soviet air defenses through and beyond the 1980s.

The air-launched cruise missile program also contributes to aggregate measures of essential equivalence by providing thousands of warheads of substantial yield which are guided with very great accuracy. Additional force enhancement and the problem of long term (beyond 1990) bomber obsolescence can be addressed by development of a cruise missile carrier aircraft, or a new penetrating bomber if that proves advisable.

The timing and magnitude of a future cruise missile carrier aircraft program can be adjusted to deal only with force obsolescence (i.e., replacing the B–52), or to provide force enhancement as well. Such a program would also reduce future vulnerability to an SLBM—or ICBM—barrage attack by including aircraft hardening to blast and nuclear effects. Hardening achievable with reasonable designs can increase by tenfold the number of equivalent warheads needed for a successful attack.

Our modernization program also includes improvements to our strategic command, control and communications network. Without a survivable network, we would suffer from the inability to gather information, make decisions, and execute our forces in consonance with those decisions. This would affect not only our war fighting capability, but also our deterrence and our ability to control the use of nuclear weapons and limit, to the extent possible, escalation. We have analyzed our C^3 system under attack conditions and have initiated both near term and long term improvements required to maintain credible deterrence.

The aggregate effect of these modernization plans will be to preserve our deterrent and essential equivalence through the next decade. We cannot measure deterrence directly. But one way to make an appropriate assessment is to examine how our forces could respond to a hypothetical Soviet attack. Figure 2 compares total available warheads versus time. The first plot (Figure 2a) shows undegraded forces (that is, as they would be before they are attacked). The second (Figure 2b) shows surviving US warheads and remaining Soviet warheads after a Soviet attack. The third (Figure 2c) shows remaining warheads after a US response. The impact of Soviet strategic force building is evident in the adverse trends in the late 1970s to mid 1980s. These trends are the result of aggregate US and Soviet strategic nuclear program decisions made throughout the 1970s. The bomber and SLBM improvements resulting from our modernization program, resolutely pursued, will begin to correct these trends by the mid 1980s. And deployment of a new, survivable ICBM beginning in 1986 will reverse them. In short we project that by 1986 we will have by our own programs redressed the threat to the balance. This is evidence both of the need for our programs and of the ultility of SALT limits on what we must do to respond.

Essential equivalence is also difficult to measure directly. Figures 3 and 4 compare two static indicators as projected for 1980, 1985 and 1990. Of course, projections for the latter two dates are much more subject to uncertainty—and to future decisions.

These indicators are consistent with our best estimate of Soviet strategic posture under a SALT II agreement and a representative US posture consistent with SALT II. These indicators do not account for reliability or the ability to penetrate defenses. They are static measures.

Figure 3 compares the number and size of US and Soviet warheads. The height of the bar is proportional to the total number of warheads and the width is proportional to the average warhead size. Thus the area in each bar is proportional to the total equivalent megatonnage. We project that we will maintain our lead in total warheads through 1990 while the Soviets will maintain their lead in equivalent megatonnage. This is, broadly, also the current picture.

Figure 4 compares the military capability of US and Soviet strategic forces against soft targets (e.g., industrial complexes) and hard targets (e.g., missile silos). Aggregate military capability against soft targets depends upon the nature of the targets and the geographic distribution (clustering) of the target base. The soft target capability compared in Figure 4 is an appropriate measure of capability against targets clustered in a limited geographic area (e.g., a few square miles). For targets clustered in larger areas, a more appropriate measure is the equivalent megatonnage compared in Figure 3.

The US, with its advantage in number of weapons, leads in capability against soft targets in small clusters, while the Soviet Union, with its advantage in warhead yield, leads in capability against soft targets in large clusters.

In Figures 3 and 4, the impact of the US strategic force modernization program is evident in the changes projected during the 1980-1990 time period. It should be noted that in 1985, the hard target capability of the Soviets will have a substantially larger component than ours of prompt (e.g., less than one hour) delivery time that will be redressed by 1990, but is a perceptual problem in the 1985 period; I will return to this issue later in my presentation.

This modernization program is completely consistent with SALT II constraints. We can develop, test, and deploy each of our planned programs—cruise missiles, Trident, MX—in the fashion, and on the schedule, that we have planned. In at least one important respect—Minuteman vulnerability—SALT II will make the solution of a problem easier than without an agreement. SALT II will limit, to well below previously projected levels, the number of Soviet MIRVed ICBMs, will freeze the number of warheads on existing ballistic missile launchers, and will limit the number of RVs allowed for new ICBMs. A new mobile ICBM system, regardless of basing mode, will be more survivable because these limits place an upper bound on the number of warheads that can be targeted against the system. SALT II becomes, then, an important step in maintaining the survivability of our ICBMs.

The magnitude of the Soviet threat would not in my judgment be diminished, nor would our ability to respond to such a threat be improved by rejection of SALT II. SALT II will permit all of the actions which are necessary to counter the Soviet threat. Without SALT II we would need to do more, since the challenge we face would almost certainly be larger in the absence of limits on Soviet actions.

The cost for the United States to maintain the strategic balance is likely to be significantly more if SALT II limits are not in force. The Soviets are capable of deploying significantly more high-quality systems in the absence of an agreement than they would be permitted under the SALT II provisions. Cost estimates of illustrative forces which the United States might deploy so as to maintain the strategic balance in the face of such a Soviet buildup range up to about $15B per year on the average in FY 80 dollars for the next decade.

With SALT II, currently planned U.S. forces will cost about $12 billion per year in 1980 dollars for the same period, and that reflects an increase over current spending levels. Thus, without SALT II an additional $30 billion could be incurred over the next ten years. These are very approximate estimates but the nature of the effect of SALT II is clear.

With SALT II we have a framework which can add predictability and stability in the strategic challenges we face. One meaningful test of the SALT II Treaty is to compare the strategic balance of the present and near-future (the product of decisions made by both sides a decade or more ago) with the balance which will exist in the immediate post-Treaty years, after 1985.

I believe it is clear that in 1985 under SALT II we will attain our strategic objectives if we carry out the programs we plan to modernize our forces. That is, in 1985 under SALT, as is true today, Soviet advantages in some areas will be offset by U.S. advantages in others and the overall flexibility, power and survivability of our forces will be such that deterrence, as well as equivalence will be maintained, despite the fact that the Minuteman force will be vulnerable until MX is deployed.

There are some who contend that in 1985 under SALT, the U.S. will be condemned to strategic inferiority. On examination, it appears that the principal basis for this claim is that in 1985, the U.S. Minuteman force will be vulnerable to Soviet ICBM attack and would be unable, by use of U.S. ballistic missiles, to retaliate in kind against Soviet ICBMs if they attacked ours. In other respects, these critics concede the balance would be rather as it is today—a U.S. reentry vehicle lead (though smaller than now); a Soviet lead in throw weight and concomitantly, megatonnage. Because of the seriousness of the charge—and, I may say, the seriousness of some of the observers by which it is advanced—I want to respond to it directly.

I do not believe the U.S. will face strategic inferiority in 1985—or at any other time before or later—if we have SALT and if we do the things we need and plan to do to modernize our own forces. In particular:

In 1985, our bomber and submarine force will be far more capable than today, and far more capable than the corresponding Soviet force.

In 1985 the U.S. would have a range of devastating responses open to it were the Soviets to run the enormous risks of an attack on our ICBMs. It bears emphasizing, because it is so often ignored, that even after a total loss of Minuteman missiles, we would not face the dilemma of surrender by inaction or mutual suicide by an all-out attack on Soviet cities and industry, provoking an equivalent attack on ours. We would instead have surviving bomber and submarine forces still fully capable of selectively attacking military, economic, and control targets, thus negating any gain the Soviets might imagine they could attain by an attack on our ICBM force.

In the aftermath of an attack on U.S. ICBMs, the remaining Soviet ICBMs would not be in sanctuary. Our ALCMs in surviving bombers would have the accuracy, numbers, and ability to penetrate defenses sufficient to allow us significantly to reduce the residual Soviet ICBM force. The time for cruise missiles to arrive on target would be longer than the time for ICBMs to arrive, but that element of difference is only one among many factors in determining the balance.

All these facts being true, the Soviets could not hope to gain political or diplomatic leverage from their advantage in a narrow area—ICBM vulnerability. In connection with the political effects of the balance we anticipate in 1985, it is worth pointing out that by the mid-80s, Soviet ICBMs as well as ours will be increasingly vulnerable to a first strike by the other side's fixed ICBMs. Our Minuteman III alone, equipped with MK12A and improved guidance, would have considerable counter silo potential, especially if one considers the possibility of preferentially targeting the limited number of MIRVed Soviet ICBMs. In political terms, the fact that by 1985 the US should be very far along toward solving its vulnerability problem should contribute to the perception of dynamism in US programs that would reinforce perceptions of US strength in units already deployed.

In saying the US could maintain the balance under SALT II, I do not imply that we must have SALT II to do that. For we have the means—and I am confident we would find the will—to maintain the balance against any threat.

But I believe, and think that after analysis you will agree, that the post-1985 balance will be more stable and more certain than would be the case were SALT II rejected. After 1985, assuming ratification and the implementation of planned strategic programs, our force will include a substantially modernized Triad—a full-scale MX in a survivable and verifiable basing mode, the TRIDENT SSBN submarine with C–4 SLBMs aboard, and a force of bomber-launched ALCMs—and vigorous ongoing R&D programs in several key technology areas, designed to assure the continued viability of our deterrent into the 1990s and beyond. Confronting us will be a somewhat similar force whose size, composition and capabilities, measured by all significant indices, in consequence of our verification efforts, will be known to us. Both arsenals, ours and that of the Soviets, will be smaller—less threatening and less threatened—than would have been the case were competition to have been unconstrained. Limitations on arms levels and reduced uncertainty on both sides would allow the balance to be maintained at a substantially lower level of destructive power, with reduced risk and reduced demands on defense expenditures.

We and our adversaries need to constrain the competition. This is not to say that agreement to limit strategic or other armaments can solve problems of political or even of military competition. But carefully drawn SALT agreements—backed by sound verification measures—can accomplish a great deal.

We can and will maintain deterrence and essential equivalence through the 1980s with or without a SALT II agreement. I view SALT not as an alternative to strategic forces, but as a major factor, along with our strategic modernization program, in maintaining the military balance and meeting our broad strategic goals.

To summarize, with the programs the Administration proposes, we will retain an adequate strategic balance through 1985 and improve the relative balance thereafter, though the balance will be less favorable in the early 1980s than it is now. The SALT II agreement will produce a more favorable balance for the US during its duration than we would have without it. It permits us to carry out all of the strategic programs we plan, including those that will improve our relative position in the middle and late 1980s.

I have no doubt that approval of SALT II will improve our military security as well as our overall national security.

[Figures mentioned in text not printed in Record.]

Statement of General David C. Jones, USAF, Chairman, Joint Chiefs of Staff, Before the Senate Foreign Relations Committee on SALT II, July 11, 1979

Mr. Chairman and Members of the Committee:

After nearly seven years of painstaking negotiations with the Soviet Union, a period spanning three Administrations and five Congresses, the SALT II Agreement was signed last month in Vienna. At your invitation, my colleagues and I are here today to testify on that Agreement.

I would hope, though, that our presence here can serve a purpose beyond the expression of military advice on the important but restricted issue of the pros and cons of the Agreement's provisions. Our larger goal is to attempt to place today's discussions, and the upcoming debate on SALT, into the broader context of US and Allied security interests, strategic force posture, and stability.

As a departure point for today's testimony, I believe a brief summary of how the Joint Chiefs of Staff view the trends in the strategic balance would be in order. We are unanimous in our view that, although each side retains military advantages, Soviet momentum has brought them from a position of clear inferiority to their present status of at least military equality with the US. In some areas, they have already surpassed us and we are concerned because their momentum will allow them to gain an advantage over the US in most of the major static indicators of strategic force by the early 1980's. There is room for reasoned debate about the practical implications of this prospect, but it is important that we face up to its reality as we consider our own strategic responses.

It is also important to realize that any impending changes in the strategic balance will be the consequence of more than 15 years of unequal rates of investment in force modernization—the product of unilateral choices rather than an outcome of negotiated arms control. Overall, the Soviets have been out-investing us for 10 years and, for the past few years, their total military investment effort has been about 75 percent larger than our own. With respect to investments for strategic forces, the disparity has, for many years, been even larger, with the Soviets outspending the US by a factor of nearly three to one. Moreover, because of lead times in modern weapons programs, this progressive shift in the military balance will continue into the mid-1980's with or without SALT. A major concern my colleagues and I share is how best to minimize the period, extent, and consequences of any Soviet advantages.

Some believe that a perceived Soviet military edge would lead them to contemplate seriously a "bolt from the blue" nuclear attack on the United States. In view of the very substantial US retaliatory capability that would survive any Soviet attack, I think this eventuality is highly unlikely. Rather, I anticipate such a disparity would be reflected in a more confident Soviet leadership, increasingly inclined toward more adventurous behavior in areas where our interests clash and where US ability to respond by conventional means could be circumscribed. Such a situation would carry the seeds of serious miscalculation and run the risk of precipitating a confrontation which neither side wanted nor intended.

This assessment is not the product of new intelligence. My colleagues and I—as well as our predecessors—have testified for more than a decade on where the unfavorable trends in military efforts would lead in the 1980's. In light of the superior momentum of Soviet strategic force modernization efforts, we believe that, with or without SALT, the United States needs to do far more than we have done in recent years to strengthen and modernize our strategic forces lest the trends toward Soviet superiority become irreversible.

It is against this strategic backdrop that my colleagues and I have presented our advice during the negotiations and made our judgments about SALT II. We have strongly supported the goal of equitable reductions and limitations in strategic arms. In fact, we consistently favored deeper reductions in the overall aggregate than eventually were negotiated in the final Agreement. We recognize that the hardware limitations achieved in SALT II can contribute to our security by providing a cap on, or modest reductions in, numbers of strategically capable systems the Soviets can deploy. However, we also recognize that these limitations, alone, are not a sufficient basis for judging whether US security interests are served by any given treaty.

The larger question is the degree to which any such agreement contributes to our ability to structure and maintain a stable military balance with the Soviet Union. Some may conclude that the Agreement, by itself, will arrest the very dangerous adverse trends in Soviet strategic forces, including current and projected qualitative improvements. This is simply not the case.

A recurring theme in US history has been the hope that treaties—which are at best a framework for enhancing security—can somehow serve as the source for such security. Despite repeated disappointments on this score throughout the 20th Century, the unique and highly visible character of both strategic arms and the SALT negotiations contains the potential for exaggerated expectations and serious public misunderstanding about the adequacy of our strategic posture and programs.

Similarly, the focus on constraining what the Soviets could do without a SALT agreement has obscured the more fundamental recognition of what they have done, are doing, and can do within the SALT framework. The span of time in which SALT I has been in force has been a period of rapid, unmistakable progress in the growth and capabilities of the Soviet strategic arsenal. In many measures of strategic capability, this momentum during SALT I has brought the Soviets abreast of or even beyond the U.S. This fact is not an indictment of the SALT I agreements but rather a reflection of the more vigorous Soivet strategic weapons programs undertaken within the constraints of SALT I.

Many in this country sincerely believed that, by exercising unilateral restraint in our own modernization efforts and demonstrating a willingness to negotiate in good faith, we might induce the Soviets to restrain this momentum and get them to agree to deep cuts in both sides' strategic nuclear arsenals. Frankly, although my colleagues and I have consistently supported the pursuit of mutual and balanced strategic arms limitations, we have had serious reservations about the efficacy of such unilateral U.S. restraint in force modernization as a means to accomplish this goal. Events have borne out our doubts. We believe that the decline in our level of defense effort, in general, and our comparatively limited strategic force modernization, in particular, have lowered rather than enhanced the incentives for the Soviets to negotiate significant reductions in strategic arms.

It is, after all, the Soviet military might which affords them "superpower" influence. Thus, there is little inherent incentive to restrain the dominant component of their national power—especially when our own restraint appears to offer at least the prospect of an exploitable military advantage. The path of unilateral restraint has failed to serve either our security interests or our arms control objectives satisfactorily. Regardless of the outcome of the SALT II ratification process, there is an urgent need to proceed resolutely and deliberately with a well thought out program of force modernization, both to avoid the undesirable international consequences of strategic inferiority and to create the necessary incentives for Soviet agreement to significant reductions as the arms control process continues.

Have sketched the strategic framework as seen by the Joint Chiefs of Staff, I will now turn to the SALT II Agreement, itself, and provide an assessment of its contribution to our broader security aims.

Such assessments should be based on realistic and reasonable criteria which avoid both unrealistic expectations and overgenerous appraisals. The criteria which my colleagues and I on the Joint Chiefs of Staff have endorsed are threefold: the Agreement must stand on its own merits regarding equity and mutual interest, to include adequate verification; it must accommodate (in fact and in perception) our broader strategic interests, particularly our alliance relationships and the need to preserve our freedom of action in sharing appropriate technology; and it must be a suitable framework for—and be accompanied by—the national commitment and strategic programs required to arrest the deteriorating state of the military balance.

Regarding the first criterion, as I have followed the course of public debate on SALT II in recent months, I have been struck by the confusion that appears to exist in some quarters regarding the difference between unequal provisions within the Agreement and the issue of equity of the Agreement when taken as a whole.

We should bear in mind that one of the objectives of SALT is to regulate, in a balanced fashion, aspects of two fundamentally dissimilar and asymmetrical force structures. Not only are the force structures different in their composition, but different features on each side's forces are viewed as more threatening by the other side. These differing perspectives have produced a negotiating process marked by various compromises and tradeoffs as each side seeks to protect the essential character of its own forces while attempting to minimize the most threatening aspects of the other side's. The result is an Agreement with some provisions clearly favoring one side and some clearly favoring the other. The question of equity, then, cannot adequately be addressed by a narrow and selective critique of portions of the SALT II Agreement. Only a balanced appraisal of the total will yield an adequate evaluation.

Two issues of particular concern to us with regard to equity have been the Soviets' unilateral right to deploy 308 Modern Large Ballistic Missiles (MLBM), which was allowed in SALT I and carried forward to SALT II, and the exclusion of the BACKFIRE from the aggregate totals of strategic nuclear delivery vehicles (SNDVs).

Clearly, the desired result would have been a major reduction in Soviet MLBMs in order to have reduced their very significant throw-weight capability and attendant potential to carry large numbers of warheads. Having failed to achieve that objective, we should accentuate our determination to obtain substantial reductions in future negotiations as a major objective. In the interim, limiting the SS–18 to ten warheads achieves an important restraint on their MLBM potential.

The second major concern is the failure to count the BACKFIRE bomber in the SNDV aggregate totals. While we are well aware of its employment capabilities in peripheral and maritime roles, the Joint Chiefs of Staff consistently recommended that the BACKFIRE be included in the aggregate because it has an intercontinental range capability.

Nevertheless, the US did obtain some constraints on the BACKFIRE, the most important of which is a production limit not to exceed 30 per year. Furthermore, the US retains the right to build and deploy an aircraft with equivalent capabilities.

We believe that an issue of great importance is the question of whether the SALT II agreements can be verified adequately to protect our national security. Evaluation of the adequacy of our verification potential involves assessments of our intelligence monitoring capabilities relative to the provisions of the Agreement, our ability to recognize significant violations which could pose a threat to the military balance, and our ability to respond to such threats in a timely and appropriate manner.

Detailed evaluation of the various intelligence and assessment efforts that will allow us to monitor Soviet compliance with the Agreement is too sensitive a matter to address specifically in an unclassified forum. While informed public debate on all the facets of the SALT II Agreement is essential to our democratic process, we must avoid any disclosures of intelligence sources and methods that would compromise our ability to gather SALT-related information and even more vital intelligence data.

The many quantitative and qualitative limitations contained in the Treaty will pose a stern challenge to our varied and highly capable intelligence systems. Our review of these matters indicated that the US ability to monitor Soviet compliance with the many provisions of the Agreement varies substantially. The difficulty of this task and the loss of important capabilities associated with our collection systems in Iran, make it essential that we vigorously pursue improvements in the capabilities of our monitoring assets.

While recognizing the difficulties associated with verification, we must also acknowledge the important assistance the SALT II Treaty will provide in this effort. With or without SALT, we will be required to keep track of Soviet military capabilities as the basis for our defense planning and ultimately our national security. Certain provisions within the Treaty will make the task easier:

Counting rules: provisions on ICBMs such as "once tested MIRVd, all counted MIRVd" and "look alike, count alike," help resolve potential verification ambiguities; similiarly, requirements for various types of externally observable differences assist in distinguishing among various aircraft and cruise missiles.

Non-interference/non-concealment measures: most important of all is insuring access to photographic and electronic monitoring data; in the absence of such measures, there would be no restriction on any intelligence-denial measures the Soviets might choose to take, severely compounding our intelligence gathering difficulties (much greater problem for us than for the Soviets due to open US society).

In this connection, there has been much discussion regarding agreement or lack of agreement on telemetry encryption. The agreed Second Common Understanding to Article XV of the Treaty states that ". . . neither party shall engage in deliberate denial of telemetric information, such as through the use of telemetry encryption, whenever such denial impedes verification of compliance with the provisions of the Treaty." Any Soviet attempt to deny or impede our ability to monitor SALT-limited parameters would be regarded by us as a most grave violation of the Treaty.

Thus far in this discussion of equity and mutual interest, I have concentrated on the key issues of most concern to us. There are also a number of important restrictions in SALT II which operate primarily to our advantage. Among the most important provisions having an impact on Soviet plans for strategic forces are:

Aggregate limits that will require the Soviets to dismantle (or convert to non-offensive systems) 250-plus operational systems; these are older and less capable weapons but still a significant fraction of their total systems and megatonage.

The various limitations that will enhance the predictability of the range of Soviet force developments thus assisting us in our force planning.

The cap on RV fractionation that denies full exploitation of the major Soviet throw-weight advantage for the period of the Treaty.

Testing, production and deployment of the SS–16 banned.

On the other hand, the specific limits on the US are quite nominal and provide the following options in planning our strategic forces:

We can build an ICBM which fully meets our security requirements.

We can continue with the modernization of our Submarine-launched Ballistic Missile (SLBM) program at the pace we determine.

We can continue to modernize our air-breathing systems, including the exploitation of our air, ground, and sea-launched cruise missiles.

The danger to the United States does not arise from any specific limitations in the Agreement, but from potential consequences of unilateral actions or inactions in the past—and, if we are not careful—in the future.

Although the considerations of equity, mutual interest, and verification are significant, there are other elements in SALT II which contribute significantly to our national security. Paramount among these is the continuing viability of the security relationships we maintain with our Allies. Throughout the negotiating period, the Joint Chiefs of Staff have stressed that SALT should not become a wedge for the Soviets to drive between us and our Allies or a medium for inhibiting appropriate modernization of our collective theater capabilities. We have consistently viewed SALT in the context of the broad strategic relationship in which our Allies play such a vital role. Our criterion in this area was, and remains, that SALT accommodate the requirement to preserve our freedom of action in sharing appropriate technology with our Allies.

We believe that the provisions of the agreement do accommodate these concerns since they will not impede continuation of existing patterns of cooperation. As presently constructed, the Protocol restrictions will have no significant military impact provided there is no extension of the current expiration date. Therefore, our principal concerns remain that the Protocol not become precedential in nature and that weapons development programs not be unilaterally delayed since these steps could seriously prejudice U.S. and Allied strategic interests.

In the context of the strategic balance and the concerns I expressed at the outset in this statement, our ability to take the necessary programmatic actions to ensure essential equivalence is the ultimate test for SALT II. The foregoing discussion should leave no doubt that our options and flexibility are adequate, so long as we choose to exercise them.

The most serious concern of the Joint Chiefs of Staff in this regard is the risk that SALT II could be allowed to become a tranquilizer to the American people, in which case the adverse trends I spoke of earlier could well become irreversible.

In 1972, our predecessors on the Joint Chiefs of Staff endorsed SALT I with the assurance that certain follow-on actions would be implemented to safeguard our strategic interests. Regrettably, their advice was not heeded. Had it been followed, we would face less perilous strategic prospects in the 1980's, and we are convinced we could have achieved deeper mutual reductions in SALT II.

We are seriously concerned lest the nation repeat earlier mistakes through complacency, an incomplete understanding of the magnitude of the Soviet buildup, or an insufficient appreciation of the broader consequences of Soviet momentum in terms of stability, global power relationships, and long term US interests. Therefore, we consider it absolutely essential that, if the nation accepts the SALT II Agreement, it does so with a full understanding that we will be required to undertake a series of important strategic modernization programs in order to maintain strategic parity within the limits agreed upon. In this connection, the decision to proceed with the development of the MX missile, capable of carrying 10 reentry vehicles and deployed in a survivable basing mode, is an important step toward this end.

Our confidence in the essential wisdom of the American public and its elected representatives is such that we believe they will consider the facts, focus on the key issues, and choose the proper actions. It is our responsibility to speak out candidly on these issues, acknowledging both the pros and cons of SALT II, and collectively and individually rendering our judgments for this Committee and this Congress. All of us intend to honor that responsibility.

None of us is totally at ease with all the provisions of the Agreement. I expressed our concerns on the Soviet MLBMs and BACKFIRE earlier and we also have significant concerns with regard to our ability to monitor certain aspects of the Agreement. We believe, though, that the risks in this area are acceptable provided we pursue vigorously challenges to questionable Soviet practices, improvements in the capability of our monitoring assets, and modernization of our strategic forces. In this context, the Joint Chiefs of Staff believe the Agreement is adequately verifiable.

Also, despite differing degrees of concern on specific aspects of SALT II, all of us judge that the Agreement which the President signed in Vienna is in the US national interest and merits your support. We believe it is essential that the nation and its leadership view SALT II as a modest but useful step in a long-range process which must include the resolve to provide adequate capabilities to maintain strategic equivalence coupled with vigorous efforts to achieve further substantial reductions.

If this can be achieved, history will record SALT II as a step forward; without this commitment, we will find that SALT II made little difference and may have been a net loss. Fortunately, our nation has the opportunity to make that choice.

Prepared Statement of Paul H. Nitze for Presentation Before the Committee on Foreign Relations of the United States Senate on July 12, 1979

Mr. Chairman, it is an honor to appear before your distinguished Committee.

The issue before the Senate is broader than merely whether or not to consent to the ratification of the SALT II agreements signed at Vienna on June 18th. The Constitution also places on the Senate the responsibility to advise with respect to treaties brought before it for consideration.

For some time the SALT II proponents have been explaining the agreements in a manner to praise them. In so doing, they have given what I believe to be a one-sided and misleading picture. The Senate is entitled to a more critical and balanced analysis.

Supporters of the agreements stress equality in the main provisions of the treaty. Despite the superficial appearance of equality, the agreements are unequal both in their legal and in their practical effects.

The supporters assert that the agreements put a cap on the so-called arms race and initiate a process of reductions in offensive strategic nuclear armaments. On the contrary, the limits in the agreements are so designed and are so high that they put no effective limit on Soviet offensive strategic nuclear capabilities. Rather than forcing a reduction, there will be a continuous and large increase in Soviet capabilities during the term of the treaty. There will be some increase in our capabilities as well; but in net terms, the strategic balance will move from a position not far from parity to one of Soviet strategic nuclear superiority.

The SALT II proponents assert that the agreements are adequately verifiable. Strict adherence to many of the provisions of the agreements cannot be confidently verified. But the agreements so one-sidedly favor the Soviet Union that verifiability is not the major issue. What could be gained by cheating would be less significant than the shift in strategic capabilities permitted without the necessity of cheating.

It is also asserted that, despite their shortcomings, the agreements are a good and necessary foundation for the negotiation of better future agreements—SALT III, SALT IV, etc. To the contrary, there is no evidence whatever that, as the strategic nuclear balance shifts further in favor of the Soviet side, they will become less resolute in pressing every possible advantage. It is almost certain that if SALT II is ratified as signed at Vienna, SALT III will be less favorable to the U.S. and more favorable to the USSR than SALT II.

Further, there is the broader political question of how best to deal with the Soviet Union. Is unequal and one-sided accommodation by us the best way to assure the cooperation of the Soviet leadership toward world progress and toward peace? Again history gives no support to that hope. I believe we are headed for difficult times ahead in our relations with the world, and particularly with the Soviet Union, whether SALT II is ratified or not.

Finally the Senate must resolve the question of whether in times of increasing danger, including military danger, it is wise to let down our guard or whether it is time to pull the country together for the major effort that is required on many fronts.

As many of you know, I have, over the last three years, revised and kept up to date a series of papers concerning SALT II. The first of these is a condensed summary of the status of the SALT negotiations. The second is an analysis, in words, of the fifteen central issues raised by SALT II; the third is an analysis of the probable evolution of the strategic nuclear balance in numbers; and the fourth is a set of charts which display those numbers graphically. Using the State Department Selected Document 12A which contains the full Vienna documentation, I have brought those four papers up to date and have attached them as annexes to this statement. The changes required from the earlier drafts were not substantial. I have also included as additional annexes two further papers. The first is entitled "A Method for Dealing with Certain Fallout Questions," the second a copy of my February 6, 1979 statement before the House Armed Services Committee addressed to the survivability and endurance of U.S. deterrent forces.

I have included the paper on fallout which, at the request of Secretary Brown, was reviewed for accuracy by the Defense Nuclear Agency because it demonstrates the incorrectness of the overkill argument which is so frequently relied upon by the more ardent wing of the arms control community.

The analysis in Annexes I, II, and III fully support the assertion that the agreements are unequal both in their legal and in their practical effects.

In legal terms the Soviet side is permitted 308 modern heavy ballistic missile launchers; we are permitted none. The destructiveness of those missiles alone is greater than the destructiveness of all our strategic missiles, both ICBMs and SLBMs combined. The Soviet side is permitted up to ten reentry vehicles on their existing ICBMs; we are permitted no more than three.

In practical terms the Soviet side can be expected, by the expiration of the treaty in 1985, to have approximately the same number of launchers and warheads as we, but due to the greater size of their missiles and warheads coupled with their rapidly improving accuracy, they will exceed us in every other measure of strategic nuclear capability. The will have twice the area destructive capability, five times the ICBM plus SLBM hard target kill capability, three times the megatonnage, and twice our throw-weight. If our obsolescent B–52s can get off their bases, arrive close enough to launch their cruise missiles, if those cruise missiles can penetrate to their targets through unconstrained Soviet air defenses, and if no allowance is made for the offsetting capabilities of their BACKFIRE bombers, we will have a continuing, in fact growing, superiority in what is called delayed counter-military potential. But this will not be sufficient to offset the other factors.

When one takes all factors into account, including the fact that the initiative is apt to be theirs; that their command, control, and wartime intelligence facilities are substantially harder and more diverse; that they have more and harder hard targets; that their active defenses and their civil defense preparations are substantially greater than ours, it is quite evident that strategic parity is slipping away from us and that the Soviets can be expected to achieve meaningful strategic superiority, probably by 1982 and most certainly by 1985, unless we take the most urgent steps to reverse current trends.

The Soviet leaders threaten us with dangers ahead if the Senate does not consent to the ratification of the SALT II terms as signed at Vienna. No one can guarantee that their threat is a mere bluff.

That there are dangers in failure to ratify might be the core of a valid issue if one could truly say that acceptance of the treaty as drafted would bring us safety. That is not the case. We are not at a crossroads between safety and perplexity. There is no formula for salvation in making these inequitable provisions into the supreme law of the land.

However the Senate may vote, there is trouble in prospect. Amendment of the treaty does not assure Soviet acceptance of the amended terms nor does failure of the treaty assure strategic balance. But neither will acceptance of the Vienna draft assure strategic balance; to the contrary, it will tend to nail down dangerous strategic imbalance.

That brings me to the heart of the problem posed by SALT II. To accept the case that is being made for the Vienna terms, with all its fallacies and implausibilities, can only incapacitate our minds and wills for doing the things necessary to redress the strategic imbalance.

The first step out of danger is to recognize danger. We have to come to terms with the plight we are in before we can correct it. In Lincoln's words, "First we must disenthrall ourselves, and then we shall save the country."

Your Committee, after it has completed its assessment of the agreements and their probable impact on the evolution of the strategic balance, may wish to consider certain specific questions in greater depth.

The Executive Branch has decided to proceed with the engineering development of the MX missile but has not decided on its deployment mode. I understand a decision on the deployment mode is expected by August 1st. I should think your Committee would wish to assure itself that that deployment mode is at least generally as effective as the multiple protective shelter system previously recommended by the Pentagon and is recognized by the Soviet Union as being permitted under the terms of the treaty.

I should think your Committee would wish to assure itself that granting the Soviet Union the unilateral right to deploy modern heavy ballistic missiles is made equitable merely by our decision many years ago not to contribute to crisis instability by deploying such destabilizing weapons.

I should think your Committee would wish to assure itself of the adequacy of the Soviet commitment not to increase to an intercontinental radius the capability of their BACKFIRE bombers when none of the U.S. heavy bombers have the capability to hit their targets in the Soviet Union and return to the bases from which they take off.

I should think your Committee would also wish to inquire into the Executive Branch's plans to implement the U.S. commitment in the Vienna agreements promptly to resolve the issues left undecided by the Protocol.

I should also think your Committee would wish to consider whether the numerous shortcomings of the agreements signed at Vienna can be corrected merely by reservations or whether significant clarifications and improvements in the actual terms of the agreements are required.

Finally, I should think the Senate as a whole would wish to assure itself of the adequacy of the U.S. strategic programs actually planned and budgeted by the Executive Branch, and consistent with the terms of the agreements, to deny the Soviet Union the hope of achieving strategic nuclear superiority.

SUMMARY OF THE VIENNA SALT II TERMS

The SALT II Agreements signed at Vienna for submission to the Senate for its advice and consent to ratify, consist of a Treaty, a Protocol, and a Statement of Principles. These are amplified by a number of Agreed Statements and Common Understandings. There are also certain unilateral statements.

1. The SALT II Treaty:

The Treaty is to run to December 31, 1985. Significant points regarding its contents follow:

a. The aggregate number of strategic nuclear launch vehicles (SNLVs)[1]—i.e., launchers for intercontinental ballistic missiles (ICBMs), plus launchers for submarine-launched ballistic missiles (SLBMs), plus "heavy bombers," plus launchers for air-to-surface ballistic missiles with a range greater than 600 kilometers (ASBMs)—is to be limited initially to 2,400 each for the United States and the Soviet Union. By December 31, 1981, the initially authorized limit of 2,400 SNLVs is to be reduced to 2,250.

b. Within the permitted aggregate number of SNLVs a sublimit of 1,320 will be placed on the number of launchers for ICBMs carrying multiple independently-targeted reentry vehicles (MIRVs), plus launchers for MIRVed SLBMs, plus aircraft equipped to carry armed air-launched cruise missiles (ALCMs) with a range greater than 600 kilometers (which are also to be counted under the SNLV ceiling as "heavy bombers").

c. A sublimit of 1,200 is to be placed on the number of MIRVed ICBM launchers plus MIRVed SLBM launchers.

d. A sublimit of 820 is to be placed on the number of MIRVed ICBM launchers. Within this 820 limit the Soviet Union will be permitted to have a number of fixed modern heavy ballistic missile (MHBM) launchers equal to their present force level—which is 308 (or 326 if 18 operational MHBM launchers at the Soviet test range are counted).[2] The United States—which has no fixed MHBM launchers—will be permitted none in the future. New ballistic missiles with a launch-weight or throw-weight greater than that of the Soviet SS–19 will be considered to be MHBMs, and ballistic missiles with a launch-weight or throw-weight greater than that of the Soviet SS–18 will be banned.

e. Any missile booster of a type which has been tested with MIRVs is to be considered to be a MIRVed missile booster. Any launcher of a type from which a MIRVed missile booster has been launched will be considered to be a launcher for MIRVed missiles. Any launcher of a type, any one of which has launched or contained in ICBM, will be considered to be an ICBM launcher. What is meant by "type" has not been precisely defined.

f. It is agreed that any test of an ICBM with more RVs than have previously been tested on that type of ICBM will cause it to be classified as a "new type." Although the U.S. has tested seven small RVs on the MINUTEMAN III on two occasions, none of our deployed MINUTEMAN missiles carry more than three RVs, and the United States has agreed not to deploy more than three in the future. The Soviet Union has tested and will be permitted to deploy four RVs on its SS–17, six RVs on its SS–19, and ten RVs on its SS–18 type missiles. It has been reported in the press that the Soviets have demonstrated that the front end of an SS–18 has the capability to release at least 14 objects. The Soviet Union has agreed that after May 1, 1979, it will not test procedures for releasing more objects than the permitted number of RVs.

Furthermore, any missiles having a different number of stages, or using a different type of propellant (that is, liquid or solid), than a missile flight tested prior to May 1, 1979, even if it does not differ from such a previously tested missile by five percent in length, largest diameter, throw-weight or launch-weight, will be considered a "new type" missile; as will any missile, even though it does not differ in number of stages or type of propellant that does differ by more than five percent in length, diameter, throw-weight or launch-weight from any previously tested missile. It is noteworty that no list of previously tested Soviet missiles and their characteristics is provided and that the above limitations may not fully apply until after the 24th "new type" missile flight test.

The sides have agreed that each side will be permitted to flight test and deploy one "new type" ICBM (MIRVed or unMIRVed) during the Treaty period. No "new type" MHBM may be tested. There is no limit on the number of "new type" SLBMs which the sides are permitted to test and deploy during the life of the Treaty.

g. During the period of the Treaty there will be a ban on the flight testing and deployment of a larger number of RVs on any "new type" ICBM missile than the largest number already flight tested by either side on an ICBM (i.e., 10) and a similar ban on SLBMs (i.e., 14). B–52s, B–1s, BEARS, and BISONS will be limited to 20 ALCMs per bomber. The average number of ALCMs carried on all ALCM-carrying aircraft is to be limited to 28.

h. As a general rule, United States, B–52s and B–1s and the USSR's BEARS and BISONS are to be counted as "heavy bombers" and thus counted under the ceiling on SNLVs. Also, all aircraft equipped to carry ALCMs with a range greater than 600 kilometers are to be counted as "heavy bomb-

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Footnotes at end of article.

ers." If new bombers, such as the B–1 type bomber reported to be under development in the USSR, are deployed, agreement by both sides is required for them to be classed as "heavy bombers."

i. The Soviet BACKFIRE bomber is not to be counted as a "heavy bomber" (unless equipped to carry ALCMs of range greater than 600 kilometers).

The Soviet Union has made a statement—outside the contractual forms of the Treaty—of its intention not to give the BACKFIRE a radius of action sufficient to attack the U.S. mainland targets and return to its bases in the USSR, and not to raise the production rate of the BACKFIRE above the present rate. Mr. Brezhnev orally agreed that the future production rate would not exceed 30 per year.

Soviet "heavy bomber" variants (these include BEARS and BISONS reconfigured to reconnaissance, tanker, and antisubmarine roles but still retaining their bomb bays) are not to be counted as "heavy bombers." But all U.S. "heavy bombers," including some 230 mothballed B–52s, are to be so counted.

In addition to "heavy bombers" (currently including BEARS, BISONS, B–52s, and B–1s), only bombers newly constructed for the specific purpose of carrying bombs or missiles may be equipped to carry ALCMs.

j. Cruise missile range is defined as the maximum distance the missile can achieve measured by projecting its flight path onto the earth's surface. Thus, the operational range, after allowing for zigs and zags to avoid defense, will be significantly less than the range from launcher to target. With respect to ICBMs, intercontinental range is specified as being 5,500 kilometers or more. No specification has been agreed as to the range cutoff distinguishing SLBMs classed as SNLVs and submarine-launched missiles considered to be for tactical use only.

k. There are no limits on the number of missiles or warheads which may be produced and stored. The storage near launching sites of ICBMs in excess of those needed for permitted launchers is banned, and storage facilities for such ICBMs are prohibited. The development, testing, and deployment of rapid reload systems for ICBM launchers is also prohibited.

l. Both sides agree not to take any action which would circumvent the purposes of the agreements. The extent to which this would ban the transfer of components or technology associated with weapons limited by the Agreements is not clear. The USSR interpretation has been reported to be that the transfer of components, blueprints, and technology directly pertinent to such weapons is precluded by such a ban. The United States has assured its allies that we do not consider ourselves so limited.

m. Both sides have provided data as to the broad categories of launchers it had deployed as of June 18, 1979.

n. There is agreement in principle to refrain from interfering with the national technical means unilaterally controlled by the respective sides for verification of compliance with the terms of the agreements by the other side. Encryption of telemetry is permitted provided it does not interfere with the national technical means of the other side operated in conformity with international law and necessary for verification of the terms of the agreement. What this means is unclear.

o. The start of additional, and the relocation of existing, fixed ICBM launchers is banned.

p. Six exotic type weapons, not now contemplated for development by either side, are banned (bottom crawlers, fractional orbit ballistic missiles, MHBMs on mobiles, submarines, or ASBMs and MIRVs on ALCMs).

2. The Protocol:

The Protocol is to cover the period to December 31, 1981, when it will terminate (unless earlier renegotiated).

The only significant restriction in this Protocol, beyond those in the Treaty, concern mobile ICBMs, ASBMs, and launchers for armed ground- and sea-launched cruise missiles.

a. The flight testing or deployment of mobile ICBMs and of ASBMs is to be banned during the period of the Protocol. After the expiration of the Protocol, the Treaty language, unless earlier amended, would permit the development, testing, and deployment of mobile ICBMs and ASBMs, but launchers for each missile would have to be counted under the pertinent limits. Testing of mobile launchers for mobile ICBMs during the Protocol is not prohibited, provided that no missile is fired from such launchers.

It has been reported that the Soviets have raised serious disagreement with a United States' assertion that the deployment of a multiple, vertical, protective shelter system would be permitted under the terms of the Treaty after the expiration of the Protocol as being a mobile system. They insist that a mobile system must have transporter/erector/launchers; each one of which must be counted as an ICBM launcher.

b. During the period of the Protocol the deployment of armed and nuclear armed ground- and sea-launched cruise missiles with a range greater than 600 kilometers (GLCMs and SLCMs) is prohibited, and remotely controlled reconnaissance vehicles not distinguishable from ALCMs, GLCMs. and SLCMs.

3. The Statement of Principles:

The negotiations for the next stage in SALT, with the Principles serving as guidelines, are anticipated to follow-on soon after the completion of SALT II. The United States and the Soviet Union have agreed on the following targets:

a. Significant and substantial reductions in the aggregate numbers of SNLVs.

b. Qualitative restrictions on the development, testing, and deployment of new types and the modernization of existing types of offensive arms.

c. Resolution of the issues in the Protocol in the context of the negotiations relating to these Principles.

d. Further limitations must be verifiable by national technical means using additionally, as appropriate, cooperative measures contributing to the effectiveness of national technical means.

e. Each party will be free to raise any issue relative to the further limitation of strategic arms.

CONSIDERATIONS BEARING ON THE MERITS OF THE SALT II AGREEMENTS AS SIGNED AT VIENNA

(Assuming That Currently Projected United States and USSR Defense Programs Are Continued in a Manner Consistent With SALT II)

1. U.S. SALT II Objectives and the Constraints Within Which Those Objectives Have Had To Be Sought:

The SALT II negotiations began six years ago. The U.S. objective was a treaty of indefinite duration, limiting offensive nuclear forces, to match the treaty limiting ABM defenses which had just been ratified. It was intended that the SALT II treaty should provide equal limitations on the two sides such that essential equivalence in offensive nuclear capabilities would be assured and such that "crisis stability" could and would be maintained. "Crisis stability" was the phrase used to describe a situation in which neither side could hope to gain in relative capabilities from initiating the use of nuclear weapons in a crisis. It was hoped that, if these two objectives had been met, a foundation would have been laid for a reduction in the resources both sides would consider necessary to devote to their offensive nuclear armaments.

It was recognized that there were four constraining considerations which must be taken into account in achieving the primary U.S. objectives. One constraint was that the limitations strategically important to the U.S. should be verifiable. The second was that the legitimate interests of our allies must be taken into account and the terms of the agreement be reasonably acceptable to them. The third constraint was that the limitations be such that it would be economically and politically practicable for the United States to deploy those permitted forces necessary to maintain essential equivalence and crisis stability. The fourth was that the terms of an agreement be negotiable; that is, be acceptable to the Soviet side and also be ratifiable by the Congress.

Early in the SALT II negotiations it was evident that there were potential conflicts among these objectives and constraints, and that difficult choices would have to be made in finding an optimum solution. One such conflict was between the objective of maintaininng crisis stability and the constraint of verifiability. It had long been recognized that limiting the number and quality of missiles was much more important than limiting the number of launchers. But it would require cooperative measures to monitor the production and storage of missiles; satellite sensors would be inadequate. The Soviets refused to agree to cooperative measures. ICBM silos, however, could be photographed from satellites, and counted and their size estimated. It was also recognized that it was more important to limit the aggregate throw-weight of a force than the number and size of its launchers. This proved to be impossible to negotiate. Verifiable and negotiable controls over missile accuracy also proved to be unattainable. The basic and primary currency of the negotiations thus became limits on the number of launchers, not limits on missiles or their characteristics. This has proven to be the wrong currency.

During the course of the six years of the SALT II negotiation, the originally formulated three U.S. primary objectives and the first three of the constraints have been progressively compromised so as to accommodate one aspect of the fourth constraint—that the terms of the agreements be acceptable to the Soviet side, thereby facilitating their negotiability. At the same time, the U.S. side has been inhibited in publicizing Soviet recalcitrance in the negotiations because of the other aspect of the fourth constraint—that the agreements be ratifiable by the Congress.

The first casualty among our original objectives was that of achieving a treaty of indefinite duration. That objective was given up in the summer of 1974 in order to announce a negotiating breakthrough at the Moscow conference which otherwise would have been without result. Each negotiating "breakthrough" since the Moscow conference has involved a further retreat from our original objectives.

What we have gained from these concessions has been a series of relatively unimportant adjustments in what otherwise would have been the Soviet program for deployments over the next six years, more than offset by limitations on our programs for future deployments. In essence, most of the negotiating process has been one of trading marginal adjustments to their large strategic program versus more significant adjustments to our much smaller one.

The following sections deal with the principal considerations involved in arriving at a judgment on the merits of the agreements as they appear to be emerging from that process and from the differential strategic nuclear programs of the two sides.

2. The ICBM Balance to be Expected by 1985:

a. The MIRVed ICBM Balance. This component of the overall balance is of particular significance. It is likely that if deterrence fails, this component, because of its power and accuracy, its short time of flight, the greater reliability of its command and control, and its known location, would be the key element in an initial strike and any initial counterforce response. This exchange could well determine the military outcome of the war.

(1) The U.S. has closed down the MINUTEMAN III production line and has delayed the initial operating capability (IOC) date of a follow-on missile to 1986 or beyond. Therefore, there is essentially no possibility of the U.S. having any deployed MIRVed ICBM launchers by the expiration date of the treaty in 1985 other than the 550 MINUTEMAN III silos currently deployed. The accuracy of the MINUTEMAN III has recently been significantly upgraded and it is planned to substitute MARK-12A warheads (with approximately double the yield) for the MARK-12 warheads currently deployed on 300 of the MINUTEMAN III. No other significant changes in MINUTEMAN III are now planned. The useful payload of the MINUTEMAN III is approximately 2,400 pounds. The maximum permitted number of reentry vehicles on the MINUTEMAN III is three RVs. The aggregate useful payload (throw-weight) of the U.S. MIRVed ICBM force in 1985 will therefore not exceed 550 x 2,400 which equals approximately a million three hundred thousand pounds. The aggregate number of MIRVed ICBM warheads in the U.S. force will not exceed 550 x 3, which equals 1,650 RVs.

(2) The USSR is permitted by the proposed terms of the agreement to deploy in excess of 300 SS–18s and approximately 500 SS–19s and –17s. The SS–18s have a useful payload approximating 16,000 pounds, the SS–17s and –19s have a useful payload approximating 7 to 8,000 pounds respectively. The SS–18s have been flight tested with as many as ten RVs, the SS–17s four RVs, the SS–19s six RVs. It can therefore be anticipated that the aggregate throw-weight of the Soviet Union's MIRVed ICBM force will approximate nine million pounds of throw-weight by 1985, and that the number of RVs deployed on those MIRVed missiles will approximate six thousand, each RV having a yield two to four times that of the U.S. RVs. There is no reason to believe that the accuracy of the Soviet MIRVed RVs by 1985 will be significantly less than that of the improved accuracy of the MINUTEMAN III RVs. The U.S. developing its more radical accuracy improvement, the Advanced Inertial Reference System (AIRS), for incorporation in a new follow-on missile to be deployed after 1985.

(3) If current accuracy is no better than approximately a fifth of a mile, it would be difficult for them to eliminate more than 70 percent of our MINUTEMAN silos in an initial strike, assuming that they target two of their RVs on each silo. If their accuracy approximates fifteen hundredths of a mile, around 90 percent of our silos would be vulnerable to such a two-on-one attack. A two-on-one attack would require less than half of the MIRVed ICBM RVs they are expected to have available by 1985. When their accuracy exceeds an eighth of a mile, more than 80 percent of our silos will become vulnerable to an attack by a single RV against each silo, provided that additional RVs are programed to substitute for missiles that fail during their launch phase.

(4) If we were to use all our MINUTEMAN III, taking account of their improved accuracy and the substitution of MARK–12A for MARK–12 RVs, it is unlikely we could destroy more than 50 percent of the Soviet ICBM silos.

b. The UnMIRVed ICBM Balance. The utility of large single RV unMIRVed ICBMs, which can have very high megatonnage and thus very high fallout potential, is largely as terror weapons to deter the other side from using its surviving deterrent in a second strike.

(1) Until 1985 or beyond the U.S. is expected to have 450 MINUTEMAN II, each with a throw-weight of less than 2,000 pounds and carrying a single RV in the megaton range. These would give us approximately 700,000 pounds of throw-weight and 550 megatons of yield in our unMIRVed MINUTEMAN ICBM force. In addition, we may choose to maintain the 54 TITAN missiles which were deployed prior to 1965. They have an aggregate yield of some 450 megatons.

(2) In coming down to the 2,250 limit, the Soviet side can be expected to retain at least 360 non-MIRVed ICBMs during the life of the treaty. It now being agreed that each side will be allowed to test and deploy one new type of ICBM (MIRVed or non-MIRVed) during the period of the Treaty, it is likely that the Soviet side, having little need for a new MIRVed ICBM, will test and then deploy a new non-MIRVed ICBM with a throw-weight of approximately 8,000 pounds and a warhead yield of 15 to 20 megatons, and substitute it for approximately 360 of the currently deployed SS–11s. The aggregate throw-weight of such an unMIRVed ICBM force could be in excess of two and one-half million pounds, and its megatonnage approximately six thousand megatons.

3. The SLBM Balance by 1985:

SLBM forces at-sea are particularly difficult to find and destroy. They can be expected to endure beyond the initial exchanges. They should, therefore, be prime candidates for being held back as strategic reserve forces to influence the later phases of a war or influence the period of war termination and beyond. It is not expected that SLBMs will achieve high accuracy by 1985. The reliability of SLBM communications constitutes a continuing problem.

a. MIRVed SLBMs. The U.S. is scheduled to have the following MIRVed SLBMs by 1985:

21 POSEIDON boats, each with 16 missiles, each missile carrying eight to ten RVs, the yield of each RV being 40 kilotons;

10 POSEIDON boats, each "backfitted" with 16 TRIDENT I missiles, each carrying approximately eight RVs, each missile with a substantially longer range (4,000 miles), and each RV with more than double the yield of the 40 kiloton POSEIDON RV:

7 TRIDENT boats, each with 24 TRIDENT I missiles.

It was thus expected that we would, by 1985, have 38 nuclear-propelled MIRVed SLBM submarines with some 664 MIRVed missile tubes with a theoretical loading of 5,312 RVs. Some 60 percent of these might be at-sea at any given time, giving us some 3,200 MIRVed RVs at sea. Assuming a reliability rate of 80 percent, this amounts to approximately 2,550 at-sea reliable RVs, representing an aggregate yield of approximately 200 megatons. In the event of a crisis, it should be possible, in a number of days, to increase the at-sea force by some 25 percent.

The Soviet side, if they deploy close to the full 820 MIRVed ICBM launchers permitted under the MIRVed ICBM limit, will be able to deploy close to 380 MIRVed SLBM launchers and still stay within the 1,200 limit on MIRVed missile launchers. It is expected that the new Soviet TYPHOON submarine will be significantly larger than the present Soviet SLBM submarines and will carry 20 to 24 missiles each with up to 14 RVs; their smaller MIRVed SLBMs, the SS–N–18, are expected to have no more than half that number of MIRVs. The TYPHOON missile could have the throw-weight of the projected U.S. TRIDENT II missile, development of which has not yet been authorized. The TRIDENT II missile is planned to be approximately twice the size (volume) of the TRIDENT I missile, but cannot be deployed prior to 1985.

It is probable, nevertheless, that the U.S. will continue to have a lead in the number of MIRVed SLBM tubes and RVs into the 1985 time period. However, the accuracy and yield of the U.S. SLBM RVs are substantially less than those on the U.S. ICBMs. The U.S. SLBM force does not now, and is not expected to by 1985 to, add significantly to our capability against Soviet hard targets, such as hardened silos.

b. UnMIRVed SLBMs. The U.S. is expected to phase out at least half of its unMIRVed POLARIS force by about 1985 and thus to have no more than 80 unMIRVed SLBMs by that time.

The Soviet Union, on the other hand, can be expected to retain over 600 unMIRVed SLBM tubes. Some of these may carry multiple, but not independently guided, RVs (MRVs) as our POLARIS missiles do today. Such missiles may be as useful as MIRVed missiles against small area targets that are not very hard, such as airfields.

4. The Bomber/Cruise Missile Balance in 1985:

The essential characteristic of the bomber/cruise missile forces is that while—particularly on the U.S. side—they have great potential power, it is only that portion of the force that is on alert prior to the initial attack that can be expected to survive, and the bulk of even that portion of the force must be used within the initial eight hours of a nuclear war or it too runs the danger of being lost.

The B–1 issue was incorrectly stated by the administration to be a choice between relatively cheap cruise missiles and expensive B–1s. Cruise missiles have to be launched from some kind of survivable platform, preferably one that can endure in a nuclear war environment for more than a few hours. The Executive Branch's position is that this preferably should be an aircraft. Thus, one requires a bomber/cruise missile system consisting of bombers and tankers so based as to give a high probability of prelaunch survivability for those that are on alert, whose take-off is sufficiently rapid and which are so hardened against nuclear effects that it becomes difficult to barrage their escape routes; bombers that are able to penetrate close enough to the target to launch cruise missiles to destroy or suppress defenses; and cruise missiles able to penetrate area and terminal defenses and accurate enough to kill the targets they are aimed at. The cruise missile is thus only part of a multifaceted system. The bomber that launches it and the tankers that refuel the bombers are equally essential parts of the system. The system is greatly improved and the enemy's defensive problem greatly increased, if some of the bombers have the capability for rapid take-off, are hardened against radiation, are more confidently able to penetrate Soviet defenses and thus to launch SRAMs, other types of missiles, or gravity bombs, close to the target.

The B–1 program having been cancelled, the 1985 bomber/cruise missile balance depends critically on whether a Soviet barrier defense around the northern perimeter, and on the eastern and western flanks, of the Soviet Union against the B–52s is possible, upon the number of cruise missiles that will be able to penetrate new Soviet terminal defenses, upon the number of B–52s equipped with cruise missiles that we deploy, the prelaunch and escape survivability of our B–52s and their tankers, and the extent to which a portion of the bomber force can be reconstituted, after it was flushed on warning, so as to endure in a war environment, protracted for more than a few hours.

Without limitations on air defense systems, including forwardly deployed, area, and terminal defenses, the effectiveness of U.S. cruise missiles may be degraded during the mid to late 1980s. Limitations on air defenses are not to be included as a part of the SALT II agreements and the Soviet does not appear to be willing even to discuss this issue as part of the SALT III negotiations.

The U.S. contemplates deploying some 120 aircraft equipped with intermediate range ALCMs. The majority of these aircraft are planned to be B–52s; however, some type of aircraft carrying a larger number of ALCMs than does a B–52 is also being considered: the average number of ALCMs per ALCM carrier cannot, however, exceed 28.

As it now stands, if we maintain 550 MINUTEMAN III launchers, plus our 496 POSEIDON launch tubes, and deploy the 168 TRIDENT tubes, this would total 1,214 MIRVed missile launchers. This number would exceed the 1,200 limit on MIRVed missile launchers. Therefore, unless there is a further delay in the TRIDENT program, we will, in any case, have to phase out a small number of POSEIDON or MINUTEMAN III launchers. If we propose to deploy more than 120 ALCM-carrying planes, we will have to phase out additional POSEIDON or MINUTEMAN III launchers to stay within the 1,320 limit. It is uncertain that the Navy would recommend phasing out POSEIDONs or the Air Force the MINUTEMAN III.

Even if we assume 120 deployed ALCM-carrying aircraft, it would be unlikely that more than some 50 percent would be on continuous alert or that more than some 90 percent could be brought to readiness under conditions calling for fully generated strategic forces.

The Soviet Union faces a much simpler problem. The U.S. has no substantial air defenses and the Soviet BACKFIRE is not to be counted under any of the proposed limits. Even if BACKFIRE production is limited to 30 per annum, the number deployed will grow to significant numbers, they can be dispersed to a larger number of fields than our B–52s, and their chances of surviving an initial exchange are thus enhanced.

In view of our limited defense, BACKFIRE carried cruise missiles would not need to have a range greater than 600 kilometers. If the Soviets exploit their current technology, they could deploy a significant number of such short-range ALCMs on BACKFIREs prior to 1985. The potential of the BACKFIRE to survive the initial exchanges of a nuclear war coupled with its capability to penetrate very limited U.S. defenses would contribute significantly to a greater possibility of Soviet domination of the subsequent phases of such a war.

Whether the FB–111H (which is 40 percent the size of the BACKFIRE) can penetrate depends, among other things, on whether U.S. tankers can survive in sufficient numbers for the required multiple inflight refuelings of the FB–111Hs. If the FB–111H were to carry ALCMs with a range greater than 600 kilometers, they would have to be counted under both the 2,250 ceiling and the 1,320 ceiling.

5. The Definition and verification problem:

It is impossible to verify compliance unless what is to be limited and the nature of the limitation have been clearly defined and the definition agreed in depth between the parties.

It is evident that six years of negotiation failed to produce such clear and agreed definitions. The main provisions of the treaty concern limitation on the number of various types of missile launchers. But the definition of what is a launcher is purely circular; for instance, ICBM launchers are defined as "launchers which have been developed and tested for launching ICBMs" and "if a launcher contains or launches an ICBM that launcher shall have been developed and tested for launching ICBMs." We are told by the Executive Branch that the U.S. can deploy the thousands of silos required for the "shell game" ICBM deployment system because the definition of "launcher" is unclear, and we can interpret it to refer to the canister which will contain the MX missile and not the silo which contains the canister. On that interpretation the Soviet Union could claim that none of the modern Soviet missile silos are launchers either; their most modern ICBMs are also canisterized with the device that cold launches them contained within the canister. With such uncertainty as to what the definitions mean verifiability becomes impossible.

Similarly, we are told that that the principal constraint in the treaty is the limitation of "new" ICBMs to one new type. A "new ICBM" is defined as one having a different number of stages, or using a different types of propellant (that is, liquid or solid) than a missile flight tested prior to May 1, 1979, even if it does not differ from such a previously tested missile by five percent in length, largest diameter, throw-weight or launch-weight; as will any missile, even though it does not differ in number of stages or type of propellant, that does differ by more than five percent in length, diameter, throw-weight or launch-weight from any previously tested missile. It is noteworthy that no list of previously tested Soviet missiles and their characteristics is provided and that the above limitations may not fully apply until after the 24th "new type" missile flight test.

In view of the fact the Soviets have tested some 20 types of ICBMs prior to May 1, 1979, with a wide range of weights and dimensions, that in the past we have believed that we could monitor these characteristics to an accuracy no greater than ± 15 percent, and that the Soviets have provided no data base as to the characteristics of types tested prior to May 1, 1979, it would be a bold man who would assert we can be certain the Soviets will be effectively limited to one "new" ICBM type.

Even where the limitations appear to be precisely defined, compliance is in many cases difficult to verify. The range of ALCMs in one place in the treaty is related to maximum range tested, in another place to "capability to fuel exhaustion": what happens if it is never tested to "fuel exhaustion?" Different types of ALCMs are to be distnguished on the basis of "extremely observable design features," but these do not necessarily bear on the range of the ALCM. Can one be sure of observing ALCM tests in a manner adequate to determine range by any criterion? How do you distinguish an ALCM from a GLCM or SLCM, or assure that an ALCM cannot be launched from a sea- or land-based launcher? How do you determine whether it is armed, and, if so, conventionally armed or nuclear armed? How do you determine that a new missile having the throw-weight of an SS–19 and carrying a bus similar to an SS–19 bus, but with a single RV, is not capable of being deployed as a MIRVed missile? How do you determine that a missile tested both from land-based launchers and SLBM submarines cannot be deployed as an ICBM? How do you determine that retired missiles or missiles taken out of retired launchers or extra, newly produced missiles are not being stockpiled to be available for relatively prompt deployment on soft pads or for reload in surviving launchers?

In many instances unambiguous verification of the SALT II limitations will not be possible. For this reason the arms control community now uses the phrase "adequately verifiable." It is correct that "verifilability" is not an absolute requirement; it is a means toward the end of a good agreement. A wholly verifiable bad agreement is still a bad agreement. If those provisions of an agreement which are strategically significant to us are adequately verifiable, the agreement might be a good agreement, even if its less important provisions are not confidently verifiable. The difficulty, however, rests in determining which provisions are "strategically significant" to us and what is meant by the word "adequate." Both phrases lend themselves to subjective judgments and thus to blatant misuse. If one assumes that no capabilities beyond those required for a "minimum deterrent" are significant, then none of the SALT II limitations are "strategically significant": they may assure the Soviet Union strategic nuclear superiority without denying us a "minimum deterrent."

E. The Active and Civil Defense Aspects of the Problem:

The United States has, over the last twenty years, phased out most of its continental air defense capabilities. The Congress has forced the virtual deactivation of the U.S. ABM defenses permitted under the ABM treaty. In the mid-sixties the U.S. Navy was told that it was not to ask for equipment, men or funds for the purpose of developing ASW capabilities designed to attack Soviet SLBMs; as far as we know that order has never been rescinded.

The USSR has persistently put relatively more emphasis on active defense capabilities than has the United States.

The Soviet Union has devoted a truly enormous effort to air defenses. It has deployed 12,000 surface-to-air missile launchers and approximately 2,700 interceptor fighters. It has deployed thousands of internetted air defense radars and ground-control-interceptor centers. It is apparently about ready to deploy a new high capability mobile phased-array radar/missile system called the SAX–10. It has recently been reported that the SAX–10 is being deployed on surface ships, thus affording the Soviets the beginning of a capability to deploy a forward barrier defense against our bomber aircraft.

The Soviet Union has maintained and somewhat improved those ABM capabilities it had earlier deployed in the Moscow area. It is significantly increasing the capabilities of its phased-array ABM "early warning" radars around the periphery of the USSR. This is permitted under the ABM Treaty on the assumption that, in the event of war, such a network, being close to the periphery, could be destroyed with limited effort. It is also assumed that the even more powerful radars in the Moscow area could, with greater effort, be destroyed. However, the large Soviet phased-array radar deployments, when coupled with the development of a transportable phased-array ABM radar and high acceleration interceptor combination, could give the USSR a reasonably rapid break-out toward an important "damage limiting" ABM capability, particularly against U.S. SLBM RVs.

Even more important are the civil defense aspects of the problem. Many who have carefully studied the problem concur that a well executed civil defense program—to evacuate most of the population of Moscow and Leningrad would take several days—can reduce fatalities by a factor of five to ten as well as substantially reducing industrial damage and the time necessary for economic recovery. There is now little doubt that the Soviet Union is working on civil defense much harder than was realized as recently as two years ago.

It was reported earlier this year that the Executive Branch would request an expansion of the U.S. civil defense program to include work to enable more rapid evacuation of our urban population in the event of a crisis. Approval of such a program could have been of major importance. Later, however, the President reversed his position. It should be noted, however, that, even if that program had been approved, our program would have cost about one-tenth of what the Executive Branch estimates the Soviets are spending on civil defense.

7. The Number and Hardness of Targets Problem:

The potential effectiveness of offensive nuclear forces should be judged in the light of the target structure they might be called upon to strike. From the standpoint of the military outcome of war, were deterrence to fail, the most important targets are hard targets (silos; launch control facilities; command, control, and communication bunkers; nuclear storage facilities; and the like). It is because of their strategic significance that they have been hardened. The list of Soviet hard targets is larger than ours, and the targets are generally harder. Their list is growing while ours is not. The Soviets will, by the mid-1980s, have twice as many hard targets as the United States and on the average they will be twice as hard.

Against soft targets the important criteria are soft target (area) potential, i.e., (EMT), megatonnage, number of warheads, and the relative effectiveness of the civil defense measures on two sides.

8. The Break-out Problem:

The essential effort in the ABM Treaty negotiation was to assure that neither side could break-out of the agreement and thereafter rapidly deploy a significant ABM defense. That was why the main emphasis was put on preventing the deployment of a widespread ABM-capable radar network, the element requiring the longest leadtime.

In the early SALT II negotiations the break-out problem with respect to offensive systems was given much attention by the U.S. side. This effort was put to one side in the interest of negotiability. This has resulted in provisions that leave rapid break-out by the Soviet Union entirely feasible.

For instance, the proposed provisions designed to limit Soviet ability to reload their silos cannot be counted on to be effective for more than a number of hours.

Those who actually have worked on and designed cruise missiles say that any bomber with hard points on its wings can rapidly be converted to carry cruise missiles and that any cruise missile operable from a plane can rapidly be adapted to be launched from ground- or sea-based launchers.

New Soviet transportable air defense systems, designed to counter the U.S. SRAM/cruise missiles have a substantial break-out potential in an ABM damage limitation role.

9. The Command, Control, Communication and Pre- and Post-attack Intelligence Problem:

Second strike deterrent forces will fail in their purpose if responsible civil authority is not able effectively to command and control them. This requires that responsible civil authority survive an attack, have time for a considered and intelligent decision, and be able to communicate with those in immediate control of the launching of surviving forces. For these decisions to be intelligent and effective, continuing information, both as to the status of our own forces and those of the enemy, is essential.

Neither those in the Executive Branch, nor those outside it, have confidence in the current status of what is called our C^3+I. In fact, improving its effectiveness and survivability is given the highest priority by most analysts of our strategic posture. There is little doubt that the Soviet Union has put a vastly greater effort than has the U.S. into providing themselves with redundant and survivable C^3+I systems capable of enduring, if necessary, through a protracted nuclear war. They have also been developing antisatellite and other capabilities which could deny us pre- and post-attack intelligence.

It was hoped that the SALT II provision obligating each side not to interfere with the other side's national technical means of verification would give useful protection to our pre-attack technical intelligence capabilities. With the ambiguous resolution of the test range telemetry encryption problem, much of our technical intelligence capability becomes dependent on unilateral Soviet decisions.

The diminishing survivability and endurance potential of our strategic forces to be expected during the treaty period sharpen the need for improved U.S. post-attack C^3+I.

10. The Relation of the Strategic Nuclear Balance to the Theater Balance, Conventional and Nuclear:

At all times since World War II the Soviet Union has had superior nonnuclear forces on the European central front and on its northern and southern flanks. This has, in part, been due to geography, the USSR enjoying the central position and interior lines, and, in part, to the greater effort that has been made by the USSR and the Warsaw Pact than by NATO.

In the years up to the early 1950s this was offset by the U.S. nuclear monopoly. Later the conventional deficiency was in large measure offset by U.S. superiority in theater nuclear weapons. Today that theater nuclear superiority has disappeared and it has proved necessary to assign a number of our POSEIDON submarines to cover targets of interest to NATO, and thus maintain a theater balance. It has been estimated that the Soviet Union has two to three times as many theater nuclear weapons, with six times the area destructive potential, ten times the throw-weight, and twenty-five times the megatonnage as we. As the Soviets deploy increasing numbers of SS–20 MIRVed missiles, BACKFIRE and other high performance theater bombers, maintaining a theater nuclear balance will become increasingly difficult. In addition to the theater nuclear imbalance, we must consider the substantial and one-sided Warsaw Pact chemical warfare capabilities. More and more of our surviving strategic nuclear forces will be called upon for assignment to offset theater imbalances. This consideration is rarely taken into account when the strategic nuclear balance is being examined; it should be.

Moreover, the SALT II agreement could have a serious negative effect upon the evolution of the conventional balance. The European NATO countries have hoped to exploit cruise missile technology in its theater conventional weapon applications. Agreement that armed cruise missiles with a range greater than 600 kilometers are to be limited in SALT favors the Soviet side. It supports the erroneous Soviet claim that nuclear ballistic missiles deployed in the Soviet Union for peripheral area missions, with medium or intermediate ranges, which under SALT II can be up to 5,500 kilometers, are not "strategic," while cruise missiles deployed in NATO Europe, if over 600 kilometers in range, whether nuclear or conventionally armed, are "strategic."

In specific terms, the SALT II agreements, particularly now that the Soviet position that conventionally armed cruise missiles, as well as nuclear armed missiles, are to be limited, has been accepted, may prevent the United States from transferring technology important to the conventional defense of Europe as well as prohibiting the deployment by the U.S. of conventionally armed cruise missiles with ranges greater than 600 kilometers.

These limitations will also result in the U.S. Navy being effectively limited to cruise missiles with less than 600 kilometers in range, while countries not party to the agreements will not be so limited, and can then significantly outrange it.

11. The Impact of the Agreement Upon the United States' Ability to Reverse Current Trends:

The Vladivostok Accord did not restrict the USSR from deploying those new weapon systems it planned to deploy, but neither did it restrict us from deploying those weapon systems necessary to maintain stability and rough equivalence, and thus reversing then current trends. It did not restrict the ability of the United States to deploy the B–1, the MINUTEMAN III and the MX missile in a survivable deployment mode, TRIDENT II, ALCMs, GLCMs, and SLCMs of any range, continental air defenses, more durable and reliable command and control, or enhanced civil defense preparations.

U.S. program decisions and delays in making decisions since Vladivostok plus the terms of the probable SALT agreement now make it impossible to maintain crisis stability and rough equivalence, at least during the period of the treaty and probably for many years thereafter.

It is argued by some that the restrictions in the agreements, as they apply to the United States, are of little significance; they do not keep us from doing anything we now should, or would want to, do during the period of the agreements. This depends in large measure on whether or not the agreements permit the deployment of a multiple protective structure system (MPS). Under this concept the U.S. would construct a large number of vertical protective shelters or silos, each capable of holding a canister containing an ICBM (a MINUTEMAN III or a follow-on missile such as the MX) and its launch mechanism; or, alternatively, a canister which would contain no missile or launch mechanism but which would be indistinguishable from those that did. The canisters containing the missile and launch mechanism would, periodically and randomly, be moved and substituted among those that did not. The U.S. is reported to have told the Soviets that it considered that such a system was a mobile system and thus permitted under the treaty. The Soviet side is reported to have told us that deployment of such a system would be in violation of both the letter and spirit of the agreements.

The Executive Branch is now searching for a truly mobile system which would both provide the necessary survivability and durability and be affordable. Whether they will be successful is still very much in doubt. What is not in doubt is that any such system will be considerably more expensive than the MPS system and cannot be operational until after the expiration of the treaty.

Under the provisions of the SALT II agreements, it is difficult, if not impossible, to see how we can reverse recent adverse trends. Beginning in the early to mid-1980s, we would have to rely on an ICBM force useful, if deterrence fails, only if the President decides to launch it from under an attack in the few minutes he may have available to do so, a bomber force largely capable of enduring for no more than a few hours and thus having to be used within that time span or else lost, and an SLBM force at-sea of less than 25 boats, each boat constituting four percent of our "enduring" deterrent power and thus worth enormous Soviet efforts to negate.

12. The Situation in the Absence of an Agreement:

The proponents of ratification of the treaty emphasize that whereas the USSR now has some 2,500 strategic launchers, under SALT II they will have to reduce these to 2,400 some months after entry into force of the agreements, and to 2,250 some three years thereafter. They assert that in the absence of an agreement, the Soviet side may not make any such reductions and may well add some 400, or even more, new strategic launchers to those to which they would be limited under SALT II.

Based upon past experience, this is unlikely. The most careful student of Soviet past defense budgets and programs, William Lee, tells us that he can identify little, if any, modification in the general magnitude of Soviet defense budgets and therefore of defense programs in response to international events or changes in U.S. programs. Whereas it is generally said that the increased Soviet emphasis on expanding its intercontinental strategic capabilities was in direct response to the Cuban missile crisis, Lee finds no evidence that this is so. The Soviet five-year planning process is so interrelated and complex that anything beyond marginal adjustments is extremely disruptive and, in the past, has rarely occurred. He also notes the difficulty the Soviets would have in increasing the percentage of their GNP devoted to defense, which he estimates has now risen to approximately 18 percent.

Nevertheless, the possibility cannot be excluded that the Soviet side, in the absence of SALT II, would not decrease the number of its strategic launchers to 2,250 and, instead, would increase them.

It should be noted, however, that the 300 launchers they are expected to phase out to reach 2,250 are obsolescent ICBMs and SLBMs which would add little to their overall capability. Their presently programmed forces, largely composed of new missiles, will provide them with such an excess of MIRVed hard target kill capability, of unMIRVed megatonnage, and of RVs needed for target coverage, that it is hard to see what strategic benefit more of the same would give them. Increased intermediate range systems to cover requirements against European NATO and China are not limited by SALT.

It is now anticipated that, as the Soviet side completes their development of new ICBMs and SLBMs, they will concentrate more heavily on adding to their defensive capabilities. This is where the principal gaps in their warmaking potential now lie. In particular, they are expected to add more attack submarines designed for an ASW role, and aircraft with improved look-down/shoot-down radar capabilities, and to deploy improved antiaircraft systems such as their SAX–10 mobile antiaircraft batteries, etc. For the Soviet Union to shift resources back to offensive forces from a contemplated strengthening of their defenses may not be disadvantageous to the United States.

The more important question is what the United States can be expected to do under the SALT II agreements—and in the absence of such agreements—to reverse currently unfavorable strategic nuclear trends.

13. The Question of Strategy:

Fundamental to the debate over SALT II and over our strategic nuclear program is the question of what strategy to follow, if deterrence were to fail, and the relationship of strategy to deterrence.

Some start from the assumption that a nuclear war is "unthinkable"; that those who do think about it must be Dr. Strangeloves; that deterrence has nothing to do with the military strategy either side intends to follow in the event deterrence were to fail; that, regardless of strategy and of the probable balance of the initially surviving and then enduring nuclear forces, there could be no meaningful winner or loser in a nuclear war.

Others believe that a nuclear war is unthinkable, that the United States can best avoid a nuclear war, while preserving its independence and honor, by thinking seriously about nuclear war and taking prudent and timely actions to forestall it. They view the quality of deterrence to be importantly affected by the strategy we intend to follow and could effectively implement, if deterrence were to fail. They question the wisdom and credibility of a so-called minimum deterrence strategy. Under such a strategy, deterrence would depend on the United States' ability and will to launch, in response to a Soviet attack, a few hundred missiles, warheads or megatons (they are generally imprecise about which) against Soviet cities and industry protected by extensive active and passive defenses. The fact that the remaining U.S. military forces and U.S. population and industry would then be defenseless against ten thousand megatons or more of a Soviet third and fourth strike capability would be ignored.

Few now overtly support the minimum deterrence approach. They are more apt to describe their position with such phrases as "sufficiency" or "flexibility." This leads to the question of how much of what is enough, That judgment in turn must rest importantly upon the relative emphasis placed on the counterforce aspect of nuclear strategy and on the countervalue aspect. Neither aspect can be ignored. If our counterforce capabilities, survivable after an initial Soviet strike, were sufficient to out-fight Soviet strike, were sufficient to out-fight Soviet residual forces, while our other forces were capable of holding Soviet population and industry in reciprocal danger to our own, the quality of deterrence would be high because the Soviets would know we were in a position to implement a credible military strategy in the event deterrence were to fail.

If our strategy were restricted to a revenge attack on, for instance, the 200 largest Soviet cities, the military forces required to support such a strategy would be relatively small. Such a strategy, however, would be suicidal if implemented, vastly more destructive to us than to the Soviet Union, and militarily hopeless. One could, therefore, have only limited confidence in deterrence based upon an implied determination to execute such a strategy to defend vital U.S. interests.

Those that claim that we are stronger than the Soviet Union now and will continue to be so during our lifetimes, more or less regardless of what we do, must equate forces designed to support such a minimum deterrence strategy with superiority.

14. The Continuing Negotiation Problem:

It has been characteristic of the SALT negotiation process that the U.S. Executive Branch, in justifying proposed agreements, has stressed its hope that their deficiencies will be corrected in future agreements. This argument characterized the justification of the SALT I Interim Agreement. That agreement specified that its terms were not to prejudice, in any way, the scope or terms of the long-term comprehensive agreement contemplated for its replacement, the negotiation of which both sides had agreed should begin immediately after entry into force of the Interim Agreement. Despite the best efforts of the U.S. side, the terms of the Interim Agreement have, in fact, prejudiced the terms of SALT II. The nature of the continuing programs of the two sides and the political and psychological pressures on the U.S. made it difficult to achieve any other result.

SALT III negotiations are contemplated to begin shortly after SALT II is ratified and enters into force. Two hurdles must be met by the U.S. negotiators during those negotiations. The first is the expiration of the Protocol on December 31, 1981; the second will be the expiration of the treaty at the end of 1985. It is likely that negotiations will concern themselves with both subjects and that the Soviet side will press for the extension of those provisions of the Protocol which they would have preferred to see in the treaty, and link that pressure to the SALT III treaty negotiation. The question of whether the U.S. can expect to prevail with respect to its hopes for SALT III will largely depend on the relative bargaining position of the two sides during the negotiations. The evolution of the relative strength of the two sides in the strategic nuclear arena is almost certain to be negative during the entire period prior to expiration of the SALT II Treaty. If the MX and TRIDENT II versions of the "largely-common missile" are then close to their IOCs, this could have some offsetting bearing on the negotiations. The impending deployment of the MX version could, however, be destabilizing if a basing mode capable of assuring its survivability and endurance were not concurrently available.

If the SALT II Treaty were to approach expiration in 1985 without replacement and without a survivable and durable U.S. ICBM component, the U.S. could face unprecedented dangers. We would then have to take seriously both the then existing degree of Soviet nuclear strategic superiority and Soviet supriority in break-out potential. To avoid the attendant risks, we could well be under pressure to agree to a SALT III far less favorable to the U.S. even than SALT II.

15. The Political and Diplomatic Consequences of a Shift in the Strategic Nuclear Balance:

Some proponents, rather than taking exception to the main thrust of the analysis contained in the preceding sections, argue a different series of points along the following line:

a. The United States' March 1977 comprehensive proposal leaned over backward in attempting to be fair to the Soviet Union. It offered them complete assurance against any significant counterforce threat from the United States while not assuring comparable protection for the United States.

b. That proposal was wholly unacceptable to the USSR, and any proposal which would in fact assure stability and rough equivalence at lower levels of nuclear armaments would be even more unnegotiable.

c. To insist on such an equitable agreement would assure that there would be no success, at least in the next few years, in negotiating a SALT II set of agreements. Such a delay would risk a breakdown of detente.

d. Rather than risk such a breakdown, it is wiser to negotiate the best deal that is now reachable, preserve at least the outward forms of detente, and open the way to follow-on negotiations for a better deal in the future.

e. And in any case, a deterioration in the state of the strategic nuclear balance will have no adverse political or diplomatic consequences.

To some of us who lived through the Berlin crisis in 1961, the Cuban crisis in 1962, or the Middle East crisis in 1973, the last and key judgment in this chain of reasoning—that an adverse shift in the strategic nuclear balance will have no political or diplomatic consequences—comes as a shock. In the Berlin crisis of 1961 our theater position was clearly unfavorable; we relied entirely on our strategic nuclear superiority to face down Chairman Khrushchev's ultimatum. In Cuba, the Soviet Union faced a position of both theater inferiority and strategic inferiority; they withdraw the missiles they were deploying. In the 1973 Middle East crisis, the theater and the strategic nuclear balances were more balanced; both sides compromised.

It is hard to see what factors in the future are apt to disconnect international politics and diplomacy from the underlying real power balances. The nuclear balance is only one element in the overall power balance. But in the Soviet view, it is the fulcrum upon which all other levers of influence—military, economic, or political—rest.

In any international crisis seriously raising the prospect that the military arms of the United States and of the USSR might become engaged in active and direct confrontation, those directing U.S. and Soviet policy would have to give the most serious attention to the relative strategic nuclear capabilities of the two sides.

Unequal accommodation to the Soviet Union would then have resulted not in cooperation and peace but in forced withdrawal.

[Figures mentioned in text not printed in RECORD.]

	1977		June 18, 1979		Consistent with SALT II			
					1982		1985	
	United States	Soviet Union	United States	Soviet Union	United States	Soviet Union	United States	Soviet Union
BALANCE IN NUMBERS OF STRATEGIC NUCLEAR LAUNCH VEHICLES (SNLV's)								
ICBM's:								
MIRV	550	82	550	608	550	820	536	820
Non-MIRV	504	1, 474	504	790	504	390	504	360
Total	1, 054	1, 556	1, 054	1, 398	1, 054	1, 210	1, 040	1, 180
SLBM's:								
MIRV	496	16	496	144	640	296	664	356
Non-MIRV	160	776	160	806	160	680	80	620
Total	656	792	656	950	800	976	744	976
Heavy bombers:								
Non-ALCM	• 346	160	• 340	156	331	64	226	90
ALCM carriers	0	0	3	0	15	0	120	0
Total	• 346	160	• 343	156	346	64	346	90
Total SNDV's	• 2, 056	2, 508	• 2, 053	2, 504	2, 200	2, 250	2, 130	2, 246
BALANCE IN NUMBERS OF WARHEADS								
ICBM's:								
MIRV	1, 650	560	1, 650	4, 120	1, 650	5, 752	1, 608	5, 752
Non-MIRV	504	2, 584	504	1, 700	504	970	504	480
Total	2, 154	3, 144	2, 154	5, 820	2, 154	6, 722	2, 112	6, 232
SLBM's:								
MIRV	4, 368	48	4, 320	432	5, 456	2, 912	5, 648	3, 752
Non-MIRV	480	1, 320	480	1, 350	480	1, 080	240	1, 324
Total	4, 848	1, 368	4, 800	1, 782	5, 936	3, 992	5, 888	5, 076
Heavy bombers (ALCM's, SRAM's, gravity bombs; total)	2, 584	640	2, 560	624	2, 824	260	4, 504	420
Total warheads	9, 586	5, 152	9, 514	8, 226	10, 914	10, 974	12, 504	11, 728
BALANCE IN AREA DESTRUCTION POTENTIAL—EMT (nY$^{2/3}$)								
ICBM's:								
MIRV	507	462	507	3, 040	664	4, 751	651	4, 751
Non-MIRV	741	4, 115	741	1, 956	741	1, 155	741	1, 934
Total	1, 248	4, 587	1, 248	4, 997	1, 406	5, 906	1, 393	6, 686
SLMB's:								
MIRV	586	30	645	272	878	995	920	1, 282
Non-MIRV	174	1, 015	174	997	174	855	87	933
Total	760	1, 046	820	1, 269	1, 053	1, 851	1, 007	2, 216
Heavy bombers (ALCM's, SRAM's, gravity bombs; total)	1, 795	640	1, 771	624	1, 837	260	2, 137	420
Total area destruction	3, 370	6, 160	3, 839	6, 890	4, 297	8, 018	4, 538	9, 320
BALANCE IN HARD TARGET KILL POTENTIAL—CMP (nY$^{2/3}$/CEP^2)								
ICBM's:								
MIRV	22, 539	10, 464	22, 539	105, 194	46, 175	211, 169	45, 279	211, 169
Non-MIRV	13, 188	24, 036	13, 188	7, 182	13, 188	29, 170	13, 188	126, 912
Total	35, 727	34, 501	35, 727	112, 376	59, 364	240, 340	58, 467	338, 082
SLBM's:								
MIRV	9, 377	336	9, 899	3, 024	14, 059	13, 871	14, 723	18, 469
Non-MIRV	697	3, 040	697	2, 968	697	2, 702	348	2, 254
Total	10, 074	3, 376	10, 597	5, 992	14, 757	16, 574	15, 072	20, 724
Total prompt CMP	45, 801	37, 877	46, 324	118, 368	74, 121	256, 914	73, 539	358, 806
Heavy bombers (ALCM's, SRAM's gravity bombsf; total delayed CMP)	148, 675	16, 000	146, 275	15, 600	158, 729	8, 000	229, 112	33, 000
Total CMP	194, 477	53, 877	192, 599	133, 968	232, 851	264, 914	302, 652	391, 806
BALANCE IN MEGATONNAGE								
ICBM's:								
MIRV	240	420	280	2, 760	430	4, 314	423	4, 314
Non-MIRV	1, 026	7, 326	1, 026	3, 297	1, 026	1, 935	1, 026	4, 590
Total	1, 036	7, 746	1, 306	6, 057	1, 456	6, 249	1, 449	8, 904
SLBM's:								
MIRV	220	24	241	216	364	582	383	750
Non-MIRV	105	909	105	939	105	777	80	796
Total	326	933	347	1, 155	469	1, 359	464	1, 546
Heavy bombers (ALCM's, SRAM's, gravity bombs; total)	1, 624	640	1, 600	624	1, 624	260	1, 624	420
Total megatonnage	3, 256	9, 319	3, 253	7, 836	3, 550	7, 868	3, 537	10, 870

See footnotes at end of table.

	1977		June 18, 1979		Consistent with SALT II			
					1982		1985	
	United States	Soviet Union	United States	Soviet Union	United States	Soviet Union	United States	Soviet Union
BALANCE IN THROW WEIGHT (M/lb)								
ICBM's:								
MIRV	1.32	2.82	1.32	6.23	1.32	8.82	1.29	8.82
Non-MIRV	1.17	6.90	1.17	2.96	1.17	1.38	1.17	2.52
Total	2.49	7.72	2.49	9.19	2.49	10.20	2.46	11.34
SLBM's:								
MIRV	1.60	.04	1.58	.36	1.99	1.04	2.06	1.34
Non-MIRV	.18	1.29	.18	1.35	.18	1.15	.09	1.05
Total	1.78	1.33	1.76	1.71	2.17	2.19	2.15	2.39
Heavy bombers	3.32	1.23	3.26	1.25	3.32	.51	3.32	.72
Total throw weight (M/lb)	7.59	10.33	7.51	12.15	7.98	12.90	7.93	14.45

*Excludes 230 mothballed B-52's U.S. plans to scrap.

†It should be noted that bomber CMP differs from missile CMP in that the former arrives in 6 o 10 hrs in comparison to 10 to 40 min for the latter.

Note: Decimal points not rounded off.

System	MT/Warhead (y)	Number of warhead(n)	Total MT (yt)	EMT (ny$^{.666}$)	CEP (nmi)	CMP (ny$^{.666}$/CEP^2)	TW (K/lb)
U.S. SYSTEMS							
Minuteman	1.2	1	1.2	1.13	0.2	28.25	1.6
Minuteman III (NS-20/MK12)	.17	3	.51	.922	.15	40.98	2.4
Minuteman III (INS-20/MK12)	.17	3	.51	.922	.12	64.03	2.4
Minuteman III (INS-20/MK12A)	.335	3	1.0	1.448	.12	100.56	2.4
Titan II	9.0	1	9.0	4.32	.7	8.82	8.3
Polaris A-3	.22	3	.66	1.09	.5	4.36	1.1
Poseidon C-3	.04	*9	.36	1.05	.25	16.80	3.3
Poseidon C-4	.1	8	.8	1.73	.25	27.68	2.9
Trident	.1	8	.8	1.73	.25	27.68	2.9
B-52 (with gravity bombs)	1	4	4	4	.1	400	9.6
B-52 (with ALCM's)	.2	20	4	6.85	.08	1,070.31	9.6
B-52 (with SRAM plus gravity bombs)	.2+1	12	5.6	6.74	.2/.1	468.5	9.6
		(8+4)		(2.74+4)		(68.5+400)	
U.S.S.R. SYSTEMS							
SS-7/SS-8	3	1	3	2.08	1.0	2.08	4.0
SS-9	20	1	20	7.35	.5	29.4	13.5
SS-9	3.5	3	10.5	6.91	1	6.91	13.5
SS-11	1.0	1	1	1.0	1	1.0	2.0
SS-13	.75	1	.75	.826	1	.826	1.0
SS-18 single	20	1	20	7.35	.2	183.75	16.0
SS-18 (1977)	.75	10	7.5	8.26	.2	206.5	16.0
SS-18 (June 18, 1979)	.75	10	7.5	8.26	.17	285.81	16.0
SS-18 (1982)	.75	10	7.5	8.26	.15	367.1	16.0
SS-18 (1985)	.75	10	7.5	8.26	.12	573.61	16.0
SS-19 (1977)	.75	6	4.5	4.96	.2	124.0	8.0
SS-19 (June 18, 1979)	.75	6	4.5	4.96	.17	171.62	8.0
SS-19 (1982)	.75	6	4.5	4.96	.15	220.4	8.0
SS-19 (1985)	.75	6	4.5	4.96	.12	344.4	8.0
SS-19/SS-17	15	1	15	6.07	.2	151.75	7.0
SS-17 (1977)	.75	4	3.0	3.3	.2	82.5	7.0
SS-17 (June 18, 1979)	.75	4	3.0	3.3	.17	114.18	7.0
SS-17 (1982)	.75	4	3.0	3.3	.15	146.67	7.0
SS-17 (1982)	.75	4	3.0	3.3	.12	229.17	7.0
New missile (1982)	15	1	15	6.07	.15	269.78	8.0
New missile (1985)	15	1	15	6.07	.12	421.53	8.0
SS-N-6	1.0	1	1.0	1.0	.5	4.0	1.6
SS-N-6	.5	3	1.5	1.89	.75	3.36	1.6
SS-N-8	1.0	1	1.0	1.0	.5	4.00	1.8
SS-NX-17	.75	1	.75	.826	.25	13.22	2.0
SS-N-18	.5	3	1.5	1.89	.3	21.0	2.5
SS-N-18	.2	7	1.4	2.39	.3	26.56	2.5
New MIRV	.2	14	2.8	4.79	.25	76.64	5.0
Bear/Bison	1	4	4	4	.2	100.00	8.0
New bomber	1	5	5	5	.1	500.00	8.0

Average.

	Launchers	Warheads	Total MT	EMT	CMP	TW
1977—U,S,/U,S S,R ICBM s						
U.S. ICBM's:						
Titan	54	54	486	233.3	476.3	448.2
MM II	450	450	540	508.5	12,712.5	720.0
MM III (NS-20/MK-12)	550	1,650	280.5	507.1	22,539	1,320.0
MIRV total	550	1,650	280.5	507.1	22,539	1,320.0
Non-MIRV total	504	504	1,026	741.8	13,188.8	1,168.2
Total	1,054	2,154	1,306.5	1,248.9	35,727.8	2,488.2
U.S.S.R. ICBM's:						
SS-7	139	139	417	289.12	289.12	556.0
SS-8	19	19	57	39.52	39.52	76.0
SS-9 (single)	164	164	3,280	1,205.4	4,821.6	2,214.0
SS-9 (MRV)	100	300	1,050	691	691	1,350.0
SS-18 (single)	22	22	440	161.7	4,042.5	352.0
SS-18 (MIRV)	22	220	165	181.72	4,543	352.0
SS-11 (single)	455	455	455	455	455	910.0
SS-11 (MRV)	455	1,365	682.5	859.95	3,439.8	910.0
SS-17 (single)	10	10	150	60.7	1,517.5	70.0
SS-17 (MIRV)	10	40	30	33	825	70.0
SS-19 (single)	50	50	750	303.5	7,587.5	400.0
SS-19 (MIRV)	50	300	225	248	6,200	400.0
SS-13	60	60	45	49.56	49.56	60.0
MIRV total	82	560	420	462.72	10,464.8	822.0
Non-MIRV total	1,474	2,584	7,326.5	4,115.45	24,036.3	6,898.0
Total	1,556	3,144	7,746.5	4,578.17	34,501.1	7,720.0
1977—U.S./U.S.S.R. BOMBERS						
U.S. Bombers:						
B-52 (SRAMS gravity bombs)	150	1,800	840	1,011	70,275	1,400.0
B-52 (gravity bombs)	196	784	784	784	78,400	1,881.6
Total	346	2,584	1,624	1,795	148,675	3,321.6
U.S.S.R. bombers:						
Bear and Bison	160	640	640	640	16,000	1,280.0

	Launchers	Warheads	Total MT	EMT	CMP	TW
1977—U.S./U.S.S.R. SLBM's						
U.S. SLBM's:						
Polaris A-3	160	480	105.6	174.4	697.6	176.0
Poseidon C-3	400	3,600	144	420.8	6,720	1,320.0
Poseidon C-4	96	768	76.8	166.08	2,657.28	278.4
MIRV total	496	4,368	220.8	586.08	9,377.28	1,598.4
Non-MIRV total	160	480	105.6	175.4	697.6	176.0
Total	656	4,848	326.4	760.48	10,074.88	1,774.4
U.S.S.R. SLBM's:						
SS-N-6 (single)	272	272	272	272	1,088	435.2
SS-N-6 (MRV)	272	816	408	514.08	913.92	435.2
SS-NX-17	12	12	9	9.91	158.64	24.0
SS-N-8	220	220	220	220	880	396.0
SS-N-18	16	48	24	30.24	336	40.0
MIRV total	16	48	24	30.24	336	40.0
Non-MIRV total	776	1,320	909	1,015.99	3,040.56	1,290.4
Total	792	1,368	933	1,046.23	3,376.56	1,330.4
JUNE 18, 1979—U.S./U.S.S.R. ICBM's						
U.S. ICBM's:						
Titan	54	54	486	233.3	476.3	448.2
MM II	450	450	540	508.5	12,712.5	720.0
MM III (NS-20/ MK-12)	550	1,650	280.5	507.1	22,539	1,320.0
MIRV total	550	1,650	280.5	507.1	22,539	1,320.0
Non-MIRV total	504	504	1,026	741.8	13,188.8	1,168.2
Total	1,054	2,154	1,306.5	1,248.9	35,727.8	2,488.2
U.S.S.R. ICBM's:						
SS-9 (single)	120	120	2,400	882	3,528	1,620.0
SS-18 (MIRV)	188	1,880	1,080	1,189.44	41,155.2	3,008.0
SS-11 (single)	215	215	215	215	215	430.0
SS-11 (MRV)	455	1,365	682.5	859.95	3,439.8	910.0
SS-17 (MIRV)	140	560	420	462	15,985.2	980.0
SS-19 (MIRV)	280	1,680	1,260	1,388.8	48,053.6	2,240.0
MIRV total	608	4,120	2,760	3,040.24	105,194	6,228.0
Non-MIRV total	790	1,700	3,297.5	1,956.95	7,182.8	2,960.0
Total	1,398	5,820	6,057.5	4,997.19	112,376.8	9,188.0
JUNE 18, 1979—U.S./U.S.S.R. SLBM's						
U.S. SLBM's:						
Polaris A-3	160	480	105.6	174.4	697.6	176.0
Poseidon C-3	352	3,168	126.72	396.6	5,913.5	1,161.6
Poseidon C-4	144	1,152	115.2	249.12	3,985.92	417.6
MIRV total	496	4,320	241.92	645.72	9,899.52	1,579.2
Non-MIRV total	160	480	105.6	174.4	697.6	176.0
Total	656	4,800	347.52	820.12	10,597.12	1,755.2
U.S.S.R. SLBM's:						
SS-N-6 (single)	254	254	254	254	1,016	406.4
SS-N-6 (MRV)	272	816	408	514.08	913.92	435.2
SS-NX-17	12	12	9	9.91	158.64	24.0
SS-N-8	268	268	268	220	880	482.4
SS-N-18	144	432	216	272.16	3,024	360.0
MIRV total	144	432	216	272.16	3,024	360.0
Non-MIRV total	806	1,350	939	997.99	2,968.56	1,348.0
Total	950	1,782	1,155	1,270.16	5,592.56	1,708.0
JUNE 18, 1979—U.S./U.S.S.R. BOMBERS						
U.S. Bombers:						
B-52 (SRAMS gravity bombs)	150	1,800	840	1,011	70,275	1,440.0
B-52 (gravity bombs)	190	760	760	760	76,000	1,824.0
ALCM carriers	3	0	0	0	0	0
Total	[1] 343	2,560	1,600	1,771	146,275	3,264.0
U.S.S.R. bombers:						
Bear and Bison	156	624	624	624	15,600	1,248.0
1982—U.S./U.S.S.R. ICBM's						
U.S. ICBM's:						
Titan	54	54	486	233.3	476.3	448.2
MM II	450	450	540	508.5	12,712.5	720.0
MM III (INS-20/ MK-12A)	300	900	303	434.4	30,168	720.0
MM III (INS-20/ MK-12)	250	750	127.5	230.5	16,007.5	600.0
MIRV total	500	1,650	430.5	664.9	46,175.5	1,320.0
Non-MIRV total	504	504	1,026	741.8	13,188.8	1,168.2
Total	1,054	2,154	1,456.5	1,406.7	59,364.3	2,488.2
U.S.S.R. ICBM's:						
SS-11 (MRV)	290	870	435	548.1	2,192.4	580.0
SS-18 (MIRV)	308	3,080	2,310	2,544.08	113,066.8	4,928.0
SS-17 (MIRV)	200	800	600	660	29,334	1,400.0
SS-19 (MIRV)	312	1,872	1,404	1,547.52	68,768.8	2,496.0
New missile (single)	100	100	1,500	607	26,978	800.0
MIRV total	820	5,752	4,314	4,751.6	211,169.6	8,824.0
Non-MIRV total	390	970	1,935	1,155.1	29,170.4	1,380.0
Total	1,210.	6,722	6,249	5,906.7	240,340	10,204.0
1982—U.S./U.S.S.R. SLBM's						
U.S. SLBM's:						
Polaris A-3	160	480	105.6	174.4	697.6	176.0
Poseidon C-3	336	3 024	120.96	352.8	5,644.8	1,108.8
Poseidon C-4	160	1,280	128	276.8	4,428.8	464.0
Trident C-4	144	1,152	115.2	249.12	3,985.92	417.6
MIRV total	640	5,456	364.16	878.72	14,059.52	1,990.4
Non-MIRV total	160	480	105.6	174.4	697.6	176.0
Total	800	5,926	469.76	1,053.12	14,757.12	2,166.4
U.S.S.R. SLBM's:						
SS-N-6 (single)	200	200	200	200	800	320.0
SS-N-6 (MRV)	200	600	300	378	672	320.0
SS-NX-17	12	12	9	9.91	158.64	24.0
SS-N-8	268	268	268	268	1,072	482.4
SS-N-18	176	1,232	246.4	420.64	4,674.56	440.0
New MIRV	120	1,680	336	574.8	9,196.8	600.0
MIRV total	296	2,912	582.4	995.44	13,871.36	1,040.0
Non-MIRV total	680	1,080	777	855.91	2,702.64	1,146.4
Total	976	3,992	1,359.4	1,851.35	16,574	2,186.4
1982—U.S./U.S.S.R. BOMBERS						
U.S. bombers:						
B-52 (SRAMS gravity bombs)	150	1,800	840	1,011	70,275	1,440.0
B-52 (w/ALCM's)	15	300	60	102.75	16,054.65	144.0
B-52 (gravity bombs)	181	724	724	724	72,400	1,737.6
MIRV total	15	300	60	102.75	16,054.65	144.0
Non-MIRV total	331	2,524	1,564	1,735	142,675	3,177.6
Total	346	2,824	1,624	1,837.75	158,729.65	3,321.6
U.S.S.R. bombers:						
Bear	60	240	240	240	6,000	480.0
New bomber	4	20	20	20	2,000	32.0
Total	64	260	260	260	8,000	512.0
1985—U.S./U.S.S.R. ICBM's						
U.S. ICBM's:						
Titan	54	54	486	233.3	476.3	448.2
MM II	450	450	540	508.5	12,712.5	720.0
MM III (INS-20/ MK-12A)	300	900	303	434.4	30,168	720.0
MM III (INS-20/ MK-12)	236	708	120.36	217.59	15,111.08	566.4
MIRV total	536	1,608	423.36	651.99	45,279.08	1,286.4
Non-MIRV total	504	504	1,026	741.8	13,188.8	1,168.2
Total	1,040	2,112	1,449.36	1,393.79	58,467.88	1,454.6
U.S.S.R. ICBM's:						
SS-11 (MRV)	60	180	90	113.4	453.6	120.0
SS-18 (MIRV)	308	3,080	2,310	2,544.08	113,066.8	4,928.0
SS-17 (MIRV)	200	800	600	660	29,334	1,400.0
SS-19 (MIRV)	312	1,872	1,404	1,547.52	68,768.8	2,496.0
New missile (single)	300	300	4,500	1,821	126,459	2,400.0
MIRV total	820	5,752	4,314	4,751.60	211,169.6	8,824.0
Non-MIRV total	360	480	4,590	1,934.4	126,912.6	2,520.0
Total	1,18	6,232	8,904	6,686	338,082.2	11,344.0
1985—U.S./U.S.S.R. SLBM's						
U.S. SLBM's:						
Polaris A-3	80	240	80.66	87.2	348.8	88.0
Poseidon C-3	336	3,024	120.96	352.8	5,644.8	1,108.8
Poseidon C-4	160	1,280	128	276.8	4,428.8	464.0
Trident C-4	168	1,344	134.4	290.64	4,650.24	487.2
MIRV total	664	5,648	383.36	920.24	14,723.84	2,060.0
Non-MIRV total	80	240	80.66	87.2	348.8	88.0
Total	774	5,888	464.02	1,007.44	15,072.64	2,148.0

[1] Excludes 230 mothballed B-52's U.S. plans to scrap.

1985—U.S./U.S.S.R. SLBM's—Continued

	Launchers	Warheads	Total MT	EMT	CMP	TW
U.S.S.R. SLBM's:						
SS-N-6 (MRV)	352	1,056	528	665.28	1,182.72	563.2
SS-N-8	268	268	268	268	1,072	482.4
SS-N-18	176	1,232	246.4	420.64	4,674.56	440.0
New MIRV	180	2,520	504	862.2	13,795.2	900.0
MIRV total	356	3,752	750.4	1,282.84	18,469.76	1,340.0
Non-MIRV total	620	1,324	796	933.28	2,254.72	1,045.6
Total	976	5,076	1,546.4	2,216.12	20,724.48	2,385.6

1985—U.S./U.S.S.R. BOMBERS

	Launchers	Warheads	Total MT	EMT	CMP	TW
U.S. bombers:						
B-52 (SRAM gravity bombs)	150	1,800	840	1,011	70,275	1,440.0
B-52 (w/ALCM's)	120	2,400	480	822	128,437.2	1,152.0
B-52 (gravity bombs)	76	304	304	304	30,400	729.6
MIRV total	120	2,400	480	822	128,437.2	1,152.0
Non-MIRV total	226	2,104	1,144	1,315	100,675	2,169.6
Total	346	4,504	1,624	2,137	229,112.2	3,321.6
U.S.S.R. bombers:						
Bear	30	120	120	120	3,000	240.0
New bomber	60	300	300	300	30,000	480.0
Total	90	420	420	420	33,000	720.0

TABLE 1.—COMPARISON OF CALCULATIONS IN FIGS. 1, 2, AND 3 WITH SECRETARY OF DEFENSE BROWN'S FIGURES IN FISCAL YEAR 1978 BUDGET AMENDMENT TESTIMONY, TABLE 2

[United States as percent of Soviet]

	Static measures of strategic balance			
	Brown's		Figs. 1, 2, and 3	
	1977	1986 (B-52/CM)	1977	1985 (B-52/CM)
Warheads	240	126	216	147
Megatons	35	25	38	31
Throw weight	75	48	78	53
Countermilitary potential	160	67	132	78

A METHOD FOR DEALING WITH CERTAIN FALLOUT QUESTIONS

1. Three major sets of subvariables need to be analyzed to estimate the number of fatalities or casualties the U.S. should expect to result from the early (deposited in the first 24 hours) downwind (it is assumed people in the ground zero area would be killed by other effects) fallout, from a U.S. attack designed to maximize fallout casualties in a Soviet population defended by a well thought-through and executed civil defense program.

2. One set of subvariables concerns the nature of the attack—the number of U.S. weapons detonating, their yield and fission fraction, their height of burst, their location and spacing in distance and in time of burst, and the nature of the soil where they burst. The number of weapons will depend, of course, on whether the retaliating forces are alert forces or fully-generated forces, whether they are launched on warning or not, on targeting doctrine, and on policy regarding the maintenance of reserve forces. The attack can then be converted into a fallout pattern describable in terms of square miles per megaton of fission yield covered by fallout of different degrees of intensity normalized to H+1 hour intensity and also in terms of mean times of deposition.

3. A second set of subvariables concerns the effectiveness of the Soviet civil defense program—the degree of evacuation called for, the time available for evacuation, the degree of compliance with the plan to be expected, the area over which people are evacuated, the resulting densities per square mile, the protection factor (PS) of the fallout shelters made available, their blast resistance, the time people are prepared to stay in shelters if necessary, and the procedures they follow once they leave the shelters.

4. A third set of subvariables concerns the amount of biological radiation damage judged to be surely lethal, to cause 50 percent probability of lethality, to require hospitalization, to shorten life, or to cause little probability of any permanent damage; and the relation of biological radiation damage to Rs absorbed over time.

5. It is desirable to establish a reasonable and definable nominal value for each subset. One can then test the elements of each subset for sensitivity against the nominal values for the other subsets. Paragraphs 6 through 17 illustrate the method proposed.

6. Let us assume that as a first approximation our analysis of the third set of subvariables indicates values of 1,000 R, 450 R, 200 R and 100 R of instantaneous whole-body mid-line radiation to be the cutoff points between the five classes of damage listed in paragraph 4, and that we are particularly interested in the 50 percent lethality condition; i.e., biological radiation damage equivalent to an instantaneous whole-body mid-line dose of 450 Rs.

7. Let us assume that our analysis of our second set of subvariables has indicated that approximately 80 percent of the Soviet urban and industrial population will have been evacuated, distributed in a density which the U.S., for lack of better information, must assume to be an equal density over a million square miles (thus giving an average density of 200 per square mile), equipped with shelters with a PF greater than 200, prepared to stay in those shelters for 2 weeks if necessary, and prepared to act thereafter with some prudence when the residual radiation levels call for prudence. Let us further assume that our analysis indicates that people so protected will not be exposed to biological radiation damage in excess of the equivalent of 450 Rs of instantaneous radiation to the body mid-line unless the intensity of the radiation in the area, normalized to H+1, was significantly greater than 5,600 R per hour.

8. Let us assume that our analysis of the first set of subvariables assumes a situation where the U.S. retaliates after an initial Soviet attack, where it has had strategic warning and has therefore fully generated its forces, and that it does not launch its retaliatory attack until actual detonations on U.S. soil have been confirmed. Let us assume that the analysis indicates that the U.S. could, under these circumstances, penetrate with an attack designed to maximize fallout fatalities in the Soviet Union of a weight equivalent to 1,000 MT of fission yield. Let us assume further that our analysis indicates that the maximum number of square miles which can be covered with fallout more intense than 5,600 R per hour, normalized to H+1, is by an attack pattern in which the 200 R contours of 28 groundburst weapons (assuming winds of 25 miles per hour) are made to coincide in an additative manner to the greatest extent possible, thus adding up to a 5,600 R contour. The area enclosed in such a contour, assuming 28 100-KT fission yield weapons can be so superimposed, would be approximately 100 square miles; this is equivalent to 35 square miles per megaton of fission yield or 35,000 square miles for a 1,000-MT fission yield attack. Such an attack would expose 3.5 percent of the Soviet evacuated plus rural population to a biological damage dose of 332 Rs or more, which could be lethal to some, but less than the 450 R level posited in paragraph 6.

9. The above assumptions are set forth merely to illustrate the method of analysis proposed. The first talks of the analysis would be to assess whether the assumed nominal values are in the ballpark of central interest or whether other nominal values for each set would be more useful. The second task would be to analyze the sensitivity of the outcomes to the individual subvariables in each set. The third task would be to get some handle on the confidence levels and ranges of uncertainty in the individual values and in the aggregated nominal values of each set.

10. There follows a summary of the considerations which led to the above tentative nominal values.

11. The highest intensity of the downwind early fallout from a small weapon is estimated to be about the same as for a large weapon and more dependent on wind velocities and windshear than on weapon size. The area covered by fallout of any given intensity is estimated to be roughly proportionate to the fission yield of the weapon detonated.[3] The reason for this is that the cloud is ellipsoid-shaped, the area of its horizontal cross section increasing roughly proportionately to the total yield (i.e., fission yield plus fusion yield). The fallout from a larger weapon falls from a greater height and therefore takes longer to descend; a greater percentage of its aggregate radiation has therefore already decayed before it reaches the ground.

12. The intensity of the fallout is proportionate to the fission yield and diminishes radically with the scaled height of burst, being quite small if the fireball does not touch the ground. The maximum intensity comes from a ground burst. The following paragraphs assume that attacks designed to maximize fallout are fused for ground burst.

13. The intensity of fallout is generally described in terms of "dose rates normalized to H + 1." This is the number of Rs per hour being radiated by the radiating material at 1 hour after the detonation, whether or not it has by that time settled from the cloud and reached the earth. The aggregate numbers of Rs which this material will have radiated from 1 minute after the explosion to infinity time is about 9.3 times the H + 1 rate.[4]

It will take from 3 to 6 hours for half the early fallout from a megaton-range weapon to hit the earth.

The percentage of the 1 minute to infinity radiation which has already been radiated at

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Footnotes at end of article.

any given time is given in Table 9.22 in Reference 2.

For fallout which arrives 6 hours after the explosion, the initial rate of radiation will be one-tenth the rate normalized to H + 1.[5] The sum of the radiation to be expected from such fallout during the first 2 weeks after its deposit will be roughly 20 percent of the 1 minute to infinity sum, as opposed to 37 percent thereof if the radiation had all been deposited at H + 1.

14. Figure III-19 in Reference 1 estimates the square miles covered by radiation of a given intensity (normalized to the H + 1 rate) per kiloton of fission yield, assuming ground burst. It will be seen that the square miles for 2,800 R per hour are roughly one-tenth the square miles for 1,500 Rs, which in turn are roughly one-tenth the square miles for 200 Rs, assuming that a 25-miles per hour wind is average for the USSR.[6] Fourteen weapons with overlapping fallout contours would cover as many square miles with radiation of 2,800 R per hour intensity as would 1 weapon with 100 times the fission yield. There may be problems in designing an attack of 14 weapons which would avoid fractricide, the merging of cloudforming stems, and shifting wind patterns, and thus approximate fully addative contours. It is evident, however, that, except for small, abnormal "hot spots," multiple overlapping fallout contours are necessary if any appreciable area is to be covered with fallout exceeding 2,800 R per hour normalized to H + 1.

15. At this point let us examine a case involving a sheltered population in an environment in which fallout of an H + 1 intensity of 2,800 R per hour has been deposited at the equivalency of H + 2 hours. The shelter provides a PF of 200. By H + 2 the rate will be 44 percent of the normalized H + 1 rate or 2,800 × 0.44/200 = 6 R per hour; 4 hours later it will be 1.5 R per hour. The peak biological damage dose during the 2 weeks will be 27 Rs, that remaining at the end of the 2 weeks will be 16 Rs.[7] These amounts are far below the threshold of short- or long-term damage.[8]

It should be noted that if the shelters had an effective PF of 50 rather than 200, the peak biological damage would be 108 Rs, and the amount absorbed and uncompensated for by the body's recuperative powers at the end of 2 weeks would be 64 Rs—both numbers being at or below the threshold of long-term damage from whole-body exposure; the latter being less significant than the reduction achieved by a provision that, where necessary, people, on emerging from the shelters would spend no more than 12 hours per day outside their shelters for the succeeding 12 weeks.

16. The problem to be analyzed then becomes that of the 2nd to the 14th week by which latter time the rate will have declined by a further factor of ten. After 2 weeks the fallout will have decayed to one-one thousandth of its H+1 intensity; that is, to less than 3 R per hour; by the 14th week it will be less than 0.3 R per hour. A person walking about in ordinary clothing over average terrain has a PF of 3 (to the body mid-line), reducing these figures to 1 R per hour and 0.1 R per hour. At biological dose levels below 100 Rs, the body can recuperate to the extent of 80 percent of the radiation absorbed at a rate of 10 percent per day. The biological damage dose absorbed during the period of 2 weeks to 14 weeks would be approximately 150 Rs, even if no further protective measures were taken. See Tables III-34 and III-35 in Reference 1. This added to the 16 R from paragraph 15 would be approximately 166 R. The weight of attack would have to be doubled to reach 332 R.

17. The most significant variable not analyzed above may well be the percentage of the evacuated population that is able and willing to follow the civil defense plan and properly executes the instructions given.

In part, this depends upon the thoroughness of prior preparation, including the availability of expedient shelter construction equipment, water containers, dosimeters, radios, etc. The time of the year and the expected weather conditions can have a bearing. Studies by SRI at Huntsville indicate that there are an average of 10 days a year around Moscow when the wind chill factor is such that expedient shelters cannot be dug. In any case, the Soviet leadership could be expected to see to it that the initiation of nuclear conflict did not arise at a time of year radically unfavorable to its interests.

The question of the degree to which the population would, in fact execute civil defense instructions, even if there were no physical impediment to doing so, would appear to be importantly influenced by the time available for execution. If there had been many days of strategic warning, the full array of expedient shelters could have been constructed in advance of evacuation. If the Soviet side were to allow a week for actual evacuation to take place, it should be possible to enforce a high rate of, at least initial, compliance.

A more difficult problem may well be that of estimating how prudent the behavior of people will be after they emerge from their shelters. If only 3 percent of the dispersed population has been in areas of high initial radiation, the problem should not be serious; outside assistance should be available, and evacuation to areas of less intense initial radiation should be possible. If the radiation is not so concentrated but spread over a much wider area, the initial problem may be less severe for them but the longer-range problem more serious.

All these matters merit much more rigorous and detailed examination.

18. The material available on the modes of attenuation of radiation levels should all be pulled together. It is said that the roughness of the earth attenuates by a factor of 1.1 to 3; the usual best number given is 1.4. It is said that rain can also attenuate by a factor of 1 to 3; the usual best number given is a factor of 2. Decontamination of an area 20 meters or larger in radius can have an appreciable effect in reducing radiation.

19. Information on the longer-range effects from isotopes of strontium, iodine, and from plutonium, etc., should also be pulled together.

It is generally agreed that the concentration of plutonium from a large weapon explosion is so diluted as not to be dangerously above the medically permitted threshold for workers in plutonium fabrication plants.

The strontium problem is largely related to milk. Cows concentrate the strontium in their food into their milk. Soviet civil defense manuals call for monitoring both the grass cows eat and the milk they produce. Many publications list strontium-90 as the most hazardous fallout component. Uptake of strontium-90 can be reduced by increasing ingestion of uncontaminated calcium from powdered milk, for example, or Tums. Also, there are medical chelating agents that can increase the rate of elimination of strontium-90. This could help reduce long-term hazard from fallout.

There appear to be similar ways of reducing the long-term problem from isotopes of iodine.

Footnote at end of article.

STATEMENT OF PAUL H. NITZE BEFORE THE COMMITTEE ON ARMED SERVICES OF THE HOUSE OF REPRESENTATIVES ON FEBRUARY 6, 1979

Assessment of deterrence depends significantly on our day-to-day alert forces. Our day-to-day alert forces must have adequate survivability in the face of any attack which might be made against them. The surviving forces must be appropriate for their mission, responsive to command and control, able to penetrate defenses intended to blunt their effectiveness, and capable of putting out of action the targets that must be eliminated if we are to pursue a rational strategy were war to come.

In addition to these straightforward considerations, insurance against unforseen vulnerabilities can be provided by utilizing a diversity of forces.

The objective of diversity is to distribute our deterrent capability through different forces having a variety of survival modes, defense penetration techniques, and attack characteristics so that no single breakthrough by an opponent, either in destroying our forces before launch, or in defense against our surviving and counter-attacking forces, would significantly reduce our second strike and reserve capability. Moreover, such variety would also lessen the vulnerability of our forces to a single force-wide weakness.

A minimal approach to diversity is a triad of forces providing two different survival modes and two different penetration modes for (a) time-urgent hard and soft targets, (b) non-time-urgent hard and soft targets, and (c) targets enduring more than a day. Both survivability and confidence in the ability of the force to penetrate should be considered when matching specific systems to target classes, as shown in Table 1 on the next page.

Table 1 divides targets into three classes: time-urgent, non-time-urgent, and enduring, and each of these into hard and soft.

TABLE 1.—STRATEGIC FORCE EMPLOYMENT, SURVIVAL, AND PENETRATION CHARACTERISTICS

	Appropriate target class							
	Time urgent (within 15 to 40 min)		Nontime urgent (within 6 to 12 hr)		Enduring (within 1 to 30 days)			
	Hard	Soft	Hard	Soft	Hard	Soft	Survival mode	Penetration mode
ICBM's	Yes	Yes	(1)	(2)	(1)	(1)	Hardened and dispersed	Hypersonic reentry, low radar cross section, chaff and decoys masking real versus false targets, ABM Treaty limitation on ABM defenses.
SLBM's	(3)	Yes	(3)	Yes	(3)	Yes	Concealed mobile	Hypersonic reentry, high arrival rates.
Bombers with ALCM's	No	No	Yes	Yes	No	No	Takeoff on warning but vulnerable if not promptly used.	Low altitude flight, reactive defensive avionics, and variety in penetration and defense suppression modes (SRAM's, ALCM's, etc.).

[1] Only if deployed in MVPS mode.

[2] Only if deployed in either MVPS or air mobile mode.

[3] Only if SLBM's are provided with RV's with a combination of higher yield and greater accuracy.

You will note that only our SLBMs can now be expected to have a capability to endure more than one day, and they have little capability against hard targets.

You will also note that it is only the ICBMs that have a significant capability against time-urgent hard targets.

Our bomber cruise missile capability is limited to non-time-urgent targets. Few, if any, of our heavy bombers are expected to endure more than a day or so. They must be used within the first few hours. Those that disperse or return suffer grave danger of destruction on their bases.

To achieve the capabilities to fight a war, and thus to deter one, we must both give our SLBMs a greater hard target kill capability and give our ICBMs the ability not only to survive for an immediate launch but to endure for more than a day.

The ICBM force has played a dominant role in determining the military capability of our strategic forces.

The central issue that must be considered is what to do about our ICBM force to restore the declining credibility of that leg of our deterrent. Some of the alternatives are as follows:

a. Accept the intrinsic vulnerability of our fixed silo-based missiles and count on only a small residual ICBM force surviving an attack, thus essentially being driven to acceptance of a dyad.

b. As in (a), accept the vulnerability of our ICBM silos but deploy a larger missile in the silos to increase the power of those few ICBMs which might survive.

c. Adopt a launch-under-attack policy.

d. Provide dedicated ICBM silo defenses.

e. Re-base our ICBMs in a mode which maintains adequate ICBM survivability and endurance, and thus satisfies our crisis stability and sufficiency requirements.

Alternative (a) outlined above is consistent with Option 1 stated on page 1 of the "Questions" attached to the Chairman's invitation to testify.

Alternatives (b), (c), and (d) above are consistent with the Chairman's Option II. Alternative (e) is consistent with the Chairman's Option III.

Alternative (a) results in a dyad and eventually a monad. A survivable and enduring U.S. counterforce-capable ICBM system is required to ensure a diverse enduring retaliatory capability against all types of targets. A dyad will not meet that requirement.

Deployment of a larger missile in the Minuteman silos, alternative (b), does nothing to solve the silo vulnerability problem and in addition has the negative feature of a threatening, but vulnerable, U.S. first-strike counterforce capability. Accordingly, it would increase crisis instability and the prospect that deterrence would fail.

Alternative (c), launch-under-attack, refers to launching a threatened force once unequivocal assessment is received that an attack on that force is in progress, and before the attack reaches a point where it prevents a launch. It requires highly reliable command, control, and communication systems and extremely rapid decision-making. The decision time projected to be available varies, from about 3 minutes in complex scenarios utilizing SLBM attacks on communication modes and pindown of Minuteman, to about 15 to 20 minutes in a straightforward ICBM attack on Minuteman. However, an important issue surrounding the launch-under-attack option is "launch what against what Soviet targets—upon what degree of evidence that an attack of what size is underway against what U.S. targets?" Extremely difficult considerations are involved in answering that complex question. Should the President be asked to resolve them in the few minutes which may be available to him, or should the answers be preprogrammed into a computer? Neither alternative is without immense dangers.

Alternative (d), that dedicated ICBM silo defenses be deployed as a solution to our current and future silo vulnerability problem, would require Soviet agreement to modify the ABM Treaty so as to allow for the eventual deployment of dedicated defenses.

Dedicated ICBM defenses can be of significant benefit when used as an overlay to an already reasonably survivable ICBM system. Against a maximum threat, it would be possible to complicate any Soviet attack with a preferential ABM defense of an MVPS deployment.

A number of alternative basing concepts, alternative (e), have been proposed which enhance ICBM survivability through a multiple vertical protective structure system (MVPS),[9] air mobility, other forms of MAP employing transporter/reactor/launchers, or by other deceptive actions.

As stated in General Allen's letter of December 29, 1978, over the last ten years about 30 alternate basing modes have been investigated in detail; and after extensive reviews and evaluations, the MVPS system is found to be the best technical solution that retains the unique, positive characteristics of the ICBM force.

Purely mobile concepts tend to rely on strategic and/or tactical warning both to enhance survivability and to reduce operating costs. Air mobility has much the same survival and durability vulnerabilities characteristic of the bomber force and therefore does not contribute significantly to force diversity. Land mobiles are dependent on warning, and are vulnerable to an area Soviet barrage attack.

Since the MVPS ICBM deployment concept achieves survivability through uncertainty in location, its deployment may raise questions concerning verification. In assessing this problem it should be emphasized that the advantages the MVPS basing offers in increasing survivability and thus enhancing stability and deterrence, and thus reducing the risk of war, far outweigh the strategic significance of uncertainty in verification. It should also be noted that all alternate basing concepts currently under consideration raise similar verification issues.

Two additional points should be made. It is wholly feasible for the U.S. to give the USSR high confidence that we are not deploying more than one cannister containing a missile per MVPS launch complex. If the Soviet Union wished to give us similar high confidence, if they develop an MVPS system, they also could do so. If they wish to deny us verifiability of the number of ICBMs they deploy, they can do so, whether they deploy an MVPS or not.

It is reported that as a part of the current SALT II deliberations two demarches were made by the U.S. side to the Soviets stating that we interpret the SALT II provisions to permit the deployment of an MVPS system after the expiration of the Protocol.

The demarches referred not to multiple silos but to hardened launch points (which, as phrased, could include not only vertical structures but also horizontal structures). The Soviet side focused on the distinction between vertical structure deployments and horizontal structures protecting mobile transporter/erector/launchers. They unambiguously stated that a vertical deployment mode would involve additional fixed ICBM launchers which are prohibited by the Treaty. They also implied, however, that the horizontal shelter deployment mode, if associated with transporter/erector/launchers (TELs), might be considered to be a mobile system permissible after expiration of the Protocol but requiring that each TEL be counted under the ceilings on numbers of ICBM launchers.

The Soviets might or might not respond to a U.S. deployment of an MVPS system. It would be feasible, by the late 1980s or the 1990s, for the Soviets, in the absence of SALT, to deploy more highly fractionated payloads with up to about 20 to 30 RVs per SS–19-type missile, and up to about 30 to 40 RVs per SS–18-type missile. These RVs would have to have smaller weight and thus yield, and therefore would have to have improved accuracy to maintain the same single shot kill capability. There would be severe technical problems involving accuracy and reliability, and financial and availability of fissionable material considerations could arise. But it is not certain that such considerations would preclude such a Soviet response.

SALT II limitations can be helpful if continued beyond 1985. The currently agreed SALT II provisions include a maximum fractionation limit of 10 RVs per ICBM and 14 RVs per SLBM. The number of RVs in the overt threat is therefore limited under SALT II but only until 1985.

However, even if the Soviets developed and deployed highly accurate, high fractionation RVs and even if they covertly deployed additional missiles, an MVPS system would exact a very high price for each U.S. missile destroyed. An MVPS system would restore the stable pre-1978 situation in which an attacker could not expect to destroy, in an initial attack, as many missiles as he expended in that attack.

Modernization of U.S. strategic nuclear forces with emphasis on survivability and endurance together with careful attention to the roles assigned to each part of the force structure should greatly diminish the likelihood of any rational Soviet decision to attack these forces or, directly or indirectly, to threaten such an attack. It would also provide the best hope for survival should any such attack, intended, or resulting from an unintended chain of events, occur. In the longer run, it should also make equitable and constructive arms control more feasible and more likely.

FOOTNOTES

[1] In the SALT documents, the phrase "strategic nuclear delivery vehicles" (SNDV) is used, but less precisely, to describe this aggregate.

[2] In the Second Common Understanding to Article VII, the Soviet Union agrees to dismantle or destruct twelve of these launchers and convert the remaining six to test launchers.

[3] See Figure III–19 of Reference 1, "Physical Vulnerability Handbook—Nuclear Weapons," AP–550–1–2–69–INT, 1 June 1969.

[4] Figure 9.20 in Reference 2. *The Effects of Nuclear Weapons*, Glasstone, Revised Edition, Reprinted February 1964.

[5] Figure 9.19 in Reference 2.

[6] This assumption is based upon summertime conditions; at other times of the year it would probably be significantly higher resulting in a decrease in the square miles contained in the 200 R contour.

[7] See Figure III–34 in Reference 1.

[8] The Army wartime allowable emergency exposure dose is 150 R.

[9] A multiple protective structure (MPS) system employing vertical structures.

TESTIMONY OF LT. GEN. EDWARD L. ROWNY, USA (RET.), FORMER JCSREPSALT, SENATE FOREIGN RELATIONS COMMITTEE, JULY 12, 1979

Mr. Chairman:

For more than six years I was the Representative of the Joint Chiefs of Staff at the Strategic Arms Limitation Talks. I was told I had been selected for this job because of my experience as Chief of the Mutual and Balanced Force Reductions (MBFR) Working Group in NATO and because I had on numerous occasions expressed my belief in the utility of limiting strategic arms. I continue to hold this belief.

As the representative of the Joint Chiefs of Staff I have tenaciously supported their goals aimed at achieving significant reductions in strategic arms consistent with maintaining our security. If such goals were to be achieved, our long-term objectives of enhancing deterrence and strengthening global stability would be served. I believe that an agreement which reduces the strategic arms of the Soviet Union—equal to those of the United States in numbers as well as in overall capability—is in our nation's interest.

Over the six year period that I was the JCS Representative to SALT, I expressed my views to the Joint Chiefs of Staff in numerous messages and memoranda. At their request I submitted an assessment of SALT in a classified memorandum dated 6 January 1978. I brought that assessment up to date on 5 January 1979 and again on 27 March 1979. On 21 May 1979, after the announcement that "agreement in principle" had been reached on the remaining issues of SALT II, I made a final assessment. I concluded that—even though the contributions to the negotiations by the Joint Chiefs of Staff made it a considerably better Treaty than would have otherwise emerged—that this Treaty does not meet minimally acceptable standards. The agreement we now have before the Senate and the Nation establishes the conditions which threaten our security for the years to come. I stated in my assessments that it was my judgment, based on years of continuous negotiation with the Soviets, that a Treaty meeting the criteria of the Joint Chiefs of Staff was—and is—attainable. However, as negotiations were concluded on less than satisfactory terms, I asked to be relieved of my duties and requested retirement. My requests was approved and I was retired from active military service on 30 June.

I would like to state at the outset that there are some positive aspects of the Treaty which was signed in Vienna on 18 June 1979. The Treaty establishes the principle that there should be equal and lower ceilings of strategic offensive arms. It calls for numerical reductions that will bring the Soviet Union down to levels closer to our own. It would establish, to the extent that numerical limitations contribute to that goal, a degree of increased predictability concerning the strategic programs of the Soviet Union. It limits the Soviet Union's heavy missiles and new light ICBMs to a maximum of ten warheads per missile. In theory, the Soviets are limited to one new light ICBM for the period of the Treaty. The Treaty contains certain provisions which are an aid to verifiability of missile launchers. Finally, for the first time, a strategic arms limitation treaty provides for an exchange of data concerning numbers of strategic offensive arms.

However, most of these positive features are, regrettably, more theoretical than actual, and moreover have serious negative aspects. Additional other useful features which a second arms control treaty could and should have treated, were not dealt with because of Soviet intransigence which could have been overcome.

The agreement in principle that there be equal ceilings of strategic arms remains an achievement more in theory than in practice because a significant number of Soviet strategic systems are allowed to go uncounted. Moreover, the ceilings are set at such high levels—again at Soviet insistence—as to be virtually meaningless. Indeed, the JCS were in the forefront in seeking substantially larger reductions for both sides. Further, the capabilities of the Soviet systems are so great that the reductions agreed upon have little military significance. The Soviets will have to reduce to the lower ceiling of 2250 by 1982. The United States, having at that time only about 2050 less capable operational systems, would still need to build up if it were to achieve equality with the Soviet Union. Since qualitative improvements are virtually unrestricted by the Treaty, the numerical limitations imposed upon the Soviet Union will not give us any meaningful degree of predictability. That is, the qualitative improvements allowed, because they are more difficult to verify, could afford us less predictability and hence less stability. The freeze on the number of warheads per existing MIRVed missile and the limitation to ten warheads on a new type ICBM allows the Soviets a total number of warheads far greater than are needed by the USSR to destroy the ICBMs and other military and hard targets in the United States. There is an important point with regard to the fractionation limits which is frequently overlooked: these are limits which expire with the treaty in 1985. While it is our hope that these fractionation limits can be beyond the expiration of the Treaty, it is difficult to imagine what leverage the United States will have for assuring that these fractionation limits are continued. Moreover, in view of our argumentation that the Protocol should not establish precedents for the future, it is clear the Soviets will apply this same argument to the post-Treaty period and argue that fractionation limits expire after 1985. After 1985 the current throw-weight potential of Soviet missile systems will permit them to deploy still greater numbers of reentry vehicles on their ICBMs and up to 20 to 30 on their heavy ICBMs. In sum, it may be a relatively meaningless limitation. By 1985 the Soviets will have been permitted under the Treaty a level of MIRVed warheads which places the U.S. in jeopardy while leaving them in the position to go even higher. While the Treaty in theory limits the Soviets to one new type of light ICBM, in practice the provisions of the Treaty permit the Soviets to deploy several new types of missiles. Finally, the provisions regarding verifiability are insufficient to make the Treaty adequately verifiable.

The net result, therefore, is an agreement which gives a superficial impression of being a positive step in the direction of arms control but which in fact contravenes fundamental and vitally important arms control principles—such as securing meaningful reductions and leaving the signatories with a stable strategic balance. The following paragraphs develop these views in more detail.

A sound, objective, and unemotional approach would be to test the Treaty against standards by which its worth could be measured. The Joint Chiefs of Staff, establishing such criteria, have maintained that a SALT Treaty would enhance our military security and hence would be in our national interest if it were equitable and verifiable, if it contributed to deterrence and stability, if it strengthened European security, and if it contributed to Allied coherence.

The emerging Treaty, in my view, is not in our interest since it is inequitable, unverifiable, undermines deterrence, contributes to instability and could adversely affect NATO security and Allied coherence.

Let me look at each of these points in greater specificity.

First, the Treaty is not equitable. To cite only three major examples:

(1) The Treaty grants the Soviet Union a unilateral right to 308 launchers for heavy ICBMs. While the Joint Chiefs of Staff recognized from the outset that Soviet heavy missiles would pose a serious problem, we did not press hard enough for the elimination of the SS–9s and SS–18s. Further, the United States was not even compensated for this large asymmetry. These 308 Soviet heavy missiles alone possess more destructive power than all of our ICBMs and SLBMs combined. To say that the Soviets can have heavy missile launchers and we cannot is comparable to having said in the naval disarmament conference in the 1930s: "You can deploy battleships but we agree only to deploy destroyers." It has been stated that we accepted this inequality in a trade for the Soviets not counting our so-called "forward-based systems" (FBS) and the nuclear systems of our Allies. Evidence of such a trade is not supported by the record. I clearly recall the days just before Vladivostok when the Soviets sent us signals in Geneva that they would drop their FBS arguments. Once told that by insisting on including our FBS, the Soviets would be required to count their more numerous systems (which could strike our systems and our troops in Europe, and our NATO partners), the Soviets realized it was to their advantage to drop the FBS argument.

(2) The second example of inequity is that the Treaty fails to count in the aggregate some 375 Soviet BACKFIRE bombers with intercontinental capability. These BACKFIRE bombers, which our intelligence community estimates can strike targets in the US on one-way unrefueled missions, will thus not be counted and will be allowed to run free while all our bombers (to include mothballed B–52s and prototype B–1s) will be counted.

The record shows that the Joint Chiefs of Staff gave consistent advice that the BACKFIRE should be counted in the Soviet aggregate. The principle violated in this Treaty is that all intercontinental systems should be counted in the aggregates. The so-called "assurances" on BACKFIRE are militarily worthless. It has been stated that the BACKFIRE would add only a marginal capability to the total Soviet capability for causing destruction in the United States. To add one-third to the already large destructive power that the Soviets can inflict upon the United States can hardly be called marginal. Importantly, by not being required to count these 375 central systems, the Soviets will then not need to reduce an equal number of ICBMs or SLBMs from the 2250 total. Those who would denigrate the BACKFIRE as a slow-arriving, follow-on strategic force would then have to accept that our own B–52s are in a similar second-class category. Those unfamiliar with the negotiating record tend to sell the FBS horse again and again and have used it here again as a rationalization for not counting BACKFIRE.

The simple fact is that the Soviets dropped their FBS argument because it was in their own self-interest to do so. If we were to count our FBS the Soviets would be required to count their systems. These Soviet systems are several times as numerous and an order-of-magnitude greater in destructive power than our FBS and Allied nuclear systems combined. To give credence to the Soviet FBS argument—which is not an issue with the Soviets in this SALT agreement—is to undermine our support to NATO and our commitment to Article V of the NATO Treaty that an attack on one of our Allies is an attack on all.

(3) The third major inequality is that the Treaty, even if one believes overall equal aggregates are achieved—a point I have just disputed—still fails to provide, as called for in Public Law 92–448, for equal levels of strategic forces. Under the Treaty's provisions as written, the Soviet Union will stay ahead of the United States in strategic capability. Even the limits on the number of warheads per missile will still afford the USSR significant advantages—at least three-to-one—in the most critical area, that is, the ICBM reentry vehicle category. The definition of a new type light ICBM is so loosely drawn that during the life of the Treaty it will not effectively preclude the USSR from developing and deploying more than one new type of ICBM. Thus the large unconstrained potential of the USSR which will put the USSR strategically ahead of the US in the early 1980s can be further exploited once the Treaty expires.

The Treaty is not sufficiently verifiable. Certain aspects of the Treaty are simply unverifiable, for example, cruise missile ranges. Moreover, many of our difficulties in verification stem from the differences between the closed society of the USSR and the open society of the US. The Soviets play their poker hands close to the chest whereas our cards are face-up on the table. Soviet intelligence collectors have relatively free access to our defense plans and activities, while we must rely upon highly sophisticated but vulnerable national technical means for our verification. The Soviets' penchant for secrecy has prevented the inclusion in the Treaty of cooperative measures which would greatly improve the ability to verify the provisions of the agreement.

The USSR has consistently refused to agree to provisions necessary to assure sufficient verification of mobile ICBMs, MIRVed ICBMs and SLBMs, new types of ICBMs, heavy bombers, and cruise missiles. Moreover, the USSR, unlike the US, has been encrypting telemetry of its ICBM tests. The Treaty expressly permits the Soviet Union to encrypt telemetry in the future, thus seriously inhibiting our ability to verify that not more than one new type of ICBM is being tested. Encryption has only one purpose: to deny information. Moreover, using verification as a pretext, the Soviets have obtained our agreement to provisions that could restrict not only strategic but our non-strategic systems—for example, conventionally-armed cruise missiles.

The Treaty undermines deterrence. It permits the USSR a three-to-one numerical and five-to-one throwweight asymmetry in ICBM warheads—the quickest arriving, the most powerful and the most destabilizing of all strategic systems. Rapid improvement in Soviet ICBM forces is causing our ICBMs to become increasingly vulnerable, further undermining deterrence. This vulnerability will not be corrected during the life of the Treaty. Even our plans to deploy the M–X missile do not help, as it cannot be deployed in a multiple basing mode until 1986 at the earliest.

My main concern with deterrence is not that a future Soviet leader may feel he can launch an all-out attack against the United States. I believe any rational Soviet leader would know that such an action would wreak untold damage on the Soviet Union by our survivable remaining forces. What I am concerned with is that a future Soviet leader, looking at the overall strategic calculus, would be encouraged to take greater risks in pursuing his political goals than he might otherwise be. Thus, I link deterrence closely to restoring stability in the event of the inevitable crises which will occur.

The Treaty does not contribute to stability. Because the Treaty does not actually put a brake on the momentum of the massive Soviet buildup, the United States will for the first time not be able to maintain essential equivalence or nuclear parity. This, and forcing Soviet efforts into unconstrained and unverifiable qualitative improvements, will undermine predictability and hence stability. This strategic inferiority will inhibit favorable solutions in any future crises, such as the Cuban missile crisis, the Berlin crisis, or the October 1973 War. There will be a growing realization at home and abroad that the Soviet Union has a decisive advantage in capabilities which allow it to be more confident and thus less inhibited in its foreign policy initiatives and to move against nations friendly to the United States with greater certainty.

The Treaty could weaken NATO. The Protocol to the Treaty constrains, for the most part, United States systems; precedents established by that Protocol constraining our systems are, at the insistence of the Soviets, likely to be carried forward after expiration of the Protocol. These dangers, magnified by the ambiguity in the Treaty's provision on non-circumvention, could preclude the transfer of technology and weapons to our Allies and thus weaken NATO.

The crucial problem facing the United States is the large and continuing buildup of Soviet strategic forces. This momentum has continued unabated while SALT I and SALT II were being negotiated and there is no evidence it will slacken as a result of agreement on SALT II. The false expectation that the strategic arms negotiations would result in constraining Soviet momentum explains in part the cancellation of the B–1 and delays in U.S. programs such as cruise missiles and M–X. Even if SALT did not explicitly prohibit any of our programs, the greater momentum of the USSR will cause the United States to fall behind the USSR strategically. By any objective measure the United States will become strategically inferior to the Soviet Union in the early 1980s. Thus, the Treaty would sanction and codify the strategic inferiority of the United States. This is not only important to our own political relationship with the Soviet Union but to our relationship with our Allies as well. We must recognize that since its inception, NATO has recognized that it must rely upon the strategic power of the United States to deter a theater nuclear war in Europe, or indeed, even a conventional war.

It has been stated that without this SALT II agreement the Soviet Union could increase their number of strategic nuclear delivery systems by a third—to 3000. While theoretically possible, the Soviets would in my judgment not choose to increase the number of their strategic systems. Why? Simply because we expect them to have by the early 1980s sufficient numbers of warheads to place at least two powerful and accurate ICBM weapons on every hard target, and sufficient numbers of SLBM and bomber weapons to cover all the other targets in the United States.

I cannot over-emphasize the importance of the consequences of the Soviet Union having by 1985 three times as many RVs on ICBMs as will we. Each of these Soviet reentry vehicles will be more powerful and as accurate as our ICBM reentry vehicles. Reentry vehicles on ICBMs are much more significant than other nuclear weapons because they are the ones possessing greater destructive power, high accuracy, and almost complete reliability. A prudent Soviet planner would not increase his numerical advantage any further—he would move into the relatively uninhibited area of enhancing qualitative improvements.

Thus, in the absence of a Treaty the Soviets probably would not increase numerically because they have no need to do so and can prepare to exploit their large throwweight potential by improving their existing forces qualitatively. Thus, as I mentioned earlier, they will be able to quickly deploy a greater number of SNDVs shortly after 1985 when the Treaty expires. Accordingly, it behooves us to act now to convince the Soviets that it is in their long-term interest to curb their continued buildup in Soviet strategic offensive arms and to divest themselves of their huge potential for further qualitative improvements which this Treaty sanctions.

The challenge facing us, therefore, is to make it clear to the Soviet Union that the United States will not enter into a Treaty which is unequal and which will sanction their strategic superiority. The Soviets want and need a SALT Treaty because of their desire to be recognized as a superpower and because it will allow them to enjoy the advantages they receive from a continuation of détente. Moreover, they feel a Treaty is a necessary step on the way to achieving most-favored nation status and acquiring credits.

Finally, SALT legalizes a condition they will soon achieve: strategic superiority. President Brezhnev is personally committed to pursuing a SALT agreement and thus we can expect him to enter into a more even-handed agreement—one which is equal and which provides for essential equivalence on both sides. The Soviets will only do so, however, if we make it clear that the United States will do whatever is necessary to stay even. We must make it clear we will not accept strategic inferiority.

The less expensive solution for the United States and the Soviet Union as well—indeed the more sensible solution—is for the Soviets to scrap those systems which give them strategic superiority. Should they elect not to do so, then we have no choice but to enteer into a vigorous program to restore parity. From my experience in dealing with the Soviets they understand and even respect this kind of stance. If they think we are bluffing, we possess the capability to prove them wrong. We can afford to do so—in fact we cannot afford not to.

Otherwise the risks which a prolonged period of United States inferiority will bring about will prove destabilizing and entail serious military and political consequences. If we succeed in persuading the Soviets to slow down and to reverse their momentum, we can then start on the road towards achieving the type of arms control which is consistent with maintaining our security. If we fail we must take immediate and vigorous steps to insure our security as an overriding priority.

Six years at the negotiating table convinces me that a Treaty meeting the criteria of acceptability established by the Joint Chiefs of Staff was—and still is—attainable. Like the Joint Chiefs of Staff, I strongly favor arms control. I do not accept the view that attempting to improve a flawed Treaty will result in any more than a temporary hiatus in the relationship between the United States and the Soviet Union. Nor will it for long keep the two sides from returning to the negotiating table to seek a more even-handed agreement which will be in the long-term interest of both sides.

My assessment of this SALT Treaty indicates that it contains pluses and minuses. Something as complicated as this SALT Treaty cannot be—nor should it be—characterized in black or white terms. Having said this, the Treaty, as it now stands, heavily tilts the balance against the United States. This Treaty will not enhance our security. I am concerned that if SALT is a continuing process of which this agreement is an example, then our weaker leverage and negotiating power in SALT III will only result in a continuation of the strategic inferiority of the United States. Agreeing to a bad agreement is worse than no agreement: a poor SALT II will make it impossible to negotiate a good SALT III.

Mr. Chairman, I repeat my previously stated considered and professional military judgment that as currently drafted this Treaty is not equal and not adequately verifiable. It will neither enhance deterrence nor add to stability. It could detract from NATO security and Allied coherence. This SALT agreement is not in the interest of the United States.

Thank you, Mr. Chairman.

WEST VIRGINIA'S RICH FOSSIL FUELS PROVIDE ENERGY—NEW NATURAL GAS FIND EMPHASIZES RENEWED EXPLORATION

Mr. RANDOLPH. Mr. President, many times my colleagues in the Senate have heard me emphasize that in developing domestic energy plans, our emphasis should be on coal. The major part of West Virginia's economy depends on a healthy coal industry. Our State, however, is also capable of producing and supplying domestic oil and gas.

The U.S. Geological Survey has indicated that only one-fifth of the gas reserves in Appalachia have been tapped and only 2 percent of the domestic rock containing oil and gas on a national basis has been drilled to date. Most of these fuel reserves will have to be recovered through enhanced recovery techniques. But I am happy to report that with new drilling techniques and technologies, the Eastern Overthrust Belt, part of which is located in West Virginia, has been tapped and will permit large existing pockets of natural gas to be recovered. As stated in The Washington (D.C.) Star on July 17, 1979:

> For a number of years oil and gas production companies have been exploring in the Belt, but this is the first major strike, industry sources said.
>
> The geological makeup of the Eastern Overthrust Belt makes drilling extremely complex and expensive. The structure came about when two major plates of the earth's surface collided ages ago, forming a jumble of rock formations, now deep below the surface.
>
> Often, a well can strike the same layer of rock several times because of the jumbled nature of the formations.

The Elkins, W. Va., Inter-Mountain newspaper quoted William W. Ferrell, chairman and chief executive officer of Columbia Gas Transmission, as indicating he is extremely pleased with the find. But "most importantly," he said, "we now have tangible evidence that commercial reserves of natural gas exist in the Eastern Overthrust Belt."

In 1978, 51 oil wells and 957 gas wells were drilled in West Virginia. A total of 1,995 permits for drilling were issued in 1978, compared to 1,690 in 1977. This represents an 18-percent increase in drilling activity within the space of 1 year. While 93 dry holes were also reported in 1978, with 848 permits which were either incomplete or canceled, I believe the major gas find near Keyser, W. Va., will encourage increased exploration for these fossil fuels in West Virginia in 1979 and years to come.

Mr. President, I feel the new natural gas production field in the eastern panhandle of our State will give exploration incentives to major independent gas producers and to interstate and intrastate suppliers and users alike.

West Virginia coal resources have the energy producing potential of 246 billion barrels of oil. At the rate we import oil today, we could substitute West Virginia coal itself for all oil imports for the next 69 years.

Mr. President, drilling for oil and gas in the mountain State has been going on since 1860. To date 100,000 oil and gas wells have been drilled in West Virginia. The new potential for oil and gas wells in the Eastern Overthrust Belt serves as another example of how our fossil fuel reserves in West Virginia extend beyond its most abundant resource—coal.

REVERSING DIRECTIONS ON AMERICAN LAND: FROM PRIVATE OWNERSHIP TO GOVERNMENT OWNERSHIP

Mr. JEPSEN. Mr. President, "In the beginning God created the heavens and the Earth * * * like God, God made man. Man and Woman, did He make them. And God blessed them and told them, 'Multiply and fill the Earth and subdue it (have dominion over it); you are masters of the fish and the birds and all the animals'." (First chapter, Book of Genesis.)

And in the beginning the American Government was founded on the three basic rights to life, liberty, and property. The Founding Fathers recognized that the right to life and liberty depended upon the right to property. Without the freedom for men and women to own their own property, free from the dictates of government, it would be impossible to sustain one's life and liberty.

Thus the cornerstone of all our freedom depends upon the widespread distribution of property, securely protected under a system of private ownership of property.

The Founding Fathers were well aware of the long history of tyranny under European governments, exercised through government ownership of the land and under feudal property relationships. They also had first hand experience with the tragic failures of communal or communistic style land ownership in the first colonial settlements in Massachusetts and Virginia. It was not until these colonies turned to private ownership of land, that they began to thrive and prosper. The First Thanksgiving at the Plymouth Colony resulted from the bounty of the harvests which were produced after the colonists were free to own and work their own land. For then they had the self-interest to work hard on their own private property and were able to enjoy the fruits of their labor. Thus they became free and self-sufficient.

This lesson is evident even today when we see the small private plots allowed in most Communist states producing most of the crops which sustain life under these regimes. And of course we are all aware of the necessity for the U.S.S.R. to import vast quantities of grains from America's privately owned farms.

A few quotations from the Founding Fathers will show the importance they placed upon the right of private property.

John Adams said:

> Property is surely a right of mankind as really as liberty . . . The moment the idea is admitted into society that property is not as sacred as the laws of God, and that there is not a force of law and public justice to protect it, (chaos) and tyranny commence.

James Wilson said:

> The right to private property is founded in the nature of men and things . . . Exclusive property multiplies the produce of the earth. Who would cultivate the soil and sow the grain if he had no special interest in the harvest? Who would rear and tend the flocks and herds if they could be taken from him by anyone who should come to demand them?. . . . What belongs to no one is wasted by everyone. What belongs to one man in particular is the object of his economy and care. Exclusive property prevents disorder and promotes peace.

James Otis said:

> In a state of nature, no man can take my property from me, without my consent. If he does, he deprives me of my liberty, and makes me a slave. If such a proceeding is a breach of the law of nature, no law of society can make it just.

And John Dickinson said:

> Let these truths be indelibly impressed on our minds . . . that we cannot be happy without being free . . . that we cannot be free without being secure in our property . . . that we cannot be secure in our property if without our consent others may as by right take it away.

For most of the 200 years of our history, we have benefited from a belief in the sanctity of private ownership of property. With a philosophical belief in the moral right of private ownership of property, a legal system which protected that right, and a Government which encouraged the rapid opening and disposal of our land to private homesteading we became the freest and most prosperous country and people in all of man's history.

At the time of the creation of our country most of the American land was not held in private ownership but belonged to the Government. For a short period the original States held claim to the western lands, but by 1802 all such claims had passed to the Federal Government. Of the 2.3 billion acres of land in the United States, 1.8 billion acres—the bulk of the land west of the Appalachian Mountains—made up the public domain.

The Founding Fathers believed that all the public land should and would pass into private ownership. Even such philosophically divergent thinkers as Alexander Hamilton and Thomas Jefferson agreed on the policy of disposal of the public lands. They differed only on how to achieve that disposal. Hamilton wanted to sell it off in order to raise Federal revenue; Jefferson wanted to give it away to the landless.

An essentially Hamiltonian system of land disposal prevailed until 1862. Then Congress passed the Homestead Act. Over the subsequent time, approximately 60 percent of these Western lands passed into private ownership—or were granted to the States.

Today the public domain consists of about 760 million acres. Which means that one-third of the Nation's land is owned or managed by the Federal Government. By far the largest bulk of this land, some 473 million acres, is administered by the Bureau of Land Management.

In addition to the one-third of the Nation's land which is now owned by the Federal Government, State and local governments own a small, but growing, share of about 6 percent. So that the government at all levels now owns about 40 percent of all of our land.

The overwhelming majority of the Federal lands are west of the 100th meridian, lying in the 11 contiguous westernmost States, plus Alaska and Hawaii. Approximately 63 percent of the land in the 13 Western States is under Federal ownership. This ranges from 95 percent of Alaska, through 86 percent of Nevada, 66 percent of Utah, and 64 percent of Idaho, down to 10 percent of Hawaii.

However, over the past few decades we have begun to turn away from our historic system of disposal of the Federal lands. There is a new philosophy afoot, which is openly hostile to the concept of private property. It calls for the retention of the public lands, and even for the expansion of the public domain through the acquisition of private lands.

For a society which is based upon a private enterprise economic system and private ownership property, we must view as a very real threat, that ever-shrinking supply of private land which is occurring as a result of this recent trend. The U.S. News & World Report has reported that State and local governments have been purchasing land at the rate of 1 million acres per year. And I quote from them,

> In just 15 years, from 1959 to 1974, a total of 17 million acres was transferred from private ownership. That is a loss equal to the combined areas of three states—Delaware, Rhode Island, and West Virginia.

Much of that has been used for the creation of wildlife refuges and public parks. U.S. News & World Report continued:

> State Park Systems have been expanding rapidly, up from 5.7 million acres in 1962 to 9.8 million acres in 1975—a growth of 72 percent. The 4.1 million acres added for recreation and preservation in those 13 years is equal to the combined areas of Connecticut and Delaware.

Although the Federal Government's land holdings have changed relatively little in recent years, we have begun to witness a turnabout in that area, with new legislation and new policies developed over the past environmental decade bringing on a Federal land grab.

This trend culminated in the passage of the Federal Land Policy and Management Act of 1976, which states that it is now the policy of the United States to maintain its public lands in Federal ownership which provides authority for the acquisition of new lands—and which repealed the Homestead Act for all of the United States, except Alaska, where it was to continue until 1986. However, all land disposal action in Alaska, has been suspended pending settlement of State and Native land claims and congressional resolution of the Alaska national interest lands legislation.

This new policy of retention is a direct reversal of our historic policy of disposal—dating back to the Revolution. It is a sobering irony that it was passed in 1976—the Bicentennial of our Nation's birth.

This new philosophy also calls for controls on the use of private lands, which would effectively make a mockery of private property. This is the concept of national land use control. The growing hostility to the concept of private property is frankly set forth in the council on Environmental Quality's 1972 report, "The Quiet Revolution in Land Use Control." The report stated:

> This is the onset of a transformation in the concept of land to a natural resource in which all citizens have a rightful interest.

The report also recommended that the right to own property should not include the right to develop it, and that landowners should be required to bear the restrictions without compensation by the Government.

We are also witnessing a rapid elimination of private ownership of certain types of property, such as the seashores, under the control of such legislation as the California Coastal Act, and even lakefront beaches—on the grounds that they should belong to all the people. But, of course, there is nothing unique in beaches—we have thousands of miles of them. Next it may be the mountains, or the prairies. And why should prime farmland be owned privately by a relatively small percentage of the population? Why shouldn't it belong to all of the people? A Pandora's box of evils is about to be opened upon the American land.

These new philosophers, a combination of environmentalists, elitists, and socialists are calling not only for a great expansion of government regulated, controlled, and owned land. They are also calling for the locking up of huge areas of the public lands in wilderness categories which prevent not only their use by the vast majority of Americans, but would even prevent their productive use. Supposedly this is all to be done in the name of all the people and for benefit of some hypothetical future generation.

They appear to have a fourfold program:

First, to prevent the American people from using their own land;

Second, to prevent them from acquiring any new lands;

Third, to prevent them from using much of the public lands by setting it aside as wilderness; and

Fourth, to expand the Government's ownership of land.

If we had followed such a system from the time of our Founding Fathers we would still be struggling to maintain a precarious foothold and existence upon a wild and inhospitable continent.

This philosophy is being called the new land ethic. Although in truth it is merely a return to the age-old concept of Government ownership of the land, which kept our ancestors in poverty and tyranny for thousands of years.

The only form of land use control which is both moral and consistent with the principles and survival of a free society, is private ownership of property. A system with private owners who personally know their land, love their land, and who want to preserve it as well as maintain and increase its value—controlling its use.

If this new land ethic did not promise such dire results, it might be comical. These new elitists, who say they will manage the land better than private citizens, are the same people who cannot deliver the mail across town and who have created a gigantic Department of Energy which has employed 20,000 bureaucrats and spent $25 billion in order to creat an energy crisis. As Congressman STEVEN SYMMS has remarked, "Remember when we only had Big Oil to worry about, and there was all the gasoline we could buy at 39 cents a gallon?" We were even being offered free glasses, coffee cups, and dish towels to encourage us to come and purchase the gasoline.

These elitists and regulators now maintain that they know best how to manage all the land. Let us not forget that these are the same bureaucrats who ordered diapers on the logging horses, seemingly unaware of the habits of deer and elk. They are the same sages who ordered Idaho's trout farms to remove fish droppings from their discharge waters; again apparently ignorant of the habits of the wild trout and salmon.

Let us not abandon our freedom and our land to such custodians, no matter how well-meaning they claim to be. Let us return to the plan of our Founding Fathers—and to the plan of our Heavenly Father. It works.

CAN WE AFFORD SYNTHETIC FUELS?

Mr. JEPSEN. Mr. President, it is my understanding that the Senate may soon be voting on one of several schemes to promote the development of synthetic fuels. I have no problem with the development of synthetic fuels per se, as I strongly believe that they will eventually supply a significant proportion of our Nation's energy needs. However, I do have serious reservations about subsidizing the development of synthetic fuels through Government loan guarantees, price supports and the like. It just makes no sense to me for the Federal Government to pump billions upon billions of dollars into very questionable technology for the production of energy costing anywhere from two to three times more than the cost of conventional energy and forcing the taxpayer to foot the bill. My feeling is that if synthetic fuels are so great then why doesn't private industry produce the stuff? Obviously it is because there is no economical way of producing it.

Another objection I have to crash programs for producing synthetic fuels is that such programs are being considered outside the context of an overall energy policy. The result is that while we are pumping billions of tax dollars into synthetic fuels the Government continues to artificially hold down the domestic price of oil and gas, discourage development of nuclear power, and subsidize imports of foreign oil through the entitlements system. I think everything possible ought to be done to encourage development of conventional fuels and nuclear power before we jump headlong into synthetics.

Three years ago the General Accounting Office did a study of synthetic fuels and concluded that the Federal Government should not give financial assistance for their commercial development. In 1977 the GAO did another report on the first Federal attempt to demonstrate a synthetic fossil energy technology—the Coalcon project—and pronounced it a dismal failure, with a cost overrun of 211 percent.

More recently, the Rand Corp. produced a report on synthetic fuels which showed that actual costs have averaged more than 2½ times the estimated costs for such projects. Another study by the MIT Energy Laboratory also argued that the cost of synthetic fuels greatly exceed the benefits.

For these and other reasons I would urge my colleagues to go slow on synfuels. After all, even a crash program will not begin to produce significant amounts of energy before the 1990's. Thus I think it is better to do it right from the beginning and not rush into something we may be sorry for later on.

Mr. President, following these remarks I ask unanimous consent to have printed in the RECORD a summary of the GAO report from August 24, 1976, on the commercialization of synthetic fuel technology and a report by Professors Paul Jaskow and Robert Pindyck of MIT's Energy Laboratory entitled, "Should the Government Subsidize Non-Conventional Energy Supplies?"

There being no objections, the material was ordered to be printed in the RECORD, as follows:

AN EVALUATION OF PROPOSED FEDERAL ASSISTANCE FOR FINANCING COMMERCIALIZATION OF EMERGING ENERGY TECHNOLOGIES

DIGEST

GAO seeks to provide a framework and perspective for considering actions by the Federal Government which could contribute to solving energy problems confronting the United States over the next 10 to 25 years.

Unless choices of technology and financing method are considered in perspective, the risk of piecemeal decision making increases substantially.

Making the right choices among energy technologies, in GAO's view, requires consideration of three factors.

The contribution that each technology can make in meeting the Nation's energy needs within a specified time frame either through reducing demand or increasing energy supply.

The total cost of making the technology commercial including costs of plant construction, costs of alleviating adverse socioeconomic impacts caused by the energy development, and the costs of price supports or further subsidies which may be required.

The price at which energy produced by the technology would have to be sold and the means by which the price would be assimilated by our economic system. (See p. 45.)

Making the right choice among financing mechanisms requires, in GAO's view, interrelated analysis of at least three factors.

The technology's state of development. Is the technology developed to the extent that it can be deployed on a broad basis?

The technology's economic feasibility. Will the energy produced as a result of deploying the technology be economically competitive with competing energy sources?

The target group whose actions will be influenced. Are they large industrial firms or diverse and widely dispersed groups of homeowners? (See p. 46.)

The recent slowdown in the rate of growth in demand for energy is a sharp reminder of the importance of the demand side of the energy equation and of conservation in particular. This fact, and the wide differences of opinion on the sources of energy supplies to meet that demand, suggest that the Nation should carefully explore all supply sources as well as conservation alternatives before embarking on a program to commercialize synthetic fuels. (See p. 5.)

CONCLUSIONS

GAO concluded that certain conservation measures are by far the most cost effective way to "produce" energy and therefore should have the top priority for Government financial assistance.

Among the energy supply-increasing technologies considered, GAO found several that are cost effective throughout the country or in particular geographical areas. These technologies are hydrothermal energy, municipal waste combustion systems, solar hot water and space heating, and tertiary oil recovery. The ultimate supply of energy to be captured from these sources may be smaller than the ultimate potential of other supply technologies such as synthetic fuels, but they appear more cost effective.

The cost effective technologies should be given priority in Government assistance for commercial development in GAO's judgment. This assistance will ensure their maximum contribution between now and 2000 and give the Nation time to consider the potentially larger supply sources and develop them as appropriate. These latter sources include synthetic fuels as well as fusion, solar photovoltaic cells, thermal gradients, and breeder reactors. (See p. 47.)

Synthetic fuels production is not cost effective in that the total cost of output is not price competitive with foreign oil. Nor does it look attractive on the basis of present knowledge when compared to other technologies on an actual, or incremental, price basis.

Serious questions exist regarding any national commitment at the present time to uneconomic, high-cost supply technologies which substantially exceed the cost of imported oil. Certainly, larger commitments to building complex, highly capital-intensive energy sources will result in less incentive in future years to develop alternative lower cost energy sources. In addition technologies producing energy that costs more than energy from imported oil would put exporting countries in a position to increase energy prices. (See p. 51.)

The pricing yardstick used in evaluating emerging technologies needs to be considered very carefully. An incremental cost standard is the only realistic one for making sound economic judgments which treat all emerging technologies equally. The alternative is average, or "rolled-in" pricing. This means that the real cost of new supply sources are averaged with far larger volume of lower priced energy.

The rolled-in yardstick favors synthetic and other fuels susceptible to rolling in treatment. Incremental cost, on the other hand, would apply the same test to all energy options, including conservation. Decisions made on this basis would allow a consistent and rational process of choice on a cost effective basis. (See p. 48.)

CONSERVATION

Areas offering the greatest opportunity for conservation include insulation and other measures that conserve energy in all buildings, less wasteful uses of energy by industry, and improved management of electrical demand.

A variety of financial mechanisms can be used to stimulate conservation. (See page 51.) Many of the actions GAO believes are desirable to encourage conservation are authorized by the recently passed legislative extension of the Federal Energy Administration (FEA).

SYNTHETIC FUELS

The Energy Research and Development Administration's (ERDA's) most optimistic projections show synthetic fuels production reaching the equivalent of 2.4 quads and 22 quads in 1985 and 2000, respectively. (See p. 8.) However, ERDA is in the process of revising these estimates downward. Moreover, the projected prices are not competitive with existing or other emerging energy sources.

The large investments required to build synthetic fuel plants would direct Federal incentives primarily to the large industries which have access to capital. Two basic concerns underlie the stated need for Federal loan guarantees to finance synthetic fuels technology:

Concern that the product produced will not be economically competitive, particularly since the existing world market price for oil could always be manipulated to substantially undercut the price of synthetic fuels, and

Concern that technological advances in other energy areas or within synthetic fuels technology will make "first generation" synthetic fuels plants obsolete before they ever operate.

Research and development on "second generation" synthetic gas technologies is expected to reduce costs by about 15 percent.

In the present circumstances, GAO believes Government financial assistance for commercial development of synthetic fuels should not be provided at this time. Full priority should be directed to development of improved synthetic fuels technologies, however, it appears possible to gain adequate information of an environmental and regulatory nature from smaller plants under Government control. When commercialization of the technology becomes a prime objective, consideration also should be given to approaches other than loan guarantees for gaining private industry interest.

AGENCY ACTIONS AND UNRESOLVED ISSUES

In commenting on a draft of this report (see Appendices III and IV) the ERDA Administrator expressed deep concerns with GAO's analysis, presentation, conclusion, and recommendations, particularly as they related to actions on synthetic fuels. The Administrator pointed to what he regarded as five serious deficiencies.

In some of the items pointed out by the ERDA Administrator, GAO made revisions to its final report. Basic differences remain over what steps the Government should take today to maintain the option of developing a synthetic fuels industry in the 1990s. (See p. 60.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

GAO recommends that the Congress:

Continue to place the highest priority on energy conservation actions, including obtaining better cost/benefit data on the whole range of conservation opportunities. This will provide the basis for further developing and funding specific programs.

Maintain close oversight of the new conservation programs. As these programs prove effective or ineffective, shift emphasis accordingly.

Continue to encourage the installation of units for solar, hot water, and space heating.

Maintain close oversight of the Federal Energy Administration's actions to increase incentive for tertiary recovery of oil and authorize further incentives if the need and possibility to increase tertiary oil recovery becomes apparent in light of other energy developments.

Consider whether it is advisable to enact legislation which would at this time authorize Federal loan guarantees to builders of synthetic fuel plants and consider instead directing ERDA to continue research and development to improve the technology and; in addition construct and operate smaller plants of a size sufficient to meet its stated goal of obtaining socio-economic, environmental, and regulatory information in a timely fashion.

Consider further actions, including the provision of loan guarantee authority to encourage municipal waste combustion systems.

Should the Government Subsidize Non-Conventional Energy Supplies

(By Paul L. Joskow and Robert S. Pindyck)

The Department of Energy has been gradually announcing the pieces of a program to subsidize the industrial development and commercialization of a number of "non-conventional" energy supplies. Although the size of this program is yet to be determined, it could easily become enormous in scope, costing some 10 to 20 billion dollars over the next five years. Increasingly, this program is being viewed by some as the major instrument of U.S. energy policy, as the Administration relies on it to bridge the growing gap between our consumption and production of energy.

The particular sources of energy likely to be most heavily subsidized by this program include oil from shale rock, gas and liquid fuel from coal, and perhaps breeder reactor technology, although significant subsidies will also be allocated to solar energy, wind power, and other technologies. The production of many of these energy sources does not require or represent fundamental new scientific or technological advances. On the contrary, shale oil was first produced in Britain in the 1850s, and gaseous and liquid hydrocarbons were produced from coal in Germany during World War II and are being produced today in South Africa.

These energy sources are called "non-conventional" because they are presently not being produced or consumed in significant quantities in the United States, or, for that matter, almost anyplace else. The reason that these sources are not utilized extensively or being rapidly developed is quite simple—they are extremely expensive. It is difficult to pinpoint just how much more expensive they are than conventional energy supplies, but estimates that we have examined put them at two or more times the cost, on a thermal-equivalent basis.

Of course, as conventional energy supplies become increasingly scarce, and as energy prices rise, shale oil, gasified coal, solar energy and a variety of other non-conventional sources may someday become commercially viable, and in fact may eventually displace conventional oil and natural gas as major fuels. Exactly when that day will come is difficult to predict, but if, as the Administration has argued, it is likely to be upon us in the next decade, why do we not observe the private sector already rapidly gearing up to produce these sources of energy in the absence of federal subsidies? And more importantly, is it desirable for the government to spend billions of tax dollars to subsidize these supplies sufficiently to make them economically attractive to producers and consumers? At a time when there is growing pressure to limit government expenditures in other important areas such as health, education, and environment, we must ask, whether these subsidies to specific energy supply technologies are really in the public interest.

1. The plan for Government involvement:

Proposals for government subsidies of non-conventional energy supplies have taken a variety of forms. First, direct subsidies have been suggested to reduce the cost and increase the profitability of new energy technologies. The most common form of direct subsidization is through the use of government revenues to finance some fraction (usually greater than 50%) of the construction of "demonstration plants" for the production of various nonconventional energy supplies.

A demonstration plant is basically a production facility at or close to commercial scale, and its construction provides a means of obtaining hard numbers for the actual cost of each technology and better knowledge about the operating characteristics of the technology. The information gained from these plants is primarily useful for evaluating the "commercial" possibilities for the specific technology rather than for obtaining basic and applied scientific knowledge. Outside of the military and space programs, where commercial viability is not an issue, the government has traditionally focused its R&D expenditures on the financing of basic and applied scientific research, leaving industrial development and commercialization efforts to the private sector where both the benefits and costs of expenditures can be most effectively balanced in the context of commercial realities.

However, the Department of Energy now argues that without direct government subsidies to finance the construction of demonstration plants, private firms will face too much uncertainty to allow them to make the "correct" investments in these technologies. Of course any new technology involves uncertainty and requires an investment in learning—the risks associated with the development of new products and processes have been recognized in our patent system. Private investors are normally willing to undertake such projects when the expected rewards from success are greater than the losses from failure. Yet we are now being told that in the case of non-conventional energy sources the government should bear much of the cost and the risk because the private sector is unwilling to do so. We have not, however, been told why it should be necessary for the taxpayer to bear these costs if these technologies are indeed such "good bets."

Tax credits are another form of proposed subsidy, though one that is somewhat less direct. If the production of a particular form of energy is at all profitable in the long run, tax credits will increase the after-tax profitability. But even if a particular project is never profitable, tax credits may have the effect of reducing the *overall* tax burden to companies involved in the production of a wide range of energy sources, and thus make the new technology more attractive.

A number of tax credits of this type have already been proposed. For example, the Senate version of the Energy Tax Act of 1978 included a $3 per barrel credit for shale oil and oil from tar sands, a 50c per mcf credit for geopressurized methane and for any gas from a non-conventional source, and residential credits for home insulation and expenditures on solar and wind energy.[1]

Shale oil and coal gasification and liquefication projects typically have large capital requirements, so that the cost of debt capital is a major component of total cost. Loan guarantees are currently being discussed as another indirect form of subsidy. They have been proposed for the financing of a high BTU-coal gasification demonstration plant, for example. Such guarantees reduce the riskiness of loans, and thereby reduce the interest rates that companies must offer to attract capital. The cost to the public of this form of subsidy is difficult to measure, since it depends on the number and sizes of loans that become subject to default. An extensive program combined with a high default rate could be very costly.

We have gathered and evaluated cost data for several non-conventional energy sources, and found that they have only limited prospects of being profitable. To put it simply, at least for the next several years, conventional sources are likely to be cheaper.[2] It is therefore not surprising that the private sector has not been particularly interested in these supply technologies without the infusion of government subsidies; indeed, their development is probably not an efficient use of society's scarce resources. It would not make sense to invest large sums of money in projects that do not appear to be economical, unless it can be shown that there are good reasons why the decisions generated by the private sector are inconsistent with the public interest. In short, if the producers and consumers of energy who are in the best position to evaluate the commercial value of alternative energy supplies are not interested, why should the taxpayer be forced to overrule these decisions with subsidy incentives?

2. The Rationale for Subsidies:

The arguments raised in favor of government participation in nonconventional energy supplies fall into two categories. The first is based on the view that the United States is becoming more and more dependent on imported energy from sources that are increasingly insecure, and the government can reduce this dependence by accelerating the production of new domestic energy supplies. The second type of argument says that projects to produce these energy sources are of a special nature that makes it difficult or impossible for them to be undertaken by the private sector without government assistance.

There is no question that the United States is becoming increasingly dependent on imported energy as the gap between our energy consumption and our domestic energy production continues to grow. In fact, for some fuels, such as natural gas, we have experienced outright shortages. The Department of Energy recognizes that at current energy prices these new technologies are simply not economically viable, and therefore they can be relied upon to help bridge the gap between our energy consumption and production only if they are given massive subsidies. The issue, however, is whether there are more efficient means of bridging the consumption-production gap that would end up costing the American public less.

The Department of Energy has also claimed that the special nature of these technologies is such that government participation in their commercialization would be needed even if energy prices were higher. Proponents of this view usually point to the fact that commercialization of these technologies typically involves large capital expenditures, and in some cases considerable risk, so that private firms would be unwilling or unable to raise the necessary capital and make the necessary investments. In effect, it is argued that there are significant market imperfections which make the technology look unprofitable to private firms, even though its social value is considerable, and it is these market imperfections that justify government intervention.

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[1] Only the residential credits, however, were included in the Conference version of this bill. (Source: *Energy Tax Act of 1978*, 95th Congress, 2nd Session, Senate Reprint No. 95–1325.)

[2] Under our direction Saman Majd, a graduate student at MIT, has conducted financial analyses of several non-conventional energy technologies. The results are described in S. Majd, "Financial Analysis of Non-Conventional Energy Technologies."

We will examine these two types of arguments in some detail to determine whether they should indeed be used to justify the kinds of programs that the Department of Energy is now proposing. After doing this, we will present what we see to be the proper role of the government in the commercialization of non-conventional energy supplies, first in the context of an ideal, or "first-best" energy policy, and then in the context of "second-best" energy policy, operating under the kinds of political constraints that are likely to exist in the near future.

3. New Energy Technologies as a Substitute for Imports:

Before considering whether the subsidization of non-conventional energy supplies is a desirable means of reducing the growing gap between domestic energy consumption and production, we should be clear on just why that gap exists. U.S. energy policy has for the last several years pursued the goal of keeping the domestic price of energy well below the world level. Maintaining an artificially low price for consumers—and domestic producers—has the effect of stimulating energy demand, and at the same time reducing domestic production. Some five or six million barrels per day of our current eight or nine million barrels per day of oil imports is directly attributable to these low price policies.[3]

Two principle policies have been used to maintain a low domestic price of energy. The first of these is the crude oil price controls-entitlement program, which basically works by taxing the domestic production of oil (by holding its price below the refiner's price) and using the proceeds of the tax to subsidize imports (thereby reducing the cost of high-priced imported oil to the refiner). This policy has the effect of keeping the average price of crude oil to U.S. producers at about fifty percent below the world price, and has the interesting side effect of putting the United States Government in the business of subsidizing oil imports from OPEC.

The second major policy is the regulation of the wellhead price of natural gas, which for many years has been held far below the world market level, and which resulted in domestic shortages of natural well gas before the 1973 oil embargo. The Natural Gas Act of 1978 represents a major step in correcting this policy, although gas prices will reach free market levels only after several more years pass.

Through its commercialization program, the Department of Energy is in effect now asking taxpayers to finance the difference between the high cost of producing non-conventional energy supplies in the United States and the low price that consumers are asked to pay. But Americans are in fact much worse off with higher taxes than with higher energy prices. Individuals can choose to avoid paying higher energy prices by limiting their consumption, but they have no choice regarding the taxes they must pay. A commercializaion program forces consumers to pay a good portion of the high cost of energy indirectly, through their taxes. As a result, there is little incentive to conserve, and consumption will grow, as production falls. A growing tax burden will then be required to finance a growing share of subsidized production.

Rather than subsidize higher cost non-conventional energy supplies, it is preferable to purchase oil and natural gas at home and from abroad at world market prices. Offering government subsidies of one form or another to developers of new energy forms means requiring the nation to pay much more for energy than is necessary. This is exactly what government policy should avoid.

A counter-argument that is sometimes raised is that the development of more expensive non-conventional energy supplies should be accelerated today so that lower cost conventional energy supplies can be saved for future generations. But this argument is specious because it ignores the time value of money (reflected in the market interest rate), which makes it cheaper to consume low cost supplies now and higher cost supplies in the future. As conventional oil and natural gas reserves are gradually depleted, the market prices of these resources will rise over time, so that eventually their use will be replaced by higher cost resources such as shale oil, gasified coal, and solar energy, which the DOE is essentially trying to "force" the country to utilize now through government subsidization. To reverse this order of use by accelerating the commercialization of non-conventional supplies would only impose an unnecessary cost on the American public.

4. New Energy Technologies and Market Imperfections: We have argued that if a new energy technology does not appear profitable to the private sector, its development is probably not an efficient use of society's scarce resources. However, in some situations there may be significant market imperfections which make the technology appear unprofitable to private firms, while in fact its social value is quite high. It is only in such a case that some type of government intervention might be desirable.

Let us therefore try to identify potential market imperfections and evaluate the likelihood that they will bias decisions to invest in new energy technologies. Those who advocate government intervention often point directly or indirectly to one or more alleged failures of the market. Here we examine those alleged failures that have attracted the most attention.

A. Energy Price Imperfections: As a result of past government regulation, most energy prices are presently below their true marginal social cost. For example, electricity is priced on the basis of average historical cost which is generally below marginal or replacement cost, natural gas regulation has kept interstate prices below the competitive market level, and domestic crude oil regulations have kept the prices of petroleum products below the world market prices which represent the true costs to the U.S. economy. It is prevailing or expected market prices, however, on which private firms base their decisions about the profitability of new energy technologies.

Government price regulation has therefore created an important disincentive to investments in new energy technologies. The perception that such investments are "justified" from a complete analysis of the costs and benefits to the U.S. economy may be correct, even though private firms do not find such investments attractive in the face of regulated energy prices that do not reflect the true social costs of additional consumption to the U.S. economy. Since energy prices have been kept "too low" we cannot expect the private market to provide the proper signals vis à vis new sources of supply.

While government price regulation clearly leads to an important market imperfection, it is an artificial one created by the government's own actions. To set things right the government can either eliminate the source of the problem by allowing energy prices to rise to replacement cost, or it can try to "balance" the disincentives created by regulation with additional incentives to new technologies in the form of subsidies. We will explore this choice further below.

B. Discount Rates Used by Private Firms: It is sometimes argued that private firms, when making investment and planning decisions, use discount rates that are "too high" and that bias their decisions away from the kinds of highly capital-intensive projects that are involved in the commercialization of non-conventional energy supplies. There are essentially three reasons that are cited to explain why private discount rates tend to be higher than the "social" discount rates that should be used to properly evaluate the benefit of a project to society.

First, it is argued that social discount rates are lower than private discount rates because private agents do not value the well-being of future generations sufficiently. Using a lower social discount rate would lead us to shift expenditures towards more investment (and less consumption) today and more consumption tomorrow than would be achieved from purely private decisions.[4]

Second, it is argued that market interest rates ordinarily include some premium for the uncertainty, or risk associated with the investment. This risk is reflected in (real and nominal) differences in the interest rates of risky and safe assets. Proponents of subsidies argue that such risk premiums would be unnecessary with government investment projects, since the government is so large and has so many projects over which it can diversify risk that its investments could be treated as being riskless. Government investments would therefore be evaluated at lower interest rates than those private firms use, reducing their apparent costs and making them more profitable from a "social" point of view.

Finally, it is argued that corporate taxes distort discount rates, since the rate of return on private projects must include a provision for the payment of income and other taxes. According to this argument, because the government does not have to pay taxes to itself, the social rate of discount would be lower than the private discount rate, making projects "socially profitable" even though they are unprofitable in the private market.

As far as most new energy technologies are concerned, all three of these arguments are largely specious. Most of the historical discussion of social discounting has been conducted in the context of very large capital-intensive projects (such as dams), with very long lifetimes, with public goods characteristics and external economies, and which will be owned and operated by the government. While it is reasonable to assume that these projects are less risky (and therefore should carry a risk-free interest rate), these are not the characteristics of most new energy technologies.

There is also little evidence that private firms "overdiscount" the future by not utilizing the appropriate discount rate, although this is a question that is really not subject to any kind of objective analysis. In any case, there is no reason to believe that such an effect would appear only in energy supply and demand decisions.

While it is true that government bonds will carry a lower interest rate than other bonds because the government is always expected to pay up, this is a reduction in risk from the viewpoint of investors rather than from the viewpoint of society. If there are inherent risks associated with the economic viability of new energy technologies, there is little reason to believe that the government can diversify these risks any better than can the private capital market. Government debt does not eliminate risk, but only shifts it from investors to taxpayers.

The only situation in which the government might be in a better position to diversify risks than the private capital market is when such extremely large capital investments are involved that the default risks cannot be adequately absorbed by a single firm or a consortium of firms. However, such situations are rare. The investments contemplated for most new energy technologies are not outside the range of investment projects that the energy industry has been able to mobilize in the past. For example private firms have had little or no trouble in raising the capital necessary for such projects as the Alaskan pipeline, LNG tankers, oil refineries and large chemical plants—projects whose capital requirements were of roughly the same magnitude as a shale oil or coal gasification plant. If there is a problem here it is not the result of the size of the individual plant investments required.

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[3] See R. E. Hall and R. S. Pindyck, "The Conflicting Goals of National Energy Policy," *The Public Interest*, Spring 1977.

[4] Alternatively, some have argued that we should impute a lower social discount rate in cost-benefit calculations as a shortcut for accounting for external economies or public goods characteristics that are not properly accounted for by private decisions makers.

The tax argument is also specious. The capital that might be used by the government to finance a project has an opportunity cost. That capital is withdrawn from the private sector, at a cost represented by both the lost returns from private investments and any lost taxes that such investments might have generated. From the perspective of opportunity cost we see that the cost of obtaining funds for public investment projects is equal to the gross rate of return, including taxes, that are foregone by diverting this capital from the private sector to the public sector.

Thus, it is difficult to be impressed by arguments that private decision makers use a discount rate that is "too high." Let us therefore turn to the other arguments raised regarding market imperfections.

C. Consumer Perception Imperfections:

It has also been argued that consumers use discount rates that are too high, and therefore pay too much attention to short-run costs of alternatives (such as initial acquisition cost) and too little attention to the "life-cycle" costs. If this is true, consumers would be less inclined to purchase such technologies as solar heating, which have high capital costs but low operating costs.

There is little clear evidence that consumers indeed tend to overdiscount in this way.[5] In addition, it is difficult to know whether the nature of the imperfection is due to myopic decision making, or simply bad information or an inability to calculate properly the appropriate life-cycle costs of alternative energy systems.

Despite the lack of confirming evidence, this type of consumer imperfection may indeed be of some importance. But this imperfection is relevant primarily to consumer decisions, and not to producer decisions. It may provide an argument for providing tax credits or direct subsidies to consumers for solar energy or home insulation, but this is not at issue with regard to the types of energy supply technologies that have become the primary object of the Department of Energy's commercialization programs.

D. Capturing the Benefits of Technological Information:

It is often argued that considerable technological information might be forthcoming from greater research and development efforts, but because this information is difficult to keep private, the benefits will not all accrue to private investors. As a result, private firms will tend to underinvest in R&D. Alternatively, patent protection might make complete appropriability of important technological information possible, but undesirable because of the distortion caused by resulting monopoly power.

While this argument is generally true for research and development activities that produce basic scientific and technical knowledge, it is not applicable to the commercialization of new energy technologies. Commercialization must be kept distinct from basic sicentific research. Most new energy technologies that are candidates for huge subsidies are well understood by potential suppliers, and while there may be some uncertainty as to the ultimate cost of their use, the uncertainty is no greater than that involved in many other ventures commonly undertaken by private firms. Thus, while a good case can be made—and should be made—for government funding of basic energy research activities, the argument does not apply to government funding for the industrial development and commercialization of particular technologies.

E. Environmental and Other Regulatory Uncertainties:

Finally, it is argued that the technological and economic risks associated with new energy technologies are overshadowed by uncertainties over the environmental regulations that these technologies will encounter when they are developed. Environmental and other public policy controversies surrounding the Clinch River Breeder Reactor and the Barnwell Reprocessing Plant are examples of the kinds of outcomes that potential investors fear.

Uncertainties over the ability to meet current and future environmental standards are faced by many industrial investments, but regulatory uncertainty is probably greater for such energy technologies as shale oil and coal gasification. These technologies raise new and different environmental questions, and to the extent that environmental standards may not be promulgated until they are operational, there may indeed be significantly greater regulatory uncertainty.

The environmental problems associated with shale oil production and coal gasification and liquefaction fall into three main areas: air quality, land, and water. Air quality problems can occur because of plant emissions and fugitive dust. The plants and mines associated with coal technologies and the disposal of spent shale in the production of shale oil may result in serious scarring of the landscape.[6] Finally, the development of these technologies raises concern over the availability of adequate water supplies and the pollution of existing sources.[7]

It has been argued that understanding and solving the environmental problems associated with new energy technologies may require the technology to operate for some period of time. While this would provide the information needed to draw up regulations, without clearly defined regulations the technology may not be developed because of the associated uncertainties. To the extent that this dilemma exists, the construction and operation of first-of-a-kind facilities may have public goods chracteristics that would justify some form of government intervention. On the other hand, regulatory reform, leading to the removal of unnecessary and even counterproductive regulations, and a clarification of the kinds of environmental standards that are likely to be enforced in the future, is likely to be a much more effective way of dealing with this kind of market imperfection.

5. The Proper Role of the Government:

The gap between the consumption and production of energy in the United States is indeed growing rapidly, and non-conventional energy supplies may soon be relied on to help close that gap. This would indeed be unfortunate. Most of the gap is due to price controls on crude oil, natural gas and electricity, and it would be much more effective and much less costly to the American public to deal with that gap by eliminating its source, rather than by subsidizing expensive energy substitutes. For this reason, the most important component of a sensible national energy policy is the elimination of domestic energy price controls. Eliminating price controls would enable us to begin utilizing non-conventional energy supplies only as they become economically viable.

Of the various forms of market imperfections that have been put forth as reasons for government intervention, the most real and most serious is uncertainty over future regulation. Earlier we discussed uncertainty over future environmental constraints and regulations, but of even greater concern to the potential producer of new energy technologies is uncertainty over future government price regulation.

The commercialization of, say, shale oil is indeed a risky venture, but if private firms do undertake such a venture it will only be because they see a potential for profits—profits large enough to warrant the considerable risk. The fear of private firms, however, is that while they will be permitted to lose almost any amount of money, they will not be permitted to make almost any amount of money. Firms considering shale oil projects rightly fear that should the world price of conventional oil rise considerably over the next decade so that a shale oil facility does turn out to be an economic success, the government would probably regulate the price of the shale oil they produce reducing the profits that could be earned.

Private firms usually have no problem with downside risk as long as there is a commensurate potential for profit on the upside. The problem with non-conventional energy supplies is that firms are unwilling to take downside risk when they perceive a probable government ceiling on their upside potential. It is therefore not surprising that these firms are asking for various forms of government subsidies to limit their downside risk.

Once again, government subsidies are a costly and unnecessary alternative to dealing with the problem directly. The removal of price controls—and the guarantee that controls will not be imposed on the prices of non-conventional energy supplies produced by the private sector in the future—would eliminate the one form of market imperfection that is indeed significant and serious.

The removal of controls on the current and future prices of energy supplies is the most important part of a "first-best" energy policy. This, together with a revision of those environmental regulations that are unnecessary and unreasonable, and the clarification of environmental standards and regulations that would apply in the future, would permit private firms to develop new energy technologies at a socially optimal rate. There would then be little or no need for the government to subsidize the commercialization of these technologies. While we would hope to see continued government support for basic energy research, subsidies for the production of non-conventional energy supplies would be no more warranted than subsidies for the production of sugar, peanuts, tobacco, or any other good.

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[5] Although a recent study by J. Hausman of M.I.T does give some evidence of consumer over-discounting.

[6] The use of the land for these plants may permanently alter land use in the area, possibly destroying vegetation and wildlife (e.g. in the case of coal based synfuels in the Appalachian regions, agricultural and forest lands would be unavailable for other uses, and reclamation would not totally restore them to their original use). Reclamation and revegetation would be extremely difficult in areas of low precipitation.

[7] Synthetic fuels production requires large quantities of water at the sites, and in some regions this would mean a shortage of water for other uses (e.g. for agriculture). Discharge of pollutants into surface streams and leaching into underground sources are dealt with at the planning stage by designing the plants for "zero-discharge," involving recycling of the spent water for use at the plant site. Whether or not the discharge is quite "zero" during full scale operations remains to be seen.

While we do not believe it to be the case, some have argued that the deregulation of domestic energy prices is politically impossible, at least over the next several years. If this is true, would it make government subsidies for new energy technologies desirable? In particular, what role should the government play in the commercialization of these technologies as part of a "second-best" energy policy?

In this case, the government should use its limited resources to reduce the cost (or, equivalently, the risk) of producing non-conventional energy supplies, but should avoid in any way determining the specific technologies that are developed. An especially attractive way to do this would be for the government to provide price guarantees or purchase agreements for broad categories of non-conventional energy supplies, rather than subsidizing specific demonstration plants or technologies directly. For example, the federal government might announce that it is willing to buy a million barrels per day (or equivalent) of liquid or gaseous fuels produced from coal or shale at some fixed price above the current market price. The government would not itself pick a particular process or demonstration plant or get involved in technological decisions or production activities. Rather, it would provide an incentive for the private sector to pursue the development of the most cost effective technologies.

It is private industry, and not the government, that is in the best position to determine which new technologies are most economical and most promising, and to manage the commercialization of those technologies. In addition, private industry is much better able than government bureaucracies to drop the development of a particular project if it later turns out that the technology is not as promising as it once appeared. By choosing a particular plant located in a particular congressional district and creating a govenment bureaucracy to manage the project, we inevitably create a set of political forces which makes termination of the project very difficult. Nor is there any reason to believe that the personnel in government agencies are in a particularly good position to sensibly evaluate all of the proposals that are always put forward when government subsidies become available. We should never repeat the mistake made in our breeder reactor program by giving the government a primary role in choosing among programs or managing any particular program. By using broad price and purchase guarantees we can avoid finding ourselves in the position of being committed to a technology that appears less and less desirable as time goes on.

To the extent that the government does participate in commercialization, its role should be strictly limited to the most efficient subsidization of alternative energy supplies in general, rather than particular technologies and programs. But we must recognize that this "second-best" policy will still be far more costly to the American public than the "first-best" policy, which largely eliminates the need for government participation in the production of energy in the first place.

SBA REPORT CONCERNING RETAIL PETROLEUM MARKET REGULATION

Mr. DeCONCINI. Mr. President, the Small Business Administration recently released a report concerning the effect of regulation by the Department of Energy on the small service station owner. Regulation takes two forms: Control of retail prices, and control of supply allocation.

The report recently issued by the Small Business Administration's Chief Counsel for Advocacy confirms the findings of the staff investigation I ordered of the Arizona petroleum retail market. The investigation conducted by my staff during the last week in June and first week in July in Tucson and Phoenix indicated that DOE allocation and pricing regulations, combined with a failure to enforce "fairness" regulations, have driven small owners out of business.

My investigation disclosed evidence of a practice of submitting requests for huge allocations by several large gas station chains. These requests contained misleading data that did not conform to the regulations. Despite this false data, these allocations were granted. At the same time, small, one-station owners are unable to get increased allocations. To add to this, the recent DOE audits focused exclusively on these small businessmen, forcing them to roll back prices or engage in costly appeals of the auditors' decisions.

I am gratified that the SBA has reached the same conclusion. My staff resources are limited in comparison, and I was not able to compile and evaluate the amount of data the SBA study included. Nevertheless, the evidence is clear. The small, independent owner's share of the Arizona market has dropped from 70 percent to 30 percent since regulation came into effect in 1973. I feel the Government has been the major cause of this decline.

Mr. President, I ask unanimous consent that the memorandum for the Honorable James R. Schlesinger and the hearing summary by the SBA be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM FOR THE HONORABLE JAMES R. SCHLESINGER

The following findings and recommendations of my staff (which I endorse) are forwarded to you in accordance with the provisions of Section 203(3) of 15USC634C:

"The Office of Advocacy shall also perform the following duties on a continuing basis . . . develop proposals for changes in the policies and activities . . . which will better fulfill the purposes of the Small Business Act and communicate such proposals to the appropriate Federal agencies."

DOE's allocation regulations are confusing, contradictory and not adequately enforced at the supplier level. Recent and continuing tightened supplies and rising prices are being used by large suppliers to put small businesses out of business.

Rather than an incentive for energy conservation, DOE's allocation and pricing regulations actually provide incentives to sell in ever increasing volumes. Allocations based on previous year's volumes only lead to greater consumption.

DOE has been and continues to be unresponsive to the needs of the small business community, and particularly the need to preserve competition in the gasoline marketing industry. Major cutbacks by suppliers and reported widespread discriminatory practices are having the effect of putting hundreds of small businesses out of business and concentrating the gasoline market.

DOE's price and allocation enforcement effort at the retail level has resulted in a form of regressive regulation that places the greatest enforcement emphasis at the level where competitive forces prevail and the least emphasis on the refiners level where competition is weakest. At best, DOE's enforcement of allocation regulations has been ineffectual.

DOE has thus far not been able to comply fully with a stated provision of the DOE Organization Act, "to foster insofar as possible, the continued good health of the Nation's small business firms." The 7,500 small business gasoline retailers that have gone out of business in the past six months are ample testimony of this fact.

Small business attempting to comply with DOE regulations are confronted by complex and constantly changing rules, inadequate staff resources at the regional level to answer questions, insufficient notice and lead times of rule changes, and lengthy time delays for exceptional relief necessary for individual small business' survival. DOE's continuing modifications of the price and allocation systems without hearings or public input has constituted a state of "regulatory martial law" in the petroleum marketing industry.

On the basis of the above observations and the hearing record, the following steps need to be taken immediately by DOE:

1. A total revision of gas allocation regulations to make them simpler, clearer and fairer. Among the purposes to be served by such a revision are: to distribute more equitably supplies among regions of the country, to permit two party rather than three party switches, and to reallocate "surplus" supplies from jobbers and dealers going out of business to neighboring small businesses.

2. All significant modifications in DOE allocation and price regulations affecting small businesses should be preceded by a Small Business Economic Impact Statement which will assess the impact on competition and the economic viability of small businesses involved in the affected sector. Such analyses would be consistent with Executive Order 12044 which requires all agencies to evaluate the adverse impacts and costs of proposed regulations. As interpreted by OMB, such analyses should include any adverse impacts on small business.

3. DOE should immediately establish an 800 "Hotline" for small business complaints modeled after its successful consumer hotline. Sufficient staff to follow up and investigate marketers complaints, particularly relating to problems with supply should be provided. Monthly progress reports of this effort should be made available to the Small Business Administration.

4. DOE should immediately reallocate staff (and if necessary add staff) to handle the caseload at the Office of Hearings and Appeals. The immediate objective should be a reduction of the response time from two to three months to ten to fifteen days.

5. As the price and supply situation regarding diesel fuel worsens, DOE should establish an advance planning procedure including public hearings prior to activation of price and allocation controls on diesel fuel.

6. DOE should work more vigorously with the Justice Department and the Federal Trade Commission to reassure small business that the major integrated oil companies will be prosecuted for anti-trust violations.

7. DOE should accelerate its study of retail divorcement or divestiture legislation to protect the viability of the small business community.

8. DOE and SBA need a closer working relationship of a sustaining nature. Both agencies must cooperate far more closely if they are to respond more quickly, anticipate difficulties, plan for contingencies. Until they

have those capabilities, the position of small business is needlessly threatened.

HEARING SUMMARY

Public Hearing: Impact of the Gasoline Shortage on Small Business
Before Small Business Administration, Milton Stewart, Chief Counsel for Advocacy
Date June 5, 1979
Place Los Angeles, California, Hilton Hotel

INTRODUCTION

Pursuant to statutory authority set forth in 634(d) of Title 15, United States Code, the Chief Counsel for Advocacy of the U.S. Small Business Administration, Milton D. Stewart, conducted a public hearing in Los Angeles, California on June 5, 1979, to investigate the impact of the current gasoline shortage on small business. The hearing focused on three specific problem areas:

1. The relationship of existing Federal regulations to motor fuel price and supply problems of small, independent petroleum marketers, including retailers and jobbers;
2. The general impact of the current gasoline and diesel shortage on dependent small business users; and
3. Significant new fuel saving technological breakthroughs by small business in motor transportation and barriers obstructing their rapid commercialization.

Twenty-two witnesses testifying on these topics included representatives of petroleum marketing trade associations, gasoline retailers, oil jobbers, representatives of the general small business community, small business innovators, representatives of several major oil companies, and one small independent refiner. Representatives of pertinent government agencies, including the U.S. Department of Energy and the California Energy Commission, were invited to participate but declined.

I. BACKGROUND

The petroleum industry is divided into four parts: production, refining, wholesaling, and retailing. "Integrated" major oil companies operate at the production stage as well as other stages. Refiners produce usable products from crude oil and consist of "integrated" and independent refiners. Integrated refiners control their own supplies of crude oil; independent refiners generally do not. Wholesalers or "jobbers" transport refined products to the retail level; many are retailers themselves. Retailers pump gasoline and diesel fuel directly to the driving public. Retail outlets can be refiner-operated, that is, owned by a refiner and operated by its employees, independently owned by a small business entrepreneur, or lessee operated, meaning that a small business entrepreneur, or operates the station under a franchise agreement, usually with a refiner. Independently owned stations may be either branded or unbranded; lessee operated stations are usually branded under the trade name of their supplier/refiner.

Shortages of gasoline developed in late April of 1979. By the end of May, a "gasoline crisis" was in effect in some parts of California. Trademarks of this crisis were long waiting lines for gasoline at service stations (Tr. 14, 55),[1] inadequate supplies of gasoline (Tr. 8, 229), and dislocation of supplies in that state (Tr. 16, 18).

This hearing constitutes a snapshot of events and conditions in the petroleum industry, as perceived by small business persons themselves, at the time of the hearing. Any generalizations of findings or conclusions for purposes beyond the scope of this hearing should be made with caution. Nevertheless, the hearing does offer valuable insights into the relationships between the Department of Energy (DOE) and its regulations, the petroleum industry, and energy consumers.

II. CAUSES OF THE GASOLINE SHORTAGE

The witnesses were not unanimous in their assessment of what caused the current shortage. One witness, an independent refiner, testified that the current shortage is a permanent economic condition, compared to the shortages in 1973 and 1974, which he implied were the result of a short term international situation (Tr. 229).

Other witnesses claimed current dislocations were rooted in defective DOE and Environmental Protection Agency (EPA) regulations and would disappear if those regulations were improved (Tr. 48).

Small marketers at the hearing did not focus or agree on the causes of the current gasoline shortage. They were, however, in quite substantial agreement about the causes of hardship for small businesses in the industry.

III. DOE REGULATIONS

The DOE regulates the allocation and pricing of gasoline under authority of PL 93-159, the Emergency Petroleum Allocation Act of 1973 (EPAA), 15 USC, 751 et seq.

a. Purpose of EPAA: To promote competition

As set forth by Congress in the Act, the EPAA must provide for "preservation of an economically sound and competitive petroleum industry . . . and to preserve the competitive viability of . . . nonbranded independent marketers and branded independent marketers." In addition, the EPAA provides for the "minimization of economic distortion . . ." (and) the "equitable distribution . . . of refined petroleum products at equitable prices . . . among nonbranded independent marketers and branded . . . independent marketers" (Tr. 48, 49).[2] It is basically the provisions cited above at the hearing that have led retailers to view DOE allocation regulations as designed for their protection and good.

b. Failure in purpose of the EPAA

Retailers were nearly unanimous in their testimony that DOE allocation regulations under EPAA have failed to promote or preserve competition in their ranks or allocate gasoline fairly.

They cite as evidence of this failure the large number of independent retail gasoline dealers that have gone out of business while these regulations have been in effect. Prior to 1973, it is estimated that there were about 228,000 service stations in existence (Tr. 61). It is estimated that now there are about 171,000 (Tr. 61). Estimates of the numbers of stations that have gone out of business since the regulations have gone into effect range from 35,000 or 40,000 (Tr. 17) to as high as 57,000 (Tr. 61). Furthermore, these cut backs and injuries to competition have occurred in all classes of trade since 1974: consignees, jobbers, and retailers (Tr. 63).

At the same time, dramatic increases in the market shares of refiner-operated stations have taken place. These increases were estimated at about 30 to 40 percent by witnesses at the hearing (and 50 percent according to DOE figures) with corresponding decreases in market shares for independent retailers (Tr. 61). One witness speculated that this implied a loss of about 200,000 jobs for persons employed in those stations that have gone out of business (Tr. 61).

Nearly 6,000 service stations have gone out of business since 1972 in California alone (Tr. 59).

Dealers also were unanimous in pointing to the complete breakdown of allocation of gasoline under DOE regulations, and the near total inability of DOE to cope with this breakdown as further evidence of the failure of purpose of the EPAA (Tr. 12).

The DOE allocation regulations under EPAA have also failed the national goal of gasoline conservation by acting as a direct incentive to pump more gasoline. Under the rules, what isn't pumped in one year, is lost in one's allocation the following year, because each year is a base year for the next. This "pump it or lose it" philosophy in the rules forces dealers to pump all they can (Tr. 79).

c. DOE regulations—General complaints

Witnesses universally cited DOE regulations on petroleum products as so complex they are incomprehensible (Tr. 10) and unenforceable (Tr. 13). In fact, one witness testified that it is likely DOE officials do not completely comprehend their own regulations, which nevertheless carry the force of law (Tr. 49). An example of complexity leading to unenforceability is the manner in which refiner pricing is regulated. Since the regulation requires transaction by transaction adjustments, it was estimated that a complete audit of Exxon would require review of over one billion transactions (Tr. 13). Pricing regulations of service station dealers are simpler and, therefore, more frequently enforced (Tr. 88). The use of consumer hotlines and continual audits of retailers and wholesalers, while DOE is incapable of completing an audit of major refiners, is seen as discriminatory (Tr. 89, 90). Additionally, the fact that small retailers face the same paperwork requirements that large companies and refiners do is viewed as equally discriminatory (Tr. 24).

Coupled with other Federal regulations, especially those of the EPA and the Council on Wage and Price Stability (COWPS), DOE regulations constitute far too much regulation of the industry (Tr. 48, 91).

An additional problem was seen in California because State and Federal regulations did not dovetail and there was no coordination between the two (Tr. 72).

Generally, witnesses characterized DOE as an agency with good people in it, but so completely disorganized, unresponsive, and badly run that the result is very poor morale. (Tr. 80).

d. DOE allocation regulations: Specific complaints

Two major problems of the DOE allocation regulations are that they have led to a decline in competition and are disincentives to conservation (Tr. 74).

The regulations unreasonably limit an independent retailer's market flexibility. He must buy from one supplier and cannot buy from another (Tr. 33). Not all retail dealers can buy directly from the refiner while the wholesaler can (Tr. 46). The retail dealer cannot adjust his profit margins as much as a wholesaler can in times of shortages (Tr. 38). In addition, switching suppliers is exceptionally difficult because the switch requires a three party agreement between the old supplier, the new supplier, and the retailer (Tr. 33, 34).

The allocation regulations discriminate against high growth areas. Further, the automatic adjustment clause is not large enough (Tr. 98) and is often ignored by the supplier (Tr. 86).

The allocation regulations are impractical in that they totally fail to deal with the self-service mode. Yet, since 1973, self-service has been one of the predominant modes of retailing gasoline (Tr. 71).

The allocation regulations have totally failed to prevent the trend toward rapid expansion of refiner-operated stations.

The fact that these allocation regulations apply only to gasoline but not to diesel means that a refiner could cutback a jobber's diesel allocation to zero without notice, and he would have no recourse (Tr. 152). This differing treatment for gasoline and diesel works a real hardship for jobbers and their dependent customers—and is simply not working (Tr. 153). Utilities started burning diesel fuel, buying it at prices jobbers could not pay, and passing it on to their customers through fuel adjustment clauses (Tr. 153). Agricultural and trucking customers of diesel jobbers and retailers have suffered the most from shortages and price increases caused by this lack of regulation of diesel (Tr. 154).

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[1] Tr. refers to uncorrected Transcript of Hearing.

[2] Quote edited from the Act, 15 USC 753.

Three major changes in the base period this year have made the allocation regulations confusing to small business persons (Tr. 10), who simply do not have the resources to hire lawyers, accountants, or rent computers to cope with them (Tr. 121).

DOE apparently does not have the manpower to administer the regulations much less enforce them (Tr. 9). Consequently, while DOE is required by its regulations to make gasoline available to retailers who are receiving less than 75 percent of their previous year's allocation, DOE arbitrarily cut that back to 25 percent to save paperwork (Tr. 16). This seriously affects marginal stations. There are many marginal stations on a 50,000/month allocation which simply cannot afford a cut back of 50 percent—the decreased volume simply will not support the business (Tr. 94).

Service station dealers and their representatives, however, were fairly unanimous in their recommendation that allocation regulations be kept, albeit in some modified form that permits more flexibility to dealers, more adaptability to conditions, temporary lifting of regulations when shortages cease (Tr. 41), and extension of the regulations to diesel (Tr. 152).

e. DOE pricing regulations: Specific complaints

DOE pricing regulations were seen as simply not working. They were alleged to contribute to retailers' lack of flexibility (Tr. 38), are viewed as profit controls (Tr. 121), as discriminatory to retailers, and possibly in violation of the antitrust laws (Tr. 42), unnecessarily complicated (Tr. 44), counterproductive to conservation goals (Tr. 79), and unfairly enforced (Tr. 88).

The pricing regulations allow for two different price levels from the refiner—one to jobbers and a different one to retailers (Tr. 42). At least one witness speculated that this may constitute a basic violation of the antitrust laws (Tr. 42).

The lack of flexibility under the guidelines is illustrtaed by one retailer's story. A J. C. Penney's outlet down the street was underselling the retail dealer's tankwagon price by 5.2 cents per gallon. The regulation provides no recourse to the retailer. He could neither force J. C. Penney's to sell him 5,000 gallons on request (they refused), nor purchase at a lower dealer tankwagon price. It is obvious he could not sell his own gasoline at a competitive price and make a profit (Tr. 38).

Pricing regulations, like the allocation regulations, run contrary to national conservation goals. Defining profits as "a penny a gallon" instead of as a percentage of selling price acts as an incentive toward higher volumes, much as a pieceworker strives to make more money by increased output (Tr. 79).

The fact that DOE enforcement priorities are directed at independent service station dealers through consumer hotlines and audits, fines without hearings, Special Report Orders (SROs) and Notices of Probable Violations (NOPVs) is perceived as discriminatory since audits of large companies have been neglected and never been completed (Tr. 90).

Furthermore, jobbers claimed that wholesale profit margins have lagged behind the consumer price index by as much as four cents per gallon (Tr. 105).

Finally, retailers felt that DOE's regulations have thrust them into a policy making role. The retailers have been forced to take the heat from the American people at the gas pumps as the public is slowly convinced it must drive less—political heat which DOE and the Congress should be taking.

V. BREAKDOWN OF DEMOCRATIC PROCESSES AT DOE

In addition to substantive criticisms of the allocation and pricing regulations, there was considerable criticism of the process of their administration by DOE. Various witnesses said that DOE was totally unresponsive to individual requests for relief (Tr. 9, 52, 69, 87, 112); that no hearings have been conducted on recent substantive changes in the regulations (Tr. 10); that the limited mechanisms for retailer input into these regulations are ignored (Tr. 73); that no alternative mechanisms for rulemaking exist (Tr. 74); that DOE's own officials cannot interpret their own regulations in the field (Tr. 49); and that DOE does not have sufficient manpower to administer the regulations properly (Tr. 9, 16).

One retailer said that he and two other stations were supplying the California community of West Cupertino with a monthly allocation of about 97,000 gallons between the three of them to meet a normal demand of between 350,000 and 450,000 gallons. DOE's response to their frantic requests for an exception was "no," by reason that an increased allocation might lead to excessive windfall profits, and their case was no worse than others in Santa Clara County (Tr. 53).

Requests for help directed to the DOE office in Region IX are met with a tape recording and no employee response (Tr. 9).

When DOE does respond to a complaint, it has at times been unjustifiably evasive and vague (Tr. 52).

Many dealers claimed that DOE's elimination of regional acceptance of applications for exceptions has created hardships for dealers. That change was made March 1, 1979 (Tr. 49) but has since been withdrawn.

It was generally agreed that the Office of Hearings and Appeals (OHA) that handles requests for exceptions to allocations is overloaded and incapable of turning requests around in a reasonable time (Tr. 9, 86).

In addition, while stations continually go out of business, nothing is done to reassign their allocations to other dealers (Tr. 58).

One witness informed the hearing that he was a member of the DOE Gasoline Marketing Advisory Committee, and that in the six years of its existence DOE has not adopted or acted upon one single recommendation of the Committee (Tr. 73). That witness stated that no other formal process exists for monitoring small business problems and communicating them effectively to DOE with a reasonable expectation of response and action on them (Tr. 74). He recommended strongly that such a process be created.

Retailers also felt that DOE's practice of assessing fines without a hearing on the merits was wrong (Tr. 165).

VI. NON-DOE SOURCES OF REGULATION

Much was made at the hearing of the fact that these DOE regulations and processes are merely part of the overall regulatory burden carried by jobbers and retailers. In addition, they face regulation by EPA, COWPS. and the states.

EPA regulations governing vapor recovery were seen as extremely burdensome by jobbers (Tr. 129 ff.) California state vapor recovery regulations, based on proposed EPA standards, were alleged to have eliminated 41 percent of the jobbers in the Santa Barbara County since their enactment. In addition, extremely harsh penalties of up to $10,000 in possible fines against retailers for violation by customers of Clean Air Act regulations forbidding use of leaded gasoline in some newer cars were seen as extremely harsh to dealers (Tr. 77).

There was some fear that the voluntary wage and price guidelines administered by COWPS further complicate the already complex pricing regulations.

State regulations bring their own problems. They are not generally dovetailed with DOE regulations (Tr. 72). California regulations do not allow dealers market flexibility to give preferential treatment to steady commercial customers (Tr. 72).

VII. COMPLAINTS AGAINST MAJOR REFINERS

The dealers and jobbers had a broad variety of complaints about their treatment by the oil companies and integrated refiners.

a. Contract issues

The lessee dealer is basically a captive of his contract. In 1978, leigslation commonly known as the Dealer Day in Court Law was passed requiring notice prior to contract termination or nonrenewal and requiring cause (15 USC 2801).

Dealers at the hearing stated that the Dealer Day in Court Law has not helped as much as might have been hoped, particularly for those who have not heard of it or cannot afford paid counsel (Tr. 66).

In general, it was stated that refiners continue to do by economic means what they can no longer do by contract (Tr. 66). Refiners have pressured service station dealers out of business with rent increases; there have been many rounds of rent increases in recent years by amounts of as much as 200 to 300 percent (Tr. 66). Dealers claimed that DOE failure to regulate these rent increases is an abdication of its responsibilities under EPAA to control them (Tr. 66).

Several witnesses discussed alleged antitrust violations against retailers and jobbers by the major oil companies. Several alleged a planned takeover of major shares of the retail and wholesale sectors by majors (Tr. 63, 110).

Dealers claim the numerous closings of service stations are caused by integrated refiners for economic reasons. Refiners find it more profitable to market through fewer outlets with consequent cuts in real estate costs, improvement costs, taxes, and other maintenance costs (Tr. 63).

Gulf Oil in southern California disenfranchised over 600 stations and either converted them to company-owned outlets or sold them, all without challenge from the Federal Government (Tr. 67).

Major refiners continually discriminate in their allocations. Independently owned stations get as little as 40 percent of their allocation while refiner operated stations are simultaneously getting 85 percent of allocations in tight supply periods (Tr. 39, 40). Failure by DOE to enforce allocation regulations at the supplier level was cited by retailers and jobbers as a leading problem.

Dealers point out that the real problem is not the size of the major oil company so much as the fact that the retail and refining functions are linked (Tr. 40).

One retailer claimed that the large integrated oil companies have used the complexity of DOE regulations, and the fact that DOE personnel do not fully understand the regulations or the industry, to totally dominate the retail sector and to cut out service station dealers who do not do as they are told (Tr. 83).

Jobbers claim that major oil companies are now imposing as much paperwork on wholesalers as the Federal Government (Tr. 117). It was alleged that the oil companies, and Texaco in particular, have a detailed nation-wide plan for takeover of the wholesalers it now supplies (Tr. 111). While DOE has leveled a notice of probable violation against Texaco, no real help has been forthcoming (Tr. 112).

The Federal Government has been helpless in the face of these alleged antitrust violations to help the retailers and wholesalers. In one case, hundreds of documents, pleas, and requests for help have been sent to the FTC, Justice, and DOE, but no Federal antitrust assistance has been forthcoming (Tr. 67). The state governments have similarly failed in their response for requests to help dealers (Tr. 69, 119). It is evident also that small dealers and their representatives cannot sustain a private suit against a major integrated oil company themselves (Tr. 69).

In addition, there has been a tightening of credit requirements by refiners to jobbers from 30 down to 20 days as well as other restrictions placed on credit availability (Tr. 134).

IX. ENERGY SMALL BUSINESS USER ISSUES

A variety of witnesses representing hotels, motels, recreational vehicle dealers and manufacturers, as well as truckers testified that the gasoline shortage was severely impacting them.

In California, at that time, resort areas within one gas tank round trip from large metropolitan areas had not been hard hit; but more remote resort areas were suffering great loss of business (Tr. 169). Generally, hotel/motel business was off about 60 percent (Tr. 169). Convention cancellations of motel facilities were also on the increase (Tr. 172–3).

A representative of the recreational vehicle industry testified that it was extremely hard hit, even harder than in 1973–1974 (Tr. 182).

Truckers claimed they faced three problems. First shorthaul truckers can't recoup fuel price increases retroactively while regulatory agencies work out adjustments for them. Second, these truckers can't store gas or diesel and have had to wait in long gasoline lines with consequent escalating overhead costs. Third, truckers are unable to schedule around the shortage or advise consignees on the dates or times of shipments (Tr. 184–5).

X. INNOVATION ISSUES

Several innovative automotive technologies were discussed at the hearing that would lead to greater gasoline mileage from internal combustion car engines.

These innovations have faced several barriers to commercialization, including red tape in obtaining SBA loans for assistance (Tr. 191), and testing costs and delay (Tr. 191). Additional obstacles to commercialization also include lack of receptivity and support on the part of major automobile manufacturers and a lack of sufficient venture capital for commercialization (Tr. 196, 197).

One clear institutional barrier uncovered was the defect in the enabling Act of DOE itself. The Act requires that inventions be evaluated by the National Bureau of Standards, and recommendations made to DOE. However, the law requires no follow-up on the part of DOE regarding inventions of importance (Tr. 210).

XI. RECOMMENDATIONS

A great many recommendations for change were made at the hearing. The ones presented below are only those that were made in the form of recommendations by witnesses. In many cases, problems and complaints were presented so clearly that the recommendations for a proper course of action seemed obvious. It is considered that those have been represented in the discussion sections of this report and are not, in all cases, repeated here.

a. Motor fuel conservation

One retailer representative felt mandatory conservation was an essential part of the answer to the gasoline shortage (Tr. 8), while another opposed it on the grounds that it would merely substitute bureaucracies in Washington (Tr. 30).

Several recommendations to reduce driving were proposed. These included a sticker plan (sticker in the window indicates which day of the week the car will not be driven) (Tr. 15), a tax on downtown parking (Tr. 15), increased funds for mass transportation (Tr. 15), serious cut backs in the use of recreational vehicles (Tr. 19), and government steps to encourage car pooling and discourage individual commuting (Tr. 20).

In addition, witnesses proposed stricter enforcement of the 55 mph speed limit, tax incentives for small cars, and tax disincentives for big cars (Tr. 75). Witnesses proposed mandating automobiles to get 30 to 40 miles per gallon (Tr. 74), lessening regulations on the production of cars that get 25 percent better mileage for their class (Tr. 215), wholesaling petroleum products more efficiently (Tr. 253), taxing company car use and giving tax incentives to mass transit users (Tr. 20).

b. DOE allocation regulations

One witness recommended that the allocation regulations should be triggered only in times of shortages (Tr. 18). All retailers agreed that allocation regulations should not be ended but instead modified (Tr. 33).

Regulations should be changed so that dealers can switch suppliers without consent of their old suppliers (Tr. 33). Dealers would like to see refiners required to report monthly projections by Petroleum Administration for Defense (PAD) District of estimated refining capacity for the coming month (Tr. 41). One specifically recommended that allocation percentages should be calculated as follows:

Allocation based percentages = monthly refinery capacity/monthly retail sales capacity (Tr. 41).

The dealer recommending the above formula said that it should be accompanied by penalties for retailers who exceed their limits and by the flexibility of the retailers to purchase products from any refiner (Tr. 42). In addition, the refiner should be required to post one price for all classes of customers (Tr. 42). Dealers generally felt allocation regulations should be extended to diesel (Tr. 153). All agreed that while some allocation regulations are necessary, they must be kept simple (Tr. 160, 161).

c. DOE Pricing Regulations

Dealers and jobbers felt generally that flat cents per gallon profit ceilings run counter to national conservation goals, and that both allocation and pricing regulations must be changed to discourage, not encourage, use of gasoline (Tr. 79). Both jobbers and retailers favored percentage profit margins (Tr. 161), or else phasing out price regulations entirely (Tr. 34). One witness asked that DOE study the automobile retailing industry to review percentage of profit margins allowed in it (Tr. 109).

d. DOE regulatory processes

There was general agreement on the need for simple, flexible goal-oriented regulations at DOE (Tr. 78). DOE and EPA regulations should be reviewed for cost and benefit (Tr. 110). Small businesses should be given adequate lead time before regulations are changed to help adjust to them (Tr. 110). In addition, a small business bill of rights should be drafted (Tr. 31), and an advocacy network set up in the field so that small business can have a meaningful communication with DOE (Tr. 32). Handling of specific hardships arising from the regulations must be expedited (Tr. 9).

e. Retail divorcement and retail divestiture

Witnesses differed on whether divorcement and/or divestiture by the oil companies from retailing were appropriate solutions to dealer problems. Several recommended such legislation (Tr. 39, 65), but one dealer noted that he opposed it (Tr. 35). A recommendation was made that if a retail divestiture law is enacted, the SBA should stand ready with loan assistance to help lessee station operators buy their stations (Tr. 76).

f. Antitrust issues

The antitrust laws should be more vigorously enforced against refiner/suppliers (Tr. 74). In addition, DOE should establish a small business hotline to help with aggressive enforcement of regulations against refiners (Tr. 110). SBA should do an independent analysis of refiner subsidization (Tr. 110).

g. Innovation

The enabling Act of the DOE should be amended to provide for mandatory DOE follow-up on inventions recommended to it by the National Bureau of Standards (Tr. 210).

h. EPA regulations

The EPA should take steps to alleviate the impact of compliance with vapor recovery regulations, including exemption for small bulk plants less than 20,000 gallons per day, requiring sub-fill of all tanks and sub-fill tubes. Conclusion.

Not all issues affecting small business in the petroleum industry were discussed at this hearing, nor were all the issues that were discussed covered thoroughly. But it is obvious the discussion that did take place has raised matters of national urgency that deserve immediate attention. Foremost among these is the necessity to move immediately to establish a formal process to communicate to DOE from the SBA and the small business community the great needs that small petroleum marketers have.

The witnesses who helped discuss these needs at the hearing are richly deserving of our thanks for their time, their efforts, and their participation.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that on July 20, 1979, he had approved and signed the following acts:

S. 927. An act to authorize the Smithsonian Institution to plan for the development of the area south of the original Smithsonian Institution Building adjacent to Independence Avenue at Tenth Street, Southwest, in the city of Washington; and

S. 1007. An act to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1834. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report entitled "Facilities for Food and Agricultural Research"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1835. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report listing the contract award dates for the period July 15, 1979, to October 15, 1979; to the Committee on Armed Services.

EC-1836. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10 and certain other titles of the United States Code, to establish a new Retirement Benefits System for the Uniformed Services, and for other purposes; to the Committee on Armed Services.

EC-1837. A communication from the Chairman, Securities and Exchange Commission, transmitting a draft of proposed legislation which would amend the Securities Act of 1933 and the Trust Indenture Act of 1939 to delete the existing exemption for certain industrial development bonds; to the Committee on Banking, Housing, and Urban Affairs.

EC-1838. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report outlining timber harvest scheduling alternatives on the Six Rivers National Forest; to the Committee on Energy and Natural Resources.

EC-1839. A communication from the Assistant Secretary for Resource Applications, Department of Energy, transmitting, pursuant to law, the fiscal year 1977 and 1978 annual report of the Alaska Power Administration; to the Committee on Energy and Natural Resources.

EC-1840. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, an amendment to a previously approved prospectus which proposes the construction of a border station in Laredo, Texas; to the Committee on Environment and Public Works.

EC-1841. A communication from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, justification of an increase in the funding level of the proposed fiscal year 1979 program in Somalia; to the Committee on Foreign Relations.

EC-1842. A communication from the Secretary of State, transmitting, for the information of the Senate, the first in a series of monthly reports on developments relating to Zimbabwe-Rhodesia and our efforts, in support of the British government, to encourage further progress toward a peaceful solution; to the Committee on Foreign Relations.

EC-1843. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Quality of Testing of Audits of Grantee's Records—How It Is Done by Selected Federal Agencies and What Improvements Are Needed"; to the Committee on Governmental Affairs.

EC-1844. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Need For More Effective Audits of Federal Grants and Contracts Administered by Institutions of Higher Education"; to the Committee on Governmental Affairs.

EC-1845. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on visa petitions accorded third and sixth preference by the Service under section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-1846. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and improve the Higher Education Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

EC-1847. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the National Direct Student Loan Program (20 U.S.C. 1087aa–1087ff, Higher Education Act of 1965, title IV, part E) which is a continuation of the National Defense Student Loan Program authorized by title II of the National Defense Education Act of 1958 (title II) (20 U.S.C. 421–429); for the College Work-Study Program (42 U.S.C. 2751–2756, Higher Education Act of 1965, title IV, part C); and for the Supplemental Educational Opportunity Grant Program (20 U.S.C. 1070b, Higher Education Act of 1965, title IV, part A, subpart 2); to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

NASA AUTHORIZATIONS, 1980—CONFERENCE REPORT

Mr. STEVENSON, from the committee of conference, submitted a report of the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 96-252).

By Mr. DeCONCINI, from the Committee on the Judiciary, with amendments:

S. 265. A bill entitled "Equal Access to Justice Act" (Rept. No. 96-253).

By Mr. HUDDLESTON, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment:

S. 1125. A bill to improve and expand the Federal crop insurance program, and for other purposes (together with minority views) (Rept. No. 96-254).

By Mr. HUDDLESTON, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 200. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1125. Referred to the Committee on the Budget.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Res. 201. An original resolution increasing the limitation on expenditures by the Committee on Commerce, Science, and Transportation for the training of professional staff. Referred to the Committee on Rules and Administration.

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment, and with a preamble:

H.J. Res. 373. A joint resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COHEN (for himself, Mr. Williams, and Mr. Javits):

S. 1546. A bill to assure the provision of certain basic rights to residents in long-term care facilities; to the Committee on Labor and Human Resources.

By Mr. DeCONCINI:

S. 1547. A bill to amend the Internal Revenue Code of 1954 to include evaporative cooling devices among items for which the residential energy credit is allowed; to the Committee on Finance.

By Mr. CHILES (for himself and Mr. Eagleton):

S. 1548. A bill to conform the offices of Inspector General established in the Department of Energy and the Department of Health, Education, and Welfare with the Offices of Inspector General established pursuant to the Inspector General Act of 1978, to establish an Office of Inspector General in the International Development Cooperation Agency, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BOREN (for himself, Mr. Bellmon, Mr. Nelson, and Mr. Percy):

S. 1549. A bill to amend the Internal Revenue Code of 1954 to change the period for the payment of taxes under section 4161(a) of such code; to the Committee on Finance.

By Mr. CANNON:

S. 1550. A bill to provide for a reorganization of the international trade functions of the U.S. Government, to encourage the development of consistent international and domestic economic programs and policy, and for other purposes; to the Committee on Governmental Affairs.

By Mr. TSONGAS:

S. 1551. A bill for the relief of Paul Sakwa; to the Committee on the Judiciary.

By Mr. DANFORTH (for himself, Mr. Jackson, Mr. Pell, Mr. Boschwitz, and Mr. Stone):

S.J. Res. 97. Joint resolution designating April 13 through April 19 as "Days of Remembrance of Victims of the Holocaust"; to the Committee on the Judiciary.

By Mr. BRADLEY (for himself, Mr. Cranston, Mr. DeConcini, Mr. Hollings, Mr. Levin, Mr. McGovern, Mr. Moynihan, Mr. Nelson, Mr. Nunn, Mr. Pell, Mr. Randolph, Mr. Ribicoff, Mr. Sarbanes, Mr. Stone, Mr. Cochran, Mr. Domenici, Mr. Durenberger, Mr. Ford, Mr. Heinz, Mr. Javits, Mr. Lugar, Mr. Tower, Mr. Weicker, Mr. Williams, and Mr. Young):

S.J. Res. 98. Joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. Cohen (for himself, Mr. Williams, and Mr. Javits):

S. 1546. A bill to assure the provision of certain basic rights to residents in long-term care facilities; to the Committee on Labor and Human Resources.

LONG-TERM CARE RESIDENTS' RIGHTS ACT

Mr. COHEN. Mr. President, today I am introducing legislation that will provide for the development and enforcement of standards relating to the rights of residents in long-term care facilities. This bill represents the culmination of several years of investigation and effort directed at finding appropriate and responsible means to assure the rights of residents in institutions.

The Bill of Rights assures that basic civil rights are an inalienable condition of U.S. citizenship. Despite these constitutional guarantees, however, there are countless instances each year in which the rights of residents in long-term care facilities are infringed. All too often when someone is institutionalized, we cease to view the individual as capable of making choices about things as simple as what to wear, when to rise, or what to eat. While meaning well, we paternalistically expect these persons to be passive and "get well soon" so that they can return to their home and community. We fail to realize that for many home is a semiprivate room, and the community is defined by the physical limits of the institution.

Our older and poorer citizens in long-term facilities often live in fear that attempts to seek better care or to complain about inadequate living conditions may lead to further hardship. Mentally impaired persons are involuntarily committed or released from institutions without provisions for assistance. At present, our courts need direction to effectively undertake review of such grievances.

Although provisions which deal with rights of the institutionalized are included in medicaid and medicare regulations, the enforcement of these rights has been woefully inadequate. At present, the only remedy is a total cutoff of Federal reimbursement. As a consequence, the Federal Government has been reluctant to withdraw its share of dollars from a nursing home if such action would force the home to close.

Solutions to these problems will not be easily or quickly achieved. What is needed is not just more inspectors, but a national policy for the treatment of the infirm which evokes a personal concern and commitment among all of us for the well-being of the institutionalized.

By the end of last year's legislative session 37 States had recognized the failure of the Federal Government to assume a leadership role in this area and had enacted laws covering a variety of resident rights in institutions. Similarly, Congress has enacted piecemeal initiatives to curb abuses of the institutionalized, such as protection of patient funds and prohibitions against human experimentation. The Senate Governmental Affairs Committee, of which I am a member, is currently considering legislation to assure privacy of medical records. HEW is attempting to correct many deficiencies by updating its own regulations on rights in institutions.

It is time to build upon these efforts by codifying resident rights and giving them the force of the law. My bill proposes to set in law a national standard of rights of residents in institutions. These basic guarantees to compassionate treatment of residents include, but are not limited to:

The right of the resident to be informed of his rights and the proper exercise of such rights under policies and procedures of the facility, and the procedures and remedies available to him whenever those rights are denied.

The right to be informed regarding services available in the facility and the charges therefor, including any charges not paid for by an outside source,

The right to be considered for admission, and to be discharged or transferred, on a fair and equal basis without regard to source of payment,

The right to be informed of his medical condition, of proposed treatments, and of alternative modes of treatment, participate in decisionmaking regarding his medical treatment, and refuse to participate in any experiment,

The right of the resident to choose his own physician and secure other health care services or items available from sources other than the facility,

The right not to be involuntarily transferred or discharged from the facility without notice and due cause,

The right to voice grievances, without interference or reprisal, when his rights as a resident of the facility or as a citizen have been violated,

The right to manage his personal affairs,

The right to be free from both mental and physical abuse and from both unreasonable chemical and physical restraints,

The right to confidential treatment of his personal and medical records and any other records which contain any personal identifying information,

The right to have privacy in caring for personal needs and in treatment,

The right to refuse to perform any services or chores for the facility,

The right to meet with, and participate in activities of social, religious, and community groups at his discretion, to communicate privately with persons of his choice, to receive and communicate with visitors and to initiate, refuse, or terminate a visit at any time,

The right to retain and use personal clothing and possessions, and

The right of privacy for married residents.

Second, every facility which participates in a Federal or State health care or health financing program would be required to provide all residents a copy of this bill of rights, including a description of the enforcement procedures. Health care providers would develop a written plan and provide appropriate staff training to implement each resident right included in the statement. The obligations which participating long-term care facilities would assume under this act are intended to delineate the extent of their liability in assuring the proper exercise of these rights.

Third, the Secretary and the States would be directed to actively encourage the involvement of nursing home patient advocates and ombudsmen in promoting enforcement of resident rights. The one successful effort by the Federal Government to focus attention upon the troubles of institutionalized persons has been the ombudsman program authorized under the Older Americans Act. Amendments developed from legislation I authored last year have been enacted to improve the ability of ombudsmen to resolve resident grievances and to improve the quality of care in nursing homes. The bill I have introduced today draws upon the strength of the ombudsman program, as individually instituted in the States, to be the primary vehicle for the investigation and resolution or referral of violations of resident rights to appropriate civil or criminal officials.

Fourth, a resident whose rights have been abridged would have recourse to a private right of action against the offending facility for damages in Federal court. This provision is necessary to give courts guidance in cases involving violations of resident rights. Equally important, such action would not preclude any other civil or criminal action which could be instituted by the resident, State, or the Secretary in addressing violations of this act.

As has been pointed out by the American Hospital Association and other groups involved with health care and the elderly, a bill of rights would benefit not only the resident but also the institution. A resident who is confident in the care he is receiving, understands his medical condition, and participates in the planning of his treatment is generally far more cooperative and more responsive medically to the care he receives. For the predominantly elderly population in most nursing homes, the guarantees can help forestall the confusion and lack of orientation often initially experienced by the resident, and counteract the sometimes stupefying atmosphere of apathy and despair of residents who believe themselves consigned to nursing homes only to await death. Such an atmosphere can defeat the efforts of the most understanding and hard-working staffs and frustrate the entire purpose of the nursing home, which is to maintain and improve the physical and mental well-being of their residents to the greatest possible extent.

We should not forget that, despite the many problems with nursing homes, there are also thousands of such facilities whose administration and staff are truly dedicated to and concerned about providing quality care for their residents. Such providers, I might add, consider a bill of rights to be "just good sense" and do not feel it would work any hardship for good nursing homes. At the same time, however, a bill of rights can be helpful for residents in danger of substandard medical treatment or personal care. It makes it clear to both the individual and the staff that residents retain the rights of other citizens of this country and should be treated with dignity and respect.

Senior citizen organizations such as the National Council of Senior Citizens and the National Retired Teachers Association/American Association of Retired Persons have called repeatedly for the enactment of a bill of rights for the institutionalized. In 1977, a task force established by the AFL–CIO to investigate abuses in nursing homes released a report which stressed in the strongest possible language that a bill of rights should be developed for nursing homes.

I have asked the Congressional Budget Office to review my proposed legislation with regard to its cost impact. CBO does not foresee any significant increased costs to the Federal Government.

I am joined today by the senior Senators from New Jersey (Mr. WILLIAMS) and New York (Mr. JAVITS), members of the Senate Human Resources Committee, in sponsoring this legislation. I am hopeful that hearings will soon be held on this important issue.

As our demographics change and the older segment of our population continues to grow, it is our responsibility to help meet the needs of those in institutions who risk a diminution of their rights and a degradation of their dignity as active members of society. For many residents of long-term care facilities, confinement in institutions robs them of their strengths and their links to and roles within their communities. It is not enough to decry the problems experienced in the past by institutionalized persons. We must respond with strong resolutions to ameliorate problems, and to insure a continually improved quality of care for these persons. While not a panacea for all the problems of the institutionalized, the Long-Term Care Residents' Rights Act does set forth in clear terms the relationship of the resident to the facility. I believe that the enactment of this bill will do much to improve the quality of life of residents in institutions.

I ask unanimous consent that the text of the bill be printed in the RECORD for the benefit of my colleagues.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1546

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Long-Term Care Residents' Rights Act".

DECLARATION OF POLICY

SEC. 2. (a) It is hereby declared to be the policy of the United States that each resident in a long-term care facility has, in addition to any other rights, the following basic rights:

(1) the right to be informed of (A) his rights as a resident of the facility, and the proper exercise of such rights under policies and procedures of the facility, and (B) the procedures and remedies available to him whenever he believes that he is being denied any of his rights as a resident of the facility.

(2) the right to be informed regarding services available in the facility and the charges therefor, including any charges not covered under a third party payment contract,

(3) the right to be considered for admission, and to be discharged or transferred, on a fair and equal basis without regard to source of payment,

(4) the right to (A) be informed of his medical condition, of proposed treatments, and of alternative modes of treatment, (B) participate in decision-making regarding his medical treatment, and (C) refuse to participate in any experiment,

(5) the right to choose primary care providers and to choose and secure other health care services or items available from sources other than the facility,

(6) the right not to be involuntarily transferred or discharged from the facility without notice and due cause,

(7) the right to voice grievances, without interference or reprisal, when his rights as a resident of the facility or as a citizen have been violated,

(8) the right to manage his personal financial affairs.

(9) the right to be free from both mental and physical abuse and from both unreasonable chemical and physical restraints,

(10) the right (A) to confidential treatment of his personal and medical records and any other records which contain any personal identifying information, and (B) to approve or deny the release of such records to any person except (i) appropriate staff employed by the facility, (ii) in the case of the resident's transfer to another health care institution, (iii) as required by law, or (iv) by a third party payment contract.

(11) the right to have privacy in caring for personal needs and in treatment,

(12) the right to refuse to perform any services or chores for the facility which are not an essential component of appropriate medical treatment under prevailing community standards,

(13) the right (A) to meet with, and participate in activities of social, religious, and community groups at his discretion, (B) to communicate privately (in writing or otherwise) with persons of this choice, (C) to receive and communicate with visitors (with due regard to the rights of other residents), and (D) to initiate, refuse, or terminate a visit at any time,

(14) the right to retain and use personal clothing and possessions (to the extent that space permits and the exercise of this right does not infringe upon the rights of other residents), and

(15) the right of privacy for married residents.

(b) It is the purpose of this Act to encourage all long-term care facilities to implement the policy set forth in subsection (a), and to require the implementation of such policy by certain long-term care facilities which participate in certain health care programs which are federally funded or receive Federal financial assistance.

DEFINITIONS

SEC. 3. For purposes of this Act—

(a) The term "long-term care facility" means—

(1) a hospital,

(2) a skilled nursing facility,

(3) an intermediate care facility, or

(4) other health facility,

in which the average length of stay of all residents is 30 days or more, or in which more than 50 per centum of all residents are admitted to units thereof in which the length of stay is 30 days or more.

(b) The term "participating long-term care facility" or "participating facility" means a long-term care facility which participates in a health care program, which receives Federal assistance or which is certified for participation in a Federal or State health care financing program.

(c) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(d) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

RESIDENTS' RIGHTS REQUIREMENTS OF PARTICIPATING LONG-TERM CARE FACILITIES

SEC. 4. (a) In addition to any other requirements imposed on a participating facility, there is hereby imposed the requirement that such facility meet those obligations prescribed in section 5 for the securing to each resident thereof the basic rights specified in section 2 (a).

(b) The Secretary shall determine on a periodic basis whether or not a participating long-term care facility is in compliance with this Act, and shall be authorized to impose all remedies and sanctions available to him under existing law when such facility is determined not to be in compliance with this act.

POLICIES AND PROCEDURES TO ASSURE RESIDENTS' RIGHTS

SEC. 5. (a) Each participating long-term care facility shall—

(1) establish written policies regarding residents' rights (as specified in section 2(a)) and the proper exercise of their rights consistent with the requirements imposed by subsection (b),

(2) develop and adhere to procedures for implementing such policies,

(3) make such policies and procedures available in written form to the public, residents of the facility, guardians of such residents and to any relative or other person serving as a representative payee of a resident of the facility at no charge, and

(4) provide appropriate training to the staff of the facility in the understanding and implementation of such policies and procedures.

(b) A participating long-term care facility's policies and procedures developed pursuant to subsection (a) must assure that—

(1) with respect to the right of a resident to be informed of his rights (as set forth in section 2(a)(1)), the facility shall inform each resident, before or at the time of admission and periodically during his stay, of such rights in a manner which is understandable to him, shall secure from him written acknowledgments that he has been so informed, and shall inform each resident as to any change in the policies and procedures of the facility at least 30 days prior to the date the change becomes effective;

(2) with respect to the right of a resident to be informed regarding services furnished by the facility and charges therefor (as set forth in section 2(a)(2)), the facility shall inform each resident, before or at the time of admission and during his stay, of such services and charges in a manner which is understandable to him, shall secure from him written acknowledgments that he has been so informed, and shall inform each resident as to any change in such services and charges at least 30 days prior to the date the change becomes effective;

(3) with respect to the right of a resident to be considered for admission, and to be discharged or transferred, on a fair and equal basis without regard to source of payment (as set forth in section 2(a)(3)), the facility shall not deny admission to any individual or terminate the stay of any resident of the facility, because of the source of third party payment;

(4) with respect to the right of a resident to be informed of his medical condition, proposed treatment, and alternative modes or treatment, and to participate in decision-making regarding his medical treatment, and to refuse to participate in any experiment (as set forth in section 2(a)(4)), the facility (A) upon request of a resident, shall provide to the resident or any individual designated by the resident, information within its control, knowledge, or possession regarding the resident's medical condition, proposed treatment, and alternative modes of treatment, in terms the resident can reasonably be expected to understand unless the release of such information to the resident is medically contraindicated for a specific and limited period of time (as documented by a physician in the resident's record), (B) shall not deny but shall, to the extent permitted by the resident's physician, make arrangements necessary or appropriate to enable the resident to participate in decision-making regarding his medical treatment, (C) shall inform each resident of his right to refuse to participate in any experiment, and (D) shall assure that each resident will participate in any such experiment only after (i) the experiment has been approved by an Institutional Review Board, and (ii) an informed and voluntary consent has been given by the resident for his participation in the experiment;

(5) with respect to the right of a resident to choose primary care providers and to secure other health care services or items available from sources other than the facility (as set forth in section 2(a)(5)), the facility shall not interfere with the right of any resident to receive primary health care services or items from sources other than the facility and shall assist each resident in the exercise of such right;

(6) with respect to the right of a resident not to be involuntarily transferred or discharged from the facility (as set forth in section 2(a)(6)), the facility (A) shall give

a 30-day written notice to any resident who is to be involuntarily transferred or discharged (except that such notice shall not be required in the case of a transfer or discharge made for reasons of health or safety which constitute an emergency, or as required under a Federal or State health care financing program under which the resident is covered for health care benefits) and (B) shall, in the case of an involuntary discharge assure that there is a complete discharge plan for the residents;

(7) with respect to the right of a resident to voice grievances without interference or reprisal (as set forth in section 2(a)(7)), the facility shall assist each resident to exercise his rights as a resident and as a citizen, and in particular, the rights to file complaints under section 6, voice grievances, and recommend changes in policies and service to the staff of the facility and to outside representatives of his choice (including but not limited to representatives of governmental agencies administering title III of the Older Americans Act);

(8) with respect to the right of a resident to manage his personal financial affairs (as set forth in section 2(a)(8)), the facility shall not interfere with but shall assist a resident to manage his own personal financial affairs, and should the resident elect to have the facility hold his funds on his behalf, the facility shall assure that such funds are safeguarded (in conformity with applicable Federal and State law) by the facility and disbursements therefrom shall be made only to the resident or on his behalf to other persons pursuant to the resident's written authority, and the facility shall furnish to the resident not less often than quarterly an accounting of his funds which clearly identifies the balance thereof and each disbursement therefrom and the purpose thereof;

(9) with respect to the right of a resident to be free from both mental and physical abuse and from both unreasonable chemical and physical restraints (as set forth in section 2(a)(9)), the facility shall protect each resident against such abuse, shall assure that medical treatments are not used for the convenience of the facility or a physician, and shall not employ (nor allow others to employ) chemical or physical restraints on a resident except under the following circumstances: (A) reasonable chemical or physical restraints may be used on a resident when (i) his physician determines that such restraints are an essential component of appropriate medical treatment under prevailing community standards, or (ii) a staff member of the facility with supervisory responsibility determines that an emergency exists which necessitates the immediate use of such restraints in order to protect the resident or others from injury, and prompt notification of the circumstances of such emergency is provided to the attending physician, and (B) whenever a physician makes a determination under subdivision (A)(i) or is informed of a determination by a staff member under subdivision (A)(ii), the physician shall promptly place in the resident's medical record a notice signed by him stating (i) the fact that such restraints have been used, (ii) the types and amounts of the restraints used, (iii) an explanation of the circumstances upon which the determination to use such restraints is based, and (iv) the time period for which such restraints were or are to be used;

(10) with respect to the right of a resident to confidential treatment of his personal or medical records and any other records which contain any personal identifying information (as set forth in section 2(a)(10)), the facility shall assure the confidential treatment of such records and shall assure that no such records or information are released without the written approval of the resident except in the case of appropriate staff employed by the facility, in the case of the resident's transfer to another health care institution, as required by law, or by a third party payment contract;

(11) with respect to the right of a resident to have privacy in caring for personal needs and in treatment (as set forth in section 2(a)(11)), the facility shall provide each resident privacy in dressing, bathing, caring for personal hygiene, and toileting, and shall also provide privacy during medical examinations, treatments, case discussions, and consultations;

(12) with respect to the right of a resident to refuse to perform services or chores for the facility (as set forth in section 2(a)(12)), such right shall not be violated;

(13) with respect to the right of a resident to freedom of association and communication (as set forth in section 2(a)(13)), the facility shall (A) assist the resident to participate in activities of social, religious, and community groups at his discretion (to the extent feasible), and (B) in assuring residents' visitation rights, establish reasonable visiting hours, post notice thereof in a conspicuous place, and require visitors to identify themselves to the person in charge of admitting visitors (except that nothing in section 2(a)(13) or this paragraph shall be construed to preclude the facility from restricting access to the facility by individuals engaged in the business of selling goods or services when not specifically invited by a resident);

(14) with respect to the right of a resident to use personal clothing and possessions (as set forth in section 2(a)(14)), the facility shall provide each resident secure storage of his personal possessions, shall assure access to such possessions on a daily basis at the request of the resident during periods specified by the facility, and shall not require that clothing owned by the facility be worn by a resident except as necessary for his health and safety as noted by a physician in the resident's medical record for a specific and limited period of time; and

(15) with respect to the right of privacy for married residents (as set forth in section 2(a)(15)), the facility shall permit residents who are husband and wife to share the same room if they so choose.

(c) The residents' rights referred to in subdivisions (1), (2), (4), (5), (6), (8), and (10) of subsection (b), as they pertain to a resident adjudicated incompetent in accordance with State law, devolve to the resident's legal guardian.

COMPLAINTS REGARDING RESIDENTS' RIGHTS

Sec. 6. (a) Any person, who believes that a participating long-term care facility has violated or failed to assure, in the case of any resident thereof, any of the residents required to be assured pursuant to policies and procedures provided for in section 5, may file a complaint on account of the violation or failure involved with the long-term care ombudsman program (established pursuant to section 307(a)(12) of the Older Americans Act of 1965) of the State in which such facility is located.

(b) Section 307(a)(12) of the Older Americans Act of 1965 is amended—

(1) by striking out "and" at the end of clause (iv),

(2) by adding "and" at the end of clause (v), and

(3) by adding after and below clause (v) the following new clause:

"(vi) investigate and resolve complaints made by or on behalf of a resident of a long-term care facility regarding alleged violations of or failure to assure to such resident rights secured under the Long-Term Care Residents' Rights Act, and if the investigation of any such complaint discloses facts which indicate there has occurred a violation or failure to secure such resident's rights, to report such facts to appropriate officials administering any Federal or State health care financing program with respect to which such facility is a participating facility (as defined in section 3 (b) of such Act), and, if such facts indicate a violation of any provision of law for which a criminal or civil penalty is provided, to report such facts to appropriate law enforcement officials (including but not limited to, the Inspector General of the Department of Health, Education, and Welfare, and the appropriate State fraud control unit described in section 1903 (q) of the Social Security Act);".

CIVIL ACTION FOR VIOLATION OR DENIAL OF RESIDENTS' RIGHTS

Sec. 7. (a) Any individual who is aggrieved because a participating long-term care facility has violated or failed to assure, in the case of such individual, any of the residents' rights required to be assured pursuant to policies and procedures provided for in section 5, shall have a cause of action against such facility for damages and such other relief (including injunctive relief) as the court deems proper.

(b) The district courts of the United States shall have jurisdiction of proceedings instituted under subsection (a) and shall exercise the same without regard to the amount in controversy or whether the aggrieved individual has exhausted any administrative or other remedies that may be provided by law.

(c) Nothing in this section shall be construed to preempt any other law or to deny to any individual any rights or remedies (administrative or otherwise) which are provided by or under any other law.

LIMITATION OF APPLICATION

Sec. 8. The provisions of this Act (other than section 2(a)) shall not be applicable in the case of any facility—

(a) which is a facility for the mentally ill, or a majority of the residents of which are mentally ill,

(b) which is owned or operated by the Federal Government, or any department, agency, or instrumentality thereof (including any corporation a majority of the stock of which is owned by the Federal Government, or any department, agency or instrumentality thereof), or

(c) which is a part of or affiliated with a prison, correctional or similar institution.

REGULATIONS

Sec. 9. The Secretary of Health, Education, and Welfare shall first publish proposed regulations for carrying out the provisions of this Act, which are applicable to programs and activities over which he has administrative responsibility, not later than six months after the date of the enactment of this Act, and such regulations shall become final and fully effective on the first day of the ninth month which begins after the date of enactment of this Act.

● Mr. WILLIAMS. Mr. President, I am pleased to join Senators COHEN and JAVITS in introducing the Long-Term Care Residents' Rights Act.

This bill is designed to protect the residents of long-term care facilities, primarily our Nation's senior citizens, from practices which deny them their basic rights. These practices include the use of unnecessary physical and chemical restraints, denial of personal possessions, severely restricted visiting privileges, discriminatory admission and transfer policies, and involuntary participation in experiments. The greatest impact of this bill will be the assistance it offers to the large number of senior citizens living in residential health care settings.

The issue of residents' rights in long-term health care facilities has been the focus of national attention for many years. The current vacuum in policy has resulted in the enactment of legislation which prevents certain abuses in over 30 States. The need for this type of legislation is so pervasive, however, that the Federal Government must take the initiative in requiring that long-term care facilities recognize and respect the rights of individuals in their care. I believe that the legislation being introduced today assures that long-term care facilities will adopt policies and procedures to assure the rights of their residents.

The Long-Term Care Residents' Rights Act lists 15 basic rights of residents including: The right to be informed of services and their costs; the right to be admitted, transferred, and discharged on a fair and equal basis; the right to be informed of his or her medical condition and of alternative modes of treatment; the right of privacy; and, the right to refuse to perform work unrelated to medical treatment.

For each right, specific obligations on the part of the facility are established. These obligations include sharing information with a resident regarding his or her medical condition and treatment, obtaining informed consent and the approval of a review board before allowing a resident to participate in any experiment, and allowing married residents to share the same room if they so desire.

The bill also amends the Older Americans Act to allow the long-term care ombudsman program in each State to investigate allegations that any residents' rights are being denied by any facility. The ombudsman program had proven its effectiveness through demonstration projects funded prior to the reauthorization of the Older Americans Act of 1978. In requiring each State that participates in the programs of the Older Americans Act to establish a long-term care ombudsman program, the Congress recognized the need for an effective oversight system. One of the effects of this bill would be to invigorate the ombudsman program which the 95th Congress enthusiastically endorsed last year.

In addition, the Congressional Budget Office has estimated that enactment of the Long-Term Care Residents' Rights Act would result in little or no increase in the size of the Federal budget.

Mr. President, the Long-Term Care Resident's Rights Act is an effective proposal for protecting the rights of those Americans residing in long-term care facilities. I urge my colleagues to support this vital legislation.●

● Mr. JAVITS. I am pleased to join with Senators COHEN and WILLIAMS today in introducing legislation to assure residents of long-term care facilities the same rights and basic freedoms as they would have outside of such facilities. The Long-Term Care Residents' Rights Act covers hospitals, nursing homes, and other health facilities where the average stay is 30 days or more, and it is an important step forward in protecting the rights of our citizens who need services best provided in an institutionalized setting, but who should not be made to suffer the loss of self-respect because of that need.

Too often the residents of long-term care facilities are viewed as objects who, because of their physical inability to care for themselves, must have their conduct decided for them. Our bill recognizes that these individuals should retain the same rights of choice as the rest of us, and should be brought into the decisionmaking process as to their own lives. This legislation will guarantee residents the right to be informed of their medical condition and proposed treatment, of alternative modes of treatment, the right to refuse experimental treatment, the right to choose primary care providers, and to choose services from both within and without the facility.

Another important feature of our bill is the protection of confidentiality of personal and medical records of patients, and the requirement of written approval before the release of information contained in those records.

The confidentiality of medical records is one of the most pressing and sensitive issues facing the American people today, and earlier this year I introduced comprehensive legislation to protect the privacy of medical records of all individuals, similar to the provision for long-term care residents.

Mr. President, I have long been concerned with the rights of institutionalized persons, and have worked to protect a segment of our society that has too often been overlooked in the past. The measure we are introducing today is another step in that important effort.

We have in New York State a similar program to assure nursing home residents protection of their rights, which has worked extremely well, and I believe that the implementation of such a program nationwide will assure long-term care residents of the basic dignities and rights to which they are entitled.●

By Mr. DECONCINI:

S. 1547. A bill to amend the Internal Revenue Code of 1954 to include evaporative cooling devices among items for which the residential energy credit is allowed; to the Committee on Finance.

Mr. DECONCINI. Mr. President, I send to the desk a bill to amend the Internal Revenue Code of 1954 to include evaporative cooling devices among those items for which the residential energy credit is allowed.

Mr. President, in these times of critical shortages of energy resources, it is important that we seriously attempt to encourage conservation when possible and practical. I think we can all agree that the principle of offering a tax credit to achieve a generalized social goal can be self-defeating if misdirected. However, if a limited tax credit is directed at a specific, quantified energy objective, it can be an effective tool to voluntarily achieve a reduction in energy consumption.

Last year, the Congress passed the Energy Production and Conservation Tax Incentive Act. The legislation includes a number of specific energy-saving components eligible for residential energy credits. The component I am now proposing to add to the list was accepted by the Senate last year as an amendment to the Senate bill and had the support of the distinguished chairman of the Finance Committee. Unfortunately, the component was not accepted by the House of Representatives in the conference committee.

The importance of encouraging homeowners to make their residences more efficient with respect to heating has long been recognized. But although Congress has created tax credits to encourage home insulation and conversion to more efficient heating systems, the present inefficiencies in residential cooling have not been addressed. In many areas of the country, especially the 11 Western States, the energy involved in home cooling is much greater than that required for heating. The bill I am offering would make possible significant energy savings by promoting the use of the evaporative cooling device.

Evaporative coolers use the ancient and efficient principle of natural cooling. Water is pumped over pads of straw or shredded aspen. Fresh air, drawn by a blower is cooled and filtered as it flows through the pads and through the house. Because of the simple design, Mr. President, the coolers are comparatively inexpensive and have low operating and repair costs.

A recent study focused on residential cooling in the 11 Western States. It was determined that 32 million people, occupying 8 to 9 million residences, do, or could utilize evaporative coolers. It was further determined that approximately 50 percent of these residences have some form of cooling system. Of this 50 percent, about two-thirds or 3 million residences have air-conditioning, and only one-third or 1.5 million homes have evaporative air coolers.

This preliminary study of energy savings with the evaporative air cooler was conducted by Gordian Associates, Inc. of New York. The study demonstrated that because the evaporative cooler is powered by a one-half horsepower motor and consumes about one-fourth of the kilowatts of an air conditioner, it contributes a 70- to 75-percent energy savings per site. Currently, operating evaporative coolers save roughly 6 million barrels of oil per year. If just half of the potential users switched to an evaporative cooler, 18 million barrels of oil a year would be saved.

Historically, because of the low cost of electricity and the climate conditions of the West, home insulation has been underutilized, and is often totally inadequate. It is estimated that 48 percent of those below the poverty level live in houses with little or no insulation, and would benefit from the low cost cooling. And although the Western States have only 20 percent of the country's population, 30 percent of all mobile homes are located in the West. Mr. President, a great percentage of mobile home residents are retirees, are on fixed income, or otherwise subsist on a low income. Evaporative coolers are ideally suited for the low cost cooling of mobile homes, which are very susceptible to the summer heat.

And although the Gordian study was limited to the Western States, manufacturers indicate a large potential for energy savings throughout the United States.

I am hopeful, Mr. President, that the Senate will again seriously consider and ultimately recognize the benefits of this component and incorporate into the Act of 1978 a tax credit for the only energy-saving device that directly addresses the cooling problems of the South and West.

I ask unanimous consent to have the text of the bill printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph (A) of section 44C(c)(4) of the Internal Revenue Code of 1954 (relating to the definition of other energy-conserving component) is amended—

(1) by striking out "or" at the end of clause (vii) thereof,

(2) by redesignating clause (viii) as clause (ix), and

(3) by inserting after clause (vii) the following new clause:

"(viii) an evaporative cooling device, or".

(b) Clause (i) of section 44C(c)(6)(A) of such Code (relating to criteria and certification procedures) is amended by striking out "paragraph (4)(A)(viii)" and inserting in lieu thereof "paragraph (4)(A)(ix)".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable year beginning after December 31, 1978.

By Mr. CHILES (for himself and Mr. EAGLETON):

S. 1548. A bill to conform the offices of Inspector General established in the Department of Energy and the Department of Health, Education, and Welfare with the Offices of Inspector General established pursuant to the Inspector General Act of 1978, to establish an Office of Inspector General in the International Development Corporation Agency, and for other purposes; to the Committee on Governmental Affairs.

INSPECTOR GENERAL AMENDMENTS OF 1979

• Mr. CHILES. Mr. President, the need for the enactment of the Inspector General bill was clearly documented in case after case of fraud, mismanagement, and abuse in Government programs. I fully support Public Law 95-452 because it gave Inspectors General the key elements for proper program enforcement.

Now I think the time is ripe to include the current Inspector General offices in the departments of Health, Education, and Welfare and Energy, and to create such a position under the umbrella of Public Law 95-452 in the Agency position for International Development.

The Department of Health, Education, and Welfare has firmly supported its Inspector General in the past and I have no reason to believe that such support will not continue. In fact, the HEW post served as a model for the recent legislation and now I think it is proper, in the name of uniformity to include HEW, Energy, and AID under the provision of Public Law 95-452.

On June 13, 1979 my Governmental Affairs subcommittee on Federal Spending Practices held hearings on the lack of support for the investigative offices that was evident in both AID and the Energy Department. The current Inspector General in the Energy Department pointed out significant problems in auditing and investigations. In his annual report to the Congress, Inspector General, J. Kenneth Mansfield outlined several problem areas.

He repeated those problems in testimony before my subcommittee. Among the most significant problems are the facts that:

The Inspector General has been unable to carry out his responsibilities because of a critical shortage of auditors and investigators;

The Department of Energy not only failed on a promise to increase its authorized staff, they instead reduced the positions available to the Inspector General's office;

The Department of Energy has major gaps in its internal audit coverage. Programs totaling billions of dollars are being audited on a haphazard basis. Most of the auditing deficiencies are in program areas where the possibilities for waste, fraud, and abuse are the greatest.

The Office of Inspector General has such a shortage of investigators that they cannot realistically get involved in all the places they should be involved. They cannot investigate all the areas that cry out for attention. Staffing is such a critical problem that the Inspector General devoted a significant portion of his report to that one issue.

The Inspector General of the Energy Department also said that even with the small staff he had, he has been able to make some inroads in the detection of fraud in DOE programs. The newest discovery outlined by Mr. Mansfield is the uncovering of information on possible criminal wrongdoings in the strategic petroleum reserve program. The wrongdoings are of such magnitude that prosecutive authorities are being called in on this issue.

I believe that the Congress spoke loud and clear when the Inspector General legislation passed. In addition to the Department of Agriculture, the Department of Commerce, the Department of Housing and Urban Development, the Department of the Interior, the Department of Labor, the Department of Transportation, the Community Services Administration, the Environmental Protection Agency, the General Services Administration, the National Aeronautics and Space Administration, the Small Business Administration, and the Veterans' Administration, I believe that HEW, AID, and the Energy Department should have the identical mandate that the other agencies and departments have.

That mandate is twofold, first, to provide leadership and coordination and recommend policies for activities designed to promote economy and efficiency in the administration of, and to prevent and detect fraud and abuse in, such programs and operations; and second, to provide a means for keeping the head of the establishment and that Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action:

I am delighted to have as a cointroducer of this amendment, the Senator from Missouri (Mr. EAGLETON) who provided much of the legislative leadership necessary to make Public Law 95-452 a reality. I certainly welcome his support on this mesaure and I believe he has a statement on the amendment.•

• Mr. EAGLETON. Mr. President, Congress has repeatedly expressed its belief that offices of inspector general can be the cutting edge in a war against fraud, waste and mismanagement in Federal programs.

We pioneered the Inspector General concept in 1976 in the Department of Health, Education, and Welfare where the results have been encouraging. In 1977, Congress provided for an inspector general in the newly-created Department of Energy. The Inspector General Act of 1978 extended the concept to the departments of HUD, Labor, Commerce, Transportation, Interior and Agriculture, as well as EPA, NASA, SBA, the Veteran's Administration, the Community Services Administration, and GSA.

If the first few months of this new law are a fair indication, the taxpayers are in store for some major savings. In his first 6 months on the job, for example, the Department of Labor's Inspector General generated an estimated $43.8 million in savings. Labor's IG uncovered 645 cases of fraud, mostly concerning ineligible participants and insufficient documentation of expenditures. In these cases, there have been 67 indictments and 53 convictions so far.

The office's "strike force," which deals with violations in labor laws, has opened 213 cases, resulting in 16 indictments. The office is developing surveillance audits and fraud abuse protection surveys, designed to discover and correct weaknesses in the system and deter future frauds.

The highlight of the office's fledgling period was breaking up a corrupt migrant worker training operation, the Greater California Educational Project, Inc., and the recovery of the building in which it was housed, a Bank of America building bought illegally with Labor Department funds.

The Inspector General concept harnesses the audit and investigative resources of an agency under a single high-level official reporting directly to the agency head and Congress. Having no responsibility for program operations, the Inspector General has no vested interest in the success of agency programs. Nothing should stop the Inspectors General from conducting hard-nosed, independent audits and investigations. The concept is sound and important. But it can work only if Congress guarantees the Inspectors General the independence and resources necessary to credibly audit and investigate multibillion dollar departments with hundreds of on-going programs. Because the concept is still relatively untried, Congress must be sensitive to the experiences of the various

Inspector General offices and ready to take action when needed to upgrade their performance. We should also remain alert to other agencies which can benefit from the creation of an Inspector General's office.

Today, I join Senator CHILES in offering legislation to conform the offices of Inspector General established in the Department of Energy and HEW with the offices of Inspector General established pursuant to the Inspector General Act of 1978; and to establish an office of Inspector General in the soon-to-be created International Development Cooperation Agency (IDCA).

The Inspector General Act of 1978 differs in major respects from the earlier legislation establishing the IG offices in HEW and DOE. The 1978 act received the painstaking attention of both the House and Senate committees, building on the experiences at HEW and Energy. It gives the 12 new Inspectors General clearer guidance and more explicit guarantees of independence than their predecessors received. The Inspectors General in HEW and DOE should be granted the full sweep of authority intended by Congress in 1978. Experimenting with different approaches may be theoretically desirable, but not in the case of two departments where the stakes—measured in terms of millions of dollars misspent—are so high.

My main concern in introducing this legislation, unsurprisingly, is the Department of Energy. Congress established DOE in 1977 to develop a coherent and coordinated energy policy and to effectively implement legislation enacted by Congress. I have criticized DOE policies before and will undoubtedly do so again. But quite apart from any particular policy followed, the Department of Energy is an administrative and managerial nightmare. Many knowledgeable observers call it the "worst-run agency in the Government." And the Office of Inspector General at DOE, which should play a vital role in preventing and exposing fraud, waste, and mismanagement in the Department, has been far less effective to date than it could be.

Recently, the Inspector General for the Department of Energy, J. Kenneth Mansfield, submitted his first annual report. Mr. Mansfield described an office crippled by a lack of audit and investigative resources.

The entire office contains only 98 people. This contrasts with HUD which has 477; Agriculture, 918; and Commerce—with a budget one-fourth the size of DOE's—175 people.

The Inspector General's Office has 36 auditors. There are no auditors in the regional offices of DOE, nor at any of the major centers of enforcement such as Houston. The investigative resources are similarly inadequate. The office has exactly 17 investigators in Washington and only 4 people stationed around the country.

The size of the office has been steadily reduced since its creation. A year ago March, the office had a ceiling of 120. In the early summer, the ceiling was reduced to 110, and then reduced again to 100 later last year. At the same time these reductions were occurring, the Inspector General had advised Congress—based on a commitment from DOE—that the office would be allowed to expand to 155.

An Inspector General's office this size in DOE is laughable. It cannot provide searching, independent audits and investigations across the spectrum of DOE activities. This undermanned office undermines the credibility of the Inspector General legislation and makes a mockery out of the commitment by the President and Congress to combat fraud, waste, and mismanagement.

The consequences of such a shortage in staffing are predictable and unavoidable. As the Inspector General's report states:

> We think it almost certain that the amount of fraud and abuse in DOE programs now going undetected, unprecedented and unpunished because of our present inability to adopt a forward investigative strategy is large.

Although seriously understaffed, the office of Inspector General at DOE can point to several substantial accomplishments in its first 18 months of operation. For instance, corrective action by the Office of the Controller at DOE is underway in response to an IG audit that disclosed major weaknesses in the Department's management of $9.5 million worth of DOE headquarters accounts receivable.

The IG found major failings and prompt corrective action in the Department's casual administration of the oil transfer pricing program.

The IG reported that DOE was not fully carrying out the comprehensive recommendations of the Sporkin Task Force on Compliance and Enforcement for strengthening DOE programs for enforcing oil price regulations.

Finally, the IG did a detailed investigation setting forth the preferential access to confidential information which the Department was giving the American Petroleum Institute—a disastrous practice in terms of public confidence.

In short, the IG's operation carries the potential for real savings and improvement in management. Mr. Mansfield has shown commendable candor in informing Congress of his staffing problems. It is up to the Congress to insure that this important Office is not starved for resources.

The Department of Energy has defended these personnel cutbacks by pointing to the administration's desire for fiscal austerity. I share the administration's concern for holding the cost of Government down. But to do so by reducing the size of the Inspector General's Office is penny-wise and dollar-foolish. By all available estimates, trained auditors and investigators pay for themselves many times over. By shrewdly saving several million dollars in salaries, DOE assures that several billion dollars in programs and operations will be spent without any check on fraud or waste.

Something more than fiscal austerity is at work here. The IG's Office has suffered a 17 percent reduction in staff in the last year. The Office is 35 percent smaller than the projection of 155 which DOE authorized the IG to give to Congress. At the same time, other audit groups in the Department—operating outside the control of the Inspector General—have been increased by 14 percent. The personnel cutback departmentwide totaled only 391 people out of 19,000 DOE employees—about 2 percent. These figures signal a clear lack of enthusiasm at DOE for the idea of an inspector general. They also suggest the need for clear, explicit mandates from Congress to insure that the IG will have both the necessary resources and the necessary independence to do his job.

Senator CHILES has responded to the resource problem by directing DOE, in the supplemental appropriations legislation, to reallocate 16 positions and the necessary funds for these positions to the Inspector General's Office. Further attempts will be made to increase staffing in the fiscal year 1980 appropriations bill. The legislation we introduce today buttresses the Inspector General's independence in several critical ways.

First, the 1978 legislation provides that the department head may not prohibit the Inspector General or his staff from performing any audit or investigation which they decide to undertake, or from issuing whatever subpenas they deem necessary to pursue that audit or investigation. I think that this idea is implicit in the legislation covering the DOE Inspector General. However, because this aspect of the IG's independence is absolutely vital, it should be explicitly guaranteed, and this legislation would do so. In this sensitive area, the spirit of the law is no substitute for spelling out what Congress intends.

Second, the Inspector General will undoubtedly come across situations in which there is reason to believe criminal violations have taken place. Prompt and direct referral of such matters to the Department of Justice is vital to the effective and impartial administration of justice. Traditionally, in agencies without inspectors general, the auditors and investigators who turned up evidence of criminality have been forced to refer them to the General Counsel of the agency. Many matters never reached the Department of Justice; those that did often were considerably delayed.

This legislation would extend the explicit requirement of the 1978 law that the IG refer directly to the Department of Justice those matters where there are responsible grounds for believeing that the criminal law has been violated.

Third, much has been written in recent years about those Government officials or employees who have alerted Congress or the press to instances of fraud, waste, and mismanagement. Because of their vantage point, these whistleblowers can be a vital source of information which would not otherwise come to light. However, too often in the past, revealing waste or mismanagement made a Government employee a pariah; covering up cases of fraud or waste was often far more acceptable.

The 95th Congress took historic steps toward protecting whistleblowers. The civil service reform legislation contained explicit protections for whistleblowers and established an Office of Special Counsel to protect those employees who faced the possibility of reprisal for whistleblowing. The 1978 Inspector General Act extended similar protections. The Inspectors General were authorized to investigate employee complaints, and were required to keep the identity of whistleblowers confidential, unless disclosure of the identity became unavoidable during an investigation. Supervisors were prohibited from taking reprisals against the whistleblowers who gave information to the Inspector General unless the complainant knew the information was false, or proceeded with willful disregard for its truth and falsity.

It will take more than legislative edicts to dispel the fears of employees who hesitate to blow the whistle on wrongdoing. Each Inspector General will have to earn the confidence of employees in the agency by acting on substantial allegations while keeping complaints in confidence. But we should give the Inspector General at Energy the chance to begin earning that confidence by extending the whistleblower protections to his office.

Two other ideas—not presently included in this legislation—also warrant exploration. The omnibus Inspector General legislation listed the audit and investigative units in each agency to be transferred to the Inspector General's office. The DOE legislation did not specify any consolidation, perhaps because a new department was being created. Consequently, there are presently 125 DOE auditors reporting to the officials who head DOE field offices—precisely the arrangement which the Inspector General legislation was intended to rectify. The Department's audit resources have not been consolidated under the Inspector General, undermining his ability to "supervise, coordinate, and provide policy direction for the auditing activities" of the Department, as the statute requires. It may be that increasing the IG's personnel will give Mr. Mansfield the leverage needed to supervise and coordinate audit activities; however, we should consider the possible advantages—and disadvantages—of also bringing the field office auditors under the authority of the IG.

It may also be advisable to require a separate line item in each departmental budget for the offices of Inspector General. I recognize that this kind of provision was considered last year and removed from the omnibus bill by agreement between the committees and the administration. Since that time, however, we have received the first set of budget requests covering the new offices of Inspector General. While the handling of the budget requests varies widely from department to department, some departments buried the item so deep in the small print of the budget or combined it with other unrelated items that the departments' plans for the IG's became almost inscrutable.

On occasion, discrepancies have arisen between what OMB had promised by way of resources and what the departments thought they had been promised. A separate line item for each IG office would highlight just how the administration is treating an activity to which Congress accords high priority.

Through the Agency for International Development (AID), the U.S. Government spends more than $3 billion annually in foreign assistance. There have been many reports over the years concerning fraud, waste and mismanagement in our foreign assistance programs. Robert Nooter, the Acting Administrator of AID, recently noted that:

> The nature of AID's mission and the overseas locale create a higher risk of fraud, waste and inefficiency than that encountered by domestic Federal agencies.

The need to carefully audit and investigate the flow of foreign assistance funds from this country is obvious.

At present, those audit and investigative responsibilities reside in the Auditor General of AID. Congress has increased the Auditor General's independence to the point that he now possesses much of the same authority as an Inspector General would. However, the Auditor General does not yet have subpoena authority, an important weapon in the Inspector General's arsenal, and he is appointed by the Administrator of AID, rather than the President.

In my view, it is time to give an Inspector General in the foreign assistance area the same responsibilities and authority as the IG's in the domestic departments I am aware that an Inspector General for Foreign Assistance (IGA) was created in 1961 and that Congress, dissatisfied with its performance, decided to abolish the office in 1977. However, we have learned a great deal about the Inspector General concept since 1961, and there is no reason to believe that the unique problems experienced by IGA will recur. Necessity has already driven us to expand the authority of the AID Auditor General; we should finish the job and establish a full-fledged office of inspector general in this area.

Reorganization Plan No. 2 of 1979, recently approved by both Houses, would create a new International Development Cooperation Agency (IDCA) as an independent agency to administer and coordinate the bilateral and multilateral portions of our development assistance. The legislation we introduce today would establish an Inspector General for IDCA. This approach insures that the Inspector General will have responsibility for programs and operations of AID as well as the other activities undertaken by IDCA.

The public is entitled to know that the billions of dollars which go to fund Federal programs are administered vigilantly. Congress believes that the Inspectors General can help provide that assurance. The legislation we introduce today—and Congress continuing oversight—will help translate the bright promise of the Inspector General concept into performance.●

By Mr. CANNON:

S. 1550. A bill to provide for a reorganization of the international trade functions of the U.S. Government, to encourage the development of consistent international and domestic economic programs and policy, and for other purposes; to the Committee on Governmental Affairs.

DEPARTMENT OF COMMERCE AND TRADE ORGANIZATION ACT

● Mr. CANNON. Mr. President, today I am introducing the Department of Commerce and Trade Organization Act, a bill to reorganize the trade functions of the Federal Government into a more cohesive organization and to provide more effective coordination for the consideration of international economic issues.

President Carter yesterday released his proposals for the consolidation of international trade functions into the Office of the Special Trade Representative and the Department of Commerce, both of which will be renamed.

He is to be commended for his effort and his acknowledgment of the need to streamline the unwieldy structure which has developed over the years. The plan represents a good beginning for the task which lies ahead of the Congress and the Executive.

The legislation which I am introducing incorporates the President's proposal together with what I believe are desirable supplemental provisions. The bill and a section-by-section analysis will be printed below. However, I would like to comment briefly about the President's plan and certain trade matters generally and to mention a few differences between my bill and his plan.

The President's plan calls for the permanent transfer of all negotiating authority to the Office of the U.S. Trade Representative, which is currently named the Office of the Special Trade Representative. This means negotiating authority on East-West trade commodity negotiations, all negotiations related to MTN, energy, international investments, all other trade negotiations. As my colleagues who have followed the arduous Tokyo round of the MTN know, the next set of negotiations probably will focus on barriers to trade in services. This is of particular interest to me since this may include transportation services.

With respect to the differences in yesterday's proposal and my own bill, I would like to note a few of the provisions which differ from the President's proposal.

First, my bill would authorize a Deputy Secretary of Commerce and Trade; an Under Secretary for Technology and Industry—in addition to the Under Secretary for International Trade—to oversee technological and domestic commercial issues and three additional Assistant Secretaries for Productivity, Industrial Policy and Planning, and Service Industries, respectively.

The purpose of these organizational changes is to integrate the new trade functions—other than import relief—more closely with domestic commercial activities. In the great public debate about trade reorganization, the point has often been missed that our trade performance can be improved permanently only if domestic business and the national economy are fully competitive. Improvements in productivity, for which the new Assistant Secretary for Productivity would be responsible, is crucial to improving our international competitiveness.

My bill would also create a Council for International Economic Coordination (CIEC) within the Executive Office of the President. Clearly, the reorganization proposal does not and should not eliminate all of the international responsibilities of other Federal agencies. The Treasury's responsibility for international monetary affairs is an example. These functions must be coordinated with those of the other Departments, and I believe that the establishment of a CIEC would complement the reorganization.

President Carter has taken an important step in rationalizing the trade bureaucracy. I hope that the Congress will act expeditiously to resolve this important national issue.

I recognize that there are not major differences between the proposal I am offering today and the trade proposals announced by the President yesterday. My primary concern is that we in the Congress take the necessary actions to make it possible for the United States to increase exports and be more effective in international trade.

I ask unanimous consent that the bill and the section-by-section analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1550

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Department of Commerce and Trade Organization Act".

TITLE I—FINDINGS AND PURPOSES

FINDINGS

SECTION 101. The Congress finds that—

(1) the output of approximately one-third of the crop acreage of the United States is exported and that about one out of every nine manufacturing jobs depends directly or indirectly, on exports;

(2) there has been a decline in the U.S. share of manufactured exports, in the U.S. share of world trade, and an increase in the merchandise trade and balance of payments deficits;

(3) it is in the national interest to maintain and promote the export of United States goods and services and thereby contribute to the financial strength of the dollar and the health of our domestic economy;

(4) the United States needs an active policy to promote U.S. exports and to enhance the competitiveness of U.S. industry and a trade policy which must include promotional programs in addition to currency and price changes to improve competitiveness of U.S. products and services;

(5) the competitiveness of U.S. goods and services in the international marketplace depends in large part upon domestic economic conditions, including policies on taxation, capital formation and investment, scientific and technological innovation, human resources, and the control of inflation;

(6) there should be consistency between domestic and international economic policies with the objective of strengthening the U.S. economy generally, increasing the financial and competitive capabilities of U.S. industry, and contributing to improvements in the incomes and working conditions of U.S. workers;

(7) improvements in the competitiveness of U.S. industry, products, and services can be best achieved by encouraging maximum cooperation among Government, industry, labor, and the general public and by developing common national economic objectives to which all groups contribute and from which all benefit; and

(8) the capability of existing Federal agencies to deal with issues of international trade and investment, U.S. industrial competitiveness, productivity, and technological innovation is inhibited by fragmentation and dispersal of U.S. Government functions, resulting in inadequate and uncoordinated attention being given to the development and implementation of trade policy, analysis of crucial international economic issues, promotion and attainment of national economic objectives, promotion of U.S. exports of products and services, and the protection of U.S. commercial interests with respect to many other trading nations.

PURPOSES AND FUNCTIONS

SEC. 102. (a) The purposes of this Act are to—

(1) improve the international balance of payments and trade positions of the United States by reducing the inefficient dispersion of international trade policy and trade and commerce responsibilities among the agencies of the United States Government;

(2) provide for a more coherent and effective organization within the United States Government for the formulation and implementation of international trade policy and the direction and administration of trade and commerce responsibilities of the Government;

(3) achieve consistency and harmony between the Nation's international economic policy, including the trade, commercial and financial elements thereof, and its domestic economic policy, including industrial policy, in order to better serve the overall national interest;

(4) expand the Nation's exports of goods and services by enhancing the ability of the United States Government to promote and assist such exports;

(5) declare it the policy of the United States Government to provide strong support for U.S. exporters by utilizing the maximum available resources of the United States Government to promote the export of U.S. goods and services except where contrary to the national security or national economic interests; and

(6) improve the competitiveness of U.S. industry and labor by enhancing productivity, encouraging scientific and technological innovation, and providing means for the coordination of the views of government and the private sector.

(b) The purposes of this Act are to be achieved by

(1) the reorganization of the international trade policy and trade and commercial functions of the various agencies of the United States Government;

(2) establishment of a Council for International Economic Coordination;

(3) Authority for the appointment and assignment abroad by the Secretary of Commerce and Trade of commercial counselors and commercial attaches.

(c) In addition to all functions currently vested in the Secretary of Commerce, the Department of Commerce, or any officer or component thereof under existing law, the functions vested in the Secretary of Commerce and Trade under this Act are—

(1) to coordinate the development and implementation of United States international trade policy, including international trade in goods and services, international investment, trade credits and export financing, East-West trade, and international commodities;

(2) to promote the expansion of exports of United States goods and services by stimulating new markets abroad, by monitoring the adherence by foreign nations to the provisions of United States trade and commercial agreements with them, by providing trade and commercial services abroad, and by gathering and reporting relevant trade and commercial information and statistics;

(3) to carry out the gathering and reporting of information regarding foreign investment in the United States and United States investment abroad;

(4) to provide for free and fair trade by the impartial administration of the antidumping and countervailing duty laws, process national security import cases, investigate and resolve unfair import practices matters, and to protect against certain foreign trade practices under United States trade agreements with other countries;

(5) to administer, implement and enforce the trade agreements of the United States, and to chair and administer the bilateral joint commissions with other countries;

(6) to administer the foreign assets control and trade embargo responsibilities of the Government; and

(7) to administer tariff classification and nomenclature and related statistical reporting functions.

TITLE II—DEPARTMENT OF COMMERCE AND TRADE

REDESIGNATION

SEC. 201. The Department of Commerce is hereby redesignated the Department of Commerce and Trade (hereinafter in this Act referred to as the "Department"), and the Secretary of Commerce or any other official of the Department of Commerce is hereby redesignated the Secretary or official, as appropriate, of Commerce and Trade. The Department of Commerce and Trade, the Secretary, any official and component thereof shall succeed to the same functions and be subject to the same requirements as provided in the Organic Act of the Department of Commerce (15 U.S.C. 1519).

PRINCIPAL OFFICERS

SEC. 202. (a) There shall be in the Department a Deputy Secretary, who shall be appointed by the President, by and with the advice and consent of the Senate, who shall have such functions, powers and duties as the Secretary shall prescribe. The Deputy Secretary shall act for, and exercise the powers of the Secretary in the absence or disability of the Secretary or in the event of a vacancy in the Office of the Secretary, shall serve on the Board of Directors of the Export-Import Bank, and shall be compensated at the rate provided for level II of the Executive Schedule under section 5315 of title 5, United States Code. The Secretary shall prescribe the succession to the functions, powers and duties of the Secretary in the event of the absence or disability of or vacancy in the Office of the Deputy Secretary.

(b) In addition to other Under Secretaries authorized by law, there shall be in the Department an Under Secretary for International Trade and an Under Secretary for Technology and Industry, each of whom shall be appointed by the President, by and with the advice and consent of the Senate, and each of whom shall have such functions, powers and duties as the Secretary shall prescribe. Each Under Secretary shall be compensated at the rate provided for level III of the Executive Schedule under section 5315 of title 5, United States Code.

(c)(1) There shall be in the Department, in addition to the Assistant Secretaries currently authorized by law, the following:

(a) an Assistant Secretary for Productivity;

(b) an Assistant Secretary for Industrial Policy and Planning; and

(c) an Assistant Secretary for Service Industries.

Each such Assistant Secretary shall be appointed by the President, by and with the advice and consent of the Senate, and shall have such functions, powers and duties as the Secretary shall prescribe in addition to those prescribed in section 202(c)(2) of this Act. Each such Assistant Secretary shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c)(2)(a) The functions of the Assistant Secretary for Productivity shall include, but not be limited to the following:

(i) serve as the principal United States Government officer in development, analysis, and evaluation of programs established to enhance the productivity of U.S. industry and workers;

(ii) engage in a program of education of the importance of productivity to the competitiveness of U.S. industry;

(iii) collect and disseminate information about and monitor foreign, state and local, and private sector programs which are successful in enhancing productivity and the quality of the workplace;

(iv) engage in a program of research on productivity problems with a view toward applying such information gained to productivity issues; and

(v) bring together management, labor, Federal agencies, and other private persons to discuss means to improve U.S. productivity.

(b) The functions of the Assistant Secretary for Industrial Policy and Planning shall include, but not be limited to the following:

(i) monitor closely foreign government programs which have been established for the purpose of providing foreign government assistance to industry;

(ii) monitor and collect and analyze information on economic and commercial developments in foreign industry which could have a significant economic effect on the competitiveness of U.S. industry;

(iii) develop the capacity, in collaboration with other components of the Department, within the United States Government to provide an early warning to U.S. business and labor of problems resulting from increased competition from foreign products or services in U.S. or foreign markets;

(iv) bring together representatives from the United States Government, business, and labor, and other private persons to discuss industrial problems and prospects; and

(v) coordinate the consideration and development of United States Government policy with respect to enhancing the ability of U.S. industry to become more competitive with respect to foreign competition and to improve the incomes and working conditions of U.S. workers who are employed in such industries.

(c) The functions of the Assistant Secretary for Service Industries shall include, but not be limited to the following:

(i) promote and foster the development of U.S. service industries abroad and within the United States;

(ii) collect and disseminate economic and commercial information about service industries, including providing information to United States Government negotiators who are involved in international discussion or negotiations with respect to service industries; and

(iii) oversee and enhance the competitiveness within domestic service industries and of U.S. companies engaged in the sale of services overseas.

TITLE III—TRANSFERS AND REORGANIZATION

TRANSFER OF FUNCTIONS AND AGENCIES TO THE DEPARTMENT OF COMMERCE AND TRADE

SEC. 301. (a) There are hereby transferred to and vested in the Secretary, the following:

(1) All functions of the Secretary of State, the Department of State, and any officer or component thereof that relate to or are carried out through:

(A) Commercial counselors, commercial attaches, or other commercial officers, including export promotion and assistance, trade and commercial information gathering and reporting, and trade and commercial affairs and services, such functions to be exercised and carried out through the commercial counselors and commercial attaches authorized in Title IV of this Act;

(B) International investment affairs and policy;

(C) Technical and scientific policies; and

(D) International resource and commodity policy.

(2) All functions of the Secretary of the Treasury, the Department of the Treasury, and any officer or component thereof that relate to or are carried cut through:

(A) The administering authority under Title I of the Trade Agreements Act of 1979 and section 303 of the Tariff Act of 1930 (19 U.S.C. 1303) as amended by section 103 of the Trade Agreements Act of 1979;

(B) Section 232(b) of the Trade Expansion Act of 1962, as amended by section 127(d) of the Trade Act of 1974 (19 U.S.C. 1862(b));

(C) Chairmanship of the Committee on Foreign Investment in the United States;

(D) The United States chairmanship and administration of all joint commissions established with foreign countries except that for Saudi Arabia;

(E) Authority delegated to the Secretary by the President under section 5 of the Trading with the Enemy Act of 1917, as amended (50 U.S.C. App. 5), section 5 of the United Nations Participation Act of 1945, as amended (22 U.S.C. 287c), and section 620(a) of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2370(a));

(F) the following offices:

(i) the Office of Tariff Affairs under the General Counsel;

(ii) the Office of Foreign Assets Control under the Assistant Secretary for Enforcement and Operations;

(iii) the Office of Trade and Investment Policy under the Assistant Secretary for International Affairs; and

(iv) the Office of Commodities and Natural Resources under the Assistant Secretary for International Affairs.

(3) All functions, powers and duties of the Special Representative for Trade Negotiations that relate to or are carried out through:

(A) Enforcement of trade agreements and protection against certain foreign trade practices with respect to non-agricultural products under sections 302, 304, 305 and 306 of the Trade Act of 1974;

(B) Administration of the generalized system of preferences under Title V of the Trade Act of 1974, as amended by section 1111 of the Trade Agreements Act of 1979;

(C) Administration of trade agreements with respect to non-agricultural products and services under section 350 of the Tariff Act of 1930, as amended (19 U.S.C. 1351), section 201 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1821), and under title I of the Trade Act of 1974, as amended by section 1101 of the Trade Agreements Act of 1979;

(4) The functions of the Overseas Private Investment Corporation under section 231 through 240A of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2191-2200a).

(5) All functions of the International Trade Commission that relate to:

(A) section 337 of the Tariff Act of 1930, as amended by section 341 of the Trade Act of 1974 (19 U.S.C. 1337) and as amended by section 1105 of the Trade Agreements Act of 1979;

(B) tariff nomenclature and classification and statistical reporting under section 201 of the Tariff Classification Act of 1962 (19 U.S.C. prec. 1202) and section 484(e) of the Tariff Act of 1930, as amended by section 608(a) of the Trade Act of 1974 (19 U.S.C. 1484(e)) and all other functions of the Commission under section 608 of the Trade Act of 1974 (19 U.S.C. 1484); and

(C) section 332 (a) and (b) of the Tariff Act of 1930, as amended (19 U.S.C. 1332).

(6) All administrative and promotional functions of the Federal Trade Commission under section 5 of the Export Trade Act of 1918, as amended (15 U.S.C. 65).

(7) All functions of the Federal Energy Administrator, Federal Energy Administration, and the Department of Energy or any office or component thereof relating to reviewing and monitoring the ownership and influence of foreign ownership of domestic energy companies as authorized by section 26 of the Federal Energy Administration Act (15 U.S.C. 785); and

(8) All functions of the Secretary of the Interior conducted through the office known as the Division of International Industry and Economic Analysis.

TRANSFER OF FUNCTIONS TO THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

SEC. 302. (a) There are hereby transferred to and vested in the Special Representative for Trade Negotiations the functions, powers and duties of the Secretary of State, the Department of State, and any officer or component thereof, that relate to the negotiation with foreign nations of trade or commercial agreements, including commodity, energy and international investment agreements.

(b) The Special Representative for Trade Negotiations shall also coordinate and, where appropriate, participate in all international negotiations involving Federal agencies, including, but not limited to, official conferences and meetings, which relate to international commercial activities.

TRANSFER OF FUNCTIONS TO THE SECRETARY OF AGRICULTURE

SEC. 303. (a) There are hereby transferred to and vested in the Secretary of Agriculture the functions of the Office of Food Policy and Programs in the Bureau of Economic Affairs of the Department of State.

(b) There is transferred to and vested in the Secretary of Agriculture the functions of administration of trade agreements with respect to agricultural products under section 350 of the Tariff Act of 1930, as amended (19 U.S.C. 1361), section 201 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1821), and under section 1101 of the Trade Agreements Act of 1979.

(c) There is transferred to and vested in the Secretary of Agriculture the functions of enforcement of trade agreements and protection against certain foreign trade practices with respect to agricultural products under section 302, 304, 305, and 306 of the Trade Act of 1974.

TITLE IV—COUNCIL FOR INTERNATIONAL ECONOMIC COORDINATION

FINDINGS

SEC. 401. The Congress finds that there are many activities undertaken by Federal agencies which, in the aggregate, constitute the domestic and international economic policy of the United States. The Congress further finds that the objectives of the United States with respect to a purposeful and beneficial inernational economic policy require the integration and closer coordination of (1) domestic economic policy, including industrial and investment policies, (2) international economic policy, including the foreign trade and investment and commercial and financial aspects thereof, and (3) domestic and foreign economic activities engaged under or in accordance with such policies.

STATEMENT OF PURPOSES

SEC. 402. It is the purpose of this title to provide for closer Federal interagency consultation and coordination in the development and administration of the international economic policy of the United States. The Council for International Economic Coordination established under this title is intended to provide for:

(a) coordinated development and analysis of aspects of international economic policy, including but not limited to foreign security policy, trade and commerce, investment, balance of payments, finance, international monetary and natural resources considerations;

(b) achievement of maximum consistency between the Nation's international economic policy and its domestic economic policy, including, but not limited to, employment, control of inflation, investment, industrial, fiscal, technological and social considerations; and

(c) coordinated consideration of the relationship between economic and political issues.

The Council shall have the authority to (i) investigate problems with respect to the coordination, implementation, and development of international economic policy; (ii) make appropriate findings and recommendations for the purpose of assisting in the development of an international economic policy consistent with the overall domestic economic policy and the international economic goals and interests of the Nation; and (iii) serve as the principal forum for interagency discussion of international economic issues and policy and their relationship to domestic economic issues and policy, except as provided elsewhere by statute.

CREATION OF THE COUNCIL FOR INTERNATIONAL ECONOMIC COORDINATION

SEC. 403. There is created in the Executive Office of the President a Council for International Economic Coordination (hereinafter referred to in this title as the "Council").

MEMBERSHIP

SEC. 404. (a) The Council shall be composed of the following members and such additional permanent and temporary members as the President may designate:

(1) The President;

(2) The Secretary of State;

(3) The Secretary of the Treasury;

(4) The Secretary of Defense;

(5) The Secretary of Agriculture;

(6) The Secretary of Commerce and Trade;

(7) The Secretary of Labor;

(8) The Secretary of Energy;

(9) The Director of the Office of Management and Budget;

(10) The Chairman of the Council of Economic Advisers;

(11) The Special Representative for Trade Negotiations.

The President shall be the Chairman of the Council and shall preside over the meetings of the Council; in his absence he may designate a member of the Council to preside in his place.

(b) The permanent members of the Council shall delegate an official of the member's agency who has responsibility for international economic affairs or the appropriate official of that agency as the representative of the agency in the event that the member cannot attend meetings of the Council.

(c) The Council must meet at least once a month at the call of the President or more often at the President's direction.

DUTIES OF THE COUNCIL

SEC. 405. (a) Subject to the direction of the President, and in addition to performing such other functions as he may direct, the Council shall—

(1) assist and advise the President in the preparation of the International Economic Report required under section 406;

(2) review the activities and policies of the United States Government which directly or indirectly relate to international economics, trade and commerce as it is affected by the activities of (A) the various agencies of the Federal government, (B) private industry, (C) labor, and (D) states and localities.

(3) collect, analyze, evaluate and report to the President authoritative information and forecasts or estimations relating to all aspects of international economic, trade, commercial and investment matters. Such evaluations shall include but not be limited to the impact of international trade and commerce on domestic economic and industrial policy, inflation, employment, investment, industrial and manufacturing capacity, competitiveness, industrial capabilities, fiscal developments, and social considerations.

(4) consider policies and programs for coordinating the activities of all Federal agencies with one another for the purpose of accomplishing an international economic objective consistent with the domestic economic and industrial policies and long term international economic interests of the United States.

(5) assess on a continual basis the progress and effectiveness of U.S. efforts to carry out the international economic policy described in paragraph (4) above.

(6) make recommendations to the President for domestic and international programs that will promote consistency between the international economic policy and the domestic economic and industrial policy of the United States and stimulate the expansion of United States exports of goods and services, enhance the competitiveness of domestic business and labor and maximize the national economic interest consistent with the Nation's international responsibilities and global needs. Recommendations under this paragraph may include, but shall not be limited to, policy proposals relating to monetary issues, inward or outward investment, trade, commerce, balance of payments, foreign aid, taxation, reductions or modification of United States Government disincentives to exports of goods and services, and export promotion policies, international transportation, activities of multinational corporations, technology transfer, commodities and materials policy, and multilateral and bilateral trade and other agreements.

(7) assist and coordinate with the activities of other organizations within the Federal Government, including those which are created by law or by order of the President, which are engaged in the development, analysis or implementation of international economic or political policy.

REPORT

SEC. 406. (a) The President shall transmit to the Congress an annual report on the international economic position of the United States. Such report (hereinafter referred to as the "International Economic Report") shall be submitted not later than sixty days after the beginning of each regular session of the Congress, and shall include—

(1) information and statistics describing characteristics of international economic, trade and commercial activity and identifying significant current and foreseeable trends and developments;

(2) a review of the impact of the international economic policy and international economic, trade and commercial programs of the Federal Government, and of domestic and foreign economic and other relevant conditions, upon the international economic, trade and commercial interests of the United States, including, but not limited to, the effects of such policy, programs and conditions on the international economic, trade and commercial, investment, financial and monetary positions of the United States;

(3) a review of the impact of the international economic, trade and commercial policy and programs of the United States on the domestic economy of the United States, including, but not limited to, domestic employment, investment, inflation, industrial and manufacturing capacity, competitiveness and capabilities, technology and product innovation, service industries, fiscal and other revenues and social considerations; and

(4) a program for carrying out the policy objectives of this title, together with such recommendations for legislation as he may deem necessary or desirable.

(b) The President may transmit from time to time to the Congress reports supplementary to the International Economic Report, each of which may include such supplementary or revised recommendations or economic information as he may deem necessary or desirable to achieve the purposes and policy objectives set forth in this title.

EXECUTIVE DIRECTOR AND STAFF OF COUNCIL

SEC. 407. (a) Services for the Council shall be provided by the Office for International Economic Coordination, which shall be headed by an Executive Director who shall be appointed by the President, by and with the consent of the Senate, and he shall be compensated at the rate now or hereafter provided for level II of the Executive Schedule (5 U.S.C. 5313). He shall keep the Senate Committees on Commerce, Science and Transportation; Banking, Housing and Urban Affairs; Finance; and Foreign Relations; the House Committees on Interstate and Foreign Commerce; Banking and Currency; Foreign Affairs; and Ways and Means; and the Joint Economic Committee fully and currently informed of the activities of the Council and the Office for International Economic Coordination. He shall make himself available to testify before duly constituted Committees of the Congress.

(b)(1) With the approval of the Council, the Executive Director may appoint and fix the compensation of such staff personnel as he deems necessary. Except as provided in paragraph (2), the staff of the Council shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(2) With the approval of the Council, the Executive Director may appoint and fix the compensation of one officer at a rate of basic compensation not to exceed the rate provided for level IV of the Federal Executive Salary Schedule, and appoint and fix the compensation of two officers at rates of basic compensation not to exceed the rate provided for level V of the Federal Executive Salary Schedule.

(c) With the approval of the Council, the Executive Director may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, at rates not to exceed the daily equivalent of the rate provided for GS-18.

(d) Upon request of the Executive Director, the head of any Federal agency is authorized to detail, on a reimbursable basis or otherwise, any of its personnel to the Council to assist it in carrying out its duties under this title.

(e) Members of the Council shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Council.

(f) The Executive Director shall not concurrently hold any other office or position of employment with the United States Government.

(g) The Executive Director is authorized to accept voluntary and uncompensated services without regard to the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 655(b)).

Sec. 408. There is authorized to be appropriated to carry out the functions of the Council and Office the sum of $1,500,000 for the fiscal year ending September 30, 1981, and $1,750,000 for the fiscal year ending September 30, 1982.

TITLE V—COMMERCIAL COUNSELORS AND COMMERCIAL ATTACHÉS

General Provisions: Commercial Counselors and Commercial Attachés

SEC. 501. In order to develop, maintain, and expand international markets for the products and services of the United States; to insure the promotion and protection of United States trade and commercial services abroad for United States trade and commercial interests around the world; to provide trade and commercial services abroad for United States firms and businessmen and trade and commercial organizations; and to secure trade and commercial information useful for the expansion of exports of United States products and services, the Secretary of Commerce and Trade (hereinafter in the title the "Secretary") is authorized to appoint such commercial counselors and commercial attachés, who shall be employees of the Department of Commerce and Trade as the Secretary determines to be necessary to carry out the purposes of this title and, with the concurrence of the Secretary of State, to assign such commercial counselors and commercial attachés to service abroad.

TITLES: RANK AND PRIVILEGES

SEC. 502. Commerical counselors and commercial attachés assigned to posts abroad shall be accorded the same rank and privileges as those of other counselors or attachés in United States embassies and consulates.

ATTACHMENT TO DIPLOMATIC MISSIONS

SEC. 503. Upon the request of the Secretary, the Secretary of State shall regularly and officially attach the commercial counselors and commercial attachés appointed and assigned hereunder to the diplomatic mission of the United States in the country in which such commercial counselors or commercial attachés other personnel are to be assigned by the Secretary, and shall obtain for them diplomatic privileges and immunities equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary.

FUNCTIONS AND DUTIES

SEC. 504. Commercial counselors and commercial attachés appointed and assigned abroad by the Secretary under this title, and other personnel employed under their direction, in furtherance of the purposes set forth in section 501 and in accordance with regulations prescribed by the Secretary after consultation with the Secretary of State, shall have the following functions and duties:

(a) export promotion, including but not limited to, (i) the promotion of United States exports and commercial interests in their districts, (ii) the creation, within the scope of their duties and as appropriate, of a demand for United States products and services in such districts, and (iii) encouragement for the establishment and support of American chambers of commerce;

(b) trade and commercial reporting, including, but not limited to, (i) reporting on general economic conditions and commercial developments within their districts, (ii) monitoring and reporting on the implementation of and compliance with the provisions of multilateral and bilateral trade agreements with the United States by the government, agencies, or instrumentalities of the country to which they are assigned; (iii) preparation of market research reports, (iv) commodity and industry reporting, (v) reporting on foreign law and business practices affecting United States trade and commercial interests, (vi) investigation and reporting on trade opportunities, and (vii) upon request, investigation and reporting on the general commercial standing and capacity of specific foreign firms or individuals within their districts; and

(c) trade and commercial services, including, but not limited to, (i) protection and promotion of United States trade and commercial interests and investments including industrial property rights, within their districts, (ii) assistance to United States businessmen and firms visiting or operating within their districts, (iii) followup on trade opportunities, (iv) assistance, when appropriate, in the adjustment of trade and commercial disputes involving United States firms or commercial and financial interests, and (v) assistance to other United States Government agencies and to firms and businessmen with respect to trade missions, trade fairs, and other international trade and commercial exhibitions.

(d) other functions and duties as the Secretary, after consultation with the Secretary of State, determines to be necessary and proper for achieving the purposes of this title.

PRESIDENTIAL REGULATIONS

SEC. 505. The President shall prescribe regulations to insure that the official activities of commercial counselors and commercial attaches appointed and assigned abroad under this subchapter, and other personnel employed under their direction, are carried on (i) consonant with United States foreign policy objectives as defined by the Secretary of State; (ii) in accordance with the instructions of the Secretary with regard to trade and commercial matters; and (iii) in coordination with other representatives of the United States Government in each country, under the leadership of the Chief of the United States Diplomatic Mission.

OFFICE SPACE, EQUIPMENT, AND ADMINISTRATIVE AND CLERICAL PERSONNEL

SEC. 506. The Secretary of State, upon request of the Secretary, shall provide office space, equipment, facilities, and such other administrative and clerical services as may be required for the performance of the functions and duties of the commercial counselors and commercial attaches appointed and assigned abroad under this title, and other personnel employed under their direction, appropriate to Foreign Service officers or other personnel of the same rank and salary. The Secretary is authorized to reimburse or advance funds to the Secretary of State for such services. The Secretary is authorized, in accordance with applicable law and regulations prescribed by the Secretary after consultation with the Secretary of State, and with the approval of the Chief of Mission, to employ locally such United States nationals or other personnel, as the Secretary deems necessary to further the purposes set forth in section 501 of this title or to the exercise and carrying out of the functions and duties of the commercial counselors and commercial attaches and other personnel appointed and assigned abroad under this title.

AGENCY SERVICES, PERSONNEL AND FACILITIES

SEC. 507. Under the request of the Secretary of Industry, Trade and Investment, each Federal agency may make its services, personnel, and facilities available to the commercial counselors and commercial attaches appointed and assigned to a post abroad under this subchapter in the performance of their functions and duties. The Secretary is authorized to reimburse or advance funds to any such agency for such services, personnel, and facilities so made available.

FOREIGN SERVICE APPROPRIATIONS: APPLICABILITY

SEC. 508. Provisions in annual appropriations acts of the Department of State facilitating the work of the Foreign Service of the United States shall be applicable under rules and regulations prescribed by the President or his designee to activities pursuant to this title.

PERFORMANCE OF FUNCTIONS IN FOREIGN LOCALITIES

SEC. 509. Each commercial counselor or commercial attache appointed and assigned under this title to a U.S. diplomatic mission abroad, may carry out the functions and duties authorized hereunder in such other nations as the Secretary, in consultation with the Secretary of State, may determine to be necessary and proper in order to carry out the purposes of this title.

REPORTS AND DISPATCHES AVAILABILITY TO DEPARTMENT OF STATE AND INTERESTED GOVERNMENT AGENCIES

SEC. 510. The reports and dispatches prepared by the commercial counselors or commercial attaches appointed and assigned abroad under this title shall be made available to the Department of State, and may be made available to other interested agencies of the Government, and the trade and commercial reports and dispatches and related information produced by officers of the Foreign Service shall be made available to the Secretary.

REPRESENTATIVE ALLOWANCES

SEC. 511. Any commercial counselor or commercial attache appointed and assigned by the Secretary to a post abroad under this title, under regulations prescribed by the Secretary, may be authorized to receive a representation allowance in an amount to be determined by considering (a) the extent to which such commercial counselor or commercial attache can effectively use such funds to further the purposes of this title; (b) travel and entertainment expenses customary in the private trade for persons of comparable rank and salary, and (c) the customs and practices in the nation to which he or she is assigned.

LANGUAGE TRAINING FOR FAMILIES OF COMMERCIAL COUNSELORS AND COMMERCIAL ATTACHES APPOINTED AND ASSIGNED ABROAD

SEC. 512. Effective as of the effective date of this Act, the Secretary is authorized to provide appropriate orientation and language training to families of officers and employees of the Department of Commerce and Trade in anticipation of the appointment of such officers and employees as commercial counselors and commercial attaches and assignment abroad or while abroad pursuant to this title or other authority: provided that, the facilities of the Foreign Service Institute or other Government facilities shall be used wherever practicable. The Secretary's Annual Report to the Congress under section 8 of the Department of Commerce Organic Act (15 U.S.C. 1519) shall include a detailed report showing activities carried out under the authority of this section during such fiscal year.

ALLOWANCES AND BENEFITS

SEC. 513. The Secretary may, under such rules and regulations as may be prescribed by the President or his designee, provide to the commercial counselors and commercial attaches appointed and assigned under this title allowances and benefits similar to those provided by subchapter IX of chapter 14 of Title 22. Leaves of absence for commercial counselors and commercial attaches appointed and assigned under this title shall be on the same basis as is provided for the Foreign Service of the United States by the Annual and Sick Leave Act of 1957.

ADVANCE PAYMENT FOR RENT AND OTHER SERVICES: FUNDS FOR COURTESIES TO FOREIGN REPRESENTATIVES

SEC. 514. In any foreign country where customs or practices require payment in advance for rent or other service, such payment may be authorized by the Secretary in accordance with regulations prescribed by the Secretary, upon consultation with the Secretary of State. Funds available for the purposes of this subchapter may be used for extending courtesies to representatives of foreign countries, when so provided in appropriation or other law.

APPROPRIATIONS—UNEXPENDED BALANCES

SEC. 515. For the fiscal year 1980 so much of the Department of State and Department of Commerce unexpended balances of appropriations, allocations, and other funds employed, held, used, available, or to be made available in connection with the functions transferred to the Department of Commerce and Trade from the Department of State under section 204(a)(1)(A) of this Act as the Director of the Office of Management and Budget or the Congress by appropriation or other law shall determine shall be transferred to or established in accounts under the controls of the Department of Commerce and Trade and there are hereby authorized to be established such additional accounts as may be necessary for carrying out the purposes of such transfer of functions and of this subchapter.

TITLE VI—MISCELLANEOUS PROVISIONS

ADMINISTRATIVE PROVISIONS

SEC. 601. (a) The Agency Director is authorized to appoint and fix the compensation of such officers and employees except as otherwise specifically prescribed, including attorneys and investigators, as may be necessary to carry out the functions transferred by this Act of the Agency Director and the agency concerned, except that the total number of individuals which may be so appointed shall not exceed the total number of individuals which were performing such functions on the day preceding the effective date of this Act, other than for the new functions authorized by this Act or unless otherwise provided by a provisions of law enacted after the date of enactment of this Act. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and compensated in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title.

(b) The Agency Director may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and may compensate experts and consultants at rates not to exceed the daily rate prescribed for GS–18 of the General Schedule under section 5332 of such title.

(c)(1)(A) The Agency Director is authorized to accept voluntary and uncompensated services without regard to the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)) if such services will not be used to displace Federal employees employed on a full-time, part-time, or seasonal basis.

(B) The Agency Director is authorized to accept volunteer service in accordance with the provisions of section 3111 of title 5, United States Code.

(2) The Agency Director is authorized to provide for incidental expenses, including but not limited to transportation, lodging, and subsistence for such volunteers.

(3) An individual who provides voluntary services under paragraph (1)(A) of this subsection shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and of chapter 171 of title 28, United States Code, relating to tort claims.

(d) In the exercise of the functions transferred under this Act, the Agency Director shall name the same authority as the officer, agency, or office, or any part thereof, exercising such functions immediately preceding their transfer, and the actions of the Agency Director in exercising such functions shall have the same force and effect as when exercised by such officer, or part thereof.

(e) Except as otherwise provided in this Act, the Agency Director may delegate any of the functions under this Act to such officers and employees of the agency concerned as the Agency Director may designate, and may authorize such successive redelegations of such functions within the agency concerned as may be necessary or appropriate. No delegation of functions by the Agency Director under this section or under any other provision of this Act shall relieve the Agency Director of responsibility for the administration of such functions.

(f) The Agency Director is authorized to prescribe, in accordance with the provisions of chapter 5 of title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out the functions transferred to the Agency Director or the agency concerned by this Act.

(g)(1) The Agency Director is authorized to enter into and perform such contracts, grants,. leases, cooperative agreements, or other similar transactions with Federal departments and agencies, public agencies, State, local, and tribal governments, private organizations, and individuals, and to make payments, by way of advance or reimbursement, as the Agency Director may deem necessary or appropriate to carry out the functions transferred to the Agency Director or the agency concerned by this Act.

(2) Notwithstanding any other provision of this Act, no authority to enter into contracts or to make payments under this Act shall be effective except to such extent or in such amounts as are provided in advance under appropriation Acts. This subsection shall not apply with respect to the authority granted under subsection (h).

(h) The Agency Director is authorized to accept, hold, administer, and utilize gifts, bequests and devises of property, both real and personal, for the purpose of aiding or facilitating the work of the agency concerned in the performance of the functions transferred by this Act. Gifts, bequests, and devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury in a separate fund and shall be disbursed upon the order of the Secretary. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of gift, bequest, or devise donating such property. For the purposes of Federal income, estate, and gift taxes, property accepted under this section shall be considered as a gift, bequest, or devise to the United States.

REORGANIZATION

SEC. 602. (a) The Agency Director is authorized to allocate or reallocate the functions transferred to the Agency Director or the agency concerned by this Act among the officers of the agency concerned and to establish, consolidate, alter, or discontinue such organizational entities within the agency concerned as may be necessary or appropriate. The authority of the Agency Director under this section does not extend to the abolition of organizational entities established by this Act or the allocation of functions among the officers of the agency concerned as specifically designated by this Act.

(b) The Secretary's annual report to the Congress under section 8 of the Department's Organic Act (15 U.S.C. 1519) shall include a detailed report regarding the integration of the functions and authorities transferred to the Department under this Act with existing functions and authorities of the Department, and the allocation or reallocation of functions and authorities among the officers and agencies of the Department.

TRANSFER OF PERSONNEL

SEC. 603. (a) Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used arising from, available to or to be made available in connection with the functions and agencies transferred to the Agency Director or the agency concerned this Act, subject to section 202 of the Budget and Accounting Procedures Act of 1950, are transferred to the Agency Director for appropriate allocation. Unexpended funds transferred pursuant to this subsection shall be used only for the purposes for which the funds were originally authorized and appropriated.

(b) Positions specified by statute or reorganization plan to carry out functions and agencies transferred by this Act, personnel occupying those positions on the effective date of this Act, and personnel authorized to receive compensation in such positions at the rate prescribed by offices and positions at level II, III, IV, or V of the Executive Schedule contained in sections 5312 through 5316 of title 5, United States Code, on the effective date of this Act, shall be subject to the provisions of section 504.

(c) Except as otherwise provided in this Act, the transfer pursuant to this title of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation for one year after such transfer or after the effective date of this Act, whichever is later.

(d) Any person who, on the day before the effective date of this Act, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the agency concerned to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position for the duration of the service of such person in such new position.

AGENCY TERMINATIONS

SEC. 604. Except as otherwise provided in this Act, whenever all of the functions of any agency, commission, or other body, or any component thereof, have been terminated or transferred by this Act from that agency, commission, or other body, or component thereof, such agency, commission, or other body, or component shall terminate. If an agency, commission, or other body, or any component thereof, terminates pursuant to the provisions of the preceding sentence, each position and office therein which was expressly authorized by law, or the incumbent of which was authorized to receive compensation at the rates prescribed for an office or position at level II, III, IV, or V of the Executive Schedule contained in sections 5313 through 5316 of title 5, United States Code, shall terminate.

INCIDENTAL DISPOSITIONS

SEC. 605. The Director of the Office of Management and Budget, at such time or times as such Director shall provide, is authorized and directed to make such determinations as may be necessary with regard to the transfer of functions and agencies which relate to or are utilized by an officer, agency, commission or other body, or component thereof, affected by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with the functions and agencies transferred by this Act, as may be necessary to carry out the provisions of this Act. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all agencies, commissions, offices, and other bodies terminated by this Act and for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

SAVINGS PROVISIONS

SEC. 606. (a) All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, and agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act to the agency concerned or the Agency Director; and

(2) which are in effect at the time this Act takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with the law by the President, the Agency Director, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) (1) The provisions of this Act shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the effective date of this Act before any department, agency, commission, or component thereof, the functions of which are transferred by this Act; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded or revoked by the Agency Director, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(2) The Agency Director is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under paragraph (1) to the agency concerned.

(c) (1) the provisions of this Act shall not affect suits commenced prior to the effective date of this Act; and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer or any department or agency, functions of which are transferred by this Act, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by this Act, or by or against any officer thereof in the official capacity of such officer shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Agency Director of any other official of the agency concerned, then such suit shall be continued with the Agency Director or other appropriate official of the agency concerned substituted or added as a party.

(f) Orders and actions of the Agency Director in the exercise of functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions, immediately preceeding their transfer. Any statutory requirements relating to notice, hearing, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Agency Director.

REFERENCE

SEC. 607. With respect to any functions transferred by this Act and exercised after the effective date of this Act, reference in any other Federal law to any department, commission, or agency or to any officer or office the functions of which are so transferred shall be deemed to refer to the Agency Director or the agency concerned.

TRANSITION

SEC. 608. With the consent of the appropriate department or agency head concerned, the Agency Director is authorized to utilize the services of such officers, employees, and other personnel of the departments and agencies of the Executive Branch for such period of time as may reasonably be needed to facilitate the orderly transfer of functions and agencies under this Act.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 609. (a) Section 10(d)(1) of title 3, United States Code, is amended by striking out "Secretary of Commerce" and inserting in lieu thereof "Secretary of Commerce and Trade".

(b) Section 101 of Title 5, United States Code, is amended by inserting "and Trade" immediately after "Commerce".

(c) Section 5312(8) of such title is amended by inserting "and Trade" immediately after "Commerce".

(d) Section 5313 of such title is amended by adding at the end thereof the following: "(25) Under Secretaries, Department of Commerce and Trade (2).".

(e) Section 5314(4) of such title is repealed.

(f)(1) Section 5315(12) of such title is amended by striking out "Commerce (8)" and inserting in lieu thereof "Commerce and Trade (11)".

(g) Section 5315(39) of such title is amended by inserting "and Trade" immediately after "Commerce".

(h) Section 102(10) of the Department of Energy Organization Act is amended by inserting "Commerce and Trade," before "State,".

AUTHORIZATION OF APPROPRIATIONS

SEC. 610. (a) Subject to any limitation on appropriations applicable with respect to any function transferred pursuant to this Act, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) Funds available to any Federal agency (or any official or component thereof), the functions of which are transferred by this Act, may, with the approval of the Director of the Office of Management and Budget, be used to pay the compensation and expenses of any officer appointed pursuant to this Act until such time as funds for that purpose are otherwise available.

SEPARABILITY

SEC. 611. If any provision of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

EFFECTIVE DATE

SEC. 612. The transfer of functions and agencies pursuant to Sections 204 and 205 of this Act shall take effect one hundred and twenty days after date of enactment of this Act, or on such earlier date as the President may prescribe and publish in the Federal Register, except that at any time after the date of enactment of this Act—

(1) any of the officers provided for this Act may be nominated and appointed as provided in this Act;

(2) the President may promulgate regulations pursuant to Section 510(f) of this Act.

INTERIM APPOINTMENTS

SEC. 613. (a) In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act and notwithstanding any other provision of law, the President may designate an officer in the Executive Branch to act in such office for ninety days or until the office is filled as provided in this Act, whichever occurs first.

(b) Any officer acting in an office in the agency concerned pursuant to the provisions of subsection (a) shall receive compensation at the rate prescribed for such office under this Act.

DEFINITIONS

SEC. 614. As used in this Act—

(a) "Department" means the Department of Commerce and Trade;

(b) "Secretary" means the Secretary of Commerce and Trade;

(c) "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and any other Commonwealth, territory, or possession of the United States;

(d) "Federal agency" means any of the following:

(1) any executive department;

(2) any military department;

(3) any government corporation;

(4) any government-controlled corporation; and

(5) any independent commission advisory establishment.

(e) "Functions" means duties, power, authority, activities, and program responsibilities;

(f) "Agency Director" means, when used in this title, the head of the Federal agency to which functions have been transferred in this Act;

(g) "Agency concerned" means, when used

in this title, the Federal agency to which functions have been transferred in this Act.

SECTION-BY-SECTION ANALYSIS

TITLE I—FINDINGS AND PURPOSE

This title expresses the findings of Congress that the U.S. market share has been declining, that exports are important for the economic health of the Nation, and the international economic programs of the United States should also be related to strengthening the U.S. economy generally.

The title declares as the purposes of the bill the reorganization of the trade functions of the United States into a more coherent organizational structure to develop and implement a trade policy and to promote the economic interests of the United States overseas.

TITLE II—PRINCIPAL OFFICERS

Section 201 designates the Department of Commerce as the Department of Commerce and Trade.

Section 202 establishes a position in the redesignated Department of Commerce and Trade of Deputy Secretary who will serve as the principal deputy to the Secretary of the Department, exercise the Secretary's functions in the Secretary's absence, serve as the Department's representative to the Board of the Export-Import Bank, and perform other duties as are prescribed by the Secretary.

This section also authorizes two positions of Under Secretary: one for Under Secretary for International Trade and another for Under Secretary for Technology and Industry.

Section 202(c) authorizes the appointment of three additional Assistant Secretaries within the Department and specifies their functions. The new Assistant Secretaries would be for Productivity; Industrial Policy and Planning; and Service Industries.

Section 203 describes the duties of the Secretary of Commerce and Trade in addition to those in the Organic Act which established the Department of Commerce.

TITLE III—TRANSFER OF FUNCTIONS AND REORGANIZATION OF AGENCIES

Section 301 transfers to the redesignated Department from the Department of State the following: (1) commercial officers and attaches and the export promotion functions; (2) international investment affairs and policy; (3) technical and scientific policy and (4) international resources and commodity policy.

Section 301(b) transfers the following functions of the Secretary of the Treasury to the Secretary of Commerce and Trade: (1) determination and enforcement authority for countervailing and antidumping duties under the Trade Agreements Act of 1979; (2) jurisdiction over national security import cases (section 232 of the Trade Expansion Act of 1962); (3) chairmanship of the Committee on Foreign Investment in the United States; (4) chairmanship and administration over all various commissions and committees on commercial or economic affairs with East bloc countries and other countries except for Saudi Arabia; (5) functions of foreign assets control and authority over trade embargoes; and (6) the transfer of the Office of Tariff Affairs, Office of Foreign Assets Control, Office of Trade and Investment Policy, and Office of Commodities and Natural Resources.

From the Office of the Special Representative for Trade Negotiations (STR) to the Secretary are transferred by section 304(a) (3) the following: (1) staffing responsibility for the enforcement of trade agreements and protection against unfair trade practices under sections 302, 304, 305, and 306 of the Trade Act of 1974; (2) administration of the generalized system of preferences; and (3) administration—but not policy formulation—of trade agreements involving nonagricultural products and services.

The functions of the Overseas Private Investment Corporation are transferred to the Department in section 301(a)(4).

Section 301(a)(5) transfers the following functions from the International Trade Commission: (1) authority under section 337 of the Tariff Act of 1930, relating to unfair trade practices of importers; (2) tariff nomenclature and classification and statistical reporting authority; (3) authority to study U.S. and foreign customs laws and other economic studies under section 332 of the Tariff Act of 1930.

Section 301(a)(6) transfers from the Federal Trade Commission authority to administer Export Trade Associations, commonly known as Webb-Pomerene Associations.

Section 301(a)(7) transfers from the Department of Energy authority to monitor foreign investment in domestic energy resources.

Section 301(a)(8) transfers all functions of the Secretary of the Interior conducted through the office known as the Division of International Industry and Economic Analysis.

Section 302(a) transfers to STR the functions of the Secretary and Department of State with respect to the negotiation of trade service or commercial agreements, including commodity agreements. Section 302(b) provides to the Special Trade Representative authority to coordinate, and where appropriate, to participate in negotiations involving other Federal agencies in which the issues relate to international commercial activities.

Section 303(a) transfers from the Department of State to the Department of Agriculture the functions of the Office of Food Policy and Programs. Section 303(b) transfers from the STR to the Secretary of Agriculture the administration of trade agreements relating to agricultural products.

TITLE IV—COUNCIL FOR INTERNATIONAL ECONOMIC COORDINATION

Title IV creates within the Executive Office of the President a Council for International Economic Coordination to consist of the President, the Secretaries of State, Treasury, Commerce and Trade, Defense, Agriculture, Labor, and Energy, the Director of the Office of Management and Budget, Chairman of the Council of Economic Advisers, and the Special Representative for Trade Negotiations.

The Council will provide a means to collect information and review international economic policies and to relate them to domestic economic policies in an effort to achieve consistency in economic policy.

The Council will issue an annual report and will be staffed by an Office for International Economic Coordination within the Executive Office of the President.

TITLE V—COMMERCIAL COUNSELORS AND COMMERCIAL ATTACHES

This section authorizes the Secretary of Commerce and Trade to appoint commercial counselors and commercial attaches. This title is similar to that statute which established the Foreign Agricultural Service.

TITLE VI—MISCELLANEOUS ADMINISTRATIVE PROVISIONS

This title provides the administrative provisions and details for the transfer and establishment of functions.

Section 509(j)(1) would amend the Export-Import Bank Act to expand the Board by adding, as a voting member, the Deputy Secretary of Commerce and Trade.

Section 610 authorizes such funds as may be necessary to carry out the provisions of this Act.

Section 612 makes the effective date of this Act 120 days after the enactment of this Act.●

By Mr. DANFORTH (for himself, Mr. JACKSON, Mr. PELL, Mr. BOSCHWITZ, and Mr. STONE):

S.J. Res. 97. A joint resolution designating April 13 through April 19 as "Days of Remembrance of Victims of the Holocaust"; to the Committee on the Judiciary.

● Mr. DANFORTH. Mr. President, together with Senators BOSCHWITZ, JACKSON, PELL, and STONE, I am introducing a joint resolution designating April 13 to April 19 of 1980 as "Days of Remembrance of Victims of the Holocaust." The resolution authorizes and requests the President to issue a proclamation calling upon the American people to honor the memory of the victims of the Holocaust and to reflect on the pernicious nature of bigotry and the dangers of tyranny and oppression.

The days of April 13 to April 19 were recommended by the President's Commission on the Holocaust. Those days were chosen to coincide with Yom Hoshoah, the internationally recognized day of remembrance, which in 1980 will occur on April 13. A memorandum prepared by Mr. Benjamin Meed, chairman of the advisory committee of the President's Commission on the Holocaust, explains the Commission's choice of April 13 to April 19 as the "Days of Remembrance" for 1980. I ask unanimous consent that the memorandum be printed in the RECORD following my statement.

I believe it is imperative that at least once a year, we set aside days to reflect upon the horror of the Holocaust and to recommit ourselves to stand up for the rights of the oppressed.

We must not forget the millions of people who were murdered as a part of a planned program of extermination. However, it is not enough to feel horror at a massacre which occurred more than 30 years ago.

If the "Days of Remembrance" are to be truly meaningful, we must see them not just as a commemoration of an abhorrent historical event, but as a living memorial—a time to reflect specifically on injustices we see in our own lives and in our own times. We must use it as a time to dedicate ourselves to action.

In this regard, I think it is important to think about the "boat people" of Southeast Asia. At this moment, millions of men, women, and children are abandoned by the nations of the world—unable to find a home. It has been estimated that 1,000 refugees die each day. The photographs—the sad faces, the boats being pushed away—are hauntingly similar to famous pictures of 30 years ago.

I applaud President Carter for doubling the number of refugees that our country will accept each month. I believe each American should reflect upon what he or she can do—whether it is making a monetary contribution, sponsoring a family, accepting a refugee openly into one's community—to ease the plight of these people. The chairman of the President's Commission on the Holocaust, Elie Wiesel, a victim of that earlier Holocaust, recently issued a statement expressing his concern about the "boat people." I ask unanimous consent that his statement be printed.

I believe the "Days of Remembrance" should not be just another commemoration, another event. Rather, the "Days of Remembrance" should be a time to reflect upon our humanity and our respect and love for others. I hope that the joint resolution, which I ask unanimous consent to be printed in the RECORD, is speedily adopted.

There being no objection, the joint resolution and material were ordered to be printed in the RECORD, as follows:

S.J. RES. 97

Whereas, less than forty years ago, six million Jews as well as millions of others were murdered in Nazi concentration camps as part of a planned program of extermination;

Whereas the people of the United States of America should always remember the terrible atrocities committed by the Nazis so that they are never repeated;

Whereas the people of the United States should continually rededicate themselves to the principle of equality;

Whereas the people of the United States should remain eternally vigilant against all tyranny, recognizing that tyranny provides a breeding ground for bigotry to flourish;

Whereas April 13 has been designated internationally as a day of remembrance of victims of the Nazi Holocaust, known as Yom Hoshoah; and

Whereas it is appropriate for the American people to join in the international commemoration: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in memory of all the victims of the Holocaust and in the hope that Americans will strive always to overcome cruelty and prejudice through vigilance and resistance, the days of April 13 through April 19, 1980, are hereby designated as the "Days of Remembrance of Victims of the Holocaust." The President is requested to issue a proclamation calling upon the people of the United States to remember the atrocities committed by the Nazis and to commemorate such days with appropriate ceremonies and activities.

MEMORANDUM

To the Subcommittee on Days of Remembrance. President's Commission on the Holocaust. From Benjamin Meed. Subject: Fixing the date of Days of Remembrance.

The purpose of this memo is to discuss a proposal for the fixing of a permanent dating system for the Days of Remembrance of the Holocaust.

It is respectfully proposed that each year one week corresponding to the Hebrew calendar date of the 27th day of the month of Nissan (usually the middle or the second part of the month of April) be designated as the Days of Remembrance of the Holocaust. In 1980, the above date corresponds to Sunday, April 13.

The background of the selection of the above Hebrew calendar date is the following.

Soon after the end of World War II, the Jewish survivors established that nearly every day of the year represented an anniversary of the destruction of some Jewish community during the Holocaust. Furthermore, as information was gathered about Jewish uprisings against the Nazis in concentration camps and other places, additional anniversaries of such events were listed.

The most prominent anniversary came to be the first day of the Warsaw Ghetto Uprising, on April 19, 1943, which was then the eve of the Pesach (Passover) festival. This particular anniversary became the symbol of commemoration of Jewish armed resistance in World War II.

Obviously it became impossible to observe all the different anniversaries of the tragic events of the Holocaust. The question arose, which one to select as representative of the Holocaust, so as to adhere at the same time to established Jewish tradition concerning observances of days of mourning. According to this tradition, Jews may not mourn on the Sabbath and on holidays.

It was found that the date of 27 Nissan, which is close to that date in 1943 when the Warsaw Ghetto Uprising began, never falls on the Sabbath or on a Jewish holiday. The Israel Parliament (Knesset) passed a law fixing the observance of the Holocaust anniversary on that day of the Hebrew calendar. Furthermore, the Israel Minister of Justice (who is in charge of legislative matters) in 1975 issued an opinion that, outside Israel, Jewish communities are free to commemorate the anniversary on any date close to 27 Nissan, "according to prevailing circumstances". This means that if, for example, it is easier to commemorate on a Sunday instead of a weekday, so as to assure better participation, this is acceptable.

Over the past several years, although there are some exceptions, the overwhelming majority of Jewish communities in the United States and around the world has accepted the date of 27 Nissan (which each year corresponds to a day approximately in the middle or second part of April) as the appropriate date of commemoration. By extension, if more than one day is set for such observance, the entire week in the proximity of, or including, the 27th day of Nissan is selected.

The exact date each April corresponding to 27 Nissan can be easily computed for an indefinite number of years ahead.

It is proposed, therefore, to adhere to the above Jewish custom as a matter of unifying the observance of the Holocaust anniversary throughout the United States and elsewhere in the world. A major commemoration, such as the one held each year in New York under the leadership of the Warsaw Ghetto Resistance Organization, should be held on a Sunday so as to enable participants to travel longer distances and to assure the largest possible participation.

Additionally it is proposed that the President's Commission on the Holocaust recommend that each year, on the date corresponding to 27 Nissan, memorial candles be lighted in each home desiring to commemorate the Holocaust. The Warsaw Ghetto Resistance Organization will undertake the task of designing such candles if this proposal is accepted.

Furthermore, we in WAGRO, having had the experience during the past 17 years in organizing an annual Commemoration with the participation of from ten to twenty thousand people, request that a full week of Holocaust observances be set aside in accordance with the above enumerated principles.

The reason for requesting a full week of observances is that we feel it is important, for educational purposes, to allow ample time for different commemorative activities in schools, community centers, churches, and synagogues.

In conclusion, it is requested that the President's Commission on the Holocaust recommend to the President and Congress of the United States that A Week of Holocaust Observances be designated each year to coincide with 27 Nissan.

It is also requested that the Commission recommend the distribution each year of educational kits on the Holocaust to school children around the country, explaining the significance and the background of observing the anniversary of the Warsaw Ghetto Uprising and honoring the Six Million Jewish victims, the martyrs and the heroes of the Holocaust.

PRESIDENT'S COMMISSION ON
THE HOLOCAUST,
June 19, 1979.

We who live with the memory of the Holocaust, we who judge all things by its shadow and in its light are particularly distressed by the specter of silence and apathy which greets the fate of the "boat people." We are outraged at the sight of people set adrift with no country willing to welcome them ashore. We are horrified at the imposition of quotas which exclude women and children in the full knowledge that such a policy of exclusion can be a sentence of death. We know that this failure to act will take its moral toll on those who stand on the sidelines as well as a physical toll on the victims.

Therefore, as Chairman of the President's Commission on the Holocaust, and on behalf of the Commission, I implore all countries to open their borders and to extend rights of refuge and asylum to the boat people. We call upon the nations of the world to coordinate their activities and to extend themselves with humanitarian generosity so that we may not once again be divided into a world of perpetrators, victims, and bystanders.

We know that the President of the United States, in the spirit of this Administration's commitment to human rights and human dignity, will do all within his power to alleviate this situation and assume a leadership role in resolving this problem. We hope that this Nation will grasp this clear opportunity to learn from the history of the Holocaust not to err again.

Now is the time for this country and for the world to take decisive action to save the boat people. Now, before it is too late.

ELIE WIESEL.●

By Mr. BRADLEY (for himself, Mr. CRANSTON, Mr. DECONCINI, Mr. HOLLINGS, Mr. LEVIN, Mr. MCGOVERN, Mr. MOYNIHAN, Mr. NELSON, Mr. NUNN, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SARBANES, Mr. STONE, Mr. COCHRAN, Mr. DOMENICI, Mr. DURENBERGER, Mr. FORD, Mr. HEINZ, Mr. JAVITS, Mr. LUGAR, Mr. TOWER, Mr. WEICKER, Mr. WILLIAMS, and Mr. YOUNG):

S.J. Res. 98. Joint resolution designating the week of October 8 through October 14, 1979, as "National Diabetes Week"; to the Committee on the Judiciary.

NATIONAL DIABETES WEEK

● Mr. BRADLEY. Mr. President, today I am pleased to introduce a resolution providing for the establishment of a commemorative week in October as "National Diabetes Week." By this action, the Senate joins in the House effort led by my distinguished colleague, Representative FORSYTHE and 14 other colleagues from New Jersey to focus public attention on the suffering and hardship caused by diabetes, and the importance of research efforts to develop both better treatments and cures.

All of us have family or friends who are affected by diabetes. Diabetes kills more people in the United States than any other disease except cancer and cardiovascular disease. Its prevalence is increasing by 6 percent a year—at which rate an American born today, living an average life span of 70 years, has a better than 1-in-5 chance of contracting diabetes.

Women are 50 percent more likely to have diabetes than men. Nonwhites are 20 percent more likely to have it than whites, and low-income persons (with incomes under $5,000 a year) are three times more likely to have it than middle- and upper-income persons. Diabetes is the third major chronic ailment of children, as well as the most common endocrine disorder of that age group. Diabetes reduces life expectancy by approximately 30 percent and often causes incapacitating side effects such as blindness, kidney failure, heart attack, stroke, gangrene in the extremities, and nervous system problems.

Diabetes is a chronic, metabolic disorder which adversely affects the body's ability to manufacture and utilize insulin, a chemical needed for the conversion of carbohydrates into energy. There are two clinical types of diabetes: Juvenile-onset and maturity-onset diabetes. Juvenile diabetes is the most severe form of the disease and can occur at any age, though it commonly appears from infancy to the late thirties.

Those who suffer from juvenile-onset diabetes must take daily injections of insulin to stay alive. Children can be stricken quickly and suffer a rapid advance of the disease. Presently, 50 percent of the children who contract diabetes die from kidney disease within an average of 25 years after the disease is diagnosed. The only known treatment for juvenile-onset diabetes is insulin therapy in combination with a controlled diet and exercise.

Maturity-onset diabetes usually begins in the middle or later years and usually progresses more slowly. This form of diabetes is generally treated by controlling diet and body weight and sometimes with oral medication. Insulin is not usually required, at least during the early years.

The costs of this disease in terms of human suffering are obvious. However, the economic impact is equally great with $6.8 billion annually lost through wages and costs of health care and disability.

Insulin treats the overt symptoms of diabetes. But it is a treatment, not a cure. Unfortunately, for 50 years after the discovery of insulin in 1921, little progress was made in research efforts to isolate the causes and develop cures for diabetes.

Today, however, exciting discoveries are opening up promising new fields for research. Government scientists have shown that a virus infection can cause diabetes, and that a simple vaccine could prevent some of the disease's worst cases. Other researchers believe that by building an artificial pancreas, or transplanting pancreatic cells, they will soon develop a true cure for diabetes. But much work remains to be done before the suffering caused by diabetes is substantially alleviated.

Unfortunately, the public is often unaware of how many people are affected—either directly or indirectly—by diabetes. I believe it is vitally important that we establish a commemorative week to focus attention on the problems created by this disease. It is my hope that increased public interest will give researchers additional impetus to find a cure for diabetes.●

ADDITIONAL COSPONSORS

S. 105

At the request of Mr. WALLOP, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 105, the Parental Kidnapping Prevention Act of 1979.

S. 624

At the request of Mr. MCCLURE, the Senator from New Mexico (Mr. DOMENICI), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 624, a bill to include electric vehicles in the computation of the corporate average fuel economy standards.

S. 949

At the request of Mr. BURDICK, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 949, a bill to amend the National Environmental Policy Act to provide a 180-day statute of limitations on judicial challenge to the adequacy of an environmental impact statement.

S. 1068

At the request of Mr. DOLE, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1068, a bill to continue the disabled children's program under title XVI of the Social Security Act.

S. 1211

At the request of Mr. CRANSTON, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1211, a bill to amend the Social Security Act to extend medicaid eligibility to certain low-income pregnant women.

S. 1330

At the request of Mr. MCCLURE, the Senator from Alaska (Mr. STEVENS) and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 1330, the Omnibus Geothermal Energy Development Act of 1979.

S. 1496

At the request of Mr. INOUYE, the Senator from South Carolina (Mr. HOLLINGS), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1496, a bill to amend the Interstate Commerce Act to provide for more effective regulation of carriers, and for other purposes.

S. 1497

At the request of Mr. INOUYE, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 1497, a bill to amend title 49, United States Code, to encourage motor carrier efficiency and to provide for more effective regulation of carriers, and for other purposes.

S. 1537

At the request of Mr. PERCY, the Senator from Montana (Mr. BAUCUS), the Senator from Maine (Mr. COHEN), the Senator from New Mexico (Mr. DOMENICI), the Senator from Oregon (Mr. HATFIELD), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Maryland (Mr. SARBANES), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 1537, the Local Energy Management Act of 1979.

AMENDMENTS NOS. 340 THROUGH 352

At the request of Mr. JACKSON, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of amendments Nos. 340 through 352 intended to be proposed to S. 737, the Export Administration Act of 1979.

SENATE RESOLUTION 200—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. HUDDLESTON, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 200

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1125, a bill to improve and expand the Federal crop insurance program, and for other purposes. Such waiver is necessary to permit consideration of crop insurance subsidies to become effective in a fiscal year for which the first concurrent resolution on the budget has not yet been adopted. Sufficient time must be allowed for the Department of Agriculture to establish and implement the all-risk crop insurance program under S. 1125, of which the subsidies are an integral part.

SENATE RESOLUTION 201—ORIGINAL RESOLUTION REPORTED INCREASING THE LIMITATION ON EXPENDITURES BY THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CANNON, from the Committee on Commerce, Science, and Transportation, reported the following original resolution, which was referred to the Committee on Rules and Administration:

S. RES. 201

Resolved, That section 2 of Senate Resolution 26, 96th Congress, agreed to March 7, 1979, is amended by striking out "$2,300" and inserting in lieu thereof "$5,600".

AMENDMENTS SUBMITTED FOR PRINTING

FOOD STAMP ACT—S. 1309

AMENDMENT NO. 362

(Ordered to be printed and to lie on the table.)

Mr. MCGOVERN (for himself, Mr. DOLE, Mr. MAGNUSON, and Mr. EAGLETON) submitted an amendment intended to be proposed by them, jointly, to S. 1309, a bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program.

● Mr. McGOVERN. Mr. President, when S. 1309, a bill amending the Food Stamp Act, is debated by the Senate, I intend on behalf of myself and Senators Dole, Magnuson, and Eagleton to submit an amendment in the nature of a substitute. The substitute will contain all the provisions of the bill reported by the Committee on Agriculture, Nutrition, and Forestry; the four amendments Senator Helms intends to offer; a Stafford-Dole amendment to extend benefits to handicapped persons living in community living centers; and one other—repeal of the food stamp authorization ceiling for fiscal years 1980 and 1981.

I ask unanimous consent that the text of the amendment, a section-by-section analysis, and the "Dear Colleague" letter be printed in the Record.

There being no objection, the amendment and material were ordered to be printed in the Record, as follows:

Amendment No. 362

Strike out all after the enacting clause and insert in lieu thereof the following:

"INCREASE IN 1979 AUTHORIZATION FOR APPROPRIATIONS; REPEAL OF AUTHORITY FOR CARRYOVER OF APPROPRIATIONS; METHOD OF REDUCING ALLOTMENTS IF APPROPRIATIONS ARE INSUFFICIENT

"Section 1. Section 18 of the Food Stamp Act of 1977 is amended by—

"(1) striking out '$6,158,900,000' in the first sentence of subsection (a) and inserting in lieu thereof '$6,778,900,000';

"(2) striking out the third sentence of subsection (a) and inserting in lieu thereof two new sentences as follows: 'The Secretary shall, on the 15th day of each month, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the fiscal year. In each monthly report, the Secretary shall also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary under subsection (b) of this section.';

"(3) striking out 'If' in the second sentence of subsection (b) and inserting in lieu thereof 'Notwithstanding any other provision of this Act, if'; and

"(4) adding at the end thereof new subsections (c) and (d) as follows:

'(c) In prescribing the manner in which allotments will be reduced under subsection (b) of this section, the Secretary shall ensure that such reductions reflect, to the maximum extent practicable, the ratio of household income, determined under sections 5 (d) and 5(e) of this Act, to the income standards of eligibility, for households of equal size, determined under section 5(c) of this Act. The Secretary may, in prescribing the manner in which allotments will be reduced, establish (1) special provisions applicable to persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise disabled, and (2) minimum allotments after any reductions are otherwise determined under this section.

'(d) Not later than sixty days after the issuance of a report under subsection (a) of this section in which the Secretary expresses the belief that reductions in the value of allotments to be issued to households certified to participate in the food stamp program will be necessary, the Secretary shall take the requisite action to reduce allotments in accordance with the requirements of this section. Not later than seven days after the Secretary takes any action to reduce allotments under this section, the Secretary shall furnish the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.'.

"EXCESS MEDICAL EXPENSE AND EXCESS SHELTER EXPENSE DEDUCTIONS FOR ELDERLY PERSONS AND PERSONS RECEIVING SUPPLEMENTAL SECURITY INCOME BENEFITS

"Sec. 2. Section 5(e) of the Food Stamp Act of 1977 is amended by—

"(1) inserting in the fourth sentence after 'Households' the following: ', other than those households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act,'; and

"(2) adding at the end thereof a new sentence as follows: 'Households containing a member who is sixty years of age or over or who receives supplemental security income benefits under title XVI of the Social Security Act shall also be entitled to—

'(A) an excess medical expense deduction for that portion of the actual cost of allowable medical expenses, incurred by household members who are sixty years of age or older or who receive supplemental security income benefits under title XVI of the Social Security Act, exclusive of special diets that exceed $35 a month, which shall, starting July 1, 1979, be adjusted every July 1 and January 1 to the nearest $5 to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for items other than food for the six months ending the preceding March 31 and September 30, respectively;

'(B) a dependent care deduction, the maximum allowable level of which shall be the same as that for the excess shelter expense deduction contained in clause (2) of the preceding sentence, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education that is preparatory for employment; and

'(C) an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 per centum of monthly household income after all other applicable deductions have been allowed.'.

"DEFINITION OF ALLOWABLE MEDICAL EXPENSES

"Sec. 3. Section 3 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (q) as follows:

'(q) "Allowable medical expenses" means expenditures for (1) medical and dental care, (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional, (4) health and hospitalization insurance policies (excluding the costs of health and accident in income maintenance policies), (5) medicare premiums related to coverage under title XVIII of the Social Security Act, (6) dentures, hearing aids, and prosthetics (including the costs of securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.'.

"PROVISION OF INFORMATION

"Sec. 4. Section 16 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection (f) as follows:

'(f) The Secretary and State agencies may require, obtain, and use social security account numbers assigned to members of households applying for or participating in the food stamp program under the same terms and conditions as the Secretary of Health, Education, and Welfare and State agencies under Part A of title IV of the Social Security Act. The Secretary and State agencies shall also have access to data from other Federal programs for individual food stamp program applicants and participants who receive benefits under title XVI of the Social Security Act and may use such data under the same terms and conditions as the Secretary of Health, Education, and Welfare under title XVI of the Social Security Act.'.

"REPAYMENT FOR FRAUDULENT CONDUCT

"Sec. 5. Section 6(b) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: 'After any specified period of disqualification pursuant to findings under clauses (1) and (2) of this subsection, no disqualified individual shall be eligible to participate in the food stamp program unless such individual agrees to (A) a reduction in the allotment of the household of which such individual is a member or (B) to repayment in cash, in accordance with a reasonable schedule as determined by the Secretary that will be sufficient over time to reimburse the Federal Government for the value of the coupons obtained through the fraudulent conduct. If any disqualified individual elects repayment in cash under the provisions of the preceding sentence and fails to make payments in accordance with the schedule determined by the Secretary, the household shall be subject to appropriate allotment reductions.'

"STATE SHARE OF RECOVERIES

"Sec. 6. Section 16(a) of the Food Stamp Act of 1977 is amended by inserting before the period at the end thereof the following: 'as well as to permit each State to retain 50 per centum of the value of all funds or allotments recovered or collected through prosecutions or other State activities directed against individuals who fraudulently obtain allotments as determined in accordance with this Act. The officials responsible for making determinations of fraud under this Act shall not receive or benefit from revenues retained by the State under the provisions of this subsection'.

"ELIGIBILITY VERIFICATION

"Sec. 7. Section 4(c) of the Food Stamp Act of 1977 is amended by adding at the end thereof a new sentence as follows: 'The Secretary shall not preclude State agencies from adopting verification standards that supplement the verification standards issued by the Secretary under this Act.'

"REMOVAL OF AUTHORIZATION FOR APPROPRIATION CEILING FOR 1980 AND 1981

"Sec. 8. The first sentence of section 18(a) of the Food Stamp Act of 1977 is amended by striking out all after '1979' and inserting in lieu thereof the following: '; and such sums as may be necessary for the fiscal years ending September 30, 1980, and September 30, 1981.'.

"GROUP LIVING ARRANGEMENTS FOR THE DISABLED OR BLIND

"Sec. 9. Section 3 of the Food Stamp Act of 1977 is amended by—

"(1) striking out in subsection (g) 'and (5)' and inserting in lieu thereof '(5), and (7)';

"(2) striking out in subsection (g) 'and (6)' and inserting in lieu thereof '(6)';

"(3) inserting immediately before the period at the end of subsection (g) the following: ', and (7) in the case of disabled or blind recipients of benefits under title II of title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement that is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act, which serves no more than sixteen residents, meals prepared and served under such arrangement';

"(4) inserting in subsection (i) after 'elderly' the following: ', disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement that is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act, which serves no more than sixteen residents,';

"(5) inserting immediately before the period at the end of subsection (i) the following: 'and shall be considered individual households'; and

"(6) amending clause (2) of subsection (k) to read as follows: '(2) an establishment, organization, program, or group living arrangement referred to in subsections (g) (3), (4), (5), and (7) of this section,'.

"SEC. 10. Section 10 of the Food Stamp Act is amended by inserting after 'programs' the following: 'and public or private nonprofit group living arrangements that serve meals to disabled or blind residents'.

"EFFECTIVE DATE

"SEC. 11. (a) The provisions of this Act shall take effect on the date of enactment, except that the provisions of sections 2 and 3 shall take effect on the first day of the first month that begins after the date of enactment.

"(b) The provisions of sections 9 and 10 of this Act shall be implemented in all States by July 1, 1980, and shall not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented."

"Amend the title so as to read: 'A bill to increase the fiscal year 1979 authorization for appropriations for the food stamp program, and for other purposes.".

SECTION-BY-SECTION ANALYSIS OF AMENDMENT No. 362

Section 1(1).—Increase in the fiscal year 1979 authorization for appropriations for the food stamp program.

Section 1(1) amends the first sentence of section 18(a) of the Food Stamp Act of 1977 to increase the fiscal year 1979 authorization for appropriations by $620 million. The new appropriations ceiling for the 1977 program would be $6,778,900,000.

Section 1(2).—Removal of carryover authority; Secretary's reporting responsibilities.

Section 1(2) strikes the third sentence of section 18(a) of the Food Stamp Act of 1977 to remove the specific language, beginning with fiscal year 1980, providing for the carryover of unexpended appropriated funds from one fiscal year to the next, and inserts two new sentences. The Secretary of Agriculture would be required to file monthly reports, by the 15th day of each month, setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the current fiscal year. In each monthly report, the Secretary would also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the program will be necessary due to any insufficiency of appropriated funds. (It is anticipated by the committee that each monthly report will include the number of individuals participating in the program and the cost of administering the program at the State level and at the national level.)

Sections 1(3) and 1(4).—Manner in which allotments may be reduced when appropriated program funds are insufficient.

Section 1(3) amends the second sentence of section 18(b) of the Food Stamp Act of 1977 to remove the requirement that the only available method for reducing program benefits when insufficient funds are available is on a pro rata basis.

Section 1(4) would add new subsections (c), and (d) to section 18 of the Food Stamp Act of 1977. New subsection (c) would require the Secretary to ensure that reductions in the value of allotments, when required under section 18(b), will reflect, "to the maximum extent practicable," the ratio of household program income to the income standards of eligibility for households of the same size with higher-income households bearing more of the reductions. The Secretary may establish (1) special provisions for the elderly, handicapped, and disabled and (2) minimum allotments after any reductions are otherwise determined.

New subsection (d) requires the Secretary to take the requisite action to reduce the value of allotments issued to households certified to participate in the food stamp program within 60 days after the issuance of a report, under section 18(a) as amended by the bill, in which the Secretary expresses his belief that such reductions will be necessary.

New subsection (d) also requires the Secretary, within 7 days of any action to reduce the value of allotments issued to households certified to participate in the program, to furnish the congressional agriculture committees with a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the value of the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.

Section 2. Deductions for households containing an elderly person or a person receiving Supplemental Security Income benefits.

Section 2 amends section 5(e) of the Food Stamp Act of 1977 to provide households that contain an elderly person (60 years of age or older) or a person receiving Supplemental Security Income benefits, including those who receive only State supplementary payments, under title XVI of the Social Security Act with an excess medical expense deduction and to remove the ceiling on the excess shelter expense deduction for these households.

In addition to the standard deduction and the dependent care deductions, these households would be entitled to (1) an excess medical expense deduction for the actual cost of allowable medical expenses incurred by the elderly or SSI recipient household member that exceed $35 per month and (2) an excess shelter expense deduction to the extent that the monthly amount expended by the household for shelter exceeds 50 percent of monthly household income after all other applicable deductions have been allowable. Currently, there is a ceiling of $80 per month on the amount of the excess shelter expenses deduction that may be claimed.

Section 2 further provides that the $35 threshold for the excess medical expense deduction will be adjusted each July 1 and January 1 to the nearest $5 to reflect changes in the Consumer Price Index for the items other than food for the 6 months ending the preceding March 31 and September 30, respectively. (The committee expects that the Secretary, in administering the excess medical expense deduction, would provide that deductions be allowed for medical expenses incurred or billed as soon as possible, so long as third-party reimbursements or insurance payments, whether to the recipient or care provider, are verified. In some cases, this could result in deductions not being granted until a bill had actually been paid, in order to ascertain the extent of a reimbursement or insurance payment. However, it would keep the treatment of excess medical expense deductions as consistent as possible with the prospective accounting system used throughout the food stamp program, while protecting against deductions for expenses not actually paid by the recipient.)

Section 3. Definition of "allowable medical expenses".

Section 3 adds a new subsection (q) to section 3 of the Food Stamp Act of 1977, to define "allowable medical expenses" as used to determine the excess medical expense deduction.

New subsection (q) defines "allowable medical expenses" as expenditures for (1) medical and dental care (this would include other remedial care recognized by State law), (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs when prescribed by a licensed practitioner authorized under State law and over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional, (4) health and hospitalization insurance policies (excluding costs of health and accident or income maintenance policies), (5) medicare coverage, (6) dentures, hearing aids, and prosthetics (including securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) maintaining an attendant, homemaker, home health aid, housekeeper, or child care services due to age, infirmity, or illness.

Section 4. Provision of information.

Section 4 adds a new subsection (f) to section 16 of the Food Stamp Act of 1977.

New section 16(f) would authorize the Secretary and State agencies to require the submission of social security numbers as a condition of eligibility.

Section 4 would permit an individual to be barred from receiving food stamps if that individual has been assigned a social security number but refuses to provide it to the State agency. Individuals not previously assigned a social security number could also be prevented from participating in the program unless the individuals apply for and subsequently furnish social security numbers. They would be eligible to participate while waiting for the numbers to be assigned.

The income and resources of the individual disqualified for failure to provide a social security number would be counted in the same way an individual's income and resources are counted when a person is disqualified for fraud or for failure to meet the student work registration requirement during the school year. New section 16(f) will facilitate the use of computer matching techniques that compare the earnings reported by food stamp households against available wage records and thus allow States to identify more readily those households that have unreported earnings or have reported their earnings incorrectly.

In addition, States will be able to match social security numbers to prevent duplicate participation. An individual entitled to emergency service under section 11(e)(9) of the Act would be permitted to furnish a social security number after receiving his first allotment. In this way, an individual who cannot furnish his social security number, or the numbers of all members of his household, before the timeliness standard elapses for providing expedited service will not have benefits delayed simply because a social security number cannot be immediately furnished.

Section 5. Repayment for fraudulent conduct.

Section 5 amends section 6(b) of the Food Stamp Act of 1977 to allow States to collect fraud claims through a reduction of the food stamp allotment. Allotment reductions would be imposed when a recipient who had been disqualified for fraud and had not paid a fraud claim re-entered the program after the disqualification period. If the individual who committed fraud does not agree to a reduction in the household's allotment or does not agree to pay the fraud claim in cash, this amendment would allow the State agency to disqualify the individual until the person agrees to repay in cash or agrees to the allotment reduction. The income and resources of the individual disqualified for failure to repay the fraud claim would be counted in the same way an individual's income and resources are currently counted when that person is disqualified for fraud or for failure to meet the student work registration requirement during the school year.

In order to collect fraud claims, States must currently rely on voluntary repayment by the household or incur the expense of initiating a civil court action to obtain repayment. Section 6 provides a simple and efficient mechanism for collecting fraud claims and provides a penalty if repayment is not made. As a result, it is anticipated that the percentage of fraud claims collected will substantially increase without increasing the administrative costs of collecting these claims. These collection procedures should also discourage persons from committing fraud.

Section 6. State share of recoveries.

States are currently required to return to the Federal Government all funds collected from households that have repaid the value of any food stamps overissued to them. Section 6 would amend section 16(a) of the Act to allow each State to retain 50 percent of the funds it recovers or collects from persons that have committed fraud as determined in accordance with the Act. This provision will provide an incentive for States to pursue collection of fraud claims, particularly in those cases where recoupment or disqualification is ineffective because the household is ineligible.

The amendment provides that persons involved in making fraud determinations are not to benefit from the amount of such recoupments or collections. This prohibition on the use of revenues collected in this manner will assure the impartiality of officials making fraud adjudications.

Section 7. Eligibility verification.

Section 7 adds a new sentence at the end of section 4(c) of the Food Stamp Act of 1977. The new sentence would prohibit the Secretary from precluding the State agencies from implementing verification procedures in addition to those issued by the Secretary under the Act.

Section 8. Removal of authorization for appropriations ceiling for 1980 and 1891.

Section 8 removes the specific dollar appropriations ceiling for the fiscal year 1980 and 1981 food stamp program contained in section 18(a) of the Act. The language of sections 4(a) and 18(b) of the Act that conditions the level of benefits received by participating households on the availability of appropriated funds are not affected by section 9. Therefore, Congress, through the appropriations process, will continue to decide what the funding level for the program will be.

Sections 9 and 10. Group living arrangements for the disabled or blind.

Sections 9(1), (2), and (3) amend section 3(g) of the Food Stamp Act of 1977 to include within the definition of "food" meals prepared and served to blind or disabled persons in public or private nonprofit group living arrangements that are certified under regulations issued under section 1616(e) of the Social Security Act.

Section 9(4) amends section 3(i) of the Food Stamp Act of 1977 to include, and thereby make eligible for food stamp program participation, within the definition of "household" disabled or blind recipients of benefits under title II or title XVI of the Social Security Act who are residents in a public or private nonprofit group living arrangement (which serves no more than sixteen residents) that is certified by the appropriate State agency or agencies under regulations issued under section 1616(e) of the Social Security Act.

Section 9(5) further amends section 3(i) to provide that residents of federally subsidized housing for the elderly, disabled or blind residents in public or private nonprofit groups living arrangements that are certified under regulations issued under section 1616(e) of the Social Security Act, and narcotics addicts or alcoholics who live under the supervision of a private nonprofit institution for the purpose of regular participation in a drug or alcoholic treatment program, will be considered individual households. This amendment is in accord with current program practices for the elderly and narcotics addicts and alcoholics in treatment programs.

Section 9(6) amends section 3(k) of the Food Stamp Act of 1977 to include public or private nonprofit group living arrangements that serve meals to disabled or blind residents within the definition of "retail food store".

Section 10 amends section 10 of the Food Stamp Act of 1977 to provide that public or private nonprofit group living arrangements that serve meals to disabled or blind residents may not redeem those residents' food stamps through banks. This is the same prohibition that is currently applicable to drug addiction or alcoholic treatment and rehabilitation programs.

Section 11. Effective date.

Section 11(a) provides that the provisions of the bill will take effect on the date of enactment, except that sections 2 and 3 of the bill, dealing with excess medical and shelter expense deductions for the elderly and disabled, will take effect on the first day of the first month that begins after the date of enactment.

Section 11(b) provides that sections 9 and 10, dealing with group living arrangements for the disabled and blind, will be implemented by July 1, 1980, and shall not affect the rights or liabilities of the Secretary, States, and applicant or participating households, under the Food Stamp Act of 1977 in effect on July 1, 1979, until implemented.

U.S. SENATE, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY
Washington, D.C., July 18, 1979.

DEAR COLLEAGUE: When S. 1309, a bill amending the Food Stamp Act reaches the floor, we intend to offer an amendment in the nature of a substitute. The substitute will contain all the provisions of the bill reported by the Committee; the four amendments Senator Helms intends to offer; a Stafford-Dole amendment to extend benefits to handicapped persons living in community living centers; and one other—repeal of the food stamp authorization ceiling for fiscal years 1980 and 1981. (The program expires in 1981.)

The substitute amendment has the support of Chairman Talmadge.

The food stamp program is a matter of great interest and the very mention of the program evokes strong misstatements or inaccuracies. The food stamp program is not out of control. It is growing because of changes in the economy and the fact that people who have always been eligible to participate have only recently been able to participate due to the elimination of the purchase requirement.

The food stamp program provides minimal benefits—33 cents per person per meal—to poor people. According to figures released in June by the Department of Agriculture, over 50 percent of all food stamp households have gross incomes under $3,600 per year; 73 percent have incomes under $4,800; and 85 percent have incomes under $6,000.

The food stamp program has been subjected to closer and more rigorous oversight than perhaps any other program has experienced. Congress has been very sensitive to needed modifications in the program. S. 1309 is only the latest manifestation of this sensitivity.

The Senate has labored long and hard on the food stamp program. In recent months we approved the first concurrent budget resolution for fiscal year 1980 that provides for program expenditures that are substantially in excess of the statutory ceiling. When we considered the supplemental appropriations bill for fiscal year 1979, we voted to appropriate sums substantially in excess of the cap for this fiscal year, after defeating soundly two amendments that would have reduced the amount recommended by the Committee on Appropriations.

We have included in the substitute the amendments intended to be offered by Senator Helms because we believe they are acceptable. We feel it is important, however, to remember that three of these four provisions are contained in S. 1310, the Administration's bill that was introduced by Senator Talmadge by request. Senator Helms has carefully chosen the provisions of title I of S. 1310 that are most attractive. If we are going to adopt those provisions, we should also adopt the funding provision that is contained in title II of S. 1310.

There are several misconceptions about what the effect of removing the specific dollar ceiling for authorizations for appropriations will be. It will not return the program to the entitlement status it enjoyed prior to enactment of the Food Stamp Act of 1977. The language of sections 4(a) and 18(b) of the 1977 Act, which conditions the amount of benefits to be received by households certified as eligible to participate in the program on the availability of appropriated funds, is untouched. Congress, through the appropriations process, will still determine what the level of program spending should be.

Adopting the substitute will not terminate consideration of cost-saving provisions or modifications in the food stamp program. Indeed, adoption of the substitute can result in a more thorough investigation of all suggested proposals without the pressure of the need to attach these proposals to a bill dealing with the authorization ceilings. The Subcommittee on Nutrition is committed to holding hearings on these issues and bringing responsible legislation to the Senate floor.

Removal of the ceiling on the authorization for appropriations will not open "the floodgates" of the program. The existing income eligibility, assets requirements, and work registration provisions are left intact. These are the provisions, along with the cost of food, and the rate of unemployment, that determine the program's cost.

Questions may be raised as to why the substitute does not contain a sum certain for 1980 and 1981. The simple reason is that the food stamp program is deliberately designed to react quickly to changing economic conditions. We were not able to estimate a "right" number for this year until it was three-quarters over. In all likelihood that "right" number will not be known in the future until we are well into the respective fiscal year. The Senate has continuously shown its intent for full funding for the food stamp program. It should be remembered that the Food Stamp Act of 1977 as passed by the Senate did not contain the "cap" or other provisions accepted in conference that altered the entitlement nature of the program.

The appropriations and budget processes are more than capable of determining what the level of funding should be. It works for other non-entitlement programs. It will work for food stamps.

We urge our colleagues to join us in supporting this substitute.

Sincerely,

WARREN G. MAGNUSON,
Chairman, Committee on Appropriations.
GEORGE MCGOVERN,
Chairman, Subcommittee on Nutrition.
BOB DOLE,
Ranking Minority Member, Subcommittee on Nutrition.

PROVISIONS IN S. 1309, SUBSTITUTE

S. 1309—Original Talmadge, Dole, McGovern bill:

1. Raise cap for 1979.

Added in Committee:

2. Senator Talmadge, anti carryover provision.

3. Senator Lugar, reporting requirements and anti pro rata reductions.

4. Senator Stone, deductions for the elderly and disabled.

Expected Floor Amendments—Senator Helms:

5. Use of Social Security numbers for income verification.

6. Repayment for fraudulent conduct.

7. State share of recoveries.

8. Allow States to supplement USDA verification requirements.

Proposed Substitute, McGovern, Dole, Magnuson:

All 8 provisions, plus.

9. Stafford-Dole, extension to handicapped persons.

10. Repeal of the 1980 and 1981 authorization levels.

(The food stamp program expires in 1981).●

FEDERAL TRADE COMMISSION AUTHORIZATIONS—S. 1020

AMENDMENTS NO. 363

(Ordered to be printed and to lie on the table.)

Mr. McCLURE submitted an amendment intended to be proposed by him to S. 1002, a bill to authorize appropriations for the Federal Trade Commission.

● Mr. McCLURE. Mr. President, today I am submitting an amendment to S. 1020, a bill to authorize appropriations for the Federal Trade Commission. This amendment will limit appropriations to the FTC to $68 million for fiscal years 1980, 1981, and 1982.

The Federal Trade Commission was created in 1914 primary as a clearinghouse for information but has since become one of the most powerful regulatory agencies in the Federal Government.

The Federal Trade Commission Act grants the FTC broad authority to write rules to prohibit certain "unfair or deceptive acts," rules which can apply to an entire industry or profession.

The problem is that, from the FTC's standpoint, "unfairness" has no bounds. It lies in the eyes of the beholder, in this case the FTC staff and commissioners. Consequently, its numerous rulemaking proceedings to eliminate practices it deems "unfair" have brought the Commission into areas stretching from one end of society to another. A recent example of an FTC attempt to expand its authority is the move to ban TV ads for children, a move widely denounced by the media, business and consumers.

Since its formation, the FTC has not only extended its area of authority, but has extended its budget and size. The budget for fiscal year 1979 is $66 million; that's up 371 percent since 1967 when it was only $14 million. For fiscal year 1982 the proposed budget is $83 million, an increase of 493 percent since 1967. The FTC presently has a staff of 1,700, with over 600 lawyers and nearly 80 economists.

Mr. President, we have allowed this expansion to be built into the system. For too long the budget Congress authorizes for a commission has more or less followed that commission's request. But we have perhaps forgotten that these commissions are led by men, and it is human nature to want to lead a larger, more powerful commission. There is no intrinsic inclination from within such commissions or agencies to limit expansion, and so far expansion has continued unchecked. If this abusive growth is to be stopped, the impetus must come from the Congress. We have before us a chance to do that.

Mr. President, during this session of Congress, Members of the Senate and the House, responding to public sentiment, have introduced over 90 resolutions calling for constitutional amendments to limit Federal spending and balance the budget. There have been hearings and press conferences but little real legislative action. We need to put a lid on the FTC's budget, not only in response to this agency's unwanted expansion, but also to show the American people that this Congress is serious about representing the people's desire to limit Government expansion in general.●

NOTICE OF HEARING

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. SASSER. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold the last day of hearings on S. 2, the Federal Sunset Act of 1979, on July 24 at 2 p.m. in room 3302, Dirksen Office Building.

The witnesses for the hearing are:

W. Bowman Cutter, Executive Associate Director/Budget, Office of Management and Budget; and

Laurence Silberman, former Under Secretary of Labor, former Deputy Attorney General, and former Ambassador to Yugoslavia.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today—beginning at 2 p.m.—to hold a hearing on financing proposals for the Kennedy Center for the Performing Arts.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. ROBERT C. BYRD. Mr. President, yesterday, the Committee on Environment and Public Works met to conduct committee business. However, the committee staff, through an error in communications, neglected to secure permission to meet. I now ask unanimous consent that the committee be deemed to have had permission to meet yesterday during the session of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION AND RESOURCE PROTECTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittees on Environmental Pollution and Resource Protection of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today—beginning at 10 a.m.—to consider the regulation of hazardous waste.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESOURCES AND PRODUCTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Resources and Production of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider S. 1338 and S. 1330, bills relating to geothermal energy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY CONSERVATION AND SUPPLY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Conservation and Supply of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a hearing on S. 1308, the Energy Supply Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO JOSEPH CALIFANO AND W. MICHAEL BLUMENTHAL

● Mr. INOUYE. Mr. President, I do not question the right of the President to select his Cabinet and White House staff. He should be free to surround himself with talented individuals in whom he has full confidence. Having said that, however, I want to pay tribute to two members of his Cabinet, who have been given their departure notices—two members with whom I have had significant contact these past 30 months and whose dedication and ability I have learned to respect and admire.

I have known Secretary Joseph Califano ever since he served in the Johnson White House. I was, therefore, not surprised to find that he grabbed hold of the huge HEW bureaucracy with a firm and steady hand. Nor was I surprised that he received the respect of the Congress and of the various constituencies which are HEW's special concern. Neither was I surprised that he proved to be a strong and sometimes controversial leader. Anyone who knew him from his days in the White House should have expected nothing less. He has good cause now to look back on his stewardship with real pride in a job well done. I know that his talents will find a ready market, and I am confident that we have not heard the last from Joseph Califano.

While the reasons for his departure from the Carter Cabinet may be good and valid, I was much disturbed by one story that appeared in the Washington Post which suggested that the President's ire had been raised because Secretary Califano stopped over for 5 days in Hawaii enroute back from his recent trip to the People's Republic of China. Secretary Califano's stopover in Hawaii was requested by the Hawaii congressional delegation and the Governor of Hawaii. I was with Joe Califano during a portion of those days, and I want you to know that he gave considerable time and attention to the concerns of the constituency in my State.

We are blessed in Hawaii with a wonderful climate and great natural beauty. It is deservedly known as the premier vacationland. But we are 1 of the 50 States of this Union. And we have health, education, and welfare problems aplenty. Secretary Califano spent many hours visiting with our State and local officials, visiting our special clinics, homes for the aged, schools and training institutions and looking into our problems with refugees and immigrants during those days. Throughout he received high marks from all with whom he came into contact.

I am alarmed if his departure has somehow been hastened by his attention to our problems as has been reported. This is something which sincerely distresses me. We have great difficulty getting the level of attention to our problems in Hawaii from Federal officials which is routinely given to other areas because such officials are always worried that if they go to Hawaii someone will accuse them of vacationing rather than working. This is a most serious matter for we have the poor, the sick, and the illiterate just as do other States, and we have a much higher ratio of immigrants and refugees. They are deserving of the same care and attention granted inhabitants of other States despite the fact they live in beautiful Hawaii.

I also want to pay my respects to Secretary W. Michael Blumenthal who has been a truly outstanding public servant during his tenure at Treasury. I have had the opportunity to work closely with him on matters affecting the international financial institutions from my position as chairman of the Foreign Operations Subcommittee of the Appropriations Committee. Those contacts have left me impressed with the depth of his knowledge and of his commitment to our Nation's interests. His understanding of international finance and of the interrelationships of policy decisions on the international financial community will be sorely missed. I am pleased his replacement is a man of known integrity and competence, for I would be much alarmed if his leaving were to silence the voice of sage counsel on these matters.

Permit me to emphasize again that I do not question the President's right to make the changes he has now made. I do hope that in seeking greater cooperation and harmony within the official White House family, we are not denying to our Nation the dedicated service and sage counsel for which Secretaries Califano and Blumenthal were deservedly noted and so highly regarded both in Washington and throughout much of our Nation and the world.●

PILGRIMAGE TO POLAND

● Mr. **MUSKIE.** Mr. President, John Cardinal Krol, Archbishop of Philadelphia, visited Poland during the historic homecoming of Pope John Paul II last June. Cardinal Krol had been asked last year by John Paul, the Karol Cardinal Wojtyla, Archbishop of Cracow, to celebrate a mass marking the 900th anniversary of the martyrdom of St. Stanislaus. Cardinal Wojtyla's subsequent election as Pope transformed the occasion into the joyous pilgrimage by John Paul to his native land.

Cardinal Krol set down his impressions of the visit in an insightful and thoughtful article which I would like to share with my colleagues.

Much has been said and written about the enormous political significance of the pilgrimage. Cardinal Krol examines the visit from a religious perspective. And he offers some warm and engaging insights into the personality and character of that most unusual man who has been chosen to occupy the throne of St. Peter.

Cardinal Krol's vivid descriptions of the palpable sense of unity between the Pope and the Polish people I found particularly moving and particularly effective as measures of the greatness of Pope John Paul.

To share the article with my colleagues, I request that it be printed in the Record.

The experiences of Cardinal Krol follow:

Pilgrimage to Poland

(By John Cardinal Krol)

Cracow, Poland.—Poland became the pulpit for a moving message to the world.

In the midst of the most impressive manifestation of faith and devotion I have ever seen or hope to see, Pope John Paul II issued a call to the people of the world to recognize their dignity and their destiny as children of God and as heirs of heaven.

Before more than one million persons at Oswiecim, better known from its German name as the site of the infamous Nazi death camp at Auschwitz, the Holy Father offered a ringing re-statement of the right to life: the right to human life and the right to national life. He called Auschwitz an example of "how far hatred can go, how far man's destruction of man can go, how far cruelty can go." He also said: "Never can one nation enrich itself at the expense of another, at the cost of the enslavement of another, at the cost of conquest, outrage, exploitation and death."

Before more than one and a half million persons gathered on a gently rolling green field outside Nowy Targ, the gateway to the Tatra Mountains, the Holy Father emphasized the right to land. Although many today may leave agricultural work, the Pope said, "still the right to the land does not cease to form the foundation of a sound economy and social order."

Before more than two and a half million persons assembled in the public park of Cracow, the Holy Father restated the right to liberty—especially religious freedom, as exemplified by St. Stanislaus who died because of his faithfulness to the integrity of the Gospel message and to the principles of Christian mortality.

Life, land and liberty—these basic human rights were restated in a compelling manner and with tremendous insight by one who was truly honoring St. Stanislaus by imitating him—by being clear and courageous in his proclamation of the Gospel.

It was a joy to hear the words of the Holy Father and to see how they were received by people who obviously love him and are proud of him.

When his words would suggest a popular hymn, the congregation would interrupt the Pope and begin to sing, while the Holy Father himself either smiled and waited or joined in the singing. It was as if the responsorial psalm of the Mass had been extended to the homily, with the response of the congregation reflecting their understanding of and their commitment to the truth that he was preaching.

On one occasion, at Nowy Targ, a group of young people began to sing the hymn, "Our God Reigns." The Holy Father spoke over their singing to say, "The last time I heard that hymn, I sang it with you!" And then he wept. As the voices of the young people swelled with the hymn, the Holy Father covered his face and wept and struggled to compose himself after feeling the painful tug of memories of those he had known and loved and had to leave.

I was also deeply moved by the experience. The Holy Father had kindly walked across the field to ask me to join him in the sanctuary area—and so I felt close to him in many ways when the incident occurred. Also, the hymn restates my own motto as a bishop, "*Deus, Rex meus,*" "God is my King," and, since my name means "king" in Polish, a form of the word "krol" was part of the hymn's refrain.

In all situations, however, the Holy Father's love and affection for the people and their devotion to him were very evident. He would frequently insert extemporaneous remarks into his prepared text; he would often gently joke with the congregation at the beginning or end of his homily. While his added remarks might add several minutes to the ceremony, the congregation not only did not mind the added moments; they looked forward to them and seemed genuinely disappointed when the Holy Father stopped speaking to them.

The Holy Father himself told me that he found this pastoral journey easy, because of his greater facility with his native language. He also said that he had come with 35 prepared texts for special occasions, but that other formal occasions kept getting added to his schedule. Thus, within eight days, the Holy Father gave between 45 and 50 formal talks and frequent informal talks on such occasions as the appearances at the window of his residence in Cracow. Probably no other man would say that he found such a schedule easy—but that is what the Holy Father said, and he meant it.

It did seem as if everything went perfectly during the trip. The Holy Father always said the right thing in the right way; he always chose the message appropriate to the place and the occasion.

In a talk at Nowa Huta, an industrial suburb of Cracow, for example, the Holy Father reminded the congregation that, as a worker, he had helped to build Nowa Huta, but he told them that it was built on the foundation of Christ and His Cross. Such a message in such a place showed the Pope's identity with workers and reflected his firm belief in the dignity of work, but it also enabled him to show that work without God is slavery, while work with Christ is creative and redemptive. The dignity of work, the Holy Father emphasized, must reflect the dignity of man. He also reminded the congregation of the sacredness of Sunday as a day of rest and as a day to honor God.

Whether his homilies touched on profound social issues or on simple acts of piety, as in a moving talk in Czestochowa on the value of the Angelus, Pope John Paul spoke from the heart and to the heart.

Although his schedule was crowded, he never appeared rushed or rattled or disturbed. He appeared to be what I know him to be: a man in tranquil possession of his own soul.

Of all the event-filled days of a truly historic week in Poland, the Holy Father's final day in his beloved Cracow will be unforgettable. I don't know of any other religious event in the history of the world that brought two and a half million people together in one place as did the Holy Father's final Mass to mark the 900th anniversary of the martyrdom of his predecessor in Cracow, St. Stanislaus. Since Philadelphia had been host to the 41st International Eucharistic Congress in 1976, it was particularly consoling for me to hear those millions of voices join in the Eucharistic Congress hymn, "Gift of Finest Wheat."

Later, after lunch, the Holy Father graciously encouraged me to accompany him to the airport. As we rode in the automobile directly behind the special van carrying the Pope, the people lining the route were like the banks of a river—solid, unbroken lines stretching for miles.

Just as the officially atheistic government had constructed the altars for the major outdoor liturgies and had provided the sound equipment and communications facilities for one of the most effective efforts of preaching the gospel in the history of the Church, so they also provided a motorcycle and security escort—an appreciated but somewhat superfluous gesture, since the crowds perfectly combined enthusiasm with reverence and displayed remarkable discipline and order.

One thing the crowds could not control, however, was their tears. Many of those who waved banners and flags also wept—freely and openly. They did not want to see their Pope—their Holy Father—return to Rome; they did not want to see him leave them. The students at the state university even dared to decorate their dormitories with crosses and with banners which read, "We are with you," and "Jesus, the way, the truth and the life."

The events of Sunday, June 10, in Cracow—from the morning Mass, through lunch with the Holy Father, through the 50-minute ride to the airport through cheering and weeping crowds will remain, I am sure, the most memorable experience in my life.

Finally, after the farewells at the airport had been said, the Holy Father knelt for a final time to kiss the soil of his beloved Poland and turned to board his plane. Then, the people from the mountain regions began to sing the song of the highlanders—a song which the Pope had told me on the morning after his election that we should sing together once again. The words to the haunting melody say, "Highlander, why must you leave?"

The Holy Father knew the answer, of course, but it was a question he must have been asking himself.

The answer is that Pope John Paul II no longer belongs only to Poland, he belongs to the world. And even during his visit to his native land, he used Poland as a pulpit to preach to the world about the dignity and destiny of man and about the goodness and glory of God. As the Pope has done and as we all must do throughout life, the Holy Father—like a grain of wheat—died a little as he left his native land so that in Christ's name he might bear more fruit—fruit which will remain.●

YEAR OF THE CHILD: SOVIET STYLE

● Mr. McCLURE. Mr. President, during the 1980 Olympic games in Moscow, I hope that the Americans attending will take the opportunity to visit the nearby prison camps. It should be educational to see firsthand how the Soviet Union is celebrating the U.N.'s Year of the Child.

One estimate is that about 50 percent of the babies born in one Soviet camp do not survive. When you compare this to estimates that between 20,000 and 40,000 babies are born each year in Soviet prisons, you have a better understanding of the mentality of the Communists and their supporters.

As one Russian mother explained, when women are arrested, their children are also arrested and jailed. Her daughter was 5 years old when she was forced into a Soviet jail. When released 2 years later, she described the terror and cruelty which the Communist regime inflicts on innocent children.

Mr. President, the Jerusalem Post for the week July 8–14, 1979, carried an article describing in detail the horrors of the Soviet system, as applied specifically to children. So that my colleagues and fellow Americans may gain a deeper understanding of the true nature of the Communist system in the Soviet Union, I ask that the article be printed in the Record.

The article follows:

Mother, Child Tell of Soviet Family Jail Horrors

(By Sarah Honig)

Tel Aviv.—"They kept calling me Jew-girl and beating me. There wasn't enough food and it was usually burned," nine-year-old Larissa told the press yesterday, recalling the nearly two years she spent behind barbed wire in a Soviet prison camp for children.

Chubby, freckled and shy, Larissa appeared with her mother, Ada Sherman, at a press conference here last week to tell of the ordeals of the Soviet Union's women prisoners, whose children are often sent to camps together with them. The press conference was sponsored by the independent research centre on prisons, psychiatric asylums and hard labour camps in the USSR, a body set up by Soviet immigrants three years ago in Zichron Ya'acov and funded by university grants from throughout the world.

Ada Sherman didn't want her daughter to dwell on the past and explained that the girl had emerged from prison highly nervous and with a heart condition. Larissa found herself behind bars after her mother was tried following her request to be allowed to go to Israel. Mother and daughter were released in January 1978, and came to Israel six months ago.

Sherman, a Russian language teacher, reported that when women with children are arrested, the children are often jailed nearby under conditions nearly as appalling as those of their mothers. They are dressed in numbered, grey prison uniforms and given the same calorie-deficient diet as the adults, save for an additional daily, pint of low-fat milk.

She did not see her daughter during her prison term, Sherman said. The child was five when her mother was arrested. "After my release," Ada Sherman relates, "I hardly managed to find my daughter. When I located her, I discovered an intimidated, yellowish, pale child, so emaciated that you could almost see through her. She would not say anything about her ordeal and only cried, with visible horror in her eyes."

The only details she managed to elicit from the child were that she had shared a room with 50 other children, that she was always hungry, and that those in charge of "educating" the youngsters beat them daily. "I finally stopped asking her, afraid of evoking those terrible memories," Sherman, now an ulpan student at Kiryat Haim, told the press.

She added that after their release, many mothers fail to locate their children, "who are then doomed to grow up as orphans; their fate more often than not eventually brings them to the adult prison camps."

Sherman and other prisoners had traveled for a full month from prison to prison in a windowless black van until they were eventually brought to the camp where they spent the rest of their terms. On the way, she saw the deaths of many infants who had been travelling with their mothers. "I saw babies sucking at their mothers' empty breasts and rotting in dirty rags that served as diapers. We were not allowed to wash them, and there was no medical help. The cold and disease eventually got them.

"Near our camp in Gorky was a separate barracks for 60 to 70 babies. Mothers had 15 minutes three times a day to nurse the infants. The babies were malnourished, with their food sometimes stolen by the wardess' wives who acted as nannies. These infants could not smile, many had rickets and could barely move. Their winter and summer dress was identical, and mothers would try to smuggle rags to protect them from the freezing weather.

"When a child died, the nanny would often tell the mother: 'Why are you crying? It would have died anyway after more suffering, or it would have grown up to become a bandit. It is better for these degenerates to die.'" Children died in camp every day, and the babies' survival rate was only about 50 per cent, Sherman related.

She recalled one convoy of women prisoners which arrived in her camp in April, 1977. "The prisoners were transported with their babies, all of whom had died on the way. Pregnant women and nursing mothers were often cruelly beaten."

Most camps had a mixture of political prisoners and those convicted of criminal offences. There are very few camps exclusively for political convicts.

Former Prisoner of Zion Ya'acov Suslensky told the press that some 20,000 to 40,000 children are born in Soviet prisons annually.

The research centre's executive director, Avraham Shifrin, told the press that Ada Sherman's stories, as well as other eye-witness accounts of the fate of women and children in Soviet prison camps, will be published in six months in a book to come out in the U.S. and Europe.

"The book is our gift to the USSR for the Year of the Child and for the Olympic Games in Moscow. It will come out in the form of a tourist guide to the prison camps of the USSR. We will have detailed maps and instructions how to get to each camp. In the case of camps situated in the cities, there will even be information about the bus lines to reach them. It is our hope that some of the more intrepid tourists in Moscow for the Olympic Games will use our guide to peer behind the Soviet propaganda screen, and see how some of the children of the USSR live during the UN's Year of the Child," Shifrin said.●

SYMPOSIUM TO COMMEMORATE THE FLIGHT OF APOLLO 11

◉ Mr. STEVENSON. Mr. President, yesterday in commemoration of the Apollo 11 flight to the Moon, the Committee on Commerce, Science, and Transportation and the House Committee on Science and Technology sponsored a symposium, "Next Steps for Mankind: The Future in Space," in the Senate Caucus Room Prof. Carl Sagan of Cornell, Dr. Noel Hinners, director of the National Air and Space Museum, and Mr. George Jeffs, president of Rockwell Aerospace, described the scientific and economic opportunities in space that should still challenge and motivate this country. Former Senator Ted Moss, who served as chairman of the Aeronautical and Space Sciences Committee, and former NASA administrator Jim Fletcher joined in the lively discussion that followed. An audience that filled the Caucus Room to capacity participated in a question-and-answer session. The session was moderated by the ABC News science correspondent, Jules Bergman.

This event again demonstrated the continuing public interest in pursuing the challenge of space exploration. We have learned so much during the two decades since the Apollo program was announced by President Kennedy. The opportunities for benefitting mankind are numerous: in communications, resource and environmental observation, energy production, and manufacturing. We stand on the threshold of truly revolutionary discoveries about the origin and nature of the universe. The challenge of exploration and discovery throughout our solar system and beyond could bring new spirit and meaning to people everywhere. Finally, space also offers exciting prospects for peacekeeping in a world increasingly threatened by an arms race that seems beyond control. Mr. President, I addressed these opportunities at the symposium, and I ask that my prepared remarks be printed in the Record at this point.

The remarks follow:

REMARKS BY SENATOR ADLAI E. STEVENSON

The proposal for landing a man on another celestial body conjured up a totally new human experience. An American President committed his country to the impossible.

People the world over responded to President Kennedy's audacious decision with enthusiasm. Malaise is dispelled with imagination and the boldness to propose that which cannot be done and transforms the human experience when it is done.

Today we will discuss possibilities for space science and civil space applications ushered in by the space shuttle. The routine utilization of space for the benefit of earth lies ahead—if we have the imagination.

The possibilities for using space to enhance national security, indeed international security, are large, too. But the choice is in the balance—tilting, if governments act in the ways to which we are accustomed, towards escalation of a strategic arms race into that benign environment.

Already space is critical to missile guidance systems, navigation and communication systems for military purposes, intelligence and SALT verification systems. The development of offensive weapons in space, anti-satellite weapons, eventually may deny the use of space for military and civil purposes. So, we might also consider means by which that environment can be used positively for new means of preserving the security of the world. An international earth observation system could subject the compliance of nations with arms control agreements and the military activities of all nations to scrutiny by all nations. Neither superpower would, nor should it, relinquish national means of verification and monitoring. But, as it is, violations of arms control agreements are discovered in murky circumstances which can lead to conflicting conclusions. And the risk of detection by a superpower offers less deterrence than would the risk of detection by the world. If all nations observed all others, world opinion could restrain behavior, nuclear and non-nuclear, which offends the sensibilities of mankind. The U.S., an open society, would have little to lose.

Such an international earth observation system for international security could over time become part of a global information system, using remote sensing satellites for a host of non-military applications as well. Again, national systems for remote sensing would not be abandoned. We could for now endeavor to achieve compatibility among these systems so that the widest range of data is obtained by the broadest number of users. Over time these national systems might evolve into an international system which manifested the value of international cooperation, as well as competition, on a small planet.

The United States is far ahead in civil and military space applications. No other nation has its opportunity to take the initiative. The technology is far more in hand than when President Kennedy set us on a course to the moon. But the imagination and will may be lacking. I am hopeful that this symposium on the 10th anniversary of a remarkable testament to human imagination and resolution will embolden us to carry on.

Mr. President, we forget that when President Kennedy made the decision to go to the Moon, the technology to get there had not been developed. That is not our situation today. All of these prospects are within reach. We lack only the will to act. I am hopeful that before the 96th Congress adjourns sine die we will have once again made such a commitment through passage of S. 244, the Space Policy Act.

I commend those who participated in yesterday's symposium. I also join in the salute today to the Apollo 11 crew—Neil Armstrong, Buzz Aldrin, and Mike Collins—that took mankinds's first step on another celestial body and, in that moment, brought our species to a new level of accomplishment and challenge.

Mr. President, I also ask that the proclamation issued by President Carter in response to House Joint Resolution 353, "United States Space Observance, 1979," and a commentary in Science News, "Whiter the Giant Leap" by Jonathan Eberhart, be printed in the Record.

The proclamation and commentary follow:

PROCLAMATION 4669 OF JULY 17, 1979

(By the President of the United States of America)

A PROCLAMATION

Ten years ago this week, the Apollo astronauts changed forever, for all humanity, our concept of the universe and our relation to it. Their electrifying landing on the Moon—that "giant leap" to the surface of another world—was an unparalleled triumph of determination and technological genius. It epitomized the strength and the potential of the American people.

During ten years since, space has become part of our daily lives. We use it for essential communications and for monitoring our environment. Nationally and internationally, the exploration and use of space hold even greater promise in the future for the wiser management of our planetary resources, for the expansion of knowledge, and for the development of civilization.

In recognition of this triumph, the Congress, by joint resolution (H.J. Res. 353), has requested that the period of July 16 through 24, 1979, be designated as "United States Space Observance."

As we face new challenges as a nation—notably the challenge of achieving energy security—let us reflect upon the courage of the Apollo astronauts, and their predecessors in the Mercury and Gemini programs. And let us take courage and inspiration from the success of America's effort to land the first men on the Earth's Moon and return them safely.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby proclaim the period of July 16 through July 24, 1979, as "United States Space Observance." In accord with the congressional resolution, I call upon the people of the United States to observe this period with appropriate ceremonies and activities.

In witness whereof, I have hereunto set my hand this seventeenth day of July, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and fourth.

JIMMY CARTER.

WHITHER THE GIANT LEAP?

(By Jonathan Eberhart)

It was a left boat, white, with a silicon-rubber sole and 14-layer sidewalls of aluminized plastic, custom-fitted to its intended wearer. When it was built, it weighed about four pounds, nine ounces. When it was used for its climatic purpose, it weighed about three-quarters of a pound.

It has been estimated that when Apollo 11 commander Neil Armstrong put his foot on the moon at 10:56 p.m. EDT on July 20, 1969, one in every five people on earth saw him do it, and one in every two knew about it. "That's one small step for a man," Armstrong said—a fair description of his descent to the surface of the moon from the bottom rung of the lunar module's ladder, even given that the act was probably the most-witnessed single event in human history. But of course there was more to the astronaut's instantly famous remark. The same step, he noted, was "one giant leap for mankind."

The small step and giant leap formed an apt comparison. Unfortunately, it is usually only the latter part that gets quoted these days. As it happens, I have rather an affection for the former, with its reminder that, despite the vast effort, cost and technological revolution involved in the accomplishment, it was the much smaller-scale presence of a couple of human beings that made the event such a large-scale milestone.

But what of the giant leap? Certainly there was the Apollo 11 flight itself, crossing the distance from earth to moon. But I doubt that's what Armstrong meant. Even at the time I had the sense, watching and listening from the control center in Houston as his words came back from Tranquillity Base, that he was speaking not only of a leap just completed, but of one just beginning. The direction of the first was clear: outward, across a new frontier, with all its potential for opening human perceptions of Spaceship Earth and its newly felt vast surroundings. As for the second, even with a decade's passage its direction is hard to tell.

There were originally to have been 10 Apollo lunar landings. A year after the first of them, the last three were cut from the list. (The final total, in fact, was only six, due to a mishap that forced Apollo 13 to return to earth without reaching its goal.) A planned follow-on effort called the Applications Program, intended to use manned Apollo hardware in a variety of lunar and earth-orbital missions, was abbreviated into Skylab.

Science: The Apollo moonrocks brought back by the astronauts and the instruments left on the lunar surface have revealed a great deal, not only about the moon but about the cratering processes that have shaped the earth, about changes in the sun and about dating the evolutionary stages of other planets. Yet science was hardly Apollo's strong suit. Only a single geologist—astronaut (now senator) Harrison Schmitt—was ever sent to the moon, and a proposed unmanned satellite called the Lunar Polar Orbiter, designed to expand Apollo's highly limited coverage into global information, was later rejected in budget planning for three years running, until NASA finally decided to stop trying. Other proposals for going back to the moon (NASA is studying the possibility, for example, of an unmanned lunar base with robot rovers to retrieve samples for automated analysis) are far in the future.

Obviously, many priorities have changed, and were changing even as Armstrong took that momentous step. That very summer, President Nixon recommended the largest space-spending cut in NASA's history, and Vietnam, inflation and energy crises continued to erode the potential for realizing dreams of the high frontier. In announcing NASA's fiscal 1977 budget request, for example, agency head James Fletcher said that the biggest NASA budget of all time—that of 1966—would have amounted to $11.4 billion in the shrunken currency of 1977. NASA, however, was seeking less than $3.7 billion.

The space program continues, of course, but in a far different fashion than the one that left human footprints on the moon. That was a specific, directed effort—a national goal declared eight years before by President John F. Kennedy. Now there is a new "space policy," promulgated by President Jimmy Carter and credited by the White House with having the same weight and significance as the moon-landing directive. Yet the new policy stands accused from many quarters of being vague, noncommittal and short-sighted.

There is no single, unifying goal toward which to work, or even to aspire. Various groups advocate inhabited "colonies" in near-earth space, or huge, solar-powered, energy-producing satellites whose cost would make Apollo's seem like small change. Neither, however, is an expressed goal of NASA's planning—their constituency is in the private sector.

But perhaps that's a clue to where the "giant leap" is going. The arrival of human beings on the moon was certainly inspirational. Veteran airplane pilots whose roots are in the early days of flight have often expressed wistful regret that subsequent generations take their miracle for granted. Yet children born since the Apollo 11 landing still find awesome the launching of a big rocket, a new photo of Jupiter—even the activities of human beings in space. The most staunch opponents of expanded space programs can still be heard using the phrase, "If we can put a man on the moon, why can't we . . . ?" as a metaphor for the ultimate in striving to achievement. For all the growing, down-to-earth concerns about high prices, energy shortages, pollution and starvation, many people still find time to hope that the giant leap can find not only direction but momentum.

For momentum may have been one of the moon program's major contributions. Hundreds of thousands of people worked to make it happen; new technologies and techniques sometimes seemed to spring up almost on demand. And indeed they did—with the emphasis on "demand." Such an effort could almost be inspirational in its own right, separate and distinct from its spectacular goal.

Many of today's goals, unfortunately, are harder to hit than the neatly pinpointed sphere of the moon. Cheap energy, for example, involves complicated trade-offs, the interaction of potential beneficiaries with very different needs, uncertain resource limitations, environmental effects and predictions of a fast-changing future. A cure for cancer may be not a single goal at all, but many, diffusing both the efforts to reach it and, perhaps more importantly, the satisfaction of reaching a clearly defined resolution.

Such goals are certainly more "practical" than that of landing people on the moon, but perhaps there is still a case to be made for the triumphs of exploration and discovery, even apart from the promise of unexpected knowledge (or, as with Apollo's beginnings, political advantage). The real gain may accrue not from the goal at the end, but from the seeking.●

A HAVEN, CHEAP: ROOMS ARE $5 A NIGHT

● Mr. TOWER. Mr. President, man's inhumanity to man can be documented almost daily in the Nation's newspapers and on television. We seem to be a society which places a premium on hearing about and witnessing the gloomy, the unwholesome, and the unsavory side to our character.

From time to time, Mr. President, I believe it is important that man's humanity to his fellow man be brought to the public's attention—and receive the same prominence in the media that the darker side of our nature receives. Such attention was given this very subject, Mr. President, by the Houston Post in a story by Ed Jahn on July 2. It is the extremely heartwarming account of a Houston couple who saw the need to help cancer patients who, because of economic hardship, are deprived of the same care and medical treatment others receive. Johnny and Connie Garcia took the time to care, Mr. President, when few others did. Theirs is a story which should be retold. I commend it to my colleagues, and ask that it be printed in the RECORD.

The article follows:

A Haven, Cheap: Rooms Are $5 a Night, But There's a Catch—You Have To Have Cancer

(By Ed Jahn)

The view from Garlin House is spectacular.

The large home at 205 Paschall sits on one of the highest points in Houston. It overlooks shady White Oak Bayou and provides a panoramic view of downtown skyscrapers few hotels can match.

And the cost for a night's lodging is ridiculously cheap. For $5—even less if you can't afford that—you are given a neat bedroom, use of a large, well-equipped kitchen, living room privileges and a comfortable, front porch seat where you can enjoy the scenery.

Johnny and Connie Garcia ask that you meet only one requirement for your stay at their home. You have to have cancer.

"This house is run on a dare," says Connie. "When my mother died of diabetes in 1972 I knew someone had to do something for people."

Across the street from Garlin House is the rehabilitation center of the University of Texas M.D. Anderson Hospital and Tumor Institute. A daily stream of cancer patients visits the annex for various treatments.

"When I spent that long time taking care of mother in another hospital I would see families and patients taking leftover food from trays and the garbage because they couldn't afford food after the bills," she said.

At one time officials at the hospital asked her to tell Mexican-American patients and their families not to congregate in the halls. "But when a Mexican-American gets sick, the whole family gets sick together.

"I realized these patients also needed warmth and a feeling of home," she said. "I would see people put a blanket down under their truck and sleep because there was no place they could afford to go. When my mother died we knew. For Johnny and me, Garlin House was a necessity."

In 1973 the Garcia made arrangements to purchase the frame home. "I just asked the bank to trust me and two weeks later I got the money. It took a lot of nail-biting, though," Connie said.

The sewage connection had to be "bootlegged" as there was no direct hookup into the main line. Corroded electric wires and connections were replaced for safety's sake.

For a while, the Garcias' daughter and son-in-law operated the home now serving 25 to 30 low-income cancer patients each week. "But it got too heartbreaking for them. Then Johnny started getting a liking to it. He began spending almost all his time here fixing it up, helping with the cooking and talking to people," she said of her husband, a supervisor for an oil field surveying firm.

Garlin House had one crisis: "I had no

business organization. All the money came out of one pocket. People thought the house was a beautiful idea but they said if anyone fell and broke an ankle I could lose the house and all my assets," she explained.

Help came in the form of advice from Sen. John Tower and former Houston mayor Louie Welch. Both heard of the undertaking and suggested assistance from bookkeepers. The two politicians also put the couple into contact with citizens willing to make contributions and never asked for publicity, she said.

Soon the problems were ironed out. Garlin House became a chartered non-profit enterprise and fans, refrigerators, furniture and a range were donated.

Garlin House is not limited to Mexican-Americans. Needy persons of all races and nationalities are welcome and take advantage of the accommodations. A shuttle bus provides transportation to downtown medical facilities.

An Anglo woman outpatient from Abilene and her young son were two boarders last week. "When I came to Houston the only place I could find nearby wanted $26 and I just couldn't afford it and meals," she said. "I couldn't believe it when I heard about Garlin House."

Other boarders told of the pay-what-you-can-afford policy and how much it meant to them at a time when they were physically, emotionally and monetarily strapped.

All told of the comfort they found at Garlin House with its convenience, family atmosphere and considerate operators.

And this is where the story should end, with Connie telling of how she dreams of a larger Garlin House "the size of a castle" and Johnny talking about the good luck hat hanging above the kitchen door.

But there is much more.

Last fall Johnny was stricken with a fever and unpleasant rash. His doctor confirmed Johnny's suspicions with his diagnosis: Johnny has leukemia.

"We reached a crossroad. What are we going to do? We couldn't sell Garlin House, although we were offered a lot of money for it. We thought we really understood what we were doing before. Now, with Johnny, we really do understand and Garlin House means that much more to us," Connie said.

"You give someone a fair shake when they are sick and dying and need money, and there is no need to make a profit from them," Johnny said. "Now I really know what it means to have friends and not have to worry about a place to sleep and getting a meal."

He is hopeful about the future; treatments have halted the spread of his illness.

Johnny was a baseball umpire in Houston for many years and his motto is, "I'm in this game for life."

Connie considered the future while looking out the kitchen window at the bayou.

"Someday I'd like to see a whole string of little homes for the cancer patients out there," she said. "I never want to lose sight of that."

She, too, is hopeful. "I can feel it in my guts what I want to do. Just when I think everything is going to topple over something happens to straighten it up again," Connie said.

"This is what I know," she said. "Garlin House is what we feel." ●

THE TECHNOLOGY OF HAZARDOUS WASTE DISPOSAL

● Mr. **MUSKIE**. Mr. President, it has been almost 1 year since the tragedy of Love Canal was disclosed. In that time the urgency of the hazardous waste disposal problem has not subsided.

The hazardous waste mistakes of the past have come back to haunt us at a time when Government is reluctant to initiate big spending programs, when industry is weary of regulation, and when the U.S. economy is already overburdened with inflation. Nevertheless, these problems require effective, timely solutions.

We must respond to this frightening threat to health and the environment as soon as possible.

We must move aggressively toward addressing the existing problem sites and the many methods we use in disposing of our waste.

We now have several pieces of legislation before the Committee on Environment and Public Works which aim to correct the problems associated with the release of hazardous substances into the environment. The technology to safely dispose of hazardous wastes has existed for many years, but many promising innovations have recently been developed.

Our challenge now is to assure that any new legislation we enact, beyond the scope of the Resource Conservation and Recovery Act, will give industry the incentive to take advantage of these technologies in disposing of their wastes.

In recent months, Science magazine has published a series of timely articles summarizing the problems and promises of various hazardous waste disposal technologies. Mr. President, I request that these four articles be printed in the RECORD.

The articles follow:

TOXIC WASTE DISPOSAL A GROWING PROBLEM

(NOTE.—The Ward Transformer Company of Raleigh, North Carolina, paid $75,000 to Robert Burns, owner of Transformer Sales Company, to haul away and dispose of 31,000 gallons of transformer fluid containing highly toxic polychlorinated biphenyls (PCB's). Instead, according to a grand jury indictment, Burns dumped the chemicals along the side of 270 miles of North Carolina roads. The state is now trying to find a site to dispose of 30,000 cubic meters of contaminated soil.

Small firms throughout Kentucky hired the late A. L. Taylor to haul away toxic wastes generated during the course of their business. What they did not know, according to the Environmental Protection Agency (EPA), was that Taylor was dumping the barrels of waste on a 17-acre field at Stump Gap Creek, about 20 miles south of Louisville. When environmental officials discovered the site last year, it contained more than 100,000 steel drums, many of them rusted, dented, buckled, and riddled with gunshot holes. Federal officials estimate that it will cost $100 per drum to analyze their contents and dispose of them, but there is no money available.)

The highly publicized leakage of toxic wastes from industrial landfills such as the Love Canal area in Niagara Falls (see box) is only part of the story of toxic wastes. Legal dumpsites gone awry, tragic as they may be for the individuals involved, may not be the most serious problem with disposal of hazardous wastes. Illegally dumped wastes and incomplete and unsecured dump sites throughout the country represent a far more severe hazard, both because they are so numerous and because people who live near them are generally unaware of their existence.

It has become almost commonplace for investigators to find drums of chemicals of unknown ancestry hidden in abandoned warehouses, stored on small lots in rundown sections of cities, stashed under elevated roadways or in open fields beside them, poured onto the ground on vacant lots or rented farms, or simply dumped into municipal sewers and private wells. A substantial number of otherwise adequate industrial landfills have also been inadequately secured so that their integrity is highly questionable.

Hazardous materials at such sites can produce fires and explosions, contaminate ground and surface water, pollute the air, accumulate in the food chain, and produce poisoning, birth defects, and tumors. EPA has documented more than 400 cases of damage to health and the environment due to improper management of hazardous wastes, and that is but the tip of the iceberg; many times that number could undoubtedly be documented if EPA did not have such extremely limited manpower. EPA has been given broad new authority to regulate hazardous waste disposal under the 1976 Resource Conservation and Recovery Act (RCRA), but critics argue that the agency has been slow to wield that authority. EPA officials, in turn, argue that great care must be taken in promulgating regulations for hazardous waste disposal because the subject is so different from anything that the agency has dealt with in the past. RCRA, furthermore, is oriented primarily toward regulation of new wastes and waste disposal sites and gives EPA only limited power to deal with existing situations.

Hazardous wastes—defined by EPA as those that are ignitable, corrosive, reactive, or toxic—account for 10 to 15 percent of all industrial wastes, or about 35 million metric tons per year. The total has been growing by about 3 percent annually. About 12 million metric tons of hazardous wastes are produced by the chemical industry itself, but significant amounts are produced by virtually every type of industry.

Some of the solid waste is recycled, some is burned, and some is dumped at sea (although that option will no longer be permitted after 1981), but most of it is simply burned in one of what seem to be innumerable landfills. There are now some 18,500 sites for disposal of municipal solid wastes, 23,000 for disposal of sewage sludge, and more than 100,000 for industrial wastes; uncounted others have already been closed. About 75 percent of hazardous wastes are disposed of on the property of the companies that generate them; the remainder is handled by waste disposal companies. Only 10 percent of all hazardous wastes are disposed of in a manner consistent with proposed federal regulations, according to EPA estimates. Nearly 50 percent is disposed of by lagooning in unlined surface impoundments, 30 percent in nonsecure landfills, and about 10 percent by dumping into sewers, spreading on roads, injection into deep wells, and incineration under uncontrolled conditions.

There is no clear indication how many of these sites are dangerous. A recent report prepared for EPA by Fred C. Hart Associates, however, estimated that potentially significant health and environmental problems may exist at anywhere from 1,200 to 34,000 sites across the country. Health problems, including "illnesses, injuries, poisoning cases, and deaths," were found at 232 sites studied by the Hart team in detail. They also found that 75 percent of all landfill sites are in areas "particularly susceptible to contamination problem"—in wetlands, on floodplains, and over major aquifers. The study estimated that it would cost more than $44 billion to eliminate totally the potential health dangers associated with the sites.

The haphazard management of dump sites must be considered especially astonishing in view of the potential longevity of many of the wastes. It is true that some of the more reactive chemicals will be degraded after a few months or a few weeks of storage. But the more stable materials, such as PCB's, may retain their chemical identity—and their toxicity—for decades, perhaps for centuries. Still other toxic materials are permanent hazards—a cadmium atom or a beryllium atom will remain that forever. From this perspective, the much-bruited half-lives of radioactive wastes from nuclear power plants seem almost transient. The volume of nuclear wastes also seems small in comparison. Only about 5000 metric tons of nuclear waste have been accumulated since the beginning of the nuclear era, four orders of magnitude less than the amount of toxic wastes generated in 1 year.

The design of most of the landfills now in use is not inherently bad. In essence, the approach is to construct an impoundment such that any liquids contained within cannot get out and external waters such as rain and groundwater cannot get in. In practice, this is achieved by enclosing the wastes in a basin with walls, bottom, and cap constructed of 3 meters or more of very dense clay; such clay has a permeability to water of about 1×10^{-7} centimeter per year. Such a vault should be very secure if it is not breached. Unfortunately, breaches seem not to be rare. An undiscerned crack in the clay, for example, can provide a much less resistant pathway for the migration of various chemicals. Earthquakes and other natural phenomena can produce cracks in the vault after it is sealed. Man's activities can also destroy the vault's integrity, as apparently was the case at Love Canal.

Far more threatening to life and the environment, however, are those chemicals that don't make it into secure landfills. Many of the activities of midnight dumpers, gypsy haulers, and some small companies border on the incredible:

The Union Carbide Corporation contracted with Nicholas Fernicola for disposal of 4500 55-gallon drums of organic wash solvents, distillation residues, and other organic wastes. Fernicola abandoned the drums on a former chicken farm near Toms River, New Jersey, EPA says, telling the owners from whom he had leased the lot that the drums were empty. The owners subsequently discovered that the barrels were leaking chemicals into the ground. Two years after the barrels were removed to a secure landfill, traces of the chemicals were found in the aquifer that supplies local wells. Cleanup at the site and replacement of the water supply have so far cost Carbide $100,000 and the EPA more than $400,000. As in most other cases of this sort, civil lawsuits are still pending.

William J. Carracino, president of Chemical Control Corporation of Elizabeth, New Jersey, and other officers of the company have been convicted of, among other things, emptying a tank truck containing chemical wastes into Elizabeth Creek and into a sewer that leads into Newark Bay; abandoning drums of chemical wastes at various locations; and saturating dry garbage with toxic chemical wastes and hauling the contaminated garbage to landfills intended only for municipal garbage.

Salisbury Laboratories, which produces veterinary pharmaceuticals at a plant in Charles City, Iowa, has been dumping chemical wastes, principally arsenic, onto a 7-acre site since 1953, EPA says. Arsenic from the site is now being leached into the nearby Cedar River. The estimated cost of digging up the landfill and moving it is $30 million. The total worth of the company itself is only $5 million.

A plant producing fungicides and other mercury compounds operated for years, under several different owners, at a site about 2 miles north of the Meadowlands Sports Complex in New Jersey. During the manufacturing process, EPA investigators have found, as much as 2 kilograms of mercury per day was slopped onto the floor and washed into the swampy area outside the plant; much of it eventually entered Barry's Creek, which flows into the Hackensack River. A recent state investigation at the site showed concentrations of mercury as high as 123,000 parts per million in the creek and surrounding land; a dose of 160 parts per million is generally considered lethal and EPA restricts mercury concentrations in drinking water to less than 1 part per billion. Robert M. Wolf, a New Jersey realtor and land developer who bought part of the site in 1974 without knowing about the contamination, has already spent more than $2 million trying to contain the mercury, and it appears that a complete cleanup will cost at least another $6 million.

EPA's only authority to deal with such existing situations, says Steffen Plehn, deputy assistant administrator of EPA for solid wastes, comes under the "imminent hazard" provision of RCRA. The agency can act only if there is an immediate danger to public health, he says, and such a danger is often difficult to prove. Furthermore, he adds, the agency has only very limited funds for work at such sites, and most of those funds were expended at Love Canal and in removing drums of chemicals from floodwaters at Stump Gap Creek.

Critics such as A Blakeman Early of Environmental Action and Leslie Dachs of the Environmental Defense Fund, however, argue that EPA has been reluctant to use its authority because top administrators at the agency have had no clear conception of how existing problems should be handled and because they have been more interested in developing regulations for the future. At the very least, such groups argue, inactive dump sites should be identified and the owners of the sites should have to meet at least minimum requirements for site security, monitoring, and postclosure care. Particular attention should be paid, Dachs says, to those existing facilities that would close down shortly before the proposed regulations take effect, and would thereby under the currently proposed rules be freed of future responsibility for the sites.

Plehn readily admits that the pressures of correcting errors committed in the past while at the same time trying to prevent future ones has often seemed to be beyond the resources of the agency, but he notes that the agency was specifically directed by Congress to address future storage problems. In the aftermath of Love Canal and other highly publicized discoveries of hazardous dump sites, however, EPA has had little choice but to become more vigorous in its attack on errors of the past.

The first fruits of that renewed vigor appeared in February when the Justice Department, in conjunction with EPA, filed suit against three companies, charging that they improperly dumped hazardous wastes at the Kin Buc Landfill in Edison, New Jersey, before the landfill was closed in 1976. The suit seeks $1.6 million in damages and penalties, permanent closing of the landfill, and action to halt leaching of the chemicals into the nearby Raritan River. The defendants in the suit are: Scientific Inc. of Scotch Plains, New Jersey, which operated the site through subsidiaries; Inmar Associates Inc. of Scotch Plains, which owns the land; and SCA Services of Boston, one of the companies that used the facility.

In a second suit, brought this month, the Justice Department has charged Eastern Rubber Reclaiming Company of Chester, Pennsylvania, and ABM Disposal Services Company with improperly storing hazardous wastes at a site in Chester. The suit would force the companies to clean up the site, at a cost estimated to be between $1.5 million and $3.5 million, and would prohibit further storage of hazardous wastes on the site. At about the same time, EPA deputy administrator Barbara Blum announced that EPA and Justice would join forces for investigation of about 300 dump sites per year, and that this could result in as many as 50 prosecutions per year. EPA is asking Congress for $131 million for 190 new personnel to investigate and do the legal legwork.

State governments are also beginning to move into the vacuum created by lack of EPA action. New Jersey has been in court trying to force Ventron Corp., a subsidiary of Thiokol Corp. of Beverly, Massachusetts, and Velsicol Chemical Corp. of Chicago, former owners of the plant near Berry's Creek that produced the mercury, to pay for the cleanup. Late in February, Michigan filed a multi-million-dollar lawsuit against Hooker Chemical Corporation in an effort to make the firm clean up wastes from its pesticide manufacturing plant in Montague. Chlorinated hydrocarbons from the dump, Michigan contends, have contaminated some private water wells and are seeping toward nearby White Lake. These states and others are said to be contemplating similar suits to force cleanup of other disposal sites, and some sources within the chemical industry speculate that the industry may be facing an onslaught of lawsuits unlike any ever seen before.

Congress may also take action against existing sites. At a February meeting of the Manufacturing Chemists Association, Representative James J. Florio (D-N.J.), chairman of the House Subcommittee on Transportation and Commerce—which has jurisdiction over RCRA—told the group that he will "convene hearings, summon witnesses . . ., and present a Congressional proposal" for cleaning up and minimizing the danger from inactive dump sites. More recently, Representative Robert Eckhardt (D-Tex.), chairman of the House Commerce Committee's Investigations Subcommittee, sent out very detailed questionnaires to the 50 largest U.S. chemical manufacturers to attempt to learn where inactive sites are located and what they contain. The subcommittee wants the information by the end of June.

Congress may also act to provide funds for cleaning up abandoned sites. One proposal favored by EPA, environmental groups, and some members of Congress would create a "superfund" from taxes on petroleum products and chemicals. In one proposal, refineries would be charged up to 3 cents per barrel of oil received, chemical-processing facilities would be charged as much as 60 cents for each barrel of refined petroleum products used (or for an equivalent quantity of natural gas), and companies that ship materials such as arsenic, mercury, and chlorine would be charged as much as $5 per ton. Other proposals would place taxes on companies that dispose of hazardous wastes. In any case, the fund would grow at a rate of $300 to $400 million per year until it reached $6 billion. The fund would be used, however, only if the cost of cleanup could not be recovered through lawsuits and other recourses.

As pressing as the problems of existing hazards may be, it is perhaps even more important to ensure that future hazardous wastes are handled in an acceptable manner. To that end, EPA has during the past year proposed seven major sets of regulations and guidelines for disposal of hazardous wastes. These cover: definition of hazardous wastes; standards of operation for generators and transporters of such wastes; standards for storage, treatment, and disposal facilities; a permit system for companies that transport, treat, store, and dispose of hazardous wastes; guidelines for development of hazardous waste programs by states; and establishment of a notification system for wastes.

The heart of the program involves what is known as "cradle-to-grave" monitoring of hazardous wastes. Any company that produces more than 100 kilograms of hazardous wastes per month will be required to provide manifests for all hazardous materials that are to be disposed of offsite. Any company that transports the waste must carry the manifest with the wastes, get it signed at the disposal site, and send a copy back to the generator. The company that disposes of the wastes must do the same. In this fashion, the waste generator will be able to follow the progress of the material to ensure that it is properly disposed of, and EPA will be abe to monitor the whole operation. Critics such as George Kush of the National Solid Wastes Management Association, however, argue that this proposed rule is too lenient, and that it should be extended to cover all companies that dispose of wastes offsite.

Other provisions of the new regulations require operators of disposal sites to monitor them continuously during their operation and for 20 years after the sites are closed. The operators must also assume liability for as much as $10 million in damages for any incident resulting from operation of the site. Regulations covering this type of financial liability are a new concept for both EPA and the federal government, Plehn says, and the deliberations involved in creating them were part of the reason it took so long to issue the regulations.

EPA estimates that the cost of the new regulations for the 17 major industries affected will be $750 million, or about a third of a percent of their total sales. Some industry sources contend the cost could go as high as $25 billion, but that figure seems clearly to be exaggerated. Whatever the ultimate cost, EPA clearly hopes that an increased cost of waste disposal will lead to a decreased generation of wastes and to increased recycling of the valuable materials found in wastes. It should also enhance the attractiveness of other, more acceptable disposal techniques, such as controlled incineration, chemical and biochemical treatment, and solidification. EPA's goal, Plehn says, is that disposal in landfills should be used only as a last resort.

Enforcement of the new regulations will not begin until mid-1980. A coalition of environmental groups had filed suit in federal court seeking speedier implementation, but the judge ruled that EPA had been proceeded ing in good faith and as fast as practicable. Meanwhile, some 41 states have sought, and are expected to receive, interim authority to conduct their own hazardous wastes programs under a section of RCRA that allows EPA to delegate much of its authority. A few have already enacted their own laws. New Jersey, California, and Illinois, for example, already operate manifest systems for hazardous wastes, and New Mexico is expected to begin one soon. New York and Michigan are also considering construction of state-operated disposal facilities, and New York recently established a commission to select sites for landfills.

Regulations in other states are generally less stringent, however, and that is creating problems for both the states and the industries. Industrial facilities in states with restrictive laws on waste disposal suffer a competitive disadvantage, says New York State health commissioner David Axelrod, because their counterparts in states with less restrictive rules can manufacture products more cheaply. The states are also hurt, he adds, because industries will gravitate to states with fewer restrictions. EPA administrator Douglas Costle, however, argues just the opposite. He thinks industries will build their new facilities in states with restrictive disposal laws in hopes that this will limit their potential liability if their disposed wastes should ever become an environmental or health hazard.

In any case, disparities in the law will probably lead to a greatly increased transport of toxic wastes—with the attendant hazards. Already, hazardous materials that require the most expensive disposal techniques in states like New York and New Jersey are being transported to states such as Ohio with less restrictive requirements. Rhode Island, says Ronald Buchanan of New Jersey's Department of Environmental Protection, "has become the Mecca for hazardous and chemical wastes disposal" in the East because it will accept all types of waste for landfills at minimal cost.

The states are thus pushing for EPA to accelerate implementation of its hazardous wastes regulations. Industry has the same goal because it would like to operate under uniform laws throughout the country. Legitimate waste disposal companies favor the new regulations, and would like even stronger ones, because the laws can only increase their business. All three groups would like to see EPA extend its authority even further in some cases; in particular, they would like the agency to take some of the heat off local governments by giving its imprimatur to new landfill sites. About the only groups that think the new regulations are too restrictive are the midnight dumpers and the gypsy haulers.

An Environmental Time Bomb Gone Off

Landfills for chemical wastes have frequently been called ticking time bombs. It is no surprise, then, that Love Canal has been called "an environmental time bomb gone off." The bomb analogy is particularly appropriate because, today, the Love Canal area of Niagara Falls looks like a war zone. The 235 houses nearest the landfill are boarded up and empty, surrounded by an 8-foot-high Cyclone fence that keeps tourists and looters away. Still other houses outside the fenced area are also boarded up and deserted, their owners having fled the unknown. Here and there throughout the surrounding neighborhood, newly erected green signs mark the pickup points for emergency evacuation in case there is a sudden release of toxins. An ambulance and a firetruck stand by in the area at all times as construction workers struggle to seal off the flow of chemicals and render the area once again safe—if not exactly habitable. The scene offers mute testimony to the hazards of improper storage of toxic wastes.

Love Canal takes its name from William T. Love, a 19th-century visionary who attempted to create a model city and industrial area near Niagara Falls to take advantage of the area's cheap hydroelectric power, which at that time could not be economically transmitted over long distances. The keystone of the project was to be a navigable canal connecting the Niagara River above and below the falls. His vision was shattered by recession and by Louis Tesla's discovery of a cheap way to transmit electric power long distances. All that remained of his vision was a partially dug section of canal in the southeast corner of the City of Niagara Falls.

Industry was also attracted to the area by the abundance of electric power and water and, in the 1920's, the partially excavated section of canal became a chemical and municipal disposal site for several chemical companies—most notably the Hooker Chemical Corporation—and the city itself. About 21,800 tons of chemical wastes were deposited in the canal before it was closed and covered with a clay cap in 1953.

The seeds of tragedy were sown in the late 1950's when about 100 homes were erected immediately adjacent to the landfill and an elementary school was constructed on top of it. Excavations associated with the construction and the underground installation of utilities apparently damaged the integrity of the cap. Water from the heavy rains and snows of the last few years filled the clay basin holding the chemicals to overflowing, and the chemicals began oozing to the surface and seeping into basements of the adjacent homes. Residents of the area began to notice pools of thick, black sludge on the ground surface, noxious odors, and symptoms of respiratory distress.

Their protests finally caught the attention of authorities and, last April, after investigators had found evidence of toxic chemicals in several homes, then-state health commissioner Robert P. Whalen ordered a complete study of the area. These studies showed that hazardous levels of many toxic chemicals existed in the basements of homes adjacent to the site—but fortunately not in the living areas of the houses—that young women in certain areas around the canal had as much as three times the normal incidence of miscarriages, that children born to families in the same area had as much as 3.5 times the normal incidence of birth defects, and that many of the adults showed incipient liver damage.

On 2 August, Whalen declared an imminent health hazard in the area, closed the elementary school, and recommended the evacuation of children under the age of two and pregnant women from the ring of homes surrounding the canal. A week later, New York Governor Hugh L. Carey announced that the state would purchase the 235 homes nearest the landfill, evacuate the families, and find new homes for them. Subsequently, President Jimmy Carter declared the zone a disaster area, qualifying the families for federal assistance; this marks the only time such a proclamation has been issued as the result of a chemical disaster. All of the families in the immediate vicinity of the canal were moved by the end of the year, and subsequent studies have shown that the liver damage has been reversed and that the individuals are generally in good health.

As the studies have continued, investigators have found evidence that more than 300 chemicals are present in the soil and homes and have identified more than 100 of them. David Axelrod, the present state health commissioner, estimates that as many as 10 percent of the chemicals may be mutagens, teratogens, and carcinogens. Traces of the chemicals have been found as far as several blocks from the site and in the Niagara River on one side of the site and the Black Creek on the opposite side. Some chemicals are believed to have flowed to these locations through underground stream beds that crossed the site, some may have been tracked by vehicles, and some contaminated soil may even have been dumped in the creek during construction in the area. In view of these findings, Axelrod recently recommended evacuation of all children under the age of two and pregnant women who live within six blocks of the site. Other investigators, such as Beverly Paigen of Roswell Park Memorial

Institute, argue that a much larger evacuation should be carried out because of the potential hazard.

Meanwhile, public health authorities are digging trenches 2 to 4 meters deep along both sides of the canal and installing perforated drainage pipes surrounded by gravel. These pipes will collect groundwater contaminated by the chemicals and direct it to an onsite facility where the chemicals will be adsorbed onto activated carbon. The entire landfill is also being capped with a new layer of clay to prevent any more water from entering the basin. The cost of the cleanup is estimated at more than $30 million, but lawsuits resulting from the incident now total more than $2 billion. The fate of the elementary school and the houses closest to the landfill has not been decided yet, but it seems likely that they will be either moved away or leveled. Even if the landfill should be secured, it is not likely that anyone will want to occupy the buildings again.

HAZARDOUS WASTES TECHNOLOGY IS AVAILABLE

Suppose that, after you've finished reading this magazine, you had two choices for its disposal: you could put it in the garbage can for disposal with the rest of your trash, or you could mail it to a special collection center at a cost of 50 cents. The choice, for most people, is obvious. Now suppose that the ink with which it is printed contains a contaminant that might harm the environment if it escapes from a conventional sanitary landfill, but that can be detoxified at the special collection center. Suddenly the choice becomes much more difficult. Is the potential for harm to the environment of greater importance than the extra $26 per year in mailing costs? Suppose the mailing cost is $2 per issue and the scientist in the laboratory down the hall, who doesn't mail in the magazines, can get a competitive advantage over you with that extra $100 per year?

That, in simplified terms, is the moral and financial dilemma that has in the past faced generators of hazardous wastes. Acceptable ways to deal with such wastes have been available for many years, and the number of alternatives continues to grow, but the cost of such alternatives is almost always much greater than that of less desirable methods. Disposal of hazardous wastes in an unsecured landfill might cost as little as $5 per ton, for example, whereas a desirable alternative such as incineration might cost as much as $300 per ton. In a highly competitive business atmosphere, the one company in an industry that adopts acceptable disposal procedures does so at the risk of being priced out of business.

The new regulations on disposal of hazardous wastes issued by the Environmental Protection Agency (EPA) under the provisions of the Resource Conservation and Recovery Act (RCRA) promise to ease those dilemmas for many companies. By forcing all companies within an industry to use acceptable disposal techniques, the regulations remove any competitive disadvantage associated with such use. The chief problem remaining now for the industries is selection of the most advantageous disposal technique from among the many available The chief problems for the government are enforcement of RCRA and overcoming citizen resistance to disposal facilities. Everyone seems to agree that disposal facilities must be built, but no one wants one near them. This citizen opposition has greatly complicated the construction of landfills, incinerators, and other facilities and has, perversely, contributed to the continuation of less acceptable disposal practices at facilities that are already in existence. Even the best technology is no good if it cannot be put into use.

Clearly, the ideal solution to the hazardous wastes problem is to change industrial processes so that hazardous byproducts are not produced or, if that is not feasible, to extract hazardous materials from the waste streams and use them as raw materials. In the past, the cost of recovery of such materials has generally been much greater than the cost of new materials, and this option has been little used. The increased costs of disposal mandated by RCRA, though, provide a strong incentive to reduce the waste load and recover as much of the wastes as possible. This pressure for recovery is abetted by the increased cost of raw materials, particularly petrochemicals.

Joan Berkowitz of Arthur D. Little, Inc., cites one manufacturer who, a short time ago, was anxious to dispose of distillation residues from the production of ethylene glycol. When asked about the residues recently, however, his reply was, "What wastes?" Another good example involves recovery and reuse of polyvinyl alcohol, an agent used in the textile industry for sizing yarns before they are woven into textiles. Previously, the alcohol was scoured from the cloth before the cloth was dyed, and was released into the environment. Investigators at J. P. Stevens Company Inc., Clemson University, Gaston County Dyeing Machine Company, and Union Carbide Corporation developed a hyperfiltration process for recovery of as much as 96 percent of the alcohol from the effluent stream. This, says Stevens, prevents about 2.2 million kilograms of nonbiodegradable polyvinyl alcohol from being released into the environment each year.

In general, recovery techniques are both process- and material-specific, so that a generalized discussion is all but impossible. Encouraging such recycling is the number one goal of EPA, however, says deputy assistant administrator Steffen Plehn, and the agency hopes that such processes could reduce the total hazardous waste load by as much as 20 percent.

Even if the company that generates the wastes is not able to use them, they might be useful to someone else. Waste solvents produced by the electronics industry, for example, are of higher quality than virgin materials used in many processes less sensitive to impurities, Berkowitz says. Competitiveness and secrecy within industry, however, make it difficult or impossible for one company to know what is available from another. One way to overcome this problem is with a waste exchange or clearinghouse in which available materials are listed without identifying the source. Until about 1975, the only waste exchange in this country was operated by the St. Louis Regional Commerce and Growth Association, although the concept was fairly common in Europe. In that year, EPA commissioned a study of the concept by Arthur D. Little, concluded that it was viable, and began promoting the formation of such exchanges.

As many as 40 exchanges were established within the next few years, but many of them failed after a short period of operation. A major reason for failure, according to Harry Trask of EPA, was the involvement of state and local governments in their operation. Many companies simply refused to provide information to the exchange for fear that it would end up in what they considered "unfriendly hands." In many cases, though, the organizing group also did not follow through with the necessary effort to make the exchange a success.

Today there are about 20 clearinghouses in this country and one in Canada. They are operated by trade associations, chambers of commerce, universities, and—in states where confidentiality can be maintained—by state and local governments. A few are also operated as profit-making ventures. The most common types of materials listed by the exchanges are solvents and oils, paper, wood, scrap metals, and surplus chemicals. In most cases, the clearinghouse simply provides an updated listing of available materials and forwards inquiries to the company that listed them; the exchange or purchase is then handled by the participants. In a few cases, though, most notably in a program operated by the state of California, the clearinghouses actively try to arrange exchanges or sales.

Because of confidentiality and the passive role of most of the clearinghouses, it is difficult to monitor the amount of material that changes hands. The St. Louis clearinghouse, though, estimates that about 10 to 15 percent of the listed materials actually change hands. Translating those results nationwide, EPA's Trask estimates that about 3 percent of all industrial wastes could be recycled in this fashion. The number of clearinghouses is growing by three to four per year, however. With more clearinghouses and increased pressure from RCRA regulations, EPA hopes the percentage of hazardous wastes recycled will at least be doubled by 1985.

If the wastes cannot be recycled, they can often be detoxified by relatively simple chemical treatment. Such treatment can either render the material completely innocuous or substantially reduce the volume that must be disposed of. Like recycling, chemical treatment is material-specific, but some generalizations can be made.

The most common technique for chemical treatment, according to Alexandra Tarnay of EPA, is pH adjustment or neutralization. Pickle liquors from electroplating and other metal-finishing industries, for example, are much too acidic to be discharged into the environment. Neutralization with lime or some other inexpensive alkaline material may make them safe for discharge. Neutralization has the additional advantage of precipitating heavy metal irons in the liquors as insoluble hydroxide salts, which can be removed from the waste stream by settling or filtration. The free liquid can then be discharged and the much smaller volume of hydroxide salts disposed of in a landfill or by some other method. The iron and steel industry, for example, frequently uses neutralization and precipitation to remove iron and other metal ions from waste streams.

Oxidation and reduction reactions are also frequently used. Waste streams containing cyanides, for example, are oxidized with sodium hypochlorite or a mixture of sodium hydroxide and chlorine to produce carbon dioxide and nitrogen. Similarly, toxic chromium-VI ions in a waste stream can be reduced to less toxic chromium-III ions with sulfur dioxide. Many other materials can also be treated with oxidizing or reducing agents to render them harmless or less toxic.

The volume of waste streams can frequently be reduced significantly before disposal or further treatment by evaporation from a holding pond, vacuum filtration, or heating. Water is frequently removed from waste streams produced in the manufacture of photographic chemicals, for instance, by evaporation. So-called black and sulfate liquors from the paper industry are commonly concentrated by contact with hot flue gases before the liquids are incinerated.

Other chemical treatment processes are also useful, but are less common. Absorption on activated carbon, for example, can be used to remove some types of organic materials from dilute waste streams. The organics can sometimes be removed from the carbon and recycled, but often both the carbon and the organics are incinerated. This technique is sometimes used in the food processing industry and to remove dyes from waste streams in the textile industry. Ion exchange chromatography can also be used to remove various ions from waste streams, but its use is limited by its relatively high cost. It is sometimes used, however, for removal of chromium ions from certain types of plating baths. The various types of chemical treatment processes together are probably used on some 5 to 10 percent of hazardous wastes in this country.

Chemical treatment can often be a more efficient process if it is performed by someone other than the company that generates the wastes. Regional waste disposal centers in West Germany and some other parts of Europe, for example, generally use an alkaline waste from one company to neutralize an acidic waste from another company. Similarly, a waste stream containing cyanide might be used to reduce chromium-VI in another waste stream. In this manner, valuable raw materials are not used to detoxify wastes, and the overall cost is cheaper. A similar approach is used by some waste disposal companies in this country, such as SCA Services Inc. of Boston, but the total amount of wastes that they treat is very small.

For many types of wastes, particularly nonchlorinated organic wastes, biological treatment is an acceptable alternative. The most common type of biological treatment is soil incorporation, also known as land farming. The spreading of organic wastes such as animal manure, crop residues, and sewage onto agricultural land to supply plant nutrients is an ancient one. Extension of the practice to other types of organic materials, however, is a phenomenon of the last 20 years, pioneered primarily by the petroleum industry. In general, the practice involves four basic steps: application of wastes onto or beneath surface soil; mixing the waste with surface soil to aerate the mass and expose the waste to soil microorganisms; addition of nutrients, when necessary; and remixing the soil and waste mass periodically to maintain aerobic conditions.

EPA recently issued proposed regulations governing land farming; these are based largely on a study conducted for the agency by David E. Ross and Han T. Phung of SCS Engineers Inc. in Long Beach, California. That study concluded that land farming is an acceptable technique for management of various types of wastes if suitable constraints are imposed. Among other things, the farmed area should be at least 1.5 meters above the historical high groundwater table; it should be at least 150 meters from water supplies; erosion potential should be minimal; and annual rainfall should be low to prevent formation of an anaerobic mire. Most important, Ross and Phung argue, the soil itself should be monitored regularly to a depth of 1 meter to detect any downward migration of trace metals or other contaminants. Previous investigators had assumed that groundwater should be monitored, but by the time contaminants reach groundwater, Phung says, it may be too late to prevent environmental deterioration.

Because of these constraints and the need for large areas of land, land farming has been most successfully practiced in semiarid regions of the west. Materials that have been successfully land farmed include sludges from paper mills and fruit canneries, sewage sludge, pharmaceutical wastes, and some organic chemical wastes. The city of Odessa, Texas, even used the technique for municipal refuse, but the amount of land required was very large and the area was very unsightly. By far the greatest amount of experience with land farming, however, has been obtained with petroleum refinery sludges.

Petroleum companies such as Exxon and Continental Oil have practiced land farming for 10 to 15 years. Typcially, sludge is spread on the soil in a layer 7 to 15 centimeters thick, according to R. S. Lewis of Exxon. After water is allowed to evaporate for a few days, the slude is disked into the soil and, if necessary, other nutrients are added. When the oil content in the top centimeters of soil has been reduced to about 2 to 4 percent, another application can be made; generally, this reduction requires about 2 months. At one typical Exxon refinery in Baytown, Texas, Lewis says, sludge was applied at an average rate of 1008 tons per hectare per year. Extrapolating from these and other data, SCS estimates that about 3 percent of all industrial wastes in this country could be disposed of by land farming, at a cost of about $5 to $22 per cubic meter, exclusive of transportation costs. That price compares favorably with the cost of incorporation in landfills.

Land farming is not appropriate for wastes that contain significant quantities of heavy metals or other materials that are not biodegradable and that would thus accumulate in the soil. This problem might be overcome, though, by conducting the process in a closed system. Charles V. Hall and his colleagues at Iowa State University, for example, have been experimenting for more than 10 years—the last three in cooperation with EPA—with degradation of pesticides and other organic materials in a concrete-lined pit. The pit is approximately 4 meters by 8 meters, a little over a meter deep, and filled with gravel and soil; it is equipped with a cover that closes automaticaly to prevent precipitation from filling the basin. Aqueous solutions of pesticides or organics are simply placed in the pit; the water evaporates away and the organic component is degraded by the same types of microorganisms that are active in land farming.

In a typical warm season from May through October, Hall says, the pit can handle 6,000 to 7,000 gallons of of waste. The system can be scaled up to handle much larger volumes of wastes, he says, and the cost should not be substantially greater than that of land farming. If the wastes contain nonbiodegradable contaminants, he adds, they will be greatly concentrated in the soil in the pit and can subsequently be conveniently disposed of. The group is now looking for more efficient microorganisms, and is studying the concentrations of volatile organics in the air over the pit to ensure that there is no hazard.

The rate of biodegradation can be speeded up if the temperature of the wastes is raised; this can be achieved by aerobic composting, says Eliot Epstein of Energy Resources Company Inc. of Cambridge. Thermophilic bacteria thrive and multiply at temperatures of 45° to 80° C. in the compost piles favored by organic gardeners, and similar conditions can be achieved in an industrial setting. The principal requirements are containment, protection from precipitation, and use of a bulking agent so the system remains porous and aerobic. The economics of the process, Epstein says, depend on the cost of the bulking agent; the cost could be kept low, he adds, by using straw, ground-up waste paper, or agricultural wastes.

Decomposition of wastes in composting is significantly faster than in land farming. DDT wastes have been 64 percent degraded in as little as 50 days, Epstein says, and organophosphorous pesticide wastes in as little as 2 weeks. The system is also versatile. Tests by the U.S. Army, Epstein notes, have shown that composing can be used to degrade TNT wastes. Pesticides, phenols, and aromatics are among other materials for which the system is suitable. Energy Resources is also investigating composting of oily wastes under a contract with the U.S. Coast Guard.

Composting is already used for sewage sludge and for cellulosic wastes in the pulp and paper industry. The Blue Plains Sewage Plant in Washington, D.C., for example, now composts as much as 275 tons of sludge per day. Costs vary widely, depending on individual circumstances. Pulp and paper mills have found that the technique is cheaper than land-filling, but composting of sewage sludge costs $30 to $100 per ton of dry materials. Some of this cost can be recovered by selling the product as a soil conditioner, but this market may not be large.

The viability of composting for disposal of other types of materials may be demonstrated by Hoffman-La Roche Inc. That company has been experimenting for several years with composting of pharmaceutical wastes at its plant in Belvidere, New Jersey, and is now requesting permission from the state to conduct a large demonstration project that would be the first industrial application of composting for anything other than paper products or sewage sludge. If their demonstration is successful, Epstein says, other companies are very likely to follow suit.

Recycling, chemical treatment, and biodegradation are the least controversial and most acceptable methods for disposal of hazardous wastes. Their primary advantage is that the waste material is either used or destroyed, so there is no further need for containment or monitoring. Of all disposal techniques, they alone have met little citizen opposition to siting of facilities—the recycling and treatment processes because they are more or less conventional industrial processes, and land farming because the sites have generally not been near communities. That situation could change if compost facilities sited near cities should produce noxious odors, but such a development should be preventable with care. The chief disadvantage of the techniques is that they are applicable to only a limited percentage of hazardous wastes. Despite the desirability of these approaches, other techniques must be found for the majority of wastes.

INCINERATION, DEEP WELLS GAIN NEW IMPORTANCE

The thought of incineration, to many people, brings forth images of municipal incinerators spewing out clouds of dark smoke, noxious fumes, and uncountable other pollutants. Unfortunately, this remembrance of things past obscures today's reality. Given the proper controls, incineration can be the safest, cleanest, most effective way to dispose of hazardous wastes. If only short-term costs are considered, though, it is also the most expensive. This cost has, in the past, limited the use of incineration to perhaps less than 3 percent of all hazardous wastes, but the increasing costs and potential liabilities associated with other techniques are making controlled combustion much more attractive.

Distillation residues, oily wastes, chlorinated hydrocarbons, pesticides, and a variety of other materials can be incinerated with relative ease. In some cases, the waste can be mixed with other fuels and burned for its heat content; distillation residues and solvents are the most common materials for which this is the case. In many instances, however, other fuels must be added to the wastes to ensure their complete destruction. There has generally been little or no effort to recover the energy produced in combustion, but the Environmental Protection Agency (EPA) and industry are becoming more interested in this possibility because it would reduce the cost of disposal.

The most important advantage of incineration is that it completely destroys wastes so that there is no cost associated with future monitoring and no future liability. For the process to be safe, though, few molecules of the hazardous material can be permitted to escape up the chimney. EPA regulations thus require at least 99.99 percent destruction of the wastes. This, in turn, requires sophisticated technology. A modern incinerator that handles some solids typically combines a rotary kiln with a secondary combustion chamber to assure complete destruction. The incinerator must be equipped to trap particulates given off during incineration and, if it processes chlorinated hydrocarbons and similar materials, it must have a scrubber to remove halogens and other pollutants from the flue gas.

Because of the equipment required, incineration is expensive. Steven C. Siegel of SCA Services Inc. of Boston estimates that a small, privately owned incinerator now costs $0.5 to $1 million, while a commercial-scale facility can cost upwards of $30 million. Incineration costs thus average about $110 per ton, according to one report prepared for EPA, but can reach several hundred dollars per ton for highly chlorinated materials.

There are about 15 hazardous-waste incinerators throughout the country. Most of those are small units operated by corporations—most notably the Dow Chemical Company, which has been burning wastes for more than 40 years—for disposal of their own wastes, but about half a dozen are commercial facilities. Rollins Environmental Services of Wilmington, Delaware, for instance, operates three commercial incinerators and is considered one of the biggest proponents of combustion. Industry sources note, though, that Rollins operated the facilities at a loss for several years because of insufficient volume. The company has also encountered continuing opposition from environmental officials in the communities where the incinerators are located because of fears about the potential for emissions of hazardous gases. Siegel predicts that there will be no more large commercial incinerators constructed until EPA demonstrates a commitment to enforcement of its proposed regulations governing disposal of hazardous wastes—and thereby guarantees a market for the new facilities, even if the cost of incineration remains higher than that of other alternatives. Siegel and other industry officials also argue that EPA should play a greater role in the siting of new incinerators to help overcome local opposition.

One way to decrease the cost of incineration and to eliminate community opposition is to burn the wastes on a ship at sea. Because these ships do not use scrubbers to clean the flue gases, they can burn wastes for as little as $80 per ton. Scrubbers are not needed, says Max Halebsky of Global Marine Development Inc., Newport Beach, California, because halogens, trace metals, and other contaminants in the flue gases end up in the ocean, where they are greatly diluted. Furthermore, many of these materials, which would be pollutants if they were emitted from a land-based incinerator, are natural constituents of the ocean; the amount added to the ocean from the burning of wastes is insignificant compared to their normal concentrations.

There are now two functioning incinerator ships: the *Vulcanus*, operated by Ocean Combustion Service BV, a Dutch subsidiary of the Hansa Shipping Line of Bremen, West Germany, and the *Matthias II*, operated by Industries Anlage of West Berlin. The *Matthias II* can handle 1100 cubic meters and the *Vulcanus* 3500 cubic meters of waste per sailing. About 4 years ago, the *Vulcanus* sailed into the Gulf of Mexico to incinerate chlorinated hydrocarbons generated by Shell Chemical Company. EPA monitored that burning closely and was so satisfied with the results that, in 1977, it gave the U.S. Air Force permission to have the *Vulcanus* burn more than 10,000 tons of surplus Agent Orange, a toxic herbicide contaminated with even more hazardous dioxins. The herbicide was incinerated west of the Johnston Atoll in the mid-Pacific. EPA also monitored that test and found that destruction of the wastes was essentially complete and that no hazardous byproducts were released into the environment.

Since Agent Orange and dioxins are among the most difficult wastes to dispose of completely, the success of the test would seem to indicate a bright future for ocean incineration. In fact the *Vulcanus* already has contracts for more work in this country and Global Marine is investigating the possibility of refitting a surplus tanker as an incinerator ship with a capacity of 12,000 tons. Last month, Ocean Combustion announced that it would construct a new incinerator ship to serve the North American market exclusively. Some observers even speculate that increased use of ocean incineration might eliminate the need for construction of new large land-based incinerators. Proponents of land-based incinerators point out, though, that increased use of incinerator ships will require construction of hazardous waste storage areas at selected seaports, and this may be frowned on by port authorities.

Incineration on land might have a brighter future, however, if emissions could be controlled by a technique less expensive than scrubbing, which generally involves contacting the flue gas with an alkaline material to remove and neutralize acidic halogen compounds. Because of the high temperatures required for complete combustion, this exhaust is very corrosive, so expensive materials must be used in construction of the scrubber. Disposal of the neutralized salts also increases the cost of the operation. One potential way to reduce the cost is to find a use for the material removed from the flue gas.

EPA and several American research groups participated in a study conducted by the Canadian government in which chlorinated hydrocarbons were used as a boiler fuel in the manufacture of cement, which requires a very large energy input. In the test, as much as 20 percent of the boiler fuel could be replaced with PCB's, pesticides, and other similar materials while maintaining complete combustion. Even more important than the fuel savings, though, is the fact that halogens liberated during combustion become a permanent part of the cement matrix. In fact, chloride salts must frequently be added to cement during its manufacture, so the wastes replace a valuable raw material.

Despite the fact that this process seems an ideal way to dispose of halogenerated hydrocarbons, it has not been used since the test, according to Fred Lindsey of EPA. One cement manufacturer was interested in the process, he says, but wanted the government to indemnify the company against all potential risks. Another company, in Detroit, was eager to adopt the technology but was prevented from doing so by local opposition. Consequently, Lindsey says, a proved, potentially money-saving technology lingers on the shelf.

Another alternative would make it easier to control emissions by reducing the temperature of combustion. Barry Hertzler and his colleagues at the Lockheed Research Center in Palo Alto have developed a prototype unit that uses microwaves to incinerate wastes. Their 15,000-watt furnace can handle as much as 7 kilograms of material per hour. The wastes are mixed with oxygen and passed into the reactor, where they are ionized into a plasma. The gas itself has a temperature of only about 450°C, but free electrons in the plasma, Hertzler says, have a destructive energy that is equivalent to incineration at 16,000°C.

The net result is that the waste is completely consumed, but with less expenditure of energy than is required for conventional incineration and without formation of the corrosive atmosphere that would degrade both the containment vessel and the scrubber. The microwave furnace can thus be much smaller than the conventional high-temperature incinerator, and can even be made portable. Hertzler and his colleagues are now constructing a unit that will handle three to six times as much material as the prototype. Much more work will be needed, however, before the cost of the process is reduced to that of conventional incineration.

Another alternative, under study by S. J. Yosim and his associates at Rockwell International, Canoga Park, California, is incineration of hazardous wastes in beds of molten sodium carbonate. In this process, waste and air are continually introduced under the surface of the melt, which is kept at a temperature of 800° to 1000°C. The intimate contact of the air and waste with the hot salt produces immediate and complete combusion, Yosim says. Acidic by-products, such as hydrogen chloride and sulfur dioxide, are instantly absorbed and neutralized by the alkaline sodium carbonate, so that the only gaseous products emitted are water and carbon dioxide. The process has been studied on a variety of hazardous organic wastes and even on some low-level radioactive wastes. In general, Yosim says, the extent of destruction is greater than 99.99 percent and no radioactivity or organic compounds are detected in the effluent gas. The process is still at an experimental stage, however, and promises to be quite expensive unless major improvements can be achieved.

The controversy about the potential for air pollution arising from incineration is minor compared to that surrounding the injection of hazardous wastes into deep wells. Proponents of deep-well injection consider it to be one of the safest and cheapest ways to dispose of hazardous wastes; opponents have called it everything from shortsighted to criminal. Not surprisingly, the truth appears to lie somewhere near the middle.

Deep-well injection involves pumping wastes into porous sandstone and limestone formations 1000 to 3000 meters below the earth's surface, where they become permanently stored. The technique has been in use for disposal of brine in oilfields since the mid-1920's and for disposal of hazardous wastes since the early 1950's. There are now about 70,000 wells for brine disposal and about 300 that are used for other types of wastes. The majority of both types of wells are concentrated in Texas, Louisiana, and other oil-producing states, but some are scattered through such disparate states as Colorado, Illinois, Ohio, and Michigan. According to Ray W. Amstutz of Williams Brothers Engineering Company in Tulsa, suitable sedimentary formations for deep-well disposal are found under about half the land area of the United States and ideal conditions are found under about a quarter of it.

Most of the 300 waste wells now in operation are owned by companies that use them for their own wastes, but perhaps a dozen are owned by waste disposal companies, such as Rollins and Browning-Ferris Industries, that use them for commercial disposal services. Proponents argue that deep-well injection is a very safe and inexpensive technique. All of the injection sites, Amstutz says, already contain brine that has been separated from freshwater zones for millions of years by so-called aquacludes, layers of impervious shale that maintain the isolation. As long as care is taken in the construction of the wells themselves, he argues, there is no reason why injection of wastes should change the situation. And if a use should ever be found for the wastes, he adds, they can be pumped back to the surface.

Once the well is drilled, furthermore, the cost of operation is almost negligible. In some cases, pumping of the wastes is not even required: negative pressure in the wells sucks the wastes into the depths. The overall cost of disposal in wells is thus on the order of 8 to 14 cents per gallon of liquid wastes, exclusive of transportation costs. This low cost makes their use very attractive.

Critics, however, argue that the lack of precise knowledge about the fate of the injected wastes is very unsettling. David Axelrod of the New York State Health Department, for example, argues that the thought of carcinogens, mutagens, and other potent chemicals wandering around below the earth's surface is profoundly disturbing. Critics within the industry, who prefer to remain anonymous, echo this argument. Amstutz and others, though, argue that general liquid movement within the formations is typically measured in inches per year, so migration is negligible.

Critics also cite such incidents as the earthquakes in the Denver area that were apparently triggered by injection of wastes into wells at the Rocky Mountain Arsenal and the 1968 eruption of an overpressurized waste-injection well in Erie, Pennsylvania, as examples of the hazard potential of this technique. Defenders argue that the Erie well was poorly engineered and that the wastes in Colorado were not injected into sandstone formations, but rather into fractures in granitic rock. Proponents concede that there have been some cases where faulty construction of wells has resulted in contamination of groundwater, but they argue the new construction techniques and new regulations minimize such occurrences.

Deep-well injection is now permitted in only about 20 states. Typically, Amstutz says, states that have substantial experience in regulation of oil wells are the ones that permit deep-well disposal. Regulations in those states prohibit injection of wastes into zones that are above or near drinking water supplies or into zones that might have some future use, such as a source of geothermal energy or natural resources. They also set standards for the construction of well casings and the like.

EPA is planning to propose regulations soon that will buttress the state regulations and that will, in general, require more monitoring to detect potential leakage of contaminants. EPA has been specifically directed by Congress, however, to be very flexible in its regulations about deep-well injection, and the forthcoming regulations will probably not be an impediment to the industry's growth. Industry sources now estimate that from 3 to 5 percent of hazardous wastes are disposed of in deep wells, but that the total should increase substantially as the number of new wells grows by about 20 per year. Despite the reservations of critics, therefore, it would appear that deep-well injection is going to have an ever-increasing share of the waste disposal market.—Thomas H. Maugh II

BURIAL IS LAST RESORT FOR HAZARDOUS WASTES

Despite the many alternatives available for disposal of hazardous wastes, there are a great many materials that are too low in value to recycle, too difficult to degrade, too thick to inject into deep wells, and too contaminated with heavy metals and other nonflammable materials to incinerate. Some investigators consider these disposal methods to be volume reduction techniques because they leave a residue of hazardous materials. For most of these materials, the disposal option of last resort is burial in the ground. It's not the ideal solution, it's not necessarily even a good solution, but, realistically it's the only solution we now have. The problem then is to regulate landfills in such a manner that potential problems created by escape of toxic materials are minimized.

The Environmental Protection Agency (EPA) has sponsored much research on the various facets of landfilling, such as enginering techniques, liners, covers, and gas generation. But if privately sponsored research is included, the greatest amount of effort has been devoted to the chemical solidification of wastes—the development of techniques to bind the wastes into a coherent mass before burial so that leaching of toxic materials by groundwater is minimized. Solidification is now used for only a very small percentage of hazardous wastes, but it promises to be one of the most important disposal techniques of the future. It also promises to be one of the most complex to evaluate. A recent survey by Robert B. Pojasek of Energy Resources Company Inc. of Cambridge found that at least 41 different companies and research groups have developed proprietary processes for the solidification of wastes.[1]

Most of the processes for hazardous wastes are outgrowths of processes for solidification of low-level radioactive wastes; some processes, in fact, appear to be suitable for both. They can be broken down into four major categories: cement-based techniques; pozzolanic, or lime-based techniques; thermoplastic binders; and organic binders.

The cement-based or cementitious techniques are most common because they are generally the cheapest and easiest to use. They are effective primarily for inorganic wastes, and are particularly advantageous for wastes containing heavy metal ions. The high *pH* of the cement mixture tends to keep the metal ions in the form of insoluble hydroxide salts not unlike those found in the ores from which the metals were originally obtained. Many of the materials commonly present in wastes, such as asbestos, latex, metal filings, and plastic further strengthen the cement matrix, and proprietary additives are frequently used to further tie up troublesome contaminants. Organic materials in the wastes, however, generally weaken the cement.

Two of the better known cementitious processes are the Sealosafe process developed by Stablex Corporation, whose U.S. headquarters are in Radnor, Pennsylvania, and the Chemfix process, marketed by Chemfix Inc. of Kenner, Louisiana. Stablex operates two landfills in the English Midlands and one near London at which metal finishing and plating wastes from the automobile industry and some other materials are solidified before burial. The company hopes to open a 500,000-ton-per-year landfill in Groveland Township, northwest of Detroit, for disposal of wastes from automotive, chemical, and plating plants, but state and local officials are resisting because of fears that toxic substances might be leached from the solidified mass. Stablex says the cost of solidification by the Sealosafe process can vary from $5 to $500 per ton, depending on the nature of the waste.

The Chemfix process, in contrast, is most often used at the waste generator's facility for onsite fixation of sludge. A mixing unit and the additives are contained in a trailer that is driven to the plant. Sludges are pumped from holding lagoons, mixed with additives, and deposited in another holding lagoon or directly in a landfill and allowed to harden. In the first 7 years of commercial use of the process, the company says, more than 100 million gallons of wastes have been treated, including materials from the petrochemical, steel, electronics, and electric utility industries. The average cost of treatment is 3 to 4 cents per gallon.

The advantages and shortcomings of the cementitious techniques, like those of the other techniques, have been amply demonstrated in the nuclear waste industry, according to Douglas W. Thompson, Phillip G. Malone, and Larry W. Jones of the U.S. Army Engineer Waterways Experiment Station in Vicksburg, Mississippi, who have performed tests on many of the commercial processes. A major advantage is that wastes do not have to be dried before processing. The principal shortcoming is that low-strength cement-waste mixtures are often vulnerable to acidic leaching solutions. Other shortcomings include the need for expensive additives to treat many types of wastes and the added weight and bulk contributed by the cement. The cementitious solidified mass, like the products of other types of processes, is also vulnerable to freeze-thaw and wet-dry cycles in the environment. This should not be a problem, however, if the material is buried below the frost line.

The term "pozzolanic" comes from Pozzuoli, a city near Naples where volcanic silico-aluminate calcium ash has been mined since before the time of Christ. When mixed with lime and water, the ash forms a very hard material known as pozzolanic concrete. The most common materials used in place of the ash today are fly ash from electric power plants and cement kiln dust, which are themselves wastes. Proprietary additives are also used with the mixture to enhance strength and to limit the migration of contaminants.

As is the case for the cementitious processes, the additives for the pozzolanic processes are generally inexpensive and widely available, the equipment required for mixing is simple to operate, and the chemistry is relatively well known. The major shortcomings, Thompson says, are the increased weight and bulk, vulnerability to acidic leaching solutions, and difficulties associated with organic materials in the sludges.

The principal application of pozzolanic processes may be solidification of the sludges produced in removal of sulfur oxides from the exhaust gases of coal-fired power plants. Two companies that have processes for treatment of such wastes are Dravo Lime Company of Pittsburgh and IU Conversion Systems Inc. of Horsham, Pennsylvania. Dravo markets an additive called Calcilox that, when added to flue gas sludges, produces physically stable materials with the consistency of consolidated soils. The additive itself costs about $40 per ton, but its use with flue gas sludge, the company says, costs only about 40 cents per ton of coal burned. IU markets a process, called Poz-O-Tec, that converts flue gas sludge into a stable material that can be used in properly designed landfills, embankments, roads, parking lots, and the like. IU already has contracts with power plants that produce more than 22 million tons of sludge per year. Even so, such processes are still used for only a small portion of all flue gas sludges, since there are now no regulations requiring that they be stabilized.

Thermoplastic techniques use materials such as bitumen, asphalt, paraffin, and polyethylene that soften when heated, bind tightly to wastes, and solidify when cooled. Wastes must be dried before they are mixed with the hot thermoplastic material, and the resultant solid must frequently be placed in a steel drum or other container for structural support. These processes generally require relatively expensive equipment for heating and mixing the waste and the thermoplastic material; they also require skilled operators. Furthermore, since the binder accounts for one-third to one-half of the bulk of the finished product, the process is somewhat expensive.

A typical thermoplastic process is the volume reduction and solidification (VRS) process developed by the Werner & Pfleiderer Corporation of Waldwick, New Jersey. In the process, asphalt (or a similar binder) and wastes are passed through a specially designed heated screw extruder that mixes the two components thoroughly, then releases them into containers or a storage area for cooling. The VRS system, the company says, has been successfully tested in more than 2,000 different applications in the chemical, plastics, food, and nuclear industries.

The principal advantage of the thermoplastic techniques is that the binders adhere exceptionally well to the incorporated wastes and are resistant to most aqueous solutions. The migration rates of contaminants are thus generally lower with thermoplastic processes than with any other technique. Among the shortcomings, Thompson says, are the flammability of thermoplastic materials, the need for great care in processing wastes that are volatile at low temperatures, and the slow deterioration of the product that may be caused by organic solvents and some other organic materials. Thermoplastics thus seem to have promise primarily for extremely hazardous wastes, concentrated wastes, and radioactive wastes, where leaching or migration of the materials must be held to the absolute minimum.

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[1] For a review, see volumes 1 and 2 of the series *Toxic and Hazardous Waste Disposal*, edited by R. B. Pojasek, and published this year by Ann Arbor Science Publishers Inc.

The final class of processes involves organic polymers. In these processes, a small amount of monomer is mixed thoroughly with the wastes and a catalyst is added. As the polymer forms, typically, it does not combine chemically with the water, but forms a spongelike mass that traps solid particles while permitting much of the water to escape. The most common polymer technique is the urea-formaldehyde process, which was developed by the Teledyne Corporation of Louisville. Solidification with polyester resins has been studied by R. V. Subramanian and R. Mahalingam of Washington State University, and polyvinyl chloride has been studied by investigators at the Dow Chemical Company.

The primary advantages of the organic polymer techniques are that only small quantities of additives are required to solidify the wastes (often as low as 3 percent of the total weight), the techniques can be applied to either wet or dry sludges, and the finished waste-polymer mixture has a low density compared to the products of other solidification techniques. But if not enough resin is used, says Thompson, the polymer matrix does not trap all the wastes. The catalysts used in the urea-formaldehyde process, moreover, are strongly acidic; precipitated metal ions thus may redissolve and escape in water not trapped in the polymer matrix. Some organic polymers are biodegradable, and both urea-formadehyde and ployesters are unstable in corrosive environments. Furthermore, the final product must generally be placed in a container before disposal.

Many of these problems can be overcome with a system developed by Hyman R. Lubowitz and his colleagues at TRW Systems in Redondo Beach, California. According to Robert Landreth of EPA, this system produces solids that show the least amount of leaching of any produced by other systems. Lubowitz uses polybutadiene as a binder to form wastes into cubes about 0.67 meter on edge. He then fuses onto the entire surface of the cube a layer of thermoplastic high-density polyethylene (HDPE) about 1 to 2 centimeters thick. HDPE is used to protect underground electrical cables and other equipment and has exceptional resistance to deterioration. Because the HDPE is fused onto the surface of the wastes with no seams, furthermore, it can withstand a great deal of stress, so that no other container is needed.

Lubowitz is also investigating a system for disposing of drums of chemicals—such as those that have been abandoned at various sites—in such a manner that they would not have to be opened and analyzed. The drums would be placed in a fiberglass cocoon big enough to accommodate warped or dented drums. A layer of HDPE would then be fused onto the surface. Tests at TRW have shown that such cocoons can withstand much more compression and stress than would be encountered in a disposal site and that they completely prevent leaching of the barrel's contents.

The principal disadvantages of the TRW system are the need for sophisticated and expensive equipment for the encapsulation process, and the cost. Lubowitz estimates that operation of a full-scale plant would cost about $91 per ton of dry waste; about 50 percent of that cost represents the purchase price of the resin, however, and Lubowitz thinks it should be possible to use a much less expensive grade of resin than that with which the experiments were conducted.

In general, say both Landreth and Thompson, solidification is a very good technique if it is used with proper constraints. The major problem with many of the processes is that they simply have not received enough testing under actual conditions in the field to determine their long-term resistance to deterioration and leaching, but such tests are now beginning at several locations. What has become clear so far, says Landreth, is that each process works on a different spectrum of materials. No company has a process that can handle everything, he says, but at least one process can be selected and tailored to handle anything. And if the solidified material is disposed of in a secure chemical landfill, then there should be virtually no problem with leaching.

The problem then is to make the landfill secure. Landfill has long been the most common method for disposal of hazardous wastes because it has been inexpensive. Burial in a conventional sanitary landfill—which differs from a secured chemical landfill primarily in the degree of protection against leaching—costs between $3 and $8 per ton. Burial in an unsecured chemical landfill may have cost twice that much before the Resource Conservation and Recovery Act (RCRA) was passed. The costs were low because the technology was simple. Typically, a hole was dug in clay at a selected site, unconsolidated sludge and drums of chemicals were placed in it, and the hole was filled and covered with clay to keep out rain and other water. There are probably less than 30 commercial chemical landfills in operation around the country, but there is a large, unknown number of landfills at individual plant sites and probably tens of thousands that have already been closed. The vast majority of these are safe now and are likely to remain so in the future. The problem is the small number of sites that have inherent defects in construction or that are disturbed by man after their completion.

New regulations proposed by EPA under the provisions of RCRA are designed, in part, to assure safer construction of landfills. They would set specific standards for construction and operation of the site; they also would discourage use of landfills for liquid wastes, and would ban their use for certain volatile and flammable materials. More important, they would require monitoring of the completed landfill for an extended period to demonstrate that the site is sealed, and would establish standards for financial liability for the site's owner and operator for any incident resulting from the escape of the buried chemicals. Those regulations are not yet in force, but a good example of the type of operation that can be expected under them is the new landfill (illustrated in the accompanying photograph) operated at Model City, New York, by SCA Chemical Waste Services Inc. SCA's Peter Dunlap says this is the world's largest secured chemical landfill.

The landfill cell, 150 meters long and 150 meters wide, is excavated in dense clay and fitted with a liner of impervious, reinforced synthetics, which is then covered with a layer of about 1 meter of clay. Associated with the liner is a leachate collection system so that, in the rare event that water should enter the landfill, it could be pumped out and treated. The main landfill cell is divided by clay barriers into a number of subcells for specific types of hazardous wastes. Drums of PCB's and other chlorinated hydrocarbons might be kept in one subcell, for example, precipitated metal hydroxides in another, and organic sludges in a third. In this fashion, incompatible wastes are kept separated and the location of specific materials is known in case there should ever be a need to retrieve them. When it is filled with wastes, in about 12 to 18 months, the pit will be capped with another synthetic liner and a layer of clay, and another pit opened nearby.

SCA has six smaller landfills at the site that have already been closed. Surrounding and interspersed among them is a network of nearly 120 wells. Water from these is analyzed at regular intervals to ensure that there is no leakage from any of the sites. In accordance with the proposed EPA regulations, that monitoring is scheduled to be continued for at least 20 years after the last landfill at the site is closed. EPA's presumption is that if no leakage is detected during the operating life of the plant and for 20 years thereafter, the probability of a leak is small.

Several other companies operate similar landfills throughout the country, particularly in Texas, California, and Alabama. SCA itself has two smaller facilities at other sites and operated a third, the Earthline landfill at Wilsonville, Illinois, until it was shut down by a court order last year. The shutdown illustrates one of the major problems facing operators of landfills: citizen resistance. The court order closing Earthline was issued at the request of local citizen's groups who opposed the landfill; it was granted despite assurance to the court from both the federal EPA and the Illinois EPA that Earthline was necessary for disposal of wastes in that region, that it was operated responsibly, and that it posed no hazard to the community. That decision is being appealed to a higher court, but meanwhile, wastes that had been destined for Earthline are undoubtedly being buried in less secure facilities.

Dunlap contends that EPA should have presented a much more forceful argument to the court in favor of the landfill remaining open, and that it should take a much more active role in siting of future facilities. This view is echoed by some individuals within EPA and in the environmental community. Leslie Dachs of the Environmental Defense Fund, for example, concedes that a certain number of secure landfills will be required in the foreseeable future. He says that these should be organized on a regional basis and argues that EPA should take an active role to ensure that the best possible sites are chosen.

EPA appears to be moving in that direction. One study now in progress for EPA is an analysis of the many cases in which permission to construct a landfill has been denied by courts and other agencies. If it can be determined what factors were most important in those decisions, EPA could be better prepared in future cases. EPA is also enlisting the help of such groups as the American Public Health Association, the Isaac Walton League, the League of Women Voters, the Environmental Action Foundation, the National Wildlife Federation, and the Technical Information Project to present programs of reassurance in communities where landfills might be located. It may also encourage state legislators to preempt local ordinances that might impede construction of landfills at appropriate sites.

The construction of SCA's Model City landfill cells has, in fact, been delayed by such ordinances. Ultimately, the New York State Supreme Court ruled that the state's Department of Environmental Conservation (DEC), which authorized the facility, has the power to preempt local laws. The court did, however, stipulate that SCA post a $100,000 bond to assure that the site would be restored to its natural condition if DEC did not issue an operating permit for the largest cell after its construction.

EPA's proposed regulations would, in effect, require posting of a much larger bond for all landfills. The proposals would require that anyone who operates a chemical landfill make a cash deposit large enough to guarantee that the site will be properly closed and monitored for 20 years. The rules would also require $5 million in insurance coverage for each site, half for "sudden and accidental occurrences" and half for "nonsudden and nonaccidental occurrences." This could be provided by a commercial policy or, more likely, through self-insurance.

If this regulation is enacted, industry sources argue, the cost will be enormous and it may very well doom the concept of onsite disposal of wastes. One example frequently cited by opponents of the proposal is the DuPont Company, which has about 88 plants in the United States. Assuming that the company disposes of hazardous wastes at only half of those sites, it would have to establish that it is self-insured for $220 million. This amount represents some 4.6 percent of the company's total equity, and such self-insurance would be very difficult for the company to achieve. "If DuPont doesn't have the resources to comply" with the proposed regulations, asks David Carroll of the Manufacturing Chemists Association, "how can anyone?"

As is so often the case, then, EPA is caught between a rock and a hard place—it must regulate the disposal of hazardous wastes, but it must do so without closing down American industry. The agency is now reviewing responses to its proposed RCRA regulations and may, in fact, modify some of them to make them a little more flexible. But no matter what changes are made, it seems clear that many small companies will be closing down their own disposal operations and shipping their wastes to commercial disposal firms. It is not clear what effect this will have on the chemical and allied industries, but the waste disposal industry, it would seem, should be prepared for a magnificent boom.●

SNOWMOBILES

● Mr. **ARMSTRONG.** Mr. President, I rise to share with my colleagues some information which relates to earlier statements by members of this body. My office was recently sent a copy of a report to the President's Council on Environmental Quality, entitled "Off-Road Vehicles on Public Lands." The report contains two important messages worth noting.

First, the study looked at the consumption of gasoline by snowmobiles and reached the following conclusion:

> ORV and snowmobile use represents such a small fraction of the Nation's energy consumption that even if they were entirely eliminated, the energy saved probably would not be worth the effort.

This report puts into perspective the minimal impact snowmobiling has an energy consumption.

It points out that other activities use far more energy than snowmobiling and thus offers better potential for significant energy conservation.

The other significant development is that the report excludes snowmobiles from the category of off-road vehicles, saying environmental impact is very unlike that of motorcycles, four-wheel drive vehicles, dune buggies, and other vehicles which come into direct contact with the land.

Snowmobiling takes place on a blanket of snow at a time when outdoor human activity is otherwise quite limited. Study after study has showed that the environmental consequences of responsible snowmobile operation are minimal.

We need to be certain that Federal land management policies provide adequate opportunities for activities such as snowmobiling which contribute to the quality of life for snowbelt residents. These activities are an integral part of the multiple-use doctrine which Congress has assigned to the Forest Service and Bureau of Land Management.●

ENERGY ECONOMICS: A SOLUTION TO SHORTAGES

● Mr. **TOWER.** Mr. President, one of the most serious energy problems facing our country today is public cynicism and misunderstanding about the proper course to take to solve the problem of fuel shortages. The American people are experiencing an erosion of confidence in Government that is directly proportional to Government's expanded role in the regulation of energy. Because the strength and stability of the U.S. economy depend very heavily on an effective solution to the Nation's energy problem, we must consider the issue in a rational and objective manner and remind ourselves of simple, yet fundamental principles of economics if we are ever to be assured of abundant energy supplies.

Energy permeates the economy. Yet we are plagued with shortages that are aggravated by the Government needlessly pushing a problem toward a crisis. Production, not regulation, should be the basic philosophy of the Congress in dealing with energy problems. The gasoline lines in this country today are the creatures of misguided energy policies in the past. To eliminate them, we must first examine the realities of energy. Not energy as we would like it to be, but energy as it really is.

The key ingredient in any analysis of energy issues, but one that has been largely ignored by the current administration, is that of price. Current policies stimulate and subsidize fuel consumption through a price control system that is popular only because its long-term effects are not visible. Yes, we can postpone the problem, but we cannot keep it buried forever.

Despite overblown arguments to the contrary, consumption does respond to price. To argue, as some Federal interventionists do, that gasoline demand is inelastic, meaning it does not drop when the price rises, is illogical and contrary to the experience of other nations which, because they do not artifically suppress gasoline prices at the pumps, are not plagued with annoying gas queues. The problem is compounded further by our present system of allocations which was never designed to, and thus cannot do anything to eliminate neighborhood gas lines. Because the allocation system is based on past performance rather than current consumption, it can only result in greater misallocation where there is a shift in demand. There would never be any lines if there were no price and allocation controls.

While it is tempting to ask how long our fuel reserves will last, the answer to this question is speculative. Not because we are about to run out of energy resources or that there is little left to discover. Rather, it is because the amounts of fuel that can be economically exploited depend on prices people will pay for them. There is a widespread tendency to view fuel price increases not as reflections of genuine costs, not as an adaptation of the market to the need for conservation and enhanced supply, but as the problem itself. But this is erroneous. Price regulation only disguises the ways the costs of fuel are paid and who pays them. It can redistribute costs, but it does not reduce them. If prices are considered the problem, rather than part of the solution, we shall only aggravate problems that are going to be difficult enough.

Mr. President, by allowing our fuel resources to be allocated only by means of artificial price controls, the Government has repressed the will of the marketplace. It is imperative that we resist the politically expedient option of continued controls and the present allocation system which together can only intensify the effects of scarcity.

The prices that people are willing to pay for existing fuels also help determine how much new fuel can be developed and at what cost. Keeping fuel prices artificially below the replacement cost of the fuels being used merely subsidizes excessive consumption, inhibits exploration and development of supply, and misrepresents the worth of technological changes that save energy.

The market—when it is allowed to work—is the only comprehensive source of reliable signals to users, savers, and producers of the value of the energy that they are producing, consuming, or conserving. Market prices provide the information by which people can economically adjust their behavior and give them the incentive to do so. If the costs are paid by those who consume the energy, if the savings accrue to those who conserve it, and if investment in new production and new technology will be profitable when the full costs of production are recoverable, then businesses, consumers, and Government agencies will have their energy activities coordinated by market prices in what is undoubtedly, though not perfect, the most cost-effective way that can be devised.

The danger, Mr. President, is that we will attempt to insulate ourselves from the rising costs of energy by holding prices down. In that way, we will be deceiving ourselves into believing that costs do not have to be paid, because we do not pay them directly and openly. But if they are not paid, the energy will simply not be there when we need it. If the costs do not have to be paid by users, consumers need not care and cannot know what it is worth to save energy. Government regulation works a gross disservice on consumers by offering them the option of deceptively cheap petroleum products, when their response to those cheap products will simply make them more expensive in the future.

Mr. President, we can no longer deceive ourselves by circumventing economic realities. The one law that no legislative body on Earth can repeal is that of supply and demand. I say, let the marketplace work its will. It is irresponsible and self-deluding to pretend that Government is all-knowing and is capable of allocating resources better than is the marketplace.

Hopefully, not all the people have been fooled by the rhetoric and antienergy propaganda coming from Washington. Logical, clear, productive thinking is necessary to remove the burden of energy shortages from our society. The situation surely calls for some sober and careful thought at policy levels. Though this administration may think it has found a scapegoat in the oil industry, the sins cannot be placed on its head.

Mr. President, I request that several newspaper articles appearing recently that describe the important role that price plays in the economics of energy, both there and abroad, be printed in the RECORD.

The articles follow:

[From the Washington Post, July 3, 1979]

LETTING THE "MARKET" DECIDE

(By Robert J. Samuelson)

In early May, President Carter went to Iowa—the first state that elects delegates to the 1980 Democratic National Convention—and told a crowd that "I will not allow rural America to run dry." Farmers would get all the fuel they needed, he said.

And truckers wouldn't. But Carter didn't say that.

The history of the 1979 oil shortage is government needlessly pushing a problem toward a crisis. No one knows the shortage's size; probably, it is between 5 percent and 10 percent if "shortage" signifies the gap between available fuel and likely consumption at last year's "real" prices. An inconvenience, but not a catastrophe.

Government has made it worse. It cannot eliminate the scarcity because it cannot make Saudi Arabia and Iran produce more oil. But it can create a climate of greater public understanding that accepts change—higher prices and occasional inconveniences and disruption—with more tolerance and civility.

Instead, the administration has devoted its efforts to a job that it cannot do well; brokering scarce fuel supplies among rival groups.

Carter's Iowa speech on May 4 was followed a week later by Special Rule No. 9 from the Energy Department, which required diesel fuel dealers to sell farmers 100 percent of the current needs—that is, all they wanted.

Naturally, farmers took as much as they could get, leaving less for others. Some of this fuel probably went into storage tanks. Aside from aggravating the underlying scarcity, such government allocation insults "non-priority" users by telling them they're unimportant. That's dangerous, especially when the group being insulted already has voluminous grievances and a violence-prone fringe element.

By now, it ought to be obvious that fuel problems only tapped a deeper seam of trucker discontent. Many of these 30,000 to 100,000 independent operators feel frustrated over their inability to organize—to improve rates—and harassed by government regulations.

Because time is money, they despise the 55-mile-an-hour speed limit. Weight and space are money, too. Drivers customarily receive 70 percent to 75 percent of the total freight bill. Consequently they abhor state restrictions on weight and rig length.

So fuel shortages and high prices coalesced existing frustrations, providing the truckers with unaccustomed unity and negotiating leverage. Strikes and threats of violence greatly amplified the effects of an underlying energy problem.

This episode puts the lie to the common assumption that government can allocate any shortage more "justly" than the "market"—letting companies distribute to areas and customers willing to pay the most. It can't. Diesel fuel and home heating oil are virtually identical and, as the administration discovered, all the users—farmers, truckers, bus operators and homeowners—consider their needs vital.

Politics determines who wins, and politics often means who has the best Washington lobbyist, the most powerful congressional voting bloc or the most persuasive bureaucratic champion. Under the guise of "fairness," governments' efforts to referee these conflicts create as many problems as they solve.

These are everywhere apparent. Gas station owners now are threatening strikes because they consider Energy Department rules unfair. The gasoline allocation system almost certainly has aggravated the effects of scarcity; allocations reflect past consumption, not current demand.

More important, the complexities of the program inevitably sow public misunderstanding and fear. And fear—more than physical scarcity—explains the long gasoline lines. Worrying they won't be able to get fuel, drivers converge on stations; this causes stations to close early to avoid exhausting supplies.

But the station closings simply increase anxiety and the lines elsewhere. Under price regulations, companies and station owners can't conserve (and stay open) by charging what the market will bear. They simply can pass on higher crude oil costs and maintain predetermined profit margins.

All this is justified as a way of preventing "gouging," but the idea that consumer costs (as opposed to prices) are being held down is mostly a fiction. Truckers and drivers clearly are wasting fuel searching for fuel. And anyone who values his time at $5 an hour (less than the average manufacturing wage) already is paying 50 cents a gallon more for a 10-gallon fill-up that requires an hour's wait.

The major issue now facing the country is how to divide the limited supply of crude oil between gasoline and middle distillates—diesel fuel and home heating oil. Refineries have a limited flexibility to switch between the two. Clearly, the country needs, but cannot get more of both. Ultimately, the best way to find out which need is the greatest is to let the market decide.

There is no point pretending this is a gentle or perfect solution. The "market"—simply the collective decision of buyers and sellers—is not all-knowing. It cannot prevent panics or hoarding entirely. Prices could fluctuate sharply, depending on quirks in the distribution system or unexpected spurts in demand.

The oil scarcity's greatest danger lies not in an economic squeeze but its potentially devastating effects on social cohesion and national self-confidence. Some commentators now talk as if the shortage has become so great as to make rationing necessary. Not only is it not necessary, but the practical problem of adopting it could make the irritations of the allocation system look tame indeed.

Government needs to help the small minority who cannot stand the rough discipline of the "market"; a good way to finance that help would be through a gasoline tax. Otherwise, government needs to make most of the rest of us to understand and grudgingly accept the inevitability of paying more for less. But Carter's prospects for success are slim because he has apparently lost a president's greatest asset: his ability to persuade.

[From the Wall Street Journal, July 10, 1979]

DRIVING AS USUAL: EUROPE AVOIDS LONG GAS-STATION LINES; HIGH FUEL PRICES GET MUCH OF THE CREDIT

(By June Kronholz)

LONDON.—Millions of Europeans are heading for their annual holidays in the sun, and Dirk de Bruyne says he will soon be among them. Mr. de Bruyne plans to drive about 800 miles from his home in Holland through France to Genoa, and he is sure that gasoline won't be a problem.

"There will be no shortage anywhere in Europe," he says, and Mr. de Bruyne's confidence is worthy of note. He is president of Royal Dutch Petroleum Co., a parent of the Royal Dutch/Shell Group.

Mr. de Bruyne's drive-as-usual attitude is a common one. Gasoline supplies have tightened in Europe, but the long gas-station lines that have snaked across the United States haven't been seen in Europe and aren't expected.

Europeans say the main reason they aren't stalled in gasilne queues is that fuel prices have long been allowed to rise here, and nothing attracts oil like high prices. But there are other reasons, too—new North Sea oil supplies, public transit that has made many Europeans less dependent on cars, and a willingness to build new refineries.

A CAVALIER ATTITUDE

There is growing gloom among Europe's governments over accelerating inflation and the threat of a recession as a result of continuing increases in crude-oil prices. The Organization for Economic Cooperation and Development says its semiannual economic outlook due out this month will be generally bleak because its member nations depend so heavily on oil to run their industries. But because most Europeans haven't had to cope with gasoline lines, their attitude toward an oil crunch is almost cavalier.

This spring, petrol queues did form in England and Ireland. Some garages served only their regular customers, and Sunday closings were common. Hotels, restaurants and shops in North Devon, which passes as a sun spot in Britain, offered to guarantee tourists enough gasoline to get home. And the Irish government offered petrol vouchers to overseas visitors to assure them of gasoline supplies.

But this week, with oil deliveries up slightly from the Middle East and the North Sea, even England has enough gasoline, according to the Royal Automobile Club. Ireland's problems eased in May when the government's price commission agreed to a 25-cent-a-gallon increase. In Italy, where some economists predict a crude-oil shortfall of between 3 percent and 10 percent this year, the government nevertheless has announced that it has enough gasoline "for the whole year."

Sweden has closed its factories for the annual July industrial holiday, and the country's motor association reports that Swedes are "taking off as usual and assuming they'll be able to tank up wherever they go; they're not worried."

And in France, the ministry of industry says service stations have more gasoline than in the spring. Gerard Martin, a traveling salesman back in Paris from a 1,200-mile swing through France to show off his winterwear collection, used 66 gallons of gasoline along the way, and "I never had any trouble filling up."

Price is certainly an important reason for Europe's comparatively full pumps. Even countries with price controls have always been willing to charge fairly high gasoline prices, and prices still are rising almost everywhere. A gallon of premium gasoline at the pump now costs the equivalent of $2.07 in Britain, $2.61 in France, $2.42 in the Netherlands and $2.72 in Spain.

Danes, who paid $2 a gallon in January, are being warned they will pay $3 a gallon by the end of the year. Only in Norway, which has a general wage and price freeze, and Sweden, which has tight price controls, is gasoline under $2 a gallon.

European oil deliveries, like those in the U.S., were cut back this year because of reduced production in the Middle East. But unlike U.S. oil companies, Europeans regularly go shopping on the Rotterdam spot oil market for the gasoline they can't get under long-term contracts.

So even though gasoline prices range from $400 to $425 a ton on the spot market, double what they were a year ago, Germany will buy about 20% of its gasoline there this year, Chancellor Helmut Schmidt says. Germany's strong currency and large foreign reserves give it an edge on the spot market, which trades in U.S. dollars. Then, too, because Germany doesn't control gasoline prices, "when the Rotterdam price rises, we just charge the users more," explains Esso AG, a Hamburg subsidiary of Exxon Inc.

PLENTY OF REFINERIES

Another cause of Europe's apparently adequate supplies of gasoline: Environmental considerations haven't obstructed refinery construction in Europe as they have in the U.S. For example, Rotterdam, a major refining center, cheerfully depends on the stiff North Sea breezes to keep its air clean.

But in the U.S., environmentalists fighting pollution have blocked many efforts to build new refineries. Also, U.S. oil companies have hesitated to build new refineries because of the economic uncertainties under federal price controls. Even so, many observers believe there would be no gasoline shortages in the U.S. if it weren't for federal allocation programs that govern the distribution of gasoline. As it is, there are such shortages even though U.S. refineries are operating at 89 percent of capacity. European refineries are operating at only two-thirds of capacity and are producing all the gasoline that consumers require.

Then, too, while U.S. wells are slowly drying up, making Americans more dependent on imported oil, Europe's big North Sea fields are just beginning really to produce. North Sea oil will make Britain self-sufficient in energy by the end of the year, the government says.

Just to play safe, however, Britain announced this month that it would require North Sea oil companies to make their royalty payments in the form of crude oil instead of cash, in an effort to make sure that more of the oil stayed to meet domestic demand. Otherwise, some of the companies might be making the royalty payments in cash and shipping the oil out of England.

HIGH-GRADE CRUDE

Moreover, Britain's crude is so high-grade that it produces more gasoline per barrel than imported Middle East or African crude, according to Britain's Institute of Petroleum, an industry group.

Finally, while Americans panic as their gas gauges fall, Europeans know they can always turn to public transit. "If gas gets too expensive here, we have good trains and buses and subways," says a spokesman for Deutsche Shell AG, the German Royal Dutch/Shell subsidiary, "but what can you do without a car in Los Angeles?"

Despite the Common Market countries' pledges to reduce energy consumption by 5% this year, European fuel-conservation programs, where they exist, are little more than advertising campaigns. In the first four months of 1979, oil consumption in France, the Netherlands, Britain, West Germany and Italy rose 3.3% from the year-earlier period, the OECD says. In Spain, gasoline sales climbed almost 12% in the first five months of the year. In Ireland, a cut in road taxes last year resulted in a 20% increase in auto registrations this year, the government says.

France's approach to conservation has been to undertake an advertising campaign featuring an animal named "Gaspi," short for *gaspillage*, or waste. England plans a new media campaign aimed at saving energy, but any compulsory conservation is "against the ideology of the government in power," declares an energy department spokesman. Sweden last week cut fares on its state railroad to their 1967 level to encourage travelers to take the train.

In other countries, talk of conservation has met with consumer hostility. The German government gingerly suggested that Germans could cut consumption by agreeing to an 80-mile-an-hour speed limit on their 4,000 miles of autobahns. (There aren't any speed limits now.) Immediately, opposition parties attacked the proposal as an infringement on personal freedoms, and auto makers suggested that it would result in a deterioration of German auto products.

So before he left for the Tokyo summit, Chancellor Schmidt took to prime-time television to promise that no matter what the other Western leaders agreed to, Germans wouldn't have speed limits or Sunday driving bans.

Similarly, a French government pledge to enforce an 80-mph limit has largely been ignored because France hasn't any modern road police. A Danish plan to prohibit driving one day a month has died, And although Italy talks of new speed limits and of prohibiting parking in its city centers, neither move is likely: Italy hasn't had a government since January, and its caretaker leaders are thought to be too powerless to make these changes.

Only Greece has a mandatory gasoline-conservation program. Cars, trucks and farm vehicles may use the road only on alternate weekends. New-car registration fees have been doubled. Even the army has been ordered to cut its fuel consumption by 15% this year.

But a few drivers in other parts of Europe are taking precautions, too. Police in the German state of North Rhine-Westphalia are buying gasoline for their patrol cars at filling stations, thus conserving their own stocks.

And while Mr. de Bruyne may be driving to Italy this summer, at least one of his senior employees isn't planning an auto trip this year because of worry about gasoline supplies. "I won't take any risks," he says.

[From the Wall Street Journal, July 11, 1979]

It's Motoring as Usual in Canada

(By Alan Bayless)

Ottawa.—Earl Bessett, owner of a BP self-service gas station in Windsor, Ontario, across the border from Detroit, is doing a land-office business these days. He figures he will triple the number of gallons he sells this month compared to last month, largely because of a surge in U.S. customers.

"A few months ago, gas was cheaper in Detroit than here and people were gassing up on the other side of the border," says Mr. Bessette. "Now some U.S. customers can't find open stations in Michigan, but we are open 24 hours a day. When they buy gas here, they always fill it up right to the top."

It's little wonder. While the U.S. suffers through its moral equivalent of war this summer, it's motoring as usual in Canada. There aren't any gas lines, prices are relatively low compared to the U.S. and the gloom-and-doom atmosphere that currently pervades Washington is largely absent here in the Canadian national capital. In some places, there have even been gasoline price wars, though with the onset of the summer driving season prices seem to be firming up at 65 to 70 U.S. cents for a U.S. gallon.

Americans who have been coping with shortages and sharply higher prices may wonder just how their neighbors to the north do it, particularly when both countries are forced to import large quantities of expensive foreign crude to meet domestic requirements. Canada now imports about 500,000 barrels of crude daily, or 30% of its needs, while the U.S. imports about 8.5 million barrels daily or about 45% of its requirements.

IMPORTANT DIFFERENCES

There are some important differences between the U.S. and Canadian situations that may help explain the contrast, however. One is simply that Canada's own reserves of crude seem to be in healthier shape than in the U.S. "U.S. oil fields are older than Canada's, so production there is declining at a faster rate," says a senior Canadian energy official.

Canada was a major crude oil exporter in 1973, providing the U.S. Midwest with more than one million barrels daily. Along with the Arab oil embargo came the realization that Canada's cheap conventional oil reserves weren't inexhaustible, so exports were progressively reduced to the current level of only 130,000 barrels daily. The remaining surplus was piped to eastern Canada or "shut in" for future use.

When Iran cut off its crude exports late last year, Canada was able to harness the shut-in crude production capacity.

Equally important has been the fact that Canada, unlike the U.S., has had sufficient refinery capacity to keep up with demand for gasoline. U.S. refiners assert that they have been unable to process both enough gasoline for the usual surge in summer driving and sufficient heating oil to rebuild inventories for next winter. The U.S. refiners blame environmental rules that have sharply increased demand for unleaded gas at the same time that it was becoming increasingly difficult to obtain permits for building new refineries.

Ironically, Canada's excess of refining capacity owes much to environmental opposition to refineries in the U.S., particularly along the East Coast. In the early 1970s major oil refineries were built in eastern Canada mainly to process imported crude for the northeastern U.S. But after the OPEC price rise in 1973, these refineries weren't given the same U.S. oil import subsidies as refineries south of the border, so they couldn't afford to compete in the U.S. market. One Newfoundland refinery went bankrupt and others were left with capacity that even now isn't fully used.

Lastly, there are significant differences between Canadian and U.S. regulations and price controls on energy. In the U.S., the federal government sets a ceiling on the prices charged by oil producers; it also has promulgated rules for allocating gasoline and dictated the prices that can be charged by gas stations.

In Canada, most of the regulations and price controls take place at the wellhead. Virtually all of Canada's crude comes from the province of Alberta; most is purchased by the Alberta Petroleum Marketing Commission, a provincial government agency established in 1974, and resold to refiners at an average price of about $11.89 (U.S.) a barrel before pipeline transportation costs. The province pockets nearly half the sales price, meaning producers receive, on the average, even less for their crude than their U.S. counterparts. But the producers escape much federal taxation if they plough back their profits into exploration and development.

After the crude is purchased by a refiner it enters a free market. Refiners, wholesalers and retailers can sell at the quantity and price they please, subject only to competition. This helps to avoid the temporary imbalances in regional supply and demand that the U.S. has suffered as a result of government efforts to dictate where gasoline should flow.

Canada may yet face problems. Alberta's production of crude oil, now at maximum capacity, is less than expected and possibly less than required to avoid shortages. In recent weeks, wholesale markets have been tightening in eastern Canada, and oil industry and government officials expect a price increase of up to six cents a gallon within days, followed by further hikes in the fall.

To dampen demand and encourage domestic production, federal authorities are considering allowing a much faster increase in the price that domestic producers receive. Since 1977 the wellhead price has been allowed to rise at about $1 (Canadian) a barrel every six months; the idea was to gradually allow the Canadian wellhead price to reach world levels. But the fall in the value of the Canadian dollar and the recent surge in OPEC prices have widened the gap between Canada's oil prices and world levels.

SUBSIDIZED FOREIGN IMPORTS

Canada's imports are subsidized by the government to offset the difference between domestic prices and OPEC's higher world price. This has the effect, of course, of encouraging imports, and there's some concern that Canada may find itself in the same position as the U.S. in recent years—growing increasingly dependent on imports, partly as a result of government efforts to soften the impact on the consumer.

But Canada seems likely to escape, for this summer at least, the long lines afflicting U.S. motorists. Nor does Canada appear in imminent danger of repeating some of the mistakes that have aggravated the U.S. situation. Canada's federal government has authority to impose allocation and price controls on retailers. The legislation granting the authority was supported by Prime Minister Joseph Clark and the Conservatives before they took power last May, but they have indicated they wouldn't use controls except in a crisis. The U.S. government experience at attempting to apportion gas supplies is believed to have had a sobering effect here.

Meanwhile, Canada's balance of payments may receive a boost from the U.S. problems. Government and industry spokesmen say they expect more Canadians to vacation within Canada this year and more Americans from nearby states to cross the border into Canada (though fewer Americans than last year may arrive from farther south.)

As the wife of one Canadian who has been working in New York for several years and is transferring back to the Toronto area recently put it: "If we can just get to the border, we figure we'll be all right."●

DECONTROL OF OIL AND REGULATORY REDUCTION OF ENERGY

● Mr. COCHRAN. Mr. President, this concerns the current energy situation. I support decontrol of oil and regulatory reduction of the energy industry for one basic reason: I trust the open maket's ability to allocate increasingly scarce resources more than I trust allocation by regulation. I believe that decontrol will result in an equitable distribution of energy, a more realistic pricing structure for energy and, most importantly, it will result in increased domestic production of energy. In the long run, I believe that decontrol will serve our Nation's best interest.

Certainly, Government regulation is not solely responsible for our current energy crisis. This crisis has arisen over a number of years for a number of reasons. Our own consumptive greed, born of seemingly inexhaustible resources, deserves a lot of the blame. And Congress and the various administrations have all too frequently been less than courageous in dealing with the problem. For these reasons, and for others, we have gotten ourselves over a barrel, and it is full of OPEC oil.

But although not solely responsible, Government regulation certainly has been a major contributor to this crisis. Let us not compound it now by a crisis of indecision.

Government control of energy prices, production and allocation has grown so steadily and insidiously that it is difficult to imagine an absence of that control. Many people argue that, no matter how serious our current and foreseeable energy problem, it could get worse by decontrol. According to them, dismantling of Government controls threatens chaos; we do not have a perfect system, but at least we know what the system is. It is relatively good. Let us not take any chances.

I believe this is short-sighted. The current system is not "relatively good." It is absolutely intolerable. We are no longer in a position where playing it safe suffices. We need to confront this situation head-on, take a realistic view of our options, and make the hard choices.

Decontrol and regulatory reduction represent such hard choices. There likely will be, for a time, higher costs for energy consumers. And it will no doubt take some time for natural market responses to meet natural market demands. After being straitjacketed for so long, naturally there will be some stiffness and some kinks to work out.

But I believe that after that initial period the market will sort itself out. Supplies will meet demands. Needs will be met. And costs ultimately will be lower than they would be were regulation continued. They will be lower because production will increase. They will be lower because competition will increase. They will be lower because the most unnecessary middleman of all—Uncle Sam—will be gone. And they will be lower because we will remove ourselves from OPEC's avaricious whim.

Finally, and perhaps most significantly, reduction of artificial controls will serve at least partially to remove politics from the equation. Political considerations for too long have outweighed substantive considerations. The administration's recent vacillation over Special Rule 9 illustrates my point. Special Rule 9 was implemented by the Energy Regulatory Administration in the Department of Energy to insure adequate supplies of diesel fuel to farmers during planting season. When truckers complained about the rule's effect on the cost of diesel and about other related problems, the administration obliged them by doing away with Special Rule 9. But what is going to happen when it is harvest season? Maybe we will get Special Rule 10. I do not know. But the essential problem will reappear, and we will have competing interest groups vying for consideration, with the same divisive, counterproductive jockeying for Government attention.

Mr. President, a recent article in the Wall Street Journal underscores my position in this matter very well. I ask that it be printed in its entirety in the RECORD and urge that my colleagues give it close consideration.

The article follows:

DOING WITHOUT

President Carter is hewing to an ever more ruinous set of economic policies by piling oil import controls on top of the existing price and allocation controls on domestic oil and gas.

In so doing he is removing one more safety valve from the pressure boiler he is building. The next time supplies of gasoline or home heating oil disappear into the endless snafus that are part and parcel of government allocation programs, the international market will not be able to come to the aid of a besieged government and a desperate citizenry. Politics will finally have made the energy crisis real, and there will be no alternative to doing without.

What does doing without mean? To the President's mind it means simply "wasting" less. But one man's "waste" is another man's income. Conservation is not free; its cost is the forgone income from lost livelihoods and production.

There is an insidious irony in price and allocation controls. They place the productive use of a resource on the same footing with wasteful use. By pushing the market aside, controls tend to perpetuate existing patterns of resource use. Everyone may use less, but a businessman who wants to expand his appliance repair service by acquiring another van and hiring another repairman cannot bid the gasoline away from the joyriding motorist. Lines at the pump are soon followed by lines for repair services, and gasoline line frustration is brought into the home. In a word, conservation outside a market framework—which is where the President has placed it—ensures that as much energy will be saved by reducing production as by reducing waste.

The President is also intent on shoving aside the private capital market that guides energy investments. In its place will be the Energy Security Corporation with $88 billion worth of the nation's scarce capital to "invest" without guidance from rates of return costs and market prices. It is a foregone conclusion that any energy that results will cost more than OPEC oil. With the Energy Security Corporation we will devote more resources to the production of less energy.

This explains the oil import quota. It is a tariff to protect high cost synfuel from being undersold by OPEC oil. The government's intervention in energy has come full circle. The price of domestic energy is held below the world price and the price of domestic synfuel is pushed above the world price.

Judging from the response of gold (soared to new high) and the dollar (down) to the President's speeches, the smart money sees the Energy Security Corporation for what it is: an expensive new transfer program. Together with the other new transfer programs in the President's proposal—$24 billion to pay the poor's fuel bills—$112 billion would be added to the "uncontrollable" component of the government's budgetary obligations.

If the President's program goes through, the nation will have made massive resource commitments that leave it little margin of flexibility. The next President may find himself with no leeway to free up incentives for economic growth and reverse the capital starvation of the American economy or to mobilize resources to meet a military threat.

It seems to us that the President has misunderstood the issue of confidence. People are confident when they know they can organize their affairs by contracting and buying in the market. They lack confidence when they don't have this ability. The President's recent messages, far from instilling confidence, have made it clear that he intends to reduce the sphere of private decision-making. Energy and materials used in the production of energy are falling under government purview. We doubt that Washington decision-making will give the people any more feeling of control over their own lives than OPEC price increases have.●

PAUL L. THOMPSON, COMMANDER OF THE DAV

● Mr. MATHIAS. Mr. President, yesterday a fellow Marylander, Paul L. Thompson of Baltimore, was elected national commander of the Disabled American Veterans at the annual convention in Boston, Mass.

Mr. Thompson is the fourth Marylander to hold this national position as head of the 623,000 member DAV, and is the first black American as well as the first Vietnam veteran to hold the top post in a major U.S. veterans' organization.

Paul Thompson retired from the U.S. Air Force in 1966 with a disability after 26 years of military service that began in the U.S. Army in 1939.

During his military career he earned five Bronze Stars for bravery and climaxed his career in the service of his country with the rank of master sergeant.

In World War II, Mr. Thompson served with special distinction in the South Pacific, then reenlisted in the Air Force in 1951 and served 2 years in Korea. He attended leadership and management schools in the Air Force and took academic courses through Morgan State University and the University of Maryland Overseas Extension Division.

When he left the Air Force after serving in Vietnam in 1965–66, he quickly became involved in veterans' affairs in Maryland, in the DAV's chapter 1 in Baltimore, and as a volunteer at Maryland's veterans' hospitals. In 1971, he was appointed to a 7-year term on the Maryland Veterans' Commission, which was renewed last year.

Mr. Thompson was elected DAV Department of Maryland commander in 1975 after he served 3 years as membership chairman. He was elected fourth junior vice commander of the National DAV in 1976, and climbed to second junior vice commander a year later. Last year he jumped to senior vice commander.

Mr. Thompson's wife, Margaret, is also active in DAV affairs. She is a past commander of the Maryland DAV Auxiliary. The Thompsons live on Cylburn Avenue in Baltimore and are the parents of two sons, Cyril and William, both of whom have served with the U.S. Marine Corps.

On behalf of all of our fellow Marylanders, I salute Mr. and Mrs. Thompson, and wish them success in the busy days that lie ahead.●

LIFTING OF FEDERAL BAN ON TRAVEL AGENTS

● Mr. SASSER. Mr. President, I wish to take this opportunity to congratulate the chairman of the House Subcommittee on Special Small Business Problems, Congressman MARTY RUSSO.

Last Monday, the Committee on Small Business of the House of Representatives approved a report submitted by Chairman RUSSO on the subject of Federal Travel Procurement Policy. The report found that the present ban on use of travel agents dating from 1899 is inefficient and costly. Because of this outdated prohibition, discount fares and group travel discounts are largely ignored by Federal employees on official travel. Representative RUSSO documented instances where agencies neglected to take advantage of group fares and consequently wasted hundreds of thousands of dollars on individual tickets.

RAIL TRAVEL

My colleague from Tennessee, Representative ALBERT GORE, who testified before the subcommittee, is also to be commended. Representative GORE was especially instrumental in the subcommittee's revelation that most Federal employees traveling along the Northeast corridor chose airline travel rather than train. In some cases, Federal workers would take a taxi to the Baltimore airport and catch a plan to Philadelphia, rather than choosing rail transport, which is just as efficient and considerably less costly.

NEED FOR $500 MILLION TRAVEL CUT

All this strengthens my conviction that Federal travel and transportation costs could be trimmed by $500 million below the $7.9 billion included in the fiscal year 1980 President's budget for this purpose.

GROUNDING 2,000 FEDERAL EMPLOYEES

This would have the effect of grounding 2,000 Federal employees a day and keeping them at their desks, conducting, we hope, the essential affairs of this Nation. Such a cutback might also encourage the executive branch to tighten up its travel regulations and utilize the new discount fares whenever and wherever possible.

S. 697

So, Mr. President, I urge my colleagues to join as cosponsors of S. 697. It is designed to reduce by $500 million the amount that may be spent for travel and transportation of Federal employees during fiscal year 1980. I point out that this is a bipartisan effort to reduce nonessential travel expenditures. This proposed legislation is being cosponsored by Senators BAYH, LEAHY, SARBANES, PROXMIRE, DANFORTH, HUDDLESTON, LEVIN, HOLLINGS, STEWART, FORD, EXON, BOREN, HEINZ, THURMOND, COHEN, BENTSEN, BAUCUS, PERCY, BURDICK, HARRY F. BYRD, JR., DECONCINI, ROBERT C. BYRD, MORGAN, WALLOP, BUMPERS, STONE, HATCH, and HEFLIN.

I urge my colleagues to join us by contacting me or the subcommittee clerk, Terrence Sauvain, at 224–7251.●

TAIWAN HEALTHY

● Mr. CHURCH. Mr. President, when the Committee on Foreign Relations drafted the Taiwan Relations Act early this year it created a legal and economic framework designed to facilitate trade with the United States, since Taiwan's prosperity is dependent upon foreign trade. The committee also included a provision in the act requiring the Department of State to report twice a year to Congress reviewing economic relations between Taiwan and the United States, so that we could monitor this very important matter. The Department of State has sent the first report on this subject to the Congress, and I am happy to inform the Senate that the island and its people continue to prosper, private foreign investment nearly tripled during the first 4 months of 1979, and the island's foreign trade with the rest of the world increased by over 30 percent during this period. I request that the following report be printed in the RECORD.

The report follows:

TAIWAN: ECONOMIC RELATIONS WITH THE UNITED STATES IN THE PERIOD JANUARY 1–JUNE 30, 1979

The withdrawal by the United States of diplomatic recognition of the authorities on Taiwan with effect from January 1, 1979 has not had an adverse effect on Taiwan's economy. Neither have we detected any interference with Taiwan's commercial relations. On the contrary, the island and its people continue to thrive and to prosper. Although complete data are not yet available, foreign trade—which as the engine of Taiwan's growth serves as the best gauge of the direction in which its economy is headed—apparently has increased this year at a rate in excess of the ten-year average annual growth of 31 percent.

FOREIGN INVESTMENT: UP

In the immediate aftermath of the announcement of the U.S. decision, there was a brief pause in new foreign investment movement in Taiwan. That pause is clearly over. Foreign investment approvals totalled US $137 million during the first four months of 1979, an increase of US $90 million over the same period in 1978. Of this total, US $18 million came from U.S. sources, an increase of 35 percent over the figure for the same period in 1978. It should be noted, of course, that investment approval statistics represent decisions on applications presented to banking and governing authorities rather than actual transactions. Therefore, these statistics provide only an impressionistic picture of what is actually happening at any specific time. Total actual U.S. direct investments in Taiwan are now approaching US $600 million.

The investment climate has no doubt been helped by the three-year exemption from the $1,000 per capita income restriction granted to the Overseas Private Investment Corporation in the Taiwan Relations Act (per capita GNP is currently $1,468) and by the continued presence of a large and active American banking community in Taiwan. In that regard, the Bank of America has recently moved into larger newly constructed offices, and National City Bank of New York hopes to move soon into a building now under construction.

FOREIGN TRADE

One of the institutional factors which has helped to cushion the export sector of the economy against diplomatic shocks is a high level of foreign investment—largely U.S. and Japanese—in the manufacturing sector. Taiwan is and long has been hospitable to foreign investments, with the result that an estimated 70 percent of Taiwan's imports and exports are handled by foreign trading and manufacturing firms.

It is a fact of history that in the decade of the 1970's, when Taiwan has become increasingly isolated diplomatically, the island's exports as well as imports have increased more than 10 fold (1970–1978), GNP and living standards have risen dramatically, and Taiwan's economic and financial standing has become increasingly well regarded by the international community.

Table I shows trade with Taiwan's twenty largest trading partners in the period January–April 1979 (attached).

In addition to investment roles the U.S. and Japanese markets have long functioned as life support systems for Taiwan's economy which thrives or writhes in response to foreign trade levels. The economy is overly dependent on the U.S. market, which as early as 1970 absorbed 39 percent of the island's relatively low level of exports. By 1978, the U.S. still took 39 percent of Taiwan's exports, but value had risen in eight years from $567 million to $5,102 million for a trade surplus of $2,624 million with the U.S. Exports to Japan, meanwhile, rose from $24 million in 1970 to $1,587 million in 1978 and Japan's share remained the same, 12 percent. In sum, Japan and the U.S. together still account for slightly over one-half of Taiwan's exports.

During the 1970–78 period, Taiwan's global exports grew at an average annual rate of 31 percent against 30 percent for imports. After the shrinkage of its trade surplus with the U.S. in 1974 and 1975, Taiwan's exports to the U.S. grew 67 percent in 1976, 19 percent in 1977, and 38 percent in 1978 while imports from the U.S. increased 9 percent, 9 percent, and 22 percent.

Taiwan's export performance has been so strong that it has registered global trade surpluses in seven of the last nine years.

The early 1979 growth rates for exports and imports comfortably exceed the 1970–1978 average annual growth rates of 31 percent for exports and 30 percent for imports:

TAIWAN'S GLOBAL FOREIGN TRADE, JANUARY TO MARCH 1979

[Customs figures; values in millions of U.S. dollars]

	Value	Percent increase over January to March 1978
Total	6,438.4	40.9
Exports	3,339.0	40.6
Imports	3,099.4	41.1
Surplus	239.6	31.9

UNITED STATES-TAIWAN BILATERAL TRADE

	January to March 1979 (millions)	Percent change over January to March 1978	U.S. share[1] Taiwan trade (percent)	Taiwan's share of U.S. trade (percent)
Total bilateral tra le	$2,027.4	32.8	28.2	2.3
U.S. exports/Taiwan imports	718.5	54.8	21.2	1.7
U.S. imports/Taiwan exports	1,308.9	23.2	34.6	2.9
U.S. deficit	590.4	—1.3		

[1] Taiwan customs.

Source: U.S. Department of Commerce statistics, f.a.s. basis. Composition of this trade is listed in table II.

The trade aggregates for the years 1970–1978 look like this:

[In millions of U.S. dollars]

	1970	1971	1972	1973	1974	1975	1976	1977	1978
Exports to United States[1]	567	865	1,277	1,690	2,053	1,833	3,060	3,636	5,012
Imports from United States[1]	364	408	545	954	1,685	1,655	1,801	1,964	2,388
Balance with United States	+203	+457	+732	+736	+368	+178	+1,259	+1,672	+2,624
Total exports[1]	1,469	2,047	2,979	4,479	5,593	5,304	8,035	9,361	12,705
Total imports[1]	1,363	1,755	2,332	3,744	6,424	5,560	7,258	8,511	11,022
Balance	+106	+292	+647	+735	−831	−256	+777	+850	1,683

[1] Exports and Imports f.o.b.

Source: Export-Import Bank of the United States.

US TOURISTS: DOWN

American tourist arrivals in Taiwan declined 38% in the first five months of 1979. However, inasmuch as tourist arrivals from Japan and Europe increased in the same period for an overall increase of 6.4% (566,600 persons) the assumption is that the drop in American visitors reflects (1) a halt in the travel of dependents as a result of termination of our military presence on Taiwan and (2) a temporary reaction to the widely televised anti-American demonstrations which followed the announcement of withdrawal of diplomatic relations. As the image of these incidents recedes, we anticipate that U.S. tourism will increase during the second half of 1979.

CONCLUSION

In sum, despite the cessation of official relations, economic ties between the peoples of the U.S. and Taiwan continue to be close and mutually beneficial and businessmen, traders, and investors continue to travel between the United States and Taiwan without hindrance. Parties on both sides continue to enjoy the benefits of long-established financial, commercial and other relations.

Parties on both sides are optimistic about the future. For example, some American bankers in Taiwan estimate that two-way trade, which reached a record $7.5 billion in 1978, will total $10 billion in 1979. Prospects are that for the foreseeable future Taiwan will continue to rank second only to Japan in Asia in terms of U.S. trade.

TABLE I.—COMPARISON BY COUNTRIES (CUMULATIVE)

[Dollar amounts in millions of U.S. dollars]

Year of recognition of the PRC		January to April 1979					January to April 1979				
		Exports		Imports		Balance (+) (−)	Exports		Imports		Balance (+) (−)
	Year	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent	
Total		$4,630.7	100.0	$4,224.5	100.0	$406.2	$3,371.2	100.0	$3,098.2	100.0	$273.0
United States	1979	1,606.4	34.7	893.0	21.1	713.4	1,364.4	40.5	660.7	21.3	703.7
Japan	1972	680.3	14.7	1,369.7	32.4	−689.4	377.7	11.2	1,006.7	32.5	−629.0
Hong Kong	(1)	330.5	7.1	60.1	1.4	270.4	230.7	6.9	41.6	1.4	189.1
West Germany	1950	206.7	4.5	182.6	4.3	24.0	176.3	5.2	111.8	3.6	64.5
Saudi Ardbia	(2)	133.3	2.9	226.1	5.4	−92.8	75.2	2.2	174.8	5.6	−99.65
Indonesia	(3)	120.8	2.6	124.8	3.0	−4.0	85.3	2.5	177.8	3.8	−32.5
Singapore	(4)	118.6	2.6	38.2	.9	80.4	67.9	2.0	21.9	.7	46.0
Canada	1970	117.0	2.5	37.6	.9	79.4	93.8	2.8	29.2	1.0	64.6
Australia	1972	108.0	2.3	155.5	3.7	−47.5	84.7	2.5	93.4	3.0	−8.7
United Kingdom	1954	107.7	2.3	68.9	1.6	38.8	62.6	1.9	70.7	2.3	−8.1
Netherlands	1954	95.4	2.1	30.6	.7	64.8	68.5	2.0	37.8	1.2	30.7
Korea	(2)	72.6	1.6	56.9	1.3	15.7	32.0	.9	34.7	1.1	−2.7
Thailand	1975	66.7	1.4	24.2	.6	42.5	42.0	1.2	21.4	.7	20.6
Philippines	1975	61.5	1.3	21.9	.5	39.0	42.4	1.3	14.4	.5	28.0
France	1964	54.7	1.2	39.5	.9	15.2	32.6	1.0	23.5	.8	9.1
Italy	1970	51.2	1.1	47.7	1.1	3.5	26.7	.8	24.1	.8	2.0
Panama	(2)	52.2	1.1			52.2	40.3	1.2	1.1	0	39.2
Kuwait	1971	43.0	.9	264.8	6.3	−221.8	23.3	.7	233.3	7.5	−210.0
Malaysia	1974	36.6	.8	98.6	2.3	−62.0	21.8	.7	53.0	1.7	−31.2
Belgium	1971	32.8	.7	27.6	.7	5.2	24.6	.7	25.5	.8	−.9
Others		534.7	11.6	456.1	10.9	78.6	398.4	11.8	300.8	9.7	97.6

[1] British Crown colony.
[2] Recognizes authorities on Taiwan.
[3] Recognizes PRC but does not have relations.
[4] Recognizes neither PRC nor Taiwan.

Source: Taiwan Department of Statistics.

TABLE II.—*Composition of Major U.S. Exports to Taiwan, January-March 1979*

	Value ($ mil.)	Percent share of total
Total	710.4	----
Manufactured goods	323.5	45.5
Machinery	160.3	22.6
Office machines & parts	10.3	1.4
Metalworking machinery	5.0	.7
Electrical power machinery	24.7	3.5
Electrical components & parts	18.7	2.6
Telecommunications equipment	26.2	3.7
Transportation equipment & vehicles	59.4	8.4
Aircraft & parts	47.8	6.7
Scientific & optical apparatus	13.3	1.9
Watches, clocks & parts	5.0	.7
Iron & steel	14.3	2.0
Special category	35.2	5.0
Food & raw materials	386.9	54.5
Grains & cereals	112.2	15.8
Corn	79.4	11.2
Wheat	30.7	4.3
Soybeans	82.7	11.6
Cotton	29.7	4.2
Chemicals & related products	78.2	11.0

Composition of major U.S. imports from Taiwan, January–February 1979

[Data only available for 2 months]

	Value ($ mil.)	Percent share of total
Total	902.6	----
Manufactured Goods	868.8	96.3
Textiles	179.0	19.8
Clothing & Accessories	160.0	17.7
Machinery & Transp. Equipment	258.5	28.6
Telecommunications Equipment	146.6	16.2
Veh./Transp. Equipment	20.6	2.3
Footwear	108.5	12.0
Watches, Clocks & Parts	9.2	1.0
Toys, Xmas Decorations	24.5	2.7
Rubber & Plastic Goods	26.0	2.9
Sports Equipment	15.4	1.7
Travel Goods, Handbags, etc.	31.5	3.5
Furniture	27.9	3.1
Wood & Cork Products	50.4	5.6
Plywood & Veneers	36.3	4.0
Iron & Steel	9.2	1.0
Food & Raw Materials	33.7	3.7
Fruits & Vegetables	12.2	1.4
Canned Mushrooms	8.0	.9
Fish & Fish Preparations	7.3	.8
Sugar & Sugar Products	.7	.1
Chemical & Related Products	9.0	1.0

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FEC NOMINATION OF MR. FRANK REICHE

● Mr. HUMPHREY. Mr. President, for the benefit of my colleagues on both sides of the aisle who may be voting on the nomination of Mr. Frank Reiche to the Federal Election Commission, I request to place in the RECORD the transcript of an interview which the distinguished senior Senator from Oregon conducted recently with Mr. Reiche.

I would especially call to the attention of interested persons the parts which appear in italic in the text of the interview (emphasis supplied).

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

FRANK REICHE INTERVIEW WITH PACKWOOD

BP: Some questions I've got . . . and it revolves totally around public financing of campaigns. Congressional campaigns, specifically. Let me start out with the statement you got before the Rules Committee: *"I am not philosophically opposed to public financing on the Congressional level."*

FR: . . . on the Congressional level? Because . . .

BP: Take a look at the transcript.

FR: Because I didn't know—but I mean, it applies to both. I thought I said, "I am not philosophically opposed to public financing," period. But that's all right, yeah. Sure, that's no problem. Because that's the way I feel, that I am not philosophically opposed. But neither am I in favor of it. Just as a philosophic concept, simply because we have not had sufficient experience, frankly. Funny thing about this is, I look back on the transcript of Max Friedersdorf's testimony, and I come down a lot closer to some of those who are opposing me than Max did. Now don't get me wrong, I have great respect for Max, and I also understand the why of it—they feel comfortable with Max, they knew him, they do not know me. So I appreciate that. But though that's the case, all I'm saying is I think the jury—just in the abstract, I'm only talking in the abstract—*I think the jury's still out, because I just don't think there's sufficient information. It's not that I'm wishy-washy. I'm not dodging a controversial issue. I've thought about this, I've had to for the last few years, as Chairman of the New Jersey Commission. But I can see advantages, and I can see disadvantages.* To me, the two most significant disadvantages are the fact that you discourage people from participating in the process. Second, it would require a tremendous bureaucracy. So just as a philosophic concept. . . When you get to the practical side of it, I see no way for it happening, in terms of Congressional elections. It's hard to put a time frame on it, but all of the bills, including H.R. 1, do not begin to solve the problems. It's not just the fact that you get 535 elections as opposed to one or whatever; but it's the diversity involved—someone running in South Dakota as opposed to someone running in Brooklyn. Somehow, if the people who favor public financing—and I am not one—if they intend to have such a system adopted, they've got to solve those problems. And there's nothing I've seen up to now that comes even close.

BP: Let me ask you—those are the practical objections opposed to it. What are your philosophical reasons for supporting it?

FR: I don't support it. But the advantage I can see is that if it takes the pressure off a candidate so that instead of having to go around during the campaign and spend a lot of time fundraising he can then speak more to the issues, that to me would be an advantage. A second advantage would be, if it thereby permits a person of relatively modest means to become a candidate. I think those are basically two I see. But I'm honest, Senator, when I say *I haven't come to a final conclusion on the merits of it just in terms of a concept.*

BP: Let me probe a bit more then. Because I have thought about it for a long period of time. I cannot find any philosophical nor practical grounds to justify public financing. A candidate of modest means, without putting himself in hock to any special interest, can raise sufficient money if that candidate is a good candidate, to run a very respectable Congressional campaign. The complaints I hear are from people who are not willing to ask 10 or 20 or 30 or 40,000 people to give them $5 or $10 to a campaign. The money's there. There are millions of people in this country who will give small amounts of money if asked.

FR: Well, you're alluding to something now about which I feel very strongly, and that is, to the extent we have public financing, Presidential and so forth, I for one strongly favor the private sector being able to contribute. I was saying to someone this morning. I don't care if a man gives a dollar. It's not the dollar—that doesn't amount to much, as we both know. But what does matter is that he then is committed to some candidate, whoever the candidate may be, and he's more interested in the election. And to me, that's extremely important.

BP: So why don't we drop public financing of the Presidential and gubernatorial and other races, and instead encourage people to give a dollar or 5 or 10 dollars to a campaign?

FR: Well, as I say, you believe that adequate monies can be raised by candidates, even though they're ones of modest means.

BP: I know they can.

FR: All right, you have practical experience, Senator, I'm not going to argue with you on that point. I would go then to the other point I made, as a possible advantage, and that is that it does occupy quite a bit of the time of certainly some candidates I have known. I don't know if it has in your case, but it has in many that I've known. I'd like to see some of that time spent on discussing the issues more. Now, I'm being the devil's advocate when I raise this argument, because I'm just saying this is . . .

BP: I understand that. But when you're asking somebody to give you 10 or 20 dollars, and they say what do you stand for, that focuses you into thinking about the issues. Or they say, I might give you $10 or $20, but I'm opposed to abortion, and you're in favor of abortion, now you tell me why I should give you money when you and I don't agree on that subject. That makes you think about it.

FR: That's true. That's why I want to be sure that private contributions are a part of the scene. I don't care what method of financing they have, but there has to be an infusion of substantial sums from the private sector. And it's funny, I was talking a while ago with Jerry Milback in New York on this, and he's the first person who ever asked me the question. I said to him that I thought this was implicit. I know in the recommendations of the New Jersey Commission, we intended to, as far as our recommendations for the legislature go, to continue private financing, as indeed they do in New Jersey right now.

BP: Now I notice before the Rules Committee, you wanted to extend public financing to the primary as far as the gubernatorial level is concerned.

FR: Only because it was already in the general election.

BP: But why not go the other way and abolish it for the general election?

FR: That's not the province of the New Jersey Election Law Enforcement Commission. We are an enforcement agency, and it is not for us to become involved in policy. What we were saying to them was, that it was virtually unenforceable where you have it for the one election and not for the other. And as I also said in one of my statements here, there's no reason under the sun why you can't reverse the trend for both of them. We were merely saying—and, in fact, it's my understanding that many Republicans around here said it in 1977 in the Congress—that where you have it for one, it does not make sense not to have it for both elections.

BP: Well, I'm curious about your philosophical bent, because you can go one way or the other. You can say extend public financing to the primary, or you can say abolish it for both. Your preference is for public financing for both.

FR: No it is not. It is not. Now this is where some of the remarks I've made before, Senator, frankly, have been taken out of context. What I have said in New Jersey is that, since we had nothing to do with this becoming the law in New Jersey—public financing—this was a statutory enactment in

1974, we have never made recommendation pro or con. Why? Because that's a policy area, and it was not within our province. What we said was, since we have it, and we had a very bad experience with this in 1977, trying to administer a system in which you let candidates build up all sorts of war-chests during the primary, and then you clamp down with an entirely different set of rules in the general election.

BP: Let me ask you then on your recommendation here, I'm quoting here from Page 35 of your testimony before the Rules Committee: "Our final recommendation is in New Jersey, first, that public financing of the gubernatorial election be extended to cover the primary." Why not recommend the other—get rid of public financing?

FR: That's a policy decision. This isn't an administrative decision. This was a recommendation based on an administrative experience. We felt that, as a Commission, Senator, that we did not have the right to argue the merits or demerits of public financing as such, which you would have been doing if you had said, get rid of the whole thing.

BP: You were saying it was such an administrative nightmare to have one election covered and not the other.

FR: Well, it's not only an administrative nightmare, but it's unfair to the candidates, and it's unfair to the contributors, because the problem there is to distinguish which contributions were made during one time frame, which during another, how do you attribute them . . .

BP: I understand that. So your recommendation was, to solve that problem, cover the primary also.

FR: As long as the State—not our Commission—as long as the State has adopted a policy of having public financing for a gubernatorial election, for the general election our recommendation, basically administrative, was that it should be extended to the primary.

BP: *Then let me ask your personal opinion: would you support and vote to get rid of public financing of the Presidential campaign?* And if asked when testifying before hearings or any other time, say yes, I think it's an administrative nightmare, I don't like it, we ought to get rid of it?

FR: *See, my problem there is that, frankly, I haven't had a lot of experience with that. If you asked me my feeling toward the New Jersey gubernatorial, I could answer.*

BP: *All right, let's take it in New Jersey then.*

FR: *In New Jersey?*

BP: *Get rid of it for the gubernatorial election.*

FR: *I don't think I would recommend it.*

BP: *Why?*

FR: *Why? Simply because we found that it worked rather well.* Again, distinguishing between the executive situation and a legislative situation. And I make a very sharp distinction between those two.

BP: What did public financing enable a gubernatorial candidate to accomplish that could not have been accomplished through private financing?

FR: The one thing that I observed was, there seemed to be a greater concentration on the issues, and that they spent far less time than I had observed gubernatorial candidates in the past spend on hustling money. Because by the end of August both camps substantially had their money in hand, or they knew where it was coming from, and then they submitted to us for match and so forth. And it left the candidates and their staffs free to devote more time to the issues.

BP: Are you seriously saying that fund-raising takes so much time a candidate cannot argue the issues?

FR: No, I'm not saying he can't argue the issues, Senator, but I'm saying it does detract from the time he has. And it's not only his time, but it's the time of his staff, too. If they've got to spend a lot of time raising money, the time has to come from somewhere. Now, an alternative I suppose is to augment your staff, so that people are devoted exclusively to that, don't have anything else to do. But, Senator, you know, in terms of public financing, you and I may agree, we may disagree on public financing. I repeat what I've said before, and I believe it sincerely, that as far as the philosophic part goes, I told you, I do not have my mind made up on that at the present time. As far as the legislative elections, practicality, there is no way . . . And there's another reason too, why, frankly, I would oppose public financing of Congressional campaigns.

This is going further than Max did, but the FEC, as we both know, is under fire at the present time. I don't think it has many friends in court, if any. If there is any priority at all—and I doubt that there is, but even if there were some priority the people were striving to—its handling public finance with Congressional elections, it is such a low priority that I for one, if I were a commissioner, I would oppose it. Because they've got to set their house in order. Their primary job today is to restore the credibility that, frankly, they've lost, with the public and Congress.

BP: *I want to come back to the philosophy. The argument about administrative regulation is an argument that is used by every bureaucrat around here. If we just had more people and more time, we could administer it all. Let me come back to the philosophy of the public financing of Congressional elections. Your position is, you have no philosophic position on this issue?*

FR: *It's not that I don't have a philosophical position it's that I have mixed feelings. This is the same thing that in essence . . .*

BP: Assuming the administrative problems could be solved, what would be your philosophical decision?

FR: If you could handle the administrative . . . well, then you go back to a sheer philosophic concept on public financing. And I've told you, that I . . . I'll put it this way: I have many more reservations about public financing of legislative elections in the philosophic sense than I do about the executive.

BP: Except all the reservations you've given me so far are practical, not philosophic.

FR: Well, all right. Obviously, I've been involved in enforcement. And of course everybody now is talking policy, which I would have very little to do with, but nevertheless that's their wish, all right, fine, we talk policy. But I'm talking basically from an enforcement viewpoint because that's the viewpoint I know, it is also the viewpoint I would have to take if I were a member of the FEC. And, sure, Congress naturally asks members of the FEC what their experience is, and what they would recommend based on that experience. So to that extent, you share your experience with Congress. But the buck stops here, it doesn't stop with the FEC.

BP: You keep coming back to practical. Let me change it again. Let me ask this question: do you think that a new candidate running against an incumbent—if a candidate is a good candidate—can raise enough money privately to run a good campaign?

FR: I think he can. I think he can, but please, no spending limits, because if you have spending limits, obviously, that favors the incumbent. And this is one—in New Jersey, for example, our Commission took the view over a period of time in favor of spending limits until we had our experience in '77, and then each and every one of the four of us reversed ourselves, simply because, with that experience, we realized that it just was not a good idea. And this is one of the faults of H.R. 1, that they have spending limits.

BP: But, one, a good candidate can raise adequate money. The candidate that's a bad candidate probably can't raise enough money, but if it's a bad candidate it's not a good candidate anyway.

FR: Yes. But there are also the candidates in the middle. And there is also the fact that, should you place—and I'm saying this only for argumentative purposes because I'm not sure that I would adopt this position—but, should you place a greater burden on the shall we say "marginal" candidate, who's somewhere in between your fine candidate and your poor candidate, should that burden be placed on them? I don't know. But I think there is a burden that is placed.

BP: Can a, as you would call it a good or fine candidate raise adequate money without being "beholden" to special interests?

FR: As long as there are contribution limits, yes.

BP: So that, with contribution limits, and we have those at the federal level now, you can raise money—sufficient money, if you were a good or a fine candidate—without being beholden to special interests?

FR: Well, and the other thing coupled with it is what we also have, namely, full disclosure.

BP: Oh, nobody's arguing about that. And nobody's arguing about the contribution limits. Do you think the contribution limits in the present federal law are adequate?

FR: I tend to think that they are, although frankly, Senator, I haven't had the practical experience with them. I'm not dodging your question, it's just that I'd like to have more experience before I say to you that, yes, I think they are, no, I think they're not. I think, for example—well, I'm not talking contribution limits, I'm talking spending limits—but I think the spending limits in the federal law, in the presidency and also in New Jersey, unduly restrict the campaigns.

BP: But here I want to stick with . . . Is $1000 too high a limit for an individual to be able to give?

FR: No.

BP: Is a $5000 limit too high for a political action committee to be able to give?

FR: I wouldn't think so, I don't think so.

BP: Okay, so the contribution limits are okay. And we agree that a good or fine candidate, given those limits, can raise adequate money to run a good campaign.

FR: Right.

BP: Then is the sole reason left for any kind of philosophical tilt at all toward public financing is the time that it takes to raise the money? Is there any other reason?

FR: No, that would be the primary one, probably, for me. I've heard so many candidates—and I'm not talking from the experience of candidacy as you are—but I've heard so many candidates complain violently about the time they've spent. Maybe they were poor candidates, I don't know. But, times when they had to make an appearance at a cocktail party or this event or that event, just because they were $255/plate affairs. I am one who strongly favors the fullest possible discussion of issues. That may be idealistic on my part, but if it is, Senator, that's the way I am. That may be why it means more to me.

BP: For anybody to say that, that's almost a placebo. I've never found a campaign yet where the candidate lacked time to discuss issues because the candidate was also involved in raising money—or the candidates' staff. By the time a candidate gets to the congressional level, running for the House or the Senate, that candidate in many cases is not a babe in the woods. He's been around the track a couple times, he's been in the legislature, been on the City Council in many cases, sometimes not, but they've thought about running. They're reasonably well-versed on the issues, and their problem is not, is there time to debate and discuss these issues—frankly, for a challenger, the time is getting the opponent to meet them in debate to talk about the issues.

FR: Well, yes, but they've got to have think-time, they've got to be able to formulate their views, and it's not really a case of having a staff do it for you. You've got to have some time to yourself. But, you know, Senator, I can't compare my experience in this area with yours, or with anybody who's here on the Hill. And this is the kind of thing which, if over a period of time by exposure to people who've been through it, if they keep telling me the same thing you're telling me, obviously this is going to have an impact on me. And on my view.

BP: I guess what bothers me is, any one of us in Congress, if we're on a Committee for two years or four years, has some very definite philosophical views. Here you've been in charge of administering a public financing law in New Jersey, and any time anybody's sufficiently immersed in something, they ought to know what's going on and have a pretty good grasp. And when he tells me they're not quite sure, I'm inclined to think they're telling me that because they're not on my side of the issue.

FR: That is not true in my case. First off, we didn't have public financing until 1977. You've got to remember too, I'm on a part-time basis, non-paid, as Chairman of the New Jersey commission, as are all the members. Now that I've left, they're now paying them, which is why . . . but I'm on that basis, with a full-time law practice, and many other activities as well, including being chairman of the Interstate Commission, which led to the formation of a grouping of state agencies on this business. Public finance has been a relatively small part, except for the '77 election. Our problem there was practical on a day to day basis. We spent many months contriving regulations for it. But it was always geared to the practical side, and frankly, to have the time to just sit and philosophize, I haven't had that time, with everything else I've been doing. You don't have to believe me, Senator, but I'm telling you the truth. I am not fudging on anything. I'm telling you what I believe as of this point. And I am certainly willing to listen to the type of argument that you're making, because it makes an inroad with me, it makes a definite inroad. You can talk to anybody who knows me, Senator, I'm not that way. They can accuse me of many other things, maybe, but they can't accuse me of that.

BP: I guess I'm bothered when I look at a Rules Committee statement that says, quote: "I'm not philosophically opposed to public financing on the Congressional level."

FR: Okay. I stated that simply because I meant it to be broader, frankly, I am not philosophically opposed to public financing. But as I said in a subsequent answer to one of Senator Humphrey's questions, I have never publicly advocated nor opposed, in the philosophic sense, public financing. And I have not. And it's obvious, if I were down here on this scene, yes, it may well hasten my conclusion in the area of public financing, why, because it'll be part of my livelihood on a day to day basis. But we have so many other things we've been doing as a New Jersey Commission. When we have gotten into public financing, it's been largely nuts and bolts, and it has not been, "Is it a good idea?" because we have nothing to do with that. Our job was merely to develop a system which would work, and, fortunately, it appears to have worked reasonably well, the system that we contrived.

BP: That's what bothers me, when you say that.

FR: Well, Senator, I'm talking about how the candidate, I'm talking about just the administration of it. There's nothing wrong . . . I mean, we would've been derelict in our duty if we hadn't . . . given the responsibility, which we had nothing to do with then it was our job to try and do the best administrative job we could. We are merely an administrative enforcement agency, and you wouldn't have us not do a good job on that.

BP. *No, but what I would like is a commissioner who's coming to the FEC who says I am unalterably opposed to public financing, it is unnecessary and unneeded, adequate money can be raised from small donors in sufficient amounts to run a good campaign, there is no point in adding to the administrative headaches of any administrative group, something that doesn't need to be publicly financed anyway. And I don't sense you're saying that.*

FR: *I am not unalterably opposed, Senator, and I'm not going to pretend that I am.* But I have to suggest to you and I have to suggest to others that the basic criterion for doing a job on the FEC is not that. The basic criterion is, are you intelligent? Do you have integrity? Do you have experience? And do you, in this case, because there are people who are critical of me, they don't think I'm partisan enough. Well that is nonsense. I am well aware of the fact that it's a very sensitive partisan situation on the FEC. And when I talked to you before, many months ago, I didn't wait for you to bring it up, I raised that point myself, because it's not the situation we have in New Jersey where partisan considerations were minimal. I know it's a different ballgame here, and I would be very sensitive to that. I was talking to Joan Eikens (?) a while ago, and she said to me that the Democrats recently have been very partisan and she started to say something at that point, and I frankly interrupted her. I said, Joan, I know what you're about to say—namely, that that leaves you no choice. And she said yes, and I said, you're absolutely right, it leaves you no choice whatsoever. Senator, I'm not going to change what I have said before. If I did, I don't think you'd have any reason to have an ounce of respect for me. Disagree with me—that's your privilege, as I might disagree with others. But I just haven't come to a conclusion on it, and I can't put it any other way, in terms of the philosophy.

BP: *Let me ask you this. If in that case I have come to the conclusion that I want to make sure that I support somebody for that position who is opposed to public financing of Congressional elections, should I vote for you or against you?*

FR: *If you've come to that conclusion, you should vote against me.*

BP: *Okay.*

FR: But, if you've come to that conclusion, Senator, I'm going to be blunt: I will be very disappointed in you. I would be simply because I think under those circumstances you and others viewing it that way would have taken this issue and have tried to subject me to a litmus test to which you have not subjected other candidates—Max Friedersdorf and others included. Senator, I don't think that's fair to me. But forget that for the moment. The FEC needs one heck of a lot of work to be done. And I bring to it something that no one else has. I think I can be a credit to the Republican party there and I think I would have a fresher look than anyone's had because I would be coming from the outside, which no one has before. I think it's something that really would be an assistance to our party. It bothers me deeply that there are Republican Senators who are against me at this point, because I want their support. It is my party just as much as it is theirs and it means a lot to me.

BP: Let me ask you this. Do you think in approaching people who were here for the nomination to the Interstate Commerce Commission, to the Federal Trade Commission, I should inquire of their philosophies before I decide whether to put them on the Commission or not?

FR: Philosophies, yes, because if you're talking about an agency where philosophy may affect their decision, I don't honestly believe that philosophy to any significant extent on this, on the public financing I don't that will enter into decisions I might make as a commissioner of the FEC. I think that's true.

BP: Okay, that's all I need.

FR: If there are any other questions, Senator please shout.

BP: Well, I may. I feel so strongly that what I want is a champion on the FEC, that says this whole process has proven unnecessary. I want somebody to come on as Alfred Kahn came on in the CAB, and said, let's abolish this. I don't sense that with you.

FR: Senator, I'm not going to pretend with you, at least at this point, that I am that. For me to do it would be trooping under false colors. But frankly Senator I think I might have to disagree on one thing, there are other things that are needed at the FEC far more than that. If in fact the FEC is to be a viable agency, and I'm not downplaying it; you have your good reasons, I appreciate that. But the FEC has problems that transcend that.

BP: All of which would be non-existent if we abolished it.

FR: Yes, but if you abolish the FEC, to me it is a hope in this field. And I think the FEC can be improved, greatly improved.

BP: A "hope" in what sense? Assuming absent public financing, what do we need the FEC for?

FR: Well, someone has to monitor and audit the campaign finance reports which, under any system, are required.

BP: But why does that have to be the FEC?

FR: If it's not the FEC then it has to be someone else.

BP: If you mean monitoring in the sense of, did somebody indeed give you $100 when they say they did, the IRS monitors that.

FR: No, I'm not talking about that. I mean audit the reports, and investigate where necessary. This is something—the fact that the FEC has not completed its Carter audit in 3 years is unbelievable to me. Now, I know that New Jersey is just a microcosm of what happens on the federal scene. But although it is, my heavens, we would not countenance that type of delay in New Jersey. For many years I have been told, by Herb Alexander and others, that there are various state commissions which are ahead of the federal people in terms of administration. Frankly, I didn't believe them for quite awhile. I do believe them now. I know of some agencies, and he included ours among them, where we just wouldn't put up with that kind of thing.

BP: Let me come back again. If you have no public financing, if the IRS is going to check and make sure if you say, I gave $100, you gave $100, they do it on a spot-check basis—what would the FEC do? What would it monitor?

FR: Well, wait. You've talked only one side of the equation. The other part are the campaign expenditures, and where the money goes. The IRS wouldn't handle that.

BP: You're realizing we have total public disclosure as to where you've spent your money, nobody's talking about getting rid of that. What is the FEC's function then?

FR: Wait, the IRS isn't equipped to handle the other, and as a tax lawyer I know that, they can't handle it. All the IRS can do, is when they audit someone's return, sure, they can verify a contribution was made. But they're not equipped to handle that kind of thing.

BP: All I'm saying is, should they have any greater monitoring on whether you gave to the Catholic Church as opposed to whether or not you gave to a senatorial campaign?

FR: No.

BP: Okay, so the IRS can as well monitor contributions to politics as they do to anything else.

FR: No, because they're not equipped to make that information available to the public in timely fashion. This is why you need some agency—do whatever you will with the FEC—but you need some agency which is geared, as ours in New Jersey, for example, is, to getting the information out to the press within 24 hours after the reports are filed with us, so that it's available to the public and the individual goes into . . .

BP: All right, now, what happens . . . we go down, we file our reports on June 10th or July 10th, or the money received through July 1st of this year, and we file it. Why do we need an FEC? There it is, we filed it, there it is on public disclosure. What do we need an FEC for? On that score——

FR: Okay, what I'm saying to you is that the IRS is not geared to——

BP: Forget the IRS, why do we need an FEC, so long as we file that report, there it is, every dollar we've received, every dollar we've spent, what's . . . and if there were no public financing, what is the FEC's function?

FR: Simply because later on you're going to be filing spending reports, expenditure reports.

BP: We file those now.

FR: OK. But my point is, unless—if an agency is supposed to verify that the reports are accurate and contain all the information you are required to submit by law, then you've got to have an agency which has some expertise in this area.

BP: And what I'm saying is, again, why an FEC? You've got a public report, there it is: you gave me $100, I spent $100 to take 20 supporters to a barbecue lunch, and I have $100 spent at Jones' restaurant, and I've got a $100 contribution from you, and it's there publicly. What is the FEC going to do beyond that public information?

FR: Simply because, if you don't have an FEC-type agency, how do I the voter know that you've included all the information you should have? How do I know the information you've included there is correct? I don't.

BP: How do you as a voter know that a church has filed all the things it's supposed to file with whatever reports it makes to keep its tax-exempt status? How do you as voter know?

FR: As a voter, presumably I know because the IRS is geared to monitor these returns.

BP: That's contributions.

FR: Well, I'm sorry then, maybe I'm missing the point of your question.

BP: How does a contributor to a church—how does a voter know—whether or not the expenditures filed by the Church of Scientology are right?

FR: Simply because most churches have to submit complete accounting to their members, usually in an annual fashion. So they have a chance to monitor them.

BP: Assuming the filing is in accordance with the law, right?

FR: Yes, we have an audit committee for churches.

BP: But there's no requirement they have an audit committee.

FR: There's no requirement, but I don't really see the relevance of this.

BP: Well, what you are saying is, you are presuming we're going to violate the law.

FR: No, I'm not saying that. I'm just saying that the voter has a right to know whether or not the individual candidate, political committee, whatever, has complied with the law. The voter is not qualified . . . someone has to make that determination.

BP: Cannot we presume that when the candidate files the report required by law that the candidate has complied with the law?

FR: I don't think you necessarily can.

BP: Why?

FR: Why, because they're very complex laws.

BP: But all the reports that any group ever has to file are complex laws, there's nothing unique about that. The reports these poor devils on OSHA have to file are complex, these reports that any small businessman or businesswoman has to file are complex.

FR: Yes, but in each of those cases, Senator—take OSHA. In each of those cases, you've got an agency with expertise in the area, which receives them, and which, for want of a better word, they evaluate them.

BP: Yeah, they receive them and file them, by and large.

FR: That's not what they're supposed to do. They may do that in practice, and I can't argue with you on that. But that's not what their mission is, their mission is to be sure that they do.

BP: But in terms of the IRS, the function of checking them—on the returns, not just the contributions—is a spotcheck, and it's assumed that the returns are filed properly. It's assumed that the voter, or the organization filing, has complied with the law. Why not that same presumption for a campaign?

FR: I don't necessarily agree with you that it is assumed that everything has been filed correctly. They have their spot audits, and heaven only knows, I've been involved in many of them. All right, you can say, there's a presumption of innocence until proven guilty. But I don't look upon this, in terms of the filing of political campaign contribution information, I don't look upon it as an effort to try and seek out that someone has done wrong. I look upon it more as an interpretive effort on the part of the administering agency, to make that information available to the public in a form that the public can use.

BP: It is available!

FR: No. No, Senator, it's not, because if you go in on the reports, some of those reports, if the layman goes in, he's not going to have the foggiest . . .

BP: And if the layman goes in on a report filed with OSHA, or a report filed with the IRS, will the layman understand that?

FR: He may not understand that, but at least there is an agency to turn to.

BP: Spotchecking, spotchecking.

FR: . . . to interpret. In this case you're talking about voting, and to me, voting is more important. I just think you've got to have an agency which makes it available in timely fashion to the voters. I mean, all the rest of them have their agencies, this is ever so more important, in my view, because the voter . . . In the first place it's in Washington, although you might have some reports throughout the country, but the voter in the main is not going to go into the FEC himself. But when he does, he's not going to know how to interpret some of those reports.

CW: I'm terribly sorry to interrupt you, but we're 30 minutes behind schedule this morning.

BP: Okay, let's stop there. I may call you back.

FR: Okay. Thank you.●

DOCTORS OF THE DEATH CAMPS

● Mr. HELMS. Mr. President, last month I introduced Senate Resolution 184, a sense of the Senate resolution urging President Carter to call upon the Government of Paraguay to apprehend and extradite Josef Mengele to stand trial in the Federal Republic of Germany. Dr. Mengele, known as the "Angel of Death," while resident doctor of the Auschwitz concentration camp was responsible for the torture and death of more than 200,000 children.

Mr. President, the June 25 issue of Time magazine published an article discussing the role of doctors in the concentration camps. I commend this study to the attention of my colleagues and ask that it be printed in the Record.

The article follows:

Doctors of the Death Camps—An American Psychiatrist Examines Some Murderous M.D.s

Of all the troubling questions that linger from the Holocaust, one is as baffling today as it was when the first Allied soldiers stumbled upon the Nazi death camps: How could German physicians, heirs to Europe's proudest medical tradition, participate in mass slaughter and grisly human experiments?

No one has offered a convincing answer, certainly not the participants themselves. Only last week a West Berlin court convicted a former SS doctor of having murdered scores of immates at the Mauthausen concentration camp in Austria—"sometimes out of pure boredom," said the judge. For Yale Psychiatrist Robert Jay Lifton, who has spent much of his professional life examining disaster, understanding the doctors of the Holocaust has now become a particularly grim challenge.

The author of a notable study of Hiroshima survivors, *Death in Life,* and other examinations of disaster, Lifton is writing two books: one on Auschwitz doctors, another on the medical profession under Hitler. As Lifton told Time Associate Editor John Leo, collaboration by doctors was crucial to the Nazis' warped success. Says Lifton: "Doctors were key agents in the Holocaust. They are enormously implicated in the killing."

Lifton, 53, had been planning to write about the Holocaust for years, but this opportunity came by chance. Two years ago, the New York Times Book Co., a subsidiary of the newspaper, hired a German jurist as a consultant for a proposed book on Auschwitz. Lifton agreed to write it. Financed by the National Endowment for the Humanities and the Rockefeller Foundation. Lifton spent ten months in Europe and the Middle East interviewing scores of German doctors, former Nazi bureaucrats and inmate doctors, mostly Jewish and Polish.

For Lifton, a Jew, these examinations were obviously painful. Even a generation later, Lifton found, many of the German doctors resorted to complicated mental gymnastics in discussing their Hitler days, and often seemed to be almost totally unreconstructed. Some saw themselves as idealistic Nazis who worked to restrain primitive elements within the movement. Others continued to feel the magnetism of Nazism. As Lifton explains, in an almost defensively clinical tone: "Often the former Nazi doctors seem to have two separate and functional selves—a conventional conservative postwar German attitude toward Nazism and its 'excesses' and a nostalgia for the excitement, power and sense of purpose of the Nazi days. For many, that intensity is so great that the Nazi belief system has not been given up."

Lifton concedes that most other German professionals also capitulated to Hitler, with certain heroic exceptions. What made the corruption of physicians so crucial to Hitler was that their support provided moral and scientific legitimacy for his crazed racial and biological notions. They did this in varying ways: by cooperating in sterilization and euthanasia programs, by counseling patients toward "racially pure" marriages, by expelling Jews from medicine, and by actually helping carry out the Holocaust. After all, it was doctors who supervised the "selections" at the concentration camps—deciding who would live to work, who would die in the gas chambers, who would become guinea pigs in barbarous experiments justified as science.

Says Lifton: "Doctors were the embodiment of Nazi political and racial ideology in its ultimate murderous form. The killing came to be projected as a medical operation." Incredibly, some came to see genocide as a health measure. Said one: "If you have a gangrenous growth, you have to remove it." Another commented coldly that life at Auschwitz was as routine as "building a sewage project." Against the background of a eugenics movement that gained unfortunate respectability in some scientific circles in Europe and America during the '30s, says Lifton, "many doctors came to see themselves as vast revolutionary biological therapists." The third ranking doctor in the Nazi hierarchy admitted to him that he joined the party when someone fired his imagination by arguing that "Nazism is applied biology."

How did so many doctors manage to preside over killings while viewing themselves as idealists? And how could they possibly continue to regard themselves in so favorable a light even today? Lifton concludes that they invoked two standard psychological forms of self-delusions: the first is "psychic numbing"; at Auschwitz, for example, doctors talked compulsively about technical matters to avoid confronting the reality of all the horrors around them. The second is "middle knowledge," a form of knowing and not knowing at the very same time. One doctor who had shipped large allocations of cyanide to the SS storm troopers who ran the camps seemed genuinely shocked to learn that it had been used to exterminate Jews and other people. Comments Lifton dryly: "He had worked very hard not to know."

Lifton sees another, more controversial psychological device at work. Because most cultures fear dying, one way to combat that dread is to look around for an enemy that symbolizes death. For the Nazis, it was the Jews, who had long been portrayed as Christ killers. Says Lifton: "If you view the Jews as death-tainted, then killing them seems to serve life." In Lifton's eyes, those who look upon the Nazis or their medical henchmen simply as maddened sadists are on the wrong track. "Most killing is not done out of sadism, not even most Nazi killing," says Lifton. The reality of medical participation in the Holocaust, as he sees it, is even more chilling: "The murders are done around a perverted vision of life enhancement."●

HEALTH MAINTENANCE ORGANIZATIONS MEDICARE REIMBURSEMENT AMENDMENTS OF 1979

● Mr. DURENBERGER. Mr. President, although I endorse the basic provisions of the Health Maintenance Organizations Medicare Reimbursement Amendments of 1979, there are several points which require modification. First, there exists a number of excellent HMO's which have chosen not to become federally qualified. These HMO's should be permitted to participate in this reimbursement arrangement. Consequently, both State and federally qualified HMO's should be eligible to participate.

Second, this bill excludes HMO's from participation if greater than 50 percent of their enrolled population consists of medicaid or medicare recipients. This provision may stifle the growth of viable HMO's in areas where there exists substantial elderly persons. It is unnecessary to place this restriction on medicare enrollment, and it should be eliminated.

Third, the adjusted community rate provisions make sense only in cases where an HMO already enrolls a large medicare population which entered the program through previous participation in an employer plan. In such areas we want to assure that beneficiaries receive the savings through efficiency as additional benefits. In areas where there exists competition among HMO's, however, such provisions are unnecessary and unwieldy, and are unlikely to be acceptable to HMO's. HMO's in these areas should be exempt from the adjusted community rate provision.

Fourth, the law prescribes the order in which benefits should be returned to beneficiaries under the adjusted community rate provision. The HMO is in a better position to assess the needs and interests of its medicare beneficiaries, and should be allowed to add benefits in whatever order it desires.

Finally, the same opportunity to participate in medicare at 95 percent of AAPCC should be made available to insurance companies that demonstrate the capacity to deliver services cost-effectively. Fair competition demands that they be permitted participation as well. The bill does provide useful incentives for more efficient health care reimbursement. I hope that the Senate Finance Committee will hold hearings in the near future.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that five such notifications were received on July 18, 1979.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 17, 1979.
In reply refer to: I-5945/79 ct.
Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle East country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,
ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., July 17, 1979.
In reply refer to: I-5987/79ct.
Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle East country tentatively estimated to cost in excess of $25 million.

Sincerely,
ERNEST GRAVES,
Lieutenant General, USA,
Director, Defense Security
Assistance Agency.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., July 17, 1979
In reply refer to: I-4853/79ct.
Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country tentatively estimated to cost in excess of $25 million.

Sincerely,
ERNEST GRAVES,
Lieutenant General, USA,
Director, Defense Security
Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 17, 1979.
In reply refer to: I-5970/79ct.
Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,
ERNEST GRAVES,
Lieutenant General, USA, Director Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 17, 1979.
In reply refer to: I-4833/79ct.
Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle East country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

PROPOSED ARMS SALES

Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the four notifications I have just received.

The notifications follow:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., July 18, 1979.
In reply refer to: I-4661/79ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-51, concerning the Department of the Army's proposed Letter of Offer to Thailand for defense articles and services estimated to cost $13.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA,
Director, Defense Security Assistance Agency.

[Transmittal No. 79-51]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Thailand.

(ii) Total Estimated Value:

[In millions]

Major defense equipment *	$12.6
Other	0.4
Total	13.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Fourteen (14) UH-1H utility helicopters.

(iv) Military Department: Army (UNI).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 18, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 17, 1979.
In reply refer to: I-3693/79ct.
Hon. FRANK CHURCH
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-50, concerning the Department of the Army's proposed Letter of Offer to Israel for defense articles and services estimated to cost $11.4 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

[Transmittal No. 79-50]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$10.7
Other	0.7
Total	11.4

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Five thousand (5,000) Dragon antitank missiles.

(iv) Military Department: Army (XIG).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 18, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 17, 1979.
In reply refer to: I-3692/79ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-49, concerning the Department of the Army's proposed Letter of Offer to Israel for defense articles and services estimated to cost $9.7 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

[Transmittal No. 79-49]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Israel.

(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$9.2
Other	0.5
Total	9.7

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: One hundred (100) Improved Hawk air defense missiles.

(iv) Military Department: Army (XIH).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 18, 1979.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 17, 1979.
In reply refer to: I-4832/79 ct.
Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-52, concerning the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost $13.1 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director,
Defense Security Assistance Agency.

[Transmittal No. 79-52]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Jordan.

(ii) Total Estimated Value:

[In millions]

Major defense equipment*	$11.6
Other	1.5
Total	13.1

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Sixty-five thousand (65,000) rounds of high explosive ammunition for the 155mm howitzer.

(iv) Military Department: Army (UYM).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: July 18, 1979.●

ORDER FOR THE RECOGNITION OF SENATOR WEICKER ON TOMORROW, ROUTINE MORNING BUSINESS, AND RESUMPTION OF CONSIDERATION OF S. 737, THE EXPORT ADMINISTRATION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders have been recognized under the standing order, that Mr. WEICKER be recognized for not to exceed 15 minutes, that if there is any time between the completion of that order and the hour of 9:30 a.m., such time be utilized for routine morning business, that Senators may speak therein up to 2 minutes each, and that in any event the Senate at the hour of 9:30 a.m. resume consideration of the export control bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

INACTION ON GENOCIDE CONVENTION A MORAL AND POLITICAL EMBARRASSMENT

Mr. PROXMIRE. Mr. President, the Genocide Convention has now been signed by 83 nations. Every major nation—but one—supports the treaty. Every major nation—but one—has joined the international effort to prevent genocide. I regret to say that the United States is the one major nation that has continually refused to accede to the Convention. And I regret to say that our failure to support the treaty has become both a moral and political embarrassment.

As Herbert Hansell, legal adviser to the Department of State, told the Senate Foreign Relations Committee:

> What is really at issue is an attempt of a civilized society to curb the excesses of mankind and to set up a higher standard of international morality.

Mr. President, America should be the first to accept and rally support for a higher standard of international morality, for it is our moral obligation and our historical responsibility to support a treaty that outlaws the most monstrous violation of human rights known to man: genocide.

From a more worldly standpoint, America's failure to support the Genocide Convention has become a political liability. Our inaction on this matter has spurred many questions that have no pleasant answers. In the words of Ambassador Charles W. Yost, whom we all know—he was a most distinguished former U.S. representative to the United Nations, recognized as a tolerant and thoughtful human being, and widely supported in this body. Here is what he said:

> In my diplomatic life, at the United Nations and elsewhere, no question has ever been asked me about the policy of my country which has been more difficult to answer than questions about American inaction on this convention.

To those who wonder why America has failed to adhere to the Genocide Convention, there is only one honest reply. And that is that America has been remiss and inconsistent in its record on human rights.

Mr. President, I urge my colleagues in the Senate to respond to the moral and political imperative that lies before us. We must ratify the Genocide Convention now.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

ORDER TO RESUME CONSIDERATION OF EXPORT ADMINISTRATION ACT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume consideration of the export control bill (S. 737) at no later than 9:40 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, there will be the order for the two leaders, which is a standing order. Then Mr. WEICKER has a 15-minute order. I ask unanimous consent that any time then following Mr. WEICKER's order to the hour of 9:40 a.m. be utilized for routine morning business and that Senators may speak therein up to 2 minutes.

Mr. STEVENS. I thank the Senator for his courtesy in making that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANTITRUST PROCEDURAL IMPROVEMENTS ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 249, S. 390.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill (S. 390) to expedite and reduce the cost of antitrust litigation, and for other purposes, which had been reported from the Committee on the Judiciary with amendments as follows:

On page 2, line 8, after "discovery" insert "obtained by any person in any litigation";

On page 2, line 20, strike "or other judicial or administrative proceeding";

On page 2, line 23, after "thereto" insert a semicolon and "except that nothing in this statute shall create an exception to any right or privilege limiting disclosure of trial preparation material of any person who obtains any product of discovery":

On page 3, line 4, strike "or consulted";

On page 3, line 22, after "returnable" insert "or returned";

On page 3, line 23, strike "ten" and insert "twenty";

On page 7, line 21, after "who" insert "intentionally";

On page 7, line 25, strike the quotation mark";

On page 8, beginning with line 1, insert the following:

"(b) Costs, expenses, and attorneys' fees shall be imposed under this section upon motion of any party only after a hearing held after trial.

"(c) No such costs, expenses, and attorneys fees shall be imposed unless the attorney continues to engage in conduct which is deemed to violate this section after having been previously warned by the court that continuation of such conduct would result in the imposition of such costs, expenses, and attorneys fees.".

On page 8, beginning with line 11, strike through and including page 9, line 24, and insert in lieu thereof the following:

Sec. 5. (1) Section 4 of the Clayton Act (15 U.S.C. 15) is amended by adding at the end of the section the following new sentence: "The court may award interest on actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate if it finds that the award of such interest is just in the circumstances.".

(2) Section 4A of the Clayton Act (15 U.S.C. 15a) is amended by adding at the end of the section the following new sentence: "The court may award interest on actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate if it finds that the award of such interest is just in the circumstances.".

(3) Section 4C(a)(2) of the Clayton Act (15 U.S.C. 15C(a)(2)) is amended by adding at the end of the section the following new sentence: "The court may award interest on total damage from the date of service of the complaint to the date of judgment at the prevailing commercial rate if it finds that the award of such interest is just under the circumstances.".

On page 10, beginning with line 23, insert the following:

(1) by inserting "at least" immediately after "shall be";

On page 11, line 1, strike "(1)" and insert "(2)";

On page 11, line 3, strike "(2)" and insert "(3)";

On page 11, line 5, strike "(3)" and insert "(4)";

On page 11, line 17, strike "; and";

On page 11, beginning with line 19, strike through and including line 21;

On page 11, beginning with line 22, insert the following:

AGENT LIABILITY FOR UNAUTHORIZED DISCLOSURE

Sec. 8. Section 1905 of title 18, United States Code, is amended by inserting after "thereof," the following: "or agent of the Department of Justice as defined in the Antitrust Civil Process Act (15 U.S.C. 1311–1314)".

So as to make the bill read:

S. 390

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Procedural Improvements Act of 1979".

ANTITRUST CIVIL PROCESS ACT AMENDMENTS; DEFINITIONS

Sec. 2. Section 2 of the Antitrust Civil Process Act (76 Stat. 548; 15 U.S.C. 1311) is amended—

(1) in subsection (g), by striking out the semicolon and "and" at the end thereof and inserting in lieu thereof a comma and the following: "and any product of discovery obtained by any person in any litigation;";

(2) in subsection (h), by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new subsections:

"(i) The term 'product of discovery' includes without limitation the original or duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission obtained by any method of discovery in any litigation; any digest, analysis, selection, compilation, or any derivation thereof; and any index or manner of access thereto, except that nothing in this statute shall create an exception to any right or privilege limiting disclosure of trial preparation material of any person who obtains any product of discovery; and

"(j) The term 'agent' includes any person retained by the Department of Justice in connection with the enforcement of the antitrust laws.".

ANTITRUST CIVIL PROCESS ACT AMENDMENTS; SERVICE REQUIREMENTS FOR A DEMAND FOR ANY PRODUCT OF DISCOVERY

Sec. 3. (a) Section 3(a) of the Antitrust Civil Process Act (15 U.S.C. 1312(a)) is amended by adding at the end thereof the following new sentence: "Whenever a civil investigative demand is an express demand for any product of discovery, the Attorney General or the Assistant Attorney General in charge of the Antitrust Division shall cause to be served, in any manner authorized by this section, a copy of such demand upon the person from whom the discovery was obtained and notify the person to whom such demand is issued of the date on which such copy was served.".

(b) Section 3(b) of that Act (15 U.S.C. 1312(b)) is amended by adding at the end thereof the following new sentence: "Any such demand which is an express demand for any product of discovery shall not be returnable or returned until after twenty days after a copy of such demand has been served upon the person from whom the discovery was obtained.".

(c) Section 3(c) of that Act (15 U.S.C. 1312(c)) is amended—

(1) by inserting "(1)" immediately after "(c)";

(2) by striking out "(1)" and inserting in lieu thereof "(A)"; and

(3) by striking out "(2)" and inserting in lieu thereof "(B)" and

(4) by adding at the end thereof the following new paragraph:

"(2) Any such demand which is an express demand for any product of discovery supersedes any inconsistent order, rule, or provision of law preventing or restraining disclosure of such product of discovery to any person. Disclosure of any product of discovery pursuant to any such express demand does not constitute a waiver of any right or privilege, including without limitation any right or privilege which may be invoked to resist discovery of trial preparation materials, to which the person making such disclosure may be entitled.".

(d) Paragraph (3) of section 4(c) of that Act (15 U.S.C. 1313(c)(3)) is amended by inserting immediately after "transcripts" the second time it appears, a comma and the following: "and, in the case of any product of discovery produced pursuant to an express demand for such material, of the person from whom the discovery was obtained".

(e) Paragraphs (2) and (3) of section 4(c) of that Act (15 U.S.C. 1313(c) (2) and (3)) are amended by striking out the phrase "official or employee" and inserting in lieu thereof "official, employee, or agent" each time it appears.

(f) Section 5 of that Act (15 U.S.C. 1314) is amended—

(1) by amending subsection (b) to read as follows:

"(b)(1) Within twenty days after the service of any such demand upon any person, or at any time before the return date specified in the demand, whichever period is shorter, or within such period exceeding twenty days after service or in excess of such return date as may be prescribed in writing, subsequent to service, by any antitrust investigator named in the demand, such person may file and serve upon such antitrust investigator, and in the case of an express demand for any product of discovery upon the person from whom such discovery was obtained, a petition for an order modifying or setting aside such demand—

"(A) in the district court of the United States for the judicial district within which such person resides, is found, or transacts business; or

"(B) in the case of a petition addressed to an express demand for any product of discovery, only in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending.

"(2) The time allowed for compliance with the demand in whole or in part as deemed proper and ordered by the court shall not run during the pendency of such petition in the court, except that such person shall comply with any portions of the demand not sought to be modified or set aside. Such petition shall specify each ground upon which the petitioner relies in seeking such relief, and may be based upon any failure of such demand to comply with the provisions of this Act, or upon any constitutional or other legal right or privilege of such persons.";

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively;

(3) by inserting immediately after subsection (b) the following new subsection:

"(c) Whenever any such demand is an express demand for any product of discovery, the person from whom such discovery was obtained may file, at any time prior to compliance with such express demand, in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending, and serve upon any antitrust investigator named in the demand and upon the recipient of the demand, a petition for an order of such court modifying or setting aside those portions of the demand requiring production of any such product of discovery. Such petition shall specify each ground upon which the petitioner relies in seeking such relief and may be based upon any failure of such portions of the demand to comply with the provisions of this Act, or upon any constitutional or other legal right or privilege of the petitioner. During the pendency of such petition, the court may stay, as it deems proper, compliance with the demand and the running of the time allowed for compliance with the demand."; and

(4) in subsection (d), as that subsection has been redesignated by paragraph (2) of this section, by inserting immediately after "such person" a comma and the following: "and, in the case of an express demand for any product of discovery the person from whom such discovery was obtained,".

SANCTIONS FOR ATTORNEY DELAY

SEC. 4. Section 1927 of title 28, United States Code, is amended to read as follows:

"§ 1927. Counsel's liability for excessive costs

(a) "Any attorney or other person admitted to conduct cases in any court of the United States or any territory thereof who intentionally engages in conduct unreasonably and primarily for the purpose of delaying or increasing the cost of the litigation may be required by the court to satisfy personally the excess costs, expenses and attorneys' fees reasonably incurred because of such conduct."

"(b) Costs, expenses, and attorneys' fees shall be imposed under this section upon motion of any party only after a hearing, held after trial.

"(c) No such costs, expenses, and attorneys fees shall be imposed unless the attorney continues to engage in conduct which is deemed to violate this section after having been previously warned by the court that continuation of such conduct would result in the imposition of such costs, expenses, and attorneys fees.".

PREJUDGMENT INTEREST

SEC. 5. (1) Section 4 of the Clayton Act (15 U.S.C. 15) is amended by adding at the end of the section the following new sentence: "The court may award interest on actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate if it finds that the award of such interest is just in the circumstances.".

(2) Section 4A of the Clayton Act (15 U.S.C. 15a) is amended by adding at the end of the section the following new sentence: "The court may award interest on actual damages from the date of service of the complaint to the date of judgment at the prevailing commercial rate if it finds that the award of such interest is just in the circumstances.".

(3) Section 4C(a)(2) of the Clayton Act (15 U.S.C. 15C(a)(2)) is amended by adding at the end of the section the following new sentence: "The court may award interest on total damage from the date of service of the complaint to the date of judgment at the prevailing commercial rate if it finds that the award of such interest is just under the circumstances.".

COLLATERAL ESTOPPEL

SEC. 6. Section 5(a) of the Clayton Act (15 U.S.C. 16(a)) is amended—

(1) by inserting "at least" immediately after "shall be";

(2) by striking out "or by the United States under section 4A,";

(3) by striking out "or to judgments or decrees entered in actions under section 4A"; and

(4) by inserting at the end thereof the following new sentence: "Nothing contained in this section shall be construed to impose any limitation on the application of collateral estoppel.".

MERGER JURISDICTION

SEC. 7. Section 7 of the Clayton Act (15 U.S.C. 18) is amended—

(1) by striking out "corporation" each time it appears in the first and second paragraphs and inserting in lieu thereof "person"; and

(2) by striking out "corporations" in the second paragraph and in the first sentence of the third paragraph and inserting in lieu thereof and "persons".

AGENT LIABILITY FOR UNAUTHORIZED DISCLOSURE

SEC. 8. Section 1905 of title 18, United States Code, is amended by inserting after "thereof," the following: "or agent of the Department of Justice as defined in the Antitrust Civil Process Act (15 U.S.C. 1311–1314)".

● Mr. METZENBAUM. Mr. President, by a vote of 14 to 1, the Committee on the Judiciary has reported favorably the Antitrust Procedural Improvements Act of 1979, S. 390, as amended.

This legislation is designed to combat the unconscionable waste of public and private resources caused by the extraordinary length and cost of antitrust lawsuits and to remove a jurisdictional anomaly in section 7 of the Clayton Act, the statute that prohibits anticompetitive mergers.

S. 390 enjoys broad support. Senator THURMOND, who is a cosponsor, and Senators LAXALT, COCHRAN, and SIMPSON offered several important amendments during consideration of the bill by the Committee on the Judiciary and by the Subcommittee on Antitrust, Monopoly, and Business Rights. From the time of the bill's introduction in February, the administration has expressed its enthusiastic support for this legislation.

As you know, Mr. President, President Carter appointed the National Commission for the Review of Antitrust Laws and Procedures to search for ways to achieve speedier and less costly disposition of antitrust cases. S. 390 implements the four recommendations of the Antitrust Commission for statutory changes to expedite and reduce the cost of antitrust cases. The Antitrust Commission made these and other recommendations after hearing testimony and reviewing written submissions from more than 200 judges, lawyers, professors, government officials, and industry representatives.

Two of the statutory changes recommended by the Antitrust Commission will eliminate duplicative discovery efforts and the needless retrying of issues. One provides a financial disincentive for unnecessary delay by defendants. Another augments the authority of Federal judges to sanction attorneys who engage in dilatory litigation practices.

These statutory changes are long overdue and, especially when coupled with the Antitrust Commission's other recommendations, will lead to speedier and less expensive disposition of antitrust cases.

S. 390 also clarifies the authority of the Antitrust Division of the Department of Justice to utilize outside contractors to process, analyze, and evaluate materials produced pursuant to civil investigative demands. This change assures that the Antitrust Division is on equal footing with counsel for private parties who routinely employ outside contractors.

Finally, S. 390 amends section 7 of the Clayton Act to allow the Department of Justice and private parties to challenge anticompetitive acquisitions involving noncorporate business entities. Other antitrust laws like sections 1 and 2 of the Sherman Act and section 5 of the Federal Trade Commission Act reach anticompetitive practices and conditions involving noncorporate business entities. The Committee on the Judiciary found no reason not to extend section 7's limitations of anticompetitive acquisitions to acquisitions involving noncorporate business entities.

S. 390 will improve enforcement of existing antitrust laws; it does not make major substantive changes in those laws.

Nonetheless, improved enforcement of existing antitrust laws through private and Government actions will lead to quicker restoration of vigorous business competition to markets plagued by anticompetitive practices and conditions and to swifter and surer remedies for those injured by violations of the antitrust laws.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments were agreed to en bloc.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 9 o'clock tomorrow morning. The two leaders will be recognized following the prayer under the standing order. Following that, Mr. WEICKER will be recognized for not to exceed 15 minutes. There will then be a period for the transaction of routine morning business, during which Senators may speak up to 2 mintues each. That period will extend no later than 9:40 a.m.

Circa the hour of 9:40 a.m., the Senate will resume consideration of the export control bill. The pending question at that time will be on an amendment by Mr. JACKSON. I believe there is a 1-hour time limitation on the amendment. The yeas and nays have been ordered on the amendment, so a rollcall vote can occur at around 10:40 a.m., or earlier, if Senators were to yield back their time.

There will be rollcall votes throughout the day, there being a time agreement on the bill. I doubt that the Senate will complete action on that bill tomorrow, but in any event, I think the Senate will be in until 5 or 5:30 tomorrow afternoon, with rollcall votes throughout that period. It is conceivable that the Senate could go until 6, in the event passage were near, or circumstances should dictate. I would guess around 5 or 6 o'clock, somewhere around then, the Senate will wind up the day.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to and, at 8:48 p.m., the Senate recessed until tomorrow, July 21, 1979, at 9 am.

NOMINATIONS

Executive nominations received by the Senate on July 20, 1979:

DEPARTMENT OF JUSTICE

Benjamin R. Civiletti, of Maryland, to be Attorney General, vice Griffin B. Bell, resigning.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Patricia Roberts Harris, of the District of Columbia, to be Secretary of Health, Education, and Welfare.

DEPARTMENT OF STATE

Thomas J. Watson, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of Soviet Socialist Republics.

PRESIDENT'S COMMISSION FOR THE STUDY OF ETHICAL PROBLEMS IN MEDICINE AND BIOMEDICAL AND BEHAVIORAL RESEARCH

Morris Abram, of New York, to be chairman of the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research. (New position.)

DEPARTMENT OF THE TREASURY

G. William Miller, of California, to be Secretary of the Treasury.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Lincoln David Faurer, [redacted], U.S. Air Force.

DEPARTMENT OF STATE

J. Brian Atwood, of Maryland, to be an Assistant Secretary of State, vice Douglas J. Bennet, Jr.

EXTENSIONS OF REMARKS

TENTH ANNIVERSARY OF THE FIRST MANNED LUNAR LANDING

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. FUQUA. Mr. Speaker, 10 years ago today, over 600 million people all over the world anxiously awaited Neil Armstrong's descent down the spindly legs of the lunar module Eagle to become the first human to set foot on the lunar surface.

For one rare moment in our history, the "oneness" of Earth's people was never so eminent as when Armstrong, upon his first step on the moon, said:

> One small step for man, one giant leap for mankind.

For every American, this day was the proudest day of our lives, and for all mankind, true respect for the Nation that made this extraordinary achievement possible.

Never before and never again will such a high technical challenge be masterminded like the Apollo program. This feat, accomplished in just 8 short years, began with President Kennedy's May 25, 1961, recommendation to a joint session of Congress that the United States undertake the challenge of landing men on the Moon and returning them to Earth in the decade of the 1960's. Incredibly, the Apollo program had conquered its objective 5 months and 10 days before the decade had ended turning Kennedy's challenge into a reality.

In the ensuing 10 years, NASA built upon the successes of the Mercury, Gemini, and Apollo programs with the backing of great American vision and technical competence. Ten men subsequently landed on the Moon after Apollo 11, the last was Apollo 17—December 1972, for what was most likely mankind's final visit to that planet during this century, thus, concluding the Apollo program.

Consequent reduced budgets only added new direction to the indominable agency with the manned space station Skylab, and the joint Russian-American mission, Apollo Soyuz, spurring international cooperation in space. NASA then turned to exploration of the planets by

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

spacecraft orbiting Mars, Venus, Jupiter, and other celestial bodies which affect life on this planet. NASA continually uses data gathered on such missions which relates conditions on one planet to conditions on another allowing us to better understand our own planet.

Similar advances in the satellite system has brought expanded and cheaper world communications, and remote sensing techniques which monitor and survey the world's agricultural and mineral resources. Such a system can provide extremely valuable information on crop yield, aid in planning distribution, warn of crop failure due to blight, drought, freeze, or excessive rain, serve a wide variety of land management needs and discover mineral resources.

Mr. Speaker, all of these outstanding projects contribute to the permanent status of man in the space environment leading to the next step—development of the Space Shuttle.

In the 1980's, the Shuttle will operate as the common carrier of space transportation, differing from previous space vehicles in that the principal elements are reusable, making access to space merely a routine flight. The orbiter can fly into space, operate as a space-based laboratory, deliver or recover a satellite, return to an Earth landing, be refurbished and fly again.

The Shuttle's ability to serve as a space construction base opens up new and exciting realms of space discovery—habitable space structures, manufacturing items best produced in the gravity-free space environment, advancement of communications technology, solar power satellites, advancement of communications technology, solar power satellites beaming energy back to Earth for domestic purposes. Hence, it is evident that new doors of exploration will be opened with the advent of the Space Shuttle.

Nevertheless, probably the most incredible aspect of the evolution of the Shuttle program is people's willingness to leave Earth for periods of time feeling perfectly at home in space. And, the missions following Apollo proved that humans can live comfortably and work productively in space for long spans of time.

However, Mr. Speaker, in all historical and scientific narratives, and in the books of courageous heroes, July 20, 1969, will always defer to the few who were first.●

NATIONAL LUPUS WEEK, HOUSE JOINT RESOLUTION 19

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. ANDERSON of California. Mr. Speaker, this is the third year in which we will pass a "National Lupus Week." The outcome of the two previous resolutions has been most satisfying.

Although Lupus claims 50,000 new victims and 5,000 deaths each year, lack of awareness of this disease greatly frustrates those concerned. Too little is known about Lupus among researchers, among physicians and among the public. Our previous resolutions have given Lupus organizations a focus and an "imprimatur" for their activities to promote attention to Lupus at all these levels. We certainly have grown in knowledge in Congress through this effort.

This year, special emphasis is being placed on the international scope of the problem. Ignorance of Lupus is even more acute beyond our borders. I believe our resolution and the President's subsequent proclamation are worthwhile steps to encourage other countries in the fight against this disease.

Mr. Speaker, I would like to thank Chairmen GARCIA and HANLEY for their involvement in bringing this resolution up for speedy consideration. I join them in asking that it be passed without objection.●

SUPPORT MOTTL AMENDMENT

HON. SAMUEL L. DEVINE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. DEVINE. Mr. Speaker, on July 24, the House will have an opportunity to finally face up to the issue of forced busing for purposes of integration.

In my opinion, the Judiciary Committee has done a disservice to the House in exercising an arrogance of power in refusing to hold hearings or permit the Members to have an opportunity to vote on this issue, up or down. The discharge petition approach is an orderly procedure permitted by the rules of the House to face situations exactly like this. I happen to have been the first signature following RON MOTTL's on the discharge petition and look forward to the debate and vote next week.

Meanwhile, this situation has stimulated a tremendous amount of mail from our constituency and the ratio in my office numbers about 500 to 1 in strong opposition to forced busing and favoring the discharge petition approach as our only opportunity to express ourselves on this matter.

Among the letters, I was particularly impressed with one dated July 17 and received today from an elementary school teacher in the Columbus inner-city which dramatically points out many of the problems youngsters have with busing.

Columbus already had a voluntary program which the Federal Court rejected, and the recent decision of the Supreme Court ordering forced busing puts the overall Columbus district in a situation where over 37,000 youngsters will be bused. What has happened to our free society that finds compulsion repugnant?

The letter follows:

JULY 17, 1979.

DEAR CONGRESSMAN DEVINE: I am writing in regard to the Mottl Amendment. I am in favor of passing this amendment—in fact, my whole family is in favor of it and everyone that I have talked to is in favor of it.

I am an elementary school teacher in an inner-city situation. One year I was bussed with 30 students to another "close" school, because of over-crowded conditions. My children lost 15 minutes in the a.m. on the bus and at night, we had to start at 2:30 p.m. to get ready for the bus; thus, losing a total of 45 minutes a day! It takes time to get 30 children ready for the bus. That year, I taught the 3 R's and that's all! No Science, Social Studies, etc. Also, my attendance record was the poorest ever. My minority and under-privileged students received a "poor" education that year—the best I could give, but not really good enough. Now, we are going to short-change most all of our students. Stupid and ridiculous—doesn't anyone care about children? I do!

Also, do people realize how much more pressure is put on the teacher? Teachers are being forced to pack up, move materials themselves, and unpack at one school and then another. No extra pay for all this extra work; no help in lifting heavy boxes; and more children will have to eat breakfast and lunch at school, thereby tying up the teacher's time. How can she do a good job, when her time is tied up in menial tasks?

Another thing, while I'm on the subject—lunch and breakfast programs are a real "pain" to the teacher. Some days, the teacher doesn't even get to eat—no time! I never take a salad on lunch duty days—no time to chew! Is it any wonder why teachers are quitting and wanting more money? (to pay Doctor bills!)

One teach took a T-V survey—these children have Cable T-V, boats, vans—but no money for lunches. Who are they fooling? The taxpayers—that's who! They always have money for the weekly bowling, 10-speed bikes—C-B's, etc. I could go on and on!

Have you ever wondered what it is like in a "hot" gym with over 300 children on lunch-duty day. You and you alone are expected to keep order. Of course, there is no order—you just keep them from "killing each other". They throw food—spit on each other—you name it!

Please, please, your constituents are counting on you to do something! Bussing will hurt everyone—especially the under-privileged children. Let's get the Federal Government OUT of our schools, and Let the Teachers Teach!

Also, speaking of the energy crisis—everyone is saying, "As long as they can bus children across town, there can't be any crisis, and I'll use as much as I want to." If our representatives really want cooperation; then, they will have to show us that there really is a crisis, by out-lawing bussing.●

THE PASSENGER VESSEL, THE SS "SANTA ROSA"

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. MURPHY of New York. Mr. Speaker, on July 16, 1979, I introduced H.R. 4814, which would allow the SS *Independence* to be redocumented as a U.S. vessel with full privileges of engaging in the coastwise trade. This legislation was required because the Department of Transportation has interpreted section 27 of the Merchant Marine Act of 1920 (46 U.S.C. 883) as preventing the *Independence* from entering the coastwise trade after its return to U.S. registry.

On June 11, 1979, Congressman AKAKA introduced H.R. 4416, which would allow the SS *United States* to operate in the domestic or foreign commerce of the United States and/or between foreign ports. Today I am offering another measure which would permit the SS *Santa Rosa* to operate in both the domestic and foreign commerce of the United States and/or between foreign ports.

The SS *United States* and the SS *Santa Rosa* have a problem with respect to operating in the domestic commerce of the United States inasmuch as they were recipients of construction and operating-differential subsidy. The SS *Independence* has that problem as well as the further problem that it was documented under foreign flag.

The U.S.-flag merchant fleet has not had any U.S.-flag passenger vessels in operation for the past 10 years. There are four U.S.-flag combination cargo/passenger vessels operating out of the west coast of the United States, but we do not have any strictly U.S.-flag passenger vessels in operation. This is a shocking fact. The legislation which Mr. AKAKA and I have introduced would permit the SS *United States*, the SS *Independence*, and the SS *Santa Rosa* to come back into operation as passenger carriers under the U.S. flag.●

QUESTIONNAIRE RESULTS FROM OKLAHOMA'S FIRST DISTRICT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. JONES of Oklahoma. Mr. Speaker, recently tabulation was completed on a questionnaire I sent to households in the First Congressional District of Oklahoma. Approximately 3,000 questionnaires were returned.

From looking at the added comments attached to the questionnaires, it is obvious that inflation, energy, and Government bureaucracy and regulations are at the top of the list of concerns and complaints among Oklahoma's First District citizens.

The response to most of the questions was somewhat predictable and the response shows strong support for my efforts to achieve a balanced budget, to get the Government as much as possible out of the energy arena, and to fight inflation through such means as stretching out the minimum wage increases.

There were some surprises, however. For example, by 2-to-1 margins, respondents supported a return to the military draft and supported a national service corps for young people as an alternative to the draft.

Another relative surprise was the 57- to 31-percent support for reducing both social security benefits as well as the payroll taxes to make the program financially sound.

Respondents supported a balanced budget by a 93- to 4-percent margin. However, on the followup question which asked the person to name three Federal programs which they are now receiving and which they would be willing to have reduced or eliminated—the comments were most interesting.

For example, many people wrote that such a question was unfair because they should not be forced to give up their Federal programs in order to balance the budget. These responses generally stated that waste was elsewhere other than in the programs they received.

Others said they did not receive any Federal Government benefits failing to acknowledge that America's national defense force, interstate highways, airports, many education and health research programs, among others are entirely funded for the general public by Federal funds.

Still many others replied to this question by saying they would be willing to give up foreign aid. Presumably no one in the First District is getting foreign aid. Foreign aid comprises less than 1 percent of the Federal budget. Even if my votes against foreign aid had prevailed, repealing foreign aid by itself still would not balance the budget.

One person did comment to me that the question of choosing which programs to cut gave him a new appreciation of the difficulty of balancing the demands of our society in order to balance the budget.

The closest vote came on the question concerning the President's voluntary wage and price guideline program. By a 51- to 41-percent margin, respondents supported the President.

The complete tabulations follows:

[In percent]

	Favor	Oppose	Don't know
DO YOU FAVOR OR OPPOSE			
Administration's wage and price guidelines	51	41	8
Reduceing revenue sharing to States	69	25	6
Delaying increases in minimum wage	69	28	3
Creating subminimum wage for youth	68	26	6
Increased defense spending by 3 percent	77	20	3
Return to the military draft	62	29	9
National service as an alternative to the draft	60	31	9
Decontrolling oil and gas prices	74	19	7
Balancing Federal budget	93	4	3
Reduced social security taxes and benefits to make the system financially sound	57	31	12

URBAN-AGRICULTURAL INTERACTION

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. AMBRO. Mr. Speaker, productivity of agriculture is essential to the continuance of this society. For years producers in the United States have tried to maximize the value of their output while maintaining a level of production suitable to meet the food requirements necessary to satisfy domestic and world markets. In recent years, however, the effects of urban growth have had a major impact on agriculture, raising serious doubt as to whether these requirements can continue to be met. Cities are expanding; the Nation's cropland is currently comprised of 475 million acres, about 21 percent of the total national land. Annually 2.7 million acres are removed from the cropland base for urbanization, public facilities, transportation, and other uses.

As a result, there is less land available for food production and the deficit of decreased supply is passed on to the consumer in the form of higher prices. Industrial and auto emissions, combined with acid precipitation formed by these pollutants have not only decreased the productivity of the land but have also lowered the nutritional value of the crops grown on it. Groundwater contamination from industrial wastes has threatened irrigation systems necessary to provide the proper conditions for food production.

The effects of urban growth on agriculture are mutually detrimental to both parties, therefore, cooperative efforts are necessary to overcome these problems. A useful model for such cooperative efforts is found in the most recent methods developed to utilize urban sludge. Conventional methods of sludge disposal—incineration, ocean dumping, and landfilling—are now being challenged due to increased fuel costs and tighter restrictions on environmental disposal. As an alternative, sludge is being directly applied to agricultural lands as a nutrient source for the soil. Additionally, methanation of sludge results in gas products than can then be upgraded to pipeline quality.

As part of a Congressional Research Service study entitled Agricultural and Environmental Relationships: Issues and Priorities, requested by Representative ED JONES, Representative GEORGE BROWN, and myself, the use of sludge and the problems that are being encountered with these applications are elaborated. This study provides necessary background for hearings to be held on July 25 and 26 between the Agriculture Committee Subcommittee on Conservation and Credit and the Science and Technology Committee Subcommittee on Natural Resources and Environment which will address sludge application as part of an overview of agricultural productivity and environmental quality. I have submitted a portion of the study as an indication of what these hearings will cover:

[Congressional Research Service, June 1979]

AGRICULTURAL AND ENVIRONMENTAL RELATIONSHIPS: ISSUES AND PRIORITIES

SLUDGE

Sludge is unlike the air and water pollutants discussed above in that its application to agricultural lands is deliberate. The practice has been employed for decades and its beneficial effects are well known. Sludge supplies modest amounts of nitrogen, phosphorous, potash, and certain trace elements, increases the humus content and fertility of the soil, increases its water-holding capacity and improves tilth. An April 1975 EPA report noted that 30 percent of smaller communities had applied their sludge to the land for more than 40 years; included among them were over 400 Illinois towns and 250 communities in Ohio. Many others permit the public to haul away dried sludge for their own use, and several cities (among them Chicago, Milwaukee, and Los Angeles) have offset part of their disposal costs by selling it as a soil conditioner or fertilizer.

The trend to landscaping

The Federal Water Pollution Control Act directed and financially assisted municipalities across the country to improve the quality of wastewaters issuing from their sewage treatment works. The result is ever increasing amounts of sludge from the cleanup effort, and public officials have been eyeing agricultural lands as a depository for it. From an estimated 5 million dry tons per year in 1976, the sludge generation rate is expected to reach 16 million tons by 1990 (see Figure 19). Adding to the problem is the decreasing use of two other previously widespread methods of sludge disposal: ocean dumping is to be phased out by the end of 1981, and incineration has become much more costly due to tighter air pollution control regulations and the high cost of fuel.

The trend to land application of sludge received a further boost in October 1977 when EPA announced a policy encouraging water conservation and wastewater reclamation and reuse by municipalities applying for Federal wastewater treatment plant construction grants. Communities deciding against land treatment must now justify their rejection of the technique, which EPA said could potentially save billions of dollars. Pretreatment of industrial discharge to municipal systems is often critical to land treatment, the agency said, and local communities should develop and enforce pretreatment standards consistent with national pretreatment policy.

Nevertheless, the impact of pretreatment on slude quality is uncertain. Opinion ranges from those who believe that it will make sludge safe for agricultural uses to those who feel its effect will be negligible because of the introduction of contaminants from non-industrial sources. The General Accounting Office reviewed information for several cities in a September 1978 report which showed that in the industrialized metropolises of Buffalo, Dallas, and Los Angeles as much as 70 percent of the metals in the treatment plant influent was contributed by industry. But in New York City a 1974 report showed that even with pretreatment, 94 percent of the zinc and 84 percent of the cadmium in the city's wastewater would remain. In Chicago a pretreatment program has already reduced cadmium inflow by 70 percent, yet levels remain above 70 parts per million, over three times the FDA maximum recommended level for sludge applied to agricultural land without strict management controls.

Two land treatment systems that have received attention are those operated by Muskegon County, Michigan, and Chicago. The Muskegon system occupies about 10,000 acres of formerly sandy, unproductive land, and can serve a population of about 400,000. It currently treats about 27 million gallons of wastewater per day (maximum capacity is 43 mgd), 60 percent of which is of industrial origin. After being aerated and stored in two large lagoons (of about 850 acres each in size), it is irrigated onto growing corn at a rate of up to 3.5 inches per week. If the fecal coliform level is too high it is chlorinated first. After irrigation any drainage is carried to Lake Michigan through a system of subsurface drainage tiles, ditches and streams. Corn is sold on the open market to help offset part of the operational costs. The 1976 crop brought in $1 million, covering about a third of the year's costs.

Chicago's sludge farming project involves first barging the sludge 200 miles to Fulton County. There it is piped from the dock to lagoons and spread on the 15,000 acres of strip-mined land which the Metropolitan Sanitary District of Chicago purchased for the purpose. The land has been greatly improved by the addition of the liquid sludge which contains 1–6 percent solids. Over 25 tons per acre (dry weight) is applied annually. The site is heavily monitored with respect to surface and groundwater quality. As might be expected the process is very expensive because of the long transport distance.

Pathogens and heavy metals

Negative effects of land application revolve around the possible dangers from pathogens, heavy metals and other toxic substances. In this country there has been no incident of disease in humans traceable to sludge since 1919, a success accomplished by adhering to the general recommendation of not applying liquid sludges to root crops or crops intended for human consumption in the raw form. No adverse affects to livestock grazing on lands which have received digested sludge, or even raw sewage, have been reported.

There are several ways of reducing the risk from pathogens. Lime can be added to the raw sludge, it can be pasteurized, treated with chlorine, stored, or irradiated. Recent studies have shown the effectiveness of radiation. The Massachusetts Institute of Technology employed a full-scale research facility at the Deer Island Treatment Plant in Boston and showed that disinfecting liquid municipal sludges by injection of energized electrons was "practical, energy-saving, and effective in destroying pathogenic organisms. Electron treatment also reduce[d] trace water-dissolved toxic, organic compounds such as polychlorinated biphenyls and improve[d] sludge dewatering properties." The other study, performed by the Sandia Laboratories of Alburquerque for the Department of Energy and EPA, demonstrated the feasibility of disinfecting sludge with cesium-137, a waste product of the nuclear fuel cycle. The dried, irradiated sludge was used as a feed supplement for range cattle, and could also be used as a fertilizer.

The concern with heavy metals has arisen in the last decade because of discoveries associating them with harmful effects on human and animal life, with concomitant observations of higher levels in the land, water, and air. Their presence in sludge derives from industrial wastewaters and such individual activities as household and automobile operation and maintenance. Heavy metal concentrations in sludge vary significantly from city to city. For example, cadmium and lead concentrations in Logansport, Indiana sludge are 37 to 40 times as great as prevalent in Livermore, California sludge (Table 16).

There are many unanswered questions regarding their impact. The trace elements in sludge may appear in a variety of forms compounds, and depending on the presence of other metals (either naturally occurring in the soil, or in the sludge) their effect may be intensified or ameliorated. Soil type and pH, climatic conditions, and the water table are other factors.

If sludge is applied in modest amounts crop productivity can be maintained and even improved for a number of years. For most sludges it could be a matter of decades before the heavy metals were present in amounts sufficient to be toxic to plants.

However, heavy metals may be picked up in sufficient amounts to adversely affect animals and humans that eat the plants. Under certain conditions the quality of feeds and foods could be improved, while under others detrimental effects could be encountered. Molybdenum and selenium are noted as possible threats to livestock, and cadmium is a potential threat to humans.

With respect to possible groundwater contamination, available information indicates, that, with the possible exception of boron, the soil acts as a purifier provided the water table is not too shallow. Since the trace elements remain in the upper levels of the soil, pollution of surface water from runoff is a more immediate danger. Certain aquatic organisms are sensitive to even minute quantities of some elements, so sound engineering practices must be employed to prevent runoff.

Attempts by EPA to provide guidance on cadmium and other metal loadings have engendered controversy. Proposed criteria would permit annual cadmium application of 2.0 kg/ha before 1982, 1.25 kg/ha in 1982–85, and 0.5 kg/ha thereafter. Maximum cumulative cadmium application to any hectare of land may not exceed 5 kg on soils with a cation exchange capacity (CEC) less than 5, 10 kg on soils with a CEC between 5 and 15; and 20 kg on soils with a CEC greater than 15. Sites where tobacco, leafy vegetables or root crops are grown for direct human consumption may not receive sludge containing cadmium concentrations in excess of 20 mg/kg dry weight. And the soil sludge mixture must be maintained at a pH of 6.5 or greater.

The Food and Drug Administration recommended more stringent limits of 1.0 kg/ha before 1982, 0.75 kg/ha in 1982–85, and 0.5 kg/ha beginning in 1986. EPA's own Office of Toxic Substances had also urged starting at 1.0 kg/ha and working down from there. The Department of Agriculture, on the other hand, suggested that EPA retain its 2.0 kg/ha limit without the proposed phased reduction until more research justifies a reevaluation.

Other factors

Another question that is sometimes raised is the availability of agricultural land to receive the sludge. One estimate puts the total land area required for utilization of all sewage sludge and animal wastes at about 1.3 percent of the total land area in crop production. Since sewage sludge represents no more than 1 percent of these combined wastes the amount of land needed is relatively insignificant. There is a problem with distribution, however. It is estimated that 80 percent of the sewage sludge generated in the U.S. emanates from urban areas. This presents problems for heavily populated areas; New Jersey, for example, would have needed 27 percent of its cropland for this purpose in 1970, and projections to 1985 indicate that 55 percent of the State's cropland would have to be used in that year. In some areas, then, the amount of land available could be a limiting factor.

Apart from distribution, economics and public acceptance pose difficulties to those contemplating increased use of sludge on farmland. The individual farmer cannot expect to use sludge as a complete replacement for commercial fertilizer. With typical nutrient contents of 2.2–5.6 percent for nitrogen, 0–4.6 for phosphorous, and 0–0.5 percent for potassium, the farmer has to think in terms of applying tons of sludge per acre instead of pounds per acre with the commerical product. And, since the ratio of N. P, and K is unlikely to conform to his needs, he is further constrained and faces the need for using some amount of commercial fertilizer regardless. Savings realized from sludge use are thus offset to a greater or lesser degree by increased handling and application costs. A simple calculation comparing costs is difficult.●

THE AMERICAN PEOPLE WANT COURT-ORDERED BUSING OF SCHOOLCHILDREN STOPPED

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. MOTTL. Mr. Speaker, today on the east steps of the Capitol the National

Association of Neighborhood Schools presented myself and other Members with petitions containing the names of almost a half-million Americans who support our constitutional amendment to end court-ordered busing.

The petitions dramatize what I have been saying for a long time. The American people want an end to court-ordered busing of schoolchildren.

The petitions are being kept in my office, 1232 Longworth, and I invite my colleagues to stop by and inspect them and see for themselves what grassroots America want.●

SOME PEOPLE KNOW HOW TO CONSERVE ENERGY

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. HUGHES. Mr. Speaker, everyone would agree that the most effective means we in this country have to combat the energy shortage is to conserve on the amount of energy we use. Energy conservation programs proposed by the Government are numerous and often too limited to be utilized fully by the small businessman and private citizen.

I would like to share with my colleagues an inspiring letter I received from a constituent, Mr. David Joffe of Joffe Lumber and Supply Co., Inc. of Vineland, N.J. Mr. Joffe outlines a program which has been phenomenally successful at his company. The program reduced energy consumption by over 30 percent in a 12-month period.

I feel that such simple yet successful programs originating with private citizens are needed to pull this country out of our energy dilemma. I commend Mr. Joffe for his insight and common sense.

The letter follows:

JOFFE LUMBER & SUPPLY CO., INC.,
Vineland, N.J. July 9, 1979.

Hon. WILLIAM J. HUGHES,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HUGHES: Being concerned with the issue of energy and it's conservation, I would like to inform you of an incentive program that we as a company undertook during the last energy crisis of 1973.

In an attempt to conserve the use of electricity and gas we realized that in order for our employees to make a sincere, conscientious effort we had to offer them some incentive, some real tangible reason to practice conservation.

We went through our records and, using the three prior years, determined by the average number of kilowatts of electricity and the therms of gas used each month. We then posted these monthly averages and informed all employees that the usage for each month of 1973 would be posted alongside the three year monthly average. At the end of the year the total amounts saved in kilowatts and therms would be multiplied by the average cost during the year of the respective power and the total dollars saved would then be divided equally among the employees and a cash bonus awarded to each.

Due to employee cooperation and because of the incentive offered, we as a company were able to cut back our consumption by 30% over a 12 month period and refund to the employees a total of over $2,500.

The Federal Government could offer some incentive to businesses to institute similar conservation programs by establishing an Energy Conservation Tax Credit, giving companies a tax credit equal to the amount that they refund to their employees due to those efforts to cut back consumption. Respective power and utility companies could furnish at the end of each year to each of their customers a statement showing exactly how much less quantity was used each year compared to the prior year. This type of statement would then be attached to a company's annual tax return when the credit is claimed.

I just thought I would drop you a note to tell you of a program that did work for us and could work for a multitude of other companies. I doubt very much whether any voluntary restraint as opposed to dollar incentives would be effective.

Very truly yours,

DAVID JOFFE.●

GET THE "HIGH" OUT OF THE SKY!

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. BENNETT. Mr. Speaker, on the first day of Congress, I introduced legislation (H.R. 136) to prohibit the free dispensing of alcoholic beverages aboard commercial airlines.

Alcoholism takes a terrible toll on our society, and I do not think it should be encouraged by the free distribution of alcoholic beverages on airlines.

William N. Plymat, executive director of the American Council on Alcohol Problems, has written a convincing article pinpointing seven reasons why airlines should stop offering free drinks.

The article, entitled "Get the 'High' Out of the Sky," appeared in the March issue of Listen magazine. I am inserting Mr. Plymat's article in the CONGRESSIONAL RECORD so that my colleagues will have an opportunity to see the dangers of free alcohol aboard commercial airlines.

The article follows:

GET THE "HIGH" OUT OF THE SKY!

(By William N. Plymat)

The usual snacks were being served at lunchtime on an Eastern Airlines jet flying from Atlanta to Los Angeles. With each snack came a wine bottle. The stewardesses were serving all passengers the free beverage.

Suddenly Rev. A. V. Richey, pastor of the Baptist church at Highland, California, noticed that a stewardess was serving a little girl, who appeared to be between six and eight years of age. When the minister asked the stewardess if she was serving a child an alcoholic drink, she replied, "She won't drink it, she'll probably take it to her father as she is traveling alone." The minister then walked through the plane and saw that every child and teen-ager on the plane had such a bottle on his tray.

At one point he picked up one of the bottles from a girl who appeared to be a first or second grader. The little girl asked, "Do I have to drink it?"

When he arrived home, the minister dispatched a letter of complaint to the Federal Aviation Administration asking for punitive action against the airline. He sent a copy of his letter to President Carter, his congresswoman, and me. I've been sharing with private and government officials seven reasons why airlines should stop offering free drinks.

Danger to teen-agers.—Busy flight attendants cannot take the time to ask each young person for proof of legal drinking age; besides, the "legal" drinking age in our states varies from 18 to 21. But there is something more important than the "legality" involved.

The offer of a free drink, especially on a plane as a part of a pleasure trip, provides a powerful inducement for a first-time experience with alcohol. It is well known that the younger a person is when he starts to use alcohol, the greater the danger is that he will wind up "hooked" on what is our worst drug.

Danger to recovered or recovering alcoholics.—Many who have been able to stop their addictive drinking, which has threatened their lives, can be strongly tempted with a drink offered by a friend. Picture such a person being offered a free drink or a small wine bottle by a pretty stewardess.

Danger from drinking on planes and then driving.—Many persons have one or more drinks while waiting in an airport. When they board the plane, they may appear completely sober. Then they drink more on the plane. After they arrive at their destination, they may leave the airport in their own or a rental car, failing to realize their ability to drive safely has been impaired.

In a pressurized plane with reduced oxygen, alcohol is not burned up with the same speed as on the ground. In fact, in general, one drink in the air has the impact of two on the ground. The National Safety Council urges everyone to wait one hour for each drink consumed before driving a car.

Danger in case of an emergency landing.—In the event of an emergency landing government regulations require all persons to be off the plane in 90 seconds. If the plane is packed with people largely sedated by alcohol, passengers' ability to follow instructions of flight attendants could be impaired. Just one intoxicated passenger could prevent many from getting off before an explosion.

Danger of fire on planes.—The danger of fire on planes is something that many know about, but no one wants to talk about. A drinking passenger may be more careless than usual in disposing of a cigarette.

Discomforts to passengers.—In an airplane passengers are in close proximity to each other. Drinking on planes, when added to the other pressures, often causes discomforts, discourtesies, delays, and sometimes disturbances which attendants are called on to handle. A passenger, even though only mildly influenced by alcohol, may annoy a stewardess or other passengers by loud or boisterous talk.

Discrimination against nondrinking passengers.—When airlines pass out free alcoholic beverages, they are incurring expenses which are being paid for by the entire flying public. In January 1977 all major airline companies were asked how much they were spending for free drinks given passengers. With one exception they all came up with excuses for not providing information.

However, John J. Hurt, editor of *The Texas Baptist Standard*, an official publication of Texas Baptists, wrote: "Eastern said the practice would cost it $1 million on routes where competition now requires the service. It estimated cost to all domestic airlines on all flights at $100 million.

What savings would be experienced if free drinks were removed from all planes? Would it make possible a reduction in air fares? Isn't it time we found out? Why should a nondrinking passenger be subsidizing the drinking passenger with any part of his air fare—and suffer inconveniences and dangers besides? ●

CONGRESSWOMAN HOLTZMAN ADDRESSES SUSAN B. ANTHONY LUNCHEON

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. HORTON. Mr. Speaker, on July 2, Rochester celebrated the introduction of the Susan B. Anthony coin into the monetary system. It was particularly fitting that such a celebration be held in Rochester because it was from this city Susan B. Anthony directed her campaign for women's suffrage.

I had the privilege of joining my colleague, Congressman CONABLE in welcoming to Rochester my good friend and colleague, Congresswoman ELIZABETH HOLTZMAN, the keynote speaker at the Susan B. Anthony luncheon. Her remarks captured not only the meaning of the inauguration of the new coin, but also the essence of its symbolism to all Americans. I commend the speech to my colleagues. The text follows:

IN CELEBRATION OF THE INAUGURATION OF THE SUSAN B. ANTHONY COIN

It is a great pleasure to be here. Indeed, there is no place else I would rather be today than in Rochester joining with you in this wonderful celebration.

We Americans have always been accused of worshipping the Almighty Dollar, and today, together, we can unashamedly and unabashedly plead guilty.

Because now we finally have a dollar that is really worth something.

But I must warn you. You can't tell this special value from the heft of the coin—actually, it's a good bit smaller than other dollar coins—"daintier" some might say. And its chink in your pocket may not be as loud or robust—"masculine" if you will—as quarters or half dollars. You won't even find a familiar buffalo or president's face on it. And surely it will buy less in the marketplace than any dollar we've had in the past 20 years.

So what is there to celebrate? Lots!

This is the first United States coin to bear the likeness of a real woman—Susan B. Anthony, a long-time resident of Rochester and a great New Yorker. In honoring this extraordinary American, the coin honors the best in all of us and the best our country stands for.

Susan almost didn't make it onto the face of the coin because Miss Liberty was the Treasury Department's first choice. But we prevailed. Our new dollar coin depicts not an allegorical figure but a real woman who devoted her life to the struggle for liberty.

Perhaps Susan was picked because she really understood the value of a dollar—to women, that is. At a time when women were viewed as the property of their husbands, she launched a state-wide campaign that forced New York State to allow married women to control the dollars they earned.

Susan B. Anthony hated tyranny. She fought her first fight against the tyranny of alcohol. And she learned her first lesson in feminism when the Temperance movement barred women from speaking at meetings or holding office in the organization. She championed the abolition of slavery, and denounced the physical tyranny of human beings over each other. But when the Civil War was won, she discovered that those who wanted to free the slaves sneered at the thought of rights for women.

But she was not daunted or embittered or stymied. Susan B. Anthony learned about liberty from those who preached it for men only, and with an infallible intelligence and relentless logic, she applied those lessons to her cause.

Susan B. Anthony hated hypocrisy. She confronted America with the words and spirit of its Constitution, challenging the nation to live up to these magnificent principles. In 1872, inspired by an editorial in the Rochester Democrat and Chronicle which exhorted everyone to vote (the right to vote had just been guaranteed to former slaves), Susan B. Anthony decided that she too could exercise the franchise. Leading a contingent of Rochester women, she registered and voted. Shortly afterwards, she was arrested by a male U.S. Marshall and tried by a male prosecutor before a male judge and an all male jury.

At her trial, Susan B. Anthony argued that women were covered by the 14th Amendment, providing due process and equal protection of the law to all persons, and the 15th Amendment, giving voting rights to citizens. Her words are worth remembering:

"I hoped for a broad and liberal interpretation of the Constitution and its recent amendments which should declare all U.S. citizens under its protecting aegis—which should declare equality of rights the national guarantee to all persons born or naturalized in the United States."

Susan B. Anthony lost. The term "person" in the 14th Amendment, and "citizen" in the 15th Amendment did not, the court ruled, include women. She was convicted and fined—like Henry David Thoreau, she was forced to become a lawbreaker because she sought to make America put into practice for all people the ideals of liberty and justice on which it was founded.

She continued for the rest of her life to play a monumental role in the struggle for women's suffrage, but she died without the joy of seeing women enfranchised.

So we honor Susan B. Anthony for her courage, her indomitable spirit, her tenacious work for women, and her confidence that America would, in the end, do what was right.

She was reviled, ridiculed and despised during her lifetime. But she was never deterred.

We honor her struggle and we honor the cause she labored for so valiantly.

But the true value of the Susan B. Anthony dollar lies not in just reminding us of the work she did but of what we must do. The work she started—to base relations between men and women on mutual respect and not on domination and aggression—is unfinished.

Indeed, if Susan B. Anthony returned today, I think she would be both pleased and chagrined, glad of some progress, saddened by how much still needs doing.

Yes, women finally won the right to vote. But the term "persons" in the 14th Amendment still does not fully apply to women. As the Supreme Court said recently in the *Bakke* case, the 14th Amendment does not protect women from sex discrimination as it protects blacks from race discrimination. And so, the Supreme Court allows young girls to be excluded from technical high schools and women to be excluded from pregnancy coverage in insurance policies.

Susan B. Anthony would insist that women must be placed firmly in the Constitution. She would argue that the Equal Rights Amendment must be ratified. And it must be. As we stand here today, let us pledge our first Susan B. Anthony dollars to ensure ratification of the ERA. We can and should be proud that New York State has ratified the ERA, but we must not be complacent. We must pitch in and help in the effort to get three more states to ratify. We cannot permit our own rights and the rights of future generations to be jeopardized by a handful of people in three state legislatures.

Susan B. Anthony would be surprised to find that women still suffer inequities in the workplace. Although women now make up 41% of the work force, we earn, generally, less than 60% of what men earn. The Equal Pay Act and Title VII of the Civil Rights Act are riddled with loopholes and cannot assure equality in employment.

Marital property rights are still a concern. Just recently, the New York State legislature refused to recognize that a husband and wife contribute equally to the marriage as an economic entity. As a consequence, proposed legislation could give a pittance in divorce property settlements to wives who are homemakers or who earn less than their husbands.

Discrimination persists in insurance, in credit opportunities, pension rights, and Social Security. Rape laws remain archaic and frequently leave women with little hope of legal recourse. Society has only just begun to understand the phenomenon of battered wives, and programs to protect these women are inadequate. We need better efforts to help displaced homemakers.

If Susan were brought to trial now, she would find much that was sadly familiar. Not only would she have no assurance that the 14th Amendment would apply to her, but the judge, the prosecutor and the U.S. Marshal would probably still be men (only 4% of federal judges are women, and fewer than that are prosecutors or marshals).

Many of us who carry on her work today are also ridiculed and scorned. "Women's lib" has become a "put-down," a sneering way of summing up and dismissing the women's rights movement. Nevertheless we, like Susan B. Anthony, remain undeterred. After all, it was those who arrested and convicted her who suffer history's guilty verdict. Those who today arrest and stymie the effort for full rights for women will suffer the same fate 100 years from now.

So, as we stand here, 73 years after Susan Anthony's death, we recognize that we have much to do.

The question for us is: will the struggle be confined to a small, courageous but lonely band of women? Will the rest of America sit on the sidelines? Or will the goal of full equality for women be one that engages all of us.

This is for you to answer. The coin has value only if everyone accepts it.

Let us remember that this struggle, after all, is not for women only. It is a struggle for human rights, for human dignity and human liberty.

It is a struggle that cannot and will not be lost. As Susan B. Anthony said, "Failure is impossible." And those who sit on the sidelines do so at their peril.●

TERTIARY RECOVERY

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. PICKLE. Mr. Speaker, Congress is moving with the President in the energy battle to reduce our dependencey on OPEC. We can all work to realize the presense of many new forms of energy and through changes in policies, further encourage exploration. This realization is long overdue.

However, the President made no mention of another abundant source of energy available to us if the policy is right. An incredible amount of oil is in the ground, just waiting for us. It is available through tertiary methods.

Teritary recovery comes after you have pumped out all the oil you can get with primary recovery and after you have flooded out all the oil you can get by injecting water into the reservoir.

There is nothing simple about tertiary recovery. Finding a good mix of chemicals and processes is expensive. It requires complicated technology, which we must utilize. Tertiary may be high risk, but it would result in high payoffs.

For every barrel of oil that we have produced in this country, normal recovery methods have left two barrels in the ground. That is 300 billion barrels of oil sitting in the ground now. If we could get 10 percent of that oil out, say, some 35 billion barrels, we would be doubling our present reserves.

We must therefore incorporate tertiary recovery into our new energy initiatives. We may have to change portions of the tax structure to encourage involvement in this high risk enterprise.

I look forward to working with my colleagues to advance the cause of tertiary recovery, as a major weapon in the battle for energy independence.●

JERRY GREY MAKES CASE FOR SPACE TECHNOLOGY IN OMNI MAGAZINE

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. FLIPPO. Mr. Speaker, the case for space technology is made with convincing flair by Jerry Grey, the administrator of public policy for the American Institute of Aeronautics and Astronautics, in a guest editorial in the upcoming August issue of the magazine, OMNI. The comments by Jerry Grey in OMNI are most appropriate today as we reflect on the great accomplishments of a decade ago. Ten years ago, man first stepped foot on the Moon, and there seemed to be no limit to our future accomplishments in space. Today we are faced with doubts about whether there is a future for this Nation in space.

The shortsightedness of our national policies are beginning to weaken the technology base of the United States and diminish our ability to cope with the problems and opportunities of the future. We have reaped the benefits of an ambitious space program. We enjoy the advantages which resulted from the advances which were made in our science and technology. However, the question remains whether we will allow this great national resource to lie dormant or even to stagnate as we look to short-term solutions and quick-fix remedies to our national problems. If we put our space program on the shelf, then it is earthly problems and our technology base which will suffer as a result.

The comments of Jerry Grey in OMNI on the need for a national commitment to the space program are enlightening and I would like to share his opinion with my colleagues:

FIRST WORD: OPINION

(By Jerry Grey)

Whatever happened to the Grand Tour of the solar system? Why was Skylab, the only U.S. space station, lost in a fiery descent to Earth? Why are the Canadians, the French, the Germans, the Japanese, and the Russians developing more advanced communications satellites than the Americans, who pioneered space: communication technology? Why is the space shuttle having so many problems?

Because the U.S. space program operates on a shoestring, that's why. Back in the days of the race to the moon there were virtually no limits on space spending. National prestige was at stake.

But times are different now. The Vietnam War, double-digit inflation, and burgeoning social concerns have generated a major change in public attitudes. Proposition 13 haunts the halls of Congress and the White House. The result? Whatever does get done gets done literally on a shoestring.

Item: The Grand Tour, a remarkable opportunity to swing scientific spacecraft past all the outer planets of the solar system—an opportunity that presents itself only once in centuries—was deemed "too expensive." The recent *Voyager* flyby of Jupiter, spectacularly successful though it was, could have been the forerunner of equally successful visits to the outer planets, but the Grand Tour mission was delayed out of existence, its "window" foreclosed by the inexorable movement of the planets around the sun.

Item: Skylab plummeted to Earth. There was much furor about the prospective danger of that reentry, but few persons recognized the real tragedy of *Skylab's* plunge: It signified the loss of the only U.S. space station. What was the reason for failure? In 1969 NASA's recommendation for a permanent manned orbiting station surfaced during the post-Apollo mood of national parsimony. We launched *Skylab* instead—a lash-up literally thrown together out of hardware left over from the canceled final Apollo missions (albeit with almost wondrous skill and success). The crux of this penny pinching, however, was that it could have been placed in a higher orbit, which would have kept it in space for decades, at a cost (in 1972–73) of only a few hundred thousand dollars.

Item: The United States decided in 1973 that communications-satellite technology was sufficiently well developed to be turned over to industry. Now there's nothing basically wrong with that philosophy. But U.S. industry did not pick up the long term, high-economic-risk research and development, which is classically the government's role. Foreign governments, however jumped in with lots of francs, marks, yen, and rubles. The Carter administration finally recognized the signs—six years late America is now playing catch-up ball in the only profitable, tax-revenue-producing business in space.

Item: The much-heralded space shuttle, whose first orbital test was originally scheduled for March 1979, will be lucky to get off the ground by March 1980. The same old shoestring philosophy did NASA in again. In 1971 the Office of Management and Budget said in effect, "You get five billion dollars. That's it. Not a penny more. Go do the best you can."

The result is an ungainly only partly reusable camel (a horse designed by a committee), lacking the reusable orbital transfer vehicle ("space tug") so critically needed for many of its projected missions. We'll have a shuttle—which is great—but it will be at least a year late (and mission "customers" are already stacked up solid for the first two or three years), it won't be nearly as efficient, reliable, cost-effective or flexible as it might have been and it will still cost a billion dollars more than the original shoestring estimate.

Again we've compromised one of mankind's most impressive and most useful advancements in order to save a few bucks up front.

Perhaps the most graphic denunciation of this shortsighted budgetary attitude was offered by Norman Cousins in an address to the American Institute of Aeronautics and Astronautics' annual meeting in Washington last February.

"The world will end neither with a bang nor a whimper, but with the strident cries of little men devoted to cost-benefit ratios if cost-benefit ratios had governed our history. Socrates would have become a babysitter, Newton an apple polisher. Galileo and Giordano Bruno court jesters. Columbus would have taken out a gondola concession in Venice. Thomas Jefferson would have become a tax collector. John Milton would have written limericks . . . and Albert Einstein would have changed his name and stayed in Germany."

Space technology is too valuable—no, too necessary—to our national and global well-being to be developed on a shoestring. The lessons are there to be learned. Let's do it right from now on.●

SHORTAGE, HIGHER PRICES, AND OIL DEPENDENCE ACCOMMODATION

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. ROSENTHAL. Mr. Speaker, the tanks are full of oil in Rotterdam. There is no shortage there. West Germany's storage tanks are full. They are as full as they were during last year's glut when there was no crisis. In fact, they have had no dislocation or bottlenecks in oil or oil products delivery. The Germans do not believe the need exists for regulated energy austerity or rationing but they do believe in allowing the oil companies to raise prices, justified or not.

The European Community Commissioner Dr. Guido Brunner has recently asserted that the United States ought to further increase our oil prices because it is unacceptable to him that Americans per capita consume twice as much gasoline as Europeans. He also stated that the United States must accommodate to dependence on OPEC countries and cartelize the world as to energy and monetary matters.

I believe it worthwhile to bring to my colleague's attention two recent interviews with West German leaders dealing with this subject matter, one with German Federal Economics Minister Otto Count Lambsdorff and the other with Dr. Guido Brunner. Their statements are further evidence of the upward pressure on oil prices that the United States will have to find ways to resist.

ECONOMICS MINISTER VIEWS OIL, GAS PRICE SITUATION

(Excerpt from Heinz Schawer interview with Federal Economics Minister Otto Graf Lambsdorff, recorded in Bonn—date not given).

Question.—The petroleum sector is talking of delivery bottlenecks and, consequently, of price hikes and shortages, while in Rotterdam the tanks are full of oil. There is no shortage there. Has the whole issue of shortages been created and manipulated by the companies?

Answer.—I do not think that it has been manipulated or invented. There is concern in view of the supply question by the end of this year, because nobody knows what the oil production will be, for instance, in Iran. As far as the Federal Republic is concerned, I must say exactly what you have said about Rotterdam: Our stored oil situation is normal, it is similar to what we had last year when there was no crisis. There is no current reason for concern nor any reason for delivery bottlenecks.

Q.—You mean to say that the price move beyond the DM1 level [per liter] for gasoline is not justified at this time?

A.—This is a matter which the petroleum companies have decided and which the market determines. We proceed from the premise that news of anticipated price hikes, which I regretted to hear last week and which convey the impression that price hikes are to be invoked, as it were, are absolutely unjustified.

Q.—But they mean saving energy. Would that not be to the liking of the Federal Government?

A.—This is the other side of prices. We have always said that in a market-economy system the guidance via the price is the sensible and proper answer to the question concerning a potential, and future, shortage.

Q.—Minister of State in the Foreign Office von Dohnanyi has said that it is not possible to cope with energy shortage via price alone. You, too, have developed your concepts on the issue. Is it necessary to introduce a sort of regulated energy austerity, a sort of rationing?

A.—There is no need whatsoever for such measures at this time. We have always said that in the event that the crisis situation proclaimed by the International Energy Agency surfaces in our country as well, we must proceed with rationing measures. Fortunately we are not close to such considerations. This is why there is no need to do what Mr. von Dohnanyi suggests, says the Federal Government.

EC COMMISSION'S BRUNNER ON U.S. ENERGY PRICE POLICIES

(Reporter Hans Wendt interview with Dr. Guido Brunner, EC Commission member—date and place of interview not given; recorded)

Question.—What do you think about the reaction of the governments to the European conference in Strasbourg and its decisions on economizing energy and on the world economic summit in Tokyo? Federal Chancellor Schmidt wants to avoid taking state action. He appeals—very much in line with your opinion, as you have indicated—for insight, economizing, new energy sources and new technologies. Is that the right way and a possible way that all could embark on? What do you expect the leading power, America, to do? It is obviously caught in a crisis. What possibilities do you envisage for the United States to master this crisis?

Answer.—In the United States energy prices and the price for oil are simply too low. This is because these prices are greatly subsidized. I believe the United States ought to liberalize these prices as much as possible. In order to do that you need some courage, primarily some economic courage because it would cause increases for other commodities. Of course, you need political courage, too. The election date is drawing nearer in the United States, and such steps are not popular. I believe, however, that the Western world has no choice but to urge the United States to embark on this path. It is unacceptable in the long run that Americans per capita consume twice as much gasoline as Europeans. I believe that a beginning was made in Tokyo; concrete energy-saving targets were set there.

Q.—It is also necessary, no doubt, to look for better relations with the OPEC countries. Do you believe that the way Federal Foreign Minister Genscher embarked on his visits to Arab countries is promising?

A.—It is correct to seek talks with OPEC countries now. We must stop making mutually sterile accusations; we must see common interests as concretely as possible. OPEC countries have a common interest with us not to aggravate the world currency system and to keep the dollar stable. OPEC countries and we are interested in a continuous growth rate. We must try to convince them that there must be a limit to price increases. The limit lies at the point where our economy is no longer able to bear the burden. Increasing prices mean increasing inflation in our country which could entail unemployment. We must discuss these things most urgently with the OPEC countries in order to master this bad situation.●

ARMADA OF MERCY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. RICHMOND. Mr. Speaker, an excellent editorial statement by a distinguished former Undersecretary of State, George W. Ball, appeared in the Washington Post of July 15, 1979. In his remarks Mr. Ball appeals to all Americans and calls upon the administration to mobilize all available ships to rescue thousands of Indochinese "boat people" from certain death on the open sea.

I recommend this thoughtful article, "Armada of Mercy," to my colleagues, not only for its urgent appeal on behalf of the boat people, but also for its demand that we move decisively to cut through the diplomatic and bureaucratic paralysis that delays assistance while our fellow human beings in tiny, unseaworthy boats continue to seek a haven.

To illustrate the dire consequences of rigid adherence to diplomatic "caution" while people suffer and die, Mr. Ball makes reference to an almost forgotten conference of free world nations held at Evian-les-Baines, France in 1938. Like the proposed United Nations conference to be held in Geneva later this month to aid today's boat people, the Evian conference of 1938 was convened for a humanitarian purpose: to provide temporary asylum for the oppressed and imperiled Jews of Europe.

Despite its noble purpose, the Evian Conference failed to overcome world inertia and indecision. That failure in 1938 condemned hundreds of thousands of German and Austrian Jews to certain death. I urge my colleagues to reflect upon the lessons to be learned from the Evian Conference and its record of bigotry, indifference and political inertia.

Given the failure of the Evian Conference and the history of the Holocaust, can we seriously expect prompt and compassionate international assistance for the boat people to emerge from the proposed Geneva conference? I am convinced that we cannot expect the needed help to come in time. We must act now and act decisively to cut through the maddeningly slow diplomatic and bureaucratic tangles and use the vast resources we have available to us to save the boat people.

ARMADA OF MERCY

(By George W. Ball)

As the monsoons gather speed, sinking hundreds of tiny boats and drowning thousands of frightened people, will we experience the same remorse we feel—or should feel—because we failed to rescue Jews from the Holocaust?

If we do not move quickly to collect those now afloat, the monsoons will settle the matter. But we could quickly mobilize an armada of ships to save thousands from death. That is not beyond our resources—far from it. The Department of Defense has transports available; it should be directed to use them. Ships can be chartered on the West Coast, in Hong Kong, throughout the world. The Navy should stop interpreting the rules of the sea too literally; they need not find a vessel actually foundering before rescuing its otherwise doomed passengers.

Today, the Carter administration is, within the stifling limits of cautious diplomacy, properly seeking to share the burden of the boat people with other governments. The president discussed the problem in Tokyo, and United Nations Secretary General Waldheim is convening another solemn conclave in Geneva on July 21. Yet the diplomatic mills grind at a pace indifferent to monsoons or other phenomena. We have seen it all before. Forty-one years ago, in July 1938, President Roosevelt called the nations together at Evian to concert efforts to rescue German Jews from the oncoming Holocaust. The statesmen arrived, made speeches and departed. They left behind an Inter-Governmental Committee on Refugees that dawdled until the war made further efforts impossible. We have had to live with our shame ever since.

In rescuing the Jewish people, we first had to persuade Hitler to let them out. But the boat people are already out—pushed out—precariously drifting in international waters and crying to be helped. Nobody knows the number already drowned—perhaps 30 to 50 percent of the thousands who squandered their savings for a ticket to death. Still the process goes relentlessly forward. Vietnam is regurgitating its Chinese residents at a rate of 45,000 a month, while 10,000 to 15,000 Vietnamese are escaping.

In spite of the heroic efforts of a handful of dedicated officials, our government is paralyzed by bureaucratic flatulence. There are a dozen glib rationalizations for inaction. We cannot afford to save suffering humanity, we are told, because we must balance the budget. Were our government to take too strong a lead, other nations, it is argued, would wash their hands of the matter, dismissing it as our problem—another sour fruit of the Vietnam War. Moreover, if we save those now afloat, won't Vietnam simply push out more Chinese?

What a defeatist litany and what craven nonsense! The problem is finite, not open-ended; Vietnam had only 1.8 million people of Chinese extraction and probably more than half have already been expelled. We can shame other nations into contributing ships and funds. We spend billions for weapons to kill masses of people; should we not spend a small amount more to save masses of lives?

Sending ships stocked with supplies will, of course, only buy time, preventing thousands from drowning or starving while diplomacy plods. The Philippines and Indonesia may make islands available as at least temporary havens, and our diplomats are exploring other possibilities. Meanwhile, we must use full diplomatic leverage to find the refugees permanent homes. Since most of them are of Chinese derivation, we should not let our current infatuation deter us from pressing Peking to take a larger share. The causal relationship—if any—between this new diaspora and China's military "lesson" to Hanoi is far from clear. But, though perhaps a quarter million have already been pushed, across the border into China, what is another million more or less, in a population a thousand times that large?

We think of ourselves as a humane people, talking incessantly of human rights. If we execute a convicted murderer, many Americans have hysterics. But is our imagination so feeble that we feel compassion only in the narrow focus of individual agony, while averting our eyes from the death of thousands? Have we become so self-centered that we cannot concentrate long on the suffering of anonymous humanity with whom our only common experience is living on the same planet?

We Americans need a cathartic experience to purge us of self-pity. Far too preoccupied with our own psyches, we are on the way to becoming a petulant, selfish, ingrown people. What could more elevate our national spirit than participation in a great humane enterprise? What could more lift our hearts—or better evoke world admiration—than the spectacle of a flotilla of our own ships embarked on the most spacious operation of mercy ever undertaken? It would help us recognize the essential pettiness of our domestic concerns. After all, we could be worse off than spending an extra hour in a gas line. We could be in an open boat as thick with wretched humanity as flies on a sugar loaf, rolling ceaselessly on a turbulent sea and drifting toward almost certain death.

Let us think about that as Americans—for the good of our souls.●

CAPTIVE NATIONS WEEK

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. RODINO. Mr. Speaker, I am pleased to join my colleagues in observance of the 21st anniversary of Captive Nations Week, July 15 through 21.

In dedication to the brotherhood of all men it is imperative at this time that America reaffirm her commitment to the plight of peoples all over the globe who are denied basic human rights. It is vitally important for us to recognize the sad persecution imposed daily on our fellow man. The basic liberties which are set forth in our Constitution are taken for granted by many of us. For those less fortunate citizens of the Captive Nations life is a constant struggle for the barest of human dignities.

As a free people, we must remain dedicated to the basic ideals of freedom and self-determination for all nations if we are to achieve a world of peace with dignity.

The cherished liberties, which Americans have enjoyed for over 200 years, are still a dream for millions of people in such countries as Armenia, Azerbaijan, Bielarus, Bulgaria, North Caucasia, China, Cuba, Czechoslovakia, East Germany, Estonia, Hungary, Georgia, Idel-Urel, North Korea, Latvia, Lithuania, Mongolia, Poland, Tibet, Turkestan, Ukraine, Vietnam and others.

Our liberties place upon us the responsibility and moral obligation to safeguard and promote vital human rights throughout the world. The oppressed national groups composing the Captive Nations have continually demonstrated their dedication and perseverance of spirit toward these same noble goals. During his recent trip to Poland, Pope John Paul courageously acted as a spokesman for freedom in his symbolic condemnation of tyrannical religious suppression. His enthusiastic reception by the people of his homeland portrays the spirit and aspirations of those longing for the personal freedoms of national, religious, and cultural expression. Further, our recent efforts toward the release of the valiant Ukrainian spokesman and fighter for self-determination, Valentyn Moroz, dramatized and gave new hope to our dream of freedom for the peoples of the Captive Nations. In the face of persistent repression these events provide hopeful signs that the struggle against oppression continues with vigor and that the demand for personal freedom remains passionate and unwavering.

With a timely reminder, I urge the United States to give support to the clear pursuit of those human rights which we consider basic. With due respect for the millions who suffer let us honor their undying courage and determination each year during Captive Nations Week until they have, with our encouragement, achieved a life of total independence and freedom from domination.●

HELP FOR THE HOME SELLER

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. ROTH. Mr. Speaker, economists in Government and the private sector tell us that the country is now in the midst of a recession. Just last week the Congressional Budget Office report confirmed that we should expect higher inflation and higher unemployment, with a drop in productivity.

Related to the recession is a serious decline in the number of housing starts. In 1978, over 2 million new homes were built; estimated 1979 housing starts is 1.6 million. This downturn is expected to be even more severe as the recession sets in.

DISGUISED OPPORTUNITIES

Problems often are disguised opportunities. This one is no different. Congress has an opportunity to assist many middle-income homeowners make the most important sale in their life—their home.

H.R. 4158 amends the Internal Revenue Service Code to provide a once-in-a-lifetime exclusion from gross income of capital gains realized on the sale of a principal residence, regardless of the age of the seller.

Under present law, a person must be 55 years of age or older to qualify for this tax advantage. The age restriction is neither good tax policy nor good housing policy. It encourages persons to hold onto property longer than they would wish.

Why don't we open up the housing market to the young and middle-income citizens of this country? Why don't we give them a chance to buy homes that have presently become outmoded or too large for the present occupant? Why do we allow a tax system which prevents people from living in a smaller more efficient home to continue? Why don't we enact a law that provides fairness to the citizens, and a stimulus to the housing industry?

HELP FOR MIDDLE-INCOME FAMILIES

I suspect part of the answer suggested by most would deal with the concepts of capital gains taxes. For some reason, many people believe that capital gains taxes only provide benefits to the wealthy. I disagree.

According to a new look at a 1976 individual tax model developed by computers at the Internal Revenue Service, people with adjusted incomes of $20,000 or less realize most of the capital gains in my home State of Wisconsin. The Public Expenditure Survey of Wisconsin, one of the most reputable public study groups in the State, recently released a study that showed 64 percent of the capital gains in Wisconsin were realized by persons with adjusted gross incomes of $25,000 or less.

It is time we deal with the recession, not with outright giveaways, but with creative methods that have a multiplying effect on the economy. It is time to provide economic assistance to our middle-income people. It is time we provide them with some economic flexibility in their own lives. It is time we reassert our confidence in the citizens' ability to determine when they can best use the capital gains exemption we have already determined is a proper public policy.

The question then simply is one of timing. It is my belief that we must act now, in support of H.R. 4158, to give the people the opportunity to choose their best time in life to sell their home.●

MINING THE SEA—THE UNREALIZED POTENTIAL

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. SANTINI. Mr. Speaker, I call my colleagues' attention to an article entitled "Mining the Sea—The Unrealized Potential" which appeared in the June 1979, AFL–CIO magazine American Federationist.

The article points out how deep seabed mining could:

Reduce U.S. imports of nickel from 77 percent in 1978, to about 30 percent by the year 2000; reduce cobalt imports from 97 percent to zero; reduce manganese imports from 98 percent to zero; and significantly supplement the amount of copper produced in the United States.

Preclude the possibility of raw material cartels similar to the OPEC oil cartel.

Reduce our vulnerability to supply disruptions.

Decrease our balance-of-payments deficit by approximately $2.4 billion.

Provide thousands of new jobs for Americans both on land and at sea.

The House will be considering H.R. 2759, the Deep Seabed Hard Mineral Resources Act either late this year or early next year. I urge my colleagues to read the article which provides a concise explanation of most aspects of seabed mining.

MINING THE SEA—THE UNREALIZED POTENTIAL

(By John C. Siegler)

For hundreds of years, adventurers have scoured the ocean depths for lost treasures. Whether those treasures were part of a pirates' heist or from the largesse of some 15th century European king, they are not the only riches buried in the ocean's expanse.

The real fortune of the deep is not what was lost at sea centuries ago, but the minerals, oil, natural gas, and marine life nature has generously provided to help satisfy man's increasing need for new, accessible supplies of raw materials, energy and food.

With declining land-based mineral reserves becoming harder to locate, more expensive to mine and of poorer quality, explorers are looking to recovery of seabed deposits, which could supply mankind for decades, even centuries to come.

The 30 of the nation's largest metal and energy companies which have formed partnerships to mine the sea are not interested in the oil, gold, zinc and other precious metals commonly extracted from the continental shelf. They are looking for the small, potato-shaped lump known as a manganese nodule—black in color, crumbly and porous in texture—which rests undisturbed by the billions in the serenity of the benthos—the deepest part of the ocean.

These nodules contain about 30 percent manganese; 1.4 percent nickel; 1.2 percent copper and about .35 percent cobalt—all elements as essential to our mechanized, industrial society as oil or gas. Experts believe that if ocean mining is started by 1985 the metals contained in the nodules could be mined in quantities sufficient to reduce U.S. imports of nickel from 77 percent in 1978 to about 30 percent before the year 2000; reduce cobalt imports from 97 percent to zero; reduce manganese from 98 percent to zero; and significantly supplement the amount of copper produced in the United States.

The second reason the nodules stir so much interest is that industrial nations like the United States and the eight others participating in the ocean mining consortia are increasingly apprehensive about raw materials cartels spawned by the example of OPEC, the Organization of Petroleum Exporting Countries, in oil supplies. All nine of these industrial nations are heavy importers of raw materials.

Ocean mining, with processing based in the United States and transportation on American-flag ships, could reduce U.S. vulnerability to supply disruptions, unstable price increases and artificial market interference of the type OPEC now imposes on oil. And for the United States, ocean mining could replace almost all of the $2.4 billion annual balance of payments deficit the nation runs up on imports of copper, nickel, cobalt and manganese.

Finally, U.S. ocean miners have developed the advanced technology needed to recover manganese nodules. With this new industry will come jobs for thousands of Americans both at sea and on land. The stakes are high. During the last 15 years, the five major consortia have invested nearly $300 million in research and development of mining and processing techniques. Industry leaders estimate they have at best an eight-year technological advantage and would like to begin mining by 1985. But without assurance of access and guarantees of tenure to the mine sites, these international partnerships claim they are unable to generate the billions of dollars in capital needed to begin commercial recovery.

A number of international laws and treaties cover what takes place on the surface of oceans and what can be fished from their depths. But the law is silent on the sea floor. Nobody knows who owns the nodules or who has the right to take them.

For nearly 11 years, mining of the deep seabed has been put off by the inability of the developed and the developing—or Third World—nations to come to terms on control and ownership. Most of the discussion occurred during the contentious Third Session of the United Nations Conference of the Law of the Sea which opened in 1973.

For eight years, mining interests have asked Congress to guarantee through law a temporary framework giving the consortia the right to mine. Only in 1978, when it became apparent that the UN Law of the Sea negotiations were at an impasse, did the United States agree to take unilateral action protecting American deep seabed mining.

Of the nearly 70 percent of the earth covered by water, more than half is at least two miles below the ocean's surface. Experts maintain that the mineral reserves of the deep seabed are one of the largest untapped resources discovered in the last 50 to 100 years. In addition, geologists have determined that the floor of the ocean is the origin of many, if not most, of the mineral deposits now mined on land.

Although mineral exploitation of the deep sea is still in the incipient stages, oil and mineral extraction from the outer continental shelf has proven recovery from the ocean cannot only be done, but be profitable as well. Off-shore oil production, for example, now accounts for more than a fifth of the total world petroleum output. It is estimated that within a decade more than half of the world's oil supply will be tapped from offshore wells. Ocean mining officials predict similar results in their industry.

Nodules on the ocean floor were discovered more than 100 years ago when the first British oceanographic expedition, led by the HMS Challenger, repeatedly scooped up hundreds of potato-shaped nuggets in its dredges.

Although curious to scientists, the nodules were believed to be fragments of meteoroids, and of little value. Researchers are still puzzled as to the secret of their formation.

After World War II, the development of sophisticated deep sea scanners and sonar equipment permitted scientists to study the virtually uncharted mountains, caverns and basins of the ocean floor. They found surprisingly abundant deposits of manganese nodules more than 15,000 to 18,000 feet below the water's surface, carpeting the deep sea floor and sometimes packed two and three pounds to every square foot.

Nodule fields have developed in every ocean in the world. There is even a small deposit in Lake Michigan near Green Bay, Wisc. An ideal mine site should have 20 pounds of nodules per square yard with a copper and nickel content of at least 2.5 percent. Mine sites should have a lifetime of 25 years and cover an area of approximately 20,000 square miles.

The most promising area—both in quantity of nodules and quality of metals in the nodules—lies along a strip of the Pacific Ocean floor 2,500 miles long and 800 miles wide, called the "Golden Hook." The field starts at a chain of sea ridges about 600 miles west of the Mexican coast and extends to the Line Islands, about 600 miles southwest of Hawaii. This area, encompassing more than 2 million square miles of the sea floor, has been surveyed, sampled and mapped down to the last detail by the multinational consortia. It is where they expect to open their first mine sites.

Industry officials predict as many as 100 productive fields in this area. On May 1, 1979, the U.S. representative to the Law of the Sea Conference, Ambassador Elliot L. Richardson, told a House subcommittee that 26 Pacific mine sites could be operational by the year 2000, each yielding 3 million dry tons of nodules a year.

The primary difficulty is that over the last three decades, unilateral claims to territorial and other offshore rights have multiplied at an unbelievable pace. In 1945, for example, President Harry S. Truman asserted U.S. jurisdictional claims over our outer continental shelf. Other nations have acted similarly, warning against any foreign intrusion into their fisheries or bordering adjacent straits. These claims have eroded customary law of the sea, which traditionally recognized freedom of the high seas and the sovereignty of coastal nations in territorial waters extending three miles from shoreline—the distance an 18th century cannon could fire.

In an attempt to restore order to the oceans, the United Nations has convened three Law of the Sea conferences. The first two, in 1958 and 1960, examined and settled some of these jurisdictional conflicts. However, they closed without a generally accepted definition of the territorial sea or deciding just who has the rights to the deep seabed.

When the third United Nations Law of the Sea Conference assembled in Geneva in 1973, an increasing number of countries were making unilateral claims to ocean resources. U.S. companies and their foreign partners anxious to proceed with ocean mining had perfected the technology for commercial recovery. But the United States refused to license the consortia, hoping to avoid any unilateral activity which might upset the delicate multilateral negotiations among 158 nations at the Law of the Sea Conference. As it became more and more obvious there would be no Law of the Sea treaty in the near future, pressure grew for U.S. legislation sanctioning, promoting and protecting U.S. mining of the deep seabed.

The primary problem at the Law of the Sea Conference was the international debate over the meaning of a simple phrase—"the common heritage of mankind"—uttered on the U.N. floor in 1967 by Ambassador Arvid Pardo of Malta.

Pardo proposed that seabed resources be regarded as "the common heritage of mankind" and that this area of the high seas not be subject to national appropriation. Two years later, the UN General Assembly passed the Moratorium on Seabed Exploration and Exploitation which called on all states to hold off seabed activities until the establishment of an international seabed regime which would administer the riches of the deep in the interest of all mankind. The United States and 27 other nations voted against the moratorium.

The common heritage concept has wide support among both industrial and Third World nations, including the United States. Each group, however, interprets the principle quite differently, producing the stalemate in the Law of the Sea negotiations.

The developed nations feel that free and open seabed operations, as long as territorial sovereignty is not claimed, is in the interest of all countries and allowable under both the common heritage principle and the traditional doctrine of freedom of the high seas. The United States has taken this position at all eight sessions of the Third Law of the Sea Conference, the last of which concluded April 29, 1979.

The consortia have the technology, management and capital needed to finance an ocean mining operation; the 119 Third World countries, called the Group of 77, do not have that capability and—perhaps more to the point—many of them are the only exporters of the nodule minerals. Consequently, developing nations lean toward a more stringent interpretation of the term "common heritage of mankind" to mean that individual states are prohibited from exploiting mankind's possessions unless it is conducted under the auspices of a generally accepted international organization.

Since 1974, the Group of 77 has been pushing for the establishment of an international regime to interpret and monitor the common heritage of mankind concept. In its present form, the treaty would create an International Seabed Authority to control and manage the world's seabeds. The Authority would be composed of a supreme policy-making body known as the Assembly, an executive branch known as the Council with special ancillary organizations (the Economic Planning Commission and the Legal and Technical Commission) and an operating corporation called the Enterprise.

Authority members would have one representative in the Assembly, and policy determinations would be made under a one-nation, one-vote system. To receive a contract from the Authority, a private company or consortium would have to accept production controls, agree to transfer all its technology to the Enterprise, and find and evaluate mine sites for Enterprise development.

Although the industrial countries wanted the Authority to be solely an issuer of licenses, they finally agreed to a compromise on a "parallel" system whereby both the Enterprise and private companies would mine the nodule fields together.

Most distressing to the U.S. position is the insistence by the developing countries of a one-nation, one-vote method for making decisions. Since control over Assembly actions would be in the hands of a two-thirds majority, the Group of 77 would clearly be in control. The lack of agreement is having repercussions for other North-South (developed-undeveloped) relations, the harmony of an increasing interdependent globe and the need for a more balanced world order.

Most of the technology developed by the consortia remains unavailable to the public, but several U.S. agencies have monitored pioneer recovery attempts for both safety and environmental hazards to protect the ocean environment.

Both main types of mining systems, hydraulic and mechanical, use a specially designed mining ship with an appendage that reaches to the bottom of the sea floor, sometimes more than three miles away. The hydraulic system has a vacuum-type collector or dregehead that moves along the bottom sucking nodules, water and sediment up a pipeline to the mining ship on the surface. The mechanical system, commonly called the continuous-line bucket method, uses a series of buckets which are attached to a huge closed loop of cable that's continually rotating, scraping across the sea floor and scooping up nodules. The bucket brings up nodules only; bottom sediment is washed out as they move up the three mile journey to the mining ship. This continuous-line bucket system can use two ships simultaneously, enabling the operation to cut a larger path across the ocean floor.

One of the most promising benefits of ocean mining is the resulting increase in maritime employment both at sea and on shore, and at inland nodule refineries. Potential employment opportunities will vary with the individual techniques adopted by each mining partnership.

All of the five major consortia have pioneered their own mining, transportation and processing methods. All maintain that for the time being metal extraction from manganese nodules will take place on land in specially designed refining plants.

Of the five major consortia, U.S. firms are involved in four and the fifth is totally French. Kennecott Copper owns 50 percent of the firm which bears its name, with British, Japanese and Canadian companies owning the other half. U.S. Steel and Sun Oil own 30 percent each of Ocean Mining Associates, as does a Belgian company. Sedco, a U.S. company, owns one-fourth of the INCO Consortium along with Canadian, German and Japanese firms. Lockheed and Standard Oil of Indiana own an undisclosed share of Ocean Minerals Co., formed with Royal Dutch Shell and another company from The Netherlands. Six firms went together to form the French group.

The companies estimate that each mine site will need one and possibly two large mining vessels and three to six module transport ships ranging from 42,000 to 65,000 deadweight tons (dwt). Because of the advanced technological needs of the operation, mining ships will most likely be built to specification. The bulk ore transport carrier will also need special features to accommodate the mining process.

A 1978 study by the National Oceanic and Atmospheric Administration, titled "Relative Costs of U.S. Foreign Nodule Transport Ships," analyzed operating costs and basic crew requirements for bulk ships similar to those that will be used in a deep sea mining venture. The average crew size per ship was 36 with a range in crews from 29 to 42. Vessel size varied from 40,000 dwt. to 85,000 dwt. Ocean mining legislation, now pending in both the Senate and the House, specifies that all deep seabed mining vessels will be eligible for operating and construction subsidies if built or repaired in the United States.

The economic benefits of a nodule processing plant are also impressive. A three-year study conducted by a department of the state of Hawaii and the University of Hawaii concluded that a metal-extracting refinery would employ from 500 to 1,000 workers. It further estimated that during the three-year construction period, Hawaii's gross state product would increase by about $202 million annually, with more than 6,000 new jobs. When the plant is in full operation of processing approximately 3 million tons of nodules per year, Hawaii's gross state product would be $335 million higher, and about 2,400 related jobs would be created.

Since the introduction of ocean mining legislation in the Congress eight years ago, many officials in government and industry have recognized the need for some sort of protective guarantees to miners in case a Law of the Sea treaty is ratified. For years, however successive administrations blocked passage of domestic seabed legislation fearing it would have a negative impact on a comprehensive international agreement.

In October 1977, frustrated with dilatory tactics and the uncompromising position taken by the Group of 77, the Carter Administration advocated domestic mining legislation which would not only spur progress at the stalled Law of the Sea negotiations, but would allow American mining ventures to proceed with their investments and operational timetables.

Expressing the Administration's position, Richardson emphasized that although the United States still prefers deep seabed mining to take place under a negotiated multilateral regime, and will continue to work toward that end, the consequences of further delay will be detrimental to the development of ocean mining progress.

"The deep seabed mining industry is fast approaching the point where difficult decisions on a very large additional investment will have to be made. These decisions will have to take into account a broad range of uncertainties, including the risks inherent in a new industry, instability in the metal market, the nature of an international legal regime and when, if ever, it may be established. And each year of delay in reaching international agreement on a deep seabed mining regime has made it more necessary to find some interior framework that can define the seabed mining industry's legal obligations to secure its members' rights as against each other," Richardson said in September 1978.

Unilateral deep seabed mining legislation has been introduced in every congressional session since 1972. Last year, a total of eight Senate and House committees took a hard look at several ocean mining proposals, but failed to complete action on a single bill for the President's signature. On July 26, 1978, for the first time ever, the House passed the "Deep Seabed Hard Mineral Resources Act" by a vote of 312 to 80. The Senate version died with adjournment.

Echoing Ambassador Richardson's call for action, ocean mining supporters in Congress have already begun hearings on new legislation and mark-up is expected by mid-1979 on both the House and Senate versions.

The two bills are similar to the one passed by the House last year. They are the products of years of negotiations, and the bill that finally emerges would probably include these provisions:

The establishment of an interim licensing and regulatory system applicable to U.S. citizens and business groups incorporated under U.S. law to encourage but regulate the development of hard mineral resources of the deep seabed in an environmentally safe manner.

Mining permits will require that all ships used for commercial recovery and processing of hard minerals be licensed under the laws of the United States; that at least one of the transportation vessels be U.S. documented; that all processing plants be located in the United States.

Authorized commercial recovery will not begin before Jan. 1, 1980.

In establishing the interim framework, the United States is exercising its legal right to regulate U.S. citizens in carrying out resource development activities on the high seas as long as the United States does not claim jurisdictional sovereignty, exclusive rights, or ownership of any part of the deep seabed.

Upon conclusion and ratification by the United States of the Law of the Sea treaty, all ocean mining operations performed by U.S. citizens will be carried out under the terms of that international agreement.

The legislation will include a declaration of congressional intent addressing the treatment of U.S. miners who have undertaken mineral recovery prior to an international agreement.

The establishment of the "Deep Seabed Hard Mineral Removal Tax Act" to levy an excise tax on the removal of deep seabed minerals for the purpose of setting up a revenue sharing trust fund. The monies in the fund will be shared among nations under a future Law of the Sea treaty.

As debate continues in Congress over the framework for ocean mining, attempts are being made to dilute or exclude entirely any or all provisions guaranteeing U.S. manning and vessel registration for mining, transporting and processing ships. If these efforts are successful, many of the most important economic opportunities of ocean mining will be lost.

U.S.-flag requirements will foster the growth of a U.S. ocean-going bulk fleet that currently numbers only 19. Many U.S. bulk ship operators are actively interested in providing shipping services for ocean mining consortia, another potential new source of U.S. employment.

In addition, there is the constant threat that the mining consortia might decide to use foreign flagships which usually have liberal shipping tax laws, lower manning requirements, and inadequate environmental specifications. By permitting "flag-of-convenience" participation, the United States merely undermines its hope for a controlled source of ocean minerals—and ends up back where it started, dependent on foreign ships and foreign whims for vital raw materials instead of building U.S. economic security.

For millions of years a seabed carpet of mineral-rich manganese nodules has patiently awaited the day when mankind would develop the technology to remove them from the deep.

America now has the ability to open the treasure chest of the sea, and the mineral riches there will prove to be of a far greater value than any pirates' heist.●

RUTH THONE WRITES A FAREWELL TO WASHINGTON

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

• Mrs. SMITH of Nebraska. An essay, "A Farewell to Washington," by Ruth Thone, wife of the Honorable Charles Thone, Governor of Nebraska, appeared recently in the Washington Post.

Governor Thone, a member of the House of Representatives for four terms between 1971 and 1979, lived with his family in the Washington area before and during the period of service in the House.

In leaving Washington to return to Nebraska, Ruth Thone put her thoughts in a farewell message, embroidered with vignettes of times and places meaningful to her and her family.

Her "Farewell to Washington" becomes an introduction to Washington for those who have yet to experience how special the Capital City and its environs are.

Washington becomes a treasure to enjoy and remember, but Ruth Thone says it best:

A FAREWELL TO WASHINGTON

(By Ruth Raymond Thone)

June was a good time to be leaving. Most of the blossoms have given up to the heat and the heavy, wet, exhaust-filled air of summer settles on this city. I could not bear to spend another autumn here, knowing I was leaving. The poignance of those clear, bright blue days, autumn in Washington, is matched only by the fall days in Nebraska, my other home.

Leaving Washington and going home. Just the other day, a printed notice came from our dairy that it will no longer deliver milk to doorsteps. Amy and I said we might as well go home now if we can't have our milk and cottage cheese at the side door mornings.

One image in my mind is the familiar look backward in my car's rear-view mirror driving up Spout Run, with the magnificent late afternoon sun reflected on the river, on the old and comfortable arches of Key Bridge.

Another is the transplanted cottonwood growing behind our house in the Virginia woods, brought from Nebraska in a plastic bucket by my husband and United Airlines. When its leaves rustle and shine, I'm comforted. Back where I was born in western Nebraska, we have lots of towering cottonwood trees. One of ours, Willa Cather, said the cottonwood roots go searching for water and its leaves talk to God.

So much of our life here speaks of being homesick for Nebraska, yet I always insisted my heart was portable. Eight years ago, when my husband was elected to Congress, I tried so hard to convince Charley and the girls that there is also a Santa Claus in Virginia. We brought Christmas with us in the boxes of ornaments and in memories.

Now we are leaving, back to Lincoln where Charley is the new governor of Nebraska and where truly his heart always remained. Two of those three little girls who grew up here are in college, Ann at Stanford and Mary at Virginia Tech. Amy and I stayed until school was out and she finished ninth grade at Yorktown High School. The closets are cleaned out, everything is in boxes or already gone. Amy and I try to spend quiet, normal days, seeing people and doing familiar things which we will miss.

All this, I suppose, is an awkward prelude to what I deeply need to express. To tell this city how much I love her, to say a proper goodbye.

There's a great line in a story that appeared in the newspaper once, a story about living here and seeing official Washington, black Washington, ambitious Washington—all the many forms this city takes. That line said: "There are more secrets buried in the heart of the Harrison-Lee Shopping Center in Arlington than the average visitor to Washington knows."

That says to me that plain, ordinary people come here, all of us from back home. In between raking leaves and buying groceries and going to jobs and struggling with the city and helping children grow up or growing up ourselves, we try to find that place where public daily lives and private daily lives can come together to give us comfort and direction and hope.

Our memory scraps are perhaps known to other ordinary people.

I never liked those awful fuchsia azaleas planted right up next to the red brick, the Broyhill brick in suburban Virginia, but how we loved the Park Service for its acres of flowers, carefully changing with each season. To drive along the roadsides kept up by the Park Service spoils you forever for ordinary countrysides.

The Arlington County schools educated and sometimes cared for my children. Here my daughters always had continuing language programs and friends whose parents moved a lot. They never had to be the congressman's kids. They were themselves with a lot of other children trying to be themselves, too. I'm glad Arlington County has alternative schools for young people and am proud that our county is meeting the challenge of teaching more than 20 percent of its students for whom English is not their first language. When the schools used to require the study of Virginia history, my big girls got the advantage of superb U.S. history in their junior high years.

The Potomac River has been cleaned up considerably since we first came here. Dear southern lady Lucy Jones, our first neighbor, took the little girls down to the river one early-out afternoon to feed the ducks at the basin above the airport. She insisted they scrub like ranch-hands anyplace the river water touched their skin. Eight years later I didn't bat an eye when Amy told me of sailing one Sunday afternoon with her friends and tipping over lots.

I especially loved the river from Roosevelt Island, where I learned on a field trip with someone's class what an estuary is. We don't have many estuaries in Nebraska. The park ranger, who was happier talking just to the trees, explained that Chain Bridge marks the estuary of the Potomac—the water runs up from the sea that far. We stood at the foot of Roosevelt and watched the tide change, marveling at something inlanders know only on rare trips to the ocean.

I'll not forget that first January I drove the girls here from Nebraska, going directly to their father's office in the Longworth Building before we found our Virginia house. For nearly 15 minutes, their incredulous voices filled the car—and my mind—with the wonder and amazement and excitement of seeing the Washington Monument, the Lincoln and Jefferson memorials, the White House, the Capitol. The instant of those things becoming real for us has stayed special for all of us.

One Sunday afternoon we slid across the ice of the Reflecting Pool and rode the elevator to the top of the Washington Monument. I'm ashamed to say that the beautiful white obelisk reminds me of a Klansman, sheeted, red eyes blinking in the night.

On a cold January afternoon we found Washington's little Chinatown. It was the Year of the Bear and I loved the dragon heads (not bear heads?) waving from second-story windows. We followed the processions in the streets and alleys, freed for a few minutes of the fear of a new place, especially a place where our current wisdom said we must be afraid.

One of my favorite memories is dropping Mary and a friend off at the White House for one of those early Staturday morning special tours. If I was late, which I usually am, they were to walk across Lafayette Square to the Hay-Adams. I gave them $5 for a light breakfast.

They seemed especially delighted to see me come into the Hay-Adams dining room. They needed to be rescued from the bill. Orange juice and English muffins don't come cheap at the Hay-Adams. But they loved their waiter, who kept their blue water glasses filled and carefully arranged their coats on their chairs.

The girls and I brought ourselves and our belongings and soon our hearts to this place. Their father, like so many of his kind, came here to do a job that required him to leave his soul back in the First Congressional District of Nebraska—mainly as ransom against succumbing to the fevers of Washington.

We tried to get everything fixed back home—cars, teeth, souls. The girls often complained that their lives were circumscribed by Washington and the First District of Nebraska. "We never go anywhere, we're always going to just those two places." The district—our home district—was final and demanding, like the drummed cadence of the "corps" in Douglas MacArthur's farewell address.

But I also had Potomac fever.

We came to do different things as the years went on.

We never got over the special joy of having supper atop the Key Bridge Marriott, where we could look over this city we've loved. We also cherish finding just the cheese fondue we wanted (albeit at $7.50 a serving) at a restaurant on Pennsylvania Avenue late one Saturday afternoon.

Lunch at the Tombs in Georgetown between Christmas and New Year's became one of our special "things," if two years can make something a tradition. There we were, "the girls," together, all of us older and wiser.

I'm convinced that the fierce and confusing traffic here makes most people thoughtful drivers—usually letting another car into line and sympathizing with the driver caught three lanes away from his turn. I love the "every car let another car in" rhythm which is clearly in effect as cars turn off Key Bridge and merge with parkway traffic.

I can still see Amy and her best friend from home running around the flower-bed curbs on top of the Kennedy Center. That same day we stumbled onto the kite-flying contest on the Monument grounds, a Norman Rockwell vision of America in sharp contrast to city crime statistics.

I felt surprise and relief when Annie learned how to use the subways and buses through her high school and was startled and delighted the first time Mary let me know she knew how to drive home from town without my instructions. Using public transportation does not come easily, I hasten to remind you, to people from the sparsely populated plains nor to a family used to having a car.

This Easter, Mary and Amy and I worshipped at crowded St. Mark's on Capitol Hill, sitting on the floor near the altar, happy to be together and enjoying the pastel-colored balloons of celebration that filled the church.

Mother's Day, that dreadful commercial concoction of guilt and love, brought for Amy and her best friend and me a kaleidoscope of our time here.

We drove into town, knowing only that we were going to spend some hours sightseeing, maybe going to a movie, just being together. It was the kind of day we never got wet, despite gray skies and frequent downpours.

We started with an old favorite--the Interior Department's aquarium in the basement of Commerce. (Where else?) My baby Amy, now 15-going-on-25, didn't remember being there on the trips in the "early days."

I bought a beautiful book about whales and watched the young lovers run crazily across Constitution Avenue after an ice cream vendor.

We remembered how much we like spending hours in the Museum of Natural History's bookstore. I've never gotten the names straight. To me, there's the new building, the old building, the castle buildings, the round sculpture place and, of course, Air and Space. The Smithsonian never lets you go, I thought happily upon seeing a "Bathrooms of Early America" display at a restroom entrance. We repeated our eternal debate about how the great pendulum works.

I remember the first Vietnam veterans' march on Washington. We'd gone to the office on a Sunday afternoon, paranoid about the people in the streets. We felt helpless and angry that our oldest daughter, clad in a surplus store army jacket, thought it funny to mutter something about a bomb in the halls of the Longworth Building.

I had very little compassion then for the people gathered in Washington that day. Nor did I choose to look closer to home at a teen-age daughter about to explode with anxiety and conflict, a need to find herself and someone who understood.

From our northern European roots in Nebraska, we found our way into the care of a Creek doctor who ministers to the soul as well and a Cuban dentist who is our beloved neighbor.

Not only have my children had their world expanded here, their horizons broadened by this place, by the very act of moving from one school and one town, but we, too, have become a little less parochial, less rigid in our beliefs that only one appearance or one form of behavior constitutes acceptable.

Now we go home, older, wiser, remembering that we found ourselves in your beautiful city.●

CLINCH RIVER AND SYNTHETIC FUELS A QUESTION OF INDUSTRY CONFIDENCE

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. WYDLER. Mr. Speaker, I received a letter the other day which in the light of the administration's major commitment to the commercialization of synthetic fuels technology raises the question of industry confidence in Government commitment.

In the early 1970's the nuclear industry was encouraged to participate in building a breeder reactor plant in cooperation with the Federal Government. Today, despite an industrial commitment of over $100 million, construction on this plant at Clinch River, Tenn., has not yet begun. Also, Gulf and Allied Chemical spent half a billion dollars to build a nuclear fuel reprocessing plant in South Carolina at the initiative of previous administrations. This plant is not permitted to operate based on Mr. Carter's announced policy made in 1977 not to reprocess nuclear fuel.

Dr. Seymour Baron, senior corporate vice president of Burns and Roe, Inc., wrote to remind me of the Federal Government's failure to keep these commitments in nuclear technology as well as its past vacillating policy for shale oil incentives.

I recommend, to all my colleagues, Dr. Baron's letter on these lessons in financial risk which industry has learned and should be kept in mind in terms of financing requirements for the synthetic fuels program.

BURNS AND ROE, INC.,
Oradell, N.J., July 13, 1979.

Hon JOHN W. WYDLER,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. WYDLER: The success of the synthetic fuels program proposed by the President and the Congress will depend upon U.S. industrial involvement in its technological development as well as in the financial risks involved. It is certainly economically sound that U.S. industry assume some of the financial burden in return for the technology transfer of Government-supported development programs. The recent Tokyo Economic Summit of industrial nations reaffirmed the need for the private sector to invest in the synthetic fuels program.

However, it is doubtful that U.S. industry will assume any financial risks in the synthetic fuels program when you examine this Administration's record for terminating previous Government-Industry commitments. Gulf Oil and Allied Chemical spent half a billion dollars to build a nuclear fuel reprocessing plant at the initiative of previous Administrations. The plant, although completed, is not permitted to operate based upon President Carter's announced policy in 1977 not to reprocess nuclear fuel. The electric utility industry in partnership with the Government committed a quarter of a billion dollars five years ago to build the Clinch River Breeder Reactor. President Carter has been trying since 1977 to terminate this project, with half the utility monies already spent.

In the early 1970's, Gulf, Phillips, Sun, Standard of Indiana, Occidental, and Ashland committed over 400 million dollars in shale oil leases in anticipation of a Federal tax credit for oil recovery from shale. In 1977, the Administration eliminated the tax credit and killed all commercial efforts for the shale oil program. A number of gas transmission companies were organized a few years ago to produce synthetic gas from coal. In the past two years, these projects have been terminated or delayed by regulatory and environmental restrictions imposed by Federal and State Agencies. Now, under Congressional and public pressure, the Administration is trying to reactivate a mammoth synthetic fuels program that had been effectively killed during the past two years.

With a track record for terminating previous Government-Industry commitments, it is hard to believe that business leaders will ask their Board of Directors to assume large financial risks associated with the synthetic fuels program. The Government's credit rating with industry needs to be reinstated by their honoring of previous industrial commitments, including the reprocessing of nuclear fuel and the completion of Clinch River. Should industry reject the financial risks, then the Government will be forced to fully finance the synthetic fuels program at a cost of increased public taxation and further inflation.

Clearly, the Administration's creditability with industry has been severely damaged by its nuclear policy during the past two years. If the synthetic fuels program is to succeed with industry support, then the Administration must modify its position on nuclear fuel reprocessing and the Clinch River Project.

Sincerely,

S. BARON, Ph. D.●

CONGRESSIONAL SUPPORT FOR MOON LANDING

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. FUQUA. Mr. Speaker, I would like to take a moment as we observe the 10th anniversary of mankind's first visit to another celestial body to remind my colleagues of the vital role the Congress played in achieving this outstanding feat.

Many on this floor today recall those tough money and decision days and an article appearing in the Washington Post last Sunday recalls some of these decisions.

I commend this excellent article by Tom O'Toole of the Washington Post and Jim Schefter of Popular Science magazine for bringing attention to the hard questions that the Congress and administrations had to face.

The article entitled "The Bumpy Road that Led Man to the Moon" is inserted herein:

THE BUMPY ROAD THAT LED MAN TO THE MOON

(By Thomas O'Toole and Jim Schefter)

Ten years ago, on the night of July 20, 1969, man stepped out on the moon for the first time. Neil Armstrong went first; Edwin (Buzz) Aldrin followed.

The Apollo program that eventually put 12 men on the moon was a technical masterpiece that may never be matched. In the 10 years it took to reach the moon, three astronauts were burned alive at Cape Canaveral. Four more died in air crashes. In the five years that 27 astronauts flew to the moon and 12 landed on it, none died in space.

When President Kennedy gave birth to Apollo, some of the best minds in the country were giving it one chance in ten of making it to the moon. But inside the newborn National Aeronautics and Space Administration, those fledgling space engineers were choosing much better odds: 999 to 1. Caldwell Johnson, an engineer at the Manned Spacecraft Center in Houston, remembers how the odds were chosen.

"The question of reliability came up, Johnson said not long ago. "Should 50 percent of the missions be successful? Should 9 out of 10 guys come back alive?

"Or should it be 999 out of 1,000 guys? The cost of development is a function of reliability. If you can afford to lose half the spacecraft and half the men, you can build them a damn sight cheaper."

While work on the Apollo design stopped in 1961, the question was debated for weeks. With nobody willing to make a decision, the engineering team turned to Robert Gilruth, then director of the Manned Spacecraft Center. Engineer Max Faget spoke up: "If we're successful half the time, that will be worth it."

"No, that's too low," Gilruth said. "We can make 9 out of 10. Maybe 99 out of 100, lose one man out of 100 on lunar missions."

"That's ridiculous," said Walt Williams, the director of the one-man Mercury. "Make it one in a million."

"How about three nines?" Gilruth responded. "How about a reliability of 9-9-9?"

And so it was. The Apollo spacecraft design, the Saturn rockets that carried the crews to the moon, the computers and navigation devices that brought them home to Earth, were all fixed and agreed upon. Reliability was what Apollo was to be all about, like the reliability of the massive swing arms that served as lifelines to the space craft and fuel lines to the rocket before they left Cape Canaveral for the moon.

Four of the nine swing arms stayed connected to the giant rocket until its engines began pulling it away from Earth then swung back in unison in a fraction of a second to let the rocket rise unimpeded into the sky. Even though the smallest swing arm weighed 43,000 pounds, all four had to come gently to rest like doors suddenly closed but never slammed shut. They had to work in the humid heat of a Florida summer, winds up to 60 miles an hour and rocket vibrations as strong as an earthquake. They had to be more reliable than a light switch turned on and off 10 million times.

And they were. Recalled Caldwell Johnson: "If we had taken one decimal point off that thing, you could have cut the cost in half. If we'd added another decimal, there was not enough money to have ever done it."

The nation was in a sour mood in April 1961. First, there was Yuri Gagarin. And then the Bay of Pigs. Jack Kennedy pleaded for ideas on how to beat the Russians but the experts warned him not to start a space race. Some of the country's best brains advised Kennedy to cancel Alan Shepard's maiden Mercury flight.

A year before, the same people were telling Eisenhower to orbit 50 chimpanzees before a single man; one recommended moving the program to Africa because there weren't 50 trained chimps in America. Reluctantly, Eisenhower had approved the starting of the Mercury project.

His Russian-born science adviser, George Kistiakowsky, summed up the White House mood. "Manned space flight," he said grimly to a group of fledgling space engineers, "will be man's most expensive funeral."

On April 28, Kennedy called a secret meeting in the White House to discuss Shepard's flight. "We can't afford to have a man go up in flames on the launch pad," said White House science adviser Jerome Wiesner, sounding like Kistiakowsky before him. Kennedy looked questioningly at Edward Welsh, then director of the National Space Council.

"Mr. President," Welsh said softly, "why postpone a success?" Asked Kennedy: "Do you have that much confidence in Mercury?" Replied Welsh: "As much as I have flying from New York to Hawaii . . . It's perfectly safe."

When Kennedy said yes to Shepard's flight, Lyndon Johnson called in Wernher von Braun and asked him if the United States had a chance of beating the Russians. "The goal should be the lunar landing," von Braun told Johnson. "The Russians will be ahead every step of the way but we can beat them to the moon if we start now."

LBJ needed one more thing: Alan Shepard alive and well at splashdown. He got it May 5. Before Shepard could dry off, Johnson was on the phone to NASA Administrator James E. Webb and Defense Secretary Robert S. McNamara to draw up a justification paper for a lunar landing. LBJ told them he wanted to hand it to Kennedy in three days. Webb and McNamara went to work and in three days wrote a 30-page document that stayed classified for 12 years.

"It is our belief that manned exploration to the surface of the moon represents a major area in which international competition in space will be conducted," their report said. "The orbiting of machines is not the same as orbiting or landing of man. It is man in space that captures the imagination of the world."

It was just what Kennedy wanted to hear. On May 25, Kennedy stood before Congress and laid down the challenge. Apollo had begun.

NASA and the Air Force were locked in mortal combat later that year over who was going to win control over Apollo. NASA strategy was to get Congress to buy land north of the Air Force Eastern Test Range at Cape Canaveral and deed the land to NASA; Air Force strategy was to block that move and force NASA to use the test range. That way, the Air Force would have the say over what would be allowed and when it would be allowed.

The Air Force didn't have Texas Congressman "Tiger" Teague on its side. When Teague asked the Air Force how it would supply things like machine shop service to a demanding civilian tenant like NASA, the Air Force replied that it had so much excess facility at Cape Canaveral it would never be a problem.

The next day, Teague flew to Cape Canaveral and showed up the following morning at 7 at the Air Force machine shop. Teague found the foreman and asked him how busy he was. "We can't handle another work order," the foreman said. "We're so busy now we're working around the clock."

A few weeks later, Teague watched with NASA's Launch Operations Director Rocco Petrone while a Saturn rocket was launched from an Air Force pad. Petrone had a rule that nobody was allowed on a pad after the launch until an inspection team found no loose electrical cables or spilled rocket fuel on the pad that would endanger safety. The rule didn't stop the Air Force general in charge of the test range walking from the blockhouse to the pad with two of his aides.

"See that?" Petrone said to Teague. "That's a good example of Air Force cooperation." Teague said nothing but a week later wrote the language in the NASA authorization bill that said: "NASA will buy and retain" 80,000 acres of land on Merritt Island just north of the Eastern Test Range. The bill came up for a conference vote a few days later with the Senate Space Committee, which did not have that language in its version of the money bill.

Just before Teague met with the Senate committee members, his secretary logged three phone calls. One was from Deputy Secretary of Defense Roswell Gilpatric, another from the Air Force Secretary Eugene Zuckert and the third from Air Force Gen. Bernard Shriever. He answered none of them, then walked into the conference room and announced to the Senate conferees: "I'll change anything in this bill but three words: "buy and retain." That was the end of the conflict. NASA had won its independence.

Apollo faltered badly in the late summer of 1963, a few months before Kennedy was murdered in Dallas. The Russian lead had widened to where Sens. Barry Goldwater and Harry Cannon demanded Apollo be turned over to the U.S. Air Force and Congress had just cut $400 million from the Apollo budget. In late September, U.N. Ambassador Adlai Stevenson wrote a speech that Kennedy gave at the U.N. in which he suggested the United States fly to the moon with the Russians.

When the dust settled, nobody admitted having a hand in it. Stevenson denied writing it and presidential assistant Arthur Schlesinger denied writing the key sentence about cooperation with the Russians. The fact is, both men collaborated on the speech and passed word to the space agency that the speech was coming and that space agency response was to be: "No comment." The Congress was furious.

But then Deputy NASA Administrator Bob Seamans said "off the record" to a few members of the press: "Well, frankly, gentlemen, I'm not smart enough to run a giant program with the Russians. I have a hard enough time getting American engineers to talk to one another." The day he was shot, Kennedy told Texas Congressmen Tiger Teague and Albert Thomas that the U.N. speech was a mistake. "You know, the space program needs more identification," Kennedy said. "I plan on going to Cape Canaveral again to give it some." Those were his last words about space.

Squish. The boot of Edwin (Buzz) Aldrin, squished when he became the second man behind Neil Armstrong to step out on the moon. Each time he took a step, that's what Aldrin felt in his left boot because that's where Aldrin's urine bag was strapped.

When Aldrin planted his left boot on the moon, his urine bag broke and he squished his way through the most historic walk two people ever took.

It was different with Pete Conrad and Alan Bean, who flew Apollo 12 to the lunar surface. They were so covered with moon dust when they left the moon to rendezvous with their comrade Dick Gordon that Gordon ordered them to take off their spacesuits before he'd let them in the command craft. "We stripped naked," Conrad said, "and transferred the suits up to Dick." Naked they were except for their heads. Conrad and Bean kept their helmets on because the dust they took in with them was getting in their eyes. "It wasn't a very good configuration to be in," Bean said, "but we had no alternatives at the time."

Twelve years after the fire that incinerated Gus Grissom, Roger Chaffee and Ed White, the effects of that tragedy linger on. One who remembers best is onetime Apollo Spacecraft Manager Joe Shea, who in four months went from his job in Houston alongside the astronauts to a NASA headquarters job in Washington, then to Polaroid and then to Raytheon. Nobody remembers the Apollo fire with the intensity that Shea does.

"We'd been concerned about fire," Shea said, "and the way you handle fire is to keep anything that might spark—because the only way you'd start a fire would be by an electrical short of some kind—keep it away from anything that might burn, so there wasn't any chance something might sputter. Anything that could cause a spark and ignite something else was a hazard."

The day of the fire (Jan. 27, 1967), Apollo Spacecraft 204 was a fire hazard. The astronauts had installed extra Raschel netting to hold things in place; Raschel netting is flammable. They'd added 4,000 square inches of Velcro to fasten things down; Velcro is flammable. Loose pads littered the spacecraft floor.

"I remember saying that same day, 'Hey, let's pull that stuff out of there because it's an O-2 [pure oxygen] test," Shea remembered. "We were literally talking about that kind of thing the morning of the accident."

The Apollo fire claimed more than three casualties. One of Shea's deputies suffered a nervous breakdown. Shea spent the night with him, talking him into entering a rest home. The family minister arrived, suggesting the same thing. The next day, the man was taken to a sanitarium in a straitjacket.

Joe Shea seemed ready for the straitjacket too. He made a four-week study of where Apollo stood in the aftermath of the fire, driving himself 18 hours a day, playing handball for two hours and sleeping with the help of drugs the other four hours. NASA Administrator James E. Webb and Deputy Administrator Bob Seamans told him to go on extended leave. A press release was prepared saying Shea was taking extended leave. Shea refused to take it.

"I said I'll abide by the decision of any competent psychiatrist," Shea said. "And so we set it up at the Houston Medical Center with two doctors. I forget their names, but this one guy said: 'You're stronger for what you've been through.' That was fed back [to Washington] and they dropped it. . . ."

Has Joe Shea forgotten the fire? On his living room wall hangs a picture of the three dead crew members praying before a model of Apollo Spacecraft 204.

Six groups of astronauts, 66 men, were recruited to train for Apollo. Groups 1, 2, 3 and 5 were made up of experienced pilots, mostly test pilots and fighter pilots. Groups 4 and 6 were scientists, trained to be pilots after they were recruited. In Apollo gamesmanship, the Original Seven outranked the Second Nine, who outranked the Third 14.

etc. Astronauts who'd flown in space pulled more weight than astronauts who hadn't. At the bottom of the pile were the scientists, regardless of their skills.

Few Apollo astronauts were openly disliked by their peers, with one exception—the entire crew of Apollo 7: Wally Schirra, Donn Eisele and Walt Cunningham. Director of Flight Crew Operations Christopher Columbus Kraft Jr. called Schirra "Jekyll and Hyde." The test crews at Cape Canaveral hung a pennant where they trained Schirra's crew. It said enigmatically: GROTSOB. Get Rid of the Sons of Bitches. Schirra's crew was launched in winds that gusted up to 22 miles an hour and when he returned to Earth he wrote a letter to Joe Shea's successor, George M. Low, accusing Low of trying to kill him.

In the 11-day flight of Apollo 7, Schirra carped constantly at the ground, refusing to do tests he'd been asked to do. Cunningham complained about the same tests and Eisele fell asleep at the controls. All three left NASA in less than a year. When Cunningham returned from Apollo 7, he called Chris Kraft and said, "I hear you've been telling people the next time I fly it will be over your dead body." Kraft never hesitated: "You got it from the horse's mouth."

The trophy for bickering in Apollo would go to Manned Spacecraft Center Director Bob Gilruth and Marshall Space Flight Center Director Wernher von Braum, who were always fighting with each other for more control of Apollo. The bickering got so bad in 1967 that NASA secretly sent the two of them to Antarctica for 10 days to iron out their differences.

No mission caused more dissent inside Apollo than the Christmas 1968 flight of Apollo 8 around the moon. Apollo 8 started out as another trip into earth orbit but the Lunar module it was to carry with it wasn't ready for flight. What followed was a series of moves that could only be described as Machiavellian.

As early as Aug. 7, Apollo Spacecraft Manager George Low recognized that a lunar module mission was impossible and so suggested the "feasibility of a lunar orbit mission" without the lunar module. Enthusiasm for the mission was unrestrained in Houston and quite restrained in Washington.

George Mueller, director of manned space flight, was dead set against it. "Too risky," he said. Mueller wanted at least one more mission in earth orbit before flying anybody to the moon. Former Apollo Spacecraft Manager Joe Shea, whose job George Low had taken, ridiculed the plan. "The lunar module was necessary for redundance and even more than that there was little sense in going to the moon to go around it," Shea said. "When you went to the moon, you ought to be serious about landing."

Two things swung the decision the other way. Flight engineers in Houston said the trip would be invaluable as a pathfinder flight for subsequent lunar crews. More important, the Russians were making menacing noises that sounded as if they were planning a one-man kamikaze flight around the moon to beat the United States. In a short time, the Russians flew three unmanned Zond spacecraft that did not go into orbit but did take them behind the moon on a "free-fall" flight path back to earth. The first Zond crashed when it returned, the second fell far short of its Indian Ocean target but the third splashed down off the coast of Malagasy right where it was aimed.

It wasn't hard imagining a volunteer cosmonaut strapped inside the fourth Zond. In fact, the CIA told NASA to expect it right after New Year's Day. But even then, George Mueller remained opposed to a lunar orbit mission. So Robert Gilruth, Chris Kraft, George Low and Chief Astronaut Deke Slayton met secretly with von Braun, Kennedy Space Center Director Kurt Debus and Apollo Program Director Sam Phillips. The plan to fly to the moon was reviewed and approved. George Mueller was not told of the meeting.

Four days later, the plan was hustled up to Washington on the day Mueller left for Europe with NASA Administrator James E. Webb. But this time, Mueller heard about the meeting and telephoned his objections from Paris. Mueller told Sam Phillips he would not be back for eight days and any decision would have to wait until his return. "We all agreed to keep going," Low recalled. "We could not wait for a decision."

The impetus of fear was hard at work, fear that the Russians would fly around the moon first and fear that a delay would imperil the goal of landing on the moon by 1970. Slayton warned: "This is the only chance to get to the moon before the end of the decade." Von Braun minimized the risk of flying men for the first time on the Saturn 5 moon rocket. "Once you decide to man it," von Braun said, "it doesn't matter how far you go on it."

New Deputy Administrator Thomas O. Paine agreed, and the plan was approved. But one more hurdle remained. In September, just after the rocket was moved to the launch pad, a huge hurricane appeared off the Florida coast and started moving toward Cape Canaveral.

"You'd better get that bird off the pad," Apollo Launch Director Rocco Petrone was told. Whereupone, Paul Donnelly, Petrone's deputy, said: "You take it off the pad and you can kiss going to the moon this year goodbye." Petrone gambled against the hurricane and won.

The rest is history. On Nov. 10, the Apollo contractors were polled and only one raised a question. Walter Burke of McDonnell-Douglas favored a flight once around the moon instead of the riskier orbital mission.

The only dissent after the flight came from two of the three astronauts who made it. Deke Slayton smuggled three ponies of brandy abroad the spacecraft for the crew to have Christmas Eve in lunar orbit. Commander Frank Borman ruled against the brandy. Apollo 8 returned to Earth with Borman, Jim Lovell and Bill Anders and the unbroken seals on three ponies of brandy.

What happened to the Russians?

"They abandoned their moon program," Chris Kraft says. "We just took the wind out of their sails."

The flight of Apollo 8 took most of the world by surprise. People weren't really ready for it. New York Daily News Executive Editor Floyd Barger asked newsman Mark Bloom: "When they say, 'All systems are go' . . . how many systems do they mean?" New York Times Publisher Arthur Ochs Sulzberger asked Timesman John Wilford: "How will they see when they go behind the moon? Are they going to drop flares?"

The fire that killed Grissom, Chaffee and White changed a lot of thinking about safety in Apollo. One thing was a need for an emergency escape route from the spacecraft at the top of the launch tower. Congress and NASA Headquarters forced it on the program as a mission rule. No emergency escape route, no mission. Design and test one before Apollo 8.

The concept agreed on was a guide wire running from the pad's 36th story with a bar hooked to the wire. In an emergency, the astronauts would scramble from the spacecraft and hook harnesses to the bar the way parachutists do and slide down the wire to the ground. It worked so well with dummies that Kennedy Space Center Director Kurt Debus was invited to witness the next test.

"They hooked a dummy to the bar," Test Director Bill Shick remembers, "shoved the bar forward, released it and as the bar cleared the takeoff the dummy flew down 36 stories and bounced right at Debus' feet." Debus looked down at the dummy and then up at nobody and said: "Get rid of that ——— bar and go back to the ——— drawing board." That meant a crash program to build a cab to carry as many as nine people. The steep angle a cab would have to come down meant a new braking system for the cab. That cab was qualified two days before the countdown of Apollo 8 began.

Of all the Apollo crews, none struggled with discomfort like Apollo 13 astronauts Jim Lovell, Fred Haise and Jack Swigert. Their oxygen tank exploded on the way to the moon, making it dark and cold in the command craft. "Like a tomb," Lovell said. It got colder because they had to use vacuum hoses to circulate air through the cabins of their two joined spacecraft. They ran short of water, then discovered they couldn't dump their urine overboard because of the loss of power. "So we kept the urine on board," Lovell said, "and had to figure out ways of keeping it." They kept it in juicebags, water bags and rock bags. "We had urine all over the place," Lovell said, "stacked in places we never even thought about."

As it got colder, the humidity rose because the one working spacecraft couldn't pull all the water out of the cabin air. That frosted the windows, making it still colder. Then, a water gun broke, leaking a quart of water into the weightless cabin. "It took six towels to sop it up," Swigert said, "and two days to get my feet dry. Man, were my feet cold." If that wasn't enough, there was no hot water to reconstitute the freeze-dried food. So the crew ate sandwich spreads and drank fruit juice. What made time pass were the procedures they dreamed up to get around all this. "It's like putting up the antenna in a life-raft," Lovell said. "Maybe it'll keep you busy for awhile."

You'd think people flying to the moon would want to prolong the experience. Think again. "My only comment," said Apollo 12's Pete Conrad to debriefers in Houston, "is we should have come home in two days instead of three." Apollo 12 crew member Dick Gordon: "Yeah, we had the fuel." Third crew member Al Bean: "I wish I'd taken a pocket book to read because there's a lot of loose time on the way home. In our case, the Earth was about one-sixteenth full so you couldn't see anything. The moon? You'd been looking at it for two days and you didn't want to look at it again."

If Bean knew of the reception waiting for him, he wouldn't have been in a rush to get home. Unknown to the world, a 16-millimeter camera bracketed to the spacecraft wall whistled loose at splashdown and smacked Bean in the bean. "It cold-cocked him," Conrad told the debriefers. "He didn't realize it but he was out to lunch for about five seconds. He was blankly staring at the instrument panel. I was convinced he was dead over there in the right seat." Bean needed six stitches to close the worst wound inflicted on any Apollo crewman. Before the doctors got to Bean, Conrad plastered the wound with a Band-Aid "so the whole world wouldn't get upset" when they saw him on television.

They were relaxing on their way back from Houston to Washington, having a drink in the back of the Gulfstream after Apollo 11, when Apollo Operations Director John D. Stevenson turned to Wernher von Braun and said with a slight smile: "Wernher, where were you on the night of June 26, 1944?" Looking a little surprised, von Braun said: "How the hell do I know?" Then it dawned on him. "Wait a minute," von Braun said. "That was the night of the worst air raid all through the war at Peenemunde. I was almost killed that night . . . Why do you want to know?" Lifting his glass, Stevenson said: "Because I led the raid." ●

THE 20TH ANNIVERSARY OF CAPTIVE NATIONS WEEK

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 18, 1979

● Mr. HYDE. Mr. Speaker, I am pleased to join my colleagues in the 20th observance of Captive Nations Week. I believe it is very important that we Americans pause to reflect upon the plight of millions of people now living under the yoke of Communist oppression.

The period of World War II witnessed the occupation of free Latvia, Lithuania, and Estonia. The Soviet sphere has increased since that time to include Romania, Czechoslovakia, Hungary, Bulgaria, and Poland. The Iron Curtain continues to cast an even bigger shadow across the globe. In the last few years, Soviet influence has spread in lands ranging from Laos to Angola.

Captive Nations Week is not a pleasant observance; not for us, nor for those people subjugated by Communist governments. Yet it is necessary, even vital, that we not forsake these people, lest we forsake and endanger the very principles on which our Nation was founded: freedom, liberty, and democracy. With these, comes a duty, an obligation, to use our influence in every way we can to support those suffering under the oppression of totalitarian governments.

America is wrestling with some difficult domestic problems right now—the fuel shortage, high inflation, increased unemployment—and it would be easy to become immersed in our own difficulties and retreat into a shell, isolated from the problems of the rest of the world. We have to remember to cherish our blessings and assess our strong points—and there are many—and, most importantly, remember our position as the leader of the free world, and not become complacent in this role.

We must reaffirm our commitment to freedom in the world, and publicly condemn all human rights violations against the people of the capitive nations, as well as elsewhere.

We know there is no rational alternative to exploring every feasible and honorable avenue to peace and world stability in the nuclear age. But as we pursue these worthy goals, let us not forget the Soviet Union's history of "noncompliance" with past agreements. We must hold the Soviet Union and all nations accountable to the Helsinki Accords. It is particularly relevant in determining whether we should ratify the SALT II Treaty, to let the Soviets know that the precedent they have set over the years of ignoring solemn treaty obligations when it suits them can only destroy any confidence in their assurances concerning human rights, strategic arms limitations, or anything else.

Captive Nations Week is of special significance to many of my constituents whose native lands are now under Communist rule. I know they join me in expressing to this Chamber the fervent hope that the day will one day come when this somber observance will no longer be necessary because no nation will be deprived of independence, freedom, and human rights.

Let us not ignore the plight of the captive nations for to do so would affront our very birthright and all that America stands for.●

AMERICAN INSTITUTE OF CHEMICAL ENGINEERS STAND ON RADIOACTIVE WASTE

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, July 20, 1979

● Mr. WYDLER. Mr. Speaker, the Nuclear Engineering Division of the American Institute of Chemical Engineers has published a pamphlet on radioactive wastes which I think solidly rebuts the misleading statements made on this matter by antinuclear alarmists.

The abstract of the report is especially instructive:

> The operation of nuclear facilities and the handling and storage of the radioactive materials has been done with unprecedented safety for 35 years. The ultimate disposal of highly radioactive fission-product wastes, for which safe technology is well-developed requires governmental decision and implementation. Failure of the government to act has cast doubt on the safety of nuclear power despite the facts that existing wastes are safely stored and that there is no evidence of harm to health or the environment from nuclear operations to date.

I have included other excerpts from the pamphlet for your information at this point:

> #### ON SOURCES AND NATURE OF RADIOACTIVE MATERIALS
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> The generation of electric energy in nuclear power plants and the production of nuclear materials for the national defense are based on the fission of uranium and entail the handling of naturally radioactive materials and the creation and processing of many new ones. A very large number of fission products are created but most of these have combinations of physical, chemical, and biological characteristics that make them relatively innocuous as risks to health and the environment. The naturally occurring radiation that comes from outer space, from the rocks of the earth, and from the radioactive isotopes of elements in our foods and bodies gives everyone a radiation dose that is at least 100 times that which they might receive from the effluents of nuclear facilities. The technology for detecting and protecting against man-made radioactivity is highly developed and effective.
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> #### ON MINING AND MILLING OF URANIUM ORE
>
> Mining and milling of uranium ore localizes and somewhat concentrates the release of radon to the atmosphere. Reburying or otherwise segregating mine and mill tailings can prevent unacceptable exposure to these wastes. It has been calculated that the result of the use of uranium for nuclear power will be to reduce the ultimate cumulative exposure of the earth's population to alpha radiation from what it would be if nuclear energy had never been harnessed.
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> #### ON URANIUM ENRICHMENT
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> There are no serious problems of radioactive waste management associated with "enrichment," the production of uranium having higher-than-normal concentration of uranium-235.
>
> #### ON FABRICATION OF REACTOR FUEL ELEMENTS
>
> There is no significant problem of radioactive waste disposal from the current fabrication of uranium fuel elements. (Ultimately, when spent reactor fuel is recovered for reuse by chemical reprocessing, plutonium will be encountered in fuel fabrication. Techniques for its safe handling and containment are well developed, and have been used on a large scale for over 35 years.
>
> #### ON NUCLEAR POWER GENERATION
>
> The nuclear power reactor, itself, does not release significant or troublesome amounts of radioactive waste. If, after several decades of operation, the reactor has reached the end of its economically useful life, it can be decommissioned and sealed off to prevent illegitimate access. Its shielding and containment will be more than adequate to protect its surroundings from harm. Complete dismantlement is technically feasible if the gains are economically justifiable. This was done with some of the early government-owned demonstration power reactors. Spent fuel, discharged from the reactor must not be considered as waste. It contains about a third enough fissionable material for another reactor charge.
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> #### ON CHEMICAL REPROCESSING OF SPENT FUEL FROM NUCLEAR POWER REACTORS
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> In the reprocessing of spent reactor fuels, the valuable unused uranium and plutonium are chemically separated from fission products and from each other. The fission-product wastes present the most important waste-management problems in the nuclear industry. These and their solutions are discussed in the following sections.
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> #### ON CHARACTERISTICS OF HIGHLY RADIOACTIVE WASTES
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> Only a few of the hundreds of radioactive nuclides formed in reactors remain as hazardous constituents in the radioactive waste from the reprocessing of nuclear fuels. The most important of these are strontium-90 and cesium-137 with half-lives of about 30 years. These are chemically and biologically active elements that make it necessary that the waste be isolated for about 600 years. By that time the wastes will be much less radioactive than the uranium ores that were mined for the fuel. A very small amount of plutonium-239 that has escaped recovery in reprocessing is also present in the waste. Despite its 24,000-year half life, this plutonium is of no great hazard. Because of its extreme insolubility in ground water any movement of plutonium-239 from the waste repository would be negligible.
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> #### ON MANAGEMENT AND DISPOSAL OF HIGHLY RADIOACTIVE WASTES
>
> Most of the fission-product wastes that have been produced during 35 years of nuclear operations in the United States are stored in near-surface tanks at the Government production sites, Hanford in Washington and Savannah River in South Carolina. Disposal in deep geological formations, however, has been studied for over two decades. Salt beds have received principal attention, but extensive work has also been done in other rock formations. Processes have been developed for conversion of liquid wastes into solids such as glass. The Government has accepted responsibility for construction and operation of waste repositories and the specification of waste forms. To date, however, no decisions have been made and storage in tanks is continuing safely.
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> #### ON WASTES OF LOW OR INTERMEDIATE LEVELS OF RADIOACTIVITY
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> Radioactive wastes that are highly dilute or intrinsically of relatively low activity are disposed of by release and dilution or by shallow burial under careful controls, much as are other industrial wastes. There are no significant risks or effects from these disposals and the cost of more complete containment is generally not justifiable.●